

International Political Economy & Institutions

INRE 43800 – Winter 2008

Committee on International Relations
University of Chicago

Thursday 1.30pm–4.20pm
Room: Pick 319

Professor: Seth Jolly
Contact Information
Office: Judd 314
Phone: 773.702.5565
Email: sjolly@uchicago.edu
Course website: <http://chalk.uchicago.edu>

Office Hours
Thursday
10am–12pm
or by appointment

Course Overview

The purpose of this course is to explore the interactions between politics and economics in the international system. In the first part of the course, we will explore the theories and approaches in political science that attempt to explain variation in economic exchange in the international system. In the second half, we will address various issues in international political economy, such as international trade, finance, globalization, and regional integration. In these sessions, we will use the theories and analytical tools developed in the first part to critically evaluate the research in these arenas.

In this course, we consider how political institutions and actors deal with the market, and in turn, how the market affects those same institutions and actors. This is not an economics course. However, a certain background knowledge of economic theories, such as the law of comparative advantage, will be helpful. To that end, I listed Krugman and Obstfeld's text in the recommended books section. It is a useful and readable starting point for understanding international economics.

Course Expectations and Requirements

Response Papers

Each student will complete three written critiques of the readings, 2000-2500 words each. Each paper should be distributed to all class members via email by 1pm the Tuesday before class. These response papers will be the starting point for our discussion each week. The authors will also be expected to help lead the discussion during their week. Each student will choose one session from each of the following groups: 2-4, 5-7, and 8-10. To ensure even coverage, we will coordinate response papers during the first session.

I expect the papers to be analytical response papers, not simply restatements of the main arguments for a particular week. Rather than summaries, your critique should focus on the strengths and weaknesses of the readings, including addressing any debates between the readings as well as discussing any interesting unanswered research questions raised by the authors. Do not feel obliged to address each article from the week. Rather, you may want to focus on one issue or debate and follow it through several pieces. The supplementary readings provide additional resources for this purpose and you are welcome to introduce them to the course. For these readings, though, be aware your classmates will not have read them so a little more summarizing may be in order.

Book Review

In addition, students will write one book review on a work in the Supplementary Readings, 800-1200 words. You may propose a book not on the syllabus that is pertinent to the topics of a class section, but each book may be reviewed only once. Similar to the response papers, the better reviews will not simply describe the main argument but focus on evaluating the theory and empirics. Issues to address include: central question(s) and its relevance in the scholarly literature and/or the policy world, the clarity and validity of the theory, and the quality of the key evidence. Book reviews are to be circulated to students and the instructor no later than 24 hours before the appropriate class session, i.e., by 1 pm on Tuesday. Book reviews will be distributed on a first-come first-serve basis, so notify the instructor when you select a book.

Evaluation

Response Papers (3)	60%
Book Review	15%
Participation	25%

Readings

All books will be available for purchase from the Seminary Co-op Bookstore, and will be placed on reserve at the Regenstein Library. Designated readings will be available on Chalk. All articles are available on-line, either in JSTOR (www.jstor.org) or directly through the library subscriptions, and will be linked in Chalk.

Required Books

- Gilpin, Robert. 2001. *Global Political Economy: Understanding the International Economic Order*. Princeton: Princeton University Press. (ISBN: 069108677X)
- Hiscox, Michael. 2002. *International Trade and Political Conflict: Commerce, Coalitions and Factor Mobility*. Princeton: Princeton University Press. (ISBN: 0691088551)
- Keohane, Robert. 1984. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton: Princeton University Press. (ISBN: 0691122482)
- Nelsen, Brent F. and Alexander Stubb, eds. 2003. *The European Union: Readings on the Theory and Practice of European Integration*. 3rd edition. Boulder: Lynne Rienner. (ISBN: 1588262316)

Recommended Books

- Krugman, Paul and Maurice Obstfeld. 2005. *International Economics: Theory and Policy*. 7th ed. Boston: Addison-Wesley. (ISBN: 0321293835)

Class Schedule

1 Theoretical Approaches

1.1 Overview of IPE and Political Science Methods (Session 1: 10 January)

Required Readings

Gilpin, *Global Political Economy*:

- Ch. 1 “The New Global Economic Order”: 3-24
- Ch. 4 “The Study of International Political Economy’: 77-102
- Ch. 5 “New Economic Theories”: 103-128
- *Recommended, but optional*: Ch. 3 “The Neoclassical Conception of the Economy”: 46-76

King, Gary, Robert O. Keohane, and Sidney Verba. 1994. *Designing Social Inquiry. Scientific Inference in Qualitative Research*. Princeton: Princeton University Press, Chapter 1, p. 3-33 [Blackboard].

Lipson, Charles. 1984. “International Cooperation in Economic and Security Affairs.” *World Politics* 37.1 (October): 1-23.

Supplementary Readings

Eichengreen, Barry. 1998. “Dental Hygiene and Nuclear War: How International Relations Looks From Economics.” *International Organization* 52.4 (Autumn): 993-1012.

Frieden, Jeffrey and Lisa Martin. 2003. “International Political Economy: Global and Domestic Interactions.” In *Political Science: The State of the Discipline*, eds. Ira Katznelson and Helen V. Milner. New York: W.W. Norton, 118-146 [Blackboard].

Gourevitch, Peter. 1978. “The Second Image Reversed: International Influences on Domestic Politics.” *International Organization* 32.4 (Autumn): 881-912.

Mastanduno, Michael. 1999. “Economics and Security in Statecraft and Scholarship.” *International Organization* 52.4 (Autumn): 825-854.

Mittelman, James H. 2002. “Globalization: An Ascendant Paradigm?” *International Studies Perspectives* 3.1 (February): 1-14.

van Evera, Stephen. 1997. *Guide to Methods for Students of Political Science*. Ithaca: Cornell University Press, Chapter 1.

1.2 State Power (Session 2: 17 January)

Required Readings

Drezner, Daniel W. 2003. “The Hidden Hand of Economic Coercion.” *International Organization* 57.3 (July): 643-659.

Hurd, Ian. 1999. “Legitimacy and Authority in International Politics.” *International Organization* 53.2 (Spring): 379-408.

- Krasner, Stephen D. 1991. "Global Communications and National Power: Life on the Pareto Frontier." *World Politics* 43.3 (April): 336-366.
- March, James and Johan Olsen. 1998. "The Institutional Dynamics of International Political Orders." *International Organization* 52.4 (October): 943-969.
- Nye, Joseph. 1990. "Soft Power." *Foreign Policy* 80 (Autumn): 153-171.
- Pape, Robert A. 1997. "Why Economic Sanctions Do Not Work." *International Security* 22.2 (Autumn): 90-110.
- Wohlforth, William. 1999. "The Stability of a Unipolar World." *International Security* 24.1 (Summer): 5-41.

Supplementary Readings

- Drezner, Daniel. 1999. *The Sanctions Paradox: Economic Statecraft and International Relations*. Cambridge: Cambridge University Press.
- Elliott, Kimberly Ann. 1998. "The Sanctions Glass. Half Full or Completely Empty?" *International Security* 23.1 (Summer): 50-65.
- Gruber, Lloyd. 2000. *Ruling the World: Power Politics and the Rise of Supranational Institutions*. Princeton: Princeton University Press.
- Kahler, Miles. 2002. "The State of the State in World Politics." In *Political Science: State of the Discipline* eds. Ira Katznelson and Helen Milner. New York: W. W. Norton.
- Keeley, James. 1990. "Toward a Foucauldian Analysis of International Regimes." *International Organization* 44.1 (Winter): 83-105.
- Keohane, Robert O. 1997. "Problematic Lucidity: Stephen Krasners 'State Power and the Structure of International Trade.'" *World Politics* 50.1 (October): 150-170.
- Kirshner, Jonathan. 1995. *Currency and Coercion: The Political Economy of International Monetary Power*. Princeton: Princeton University Press.
- Martin, Lisa L. 1992. *Coercive Cooperation: Explaining Multilateral Economic Sanctions*. Princeton: Princeton University Press.
- Mansfield, Edward. 1992. "The Concentration of Capabilities and International Trade." *International Organization* 46 .3 (Summer): 731-764.
- Pape, Robert A. 1998. "Why Economic Sanctions Still Do Not Work." *International Security* 23.1 (Summer): 66-77.
- Viner, Jacob. 1948. "Power Versus Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Centuries," *World Politics* 1.1 (October): 1-29.

1.3 Cooperation in the International Economy (Session 3: 24 January)

Required Readings

- Gintis, Herbert. 2000. *Game Theory Evolving*. Princeton, Princeton University Press, Ch. 1 [Available on Chalk].
- Grieco, Joseph. 1988. "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal

- Institutionalism.” *International Organization* 42.3 (Summer): 485-507.
- Keohane, *After Hegemony*, Chs. 1-7, p. 5-134.
- Mastanduno, Michael. 1991. “Do Relative Gains Matter? America’s Response to Japanese Industrial Policy.” *International Security* 16.1 (Summer): 73-113.
- Oye, Kenneth. 1985. “Explaining Cooperation Under Anarchy: Hypotheses and Strategies.” *World Politics* 38.1 (October): 1-24.
- Putnam, Robert. 1988. “Diplomacy and Domestic Politics: The Logic of Two-level Games.” *International Organization* 42.3 (Summer): 427-460.

Supplementary Readings

- Abbott, Kenneth W. and Duncan Snidal. 1998. “Why States Act through Formal International Organizations.” *The Journal of Conflict Resolution* 42.1 (February): 3-32.
- Akerlof, George. 1970. “The Market for Lemons: Quality Uncertainty and the Market Mechanism.” *Quarterly Journal of Economics* 84.3 (August): 488-500.
- Cowhey, Peter. 1993. “Domestic Institutions and the Credibility of International Commitments: Japan and the United States.” *International Organization* 47.2 (Spring): 299-326.
- Drezner, Daniel, ed. 2003. *Locating the Proper Authorities: The Interaction of Domestic Politics and International Institutions*. Ann Arbor: University of Michigan Press.
- Goldstein, Judith, Miles Kahler, Robert O. Keohane and Anne-Marie Slaughter. 2000. “Introduction: Legalization and World Politics.” *International Organization* 54.3 (Summer): 385-400.
- Haggard, Stephan and Beth A. Simmons. 1987. “Theories of International Regimes.” *International Organization* 41.3 (Summer): 491-517.
- Keohane, *After Hegemony*, Chs. 8-11.
- Keohane, Robert O. 1982. “The Demand for International Regimes.” *International Organization* 36.2 (Spring): 325-355.
- Keohane, Robert O. 1988. “International Institutions: Two Approaches.” *International Studies Quarterly* 32.4 (December): 379-396.
- Keohane, Robert O. 1993. “Institutional Theory and the Realist Challenge After the Cold War.” In *Neorealism and Neoliberalism: Contemporary Debate*, ed. David Baldwin. Columbia: Columbia UP, 269-300.
- Koremenos, Barbara, Charles Lipson, and Duncan Snidal, eds. 2004. *The Rational Design of International Institutions*. New York: Cambridge UP. *Previously published as a special issue of International Organization* 55.4 (Autumn 2001).
- Legro, Jeffrey W. and Andrew Moravcsik. 1999. “Is Anybody Still a Realist?” *International Security* 24.2 (Autumn): 5-55.
- March, James G. and Johan P. Olsen. 1984. “The New Institutionalism: Organizational Factors in Political Life.” *American Political Science Review* 78.3 (September): 734-749.
- Martin, Lisa L. and Beth Simmons. 1999. “Theories and Empirical Studies of International Institutions.” *International Organization* 52.4 (Autumn): 729-757.
- Martin, Lisa L. 2000. *Democratic Commitments: Legislatures and International Cooperation*. Princeton: Princeton University Press.

- Mearsheimer, John J. 1994-1995. "The False Promise of International Institutions." *International Security* 19.3 (Winter): 5-49.
- Keohane, Robert O. and Lisa L. Martin. 1995. "The Promise of Institutional Theory." *International Security* 20.1 (Summer): 39-51.
 - Mearsheimer, John J. 1995. "A Realist Reply." *International Security* 20.1 (Summer): 82-93.
- Milner, Helen. 1997. *Interests, Institutions and Information: Domestic Politics and International Relations*. Princeton: Princeton University Press.
- Milner, Helen V. 1999. "Rationalizing Politics: The Emerging Synthesis Among International, American and Comparative Politics." *International Organization* 52.4 (Autumn): 759-786.
- Moravcsik, Andrew. 1997. "Taking Preferences Seriously: A Liberal Theory of International Politics." *International Organization* 51.4 (Autumn): 513-553.
- Olson Jr., Mancur. 1965. *The Logic of Collective of Action: Public Goods and the Theory of Groups*. Cambridge: Harvard University Press.
- Russett, Bruce. 1985. "The Mysterious Case of Vanishing Hegemony; or, is Mark Twain Really Dead?" *International Organization* 39 (Spring): 207-231.

More on the Relative Gains Debate

- Grieco, Joseph, Robert Powell, and Duncan Snidal. 1993. "The Relative-Gains Problem for International Cooperation." *American Political Science Review* 87.3 (September): 727-743.
- Powell, Robert. 1991. "Absolute and Relative Gains in International Relations Theory." *American Political Science Review* 85.4 (December): 1303-1320.
- Snidal, Duncan. 1991. "International Cooperation Among Relative Gains Maximizers." *International Studies Quarterly* 35: 387-402.
- Snidal, Duncan. 1991. "Relative Gains and the Pattern of International Cooperation." *American Political Science Review* 85.3 (September): 701-726.

2 Issue Areas

2.1 International Trade, Part 1: International Influences (Session 4: 31 January)

Required Readings

- Gilpin, *Global Political Economy*, Ch. 8, p. 196-233.
- Goldstein, Judith and Lisa L. Martin. 2000. "Legalization, Trade Liberalization, and Domestic Politics: A Cautionary Note." *International Organization* 54.3 (Summer): 603-632.
- Keohane, *After Hegemony*, Chs. 8-11, p. 135-259.
- Krasner, Stephen. 1976. "State Power and the Structure of International Trade." *World Politics* 28.3 (April): 317-347.
- Snidal, Duncan. 1985. "The Limits of Hegemonic Stability Theory." *International Organization* 39.4 (Autumn): 579-614.

Supplementary Readings

- Gowa, Joanne. 1995. *Allies, Adversaries and International Trade*. Princeton: Princeton University Press.
- Irwin, Douglas. 1997. *Against the Tide: An Intellectual History of Free Trade*. Princeton: Princeton University Press.
- Kindleberger, Charles. 1974. *The World in Depression, 1929-1939*. Berkeley: University of California Press.
- Lipson, Charles. 1982. "The Transformation of Trade: The Sources and Effects of Regime Changes." *International Organization* 36.2 (Spring): 417-455.
- McKeown, Timothy. 1983. "Hegemonic Stability Theory and 19th Century Tariff Levels." *International Organization*. 37.1 (Winter): 73-91.
- Rose, Andrew. 2002. "Do WTO Members Have a More Liberal Trade Policy?" NBER Working Paper 9347. (<http://papers.nber.org/papers/w9347>).
- Rose, Andrew. 2004. "Do We Really Know That the WTO Increases Trade" *The American Economic Review* 94.1 (March): 98-114.
- Ruggie, John Gerard. 1982. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order." *International Organization* 36.2 (Spring): 379-415.
- Smith, James McCall. 2000. "The Politics of Dispute Settlement Design: Explaining Legalism in Regional Trade Pacts." *International Organization* 54.1 (Winter): 137-180.
- Stein, Arthur. 1984. "The Hegemon's Dilemma: Great Britain, the United States, and the International Economic Order." *International Organization* 38.2 (Spring): 355-386.

2.2 International Trade, Part 2: Domestic Influences (Session 5: 7 February)

Required Readings

- Davis, Christina L. 2004. "International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization." *American Political Science Review* 98.1 (February): 153-169.
- Frye, Timothy and Edward Mansfield. 2004. "Timing is Everything: Elections and Trade Liberalization in the Post-Communist World." *Comparative Political Studies* 37.4 (May): 371-398.
- Hiscox, *International Trade and Political Conflict*:
- Chs. 1-4, p. 3-70.
 - Ch. 7, p. 96-103.
 - Chs. 10-11, p. 128-164.
- Milner, Helen and Keiko Kubota. 2005. "Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries." *International Organization* 59.1 (Winter): 107-143.
- Scheve, Kenneth and Matthew Slaughter. 1999. "What Determines Individual Trade Policy Preferences?" *Journal of International Economics* 54.2: 267-292.

Supplementary Readings

- Davis, Christina L. 2003. *Food Fights Over Free Trade: How International Institutions Promote Agricultural Trade Liberalization*. Princeton: Princeton University Press.

- Frieden, Jeff. 1988. "Sectoral Conflict and Foreign Economic Policy, 1914-1940." *International Organization* 42.1 (Winter): 59-90.
- Goldstein, Judith. 1989. "The Impact of Ideas on Trade Policy: The Origins of U.S. Agricultural and Manufacturing Policies." *International Organization* 43.1 (Winter): 31-71.
- Gourevitch, Peter. 1986. *Politics in Hard Times: Comparative Responses to International Economic Crises*. Ithaca: Cornell University Press.
- Hiscox, Michael. 2001. "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and The Politics of Trade." *International Organization* 55.1 (Winter): 1-46.
- Kurth, James R. 1979. "The Political Consequences of the Product Cycle: Industrial History and Political Outcomes." *International Organization* 33.1 (Winter): 1-34.
- Lohmann, Susan and Sharyn OHalloran. 1994. "Divided Government and US Trade Policy." *International Organization* 48.4 (Autumn): 595-632.
- Mansfield, Edward D. and Mark L. Busch. 1995. "The Political Economy of Non-Tariff Barriers: A Cross-National Analysis." *International Organization* 49.4 (Autumn): 723-749.
- Mansfield, Edward D., Helen V. Milner, and B. Peter Rosendorff. 2000. "Free to Trade: Democracies, Autocracies, and International Trade." *American Political Science Review* 94.2 (June): 305-321.
- McGillivray, Fiona. 2004. *Privileging Industry: The Comparative Politics of Trade and Industrial Policy*. Princeton: Princeton University Press.
- Milner, Helen. 1988. *Resisting Protectionism: Global Industries and the Politics of International Trade*. Princeton: Princeton University Press.
- Rogowski, Ronald. 1989. *Commerce and Coalitions: How Trade Affects Domestic Political Alignments*. Princeton: Princeton University Press.
- Rogowski, Ronald. 1987. "Political Cleavages and Changing Exposure to Trade." *American Political Science Review* 81.4 (December): 1121-1137.
- Rogowski, Ronald. 1987. "Trade and the Variety of Democratic Institutions." *International Organization* 41.2 (Spring): 203-223.
- Schoppa, Leonard. 1993. "Two-level Games and Bargaining Outcomes: Why Gaiatsu Succeeds in Japan in Some Cases But Not Others." *International Organization* 47.3 (Summer): 353-386.
- Tomz, Michael. 2007. "Domestic Audience Costs in International Relations: An Experimental Approach." *International Organization* 61.4 (Fall): 821-840.

2.3 Foreign Direct Investment & Development

(Session 6: 14 February)

Required Readings

- Evans, Peter. 1971. "National Autonomy and Economic Development: Critical Perspectives on Multinational Corporations in Poor Countries." *International Organization* 25.3 (Summer): 675-692.
- Gilpin, *Global Political Economy*, Chs. 11 and 12, p. 278-340.
- Jensen, Nathan. 2003. "Democratic Governance and Multinational Corporations: The Political Economy of Foreign Direct Investment." *International Organization* 57.3 (July): 587-616.
- Malesky, Edmund J. 2006. "Straight Ahead on Red: The Impact of Foreign Direct Investment on De Facto

- Decentralization in Vietnam.” Manuscript [Available on Chalk].
- Scheve, Kenneth and Matthew J. Slaughter. 2004. “Economic Insecurity and the Globalization of Production.” *American Journal of Political Science* 48.4 (October): 662-674.
- Thacker, Strom C. 1999. “The High Politics of IMF Lending.” *World Politics* 52.1 (October): 38-75.
- Vreeland, James. 2003. “Why Do Governments and the IMF Enter Into Agreements?” *International Political Science Review* 24.3: 321-343.

Supplementary Readings

- Acemoglu, Daron, Simon Johnson and James Robinson. 2002. “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income.” *Quarterly Journal of Economics* 117.4: 1231-1294.
- Devlin, Robert. 1989. *Debt and Crisis in Latin America: The Supply Side of the Story*. Princeton: Princeton University Press.
- Evans, Peter. 1979. *Dependent Development: The Alliance of Multinational, State and Local Capital in Brazil*. Princeton: Princeton University Press.
- Frieden, Jeffrey A. 1991. *Debt, Development and Democracy: Modern Political Economy and Latin America, 1965-1985*. Princeton: Princeton University Press.
- Gerschenkron, Alexander. 1962. *Economic Backwardness in Historical Perspective*. Cambridge: Belknap Press of Harvard.
- Gould, Erica R. 2003. “Money Talks: Supplementary Financiers and International Monetary Fund Conditionality.” *International Organization* 57.3 (July): 551-586.
- Haggard, Stephan. 1990. *Pathways from the Periphery*. Ithaca: Cornell University Press.
- Kobrin, Stephen. 1987. “Testing the Bargaining Hypothesis in the Manufacturing Sector in Developing Countries.” *International Organization* 57 (Autumn): 609-638.
- Li, Quan and Adam Resnick. 2003. “Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries.” *International Organization* 57.1 (January): 175-211.
- Malesky, Edmund J. 2006. “Re-Thinking the Obsolescing Bargain: Do Foreign Investors Really Surrender their Influence over Economic Reform in Transition States?” Manuscript [Available on Chalk].
- Oatley, Thomas. 2004. “Why is Stabilization Sometimes Delayed? Re-evaluating the Regime Type Hypothesis.” *Comparative Political Studies* 37.3 (April): 286-312.
- Przeworski, Adam, Michael E. Alvarez, Jose Antonio Cheibub and Fernando Limongi. 2000. *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. Cambridge: Cambridge University Press.
- Przeworski, Adam and James Raymond Vreeland. 2000. “The Effect of IMF Programs on Economic Growth.” *Journal of Development Economics* 62.2: 385-421.
- Smith, Tony. 1979. “The Underdevelopment of Development Literature: The Case of Dependency Theory.” *World Politics* 31.2 (January): 247-288.
- Stiglitz, Joseph. 2002. *Globalization and Its Discontents*. New York: W.W. Norton Company.
- Stone, Randall. 2002. *Lending Credibility: The IMF and the Post-Communist Transition*. Princeton: Princeton University Press.
- “Symposium on Growth in Africa.” 1999. *Journal of Economic Perspectives* 13.3 (Summer). Especially

articles by Paul Collier and Jan Willem Gunning (Why Has Africa Grown Slowly?) and Benno J. Ndulu and Stephen A. O'Connell (Governance and Growth in Sub-Saharan Africa).

Vreeland, James. 2003. *The IMF and Economic Growth*. Cambridge: Cambridge University Press.

2.4 International Finance and Monetary Politics (Session 7: 21 February)

Required Readings

Bernhard, William, Lawrence Broz, and William Clark. 2002. "The Political Economy of Monetary Institutions." *International Organization* 56.4 (October): 693-723.

Bernhard, William and David Leblang. 1999. "Democratic Institutions and Exchange Rate Commitments." *International Organization* 53.1 (January): 71-97.

Frieden, Jeffrey. 1991. "Invested Interests: The Politics of National Economic Policies in a World of Global Finance." *International Organization* 45.4 (Autumn 1991): 425-451.

Gilpin, *Global Political Economy*, Chs. 9 and 10, p. 234-277.

Hausmann, Ricardo. 1999. "Should There Be Five Currencies or One Hundred and Five?" *Foreign Policy* 116 (Fall): 65-79.

Sachs, Jeffrey and Felipe Larrain. 1999. "Why Dollarization Is More Straitjacket Than Salvation" *Foreign Policy* 116 (Fall): 80-92.

Simmons, Beth. 2001. "The International Politics of Harmonization: The Case of Capital Market Integration" *International Organization* 55.3 (September): 589-620.

Supplementary Readings

Andrews, David M. 1994. "Capital Mobility and State Autonomy: Toward a Structural Theory of International Monetary Relations." *International Studies Quarterly* 38 (June): 193-218.

Andrews, David M. and Thomas D. Willett. 1997. "Financial Interdependence and the State: International Monetary Relations at Centurys End." *International Organization* 51.3: 479-511.

Cohen, Benjamin J. 1997. "The Political Economy of Currency Regions." In *The Political Economy of Regionalism*. Eds. Edward D. Mansfield and Helen V. Milner. New York: Columbia University Press, 50-76.

Helleiner, Eric. 2003. *The Making of National Money: Territorial Currencies in Historical Perspective*. Ithaca: Cornell University Press.

Hirschman, Albert. 1970. *Exit, Voice, and Loyalty*. Cambridge: MIT Press.

Special Issue of *International Organization*, October 2002, *The Political Economy of Monetary Institutions*.

Leblang, David. 1999. "Domestic Political Institutions and Exchange Rate Commitments in the Developing World." *International Studies Quarterly* 43.4 (December): 599-620.

McNamara, Kathleen R. 1998. *The Currency of Ideas: Monetary Politics in the European Union*. Ithaca: Cornell University Press.

Oatley, Thomas and Robert Nabors. 1998. "Redistributive Cooperation: Market Failures and Wealth Transfers in the Creation of the Basle Accord." *International Organization* 52.1 (January): 35-54.

- Oye, Kenneth A. 1985. "The Sterling-Dollar-Franc Triangle: Monetary Diplomacy 1929-1937." *World Politics* 38.1 (October): 173-199.
- Rosenbluth, Frances and Ross Schaap. 2003. "The Domestic Politics of Banking Regulation." *International Organization* 57.2 (April): 307-336.
- Simmons, Beth A. 1994. *Who Adjusts? Domestic Sources of Foreign Economic Policy During the Interwar Years*. Princeton: Princeton University Press.
- Simmons, Beth A. 2000. "International Law and State Behavior: Commitment and Compliance in International Monetary Affairs." *American Political Science Review* 94.4 (December): 819-835.
- Webb, Michael. 1991. "International Economic Structures, Government Interests, and International Coordination of Macroeconomic Adjustment Policies." *International Organization* 45.3 (Summer): 309-42.

2.5 Regional Integration and the (Re-)Allocation of Authority (Session 8: 28 February)

Required Readings

Gilpin, *Global Political Economy*, Ch. 13, p. 341-361.

Nelsen & Stubb, *The European Union*:

- Part 1: Churchill, Schuman, Monnet, de Gaulle, Thatcher, Delors, Fischer, Chirac, and Blair.
- David Mitrany, Ch. 14 "A Working Peace System": 99-119.
- Ernst Haas, Ch. 16 "The Uniting of Europe": 145-149.
- Leon N. Lindberg, Ch. 17 "Political Integration: Definitions and Hypotheses": 151-162.
- Stanley Hoffman, Ch. 18 "Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe": 163-177.
- Alec Stone Sweet and Wayne Sandholtz, Ch. 21 "Integration, Supranational Governance, and the Institutionalization of the European Polity": 215-238.
- Andrew Moravcsik, Ch. 22 "The Choice for Europe": 239-253.
- Mark A. Pollack, Ch. 23 "Delegation and Agency in the European Community": 255-279.
- Liesbet Hooghe and Gary Marks, Ch. 28 "Multi-Level Governance in the European Union": 281-311.

Supplementary Readings

de Grauwe, Paul. 2003. *The Economics of Monetary Integration*. 5th ed. New York: Oxford University Press.

Hooghe, Liesbet, and Gary Marks. 2001. *Multi-Level Governance and European Integration*. Lanham, MD: Rowman & Littlefield Publishers.

Lazer, David. 1999. "The Free Trade Epidemic of the 1860s and Other Outbreaks of Economic Discrimination." *World Politics* 51.4 (July): 447-483.

Mansfield, Edward D. and Helen V. Milner, eds. 1997. *The Political Economy of Regionalism*. New York: Columbia University Press.:

- Mansfield and Milner, Ch. 1 "The Political Economy of Regionalism: An Overview": 1-19.
- Stephan Haggard, Ch. 2 "Regionalism in Asia and the Americas": 20-49.
- Helen V. Milner, Ch. 4 "Industries, Governments, and the Creation of Regional Trade Blocs": 77-106.
- Pier Carlo Padoan, Ch. 5 "Regional Agreements as Clubs: The European Case": 107-133.
- Joseph M. Grieco, Ch. 7 "Systemic Sources of Variation in Regional Institutionalization in Western Europe, East Asia, and the Americas": 164-187.

Moravcsik, Andrew. 1998. *The Choice for Europe*. Ithaca, NY: Cornell University Press.

Moravcsik, Andrew. 1999. "A New Statecraft? Supranational Entrepreneurs and International Cooperation." *International Organization* 53.2 (April): 267-306.

Nelsen & Stubb, *The European Union*:

- Karl Deutsch et al., Ch. 15 "Political Community and the North Atlantic Area": 121-143
- Bela Balassa, Ch. 19 "The Theory of Economic Integration": 179-191

Wallace, Helen, William Wallace, and Mark Pollack, eds. 2005. *Policy-Making in the European Union*. 5th ed. New York: Oxford University Press.

2.6 Globalization, Part 1: The Causes of Liberalization (Session 9: 6 March)

Required Readings

Gilpin, *Global Political Economy*, Chs. 14 and 15, p. 362-402.

Haggard, Stephan and Sylvia Maxfield. 1996. "The Political Economy of Financial Internationalization in the Developing World." *International Organization* 50.1 (Winter): 35-68.

Keohane, Robert O. and Joseph S. Nye, Jr. 2000. "Globalization: What's New? What's Not? (And So What?)" *Foreign Policy* 118 (Spring): 104-119.

Simmons, Beth A. and Zachary Elkins. 2004. "The Globalization of Liberalization: Policy Diffusion in the International Political Economy." *American Political Science Review* 98.1 (February): 171-189.

Slaughter, Anne-Marie. 1997. "The Real New World Order." *Foreign Affairs* 76 (September/October): 183-197.

Quinn, Dennis. 1997. "The Correlates of Change in International Financial Regulation." *American Political Science Review* 91.3 (September): 531-552.

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* *See Session 10 for Supplementary readings*

2.7 Globalization, Part 2: The Effects of Liberalization (Session 10: 13 March)Need to confirm with class or reschedule**

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Last updated: January 10, 2008.