**CARLETON UNIVERSITY**

Bachelor of Global and International Studies

**GINS 2010A Globalization and International Economic Issues Fall 2023**

Lectures: Tues/Thurs 11:35-12:25

**Dr Sean Burges**

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Office Hours:.Wed 2-4 pm.

Office: Dunton Tower 2117

**Teaching Assistants and Groups**

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| --- | --- | --- | --- |
|  | **Day/time** | **TA** | **E-mail address** |
| A1 | Wed 13:35-14:25, Loeb D199B |  |  |
| A2 | Thurs 9:35-10:25, Loeb D199B |  |  |
| A3 | Tues 13:35-14:25, Loeb D199B |  |  |

# Course Description

This introductory course looks at the world economy, assessing how the flows of trade, finance and migration are increasingly linking us further into a complex and uneven global market, while most individuals still live in poorer, developing countries. The semester is structured around three sections: a portrait of economic, institutional and social globalization (3 classes), an understanding of the economic components of globalization (6 classes), and a comparison of the economic experiences of developing countries (3 classes).

Using basic tools from economics and political economy, we will learn how international trade influences what we can buy and for how much, and what type of jobs and salaries we can seek. From international finance, we will study how countries and markets set the values of national currencies and interest rates, why these vary over time, and how financial crises happen in our globalized economy.

The course will spend a great deal of time looking at concepts and theories in economics. While there is significant merit in these concepts, they also bring notable drawbacks in their assumptions and applied implications, which is why there is such a strong and sustained movement critiquing the ‘established wisdom’. The position taken in this course is that in order to effectively critique an idea or concept one must first understand it. Indeed, there are numerous examples across the world where the issue has not been the weaknesses of economic theory, but rather the failure to understand how these approaches apply to a specific national or local context and a consequent lack of appropriate policy planning. The goal in this course is to equip you with the tools to understand intentions, implications, and possible future directions related to international economic issues, which requires an understanding of the sorts of ideas and principles dominating contemporary economic policy debates.

# Learning Outcomes

By the end of this course students will be able to:

* Define and describe basic economic concepts related to international trade, international finance and economic development that apply to today’s globalized world.
* Apply basic economic reasoning to topics in international affairs such as trade negotiations, financial crises, migration, and development.
* Critically evaluate the main policy debates on international economic issues such as global economic governance, trade liberalization, exchange rates and financial flows.
* Be aware of the global economic background of non-economic regional or local issues such as wars or civil conflicts, and cultural changes in local communities.
* Be cognizant of how the international economy constrains and provides opportunities to people at the local level in terms of incomes, jobs, security and knowledge.
* Be able to search and evaluate descriptive statistical information on countries’ income per capita, economic growth, trade composition, etc. to inform arguments related to global issues, as dealt with in the disciplines of economics, political science, history, law, anthropology, sociology, etc.

# Class Format and Expectations

Lectures will provide the theoretical and conceptual basis for each topic, including clarification of key concepts and examples of how they can be applied. Tutorials will begin in the 2nd week of the semester. In order to facilitate an active approach to learning in the tutorials the course will make use of case studies that will not only require your active involvement during the class, but prior preparation and planning as individuals and as groups. The results of these tutorial sessions will be reported back to the course instructor by the tutors and used to guide a reflective component of the lecture program. Further details on the tasks for specific tutorials are either below or will be posted on the course Brightspace page.

Active participation in tutorial groups is expected and will be demonstrated in the extent to which you contribute critically with questions and informed comments, not only with your online attendance. If you miss any lecture or tutorial you will still be examined on all course material discussed on that day in the assessment exercises for the course.

Note on punctuality: Late arrival or early departure from a lecture or tutorial is disruptive to everyone, and therefore it is not allowed. No oral justification will be taken but a written one sent to the assigned Teaching Assistant before the lecture/discussion date might be considered.

# Textbooks and Other Readings

There is no core textbook for the course, but there are a required set of case studies which you must purchase from Georgetown University’s Institute for the Study of Diplomacy. With a view to economic parsimony the course has instead been designed around core readings that can be accessed either through the Carleton University Library or free online.

A discounted rate for the collected case studies from Georgetown has been negotiated and you can make the purchase by following the link below. I urge you to purchase the case study pack so that the ISD can continue to make these resources available to future students – publishing these cases is definitely not a money maker for the Institute.

You can find the case study pack here:

<https://isd-georgetown-university.myshopify.com/products/carleton-university-gins2010-globalization-and-international-economic-issues>

Other readings will be posted through Carleton University Library Online Reserves (ARES) or made available on the course Brigthspace page.

# Evaluation and Grading

Tutorial Participation 10%

Book Review (due Monday November 6th) 10%

Research Paper Proposal (due Friday, October 20th) 10%

Research Paper (Due Friday, November 24th) 30%

Final Exam (During December examination period) 40%

*All assignments are to be submitted in Microsoft Word or .rtf format through the course Brigthspace portal.*

1. Book Review Assignment– 10% of final grade **– Due by 5 pm, Monday November 6th**

The first course assignment is to write a book review of one of the following books:

* Jeremy Adelman (2013). *Worldly Philosopher: The Odyssey of Albert O. Hirschman* (Princeton: Princeton University Press).
* Stephen R Bown (2020). *The Company: The Rise and Fall of the Hudson’s Bay Empire* (Toronto: DoubleDay Canada).
* Deborah Brautigam (2009). *The Dragon’s Gift: The Real Story of China in Africa* (New York: Oxford University Press).
* Olliver Bullough (2018). *Moneyland: Why Thieves and Crooks Now Rule the World and How to Take it Back* (London: Profile Books).
* Dosman, Edgar J. (2008). *The Life and Times of Raúl Prebisch, 1901-1986* (Montreal: MQUP).
* Stefan Eich (2022). *The Currency of Politics: The Political Theory of Money from Aristotle to Keynes* (Princeton: Princeton University Press).
* Kevin Gallagher and Roberto Porzecanski (2010). *The Dragon in the Room: China and the Future of Latin American Industrialization* (Stanford: Stanford University Press).
* Misha Glenny (2008). *McMafia: A Journey Through the Global Criminal Underworld* (London: Random House).
* Stephanie Kelton (2020). *The Deficit Myth: Modern Monetary Theory and the Birth of the People’s Economy* (New York: Public Affairs).
* Valerie Marcel (2006). *Oil Titans: National Oil Companies in the Middle East* (London: Chatham House).
* Mariana Mazzucato (2015). *The Entrepreneurial State: Debunking Public vs Private Sector Myths* (New York: Public Affairs).
* Mariana Mazzucato (2018). *The Value of Everything: Making & Taking in the Global Economy* (New York: Public Affairs).
* Kate Raworth (2017). *Doughnut Economics: Seven Ways to Think Like a 21st Century Economist* (White River Junction, VT: Chelsea Green Publishing).
* William I Robinson (2008). *Latin America and Global Capitalism: A Critical Globalization Perspective* (Baltimore: Johns Hopkins University Press).
* Nicholas Shaxson (2008). *Poisoned Wells: The Dirty Politics of African Oil* (Basingstoke: Palgrave MacMillan).
* Nicholas Shaxson (2012). Treasure Island: Uncovering the Damage of Offshore Banking and Tax Havens (Basingstoke: Palgrave MacMillan).
* Susan Strange (1998). *Mad Money: When Markets Overthrow Governments* (Ann Arbor: University of Michigan Press).
* Daniel Yergin (2009). *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon and Schuster).

1. The Summative Policy Paper Cycle: two assignments – proposal and finished paper

Your paper will explain how economic globalization positively or negatively impacted an a country’s response to an international shock (i.e., global financial crisis, commodity boom, COVID-19 pandemic) or long-term process (i.e., rise of global value chains, changes in migration policy, economic/political changes in a key trading partner). The argument you present must be grounded in the theoretical concepts discussed in this course and supported by the sorts of descriptive statistics found in the course readings and lectures. Your goal in this paper is draw policy lessons from the case you have studied that might inform decision made in response to similar contemporary or future crises. Your core literature must be drawn from academic sources and you should give attention to pointing out the weaknesses as well as the strengths of your argument.

***3.1 Research Paper Proposal***

(~500 words including references) – 10% of final grade – **DUE 5 pm, Friday Oct. 20th**

Your policy paper will present your research question, working hypothesis, and the theoretical and evidentiary approach you intend to use to support your argument. A central part of this paper is to identify the country and policy shock you are investigating and build a question around these two factors. Theory is intended to provide an idea of how you plan to explore the question and what sort of evidence you are likely to collect and marshal in support of your argument. Your proposal must include an annotated bibliography. You must submit and have your policy paper proposal approved in order to be eligible to submit your final summative policy paper at the end of the exam period. The paper proposal must be submitted through the course Brightspace portal.

**3.2** ***Final Summative Policy Paper***

(2,000 words, excluding references) – 30% of final grade, **DUE MIDNIGHT, Friday, November 24th**

You will submit a polished 2,000 word paper (excluding references) per the paper proposal that has been agreed with the course professor. This is a piece of formal academic work and as must follow the appropriate conventions for citations and referencing. It is an independent piece of work and must be researched and prepared by you independently – Carleton University’s academic conduct rules do apply. The paper may be prepared in single- or double-spaced format as you prefer, but it must be submitted through the course Brightspace portal. The set deadline is the latest that can possibly be arranged and extensions will not be available. You should be well prepared to complete this paper due to the work necessary to pass the policy paper proposal exercise and thus be eligible to complete this assignment.

**Freedom of Speech at Carleton**

The full University policy can be viewed at:

<https://carleton.ca/secretariat/wp-content/uploads/Freedom-of-Speech.pdf>

A key excerpt from the policy for our class is as follows:

“The purpose of the University also depends upon an environment of respect and tolerance. Every member needs to be able to learn, teach, live and work free from harassment and discrimination.

Therefore, subject to the limits set by law, the University is committed to the following principles:

• That the University is a place of open discussion and free inquiry;

• That the University introduces students to a wide range of ideas and does not attempt to shield students from debates or opinions that they may disagree with or find offensive;

• Faculty, students and staff are free to criticize, contest and condemn the views expressed on campus;

• At the same time, faculty, students and staff may not prevent, obstruct or interfere with the freedom of others to express their views;

• Freedom of speech includes accompanying responsibilities such as civility, respect and tolerance;

• Speech that violates the law will not be permitted including but not limited to hate speech, threatening violence, harassment, discrimination, unjustified invasion of privacy or confidentiality interests, defamation or speech that is otherwise directly incompatible with the functioning of the University.

Disagreements and dissenting views make for a vibrant academic culture. The University strives to find a balance between allowing for critical views to be expressed civilly on campus and not obstructing the freedom of others to communicate their views. In exercising free speech, staff, students and faculty are encouraged to consider the value of mutual respect. Informed, thoughtful and respectful argument, even when disagreement is profound, benefits the University community and fosters its essential purpose.”

A useful guideline is to remember that it is possible do disagree without being disagreeable. Often the ideas expressed in your class discussions are far from fully formed. Help each other work through complicated issues by asking questions that tease out meaning and clarify thoughts. There are no points to be scored for tearing each other down.

**Weekly Schedule**

Week 1 – September 4, 2023

## *Introduction to the course and its goals*

Core lecture reading

* Course outline – no kidding…. Read this whole document.
* David Shapiro, Daniel MacDonald, and Steven A. Greenlaw, Principles of Economics, 3rd edition (Openstax): Chapters 2

https://assets.openstax.org/oscms-prodcms/media/documents/Economics3e-WEB.pdf

* Susan Strange, (1994) *States and Markets* (London: Polity Press): Part 1.

Supplementary readings:

* Krisch, Nico, and Benedict Kingsbury. "Introduction: global governance and global administrative law in the international legal order." *European journal of international law* 17.1 (2006): 1-13.

Week 2 – September 11, 2023

## *Some basics and where the world is today*

Core Lecture Reading:

* David Shapiro, Daniel MacDonald, and Steven A. Greenlaw, Principles of Economics, 3rd edition (Openstax): Chapters 3 & 5

<https://assets.openstax.org/oscms-prodcms/media/documents/Economics3e-WEB.pdf>

* OECD (2019), *Perspectives on Global Development 2019 RETHINKING DEVELOPMENT STRATEGIES OVERVIEW* (Paris: OECD): https://www.oecd.org/dev/Overview\_EN\_web.pdf

Supplementary reading:

* National Intelligence Council (2021), *Global Trends 2040: A More Contested World* (Washington: United States Government): <https://www.dni.gov/files/ODNI/documents/assessments/GlobalTrends_2040.pdf>
* World Economic Forum, *The Global Risks Report 2023 18th Edition INSIGHT REPORT*: <https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf>
* International Monetary Fund (IMF), *World Economic Outlook*, <https://www.imf.org/en/publications/weo>
* UNDP (2020), *Human Development Report 2019: Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century* (New York: United Nations): <http://hdr.undp.org/en/2019-report>
* Stephen Haggard and Beth Simmons (1987), “Theories of International Regimes,” *International Organization* 41 (3) (Summer).
* Knorr, K. (1948). The Bretton Woods Institutions in Transition. *International Organization,* *2*(1), 19-38. doi:10.1017/S0020818300019226
* William I Robinson (2004), *A Theory of Global Capitalism: Production, Class, and State in a Transnational World* (Baltimore: Johns Hopkins University Press).
* Acharya, Amitav. "The future of global governance: Fragmentation may be inevitable and creative." *Global Governance: A Review of Multilateralism and International Organizations* 22.4 (2016): 453-460.

Core Tutorial Readings:

* Helleiner, Eric. "The life and times of embedded liberalism: legacies and innovations since Bretton Woods." *Review of International Political Economy* 26.6 (2019): 1112-1135.
* Ruggie, John Gerard. "International regimes, transactions, and change: embedded liberalism in the postwar economic order." *International organization* 36.2 (1982): 379-415.

Tutorial questions:

1. What is meant by embedded liberalism?
2. How do international institutions and embedded liberalism interact?
3. Given the realities of embedded liberalism, what prospect is there for major change in the international institutional system and how might it happen?

Week 3 – September 18, 2023

## *Making stuff – the mix of capital and labour*

Core lecture readings:

* David Shapiro, Daniel MacDonald, and Steven A. Greenlaw, Principles of Economics, 3rd edition (Openstax): Chapters 3 & 5

https://assets.openstax.org/oscms-prodcms/media/documents/Economics3e-WEB.pdf

* Robinson, Joan. “The Production Function and the Theory of Capital.” *The Review of Economic Studies* 21, no. 2 (1953): 81–106. <https://doi.org/10.2307/2296002>.
* Susan Strange, (1994) *States and Markets* (London: Polity Press): Chapter Four.

Supplementary readings:

* C H A P T E R 3 “National Income: Where It Comes From and Where It Goes” in Mankiw, N. Gregory, and William M. Scarth. *Macroeconomics: Canadian Edition*, Worth Publishers, Incorporated, 2019.*ProQuest Ebook Central*, <https://ebookcentral-proquest-com.proxy.library.carleton.ca/lib/oculcarleton-ebooks/detail.action?docID=6641718>.
* Mariana Mazzucato (2018). *The Value of Everything: Making & Taking in the Global Economy* (New York: Public Affairs).
* Karl Polanyi, *The Great Transformation* (Boston: Beacon Press).
  + This book is one of the classics of modern political economy.
* González‐Garibay, Montserrat. "The trade‐labour and trade‐environment linkages: together or apart?." *Journal of International Trade Law and Policy* (2011).

Core Tutorial Reading:

Case study:

Michael Clancy (2000), “Case 264 Sweating the Swoosh: Nike, the Globalization of Sneakers, and the Question on Sweatshop Labor,” ,” Institute for the Study of Diplomacy, Georgetown University: <https://isd-georgetown-university.myshopify.com/products/sweating-the-swoosh-nike-the-globalization-of-sneakers-and-the-question-of-sweatshop-labor>

Tutorial questions:

1. Assess Knight’s quip that ‘there is no value in making things anymore’. What are the implications of his statement?
2. What does the Nike case tell us about the business model underpinning the rise of many multinational corporations and what implications might this hold for government policy makers?
3. What does the rise of MNCs herald for labour and the environment? Is this process inevitable and unstoppable?
4. Who wins and who loses with the rising spread of MNCs and global value chains?

Week 4 – September 25, 2023

## *Money – all about paying for stuff?*

Core lecture readings:

* Chapter 11 ‘Money’ of van Staveren, I. (2014). Economics After the Crisis: An Introduction to Economics from a Pluralist and Global Perspective (1st ed.). Routledge. https://doi-org.proxy.library.carleton.ca/10.4324/9781315793962
* Chapter 4 “The Monetary System: What It Is and How It Works” in Mankiw, N. Gregory, and William M. Scarth. *Macroeconomics: Canadian Edition*, Worth Publishers, Incorporated, 2019.*ProQuest Ebook Central*, <https://ebookcentral-proquest-com.proxy.library.carleton.ca/lib/oculcarleton-ebooks/detail.action?docID=6641718>.
* Susan Strange, (1994) *States and Markets* (London: Polity Press): Chapter Five.

Supplementary reading:

* Stefan Eich (2022). *The Currency of Politics: The Political Theory of Money from Aristotle to Keynes* (Princeton: Princeton University Press).
* Georg Simmel (1978), *The Philosophy of Money* (London: Routledge).
* John Kenneth Galbraith (2017), *Money: Whence it Came, Where it Went* (Princeton: Princeton University Press).
* Dilip Ratha, “What are remittances?” *IMF*: <https://www.imf.org/external/pubs/ft/fandd/basics/pdf/ratha-remittances.pdf>
* Cohen, Benjamin J.. *The Geography of Money*, Ithaca, NY: Cornell University Press, 2000. <https://doi.org/10.7591/9781501722592>

Core tutorial reading:

Britta Crandal (2022), “Case 361: Dollarization Diplomacy: The Case of Ecuador and El Salvador,” Institute for the Study of Diplomacy, Georgetown University: https://isd-georgetown-university.myshopify.com/products/case-361-dollarization-diplomacy-the-case-of-ecuador-and-el-salvador

Preliminary discussion questions

1. What does it mean when a currency depreciates? What might cause depreciation to occur, and who are the winners and losers from currency depreciation?
2. What are the policy implications for a government once it decides to dollarize?
3. How might you assess the importance of domestic vs. international agents in the case of Ecuador’s decision to dollarize?
4. Why didn’t the Clinton Administration more actively support either of these countries in dollarizing? It would not have cost it a cent – in fact, the U.S. Treasury stood to profit from the policy.
5. Why specifically did dollarization spark protests that ousted President Mahuad, and why were protestors predominantly from the indigenous community?
6. What might prompt a future government to “de-dollarize” and re-issue a new domestic currency?

Week 5 – October 2, 2023

## *The economics of free trade*

Core lecture readings:

Chapter 2-3 in Mohtadi, Shahruz. A Guide to International Economics, Business Expert Press, 2019. ProQuest Ebook Central, https://ebookcentral-proquest-com.proxy.library.carleton.ca/lib/oculcarleton-ebooks/detail.action?docID=5781051.Chapter 2

Supplementary readings:

* Ginzburg, Andrea, and Annamaria Simonazzi. "Patterns of industrialization and the flying geese model: the case of electronics in East Asia." *Journal of Asian Economics* 15.6 (2005): 1051-1078.
* Akamatsu, Kaname. “A historical pattern of economic growth in developing countries.” *The developing economies* 1 (1962): 3-25.
* Russell Roberts, *The Choice: A Fable of Free Trade and Protection* (New York: Pearson, 2006).

Tutorial exercise:

National Geographic Trading Game – this is the activity, but I would advise on NOT reading it before the tutorial class.

<https://www.nationalgeographic.org/activity/the-trading-game/>

Week 6 – October 9, 2023

## *The politics of ‘free’ trade*

## Core lecture readings:

* Raul Prebisch (1988), “Notes on Trade from the Standpoint of the Periphery,” in *CEPAL Review* No. 28 (April): 203-214.
* Easterly, William. "Globalization, poverty, and all that: Factor endowment versus productivity views." *Globalization and poverty*. University of Chicago Press, 2007. 109-142. [<https://www.nber.org/chapters/c0112.pdf>]
* Eisenman, Joshua. "China–Africa trade patterns: causes and consequences." *Journal of Contemporary China* 21.77 (2012): 793-810.

Supplementary reading:

* Draper, Peter. "The shifting geography of Global Value Chains: Implications for developing countries, trade policy, and the G20." *Global Summitry Journal* 1.1 (2013): 1-40. [<http://globalsummitryproject.com.s197331.gridserver.com/wp-content/uploads/2020/06/Peter-Draper.pdf>]
* Gallup, John Luke, Alejandro Gaviria, and Eduardo Lora. *Is Geography Destiny? Lessons from Latin America*. The World Bank, 2003. [available online through the Carleton University Library System]
* “Free Trade Agreements are Stepping Stones vs. Free Trade Agreements are Stumbling Blocks”, pp. 95121. In Oatley, T. (2012) Debates in International Political Economy. Pearson Ed. / Longman. 2nd Ed.
* Lanz, R. and S. Miroudot (2011-06-24), “Intra-Firm Trade: Patterns, Determinants and Policy Implications”, OECD Trade Policy Papers, No. 114, OECD Publishing, Paris. http://dx.doi.org/10.1787/5kg9p39lrwnn-en
* Sean Burges (2005) “Bounded by the reality of trade: practical limits to a South American region." Cambridge review of international affairs 18.3 (2005): 437-454.
* Gonzalez, Carmen G. "An environmental justice critique of comparative advantage: Indigenous peoples, trade policy, and the Mexican neoliberal economic reforms." *U. Pa. J. Int'l L.* 32 (2010): 723.
* “Sweatshop Regulation is Counterproductive vs. Government Must Regulate Sweatshops”, pp. 159-182. In Oatley, T. (2012) Debates in International Political Economy. Pearson Education / Longman. 2nd Ed.
* World Trade Organization, “An introduction to trade and environment in the WTO,” <https://www.wto.org/english/tratop_e/envir_e/envt_intro_e.htm>
* World Economic Forum (2019), *Global Gender Gap Report 2020* (Davos: World Economic Forum): <https://www.weforum.org/reports/global-gender-gap-report-2020>
* Chapters Two and Three in Tom Nankivell (2002), “Living, Labour and Environmental Standards and the WTO,” Productivity Commission Staff Working Paper (Australian Government): <https://www.pc.gov.au/research/supporting/wto-labour-environmental-standards/lleswto.pdf>

Core Tutorial Reading:

* Chapter one of Tom Nankivell (2002), “Living, Labour and Environmental Standards and the WTO,” Productivity Commission Staff Working Paper (Australian Government): <https://www.pc.gov.au/research/supporting/wto-labour-environmental-standards/lleswto.pdf>

Tutorial questions:

1. Is trade a good thing? Why and why not, and for whom?
2. Should we simply let the invisible hand of markets operate freely?
3. Do all have fair or equal access to the possibilities and/or risks of trade?

Week 7 – October 16, 2023

## *Debt, deficits, and interest rates*

Core lecture readings:

* Chapter 9 ‘Financial Markets’ of van Staveren, I. (2014). Economics After the Crisis: An Introduction to Economics from a Pluralist and Global Perspective (1st ed.). Routledge. https://doi-org.proxy.library.carleton.ca/10.4324/9781315793962
* ‘Modern Monetary Theory Explained by Stephanie Kelton,” *MSNBC* (4 March 2019): <https://www.cnbc.com/video/2019/03/01/stephanie-kelton-explains-modern-monetary-theory.html>

(Worth reading her book -- Kelton, Stephanie. *The deficit myth: modern monetary theory and the birth of the people's economy*. PublicAffairs, 2020.)

* Chapter 17 “Government Debt and Budget Deficits” in in Mankiw, N. Gregory, and William M. Scarth. *Macroeconomics: Canadian Edition*, Worth Publishers, Incorporated, 2019.*ProQuest Ebook Central*, https://ebookcentral-proquest-com.proxy.library.carleton.ca/lib/oculcarleton-ebooks/detail.action?docID=6641718.

Recommended readings:

* Soederberg, Susanne. "The politics of debt and development in the new millennium: An introduction." *Third World Quarterly* 34.4 (2013): 535-546.
* Bond, Patrick. "Debt, Uneven Development and Capitalist Crisis in South Africa: from Moody’s macroeconomic monitoring to Marikana microfinance mashonisas." *Third World Quarterly* 34.4 (2013): 569-592.
* Brautigam, Deborah. "A critical look at Chinese ‘debt-trap diplomacy’: The rise of a meme." *Area Development and Policy* 5.1 (2020): 1-14.
* Fathimath Musthaq (2021) Dependency in a financialised global economy, Review of African Political Economy, 48:167, 15-31, DOI: [10.1080/03056244.2020.1857234](https://doi.org/10.1080/03056244.2020.1857234)
* Palley, Thomas I. "Money, fiscal policy, and interest rates: A critique of Modern Monetary Theory." *Review of Political Economy* 27.1 (2015): 1-23.
* Vergnhanini, Rodrigo, and Bruno De Conti. "Modern Monetary Theory: a criticism from the periphery." *Brazilian keynesian review* 3.2 (2017): 16-31.

Tutorial reading:

Thomas M. Landy (2012), “From Miracle to Crisis: Brazilian Foreign Debt and the Limits of Obligation,” Institute for the Study of Diplomacy, Georgetown University: https://isd-georgetown-university.myshopify.com/products/case-330-from-miracle-to-crisis-brazilian-foreign-debt-and-the-limits-of-obligation

Preliminary discussion questions

* 1. To what extent is blame important in this case?
  2. To what degree does the use made of the borrowed funds make a difference? If Brazil had spent the money borrowed in the 1970s on weapons purchases for an arms buildup or some other use you thought inappropriate, would that change your judgment?
  3. Does the United States’ role in manipulating interest rates for domestic monetary purposes limit Brazil’s debt service obligations to the United States?
  4. Are countries such as Brazil still at risk for this sort of crisis, why or why not?

Week 8—October 23, 2023 R E A D I N G W E E K

Week 9 – October 30, 2023

**Financial Crises**

## Core lecture readings

* Stijn Claessens and M Ayhan Kosel (2013), “Financial Crises: Explanations, Types and Implications,” *IMF Working Paper* WP/13/28 (January): <https://www.imf.org/external/pubs/ft/wp/2013/wp1328.pdf>
* Helleiner, Eric. "Understanding the 2007–2008 global financial crisis: Lessons for scholars of international political economy." *Annual review of political science* 14 (2011): 67-87.
* Ricardo Soares de Oliveira (2015), “Angola’s Perfect Storm: The dos Santos Regime and the Oil Crisis,” *Foreign Affairs* (28 October): <https://www.foreignaffairs.com/articles/angola/2015-10-28/angolas-perfect-storm>
  + - For extended detail, skim International Monetary Fund (2018), “ANGOLA REQUEST FOR AN EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY” *IMF Country Report No. 18/370*: <https://www.imf.org/en/Publications/CR/Issues/2018/12/18/Angola-Request-for-An-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-46479>
* Germain, Randall. "Financial order and world politics: crisis, change and continuity." *International Affairs* 85.4 (2009): 669-687.

Summaries on the Global Financial Crisis:  
<https://www.rba.gov.au/education/resources/explainers/the-global-financial-crisis.html>

<https://www.cbc.ca/meltdown/about.html>

<https://www.history.com/news/2008-financial-crisis-causes>

Supplementary Reading

* “China Must Revalue to Correct Global Imbalances vs. Chinese Revaluation Will Not Correct Global Imbalances” pp. 253-270. In Oatley, T. (2012) Debates in International Political Economy. Pearson Education / Longman. Second Edition.
* Cantamutto, Francisco J., and Daniel Ozarow. "Serial payers, serial losers? The political economy of Argentina’s public debt." *Economy and society* 45.1 (2016): 123-147.
* Walter, Stefanie, and Thomas D. Willett. "Delaying the inevitable: A political economy approach to currency defenses and depreciation." *Review of International Political Economy* 19.1 (2012): 114-139.
* Strange, Susan. *Mad Money: with an introduction by Benjamin J. Cohen*. Manchester University Press, 2015.
* Kaminsky, Graciela L., Carmen M. Reinhart, and Carlos A. Vegh. "The unholy trinity of financial contagion." *Journal of economic perspectives* 17.4 (2003): 51-74.

[<https://pubs.aeaweb.org/doi/pdf/10.1257/089533003772034899>]

* Forbes, Kristin J. "The'Big C': Identifying and mitigating contagion." (2012).

[<https://www.kansascityfed.org/publicat/sympos/2012/kf.pdf>]

* OECD (2012), “Financial Contagion in the Era of Globalised Banking?”, *OECD Economics Department Policy Notes,* No. 14, June. <http://www.oecd.org/economy/monetary/50556019.pdf>
* Chapters 4 and 5 of Lowell, J et al (1998), “Financial Crisis and Contagion in Emerging Market Countries,” *RAND National Security Division*: <https://www.rand.org/content/dam/rand/pubs/monograph_reports/2009/MR962.pdf>
* “Too Little Market Regulation Caused the Financial Crisis vs. Too Much Government Intervention Caused the Financial Crisis” pp. 235-252. In Oatley, T. (2012) Debates in International Political Economy. Pearson Education / Longman. Second Edition.

Tutorial Readings:

Case Study:

Gregory P Corning, “Case 262 Managing the Asian Meltdown: The IMF and South Korea,” Institute for the Study of Diplomacy, Georgetown University: <https://casestudies.isd.georgetown.edu/collections/international-trade/products/managing-the-asian-meltdown-the-imf-and-south-korea>

Preliminary discussion questions:

1. What impact did changes in the global economy have on Korea during the 1980s?
2. What was Korea’s initial position regarding IMF assistance and why?
3. What conditions came with IMF assistance?
4. If economic recovery is threatening to democ- racy, which should take precedence?
5. Paul Krugman contended that the depreciation of the Korean won and other Asian currencies was not the result of irrational investor stampedes but the result of rational investors con- templating the implications of unsustainable policies. Do you agree with this argument? In other words, do you think structural reform was necessary in South Korea? If so, what would be a realistic time-frame for any reforms you might recommend?

Week 10 – November 6, 2023

## *The Commodity Conundrum*

Core Lecture Readings:

* Badeeb, Ramez Abubakr, Hooi Hooi Lean, and Jeremy Clark. "The evolution of the natural resource curse thesis: A critical literature survey." *Resources Policy* 51 (2017): 123-134.
* Nkurunziza, Janvier D., Komi Tsowou, and Sofia Cazzaniga. "Commodity dependence and human development." *African Development Review* 29.S1 (2017): 27-41.
* Bresser-Pereira, Luiz Carlos. "The Dutch disease and its neutralization: a Ricardian approach." *Brazilian Journal of Political Economy* 28.1 (2008): 47-71. https://www.scielo.br/pdf/rep/v28n1/a03v28n1.pdf

Supplementary Reading:

* Tilly, Charles, and Catherine Besteman. "War making and state making as organized crime." *Violence: A reader* (1985): 35-60. DOI: <https://doi.org/10.1017/CBO9780511628283.008>
* Jeffrey Frankel (2010), “The Natural Resource Curse: A Survey” CID Working Paper No. 195 May: <https://www.hks.harvard.edu/sites/default/files/centers/cid/files/publications/faculty-working-papers/195_pdf.pdf>
* R. Prebisch (1951), “Growth, Balance and Disparities: Interpretations of the Economic Development Process,” in CEPAL, *Economic Survey of Latin America, 1949* (Santiago: United Nations).
* Birdsall, Nancy, and Amar Hamoudi. "Commodity dependence, trade, and growth: when'openness' is not enough." *Center for Global Development Working Paper* 7 (2002).

Tutorial Readings:

Robert Letovsky (2004), “Case 302 Saving the Coffee Industry in El Salvador,” Institute for the Study of Diplomacy, Georgetown University: https://isd-georgetown-university.myshopify.com/products/saving-the-coffee-industry-in-el-salvador

Tutorial questions

1. What are the underlying causes of the coffee industry crisis? Which of these can be influenced the Salvadoran government?
2. Should the Salvadoran government act to save the industry? Why, or why not? How?
3. What impact do you think the importance of coffee to the Salvadoran economy has on government policy making?
4. Whose interests matter most in this case study? To whom does the Salvadoran government answer?

Week 11 – November 13, 2023

## 

## *Industrial Policy*

Core Lecture Reading:

* Oqubay, Arkebe and others, 'Introduction to Industrial Policy and Development', in Arkebe Oqubay and others (eds), The Oxford Handbook of Industrial Policy, Oxford Handbooks (2020; online edn, Oxford Academic, 10 Nov. 2020), <https://doi-org.proxy.library.carleton.ca/10.1093/oxfordhb/9780198862420.013.1>
* Oqubay, Arkebe, 'The Theory and Practice of Industrial Policy', in Arkebe Oqubay and others (eds), The Oxford Handbook of Industrial Policy, Oxford Handbooks (2020; online edn, Oxford Academic, 10 Nov. 2020), <https://doi-org.proxy.library.carleton.ca/10.1093/oxfordhb/9780198862420.013.2>

Supplementary reading:

* Ocampo, José Antonio, and Gabriel Porcile, 'Latin American Industrial Policies: A Comparative Perspective', in Arkebe Oqubay and others (eds), *The Oxford Handbook of Industrial Policy*, Oxford Handbooks (2020; online edn, Oxford Academic, 10 Nov. 2020), <https://doi-org.proxy.library.carleton.ca/10.1093/oxfordhb/9780198862420.013.31>
* Lee, Keun, 'Diverse Tools of Industrial Policy in Korea: A Schumpeterian and Capability-based View', in Arkebe Oqubay and others (eds), The Oxford Handbook of Industrial Policy, Oxford Handbooks (2020; online edn, Oxford Academic, 10 Nov. 2020), <https://doi-org.proxy.library.carleton.ca/10.1093/oxfordhb/9780198862420.013.24>
* R. Prebisch (1951), “Growth, Balance and Disparities: Interpretations of the Economic Development Process,” in CEPAL, *Economic Survey of Latin America, 1949* (Santiago: United Nations).
* Baker, Andy. "Why is trade reform so popular in Latin America? A consumption-based theory of trade policy preferences." *World Politics* (2003): 423-455.
* Sebastián Sáez (2005), “Trade Policy Making in Latin America: A Compared Analysis,” United Nations Economic Commission for Latin America and the Caribbean: <https://repositorio.cepal.org/bitstream/handle/11362/4397/1/S2005201_es.pdf>
* Ocampo, José Antonio. "Commodity-led development in Latin America." *Alternative pathways to sustainable development: Lessons from Latin America*. Brill Nijhoff, 2017. 51-76.
* Akamatsu, Kaname. "A historical pattern of economic growth in developing countries." *The developing economies* 1 (1962): 3-25.

Tutorial Reading:

Case Study

Simon Reich (1992),” Case 167 Restraining Trade to Invoke Investment: MITI and the Japanese Auto Producers,” Institute for the Study of Diplomacy, Georgetown University: <https://casestudies.isd.georgetown.edu/products/restraining-trade-to-invoke-investment-miti-and-the-japanese-auto-producers>

Preliminary discussion questions:

1. What was crucial to the Japanese auto industry's growth?
2. What were the characteristics of the Japanese auto firms that prospered in this period?
3. How would you describe, a. the importance of the state in deciding which firms prospered and how they prospered, and, b, the general relationship between government and business?
4. What risk for corruption do you see in the model depicted in this case study?
5. Who “won” the episode discussed in this case study? Which parties got what they wanted?

Week 12 – November 20, 2023

## *Crime and (no) punishment*

Core lecture readings:

* The Executive Summary and Chapter 1 of United Nations Office on Drugs and Crime (2010), *The Globalization of Crime A Transnational Organized Crime Threat Assessment* (New York: United Nations): https://www.unodc.org/documents/data-and-analysis/tocta/TOCTA\_Report\_2010\_low\_res.pdf
* Mitchel Roth, “Historical Overview of Transnational Crime” in *Handbook of Transnational Crime and Justice*, edited by Philip L. Reichel, and Jay S. Albanese, SAGE Publications, Incorporated, 2013.*ProQuest Ebook Central*, <https://ebookcentral-proquest-com.proxy.library.carleton.ca/lib/oculcarleton-ebooks/detail.action?docID=1995390>.
* Chapter 1 and 2 of Cox, Dennis. *Handbook of Anti-Money Laundering*, John Wiley & Sons, Incorporated, 2014.*ProQuest Ebook Central*, https://ebookcentral-proquest-com.proxy.library.carleton.ca/lib/oculcarleton-ebooks/detail.action?docID=1809740.

Supplementary Reading:

* Misha Glenny (2008). *McMafia: A Journey Through the Global Criminal Underworld* (London: Random House).
* Olliver Bullough (2018). *Moneyland: Why Thieves and Crooks Now Rule the World and How to Take it Back* (London: Profile Books).
* Channing May (2017), *Transnational Crime and the Developing World* (Global Financial Integrity): <https://respect.international/wp-content/uploads/2017/03/Transnational-Crime-and-the-Developing-World-Global-Financial-Integrity-2017.pdf>
* Williams, Phil. "Transnational criminal organisations and international security." *Survival* 36.1 (1994): 96-113.
* Liddick, D. The dimensions of a transnational crime problem: the case of iuu fishing. *Trends Organ Crim* **17**, 290–312 (2014). https://doi.org/10.1007/s12117-014-9228-6

Tutorial

Case study: Blood diamonds

A UNODC case study (<https://www.unodc.org/e4j/zh/organized-crime/module-6/exercises/case-studies.html>).

A loosely trimmed version of the UN blurb: Sierra Leone lost an estimated 100,000 to 200,000 people in an armed conflict that raged between 1991 and 2002. Another two million were displaced and took shelter mainly in Guinea and Liberia. The conflict received a lot of international attention because of the use of child soldiers, systematic mutilation, and the use of so-called "blood diamonds" to finance armed groups. Diamonds mined in rebel-controlled areas in a number of West African countries, including Sierra Leone, Côte d'Ivoire and Liberia, reached the international diamond market. It was roughly estimated that conflict diamonds could amount to as high as 15% of the total trade. In response to the large-scale trade in diamonds, the Kimberley Process (initiated in 2000 by UN resolution A/RES/55/56) was initiated by the United Nations to address the illicit trade in diamonds originating in conflict areas. Although the certification scheme encountered a number of challenges, such as corruption, the illicit trade in diamonds was reduced to manageable proportions, illustrating how strategic measures designed to tackle the entire transnational market can be more effective than armed interventions at the national level.

Readings:

* UNODC (2010). [Crime and Instability: Case Studies of Transnational Threats](https://www.unodc.org/documents/data-and-analysis/Studies/Crime_and_instability_2010_final_26march.pdf) . United Nations Office on Drugs and Crime, Vienna: https://www.unodc.org/documents/data-and-analysis/Studies/Crime\_and\_instability\_2010\_final\_26march.pdf
* General Assembly resolution A/RES/55/56. [The role of diamonds in fuelling conflict: breaking the link between the illicit transaction of rough diamonds and armed conflict as a contribution to prevention and settlement of conflicts](http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Sanc%20ARES%2055%2056.pdf) . 29 January 2001: http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Sanc%20ARES%2055%2056.pdf
* The Global Initiative Against Transnational Organized Crime (2015). [*ASD2030: Addressing Organized Crime as a Development Issue*](http://globalinitiative.net/portfolio-posts/asd2030/): http://globalinitiative.net/portfolio-posts/asd2030/
* Centre for Security Studies (2015). [*Organised Crime in the "2030 Agenda for Sustainable Development"*](http://www.css.ethz.ch/en/services/digital-library/articles/article.html/194237/pdf). ETH Zurich: <http://www.css.ethz.ch/en/services/> digital-library/articles/article.html/194237/pdf
* You may also find the movie *Blood Diamond* (2006) interesting.

Discussion questions:

* What is the link between the mineral industry, conflict, and illicit cross-border trade?
* How are crime and state instability related?
* What are the causes of the illicit trade in diamonds? What are the conducive factors behind the illicit diamond trade?
* How do criminals take advantage of a government's inability to provide security?
* How do illicit commodities traded by organized criminal groups impact conflict-affected areas?
* What can the global community do to address this form of transnational crime? What barriers to action do you think exist?

Week 13 – November 27, 2023 Reflective Essay Due by **MIDNIGHT, DECEMBER 2, 2020**

**BRICs and a new world order?**

Core lecture reading

* Babic, Milan. "Let's talk about the interregnum: Gramsci and the crisis of the liberal world order." *International affairs* 96.3 (2020): 767-786.
* *AMRITA NARLIKAR, Negotiating the rise of new powers, International Affairs, Volume 89, Issue 3, May 2013, Pages 561–576,*[*https://doi-org.proxy.library.carleton.ca/10.1111/1468-2346.12033*](https://doi-org.proxy.library.carleton.ca/10.1111/1468-2346.12033)
* *SHAUN BRESLIN, China and the global order: signalling threat or friendship?, International Affairs, Volume 89, Issue 3, May 2013, Pages 615–634,*[*https://doi-org.proxy.library.carleton.ca/10.1111/1468-2346.12036*](https://doi-org.proxy.library.carleton.ca/10.1111/1468-2346.12036)

Supplementary Reading:

* Special issue of the journal *International Organization*, “Challenges to the Liberal International Order: International Organization at 75,”Volume 75 - Special Issue 2 - Spring 2021.
* Special section of *International Affairs,* “Asian Conceptions of International Order: What Asia Wants,” 99 (4) (July 2023): https://academic.oup.com/ia/issue/99/4
* Special section of *International Affairs,* “Deglobalization? The Future of the Liberal International Order,” 97 (5) (September 2021): https://academic.oup.com/ia/issue/97/5
* Wilson, Dominic, and Roopa Purushothaman. "Dreaming with BRICs: The path to 2050." *Goldman Sachs Global Economics Paper* 99 (2003): 1-24.
* Robinson, William I. "The transnational state and the BRICS: a global capitalism perspective." *Third World Quarterly* 36.1 (2015): 1-21.
* Donno, Daniela and Nita Rudra. (2014) "To Fear Or Not to Fear? BRICs and the Developing World" International Studies Review 16 (3): 447-452. Available at: http://resolver.scholarsportal.info/resolve/15219488/v16i0003/447\_tfontfbatdw
* Stuenkel, Oliver, *Post-Western World* (Polity). \*\* a recommended spare time read.

Tutorial Reading:

* Mansfield, Edward D. "Rising powers in the global economy: Issues and questions." *International Studies Review* 16.3 (2014): 437-442.
* Combine the Mansfield article with a reading of your choice from the supplementary list.

Tutorial questions:

1. Will the BRICS change the nature of the Global Economy? If so, how?
2. Do the BRICS constitute a real challenge to existing global economic governance regimes?
3. Is it reasonable to view the BRICS as a contiguous and coordinated unit?
4. Think back to the first tutorial in the class and Helleiner’s article: Given the realities of embedded liberalism, what prospect is there for major change in the international institutional system and how might it happen?

Week 14 – December 4, 2023

## *Course Wrap Up*

**Academic Accommodations:** The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-5206608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your ***Letter of Accommodation*** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

**Accommodation for Religious Observance:** Students requesting accommodation for religious observances should apply in writing to their instructor for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student. Instructors and students may contact an Equity Services Advisor for assistance (www.carleton.ca/equity).

**Accommodation for Pregnancy:** Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a *letter of accommodation*. Then, make an appointment to discuss your needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

**Plagiarism:** The University Senate defines plagiarism as “presenting, whether intentional or not, the ideas, expression of ideas or work of others as one’s own.” This can include:

x reproducing or paraphrasing portions of someone else’s published or unpublished material,

regardless of the source, and presenting these as one’s own without proper citation or reference to the original source;

x submitting a take-home examination, essay, laboratory report or other assignment written, in whole or in part, by someone else;

x using ideas or direct, verbatim quotations, or paraphrased material, concepts, or ideas without

appropriate acknowledgment in any academic assignment;

x using another’s data or research findings;

x failing to acknowledge sources through the use of proper citations when using another’s works

and/or failing to use quotation marks;

x handing in "substantially the same piece of work for academic credit more than once without

prior written permission of the course instructor in which the submission occurs.

Plagiarism is a serious offence which cannot be resolved directly with the course’s instructor. The Associate Deans of the Faculty conduct a rigorous investigation, including an interview with the student, when an instructor suspects a piece of work has been plagiarized. Penalties are not trivial. They may include a mark of zero for the plagiarized work or a final grade of "F" for the course.

**Intellectual Property:** Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

**Submission and Return of Term Work:** Papers must be submitted directly to the instructor according to the instructions in the course outline. Late assignments may be submitted to the BGInS office in 2404R, River Building. For essays not returned in class please attach a **stamped, self-addressed envelope** if you wish to have your assignment returned by mail.

Final exams are intended solely for the purpose of evaluation and will not be returned.

**Grading:**  Standing in a course is determined by the course instructor, subject to the approval of the faculty Dean. Final standing in courses will be shown by alphabetical grades. The system of grades used, with corresponding grade points is:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Percentage | Letter grade | 12-point scale | Percentage | Letter grade | 12-point scale |
| 90-100 | A+ | 12 | 67-69 | C+ | 6 |
| 85-89 | A | 11 | 63-66 | C | 5 |
| 80-84 | A- | 10 | 60-62 | C- | 4 |
| 77-79 | B+ | 9 | 57-59 | D+ | 3 |
| 73-76 | B | 8 | 53-56 | D | 2 |
| 70-72 | B- | 7 | 50-52 | D- | 1 |

**Approval of final grades:** Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by an instructor may be subject to revision. No grades are final until they have been approved by the Dean.

**Carleton E-mail Accounts:** All email communication to students from BGInS will be via official Carleton university e-mail accounts and/or cuLearn. As important course and University information is distributed this way, it is the student’s responsibility to monitor their Carleton and cuLearn accounts.

**Official Course Outline:** The course outline posted to the BGInS website is the official course outline.

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