

Political Science H553
Politics of the Modern World Economy (Honors)
Spring, 2005

(SUBJECT TO SMALL REVISIONS)

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Course Objectives

Our course will be a mixture of lecture and discussion. We will learn about and talk about contending economic philosophies that have shaped the global economy, the genesis and evolution of the institutions that govern it, the issues and debates that animate it, and the laws of economic life that none of us can escape no matter what our values or preferences may be. The global economy will shape your life profoundly no matter how much you may try to ignore it. Might you be better off learning about what is being done to you and what you might do about it? Students who take this journey with me can look forward to writing a few short papers and 1-2 short answer exams. A careful selection of books and articles will provide factual background and fuel for our discussion fires.

Required Texts

Grieco, Joseph M., and G. John **Ikenberry** (2003) *State Power and World Markets*. New York: W.W. Norton and Co.

Friedman, Thomas (2000) *The Lexus and the Olive Tree: Understanding Globalization*. New York: Anchor Books.

Short term subscription to the periodical *Foreign Policy*. Cost: approximately \$10. Longer term subscriptions available if the student wishes. This subscription will give us access to their archives.

Additional readings will be available through OSU print sites, using URLs like the following:

<http://www.jstor.org/>
<http://mitpress.mit.edu/>
<http://www.ciaonet.org/>

...and others.

Method of Evaluation

Rolling Take-Home Exam / Essays:	40 % total for all 4 answers.
Mid-term Exam:	10 %
Final Exam:	15 %
Class Participation:	35 %

Topical Outline:

I.	Basics of Global Trade and Finance	(1.5 weeks)
II.	Institutional Infrastructure of the Global Economy and Global Governance	(1.5 weeks)
III.	Power and Influence in Global Economic Relations, Case Study: World Petroleum	(2 weeks)
IV.	Globalization and The Future	(5 weeks)
	A. Cooperation, Coordination and Integration of Economic Life	
	B. Development, Debt and Distribution in the Global Economy	
	C. Transition from Central Planning to Free Markets	

Course Sequence and Readings

I. Basics of Global Trade and Finance Weeks 1 - 2

Grieco and Ikenberry, Chapters 1-3.

Viner, Jacob (1948) "Politics vs Plenty as Objectives of Foreign Policy in the Seventeenth and Eighteenth Centuries" *World Politics* 11, 1-29. Available on JSTOR
<http://www.jstor.org/>

And examine recent issues of the *Economist*, *Foreign Policy*, and *Foreign Affairs* as well as *New York Times* and the *Financial Times* of London. Hard copy or web versions.

It's also a good idea to begin reading Friedman's *Lexus and the Olive Tree*. While you will **not** be responsible for any material in the Friedman book until after the midterm, beginning it now will help frame your thinking for the full class. Budget 40-50 pages per week right now for the Friedman book, finish the remainder the weekend following the midterm.

II. Institutional Infrastructure of the Global Economy and Global Governance Weeks 2-3

Grieco and Ikenberry, Chapters 4-6.

Nye, Joseph (2002) "The Dependent Colossus" *Foreign Policy* . March-April. pp.74-76.

Milner, Helen (1998) "International Political Economy Beyond Hegemonic Stability" *Foreign Policy* . Spring. pp. 112-123.

Wallerstein, Immanuel (2002) "The Eagle Has Crash Landed" *Foreign Policy* .July-August. pp.?? (You may also want to check into the letters reacting to Wallerstein that appeared in the November-December issue.)

And continue looking at issues of the *Economist*, *Foreign Policy*, and *Foreign Affairs* as well as *New York Times* and the *Financial Times* of London. Hard copy or web versions.

III. Economic Power, Case Study of the World Petroleum Market

Weeks 4-5

Lenway, Stefanie Ann (1988) "Between War and Commerce: Economic Sanctions as a Tool of Statecraft," *International Organization* 42:2, 397-426. You can find this article by going to <http://www.jstor.org/> . But normal search strategies do not bring it up (I have no idea why). Start with JSTOR's BROWSE utility. Look for Political Science Journals, grab *International Organization* volume 42, no. 2 (1988) and Lenway's piece will show up in the table of contents. Click and it's yours.

Spero, Joan E. and Jeffrey A. Hart (1997) "Oil, Commodity Cartels and Power", Chapter 9 of their book *The Politics of International Economic Relations* 5th ed., NY: St. Martins Press. pp. 276-315.

Chalabi, Fadhil J. (1997-8) "OPEC: An Obituary" *Foreign Policy*. Winter. pp. 126-140.

"Oil Brief" (1991) two-page handout distributed in class.

IV. Globalization

Weeks 6-10

Overview

Finish whatever you have not yet read of Thomas Friedman's *The Lexus and the Olive Tree*

Nye, Joseph and Robert Keohane (2000) "Globalization What is New and What is Not? (And So What?)" *Foreign Policy* Spring. pp. 104-119. Obtainable from the *Foreign Policy* archive.

Pettis, Michael (2001) "Will Globalization Go Bankrupt?" *Foreign Policy* September/October pp. 52-59.

Thomas Friedman vs. Robert Kaplan (2002) debate in *Foreign Policy* concerning globalization. March-April Issue.

IV. B Globalization, Economic Coordination, Integration and Institutions

Cohen, Benjamin (1993) "The Triad and the Unholy Trinity: Problems of International Monetary Cooperation" in Higgot, Leaver, and Ravenhill, eds., *Pacific Economic Relations in the 1990s*, reprinted in Jeffrey A. Frieden and David A. Lake (eds.), *International Political Economy: Perspectives on Global Power and Wealth*, fourth edition (New York: St. Martin's Press, 2000). To be made available to class.

Keohane, Robert). (1998) "International Institutions: Can Interdependence Work?" Spring pp.82-96.

Grieco and Ikenberry (2003) Chapter 9. [45 pages]

IV.C Globalization, Development and Transitions

Grieco and Ikenberry (2003) Chapters 7, 8, and 10. [90 pages]

Easterly, William (2002) "The Cartel of Good Intentions" *Foreign Policy* July/August pp. 40-49.

Kobrin, Stephen (1998) "The MAI and the Clash of Globalizations" *Foreign Policy* Fall. pp. 97-109. Obtainable from the *Foreign Policy* archive, once we gain access.

Rogoff, Kenneth (2003) "The IMF Strikes Back" *Foreign Policy* January/February pp. 39-46.

(Additional, more recent articles from *Foreign Policy* magazine will be added or swapped for items on this list.)