

Global Political Economy II

Issues and Problems Since 1945

York University, Political Science 3275 (0.3), 2002-3 Winter

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OVERVIEW

DESCRIPTION

The course examines the global political economy as it developed since the end of Second World War. The first half of the course (January 6 – February 17) deals with the general themes of power and production, order and disorder, global finance, international trade and the transnational corporation. Building on these themes, the second half of the course (February 24 – March 31) explores various facets of capitalist expansion and crisis, including North-South relationships, development and underdevelopment, the impact of financial flows, the transition from socialism, and the future of the global political economy. (NOTE: There could be some deviations from the course schedule and readings as we go along.)

FORMAT

Lectures, workshops and class discussion. There are no tutorials for this class.

EVALUATION

Item	Weight	Maximum length	Due date
1 st Essay	20%	1,000 words	February 3 rd
Mid Term Examination	30%	---	February 24 th
2 nd Essay	50%	3,000 words	Due April 7 th
Total	100%		

REQUIRED READINGS

There are two required textbooks available from the bookstore at York Lanes, and a course kit available from the *Keele Copy Centre* (voice: 416-665-9675). All three items are on library reserves.

- Gill, Stephen, and David Law. 1988. *The Global Political Economy. Perspectives, Problems, and Policies*. Baltimore: Johns Hopkins University Press.
- Spero, Joan Edelman, and Jeffrey Hart. 2002. *Politics of International Economic Relations*. New York: Wadsworth.
- Nitzan, Jonathan. 2002-3. *Course Kit for Global Political Economy II. Issues and Problems Since 1945 (POLS 3275)*.

SCHEDULE

January 6

Introduction and organization

January 13

Power and production

Question: *Is capitalism a system of production, power, or both?*

Workshop: Doing research in international political economy.

Readings: Gill and Law, chs. 6, 7 & 8.

January 20

Order and disorder: the post-war global political economy

Question: *How is the “Capitalist Order” one of disorder?*

Workshop: Presenting your work.

Readings: Gill and Law, ch. 9. Spero and Hart, ch. 1.

January 27

Taming the beast: global money and finance

Question: *In what way is global money a “beast” and why does it need to be “tamed”?*

Workshop: Reading the newspaper – *The Economist*.

Readings: Gill and Law, ch. 10. Spero and Hart, ch. 2.

February 3

Freedom to protect: international trade

1st essay due

Question: *The “cake paradox”:* *Can protectionism boost welfare? Can free trade undermine it?*

Workshop: Reading the newspaper – *The Financial Times*.

Readings: Gill and Law, ch. 12. Spero and Hart, ch. 3.

February 10

Trojan horses: global production and the transnational corporation

Question: *Is capitalist ownership undermining state sovereignty?*

Readings: Gill and Law, ch. 11. Spero and Hart, ch. 4.

February 17

Reading Week

No class

February 24

North-South: development and underdevelopment

Mid-term examination

Question: *High-Tech or "Mad Max" – What would it take to close the North-South gap?*

Readings: Gill and Law, ch. 14. Spero and Hart, ch. 5

March 3

Financial flows: blessing or curse?

Question: *Who needs capital flows? Why?*

Readings: Spero and Hart, ch. 6.

March 10

Spreading capitalism: trade and the transnational corporation

Question: *What is the "best" developmental strategy for developing countries?*

Readings: Spero and Hart, ch. 7 & 8.

March 17

Transition economies

Question: *In what sense can capitalism lead to de-industrialization?*

Readings: Gill and Law, ch. 15. Spero and Hart, ch. 10.

March 24

New world: order or disorder?

Question: *What is the most important issue/problem facing the global political economy?*

Readings: Gill and Law, ch. 16 & 17. Spero and Hart, Conclusion.

Workshop: Review and discussion of 2nd essay.

March 31

Review and wrap-up

Question: *Where do I go from here? Studying Political Economy*

ESSAYS AND EXAMINATIONS

PREPARATION

Students are required to read the assigned material before class. In order to sharpen your focus and stimulate discussion, you are encouraged to come to every class with (1) a tentative answer to the “focus question” of the session (listed below for every week), and (2) at least one critical question of their own pertaining to the session’s reading.

1ST ESSAY (20%)

Using both theory and evidence, provide a short rebuttal to an article addressing a global political economy issue. The article you criticize must have been published in 2003 in one of the following newspapers and magazines:

- *Business Week*
- *The Economist*
- *Far Eastern Economic Review*
- *Financial Times*
- *Los Angeles Times*
- *New York Times*
- *Wall Street Journal*
- *Washington Post*

The purpose of the essay is to: (1) have you read the newspapers, (2) encourage you to think critically of what you read, and (3) help you sharpen your thinking through concise writing. Your essay should not exceed 1,000 words, and must be no more than 2 pages in length. These are absolute limits. Longer essays won’t be graded. You must provide, along with your work, a copy of the original article you criticize (photocopy or printout of the electronic version). The essay’s due date is February 3rd, in class. Late submissions will be accepted only with a valid documented reason (medical or family misfortune); otherwise, they will be subject to a penalty of 10% per day.

MID-TERM EXAMINATION (30%)

The test will be held in class on February 24th, and will last one hour. It will consist of several short questions covering the first half of the course.

2ND ESSAY (50%)

Write an essay on one of the following questions. The purpose of this paper is for you to integrate different facets of the course. Your grade will be based on your (1) demonstrated knowledge; (2) use of knowledge; (3) presentation, including writing and organization; and (4) creativity. Your paper should be based on the course material, as well as additional readings and evidence. The paper must not exceed 3,000 words. Longer essays won’t be graded. The paper’s due date is April 7th. Late submissions will be accepted only with a valid documented reason (medical or family misfortune); otherwise, they will be subject to a penalty of 10% per day.

Essay Questions:

1. What in your view are the three most important factors/forces underlying the post-war global political economy? In your paper, outline the nature of the this order as you see it, explain each of its three central features and the inter-relationships among them, and finally,

articulate the way they supported the post war order. How, in your view, will this constellation change in the future, and why?

2. It is customary to view the period after the collapse of Bretton Woods in 1971 as one of global monetary instability. Is this view justified? Is instability inherent in the nature of money, or is it the result of "mismanagement"? In your answer, discuss the origin of the post-war Bretton Woods system, its key features, the reason for its demise, and the political-economic consequences for global monetary instability. How, in your view, can the global monetary system be modified? Should it be modified? Can it be modified?
3. Over the past century, transnational corporations (TNCs) have emerged as institutions whose scope and power rival those of nation states. Discuss the changing role of transnational corporations in the global political economy. In your paper, you should examine, among other things, why have TNCs come into being, their significance (or insignificance), and the way they affect the nature of power and well-being in the world.
4. During the 1960s, the average standard of living in developing countries, measured by GDP per capita, was 1/20th of that of developed countries. Forty years later, the gap remains roughly the same. Why? Can developing countries 'catch up' with the developed countries? Should they? Explore key aspects of the North-South relationship, their historical causes and future implications.
5. The 1990s were marked by a series of financial crisis in developing countries – for example, the 1994 Mexican crisis, the Asian crisis which began in 1997, the Russian crisis of 1998, the Brazilian crisis of 1999 and the Argentinean crisis since 2001. What have been the causes of these crises? Were they largely domestic in nature, or rather the consequence of international/global factors? How were these crises related to the changing nature of global capital flows?
6. The world of the 1980s and 1990s was often labeled as 'neoliberal.' Is this still the case, or are we moving toward a new form of order/disorder? In your essay, examine the key features of neoliberalism, the reason for its ascent and the forces threatening its continuation.
7. "The attacks of September 11 have fundamentally altered the global political economy." Do you agree with this statement? Write an essay on the significance or insignificance of the events of September 11 for the trajectory of world capitalism.
8. Looking into the next decade, what in your opinion will be the most important issue/problem facing the global political economy? Examine the historical roots of this issue/problem, analyze its current manifestations and comment on its possible future trajectories. In your answer, make sure you identify the nature of the issue/problem in terms of the principal actors, their relative position as winner and losers, and the broader consequences for the global political economy.