

LABOR & THE GLOBAL ECONOMY
(Labor Studies and Employment Relations 575:363)
Spring 2015

SYLLABUS

Class Meetings:

Room 205
Hickman Hall
Cook-Douglass Campus
Monday & Wednesday, 3:55–5:15pm

Prof. Tobias Schulze-Cleven
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Teaching Assistant:

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Course Overview:

This course examines the influence of the shifting global economy on employment patterns and living standards in the rich democracies. Contemporary challenges facing the American workforce are put into comparative perspective to delineate alternative strategies for dealing with deepening economic globalization. The course will closely examine how political and economic factors have interacted in effecting globalization. Particular attention will be paid to deepening tensions between the goals of further economic integration and democratic governance.

In class discussions, we seek to answer such questions as: How has the global economy evolved? How much are growing inequalities in the labor market driven by economic globalization? Are we witnessing a global race to the bottom in social standards? What measures could be taken to improve labor market outcomes? – After taking the course, students will have a better understanding of how socio-economic systems around the world have been affected by and have engaged with the global economy.

Learning Objectives:

- Analyze issues of social justice across local and global contexts – SAS(d) & LSER(8).
- Analyze the tensions between global capitalism and democratic governance.
- Improve professional competencies such as critical thinking and problem solving; verbal and written communication; and interpersonal skills.

Course Requirements:

Class Participation	35% of the course grade
Midterm Exam	30%
Final Exam	35%

Required Class Materials:

Dani Rodrik. 2012. *The Globalization Paradox. Democracy and the Future of the World Economy*. New York: Norton.

Week 1: Introduction (Jan 21)

Frank Bruni. 2014. "Demanding More from College." *The New York Times*, September 6.

Week 2: Probing the Relationship of Labor & the Global Economy

What is "Labor"? (Jan 26)

Michael Zweig. 2011. *The Working Class Majority: America's Best Kept Secret*. Cornell: ILR Press, 7-39 (ch. 1: "The Class Structure of the United States").

The Global Economy: The World is Flat, isn't it? (Jan 28)

Thomas L. Friedman. 2005. *The World is Flat*. New York: Farrar, Straus & Giroux. Excerpt.

PART I: THE EVOLUTION OF THE GLOBAL ECONOMY

Week 3: Early Patterns of Global Market Integration

Globalization in History's Mirror (Febr 2)

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 3-23 (ch. 1: "Of Markets and States: Globalization in History's Mirror").

Thinking at the Time: Liberalism (Febr 4) – QUIZ!

Adam Smith. 1776. *The Wealth of Nations*, very short excerpt.

John Paul Rollert. 2012. "Sleight of the 'Invisible Hand.'" *Opinionator, New York Times*, October 21.

Further (voluntary) reading:

Jerry Z. Muller. 2002. *The Mind and the Market: Capitalism in Western Thought*. New York: New York: Anchor Books, 51-83 (ch. 3: "Adam Smith: Moral Philosophy and Political Economy").

Week 4: The First Boom and the Collapse of Trade before World War II

The First Globalization (Febr 9)

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 24-46 (ch. 2: "The Rise and Fall of the First Great Globalization").

Thinking at the Time: Marxism (Febr 11)

Karl Marx and Friedrich Engels. 1848. *The Communist Manifesto*, very short excerpt.

Further (voluntary) reading:

Howard Zinn. 2005 [1980]. *A People's History of the United States, 1492-Present*. New York: HarperPerennial, 77-102 (ch. 5: "A Kind of Revolution").

Week 5: Deepening Trade after World War II

The Second Globalization: Regulating Trade in a Politicized World (Febr 16)

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 67-88 (ch. 4: “Bretton Woods, GATT, and the WTO: Trade in a Politicized World”).

Thinking at the Time: Social Democracy (Febr 18)

Sheri Berman. 2009. “The Primacy of Economics versus the Primacy of Politics: Understanding the Ideological Dynamics of the Twentieth Century.” *Perspectives on Politics* 7(3): 561-575.

Week 6: Welfare States Meet Global Value Chains

Welfare States, including an American Variant (Febr 23)

Christopher Howard. 2008. *The Welfare State Nobody Knows*. Princeton, NJ: Princeton University Press, 1-26 (Introduction & ch. 1: “She’s So Unusual”).

The Emergence of Global Value Chains (Febr 25)

Richard Baldwin. 2006. “Globalization: The Great Unbundling(s).” Paper contributed to the Project “Globalization Challenges for Europe and Finland.” Pages 22-31 only.

Week 7: Liberalizing Finance

Financial Liberalization (March 2)

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 89-111 (ch. 5: “Financial Globalization Follies”).

Thinking at the Time: Putting on a Golden Straightjacket? (March 4)

Thomas L. Friedman. 1999. *The Lexus and the Olive Tree*. New York: Farrar, Straus & Giroux, 101-111.

Week 8: The Consequences of Financial Liberalization

The Emergence of “Chimerica” (March 9)

Stephen S. Cohen and J. Bradford DeLong. 2010. *The End of Influence: What Happens When Other Countries Have the Money*. New York: Basic Books, 91-117 (ch. 5: “Where Did All Their Money Come From?”).

Further (voluntary) reading:

Robert E. Scott and Will Kimball. 2014. “China Trade, Outsourcing and Jobs.” EPI Briefing Paper No. 385, Economic Policy Institute, Washington, DC

Financial Crises, 1994 – ongoing (March 11)

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 112-134 (ch. 6: “The Foxes and Hedgehogs of Finance”).

There are excellent videos available online that should help you understand this material of this week. If you have not had much exposure to the role of finance in capitalism, the impact of financial liberalization and the reasons behind the ensuing financial crises, please consult:

Conversations with History: The Ascent of Money | Niall Ferguson

(<http://www.uctv.tv/shows/The-Ascent-of-Money-Conversations-with-History-15580>)

Crash! A brief history of modern global capitalism | Leo Panitch

(<http://www.guardian.co.uk/commentisfree/audioslideshow/2012/nov/26/brief-history-of-global-capitalism-leo-panitch>)

Conversations with History: The Causes and Consequences of the Global Economic Collapse | Martin Wolf

(<http://www.uctv.tv/shows/Causes-and-Consequences-of-the-Global-Economic-Collapse-Conversations-with-History-16225>)

Week 9: Reality vs. Theory in International Trade

The Intellectual Case for “Freeing” Global Markets (March 23)

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 47-66 (ch. 3: “Why Doesn’t Everyone Get the Case for Free Trade?”).

Midterm Review: Recasting Globalization’s Narrative (March 25) – QUIZ!

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, ix-xxii (Introduction).
Leo Panitch. 2009. “Thoroughly Modern Marx.” *Foreign Policy* (May/June): 140-145.

PART II: THE GLOBAL ECONOMY’S EFFECTS ON LABOR

Week 10: The United States – Long-Standing Arrangements in Question

In-Class Midterm Exam (March 30)

No reading. Prepare for exam.

International Pressures & Changing Labor Market Structures (April 1)

Richard Freeman. 2005. What Really Ails Europe (and America): The Doubling of the Global Workforce.” *The Globalist* (June).

Michael Spence. 2011. “Globalization and Unemployment. The Downside of Integrating Markets.” *Foreign Affairs* 90(4): 28-41.

Week 11: Between Cross-National Convergence and Political Choice

Rather than Helping “Losers” from Trade: Welfare State Retrenchment (April 6)

Jacob S. Hacker. 2007. “Failing the Middle Class.” *Challenge* 50(3): 26–42.

Lawrence Mishel, John Schmitt and Heidi Shierholz. 2014. “Wage Inequality: A Story of Policy Choices.” *New Labor Forum* 23(3): 26-31.

Tensions Cross-Nationally (April 8) – QUIZ!

Wolfgang Streeck. 2011. “The Crises of Democratic Capitalism.” *New Left Review* 71(Sept/Oct), 5-29.

Week 12: What Should the Goals Be? (I)

The Scope of Government-Sponsored Redistribution (April 13)

Malte Luebker. 2012. “A Tide of Inequality: What Can Transfers Achieve?” In Nicolas Pons-Vignon and Phumzile Ncube, eds. *Confronting Finance*. Geneva: International Labour Organization, 97-102.

Lane Kenworthy. 2008. *Jobs with Equality*. Oxford: Oxford University Press, 1-9.

Going for “Predistribution”? Institutional Framing of Market Outcomes (April 15)

Jacob S. Hacker. 2011. “The Institutional Foundations of Middle-Class Democracy.” In Policy Network, ed. *Priorities for a New Political Economy: Memos to the Left*. London: Policy Network, 33-37. (Focus on the “lessons,” i.e. page 35 onward)

Katrina vanden Heuvel. 2012. “Predistribution: A Big, New Idea.” *The Nation* blog, September 17. (1 page)

Liz Alderman and Steen Greenhouse. 2014. “Living Wages, Rarity for U.S. Fast-Food Workers, Served Up in Denmark.” *The New York Times*, October 27.

Week 13: What Should the Goals Be? (II)

Prepare for In-Class Debates: This class believes that... (April 20)

1. “Global economic forces have increased economic inequalities in the rich democracies.”
2. “The best way to prevent further increases in economic inequalities is to pass laws that make it harder for companies to offshore jobs.”

In-Class Debates: (April 22)

Week 14: How to Reach the Goals?

On the Political Trilemma of the Global Economy (April 27)

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 184-207 (ch. 9: “The Political Trilemma of the World Economy”).

The Third Globalization: Liberalism Re-embedded? (April 29)

Dan Breznitz and John Zysman, eds. 2013. *The Third Globalization: Can Wealthy Nations Stay Rich in the Twenty-First Century*. New York: Oxford University Press, 1-27 (Introduction: “Facing the Double Bind: Maintaining a Healthy and Wealthy Economy in the Twenty-First Century”).

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 230-250 (ch. 11: “Designing Capitalism 3.0”).

Week 15: What Have We Learned?

Review (May 4) – BRING QUESTIONS!

Dani Rodrik. 2011. *The Globalization Paradox*. New York: Norton, 251-280 (ch. 12: “A Sane Globalization”).

Appendix – Further Information on Course Assignments & Class Rules:

ACCESS TO READINGS

With the exception of Rodrik’s book, all readings will be made available to students on Rutgers Sakai (<http://sakai.rutgers.edu>). These directions lead you to the course site:

- To log on, enter your Rutgers NetID and password in the upper right-hand corner.
- Look for the tabs at the top of the next page. Click on the tab: 38:575:363.
- Click on “resources” on the menu on the left-hand side of the next page. You should see the course syllabus and all of the course readings.

SPECIAL RULES ON ENGAGING WITH THE READINGS

Students are required to print out all assigned readings to allow for effective engagement with the material. Moreover, students are expected to bring hard-copy versions of the assigned texts to class meetings. Doing so will help with in-class discussions of the readings.

SPECIAL RULES ON ELECTRONIC DEVICES

There will be no use of laptops, tablets or smart phones during class sessions without special permission. While such instruments are important tools for research, they have also become distractions in the classroom. For in-depth learning in the course, students are asked to pay focused attention and contribute critical thought in class discussions. I will prepare PowerPoint presentations that will include the main points of each class session. The slides from these presentations will be shared with students through Sakai after each class session.

IN-CLASS PARTICIPATION & ATTENDANCE

Be prepared for class and always read the assigned materials before our meetings. You are expected to bring questions and comments about the course material so that you can participate

in class discussions. With much of our time spent learning through discussion, it is necessary for everybody to participate. I might ask students to use their questions to stimulate discussions and will ensure broad participation. It is critical that we respect one another's thoughts and address our comments at others' ideas, not at people themselves. This course is not a forum for demeaning or threatening language. Rather than measuring the frequency with which you speak in class, your participation grade reflects how you balance speaking, reading, and listening. Also, don't forget to take careful notes to complement the PowerPoint slides.

Students should plan to attend every course session, and I ask you to sign in personally at the beginning of class. If for some unavoidable reason you must miss a class, please let me know in advance through the university's absence reporting website (<https://sims.rutgers.edu/ssra/>) so that your absence will not remain unexplained. If you are late or leave early repeatedly, and if you miss class unexcused, your participation grade will suffer.

GROUP DEBATES

The session on April 22 will be used for in-class group debates. Groups will be formed and time will be provided in class for groups to coordinate their preparation for the debates. Your performance in the debate will become part of your in-class participation grade.

QUIZZES

There will be three very short in-class quizzes during the semester. If you do the assigned readings, you should have no problem doing well on the quizzes. There will be no trick questions, nor will a complete understanding of the reading be required. Rather, the quizzes are geared to helping you engage with the reading by asking you to answer some very basic questions. Your performance in the quizzes will become part of your in-class participation grade. However, I will not count your worst quiz grade.

MIDTERM EXAM

The midterm exam covers material from the first half of the course. It will include a variety of question-answer formats (e.g. definitions, short answer, short essay).

EXTRA-CREDIT PAPER ASSIGNMENT

Students can complete an extra-credit paper assignment, which will be counted as class participation. The assignment asks you to critique the press coverage of a news story ("press critique"). Write a 5-page (double spaced) paper analyzing one particular instance of how the press has covered economic globalization's impact on labor broadly conceived. Any coverage that engages what we have discussed in the class should be a possibility. If in doubt about the coverage's falling within the scope of the assignment, please check with me. You are free to choose for your critique any of many formats that an article can take, including a report, a commentary, or a longer analysis. Be sure to properly describe the character of the material you pick for your review. The material you choose to critique should be contemporary, i.e. it needs to have been published during the period of January 2010 – November 2013. You may review one newspaper's or news magazine's coverage of a story, or compare two or more sources' coverage. Central questions to address in your analysis include: Is the coverage accurate and insightful? Is it biased? What is missing? Do the reporters have a good understanding of politics and

economics? How could the reporters improve the coverage? Please present a coherent critique of the chosen material, grounded in the ideas discussed in the course. A solid press critique cites multiple examples from the analyzed coverage and demonstrates careful reading of the course material. This assignment provides a relatively unconstrained way for you to demonstrate what you have learned in class; choose your newspaper article accordingly. The paper should reflect a thorough consideration of the assignment, and **cite all sources that are consulted in a consistent citation style.** Moreover, your writing should demonstrate university-level competence in grammar and style.

FINAL EXAM

The final exam covers material from the entire course. This essay-based exam will be given via Sakai, and students can individually choose when they want to take it. I'll give you information about the content and structure of the final exam a few weeks before the end of the semester.

COMMUNICATION

Students are expected to check their Rutgers email accounts regularly for class announcements. Students are responsible for all information communicated to them via email by the instructor. Feel free to contact the instructor via email with questions or concerns about the course. I will do my best to get back to you within 24 hours. When emailing the instructor, always include "Labor & the Global Economy" in the subject line of your email.

When available, grades will be posted on the course's Sakai site under the "PostEm" tab.

ACADEMIC INTEGRITY

While I encourage students to work together to understand theories and concepts, all written work must be your own. If you cite an author or use his/her ideas, please cite properly. Plagiarized assignments or evidence of cheating will result in a failing grade in the assignment and possibly in the course, and may result in disciplinary action by the university.

KEEPING UP WITH THE NEWS

Throughout the course, students should keep up with current events by reading at least one quality newspaper (e.g. *Financial Times*, *The New York Times*) and one news magazine (e.g. *The Economist*, *The Atlantic*) on a regular basis. You may also choose foreign-language publications, or fulfill this assignment by checking online news sources regularly. In addition, you will be expected to read any newspaper clippings handed out in class or emailed by the instructor.