

**Surveys, Experiments, and the Landscape of International Political Economy\***

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## **Surveys, Experiments, and the Landscape of International Political Economy**

The contributions to this issue show that surveys and experiments offer new tools for doing empirical research in international political economy. This essay offers a contrarian's perspective on the production and accumulation of knowledge about the politics of international economic exchange using these methodologies. This new focus on surveys and experiments rests on problematic interpretations—which appear throughout contemporary political science—of the role of microfoundations and methodological individualism in constructing explanations for social phenomena. The field of IPE should worry that the focus on surveys and experiments will constrain not just methodological choice but also theoretical breadth, limiting the field's ability to conceive of what theories are admissible in learning about the global political economy.

### **Introduction**

The field of international political economy (IPE) is defined by its object of study: “the politics of international economic exchange” (Lake 2006: 758). The articles in this special issue highlight the growing use of surveys and experiments as a methodology in IPE. Surveys and experiments are a disruptive innovation within the “American school” of IPE (Cohen 2007), representing a fundamental rethinking of the methodological foundations for conducting research on the politics of international economic exchange. The stakes for mainstream scholarship in the “open economy politics” tradition (Lake 2009) are becoming clear, if my conversations with participants at recent meetings of the International Political Economy Society are any indication. In this new wave of research, established findings about the relationships among aggregate phenomena in the international economy—the international system, relations among states, sectoral and factoral explanations for policy choices, and others—are incomplete or provisional in the absence of empirical tests using individual level data.

In this short commentary, I articulate a contrarian's perspective. Precisely because scholarship on international political economy commonly builds explanations at the levels of sectors, factors, governments, regimes, and states, there is a limit to the extent to which

individual-level data can contribute to the field of IPE. Surveys, survey experiments, individual-level data, and related micro-level research designs are neither necessary nor sufficient for constructing causal explanations about the global political economy. I make this argument by highlighting two problematic assumptions which appear to be at the heart of the experimental turn in IPE (and in political science more broadly). This sets the baseline for understanding the purposes for which surveys and experiments can be employed in IPE, and raises some thorny issues for scholars concerned about future of the subdiscipline. While I insist that these new kinds of data and new methodologies can complement existing research in IPE, I am uncertain about the terms upon which synthetic research programs can emerge.

### **Microfoundations, Methodological Individualism, and Individual-Level Data**

Why the push to test macro- or meso-level causal explanations using individual-level data? One answer may be the relative control that surveys afford, and the straightforward interpretation of the output of survey experiments. Done properly, surveys can help to elicit the actual beliefs and choices of individuals, freeing the researcher from the necessity of building explanations based on assumptions about what these are. Survey designs also force the researcher to outline the relationship between the analysis sample and the population of interest, a relationship which often remains opaque in snowball or convenience samples utilizing individual-level data. Experiments (in surveys, in the field, and in the lab) produce results that have straightforward causal interpretations. In a field such as IPE where quantitative research has long maintained a rather cavalier approach to making causal claims, this can be seen as a critical advance over the prior state of the art.

But it seems to me that some of the interest in survey-based research reflects disciplinary trends in mainstream political science that extend beyond international relations. Specifically,

two false analogies: between individual-level data and “microfoundations,” and between individual-level data and methodological individualism.

Providing microfoundations is popular in IPE nowadays,<sup>1</sup> but political scientists have not agreed on a definition of what microfoundations are.<sup>2</sup> Most commonly, political scientists use microfoundations to denote individual-level findings about beliefs or preferences, but this is decidedly not how microfoundations are used by economists, who invented the term. When macroeconomists write down microfounded models of an economy, the “microfoundations” are *assumptions* about the optimizing behavior of individual agents. The general equilibrium models constructed from these assumptions are usually not *tested*, they are *calibrated*. To the extent that these models *are* tested, it is by matching some moments of a data series, not through individual-level surveys to check whether their models’ assumptions hold for real people. Janssen (1991: 688) concludes that the turn to microfoundations in macroeconomics, and the subsequent developments within that literature, “not were brought about by severe testing.”

Microfoundations in contemporary macroeconomics, in other words, are theoretical claims rather than empirical ones. Behavioral economics presents some trenchant empirical critiques of maximizing behavior among individuals, but usually this is done in order to construct better theoretical models (see e.g. Rubinstein 2006) rather than to overturn or test existing findings of causal relationships at the aggregate level.

A thin interpretation of the methodological individualism which underlies much of mainstream political science may also explain why individual-level data is so attractive.

Methodological individualism as commonly understood in the social sciences is, at base, a

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<sup>1</sup> For example, Hays et al. (2005: 474): “no one has tested the microfoundations of the embedded liberalism thesis.” Tomz (2007: 823-4): “if audience costs prove to exist under general conditions, this discovery would provide—for the first time—empirical microfoundations for a broad class of models in international security and international political economy.”

<sup>2</sup> Contrast, for example, the above use of microfoundations with Freeman’s (2002) use of the term.

constitutive or ontological position: “whatever happens can ultimately be described exhaustively in terms of the individuals involved” (Arrow 1994: 3).<sup>3</sup> What does not follow from an individualist ontology is the conclusion that causal explanations for aggregate outcomes must rest ultimately on claims of what individuals think, feel, believe, or do. Even Elster’s classic statement that “to explain social institutions and social change is to show how they arise as the result of the *actions and interaction* of individuals” (Elster 1989: 13, emphasis added) conflates the two positions. Armed with this understanding, we can see that individual-level evidence that is inconsistent with a macro-level theory is only sometimes a reason to discard the latter. It all depends on the theory.

These points have implications for survey-based research in IPE that are not properly understood. If microfoundations are often theoretical assumptions rather than empirical claims, and if evidence about what individuals think or do is not essential for every causal explanation, then the very endeavor of looking for individual-level data in support of a macro-level causal relationship is not self-evidently a productive exercise. It must be defended with respect to a specific theoretical proposition or causal relationship. This issue plagues any enterprise in the social sciences which aims to refine theories or causal relationships among social aggregates using individual-level data. It just so happens that the scope of inquiry in IPE lies almost entirely in the aggregate.

Surveys, of course, can sample from many different populations of individuals: MTurkers, citizens, voters, business owners, investors, political elites, and others. Experiments can make use of these samples too. Some populations are more relevant to IPE than others: IPE as a field has richer expectations about how individual investors ought to think, and how they ought to behave in response to different stimuli, than how young men filling out internet surveys

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<sup>3</sup> So the “methodological” in methodological individualism is a misnomer. See Udehn (2002).

should think and behave. So, Mosley's (2003) interviews with individual market participants are fundamental to her argument about the effects of global capital market integration on national policymaking, and this work illustrates one case in which there is a clear role of individual-level data in studying the politics of the global economy. But for most questions that define the core of IPE, the ease of surveying a class of individuals is inversely correlated with its relevance to the discipline. It is fairly easy to get a sample that looks enough like the American voter to replicate experiments (Berinsky et al. 2012); it is next to impossible to get a sample of Chinese provincial officials looking for mineral resources in Angola to explore two-level games in South-South investment. Not surprisingly, Mosley collected individual-level data using primarily on interview rather than surveys.

### **A Complementary Endeavor?**

These point aside, let me be clear that there are good reasons for scholars working on IPE to study individuals using survey and experimental methodologies. Most obviously, we may simply be curious about how people think about the global economy. In that case, findings about trade policy preferences (Scheve and Slaughter 2001), or whether college education proxies for skill or socialization in the formation of preferences about immigration (Hainmueller and Hiscox 2007), are interesting in and of themselves, even if they do not ultimately serve as inputs to a larger theoretical argument. The findings in Goldstein and Peters (2013, this volume) and Bagozzi et al. (2013, this volume) can be read in this light. It could also be the case that individual choices are themselves the direct inputs to the politics of international economic exchange. This is the case with the two Icesave referenda, in which an absolutely critical aspect of Iceland's international economic relations was subject to popular vote. The results in Curtis's analysis (2013, this volume) do not directly speak to the question of individual vote choice, but

her approach does help to contextualize the factors that may have shaped the results of the two referenda. It is also possible to view some research on using surveys and experiments to explore issues such as trade, immigration, and conflict as not actually “about” IPE, but rather about debates in political psychology, in the same way that experiments about food consumption and impulse control are not “about” M&Ms.

It is also possible to employ survey and experimental techniques on populations that are not comprised of individuals: firms, unions, trade associations, or (as in the case of Brigham et al. 2013, this volume) micro-finance institutions. Here, the experimental methodology remains, but is used to explore the practices of one class of collective actors in the global economy rather than a sample of individuals. This is one creative example of keeping the focus on a collective actor that is relevant to real-world problems in the global economy while hewing closely to the principles of experimental design.

It should be clear, then, that there are good reasons for IPE as a field to embrace the new contributions that survey and experimental methodologies bring, even if I am correct that some of the interest in these methodologies is predicated on a faulty understanding—one which pervades most of political science as a whole—of what microfoundations and methodological individualism are. The fact remains, though, that individual-level data can *at best* only complement, never replace, aggregate-level research on the global political economy.

The question is how to integrate findings from surveys and experiments into existing theoretical debates, and what to do when findings are not complementary. Here, there is creative work to be done. But since the standards of evidence for survey researchers and experimentalists differ from those working with observational data on collective actors in the international economy, it is unclear to me how contradictory findings could ever be reconciled.

For some, reconciliation may indeed be impossible, which raises concerns about the future direction of the discipline. The most worrying development for the field of IPE would be if the field were to come to believe that only individual-level explanations count, or that we only know things that we learn from experimental protocols. In the discussion of surveys and experiments in the introduction to this special issue, I am struck by the following claim:

we suggest that the feasibility of using experimental methods for statistical tests, which allows for evaluation of causal relationships at the micro-level, may in fact incentivize scholars to develop well-specified theories and claims of the micro-level mechanisms at work in each theory. This may in turn pave the way for more logically consistent theoretical models in IPE.

The problem with this statement is that there are plenty of “logically consistent theoretical models” in IPE that do not rest on the behavior of the types of individuals who could respond to surveys or experiments.

Macroeconomics offers a cautionary tale in this regard. The “old Keynesian” AS-AD framework is perfectly logically consistent, in the strict sense that one can derive conclusions that follow logically from its premises. But it cannot be reconstructed from the optimizing behavior of individuals or households, so a generation of macroeconomists has concentrated on developing macroeconomic models with microfoundations, resulting in Real Business Cycle theory and the New Keynesian response. Today, some economists wonder if these theoretical developments have been productive, when the old-fashioned, non-microfounded Keynesian seems to work just fine when coherent policy analysis is most needed (Krugman 2012).

Logically consistent models without microfoundations are preferable to microfounded models which may not be logical or coherent models of entire economies. Returning to IPE, then, if the experience of macroeconomics is any indication, we should be deeply skeptical by priming us to

think about the individual-level implications of theories, surveys lead to create more logical, more coherent, or more useful theories.

Similar questions arise about the use of experiment in IPE. Within other fields—including developmental economics, which the editors of this special issue rightly note has inspired some of the new methodological developments in IPE—there has been some pushback against the belief that experiments are “the gold standard” for generating knowledge,<sup>4</sup> estimating causal parameters, or anything else. Concerns about external validity, ad hoc theorizing, and the sometimes artificial contexts in which experimental data are collected are well known, so I do not rehearse them here (on these, see Rodrik 2008; Barrett and Carter 2010). Instead, I want to focus on the possibility of learning about the social world without experimenting.

Commenting on Banerjee and Duflo’s (2011) recent summary of randomized controlled trials (RCTs) in development economics, Deaton (2012) observed that his four year old granddaughter easily learned how to play Angry Birds via trial and error. Just as provocative (if slightly less cheeky) was his conclusion that the estimand in RCTs is almost never the policy treatment effect of interest. Together, Deaton’s two arguments entail that experimental evidence is neither necessary nor sufficient for learning. For IPE, though, the challenges run deeper: RCTs have the benefits of being actual interventions in the lives of actual people which measure directly the outcomes that they seek to measure. Even the most creative experiments in IPE, such as Brigham et al. (2013, this volume), unavoidably resort to fanciful analogies; in this case, “respond to an email” is taken to be evidence of organizational learning.

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<sup>4</sup> It is common now to read proclamations in experimental political science of the type “we actually know very little about X.” “We” presumably means everybody in the world rather than a small scholarly community who does not do X for a living, and these pronouncements are made regardless of how much other people actually have learned about X through non-experimental procedures.

I conclude from this discussion that a new focus on surveys and experiments represent a far greater challenge to the existing way of producing knowledge in IPE than has been understood. The stakes for the open economy politics tradition are really high, and the stakes for what Oatley (2011) calls “non-reductionist” IPE are even higher. I believe that we can already see evidence of a change in the way that scholars working with surveys and experiments conceive of what questions are interesting to study, what theories provide admissible answers to these questions, and what evidence counts.<sup>5</sup> At just the time in which IPE should be poised to study critical problems in the politics of international economic exchange, we may be witnessing the birth of movement within the field which denies that these problems can be studied at all, or can even see that these problems exist.

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<sup>5</sup> This point echoes the discussion in Shapiro (2005).