

International Political Economy

Syllabus, Spring 2025

POLS 373, Tues/Thurs, 1:00 – 2:20 p.m., in Seigle L004

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MWF on
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Tuesday from 11 a.m. to 1 p.m.

Course description in Catalog: Analysis of the interplay of economics and politics in the world arena, focused primarily on the political basis of economic policies in both advanced and less developed societies. Treating differing perspectives on the international economy, production, trade and finance, and international economic relations. Note: This course counts towards the undergraduate International Politics subfield.

Prerequisites: junior standing, or permission of instructor.

University policies More information about university policies and resources can be found at <https://provost.wustl.edu/syllabi-resources-and-template-language-danforth-campus/>.

Course overview: International Political Economy (IPE) is an interdisciplinary field focused on the relationship between international economic relations and political incentives. Economic issues include trade and financial flows, migration, monetary policy, fiscal policy, growth, and economic crisis. Political incentives often stem from regime type, partisanship, political institutions, and election timing. After completing this course, students will be able to answer the following questions.

- How do domestic political institutions and partisanship influence international economic policy and economic outcomes?
- How do international economic flows affect and constrain domestic policymakers?

Learning outcomes: Upon successfully completing the course, students will be able to:

- apply basic knowledge of theories in international political economy,
- understand and extend existing theories presented in academic work,
- evaluate the quality of evidence used to assess theories, and
- clearly and concisely present complex ideas, in writing and orally, to their peers.

Learning environment: Every student must feel comfortable speaking in this class. For this reason, we will maintain open minds and always be respectful of one another. Students with concerns or requests of any sort should let me know as soon as possible.

Office hours and communications: If students would like to meet and are unable to come to our office hours, please let us know and we will schedule an alternative meeting time. When possible, students should address emails to both instructor and assistant instructor. That way we can respond to you as quickly as possible and not duplicate efforts.

Course materials: There is one required textbook for the course. It is available at area bookstores: Frieden, Lake and Broz's *International Political Economy: Perspectives on Global Power and Wealth*. I will use Edition 6, but earlier Editions are fine as well. The book presents a compilation of influential articles and ideas in IPE; many of the chapters are available in article form.

A number of additional readings are also required; students can access them on the Canvas course site. If, for some reason, the articles are not available on the course site, students should inform

me and locate the article. The University Library and Google Scholar are good resources for this. Students are expected to have completed the reading by the day for which it has been assigned.

Assignments and Grading: Grades in the course will be based on the following assignments:

- 20 percent – attendance and in-class assignments
- 20 percent – 2 in-class presentations (10 percent each)
- 40 percent – 2 in-class exams (20 percent each)
- 20 percent – 2 mini-papers (10 percent each)

Grades will be awarded based on the following grading scale: A=90-100, B=80-89, C=70-79, D=60-69, F=59 and below.

Attendance and in-class Assignments: I will take attendance. I will also often include questions at the end of the lecture slides. We will discuss them in class, and when they are included, students should prepare a response for the next course meeting. Some of these responses will be collected and graded. Students should also come to class prepared to write, with paper and a pen or pencil. The assignments are meant to provide a low-pressure way for students to reflect on course material and to practice writing regularly.

A student whose absence is excused will not be penalized for that absence and should make arrangements to complete any missed assignments with me as soon as possible. Make-up work must be completed in a time frame not to exceed two weeks from the last day of the initial absence. The student is responsible for notifying me of the absence and providing satisfactory evidence to substantiate the reason for the absence. Accommodations for absences can be sought either prior to or after the absence, but not later than two working days after the first day of the absence.

Presentations: Each student will present twice. The first presentation will summarize a specific academic article. The second presentation will provide a response to a different article. Presentations will be assigned to students at the beginning of the second class meeting. Presentations are expected to last around 10 minutes and should not exceed 12 minutes.

The article summary should include the research question, theory, research design, findings, and conclusion. The article response should include an assessment of the author's argument, the soundness of the methodology (accurate measurement, research design, etc), two possible extensions, and a discussion question for the class.

Mini-Papers: All students will write two mini-papers – one following the first exam and one following the second exam. The papers should focus on a topic related to international political economy. The papers will be no more than 750 words (about 3 pages) in length, excluding citations and figures or tables that the student may choose to include. The papers should be double-spaced with 12 point-Times New Roman font and one-inch margins. Citations will follow the Author-Date system, described in the Chicago Manual of Style: https://www.chicagomanualofstyle.org/tools_citationguide/citation-guide-2.html. All papers should include a title page with the student's name, article title, and word count. To ensure the use of high-quality citations, students should verify that the publications they cite are peer-reviewed or that the author is a researcher at a University or non-partisan institute. For full credit, each paper should include at least five citations.¹

There are two forms that a successful paper may take.

1. *Evidence First* Students may generalize from a specific event. They select a historical event of interest to them. To ensure that sufficient evidence is available, the event must have occurred at least 10 years ago. The student will research the event and chronicle what happened, including who the relevant actors were, what they hoped to achieve, and what actions they took. From this event, the student will begin to develop a generalizable theory of when similar events should occur. The theory should include scope conditions about when the student expects the theory to

¹I am always happy to help students assess the quality of specific sources.

apply. The theory should be connected to and distinguished from other theories that have been used to explain similar events or even the same event. Students should include a brief conclusion that discusses limitations and possible extensions of the evidence and theory.

2. *Theory First* Students may instead choose to start by writing a general theory and research design. This approach is similar to the structure of the articles we read in class. Students will lay out a clear question, describe the relevant literature, and explain why the question is important. Students will present a theory that answers the question and derive a testable hypothesis from the theory. Finally, students will analyze at least one case and check if their theory holds in this case. The paper should include a discussion of whether the case is consistent with the theory or not; and a conclusion that presents limitations and possible extensions to the theory and analysis.

There are no “right” answers in this paper. Students should feel free to draw any conclusions they like, so long as the paper is well reasoned and demonstrates knowledge of the material.

Exams: The exams will be closed book exams featuring multiple choice and short answer questions. These exams will require students to know the assigned readings and concepts. The exams are not cumulative and will cover only readings and lectures from the preceding unit.

Grading Policy: Late assignments will lose one-third of a letter grade (i.e., from A to A-) for each day they are late. The only exceptions will be for an excused absence, in which case students must make personal arrangements with me. I will try to provide detailed comments while grading that will be helpful to students. I am also available during office hours to answer any questions students may have.

If a student feels that a grade should be changed, after discussing the grade with me, he or she should initiate a grade appeal within one week after receiving the graded assignment. The appeal must include the original assignment and a brief explanation detailing why the assignment deserves a higher grade. I will re-evaluate the grade.

Course Outline Class meets Tues/Thurs for eighty minutes each day. The readings are subject to change. Any changes will be announced in class and will be updated on the online syllabus on canvas. Recommended readings have *Rec* in front of them. Other readings are required.

Trade Policy

WEEK 1

1/14 – 1/16 – Introduction and economic benefits of trade

- *FLB* Introduction, pages 1-18; Part I, Chapter 1.
- Oatley Edition 7, pages 47-55.
- *Rec* Dolan, L. R. and Milner, H. V. (2023). Low-skilled liberalizers: Support for free trade in africa. *International Organization*, 77(Fall):848–70.
- *Rec* Owen, E. and Johnston, N. P. (2017). Occupation and the political economy of trade: Job routineness, offshorability, and protectionist sentiment. *International Organization*, 71(4):665–699.

WEEK 2

1/21 – 1/23 – Why do policymakers limit trade? Political Institutions

- *FLB* Part V, Chapters 18 and 21.
- *Rec* Kono, D. Y. (2006). Optimal obfuscation: Democracy and trade policy transparency. *American Political Science Review*, 100(3):369–384.
- *Rec* Busch, M. L. and Reinhardt, E. (1999). Industrial location and protection: The political economic geography of U.S. nontariff barriers. *American Journal of Political Science*, 43(4):1028–50.

- *Rec* Betz, T. and Pond, A. (2019). The absence of consumer interests in trade policy. *Journal of Politics*, 81(2):585–600.

WEEK 3

- 1/28 – 1/30 – Why do policymakers limit trade? Individual and group characteristics
- *FLB* Part VIII, Chapter 33.
 - *Rec* Rho, S. and Tomz, M. (2017). Why don't trade preferences reflect economic self-interest? *International Organization*, 71(S1):S85–S108.
 - *Rec* Brutger, R. and Lobo, D. (2025). Fairness according to whom? divergent perceptions of fairness among white and black americans and its effect on trade attitudes. *American Political Science Review*, Forthcoming:1–41.
 - *Rec* Betz, T., Fortunato, D., and O'Brien, D. Z. (2023). Do women make more protectionist trade policy? *American Political Science Review*, 117(4):1522–1530.

WEEK 4

- 2/4 – 2/6 – Accession and participation in GATT/WTO
- *FLB* Part V, Chapter 22.
 - Pelc, K. J. (2011). Why do some countries get better WTO accession terms than others? *International Organization*, 65:639–672.
 - Davis, C. L. and Blodgett Bermeo, S. (2009). Who files? developing country participation in GATT/WTO adjudication. *Journal of Politics*, 71(3):1033–1049.
 - *Rec*. Pelc, K. J. (2025). Institutional innovation in response to backlash: How members are circumventing the wto impasse. *Review of International Organizations*, Forthcoming.
 - *Rec* Betz, T. (2017). Trading interests: Domestic institutions, international negotiations, and the politics of trade. *Journal of Politics*, 79(4).

WEEK 5

- 2/11 – 2/13 – Cooperation on international trade: preferential trade agreements and supply chains
- *FLB* Part V, Chapter 19; Part I, Chapter 4.
 - *Rec* Jensen, J. B., Quinn, D. P., and Weymouth, S. (2015). The influence of firm global supply chains and foreign currency undervaluations on US trade disputes. *International Organization*, 69:913–947.
 - *Rec* Laaker, D. (2020). Preferential rules of origin: Deflection or protection? *Political Economy of International Organization*, Working Paper.
 - *Rec* Anderer, C., Dür, A., and Lechner, L. (2020). Trade policy in a “gvc world”: Multinational corporations and trade liberalization. *Business and Politics*, 22(4):639–666.

WEEK 6

- 2/18 – Trade in history
- *FLB* Part I, Chapter 3; Part II, Chapter 5 and 6.
 - *Rec* Goldstein, J. and Gulotty, R. (2014). America and trade liberalization: The limits of institutional reform. *International Organization*, 68:263–295.
 - *Rec* Pond, A. (2017). Economic sanctions and demand for protection. *Journal of Conflict Resolution*, 61(5):1073–1094.

2/20 – *Exam I*

International investment

WEEK 7

2/25 – 2/27 – Foreign direct investment, competition, and political risk

- *FLB* Part III, Chapter 9, 10, 12.
- *Rec* Wang, X., Pearson, M. M., and McCauley, J. F. (2022). Foreign direct investment, unmet expectations, and the prospects of political leaders: Evidence from chinese investment in africa. *Journal of Politics*, 84(3):1403–1419.
- *Rec* Messerschmidt, L. and Janz, N. (2023). Unravelling the ‘race to the bottom’ argument: Foreign direct investment and different types of labour rights. *World Development*, 161:1–24.
- *Rec* Johns, L. and Wellhausen, R. L. (2016). Under one roof: Supply chains and the protection of foreign investment. *American Political Science Review*, 110(1):31–51.

2/28 – *Mini-paper 1 due on Canvas by 5 p.m.*

WEEK 8

- 3/4 – 3/6 – International investment agreements: participation and exit
- *FLB* Part III, Chapter 11.
 - Allee, T. and Peinhardt, C. (2011). Contingent credibility: The impact of investment treaty violations on foreign direct investment. *International Organization*, 65(3):401–432.
 - Kerner, A. and Pelc, K. J. (2021). Do investor-state disputes (still) harm fdi? *British Journal of Political Science*, Forthcoming:1–24.
 - *Rec* Betz, T., Pond, A., and Yin, W. (2021). Investment agreements and the fragmentation of firms across countries. *Review of International Organization*, 16:755–791.
 - *Rec* Moelecke, C., Thrall, C., and Wellhausen, R. L. (2023). Global value chains as a constraint on sovereignty: Evidence from investor–state dispute settlement. *International Studies Quarterly*, 67:1–16.

3/11 – 3/13 – No Class; Spring Break

WEEK 9

Monetary policy

- 3/18 – 3/20 – Monetary policy, exchange rates and banking
- *FLB* Part IV, Chapter 14 and 17.
 - *Rec* Bodea, C. and Hicks, R. (2015). Price stability and central bank independence: Discipline, credibility, and democratic institutions. *International Organization*, 69(1):35–61.
 - *Rec* Betz, T. (2020). The electoral costs of policy commitments. *Political Science Research and Methods*, 8(1):30–44.
 - *Rec* Wilf, M. (2016). Credibility and distributional effects of international banking regulations: Evidence from US bank stock returns. *International Organization*, 70(4):763–796.

WEEK 10

- 3/25 – 3/27 – The policy trilemma, debt and crisis
- *FLB* Part I, Chapter 2; Part IV, Chapter 13, 15, 16.
 - *Rec* Stone, R. W. (2004). The political economy of IMF lending in Africa. *American Political Science Review*, 98(4):577–591.
 - *Rec* Lipsy, P. Y. (2018). Democracy and financial crisis. *International Organization*, 72(Fall):937–968.
 - *Rec* Dasgupta, A. and Ziblatt, D. (2022). Capital meets democracy: The impact of franchise extension on sovereign bond markets. *American Journal of Political Science*, 66(3):630–647.

WEEK 11

4/1 – 4/3 Migration and inequality

- *FLB* Part VI, Chapter 23, 24, 25.
- Milanovic, B. (2011). Global inequality: From class to location, from proletarians to migrants. *World Bank Policy Research Working Paper*, 5820:1–25 (Not for presentation).
- *Rec* Hanson, G. H., Scheve, K. F., and Slaughter, M. J. (2007). Public finance and individual preferences over globalization strategies. *Economics & Politics*, 19(1):1–33.
- *Rec* Hainmueller, J., Hiscox, M. J., and Margalit, Y. (2015). Do concerns about labor market competition shape attitudes toward immigration? new evidence. *Journal of International Economics*, 97:193–207.
- *Rec* Graham, B. A. (2014). Diaspora-owned firms and social responsibility. *Review of International Political Economy*, 21(2):432–466.

WEEK 12

4/8 – 4/10 – Development and foreign aid

- *FLB* Part VII, Chapter 26, 27, 28, and Part II, Chapter 7.
- *Rec* Ahmed, F. (2012). The perils of unearned foreign income: Aid, remittances, and government survival. *American Political Science Review*, 106(1):146–165.
- *Rec* Blodgett Bermeo, S. (2017). Aid allocation and targeted development in an increasingly connected world. *International Organization*, 71:735–766.
- *Rec* Wellner, L., Dreher, A., Fuchs, A., Parks, B., and Strange, A. (2022). Can aid buy foreign public support? evidence from chinese development finance. *Working Paper*, available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4069937.

WEEK 13

4/15 – Climate change in a global perspective

- *FLB* Part VIII, Chapter 29, 30, and 31.
- *Rec* Bechtel, M. M., Genovese, F., and Scheve, K. F. (2019). Interests, norms and support for the provision of global public goods: The case of climate co-operation. *British Journal of Political Science*, 49(4):1333–1355.
- *Rec* Genovese, F. (2021). Market responses to global governance: International climate cooperation and europe’s carbon trading. *Business and Politics*, 23(1):91–123.
- *Rec* Cory, J., Lerner, M., and Osgood, I. (2021). Supply chain linkages and the extended carbon coalition. *American Journal of Political Science*, 65(1):69–87.

4/17 – *Exam 2*

WEEK 14

4/22 – 4/24 – *Present mini-papers*

5/2 – *Mini-paper 2 due on Canvas by 5 p.m.*

References

- Ahmed, F. (2012). The perils of unearned foreign income: Aid, remittances, and government survival. *American Political Science Review*, 106(1):146–165.
- Allee, T. and Peinhardt, C. (2011). Contingent credibility: The impact of investment treaty violations on foreign direct investment. *International Organization*, 65(3):401–432.
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- Blodgett Bermeo, S. (2017). Aid allocation and targeted development in an increasingly connected world. *International Organization*, 71:735–766.
- Bodea, C. and Hicks, R. (2015). Price stability and central bank independence: Discipline, credibility, and democratic institutions. *International Organization*, 69(1):35–61.
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- Dasgupta, A. and Ziblatt, D. (2022). Capital meets democracy: The impact of franchise extension on sovereign bond markets. *American Journal of Political Science*, 66(3):630–647.
- Davis, C. L. and Blodgett Bermeo, S. (2009). Who files? developing country participation in GATT/WTO adjudication. *Journal of Politics*, 71(3):1033–1049.
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- Goldstein, J. and Gulotty, R. (2014). America and trade liberalization: The limits of institutional reform. *International Organization*, 68:263–295.
- Graham, B. A. (2014). Diaspora-owned firms and social responsibility. *Review of International Political Economy*, 21(2):432–466.
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- Owen, E. and Johnston, N. P. (2017). Occupation and the political economy of trade: Job routineness, offshorability, and protectionist sentiment. *International Organization*, 71(4):665–699.
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- Pond, A. (2017). Economic sanctions and demand for protection. *Journal of Conflict Resolution*, 61(5):1073–1094.
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