

THE POLITICAL ECONOMY OF GLOBALIZATION

Mariano E. Bertucci

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The concept of globalization is at the heart of contemporary debate across the disciplines. Indeed, many observers and policymakers take economic globalization to be *the paramount force* (re)shaping the world as we enter the new millennium. This course will explore the nature, presence and impact of globalization. We will pursue three broad themes: the globalization of production; the globalization of exchange; and the impact of globalization on the state. Each of these comprises many sub-themes, and we will explore as many as time permits. Rather than presume economic globalization, we will explore carefully its nature, extent, and effects.

Texts: We will read substantial portions of the first books, and several chapters of the fourth.

1. Peter Dicken, *Global Shift*, 6th edition, University of Manchester: Guilford Press, 2011.
2. Paul Hirst and Grahame Thompson, *Globalization in Question*, 3rd edition, Polity Press, 2009.
3. Dani Rodrik, *Has Globalisation Gone Too Far?* Washington, DC: Institute for International Economics, 1997.
4. George DeMartino, *Global Economy, Global Justice*, London: Routledge Press, 2000.

I will provide all other reading materials over email.

Course Outline

I. Introduction to the Field: Empirical and Historical Perspectives on Economic Globalization (2 weeks)

- A. Empirical characteristics of the global world economy.
- B. Historical perspectives on economic globalization.

II. The Globalization of Production (4 weeks total)

- A. Capital (2 weeks)
 - 1. Multinationalization
 - a) Direct Foreign Investment
 - b) Commodity Chains and Export Processing Zones
 - 2. Portfolio Investment
- B. Labor (2 weeks)
 - 1. Labor and Globalization
 - 2. The Gendered Economy

III. Exchange (Trade) (1 week)

- A. Free Trade versus Fair Trade

IV. Globalization and the State (2 weeks total)

- A. Sovereignty, Policy Autonomy and State Capacity
- B. Responding to Globalization: National and Multilateral Strategies

READING LIST

I. Introduction to the Field: Empirical and Historical Perspectives on Economic Globalization (2 weeks)

DeMartino, *Global Economy, Global Justice*, pp. 27-34.

Dicken, *Global Shift*, chapters 1-3 (1-82).

Hirst and Thompson, *Globalization in Question*, chapters 1-2 (1-65).

Paul Bairoch and Richard Kozul-Wright, —Globalization myths: Some historical reflections on integration, industrialization and growth in the world economy,|| *United Nations Conference on Trade and Development, No. 113*, March 1996.

II. The Globalization of Production (4 weeks total)

A. Capital

A1. Multinationalization

a) Direct foreign investment

Dicken, chs. 4 and 7 (83-120; 198-236).

Hirst and Thompson, ch. 3 (66-96).

Ha Joon Chang, —TNCs and Strategic Industrial Policy,|| in Richard Kozul-Wright and Bob Rowthorn, eds., *Transnational Corporations in the World Economy*.

b) Commodity Chains and Export Processing Zones

Richard P. Appelbaum and Gary Gereffi, —Power and Profits in the Apparel Commodity Chain, in Edna Bonacich, et al., *The Apparel Industry in the Pacific Rim*, 42-62.

Dicken, pp. 179-195.

Helena Johansson and Lars Nilsson, —Export Processing Zones as Catalysts,|| *World Development*, Vol. 25, No. 12, 1997, pp. 2115-2128.

Kathryn Kopinak, *Desert Capitalism: Maquiladoras in North America's Western Industrial Corridor*, Tucson, University of Arizona Press, 1996, ch. 1.

A2. The Globalization of Financial Flows (Portfolio Investment)

Eric Helleiner, —Explaining the globalization of financial markets: Bringing states back in,|| *Review of international political economy*, Spring 1995, 2(2), pp. 315-41.

John Goodman and Louis Pauly, —The obsolescence of capital controls? Economic management in an age of global markets,|| *World politics*, 1993, vol. 46, pp. 50-82.

Ilene Grabel, —Marketing the Third World: The contradictions of portfolio investment in the global economy,|| *World development*, Nov. 1996, 24(11), pp. 1761-76.

Adam Harmes, —Institutional investors and the reproduction of neoliberalism,|| *Review of International Political Economy*, 5:1, Spring 1998: 92-121.

B. Labor

B1. Labor and Globalization

World Bank, *World development report, 1995: Workers in an integrating world economy*, Oxford University Press, 1995. Read chs. 1-2 (pp. 9-22) and chs.7-9 (pp. 49-64). Available at <http://econ.worldbank.org/wdr/>

Dicken, chs. 16 and 17.

Dani Rodrik, *Has globalisation gone too far?* Washington, DC, Institute for International Economics, 1997. Read chs. 1-2.

B2. The Gendered Economy

Enloe, Cynthia, *Bananas, Beaches and Bases: Making Feminist Sense of International Politics*, UC Berkeley Press, 1990: ch. 2, pp. 19-41 & ch. 8, pp. 151-176.

Laura MacDonald, —Trade with a Female Face: Women and the New International Trade Agenda,|| in Annie Taylor and Caroline Thomas, eds., *Global Trade and Global Social Issues*, London, Routledge, 1999, ch. 3.

Stephanie Seguino, —Gender wage inequality and export-led growth in South Korea,|| *The Journal of Development Studies*, 34:2, December 1997, pp. 102-132.

Maureen Hinman, *GSIS MA Thesis*, June 2003.

III. Exchange

A. ‘Free Trade’ versus ‘Fair Trade’

Jagdish Bhagwati and T.N. Srinivasan, —Trade and the environment: Does environmental diversity detract from the case for free trade?|| in: J. Bhagwati and R. Hudec, eds., *Fair trade and harmonization: Prerequisites for free trade? Volume 1*, Cambridge: MIT Press, 1996, pp.159-199 only (skip appendix).

George DeMartino, *Global Economy, Global Justice*, ch. 6: —The Trade Debate.

Dani Rodrik, ch. 3.

IV. Globalization and the State

A. Policy autonomy, sovereignty and economic governance

Henry Aaron, et al., —Preface to the studies on integrating national economies, in Robert Lawrence, *Regionalism, multilateralism and deeper integration*, Washington, DC, Brookings Institution, 1996.

Dani Rodrik, ch. 4.

Peter Evans, —The Eclipse of the State? *World Politics*, Oct. 1997, 62-87.

Suzanne Berger and Ronald Dore, eds., *National Diversity and Global Capitalism*, Ithaca: Cornell University Press, 1996. Read the editors' introduction, pp. 1-28.

Arnold Harberger, Kenneth Arrow, Charles Wolf Jr., Michael Intriligator and Gordon Tullock, —Economic integration and the future of the nation-state, *Contemporary policy issues*, April 1993, Vol. XI, pp. 1-22. Read only the Wolf contribution, pp. 6-8.

B. Responding to Globalization: National and Multilateral Policy Strategies

DeMartino, ch. 7, —Global Economic Policies for the Year 2025.

Dicken, ch. 18, —Making the World a Better Place.

Rodrik, ch. 5, —Implications.