

Preliminary Draft

INTERNATIONAL RELATIONS 198
Politics of the Global Economy
(IR 222 Political Economy of North-South Relations)

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Office Hours: Tu/Th 10:45-12:00 pm

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IR 198 is a lecture/discussion course that will examine the politics and economics of relations between developed and less-developed countries, focusing on the development problems of poor countries. It will explore political economy theories concerning

- patterns in economic transactions, especially trade, foreign aid, international lending, and foreign direct investment,
- the major policy issues that arise from those transactions,
- the actors – public and private, national and global – that participate in global markets, structures, and processes,
- the global economic institutions that affect these phenomena, especially the World Bank, International Monetary Fund, and World Trade Organization,
- and the controversies concerning these institutions, emphasizing various proposals for systemic change.

Offered this semester as an experimental course, next year IR 198 will become IR 222. IR 198/222 results from a division of the old IR 322 (Political Economy of North-South Relations) into two separate courses. This one will have the same title as the original, but it will now be focused on international system issues, whereas the new IR 322 will focus on poverty and development at the national level, emphasizing the policy issues that arise from nations living within that systemic context. Students are encouraged to take both courses in the same semester, creating an intensive immersion in both the general theory of international political economy and its specific application in solving concrete development problems, but IR 198/222 can be taken as a stand-alone course. Those with deep interests in political economy should consider a concurrent enrollment in IR322.

IR 125 is a strongly recommended pre-requisite, not only because it guarantees some exposure to both economics and international relations, but, more importantly, because it supplies a common orientation to political economy that permits meaningful communication among students. However, a solid background in economics may substitute for it with the permission of the instructor.

STUDENT RESPONSIBILITIES

The bulk of the course grade will be made up of an in-class mid-term, a final exam, and participation in class discussion. There will be no make-up exams or incompletes except in the case of a written and documented emergency.

Attendance and participation in class discussions are required; reading the assigned material *prior to* the class at which it will be discussed is also required. The instructor reserves the right to give pop quizzes to insure that the material is being read on time.

Many class meetings will have brief written assignments designed to facilitate discussion and insure that the reading has been completed. These will take the form of either Blackboard assignments (marked “BB” in syllabus), which require posting a brief message in the Discussion Board segment of Blackboard, or email assignments directly to the instructor. *Both are due by 11 am the day of the class meeting for which they have assigned.*

SCHEDULE

Preliminaries

January 20 Tu Introduction to North-South Relations. Definitions.

January 22 Th Why should we care about the Third World? Conditions in the Third World. Consequences.

Reading: BB, by Beck *Warning:* Read footnotes and endnotes!

BB assignment: Post two answers to the question, “Why should we care about the Third World?”. *Why* we should care about the Third World implies something about *what aspects* of it we care about and hence what we should endeavor to learn. Explore what your answers imply about your personal educational agenda this semester. That is, describe what you want to learn about the political economy of North-South relations.

Part One: Overview of the Competing Claims about the Impact of North-South Relations: Does the global political economy enhance or impede development?

J27 The impact of the 3rd world on the 1st world. Narrow liberal macro-economic models. Broad gauge radical and structuralist models.

J29 The impact of the 1st world on the 3rd world: Orthodox views in the form of modernization theory. What is modernization? How does it occur?: convergence and diffusion. Is democracy the inevitable outcome of modernization? Does contact with the international political economy (via trade and investment) promote growth?

Reading: Inkeles, Lipset

F 3 The impact of the 1st world on the 3rd world: Dependency theory. The structural view of modernization as political sociology more than economics. Economic distortions and inequality. Political distortions and barriers to democracy.

Reading: Frank, Stephens.

Email assignment: What is Frank's central claim? If it were true, what policy advice would follow from it?

F 5 Testing the competing hypotheses derived from dependency and modernization theory. Empirical studies of trade, growth, inequality and democracy. A digression on statistical hypothesis testing.

Reading: Jackman, Silver and Arrighi.

F10 Why the West? Determinants of long-term growth. Until the 18th century, Western Europe was no richer than most of today's 3rd world. What happened to produce the modern North-South gap? What advantages (if any) did the West possess to bring about this result? What lessons are to be learned?

Reading: ?? Frank's Re-Orient??

February 12 Tu Catch up.

Part Two: Theories of Development and Underdevelopment: How do nations grow and develop?

February 17 Th Paradigms of Development: An Overview.

Reading: BB, by Wilber & Jameson; Text, #6 (Dillard); Rapley, chapters 1&2.

Hint: Make sure you have a good grasp of the Wilber and Jameson classification scheme, because we will be using it throughout the semester.

BB assignment: What is the main lesson of Dillard's analysis? Why did both Jameson/Wilber and Moon think it important that you read this piece?

February 19 Th Requisites of Development: the Orthodox View. The centrality of capital accumulation in neo-classical growth theory (Solow models). Savings and investment in the Harrod-Domar equations. There are no miracles. A micro example that illustrates "gap analysis". External finance to close the "1 gap".

Reading: Text, #14 (Page), #22 (Hamilton), Rapley, chapter 3.

Recommended: Text, #13 (Linden), #24 (Standing).

February 24 Tu The Role of the State and the Planning Paradigm. Seeking X-efficiency. The tension between liberal trade theory and empirical growth theory. How much state, how much market? Dirigism vs. self-regulating markets. Critiques of laissez-faire.

Reading: Text, #2 (Lal), #3 (Helleiner), #21 (Shapiro & Taylor), #25 (Devlin), Rapley, chapters 2 & 4.

BB assignment: Which school(s) of thought are most/least oriented to offering advice to states on appropriate government policy? How does that pattern affect the content of the advocacy literature?

Note: Make sure you understand the different labels attached by different authors to the various theories and schools of thought. For example, who is Lal criticizing? Who is Helleiner defending?

February 26 Th Radical Theories of Underdevelopment. Neo-Marxist class analysis. Dependency, world-systems, and imperialist analysis of exploitation in international system

structures.

Reading: Text, #7 (Baran), #8 (Frank); BB, by Ruccio & Simon [Beware, parts of this are very difficult] ; Rapley, chapter 5

BB assignment: What are the requisites of development from the standpoint of the radical school? How can they be measured?

March 2 Tu Midterm Exam

March 4 Th Review of midterm

March 6-14 Sat-M Spring Break - no class

Part Three: Global Markets and National Strategies

March 16 Tu North-South trade patterns. Primary product markets. The Commodity Problem.
Review: IR 125 notes on the Commodity Problem.

March 18 Th Food and Rural Development
Reading: Packet, by Lofchie & Commins, by Griffin
Recommended: Text, #17 (Byerlee), #18 (Stiglitz), #19 (Carney), #30 (Kandiyoti)
Email Assignment: What is the central point made by Lofchie/Commins or Griffin?

March 23 Tu Industrialization Strategies
Reading: Text, #24 (Standing), #22 (Hamilton, again); BB, by Sutcliffe, Silver and Arrighi.
BB Assignment: How does Standing affect your impression of the desirability of labor-intensive industrialization?

March 25 Th Foreign investment and multinational corporations. The costs and benefits of FDI. Patterns of North-South investment.
Reading: BB, by Biersteker
BB Assignment: What kinds of agreements would enable a nation to capture the benefits of FDI without succumbing to its costs?

March 30 Tu Commodity chains. The policy imperatives implicit in commodity chain strategies.

April 1 Th Regional integration Strategies: Mercosur, APEC, NAFTA, FTAA, ECOWAS

April 6 - Hoop Break . No class

Part Four: Global Institutions: Critiques and Reform Proposals

April 8 Th Designs of the International Monetary Fund and World Bank. Success rates.

Reading: BB, by Dell, by Fitzgerald; Text, #15 (Riddell), #16 (Devlin).

April 13 Tu The International Monetary Fund and World Bank. International debt. Renegotiations.

April 15 Th Proposals for reform. Meltzer Commission. Tobin Tax

April 20 Th New International Economic Order proposals for dealing with the commodity problem: buffer stocks, International Commodity Program, STABEX

April 22 Th Recent developments in the WTO. Bias. Current Negotiations. and the Environment.

April 27-29 Tu/Th Theoretical Reprise: Orthodox, Radical, and State-Planning Perspectives.

Reading: Review all theoretical readings