



POL402H5F: Topics in Political Science
The Political Economy of Economic Crises

Fall 2023

Course Instructor:

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Course Schedule:

Office Hours:

Course Objective and Learning Outcomes

This course aims to provide an overview of critical conversations about the political economy of financial crises. Following an introduction to the history of global economic crises and macroeconomic fundamentals, the course will first investigate the political implications and social costs of austerity programs. What are the electoral costs of austerity measures? Who supports austerity programs and why? How do austerity measures impact political behavior and preferences for redistribution? Do they lead to increasing support for leftist or anti-mainstream parties? Then, we will discuss the international ramifications of economic crises: Do they lead to autocratization? Is the global monetary order crumbling? The primary learning outcome of this course is to expose students to timely and critical conversations about the political impact of financial crises and austerity measures at the domestic and international levels.

Requirements and Grading Policy

Grading Scheme

- 1. Attendance & participation (20%):** You are expected to attend lectures in person and participate actively in class conversations. Because this is a 4th-year course, our lectures will be mainly in a discussion format, and I will assume that you did the required readings beforehand. I will post discussion questions for each week in advance. There will be no recordings. You get one freebie – no questions asked. There will be no opportunities for make-up for attendance and participation. I reserve the right to change the required readings during the semester for pedagogical purposes.
- 2. Group debate (10%):** You will form groups of three or four to engage in a meaningful debate using ChatGPT about a topic regarding financial crises. Then, you will present the discussion in class on **November 28**. You should submit a brief debate outline by **November 21** (2.5% of the assignment grade). Further instructions are available at the end of the syllabus.
- 3. Quizzes (40%):** There will be two quizzes, each worth 20%, that consist of fill-in-the-blank, multiple-choice, matching, short-answer, and other types of questions based on lecture notes, in-class debates, and required readings. The quizzes will be administered online. There will be no lectures for the days of quizzes (**October 24** and **December 5**), but tests must be completed during class after the questions are posted on Quercus, with a limited time window.
- 4. Deep dive (30%):** You will write a short article (around 2000 words) to do a deep dive into the economic crisis in a given country. You should share a brief sketch of your argument with me by **October 29** (5% of the assignment grade). The deadline for the assignment is **November 17**. You may find further instructions at the end of the syllabus.

Grade Appeal

If you wish to appeal your grade for any assignments, you must send me a one-paragraph explanation of why you think the grade you received does not accurately evaluate and reflect your work within three days after posting your grades. Be advised that your mark may go up or down during the appeal process.

Missed Term Work

Late assignments will be subject to a penalty of **5% per day** (including weekends) of the total marks for the assignment. Assignments submitted five calendar days beyond the due date will be assigned a grade of zero. Assignments handed in AFTER the work has been returned to the class cannot be marked for credit. Accommodations due to late registration into the course will NOT be approved.

Missed Test

Students who miss a term test will be assigned a grade of zero for that test unless they are granted special consideration. If the term test/midterm was missed for reasons entirely beyond the student's control, a written request for special consideration must be submitted to the Academic Advisor at advisor.pol.utm@utoronto.ca, within three days of the missed test as well as informing the instructor. This request must explain the reason for missing the test and include appropriate documentation, e.g., Verification of Student Illness or [Injury form](#). A student whose explanation is accepted by the department may be granted a make-up test. The department will assign the date(s) for make-up tests, administer them, evenings and Saturdays included, and will inform the students. If the student is granted permission to take a make-up test and misses it, they will be assigned a grade of zero for the test.

ACORN Absence Declaration

Students who miss an academic obligation during the term (i.e., in-class assessment, quiz, paper, or lab report) may use the ACORN Absence Declaration Tool (AD) to record an absence in one or more courses. Students may utilize this option once per term for a single absence period of up to seven consecutive days. The declaration period must include the day of declaration and may include past and/or future dates, for a total of up to 7 calendar days. You may not use the ACORN absence declaration for the second quiz. You will be required to provide supporting documentation.

Important Deadlines

Assignment	Date
Quiz I	Oct 24
Argument sketch	Oct 29
Deep dive	Nov 17
Group debate outline	Nov 21
Group presentation	Nov 28
Quiz II	Dec 5

Other Policies

Communication

I typically respond to emails swiftly, but please allow 48 hours for a response.

Accessibility and Accommodation

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, please feel free to approach me and/or the AccessAbility Resource Centre as soon as possible. AccessAbility staff (located in Rm 2047, South Building) are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. Please call 905-569-4699 or email access.utm@utoronto.ca. The sooner you let us know your needs, the quicker we can assist you in achieving your learning goals in this course.

Quercus & Plagiarism

All assignments must be submitted to Quercus. Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the [Centre for Teaching Support & Innovation web site](#).

Notice of Collection

The University of Toronto respects your privacy. The information on medical certificates is collected pursuant to section 2(14) of the University of Toronto Act, 1971. It is collected for the purpose of administering accommodations for academic purposes based on medical grounds. The department will maintain a record of all medical certificates received. At all times it will be protected in accordance with the Freedom of Information and Protection of Privacy Act. If you have questions, please refer to www.utoronto.ca/privacy or contact the University's Freedom of Information and Protection of Privacy Office at 416-946-5835.

A Warning About Plagiarism

Plagiarism is an academic offence with a severe penalty.

It is essential that you understand what plagiarism is and that you do not commit it. In essence, it is the theft of the thoughts or words of others, without giving proper credit. You must put others' words in quotation marks and cite your source(s). You must give citations when using others' ideas, even if those ideas are paraphrased in your own words. Plagiarism is unacceptable in a university. What the university calls "plagiarism", non-university institutions might call "fraud".

The University of Toronto provides a process that faculty members must initiate when they suspect a case of plagiarism. In the Department of Political Science, suspected evidence of plagiarism must be reported to the Chair; in most cases, the Chair passes the case on to the Dean.

A faculty member may not mark an assignment or assess a penalty if he or she finds evidence of plagiarism – the matter must be reported. Penalties are assigned by the Chair, by the Dean or by the University of Toronto Tribunal.

The following are some examples of plagiarism:

1. Submitting as your own an assignment written by someone else.
2. Quoting an author without indicating the source of the words.
3. Using words, sentences, or paragraphs written by someone else and failing to place quotation marks around the material and reference the source and author. **Using either quotation marks or reference alone is not sufficient. Both must be used!**
4. Adapting an author's ideas or theme and using it as your own without referencing the original source.
5. Seeking assistance from a friend or family member in respect to work you claim as your own.

Ignorance of the rules against plagiarism is not a defense; students are presumed to know what plagiarism is and how to avoid it. Students are especially reminded that material taken from the web **must** be quoted and cited in the same manner as if it came from a book or printed article.

If you are not sure whether you have committed plagiarism, it is better to ask a faculty member or teaching assistant than risk discovery and be forced to accept an academic penalty.

Plagiarism is **cheating**. It is considered a **serious offence** against intellectual honesty and intellectual property. Penalties can be **severe**, ranging from a mark of "0" for the assignment or test in question, **up to and including expulsion from the university**.

Some website listed below on avoiding plagiarism:

'How to Use Sources and Avoid Plagiarism' - available at:

<http://www.writing.utoronto.ca/advice/using-sources/how-not-to-plagiarize>

Other Advisory Material available at: <http://www.writing.utoronto.ca/advice/using-sources>

Week 1 (Sep 12)**A primer on macroeconomic fundamentals**

Lairson, Thomas, and David Skidmore. 2017. "Basic Concepts for International Political Economy." In *International Political Economy: The Struggle for Power and Wealth in a Globalizing World*. New York: Routledge.

Reinhart, Carmen M., and Kenneth S. Rogoff. 2009. "Varieties of Crisis and their Dates." In *This Time Is Different: Eight Centuries of Financial Folly*, 4-20. Princeton: Princeton University Press.

Week 2 (Sep 19)**A primer on the history of economic crises I**

Blyth, Mark. 2015. "Austerity's Natural History: 1914-2012." In *Austerity: The History of a Dangerous Idea*, 178-226. Oxford: Oxford University Press.

Week 3 (Sep 26)**A primer on the history of economic crises II**

Walter, Stefanie, Ari Ray, and Nils Redeker. 2020. "Putting the Eurozone Crisis Experience in Perspective." In *The Politics of Bad Options: Why the Eurozone's Problems Have Been So Hard to Resolve*, 33-61. New York: Oxford University Press.

Desai, Padma. 2011. "The Great Depression and the Current Financial Crisis." *From Financial Crisis to Global Recovery*, 192-213. New York: Columbia University Press.

Week 4 (Oct 3)**Does austerity cost elections and trigger mass protests? If it is so unpopular, how/why do governments implement it?**

Alesina, Alberto, Carlo Favero, and Francesco Giavazzi. 2019. "Austerity and Elections." In *Austerity: When It Works and When It Doesn't*, 175-93. Princeton: Princeton University Press.

Bansak, Kirk, Michael M. Bechtel, and Yotam Margalit. 2021. "Why Austerity? The Mass Politics of a Contested Policy." *American Political Science Review* 115 (2): 486-505.

Week 5 (Oct 10)**Reading Week****Week 6 (Oct 17)****How does austerity impact redistribution preferences? Do economic crises lead to more progressive taxation? What is the social cost of bailout programs?**

Scheve, Kenneth, and David Stasavage. 2016. "Why Might Governments Tax the Rich?" In *Taxing the Rich: A History of Fiscal Fairness in the United States and Europe*, 3-23. Princeton University Press.

Kentikelenis, Alexandros, Thomas Stubbs, Alexandros Kentikelenis, and Thomas Stubbs. 2023. "Introduction." In *A Thousand Cuts: Social Protection in the Age of Austerity*, 1-16. New York: Oxford University Press.

Week 7 (Oct 24)**Quiz I (No class)**

Week 8 (Oct 31)

Does austerity shift voting preferences? Do economic crises lead to increasing support for leftist or anti-mainstream parties? Do we observe increasing support for economic nationalism?

Bremer, Björn. 2023. "Introduction." In *Austerity from the Left: Social Democratic Parties in the Shadow of the Great Recession*, 1-25. Oxford University Press.

Suesse, Marvin. 2023. "Populist Discontents, 2002–2021." *The Nationalist Dilemma: A Global History of Economic Nationalism, 1776–Present*, 268-322. Cambridge University Press.

Week 9 (Nov 7)

Do economic crises lead to regime change? How do autocrats survive economic turmoil? Is there a global trend of autocratization and autocratic resilience?

Vilde Lunnan Djuve and Carl Henrik Knutsen. 2022. "How Economic Systems and Performance Influence Regime Change." In *The Routledge Handbook of Comparative Economic Systems*, edited by Bruno Dallago and Sara Casagrande, 563–80. New York: Routledge.

Shih, Victor C., ed. 2020. "Introduction." In *Economic Shocks and Authoritarian Stability: Duration, Financial Control, and Institutions*, 1-22. Ann Arbor: University of Michigan Press.

Week 10 (Nov 14)

Do economic crises lead to a global power shift? Is the global monetary order crumbling?

Norrlof, Carla, et al. 2020. "Global Monetary Order and the Liberal Order Debate." *International Studies Perspectives* 21 (2): 109–53.

Week 11 (Nov 21)

Forecasting workshop

Week 12 (Nov 28)

Group presentations

Week 13 (Dec 5)

Quiz II (No class)

Guidelines on the Writing Assignment

The Turkish economy has been in a crisis since 2018. On the eve of elections in May, the central bank's foreign reserves depleted, the inflation rate hit more than 100% by some estimates, the Turkish lira plunged to a historical low, and Turkey's sovereign debt risk skyrocketed. Despite this gloomy economic outlook, the incumbent president secured almost half of the votes in the first round of presidential elections. This is puzzling. How can we make sense of this electoral success against a sustained economic crisis?

There are several explanations for this puzzle, some of which are covered in the listed readings below. They focus on the effectiveness of government propaganda, increasing nationalism, polarization, state-business relations, and clientelism. Each explanation has its own merits and weaknesses. You must identify one mode of explanation/debate and critically engage with it.

Skim through the entire list to identify different debates to pick up only one. You are expected to use only the readings listed below. You are expected to cite and meaningfully engage with AT LEAST 6-7 of these readings listed. You may use non-academic sources such as news articles. However, you are NOT allowed to cite other scholarly sources. This assignment aims to incentivize you to map out a debate given in the readings as each focuses on a different set of explanations and formulate an argument around them.

I call this assignment a “deep dive,” not because I expect you to be an expert in that debate or know all dimensions of it. The point is to get familiar with the case country as much as possible, understand the dynamics of the crisis by reading available international sources, and formulate a reasonable argument. You should carefully examine each reading, understand the nuances of each argument, and then come up with your take. Do not just read the abstracts; read each paper in detail. Do not misrepresent the readings!

Most importantly, do not try to cover every angle. You must focus only on one mode of explanation, deconstruct it, and analyze its explanatory power.

Reading List

- Selcuki, Can. 2023. “[Turkey Election: Why Pollsters Failed to Predict Erdogan’s Win](#),” *Foreign Policy*, June 7, 2023.
- Aytaç, Selim Erdem. 2021. “Effectiveness of Incumbent’s Strategic Communication during Economic Crisis under Electoral Authoritarianism: Evidence from Turkey.” *American Political Science Review* 115 (4): 1517–23.
- Steinberg, David A. 2021. “How Voters Respond to Currency Crises: Evidence from Turkey.” *Comparative Political Studies* 55(8): 1332–1365.
- Rosenfeld, Bryn. 2018. “The Popularity Costs of Economic Crisis under Electoral Authoritarianism: Evidence from Russia.” *American Journal of Political Science* 62 (2): 382–97.
- Rozenas, Arturas, and Denis Stukal. 2019. “How Autocrats Manipulate Economic News: Evidence from Russia’s State-Controlled Television.” *Journal of Politics* 81(3): 982–96.
- Cerda, Rodrigo, and Rodrigo Vergara. 2022. “Economic Growth and Political Approval Ratings: Evidence from Latin America.” *Political Behavior* 2022, May, 1–24.
- Apaydin, Fulya, and Mehmet Kerem Çoban. 2022. “The Political Consequences of Dependent Financialization: Capital Flows, Crisis and the Authoritarian Turn in Turkey.” *Review of International Political Economy*: 1–27.
- Öniş, Ziya. 2019. “Turkey under the Challenge of State Capitalism: The Political Economy of the Late AKP Era.” *Southeast European and Black Sea Studies* 19 (2): 201–25.
- Yagci, Mustafa. 2021. “The Turkish Variety of State-Permeated Capitalism and Mutually Dependent State-Business Relations.” *Journal of Contemporary Asia*, March, 1–23.
- Tuğal, Cihan. 2023. “Politicized Megaprojects and Public Sector Interventions: Mass Consent Under Neoliberal Statism.” *Critical Sociology* 49 (3): 457–73.
- Esen, Berk, and Sebnem Gumuscu. 2018. “Building a Competitive Authoritarian Regime: State–Business Relations in the AKP’s Turkey.” *Journal of Balkan and Near Eastern Studies* 20 (4): 349–72.
- Shih, Victor C., ed. 2020. *Economic Shocks and Authoritarian Stability: Duration, Financial Control, and Institutions*. Introduction. Ann Arbor: University of Michigan Press, 1–21.

- Yardımcı-Geyikçi, Şebnem. 2023. "Polarisation and Elections under Competitive Authoritarianism: The Case of Turkey after 2013." In *Routledge Handbook on Elections in the Middle East and North Africa*. Routledge.
- Demiralp, Seda, and Evren Balta. 2021. "Defeating Populists: The Case of 2019 Istanbul Elections." *South European Society and Politics*, June, 1–26.
- Soyaltın-Collela, Dıgdem, and Tolga Demiryol. 2023. "Unusual Middle Power Activism and Regime Survival: Turkey's Drone Warfare and Its Regime-Boosting Effects." *Third World Quarterly*: 1–20.

You may find some details/guidelines on the writing assignment below:

Quality of critical engagement, argument, and evidence (50%)

1. You must cite 6-7 readings from the above list meaningfully, depending on your argument.
2. In addition, you are expected to support your ideas with references to news articles and op-eds. However, you are NOT ALLOWED to cite other scholarly sources. If you need background readings on the case country, please let me know, and I will offer extra readings.
3. In your paper, you are expected to advance an argument. This essay is not just a summary of readings. Your paper must be argumentative. In other words, your paper should be an overall critique of the literature. Summarizing will lower your grade since it takes away valuable space from your arguments. The authors you read are often engaged in a conversation, whether implicitly or explicitly. Your goal is to participate in that conversation by identifying the strengths and weaknesses of their arguments.
4. In the readings, what is the predominant explanation? Does that account convince you? Is there anything missing? Are these findings generalizable? Under which conditions do you think the argument will hold? What is the empirical evidence that supports or challenges the arguments of these readings?
5. A well-crafted argumentative paper will show an excellent understanding of the arguments, draw specific parallels or highlight contrasts among them; focus on making solid and specific arguments about the readings; avoid summarizing, and offer precise, well-constructed, and substantiated arguments.
6. Your introduction must have a concise and clear thesis statement encapsulating the overall argument. Throughout, you must closely follow your thesis statement.
7. A coherent set of arguments and evidence should be deployed to support the thesis statement. Arguments and evidence must be sophisticated and persuasive. The connection between each supporting argument and the thesis statement should be clear.
8. Connections to lecture conversations or recent news are highly encouraged.

Structure/Style (35%)

1. Your paper should be around 2000 words. There is a wiggle room of 10%.
2. An ideal introduction should be structured as follows: a) You should immediately start with a research question or puzzle. No long stories, overtures. b) Outline the debate. Briefly introduce different sides of the debate. c) What is your take on it? What is your thesis statement? Make sure your thesis has a causal mechanism, and it is clear and precise. d) Offer an argumentative road map for the rest of the paper.
3. The flow of your argumentation must be well-structured. There should be no jumps or gaps.
4. Each paragraph should have only one main idea and a clear topic sentence.
5. Double space, Times New Roman, 12 pt. Submit in .doc or .pdf format. You are responsible for ensuring that the files are not corrupt and submitting the documents by the deadline. Technical glitch is no excuse.

Citations/Grammar (15%)

1. You must cite properly and with **page numbers**. All materials that require citation should be cited. If an idea comes from a specific page, you must cite the page number. If there is no page number, then cite the paragraph number. Use [Chicago author-date citation style](#). I highly encourage you to use software such as [Zotero](#). Do not use outdated citation management websites.
2. Your writing must be clear and concise. Avoid long, convoluted sentences. Proofread before you submit. Make your writing as accessible as possible.

Guidelines on the Group Debate

- You will form groups of 3-4. Please use the People tab on Qualtrics to sign up for groups.
- Each group will engage in a meaningful debate using ChatGPT about a topic regarding financial crises. We should discuss your topic beforehand. By **November 21**, you should sign up for your group AND pitch your idea to me on Quercus.
- You will debate against ChatGPT on the topic of your choosing. Instruct ChatGPT that this will be a debate, and ChatGPT will offer counter-arguments to your point of view. You must pick up a specific debate with two clear sides.
- You are expected to identify its hallucinations and check whether it is up-to-date or if logical loopholes exist. You must “win” your argument against ChatGPT.
- Then, you will present your debate in class and walk us through your thought processes in the debate.
- Please make sure that you canvass the relevant landscape well. Your conversation must rely on evidence and be theoretically informed. You must conduct some research beforehand on the topic. This is not just casual-daily conversation. I will call you out if there is misinformation or if your debate is not theoretically and empirically grounded. Do your due diligence.
- Your debate should be engaging and informative. Let me hear your views on the topic. In other words, do not just pass on others’ opinions – engage with the issue from your point of view.
- Also, I want you to enjoy your collective work! Get to know each other.
- On the day of the presentation, ensure you upload your PowerPoint file with a Work Cited page at the end as a slide.

Here are some potential debate topics, though feel free to offer others.

- **Privatization:** Under austerity programs enacted to respond to economic crises, the conventional toolkit includes privatization. This was the recipe imposed by the IMF under bailout programs. Why? Often, state-led programs run deficits, and they tend to be inefficient. That is why this big wave of privatizations that started in the late 1970s led to the privatization of some key public industries, including electricity distribution and railways, to cite a few. The expected outcome has been that the private sector would be more efficient due to increased competition and care more about consumer satisfaction. That has not necessarily been the case. Also, some privatization programs were riddled with corruption and fire sale of state assets at low prices.
- **Price controls:** There have been inflationary pressures across the world. The spike in inflation triggered a heated debate on whether price controls would be effective or not. Especially [Isabella Weber's theory](#) created shockwaves among economists and pundits. Price controls are controversial from a neoclassical point of view because when the government imposes an artificial cap on prices, supply declines and demand increases, creating a shortage. Can we be wrong about how we think about inflation?
- **Other potential topics:** a return to the Gold Standard, rising economic nationalism and its perils, and IMF conditionality programs and their success.

I will assess your presentation based on the quality of your critical debate with the ChatGPT (70%), that is, whether you can identify its hallucinations and counter its arguments with well-grounded arguments supported by empirical data, your style of presentation (25%), and a fair share of workload within the group (5%).