

**PLIR 7390**  
**Political Economy of International Migration and Finance**  
**Spring 2022**

Draft of 1/21/22 (subject to revision and amendment)

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**Overview**

This is a PhD level course on international political economy. While the substance of the course focuses on issues related to international migration and international financial/monetary politics, the primary objective of the course is to teach students to conduct original and independent research.

This seminar is one half of the IPE sequence in the Politics Department; students are strongly encouraged to take Professor Sonal Pandya's course on the political economy of trade and foreign direct investment. I expect that students will have taken (or be taking) introductory quantitative methods and have more than a passing familiarity with international economics.

**Requirements**

Grades in the course will be based on the following items:

**Participation (40%).** Students will read each item on the syllabus closely and come to class each week prepared to discuss them in detail. When reading each paper, think about: (1) What outcome(s) is the author seeking to explain? (2) What is this author(s) main argument? (3) Where does this reading fit into the literature and how does it seek to contribute? (4) What is the nature of this reading's empirical research design and findings? What are the paper's strengths and weaknesses? [Here](#) is an outstanding guide to how to read empirical papers.

**Literature Extension (likely 2 each: 10% each).** Each week a student will be assigned the privilege of extending the literature; this means that the student will provide a 15-20 minute overview of related, but not assigned, research. This will (a) help build connections to other literatures and (b) help prepare you for comprehensive examinations. In the past, students have found it useful to coordinate their presentations and use handouts or slides to convey their main points.

**Original Idea Concept Note (40%)** You will prepare a 10-12 page paper containing an original idea that could serve as the key insight for a potentially publishable work. Your "new idea" may be a theoretical contribution, an improvement in research design, or an empirical innovation. Regardless of the nature of your contribution, all papers need a clear motivation from a critique of the existing literature. This paper will be presented on the final day of the class, **April 27th**.

A preliminary one-page proposal is due **March 23rd** at the beginning of class.

All late work will be penalized at the rate of 1 letter grade per day, including weekends.

### **Attendance and Participation**

Attendance at all class meetings is required; you are expected to attend the classes in person. Absences will be excused only with a note from a dean or a doctor. Two or more unexcused absences will lead to a failing grade for participation.

The goal of this class is to help you to learn as much as possible about the subject matter. I strongly believe (and research suggests) that you will learn more if you participate actively. This is why participation counts for 40% of your grade. Moreover, attending a discussion-based seminar without actively participating amounts to “free-riding” on other students’ hard work (and willingness to take risks), and will be looked upon poorly. In short: **your active participation in class is crucial for you to learn as much as possible in this class—and for you to get a good grade.** While I will not ban laptops, research suggests that you will learn more if you take notes by hand (even if you access the readings on a laptop).

What is active participation? We will discuss this (actively) on the first day of class. But in general, it means that you should come to class prepared to discuss the readings assigned for that class session. In addition to your notes, you should bring copies of all of the readings that we are discussing on a given day with you to class on that day. **In order for you to participate actively, it might be necessary for you to do some readings twice.**

**Readings:** Do them.

All of the readings are linked in this syllabus or posted on Collab (at the latest by the Friday after the previous week’s class). **If an assigned reading is not available when it’s supposed to be, please let me know ASAP!**

*If you or someone you know is experiencing stalking, partner violence or sexual assault, please know you are not alone. Our doors are always open, and there are other resources that can help: <http://www.virginia.edu/sexualviolence> and ([http://www.virginia.edu/justreportit/confidential\\_resources.pdf](http://www.virginia.edu/justreportit/confidential_resources.pdf)).*

### *Equity, Free Speech, and Class Discussions*

*The University of Virginia is a community in which the ideals of freedom of inquiry, thought, and expression are respected and sustained. The University of Virginia is dedicated to providing a safe and equitable learning environment for all students. Discrimination and harassment on the basis of race, color, sex, gender identity, sexual orientation, national or ethnic origin, religion, political affiliation, age, marital status, veteran status, or family medical or genetic information will not be tolerated. All students are expected to be respectful of others during class discussions.*

**The Honor Code:** Don’t violate it. For more information:  
[http://www.scps.virginia.edu/honor\\_code.htm](http://www.scps.virginia.edu/honor_code.htm)

Readings: What follows is a non-exhaustive set of papers on a non-exhaustive set of topics related to the political economy of money and migration. The overview papers are intended to provide a broad (not necessarily) deep overview of the issues surrounding each particular topic and the research papers are designed to provide deep(er) dives. For each topic I have listed (at least) one book that you should read at some point; these books are not required reading for each week but are included to provide a fuller treatment of specific topics.

## Part One: Introduction and Foundations

### January 19 Introduction and Overview. Open Economy Politics

#### Overview

- David Lake. 2009. "[Open Economy Politics: A Critical Review](#)," *The Review of International Organizations* 4:219-244.
- Stephanie Rickard. 2021. "[Open Economy Politics Revisited](#)," *The Oxford Handbook of International Political Economy* (ed. Pevehouse and Seabrooke). Oxford University Press

#### Book

- Cohen, Benjamin J. 2008. *International Political Economy: An Intellectual History*. Princeton: Princeton University Press.

### January 26 Globalization, Backlash, Populism

#### Overview

- Helen Milner. 2021. "[Is Global Capitalism Compatible with Democracy? Inequality, Insecurity, and Interdependence](#)," *International Studies Quarterly* 65:1097-1110.
- Stefanie Walter. 2021. "[The Backlash Against Globalization](#)," *Annual Review of Political Science* 24:421-42.
- Sheri Berman. 2021. "[The Causes of Populism in the West](#)," *Annual Review of Political Science* 24:71-88.
- K. Blomkvist, A. Schmuck & S. Arora-Jonsson, S. 2021. [Trumpism, Brexit, Industry 4.0, and COVID-19: What is happening to globalization?: A Review of the Literature on Economic Globalization](#). Uppsala University Working Paper.

#### Research Articles

- Barry Eichengreen and David Leblang. 2006. [Democracy and Globalization](#). *Economics & Politics*, 20: 289-334
- Dani Rodrik. 2021. "[Why Does Globalization Fuel Populism? Economics, Culture, and the Rise of Right-Wing Populism](#)," *Annual Review of Economics*, 13, 1, (133-170)
- Italo Colantone and Gianmarco Ottaviano, and Piero Stanig 2021. "The Backlash of Globalization" Available at SSRN: <https://ssrn.com/abstract=3925321> or <http://dx.doi.org/10.2139/ssrn.3925321>

## Book

- Pippa Norris and Ronald Inglehart. 2019. *Cultural Backlash: Trump, Brexit, and Authoritarian Populism*. Cambridge: Cambridge University Press.

## Part Two: Political Economy of Capital Flows and Financial Markets

### February 2: Politics and Financial Markets

#### Overview:

- Lesse Aaskoven and David Dreyer Lassen. 2017. "[Political Budget Cycles](#)," *Oxford Research Encyclopedia of Politics*. Oxford University Press.
- Federico Maria Ferrara and Thomas Sattler. 2018. "[The Political Economy of Financial Markets](#)," *Oxford Research Encyclopedia of Politics*.
- William Bernhard and David Leblang. 2006. *Democratic Politics and Financial Markets: Pricing Politics*. Cambridge: Cambridge University Press. Chapters 1 and 2.

#### Research Articles

- Benton, A.L. and Philips, A.Q. (2020), [Does the @realDonaldTrump Really Matter to Financial Markets?](#). *American Journal of Political Science*, 64: 169-190.
- Sebastian Stockl and Martin Rode. 2021. "[The Price of Populism: Financial Market Outcomes of Populist Electoral Success](#)," *Journal of Economic Behavior and Organization* 189:51-83.
- William Bernhard and David Leblang (2006), "[Polls and Pounds: Public Opinion and Exchange Rate Behavior in Britain](#)", *Quarterly Journal of Political Science*: Vol. 1: No. 1, pp 25-47.
- Maria Boutchkova, Hitesh Doshi, Art Durnev, Alexander Molchanov. 2012. , [Precarious Politics and Return Volatility](#), *The Review of Financial Studies*, 25: 1111–1154.
- M. Lausegger. 2021. . [Stock markets in turmoil: political institutions and the impact of elections](#). *Economics and Politics* 33:172– 204.
- Devin Incerti and Trevor Incerti. 2020. "[Are Regime Changes Always Bad Economics? Evidence from Daily Financial Data](#)," Manuscript, Yale University.

## Books

- William Bernhard and David Leblang. 2006. *Democratic Politics and Financial Markets: Pricing Politics*. Cambridge: Cambridge University Press.
- John Campbell, Andrew Lo and A. Craig MacKinlay. 2012. *The Econometrics of Financial Markets*. Princeton: Princeton University Press.

### February 9: Political Choice of Macroeconomic Policy

#### Overview:

- Kevin O'Rourke. 2014. "A Tale of Two Trilemmas." In: Brennan L. (eds) *Enacting Globalization*. Palgrave Macmillan, London

- Obstfeld, Maurice, and Alan M. Taylor. 2017. "[International Monetary Relations: Taking Finance Seriously](#)." *Journal of Economic Perspectives*, 31 (3): 3-28.
- Jeffrey Frieden, 2015. "[Introduction: The Political Economy of Currency Choice](#)," Ch. 1. of *Currency Politics: The Political Economy of Exchange Rate Policy*
- Jakob de haan and Sylvester Eijffinger. 2016. "[The Politics of Central Bank Independence](#)," DeNederlandscheBank Working Paper #539.

#### Research Papers

- William Bernhard and David Leblang. (1999) "Democratic Institutions and Exchange Rate Commitments." *International Organization* 53:1 (Winter), 71-97.
- Aklin, M., Arias, E. and Gray, J. (2022), Inflation concerns and mass preferences over exchange-rate policy. *Economics and Politics*. <https://doi.org/10.1111/ecpo.12176>
- David Steinberg and Krishan Malhotra. (2014) "The Effect of Authoritarian Regime Type on Exchange Rate Policy." *World Politics*, 66:3, 491-529.
- Thomas B. Pepinsky. 2013. "The Domestic Politics of Financial Internationalization in the Developing World." *Review of International Political Economy* 20(4): 848-880.
- Amy Pond. 2018. "Financial Liberalization: Stable Autocracies and Constrained Democracies." *Comparative Political Studies* 51(1): 105-35.
- Bodea, C., & Hicks, R. (2015). [Price Stability and Central Bank Independence: Discipline, Credibility, and Democratic Institutions](#). *International Organization*, 69(1), 35-61
- Bert Kramer and Petros Milinis. 2021. "[Democratic Constraints and Adherence to the Classical Gold Standard](#)," *Explorations in Economic History*

#### Book:

- Jeffrey Frieden. 2014. *Currency Politics: The Political Economy of Exchange Rate Policy*. Princeton: Princeton University Press.

### **February 16: Financial Crises, Causes and Consequences**

#### Overview:

- Jeffrey Frieden and Stefanie Walter. 2017. "[Understanding the Political Economy of the Eurozone Crisis](#)," *Annual Review of Political Science* 20:371-90.
- Yotam Margalit. 2019. "[Political Responses to Economic Shocks](#)," *Annual Review of Political Science* 22:1, 277-295

#### Research Papers

- Moritz Schularick & Alan M. Taylor, 2012. "Credit Booms Gone Bust: Monetary Policy, Leverage Cycles, and Financial Crises, 1870-2008," *American Economic Review* 102(2): 1029-61.
- Leblang, D., & Bernhard, W. (2000). [The Politics of Speculative Attacks in Industrial Democracies](#). *International Organization*, 54(2), 291–324.

- Leblang, D., & Satyanath, S. (2006). [Institutions, Expectations, and Currency Crises](https://www.jstor.org/stable/3877873). *International Organization*, 60(1), 245–262. <http://www.jstor.org/stable/3877873>
- Manuel Funke, Moritz Schularick, & Christoph Trebesch. 2016. “Going to Extremes: Politics After Financial Crises, 1870-2014,” *European Economic Review* 88: 227-260.
- Ahlquist, J., Copelovitch, M. and Walter, S. (2020), The Political Consequences of External Economic Shocks: Evidence from Poland. *American Journal of Political Science*, 64: 904-920.
- Walter, Stefanie. 2016. “Crisis Politics in Europe: Why Austerity Is Easier to Implement in Some Countries Than in Others.” *Comparative Political Studies* 49(7): 841– 73.

#### Books:

- Stefanie Walter. 2013. *Financial Crises and the Politics of Macroeconomic Adjustment*. Cambridge: Cambridge University Press.
- Menzie Chinn and Jeffrey Frieden. 2012. *Lost Decades: The Making of America’s Debt Crisis and the Long Recovery*. New York: W. W. Norton and Company.

### February 23: Sovereign Debt

#### Overview

- North, D. C., & Weingast, B. R. (1989). [Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England](https://www.jstor.org/stable/2326271). *The Journal of Economic History*, 49(4), 803–832.
- Kenneth Schultz and Barry Weingast. (2003) “The Democratic Advantage: Institutional Foundations of Financial Power in International Competition.” *International Organization*, 57:1, 3-42.

#### Research Papers

- Cameron Ballard-Rosa, Layna Mosley, and Rachel W. Wellhausen. (2019) “Contingent Advantage? Sovereign Borrowing, Democratic Institutions, and Global Capital Cycles.” *British Journal of Political Science*
- Sarah M. Brooks, Raphael Cunha, and Layna Mosley. (2015) “Categories, Creditworthiness, and Contagion: How Investors’ Shortcuts Affect Sovereign Debt Markets.” *International Studies Quarterly*, 59, 587-601.
- Curtis, K. Amber, Joseph Jupille, and David Leblang. 2014. “Iceland on the Rocks: The Mass Political Economy of Sovereign Debt Resettlement.” *International Organization* 68(3):721–740.
- Christina J. Schneider and Jennifer L. Tobin. 2020. “The Political Economy of Bilateral Bailouts.” *International Organization* 74(1): 1-29.
- Jennifer L. Tobin, Christina J. Schneider, and David Leblang. “Framing Unpopular Foreign Policies.” *American Journal of Political Science* (forthcoming).
- Bechtel, Michael, Jens Hainmueller, and Yotam Margalit. 2014. “Preferences for International Redistribution: The Divide over the Eurozone Bailouts.” *American Journal of Political Science* 58(4): 835– 56.

## Book

- Jerome Roos. 2019. *Why Not Default? The Political Economy of Sovereign Debt*. Princeton: Princeton University Press

## March 2: Foreign Aid

### Overview

- Joseph Wright and Matthew Winters. 2010. "The Politics of Effective Foreign Aid." *Annual Review of Political Science* 13: 61-80.
- Sarah Blodgett Bermeo. 2021. "[Foreign Aid](#)." Oxford Handbook of International Political Economy (ed. Pevehouse and Seabrooke). Oxford: Oxford University Press.

### Research Papers

- Briggs, R. (2017). Does Foreign Aid Target the Poorest? *International Organization*, 71(1), 187-206
- Bermeo, Sarah Blodgett and David Leblang. 2015. "Migration and Foreign Aid." *International Organization*, 69:3 (Summer): 627-657.
- Bermeo, Sarah Blodgett. 2017. "Aid Allocation and Targeted Development in an Increasingly Connected World." *International Organization*, 71:4 (Fall): 735-766.
- Clemens, M.A. and Postel, H.M. 2018, Deterring Emigration with Foreign Aid: An Overview of Evidence from Low-Income Countries. *Population and Development Review*, 44: 667-693. <https://doi.org/10.1111/padr.12184>
- ~~• Lanati, M. and R. Thiele. 2018. "The impact of foreign aid on migration revisited." *World Development* 111: 59-74.~~
- Leonardo Baccini, Mirko Heinzl, Mathias Koenig-Archibugi. 2021. The Social Construction of Global Health Priorities: An Empirical Analysis of Contagion in Bilateral Health Aid, *International Studies Quarterly*.
- ~~• Christina J. Schneider, Jennifer L. Tobin. 2016. "Portfolio Similarity and International Development Aid," *International Studies Quarterly*, 60: 647-664~~

## Book

- Sarah Bermeo. 2018. *Targeted Development: Industrialized Country Strategy in a Globalizing World*. Oxford: Oxford University Press.

## March 9: Spring Break, No Class

## Part Three: Migration

### March 16: Migrants and Global Capital Flows

#### Overview:

- Abel Escriba-Folch, Covadonga Meseguer, and Joseph Wright. 2022. *Migration and Democracy*. Princeton: Princeton University Press. Chapter 1 (Introduction)

- Benjamin Helms and David Leblang. 2019. "[Global Migration: Causes and Consequences](#)," *Oxford Research Encyclopedia*.

#### Research Papers

- David Leblang. 2010. [Familiarity Breeds Investment: Diaspora Networks and International Investment](#). *American Political Science Review*, 104(3), 584-600
- Faisal Ahmed. 2012. [The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival](#). *American Political Science Review*, 106(1), 146-165.
- Tertychnaya, Katerina, Catherine de Vries, Hector Solaz, and David Doyle. 2018. "[When the Money Stops: Fluctuations in Financial Remittances and Incumbent Approval in Central Eastern Europe, the Caucasus and Central Asia](#)." *American Political Science Review* 112(4): 758– 74.
- ~~Ana Carolina Garriga & Covadonga Meseguer (2019) Remittances, monetary institutions, and autocracies, *Oxford Development Studies*, 47:4, 452-467~~
- Abel Escribà-Folch, Covadonga Meseguer, Joseph Wright, [Remittances and Democratization](#), *International Studies Quarterly*, Volume 59, Issue 3, September 2015, Pages 571–586

#### Book

- Abel Escribà-Folch, Covadonga Meseguer, and Joseph Wright. 2022. *Migration and Democracy*. Princeton: Princeton University Press.

### March 23: People Flows: Migration Flows and Policy

#### Overview

- David Leblang and Benjamin Helms. Forthcoming. *The Ties that Bind: The Political Economy of Global Migration*. Cambridge University Press. Chapters 1 and 2
- David Leblang and Maggie Peters. 2022. "Immigration and Globalization (and Deglobalization)," *Annual Review of Political Science*.

#### Research Papers

- Hein de Haas and Katharina Natter. 2015. "[The Determinants of Migration Policies: Does the Political Orientation of Governments Matter?](#)" DEMIG Working Paper.
- Jennifer Fitzgerald, David Leblang, and Jessica Teets. 2014. Defying the Law of Gravity: [The Political Economy of International Migration](#). *World Politics*, 66(3), 406–445.
- Marc Helbling and Daniel Meierrieks (2021): "How climate change leads to emigration: Conditional and long-run effects", *Review of Development Economics* 25(4): 2323-2349
- ~~Peters, M. (2015). Open Trade, Closed Borders Immigration in the Era of Globalization. *World Politics*, 67(1), 114-154.~~
- Holland, A., & Peters, M. (2020). Explaining Migration Timing: Political Information and Opportunities. *International Organization*, 74(3), 560-583.

- Miller, M., & Peters, M. (2020). [Restraining the Huddled Masses: Migration Policy and Autocratic Survival](#). *British Journal of Political Science*, 50(2), 403-433

#### Book

- Margaret Peters. 2017. *Trading Barriers: Immigration and the Remaking of Globalization*. Princeton: Princeton University Press.

### March 30: Attitudes towards Migrants and Refugees

#### Overview

- Jens Hainmueller and Daniel Hopkins. 2014. "[Public Attitudes Towards Immigration](#)," *Annual Review of Political Science*, 17:225-49
- ~~Alberto Alesina and Marco Tabellini. 2021. "[The Political Effects of Immigration: Culture or Economics?](#)" Harvard Business School Working Paper 21-069.~~

#### Research Papers

- Bansak, K., Hainmueller, J., Hangartner, D. (2016). How economic, humanitarian, and religious concerns shape European attitudes toward asylum seekers. *Science*, 354(6309), 217–222.
- ~~Margalit, Y., & Solodoch, O. (2021). Against the Flow: Differentiating Between Public Opposition to the Immigration Stock and Flow. *British Journal of Political Science*, 1-21~~
- Malhotra, Neil, Yotam Margalit, and Cecilia H. Mo. 2013. "Economic Explanations for Opposition to Immigration: Distinguishing between Prevalence and Conditional Impact." *American Journal of Political Science* 57(2): 391– 410.
- ~~Max Schaub, Johanne Gereke, and Delia Baldassarri. 2020. "Strangers in Hostile Lands: Exposure to Refugees and Right-Wing Support in Germany's Eastern Regions." *Comparative Political Studies* 54(3-4): 686-717.~~
- Valentino, N., Soroka, S., Iyengar, S., Aalberg, T., Duch, R., Fraile, M., . . . Kobayashi, T. (2019). Economic and Cultural Drivers of Immigrant Support Worldwide. *British Journal of Political Science*, 49(4), 1201-1226
- HANGARTNER, D., DINAS, E., MARBACH, M., MATAKOS, K., & XEFTERIS, D. (2019). Does Exposure to the Refugee Crisis Make Natives More Hostile? *American Political Science Review*, 113(2), 442-455.

#### Books

- Sara Wallace Goodman. 2014. *Immigration and Membership Politics in Western Europe*. Cambridge: Cambridge University Press.
- Jennifer Fitzgerald. 2018. *Close to Home: Local Ties and Voting Radical Right in Europe*. Cambridge: Cambridge University Press.

**April 6: No class – work on XXX**

**April 13: The New Political Geography: A Role for Internal Migration?**

## Overview

- Stephanie Rickard. 2020. Economic geography. *Annual Review of Political Science*
- Molloy, R., C. Smith, and A. Wozniak, "Internal Migration in the United States," *Journal of Economic Perspectives*, 2011, 25(3), 173–196.

## Research Papers

- Broz, J., Frieden, J., & Weymouth, S. (2021). Populism in Place: The Economic Geography of the Globalization Backlash. *International Organization*, 75(2), 464-494.
- Adler, D., Ansell, B. (2019). Housing and populism (pp. 1-22). *West European Politics*.
- Cadena, B. and B. Kovak, "Immigrants Equilibrate Local Labor Markets: Evidence from the Great Recession," *American Economic Journal: Applied Economics*, 2016.

## Book

- Stephanie Rickard. 2018. *Spending to Win: Political Institutions, Economic Geography and Government Subsidies*. Cambridge: Cambridge University Press.

## **Part 4: Wrap Up**

### **April 20: Future Directions**

## Overview

- Oatley, T. (2011). The Reductionist Gamble: Open Economy Politics in the Global Economy. *International Organization*, 65(2), 311-341.
- Chaudoin, S., Milner, H., & Pang, X. (2015). International Systems and Domestic Politics: Linking Complex Interactions with Empirical Models in International Relations. *International Organization*, 69(2), 275-309.

## Research Papers

- William Bernhard and David Leblang 2016. "Sovereign Debt, Migration Pressure, and Government Survival." *Comparative Political Studies*.49(7):907-938.  
doi:10.1177/0010414015621079
- Sara Wallace Goodman and Thomas Pepinsky. 2021. "The Exclusionary Foundations of Embedded Liberalism." *International Organization*, 75(2), 411-439.
- Sara Wallace Goodman & Frank Schimmelfennig (2020) "Migration: a step too far for the contemporary global order?", *Journal of European Public Policy*, 27:7, 1103-1113, DOI: 10.1080/13501763.2019.1678664

## Book:

### **April 27: Student Presentations**

