

Domestic Politics in the Global Economy

Aix-Marseille School of Economics

Spring 2021

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Course hours: Wednesdays, April 14 – May 19, 10:00 – 12:00

Course description

Following decades of political liberalization and increasingly globally integrated markets, domestic politics in many democratic countries have begun to swing towards de-globalization and de-liberalization as mainstream policy objectives. Within this contemporary context, this topical PhD course will overview an academic literature that examines how the economic consequences of globalization affect domestic political behavior. Prior to the first session, students are asked to review the canonical economic models of international trade, international factor mobility, and protectionist trade policy. The course will then cover contemporary research that quantitatively relates domestic politics to the following issues of economic integration: (i) international trade, (ii) trade policy, (iii) immigration, (iv) international finance and global macroeconomic business cycles, and (v) identity and cultural convergence. The overarching goal of the course is to encourage original thought as to how a political interpretation of standard international economic theory may be useful in explaining current political trends towards de-globalization.

Learning goals

Upon successful completion of this course, students will have attained the following research skills:

1. Analyze how the distribution of economic gains and losses from globalization affects domestic political behavior
2. Critically appraise cutting-edge quantitative research methods in the social sciences and work to incorporate the methods into individual research questions
3. Develop and refine literature reviews and research proposals that cut across international economics and political science

Format of the sessions

The sessions will be seminar-style discussions. To prepare for the seminar discussions, students are required to produce a short note on one of the required readings for each class and to review the further readings. Each required reading and some of the further readings will have a student assigned to be the discussion opener.

The seminar discussions will be guided by the following questions:

- What is the economic impact of this facet of globalization?
- Do the economic impacts affect domestic actors asymmetrically?
- How have such impacts affected political behavior and/or outcomes?
- What are the methodological strengths / weaknesses of the research paper?
- What are some potential extensions of the paper's research question?

Requirements and evaluation

Attendance and participation	Periodic	20 %
Discussion opener(s)	Periodic	30 %
Final research assignment	End of term	50 %

Grading scale

93	≤	A	≤	100
86	≤	A –	<	93
79	≤	B +	<	86
72	≤	B	<	79
65	≤	B –	<	72
58	≤	C +	<	65
0	≤	F	<	58

Reading response notes

Students are required to submit brief critical notes on one of the required readings. The notes should be between 200 and 400 words and conclude with at least one suggested in-class discussion point (or critical question). Students should consider the questions that will guide discussions (above) when drafting reading notes. The notes should be submitted before 9:00 on the day of class meetings.

Late submissions will not be considered.

Discussion opener

Each student will be required to serve as the discussion opener for at least one of the required readings and one of the further readings over the course of the term. The discussion opener should provide a brief overview of the paper and launch the discussion in the paper in the direction of their choosing. Discussion openers should be critical of the text and enable a discussion of extensions of the research question and/or research methodology of the paper.

Final research assignment

The final research assignment is to produce a short document of between 3000 and 5000 words, which provides at least two of the following research outputs:

- An annotated reading list that builds on the readings from one of the sessions,
- A proposal for a research project with a well-developed research question that builds on the readings from one of the sessions, and
- A preliminary statistical analysis that builds on the readings from one of the sessions.

Course outline (subject to change)

[Review.] The gains from trade and the political economy of protectionism

Required reading:

- Kolb (2019)
- Rodrik (1997)
- Feenstra and Taylor (2008), chapters 2 – 5, 8, and 10

Further reading:

- Rodrik (1995, 1998, 2017)
- Stiglitz (2018)
- Milner (1999)
- Grossman and Helpman (1994, 2001)
- Hellwig and Samuels (2007)
- Markusen et al. (1995)
- Feenstra (2015)

[April 14.] Rise of nativist populists I – Import competition, local labor market adjustment, and domestic politics

Required reading:

- Colantone and Stanig (2018b)
- Autor et al. (2020)

Further reading:

- Dippel et al. (2017)
- Autor et al. (2016)
- Aksoy et al. (2018)

[April 21.] Trade war politics

Required reading:

- Blanchard et al. (2019)
- Fetzer and Schwarz (2020)

Suggested supplement:

- Trade Talks Podcast #115 from Peterson Institute for International Economics ([link](#)).

Further reading:

- Feigenbaum and Hall (2015)
- Che et al. (2017)

[April 28.] Rise of nativist populists II – Immigration and domestic politics

Required reading:

- Barone et al. (2016)
- Dinas et al. (2019)
- Dustmann et al. (2018)

Further reading:

- Halla et al. (2017)
- Harmon (2018)
- Edo et al. (2019)

[May 4.] Immigration in political-historical perspective

Required reading:

- Tabellini (2020)
- Karadja and Prawitz (2019)

Further reading:

- Sequeira et al. (2020)
- Murard and Sakalli (2018)

[May 12.] Rise of nativist populists III – Financial globalization and domestic politics

Required reading:

- Funke et al. (2016)
- Ahlquist et al. (2020)

Further reading:

- Mian et al. (2014)
- Doerr et al. (2020)
- Gyongyosi and Verner (2018)

[May 18.] “It’s the economy, stupid”? Economic insecurity -vs- culture and identity

Required reading:

- Guiso et al. (2019)
- Di Tella and Rodrik (2020)
- Mutz (2018)
- Margalit (2019)

Further reading:

- Grossman and Helpman (2018)
- Inglehart and Norris (2016)
- Algan et al. (2017)
- Kurer (2020)
- Naoi (2020)
- Colantone and Stanig (2019)

Further topics

[Extra.] Umhhh, Brexit? – Political disintegration, theory and empirics

Required reading:

- Becker et al. (2017)
- Fetzer (2019)

Further reading:

- Alesina et al. (2000)
- Sampson (2017)
- Colantone and Stanig (2018a)
- Mayer et al. (2018)

[Extra.] Rage against the machine – Labor-saving technology as a source of political conflict

Required reading:

- Caprettini and Voth (2020)
- Mokyr et al. (2015)

Further reading:

- Anelli et al. (2019)
- Blanas et al. (2019)
- Caselli et al. (2019)
- Im et al. (2019)
- Kurer and Gallego (2019)

[Extra.] P i k e t t y – The changing structure of domestic political conflict

Required reading:

- Piketty (2018)

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