

The Political Economy of Globalization 1 (PO8041) and 2 (PO8042)

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Over the past few decades, a rapid intensification of the globalization process has occurred: technological change and the deepening integration of global markets, have facilitated an acceleration of cross-national flows of goods, finance, and labour, with effects that have greatly enhanced global economic welfare. The financial crisis and subsequent global recession of the last decade, however, and the increased awareness that significant sections of the populations of the developed world had been “left behind” by the globalization process, have added to the concerns of advocates of worker’s rights and environmental standards in the developing world to create a backlash against the globalization process, raising the prospect of a shift towards isolationism and populism. These developments serve as a reminder that the globalization of markets is not inevitable: earlier decades have, after all, seen significant reversals of the process and a return to protection. And in fact when (and how) markets become integrated relies rather heavily on politics.

In these two modules we will study the political economy of the globalization process, analysing both the sources of globalization and its political and distributional effects. **The first course will focus on the politics of trade and foreign direct investment; the second on immigration and the integration of global financial markets.**

Taken together, the two modules provide a comprehensive introduction to the political economy of globalization, as the dimensions of economic globalization that we will be studying – trade, migration, and financial flows – are closely related in both their sources and effects. **Taking both courses is therefore recommended for those students with a strong substantive interest in the topic. Note, however, that these are also designed as stand-alone modules which may be taken separately.** Separate grading structures will apply for students taking the combined and stand-alone options.

A draft syllabus for PO8042 follows. Please feel free to contact the instructor by email if you have any questions about the content or structure of the modules.

The Political Economy of Globalization 2 (PO8042):
The Politics of Migration and Financial Integration

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Time and Location, Weeks 29-33:

Wednesday, 12.00-14.00. TRISS.

Office Hours: Weekly. Time TBA.

Course Description

In this course we will focus on the politics of international migration and financial integration. In the first two weeks of the course, we will analyse the determinants of public attitudes to immigration, the roots of pro and anti-immigration lobbies, and the sources of immigration policy. In weeks three and four we will turn our attention to the politics of financial integration. We will analyse the political roots, and political and distributional effects, of financial market openness; and the origins of, and political-economic response to, the financial crisis of 2007-2008. In the final week we will build on the theoretical approaches that we have studied, to examine the politics of two major recent challenges in the EU: the sovereign debt and refugee crises.

Assessment

The assessment structure is as follows.

- (i) In class participation. 20 %. Students will be expected to complete all of the required readings each week, and to demonstrate this through active and informed participation in in-class discussion. At this point in the year, you will no doubt already have become aware of the huge amount to be learned from engaging in debate with others in the class – through the practice of formulating and expressing your own ideas, and by listening carefully to those of others. Peer to peer learning of this type is critical at the post-graduate level. And as a result, in-class participation accounts for 20% of the final grade.
- (ii) 2 short response papers (two to three pages max.). **20 %**.
 - Response papers are due by 6PM *on the Monday before the papers are due to be discussed in class* and must be submitted via Turnitin on the Blackboard website.
 - Note that, as with response papers for previous courses which you may have taken as part of the programme, these papers should not be summaries, but should demonstrate an understanding and provide a critique of, or response to, the week's readings. They can be written about one of the required readings, but will usually be more successful when discussing the relationships between more than one reading.

And Either:

- (iii) A take home written assignment to be handed out on the last day of class and due a week later. Students can expect that as part of this assignment they may be asked to critique non-academic writings about globalization and/or interpret simple evidence on globalization related outcomes, based on materials covered in the course. **60%.**

Or. For Students who are taking **both** PO8041 and PO8042

- (iv) Students who are taking both modules PO8041 and PO8042 will have the option *either* to undertake part (iii) of the assessment in each of the two separate modules, *or* to substitute instead one research paper on a topic of their choosing related to either course. This paper will be due a week after the end of PO8042. For students who choose to take this option, the research paper will count for 60% of the grade for both courses. More details of the expected content of a research paper will be provided in class.

A Note on Plagiarism

You are reminded of your obligations as a student at Trinity College to avoid plagiarism and respect the highest standards of academic honesty. It is critically important that in all your written work (including response papers) you include full academic citations whenever you discuss the ideas or research of another author.

Some notes on the readings.

- In order to access the most up to date information on weekly readings, and to be included on the course emailing list, all students must self-enrol for the course via Blackboard in the week prior to the start of the course. The access code for self-enrolment for this course will be **PO8042**. Please notify me immediately if you encounter any problems with Blackboard self-enrolment.
- As we proceed through the material, I will be updating the reading list occasionally to include links to short readings from popular media sources which are directly relevant to our in-class discussions, to add to or adjust the listed readings, and/or to indicate which are required or recommended. Once you have self-enrolled on the Blackboard website, you will be notified by email when changes have been made to the syllabus which will be posted on the site (at least one week in advance of the seminar meeting). **You should always check the most recent version on the website before starting work on your readings for the week.**
- You can expect to read the equivalent of four or five academic articles each week along with a few short readings from popular media sources. We will use the academic readings in class to interpret and/or critique these accounts.
- Most of the readings listed here are available on-line through TCD library (indicated by the bracketed term EJ following the cite). Where downloads from alternative sources are indicated they are free. Please contact me as soon as possible (and certainly in advance of the relevant class meeting) if you encounter any problems with these downloads.

PO8042: Course Outline and Readings.

Background Reading:

Frieden, Jeffry A. 2006. *Global Capitalism: Its Fall and Rise in the Twentieth Century*, W.W.Norton and Co., New York. Highly Recommended. An excellent and readable political economic history which charts the dimensions of the globalization process over the past century. A very useful reference (available cheaply at on-line booksellers).

Williamson, Jeffrey, 2004. "The Political Economy of Mass Migration: Comparing Two Global Centuries," *Wendt Distinguished Lecture*. Downloadable here:

http://www.aei.org/files/2004/12/09/20041209_book801text.pdf

Week 1: The Politics of Immigration – Distributional Implications and Political Preferences.

Short Media Pieces

Parker, George. Nov 27 2013. “David Cameron launches attack on EU migration” *Financial Times*. Available here: <https://www.ft.com/content/b2b10574-56c3-11e3-ab12-00144feabdc0>

Blinder, Scott and Lindsay Richards. 7 June 2018. “UK Public Opinion toward Immigration: Overall Attitudes and Level of Concern” *Migration Observatory, Oxford University, Briefing*. Available here: <https://migrationobservatory.ox.ac.uk/resources/briefings/uk-public-opinion-toward-immigration-overall-attitudes-and-level-of-concern/>

Bacon, Perry. June 19 2018. “What is really behind Trump’s controversial immigration policies ?”. Nate Silver’s fivethirtyeight.com. Available here: <https://fivethirtyeight.com/features/what-is-really-behind-trumps-controversial-immigration-policies/>

Cameron, Geoffrey and Ian Goldin July 5 2001. “Why More Migration Makes Sense”. Available here: <https://www.oxfordmartin.ox.ac.uk/opinion/view/97> or <http://www.project-syndicate.org/commentary/why-more-migration-makes-sense> or

Rooney, Kate. 2 November 2018. “Fed Chairmen Powells View of Immigration Differs from Trump”, *CNBC*. Available here: <https://www.cnn.com/2018/11/02/fed-chairman-powells-view-of-immigration-differs-from-trump.html>

Giles, Chris. January 20th, 2016. “Lagarde: migrants can boost EU growth, if states share burden”, *Financial Times*. Article Available here: <https://www.ft.com/content/c841b2bc-bf5d-11e5-846f-79b0e3d20eaf>

Academic Articles

Hainmuller, Jens and Michael Hiscox. (2007). “Educated Preferences: Explaining Attitudes toward immigration in Europe”. *International Organization*. 61(2\). Spring. (EJ).

Hanson, G., K. Scheve and M. Slaughter, 2007, “Public Finance and Individual Preferences Over Globalization Strategies”. *Economics and Politics* 19, 1-33 (EJ).

Christian Dustmann and Ian Preston. 2007. “Racial and Economic Factors in Attitudes to Immigration”. *The B.E. Journal of Economic Analysis and Policy*. 7:1, 1-39. (EJ).

Hobolt, Sara (2016) “The Brexit vote: a divided nation, a divided continent”. *Journal of European Public Policy*, 23 (9). pp. 1259-1277 (EJ).

Week 1 Background Reading:

Goldin, Ian. "Globalizing with their feet. The Opportunities and Costs of International Migration". World Bank Global Issues Seminar Series. Available here:

<http://siteresources.worldbank.org/EXTABOUTUS/Resources/Migration.pdf>

Week 2: The Politics of Immigration – Sources of Openness

Short pieces.

Giovanni Facchini, Anna Maria Mayda 21 June 2008. "From attitudes towards immigration to immigration policy outcomes: Does public opinion rule?" Available here:

<https://voxeu.org/article/public-opinion-and-immigration-policy>

James Goldsborough September/October 2000. "Out of Control Immigration", *Foreign Affairs*. Available here: <https://www.foreignaffairs.com/articles/united-states/2000-09-01/out-control-immigration>

Academic Articles.

Freeman, Gary P. (1995). "Modes of Immigration Politics in Liberal Democratic States". *International Migration Review* 29 (4):881–902. (EJ).

Facchini, Giovanni and Anna M. Mayda (2009) "The Political Economy of Immigration Policy," with Giovanni Facchini, *Human Development Research Paper* 2009/03, April 2009, Background paper for the 2009 United Nations Human Development Report. Available here: http://hdr.undp.org/sites/default/files/hdrp_2009_03.pdf

Peters, Margaret E. (2015) "Open Trade, Closed Borders: Immigration in the Era of Globalization" *World Politics*, Volume 67, Number 1, January 2015, pp. 114-154 (EJ) Or. (2014) "Trade, Foreign Direct Investment, and Immigration Policy Making in the United States" *International Organization*, Vol. 68, No. 4 (Fall 2014), pp. 811-844. (Selected reading TBA).

Bearce, D., & Hart, A. (2017). International Labor Mobility and the Variety of Democratic Political Institutions. *International Organization*, 71(1), 65-95

Joppke, L. 1998. "Why Liberal States Accept Unwanted Immigration." *World Politics* 50: 266-293. (EJ).

Week 3: The Politics of Financial Globalization.

Mankiw, N. Gregory. "The Trilemma of International Finance". *New York Times*, July 10th, 2010. Downloadable here:

http://www.nytimes.com/2010/07/11/business/economy/11view.html?_r=0

Bhagwati, Jagdish, 1998. "The Capital Myth: The Difference between Trade in Widgets and Dollars" *Foreign Affairs*, Vol. 77, No. 3 (May - June), pp. 7-12 (EJ).

Frieden, J. (1991). "Invested Interests: The Politics of National Economic Policies in a World of Global Finance". *International Organization*, 45(4), 425-451

Abdelal, Rawi, 2006. "Writing the rules of global finance: France, Europe, and capital liberalization", *Review of International Political Economy* 13:1 February: 1–27 (EJ).

Simmons, Beth A. and Zachary Elkins. 2004. "The Globalization of Liberalization: Policy Diffusion in the International Political Economy." *American Political Science Review* 98 (1):171-189. (EJ).

Pepinsky, Thomas. 2013. "The Domestic Politics of Financial Internationalization in the Developing World." *Review of International Political Economy* 20, no. 4 (September), 848–880. (EJ).

Additional Background Reading.

Rodrik, Dani, 2011. *The Globalization Paradox*. Oxford University Press. Chapters 5 "Financial Globalization Follies", and Chapter 2 "The Rise and Fall of the First Great Globalization".

Week 4: Financial Globalization, Financial Crisis, and the Crisis Response.

Eichengreen, Barry (2010). "Globalization and the Crisis". *CESifo Forum* Munich, 11 (3), 20-24. Available for download here:

http://www.cesifo-group.de/ifoHome/publications/docbase/DocBase_Content/ZS/ZS-CESifo_Forum/zs-for-2010/zs-for-2010-3/11132010003004.html

Helleiner, Eric (2011). "Understanding the 2007–2008 Global Financial Crisis: Lessons for Scholars of International Political Economy", *Annual Review of Political Science* 14:1, 67-87 (EJ).

Stefanie Walter, (2016) "Crisis Politics in Europe: Why Austerity Is Easier to Implement in Some Countries Than in Others," *Comparative Political Studies*, 47, no. 7 (EJ) or Pontusson, Jonas and Damien Raess, (2012). "How (and why) is this time different? The politics of economic crisis in Western Europe and the United States", *Annual Review of Political Science* 15, 13-33 (EJ). (Selected reading TBA).

Manuel Funke, Moritz Schularick, and Christoph Trebesch, (2016). "Going to Extremes: Politics After Financial Crises, 1870-2014," *European Economic Review* 88 (September), pages 227-260

Jeffrey Frieden, (2016). "The Governance of International Finance," *Annual Review of Political Science* 19.

Week 5: Crises in the European Union

(I will indicate during the course which of the readings for this week are recommended and which are required).

The Sovereign Debt Crisis.

Frieden, Jeffrey. "Political and Economic Origins of the Crisis in the Eurozone"

Eichengreen, Barry. "Déjà vu All Over Again"

Walter, Stephanie. "The Distributive Politics of the Eurozone Crisis"

All of the above are featured essays in *The Political Economist Newsletter* (Fall, 2015).

Available here: <https://sites.google.com/a/umich.edu/political-economist-newsletter/>

De Grauwe, Paul, 2013. "The Political Economy of the Euro" *Annual Review of Political Science*, Vol. 16, pp. 153-170.

Mark Copelovitch, Jeffrey Frieden, and Stefanie Walter, 2016. "The Political Economy of the Euro Crisis," *Comparative Political Studies* 47, no. 7: 811-840

Bechtel, MM, J Hainmueller, and Y Margalit 2014. "Preferences for international redistribution: The divide over the Eurozone bailouts" *American Journal of Political Science* 58 (4), 835-856

Background Reading:

Lane, Philip, 2012. "The European Sovereign Debt Crisis Journal of Economic Perspectives—Volume 26, Number 3 (Summer) 49–68. (An excellent non-technical description of the economic issues involved).

The Refugee Crisis

Dustmann, Christian and Fasani, Francesco and Frattini, Tommaso and Minale, Luigi and Schönberg, Uta, 2016. "On the Economics and Politics of Refugee Migration" (September 2016). *CESifo Working Paper Series* No. 6111. Available here: http://www.cesifo-group.de/ifoHome/publications/docbase/DocBase_Content/WP/WP-CESifo_Working_Papers/wp-cesifo-2016/wp-cesifo-2016-09/12012016006111

Matti Sarvimäki, Dominik Hangartne (2017). "Dealing with the Refugee Crisis: Policy Lessons from Economics and Political Science" *Report for Finland's Economic Policy Council*. Available here: <https://vatt.fi/en/publications/dealing-with-a-refugee-crisis-policy-lessons-from-economics-and-political-science>

Christian Dustman & Kristine Vasiljeva & Anna Piil Damm, 2016. "Refugee Migration and Electoral Outcomes," *CReAM Discussion Paper Series* 1619, Centre for Research and Analysis of Migration (CReAM), Department of Economics, University College London. Available here: <https://ideas.repec.org/p/crm/wpaper/1619.html>

Rafaela M. Dancygier and David D. Laitin 2014. "Immigration into Europe: Economic Discrimination, Violence, and Public Policy" *Annual Review of Political Science* 2014 17:1, 43-64 (EJ).

Alexander Betts and Paul Collier 2018. "How Europe Can Reform Its Migration Policy" *Foreign Affairs*. Available here: <https://www.foreignaffairs.com/articles/europe/2018-10-05/how-europe-can-reform-its-migration-policy>