

World Political Economy

GECO 5108 & LECO 4505 -- Three credits

Mondays, 6-7:50 p.m., 6 E 16th Street (Room 901)

A lab session will be held on Fridays from 6-750 p.m. (in the same room)

Professor: Sanjay G. Reddy (reddys1@newschool.edu),
6 East 16th Street, Rm. 1116

Email is the preferred medium for communication. Please place 'World Political Economy' in subject heading to ensure a response.

Office Hours: Thursday 4-530 p.m., unless announced by email.

Teaching Assistant: Jessica Singer (singi949@newschool.edu),

Office Hours: Tuesday 4-6 p.m., and by appointment.

Course Description:

This course attempts to provide elements of an analytical framework for understanding the historical and contemporary world economy, applying a globally integrated perspective. Special attention will be given to those issues related to development which are fruitfully approached from such a perspective.

Presentations by the instructor will play a central role in the course. Presentations by invited experts on a variety of economic issues that possess a global dimension will also play a vital role, and provide a unique aspect to the course which takes advantage of our location and the contacts of the instructor and institution.

An aim of the course is to expose students to a variety of viewpoints. The course will present the world economy as a space about which there are contested accounts, deriving from the presence of conflicting factual, analytical and normative premises concerning its history and present. Lab sessions will play an important role in underlining this theme.

Prerequisites: For undergraduates: introductory microeconomics and macroeconomics and either intermediate microeconomics or intermediate macroeconomics. For graduate students: no formal prerequisite but undergraduate training equivalent to the prerequisite for undergraduates or equivalent self-education is strongly advised.

Evaluation: Credit for the course requires active and informed class participation (twenty five percent of course grade) and a final analytical research paper, with indicative length of twenty to twenty five double spaced pages (seventy five percent of course grade). Students are invited to make

an (optional) class presentation of their analytical research papers. The course grade for participation is not dependent on such a presentation but will be informed by it. Papers will be due on the last day of class (May 17th) in class. A hard copy is requested although students may email a copy of their paper *in addition* to ensure that it is not lost. This deadline is firm. Students with alternative proposals as to how they should be assessed may raise them with the instructor during the first month of the course. A one page paper proposal for the instructor's review is due on or before Monday, March 8th.

The student with the most comprehensive and clear notes submitted to the instructor at the end of term will be acknowledged and, if he or she wishes, receive a prize (in the form of lunch or dinner with the instructor).

Readings:

Readings for each topic will be made available electronically wherever possible. The dates assigned to various topics as well as the dates on which guest speakers are invited may be changed. Students should regard the latest version of the syllabus, which is placed on the course website (accessible via Blackboard) as being authoritative. Readings proposed by the guest lecturers may be added as the course proceeds. **Starred** readings are optional.

Schedule of Lectures:

Date	Topic	Lecturer
25 th of January	Introduction to the Course	Sanjay Reddy
1 st of February	Fundamentals of World Political Economy: Concepts and Visions	Sanjay Reddy
8 th of February	The Invention of the Economy	David Grewal
22 nd of February	Flows: Labor, Goods and Capital	Sanjay Reddy
1 st of March	Unshackling African Development: Reforming the Reforms	Akbar Noman
8 th of March	The New Lombard Street: From Lender to Dealer of Last Resort	Perry Mehrling
22 nd of March	Growth and Development	Sanjay Reddy
29 th of March	Ghana: A Case Study in the Political Economy of Development	Donald Robotham
5 th of April	Macroeconomic Interdependence	Sanjay Reddy
12 th of April	Policies, Aid and Development	Camelia Minoiu
19 th of April	The Institutional Structure of the International Economy	Sanjay Reddy
26 th of April	Power and Plenty: The World Political Economy in Historical Perspective	Ronald Findlay
3 rd of May	The End of Western Dominance?	Sanjay Reddy
10 th of May	Development and Trade: Some Insights	Andre Burgstaller

	from Classical Models	
17 th of May	Conclusion and Student Presentations	Sanjay Reddy

1. Fundamentals of World Political Economy: Concepts and Visions

Bagchi, A., 1982, *The Political Economy of Underdevelopment*, Cambridge: Cambridge University Press, selection.

Baran, P., 1957. *The Political Economy of Growth*, New York: Monthly Review Press, selection.

Bowles, S. and Edwards, R., 1992. *Understanding Capitalism*, Harper Collins College Publishers, NY: Ch.I-3

Diamond, J., 1999. *Guns, Germs and Steel: The Fates of Human Societies*, New York: W.W.Norton., selection.

Findlay, R. and K. O'Rourke, 2009. *Power and Plenty: Trade, War and the World Economy in the Second Millennium*, Princeton: Princeton University Press.

Frank, Andre Gunder, 1965. *The Development of Underdevelopment*, New York: Monthly Review Press, selection.

Grewal, David S., 2008. *Network Power: The Social Dynamics of Globalization*, New Haven: Yale University Press, introduction.

Polanyi, K., 2001, *The Great Transformation*, Beacon Press, selection.

Rosenberg, N., 1991. *How The West Grew Rich: The Economic Transformation Of The Industrial World* (with L. E. Birdzell), selection.

Wallerstein, I. 2004: *World-Systems Analysis: An Introduction*. Durham, North Carolina: Duke University Press, Preface ('to start'), chapters 1 and 2.

Williams, E. 1994, *Capitalism and Slavery*, University of North Carolina Press, selection.

* Canterbury, E.R. 1995. *The Literate Economist: A Brief History of Economics*, Harper Collins, NY: Ch. 4 (Adam Smith), Ch. 8 (Marshall), Ch. 13 (Keynes).

* Godelier, M. 1972, *Rationality and Irrationality in Economics*, New York: Monthly Review Press.

* Heilbroner, R.L., 1986. *The Worldly Philosophers*, Simon and Schuster, New York (sixth edition): Ch. I-IV, VI, IX.

* Hont, I. (2005), "The Rich Country-Poor Country Debate in the Scottish Enlightenment" in *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective*, Cambridge, MA: Harvard University Press.

- * Meek, R. *The Economics of Physiocracy*. pp. 109-114, 265-296.
- * Mirowski, P. (1989), *More Heat than Light: Economics as Social Physics, Physics as Nature's Economics*, Cambridge: Cambridge University Press, chapter 7, "The Ironies of Physics Envy".
- * Tribe, K. (1978), *Land, Labour and Economic Discourse*, London: Routledge and Kegan Paul

2. *Flows: Labor, Goods and Capital*

Best, M, 1990, *The New Competition: Institutions of Industrial Restructuring*, Cambridge, MA: Harvard University Press, selection.

Bhagwati, Jagdish. 2002. *Free Trade Today*, Princeton University Press, Princeton, New Jersey: Lecture 2, .. 'Fair Trade', Income Distribution, and Social Agendas: Using Trade Theory to Meet New Challenges", pp. 45-90.

Chandler, Alfred D., Jr., 1986, "Technological and Organizational Underpinnings of Modern Industrial Multinational Enterprise: The Dynamics of Comparative Advantage", in Teichova, A., Levy-Leboyer, M. and H. Nussbaum ed., *Multinational Enterprise in Historical Perspective*, Cambridge: Cambridge University Press.

Chang, Ha-Joon. 2002. "Kicking Away the Ladder: The 'Real' History Of Free Trade." NOTE: (This article draws heavily on *Kicking Away The Ladder: Development Strategy In Historical Perspective*. (2002) Anthem Press, London.).

Gomory, R. and W. Baumol, *Global Trade and Conflicting National Interests*, Cambridge, MA: MIT Press, selection.

Kenen, P., 1994, *The International Economy*, Cambridge: Cambridge University Press, selection.

Kindleberger, C., 1987, *International Capital Movements*, Cambridge: Cambridge University Press.

Krugman, P. and E. Helpman, 1991, *Market Structure and Foreign Trade*, Cambridge, MA: MIT Press.

Pomeranz, Kenneth & Topik, Steven. 2006. *The World that Trade Created: Society, Culture, and World Economy-1400 To The Present*. M.E. Sharpe, Armonk, New York, selection.

Potts, L., 1991, *The World Labour Market: A History of Migration*, St. Martin's Press, selection.

Shaikh, A. 1983. Reserve Army of Labour, in *The Dictionary of Marxist Thought*, edited by T. Bottomore, et al. Basil Blackwell, Oxford: pp. 422-423.

Shaikh, A., 2007, *Globalization and the Myths of Free Trade*, Chapter. 3, Taylor and Francis.

Unger, R. *Free Trade Reimagined*, Princeton: Princeton University Press, selection.

- * Emmanuel, A. 1972. *Unequal Exchange*: Monthly Review Press: Introduction (and Ch. 1-2 for those with a background in Marxian economics).
- * Edwards, Chris. 1985. *The Fragmented World: Competing Perspectives on Trade, Money and Crisis*, Methuen & Co., London: ch 1-3 (and Ch. 4 -5 for those who want to follow up on Neo-Ricardian, on unequal exchange, and Marxian theories).
- * Findlay, Ronald. 1987. Comparative Advantage, in the *New Palgrave: A Dictionary of Economics*, edited by J. Eatwell, M. Milgate, and P. Newman, MacMillan Press Limited, London.
- * Maddison, Angus & Johnston, Donald. 2001. *The World Economy: A Millennial Perspective* (Development Centre Studies), Organization for Economic Cooperation & Development.
- * Shaikh, A. 1980. *On the Laws of International Exchange*. In E.J.N. (ed.), *Growth, Profits and Property: Essays in the Revival of Political Economy*, Cambridge University Press.
- * Shaikh, A. 1995. *Free Trade, Unemployment, and Economic Policy*. In J. Eatwell (ed.), *Global Unemployment* M.E. Sharpe, Armonk, New York: Ch. 4.

3. Growth and Development

Collier, P. 2007, *The Bottom Billion*, Oxford: Oxford University Press, selection.

Guha, R. and J. Martinez-Alier, 1997, *Varieties of Environmentalism: Essays North and South*, London: Earthscan, selection.

Kanbur, R. (2001), "Economic Policy, Distribution and Poverty: The Nature of Disagreements", mimeo.

Lewis, W. A., 1953, "Economic Development with Unlimited Supplies of Labour", *Manchester School*.

Lucas, Robert A., 2002, "The Industrial Revolution: Past and Future", in *Lectures on Economic Growth*, Cambridge, MA: Harvard University Press.

Morishima, M., 1982, *Why Has Japan Succeeded? Western Technology and the Japanese Ethos*, Cambridge: Cambridge University Press, selection.

Reinert, E., 2007, *How Rich Countries Got Rich and Why Poor Countries Stay Poor*, New York: Public Affairs, selection.

Rosenstein-Rodan, P., 1944, "Notes on the Theory of the Big Push".

Sachs, J., 2005, *The End of Poverty: Economic Possibilities for Our Time*, Penguin Books: New York. [+critique to be assigned].

Sachs, J. et al ,2005, “Sub-Saharan Africa’s Poverty Trap”, *Brookings Papers on Economic Activity*.

Sachs, W. and T. Santarius et al, *Fair Future: Limited Resources and Global Justice*, Zed Books, selection.1

Scott, J., 1999, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*, New Haven: Yale University Press, selection.

Sen, A, 2000, *Development as Freedom*, Anchor Press, selection

Wade, R., 1992, *Governing the Market*, Princeton: Princeton University Press, selection.

Wade, R., 2001, “Showdown at The World Bank”, *New Left Review*, 7, Jan-Feb.

Weber, Max, 1961, *General Economic History*, New York: Collier Books, selection.

Weil, D.N., 2005, *Economic Growth*, New York: Addison Wesley, selection.

Williamson, J. (1990), "What Washington Means by Policy Reform", in J. Williamson, ed., *Latin American Adjustment: How Much Has Happened?* (Washington: Institute for International Economics).

Williamson, J. (2003), “The Washington Consensus and Beyond”, *Economic and Political Weekly*.

4. Macroeconomic Interdependence

Agenor and Montiel, 1996. *Development Macroeconomics*, Princeton University Press, Princeton, New Jersey, selection.

Bhaduri, A., 1998. “Implications of Globalization for Macroeconomic Theory and Policy in Developing Countries”, in D. Baker, G. Epstein and R. Pollin ed., *Globalization and Progressive Economic Policy*, Cambridge: Cambridge University Press.

Bruno, M. and J. Sachs, *The Economics of Worldwide Stagflation*, selection.

Glyn, A., *Capitalism Unleashed: Finance, Globalization and Welfare*, Oxford: Oxford University Press.

James, H. (1996), *International Monetary Cooperation Since Bretton Woods*, selection.

Krugman, P. , 1995, *Currencies and Crises*, Cambridge, MA: MIT Press, selection.

Marglin, S. and J. Schor, ed., 1991, *The Golden Age of Capitalism: Reinterpreting the Postwar Experience*, Oxford: Clarendon Press, selection.

Rothermund, D., 1990, "A Vulnerable Economy: India in the Great Depression, 1929-1939", in Sugata Bose ed., *South Asia and World Capitalism*, Delhi: Oxford University Press.

Sachs, J., 1989, "Conditionality, Debt Relief and the Developing Country Debt Crisis" in J. Sachs ed. *Developing Country Debt and the World Economy*.

Shaikh, A. 1978. "An Introduction to the History of Crisis Theories" in *U.S. Capitalism in Crisis*, URPE, NY.

Wade, R., 2006, "Choking the South", *New Left Review*, 38, Mar-Apr.

[Article to be selected on present global current account imbalances and demand interlinkages].

5. *The Institutional Structure of the International Economy*

Barry, C. and S. Reddy, 2008. *International Trade and Labor Standards: A Proposal for Linkage*, New York: Columbia University Press, selection.

Eichengreen, B. 1996. *Globalizing Capital: A History of the International Monetary System*, Princeton: Princeton University Press, selection.

Grewal, David S., 2008. *Network Power: The Social Dynamics of Globalization*, New Haven: Yale University Press, chapter 8 (on WTO).

Irwin, D., P. Mavroidis and A.O. Sykes, 2008. *The Genesis of the GATT*, Cambridge: Cambridge University Press.

Barrett, S., 2007, *Why Cooperate? The Incentive to Supply Global Public Goods*, Oxford: Oxford University Press.

Soros, G., 2008, *The New Paradigm for Financial Markets: The Crash of 2008 and What it Means*, New York: Public Affairs, selection.

Stiglitz, Joseph E. 2002. *Globalization and Its Discontents*, W.W. Norton & Company, New York: Chapters 1,2,6,9.

* Wedel, Janine R. 2009. *Shadow Elite: How the World's New Power Brokers Undermine Democracy, Government and the Free Market*, New York: Basic Books.

6. The End of Western Dominance?

Arrighi, G.A., 2008, *Adam Smith in Beijing: Lineages of the Twenty-First Century*, Verso, selection.

Frank, A. G., 1998, *ReOrient: Global Economy in the Asian Age*, Berkeley: University of California Press, selection.

Nayyar, D., 2009, Developing Countries in the World Economy: The Future in the Past, WIDER Annual Lecture 12, available on http://www.wider.unu.edu/home/news/en_GB/annual-lecture-12-online/