This seminar studies the compatibility of world markets and various forms of governance, including national and international democracy. After examining some current issues about the impact of world markets society and governance we study the post WWII evolution of the global trading and monetary systems. This includes critically evaluating some contending theoretical perspectives about these systems. Next we analyze the politics of trade. Among the topics singled out for close examination are the distributional consequences of trade, particularly the emerging skill cleavage within democratic countries. Institutions for governing trade like the World Trade Organization (WTO) also are studied. Money flows—both of currency and capital—and their consequences are examined next. Topics in this part of the class include the welfare consequences of currency fluctuations and crises, the reasons why countries adopt the U.S. dollar as their currency, and the politics of international banking. In the final weeks of the semester we take a closer look at recent political-economic developments in Latin America and Southeast Asia.

Written work. All students must write both a paper and a final examination. And everyone will be evaluated, in part, on the basis of class participation. The short paper option (I) is to write a critical evaluation of the Rivoli book and also the mid-term examination. The other option (II) is to write a longer, topical paper.\footnote{The length of the long paper should be 15-20 pages. The requirement of a senior/honors paper for a political science degree can be met in this way.} For students who choose the later option, the mid-term examination is optional.

The following weights will be used for the two options:

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<tr>
<td>Mid-term exam</td>
<td>25%</td>
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<tr>
<td>Short paper</td>
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<tr>
<td>Long paper</td>
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<tr>
<td>Class participation</td>
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<tr>
<td>Final examination</td>
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In the second or third week of the course, the instructor will ask all class members to declare in the writing their intent to complete option I or II. Students opting to write the long paper must at that time submit a thesis statement and rough outline of their paper.  

\footnote{Students who opt to write the long paper may take the mid-term exam if they wish. For these students the weighting scheme will be mid-term exam 20\%, long paper 30\%, class participation 15\%, and final examination 35\%.}
Required texts.
Two books are required for the course. Both are available for purchase at the Coffman bookstore.

Frieden, Jeffry *Global Capitalism: Its Fall and Rise in the Twentieth Century* NY: W.W. Norton, 2006


Many of the assigned articles are available through JSTOR. Students can download them via [www.jstor.org](http://www.jstor.org). Just click on Browse Journals, Political Science, the journal, and then the year and volume number. Articles for which this can be done are denoted by a #.

Copies of the articles that are not available through JSTOR are available in the form of a reading packet. There are twenty items in all. The packet is available for purchase at the West Bank Copy Center in the basement of the Social Sciences Building (Room 33).

Outline and Assigned Readings

A. Introduction and motivation
(January 17, 22, 24)

Rivoli (entire book)

Historical and theoretical perspectives
(January 29, 31; February 5)

Frieden, Chapters 12, 13, 14 (pps. 278-360)


C. The Politics of Trade

1. The distributional consequences of trade; the coalitional politics of trade
   (February 7, 12, 14, 19)

   #Busch, Marc L and Eric Reinhardt “Geography, International Trade and
   Political Mobilization of U.S. Industries” *American Journal of Political
   Science* 2000, 44(4): 707-719

   #Hiscox, Michael “Class vs. Industry Cleavages: Inter-industry Factor Mobility

   Scheve, Kenneth and Matthew J. Slaughter, *Globalization and the Perceptions
   Of American Workers* Washington D.C.: The Institute for International
   Economics, 2001, Chapters 1, 2 (pps. 1-46)

   Iversen, Torben and Thomas Cusack “The Causes of Welfare State
   Expansion: Deindustrialization or Globalization?” *World Politics*
   52, 2000: 313-349

   **FEBRUARY 7: DECLARATION OF GRADING OPTION DUE**

2. Domestic institutions and the openness to trade
   (February 21, 26)

   #Busch, Marc L. and Eric Reinhardt “Industrial Location and Protection:
   Political and Economic Geography of U.S. Nontariff Barriers” *American

   #Mansfield, Edward D., Helen V. Milner, and B. Peter Rosendorff,
   “Why Democracies Cooperate More: Electoral Control and
   International Trade Agreements” *International Organization*
   56(2002): 477-514

   #Rogowski, Ronald “Trade and the Variety of Democratic Institutions”

3. International institutions and the politics of trade
   (February 28: March 5)

   Frieden, Chapters 18-19 (pps. 413-434)

   Milner, Helen “Globalization, Development, and International
   Institutions: Normative and Positive Perspectives” *Perspectives
   on Politics* 3(4) 2005: 833-854
March 7: MID-TERM EXAMINATION (In class)

SPRING BREAK, MARCH 12, 14

NO CLASS MONDAY, MARCH 19

D. International money flows and politics

1. The distributional consequences of monetary flows and the politics of market liberalization (March 21, 26, 28)

Frieden, Chapter 17 (pps. 392-412)


2. Domestic institutions and money flows
(April 2, 4)

Leblang, David and Shanker Satyanth “Institutions, Expectations and Currency Crises” International Organization 2006


3. Regional and global institutions for managing money flows
(April 9, 11, 16)


Girvan, Norman “Swallowing the I.M.F. Medicine in the 1970s” Development Dialogue 1980, 2;


continue


E. Regional case studies; international political economic problems in and prospects for
Latin America
(April 18, 23)


#Frieden, Jeffry “Classes, Sectors, and Foreign Debt in Latin America” *Comparative Politics* 21(1), 1988: 1-20

Sheahan, John “Effects of Liberalization Programs on Poverty and Inequality: Chile, Mexico, and Peru” *Latin American Research Review* 1997,32(3):7-38

Southeast Asia
(April 25, 30)


F. Reflections and review: Is democracy compatible with market globalization? Does market globalization require global democracy?
(May 2)

Frieden, Chaper 20 (pps. 457-472)