

Political Economy

POL3103, Spring/ 2017

Instructor: Prof. Kang, Myung-koo

Homepage: www.mkkang.com

Class Time/Place: A hybrid course, in-class meetings on every Thursday

Office hours: Thrs. 1:00 – 2:15, or by appointment

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I usually reply to any of my students' emails within 24 hours. So, just in case if I don't reply to your email in a day, it means that I didn't get your email. In that case, please email me again.

Course Description

This course examines the interaction between states and markets in macroeconomic policy formulation and implementation, both in theory and in practice, linking classic works on political economy with current policy debates. We will, first, review three major theoretical paradigms in political economy—liberalist, Marxist, and statist—and explore key topics in international and domestic political economy: (1) the origins and evolution of global financial system; (2) the origins and evolution of the international trade (GATT) system. Responding to students' growing intellectual demand on finance, this course will review more extensively on the origins and evolution of global financial system, especially focusing on the rise of the Bretton Woods system after World War II and its collapse, financial globalization and crises, and government's macroeconomic policy responses to crises.

Learning Goals

This course has four main leaning goals. If students read the assigned readings and follow lectures and discussions in class sincerely, students will be able to understand the following four topics:

- First, the core theoretical content and evolution of three classic views in political economy
- Second, the origins and evolution of the modern global financial system and the current context of global financial crises
- Third, the origins and development of multilateralism, regionalism, and bilateralism in global trade and the current major trade-related issues
- Fourth, the structural problem of global imbalances and macroeconomic policy challenges the nation-state system and each nation-state have confronted in an era of globalization

Prerequisites

ENG 2100 or equivalent and ECO 1001 or 1002 or departmental permission.

Grading and Requirements

Students need to complete all assignments to pass the course, which include (1) weekly participation in the Blackboard Discussion Forum, (2) one research paper, and (3) One video presentation.

Weekly online Discussion Postings	30%
In-Class attendance (5%) & participation (10%)	15%
5 Quizzes	15%
Research Paper	30%
Video presentation	10%

Grading Policy

Every student should be aware that *grading will be based on a curve system*. 30 percent of enrolled students will get A or A-, 50 percent of students B+, B, or B-, and 20 percent of students below B-. Considering students' performance in class, the scores in the mid-term, and the paper quality, if the instructor feels that the distribution needs to be re-adjusted, it will be announced before the final examination. If not, the original grade distribution rule will be applied.

A: top 15%	A-: 15%~30%	B+: 30%~45%	B:45%~65%	B-:65~80%
C+: 80%~90%	C or lower grade: below 90%			

Class Format

This class is a hybrid course. All lecturing activities will happen through online interactions. The instructor will post video lectures first on the Blackboard course, by 9 a.m. every Monday and then post a weekly discussion topic. Students are expected to post their views on the weekly discussion topic by Wednesday evening and then we will meet for further discussion on Thursdays. We will use the Blackboard course site as the basic platform for lectures, discussions, and research paper assignment. We will also use the VOCAT (baruch.vocat.co) site, which is provided by the School for video sharing and presentations, for the research paper presentation.

In-class attendance and Participation (15%)

We will meet in classroom once a week to discuss and review the weekly lecture and reading materials, while discussing the relevant weekly discussion topics. So, attendance to this in-class sessions are essential for perform better in this class. Attendance will be taken at each class. As per Baruch's attendance policy, you're only permitted four absences for the semester unless there are extreme extenuating circumstances. Failure to submit an online weekly discussion postings will be also counted as missing one class. If you are absent 5 times, I will drop you from the course with a WU grade (the equivalent of an F). If you choose to withdraw, note that the deadline for a W grade is April 19th. If you are late three times (more than 10 minutes), this will count as an absence.

Participation in Discussion Forum (30%)

Students’ weekly online participation is composed of two things: (1) online discussions; (2) taking quizzes.

- ❖ **Discussion Posting & Response** : Students are required to contribute to the “Discussion Forum” on Blackboard on a weekly basis throughout the semester. On Monday of each week by 10 a.m., I will post one or two discussion questions on the Forum, based either on the lecture of the week or assigned readings. Students are required to reply to those questions by Wednesday (11:59pm EST) and respond to the post of at least two other students by Saturday (11:59pm EST) of that week. There will be 10 weekly discussions during the semester.

- ❖ **Posting length**: Individual posting should exceed 150 words. Just try to state the core argument or point from the beginning of the statement and then explain why you support the argument. Your response comments for other students’ postings should exceed at least 50 words. You need to state specifically which aspect/point you agree or disagree with other students’ postings. For example, a simple comment—such as “I agree with you” or “I disagree with” or “Good posting!” etc –will not be counted as a proper response to other students’ postings. So, one of best ways is to cite the specific point (or argument) of other students’ postings by “quoting” and provide relevant reasons why you agree or disagree with the specific point.

- ❖ **Grading**: *Every weekly posting (1 posting + 2 response comments: as a total) by students will be graded.* If a student’s posting is relevant and great to the weekly discussion question(s), it will get 95 point. If a student skips 2 response comments, 10 points will be deducted for each skipping. If students’ postings are delayed, for example, failing to post the original comment by Thursday evening or failing to make 2 comments by Saturday, 5 point will be deducted for the overdue posting. Your discussion participation grade will be posted every 3 week (4 times during the semester) on the “grade” section of the Blackboard. So, you can check out how you perform in online discussions and improve your performance. A detailed grading rubric is available on the course Blackboard.

Weekly Schedule

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Instructor	Posting lecture video(s) & Discussion Question(s) or Quizzes						Weekly postings will be graded
Students	Watch the lecture video(s) of the week and post original response note to the discussion question by Wednesday midnight			In-class discussions	Making at least 2 comments on other students’ postings by Sat. midnight		

Quizzes (15%)

Every other week, there will be a short quiz on what you have learned for two weeks. Each quiz will be composed of 10 or 20 simple questions that test whether students have reviewed the lecture/reading materials of the week. Each quiz will be available on 5 pm on Monday of the quiz week and students should complete it by the midnight of Wednesday. *There will be 5 Quizzes during the semester.* All quizzes will be conducted online.

Research Paper Assignment : 30%

Students are required to write one RESEARCH paper as to government's macroeconomic policy measures in response to the global financial crisis of 2008. Students can choose the case country, for example, the United States, the European Union (or member countries), Japan, China, India, Brazil or other countries.

- ❖ **Topics:** Students need to choose one specific policy area, for example, fiscal policy, monetary policy, welfare policy, tax policy, or foreign exchange policy etc and then specify HOW POLITICS has influenced on the formation of the chosen specific macroeconomic policy and its policy outcomes. If policy outcomes are not yet clear, it is fine to focus on how a certain macroeconomic policy was formulated through the interaction of different political actors such as Legislature (Congress), Executive, interest groups or political parties. A detailed guideline will be announced in February.
- ❖ **Paper topic proposal:** Students need to post their research paper topics on the Blackboard [Discussion section] by **March 26 (Sunday)**. Once the topic is chosen, students cannot change the final paper topic. Asking students to submit the proposal is to make students prepare the final paper for a month.
- ❖ **Organization;** The paper should be organized by reviewing both pros and cons of a theoretical perspective students apply in analyzing the case.
- ❖ **Length:** at least 10 page (double-spaced, 12 font-size, excluding references).
- ❖ **Submission:** Papers should be submitted to the Blackboard course. Detailed grading rubric of paper is available on the course Blackboard. It's due by **May 7 (Sunday)**.

Video Presentation (10%)

Students are required to do a video presentation about their own research paper (7%). After submitting the research paper by **May. 7 (Sunday)**, students need to prepare a video presentation about the topics and argument of the papers. Power point slides are highly recommended for the research paper presentation, but still while presenting, student's face should be appeared on the video, at least half of the presentation. This video presentation is due by **May 14 (Sunday)**.

All videos should be uploaded to the VOCAT site [baruch.vocat.co]. I will enroll all of students to the VOCAT site by the end of March and inform you. As this is for helping students improve their public presentation skills, students need to record the videos that can show their facial expressions and gestures.

Course Readings

#No required textbook

All required reading materials will be posted on the Blackboard site. If you have any questions about your Baruch email address or your password, or if you have any problems accessing the site please get help from the computer helpdesk (646.312.1010).

Students with disabilities

Students with disabilities may be eligible for a reasonable accommodation to enable them to participate fully in courses at Baruch. The student who wants to get auxiliary aids and services, and need appropriate academic accommodations with disabilities, such as a longer time for taking exams, must provide documentation of disability to me. If not, no special accommodations with disabilities will be provided.

Academic Dishonesty Issues

Cheating and plagiarism are serious offenses. My policy is to give a **failing course grade** to any students committed plagiarism or cheating in an exam. In addition, I am required by College policy to submit a report of suspected academic dishonesty to the Office of the Dean of Students. This report becomes part of your permanent file.

The following definitions are based on the College's Academic Honesty website:

Cheating is the attempted or unauthorized use of materials, information, notes, study aids, devices or communication during an academic exercise. Examples include but are not limited to:

- Copying from another student during an examination or allowing another to copy your work
- Unauthorized collaborating on a take home assignment or examination
- Using unauthorized notes during a closed book examination
- Using unauthorized electronic devices during an examination
- Taking an examination for another student
- Asking or allowing another student to take an examination for you
- Changing a corrected exam and returning it for more credit
- Submitting substantial portions of the same paper to two classes without consulting the second instructor
- Preparing answers or writing notes in a blue book (exam booklet) before an examination
- Allowing others to research and write assigned papers including the use of commercial term paper services

Plagiarism is the act of presenting another person's ideas, research or writing as your own, such as:

- Copying another person's actual words without the use of quotation marks and footnotes (a functional limit is four or more words taken from the work of another)
- Presenting another person's ideas or theories in your own words without acknowledging them
- Using information that is not considered common knowledge without acknowledging the source

- Failure to acknowledge collaborators on homework and other assignments

If you ever have questions about whether something might count as plagiarism, feel free to contact me. I also highly recommend the online tutorial prepared by the Newman Library: <http://newman.baruch.cuny.edu/help/plagiarism/default.htm>.

Class Schedule

Week	Topic	Readings	Assignments
(1/26-1/29)	• Course introduction	• Course syllabus	• Checking out course Blackboard
I. Rival Views on Markets and States			
1 (1/30-2/5)	• Liberalist paradigm (I) & (II)	<ul style="list-style-type: none"> • Smith, Adam (1759). <u>The Theory of Moral Sentiments. Part. I Ch.I~V</u> • Friedman, Milton (1993). <u>Why Government is the Problem</u> 	• Upload your “avatar image by 2/5 (Sun)
2 (2/6-12)	• Marxist Paradigm (I) & (II)	<ul style="list-style-type: none"> • Marx, Karl, <u>The Capital: A Critique of Political Economy, Vol.1: Chapter 1” “Commodities”</u> • Hilferding, Roudolf (1910). <u>Finance Capital: ch.23 & 24</u> 	Quiz #1
3 (2/13-19)	• Statist Paradigm (I) & (II)	<ul style="list-style-type: none"> • List, Friedrich (1916). <u>The National System of Political Economy: Ch.XII (The theory of the powers of production and theory of values</u> • Gerschenkron, A. (1962), <u>Economic Backwardness in Historical Perspective: 5-30</u> 	
II. The Evolution of Global Financial System			
4 (2/20-26)	• The Origins of the Gold Exchange Standard	• Eichengreen, Barry. (1998). <u>Globalizing Capital: A History of the International Monetary System: ch.2 & ch.3: pp.6-90.</u>	Watching Documentary: <u>Inside Job</u>
5 (2/27-3/5)	<ul style="list-style-type: none"> • Great Depression, and Inter-War Conflicts • The Evolution of the Bretton Woods System 	<ul style="list-style-type: none"> • Cohen, Benjamin. “Bretton Woods System” • Eichengreen, Barry (2011). <u>Exorbitant Privilege: Ch. 6 “Monopoly no more”</u> 	Quiz #2

6 (3/6-12)	<ul style="list-style-type: none"> • The Collapse of Bretton Woods System and Aftermath • Governance of Economic Globalization; “Trilemma” 	<ul style="list-style-type: none"> • Rodrik, Dani. (2011). <u>The Globalization Paradox</u>: Ch.9 	
7 (3/13-19)	<ul style="list-style-type: none"> • Eurozone crisis (I): Origins • Eurozone crisis (II): Evolution and Current Challenges 	<ul style="list-style-type: none"> • Hall, Peter A. (2012). “The Economics and Politics of the Euro Crisis,” • Pisani-Ferry, Jean (2012). “The Euro crisis and the new impossible trinity” 	Quiz # 3
8 (3/20-26)	<ul style="list-style-type: none"> • Austerity vs. Stimulus debates • Global Imbalances & the U.S. Economy 	<ul style="list-style-type: none"> • Ban, Cornel (2015) “Austerity versus Stimulus? “ • Dunaway, Steven. (2009). <u>Global Imbalances and the Financial Crisis</u>. 	Paper proposal due by March 26
9 (3/27-4/2)	<ul style="list-style-type: none"> • The Washington Consensus: The role of the IMF & the World Bank group • Globalization & Economic Inequality 	<ul style="list-style-type: none"> • Meltzer, Allan H. (2011). “The IMF Returns” • Kanbur, Ravi & Stiglitz, Joseph (2015) <u>Wealth and income distribution: New theories needed for a new era</u> 	Academic ethics review
III. The Evolution of International Trade Regime			
10 (4/3-4/9)	<ul style="list-style-type: none"> • The Formation of GATT system and Its Evolution • World Trade Organization: Birth and Functions 	<ul style="list-style-type: none"> • World Trade Organization. <u>Understanding the WTO</u> 	Quiz #4
11 (4/10-18)	Spring Recess		
12 (4/19-23)	<ul style="list-style-type: none"> • Regionalism (1): European Union & NAFTA 	<ul style="list-style-type: none"> • EU. <u>How the European Union Works</u> 	

13 (4/24-4/30)	<ul style="list-style-type: none"> Regionalism (II): ASEAN & MERCOSUR 	<ul style="list-style-type: none"> Freund, C. & Ornelas E. (2010). "Regional Trade Agreements" 	
14 (5/1-5/7)	Trade and the Role of the State	<ul style="list-style-type: none"> Rodrik, D. (1997). <u>Has Globalization Gone Too Far?</u> : Ch.4 "Trade and the Demand for Social Insurance" 	<p>Quiz #5 Paper due by May 7 (Blackboard online submission)</p>
<p>• IV. The Prospect of Global Political Economy</p>			
15 (5/8-14)	<ul style="list-style-type: none"> The Rise of China & its global impacts The prospect of Global Political Economic Order 	<ul style="list-style-type: none"> Ikenberry, John (2008). "The Rise of China and the Future of the West" Walt, Stephen M. (2011). "The End of the American Era," <u>National Interest</u> 	<p>VOCAT video presentation due by May 14</p>