

Global Political Economy
Political Science 5781--Fall 2011

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I consider that a man's brain originally is like a little empty attic, and you have to stock it with such furniture as you choose. A fool takes in all the lumber of every sort that he comes across, so that the knowledge which might be useful to him gets crowded out, or at best jumbled up with a lot of other things, so that he has difficulty in laying his hands upon it. Now the skillful workman is very careful indeed as to what he takes into his brain-attic. He will have nothing but the tools which may help him in doing his work, but of those he has an assortment, and all in the most perfect order. It is a mistake to think that little room has elastic walls and can distend to any extent. Depend upon it there comes a time when for every addition of knowledge you forget something that you knew before. It is of the highest importance, therefore, not to have useless facts elbowing out the useful ones. (Sherlock Holmes)

Thirty years ago some investigators studying international relations argued for a separate discipline, implicitly suggesting the politics of international relations were fundamentally different from those of the rest of Political Science. At that time, the *high* politics of security and conflict dominated academic IR, not unnatural given issues of national survival in a nuclear world captured the attention of many. The nation-state was the primary unit of analysis and non-state actors were often ignored in research. The *low* politics of GPE took a back seat as great power politics dominated IR. Even those who viewed IR as a field in Political Science more often than not bypassed frameworks of political behavior prevalent in other fields. This is ironic given IR introduced approaches and tools such as game theory, dynamic modeling, and sophisticated statistical techniques to Political Science.

But in the 1970-80s, investigators began to systematically and increasingly broach the barriers separating IR from the rest of Political Science. In particular, the study of international or global political economy has changed tremendously over the past twenty years. The demise of east-west tensions, the end of the Cold War, increasing global competition, globalization, and complex interdependence prompted many investigators to shift substantive focus, theoretical approach, unit of analysis, and method. Governments remain key, but they now share explanatory space with sub-national actors such as interest groups, unions, bureaucracies, civil society, social movements, industry, and other civic associations. The role of institutions has become a key source of explanatory power. Research agendas in international and comparative political economy increasingly overlap. With greater and greater frequency, investigators of comparative and global political economy employ common independent variables even as their dependent variables differ. I find this development exciting as we build models of political behavior that can apply across fields. We will consider important issues, but in so doing we will focus on the design of social research. This should help you develop an appreciation for important questions in political life, and a toolkit for evaluating and conducting research.

Requirements:

Participation	Approximately 30%
Nine weekly papers	Approximately 20%
Research design	Approximately 50%

Readings: The required texts are listed below. An (*) indicates a required reading. I list supplemental readings as a roadmap to expanding your view of the field. Many of the readings are available at the campus bookstore. Several you can access via the course site on Telesis or by JSTOR. I selected the readings to provide a broad exposure to theory and empirical method in modern global political economy. I recommend becoming familiar with the history of global political economic relations. History offers a laboratory and data. Using models of political behavior independent of history and context can prove pathological or nonsensical. I suggest you regularly scan professional journals.

Required books:

Garrett, *Partisan Politics in the Global Economy*
Hayes, *Globalization and the New Politics of Embedded Liberalism*
Okun, *Equality and Efficiency*
O'Rourke and Williamson, *Globalization and History*
Rodrik, *Has Globalization Gone Too Far?*

Weekly papers: I ask you to submit a one-two page paper on the readings for nine weeks of readings. The weeks are up to you, but do not rear load your papers as you may discover you do not have enough weeks left to fulfill this requirement. Some weeks I will pose a question for you related to the reading. Other weeks you should raise a question that arises from the reading and flush out a discussion of that question.

Participation: I will lead the seminar, but I strongly encourage class participation—notice the portion of your grade related to participation. The best learning and research is collegial and interactive. I urge you to participate in class, ask questions and engage your colleagues in a discussion. You will likely discover that your best teachers in class are your colleagues. A good discussion involves give and take among the members of the seminar. Moreover, you will discover that if the professor has to talk for the entire seminar you will become disengaged (e.g. bored). As you think about the readings a good strategy would be to break a reading down into its important substantive issues, primary theoretical argument, plausible alternative theoretical explanations, and then the empirical strategies employed by the investigator. Be sure to consider possible ways to improve and build on the research presented as we are engaged in a cumulative endeavor as social scientists.

Research design: We are always concerned about the design of social research. Research design affects the type of data you need to test theories, where you look for information, what cases to study, how you obtain information without creating bias that contaminates your results, and whether empirical measures and tests correspond to theoretical arguments. Research design is essential to determining the internal validity of research and the ability to generalize findings to new settings. Good investigators use research design to attempt to control for confounding explanations, threats to validity, and counterfactuals.

This is not a seminar in research design, but here are some readings that will get you started:

- Paul Spector, *Research Designs*
Jim Fearon, "Counterfactuals and Hypothesis Testing in Political Science," *World Politics*, January 1991
Lawrence Mohr, *Impact Analysis for Program Evaluation*, 1988
Donald Campbell and Julian Stanley, *Experimental and Quasi-Experimental Designs for Research*, 1966
Thomas Cook and Donald Campbell, *Quasi-Experimentation: Design and Analysis Issues for Field Settings*, 1979
Francis Hoole, *Evaluation Research and Development Activities*, 1978
Lewis Anthony Dexter, *Elite and Specialized Interviewing*, 1970
E.J. Webb et al, *Unobtrusive Measures*, 1966
Tetlock and Belkin, *Counterfactual Thought Experiments in World Politics*
Jon Elster, *Logic in Society*

You will construct a research design over the course of the semester related to a question that interests you in global political economy. This is not an easy task, and for many of you this will be the first time you attempt to produce a research design, but if you do become a successful political scientist you will produce many such designs during your career. A dissertation prospectus and research grant proposals are simply research designs. You will produce your design in steps. Here is the timetable for producing the design:

- Week 3: 1-2 pages that introduce the question you propose to study. Why is it interesting, why is it important, what is the motivation?
Week 5: 4-5 pages of the different/competing theoretical frameworks approaching your question
Week 7: 4-5 pages survey of the relevant strands of literature. Place your question from week 3 and the different/competing theoretical frameworks from week 5 in the literature.
Week 10: 4-5 pages of what you intend to add to the literature, your theoretical take, along with some testable hypotheses
Week 13: 3 pages outlining a plausible empirical strategy to enable you to test your hypotheses and choose among the competing explanations. What data—quantitative or qualitative—might be necessary to assess the competing hypotheses and how would you obtain that data and 3 pages on expected results
Week 15: Put all the above parts together and then summarize with a final 2-3 pages with what problems you might anticipate encountering in conducting your research.

I. Recurring theme of distribution: Equality vs. efficiency

*Arthur Okun, *Equality and Efficiency*, 1975

II. Globalization in history

*O'Rourke and Williamson, *Globalization and History*, 2000, Chapters 1-4, 7-9, 13

III. Social traps

Fallacy of composition and unexpected consequences

- *Thomas C. Schelling, *Micromotives and Macrobehavior*, 1978, Chapters 1, 3, 7
- *Mark Granovetter, "Threshold Models of Collective Behavior," *American Journal of Sociology*, 1978, pp. 1420-1443
- Richard Dawkins, *The Selfish Gene*, 1989 edition, pp. 1-108
- Richard Nelson and Sidney Winter, *Evolutionary Theory of Economic Change*, 1982
- Herbert Simon, *The Sciences of the Artificial*, 2nd Ed., 1981
- Raymond Boudon, *The Unintended Consequences of Social Action*, 1982

Market failure: collective action and signaling

- *Mancur Olson, *The Rise and Decline of Nations*, Chapters 1-3
- *George Akerlof, "The Market for Lemons: Quality Uncertainty and the Market Mechanism." *Quarterly Journal of Economics*, 1970, Vol. 89: 488-500
- Mancur Olson, *The Logic of Collective Action*, 1965
- Russell Hardin, *Collective Action*, 1982
- Todd Sandler, *Collective Action: Theory and Applications*, 1992
- Jeff Banks *Signaling Games in Political Science*, 1991
- Michael Spence, *Market Signaling*, 1974
- Andrew Sobel, *State Institutions, Private Incentives, Global Capital*, 1999

Market failure: hierarchy

- *Gary Miller, *Managerial Dilemmas: Political Economy of Hierarchy*, 1992, pp. 1-74
- *Charles Kindleberger, *The World in Depression, 1929-1939*, revised ed. 1986, especially pp. 1-13, 142-167, 197-229, 288-305

Market failure: hierarchy (Continued)

- *Sobel, *HEGEMON: Domestic Finance, Global Leadership and Globalization*, forthcoming, Chapters 1-3, 5, 7
- *Robert Keohane, *After Hegemony: Cooperation and Discord in World Political Economy*, 1984, Chapters 4, 5, and 6

Market failure: institutions and process

- *Douglass North, *Institutions, Institutional Change and Economic Performance*, 1990, Chapters 1-8
- Herbert Simon, "From Substantive to Procedural Rationality?"
- James March, "Bounded Rationality, Ambiguity, and the Engineering of Choice," *Bell Journal of Economics* (Autumn 1978)
- Jack Knight, *Institutions and Social Conflict*, 1992
- Andrew Sobel, *State Institutions, Private Incentives, Global Capital*, 1999, Ch. 2, 3, 6, 7
- I.M. Destler, *American Trade Politics*, 3rd ed., 1997
- Kenneth Dam, *The Rules of the Game: Reform and Evolution in the International Monetary System*, 1982

Krasner, Keohane, and Strange in Stephen Krasner (ed.), *International Regimes*, 1983, pp. 1-22, 141-171, 337-354

IV. Comparative advantage, mobility, cleavages and coalitions, disciplining mechanisms

*Ronald Rogowski, "Political Cleavages and Changing Exposure to Trade," *American Political Science Review*, December 1987

*Michael Hiscox, *International Trade and Political Conflict: Commerce, Coalitions, and Mobility*, 2002, Chapters 1-4, 11, 13

Comparative advantage, etc. (Continued)

* McGillivray, *Privileging Industry: The Comparative Politics of Trade and Industrial Policy*, 2004, Chapters 1-3

*Hirschman, *Exit, Voice, and Loyalty*, 1970, Chapters 1-3, 7

V. Globalization, mobility, convergence, and the social welfare state

Labor markets and redistributive burdens

*Rodrick, *Has Globalization Gone Too Far?* 1997

Labor markets and redistributive burdens (Continued)

*Hayes, *Globalization and the New Politics of Embedded Liberalism*, 2009

Modern social welfare state

*Garrett, *Partisan Politics in the Global Economy*, 1998

*Egal and Sobel, "Capital Mobility and State Social Welfare Provisions in the Late 1800s," in Sobel, *Challenges of Globalization*, 2009, Chapter 8

Jeffery Frieden, *Debt, Democracy, and Development*, 1991

Parties and redistributive policies

*Carles Boix, *Political Parties, Growth and Equality*, Chapters 1-4