

SUNY New Paltz
International Political Economy - POL346
OM229
Department of Political Science and International Relations

Prof. Jonathan Schwartz

Tuesday and Friday: 11:00-12:15

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Office Hours: Tuesdays 13:00-15:00; Wednesdays 10:00-12:00 (or by appointment)

Course Description:

Following the news media, we are sure to encounter the term "globalization" on a daily basis. At times, globalization is used to refer to changing political relations among countries. At times it is used to refer to increased economic, or even cultural interdependence. Above all, globalization is almost invariably viewed as inevitable. In general, organizations, groups and individuals who support globalization in its many forms are considered both rational and farsighted. By contrast, those opposing globalization are considered to be rabble-rousers, dreamers and generally self-interested.

Focusing most specifically on the IPE aspects of globalization, we will explore the following questions: What is globalization? Who participates and why? What are the arguments favoring and opposing globalization? Do realistic alternatives exist?

The course is divided into four sections. Beginning with the assumption that students do not come to the class with a broad knowledge of international political economy, the first two sections provide an introduction to the development of the major perspectives, theories and institutions of IPE.

In the third section we consider the challenges facing the international community in the sphere of IPE. What are some of the key problems that IPE seeks to address/understand? What are the alternative explanations/solutions put forward?

In the final section we explore the "global backlash". How have those interests opposed to globalization as currently conceived, responded to contemporary trends? What are their concerns and what alternatives do they offer? Do realistic alternatives to globalization exist? Should these alternatives be pursued?

Learning Outcomes: Students who successfully complete this course will be able to:

- Illustrate familiarity with IPE theories and development through history
- Illustrate familiarity with key institutional actors in IPE
- Draw on relevant methods to analyze contemporary developments in IPE
- Critically discuss and evaluate the different perspectives on globalization

Course Requirements:

Class participation (10%) - Active participation in class discussions. This course is intended to be interactive. Attendance is required (two unexcused absences allowed after which 3% of your participation grade will be deducted for each absence). Students are expected to prepare the readings for each class in advance, and to participate actively in class discussions. If you simply appear in class every day the best you can achieve is a C-.

Group Presentations (5%) - In groups, students will present on a pre-determined aspect of the alternatives to conventional approaches to globalization (see topics). The group will lead class discussion in a format of their choice. I will provide additional details during the term.

Debate (5%)

Exams Midterm (20%); final (30%).

Essay Students will write a 1,400-1,600 word research essay (30%). (Due April 21)

Required Texts:

Theodore H. Cohn, *Global Political Economy: Theory and Practice* 6th edition (New York: Longman, 2012).

David Harvey, *A Brief History of Neoliberalism* (Oxford University Press, 2009).

Optional Supplementary Texts:

Robert Gilpin, *Global Political Economy: Understanding the International Economic Order* (Princeton: Princeton University Press, 2001).

Paul Mosley, Jane Harrigan, John Toye (eds.) *Aid and Power: The World Bank and Policy-based Lending* (Vol. 1) (New York: Routledge, 1991).

Richard Peet, *Unholy Trinity: The IMF, World Bank and WTO* 2nd edition (New York: Zed Books, 2009).

Joseph E. Stiglitz, *Globalization and its Discontents* (New York: W.W. Norton, 2002).

Additional course readings are on Blackboard

Students are expected to make use of additional sources. These may include The New York Times; the Economist, the Financial Times, Business Week, etc. *These sources should be followed consistently so that students will be informed of, and able to incorporate contemporary examples into class discussions.* These resources are available in electronic form through STL, and in many cases in print form as well.

Schedule

Section I: What is IPE? Engaging the topic

In this section we begin an exploration of IPE – what is this approach to understanding International Relations? What are the ideas that drive contemporary IPE?

Jan. 20 – Introduction to the Course

Jan. 23 – *Commanding Heights*: Documentary – the battle of ideas Keynes v. Hayek **Episode 1.** What are the components of the theories espoused by each? How do they differ? Which of the two theories currently dominates? Why?

Jan. 27 – An introduction to the currently dominant theory and its critics: William Finnegan, “The Economics of Empire,” *Harper’s* (2003) 41-54 (**Bb**); Bhagwati, chp. 1

(Bb); Harvey, chp. 1 (optional). In class: Brief video: **Alex Tabarrok**
Jan. 30 – So, what is IPE? Cohn, chapter 1; Staniland, chp. 1 (Bb)

Section II: Institutions and Theories in IPE

In this section we will explore the key institutions, theories and ideologies that guide IPE. How did these come into existence and what were/are their goals?

Feb. 3 - Conceptions of Globalization. Broad, 1.1; 1.2; 1.4 (Bb); Bhagwati, chp. 2, 3 (Bb). Be prepared to support the authors by advocating either a pro or an anti globalization position.

Feb. 6 - Institutions in IPE I. The IMF, Cohn, ch. 2 (for general overview), Peet, pp. 66-85 (Bb). China's rising influence (link in Bb readings). **Also, Check out www.imf.org** (review the site and watch the videos on IMF structure and functions).

Feb. 10 - Institutions in IPE II – The World Bank and WTO, Peet, pp. 127-141, 178-193 (Bb).

Feb. 13 - Theories I: Realism/Mercantilism. Cohn Ch. 3. Polanyi, chp. 3-5 (optional - Bb).

Feb. 17 - Theories II: Liberalism. Cohn Ch. 4; Polanyi, chp. 6, 11-12 (Bb).

Feb. 20 - Theories III: Critical Perspectives. Cohn Chapter 5.

Feb. 24 - Comparing the Perspectives. In-class project: In groups - prepare one perspective And defend its usefulness compared to the other perspectives by explaining its basic assumptions and drawing on current examples that support those assumptions.

Feb. 27 - The International Financial System. Cohn, pp. 135-159; Gilpin *Global Political Economy: Understanding the International Economic Order*, Chp. 10. (Bb)

March 3 - Mid-Term Exam

Section III: Central Challenges in IPE

In this section we explore international challenges that scholars of IPE seek to address. These include development, debt and globalization. What are these, how did they come into existence and what are the problems/solutions they offer?

March 6 - Foreign Debt I: How does debt happen? What are the causes and what have been the international responses? Cohn pp. 341-348; Peet, pp. 86-99(Bb); Glover, "A Layman's Guide to Structural Adjustment Loans," pp. 173-185 (Bb); Stiglitz, pp. 211-225 (Bb –optional)

March 10 - Foreign Debt II: Regimes/Aid. Cohn, pp. 348-end of chapter. Case: **Ghana** - a Case Study of failed international intervention? Toye, "Ghana" pp. 150-163, 196-198 (Bb); Hammond and McGowan, "Ghana: The World Bank's Sham Showcase" (Bb); Kwadwo Konadu-Agyemang, "The Best of Times and the Worst of Times: Structural Adjustment Programs and Uneven Development in Africa: The Case of Ghana." (Bb).

March 13 – Financial Crises I: Cohn 362-367; Jeffry Sachs, "The IMF and the Asian Flu," (Bb). IMF, *The IMF's Response to the Asian Crisis*, International Monetary Fund, 1999 www.imf.org/external/np/exr/facts/asia.HTM. AFC story:

<http://www.youtube.com/watch?feature=endscreen&NR=1&v=QbcMTmGHQH8>

NOTE the differences in interpretation of the AFC by the IMF and by Sachs – come ready to discuss

SPRING BREAK (March 16-20)

March 24 – Financial Crises II: Cohn 367-371. **Group work:** Bring updated data on the 2008 financial crisis. How did this crisis happen? How should we respond? What lessons can

be learned from the AFC to help resolve the current crisis? To learn about the European Crisis, listen to “Continental Breakup”, on NPR’s *This American Life* (**Bb**) www.thisamericanlife.org/play_full.php?play=455 (57 minutes) Be prepared to discuss!

March 27 - Chinese Neoliberalism – Harvey, chp. 5.

March 31 – Last day to withdraw from the course

March 31 – The Washington Consensus vs. the Beijing Consensus: Xin Li et. al. (**Bb**); Krugman (**Bb**); Yao Yang, The End of the Beijing Consensus (**Bb**):

April 3 - Debate Preparation Day. *Within 20 years, China will replace the United States as Global Economic Hegemon.* Defend or reject this statement. Students should bring prepared arguments to class to share with fellow debaters. These should be combined into a coherent position. Draw on readings from the course and outside to support your side of the debate. It will be useful to review Cohn, chp. 3, and read Gordon Chang, Fareed Zakaria & Beckley (**Bb**).

April 7 - DEBATE

April 10 - NAFTA: The Pros and Cons of membership. Earl H. Fry & Jared Bybee. "NAFTA 2002: A cost/benefit analysis for the United States, Canada, and Mexico," *Canadian-American Public Policy* no. 33 (January 2002) (**Bb**); Robert E. Scott. *Fast track to lost Jobs, Trade deficits and manufacturing decline are the legacies of NAFTA and the WTO*, Economic Policy Institute, Briefing Paper (October 2001) (**Bb**).

April 14 - Global Trade and the WTO: Why should LDCs join? Cohn pp. 225-253. Also, do basic research on Tonga and its current economy. We will study Tonga as a case study. Video: Does Tonga benefit from WTO accession?

April 17 - Regionalism: Does Regionalism contribute to, or detract from effective global trade? Cohn, Chp. 9.

Section IV: Alternatives and modifications to Globalization?

Is globalization the only option for the international political economy or can there be modifications or even alternatives to it? In this section we explore both possibilities.

April 21 - Can globalization be adjusted?: Group led: Broad, pp. 173-187 (**Bb**), plus selected articles.

April 24 – Can Globalization be rolled back?: Group led: Harvey, chp. 6; Broad, pp. 243-257 (**Bb**), plus selected articles.

April 28 – Are there realistic alternatives to globalization?: Group led: Harvey, chp. 7; Broad, pp. 65- 76 (**Bb**).

May 1- What is the future of Globalization?: Broad, pp. 301-308 (**Bb**); Cohn, chp. 12; Stiglitz, chp. 10 (**Bb**). AND – Conclusions, exam preparation

Final Exam – May 12 – 10:15-12:15

Research Essay (Due April 21 by start of class, via turnitin):

The essay will include: a cover page with your name, the title of the essay, the course title and word count (exceeding the count by more than 200 words will lower your mark); citations (parenthetical, footnotes or endnotes); a bibliography. Students should refer to a minimum of six scholarly sources (beyond the class readings). Failure to adhere to these requirements will result in a lower grade.

Unless a valid excuse is provided *prior to the due date*, a late penalty of **5%/day** of the paper grade will be enforced. Papers will be submitted electronically **PRIOR to the start of class** on the due date (April 21). Any form of plagiarism will result in a failing grade for the paper (and possible further action – see below info on academic integrity).

Suggested topics for Research Essay

Should you wish to write on a topic *other than those provided below*, you **MUST** receive instructor approval no later than the semester mid-point (March 9). If you write on a separate topic without prior approval, you will receive an automatic, non-negotiable “F” for the essay.

To obtain approval you must meet with me in my office with a written proposal (no longer than 1 page). Once you receive approval you may proceed with your research.

1. The IMF and W/B play an important contributory role to global development. Consider this statement and defend/reject it by relying on theoretical perspectives learned in class.
2. Economic Globalization is inevitable. Support or reject this assertion.
3. Government intervention in the free market results in "market imperfections" - the main cause of failed development. Consider this statement and defend/reject it by relying on theoretical perspectives learned in class.
4. Globalization represents an effort by the US to maintain global domination. Support or reject this assertion.
5. The growing role of MNCs in the global economy is natural and beneficial to global economic development. Support or reject this assertion.
6. Should debtor countries combine to default on their debts? What are the pros and cons of this option? Why can/cannot this happen?
7. LDCs have no choice but to join the WTO. Support or reject this assertion.
8. NAFTA has proven beneficial to (choose a sector, e.g. workers, corporations, the environment, etc.) in (choose a country: Canada, Mexico, the United States). Support or reject this assertion.
9. The Beijing consensus offers an attractive alternative to LDCs seeking development independent from the West.
10. The current global recession illustrates the failure of the neo-liberal market model. Support or Reject.
11. Explain the outbreak of the current global economic crisis by drawing on one of the critical perspectives we studied in class. Does this perspective effectively explain current events? Why yes/no?
12. Private International Ratings agencies (S&P, Moody's, Fitch etc.) have in past downgraded country credit ratings. These downgrades have had serious, negative effects on the political economy of these countries. Drawing on examples of downgrades and their impacts, explain

why you think such ratings agencies should/should not have so much power. In doing so, draw on an explicit theoretical perspective we have learned in class.

13. What are the pros and cons of welcoming the Chinese currency as an additional global reserve currency? Should the US support such a move?

College Recommended Academic Integrity Statement:

Students are expected to maintain the highest standards of honesty in their college work. Cheating, forgery and plagiarism are serious offenses, and students found guilty of any form of academic dishonesty are subject to disciplinary action. For definitions of these offenses, as well as the process that a faculty member will follow if a student is found to be engaging in any form of academic dishonesty, see the section on Academic Integrity in the Advising Handbook: www.newpaltz.edu/acadadv. Note that depending on the extent of plagiarism in a paper, the minimum penalty is a failing grade for the paper. More serious plagiarism cases will be addressed through college policies and may result in failing the course and further action.

College Recommended ADA Statement:

Students with documented physical, learning , psychological and other disabilities are entitled to receive reasonable accommodations. If you need classroom or testing accommodations, please contact the Disability Resource Center (SUB 205; 257-3020). The DRC will provide forms verifying the need for accommodation. As soon as the instructor receives the form, you will be provided with the appropriate accommodations. Students are encouraged to request accommodations as close to the beginning of the semester as possible.