

## INTERNATIONAL POLITICAL ECONOMY

**Module Code: PP5903**

**Module Coordinator: Dr Razeen Sally**

**Semester: Semester 1, 2017/18**

**Faculty: Lee Kuan Yew School of Public Policy**

**Module Schedule: Mondays, 2-5 pm, SR3-1**

### Course description and objectives

This course brings together politics, economics and international relations on issues relevant to the global economy, and particularly to Asia in 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, especially in Asia. The course divides into five parts: 1) IPE concepts; 2) history of the world economy, focusing on the post-1945 era; 3) globalisation and modern policy; 4) Asia and IPE; 5) group assignments. 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. Part Four highlights cross-cutting themes relevant to the international political economy of Asia – its key actors (governments, regional groupings, business and NGOs), institutional challenges and geopolitics. Finally, towards the end of the course, group presentations will tackle specific policy issues in Asia from IPE perspectives.

### Prerequisites

None.

### Seminar format

Seminars consist of lectures, class presentations and class discussion. Typically, a one-hour lecture is followed by two or three class presentations, followed in turn by class discussion. A presentation should last 10-15 minutes. 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.

## Assessment

Grading consists of one analytical essay or policy brief, a group assignment, class presentations, class participation, and a class test in the final session.

- An analytical essay or policy brief (maximum 3000 words) (30%)
- Group assignment (10%)
- Class presentations (15%)
- Class discussion (15%)
- Class test (30%)

## Syllabus

### PART ONE: THEORY AND CONCEPTS

#### Week 1: 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)
- Ravenhill, J. ed. (2011), *Global Political Economy*, Oxford, third edition, pp. 3-27 (IVLE)
- Frieden, J., Lake, D. and Broz, L. eds. (2010), *International Political Economy*, W.W. Norton, fifth edition, “Introduction” (IVLE)

#### Background reading

- 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\\_O.pdf](http://www.polsci.ucsb.edu/faculty/cohen/recent/pdfs/RRIP_A_228731_O.pdf)

- Gilpin, R. (2001), Global Political Economy, Princeton (ch. 1 <http://press.princeton.edu/chapters/s7093.pdf>)
- 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>
- Hiscox, M. (2008), "The domestic sources of foreign economic policies", in Global Political Economy, Oxford, third edition <http://scholar.harvard.edu/files/hiscox/files/domesticourcesforeigneconomicpolicies.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 2: 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 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

- 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

- Moravcsik, A. (2009), "The New Liberalism", in Reus-Smit, C. and Snidal, D. eds., The Oxford Handbook of International Relations, Oxford University Press (NUS LIBRARY Location: CL Books, Call# JZ1242 Oxf 2008)
- Kirshner, J. (2009), "Realist political economy: traditional themes and contemporary challenges", in Blyth, M. ed., Routledge Handbook of International Political Economy, Routledge (NUS LIBRARY Location: CL Books, Call# HF1359 Rou 2009)
- 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>
- Sally, R. (1998), Classical Liberalism and International Economic Order, Routledge, ch. 9 [www.marketsandmorality.com/index.php/mandm/article/download/621/611](http://www.marketsandmorality.com/index.php/mandm/article/download/621/611)
- Watson, M. (2011), "The historical roots of theoretical traditions in Global Political Economy", ch. 2 in Ravenhill, Global Political Economy [http://global.oup.com/uk/orc/politics/pol\\_econ/ravenhill5e/chapters/ch02](http://global.oup.com/uk/orc/politics/pol_econ/ravenhill5e/chapters/ch02)
- 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, 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](http://www.palgrave.com/resources/sample-chapters/9780230280304_sample.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 3: 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 Asia. The Industrial Revolution sparked a “Great Divergence” between the West, initially led by Western Europe, on the one hand, and Asia and the rest of the world, on the other. 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 Asia 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)
- Maddison, A. (2007), *Contours of the World Economy: Essays in Macroeconomic History 1-2030 AD*, OUP, ch. 3 (“The interaction between Asia and the West, 1500-2003”) (IVLE)
- Kindleberger, C. (2013), *The World in Depression 1929-1939*, ch. 14 (“An explanation of the 1929 depression”)  
[http://media.library.ku.edu.tr/reserve/resfall16\\_17/IntI531\\_CBakir/week7.pdf](http://media.library.ku.edu.tr/reserve/resfall16_17/IntI531_CBakir/week7.pdf)

## Background reading

- Wolf, M. (2004), *Why Globalisation Works*, ch. 7 (“Globalisation in the long run”)
- Finlay, R. and O’Rourke, K. (2007), *Power and Plenty: Trade, War and the World Economy in the Second Millennium*, Princeton University Press, sections on south, southeast and east Asia in all chapters, especially chs. 7,8. (See Preface, IISS Discussion Paper 205, February <https://www.tcd.ie/iis/documents/discussion/pdfs/iisdp205.pdf>.)
- Eichengreen, B. (2008), *Globalising Capital*, Princeton, chs. 2 (“The gold standard”) & 3 (“Interwar instability”) (NUS LIBRARY, Location CL Books, Call# HG3881 Eic 2008)
- 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, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)
- 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, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)
- Polanyi, K. (2001), *The Great Transformation*, Beacon Press  
[http://inctpped.ie.ufrj.br/spiderweb/pdf\\_4/Great\\_Transformation.pdf](http://inctpped.ie.ufrj.br/spiderweb/pdf_4/Great_Transformation.pdf)



#### **Week 4: The World Economy post-1945 -- Reglobalisation**

US leadership and the Bretton Woods system restored a liberal international economic order. 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; a variety of exchange-rate arrangements replaced it. Capital controls were removed and capital flowed abundantly across borders. The GATT became the WTO; trade and foreign investment expanded considerably. Asia was the heart of “reglobalisation”, starting with the East Asian Tigers and followed by China and India. 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 and why has Asia “reglobalised” and converged with the West after 1945? Post-GFC, is this process coming to an end, or will it accelerate?

#### **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](http://www.wto.org/english/forums_e/public_forum_e/ruggie_embedded_liberalism.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>
- Asian Development Bank (2011), *Asia 2050: Realising the Asian Century*, especially chs. 1&2, pp. 11-17 [http://www.unido.org/fileadmin/user\\_media/UNIDO\\_Worldwide/Asia\\_and\\_Pacific\\_Programme/Documents/AsianDevelopmentBankreport\\_asia-2050.pdf](http://www.unido.org/fileadmin/user_media/UNIDO_Worldwide/Asia_and_Pacific_Programme/Documents/AsianDevelopmentBankreport_asia-2050.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, 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, Location: CL RBR (Loans Desk 1), Call# HF1411 Int)
- Wolf, M. (2004), Why Globalisation Works, Parts I & II (NUS LIBRARY, Location: CL Books, Call# HF1359 Wol 2004)
- Finlay, R. and O'Rourke, K. (2007), Power and Plenty, chs. 9&10 (NUS LIBRARY, Location: CL Books, call# HF1379 Fin 2007)
- Frieden, J. (2007), Global Capitalism, Parts III & IV (NUS LIBRARY, Location: HSSML Books, Call# HF1359 Fri 2006)
- Gilpin, R. (2001), Global Political Economy, ch. 14 (NUS LIBRARY, Location: CL Books, Call# HF1359 Gil)
- Australian Government (2012), Australia in the Asian Century, ch. 1, pp. 28-47 <http://pandora.nla.gov.au/pan/133850/20130914-0122/asiancentury.dpmc.gov.au/sites/default/files/white-paper/australia-in-the-asian-century-white-paper.pdf>

## Week 5: 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” and financial crises. 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. China’s “Belt and Road” initiative and leadership of the new Asian Infrastructure Investment Bank show its greater financial power.

### Discussion topics

- How has the distribution of economic power in global finance shifted in the past decade? What impact does it have in policy-making, in the IMF and beyond it?
- Is the post-1971 international monetary system based on floating exchange rates inherently unstable?
- Compare rival explanations of the causes and consequences of the last 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-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)

Growth in world trade and foreign direct investment has been critical to modern economic globalisation. And Asia's rise is most visible in trade and FDI. 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, especially in Asia. 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, with East Asia as their manufacturing hub. But trade and FDI growth has slowed down recently, and an anti-globalisation backlash in the West has surfaced. This raises big questions about the traditional export-led growth model and post-1945 international trade governance.

### 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, focusing on Asia. With US withdrawal from the TPP, will China now exercise trade leadership in Asia?
- How important are global value chains in early 21st-century international trade, and what are their trade-policy implications? Focus on GVCs in Asia.
- What are the implications of the new anti-globalisation backlash in the West for international trade?

### Core reading

- Hoekman, B. and Kostecki, M. (2009), *The Political Economy of the World Trading System*, third edition, OUP, ch. 1 ("The trading system in perspective") (IVLE)
- Baldwin, R. (2016), *The Great Convergence: Information Technology and the New Globalisation*, Belknap Press, "Introduction", pp. 1-15, and ch. 3 ("ICT and Globalisation's Second Unbundling"), pp. 79-109 (IVLE)
- Sally, R. (2017), "Best of three scenarios for world trade", East Asia Forum, 23rd April [http://www.easiaforum.org/2017/04/23/best-of-three-scenarios-for-world-trade/?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter2017-04-23](http://www.easiaforum.org/2017/04/23/best-of-three-scenarios-for-world-trade/?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter2017-04-23)

### Background reading

- Baldwin, R. (2016), The Great Convergence, esp. chs. 4,5,8,9,10 NUS LIBRARY, Location CL Books, Call#HF 1365 Bal 2016
- Sally, R. (2013), Online lecture on international trade, Brookings Global Civics Course <http://www.youtube.com/watch?v=MORVwZcg1to>
- 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/rodrikg11.pdf>
- WTO (2012), Made in the World initiative [http://www.wto.org/english/res\\_e/statis\\_e/miwi\\_e/miwi\\_e.htm](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](http://www3.weforum.org/docs/WEF_GAC_GlobalTradeSystem_Report_2012.pdf)
- Kawai, M. and G. Wignaraja (2013), “Patterns of free trade areas in Asia”, East-West Center, Policy Studies no. 65 <http://www.eastwestcenter.org/sites/default/files/private/ps065.pdf> (Presentation slides [http://www.wto.org/english/res\\_e/reser\\_e/wts\\_future2013\\_e/Kawai\\_Wignaraja.pdf](http://www.wto.org/english/res_e/reser_e/wts_future2013_e/Kawai_Wignaraja.pdf) )
- Hoekman, B. and Kostecki, M. (2009), The Political Economy of the World Trading System, third edition (NUS LIBRARY, 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 (NUS LIBRARY, Location CL Books, Call# HF1379 Ash 2012)

The world economy entered an age of energy scarcity with the oil crises of the 1970s. Demand continued to increase to fuel industrialisation, especially in Asia, commodity prices rose, and energy producers 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, especially in Asia. 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 and energy-intensive industrialisation? Focus on Asia.
- What is Asia's role in the economics and politics of global climate change? Comment particularly on China and India.

### Core reading

- International Energy Agency (2016), World Energy Outlook 2016, Executive Summary <https://www.iea.org/publications/freepublications/publication/WorldEnergyOutlook2016ExecutiveSummaryEnglish.pdf> (Also see Factsheet <https://www.iea.org/media/publications/weo/WEO2016Factsheet.pdf> and video presentation <https://www.youtube.com/watch?v=DXXEX8INQao> )
- 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](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

- BP (2016), Statistical Review of World Energy 2016 <https://www.bp.com/content/dam/bp/pdf/energy-economics/statistical-review-2016/bp-statistical-review-of-world-energy-2016-full-report.pdf>

(Presentation by Spencer Dale <http://www.bp.com/content/dam/bp/pdf/energy-economics/statistical-review-2016/bp-statistical-review-of-world-energy-2016-spencer-dale-presentation.pdf> )

- Frankel, J. (2010), “The environment and globalisation”, ch. 29 in Frieden, Lake and Broz eds., International Political Economy  
(NUS LIBRARY, 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](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](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.thegwvf.org/category/reports/>
- Henderson, D. (2010), “Climate-change issues – new developments in a 20-year context”, Royal Economic Society <http://www.thegwvf.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)



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 outmigration and remittances have positive or negative consequences? Focus on examples from Asia.

#### 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](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](http://paperroom.ipsa.org/papers/paper_25254.pdf)
- Rosenblum, M. and Tichenor, D. (eds.) (2012), Oxford Handbook of the Politics of International Migration, OUP

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Urbanisation is a 21st-century “megatrend”. People are moving from the countryside to old and new cities at unprecedented speed and scale – almost all of it outside the West, and much of it in Asia. Over half 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, especially in Asia. 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? Focus on examples from Asia.
- What are “global cities”? What role do they play in international economics and politics? Focus on examples from Asia.

### 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](http://www3.weforum.org/docs/GAC/2014/WEF_GAC_CompetitivenessOfCities_Report_2014.pdf)
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### Background reading

- Tavares, R. (2016), *Paradiplomacy: Cities and States as Global Players*, Oxford University Press, esp. ch. 1 (“Essentials of paradiplomacy”), pp. 1-61 (NEED NUS LIBRARY CLASSIFICATION)
- McKinsey Global Institute (2011), *Urban World: Mapping the Economic Power of Cities*, Executive Summary [http://www.mckinsey.com/insights/urbanization/urban\\_world](http://www.mckinsey.com/insights/urbanization/urban_world)
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- 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)

## Week 10: Asia and IPE

Asia is hugely diverse. It contains some of the richest and poorest economies in the world, with middle-income economies in between. Many of its economies are abundant in labour; others in natural resources or in capital and knowledge. It contains authoritarian as well as democratic political systems, with hybrids in between. Asia – China in particular -- has led post-1980 reglobalisation, inducing a Great Convergence with the West. But the gaps are still large and formidable challenges remain.

This session picks out two cross-cutting themes. One is Asia's "varieties of capitalism" – its political-economic institutions in terms of their mix of "state" and "market", which differ greatly from country to country. Institutions in some countries have been successful at delivering fast catch-up growth and at integrating rapidly into the global economy. Other countries have been less successful. Are Asia's institutions capable of improving sufficiently to go beyond catch-up growth to deliver the innovation-based growth associated with more mature, advanced economies? Or will Asia's economies get stuck in a "middle-income trap"? What does this imply for Asia's political systems?

The second theme concerns geopolitics. As economic gravity shifts to Asia, so does geopolitical attention. Asian countries have closer economic links with each other, but they also have enduring tensions across land borders and seas. Rivalries between Asia's big three powers -- China, India and Japan -- come to mind, as does the admixture of the USA as the region's "balancing power". China is Asia's undisputed rising power, while doubts increase about US engagement in Asia. Institutionalised cooperation in Asia remains weak. How do such geopolitical forces affect stability and openness in Asia? And what do they mean for Asia's role in the global economy?

### Discussion topics

- Are Asia's political-economic institutions only capable of delivering catch-up growth? Will institutional backwardness slow down growth and block a transition from middle-income to higher-income economies?
- How is Asia's geopolitics changing and how does it affect Asia in the global economy?
- Are Asian powers capable of leadership in global economic affairs? Or are they doomed to "followership"? How might they reshape the hitherto US-led liberal international economic order?

### Core reading

- Rodrik, D. (ed.) (2003), In Search of Prosperity: Analytical Narratives on Economic Growth, Introduction <http://press.princeton.edu/chapters/s7518.pdf>
- Mahbubani, K. (2013), The Great Convergence: Asia, the West and the Logic of One World, Public Affairs, ch. 1 (“A new global civilisation”) (IVLE)
- Ikenberry, J. (2010), “Is a ‘One World’ order possible? The rise of China, the West and the future of liberal internationalism”, CAG Working Paper 30, Lee Kuan Yew School of Public Policy [http://lkyspp.nus.edu.sg/cag/wp-content/uploads/sites/5/2013/05/CAG\\_WorkingPaper\\_30.pdf](http://lkyspp.nus.edu.sg/cag/wp-content/uploads/sites/5/2013/05/CAG_WorkingPaper_30.pdf)

### Background reading

- Ikenberry, J. (2011), Liberal Leviathan: The Origins, Crisis and Transformation of the American World Order, Princeton University Press, esp. chs. 1 (“Crisis of the old order”) & 8 (“The durability of the liberal international order”) (NUS LIBRARY Location CL Books, Call# E895 Ike 2011)
- Frieden, J., Lake, D. and Broz, L. eds. (2010), International Political Economy, chs. 25 (Dollar), 26 (Acemoglu) and 27 (Williamson) (NUS LIBRARY Location CL Books, Call# HF1411 Int 2010)
- Rodrik, Dani (2004), “Getting institutions right” <https://www.sss.ias.edu/files/pdfs/Rodrik/Research/getting-institutions-right.pdf>
- Rodrik, Dani (2011), “The future of economic convergence” <http://www.nber.org/papers/w17400.pdf>
- Maddison, Angus (2008), “The West and the Rest in the World Economy: 1000-2030”, World Economics 9,4, October-December [http://s3.amazonaws.com/zanran\\_storage/eaepe2008.eco.uniroma3.it/ContentPages/2495484014.pdf](http://s3.amazonaws.com/zanran_storage/eaepe2008.eco.uniroma3.it/ContentPages/2495484014.pdf) (also see ch. 7 in Maddison, Contours of the World Economy (NUS LIBRARY Location CL Books, Call# HC21 Mad 2007)
- Pei, Minxin (2009), “Think again: Asia’s rise”, Foreign Policy, July/August [http://www.foreignpolicy.com/articles/2009/06/22/think\\_again\\_asias\\_rise](http://www.foreignpolicy.com/articles/2009/06/22/think_again_asias_rise)
- Acemoglu, Daron and Robinson, James (2012), Why Nations Fail: The Origins of Power, Prosperity and Poverty, Profile Books (lecture slides [http://www.lse.ac.uk/assets/richmedia/channels/publicLecturesAndEvents/slides/2011\\_0608\\_1830\\_whyNationsFail\\_sl.pdf](http://www.lse.ac.uk/assets/richmedia/channels/publicLecturesAndEvents/slides/2011_0608_1830_whyNationsFail_sl.pdf)) (NUS LIBRARY Location CL RBR, Call#HB74 Pol.Ac 2012)

- Mahbubani, Kishore (2013), *The Great Convergence: Asia, the West and the Logic of One World*, Public Affairs (NUS LIBRARY Location CL Books, Call# JZ1670 Mah 2013)
- Kaplan, Robert (2009), "Centre stage for the 21st-century: power plays in the Indian Ocean", *Foreign Affairs* April/May <http://www.foreignaffairs.com/articles/64832/robert-d-kaplan/center-stage-for-the-21st-century>
- Kaplan, Robert (2010), "The geography of Chinese power", *Foreign Affairs* May/June <http://www.foreignaffairs.com/articles/66205/robert-d-kaplan/the-geography-of-chinese-power>

**Weeks 11 & 12: Group presentations**

**Week 13: Class Test**