

The University of Texas at Austin
Government 360N (38913)
International Politics of Economic Crisis
Spring 2013, T TH 9.30-11.00
MEZ 2.122

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Office hours: T 11.00-12.30, TH 12.00-1.30

DESCRIPTION

This course meets the university's writing flag requirement. It examines the international political causes and consequences of key economic crises in the twentieth century--the Great Depression and the Great Recession that began in 2008. We will explore the following questions: what are the political mechanisms by which a crisis in one country spreads to another? What impedes or facilitates international cooperative efforts to stem economic crises? How do crises transform domestic political coalitions and/or institutions? Under what conditions can an economic crisis generate international political change and war? The discussion and the requirements of the course will push students to think abstractly, to utilize theoretical concepts to interpret key historical events over the past century, and to improve their writing skills.

COURSE REQUIREMENTS

There will be four sets of requirements for this course. First, you will be expected to attend class, keep up with the assigned readings, participate in our discussions, and complete short in-class writing assignments and/or quizzes. Second, you will complete a series of short writing assignments that will generally ask you to summarize and comment on a reading. Third, you will turn in a midterm essay on *Friday, March 7*. Fourth, you will complete a final paper. This last paper will be completed in two parts—a first draft due on *April 26* and a final draft that will be due on *Thursday, May 3*. These requirements will provide the following components of your final grade:

Attendance, participation, and quizzes	20%
Shorting writing assignments	15%
Paper 1	25%
Paper 2	
First draft	15%
Final draft	25%

READING MATERIALS

The reading material for this course will be made available through two primary formats. First, our course blackboard site will contain electronic copies of our assigned article readings. Second, the following required texts are available at the University Co-op bookstore.

Barry Eichengreen. 1992. *Golden Fetters: The Gold Standard and the Great Depression, 1919-1939*. New York: Oxford University Press.

Menzie D. Chinn and Jeffrey A. Frieden. 2011. *Lost Decades: The Making of America's Debt Crisis and the Long Recovery*. New York: Norton.

Michael Lewis. 2011. *Boomerang: Travels in the Third World*. New York: Norton.

COURSE GOALS

I want to use the subject material of our course to get you thinking (i.e. criticizing, applying, extending) about explanatory “models” of international politics that generate intellectual leverage, or quite simply can explain broad patterns of social behavior with just a few variables or concepts. This might be new for many of you. This is not going to be a class designed to get you to memorize a bunch of facts about international relations so that you can succeed on a multiple choice exam. It is not about giving you the answers. I instead I will raise challenging questions that have been debated (sometimes quite ineffectively) for centuries and then teach one style by which you can generate your *own* answers. You will be asked to evaluate arguments, draw implications from them, and write effective statements of your ideas. You will be graded on the effectiveness of your original, written arguments—not on whether you can regurgitate what you have read or what I have said.

Build on this broad teaching approach, here is a set of more specific goals for our semester.

1. Enhance your understanding of the big questions in the study of international politics. How does economic crisis stress domestic and international political orders? What contributed to the collapse of international cooperation in the interwar period? What caused the Great Depression? What caused World War II? How is the crisis of 2008 different from the Great Depression? Is the long term project of European integration sustainable?
2. Enhance your ability to think in the abstract i.e. theoretically. All of our discussions and your written assignments will be oriented around this.
3. Sharpen your reading skills. The goal of your reading should not be to finish the article or the chapter. Instead it should be to prepare yourself to think critically and originally about the questions, theoretical claims, evidence, and implications of the material you have read. To this end, you will complete a series of short writing assignments designed to get you ready to participate actively in class discussions on our readings.
4. Practice generating implications (theoretical, empirical, policy) from theoretical priors/concepts.

5. Develop your writing skills. Our assignments will be designed to foster your ability to organize an essay around a few central ideas, critique alternative arguments, economize your sentence structure, and increase the use of active tense in your writing.

COURSE POLICIES

Our class format necessarily creates mutual obligations among students to come prepared to discuss both the readings and the lecture materials. If only a few people in a group or the class are regularly doing the reading, our discussions will stumble as the bulk of students rely on a minority to carry them. Such a situation penalizes those students doing the readings as they then are pushed to shoulder more responsibility in class. To avoid this situation while fostering a stimulating and productive intellectual environment in class, I have established the following rules to ensure that all students meet these obligations to each other.

*Classroom civility...*As the instructor of record for this course, it is my responsibility to enforce this. Quite simply, I take this to mean that you will respect the right of your colleagues to ask questions and discuss their opinions about the subject matter of our course in class and that you will respect their right to listen undisturbed to the discussion in class. In short, if you are bothering others in the classroom by doing such things as watching videos on your computer or talking to the person sitting next to you outside of our discussion groups, expect to be asked to leave the classroom.

*Attendance and participation...*will be tracked daily throughout the semester with multiple mechanisms—attendance checks, random quizzes, classroom participation, group work that will include discussing assigned readings and offering comments on your colleagues' writing assignments.

*Short writing assignments...*will be distributed throughout the semester. Sometimes they will entail a summary and/or comment on an assigned reading. Sometimes they will entail writing a comment on another student's paper. These summaries should be typed and ready to be turned in when they are due. *Late assignments will not be accepted.*

You will be expected to *participate* in class discussions and demonstrate that you have done the readings by performing such tasks as summarizing the main arguments, critiquing an author's claims, drawing out policy implications, suggesting how an author's argument may apply to another issue area, or highlighting similarities and differences with other readings. **Note:** one way you can boost this participation component of your grade is by bringing questions about our readings to class. We will be working through some relatively complex readings. Consequently, I will devote the opening portion of each class to addressing these questions.

Attendance and participation points cannot be made up under any circumstances, including excused absences. However, each student in the class will receive a bonus at the end of the semester of 150% of the average daily points for this component of your grade. For example, if there are 100 attendance and participation points for the semester and these points were checked on 20 class days, then the average daily point total is 5. All students would receive a bonus of 7.5 points to account for excused and unexcused absences. *Note:* your total attendance and participation score for the semester cannot exceed 100%.

Lateness... If you come late to class and miss an attendance check (e.g. sign-in sheet, quiz), you have missed the attendance check for that day. Please do not ask to have your assignment collected.

The determination of grades and grade appeals... This process must be initiated by your written explanation of why the decisions behind the assignment of your grade should be revisited. You will have one week after an assignment has been handed back to submit this written explanation. After that period, all grades will be considered final and any discussion that we might have will be restricted to how you can do better on the next assignment. Once you have submitted your written request, I will decide whether to regrade your entire assignment.

Please keep in mind that your past performance in other classes taken here at the University is not germane to any grading decisions made in my class. Consequently, if receiving a D in my class places you on academic probation, this does not constitute a viable justification for requesting the regrading of any assignment.

Grade appeals also cannot be made on the basis of being “close” to a letter grade. Cutoffs between letter grades will be strictly observed according to guidelines listed below. Note: these already include appropriate rounding:

92.5-100 A; 89.5-92.5 A-; 86.5-89.5 B+; 82.5-86.5 B; 79.5-82.5 B-; 76.5-79.5 C+; 72.5-76.5 C; 69.5-72.5 C-; 66.5-69.5 D+; 62.5-66.5 D; 59.5-62.5 D-; 0-59.5 F

“Scholastic dishonesty... includes, but is not limited to, cheating, plagiarism, collusion, falsifying academic records, and any act designed to give unfair academic advantage to the student (such as, but not limited to, submission of essentially the same written assignment for two courses without prior permission of the instructor, providing false or misleading information in an effort to receive a postponement or an extension on a test, quiz, or other assignment), or the attempt to commit such an act” (Section 11-802 (b), *Institutional Rules on Student Services and Activities*).

If you have any questions about what constitutes scholastic dishonesty, you should consult with me or the website listed below. Any student that violates this policy will fail this course and have the details of the violation reported to Student Judicial Services.
<http://deanofstudents.utexas.edu/sjs/academicintegrity.html>.

Disabilities: The University of Texas will make reasonable accommodations for students with documented disabilities. Any student with a documented disability who requires academic accommodations should contact Services for Students with Disabilities at 471-6259 (voice) or 1-866-329-3986 (Video Phone) as soon as possible to request an official letter outlining authorized accommodations.

Religious holidays: By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Emergency evacuation: In the event of a fire or other emergency, it may be necessary to evacuate a building rapidly. Upon the activation of a fire alarm or the announcement of an emergency in a university building, all occupants of the building are required to evacuate and assemble outside. Once evacuated, no one may re-enter the building without instruction to do so from the Austin Fire Department, University of Texas at Austin Police Department, or Fire Prevention Services

office.

Students should familiarize themselves with all the exit doors of each room and building they occupy at the university, and should remember that the nearest exit routes may not be the same as they way they typically enter buildings.

Students requiring assistance in evacuation shall inform their instructors in writing during the first week of class. Faculty members must then provide this information to the Fire Prevention Services office by fax (512-232-2759), with "Attn. Mr. Roosevelt Easley" written in the subject line.

Information regarding emergency evacuation routes and emergency procedures can be found at <http://www.utexas.edu/emergency>.

Changes to the syllabus... I may make minor changes to the syllabus. These will be announced at least a week in advance.

CLASS SCHEDULE

I. Introduction

Tuesday, January 15

Introduction

Thursday, January 17

Overview of the politics of economic crisis

Peter Gourevitch. 1986. *Politics in Hard Times: Comparative Responses to International Economic Crisis*. Ithaca: Cornell University Press. Pp. 17-68

Tuesday, January 22

Domestic political and economic fundamentals

William R. Keech. 1995. *Economic Politics: The Costs of Democracy*. New York: Cambridge University Press. Pp. 3-44.

John Cassidy. 2010. What Good is Wall Street? *The New Yorker*, November 29.

Thursday, January 24

International economic fundamentals: Standard trade theory and exchange rates

Rodrik, *The Globalization Paradox*, pp. 47-66.

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

II. The Interwar Collapse

Tuesday, January 29

Overview

Eichengreen, *Golden Fetters*, pp. 3-66.

Thursday, January 31

Economic and Political Legacy of World War I: trade, war debts, and reparations

Eichengreen, *Golden Fetters*, pp. 67-152

Tuesday, February 5

The Cooperative Interregnum

Eichengreen, *Golden Fetters*, pp. 153-221

Thursday, February 7

The Crises of 1929 and 1931

Eichengreen, *Golden Fetters*, pp. 222-286

Tuesday, February 12

Hegemonic stability theory and the collapse of international cooperation: American missteps

Eichengreen, *Golden Fetters*, pp. 317-347

Thursday, February 14

Reading break—no class

Tuesday, February 19

The Domestic Politics of International Cooperation

Frieden, Jeff. 1988. Sectoral Conflict and Foreign Economic Policy, 1914-1940. *International Organization* 42(1): 59-90.

Peter Gourevitch. 1996. Squaring the Circle: The Domestic Politics of International Cooperation. *International Organization* 50(2): 349-373.

Thursday, February 21

The Domestic Politics of War

Terrence L. Chapman, Patrick J. McDonald, and Scott Moser. 2013. The Domestic Politics of Strategic Retrenchment, Power Shifts, and Preventive War. Typescript.

Tuesday, February 26

The Dysfunctional Weimar Republic and the Rise of Hitler

Roger Myerson. 2004. Political Economics and the Weimar Disaster. *Journal of Theoretical and Institutional Economics* 160(2): 187-209.

Gary King, Ori Rosen, Martin Tanner, and Alexander F. Wagner. 2008. Ordinary Economic Voting in the Extraordinary Election of Adolf Hitler. *Journal of Economic History* 68(4): 951-996.

Thursday, February 28

Nazi rearmament, territorial acquisition, and the path to World War II

Adam Tooze. 2006. *Wages of Destruction*. New York: Penguin. Pp. 1-36, 203-243, 396-428, 656-676.

Note: Paper assignment distributed today

Tuesday, March 5

Writing break—no class

Thursday, March 7

Writing break—no class

**Papers due by 5 p.m. on Friday, March 8

III. The Great Recession in the United States

Tuesday, March 19

Subprime origins

Chinn and Frieden, *Lost Decades*, pp. 1-86.

Thursday, March 21

The panic of 2008

Chinn and Frieden, *Lost Decades*, pp. 87-120

Tuesday, March 26

The politics of bailouts

Chinn and Frieden, *Lost Decades*, pp. 121-174

Thursday, March 28

Economic crisis and polarization in the United States

Theda Skocpol. 2012. *Obama and America's Political Future*. Harvard University Press, pp. 1-90, 145-168.

Tuesday, April 2

American global leadership in the aftermath of 2008

Roger C. Altman. 2013. The Rise and Fall of the West. *Foreign Affairs* 92(1): 8-13.

Niall Ferguson. 2010. Complexity and Collapse. *Foreign Affairs* 89(2):

IV. The Euro Crisis

Thursday, April 4

The Euro and European Integration

Andrew Moravcsik. 1999. *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*. Ithaca, NY: Cornell University Press. pp. 1-17, 379-471

Tuesday, April 9

From the US to Europe

Chinn and Frieden, *Lost Decades*, pp. 175-200

Lewis, *Boomerang*, pp. 1-82

Thursday, April 11

The intertwined banking and sovereign debt crises

Lewis, *Boomerang*, pp. 83-132

Tuesday, April 16

Revisiting the German Problem

Lewis, *Boomerang*, pp. 133-170

V. Comparing the Crises

Thursday, April 18

Discussion: Comparing 1929/1931 with 2008

Michael D. Bordo and Harold James. 2010. The Great Depression Analogy. *Financial History Review* 17(2): 127-140.

Assignment for paper #2 distributed

Tuesday, April 23

Writing break

Thursday, April 25

Writing break

Note: first drafts of your final paper are due by 5 p.m. on Friday, April 26. You must email them to me and your writing partners by then.

Tuesday, April 30

Workshop papers in class

Bring at least one page of type written comments on the papers of your writing partners.

Thursday, May 2

Writing break

Note: Final drafts of your second paper are due by 5 p.m. on Friday, May 3.