

**IAS 5523.001 Global Political Economy**

“All happy families are alike; each unhappy family is unhappy in its own way.”— Leo Tolstoy, *Anna Karenina*

Instructor: Firat Demir; Office: Cate Center 1, 436; Office Hours: W 9:00-11:00 and by appointment, Tel. 325-5844, E-mail: [fdemir@ou.edu](mailto:fdemir@ou.edu); Class time: R 3:00-5:40 pm. Farzaneh Hall 230

**1. Course Objective**

The purpose of the course is to develop an understanding of the evolution of global political economy. The course begins its analysis by establishing a historical context, exploring the transition from feudalism to capitalism and the rise of market society in Western Europe. We will examine the development stages of market economy and study the history of free markets ideology in contrast with other economic systems. We will also explore the development of underdevelopment and the emergence of third world (the developing, underdeveloped, periphery, satellite, rest, South, etc.) countries in juxtaposition with the first world (i.e. developed, industrialized, center, metropolis, North) countries. The role of trade policies by developed countries against the developing world in global political economy will also be examined. The final section studies the causes and effects of the most recent wave of economic liberalization and globalization around the world. Over the course of the semester, we will review the evolution of development thinking and current policy debates, and will examine the development experience of different countries and regions. We will also survey different economic theories, including neoclassical and structuralist theories. Some of the questions that will be addressed include the following: a) What are the sources of current development challenges including historical, colonial, institutional, geographical, environmental, and cultural factors? b) How do different economic theories approach to the issue of underdevelopment? c) What is the role of economic globalization in determining the future development paths of developing countries? d) Is the fall of the Rest caused by the rise of the West? e) How can Southern countries escape underdevelopment? f) What are the effects of financial globalization?

**2. Course Structure**

The course is designed around lectures, assigned readings, and class discussions and will be conducted in a seminar format. The students are expected to come to each class after having read the assigned readings, and to participate in class discussions.

**3. Course Requirements and Grading**

The final grade will assess each student's ability to discuss and evaluate issues that face the global political economy as well as their ability to defend their arguments on particular debates. Here's the grade breakdown:

- a. Participation: You need to come prepared to discuss the readings, engage in discussions and participate in debates. This also includes leading the discussions on assigned readings. 25%
- b. Pop quizzes: There will be weekly pop quizzes from readings. 20%
- c. Short reaction papers: There are five short essay/reaction paper assignments based on five movies/documentaries, each maximum 4 (single-space) pages. Make sure to get hold of these movies ahead of time. 15%

1. *Germinal* (by Claude Berri) (due February 15)

2. Congo: White King, Red Rubber, Black Death (by Peter Bate) (due March 1)
3. Bicycle Thieves (by Vittorio De Sica) (due March 15)
4. Life and Debt (by Stephanie Black) (due April 5)
5. The Inside Job (by Charles Ferguson) (due May 3)

d. Online discussions: Write a short (400 words maximum) memo/reaction on the week's readings and post it under the appropriate topic in Canvas by 5 p.m. the day before class. Make sure to read your classmates' postings before class. The reactions may take a variety of forms: 1) a critique of one or more points in the readings, 2) a comparison/ contrast with previous readings, 3) questions about the readings, 4) a proposal of a topic for class discussion. Also, questions you may analyze are: What are the key concepts in the assigned text? What can be learned from the text in the context of the questions addressed in the seminar? What controversies does the text engages with? Given the short length, you may write the reactions in outline or list form. Feel free to experiment. 10%

e. Final research paper (5,000-6,000 words), excluding sources, due in class April 26. 30%

#### 4. Research Paper and homework assignments

The term paper should be on a problem(s) or issue(s) in the historical or contemporary political economy. It should be focused, analytic, reflect critical thinking of materials read and must be well-documented with complete references given (at least 10 sources). Internet material should be used with care and very sparingly (Wikipedia is not acceptable). Use of primary data, when necessary, is strongly recommended. Its length will be 5,000-6,000 words. The topic for the term paper must be approved by the instructor in advance. A 1-2 page draft of what you propose to do must be submitted by **February 15** and the final paper is due on **April 26**. Both the proposal and the final copy of your paper need to be submitted in print *and* online (using *Canvas*). A more detailed guideline for the research paper is posted online.

#### 5. Required Readings

Here are the books we will discuss during the semester. The assigned readings use the last name of the authors.

- Karl Polanyi (1944-or any other edition). *The Great Transformation*. Beacon Press.
- Mike Davis (2002). *Late Victorian Holocaust: El Niño Famines and the Making of the Third World*. Verso.
- Ha-Joon Chang (2008). *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism*. Bloomsbury Press.
- Alice Amsden (2007). *Escape from Empire*. MIT Press.
- Nouriel Roubini and Stephen Mihm (2010). *Crisis Economics*. Penguin Press.

All other required and optional readings are available at *Canvas*.

#### 6. Academic Ethics

Cheating on assignments and exams, or plagiarizing is penalized by the University of Oklahoma. A student found in such a situation will be given an F and be brought to University of Oklahoma Honor Council for further penalties as defined under Academic Misconduct. For further information, refer to <http://www.ou.edu/honorcouncil/index.html>

### 7. Students with Disabilities

Any student who feels he or she may need an accommodation based on the impact of a disability should contact me privately as soon as possible to discuss his or her specific needs. For details refer to <http://drc.ou.edu/>

### 8. Religious Holidays

“It is the policy of the University to excuse the absences of students that result from religious observances.”

### 9. Laptop and Phone Policy

The use of laptop computers and tablets is subject to permission from the instructor and their use should be limited to access the readings. Mobile phones must either be switched off or set to the silent mode during lectures. This rule will be strictly enforced and any deviation may result in points being deducted from your participation score.

### 10. Grading Scale

97.5-100:	A+	77.5-79.9:	C+
95-97.49:	A	72.5-77.49:	C
90-94.49:	A-	70-72.49:	C-
87.5-89.9:	B+	67.5-69.9:	D+
82.5-87.49:	B	62.5-67.49:	D
80-82.49:	B-	60-62.49:	D-
		<60	F

Your final grade will follow the University of Oklahoma’s grading scale, that is A, B, C, D, and F without the intermediate grades on the left.

I reserve the right to adjust this schedule of grade equivalents in the student’s favor.

## **Tentative Course Outline and Reading Assignments**

### **A. Introduction to Political Economy**

**Week 1: Thursday, January 18, No Class**

**Week 2: Thursday, January 25**

1. The Rise and Fall of Market Economy: Polanyi Ch. 3, 4, 5, 6, 7

**Week 3: Thursday, February 1**

2. Self-Protection of Society: Polanyi Ch. 11, 12, 13, 14

**Week 4: Thursday, February 8, No Class**

**Week 5: Make up Class**

3. Transformation in Progress: Polanyi Ch. 19, 20, 21

**Week 5: Thursday, February 15**

4. The Tragedy of Development: M. Berman, All that is Solid Melts into Air, Ch.1

Film assignment: *Germinal* (due February 15)

**Week 6: Thursday, February 22**

5. Modernism and Modernization: M. Berman, All that is Solid Melts into Air, Ch.2;

K. Marx and F. Engels. *The Communist Manifesto*;

\*Kalecki, M. 1943, Political Aspects of Full Employment. *Political Quarterly* 14(4), 322–331.

### **B. The Making of the Third World**

**Week 7: Make up Class**

6. *Victoria's Ghosts*: Davis Ch. 1, 2, 3

**Week 7: Thursday, March 1**

7. *Gunboats and New Imperialism*: Davis Ch. 4, 5, 6

Film assignment: *Congo: White King, Red Rubber, Black Death* (due March 1)

**Week 8: Thursday, March 8**

8: *The Political Economy of Famine*: Davis Ch. 9, 10

**Week 9: Thursday, March 15**

9: *The Political Economy of Famine*: Davis Ch. 11, 12

Film assignment: *Bicycle Thieves* (by Vittorio De Sica) (due March 15)

**Week 10: Thursday, March 22, No Class, Spring Break**

## C. Globalization, Trade, Institutions and Development

### Week 11: Thursday, March 29

10. Globalization in trade and finance: Chang, Prologue, Ch.1-4

### Week 12: Thursday, April 5

11. Government intervention, institutions and development: Chang, Ch. 5-9

\*Acemoglu, D., Johnson, S. and Robinson, J. (2005) The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth. *American Economic Review*, 95(3): 546-579.

\*Chang, H. (2010), Institutions and economic development: theory, policy and history. *Journal of Institutional Economics*, 1-26.

Film assignment: Life and Debt (Due April 5)

## D. Escape from the Empire and the Age of Crisis

### Week 13: Thursday, April 12

12. Imperialism, free trade and aid: Amsden: Ch. 1-5

\*Berger, D., Easterly, W., Nunn, N. and Satyanath, S. (2013). Commercial Imperialism? Political Influence and Trade during the Cold War. *American Economic Review*, 103(2), 863-96.

### Week 14: Thursday, April 19

13. State intervention, Washington Consensus and North-South Divide: Amsden, Ch. 6-11

\*Harvey, D. (2005). Neoliberalism, Ch. 1.

\*Williamson, J. (2004). "[A Short History of Washington Consensus](#)", Presented at *From the Washington Consensus towards a New Global Governance*, Barcelona on 24-25 September 2004.

\*Rodrik, D. (2006). Goodbye Financial Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s. *Journal of Economic Literature*, 44: 973-987.

### Week 15: Thursday, April 26

14. Crisis and Continuity: Roubini and Mihm: Introduction & Ch. 1-5

### Week 16: Thursday, May 3

15. What is good for Wall Street is also good for whom?: Roubini and Mihm: Ch. 6-10 & Conclusion

Film: "The Inside Job" (due on May 3)

Leonhardt, D. 2016. [The American Dream, Quantified at Last](#), *New York Times*, December 8. Also listen to : <https://www.npr.org/2016/12/09/505012132/economists-chart-index-of-the-american-dream-in-the-new-york-times>

Rushe, D. 2017. [We are a cautionary tale': Kansas feels the pain of massive Trump-style tax cuts](#). *The Guardian*, May 15.

Hobson, J. 2017. [What Happened To The Economy In Kansas?](#) *WBUR* October 25.

Cobb, R. 2017. [Oklahoma isn't working. Can anyone fix this failing American state?](#) *The Guardian*, Tuesday 29.

Rodrik, D. [The fatal flaw of neoliberalism: it's bad economics](#), *The Guardian*, November 14, 2017.

Cassidy, John (2010). [What good is Wall Street](#) New Yorker 29.

\*Krugman, Paul (2009). "[How Did Economists Get It So Wrong?](#)" *NYT Magazine*.

\*Stiglitz, Joseph (2008). "[Capitalist Fools](#)." *Vanity Fair*.

\*Stiglitz, Joseph (2011). "[Of the 1%, by the 1%, for the 1%](#)." *Vanity Fair*.

\*Stiglitz, Joseph. Government Failure vs. Market Failure: Principle of Regulation.

\*Buffett, Warren (2011). "[Stop coddling the Super Rich](#)" *New York Times*, Aug 14.

### Afterword:

*Questions from a worker who reads*

*Who built Thebes of the seven gates?  
In the books you will find the names of kings.  
Did the kings haul up the lumps of rock?  
And Babylon, many times demolished  
Who raised it up so many times? In what houses  
Of gold-glittering Lima did the builders live?  
Where, the evening that the Wall of China was finished  
Did the masons go? Great Rome  
Is full of triumphal arches. Who erected them? Over whom  
Did the Caesars triumph? Had Byzantium, much praised in song  
Only palaces for its inhabitants? Even in fabled Atlantis  
The night the ocean engulfed it.  
The drowning still bawled for their slaves.*

*The young Alexander conquered India.  
Was he alone?  
Caesar beat the Gauls.  
Did he not have even a cook with him?*

*Philip of Spain wept when his armada.  
Went down. Was he the only one to weep?  
Frederick the Second won the seven Years' War. Who  
Else won it?*

*Every page a victory  
Who cooked the feast for the victors?  
Every ten years a great man?  
Who paid the bill?*

*So many reports.  
So many questions.*

*Bertolt Brecht  
"Fragen eines lesenden Arbeiters" - translated by M. Hamburger  
from Bertolt Brecht, Poems 1913-1956, Methuen, N.Y., London, 1976*