



DREXEL UNIVERSITY

College of

Arts and Sciences

*Department of History & Politics*

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**PSCI255 – International Political Economy**

Winter 2015 (Jan 05, 2015 - Mar 21, 2015)

Tu & Th, 8:00-9:50 a.m. AEL279 (Main Building)

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This course provides a wide general perspective on the political and economic global aspects of our modern world and how this world is seen by different schools of thought. Though this course is not an economics or a business course, economic concepts will have a major role in it, as to understand major aspects of the global economy is an important part of the purpose of this class. An overarching theme of the course is the process of globalization, the factors leading to a single world economy tied together by technology, trade, and investment, and the factors keeping up independent economic zones and nations in economic competition and sometimes in open political opposition.

This 4-credit course covers concepts, theories and controversies intersecting different disciplines and fields of social science. It will examine the main processes leading to the present situation of the world, the major theories on the economic and social development of nations and the global system, the major facts on how humans change the global environment in which they live, and the role of States and international institutions in the shaping of the modern world. It has therefore links with the fields of economics, political science, sociology, history, etc.

My intention is that this course is a highly interactive one, in which connections between international political economy and current political and social issues are discovered, discussed and elaborated. There will be a number of class discussions, and you will be asked for your views on many issues.

### **Calendar**

Tuesday January 6 – Classes begin.

February TBA – Midterm exam.

March 16 – Classes end.

March 17 to 21 – Final exam.

### **Course objectives**

Upon completion of the course students will be able to describe and comprehend:

- 20<sup>th</sup> century facts and processes leading to the present situation of the world;
- major facts on the general condition of the world in political and economic terms at the start of the 21<sup>st</sup> century;
- major views on the present economic system;
- major concepts used in IPE such as globalization, international trade, international finance, transnational corporations, investment, income, consumption, etc.

### **Design**

The format is lecture, with questions and discussion. Classroom activities may also include small group discussions, films, guest lectures, etc. Reading is very important in this class, but my intention is to make the class participatory, fun, and engaging, as well as a space for critical learning.

Students must check their email accounts for class-related messages (these will always include “PSCI 255” in the subject line) at least once every day.

### **Office hours**

I like to talk to students to know them better and, of course, to clarify any issue related with the class. I am usually at my office (3021-E MacAlister Hall) during regular office hours. If you want to talk to me, to be sure that you find me in my office and to set a time that is convenient for us to talk, please email me in advance (jat368@drexel.edu), or call (215) 895-6762.

### **Readings**

During the term you shall read in full at least two of these three books:

- Michael Spence, *The next convergence—The future of economic growth in a multispeed world* (2010)
- Richard Heinberg, *The End of Growth: Adapting to Our New Economic Reality* (2011).
- Paul Mattick, *Business as Usual: The Economic Crisis and the Failure of Capitalism* (2011).

Michael Spence is a Nobel Prize in Economics. In *The Next Convergence* he presents quite characteristic mainstream views about the world economy and global governance. Richard Heinberg is a prominent environmentalist author who presents in *The End of Growth* representative views of ecological economics. Paul Mattick is a former editor of the *International Journal of Political Economy* who presents in *Business as Usual* Marxian views on global capitalism. The three books are short, neither of them reaches 300 pages, you must choose two based on your own preferences or, if you feel indifferent, choose just any two. Besides that, you should try to become familiarized with the views of the third author. For that purpose you can read shorter pieces—or watch videos—of the same author (see below). At the end of the course the final exam will involve writing on the perspectives of these authors, as representative of wider views.

For specific themes some articles or book chapters are also required readings (see below) or can be assigned with a short notice.

*Globalization—A Very Short Introduction*, by M. B. Steger, is a book that provides a general and comprehensive perspective on the issues included in this course. As indicated by its title, it is a very short book and can be read in a few hours. *The Origin of Economic Ideas* by G. Routh, and *Global Economic History—A Very Short introduction*, by R. C. Allen, are books that can also be very useful for this class. I recommend these books by Steger, Routh and Allen for anyone who wants extra readings—but they are not required.

### **Evaluation criteria and grade determination**

The overall grade for the course will be based on a *mid-term exam* (25% of the course grade), a *final exam* (60% of the course grade), and *class attendance and participation* (15%). Both exams will be in class. An “A” grade will be given for very good or exceptional individual performance and mastery of the material; a “B” grade will be given to students who demonstrate satisfactory mastery of the material; a “C” grade is given when mastery of the material is poor; a “D” grade when mastery of material is minimal; an “F” is given when the student fails to master the course material, or when plagiarism or another form of cheating is discovered. I am opposed to grade inflation—which makes grades meaningless and is an endemic and increasingly severe problem in higher education.

Exam questions will be based on class lectures and discussions, and required readings. Basic criteria for the evaluation of exams and presentations will include sound definitions based on the literature, clarity of exposition, and systematic and logical presentation of the arguments and evidence.

### **Attendance policy and class participation**

Students are expected to attend all classes. Lateness to lecture is frowned upon as it is disruptive, and can be considered a reason for a lower grade in attendance. Since exam questions will be based on material presented in class which is not drawn entirely from the readings, more than a few absences can lead to a poor grade—or even an F. I will try to learn the names of all students and for that purpose I will sometimes read your names and will take note if you are not in class. I may also pass an attendance sheet to sign. At any rate, class participation refers to be in class but also and mainly to raising and answering questions, and contributing to in-class discussion with information, opinions, and comments from the readings. Mentioning and commenting in class recent news that have a global relevance for the world economy or for global politics will add credit to the class participation portion of the course grade.

### **Other considerations**

*Drinking* non-alcoholic beverages or *eating* in class is allowed *as far as it is not disruptive*, therefore to eat in class smelly foods is not allowed. To avoid disruption, the use of cell phones, pagers, or any sound-making electronics is not permitted in class. I consider that college students are adults and I expect appropriate behavior in class.

Students registered for this class will have access to a BLACKBOARD web site for the class. Background materials, the class schedule, and other materials will be provided on the BLACKBOARD web site.

*Deadlines for dropping the class* according to the University Course Drop Policy are those indicated in the University academic calendar.

*Students with disabilities* requesting accommodations should contact me during the first week of the course. A current accommodation verification letter (AVL) shall be presented. AVLs are issued by the Office of Disability Resources (ODR). For additional information, contact the ODR at [www.drexel.edu/edt/disability](http://www.drexel.edu/edt/disability), or call 215.895-2299.

## Lecture schedule

This schedule is a general guide and is subject to change. Titles in the lecture schedule are additional *suggested* or *required* readings or material *for consultation* that either are available on the BLACKBOARD website or are easily accessible online or in the library. The complete list of references is in the bibliography (at the end of the syllabus), which also includes other books and papers that are sources of the materials discussed in this course.

## Schedule

Readings available in the BLACKBOARD website are marked [BB], while [OL] refers to readings available online in the Internet.

### Week One

Political economy, economics, social science. Origins of the 20<sup>th</sup>-century system of nation states.

- Bender T, 2014. Capitalism as woven through cotton [BB, suggested]
- Mitchell, 1913. “The money economy”, from *Business cycles*, 1913 [BB, required]

### Week Two

Political developments after World War II. Economic, political and cultural aspects of globalization

- Brown B. 1987. Capital flight [BB, required].
- Alternative perspectives on the issue of global governance from Patrick L. Smith and Vladimir Putin, 2014 [OL, suggested]

<http://www.paulcraigroberts.org/2014/11/12/guest-column-patrick-smith-putin-speaks-new-york-times-misrepresents/>

[http://www.salon.com/2014/11/07/the\\_new\\_york\\_times\\_doesnt\\_want\\_you\\_to\\_understand\\_this\\_vladimir\\_putin\\_speech/](http://www.salon.com/2014/11/07/the_new_york_times_doesnt_want_you_to_understand_this_vladimir_putin_speech/)

- Chalmer Johnson, 2005. “No longer the ‘lone’ superpower [BB, suggested]

### Week Three

Schools of economic thought.

- Keynesian economics [Wikipedia, OL, suggested]
- McCain R. Introduction to Marxist Economics [BB, required].
- Daly H. The perils of free trade. [BB, required]
- Bhagwati J. The case for free trade. [BB, required].

### Week Four

Schools of economic thought (cont.).

### Week Five

Major financial, economic and political institutions in the modern world.

### Week Six

Growth and development. World inequality. Washington consensus. Dependency theory.

- Krugman P, 2015. Two peaks planet [BB, suggested]
- Roberts M, 2014. Global wealth inequality [OL, suggested]  
<http://thenextrecession.wordpress.com/2013/10/10/global-wealth-inequality-10-own-86-1-own-41-half-own-just-1/>

### Week Seven

Macroeconomic fluctuations, the business cycle. Crises of the world economy.

- Tapia JA, 2014. From the Oil Crisis to the Great Recession—Five crises of the world economy [BB, required]

### Week Eight

The world economy and the environment.

- Naomi Klein & Elizabeth Kolbert – An exchange [BB, required]

### Weeks Nine and Ten

General review

## Bibliography

- Allen RC. *Global Economic History: A Very Short Introduction*. New York, Oxford University Press, 2011.
- Arndt HW. Economic Development - A Semantic History. *Economic Development & Cultural Change* 29(3):457–466, 1981.
- Bhagwati J. The case for free trade. *Scientific American*. Nov. 1993, pp. 42-49.
- Brown B. Capital flight. In Eatwell, Millgate & Newman, eds. *The New Palgrave: A dictionary of Economics*, London, Macmillan, 1987, Vol. 1, pp. 341-343.
- Daly H. The perils of free trade. *Scientific American* Nov. 1993, pp. 50-57.
- Grossman H. The evolutionist revolt against classical economics (parts I & II). *Journal of Political Economy*, Vol. 51, 1943, pp. 381–396 and 506–522.
- Heinberg R. *The End of Growth: Adapting to Our New Economic Reality* (Gabriola Island: New Society, 2011).
- Mattick P. *Business as Usual: The Economic Crisis and the Failure of Capitalism* (London, Reaktion Books, 2011).
- Sachs W, ed. *The Development Dictionary*. London, Zed 1992.
- Spence M. *The next convergence—The future of economic growth in a multispeed world* (New York, Farrar, Straus & Giroux, 2010)
- Steger MB. *Globalization—A Very Short Introduction*, 3<sup>rd</sup> ed. Oxford, Oxford University Press, 2013
- Routh G. *The origin of economic ideas*. London, Macmillan, 1975.

## Useful Online Materials

What is Development? - Nobel laureates panel at INET Hong Kong

<http://ineteconomics.org/what-development-nobel-laureates-panel-inet-hong-kong>

The Real Challenges to Growth

<http://www.project-syndicate.org/commentary/michael-spence-explains-why--secular-stagnation--is-not-a-problem-that-the-us-and-other-advanced-economies-should-try-to-solve>

Reform, not growth, is key to China's future, says Nobel laureate Michael Spence

<http://www.scmp.com/business/economy/article/1505357/reform-not-growth-key-chinas-future-says-nobel-laureate-michael>

Archive of Op-Ed writing by Michael Spence at the Hoover Institution

[www.hoover.org/news/daily-report/by-author/9827](http://www.hoover.org/news/daily-report/by-author/9827)

Materials of the Commission on Growth and Development (chaired by Michael Spence)

[web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/EXTPREMNET/0,,contentMDK:23224987~pagePK:64159605~piPK:64157667~theSitePK:489961,00.html](http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/EXTPREMNET/0,,contentMDK:23224987~pagePK:64159605~piPK:64157667~theSitePK:489961,00.html)

The book by Paul Mattick, *Business as usual* is a refurbished elaboration of a series of four pieces on the economic crises:

Up in Smoke (1)

[www.brooklynrail.org/2008/10/express/up-in-smoke](http://www.brooklynrail.org/2008/10/express/up-in-smoke)

Risky Business (2)

[www.brooklynrail.org/2008/11/express/risky-business](http://www.brooklynrail.org/2008/11/express/risky-business)

Ups and Downs: The Economic Crisis (3)

[www.brooklynrail.org/2009/02/express/ups-and-downs-the-economic-crisis-pt-3](http://www.brooklynrail.org/2009/02/express/ups-and-downs-the-economic-crisis-pt-3)

What Is to Be Done? (4)

[www.brooklynrail.org/2009/04/express/what-is-to-be-done](http://www.brooklynrail.org/2009/04/express/what-is-to-be-done)

Two texts of Richard Heinberg on issues related to this class can be found in:

The Gross Society

[www.postcarbon.org/article/2202776-the-gross-society](http://www.postcarbon.org/article/2202776-the-gross-society)

What is sustainability?

[www.postcarbon.org/report/756603-foundation-concepts-what-is-sustainability](http://www.postcarbon.org/report/756603-foundation-concepts-what-is-sustainability)

Alternative perspectives on the issue of global governance from Patrick L. Smith

[http://www.salon.com/2014/11/07/the\\_new\\_york\\_times\\_doesnt\\_want\\_you\\_to\\_understand\\_this\\_vladimir\\_putin\\_speech/](http://www.salon.com/2014/11/07/the_new_york_times_doesnt_want_you_to_understand_this_vladimir_putin_speech/)

and Vladimir Putin

<http://eng.kremlin.ru/transcripts/23137#sel=>

On NATO-Russia relations:

[http://www.nato.int/cps/en/natohq/topics\\_50090.htm?](http://www.nato.int/cps/en/natohq/topics_50090.htm?)