



MGMT 208

Globalization and International Political Economy

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Course WebCafe

Office Hours: Weds. 3-5 PM

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<https://webcafe.wharton.upenn.edu/eRoom/mgmtb/208-fa11-1>

Introduction

We are in the midst of deep-seated change in the international system. Globalization is transforming the way social relations are organized, affecting politics, economics and business activities. The internet has transformed the meaning of geography and territoriality and borders have become permeable and diffuse, making it difficult to distinguish between domestic and international economies or domestic and international politics. Authority in the international political system has fragmented with the emergence of powerful new actors such as multinational firms, the EU, international organizations such as the World Trade Organization and OECD and Non-Governmental Organizations such as Amnesty International or Greenpeace. The once clear line between the public and private arenas has blurred as state-owned firms and sovereign wealth funds expand internationally and private actors engage in the battle against AIDs and are asked to promote human rights. The political-economic order is more inclusive than ever before with rising powers such as China and India questioning Western dominance of international institutions and Western norms and assumptions.

The process, however, is very uneven: markets are global while most political and social institutions remain national. A large number of problems including terrorism, epidemics, global warming, the governance of cyberspace, financial stability, food security, and crime cannot be dealt with at the national level. Yet multilateral cooperation is difficult to achieve and international governance is both problematic and rarely accepted as legitimate. While we need new international “rules of the road,” who will make them, whom they will benefit and how they will be enforced are very difficult questions.

Globalization is a controversial term: there is a good deal of disagreement about what it means, its significance, who benefits from it and whether it is permanent or ephemeral. The impacts of the financial crisis and the “Great Recession” are still unfolding and it is far from clear whether we have reached an inflection point – an ebbing of this phase of globalization -- or we have hit a “bump in the road,” albeit a serious one.

Multinational firms are now the primary mechanism integrating the world economy and significant actors in international politics. Their broad and dense networks of operations impact issues such as the environment, poverty and inequality, human rights and culture

in a very large number of diverse locales. Furthermore, multinational firms are facing strong pressures to take on roles and functions that bear only an indirect relationship to their operations and bottom line, roles that raise question about the very definition of a corporation.

The Course

Managers in most firms, indeed anyone who claims to be an informed citizen, needs a solid understanding of the structure of the current international political and economic system, the pressures for change exerted by globalization, and how the new emergent system is likely to evolve.

Globalization and International Political Economy is an upper level undergraduate course. The course objective is to help students develop a framework that will provide an understanding of the international environment and provide a basis for thinking about the fundamental changes which are now taking place. The course *does not* deal with the strategic and operational problems faced by managers of multinational corporations directly, but rather is intended to provide an in-depth understanding of the political-economic environment in which they operate.

The course focuses on globalization and its implications, with some emphasis on the roles played by multinational corporations. We begin with an exploration of the nature of the process of globalization and its impact the international (or interstate) political system, trade, investment and culture. We will then turn to a broad review of some of the impacts and implications of globalization including issue areas such as human rights, sanctions, democracy, the rise of new powers and global governance.

The course assignments combine conceptual and theoretical readings with issue analyses which explore the impacts and implications of globalization. We will engage in a scenario planning exercise which will attempt to look at possible global futures.

The major course requirement is a term paper of 10-15 pages on a course-related topic of the student's choosing. (A summary paragraph is due by October 26th and an outline and bibliography is due by November 21nd.) Other requirements include a take-home mid-term exam and the group scenario planning exercise. Students will also prepare three short (2 page) thought papers due in class the day the topic is discussed. Class discussions will be interactive and structured to encourage participation.

I expect students to attend all class sessions. Missing more than two classes will affect your grade.

Students will not be allowed to enroll after the third class session.

Grading will be as follows: course paper (31%); Mid-term exam (25%); thought papers (24%); and the scenario exercise (20%).

Course Materials:

The Global Transformations Reader, (2nd. Ed.) David Held and Anthony McGrew eds., Cambridge: Polity Press, 2003. The book is available at the University Book Store.
(GTR)

Bulk Pack available on Study.Net (S.N)

Material posted on course WebCafé

<https://webcafe.wharton.upenn.edu/eRoom/mgmtb/208-fa11-1>

If you are not a Wharton student and are enrolled in the course, you can access webCafe after you obtain a Wharton computing account by applying online at <http://accounts.wharton.upenn.edu>.

MGMT 208
Globalization and International Political Economy
Syllabus Fall 2011
(Dates subject to change)

1. (9/7) Introduction
2. (9/12) Lessons from History

Reading

Keynes, Excerpt from *Economic Consequences of the Peace* (S.N)
Micklewait and A. Woolridge, "It Could Happen Again" (S.N)
Wolf, "Is Globalization in Danger?" (S.N)
Rachman, "Zero Sum World" (Webcafe)

Questions

1. What does Wolf mean by "liberalism" and a "liberal global order?"
2. What accounted for the rise of the first global economy in the late 19th century?
3. What do you think are the most significant differences between the pre-1914 global economy and ours today?
4. What is Rachman's message?

3. (9/14) An international world economy

Reading

P. Hirst and G. Thompson, "Globalization – A Necessary Myth?" (GTR)
"Responsibility to Protect" (S.N)
Failed States Index
http://www.foreignpolicy.com/articles/2011/06/17/2011_failed_states_index_interactive_map_and_rankings

Questions

1. Why is humanitarian intervention seen as "an indefensible infringement of state sovereignty?" Does the concept of the Responsibility to Protect (R2P) violate the idea of sovereignty?
2. What is a failed state?
3. How would you describe an international economy? How does a global economy differ?

4. (9/19) The transnational transition

Reading

Jan Aart Scholte, "What is Global About Globalization" (GTR)
D. Held, A. McGrew and D. Goldblatt, "Rethinking Globalization" (GTR)
Palmisano, "Multinationals Have Been Superseded" (S.N)

Questions

1. What is “global about globalization?”
2. What does Scholte mean by “deterritorialization?”
3. What is new about “the globally integrated enterprise?”

5. (9/21) Space, borders and the state system

Reading

S. Strange, “The Declining Authority of States” (GTR)

Kaplan, “The Revenge of Geography” (S.N)

Florida, “The World is Spiky” (S.N)

Questions

1. What is the gist of Strange’s argument? Do you agree with her?
2. Does Kaplan’s thesis about the enduring nature of geographic determinism conflict with Strange’s ideas?
3. What does Florida mean when he says the world is spiky?

6. (9/26) Technology and Globalization

Reading

Dicken, “A New Geo-Economy” (GTR)

Grappner, “A Cleverer Way to Build a Boeing” (S.N)

“Who Captures Value in the iPad” (Webcafe)

Questions

1. Dicken talks about a new “global division of labor.” What does that mean? What is new about it?
2. Where is the iPad made?
3. Boeing has been accused of transferring America’s technological and competitive advantage abroad. Do you agree with that argument?

7. (9/28) Economic nationalism

Reading

Bremmer, “State Capitalism Comes of Age” (S.N)

“The Long March of the Invisible Mr Ren” (S.N.)

“China and the U.S.: Access Denied” (Webcafe)

Barboza, “As China Invests, U.S. Could Lose” (Webcafe)

William, “Big Spenders Stir Protectionism” (S.N)

Questions

1. What should be the criteria for deciding whether a foreign acquisition or investment is a threat to the national security of a country? Who should decide?
2. Has Huawei been treated fairly? Should they have been allowed to invest in the U.S.?

3. Should state-owned companies or investment funds be considered differently than any other potential foreign buyer of an asset? Is state capitalism a threat to globalization?

8. (10/3) Global Cities

Reading

Sassen, "Locating Cities on Global Circuits" (S.N)

Questions

1. What are the characteristics of a global city?
2. What role do cities play in the process of globalization?

9. (10/5) Limits to Globalization

Reading

R. Abdelal and A. Segal, "Has Globalization Passed its Peak?" (S.N)

A. Grove, "How to Make an American Job Before It Is Too Late" (S.N)

Prestowitz, "The Betrayal of American Security" (Webcafe)

Friedman, "The World is Flat After All" (S.N)

Questions

1. What does Freedman mean by "the world is flat?"
2. How would you summarize Grove's argument? What about Prestowitz? Do they agree? Do you agree with them?
3. What events, trends or conditions in the world today make you pessimistic about the ability to sustain globalization? What makes you optimistic?

10. (10/12) Globalization and culture

Reading

P. Berger, "Four Faces of Global Culture" (S.N)

J. Tomlinson, "Globalization and Cultural Identity" (GTR)

Questions

1. Is globalization "crowding out" local culture and national identities? Is a single homogeneous global culture arising? Does the widespread use of English contribute to homogenization?
2. How would you describe what is happening to culture and identity with the advent of globalization? What are the forces for change and how do they work?
3. Do you feel that Berger's categorization of the modes of global cultural convergence makes sense? Why or why not? Is it useful?
4. Can you find an example of the effects of cultural globalization on the Internet? On YouTube for example?

11. (10/17) The fragmentation of authority

Reading

Argenti, “Collaborating with Activists: How Starbucks Works with NGOs” (S.N)

Mathews, “Power Shift” (GTR)

Mallaby, “Fighting Poverty and Hurting the Poor.”(S.N)

Questions

1. Why did Global Exchange target Starbucks? Did they have the right to do so?
2. Do you agree with Starbucks’ response? Was it a good business decision?
3. What is Mallaby’s main line of argument about NGOs and civil society? Do you agree with him?
4. What are the advantages or benefits of NGO activity in the international system? What are the downsides of their involvement?

12. (10/19) Governance in a transnational order

Reading

J. Rosenau, “Governance in a New Global Order” (GTR)

H. Bull, “Beyond the States System” (GTR)

D. Rodrik, “Feasible Globalizations” (S.N)

Lamy, “Whither Globalization” (Webcafe)

Questions

1. What does “global governance” mean? Why is there a need for it?
2. How was the Westphalian or international system “governed?” How were the “rules of the road” made?
3. What are the assumptions underlying Rodrik’s trilemma? Do you agree with his alternatives? Which do you think is most desirable? Why?

13. (10/24) The Environment and Sustainability

Reading

Orts, “Climate Contracts” (S.N)

Questions

1. What problems does the author see with a comprehensive global approach to dealing with environmental issues?
2. What are climate contracts? Do you think that the bottom up approach will work?

14. (10/26) Scenario Preparation

Reading

“What If...(Ch. 1-2)” (S.N)

NIC, “Mapping the Global Future...” (selections on WebCafé)

15. (10/31) Midterm exam

16. (11/2) Impact of the Internet

Reading

“Google in China,” HBS Case 9-510-071 (S.N)

Akdeniz, “Yahoo Case Report” (S.N)

Gleny, “Who Controls the Internet?” (S.N.)

Questions

1. Why did Google issue its statement of January 12th? Were they right to do so?
2. Is the Google affair a national security issue?
3. Were they supported by other interested parties? Why or why not?
4. Did France have the right to ask Yahoo to take down sites offering Nazi memorabilia?

17. (11/7) Human rights and the multinational firm I

Reading

Kobrin, “Oil and Politics: Talisman Energy in Sudan” (S.N)

Compact, “Guidance on Responsible Business Practices in High Risk Areas” (Webcafe)

Dyer, “Beijing and Troubled Nations...” (Webcafe)

Questions

1. Why did the NGOs target Talisman Energy? Were they right to do so?
2. Do you feel that Talisman complied with their responsibility to respect human rights in Sudan?
3. Why were the NGOs less successful with the Chinese oil firms?
4. Are the Chinese correct that the human rights issues are internal to Sudan and not an issue for the international community?

18. (11/9) Human rights and the multinational firm II

Reading

Muchlinski, “Human Rights and Multinationals: Is There a Problem?” (S.N)

Ruggie, “Guiding Principles: Business and Human Rights (S.N)

Questions

1. What is the difference between a state’s responsibility to protect human rights and the multinational firm’s responsibility to respect those rights?
2. Do you believe that the “Guiding Principles” will effectively prevent human rights violations by multinational firms? Why or why not?

3. Should multinational firms be held responsible for human rights violations? If so how?

19. (11/14) Scenario exercise

20. (11/16) China and Multiple Capitalisms?

Reading

Walker, "Globalization 3.0" (S.N)

Deudney and Ikenberry, "The Myth of the Autocratic Revival" (S.N)

Inglehart and Welzel, "How Development Leads to Democracy" (S.N)

Questions

1. Do you believe that a democratic system will emerge in China?
2. Can a competitive and efficient market economy function in the absence of a democratic political system? Does capitalism lead to democracy?
3. Does the Chinese approach represent an alternative form of capitalism? Is it a threat to a liberal international order?

21. (11/21) Multilateralism and Multipolarity

Reading

R. Haass, "The Age of Nonpolarity" (S.N)

Peerenboom, "The Future of Law in a Multi-Polar World." (S.N)

Questions

1. How would you define multilateralism? What is a multipolar or "nonpolar" world order?
2. Why is multilateral cooperation more difficult in a multipolar world?
3. What does Peerenboom mean by a "global New Deal?" Why does he feel it is necessary?

22. (11/23) Sanctions

Reading

Haass, "Sanctioning Madness" (S.N)

Country cases (WebCafé)

Questions

1. What explains the dramatic increase in the use of sanctions during the last two decades?
2. Does globalization increase or decrease the probability of effectiveness of sanctions?
3. Do you support the continuation of sanctions against Cuba? How about Iran?

23. (11/28) The Liberal International Order and Democracy

Reading

R. Dahl, "Can International Organizations Be Democratic?" (GTR)

Ikenberry, "The Future of the Liberal World Order" (S.N)

Questions

1. Do you agree with Dahl that international organizations cannot be democratic? Why or why not?
2. What is a liberal world order?
3. What are the impediments to its maintenance in a multipolar world?

24. (11/30) Global Governance

Reading

Craig, "The Resurgent Idea of World Government" (S.N)

Slaughter, "A New World Order (Introduction) (S.N

Rachman, "And Now for a New World Government" (S.N)

Questions

1. Is the idea of "world government" a fantasy? Would it be desirable?
2. What does Slaughter mean by a "disaggregated state" or a "disaggregated world order?"
3. Do you think intergovernmental networks have the potential to structure and effective and fair system of global governance? Why or why not?
4. What concrete manifestations, if any, do you see of an evolution of global governance? What form or forms might it take in the future?

25. (12/5)

26. (12/7) Course wrap-up