

Dr. Zhiyuan Wang  
Assistant Professor  
223 Anderson Hall  
[zhiyuan.wang@ufl.edu](mailto:zhiyuan.wang@ufl.edu)  
Class Time: T 5-7 periods (11:45 am -2:45 pm)  
Office hours: F: 9:30-11:30 a.m. & by appointment

**The Politics of World Economy INR6039**  
**Spring 2019 MAT 5**

(The most up-to date version of the syllabus will be found on Canvas)

Course Overview

This graduate seminar examines recent literature in international political economy to mainly understand how domestic and international politics shape foreign economic policies and the consequences of global economic flows. This seminar will revolve around three main themes: trade, capital, and labor. We will also explore the international sources of development as well as economic crisis and reform. The purpose of this seminar is to expose students to current theoretical debates in the field of IPE, the principle empirical approaches that have been employed to engage these debates, and the evidence that has been obtained.

Requirement

**Participation (25%)** You will finish all the weekly readings and come to seminar prepared to discuss them in detail. Active participation is of vital importance to the success of this seminar and your academic development. Therefore, you are expected to attend all the sessions.

**Discussion leaders:** Each student will lead weekly discussion twice during the semester. As a discussion leader, you will briefly introduce the class to the weekly readings, and secondly, you will produce a series of questions bear on the readings to organize the discussion. To do that, you can use handouts or slides or both.

**Critical Review (30%)** You will prepare two critical reviews during the semester. Each of them should be based on a weekly topic as listed in the syllabus that you choose. In crafting the review, you are expected to not only make a coherent literature review of the assigned works but also will identify the major issues (conceptual, theoretical and/or empirical) in the existing studies and propose ways to correct them. The review should not exceed 6 double-spaced pages.

**Original Idea Paper (45%)** You will prepare a paper that contains certain originality and will likely lead to a publishable journal article. This originality can be either theoretical contribution or empirical innovation or both. It should resemble a real journal article in all elements except that you do not have to actually execute the research. But if you can, you will be rewarded for

that. You can collaborate with one of your fellow students on this assignment. If that is the case, the resulting paper will be expected to be more developed and of higher quality than solo ones. Also, you will be graded together for the joint work. It should be double-spaced with one-inch margin and around 12-16 pages long.

**Due dates:** A one-page outline of the paper idea will be due in class on Feb. 12<sup>th</sup>. The first draft will be due on in class on Apr. 16<sup>th</sup>. The final version of the paper will be due in class on Apr. 26<sup>th</sup>. Also, you need to upload the final version to Canvas for similarity check by Turnitin before you submit the hard copy. All late work will be punished.

The grading scheme is as follows:

93 points or higher = A; 90–92.9 = A-; 87–89.9 = B+; 83–86.9 = B; 80–82.9 = B-; 77–79.9 = C+; 73–76.9 = C; 70–72.9 = C-; 67–69.9 = D+; 63–66.9 = D; 60–62.9 = D-; <60 = E. UF's grading policies can be found at <https://catalog.ufl.edu/UGRD/academic-regulations/grades-grading-policies/>

### Readings

Course readings comprise of journal articles which are available online and can be accessed through the UF library.

### Academic Integrity

You are required to abide by the Student Honor Code. Any violation of the academic integrity expected of you will result in a minimum academic sanction of failing grade on the assignment. Any alleged violations of the Student Honor Code will result in a referral to Student Conduct and Conflict Resolution. Please review the Student Honor Code and Student Conduct Code at [sccr.dso.ufl.edu/policies/student-honor-code-student-conduct-code](http://sccr.dso.ufl.edu/policies/student-honor-code-student-conduct-code).

### Students with Disabilities

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, [www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

### Course Evaluations

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>. Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when

they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>

## Course Outline

### **Week 1 (01/08) Introduction**

Viner, Jacob. 1948. Power versus Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Centuries. *World Politics* 1(1): 1-29.

Bordo, Michael, Barry Eichengreen, Douglas A. Irwin. 1999. Is Globalization Today Really Different than Globalization a Hundred Years Ago? NBER Working Paper No. 7195.

Helleiner, Erik. 2011. Understanding the 2007–2008 Global Financial Crisis: Lessons for Scholars of International Political Economy. *Annual Review of Political Science* 14: 67-87.

### **Week 2 (01/15) International Political Economy**

Lake, David A. 2009. "Open Economy Politics: A Critical Review." *The Review of International Organizations* 4 (3):219-44.

Oatley, Thomas. 2011. "The Reductionist Gamble: Open Economy Politics in the Global Economy." *International Organization* 65 (2): 311-341.

Frieden, Jeffrey A., David A. Lake, and J. Lawrence Broz. 2017. "Introduction." In Frieden and Lake, eds. *International Political Economy: Perspectives on Global Power and Wealth*, 6<sup>th</sup> edition. New York & London: W. W. Norton, 2017: 1-17.

Kayser, Mark Andreas. 2007. "How Domestic is Domestic Politics? Globalization and Elections." *Annual Review of Political Science* (10):341-62.

Elms, Deborah Kay. "New Directions for IPE: Drawing from Behavioral Economics." *International Studies Review* vol.10 no.2 (June 2008): 239-265.

### **Week 3 (01/22) Trade I: Preferences**

Hiscox, Michael J. 2001. Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade. *International Organization* 55(1): 1-46.

Rogowski, Ronald. 1987. Political Cleavages and Changing Exposure to Trade. *American Political Science Review* 81(4): 1121-1137.

Scheve, Kenneth F. and Matthew J. Slaughter. 2001. "What Determines Individual Trade-Policy Preferences?" *Journal of International Economics* 54 (3):267-92.

Mayda, Anna Maria and Dani Rodrik. 2005. "Why Are Some People (and Countries) More Protectionist Than Others?" *European Economic Review* 49:1393-1430.

Milner, Helen V. and Benjamin Judkins. 2004. "Partisanship, Trade Policy, and Globalization: Is There a Left-Right Divide on Trade Policy?" *International Studies Quarterly* 48 (1): 95-119.

Mansfield, Edward D. and Diana C. Mutz. 2009. "Support for Free Trade: Self-Interest, Sociotropic Voting, and Out-Group Anxiety." *International Organization* 63 (3): 425-457.

#### **Week 4 (01/29) Trade II: Domestic Institutions and Trade**

Rogowski, Ronald. 1987. "Trade and the Variety of Democratic Institutions." *International Organization* 41 (02):203-23.

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): 305-321.

Mukherjee, Bumba, Dale L. Smith, and Quan Li. 2009. "Labor (Im)mobility and the Politics of Trade Protection in Majoritarian Democracies." *Journal of Politics* 71 (1):291-308.

Kono, Daniel Y. 2006. "Optimal Obfuscation: Democracy and Trade Policy Transparency." *American Political Science Review* 100 (3): 369-384.

Ehrlich, Sean D. 2007. "Access to Protection: Domestic Institutions and Trade Policy in Democracies." *International Organization* 61 (3): 571-605.

Bailey, Michael, Judith Goldstein, and Barry R. Weingast. 1997. "The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade." *World Politics* 49 (3): 309-338.

#### **Week 5 (02/05) Trade III: Power Structure, International Institutions and Trade**

Krasner, Stephen. 1976. "State Power and the Structure of International Trade." *World Politics* 28 (3):317-47.

Gowa, Joanne. 1989. "Bipolarity, Multipolarity, and Free Trade." *American Political Science Review* 83 (4):1245-1256.

Goldstein, Judith, Douglas Rivers, and Michael Tomz. 2007. "Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade." *International Organization* 61 (1): 37-67.

Chaudoin, Stephen, Jeffrey Kucik, and Krzysztof Pelc. 2016. "Do WTO Disputes Actually Increase Trade?" *International Studies Quarterly* 60 (2):294-306.

Kucik, Jeffrey, and Eric Reinhardt. 2008. "Does Flexibility Promote Cooperation? An Application to the Global Trade Regime." *International Organization* 62: 477-505.

Davis, Christina. 2004. International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization. *American Political Science Review* 98(1):153-169.

#### **Week 6 (02/12) Trade IV: Politics of International Trade Institutions**

*The one-page outline of the paper idea due in class*

Rosendorff, Peter. 2005. "Stability and Rigidity: Politics and the Dispute Resolution Mechanism at the WTO." *American Political Science Review* 99 (3):389-400.

Rosendorff, B. Peter and Helen V. Milner. 2001. "The Optimal Design of International Trade Institutions: Uncertainty and Escape." *International Organization* 55 (4): 829-857.

Steinberg, Richard H. "In the Shadow of Power? Consensus-Based Bargaining and Outcomes in the GATT/WTO." *International Organization* vol.56 no.2 (Spring 2002): 339-374.

Mansfield, Edward D. , and Eric Reinhardt. 2003. "Multilateral Determinants of Regionalism: The Effects of GATT/WTO on the Formation of Preferential Trading Arrangements." *International Organization* 57 (4):829-62.

Manger, Mark S. 2012. "Vertical Trade Specialization and the Formation of North-South PTAs." *World Politics* 64 (4):622-58.

Kucik, Jeffrey. 2012. The Domestic Politics of Institutional Design: Producer Preferences over Trade Agreement Rules. *Economics & Politics* 24(2): 95-118.

#### **Week 7 (02/19) Financial Liberalization**

Goodman, John B. and Louis W. Pauly. 1993. "The Obsolescence of Capital Controls? Economic Management in an Age of Global Markets." *World Politics* 46 (1): 50-82.

Cohen, Benjamin J. 1996. "Phoenix Risen: The Resurrection of Global Finance." *World Politics* 48 (2): 268-296.

Quinn, Dennis and Carla Inclan. 1997. "The Origins of Financial Openness: A Study of Current and Capital Account Liberalization." *American Journal of Political Science* 41 (3):771-813.

Simmons, Beth A. and Zachary Elkins. 2004. "The Globalization of Liberalization: Policy Diffusion in the International Political Economy." *American Political Science Review* 98 (1):171-189.

Haggard, Stephan and Sylvia Maxfield. "The Political Economy of Financial Internationalization in the Developing World." *International Organization* vol.50 no.1 (Winter 1996): 35-68.

Lukauskas, Arvid J. and Susan Minushkin. 2000. "Explaining Styles of Financial Market Opening in Chile, Mexico, South Korea, and Turkey." *International Studies Quarterly* 44 (4): 695-723.

### **Week 8 (02/26) Exchange-Rate Policies**

Obstfeld, Maurice, Jay C. Shambaugh, and Alan M. Taylor. 2005. "The Trilemma in History: Tradeoffs among Exchange Rates, Monetary Policies, and Capital Mobility." *Review of Economics and Statistics* 87 (August): 423-438.

Bernhard, William and David LeBlang. 1999. "Democratic Institutions and Exchange Rate Commitments." *International Organization* 53 (1): 71-97.

Singer, David Andrew. 2010. Migrant Remittances and Exchange Rate Regimes in the Developing World. *American Political Science Review* 104 (2): 307-323.

Walter, Stefanie. 2008. "A New Approach for Determining Exchange-Rate Level Preferences." *International Organization* 62 (3): 405-438.

Bernhard, William and David LeBlang. 1999. "Democratic Institutions and Exchange Rate Commitments." *International Organization* 53 (1):71-97.

Bodea, Cristina. 2010. "Exchange Rate Regimes and Independent Central Banks: A Correlated Choice of Imperfectly Credible Institutions." *International Organization* 64 (3): 411-442.

## March 2-10 Spring Break

### Week 9 (03/12) Foreign Direct Investment

Jensen, Nathan M. 2003. Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment. *International Organization* 57 (3): 587-616.

Li, Quan and Adam Resnick. 2003. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* 57 (1): 175-211.

Büthe, Tim, and Helen V. Milner. 2008. "The Politics of Foreign Direct Investment into Developing Countries: Increasing FDI through International Trade Agreements?" *American Journal of Political Science* 52 (4):74-162.

Kerner, Andrew. 2009. "Why Should I Believe You? The Costs and Consequences of Bilateral Investment Treaties." *International Studies Quarterly* 53 (1): 73-102.

Malesky, Edmund. 2008. "Straight Ahead on Red: How Foreign Direct Investment Empowers Subnational Leaders." *Journal of Politics* 70 (1): 1-23.

Zhu, Boliang. 2016. "MNCs, Rents, and Corruption: Evidence from China." *American Journal of Political Science*: forthcoming.

### Week 10 (03/19) Lending & Borrowing

Thacker, Strom C. 1999. "The High Politics of IMF Lending." *World Politics* 52(1): 38-75.

Stone, Randall. 2004. "The Political Economy of IMF Lending in Africa." *American Political Science Re-view* 98(4): 577-91.

Mosley, Layna. 2003. "Room to Move: International Financial Markets and National Welfare States." *International Organization* 54(4): 737-773.

Schultz, Kenneth A. and Barry R. Weingast. 2003. "The Democratic Advantage: Institutional Foundations of Financial Power in International Competition." *International Organization* 57(1): 3-42.

Saiegh, Sebastian M. 2008. "Do Countries Have a 'Democratic Advantage'? Political Institutions, Multilateral Agencies, and Sovereign Borrowing." *Comparative Political Studies* 38(4): 366-387.

Fails, Matthew D., and Byungwon Woo. 2014. "Unpacking Autocracy: Political Regimes and IMF Program Participation." *International Interactions* 41 (1):110-32.

### **Week 11 (03/26) Foreign Aid**

Easterly, William. 2003. "Can Foreign Aid Buy Growth?" *Journal of Economic Perspectives* 17 (3):23-48.

Dunning, Thad. 2004. "Conditioning the Effects of Aid: Cold War Politics, Donor Credibility, and Democracy in Africa." *International Organization* 58 (2): 409-423.

Alesina, Alberto, and David Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 5 (1): 33-63.

Wright, Joseph. 2009. "How Foreign Aid Can Foster Democratization in Authoritarian Regimes." *American Journal of Political Science* 53 (3):552-71.

Büthe, Tim, Solomon Major, and André de Mello e Souza. 2012. "The Politics of Private Foreign Aid: Humanitarian Principles, Economic Development Objectives, and Organizational Interests in the Allocation of Private Aid by NGOs." *International Organization* 66 (4): 571-607.

Kosack, Stephen, and Jennifer Tobin. 2006. "Funding Self-Sustaining Development: The Role of Aid, FDI, and Government in Economic Success." *International Organization* 60 (1):205-243.

### **Week 12 (04/02) Migration**

Scheve, Kenneth F., and Matthew J. Slaughter. 2001. "Labor Market Competition and Individual Preferences over Immigration Policy." *Review of Economics and Statistics* 83 (1): 133-145.

Mayda, Anna M. 2006. "Who is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants." *Review of Economics and Statistics* 88 (3): 510-530.

Hanson, Gordon, Kenneth F. Scheve, and Matthew J. Slaughter. 2007. "Public Finance and Individual Preferences over Globalization Strategies." *Economics and Politics* 19(1): 1-33.



Hatton, Timothy J. and Williamson, Jeffrey G. 2006. "A Dual Policy Paradox: Why Have Trade and Immigration Policies *Always* Differed in Labor-Scarce Economies?" IZA Discussion Paper No. 2146.

Hainmueller, J., and M. J. Hiscox. 2010. "Attitudes toward Highly Skilled and Low-skilled Immigration: Evidence from a Survey Experiment." *American Political Science Review* 104 (1):61-84.

Facchini, Giovanni and Steinhardt, Max Friedrich. 2011. "What Drives US Immigration Policy? Evidence from Congressional Roll Call Votes." IZA Discussion Paper No. 5561.

### **Week 13 (04/09) Consequences of Globalization**

Rodrik, Dani. 1998. "Why Do More Open Economies Have Bigger Governments?" *Journal of Political Economy* 106 (5): 997-1032.

Dollar, David. 2005. "Globalization, Poverty, and Inequality since 1980." *World Bank Research Observer* 20 (2):145-76.

Oatley, Thomas. 1999. "How Constraining is Capital Mobility? The Partisan Hypothesis in an Open Economy." *American Journal of Political Science* 43 (3):1003-27.

Wibbels, Erik. 2006. "Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World." *International Organization* 60 (2): 433-468.

Adserà, Alícia and Charles Boix. 2002. "Trade, Democracy, and the Size of the Public Sector: The Political Underpinnings of Openness." *International Organization* 56 (2): 229-262.

Milner, Helen V., and Bumba Mukherjee. 2009. Democratization and Economic Globalization. *Annual Review of Political Science* 12: 163-181.

### **Week 14 (04/16) International Sources of Development**

*The first draft of the original idea paper due in class*

Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi. "Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development." *National Bureau of Economic Research Working Papers Series* no.9305 (October 2002).

Doner, Richard F., Bryan K. Ritchie, and Dan Slater. "Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective." *International Organization* vol.59 no.2 (Spring 2005): 327-361.

Gourevitch, Peter A. "The Second Image Reversed: The International Sources of Domestic Politics." *International Organization* vol.32 no.4 (Autumn 1978): 881-911.

Baccini, Leonardo, and Johannes Urpelainen. 2014. "International Institutions and Domestic Politics: Can Preferential Trading Agreements Help Leaders Promote Economic Reform?" *The Journal of Politics* 76 (01):195-214.

Rodrik, Dani, and World Bank. 2006. "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's "Economic Growth in the 1990s: Learning from a Decade of Reform"." *Journal of Economic Literature* 44 (4):973-87.

Przeworski, Adam, and James Raymond Vreeland. 2000. "The Effect of IMF Programs on Economic Growth." *Journal of Development Economics* 62 (2):385-421.

### **Week 15 (04/23) Economic Crisis and Reform**

Alesina, Alberto, and Alan Drazen. 1991. Why are Stabilizations Delayed? *American Economic Review* 81(5): 117088.

Hellman, Joel. 1998. Winner Takes All. *World Politics* 50(2): 20334.

Schamis, Hector. 1999. Distributional Coalitions and the Politics of Economic Reform in Latin America. *World Politics* 51(2): 23668.

Oatley, Thomas. 2004. Why is Stabilization Sometimes Delayed? Reevaluating the Regime Type Hypothesis. *Comparative Political Studies* 37(3): 286312.

Broz, J. Lawrence. 2005. Congressional Politics of International Financial Rescues. *American Journal of Political Science* 49(3): 47996.

Beazer, Quintin H., and Byungwon Woo. 2016. "IMF Conditionality, Government Partisanship, and the Progress of Economic Reforms." *American Journal of Political Science* 60 (2):304-21.

*The final version of the original idea paper is due in hard copy and Canvas on Apr. 26<sup>th</sup> at 12 pm.*