

POLS 328-502: Globalization and Democracy

Texas A&M University

Fall 2016

Time: Monday and Wednesday, 2:25 - 3:40
Location: Allen 1016

Instructor: Andrew Q. Philips
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Office hours: Tuesday 12:00-2:30 or by appointment

COURSE DESCRIPTION: Over the past several decades, countries, markets, and individuals have become increasingly interconnected with one another. This pattern of globalization has been the subject of both praise and criticism by the media, politicians, and citizens. In this course, we will cover a number of important aspects of globalization and its link to domestic politics and economics. We will start with an overview of important theories on trade, then move to the history of trade and monetary policy. The second half of the course is devoted to the causes and consequences of globalization. We will address important questions, such as: does everyone benefit from trade? Are global governance and democratic politics inherently at odds with one another? And how does globalization affect domestic groups?

By the end of this course you should be able to:

- Understand the major theoretical approaches to globalization.
- Trace the historical development of globalization over the past 150 years.
- Objectively evaluate and critique coverage of globalization in the media.
- Discuss how globalization shapes domestic politics and economics and how these two factors—in turn—affect globalization.

PREREQUISITES: This an upper-level undergraduate course; students should have either a junior or senior classification. Although there are no required prerequisites, it is generally expected that students have already taken the research methods course (POLS 209). Also, we will use political economy models used to describe aspects of globalization such as terms of trade and economic output; therefore, some familiarity with economics is helpful, although not required.

GRADES: Course grades will be based on the following. Course participation will make up 15% of the final grade. In-class quizzes will be held throughout the semester and constitute 15% of the grade. The first exam will count for 35% of the final grade, and the second exam 35%. Note that there is no final exam.

The following scale will be used to turn numerical grades into letter ones: A (89.5 or above), B (≥ 79.5 to < 89.5), C (≥ 69.5 to < 79.5), D (≥ 59.5 to < 69.5), F (below 59.5). There are no opportunities for extra credit.

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| Participation | 15% |
| In-Class Quizzes | 15% |
| Exam I | 35% |
| Exam II | 35% |

Participation: Participation is an integral component of upper-level courses. Students are expected to come to class *having already read the assigned readings for that day*, and should be prepared to discuss them. It is in your best interest to attend every class.

Quizzes: To reinforce attendance and preparation before class, five quizzes will be given at random times throughout the semester. Each quiz may have up to six questions (short answer or multiple-choice) designed to gauge whether the student has read the required material. Quizzes cannot be made up without a university-excused absence. Therefore, it is in your best interest to attend every class and to have completed the readings.

Exam I: Approximately halfway through the semester, the first exam will take place. This will be a mix of multiple choice and short answer questions, as well as an essay question.

Exam II: Near the end of the semester, the second exam will take place. Students will receive five possible essay prompts two weeks before the exam. The day of the exam, I will choose three essay prompts, from which students are required to answer any *two* of the three prompts. There will be no multiple choice or short answer questions on this exam.

ATTENDANCE AND QUIZ AND EXAM ABSENCE: Attendance is a key component of getting a successful grade in this course. I do not give out slides or notes, so it is your duty to come prepared every day ready to take notes and ask any questions you may have. Other than a university-excused absence, there will be no opportunities to make up any of the five quizzes or two exams. What constitutes a “university-excused absence” can be found here: <http://student-rules.tamu.edu/rule07>.

REQUIRED TEXTS: The following texts are required for the course. Any additional readings will be made available on the course page of the instructor’s website: <http://people.tamu.edu/~philips/courses.html>. Online course materials are password protected; I will provide the username and password on the first day of class.

- Freiden, Jeffrey A., David A. Lake, and J. Lawrence Broz. 2009. “*International political economy: Perspectives on global power and wealth.*” W. W. Norton and Company. 5th edition. ISBN: 978-0393935059.
- Rodrik, Dani. 2012. “*The globalization paradox: Democracy and the future of the world economy.*” W. W. Norton and Company. ISBN: 978-0393341287.

Introduction

Week 1

Monday 8/29: Introduction

Required Readings:

- None

Wednesday 8/31: Definition, Measurement, and Approaches to Globalization

Required Readings:

- Frieden, Lake, and Broz. Introduction.
- Frieden, Lake, and Broz. Chapter 4, “Globalization of the economy”

Trade

Week 2

Monday 9/5: Supply, Demand, and Comparative Advantage

Required Readings:

- Cowen, Tyler and Alex Tabarrok. *Modern Principles: Microeconomics*. Chapter 8, “Comparative advantage” (pp. 145-149).
- Frieden, Lake, and Broz. Chapter 19, “The controversy over free trade: The gap between economists and the general public”

Wednesday 9/7: Specific Factors and Factor Endowments

Required Readings:

- The Economist, “[Tariffs and wages: An inconvenient iota of truth](#)”
- Frieden, Lake, and Broz. Chapter 21, “The political economy of trading states: Factor specificity, collective action problems, and domestic political institutions”

Week 3

Monday 9/12: Specific Factors and Factor Endowments [cont.]

Required Readings:

- Oatley. *International Political Economy*. Chapter 3, “The political economy of international trade cooperation”.
- Rodrik. Chapter 3, “Why doesn’t everyone get the case for free trade?”

Historical Development

Wednesday 9/14: Mercantilism

Required Readings:

- The Economist, "[Economic history: What was mercantilism?](#)"
- Keynes. *The General Theory of Employment, Interest and Money*. Book VI, Chapter 23, "[Notes on mercantilism: The usury laws, stamped money and theories of under-consumption](#)"
- Rodrik. Chapter 2, "The rise and fall of the first great globalization"

Suggested Readings:

- Grampp, William D. 1952. *The Quarterly Journal of Economics*. "The liberal elements in English mercantilism."

Week 4

Monday 9/19: The Gold Standard

Required Readings:

- Frieden, Lake, and Broz. Chapter 5, "Free trade: The repeal of the Corn Laws"
- Frieden, Lake, and Broz. Chapter 13, "The domestic politics of international monetary order: The gold standard"

Wednesday 9/21: Bretton Woods

Required Readings:

- Rodrik. Chapter 4, "Bretton Woods, GATT, and the WTO".
- EconTalk (podcast), "[Benn Stiel on the battle of Bretton Woods](#)"

Suggested Readings:

- Frieden, Lake, and Broz. Chapter 14, "Hegemonic stability theories of the international monetary system"
- The Economist, "[What was decided at the Bretton Woods summit](#)"

Week 5

Monday 9/26: Post Bretton Woods and Modern Era

Required Readings:

- Rodrik. Chapter 5, "Financial globalization follies"
- Frieden, Lake, and Broz. Chapter 8, "British and American hegemony compared: Lessons for the current era of decline"

Globalization of Monetary Systems

Wednesday 9/28 Monetary Policy

Required Readings:

- Rodrik. Chapter 6, “The foxes and hedgehogs of finance”

Suggested Readings:

- EconTalk (podcast), “[Scott Sumner on interest rates](#)”

Week 6

Monday 10/3: Monetary Policy [cont.]

Required Readings:

- Bordo, Michael D. *Money, History, and International Finance: Essays in Honor of Anna J. Schwartz*. Chapter 1, “The contribution of ‘A Monetary History of the United States, 1867-1960’ to monetary history”

Wednesday 10/5: Exchange Rates

Required Readings:

- Frieden, Lake, and Broz. Chapter 16, “Globalization and exchange rate policy”
- The Economist, “[Not floating, but flailing](#)”

Week 7

Monday 10/10: The “Unholy Trinity”. Question Time for Exam I

Required Readings:

- Frieden, Lake, and Broz. Chapter 15, “The triad and the unholy trinity”

Wednesday 10/12: **Exam I**

Required Readings:

- None

The Causes and Consequences of Globalization

Week 8

Monday 10/17: Protectionism

Required Readings:

- Frieden, Lake, and Broz. Chapter 2, “The political economy of the Smoot-Hawley tariff”

- Frieden, Lake, and Broz. Chapter 6, “International trade, domestic coalitions, and liberty: Comparative responses to the Crisis of 1873-1896”

Wednesday 10/19: Political Alignment and Support

Required Readings:

- Frieden, Lake, and Broz. Chapter 20, “Commerce and coalitions: How trade affects domestic political alignments”
- Frieden, Lake, and Broz. Chapter 17, “Divided opinion, common currency: The political economy of public support for the EMU”

Suggested Readings:

- Frieden, Lake, and Broz. Chapter 24, “The institutional roots of American trade policy: Politics, coalitions, and international trade”

Week 9

Monday 10/24: Democracy

Required Readings:

- Rodrik. Chapter 9, “The political trilemma of the world economy”
- Schwartzman, Kathleen C. 1998. *Annual Review of Sociology*. “Globalization and Democracy”

Wednesday 10/26: Development and Growth

Required Readings:

- Rodrik. Chapters 7 and 8.

Week 10

Monday 10/31: Development and Growth [cont.]

Required Readings:

- Frieden, Lake, and Broz. Chapter 3, “History lessons: Institutions, factor endowments, and paths of development in the new world”
- Frieden, Lake, and Broz. Chapter 18, “Financial globalization: Gain and pain for developing countries”
- Frieden, Lake, and Broz. Chapter 25, “Globalization, poverty, and inequality since 1980”

Wednesday 11/2: Conflict

Required Readings:

- Olzak, Susan. 2011. “Does globalization breed ethnic conflict?” *Journal of Conflict Resolution*. 55(1): pp. 3-32.
- Schneider, Gerald. 2014. “Peace through globalization and capitalism? Prospects of two liberal propositions.” *Journal of Peace Research*. 51(2): pp. 173-183.

Week 11

Monday 11/7: Financial Crises

Required Readings:

- Frieden, Lake, and Broz. Chapter 32, “The quiet coup”
- The Economist, “[The origins of the financial crisis: Crash course](#)”
- Kaminsky, Graciela L, Carmen M. Reinhart and Carlos A. Végh. 2003. “The unholy trinity of financial contagion” *The Journal of Economic Perspectives*, Vol 17, No. 4, pp. 51-74.

Suggested Readings:

- Blustein, Paul. *The Chastening: Inside the Crisis that Rocked the Global Financial System and Humbled the IMF*.

Wednesday 11/9: Convergence and Diffusion

Required Readings:

- Frieden, Lake, and Broz. Chapter 12, “Globalization and policy convergence”
- Frieden, Lake, and Broz. Chapter 22, “Are your wages set in Beijing?”

Suggested Readings:

- EconTalk (podcast), “[Arnold Kling on specialization and trade](#)”

Week 12

Monday 11/14: Global Governance and Institutions

Required Readings:

- Rodrik. Chapter 10, “Is global governance feasible? Is it desirable?”
- Frieden, Lake, and Broz. Chapter 23, “What you should know about globalization and the World Trade Organization”

Suggested Readings:

- Frieden, Lake, and Broz. Chapter 15, “The triad and the unholy trinity: Problems of international monetary cooperation”

Wednesday 11/16: The Environment and Multinational Enterprises. **Potential Exam II essay prompts handed out**

Required Readings:

- Oatley. *International Political Economy*. Chapter 8, “Multinational corporations in the global economy”
- Frieden, Lake, and Broz. Chapter 9, “The multinational enterprise as an economic organization”
- Frieden, Lake, and Broz. Chapter 29, “Globalization and the environment”

Suggested Readings:

- Frieden, Lake, and Broz. Chapter 10, “Third world governments and multinational corporations: Dynamics of host’s bargaining power”

Week 13

Monday 11/21: A Globalization “Backlash”?

Required Readings:

- Hays, Jude. *Globalization and the New Politics of Embedded Liberalism*. Chapter 1, “Economic globalization and domestic politics in developed democracies”
- Frieden, Lake, and Broz. Chapter 30, “A new deal for globalization”
- CQ Researcher, “[Future of globalization: Is the recession triggering deglobalization?](#)”

Suggested Readings:

- Frieden, Lake, and Broz. Chapter 27, “Globalization and inequality, past and present”

Wednesday 11/23: No Class (Thanksgiving Break)

Week 14

Monday 11/28: A Globalization “Backlash”? [cont.]. Question Time for Exam II

Required Readings:

- Oatley. *International Political Economy*. Chapter 16, “Globalization: Consequences and controversies”
- Foreign Policy, “[Think again: The globalization backlash](#)”
- The Economist, “[Globalization backlash 2.0](#)”

Wednesday 11/30: **Exam II**

Week 15

Monday 12/5: No Class (Friday courses held on Monday)

Wednesday 12/7: A Future for Globalization?

Required Readings:

- Frieden, Lake, and Broz. Chapter 31, “How to save globalization from its cheerleaders”
- Rodrik. Chapter 11 and 12 (skim).

STATEMENT ABOUT STUDENTS WITH DISABILITIES

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact Disability Services, in Cain Hall, Room B118, or call 845-1637. For additional information visit <http://disability.tamu.edu>.

To best accommodate students who may require alternative services, it is crucial that you contact me *early in the semester* if you need such accommodations.

HONOR CODE, COPYRIGHT, AND PLAGIARISM STATEMENTS

The handouts and lectures used in this course are copyrighted. By “handouts,” I mean all materials generated for this class, which include but are not limited to syllabi, exams, in-class materials, and review sheets. Because these are copyrighted, you do not have the right to copy them, unless I expressly grant permission. In addition, I do not grant permission to tape class lectures.

The Aggie Honor Code states: “An Aggie does not lie, cheat, or steal, or tolerate those who do.” Cheating, plagiarism, or other academic violations will not be tolerated. To avoid plagiarism, it is necessary to cite the work of others. If you have a question about how to do this, please ask me.

“As commonly defined, plagiarism consists of passing off as one’s own the ideas, words, writings, etc., which belong to another. In accordance with the definition, you are committing plagiarism if you copy the work of another person and turn it in as your own, even if you should have the permission of the person. Plagiarism is one of the worst academic sins, for the plagiarist destroys the trust among colleagues without which research cannot be safely communicated. If you have any questions regarding plagiarism, please consult the Aggie Honor System Office website (<http://www.tamu.edu/aggiehonor>) or the latest version of the Texas A&M University Student Rules, under the section ‘Scholastic Dishonesty.’ ”

SYLLABUS CHANGES

I reserve the right to make changes to the syllabus during the course of the semester as needed and will make the most updated copy available to you and announce said changes during class.

Last updated: August 29, 2016