

Politics and Economic Policy

POSC 182 | Fall 2020 | M, W. 10:30–11:50 AM | Classroom: Online

Professor: Steven Liao

Teaching Assistant: Christian Lindke (clind006@ucr.edu) & Morrey Liedke (mlied002@ucr.edu)

Syllabus Version: November 29, 2020

Contact Information

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Office Hours

Wed.

4–6 PM

(Email to set up Zoom meeting)

Description

This course provides an introduction to the political and economic determinants and consequences of *international* economic policies. It examines how and why countries regulate core economic activities: trade, portfolio capital flows, foreign direct investment (FDI), and migration. The course also addresses several consequences of international economic integration including economic crises and international economic cooperation. The course utilizes two main analytical tools: basic economic principles to explain how economic policies influence the distribution of income and political economy theories that explain how politicians set policies. Students will also develop analytical and writing skills through class/section exercises, assignments, and exams.

By the end of this course students will know:

- the different modes of international economic activity
- the effects of economic inflows on income distribution within and between countries
- how countries set international economic policies
- the sources of economic policy conflict and cooperation between countries

Prerequisite

There is no formal prerequisite and the course will introduce all necessary economic concepts. Students are however recommended to take this course after they have completed introductory microeconomics and macroeconomics courses. Students with this background will find the class more rewarding because they will already be familiar with key economic concepts and thus will more readily grasp the synergies between Economics and International Relations.

Readings

There is one required texts for this course:

- Jeffrey A. Frieden. 2020. [Global Capitalism](#) (Reissue Edition) W.W. Norton.

An e-book version is available and is fine for class so long as it is the same edition.

All other materials are available on the course iLearn site or as otherwise indicated. Files posted to iLearn will be under “Course Materials” and are named according to the authors’ last name and the year of publication.

Exams, Assignments, and Grading

Take Home Exam 1 and 2 (40%)

Each exam includes one long essay question that will require (1) a clear argument, and (2) the synthesis of lecture and course material across multiple topics to support the argument. Both exams will be open book and open notes. Essay answers must be within 2 pages long, typed in 12-point Times New Roman font, double-spaced, and have 1 inch page margins. Students will have 4.5 days to complete the exam on their own. Working with others on the exam is prohibited. Exam 1 is due on **Nov. 8** (Sun.) by 11:59 PM and Exam 2 is due on **Dec. 13** (Sun.) by 11:59 PM.

Essay answers must be uploaded to SafeAssign—a plagiarism detection system—before the due date and time. Essays that are turned in 1 minute to 24 hours after their due date will be penalized by 1/3 a letter grade. Essays will be marked down a full letter grade for each additional 24 hour period they are late.

To accommodate for the various challenges students are facing during the pandemic, Professor Liao will drop the lower grade of the two exams in final grades calculations.

Current Affairs Analysis Memo (45%)

Students must complete a five-page memo that analyzes current events related to international political economy. Please see the separate memo guidelines document that describes content requirements in detail. Students should confirm their choice of news article with their TAs by **Nov. 6** (Fri.).

Memos are due on **Dec. 2** (Wed.) by 11:59 pm and should be uploaded to SafeAssign. Memos that are turned in 1 minute to 24 hours after their due date will be penalized by 1/3 a letter grade. Memos will be marked down a full letter grade for each additional 24 hour period they are late. Memos must be typed in 12 point Times New Roman font, double-spaced, and have 1 inch page margins. References must be provided for all evidence. Reference should be in a standard format (e.g. MLA, APA).

Section Participation (15%)

Discussion sections will start the week of **Oct. 5–9**. The goal of discussion sections will be to discuss the week’s lectures and readings in more detail. TAs will circulate section policies statement clarifying how section participation will be assessed (e.g. attendance, class participation) and specific guidelines for the submission of memos.

Grading Policy

In case of grading disputes students must discuss with her TA within one week of receiving the contested grade to request clarification. If the TA's clarification is not satisfactory students may appeal the grade to the professor within one week of the TA meeting. The student must email to her TA and Professor Liao a 500-word written rationale for the appeal. If Professor Liao accepts the appeal he will independently assess the work and assign a new grade that may higher, lower, or the same as the original grade.

Course Policies

COVID-19 Adjustments

Professor Liao will deliver lectures live on Zoom. Please click on [this link](#) for the Zoom meeting and check "Announcements" in iLearn for the current passcode. To join the Zoom meeting, students are required to sign into Zoom with the UCR account.

To accommodate students who are affected by the pandemic and cannot attend lectures regularly, Professor Liao will record each Zoom meeting and make them accessible via YuJa in iLearn. This way, only students enrolled in the course will have access to the videos. Note that students are strictly prohibited from copying or distributing the videos beyond course members. Also, by participating in the Zoom meetings, students are consenting to the recording.

To make the lectures as interactive as virtually possible, Professor Liao encourages students to turn on their video. This will help Professor Liao identify when to stop for questions or to clarify a lecture point. It will also help Professor Liao match faces to names and get to know students better during this challenging time.

Professor Liao will pause several times during the lecture for questions. To raise questions, please use the "wave" hand function in Zoom and unmute yourself when you are called on. Alternatively, students can also type questions in the chat box. The TAs will monitor and collect questions for Professor Liao to answer.

Lastly, disruptive behavior will not be tolerated.

Academic Integrity

All students are subject to the university's policies and procedures on academic integrity in all aspects of their course participation. If a student has questions about any aspect of the policies, he or she should consult the instructor for guidance. Students should take particular care to adhere to standard practices for the citation of published work. Plagiarism is a deeply serious offense. Presenting the work of others as your own is strictly prohibited and will result, at minimum, in a failing grade for the class. For further details see: <http://conduct.ucr.edu/policies/academicintegrity.html>

Extensions and Makeup Exams

Paper deadline extensions and makeup exams will only be granted in exceptional circumstances (illness or severe emergency). Job/internship interviews and deadlines in other courses do not

qualify. Extension requests should be emailed to the student's TA with Professor Liao cc'ed at least **12 hours** in advance. Students will be required to provide documentation of their circumstance (e.g. note from Student Health or an Association Dean). Students are reminded that they are subject to the university's Standards of Conduct (<http://conduct.ucr.edu/policies/standards.html>) when requesting an extension.

Accommodation

Every effort will be made to accommodate students with disabilities. Please contact Professor Liao or the TA as early as possible about your needs, and we will treat the matter confidentially, within university policy, and with the resources provided by Student Special Services (<http://specialservices.ucr.edu/disabilities/>).

Course Schedule and Readings

Course Overview

Oct. 5 (M)

Course syllabus

Analytical Tools

Oct. 7 (W)

Oatley (Chapter 1)

International Trade: Domestic Politics

Oct. 12 (M)

Oct. 14 (W)

Frieden 2020:

- Ch. 1, "Specialization and growth" (p. 21–25)
- Ch. 2, "The free traders" (p. 39–43)
- Ch. 2, "Global networks for a global economy" (p. 45–50)
- Ch. 3, "Protecting the infant industries" (p. 64–68)
- Ch. 5, "Winners and losers from trade" (p. 109–111)
- Ch. 11, "The United States leads the way" (p. 254–256)
- Ch. 12, "Bretton Woods in trade" (p. 287–290)

International Trade: International Cooperation & Bargaining

Oct. 19 (M)

Oct. 21 (W)

Oct. 26 (M)

WTO. 2020. *Understanding the WTO*, “Basics”

The Economist. 2012. “Goodbye Doha, hello Bali.”

Global Production: Economics and Politics

Oct. 28 (W)

Nov. 2 (M)

Nov. 4 (W) **Exam 1 Distributed After Class at 11:59 AM**

Frieden 2020:

- Ch. 7, “The new corporations”–“The new multinational enterprises” (p. 160–167)
- Ch. 12, “International investment under Bretton Woods” (p. 292–296)

Nathan M. Jensen. 2003. “Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment.” *International Organization* 57(3). p. 587–596 *only*.

Take Home Exam 1 Due

Nov. 8 (Sun.) **Submit via SafeAssign by 11:59 PM**

International Monetary System

Nov. 9 (M)

Nov. 11 (W) **Veterans Day**

Nov. 16 (M)

Frieden 2020:

- Ch. 1, “The gold standard reaffirmed” (p. 16–21)
- Ch. 2, “Defenders of the Global Economy”–“Nathan Mayer Rothschild, 1840–1915” (28–39)
- Ch. 2, “Supporters of the golden pillars” (p. 43–45)
- Ch. 5, “Silver threats among the gold” (p. 111–116)
- Ch. 6, “The twenties roar”–“Into the void” (p. 140–154)
- Ch. 8, “Gold and the crisis”–“Out with the old” (p. 181–194)
- Ch. 12, “The Bretton Woods monetary order” (p. 290–292)

Exchange Rate Politics and Currency Crises

Nov. 18(W)

Nov. 23 (M)

Nov. 25 (W)

Jeffrey Frieden. 1991. “[Invested Interests: The Politics of National Economic Policies in a World of Global Finance.](#)” *International Organization* 45:4 (Autumn), 425–451.

Politics of Sovereign Debt

Nov. 30 (M)

Renee Haltom and Thomas A. Lubik. 2013. “[Is Fiscal Austerity Good for the Economy?](#)” *Federal Reserve Bank of Richmond: Economic Brief*.

Paul Krugman. 2015. “[Austerity and the Greek Depression.](#)” & “[Austerity’s Grim Legacy.](#)” *The New York Times*

Debt Crises

Dec. 2 (W) **Current Affairs Memo Due by 11:59 PM**

Dec. 7 (M)

Frieden 2020

- Ch. 16, “Crisis and Change”—“The Volcker counter-shock” (p. 363–378)

Fernando M. Martin and Christopher J. Waller. 2012. “[Sovereign Debt: A Modern Greek Tragedy.](#)” *Federal Reserve: Bank of St. Louis, Review*. September/October, 321-339.

Globalization vs. Politics

Dec. 9 (W) **Exam 2 Distributed After Class at 11:59 AM**

Frieden 2020:

- Ch. 21, “And Fall Again”—“The end of global capitalism?” (p. 473–505)

Take Home Exam 2 Due

Dec. 13 (Sun.) **Submit via SafeAssign by 11:59 PM**