

# International Political Economy IR 312 spring 2013

**Section 1: Tues/Thurs 2:10-3:50 pm Hensill Hall 113**

**Professor: Kathleen McAfee** 4 units Prerequisites IR308, ENG214, upper-division standing

**Office hours:** HSS 381, most Tues. & Thurs. 4:00-5:00; other times by appointment [kmcafee@sfsu.edu](mailto:kmcafee@sfsu.edu)

**Graduate Teaching Assistants:** **Nik Wachlarowicz** [nrwach@mail.sfsu.edu](mailto:nrwach@mail.sfsu.edu) **Seth Roach** [sroach@mail.sfsu.edu](mailto:sroach@mail.sfsu.edu)

**REQUIRED TEXT:** (order online ASAP)

**Robert O'Brien & Marc Williams** 2010 *Global Political Economy 3rd edition* Palgrave/MacMillan (± \$30-40 new) 978-0230241213

Download study question on iLearn for each assigned text chapter: use for study & bring to class as printouts or on laptop.

Bring textbook to classes.

**RESOURCES (RECOMMENDED** supplements to main textbook; very useful but not required):

**Dollars & Sense Collective** *Real World Globalization* latest edition, \$35 Dollars & Sense Books: buy online

**Raymond C. Miller** 2008 *International Political Economy: Contrasting World Views* <\$35 new <\$10 used 978-0415384094

## WEEK 1

### 1. Jan. 29 Overview of course themes, logistics, & expectations

Lecture: What is political economy? Why is IPE controversial? Course topics, requirements, grading; students' questions

**READING** **O&W** *Global Political Economy* Introduction & Ch 1 Approaches to global political economy pp 1-29

### 2. Jan. 31 The rise of capitalism: Globalization phase I

**READING BEFORE CLASS:** **O&W** Ch 3 Forging a world economy pp 53-86

Lecture & discussion: The world from 1300 – 1800; Origins & dynamics of capitalism; Empires & their consequences

**ASSIGNMENT 0:** 150-word mini-biography, as described on iLearn. Post on iLearn BEFORE 2 PM SUNDAY. This assignment IS required but will not be letter-graded. All assignments are due at end of week (before 2 PM SUNDAY) but it's much better not to wait until Sunday to do it.

## WEEK 2

### 3. Feb. 5 The emergence of a global economy: Globalization phase II

**READ BEFORE CLASS:** **O&W** Ch4 Industrial revolution, pax Britannia and imperialism pp 87-115

Lecture & discussion: Industrial revolution; transition from feudalism to mercantilism to free trade; colonies & the world economy

### 4. Feb. 7 Globalization phase II, continued

Discussion of Chapter 4 study questions

**ASSIGNMENT 1:** Submit on iLearn by 2 PM SUNDAY your 400-500-word summary of this week's main ideas, guided by these questions:

Some scholars say that today's 'globalization' isn't something new, but only the 3<sup>rd</sup> phase of cycles of globalization that began about 1492

If the current phase of globalization (since 1945 & especially in the past 25 years) is Globalization Phase III,

1. Summarize the processes & results of "globalization Phase I" (European conquest & colonization 16<sup>th</sup> – early 19<sup>th</sup> centuries) and
2. Summarize the processes & results of "globalization Phase II" (British empire, scramble for Africa: mid-19<sup>th</sup> C – early 20<sup>th</sup> C/ World War I)

### WEEK 3

#### 5. Feb. 12                    **The 20<sup>TH</sup> century 1: world wars & depression; the 1945-1970s 'golden age'**

**READ BEFORE CLASS:** **O&W Ch 5 World wars & the post-1945 order** pp 116-130

Lecture, discussion work on study Qs: J.M Keynes, Bretton Woods; US hegemony & the '3 worlds'; the developmental state

#### 6. Feb. 14                    **The 20<sup>TH</sup> century 2: 1970s-early 2000s: end of the golden age; globalization phase III**

**READ BEFORE CLASS:** **O&W Ch 5 World wars & the post-1945 order** pp 131-138 & 141-144

Lecture, discussion of study Qs: Economic slowdown & the rise of neoliberalism; global markets & the competition state

### WEEK 4

#### 7. Feb. 19                    **Economic history & ideology in the 20<sup>th</sup> century: the case for neoliberalism**

**RESOURCE:**                    **RWG Ed 9 Article 5: A MacEwan** 2000 'Free markets, economic development, & international commerce'  
(If you have the 10 edition, this chapter is: Article 1.2 pp 10-16.)

**Video:** *The Commanding Heights Chapters 1 - 8*

You can view the entire video series and read or download the full transcripts at [http://www.pbs.org/wgbh/commandingheights/hi/story/ch\\_menu.html](http://www.pbs.org/wgbh/commandingheights/hi/story/ch_menu.html)

#### 8. Feb. 21                    **Political economy theory I: market-centered theory**

**READ BEFORE CLASS:**    **R Miller** 2006 'Neoclassical economics & the market model' **pp 1 - 13** [iLearn](#)

**RESOURCES:**                    **M Friedman** 1962 "The relation between economic freedom & political freedom" pp 7-21 from *Capitalism & Freedom*  
Univ. of Chicago Press. This influential neoliberal book argues that capitalism and democracy go together. [iLearn](#)  
**A Smith** 1776 short excerpt from *The Wealth of Nations* (1999) **pp 117ff** [iLearn](#)  
**C Tilly** 1989 'Shaking the invisible hand' in pp 90-92 in *Real World Micro Dollars & Sense* [iLearn](#)

Lecture & discussion: The market world; methodological individualism; classical → neoclassical economics, efficiency, externalities

**ASSIGNMENT 2:** 400-500 words (= about two 12-pt double-spaced pages) Post on iLearn BEFORE 2 PM SUNDAY

1. (a) Describe two assumptions about human nature - how people behave - that market-oriented theorists (economic liberals) share.  
(b) Then, describe two reasons why these assumptions might not be reliable as a basis for predicting people's economic actions. In other words, when or why do individuals not make economic choices as predicted by the model?
2. (a) Describe two of the recommendations for government economic policy that are endorsed by most advocates of market-centered economic theories.  
(b) Illustrate with two specific examples of where, when, & how such policies have been applied by governments: one from pre-WWII & one example since 1945.
3. Explain two examples of ways in which the assumptions of the "market model" may not be applicable to modern capitalist economies. In other words, how do today's economies sometimes not match the market model? (Recall assumptions built into the market model, such as perfect competition: no monopolies, full access to information & technology for every buyer, seller, or entrepreneur, minimal state involvement in economies, rational behavior by firms & individuals, no major externalities that interfere with economic activities, no geographic barriers to market exchange of goods, services, and labor, no ethnic, gender, or other forms of social discrimination, etc.)

## WEEK 5

### 9. Feb. 26                    **Global expansion of trade; governments & trade**

Lecture & discussion: Overview of economic trends post WWII; free trade and protectionism  
(global governance & multilateral institutions will be addressed in more detail during Week 13)

**READ BEFORE CLASS: O&W Ch 6 International trade** pp 147-183

**CPE Brief** 'Free Trade and Comparative Advantage' [iLearn](#)

**RESOURCES**                    **RWG EDITION 9, #20** 'ABCs of the global economy' pp 99-108 AND #21 'ABCs of free trade' pp 109-117  
(10th ed. ch. 4.1 "The ABCs of the Global Economy" pp 85-93 & 4.2 "The ABCs of Free-Trade Agreements" pp 94-101.)

### 10. Feb. 28                    **The changing contours of the global economy**

**READ BEFORE CLASS: P Dicken *Global Shift*** Ed. 6, Ch 2 'The changing global economic map' **Especially read the charts, maps, & tables** [iLearn](#)

**RESOURCES**                    **ETC Group 2005 *Oligopoly Inc. Concentration in Corporate Power*** Communiqué 91 [iLearn](#)

Lecture & discussion with slides: Who makes what, how, & for whom? Who imports what, exports what, & to where?

## WEEK 6

### 11. Mar. 5                    **Globalization II QUIZ on data in Dicken - 50 points**

Lecture & discussion: trade theory, comparative advantage, trade deficits & surpluses

### 12. Mar. 7                    **Some consequences of globalization**

**Video: *John Pilger: The New Rulers of the World* 53 min.**

## WEEK 7

### 12. Mar. 12                    **Rise of TNCs; transnational production; structural changes in the global economy**

**READ BEFORE CLASS: O&W part of Ch 7 Transnational Production** pp 184-217, especially the beginning (pp 184-189), the section starting on p190 about the pros and cons of TNCs, and pp 205-210 about "reevaluating the benefits of FDI".

**RESOURCES:**                    **Any or all articles in the relevant RWG Section**

**3-min video: The Dark Side of Investment Agreements** <http://www.tni.org/multimedia/video-dark-side-investment-agreements>

Lecture & discussion: From Fordism to flexible production; TNCs; commodity chains; the changing economic roles of governments

### 13. Mar. 14                    **The new international division of labor (NIDL) among countries and global regions**

**READ BEFORE CLASS: Part of O&W Ch 9 Global division of labour** pp 255-279

Lecture & discussion: The decline of the state? The World Bank, IMF, structural adjustment; The UN & its agencies

**ASSIGNMENT 3:** (400-500 words ) Foreign investment; the new international division of labor

a) Explain the difference between foreign direct investment (FDI) and foreign portfolio investment.

b) Mention two reasons why some analysts argue the FDI will promote development & two reasons why others question the benefits of FDI to low-income countries.

- c) As a result of the globalization of production, how has the international division of labor (IDL) among countries, especially the role of formerly colonized countries, changed over the past 60 years? In other words, how is the composition of their exports different from what it was (typically) under colonialism?
- d) i. What is the role of the 4 'Asian tigers' in this new international division of labor (NIDL)? ii. What factors & policies helped Korea boost its position in the NIDL?

#### WEEK 8

**13. Mar. 19**      **MID-TERM REVIEW**

**14. Mar. 21**      **MID-TERM EXAM**

#### SPRING BREAK

#### WEEK 9

**15. Apr. 2**      **Political economy theory II: Society-centered theory**

**READ BEFORE CLASS :K Marx & F Engels** 1848 *Manifesto of the Communist Party* Part I 'Bourgeois & Proletarians'  
can be found at <http://www.anu.edu.au/polsci/marx/classics/manifesto.html> and other sites iLearn

**LISTENING:**      **P Gaspar** 2006 MP3: KPFA 5 23 06 *Against the Grain* <http://www.kpfa.org/archives/index.php?arch=14245> iLearn

**RESOURCES:**      **R Miller** 'Classical Marxism and the capitalist mode of production' iLearn

Lecture & discussion: Theories of the social world: from classical political economy → neo-Marxism

**16. Apr. 4**      **Comparing market- & society-centered models of human nature, economy & social change**

**RESOURCE:** **R Pollin** 2006 'What's wrong with neoliberalism: the Marx, Keynes, & Polanyi problems' iLearn  
in *Real World Macro Dollars & Sense* pp 106 – 109

Discussion of study questions: Limits and strengths of market-centered & Marxist-influenced theories of political economy

**Video:** Professor Richard Wolff *Capitalism Hits the Fan* 40 min.

**ASSIGNMENT 4:** In 400 – 500 words, summarize some of the core ideas in Marx's theory of political economy with regard to the following issues:

1. How did European society in the mid-19th century differ from Europe in the past or other 'traditional' pre-industrial societies. In other words, what effects on society of the transition to capitalism in agriculture & of capitalist industrialization were already appearing by 1848 (the date of the Communist Manifesto)?
2. How did Marx view human nature and/or human motivations differently than Smith & other late-18th C - mid-19th C liberals?
3. What, in your view, is the most important point about which Marx's ideas and the liberal, "market model" of classical & neoclassical economics *do not* agree.
4. Mention one point on which Marxists and advocates of the "market model" *are in agreement*.

#### WEEK 10

**17. Apr. 9**      **Video: *Inside Job***

**19. Apr. 11**      **TBA**

## WEEK 11

### 20. Apr. 16            **The global financial system I - the international monetary system & the international credit system**

**READ BEFORE CLASS: O&W Ch 8 The global financial system** pp 217-254 (OK to skip Mundell-Fleming 221-223 & regional currencies 238-241)

Lecture & discussion: finance basics

**Take-home QUIZ on the financial system – 50 points, due Thursday in class**

### 21. Apr. 18            **The global financial system II - US financial crisis and the current global great recession**

**READ BEFORE CLASS: O&W Ch 13 Ideas: “Interests & the global financial crisis”** pp 391-397

Lecture & discussion: Bubble economies; the US mortgage meltdown,

Go over financial system quiz

## WEEK 12

### 22. Apr. 23            **The global financial system III - debt-fueled economic growth & financialization**

**READ BEFORE CLASS: Arthur MacEwan 2009 ‘Inequality, Power & Ideology: Causes of the Current Economic Crisis’** [iLearn](#)

Some newer financial crisis readings may be posted – check iLearn for changes.

Short video, lecture & discussion: financial crises the current US/global financial and economic crisis

**ASSIGNMENT 5: GLOBAL FINANCIAL SYSTEM (400-500 words):**

1. Briefly summarize, in two or three sentences each, what O&W call “the 3 major developments” in the global financial system since end of WWII:
  - a. The move from fixed to floating exchange rates
  - b. Financial innovation [speed, new financial instruments, deregulation]
  - c. Debt crises in the 1980s, financial crises since then [& continuing...]
2. Discuss in a few ¶s **any one** of the 3 following topics. You’ll need to make reference to a, b, or c above (or all 3) to explain the topic:
  - i The debt crises facing Mexico in the 1980s-1990s: causes, responses, consequences
  - ii The 1997-99 financial melt-down in E & SE Asia: causes, responses, consequences
  - iii Current US-China trade relations & currency disputes: causes, responses, consequences

### 23. Apr. 25            **The global ‘North’ & ‘South’; the effects of trade and foreign direct investment (FDI) on development**

**READ BEFORE CLASS: O&W Ch 11 Economic development** pp 307-343

**VIEW IN CLASS: UNDP Animation:** <http://www.gapminder.org/downloads/presentations/human-development-trends-2005.html>

**RESOURCE:**            **Peet & Hartwick** 1999 ‘Dependency theory’ & ‘World systems theory’ pp 107-115 *Theories of Development* iLearn

Lecture & discussion: Developmental states, import-substitution industrialization; FDI; underdevelopment/ dependency theories

## WEEK 13

### 24. Apr. 30            **Neoliberalism: policies, critiques, resistances**

Video: **Florian Opitz: *The Big Sellout*** 95 min

## 25. May 2 Global governance – States & multilateral institutions: IMF, World Bank, World Trade Organization

### READ BEFORE CLASS:

O&W Ch 13 Ideas ‘Rise & stall of the Washington Consensus’ pp 383-387

REVIEW: O&W Ch 6 International trade pp 167-177 (sections on the WTO)

RECOMMENDED: WTO (no date) ‘The WTO in brief’ [http://www.wto.org/english/thewto\\_e/whatis\\_e/whatis\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm) 8 pp iLearn

Lecture & discussion: The decline of the state? The World Bank, IMF, structural adjustment; The UN & its agencies; WTO and its critics

[BACKGROUND: O’Brien & Williams identify 2 main debates in development policy and scholarship: • is the failure of most countries to achieve “development” best explained by internal or external causes? • in pursuing “development”, which should be primary: the state or the market? ]

ASSIGNMENT 6: Development (400-500 words )

- (a) What sorts of internal causes of ‘underdevelopment’ have been used explain thwarted development?
- (b) What sorts of external or structural causes may explain blocked development & growing inequality?
- (c) Why do you think the majority of would-be developing countries have failed to replicate the successes of countries such as S. Korea and Taiwan in the NIDL?
- (d) Based on your opinion on this, would you look for solutions more toward the global market or the developmental state &/or regional development & trade alliances?

### WEEK 14

## 26. May 7 Political economy of the global environment

READ BEFORE CLASS: Jared Diamond ‘What's Your Consumption Factor?’ *NY Times* opinion editorial Jan 2, 2008 iLearn

J B Foster 1999 Ch 6 ‘The vulnerable planet’ pp 108 – 124 in *The Vulnerable Planet* Monthly Review iLearn

Video: Annie Leonard *The Story of Stuff* 20 minutes

Lecture & discussion: Is the global economy ecologically sustainable? Ecological debt, environmental rights; global regulation

## 27. May 9 Global environmental governance; environmental debt; climate-change politics

READ BEFORE CLASS: O&W Ch 12 Global environmental change pp 344-373.

RECOMMENDED: K McAfee 2003 ‘Whose Planet Are We Saving?’ [http://www.kmcafee.com/whose\\_planet.php](http://www.kmcafee.com/whose_planet.php) iLearn

Powerpoint: *Cap & Trade – a solution to global warming?* 30 minutes

Lecture & discussion: Environmental treaties, green markets & other responses to environmental degradation, environmental justice.

ASSIGNMENT 7: ENVIRONMENT: Details TBA

### WEEK 15

## 28. May 14 Policy beyond the Washington consensus; alternatives to globalization as we’ve known it

READ BEFORE CLASS: O&W Ch 15 Governing the GPE ‘Development & growth’ & ‘Equality & justice’ pp 440-446

SEE ILEARN FOR NEWLY POSTED MATERIAL

RESOURCES: O&W Ch 15 Governing the GPE ‘Development & growth’ & ‘Equality & justice’ pp 440-446

Lecture & discussion: Civil society, social movements, non-government organizations; new regional initiatives by states

**29. May 16**

**FINAL REVIEW**

Before class, use the IR forum to post the numbers of the questions you want the professor & TAs to discuss

**WEEK 16**

**FINAL EXAM: Tues., May 21 1:30 pm - 4:00 pm FINAL IS IN HH 113 BUT IS NOT AT REGULAR CLASS TIME**

**GRADING:** You can earn a total of 1,000 points (or slight more from extras-credit exam Qs). Here's how:

**Assignments:** = up to **300 points** (up to 50 points each for the best 6 of 7 required and graded assignments)

There are 7 assignments. The 1st (Assignment 0) is CR/NC. The others will be graded: There are 4 before the mid-term exam and 3 after the mid-term.

You should do all 7 to improve your comprehension and prepare for exams. This also increases your chance of earning close to 300 points because your lowest grade out of the 7 will be dropped.

You can miss one assignment, but if you submit fewer than 6 graded assignments 20 points will be deducted for each missing assignment in addition to the up-to-50 points that you will already be missing for the assignment.

**WARNING!** THIS IS AN EASY WAY TO LOWER YOUR GRADE OR EVEN FAIL THE COURSE NEEDLESSLY!

**Participation** = up to **100 points** based on attendance, taking part in discussions and/or iLearn forums

**Quizzes** = up to **100 points**

**Midterm exam** = up to **200 points**

**Final exam** = up to **300 points**

**COURSE LOGISTICS AND TIPS:**

**Changes** This syllabus is a draft. Some dates may change to accommodate guest speaker or unforeseen events. You'll be notified by email & iLearn. Check iLearn to be sure you're following the latest syllabus or to download an extra copy.

**Attendance.** We take attendance because experience has shown that it is difficult to pass this class if you miss more than two of the lectures and films. Don't expect to be counted if you arrive after role has been taken. In cases of serious, documented emergencies, we'll try to accommodate your needs.

**Graduate Teaching Assistants:** We are fortunate to have very bright and qualified TAs this term. They will provide feedback on your assignments and do part of the grading, lead pre-exam review sessions, and answer questions out of class. Please respect their time constraints when requesting help, but DO take advantage of their availability. They are here to help you.

**iLearn** is your source for the additional required & optional readings. You can read them online or –better– print the readings for yourself to highlight or underline. iLearn staff can advise you. iLearn allows you & the instructors to keep track of your progress & maintain a record of your grades.

**Assignments:** You should complete 3 assignments (1, 2, & 3) before the mid-term and 4 after the mid-term. Your lowest 1 grade will be dropped. If you submit fewer than 6 assignments, 20 points will be deducted for each one missing – an easy way to fail. (See explanation of grading above).

**Late assignments cannot be accepted** except in cases of documented emergencies. This is to be fair to the instructor, TAs, & your fellow students.

To give you flexibility they are due on iLearn by **SUNDAY 2 PM**, but that doesn't mean you should wait until Sunday to do them!

Assignments (not exams) are handled digitally (iLearn). You must upload your written work on iLearn. That's how we read and grade your work & make comments for you. Preferred formats are MSWord or .rtf. You can use .pdf or plain text formats if you must. Avoid .wpd or .wps formats -

**Quizzes:** There may be two or more quizzes during the semester on the assigned reading for any particular day. Some may be pop quizzes.

**Exams:** The midterm and final will comprise a combination of short essay, short answer, and multiple choice questions. No blue books are needed.

**Reading:** You really do have to do it to do understand the lectures, pass pop quizzes, do well on assignments and exams, and get a decent grade. You won't need to read every page of the all chapters in O'Brien & Williams. The required chapters and pages are specified in the syllabus. Taking notes and listing new terms and concepts will help you stay awake and remember the material.

**Bring your textbook to class**, especially the class sessions when we will be discussing a textbook chapter, as indicated on the syllabus.

***Real World Globalization*** is a supplementary text with short, punchy articles by *Dollars and Sense* magazine's Editorial Collective. The assigned articles and others in the book can help give an overview of what's a stake in the debates about IPE before you read O'Brien & Williams chapters. The on-line articles by the Center for Popular Economics (some are in the syllabus) is another good source of easier-to-digest information.

***International Political Economy: Contrasting World Views*** was written by Emeritus SFSU IR professor Raymond C. Miller after nearly 40 years teaching this course.. It is a superb summary of liberal, institutionalist, & Marxist approaches & their real-world applications.

**Videos:** They deal with important themes of the class. There will be specific exam questions on most or all of the videos.

**Participation** is important. You can't get an A unless you attend regularly. Speak up in discussions! If you have trouble doing this, before you come to class, plan at least one thing to say even if it's just a question. If you're still shy, speak to the instructor and/or the TA. We'll help you.

Every class has students who like to talk and feel at ease doing so. If you're one of them, great! But keep your points brief to give others a chance.

**Office hours** are for your benefit. If work or class schedule conflicts prevent you from coming at the stated times, the instructor or a TA can usually make an appointment with you at a mutually convenient time and place. Send one of us an email with IR312 in the subject line.

**E-mail:** Schedule changes and other announcements will be sent to the address you use when you enroll. If you use a different email address, be sure to have your SFSU email forwarded to that address and check it regularly. The instructor or TA will try to answer your e-mailed questions. If you use more than one address, it's hard for us to keep track of how to reach you. Whenever you write to us, put IR312 in the subject line of your message.

**Students with disabilities** who need reasonable accommodations are encouraged to contact the instructor. The Disability Programs & Resource Center facilitates the accommodations process. The DPRC in SSB 110 can be reached by phone at 338-2724 (voice/TTY) or e-mail [dprc@sfsu.edu](mailto:dprc@sfsu.edu).

**Plagiarism** will result at least in failure of the assignment and possibly failure of the class or expulsion from the university. You should review what constitutes plagiarism: see <http://online.sfsu.edu/~rone/StudentHelp/Plagiarism.html> and <http://www.indiana.edu/~wts/pamphlets/plagiarism.shtml>.