THE POLITICAL ECONOMY OF NORTH-SOUTH RELATIONS

The purpose of this course is to provide a broad survey of the most significant proposals for restructuring the international economic system. It is designed to contrast the politicized world of international negotiations with the policy recommendations from international development economists. Graduate students in both politics and economics should thus be able to explore the inter-relationship between theory and practice in an arena of current controversy.

There is a substantial amount of reading necessary; and, since much of this is in recent articles, there is no single text for the course. The course will be taught, to the maximum extent possible, in seminar fashion, so you must do the reading BEFORE COMING TO CLASS.

We will be covering a broad range of controversial topics which involve an intricate blend of technical and ideological questions. There are also obvious moral considerations in several of the topics. Given the breadth of legitimate approaches to the North-South dialogue, this course will not focus on any “agreed perspective” and the course is designed to encourage a lively interchange of views.

**Requirements:**

A) **Reading:** Assignments are on the attached list

B) **Papers:** There will be no required paper, though, if you want to do an optional paper, it is due on November 24

C) **Exams:** There will be a Mid-term Exam on October 27 and a Final Exam in Exam Period

D) **Class Participation:** Each student will be expected to participate fully in class discussion.
THE POLITICAL ECONOMY OF NORTH-SOUTH RELATIONS

I. Orienting Concepts

Sept. 08

T. Kuhn  The Structure for Scientific Revolutions, Chap. I, V, XII

A.G. Frank  “The Development of Underdevelopment”
            Monthly Review, 1966

D. Ray  Development Economics, Chaps. 2, 3, 4


II. What Was the New International Economic Order (NIEO)?

Sept. 15

D. Denoon  The New International Economic Order: A U.S. Response, Chap. 1

D.P. Moynihan  “The U.S. in Opposition,”
            Commentary, March 1975, Vol. 59, #3, pp. 31-44

United Nations  Declaration on the Establishment of the NEIO, May 1974

A. Krueger  “Trade Policy and Economic Development”

A. Taylor  “The Costs of Inward-Looking Development,”
III. Are North-South Issues Different from NEIO Issues?  
Sept. 22

P.T. Bauer  
Dissent on Development, Chapt. 1 & 2

D. Rodrik  

I.M.F.  
World Economic Outlook, April 2004 pp. 1-38

IV. Trade and Capital Flow:  
Sept. 29

R. Caves, Frankel &. Jones  
World Trade & Payment, 6th ed. Chapt. 2-6, pp. 11-17

J. Sachs, Tornell & Velasco  

M. Obstfeld  

J. Williamson  

V. Trade Policy:  
Oct. 06

A. Krueger & S. Rajapitana  

World Bank  
The East Asian Economic Miracle, Chapt. 1,3 & 6

J. Frankel & D. Roman  
VI. Employment and Strategic Trade:

Oct. 13

I.L.O. Employment, Growth and Basic Human Needs, Chapts. 1&2

P. Krugman (ed) Strategic Trade and the New International Economics Chapts. 1 (Krugman), 2 (Brander) and 8 (Yamamura)

R. Feenstra “Integration of Trade,” Journal of Economic Perspectives, Vol. 12, No. 4, Fall 1998, pp. 31-50


VII. The International Monetary System: How should It be Run?

Oct. 20

B. Eichengreen & A. Fishlow Contending with Capital Flows, pp. 1-45

C.R. Henning East Asian Financial Cooperation, pp. 1-48


M. Feldstein “The Case Against Trying to Stabilize the Dollar,” AER, 79:2, 36-40


VIII. Midterm Exam

Oct. 27
IX. The 1997 Financial Crisis: Nov. 03
   S. Haggard The Pol. Econ. of the Asian Financial Crisis, pp. 1-88
   D. Denoon Asia Transformed (ms., forthcoming 2005), Chapt. 2
   K. Jackson, ed., The Asian Contagion, Chapt. 4,6,7

X. The Significance of Japan & China Nov. 10
   World Economy, 2000, Vol. 23, No. 8, pp. 979 - 1003
   S. Bao et.al. “Geographic factors and China’s regional development”
   D. Denoon Real Reciprocity, Chapt. 1,3
   K. Sato “From Fast to Last: The Japanese Economy in the 1990s,”

XI. Latin American and African Development: Nov. 17
   World Bank “Poverty & Income Distribution in Latin America”
XII.  Aid & The Environment:
          Nov. 24
          S. Forman & S. Patrick  Good Intentions: Pledges of Aid, pp. 1-33
          R. Cooper  “Towards a Real Global Warming Treaty,”
                      Foreign Affairs, March/April 1998, Vol. 7 No. 2, pp. 66-79
          W. McKibben & P. Wilcoxon  “The Role of Economics in Climate Change Policy,”
          R. Hill & B. Adrangi  “Global Poverty and the U.N,” Journal of
                                 Public Policy, Fall 1999, Vol. 18, No. 2, pp. 135-146

XIII. Structural Adjustment: How to Minimize the Pain
          Dec. 01
          D. Denoon  Devaluation Under Pressure: India, Indonesia And Ghana, Chaps. 1, 4, 5
          S. Fischer, et. al  “Stabilization and Growth in Transition Economies,”

XIV Globalization:
          Dec. 08
          I.M.F.  World Economic Outlook - 2004, pp. 63-10
          D. Rodrik  Has Globalization Gone Too Far? 1998 (entire)
          J. Stiglitz  “The Private Uses of Public Interests,”
                      Journal of Economic Perspectives, Spring 1998 Vol. 12, No. 2, pp. 3-12

FINAL EXAM  In Exam Period