

PLSC 444 GOVERNMENT AND THE ECONOMY

Penn State University
Department of Political Science

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Office hours: Tuesdays and Thursdays 4-5pm (Pond Lab 234)

Course Description: Significant and important interactions occur between the government and the economy. Governments shape the domestic economy through regulations and other policies while simultaneously responding to exogenous changes in the global economy. Indeed, how governments respond to the multiple facets of “globalization” is one of the most pressing political issues of our time. It is an issue that has inspired opposition from a variety of domestic interest groups including business associations, labor unions, environmental organizations, and human rights activists. Governments must choose how to respond to these groups keeping in mind the electoral consequences of their decisions. In this course, we explore how the demands of domestic actors shape policies regulating both the domestic and international economy.

Textbooks: *International Political Economy*. 2000. Frieden and Lake (eds) [Required]
Global Political Economy. 2005. Ravenhill (ed) [Recommended]

Grading: Course grades will be assigned using the criteria outlined below. All requests for a re-grade must be made in writing. Such requests may result in either a higher or lower grade.

- 30% Midterm (Exam in class on November 14)
- 15% Class presentations and participation
- 20% Homework assignments
- 5% Pop quizzes
- 30% Essay (Due in class on December 14)

Essays: Students will be required to write an analytical essay (7-8 pages) using evidence from the course readings to support an argument. Papers that provide only summaries of the readings will result in a D grade. Essays will be checked for plagiarism using Turnitin Software. To avoid any suspicion of plagiarism, make sure you understand what is considered to be plagiarism by completing the Academic Dishonesty iStudy Module. If you have any questions about how to cite your sources, please review the materials available at <http://tlt.its.psu.edu/suggestions/cyberplag/cyberplagstudent.html> or <http://istudy.psu.edu/modules.html#Integrity>. Students are responsible for ensuring that their work is consistent with Penn State's expectations about academic integrity. The essay is due in class on December 14. Late essays will not be accepted under any circumstances. Essays must be turned in on standard paper, single-sided, double-spaced stapled in the upper left corner. Essays will not be accepted by email under any circumstances. Essays must be uploaded to Turnitin in order to receive a passing grade.

Exam: Absolutely no makeup exams will be allowed unless written proof is provided of a hospitalization. In such cases, you must contact me as soon as possible prior to the exam; failure to do so will result in an F for the exam. No exceptions will be made.

Readings: The required readings are listed below. Readings from sources other than the required class textbook (Frieden and Lake's *International Political Economy*) are available from Electronic Course Reserves. Exact dates are not shown on the syllabus; students will be responsible for attending class and being aware of when we move on to new material. It is important to read the required readings *before* class and be prepared to discuss them critically and thoughtfully. Reading assignments can be found on ANGEL in the lecture notes. Class participation and presentations count for 15% of the course grade. Expressing personal opinions will not count as class participation; only critical thoughtful analysis of the readings count towards the class participation grade. Students are encouraged to read *The Economist* and/or *The New York Times* for examples of real world applications of the theories discussed in class. Thoughtful discussion of such examples will count towards students' class participation grade.

Pop quizzes: Occasionally, there will be pop quizzes on the readings assigned for that class. It is therefore critical that you read the required readings *before* each class. Exact dates for readings are not shown on the syllabus; students will be responsible for attending class and being aware of when we move on to new readings. Reading assignments will be available on ANGEL in the lecture notes. Absolutely no make up exams will be allowed for these pop quizzes. It is your responsibility to be in class. If a pop quiz is missed due to an unavoidable legitimate absence (i.e. University-approved activities, UHS Verified Significant Illness), the student's score on the previous pop quiz will stand in for the missed pop quiz. Students will be held responsible for using only legitimate, unavoidable reasons (i.e. University-approved activities, UHS Verified Significant Illness) for requesting the "fill-in" of a pop quiz score in the event of a missed evaluative event. Requests for missing class or an evaluative event due to reasons that are based on false, illegitimate claims may be considered violations of the policy on Academic Integrity (Policy 49-20).

Assignments: Occasionally, homework assignments will be handed out in class. Exact dates for homework assignments are not shown on the syllabus; students will be responsible for attending class and obtaining the homework assignments. Generally, these one-page assignments will be due the following class. It is therefore critically important that you attend class to obtain the homework assignments. If you are unable to attend class, you are responsible for obtaining the homework assignment from a classmate or from ANGEL. Late homework will not be accepted under any circumstances. Homework must be typed and turned in during class on standard paper, single-sided, stapled in the upper left corner. Homework will not be accepted by email under any circumstances. Students are responsible for ensuring that their homework is consistent with Penn State's expectations about academic integrity.

Course Topics:

1. Possible explanations for governments' responses to globalization (Week 1-3)

- a. *Global Political Economy*, p. 51-52, 7-8, 89-91
- b. Gourevitch, Peter. International trade, Domestic Coalitions and Liberty: Comparative Responses to the Crisis on 1987-1896. In *International Political Economy: Perspectives on Global Power and Wealth*, edited by Frieden and Lake, p. 90-108.

[Homework assignment #1]

2. Structure of domestic societal interests (Weeks 4-6)

- a. *Global Political Economy*, p. 52-55.
- b. Sobel. *Political Economy and Global Affairs* p. 403-418.
- c. Hiscox, Michael. *International Trade and Political Conflict*. 2002. Princeton University Press, p. 3-11, 71-82, 128-130, 145-157, 161-164.
- d. Rogowski, Ron. Commerce and Coalitions. In *International Political Economy: Perspectives on Global Power and Wealth*, edited by Frieden and Lake, p. 318-326.
- e. Lehne. *Government and Business*. p.123-131.
- f. Frieden, Jeffrey. 1991. Invested Interests: The Politics of National Economic Policies in a World of Global Finance. *International Organization* 45(4).

[Homework assignment #2]

3. Domestic interests versus alternative explanations for economic policy (7-8)

- a. Kindleberger, Charles. The Rise of Free Trade in Western Europe. In *International Political Economy: Perspectives on Global Power and Wealth*, edited by Frieden and Lake, p. 73-89.
- b. Milner, Helen. 1988. *Resisting Protectionism*. Princeton University Press, p. 3-44, 264-301.
- c. Lehne. *Government and Business*. p.93-101.

[Homework assignment #3]

4. Conditional effects of domestic institutions and collective action (Week 9)

- a. Alt and Gilligan. "The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions." In *International Political Economy: Perspectives on Global Power and Wealth*, edited by Frieden and Lake, p. 327-342.

5. Collective action costs (Weeks 10-12)

- a. Sobel. *Political Economy and Global Affairs*, p. 374-390.
- b. Olson. *The Logic of Collective Action*, pp. 1-16.
- c. Lehne. *Government and Business*. pp. 158-169.
- d. Brooks, Cameron and Carter. 1998. "Political Action Committee Contributions and US Congressional Voting on Sugar Legislation" *American Journal of Agriculture Economics* 80(1998). [Recommended]

[Homework assignment #4]

6. Domestic political institutions (Weeks 13-15)

a. Legislatures

- i. *Global Political Economy*, p 65-70
- ii. Mansfield and Busch. "The Political Economy of Nontariff Barriers: A Cross-national Analysis." In *International Political Economy: Perspectives on Global Power and Wealth*, edited by Frieden and Lake, p. 353-365.
- iii. *Global Political Economy*, p 69
- iv. Hiscox, Michael. 1999. 'The Magic Bullet? The RTAA, Institutional Reform and Trade Liberalization', *International Organization*, 53(4): 669-98.
- v. Lehne. *Government and Business*. pp.49-62, 180-194.

[Homework assignment #5]

b. Bureaucracies and regulatory policy

- i. *Global Political Economy*, p 71-73
- ii. Lehne. *Government and Business*. pp. 221-237.
- iii. Weingast and Moran. 1983. Bureaucratic Discretion or Congressional Control? Regulatory Policymaking by the Federal Trade Commission. *Journal of Political Economy* 91.