

Globalization INTA
Fall 2010 – Wed 15:00-18:00

Professor Dan Breznitz
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Office hours – Tue 15:00-15:30

This course investigates changes in the international economy and their influence on domestic and international politics, economy, and society. Several key issues will be explored, including:

1. What is globalization?
2. Is it a new phenomenon? What are its causes? Is it reversible?
3. What are the effects on development, wages and inequality, social safety nets, industries, and innovation, in both the developed and developing world?
4. How, if, does it affect relations between developed countries and developing countries?
5. Globalization and democracy.

The course is open to advanced undergraduates and graduate students. Prior work in political science or economics is strongly recommended. The requirements are: (1) completion of each week's assigned reading before class; (2) an essay on assigned topics (40% of grade); (3) a take home exam to be given in the last week of class (25%). The essay requires thinking about issues raised in readings and class discussion. It should be between 8 to 12 typed double-spaced pages.

Active and knowledgeable class participation is essential to the success of a course dealing with such complex issues, and hence, 35% of the final grade is tied to class participation, class debates, and group presentations (to be scheduled).

Note: All reading marked by # are available for download from the course's website

Week – 1 – Introduction and overview (Aug 25)

Some facts, figures, and basic concepts on “what the hell is going-on I just got myself a few sub-prime mortgages turned the greatest global financial crisis” is Simon Johnson’s (formerly the Chief Economists of the IMF now back as a Professor at MIT, website. Please acquaint yourself with this data and set of concepts we WILL use them and they DO matter to your OWN life (much more than you might think)

BaselineScenario.com

Reading:

Rosenberg, Tina, “*The Free Trade Fix*,” in New York Times Sunday Magazine, August 18, 2002.

Hirst, Paul, Grahame Thompson, and Simon Bromley *Globalization in Question*, 3rd edition chapter 1. Cambridge : Polity Press ; Malden, MA, 2009.

HF1359 .H575

ISBN: 9780745641522

Weeks – 2 and 3 – Historical overview and the lure of free trade (Sept 1 – Sep 8))

Hirst, Thompson, and Bromley, Globalization in Question, chapter 2

Angell, Norman, The Great Illusion, chapters 1-4.

Wolf, Martin, *Why Globalization Works*, Chapters 3, 4, and 6 Pp. 24-57, 77-93. New Haven: Yale University Press, c2004.

HF1359 .W6534 2004

ISBN: 0300107773

Recommended

Eichengreen, Barry J. et al, “Is Globalization Today Really Different than Globalization 100 years ago?” NBER working paper # 7195.

Week – 4 – Special talk about USA Innovation Policy and Growth (Sept 15)

*Erica Fuchs – Carnegie Mellon University – talk on TUESDAY the 14th at 12:00
Location TBD*

**Week – 5 – Economy and Society in the World of the Free Market
(Sept 22)**

Polanyi, Karl, The Great Transformation, chapters 3-6, 12, and 21. Boston, MA : Beacon Press, 2001.

HC53 .P6 2001

ISBN: 080705643X

**Week – 6 - Politics and Trade
(Sept 29)**

Gourevitch, Peter, Politics in Hard Times, chapters 1-4. Ithaca : Cornell University Press, 1986.

HD82 .G623 1986

ISBN: 0801494362

Frieden, Jeffry, “*Invested Interests: The Politics of National Economic Policies in a World of Global Finance*,” International Organization, vol. 45 (1991), pp. 425-51.

American International Policy Attitudes (see globalization: <http://www.pipa.org/>)

**Weeks – 7-8 Global Finance (as more articles and publications about the current crisis appear in press the reading for this section will be updated)
(Oct 6, 13)**

Essay topics given on the end of the class of 13th

Oct 6th first half of the class - Visiting Lecturer – the treasurer of Invesco (former currency exchange hedge manager of Gap

Strange, Susan, Casino Capitalism, chapters 1, 2, and 6. Manchester ; New York : Manchester University Press : distributed exclusively in the USA by St. Martin's Press, 1997.

HG3881 .S76x 1997

ISBN: 0631150277

Martin Neil Baily, Robert E. Litan, and Matthew S. Johnson, “*The Origins of the Financial Crisis*,” FIXING FINANCE SERIES – PAPER 3 | NOVEMBER 2008, Brookings Institute (Also available for download on the Brookings’ website)

Mark Blyth new paper to be added once he send us the new version meanwhile his two pieces below:

Two VERY short pieces by one of the best IPE professors out there:

http://www.usyd.edu.au/sydney_ideas_quarterly/articles/economy/economy_2.shtml

and

<http://www.america.gov/publications/ejournalusa/0509.html>

Two great pieces by Michael Lewis in Vanity fair and portfolio.com on the implosion of Bear and Lehman called 'the end" and then his follow up on AIG in the last issue.

http://www.huffingtonpost.com/2009/07/07/michael-lewis-on-aig-read_n_227071.html

and

<http://www.portfolio.com/news-markets/national-news/portfolio/2008/11/11/The-End-of-Wall-Streets-Boom>

History of how we got to Casino Capitalism “*Fear of Finance*” A Special Survey, The Economist, September 1992.

#Abdelal, Rawi, Capital Rules, Chapter one.

Dani Rodrik and Arvind Subramanian. March 2008 WHY DID FINANCIAL GLOBALIZATION DISAPPOINT? WHY DID FINANCIAL GLOBALIZATION DISAPPOINT? Also available for download on Professor Dani Rodrick’s website in Harvard’s KSG Hirst, Thompson, and Bromley, Globalization in Question, ch. 7.

And in case you forgotten this great resource from week I:

BaselineScenario.com

Essay topics given

Week 9 – When the Music Stops (October 20th)

This week instead of reading we will watch a DVD on what happen to... Detroit in the first phase of the current globalization and then see a short documentary on a slightly different industry-based city and see how much we learned (or not) in this current crisis

Week – 10 Critique and Defense of the Current Global System (October 27th)

****Essays collected in the beginning of class***

*** Group Projects Begin**

Leamer, Edward E., “A Flat World, a Level Playing Field, a Small World After All, or None of the Above? A Review of Thomas L. Friedman’s *The World is Flat*” Journal of Economic Literature Vol. XLV (March 2007), pp. 83–126.

Daly, Herman, "*Free Trade: The Perils of Deregulation*," in The Case Against The Global Economy, pp. 229-238. Edited by Mander, Jerry & Edward Goldsmith. Sierra Club Books
HD75.6 .C376 1996
ISBN: 0871568659

Wallach, Lori, Whose Trade Organization? Corporate Governance and the Erosion of Democracy, ch. 5.

Wolf, Martin, Why Globalization Works, chapter 10.

Recommended:

Cohen, Daniel, *Globalization and Its Enemies*. Introduction and Chapter 3 Cambridge, Mass. : MIT Press, 2006.
HF1359 .C64813 2006
ISBN: 026203350X

Week 11 – MNCs, the World System, and the New Realities of Production (Nov 3)

Hirst, Thompson, and Bromley, *Globalization in Question*, ch. 3.

Sturgeon, Timothy and Richard Florida, "*Globalization, Deverticalization and Employment in the Motor Vehicle Industry*," in Kenney and Florida Locating Global Advantage: Industry Dynamics in the International Economy, pp. 52-81. Stanford, Calif.: Stanford University Press, 2004.
HF1418.5 .L66 2004
ISBN: 080474758X

Berger, Suzanne, How We Compete Part One and Two (Pp. 1-90)
New York : Currency Doubleday, 2006.
HD5710.7 .B37x 2006
ISBN: 0385513593

Week – 12 – Globalization and Development (Nov 10th)

Breznitz, Dan, Innovation and the State: Political Choice and Strategies for Growth Israel, Taiwan, and Ireland. Chapter 1. 2007. New Haven: Yale University Press.

Rodrik, D. (2007). *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*. Princeton, NJ: Princeton University Press. Introduction/Chapter one

Breznitz and Murphree – The Run of the Red Queen

Lazonick – How we financialized to oblivion our Innovation system

Ha-Joon Chang. Kicking Away the Ladder: Development Strategy in Historical Perspective Chapters 1, 2, and 4. 2003

London : Anthem, 2002.

HF1359 .C439 2002

ISBN: 1843310279

Week 13-14

(Nov 17, 24 yes this is an incentive for all of you to do good time management on your presentations, if you do not want to spend the early evening before Thanks Giving in Atlanta)

- Group Presentations

Week – 15 - Globalization and Development – The Question of Inequality

(Dec 1)

Home Take Exam will be given during week 15th return date beginning of last class

Hirst and Thompson, Globalization in Question, chapter 5.

Wolf, Martin, Why Globalization Works, Chapter 9 on Inequality

Sala-I-Martin, Xavier, “The Disturbing ‘Rise’ of Global Income Inequality,” NBER Working Paper x8904, April 2002 <http://papers.nber.org/papers/W8904>

Weeks – 16 – Globalization the Industrialized Countries and State Power

(Dec 8)

Rodrik, Dani, Has Globalization Gone Too Far?

HF1418.5 .R643 1997

ISBN: 0881322415

Scheve, Kenneth and Matthew Slaughter, “Economic Insecurity and the Globalization of Production.” AJPS 2004, 48:4 662-674.

Berger, Suzanne, How We Compete, Part four and five (Pp. 137-248).

Wolf, Martin, Why Globalization Works, chapters 12 and 13.

#Weiss, Linda, States in the Global Economy. Introduction. 2003

Cambridge, U.K. ; New York : Cambridge University Press, 2003.

ISBN: 0521525381

Home Taken Exam to be submitted in the beginning of last class