

**Government 2755**  
**International Political Economy**  
Professor Jeffry Frieden  
Spring 2024

Mondays 9.45 – 11.45 AM

Course website: <https://canvas.harvard.edu/courses/128544>

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Office hours in CGIS K-211, Tuesdays 10-11.30, 2-3.30

Sign up at <http://tinyurl.com/FriedenOHtool>

This course is a research seminar in international political economy. It considers major areas in the politics of international economic policy. It is not a general survey, although the range of issues covered is broad. The emphasis of the course is on contemporary research topics, rather than “classics” in IPE or the historical development of the field, in the hope that this helps generate ideas for your own research.

*Readings:* Readings are linked to or posted on the course website. Readings marked with an asterisk are merely suggested for those interested in a more in-depth treatment, or historical/sociological understanding, of the subject in question. I will provide study questions for all weeks’ readings.

*Course requirements:* Students must come to class having done the readings and prepared to discuss the topics in depth. As a stimulus to thought and discussion, I will create a Google document for each class. By Saturday noon of every week each student will add to this document a *brief* (no more than 50 word) statement of a research question provoked by the readings and the topic. These can help inform discussion in class.

The written requirement for this course is an article-length research paper, due **May 1**. A one-page statement of your research question, argument and/or empirical strategy is due **April 1**. Students are urged to complete their papers in time to receive credit for the course (i.e., by May 1), to avoid getting an incomplete. Students who do not complete their papers by the beginning of the Fall 2024 semester will have to provide strong justification for further delay (for example, the need for field research or time to collect data).

## January 22 Introduction: Interests, Interactions, Institutions

## January 29 IPE: Theory and History

David A. Lake, "Open economy politics: A critical review," *Review of International Organizations* 4 (2009), pages 219-244

Stephanie J. Rickard, "Open Economy Politics Revisited," in *The Oxford Handbook of International Political Economy*, Jon Pevehouse and Len Seabrooke, eds. (2021)

Leslie Johns, "Formal Models of International Political Economy: Looking Back and Moving Forward," in *The Oxford Handbook of International Political Economy*, Jon Pevehouse and Len Seabrooke, eds. (2021)

Iain Osgood, "Interest Groups and Order in Global Economic Relations," in *The Oxford Handbook of International Political Economy*, Jon Pevehouse and Len Seabrooke, eds. (2021)

Jeffrey Frieden, "The modern capitalist world economy: A historical overview," *Oxford Handbook of Capitalism* Ed. Dennis Mueller (New York: Oxford University Press, 2012)

Maurice Obstfeld, "Globalization and nationalism: Retrospect and prospect," *Contemporary Economic Policy* (2021)

\*Stephen D. Krasner, "State Power and the Structure of International Trade," *World Politics* 28 (1976)

\*John G. Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," *International Organization*, 36 (Spring 1982)

\* Jeffrey Frieden and Ronald Rogowski, "Modern Capitalism: Enthusiasts, Opponents, and Reformers," *The Cambridge History of Capitalism* Ed. Jeffrey Williamson (New York: Cambridge University Press, 2014)

\*David A. Lake, "Leadership, Hegemony, and the International Economy: Naked Emperor or Tattered Monarch with Potential," *International Studies Quarterly*, 37, 4 (December 1993): 459-89.

## **February 5 International Trade – Interests**

SKIM: Gene Grossman and Elhanan Helpman, "Protection for Sale," *American Economic Review* 84 (1994): 833-850. [Skim this: Gawande et al. below has a very accessible summary of the G-H model]

K. Gawande, P. Krishna, and M. Olarreaga, "What Governments maximize and Why: A View from Trade," *International Organization* 63 (Summer 2009): 491-532.

Erica Owen and Rena Sung, "Labor and Trade Protection in Comparative Perspective," *Oxford Research Encyclopedia of Politics* (2021)

Erica Owen and Noel P. Johnston, "Occupation and the Political Economy of Trade: Job Routineness, Offshorability, and Protectionist Sentiment," *International Organization* 71, No. 4 (Fall 2017), pages 665-699

Irene Menéndez González, Erica Owen, and Stefanie Walter, "Low-Skill Products by High-Skill Workers: The Distributive Effects of Trade in Emerging and Developing Countries," *Comparative Political Studies* 56, No. 11 (2023)

In Song Kim and Iain Osgood, "Firms in Trade and Trade Politics," *Annual Review of Political Science* 22:1 (2019)

Haillie Na-Kyung Lee and Yu-Ming Liou, "Where You Work Is Where You Stand: A Firm-Based Framework for Understanding Trade Opinion," *International Organization* 75 (Summer 2022)

\*Dani Rodrik, "A Primer on Trade and Inequality," *IFS Deaton Review of Inequalities*, 2021 <https://ifs.org.uk/inequality/a-primer-on-trade-and-inequality/>

- \*Ronald Rogowski, "Trade, Immigration, and Cross-Border Investment," in *The Oxford Handbook of Political Economy* Ed. Barry Weingast and Donald Wittman (New York: Oxford University Press, 2008), pages 814-828
- \*Anna Maria Mayda and Dani Rodrik, "Why are some people (and countries) more protectionist than others?" *European Economic Review* 49 (2005)
- \*In Song Kim, "Political Cleavages within Industry: Firm-level Lobbying for Trade Liberalization," *American Political Science Review* 111, No. 1 (February 2017), pages 1-20.
- \*Andy Baker, "Who Wants to Globalize? Consumer Tastes and Labor Markets in a Theory of Trade Policy," *American Journal of Political Science*, Vol. 49, No. 4 (Oct., 2005), pp. 924-938
- \*Ben Fordham, "Revisionism Reconsidered: Exports and American Intervention in World War I," *International Organization*, 61, No. 2 (2007), 277-310.
- \*Michael J. Hiscox, "Class versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade," *International Organization* 55:1 (Winter 2001), pp. 1-46.
- \*Iain Osgood, "The Breakdown of Industrial Opposition to Trade: Firms, Product Variety and Reciprocal Liberalization," *World Politics* 69, No. 1 (2017), pages 184-231.
- \*Erica Owen, "Labor and Protectionist Sentiment," in *Handbook of the Political Economy of International Trade* Ed. Lisa Martin (Oxford: Oxford University Press, 2015)

## **February 12 International Trade – Institutions and Interactions**

- Leonardo Baccini, "The Economics and Politics of Preferential Trade Agreements," *Annual Review of Political Science* 22 (2019).
- Leslie Johns and Lauren Peritz, "The Design of Trade Agreements," in *Handbook of the Political Economy of International Trade* Ed. Lisa L. Martin (Oxford: Oxford University Press, 2015)

Stephanie Rickard, "Electoral Systems and Trade," in *Handbook of the Political Economy of International Trade* Ed. Lisa Martin (Oxford: Oxford University Press, 2015)

Michael Bailey, Judith Goldstein, and Barry Weingast, "The Institutional Roots of American Trade Policy. *World Politics* (1997), pp. 309-38.

Iain Osgood, "Vanguards of globalization: Organization and political action among America's pro-trade firms," *Business and Politics* (2021)

Esteban Méndez-Chacón and Diana Van Patten, "Voting on a Trade Agreement: Firm Networks and Attitudes Towards Openness," working paper (2023)

Jiwon Choi, Ilyana Kuziemko, Ebonya L. Washington, and Gavin Wright, "Local Economic and Political Effects of Trade Deals: Evidence from NAFTA," working paper (2022)

\*Christina Davis, "International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization," *American Political Science Review* 98 (2004): 153-169.

\*Melinda N. Ritchie and Hye Young You, "Trump and Trade: Protectionist Politics and Redistributive Policy," *Journal of Politics* 83, 2 (2021)

\*Joanne Gowa and Edward D. Mansfield, "Power Politics and International Trade," *The American Political Science Review* Vol. 87, No. 2 (June 1993), pp. 408-420

\*Lindsay R. Dolan and Helen V. Milner. 2023. "Low-Skilled Liberalizers: Support for Free Trade in Africa." *International Organization* 77(4): 848–70.

\*Kerry Chase, "Economic Interests and Regional Trading Arrangements: The Case of NAFTA," *International Organization* 57: 1 (Winter 2003), pp. 137-74

\*Paola Conconi, Giovanni Facchini, and Maurizio Zanardi, "Policymakers' Horizon and Trade Reforms," *Journal of International Economics* 94, No. 1 (September 2014): 102–118

\*James Feigenbaum and Andrew Hall, "How Legislators Respond to Localized Economic Shocks: Evidence from Chinese Import Competition," *Journal of Politics* 77, No. 4 (2015)

\*J. Bradford Jensen, Dennis Quinn, and Stephen Weymouth, "Winners and Losers in International Trade: The Effects on U.S. Presidential Voting," *International Organization* 71, No. 3 (Summer 2017): 423-457.

\*Yotam Margalit, "Costly Jobs: Trade-related Layoffs, Government Compensation, and Voting in U.S. Elections," *American Political Science Review* 105, No. 1 (February 2011)

## **February 19 No class – Presidents' Day**

## **February 26 Money and Exchange Rates – Interests**

Maurice Obstfeld and Alan Taylor, "International Monetary Relations: Taking Finance Seriously," *Journal of Economic Perspectives* 31, No. 3 (Summer 2017), pages 3-28

J. Lawrence Broz and Jeffry Frieden, "The Political Economy of Exchange Rates," in Barry Weingast and Donald Wittman, editors, *The Oxford Handbook of Political Economy* (New York: Oxford University Press, 2006), pages 587-597

Cristina Bodea, "The Political Economy of Monetary Policy," *Oxford Research Encyclopedia of Politics* (2018)

J. Lawrence Broz and Seth H. Werfel, "Exchange Rates and Industry Demands for Trade Protection," *International Organization*, 68 (2014), pp 393-416

Mark S. Copelovitch and Jon C. Pevehouse, "Bridging the Silos: Trade and Exchange Rates in International Political Economy," in *The Oxford Handbook of the Political Economy of International Trade*, Lisa L. Martin ed. (Oxford: Oxford University Press, 2015)

\*J. Bradford Jensen, Dennis P. Quinn and Stephen Weymouth, "The Influence of Firm Global Supply Chains and Foreign Currency Undervaluations on US Trade Disputes," *International Organization*, 69 (2015), pp 913-947

\*Eric Helleiner and Anton Malkin, "Sectoral Interests and Global Money: Renminbi, Dollars and the Domestic Foundations of International Currency Policy," *Open Economies Review* 23 (2012), pages 33-55

### **March 4      Money and Exchange Rates – Institutions and Interactions**

J. Lawrence Broz, "Political System Transparency and Monetary Commitment Regimes," *International Organization* 56:4 (Autumn 2002), pp. 863-889.

David Bearce and Mark Hallerberg, "Democracy and De Facto Exchange Rate Regimes," *Economics and Politics* 23, No. 2 (2011), 172-194.

Dennis P. Quinn, Thomas Sattler, and Stephen Weymouth, "Do Exchange Rates Influence Voting? Evidence from Elections and Survey Experiments in Democracies," *International Organization* 77 (Fall 2023)

J. Lawrence Broz and Jeffry Frieden, "The Political Economy of International Monetary Policy Coordination" in *Handbook of Safeguarding Global Financial Stability*, Gerard Caprio et al., editors (UK: Academic Press, 2013)

Beth Simmons, "International Law and State Behavior: Commitment and compliance in international monetary affairs," *American Political Science Review*, 94, No. 4 (2000): 819-35

Jeffry Frieden and Stefanie Walter, "Understanding the Political Economy of the Eurozone Crisis," *Annual Review of Political Science* 20 (2017).

\*J. Lawrence Broz, Maya Duru, and Jeffry Frieden, "Policy Responses to Balance-of-Payments Crises: The Role of Elections," *Open Economies Review* 27, No. 2 (2016).

\*Joseph Jupille and David Leblang, "Voting for Change: Calculation, Community, and Euro Referendums," *International Organization* 61, Fall 2007, pp 763–82

**March 11**     **No class – spring break**

**March 18**     **Foreign Direct Investment**

Sonal Pandya, "Political Economy of Foreign Direct Investment: Globalized Production in the Twenty-First Century," *Annual Review of Political Science* 19 (2016), pages 455-475

Stephanie J. Rickard, "Incumbents Beware: The Impact of Offshoring on Elections," *British Journal of Political Science* (2022)

Lee, Jieun, and Iain Osgood. 2022. "Protection Forestall: Offshore Firms against Tariffs in Their Own Industry." *Business and Politics* 24(4): 377–98.

Leslie Johns and Rachel Wellhausen, "Under One Roof: Supply Chains and the Protection of Foreign Investment," *American Political Science Review*, 110, No. 1 (February 2016), 31-51

Sarah Bauerle Danzman, "The Political Economy of Bilateral Investment Treaties," in *Research Handbook on Foreign Direct Investment*, ed. Markus Krajewski (Cheltenham, UK: Edward Elgar, 2020)

Carolina Moehlecke and Rachel L. Wellhausen, "Political Risk and International Investment Law." *Annual Review of Political Science*, 25 (2022)

\*Chase K. 2003. Economic interests and regional trading arrangements: the case of NAFTA. *Int. Organ.* 57(1):137–74

\*Kenneth Scheve and Matthew J. Slaughter, "Economic Insecurity and the Globalization of Production," *American Journal of Political Science* 48, No. 4 (2004): 662-674

\*Iain Osgood, "Globalizing the Supply Chain: Firm and Industrial Support for US Trade Agreements," *International Organization* 72, Spring 2018, pp. 455–484

\*Jeffrey Frieden, "International Investment and Colonial Control: A New Interpretation," *International Organization* 48:4 (Autumn 1994), pp. 559-593

\*Witold Henisz, "The Institutional Environment for Multinational Investment," *Journal of Law, Economics, and Organization* 16:2 (2000): pp. 334-364

\*Zachary Elkins, Andrew T. Guzman, and Beth A. Simmons, "Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960-2000," *International Organization*, 60, No. 4 (2006): 811-46

\*Rachel L. Wellhausen, "International Investment Law and Foreign Direct Reinvestment," *International Organization* 73, Fall 2019, pp. 839-58

### **March 25      Finance and Debt – Theory and History**

David Stasavage, "What We Can Learn From the Early History of Sovereign Debt?" *Explorations in Economic History* (2016).

Reinhart, Carmen M., and Kenneth S. Rogoff. 2014. Recovery from Financial Crises: Evidence from 100 Episodes. *American Economic Review*, 104(5): 50-55.

Allan Drazen. 2002. Conditionality and Ownership in IMF Lending: A Political Economy Approach. *IMF Staff Papers* 49 (November), pp. 36-67

Jeffrey Frieden. 2015. The Political Economy of Adjustment and Rebalancing. *Journal of International Money and Finance* 52 (January)

\*David Stasavage. 2007. "Cities, Constitutions and Sovereign Borrowing in Europe, 1274-1785." *International Organization*, 61 (3), 489-525.

\*J. Lawrence Broz, "Partisan Financial Cycles," In *Politics in the New Hard Times: The Great Recession in Comparative Perspective*. Edited by David A. Lake and Miles Kahler (Ithaca, NY: Cornell University Press, 2013)

\*Jeffrey Frieden, "The Governance of International Finance," *Annual Review of Political Science* 19 (2016).

\*Juan Carlos Hatchondo and Leonardo Martinez. 2010. The Politics of Sovereign Defaults. *Federal Reserve Bank of Richmond Economic Quarterly* 96 (3), 291-317.

\*\*\* One-page outline of research paper due April 1\*\*\*

## **April 1      Finance and Debt – Empirical Studies**

Michael Tomz and Mark Wright, "Empirical Research on Sovereign Debt and Default" *Annual Review of Economics* volume 5 (2013): 247–72

Broz, J. L. 2005. "'Congressional Politics of International Financial Rescues.'" *American Journal of Political Science*, 49 (3), 479-96.

Mark Copelovitch. 2010. Master or Servant? Common Agency, Preference Heterogeneity, and the Political Economy of IMF Lending. *International Studies Quarterly* 54(1): 49-77.

Teri Caraway, Stephanie Rickard, and Mark Anner, "International Negotiations and Domestic Politics: The Case of IMF Labor Market Conditionality," *International Organization* 66 (Winter 2012), pages 27-61

Stefanie Walter, "Crisis Politics in Europe: Why Austerity Is Easier to Implement in Some Countries Than in Others," *Comparative Political Studies*, 47, no. 7 (2016)

Cameron Ballard-Rosa, Layna Mosley, and Rachel L Wellhausen, "Contingent Advantage? Sovereign Borrowing, Democratic Institutions and Global Capital Cycles," *British Journal of Political Science* 2019

\*Layna Mosley. 2000. "International Financial Markets and National Welfare States." *International Organization* 54: 4 (Autumn): 737-74

\*Benjamin Hébert and Jesse Schreger, "The Costs of Sovereign Default: Evidence from Argentina," *American Economic Review* 107, No. 10 (October 2017), pages 3119-3145

\*Manuel Funke, Moritz Schularick, and Christoph Trebesch, "Going to Extremes: Politics After Financial Crises, 1870-2014," *European Economic Review* 88 (September 2016), pages 227-260

\*Atif Mian, Amir Sufi, and Francesco Trebbi. 2014. "Resolving Debt Overhang: Political Constraints in the Aftermath of Financial Crises." *American Economic Journal: Macroeconomics*, 6(2): 1-28

\*Ben Ansell, J. Lawrence Broz, and Thomas Flaherty, "Global capital markets, housing prices, and partisan fiscal policy," *Economics and Politics* 30, No. 3 (November 2018)

## **April 8                      Immigration**

Gordon Hanson, Ken Scheve, and Matt Slaughter. 2007. "Public Finance and Individual Preferences Over Globalization Strategies." *Economic and Politics*, 19 (1), 1-33.

Margaret Peters, "Trade and Migration," in *Handbook of the Political Economy of International Trade* Ed. Lisa L. Martin (Oxford: Oxford University Press, 2015)

Layna Mosley and David Singer, "Migration, Labor, and the International Political Economy." *Annual Review of Political Science* 18 (2015)

David Leblang and Margaret E. Peters, "Immigration and Globalization (and Deglobalization)," *Annual Review of Political Science* 25 (2022)

Nicole Rae Baerg, Julie L. Hotchkiss, and Myriam Quispe-Agnoli, "Documenting the unauthorized: Political responses to unauthorized immigration," *Economics and Politics* 30, No. 1 (2018)

Anna Maria Mayda, Giovanni Peri, and Walter Steingress, "The Political Impact of Immigration: Evidence from the United States." *American Economic Journal: Applied Economics*, 14, No. 1 (2022)

\*David Bearce and Megan Roosevelt, "A Sometimes Hidden Economic Dimension to Individual Immigration Preferences: Cross-National Evidence in Support of the Labor Competition Hypothesis," *Political Research Quarterly* 72 (December 2019)

\*Margaret Peters, "Trade, Foreign Direct Investment and Immigration Policy Making in the US." 2014 (Fall). *International Organization* 68 (4).

\*Jens Hainmueller and Michael J. Hiscox. Attitudes Towards Highly Skilled and Low Skilled Immigration: Evidence from a Survey Experiment, *American Political Science Review*, Vol. 101, No. 4 (February 2010): 61-84.

\*Christian Dustmann and Ian Preston. 2007. Racial and Economic Factors in Attitudes to Immigration. *The B.E. Journal of Economic Analysis and Policy*. 7:1, 1-39.

## **April 15      Backlash against globalization**

Dani Rodrik, "Populism and the economics of globalization," *Journal of International Business Policy* (2018)

Italo Colantone and Piero Stanig. 2018. "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe." *American Journal of Political Science* 62, 4 (October): 936-953.

Stefanie Walter, "Globalization and the Demand-Side of Politics: How Globalization Shapes Labor Market Risk Perceptions and Policy Preferences," *Political Science Research and Methods* 5, No. 1 (January 2017).

Diana C. Mutz. 2018. "Status Threat, not Economic Hardship, Explains the 2016 Presidential Vote." *Proceedings of the National Academy of Sciences* 115 (19): 4330-4339.

Stefanie Walter, "The Backlash Against Globalization," *Annual Review of Political Science* 24:1 (2021)

Cameron Ballard-Rosa, Mashail A. Malik, Stephanie J. Rickard, and Kenneth Scheve, "The Economic Origins of Authoritarian Values: Evidence From Local Trade Shocks in the United Kingdom," *Comparative Political Studies* 54, no. 13 (2021)

Jeffrey Frieden, "Attitudes, interests, and the politics of trade," *Political Science Quarterly* 137, No. 3 (Fall 2022)

\*Stephen L. Morgan "Status Threat, Material Interests, and the 2016 Presidential Vote," *Socius* January 2018

\*J. Lawrence Broz, Jeffrey Frieden, and Stephen Weymouth, "Populism in Place: The Economic Geography of the Globalization Backlash," *International Organization* (2021)

\*Erica Owen & Stefanie Walter (2017) "Open economy politics and Brexit: insights, puzzles, and ways forward," *Review of International Political Economy*, 24:2, 179-202

## **April 22      The IPE of Climate Change Policy**

Michael M. Bechtel, Federica Genovese, and Kenneth F. Scheve, "Interests, Norms and Support for the Provision of Global Public Goods: The Case of Climate Co-Operation," *British Journal of Political Science* 49, no. 4 (2019)

Federica Genovese, "Sectors, Pollution, and Trade: How Industrial Interests Shape Domestic Positions on Global Climate Agreements," *International Studies Quarterly* 63, no. 4 (2019)

Amanda Kennard, "The Enemy of My Enemy: When Firms Support Climate Change Regulation," *International Organization* 74, no. 2 (2020)

Jared Cory, Michael Lerner, and Iain Osgood, "Supply Chain Linkages and the Extended Carbon Coalition," *American Journal of Political Science* 65, no. 1 (2021)

Jeff D. Colgan, Jessica F. Green, and Thomas N. Hale, "Asset Revaluation and the Existential Politics of Climate Change," *International Organization* 75, no. 2 (2021)

Charlotte Bez, Valentina Bosetti, Italo Colantone, and Maurizio Zanardi, "International Trade, Green Voting and Attitudes: Evidence from the US and Western Europe" *Nature Climate Change* 13 (2023) pages 1131–1135