Political Science 347: Globalization and Domestic Politics  
Spring 2017  
Physics 128

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Office Hours: Wednesdays 1:30-3:30, oba  
204J Gross Hall
web: http://www.duke.edu/~ew41/Classes.html

Course Description:
Political economists have debated the relationship between economics and politics for hundreds of years. These debates have taken on added salience in the current international economic context and in light of the election of Donald Trump, the success of Brexit and the rise of other anti-globalization movements around the world. "Globalization" and "globalism" are two of the most popular but misunderstood buzzwords in contemporary political and economic debates. This course examines the economic and political consequences of integrating international markets. To that end, we will explore the political implications of various features of globalization including trade, financial capital, international production, trends in international and intra-national inequality, uneven economic development and the like. In developing these topics we will address contemporary debates about protectionism, deindustrialization, outsourcing, tax holidays, whether or not international trade causes inequality, the growth of China, the association between globalization and the migratory flow of people, etc.

Note: Our topic is a dynamic one. Thus, this syllabus can change over the course of the semester. I will send changes/updates via Sakai.

Course Requirements:

- One paper (30 percent): The major project in this course is a 12-page paper on a topic that pertains to the subject of the class. All topics should be developed early and in consultation with me. To that end, you will turn in a two-page, single-spaced proposal outlining your paper on Friday, February 10. We will dedicate the class on February 16 to discussing these proposals; each student will present another student’s proposal to the group. The proposal should do the following: Explain what your question is and why it is interesting, explain your working hypothesis or hypotheses, and sketch your plan for empirically assessing your hypothesis. If you are unsure of your writing skills, I encourage you to take advantage of this resource: http://uwp.duke.edu/wstudio/. The papers themselves are due April 28.
- Midterm Exam (20 percent): The midterm will test the material covered in the first half of the class. Exams will be a mixture of short-answer and essay questions. Material covered in both the lectures and the readings are fair game. The midterm is March 9.
- Final Exam (30 percent): The final will be similar in format to the midterm, but it will test information covered in the class over the course of the semester. It is on Thursday, May 4 at 9am.
- Student-led Discussion and Participation (20 percent): We will preserve the last 25 minutes of class each Thursday to discuss assigned topics that bear on current events. Each student will lead one of these discussions. Leading discussion will require you to do some additional reading and provide a one-page write up in advance of the discussion and should include some original analysis of your own. Additional credit will go to students that martial data in leading discussion. The goal is to hone research skills and explore issues from the rest of class in the context of contemporary policy debates. Weekly discussions aside, this class will be taught in a combination lecture/seminar format. Even when I’m lecturing, I would encourage you to interrupt, ask questions, raise points, and generally poke and prod. As such, it is essential that you come to class having done the readings and be prepared to discuss them.

I grade your work on a numeric scale and will use the following scale in the calculation of grades:

<table>
<thead>
<tr>
<th>Grade</th>
<th>A+</th>
<th>A</th>
<th>A-</th>
<th>B+</th>
<th>B</th>
<th>B-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>98-100</td>
<td>93-100</td>
<td>90-92</td>
<td>88-89</td>
<td>83-87</td>
<td>80-82</td>
</tr>
</tbody>
</table>

I will grade your work on a numeric scale and will use the following scale in the calculation of grades:
Optional Research Pool Participation and Extra Credit:
In addition to the graded assignments, students enrolled in PolSci 347 are encouraged to participate in the Political Science experimental subject pool. If you choose to participate in this pool, you will receive extra credit of one percent on either your midterm, final exam, or final paper grade for each hour you participate, up to a maximum of three percent. In other words, if you volunteer three hours in the lab, you will receive three percent extra credit on one of the key assignments; if you volunteer two hours in the lab, you will receive two percent extra credit, etc.

The Political Science Research Pool (PSRP) is a password-secure website that administers and facilitates the participation of students in ongoing Political Science research. It enables students to voluntarily sign-up for studies, monitor completed hours, and contact study researchers with questions. Participation in the pool gives you exposure to ongoing research projects. If you would like to participate, please register at: http://duke-psrp.sona-systems.com. More information on the PSRP is available at http://www.duke.edu/web/psrp.

Texts:
There is one assigned text for the course. It is available via any online book seller.


Please note that all of the readings in the Frieden and Lake volume were originally published elsewhere as articles. A simple Google Scholar search of the article titles will give you the originals; feel free to read them instead of buying the book. The other readings are available on Sakai’s “External Links” tab. In addition to the required reading, I recommend keeping a reference of economic terms handy, particularly if you are new to the topic. The Economist has an online glossary: http://www.economist.com/economics-a-to-z, as does Alan Deardorff: http://www-personal.umich.edu/~alandear/glossary/

I would encourage you keep up with current international economic events, whether that be through The Economist, New York Times, Wall Street Journal, etc.

Course Policies:

- No makeup exams beyond restrictive University rules (illness, religious holiday). If a makeup is absolutely necessary, you need to contact me before the day of the exam.
- No late papers. All late papers will be punished by one letter grade for every day that they are late. In other words, an “A” becomes a “B”, if the paper is one day late; the “B” becomes a “C” after two days, etc.
- All appeals of grades received on an exam or paper need to be submitted no later than three working days after the date the exams/papers are returned to the class. Please provide me with a written statement explaining precisely why you think a grade change is in order. Note that in the event of an appeal I will re-grade your entire exam/paper under the assumption that if I was heavy-handed on one part of the exam/paper, I might have been excessively tolerant elsewhere. Your grade might go up, but it could go down.
- Plagiarism and cheating are violations of academic integrity and thus violations of the Duke Community Standard. As specified by the Academic Integrity Council, such violations could result in a variety of disciplinary actions, including suspension or permanent dismissal from the University. For the purposes of this class, plagiarism will be defined as submitting a piece of work which in part or in whole is not entirely the student's own work without attributing those same portions to their correct source. If you are at all unsure as to what constitutes plagiarism, see this website: https://plagiarism.duke.edu/. I will report any perceived violation to the Office of Judicial Affairs for investigation.

**Part I: Markets, States, and Citizens in a Global Economy**

Jan. 12: Introduction
Jan. 17: The Individual, the State, and the Economy: Markets and Politics as Allocation Mechanisms

- Sen, Development as Freedom, Chapters 1 (13-33)
- Milton Friedman, Capitalism and Freedom, pgs. 1-36.

Jan. 19: Historical Precursors to the Current Era of Globalization


Discussion Question: In light of the rise of populism around the world, is capitalism consistent with democracy? Is there something in contemporary capitalism that promotes populism?


Jan. 24: No class. Professor Wibbels out of the country.

Jan. 26: Governing the International Economy—multilateralism or unilateralism

- Krasner, "State Power and the Structure of International Trade" in IPE.

Discussion Question: Which countries lose and which benefit if the U.S. pursues a more unilateral approach to globalization? Does it make sense to think in terms of “countries” as opposed to firms or sectors?


Part II: Production, Trade and Finance in a Global Economy

Jan. 31: Models of Trade: Trade and Domestic Political Coalitions

- Paul Krugman, “Ricardo’s Difficult Idea”
- Rogowski, "Commerce and Coalitions…", in IPE

Feb. 2: Trade and the Election of 2016 (these readings are pretty short)


Discussion Question: Which sectors/firms will benefit under Trump’s trade policy? What policies might promote development in deindustrialized and rural regions of the U.S.?


Feb. 7: Governing Trade: The WTO and Regional Trade Agreements

- Alan Deardorff and Robert Stern. “What You Should Know About Globalization and the WTO.” In IPE.

Feb. 9: Multinational Corporations and Foreign Direct Investment


Discussion Question: Is there any way to efficiently tax multinational firms?


**PAPER PROPOSAL DUE FRIDAY, FEB 10**

Feb. 14: Foreign Direct Investment: To Whom, From Where, and to What Effect?

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1 For fun, you might take a look at: Frédéric Bastiat. 1845. “Petition of the Candle Makers,” Sophismes Économiques, 1845. http://bastiat.org/en/petition.html. These topics have been around for a while!


Feb. 16: Presentation and Discussion of Paper Proposals
No discussion this week in light of proposal presentations.

Feb. 21: Financial Globalization and Domestic Politics
• Frieden, "Globalization and Exchange Rate Policy" in IPE

Feb. 23: Governing International Finance
• Eichengreen. “Hegemonic Stability Theories of the International Financial System.” In IPE.

Discussion question: Is bitcoin the future of international exchange?
• Lee. 12/16/14. “Bitcoin is down 60% this year. Here’s why I’m still optimistic.” Vox

Feb. 28: Sovereign Debt and Financial Crises: The Domestic Roots

Mar. 2: The Financial Crisis: From International Contagion to the European Crisis

Discussion question: Where will the next financial crisis originate? Are financial crises inevitable?
• The Economist. Oct 1, 2016. “Capital Mobility: The good, the bad and the ugly.”

Mar. 7: Trade, Finance and Production at the Margins of Governance: Illicit Financial Flows, Drugs and Crime

Mar. 9: MIDTERM EXAM
No discussion in light of midterm.

Mar. 14, 16: No Class. Spring break.

Part III: International Markets, Distributive Conflict, and Development
Mar. 21: Globalization and International Inequality

Mar. 23: Constraints in the Core, the Rise of China and the International Balance of Power

Discussion question: What are the international challenges and opportunities associated with the rise of China?

Mar. 28: Economic Openness and Economic Growth

Mar. 30: Labor Mobility, International Migration and Wages


**Discussion Question:** Can exporting workers be an engine of development? Who is helped and hurt by making it more difficult to immigrate into the U.S.?


**Part IV: International Markets, Domestic Inequality and Redistribution**

Apr. 4: Trade and Domestic Inequality

• Freeman, "Are Your Wages Set in Beijing?" in *IPE*

Apr. 6: The Welfare State, Trade and the Post-World War II Order


**Discussion question:** Automation: Is it the end of work? Do voters actually care about inequality? And if so, inequality between whom and in what?


• *The Economist,* Oct 4, 2014. “To those that have shall be given.”

Apr. 11: Global Markets, Inequality and the Contemporary Welfare State


Apr. 13: Redistribution and Development in an Open Economy


**Discussion question:** What do the “Panama Papers” and offshore banking teach us about the future of redistribution?


Apr. 18: International Redistribution: The Efficacy (or not) of Foreign Aid


Apr. 20: Trade, Inequality and Democracy


**Discussion question (revisited):** Is global capitalism consistent with democracy?

• Reading TBD

Apr. 25: The State, Democracy, and You in a Global Economy

• Dani Rodrik. “How to Save Globalization from Its Cheerleaders.” In *IPE.*

**Final papers due at 5pm on Friday, April 28.**