Global Economic Governance

PA388K Fall 2011
(Unique: 61185)
SRH 3.316/350
Tuesdays 9:00 am – 12:00 pm

This class will examine the politics of global economic governance, focusing on how global norms, rules and formal international institutions facilitate cooperation and mitigate conflict in the world economy. We will survey the history and architecture of international institutions constructed by states to prevent instability and promote stable growth in international trade, money, finance, and development. Our specific focus will be on the current challenges facing global economic governance during and after the 2007-08 financial crisis. Our broader objective is to attain a sufficient level of historical and contemporary knowledge of global economic governance to be fully versant in contemporary policy debates and to provide critical analyses of the relevance, legitimacy and effectiveness of these global institutions today. To this end, the main assignment of this class is an analytical report in the style of Congressional Research Service (CRS) Reports to the United States Congress.

There is a lot of reading in this class. I have deliberatively chosen to use books more than articles for the sake of gaining depth on important issues within global economic governance rather than attempt to attain comprehensive breadth over an immense volume of articles, reports, blogs, etc. As a result, the reading load each week in terms of page length is probably longer than what you may be used to in other courses. However, as graduate students, I fully expect you to keep up with the reading and to read thoroughly and critically. That does not always mean you should read every word. Instead, you need to learn to read smart: read for the main questions and arguments, note the most significant evidence, and pay attention to implicit and explicit debates. Always ask yourself one thing when you finish a reading: what, in 50 words or less, is the point of this reading? During some weeks with particularly heavy reading loads, I recommend that you collaborate with your classmates to divide and discuss the readings prior to class. Every budding political economist should know that a successful division of labor can yield very high rates of efficiency and quality! To this end, I strongly encourage you to form study groups.

Sources of News, Data and Analyses

In addition to the assigned readings, I expect you to keep up with relevant news. I strongly suggest you subscribe to one or more of the following. Most online subscriptions come with full access to the archives, which will be very useful for the research you will be conducting for your CRS-style reports.

On-line News Sources:

* The Economist ([http://www.economist.com](http://www.economist.com))
* Financial Times of London ([http://www.ft.com](http://www.ft.com))
* Wall Street Journal ([http://www.wsj.com](http://www.wsj.com))
Blogs:

Blogs are often informal opinion editorials, written quickly and often without substantial supporting evidence. Never read a blog uncritically. That said, blogs can be an excellent source of very timely analyses and can point you in the direction of the latest, greatest information on policy issues. Here are some of the blog sites I follow:

The Project Syndicate (http://www.project-syndicate.org/): contains numerous op-eds from prominent economists (and the occasional political scientist) such as Nouriel Roubini, Jagdish Bhagwati, Joseph Stiglitz, Barry Eichengreen, Dani Rodrik, Martin Feldstein and many more. This is an extremely good source of analyses that will be very useful for the assignments in this class.

Foreign Policy Magazine (http://www.foreignpolicy.com/) has columnists who often write on global governance issues, including Dan Drezner, Josh Keating and David Bosco. I especially like David Bosco’s blog, The Multilateralist (available at http://bosco.foreignpolicy.com/)

Duncan Green writes a daily blog, From Poverty to Power, for Oxfam International (http://www.oxfamblogs.org/fp2p/). It is one of the best places to find out about the latest, greatest reports on international development and the aid industry.

Very Useful Web Resources:

www.WolframAlpha.com:
  - a computational knowledge engine that digests simple searches and spits out answers in graphical and other data visualization forms (e.g. punch in “GDP per capita Ireland and Iceland” and it instantly produces a line graph. So cool!)

World Bank World Development Indicators (WDI): http://data.worldbank.org/
  - your one-stop guide to all kinds of country-level information, ranging from GDP to literacy rates to cell phone use.

  - The World Economic Outlook (WEO) and the Global Financial Stability reports present the IMF staff’s analysis and projections of economic developments at the global level, in major country groups (classified by region, stage of development, etc.), and in many individual countries. The WEO and GFSR focus on major economic policy issues as well as on the analysis of economic developments and prospects. They are usually prepared twice a year, as documentation for meetings of the International Monetary and Financial Committee, and are primary instruments of the IMF’s global surveillance activities. The IMF also publishes WEO outlook updates on a more frequent basis.

  - statistics, policy analysis and other information on global trade, finance and development with a particular focus on issues relevance to developing countries.

  - a good source of macroeconomic data on the OECD member states, as well as many analytical reports on salient economic policy issues

OECD Development Assistance Committee: http://www.oecd.org/dac
  - the OECD’s site for tracking official development aid data from the OECD donors. It also includes several analytical reports, evaluations, and links. For more data on international aid flows, also refer to AidData (http://www.aiddata.org)
Course Agenda

August 30       Challenges of Global Economic Governance
September 6     History and Architecture of Global Trade Governance
September 13    Inside the World Trade Organization
September 20    After Doha? The Future of the Global Trade Regime
September 27    History and Architecture of Global Monetary and Financial Governance
October 4        No Class (Professor Weaver will be in Taiwan)
October 11      Global Financial Crises
October 18      Politics of International Regulatory Change
October 25      The Future of the US Dollar and the International Monetary Regime
November 1      The Future of Global Financial Governance: The G20, FSB, and IMF
November 3-4    Extra Credit Opportunity! The Eurozone Crisis
November 8      Global Development Aid
November 15     Emerging Donors and the Changing Landscape of Global Development: The Case of China in Africa
November 22     Shifting Powers and Shifting Paradigms in the Global Economy
November 29     The Globalization Paradox?

Required Books


Assignments and Grading

I. Participation: Blackboard Discussion (20%) and In-Class Participation (10%)

Your participation score will be determined by your performance in two arenas: in-class discussion and weekly written contributions to the Blackboard online discussion board. For the online discussion, I would like you, at a minimum, to pose at least one well-developed question or comment related to the readings or topic for at least ten (10) weeks during this semester. These should be posted no later than the Sunday before class at 5:00 pm. Late submissions will not count towards the ten required entries (and please note that Blackboard time stamps the entries, so it is very easy for me to track your performance). Your contribution should be at least one full, well-developed (and edited!) paragraph, although you are encouraged to do more. If you pose a question, explain why you think this is an important question for the class discussion and how you think the readings do or do not adequately answer the question. If you pose a comment, please explain why this is an important comment in the context of the readings and topic for the week. You may use this opportunity to react to current events or things you read in the news that are relevant to our course. Your questions or comments may be in reaction to the contributions of other students in the class. I will be looking for evidence of thoughtful engagement with the required readings, so you are especially encouraged to refer to specific articles or passages.

Minimal participation in classroom discussion requires that you read, think about, and bring to class the assigned reading materials; be prepared to discuss the reading materials; and show respect for other participants as well as the instructor. The discussion evaluation guideline attached to the end of this syllabus differentiates contributors in the following areas: mastery of material, quality of ideas, effectiveness of argumentation, respectful and active engagement of others in the discussion, and general impression. Positive and constructive class participation is not based on a quantitative measure of how many times you speak in class or how many questions and comments you pose each week on BB (above the one question/comment requirement). Rather, good participation entails actively staying engaged during class by asking questions, making useful comments, and posing an argument relevant to the topic at hand. A willingness to play devil’s advocate is encouraged. Classroom participation will also be based upon the quality of your questions and comments posed to our guest speakers.

Each week I will keep track of your performance on both the Blackboard discussion board and in-class participation. I will provide informal feedback through the semester, as well as a more formal mid-term assessment in mid-October.

II. Analytical Report (50%)

This is a survey course, and thus we are limited in our ability to dig deep into specific areas of policy in global economic governance. To enable students to explore issues of interest in greater depth, the core assignment for this class is to compose an analytical report, in the style of a Congressional Research Service (CRS) Report to Congress. CRS reports can vary in style, but they most frequently contain the following two elements: (1) a concise and accessible background on a particular law, institution or policy issue using the most recent data available and (2) an analysis of the debate over a particular policy problem or set of policy responses, usually ending with some recommendation to the US Congress on a course of action.

This assignment is intended to give students practice with policy analysis and writing. Students may choose which topic they would like to investigate. We will stage this assignment to provide multiple opportunities to refine the topic and proposed analysis, as well as build in opportunities to get feedback from both myself and your peers. The reports should be between 15-20 pages, single-spaced, including the title page, table of contents, charts and graphs, and list of resources. Longer papers are acceptable if the topic demands further analysis, although you should not exceed 30 pages. The goal of this assignment is to provide both insightful and concise analysis.
There are several CRS reports on the required and suggested reading lists, so please refer to those reports as examples.

We will stage the report writing in the following manner (grading weights indicated below). Each part should be submitted to me, by email or hardcopy, by 5:00 pm on the date indicated below.

- a. Abstract and list of ten sources (5%): due September 20.
- b. Revised abstract, detailed outline and expanded list of sources (5%): due October 11.
- c. Rough Draft (10%): due November 15.
- d. Peer review (5%): due November 22.
- e. Final Draft (25%): due December 2.


A final goal of this class is to develop your critical thinking skills and empower you to “think and talk” like a public intellectual. Therefore, in contrast to above CRS report assignment that requires you to attain in-depth expertise on a particular policy issue in global economic governance, the take-home final essay requires you to step back and think broadly about the future of global economic governance. You will do this by writing a brief (1,000 word) review of Dani Rodrik’s new book, *The Globalization Paradox*. We will all read this book and discuss it in our last class session, so you should have a good head start on this assignment before the final exam week.

Please note that I will be sure to read all of the published reviews of Rodrik’s book prior to the end of the semester, so do not be tempted to borrow heavily from any of these sources. Your reviews should be original. Also, I encourage you to pick one or two issues in the book that provoked you (positively or negatively) and use those issues as the focal point of your review. Be creative and provocative, but also be fair. A good book review is not necessarily one that “goes for the jugular”. Instead, a good review carefully considers the author’s intentions and the target audience, evaluating the argument and use of evidence in this context. In other words, do not criticize a book for being too simple if it is in fact targeting a general public audience. I will post some examples of book reviews on Blackboard.

Your book reviews should be submitted to me by email (ceweaver@austin.utexas.edu) no later than **Friday, Dec. 9 at 5:00 pm (CST)**. Please note that I will be in Durban, South Africa the first week in December and therefore will not be available during office hours. However, I will try to be available via email and Skype during this time.

### Academic Integrity

Students are expected to respect the LBJ School's standards regarding academic dishonesty. You owe it to yourself, your fellow students, and the institution to maintain the highest standards of integrity and ethical behavior. A discussion of academic integrity, including definitions of plagiarism and unauthorized collaboration, as well as helpful information on citations, note taking, and paraphrasing, can be found at the Office of the Dean of Students web page, [http://deanofstudents.utexas.edu/sjs/acint_student.php](http://deanofstudents.utexas.edu/sjs/acint_student.php) and the Office of Graduate Studies ([http://www.utexas.edu/ogs/ethics/transcripts/academic.html](http://www.utexas.edu/ogs/ethics/transcripts/academic.html)). The University has also established disciplinary procedures and penalty guidelines for academic dishonesty, especially Sec. 11.304 in Appendix C of the Institutional Rules on Student Services and Activities section in UT's General Information Catalog.
August 30: Challenges of Global Economic Governance

Required Readings:


“A Call to Arms”. The Economist, 28 August 2011. [BB]

September 6: History and Architecture of Global Trade Governance

Required Reading:


Chapter 1: “Political Analysis of the Trade Regime” [BB]
Ch.2: “Creating Constituencies and Rules for Open Markets” [BB]
Ch.6: “Expansion of GATT/WTO Membership and the Proliferation of Regional Groups” [BB]
Ch.7: “Accommodating Nonstate Actors: Representation of Interests, Ideas, and Information in a State-Centric System” [BB]

Available electronically through the UT library at: http://catalog.lib.utexas.edu/search~S29/?XEvolution+of+the+Trade+Regime&SORT=D/XEvolution+of+the+Trade+Regime&SORT=D&SUBKEY=Evolution%20of%20the%20Trade%20Regime/1%2C18%2C18%2CB/frameset&FF=XEvolution+of+the+Trade+Regime&SORT=D&1%2C1%2C
Suggested Reading:


Required Reading:


Suggested Reading:


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**September 20: After Doha? The Future of the Global Trade Regime**

**Report Abstract and List of Sources Due**

**Required Reading:**


“Dead Man Talking,” *The Economist*, 28 April 2011. [BB]


For those interested in the global food price crisis and its implications for global trade, please skim:


Suggested Reading:


September 27: History and Architecture of Monetary and Financial Governance

Required Reading:


**Suggested Reading:**


**October 4: No Class**

Prof. Weaver will be out of the country this week.

**October 11: Global Financial Crises**

**Revised report abstracts and resource list, plus detailed outline, due**

**Required Reading and Viewing:**


Suggested Reading:


Required Reading:


Suggested Reading (*=highly recommended):


October 25: The Future of the US Dollar and the International Monetary Regime

**Required Reading:**


**Suggested Reading:**


November 1: The Future of Global Financial Governance
**Required Reading:**


**Suggested Reading:**


November 3-4: The Eurozone Crisis (Extra Credit Opportunity)

Prof. Jamie Galbraith is hosting a two-day conference at the LBJ School, entitled “The Eurozone Crisis: a Modest Proposal?” If you attend two or more sessions and write a 2-3 page summary and reaction to the panels at the conference, I will add up to 5% to your overall course grade.

Suggested Reading:


November 8: Global Development Aid

Required Reading:


Suggested Reading:


**Report Rough Draft Due***

November 15: Emerging Donors and the Changing Landscape of Development Aid

Required Reading:


Suggested Reading:


November 22: Shifting Powers and Shifting Paradigms in the Global Economy

Required Readings:


Suggested Reading:


**Final Report Due December 2**

**Book Review Due December 9**