SPRING 2020
GLOBAL POLITICAL ECONOMY
ITRN 500 – 002 (#82365)
LOCATION—ARL VM 310
TIME— 7:20-9:50 PM THURSDAY

January 9, 2020 DRAFT

Instructor: Prof. Hilton Root
Website: hiltonroot.gmu.edu/
Email: hroot2@gmu.edu
Office: Arlington Founder’s Hall, RM. #636
Phone: 310-384-5545
Office Hours: 5pm-7pm (Thursday)

Required Books:


Recommended Textbooks:


STUDENT EXPECTATIONS AND ASSIGNMENTS:

I. REFERENCE GUIDES DUE WEEK 2
II. PRESENTATION AND EVALUATION (30% of final grade).
Students in consultation with the professor will present an Oped on a topic of their choice. Each group will be responsible for one presentation and one evaluation. If a topic is linked to the theme of a given week, the group may be requested to report on that same week.

In previous semesters Oped topics have included:

- Should the IMF be abolished;
- The U.S. should eliminate the corporate income tax in order to make U.S. corporations more competitive in the global economy;
- Why trade agencies should be reorganized, not consolidated.

1. Demonstrate that you have read and analyzed several positions points on an OpEd State the Problem/Solution
2. Provide evidence to support your argument
3. Offer a policy recommendation

III. TWO INDIVIDUAL WRITTEN BOOK REVIEWS (20% of final grade) – both books must be:

- Selected in consultation with the Professor.
- The books should be scholarly contributions to public policy, not trade publications for a popular audience.

IV. ONE ORAL BOOK REVIEW DONE IN SMALL GROUPS
(included as part of the 30% “presentation and evaluation” grade, you will be graded on the overall group performance- there will be no individual participation points for group work)

**Late papers will be downgraded by one letter grade for every week late without medical justification.

The criteria for judging the written book reviews is as follows:

- Identifies author's thesis
- Identifies an argument if there is one
- Provide a review of supporting evidence
- Asses if conclusion follows logically from the evidence
- If not, where does it fail?
- Conclude with the student's perspective on the book/article
V. FINAL EXAM - (50% of final grade)

ABSENCE POLICY
Students that miss more than two sessions without medical or professional justification from the employer will have their grades lowered by one letter grade.

LEARNING OUTCOMES

- **Knowledge and Understanding**: Students will grasp key ideas, concepts, events, and developments shaping the global political economy.
- **Analytical Skills and Abilities**: Students will be able to identify, assess and analyze the political and economic dynamics of global change, including the role of national governments; regional and global organizations; trans-national corporations and interest groups.
- **Professional Development**: Students will be able to write an analytical book review and make a succinct presentation on a precise topic pertaining to the global political economy.

GOALS AND OBJECTIVES

This course will explore the lessons of global political economy through an examination of policy-oriented research. Questions that we will address include: what does the available evidence tell us about the relationship between political institutions and economic development? Can we identify those institutional arrangements that promote economic growth, internal peace and general welfare? Can the global financial system be reformed to enhance global economic justice and to make globalization work better for developing countries? What role does democracy play in development? How much of the future of development depends on internal or external initiatives? Why do good policies come about in one country and not the other? What prevents underdeveloped countries from turning their assets into capital? How do we account for the persistence of global poverty? What prevents poor countries from adopting policies that promote growth?

Using the reading material, you will be able to identify both the general dilemmas of globalization and economic development in the particular contexts of economic institutions in individual countries and regions. You
will be able to explore and discuss strategies to surmount basic global
development challenges of our time. You will be able to express your ideas
on development strategies by providing particular country examples, case
studies, charts and tables, and expressing those ideas in your course work. A
wide range of policy options and case studies on the impact of globalization,
the policies of government and of multilateral institutions will be considered.

WEEK 1: Jan 23 2020
How Does Globalization affect you, your firm and your country?
What has been the impact of globalization on you personally, your family,
your firm or business? Does it ever enter into internal conversations and
conversations with loved ones? How would you like to see America and
Americans respond domestically & abroad to the challenges of
globalization?

WEEK 2: Jan 30
Is there a Captain at the Helm: World Politics and the Twentieth First
Century?
The modern democratic world wanted to believe that the end of the cold war
ended all strategic and ideological conflict, a world transformed. Has the
world become normal again? Have we entered a new age of divergence?

Assignment: Each student will assemble a bibliography, using scholarly
search engines, of 10 items on one of the course topics using library
services. The list must be presented in a consistent reference style. Due
NEXT CLASS

Speaker: Public Policy, Government & International Affairs Librarian,
Presentation on library research facilities 8:45PM

ASSIGNMENT DUE: A 250-word summary of one of the recommended
readings for next week, either Huntington, Ikenberry, Fukuyama.

Required Reading:

http://www.worldfinancialreview.com/?p=203

summer 72 (3).

Fukuyama, Francis, The End of History and the Last Man 1992 (3-22; 71-81; 109-125 (E-reserves)

Recommended Reading


WEEK 3, Feb 6:
Institutions, Risk, Uncertainty and the Global Economy: What are the political sources of risk and uncertainty in underdevelopment?

In developed societies, a broad range of institutions reduces economic risks that may hinder growth. Institutions that facilitate risk sharing are scarce in developing societies. Compared to their counterparts in developed nations, people in emerging nations spend much more time, money and effort acquiring necessary information about potential trading partners and opportunities for investment. The risks faced by one are not connected to those faced by others, so the law of large numbers cannot be used, thus mutual gains from cooperation rarely materialize. Poverty reflects deep uncertainties in society as people cannot frame the most basic functions of their lives or of their actions toward the future.

Required Reading:


Root (2006), 2013: 1-34, Ch. 1 “Risk, Uncertainty and Social Progress” and Ch. 2: “Social Foundations of Policy Credibility”
Recommended Reading:


**WEEK 4, Feb 13: The Politics of Economic Development**

Root *Capital and Collusion*, Chapter 3.


**WEEK 5, Feb 20: The Financial System: (First written book review assignment due)**

Root, *Capital and Collusion*, Chapter 4 p. 48-57

Credit Markets and the Role of International Financial Institutions

Recent research has revealed that financial systems are crucial to the allocation of resources in a modern economy. They enable households and firms to share risk. Although the functions of financial systems are common to most developed economies, the form of these financial systems varies widely. Why do different countries have such different financial systems? Is one system better than all the others? Is the current trend toward market-based systems desirable? How do efficient financial systems pool resources and allow savers to achieve increasing returns to scale on their investments? Why is a well-run financial system an “amazing economy of information?”
What collective action problems undermine the efficient operation of domestic and global finance systems?

Pre-1980s, the financial system was assumed to follow the real economy, as an appendage. A different view developed in the 80s when research revealed that financial system development strongly correlated with GDP growth. Although it is very difficult to establish causality, a new understanding has emerged in which financial systems and intermediation are critical to economic growth and must be supported through appropriate development policy. Countries need to have a political system that is conducive to financial market development. Government has a fundamental role to play, not by owning the bank, but by supervising and applying regulation within the system. The amazing economy of information is an outcome of political and market institutions working together.

**Required Reading:**


Recommended Reading

F. Hayek, “Discovery System of the Price Mechanism” (journal article)

Root, “Opening the Doors of Invention” (download at website: hiltonroot.gmu.edu)

http://hiltonroot.gmu.edu/pdfs/published_articles/opening%20the%20doors%20of%20invention.pdf


**Week Six, Feb 27: The Crash and Its Aftemath**


Students will write a 250 word summary on how the crash continues to affect the choices they face in their careers and in the economy more generally.

**Recommended Readings:**


Week 7, March 5 **ORAL BOOK REPORTS DUE**

MARCH 12, SPRING BREAK

*Globalization and Particular Regions*
Part two will offer accounts of how the nations and regions of the world are experiencing the effects of globalization. Each week will focus on how regions are navigating the tension between traditions and new forces generated by globalization. We build on the conceptual basis of the course to understanding why current development strategies have succeeded some regions but not in others.

**WEEK 8, March 19:**

Closing the Social Productivity Gap: Northeast Asia/Southeast Asia Compared

How do Asian political and bureaucratic systems ensure accountability and consensus-building? How do Asian institutions differ from Western institutions in establishing regime legitimacy and placing limitations on government discretion over economic policymaking?

**Required Reading:**


**Recommended Reading:**


**WEEK 9, March 26: China and the World**

Most economists (in particular, institutionalists) agree that the presence of institutions that support the market economy is critical to economic success. These institutions include the rule of law to secure property rights, an independent judiciary to enforce contracts impartially, appropriate government regulations to foster market competition, effective corporate governance, and transparent financial systems. China is far from meeting the
standard. Yet the country performed well, puzzling many economists leading many specialists to ask, do efficiency-improving reforms require best practice institutions? One clue to the success of China’s reforms is that they address both economic political and social considerations. Its reforms have been incentive compatible and take into account the initial condition of institutions.

Can an evolutionary path out of China’s developmental contradictions be found? What measures has the Chinese Communist Party (CCP) adopted to preserve its authority against the potential threat of new elites? Do entrepreneurs seek political change, and if so, what kind? What role will the beneficiaries of economic reform, especially the red capitalists, play in this process?

**Required Reading:**


**Recommended:**


WEEK 10, April 2: (2nd WRITTEN BOOK REPORT DUE)
India’s Transformation?

Will India be Asia’s next tiger? How does India’s economic backwardness both help and hinder its development? Why is India perceived to be an economic success and can it overcome institutional obstacles and become a true global competitor? How does patronage work in India? How can India be both rule bound and unaccountable? How has India’s private sector adapted to uncertainty? How does corruption and democracy coexist?

Required Reading:

Root, Hilton L. Capital & Collusion, Ch. 7. 114-157

Recommended:


WEEK 11, April 9: Turkey: The Pivot Between East and West


Multiple Faces of the “New Turkish Foreign Policy: Underlying Dynamics and a Critique, Ziya Onis. Insight Turkey Vol. 13/ No 1/ 2011 pp. 47-65


WEEK 12, April 16: Global Network Over Time

Required Reading:


Recommended: TBA

WEEK 13, April 23: The United States Department of State

Guest Speaker, Daniel O’Hara

WEEK 14, April 23: STUDENT PRESENTATIONS OF OPEDS

WEEK 15 April 30,

May, 7th: ---READING DAY

WEEK 16, May 14: -- FINAL EXAM

Statement on Special Needs of Students

If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 993-2474. All academic accommodations must be arranged through the DRC.

Online Student Journal

New Voices in Public Policy: I will consider nominating the very best papers in this course for publication in New Voices in Public Policy. New Voices is a student- and faculty-reviewed journal that shares SPP's finest student work with the rest of the world.

SPP Policy on Plagiarism

The profession of scholarship and the intellectual life of a university as well as the field of public policy inquiry depend fundamentally on a foundation of trust. Thus any act of plagiarism strikes at the heart of the meaning of the university and the purpose of the School of Public Policy. It constitutes a serious breach of professional ethics and it is unacceptable.
Plagiarism is the use of another’s words or ideas presented as one’s own. It includes, among other things, the use of specific words, ideas, or frameworks that are the product of another’s work. Honesty and thoroughness in citing sources is essential to professional accountability and personal responsibility. Appropriate citation is necessary so that arguments, evidence, and claims can be critically examined.

Plagiarism is wrong because of the injustice it does to the person whose ideas are stolen. But it is also wrong because it constitutes lying to one’s professional colleagues. From a prudential perspective, it is shortsighted and self-defeating, and it can ruin a professional career.

The faculty of the School of Public Policy takes plagiarism seriously and has adopted a zero tolerance policy. Any plagiarized assignment will receive an automatic grade of “F.” This may lead to failure for the course, resulting in dismissal from the University. This dismissal will be noted on the student’s transcript. For foreign students who are on a university-sponsored visa (e.g. F-1, J-1 or J-2), dismissal also results in the revocation of their visa.

To help enforce the SPP policy on plagiarism, all written work submitted in partial fulfillment of course or degree requirements must be available in electronic form so that it can be compared with electronic databases, as well as submitted to commercial services to which the School subscribes. Faculty may at any time submit student’s work without prior permission from the student. Individual instructors may require that written work be submitted in electronic as well as printed form. The SPP policy on plagiarism is supplementary to the George Mason University Honor Code; it is not intended to replace it or substitute for it.