

PLSC 486T: The Politics of Economic Crisis
Fall 2024

Tue & Thu 1:40pm–3pm
Classroom Wing 321

Instructor: Prof. Katja Kleinberg
Email: kkleinbe@binghamton.edu

Office hours (Zoom): Mon & Wed 10-11:30am,
other times & in person by appointment

Course Description

This course is an advanced undergraduate seminar designed for students who are interested in the politics of economic crises. While the growth of international trade and financial flows can appear unstoppable and ultimately desirable, recurring crises and reversals suggest a more complicated story. We will investigate their economic and political causes and consequences through close examination of several major economic crises of the 20th and 21st century.

This course is built on the premise that the structure of domestic economic systems and of the global economy as a whole is determined by politics, that is, by the interaction of interests and institutions. We will seek out answers to the following broad questions: What are the economic and political causes of economic crises? How and why do governments deal with—or fail to deal with—the consequences of economic crises? And why do governments appear to be unable to predict and prevent the next crisis? To answer these questions, we will engage with a range of sources drawn from economics, economic history, political science, and journalism.

By the end of the semester, students will have acquired (1) a historical overview of major economic crises, (2) the ability to identify the key actors in economic crises, (3) an understanding of basic economic and political processes that facilitate and perpetuate economic crises, and (4) the ability to critically assess descriptions and analyses of economic crises and any “lessons” that may be learned from them. In addition, the course is designed to engage and develop analytical skills, argumentation skills, and writing skills as students read and discuss primary sources in economic history. The course assignments are also designed to train students to put current events into historical and theoretical context. A final goal of this course is to establish habits of keeping informed about current events and of engaging sources and materials critically.

This course is a 4-credit course, which means that in addition to the scheduled discussions, students are expected to do at least 9.5 hours of course-related work each week during the semester. This includes things like completing assigned readings, preparing written assignments, responding to discussion board prompts, and other tasks that must be completed to earn credit.

This course helps to fulfill the requirement for 10 PLSC courses, 6 upper-level courses (300- or 400-level), and 2 senior seminars (400-level) for political science majors. This course also fulfills N (Social Science) and W (Writing) General Education requirements.

Course Materials

The following books are required for this course. They are available for purchase at the Binghamton University bookstore or library BUT you may access them from other sources, provided you get the correct edition.

Aliber, Robert Z., and Charles P. Kindleberger. 2015. *Manias, Panics, or Crashes*. 7th Ed. New York, NY: Palgrave.

Galbraith, John Kenneth. 1955. *The Great Crash*. [any edition]

Goldgar, Anne. 2008. *Tulipmania*. Chicago, IL: University of Chicago Press. [Available ONLINE through the BU Library]

Shiller, Robert J. 2019. *Narrative Economics*. Princeton, NJ: Princeton University Press. [Available ONLINE through the BU Library]

Tooze, Adam. 2018. *Crashed: How a Decade of Financial Crises Changed the World*. New York, NY: Viking.

The following book is recommended:

Reinhart, Carmen M., and Kenneth S. Rogoff. 2009. *This Time Is Different*. Princeton, NJ: Princeton University Press. [Available ONLINE through the BU Library]

Additional materials will include excerpts from edited volumes, scholarly articles, and media reports. They will be available through the BU library's digital collection or on the course website on Brightspace.

Students are strongly encouraged to follow current events in the global economy, including trade talks, financial crises and states' responses to them, as well as the ongoing debates about the U.S. sovereign debt. Examples of useful sources include major daily newspapers (New York Times, Financial Times, Wall Street Journal) and weekly journals (e.g., The Economist). Keeping up with current events will enrich class discussions by allowing us to draw parallels to historical events and developments. Moreover, it will allow students to participate in public life as informed citizens.

How to Get & Stay in Touch

General communication. Messages about the course, changes to the syllabus or deadlines etc. will be communicated through Brightspace 'Announcements' and your university email address. Make sure to check that email account and the Brightspace site daily.

Email. My email address is kkleinbe@binghamton.edu. I will respond to email during business hours (Monday through Friday 8am-6pm) and as soon as I can but you should expect answers to take up to 24 hours even during business hours.

Office hours. Regular office hours will be held virtually (via Zoom) Mondays and Wednesday 10-11:30am. There will be a permanent Zoom link under the 'Announcements' tab on the Brightspace page. You can drop by without appointment; there will be a waiting room.

If the regular office hours do not fit your schedule, if you prefer not to use Zoom, or if you would like to discuss something that might take a bit longer to work out, you can email me to set up a separate appointment.

Course Requirements

Successful completion of this course will require regular and active participation in class, occasional reading quizzes, weekly discussion board contributions (due before class), and a research paper (15-20 pages).

For purposes of assigning a final grade, the following weighting factors will be applied:

Class Discussions	30%
Discussion Board Posts	30%
Research paper	30%
Quizzes	10%

Individual assignments and your semester grade for the course will be computed on a 100-point scale as follows:

95-100 A	84-87 B	74-77 C		
91-94 A-	81-83 B-	71-73 C-		
88-90 B+	78-80 C+	65-70 D	0-64	F

Class Discussions. Learning in this course will take place primarily through discussions of assigned materials. Your active participation is essential to making this work, which includes asking questions as well as answering them. This means that you need to finish assigned readings before our class meetings and come prepared to talk about them. You should use the ‘Guiding Questions’ on each week’s To-Do List (posted on Brightspace) as you prepare for each class meeting,

Discussion Board. Students will contribute in several ways to weekly discussions. Most weeks, students will submit a response to a discussion prompt. We will use these responses to kickstart our in-class discussions. Some weeks, students will also submit a response to a ‘further questions’ and/or ‘muddiest point’ prompt. These are designed to allow me to get feedback and provide clarification. Deadlines for discussion board contributions for each week will be noted on Brightspace.

Discussion prompts and threads will be organized by week and can be found under the ‘Discussion Board’ tab on the Brightspace page.

Research Paper. Each student will produce a 15- to 20-page paper (double-spaced, 12pt Times New Roman, exclusive of endnotes and bibliography) containing original research on an economic crisis. Students will have a choice of topics and formats for the research paper. Detailed information about the paper assignment, including topics and formats, will be provided by Week 3 of the semester. Final versions of the research paper will be due via Turnitin no later than 5pm on December 8, 2024.

Quizzes. There will be a several reading quizzes over the course of the semester. These will be unannounced, take place at the beginning of class, and consist of multiple-choice and short-answer questions.

Additional Course Policies

Attendance. Attendance is both mandatory and necessary for successful completion of the course. You cannot participate in discussion or take quizzes if you are not present; missed class meetings will directly affect your grade.

If you cannot attend class—due to illness, religious obligations, personal emergencies, or other commitments—please let me know ahead of time if at all possible. I do not require or request documentation for these eventualities. Instead, the following rules will apply:

- You may miss TWO class meetings without penalty. For each additional missed class meeting, your participation grade for the semester will drop by 5 points.
- You may miss TWO discussion board posts without penalty. Each additional missed post will count as a ‘zero’ in the calculation of your overall discussion board grade.
- You may miss ONE quiz without penalty. Each additional missed quiz will count as a ‘zero’ in the calculation of your overall quiz grade.

At the end of the semester, if you have completed more than the required number of any of these, I will drop the lower of your grade(s) for each.

University rules require that I refer you to Services for Students with Disabilities and/or the CARE Team if you expect to miss two or more weeks of class meetings. In addition, you will only be awarded a grade for this course if you do not miss more than 25% of classes.

Grade appeals. All grade appeals must be made in writing. If you believe that I grade I have assigned you is incorrect, you should write a brief letter detailing your concerns and submit it to me along with the original graded assignment. I will review the materials and respond to you in writing.

Academic dishonesty and plagiarism. Academic dishonesty will not be tolerated. You may not give or receive any unauthorized assistance for assignments or exams. Any and all instances of academic dishonesty will result in a failing grade for the course. They will also be reported to the Harpur College Academic Honesty Committee for possible further disciplinary measures.

Students must properly cite and attribute all sources used for papers and assignments. Students may not collaborate on exams or assignments, directly or through virtual consultation, unless the instructor gives specific permission to do so. Posting an exam, assignment, or answers to them on an online forum (before, during, or after the due date), in addition to consulting posted materials, constitutes a violation of the university’s Honesty policy. Likewise, unauthorized use of live assistance websites, including seeking “expert” help for specific questions during an exam, can be construed as a violation of the honesty policy. All students should be familiar with the [University’s Student Academic Honesty Code](#).

Classroom civility. Students are strongly encouraged to contribute opinions and observations in ways that invite discussion. Please keep in mind that students in our classroom will have divergent perspectives, unique life experiences, and different strategies for defending their views. Please state your opinions constructively and respectfully. Just as importantly, listen carefully when your colleagues are speaking. If at any time you are offended by something that is said in the context of our class, please let me know.

In order to create a productive learning environment in our virtual classroom, you will be asked to observe a few simple rules of behavior:

- Be on time (for discussion posts and live discussions).
- Be respectful and courteous.
- Disagree (or agree) with arguments, not people.
- Before you type something, consider whether you would say it to another student's face.

Students with Additional Needs. Athletes who expect to miss classes are required to inform the instructor at the beginning of the semester as well as in advance of classes and/or assignments that need to be rescheduled. Services for Students with Disabilities (SSD) provides a wide range of assistance to enrolled students with physical, learning or other disabilities. If you have a disability and need classroom accommodations, please contact Services for Students with Disabilities: 607-777-2686 (voice/TTY).

A Note on Dealing With **EVERYTHING – AGAIN/STILL**

As we are working on a return to effective in-person instruction, we all know that things are still not “normal.” All of us are dealing with additional stress and anxiety. **You are not alone.** You don't have to deal with the stress and anxiety all by yourself. We will all need to help one another to navigate the difficulties we will face, as we have these past years. Please let me know about any issues **as soon as you can.** It is much easier for me to help you if I know about your situation before it critically affects your academic performance. I don't need to know details. I will not pry into the details any more than necessary to assist you. Letting me know sooner rather than later, though, is key. I'm in a much better position to help you and make accommodations if you tell me when the problem arises. It is MUCH harder to do this if you wait until the end of the term. You can email me or check during office hours.

PRELIMINARY SCHEDULE

I reserve the right to add/change materials. Any changes will be announced at least one week in advance through Brightspace.

NOTE: Unless otherwise indicated, materials are listed by week, not class meeting. You are expected to be familiar with the **required** material for each week by the beginning of that week.

August 20 & 22 – Introduction: Economies, Markets, Indicators, Vibes

Required:

Course Syllabus

Merrefield, Clark. 2021. The Stock Market Is Not the Economy. Right? Here's What the Research Says. The Journalist's Resource. Cambridge, MA: Shorenstein Center on Media, Politics and Public Policy. <https://journalistsresource.org/home/stock-market-not-economy/>

American Public Media. 2024. Economic Data Is Looking Good. So Why the Glum Vibes? Marketplace, June 25. <https://www.marketplace.org/2024/06/25/economic-data-glum-vibes-vibe-cession-pessimism/>

Recommended:

Tooze, Adam. 2020. How the Coronavirus Almost Brought Down the Global Financial System. *The Guardian*, April 14.

On measuring unemployment:

https://www.bls.gov/cps/cps_htgm.htm

<https://www.bls.gov/jlt/>

On measuring inflation:

<https://www.brookings.edu/articles/how-does-the-government-measure-inflation/>

<https://www.brookings.edu/articles/what-are-inflation-expectations-why-do-they-matter/>

August 27 & 29 – A First Look at Economic Crises and Their Causes

Required:

Reinhart, Carmen M., and Kenneth S. Rogoff. 2011. *This Time is Different*. Princeton, NJ: Princeton University Press. Chapter 1.

Aliber, Robert Z., and Charles P. Kindleberger. 2015. *Manias, Panics, and Crashes*. New York, NY: Palgrave MacMillan. Chapters 1–3.

Shiller, Robert J. 2019. *Narrative Economics*. Princeton, NJ: Princeton University Press. Chapters 1 (The Bitcoin Narratives), 4 (Why Do Some Narratives Go Viral?), 6 (Diverse Evidence on the Virality of Economic Narratives), 8 (Seven Propositions).

September 3 – Course Add/Drop Deadline at 11:59 p.m.

September 3 & 5 – The Politics of Economic Policymaking

Required:

Gourevitch, Peter. 1986. *Politics in Hard Times*. Ithaca, NY: Cornell University Press. Chapter 2 (skim Chapter 1).

Keech, William R. 2013. *Economic Politics in the United States*. New York, NY: Cambridge University Press. Chapter 1 (focus on pp. 1-17) & Chapter 2 (focus on pp. 25-44).

The Economist. 2016. School Brief: Where Does the Buck Stop? August 13.

September 10 & 12 – Tulipmania, Myth and Reality

Required:

Anna Goldgar. 2008. *Tulipmania*. Chicago, IL: University of Chicago Press.

The Economist. 2013. Was Tulipmania Irrational? Print edition, October 4, 2013.

September 17 & 19 – The (Second) Great Depression I

If you could use a refresher on the basics of the Great Depression, consider chapters 8 & 9 in Jeffrey Frieden's *Capitalism: Its Rise and Fall in the Twentieth Century* OR chapter 4 in Charles Kindleberger's *The World in Depression, 1929-39*.

Required:

Galbraith, John Kenneth. 1954. *The Great Crash*. [any edition]

Kindleberger, Charles P. *The World in Depression, 1929-1939*. [any edition] Chapter 14.

Frieden, Jeffrey A. 1988. Sectoral Conflict and Foreign Economic Policy, 1914-1940. *International Organization* 42(1): 60-90. [focus on pp. 40-68]

Recommended:

Aliber, Robert Z., and Charles P. Kindleberger. 2015. *Manias, Panics, and Crashes*. New York, NY: Palgrave MacMillan. Chapters 12 (The Domestic Lender of Last Resort).

September 24 & 26 – The (Second) Great Depression II

Required:

Rauchway, Erik. *Winter War*. New York, NY: Basic Books. Pp. 1-18 (Introduction).

King, Gary, Ori Olsen, Martin Tanner, and Alexander F. Wagner. 2008. Ordinary Economic Voting Behavior in the Extraordinary Election of Adolf Hitler. *Journal of Economic History* 68(4): 951-996. [focus on pp. 951-970 and 987-989]

Shiller, Robert J. 2019. *Narrative Economics*. Princeton, NJ: Princeton University Press. PICK ONE of the following chapters: 10 (Panic v Confidence), 11 (Frugality v Conspicuous Consumption), 16 (Stock Market Bubbles).

Haffert, Lukas, Nils Redeker, and Tobias Rommel. 2021. Misremembering Weimar: Hyperinflation, the Great Depression, and German Collective Economic Memory. *Economics & Politics* 33(3): 664-686.

October 1 & 3 – No class meetings: Rosh Hashanah & Fall Break

October 10 – Sovereign Debt: An Introduction

Required:

Reinhart, Carmen M., and Kenneth S. Rogoff. 2011. *This Time is Different*. Princeton, NJ: Princeton University Press. Chapters 4–6.

Martin, Fernando M., and Christopher J. Waller. 2012. Sovereign Debt: A Modern Greek Tragedy. *Federal Reserve Bank of St. Louis Review* September/October 2012.

For a 10min. video version of the report: <https://www.youtube.com/watch?v=r721PuDF8VA>

The Economist. 2016. More Spend, Less Thrift: German Budget Surpluses are Bad for the Global Economy. Print edition, September 3rd, 2016.

October 15 & 17 – The Latin American Debt Crisis

If you could use a refresher on the basics of the economic development in Latin America in the twentieth century, consider chapter 14 in Thomas Oatley's *International Political Economy*.

Required:

Devlin, Robert and Ricardo Ffrench-Davis. 1995. The Great Latin American Debt Crisis: A Decade of Asymmetric Adjustment. *Revista de Economia Politica*, 15(3): 117-142.

Aliber, Robert Z., and Charles P. Kindleberger. 2015. *Manias, Panics, and Crashes*. New York, NY: Palgrave MacMillan. Chapters 13 (The International Lender of Last Resort).

October 22 & 24 – All Crises Are Global: International Causes and Contagion

Required:

Aliber, Robert Z., and Charles P. Kindleberger. 2015. *Manias, Panics, and Crashes*. New York, NY: Palgrave MacMillan. Chapter 8 (International Contagion), pp 183-197, and Chapter 9 (Bubble Contagion).

Danzman, Sarah Bauerle, W. Kindred Winecoff, Thomas Oatley. 2017. All Crises are Global: Capital Cycles in an Imbalanced International Political Economy. *International Studies Quarterly* 61(4): 907-923.

October 28 – Deadline for Course Withdrawal (with “W”)

October 29 & 31 – The Asian Financial Crisis

If you could use a refresher on the basics of post-WWII economic development in Asia, consider chapter 15 in Thomas Oatley's *International Political Economy*.

Required:

Sharma, Shalendra. 2003. *The Asian Financial Crisis: Crisis, Reform, Recovery*. Manchester, UK: Manchester University Press. Read Chapter 1, then read ONE of the following: Chapter 2 (Thailand), 3 (Indonesia), 4 (Korea), or 5 (China).

November 5 & 7 – Reading/Writing Catch-Up (Election Day & Instructor at Conference)

You should use this week to read ahead (Tooze) and work on your research papers.

November 12 & 14 – The Global Financial Crisis I

Required:

Tooze, Adam. 2018. *Crashed: How a Decade of Financial Crises Changed the World*. New York, NY: Viking. Chapters 1–3, 6–8, 12 & 13.

Shiller, Robert J. 2019. *Narrative Economics*. Princeton, NJ: Princeton University Press. Chapter 15 (Real Estate Booms and Busts)

November 19 & 21 – The Global Financial Crisis II

Required:

Tooze, Adam. 2018. *Crashed: How a Decade of Financial Crises Changed the World*. New York, NY: Viking. Chapter 23 & 24.

Funke, Manuel, Moritz Schularick, and Christoph Trebesch. 2016. Going to Extremes: Politics after Financial Crises, 1870–2014. *European Economic Review* 88: 227-260.

Pepinsky, Thomas B. 2012. The Global Economic Crisis and the Politics of Non-Transitions. *Government and Opposition* 47(2): 135-161.

American Public Media. 2018. Marketplace: Divided Decade [Pick ONE of the various episodes school funding, banking, jobs, car industry, and US politics].

November 26 & 28 – No class meetings: Thanksgiving

December 3 & 5 – Concluding Discussion: Covid-19 & Future Crises

Readings TBA