



GLOBAL ECONOMY

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COURSE OVERVIEW:

The aim of this course is to introduce the students to the main debates surrounding the nature, effects and attempted management of the *Global Economy*, identifying its most important post-war structural developments (e.g. formation and collapse of Bretton Woods, setting up of the WTO, increase in regional integration and emergence of China) and examining contemporary challenges to its well-being (e.g. financial instability, rising inequality and environment crises etc).

The course questions the view that economic globalization is an apolitical 'technical' process of resource allocation guided by a 'hidden hand'. Instead it considers the globalization process as implicitly *political*; set within a particular historical, ideological and social context, and both influenced by, and having an influence on, key powerful actors; notably nation-states, international organizations and transnational corporations.

Clearly not all states are the same; neither in their national economic model, nor in the influence yielded in the global economy. On the other hand, it is undeniable that globalization has, if not undermined nation-states' ability to control their domestic economy, then at restricted the policy choices available to them. Nowhere is that more apparent than with respect to international financial flows underscored by the present credit crunch. Likewise, the scale, mobility and power of multinational corporations, attracts attention by both supporters and detractors.

As the uneven process of market expansionism seeks to overcome structural limitations and political opposition, debates arise regarding the optimum form of 'global governance' – a key theme both within the discipline of International Political Economy, and central to this course. Such debates cannot take place in the abstract but must reflect real on-going processes in the global economy, hence the widespread use of contemporary press and journal articles (and case studies included therein).

MATERIALS:

- Stubbs, R & Underhill, R.D.(eds): *Political Economy and the Changing Global Order*. Oxford University Press, Ontario, Canada, 2006
- Gilpin, R: *Global Political Economy: Understanding the International Economic Order* Princeton University Press, Princeton, 2001
- Press Articles: Economist, Financial Times, New York Times, the Guardian

GRADING:

This course will have two exams. The student's final grade will also include a mandatory oral presentations/paper addressing relevant topics and debates. Throughout the term students will be required to complete various reading/written assignments (article summaries etc) outside class and to actively participate in class discussions/debates etc all of which will be reflected in their final 'participation' grade.

Midterm Exam	30%
Final Exam	30%
Presentations	20%
Participation	20%

Exam dates will not be changed under any circumstances. Attendance is mandatory. More than three unexcused absences will result in the lowering of the final grade. Students with more than two such absences may not challenge the final grade received.

PROGRAMME SUMMARY:

The order in which these topics are covered may vary somewhat.

- 1. Evolution of the Global Economy:** historical overview of the different stages in the process economic globalization from the 16th Century to the present day
- 2. Theoretical Debates:** Adam Smith & the creation of 'economics'; classical/neo-classical trade theory; global reality; new economic theories; Bhagwati/Goldsmith free trade debate
- 3. Trading Regime I - Governance:** post-war situation; GATT; embedded liberalism; UNCTAD; establishment/functioning of WTO; TRIPS; GATS; Agriculture; Doha Round
- 4. Trading Regime II - Development:** neo-liberalism; big business; intellectual property; public health; 'the commons'; genetic modification; development; poverty; population; food/water crisis
- 5. Environment & the Global Economy:** problems; liberal environmentalism; tragedy of the commons; environmental governance (e.g. UN agreements; Kyoto Protocol; public-private initiatives; market-based solutions); sustainable development; renewable energy etc
- 6. International Monetary System:** Bretton Woods system (e.g. US hegemony; IMF; 'trilemma'; technical issues; floating/fixed debates) & reasons for collapse; contemporary system; challenge to dollar hegemony? 'dollarization'
- 7. Global Finance:** explosion of international finance; petrodollars, 3rd World Debt; 'hot money'; South East Asia crisis; role of IMF; systemic risks; roots of credit crunch; regulation debates
- 8. Multinational Corporations:** relevance of MNCs; post-war expansion; contrasting theoretical perspectives; nature & behaviour (e.g. outsourcing); Stiglitz/Wolf debate; governance issues

9. Transition Economies - reviewing the many restructuring difficulties faced by ex-command economies in moving to a market economy, how their integration into the global economy has affected international trade, and what challenges remain. Focus on Russia and China.

10. Regional Integration - conceptualizing & accounting for increasing regionalization of the global economy; contrasting the creation, development, key policies and institutional structure of the EU, NAFTA and East Asia (if time!)

WEBS

- www.economist.com - analytical articles on world economic/political affairs
- www.europa.eu.int - EU official web-page (history, policies, legislation, stats etc)
- www.eurunion.org - EU guide for Americans
- www.ft.com – Financial Times, international news, economy, corporate activities, shares
- www.greenpeace.org/international/ - Environment
- www.guardian.co.uk - UK daily, broad range of national/international news articles
- www.ictsd.org - International Centre for Trade and Sustainable Development
- www.imf.org - International Monetary Fund
- www.nytimes.com - World news, critical editorials
- www.unctad.org - United Nations Conference on Trade and Development
- www.worldbank.org/ - World Bank
- www.wto.org/ - World Trade Organization