

INTERNATIONAL POLITICAL ECONOMY

Module Code: PP5155

Module Coordinator: Dr. Razeen Sally

Semester: Semester 2, 2015/16

Faculty: Lee Kuan Yew School of Public Policy

Module Schedule: Thursdays, 2-5 pm, SR2-2

Course description and objectives

This course brings together politics, economics and international relations on issues relevant to the global economy. It introduces students to various approaches to International Political Economy (IPE) and applies them to important policy issues. It aims to give students a critical understanding of how politics and economics, and domestic and international forces, interact to shape modern policy. The course is divided into four parts: 1) IPE concepts; 2) history of the world economy, focusing on the post-1945 era; 3) globalisation and modern policy; 4) countries, regions and actors. Part Three emphasises globalisation, which is the frame for looking at policy issues -- macroeconomics and finance, trade and investment, energy and environment, international migration, and urbanisation and cities. In Part Four, major regions of the world economy are covered, as are the key actors – governments, international governmental organisations, business and NGOs.

Prerequisites

None. However, previous background in international economics, international economic law, international relations or comparative politics would be helpful.

Seminar format

Seminars consist of lectures, class presentations and class discussion. Typically, a one-hour lecture is followed by one or two class presentations (depending on student numbers), followed in turn by class discussion. A presentation should last 10-15 minutes (if two are presenting in one session) or 20-30 minutes (if there is only one presenter). Ample time is given to class discussion, which should be genuinely interactive. It is important – and expected – that core readings for each topic are done before the seminar in order to facilitate productive discussion. Finally, occasional outside speakers – practitioners and academic experts – will join the seminar for a few of the sessions during the semester.

Assessment

Grading consists of one set examination at the end of the course, one analytical essay or policy paper, class presentations and class participation.

- A three-hour semi-open book examination (45%)
- An analytical essay or policy brief (maximum 3000 words) (30%)
- Class presentations (15%)
- Class discussion (10%)

Syllabus

Week 1: **Introduction and Course Overview** (Shopping Week)

PART ONE: THEORY AND CONCEPTS

Week 2: **What is IPE?**

“Political economy” is a term used for centuries. With increasing academic specialisation, it is all the more important to see the connections between politics and economics. IPE emerged as a sub-discipline in the early 1970s in response to increasing cross-border interactions – what we now call “globalisation”. It draws on domestic and comparative politics, economics and international relations. In the last two decades, mainstream IPE has converged on the concepts of “interests”, “institutions” and “ideas”.

Discussion topics

- How does IPE differ from political science, international relations and international economics?
- Why is there no generally accepted theory of IPE?
- Explain “interests”, “institutions” and “ideas” as concepts in international and comparative political economy.

Core reading

*Oatley, T. (2011), *International Political Economy*, Pearson, fifth edition, ch. 1 (IVLE)

*Keohane, R. (2009), “The old IPE and the new”, *Review of International Political Economy* 16,1, February
<https://www.princeton.edu/~rkeohane/publications/RIPEfinal.pdf>

*Frieden, J., Lake, D. and Broz, L. eds. (2010), *International Political Economy*, W.W. Norton, fifth edition, “Introduction” (IVLE)

Background reading

- Ravenhill, J. ed. (2011), *Global Political Economy*, Oxford, third edition, pp. 3-27
- Walter, A. and Sen, G. (2008), *Analysing the Global Political Economy*, Princeton, ch. 1 <http://press.princeton.edu/chapters/s8785.pdf>
- Cohen, B. (2007), "The transatlantic divide: why are American and British IPE so different?" *Review of International Political Economy* 14,2, May http://www.polsci.ucsb.edu/faculty/cohen/recent/pdfs/RRIP_A_228731_0.pdf
- Gilpin, R. (2001), *Global Political Economy*, Princeton (ch. 1 <http://press.princeton.edu/chapters/s7093.pdf>)
- Hiscox, M. (2008), "The domestic sources of foreign economic policies", in *Global Political Economy*, Oxford, third edition http://scholar.harvard.edu/files/hiscox/files/domesticsourcesforeigneconomic_policies.pdf
- Blyth, M. (1997), "Any more bright ideas? The ideational turn of comparative political economy", *Comparative Politics* 29,2, January <http://www.markblyth.com/wp-content/uploads/2013/08/blythbrightideas.pdf>

Week 3: **Three Paradigms: Liberalism, Mercantilism, Marxism**

IPE has three main "paradigms" – ways of looking at the world. Economic liberals advocate a separation of "politics" from "economics", and the "state" from the "market". *Laissez faire*, equated with economic freedom, is the organising principle of economic liberalism. In the international sphere, liberals advocate the freedom of cross-border transactions governed by international rules. Mercantilism, otherwise known as economic realism or economic nationalism, holds that politics drives economics, and the state drives markets. International politics is a game of power among nation-states. Marxism holds that economics drives politics and international relations. The opposition of social classes is history's driving force, and material relations between classes determine the shape of national and global economies. Imperialism, from Lenin onwards, turns classical Marxism into economic exploitation of "peripheral" countries that leads to war. Post 1945, theories of neo-Marxist structuralism and dependency hold that capitalism is a system of "dependent development" or "underdevelopment" in which the "core" exploits the "periphery".

Discussion topics

- Is the liberal separation of "politics" and "economics", and "state" and "market", valid?
- Assess the strengths and weaknesses of hegemonic stability theory. How well does it apply to the world economy since the 19th century?
- Compare similarities and differences between classical Marxism, on the one hand, and imperialism, structuralism and dependency theories, on the other. How relevant are these theories to the world economy today?

- How do Liberals, Mercantilists and Marxists view the interaction between the state and the global economy?

Core reading

*Sally, R. (2008), *Trade Policy, New Century: The WTO, FTAs and Asia Rising*, London: Institute of Economic Affairs. (The US edition is *New Frontiers in Free Trade*, Washington DC: Cato Institute). Chapter 2 (“Free trade versus protection”)

<http://www.iea.org.uk/sites/default/files/publications/files/upldbook432pdf.pdf>

*Gilpin, R. (2001), *Global Political Economy*, ch. 1, pp. 15-23 (“My perspective: state-centric realism”), ch. 3 (“The neoclassical conception of the economy”), ch. 4 (“The study of IPE”) (IVLE)

*Heilbroner, R. (1999), *The Worldly Philosophers*, ch. 6 on Marx (IVLE)

Background reading

Heilbroner, R. (1999), *The Worldly Philosophers*, Simon and Schuster, seventh edition, chs. 2,3,4,9 (NUS Library classification, Location: CL Books , Call: HB76 Hei, Status: Available)

Sally, R. (1998), *Classical Liberalism and International Economic Order*, Routledge, ch. 9

http://samples.sainsburysebooks.co.uk/9781134710263_sample_682129.pdf

Watson, M. (2011), “The historical roots of theoretical traditions in Global Political Economy”, ch. 2 in Ravenhill, *Global Political Economy*

Krasner, Stephen (1976), “State power and the structure of international trade”, *World Politics*, pp. 317-347

<http://www.indiana.edu/~gradipe/docs/krasner.pdf>

Viner, J. (1948), “Power versus plenty as objectives of foreign policy in the seventeenth and eighteenth centuries”, *World Politics* 1,1, October

<http://homes.ieu.edu.tr/~ibagdadi/INT230/Jacob%20Viner%20-%20Power%20versus%20Plenty.pdf>

Kindleberger, C. (2013), *The World in Depression 1929-1939*, University of California Press

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HC57 Kin)

Podcast (2008), *Revisiting Marx: Is Marxism Still Relevant?*

<http://www.lse.ac.uk/newsAndMedia/videoAndAudio/channels/publicLecturesAndEvents/player.aspx?id=118>

Shields, S., Bruff, I. and Macartney, H. eds. (2011), *Critical International Political Economy*, Palgrave (see “Introduction”

http://www.palgrave.com/resources/sample-chapters/9780230280304_sample.pdf

Cox, R. (1981), “Social forces, states and world orders: beyond International Relations theory”, *Millennium: Journal of International Studies* 10, 126

https://www.uni-erfurt.de/fileadmin/public-docs/Internationale_Beziehungen/cox.pdf

PART TWO: HISTORY OF THE WORLD ECONOMY

See this PBS website (<http://www.pbs.org/wgbh/commandingheights/hi/index.html>) for the documentary series *Commanding Heights: The Battle for the World Economy*. It looks at the forces that have shaped the global economy, from World War One to globalisation after the Cold War.

Week 4: The World Economy pre-1945

This session takes a long historical sweep through almost a millennium of world economic history, though its focus is on the period from the Industrial Revolution to 1945. Economic globalisation can be traced back at least as far as the *Pax Mongolica* in the twelfth and thirteenth centuries AD. Before the Industrial Revolution, Western Europe caught up with and overtook other parts of the world. The Industrial Revolution sparked a “Great Divergence” between the West, initially led by Western Europe, and the Rest. A British-led liberal international economic order, with hitherto unprecedented globalisation, ensued, especially in the second half of the nineteenth century up to World War One. But this order collapsed – it “deglobalised” – between the two world wars of the twentieth century.

Discussion topics

- Why did the West overtake other parts of the world before, during and after the Industrial Revolution?
- What were the main elements of the nineteenth-century liberal international economic order? Why didn't nineteenth-century globalisation prevent World War One?
- Why did the United States “fail to lead” in the interwar period? Was this the main cause of the Great Depression?

Core reading

*Wolf, M. (2004), *Why Globalisation Works*, Yale, ch. 8 (“The rise, fall and rise of a liberal global economy”) (IVLE)

*Eichengreen, B. (2008), *Globalising Capital*, Princeton, second edition, ch. 2 (“The gold standard”) (IVLE)

*Kindleberger, C. (2013), *The World in Depression 1929-1939*, ch. 14 (“An explanation of the 1929 depression”)

<http://www.colby.edu/economics/faculty/jmlong/ec333/kindleberger.pdf>

Background reading

Wolf, M. (2004), *Why Globalisation Works*, ch. 7 (“Globalisation in the long run”)

- Eichengreen, B. (2008), *Globalising Capital*, ch. 3 (“Interwar instability”)
- Kindleberger, C. (1999), “The rise of free trade in Western Europe 1820-1875”, ch. 5 in J. Frieden and D. Lake eds., *International Political Economy*, fourth edition, Routledge
(NUS LIBRARY CLASSIFICATION, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)
- Eichengreen, B. (1999), “The political economy of the Smoot-Hawley tariff”, ch. 2 in J. Frieden and D. Lake eds., *International Political Economy*, fourth edition, Routledge
(NUS LIBRARY CLASSIFICATION, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)
- Maddison, A. (2007), *Contours of the World Economy: Essays in Macroeconomic History 1-2030 AD*, OUP, chs. 2&3
(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HC21 Mad 2007)
- Polanyi, K. (2001), *The Great Transformation*, Beacon Press
http://www2.dse.unibo.it/ardeni/papers_development/KarlPolanyi_The-Great-Transformation_book.pdf
- Frieden, J. (2007), *Global Capitalism*, WW. Norton, Parts I & II
(NUS LIBRARY CLASSIFICATION, Location: HSSML Books, Call# HF1359 Fri 2006)

Week 5: **The World Economy post-1945 -- Reglobalisation**

A liberal international economic order was restored under US leadership and the Bretton Woods system. But it was different from the nineteenth-century order, combining “Smith abroad and Keynes at home”. New international organisations were created, notably the IMF, World Bank and GATT. But the gold-dollar standard collapsed in 1971 and was replaced by a variety of exchange-rate arrangements. Capital controls were liberalised and capital flowed abundantly across borders. The GATT became the WTO; trade and foreign investment expanded considerably. The world “reglobalised”, especially with the opening up of the developing world and the end of the Cold War. US power came under more challenge with greater multipolarity. The global financial crisis of 2008 closed one chapter of the world economy and opened a new one.

Discussion topics

- Why is the post-1945 world economy called “Smith abroad and Keynes at home”? How does it differ from the nineteenth-century world economy?
- Compare the evolution of international exchange-rate and trade regimes since 1945. Why was there continuity in trade (from GATT to WTO) but disruption in exchange rates (the collapse of Bretton Woods)?
- How globalised is the world economy today compared with the situation pre-1914? What are the political implications?

Core reading

*Ruggie, J. (1982), "International regimes, transactions and change: embedded liberalism in the post-war economic order", *International Organisation* 36,2, Spring

http://www.wto.org/english/forums_e/public_forum_e/ruggie_embedded_liberalism.pdf

* Rodrik, D. (2011), *The Globalisation Paradox*, OUP, Introduction ("Recasting globalisation's narrative") and ch. 1 ("Of markets and states: globalisation in history's mirror") <http://digamo.free.fr/rodrik11.pdf>

*Wolf, M. (2004), "Globalisation and global economic governance", *Oxford Review of Economic Policy* 20,1 <http://people.ds.cam.ac.uk/mb65/documents/wolf-2004.pdf>

Background reading

Bordo, M., Eichengreen, B. and Irwin, D. (1999), "Is globalisation today really different from globalisation 100 years ago?" *NBER Working Paper* 7195, June <http://www.nber.org/papers/w7195.pdf>

Ravenhill, J. ed. (2011), *Global Political Economy*, chs. 5 (Winham), 7 (Helleiner), 9 (McGrew), 10 (Hay) & 11 (Thun)

(NUS LIBRARY CLASSIFICATION, Location: CL RBR (Loans Desk 1), Call# HF1359 Glo 2014)

Frieden, J., Lake, D. and Broz, L. eds. (2010), *International Political Economy*, chs. 4 (Frankel), 12 (Drezner), 20 (Rogowski) & 27 (Williamson)

(NUS LIBRARY CLASSIFICATION, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)

Wolf, M. (2004), *Why Globalisation Works*, Parts I & II

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HF1359 Wol 2004)

Finlay, R. and O'Rourke, K. (2007), *Power and Plenty*, chs. 9&10

(NUS LIBRARY CLASSIFICATION, Location: CL Books, call# HF1379 Fin 2007)

Frieden, J. (2007), *Global Capitalism*, Parts III & IV

(NUS LIBRARY CLASSIFICATION, Location: HSSML Books, Call# HF1359 Fri 2006)

Gilpin, R. (2001), *Global Political Economy*, ch. 14

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HF1359 Gil)

PART THREE: GLOBALISATION AND MODERN POLICY

Week 6: International Monetary Relations and Finance

The post-Bretton Woods system of exchange rates is a "non-regime": floating and fixed exchange rates, currency unions, currency blocs and hybrid arrangements all coexist. Capital has globalised at great speed and in great volumes, in the process creating fear of "global imbalances". Financial crises have recurred,

culminating in the biggest crisis since the Great Depression. Financial globalisation challenges national autonomy in monetary, exchange-rate and fiscal policies. It is also a challenge for “global governance”. Emerging markets – notably China – have acquired more weight in international finance, but it is questionable whether this has translated into a shift of power in global macroeconomic policy-making. These issues revolve around the IMF and calls for its reform.

Discussion topics

- How has the distribution of economic power in global finance shifted in recent decades? What impact does it have in policy-making, especially in the IMF?
- Is the post-1971 international monetary system based on floating exchange rates inherently unstable?
- Compare rival explanations on the causes and consequences of the recent global financial crisis.

Core reading

*Wolf, M. (2014), *The Shifts and the Shocks*, Penguin Press, “Conclusion: fire next time”, pp. 318-353 (IVLE)

*Eichengreen, B. (2008), *Globalising Capital*, ch. 6 (“A brave new monetary world”) (IVLE)

*Pauly, L. (2011), “The political economy of global financial crises”, ch. 8 in Ravenhill, ed., *Global Political Economy* (IVLE)

Background reading

Hayek vs. Keynes Rap Part I (2010)

<https://www.youtube.com/watch?v=d0nERTFo-Sk>

Hayek vs. Keynes Rap Part II (2011) [https://www.youtube.com/watch?hl=en-](https://www.youtube.com/watch?hl=en-GB&v=GTQnarzmTOc&gl=SG)

[GB&v=GTQnarzmTOc&gl=SG](https://www.youtube.com/watch?hl=en-GB&v=GTQnarzmTOc&gl=SG)

Reinhart, C. and Rogoff, K. (2008), “This time is different: a panoramic view of eight centuries of financial crises”, April 16th

<http://www.rrojasdatabank.info/rogoff2008.pdf>

Claessens, S. and Kose, A.M. (2013), “Financial crises: explanations, types and implications”, *IMF Working Paper* WP/13/28

<http://www.imf.org/external/pubs/ft/wp/2013/wp1328.pdf>

Wolf, M. (2014), *The Shifts and the Shocks*

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HB3722 Wol 2014)

Eichengreen, B. (2008), *Globalising Capital*, chs. 4&5

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HG3881 Eic 2008 & also Location: HSSML Books, Call# HG3881 Eic 2008)

Frieden, J., Lake, D. and Broz, L. eds. (2010), *International Political Economy*, chs. 15 (Cohen) and 16 (Frieden)

(NUS LIBRARY CLASSIFICATION, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)

Oatley, T. (2011), *International Political Economy*, chs. 10-15

(NUS LIBRARY CLASSIFICATION LOCATION: CL RBR (Loans Desk 1), Call # HF1359 Oat 2012 and LOCATION: NUSL Express (UTown) 2 hr loan Call # HF1359 Oat 2012)

Week 7: **Trade and Foreign Investment**

Growth in world trade and foreign direct investment has been critical to modern economic globalisation. Multilateral trade rules widened and deepened with the transition from the GATT to the WTO. But the WTO has struggled to adapt to changing external conditions. Preferential trade agreements have proliferated around the world. The key trade negotiations today are not in the WTO but in “mega-regionals” revolving around the USA, EU and East Asia. The rise of China and other emerging markets has made the world trading system much more multipolar. Global value chains – the fragmentation of international production and its knitting together to serve global markets – are now at the centre of international trade and investment, throwing up new policy challenges and new challenges for trade negotiations.

Discussion topics

- Is the WTO a success, a failure or something in between? What must happen for the WTO and multilateral trade rules to have a viable future?
- Assess the strengths and weaknesses of preferential trade agreements. Focus on one PTA to illustrate your presentation.
- How important are global value chains in early 21st-century international trade? What are their trade-policy implications?

Core reading

*Hoekman, B. and Kostecky, M. (2009), *The Political Economy of the World Trading System*, third edition, OUP, ch. 1 (“The trading system in perspective”) (IVLE)

*Sally, R. (2008), *Trade Policy, New Century*, chs. 4 (WTO) & 5 (FTAs) <http://www.iea.org.uk/sites/default/files/publications/files/upldbook432pdf.pdf>

*Rodrik, D. (2011), *The Globalisation Paradox*, chs. 3 (“Why doesn’t everyone get the case for free trade?”) & 4 (“Bretton Woods, GATT and the WTO: trade in a politicised world”) <http://digamo.free.fr/rodrik11.pdf>

Background reading

Sally, R. (2013), Online lecture on international trade, *Brookings Global Civics Course* <http://www.youtube.com/watch?v=MORVwZcg1to>

International Centre for Trade and Sustainable Development (2012), *The Future and the WTO: Confronting the Challenges* <http://ictsd.org/downloads/2012/07/the-future-and-the-wto-confronting-the-challenges.pdf>

WTO (2012), *Made in the World* initiative http://www.wto.org/english/res_e/statis_e/miwi_e/miwi_e.htm (Also see OECD <http://www.oecd.org/industry/ind/measuringtradeinvalue-addedanoecd-wtojointinitiative.htm>)

World Economic Forum (2012), *The Shifting Geography of Global Value Chains: Implications for Developing Countries* http://www3.weforum.org/docs/WEF_GAC_GlobalTradeSystem_Report_2012.pdf

WTO (2011), *World Trade Report 2011: The WTO and Preferential Trade Agreements – From Coexistence to Coherence* http://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report11_e.pdf

Hoekman, B. and Kostecki, M. (2009), *The Political Economy of the World Trading System*, third edition

(NUS LIBRARY CLASSIFICATION, Location: CL Books Call# HF1359 Hoe 2009)

Heydon, K. and Woolcock, S. eds. (2012) *The Ashgate Research Companion to International Trade Policy*, Ashgate, chs. 2,3,22,28

Week 8: **Energy and Environment**

The world economy entered an age of energy scarcity with the oil crises of the 1970s. Demand continued to increase to fuel industrialisation in emerging markets, commodity prices rose, and energy producers, especially in the Middle East, reaped windfall gains from their oligopolistic power. But the recent US shale revolution has upset these arrangements; energy abundance is back. At the same time, high energy use has put greater pressure on the global environment. Pollution, deforestation and water scarcity are some of the symptoms. Rapid industrialisation translates into escalating carbon emissions. Climate change has been the top environmental issue in the last two decades, but an effective regime to tackle global warming remains elusive.

Discussion topics

- How does the US shale revolution transform the politics and economics of global energy?
- To what extent is global environmentalism compatible with a liberal world economy?

- Assess the political economy of global warming. Are the “sceptics” completely wrong?

Core reading

*International Energy Agency (2015), *World Energy Outlook 2015*, Executive Summary

http://www.iea.org/publications/freepublications/publication/WEB_WorldEnergyOutlook2015ExecutiveSummaryEnglishFinal.pdf

(Also see Factsheet

http://www.worldenergyoutlook.org/media/weowebiste/2015/WE02015_Factsheets.pdf and video presentation

<https://www.youtube.com/watch?v=O8ESBtcS000&feature=youtu.be>)

*Yergin, D. (2012), “How is energy remaking the world?” *Foreign Policy* July/August

http://www.foreignpolicy.com/articles/2012/06/18/how_is_energy_remaking_the_world

*Dauvergne, P. (2011), “Globalisation and environment”, ch. 14 in Ravenhill ed., *Global Political Economy* (IVLE)

Background reading

Frankel, J. (2010), “The environment and globalisation”, ch. 29 in Frieden, Lake and Broz eds., *International Political Economy*

(NUS LIBRARY CLASSIFICATION, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)

Keohane, R. and Victor, D. (2010), “The regime complex for climate change”, *Harvard Project on International Climate Agreements Discussion Paper* 10,33, January http://belfercenter.ksg.harvard.edu/files/Keohane_Victor_Final_2.pdf

Newell, P. (2008), “The political economy of global environmental governance” http://sciencepolicy.colorado.edu/students/envs_5720/newell_2012_ch3.pdf

Global Warming Policy Foundation – for sceptical reports on the global-warming policy consensus <http://www.thegwpcf.org/category/reports/>

Henderson, D. (2010), “Climate-change issues – new developments in a 20-year context”, *Royal Economic Society* <http://www.thegwpcf.com/david-henderson-climate-change-issues-new-developments-in-a-20-year-context/>

Yergin, D. (2011), *The Quest: Energy, Security and the Remaking of the Modern World*, Penguin

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HD9502 Yer 2011 & Location: HSSML Books, Call# HD9502 Yer 2011)

Falkner, R. ed. (2013), *The Handbook of Global Climate and Environment Policy*, Wiley-Blackwell, chs. 15,22,24,26

www.elgaronline.com (E-resource accessible through NUS library)

Week 9: International Migration

A truly free world economy would have unimpeded cross-border movement of people as well as of goods, services and capital. Nineteenth-century globalisation saw unprecedented movement of people across borders. But barriers went up from 1914. Since then, vast improvements in transport and communications have made cross-border movement easier, but national barriers to migrants remain much higher than they were pre-1914. The market for labour is the least integrated, most protectionist and most politically sensitive part of the global economy.

Discussion topics

- Compare the globalisation of labour today with that of nineteenth-century globalisation. Why is the cross-border movement of labour so much more restricted than that of goods, services and capital?
- What are the prospects for international and regional cooperation on the cross-border movement of people? What form should it take?
- Do remittances and outmigration have positive or negative consequences?

Core reading

*Cornelius, W. and Rosenblum, M. (2005), "Immigration and politics", *Annual Review of Political Science*, vol. 8, June, pp. 99-119 (IVLE)

*Hatton, T. and Williamson, J. (2008), *Global Migration and the World Economy*, MIT Press, pp. 7-30, 203-223 (IVLE)

*Hatton, T. (2006), *Should we have a WTO for International Migration?* Institute for the Study of Labour, Julian Simon Lecture Series no. III
http://www.iza.org/conference_files/amm2006/hatton_t129.pdf

Background reading

Hollifield, J. (2012), "Why do states risk migration?" Paper for IPSA's World Congress of Political Science, Berlin, July 8-12
http://paperroom.ipsa.org/papers/paper_25254.pdf

Rosenblum, M. and Tichenor, D. (eds.) (2012), *Oxford Handbook of the Politics of International Migration*, OUP

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# JV6035 Oxf 2012)

Peters, M (2014), "Open trade, closed borders: immigration in the era of globalisation", *World Politics*, June
http://campuspress.yale.edu/margaretpeters/files/2011/10/Open_trade_closed_borders_accepted_web-qaetcq.pdf

Hansen, R., Koehler, J. and Money, J. (eds) (2011), *Migration, Nation-States and International Cooperation*, Routledge

Ahmed, F. (2012), "The perils of unearned foreign income: aid, remittances and government survival", *American Political Science Review* 106,1, February, pp. 146-165
(Available online in the NUS library)

Week 10: Urbanisation and Cities

Urbanisation is one of the "megatrends" of the 21st century. People are moving from the countryside to old and new cities at unprecedented speed and scale – almost all of it outside the West. Over half of the world's population now lives in cities and accounts for over 80 per cent of world GDP. Cities, therefore, determine the wealth of nations; they are the nerve centres of the global economy. That also makes them more important political actors. Successful policy innovation happens more in cities than in national capitals and international organisations; policy-making is more flexible and practical the closer it is to the citizen. How much more important will cities, and their surrounding regions, become in national, regional and global governance?

Discussion topics

- Assess early 21st-century urbanisation in the world economy. What are its opportunities and challenges?
- How important are cities as political units in the world economy? Will they challenge the primacy of nation-states?
- What are "global cities"? What role do they play in international economics and politics?

Core reading

*World Economic Forum (2014), *The Competitiveness of Cities*, pp. 5-13, 50-57
http://www3.weforum.org/docs/GAC/2014/WEF_GAC_CompetitivenessOfCities_Report_2014.pdf

*McKinsey Global Institute (2013), *Urban World: The Shifting Global Business Landscape*, Executive Summary
http://www.mckinsey.com/insights/urbanization/urban_world_the_shifting_global_business_landscape

*Glaeser, E. (2011), *The Triumph of the City*, Penguin, "Introduction" (pp. 1-15) and "Conclusion" (pp. 247-270) (IVLE)

Background reading

McKinsey Global Institute (2011), *Urban World: Mapping the Economic Power of Cities*, Executive Summary
http://www.mckinsey.com/insights/urbanization/urban_world

Jacobs, J. (1985), *Cities and the Wealth of Nations*, Vintage Books, esp. ch. 2 (pp. 29-44) (NUS LIBRARY CLASSIFICATION, Location: CL RBR (Loans Desk 1), Call# HT321 Jac)

Kotkin, J. (2006), *The City: A Global History*, Modern Library, especially pp. 80-137 (NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HT111 Kot 2005)

Bell, D. and De-Shalit, A. (2011), *The Spirit of Cities: Why the Identity of a City Matters in a Global Age*, Princeton, especially chapters on Hong Kong and Singapore (pp. 78-139) (NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HT151 Bel 2011)

Seabright, P. (2010), *The Company of Strangers: A Natural History of Economic Life*, Princeton, ch. 10 on cities (pp. 157-171) (NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HM708 Sea 2004)

PART FOUR: COUNTRIES, REGIONS AND ACTORS

Week 11: Developed Countries, Developing Countries and Regionalism

Developed countries, centred on an “Atlantic economy”, dominated the first post-1945 reglobalisation. Developing countries were left behind, with the exception of a handful of East Asian “tiger” economies. But the second post-1945 reglobalisation, from about 1980, was characterised chiefly by the “rise of the rest” – the opening and global integration of developing countries. China headed the pack, but it included Brazil, India and Russia. Emerging markets continued to grow relatively fast while the West slumped in the wake of the recent global financial crisis. Another relatively recent phenomenon is regionalism. Regional centres of economic activity have emerged, especially in North America, the European Union and East Asia. Regionalism is most pronounced in trade policy, but it remains weak in other policy areas.

Discussion topics

- How and why have developing countries liberalised since the 1970s? Have they followed the “Washington Consensus”, the “Beijing Consensus” or an “East Asian model”? Or none of the above?
- Is a Great Convergence taking place between emerging markets and the West? To what extent is it led by China?
- What accounts for the proliferation of regional trade agreements since the early 1990s? Why is regionalism much weaker in other areas of global economic policy?

Core reading

*Dollar, D. (2010), “Globalisation, poverty and inequality since 1980”, ch. 25 in Frieden, Lake and Broz eds., *International Political Economy* (IVLE)

*Ravenhill, J. ed. (2011), *Global Political Economy*, chapters by Ravenhill (“Regional trade agreements”) and Wade (“Growth, inequality and poverty”) (IVLE)

*Mahbubani, K. (2013), *The Great Convergence: Asia, the West and the Logic of One World*, Public Affairs, ch. 1 (“A new global civilisation”) (IVLE)

Background reading

Hall, P. and Soskice, D (2001), *Varieties of Capitalism*, OUP, “Introduction”
<http://www.lse.ac.uk/government/whosWho/Academic%20profiles/dwsoskice@lse.ac.uk/Hall-Soskice-Intro-VoC-2001.pdf>

Frieden, J., Lake, D. and Broz, L. eds. (2010), *International Political Economy*, chs. 26 (Acemoglu) and 27 (Williamson)

Gilpin, R. (2001), *Global Political Economy*, chs. 12 (“State and economic development”) and 13 (“Political economy of regional integration”)

(NUS LIBRARY CLASSIFICATION, Location: CL Books, Call# HF1359 Gil)

Wolf, M. (2004), *Why Globalisation Works*, ch. 9 (“Incensed with inequality”)

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Rodrik, D. (2011), *The Globalisation Paradox*, chs. 7,9,11&12
<http://digamo.free.fr/rodrikg11.pdf>

Hoekman, B. and Kostecki, M. (2009), *The Political Economy of the World Trading System*, chs. 10&12

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Narlikar, A. ed. (2013), “Negotiating the rise of new powers”, *International Affairs*, Special Issue, 89,3, May (cf. transcript of Chatham House discussion

<http://www.chathamhouse.org/sites/files/chathamhouse/public/Meetings/Meeting%20Transcripts/220513RisingPowers.pdf>)

James, H. (2012), “International order after the financial crisis”, *Penn State Journal of Law and International Affairs*, 1,2

<http://elibrary.law.psu.edu/cgi/viewcontent.cgi?article=1013&context=jlia>

Week 12: Governments, International Organisations and Non-State Actors

Until the 1970s, the study of international politics was “state-centric”, considered to be interactions among nation-states, represented by their governments. But post-1945 economic interdependence – what we now call globalisation – led to consideration of new actors. “Regime theory” and, later, studies of “global governance” put more stress on international (inter-governmental) organisations. The IMF, the World Bank and the WTO are the three main global economic institutions. Non-governmental actors have also become increasingly important. Multinational enterprises and foreign direct investment are at the heart of economic globalisation. In the last two decades, non-profit non-governmental organisations (NGOs), such as Oxfam, Médecins Sans Frontières and the World Wildlife Fund, have played more active and prominent roles in global economic, environmental and health policies.

<http://www.ictsd.org/downloads/2012/07/the-future-and-the-wto-confronting-the-challenges.pdf>

Week 13: **Overview and Revision**