

Discussion Questions

Political Science 103

March 5,6

Sections 305, 315, 316, 317

1. Suppose you're a national policymaker or leader. You want your country to reap the advantages of globalization but you also want to prevent a backlash against globalization and a "race to the bottom" in social and labor standards. What policies might you choose to address this dilemma? Consider some of the following strategies or tools in terms of their economic and social impacts and political feasibility.
 - Monetary policy
 - Adjusting interest rates
 - Competitive devaluations

 - Fiscal policy
 - i.e. countercyclical spending
 - redistributive tax system (cf. Scheve and Slaughter)

 - Making your country a better place to do business
 - investments in education and training
 - Investments in infrastructure
 - Investments in research and development

2. Now suppose you're an executive of a multinational corporation and you're considering locating different types of production abroad. In what kinds of countries would you locate some of the following activities: research and development, design and manufacturing? Why? What are the implications of these decisions for the so-called race to the bottom?