

**PRINCETON UNIVERSITY**

**WWS 552: Relations Between Industrial and Developing Countries**

**Spring Term 2004**  
**Tuesdays, 1-4**

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This course is a graduate-level introduction to the political economy of relations between the industrialized world and the developing world. The seminar will analyze the debates surrounding economic globalization and its consequences. In addition to an introductory session, the course will be divided into two parts:

1. The first three sessions of the course will present competing theoretical political economy perspectives on interactions between the industrialized world and the developing world. The objective of these sections is to create both a framework for analyzing North-South relations and a sense of historical perspective. We will examine alternative interpretations of how North-South relations have emerged historically, the implications of these different histories, and their contemporary nature.
2. In the second part of the course we will examine some of the most critical issue areas in North-South relations. These issues include trade and capital flows, foreign direct investment, international institutions, labor, environmental issues, illicit globalization, and democratization. We will seek to understand exactly how the world has changed as economic integration has increased, and to understand how these changes affect the prospects for development.

**Course Requirements**

All members of the seminar will be expected to participate in weekly discussions and to prepare special subjects for oral presentation. The presentations will involve exploring a policy case study of one of the issue areas in the second section of the course. The presentation will involve collecting outside readings on the particular policy question and distributing a policy recommendation to the class. Additionally, every member of the seminar will be responsible for three brief essays of 5-6 pages (typed, double-spaced) on one of the issue areas. Grading for the course will be based on class participation, the oral presentation, and the 3 essays.

## Readings

Readings come in three forms, and each is designated in the syllabus by one of the following symbols:

- A reading that is on electronic reserve on the Blackboard site for the course.
- ◆ A background reading in Robert Gilpin, *Global Political Economy: Understanding the International Economic Order* (Princeton: Princeton University Press, 2001), which will be available for purchase in the U-Store. Some of you will find these readings unnecessary, and purchase of this book is optional—it will be on reserve in Stokes library. I have also ordered Joseph Stiglitz, *Globalization and Its Discontents* (we read three chapters) at the U-Store, but selections from this book will also be on electronic reserve.
- A reading that is available online. There will either be a website listed or instructions on how to find the reading in the electronic journal database of the Firestone Library website (go to Princeton homepage, click on library, and follow the instructions in the syllabus).

The reading load appears to be heavy, and it is quite heavy, but perhaps not as heavy as it may seem; guidance will be given on the priority of different readings, some readings are included as background for those who need it, and in some weeks we will be dividing up responsibility for different readings.

## Weekly Course Topics and Readings

### Session 1: Course Introduction (2/3)

- No Readings.

### Part 1: The Political Economy of North-South Relations—The “Big Picture”

### Session 2: Perspectives on States, Markets, and the Global Economy (2/10)

- ◆ Robert Gilpin, *Global Political Economy*, pp. 305-321.
- Dietrich Rueshemeyer and Peter Evans, “The State and Economic Transformation: Toward an Analysis of the Conditions Underlying Effective Intervention,” in Evans, Rueschemeyer, and Skocpol (eds.), *Bringing the State Back In*, pp. 44-77.

- Anne O. Krueger, "Government Failures in Development," *The Journal of Economic Perspectives*, vol. 4, no. 3 (Summer 1990), pp. 9-23.
- Dani Rodrik, "Institutions for High-Quality Growth: What They Are and How to Acquire Them" *Studies in Comparative International Development*, Fall 2000, vol. 35, no. 3, pp. 3-10 (the remainder of the article is assigned for next week).
- Kiran Chaundhry, "The Myths of the Market and the Common History of Late Developers," *Politics & Society*, (Sept 1993), p. 245-274.
- Theodore Dos Santos, "The Structure of Dependence," *American Economic Review*, (May 1970), pp. 231-236.
- John Williamson, "What Should the World Bank Think About the Washington Consensus?" *The World Bank Research Observer*, August 2000, pp. 251-264, [http://www.worldbank.org/research/journals/wbro/obsaug00/pdf/\(6\)Williamson.pdf](http://www.worldbank.org/research/journals/wbro/obsaug00/pdf/(6)Williamson.pdf)

### **Session 3: Starting Points and their Importance (2/17)**

- Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," *American Political Science Review* 94:2 (June, 2000): 251-267
- Dani Rodrik, "Institutions for High-Quality Growth: What They Are and How to Acquire Them" *Studies in Comparative International Development*, Fall 2000, vol. 35, no. 3, pp. 10-28.
- Ha-Joon Chang, *Kicking Away the Ladder: Policies and Institutions for Economic Development in Historical Perspective* (2002), pp. 1-32, 51-58, 125-141.
- Tony Smith, *The Pattern of Imperialism*, Introduction and Chapters 1, 4, and 5.
- Bernard Mitchell and John Ravenhill, "Beyond Product Cycles and Flying Geese: Regionalization, Hierarchy, and the Industrialization of East Asia," *World Politics*, vol. 47, no 2, January 1995 (pp. 171-209).

#### *Supplementary:*

- Paul Krugman, "Cycles of Conventional Wisdom on Economic Development," *International Affairs* (vol. 72, no. 1, 1996), pp.717-732.
- Peter A. Hall and Rosemary C. R. Taylor, "Political Science and the Three Institutionalisms," *Political Studies* 44 (1996): 936-957.
- Alexander Gerschenkron, *Economic Backwardness in Historical Perspective*, Chapter 1 (pp. 5-30).

- Atul Kohli, "Where Do High-Growth Economies Come From? The Japanese Lineage of Korea's Developmental State," *World Development* 22 (September), pp. 1269-1293.

#### **Session 4: Visions of the Future (2/24)**

- Francis Fukuyama, "The End of History," *The National Interest*, (Summer 1989), pp. 3-18.
- Samuel Huntington, "The Clash of Civilizations," *Foreign Affairs*, (Summer 1993), pp. 22-49.
- Thomas Friedman, *The Lexus and the Olive Tree*, (1999), pp. 1-16.
- Kenichi Ohmae, "The Rise of the Region State," *Foreign Affairs*, (vol. 72, no. 2, 1993).
- Joseph E. Stiglitz, *Globalization and Its Discontents* (2002), Chapter 1, pp. 3-22.
- Joseph S. Nye, "Globalization's Democratic Deficit: How to Make International Institutions More Accountable," *Foreign Affairs*, July/August 2001.
- Robert O. Keohane and Joseph S. Nye, "Globalization: What's New? What's Not? (And So What?)," *Foreign Policy*, (Spring 2000), pp. 104-119.
- Richard Falk, *Economic Aspects of Global Civilization: The Unmet Challenges of World Poverty*, Princeton University, Center of International Studies, 1992.

#### *Supplementary:*

- Dennis F. Thompson, "Democratic Theory and Global Society," *The Journal of Political Philosophy*, (vol. 7, no. 2, 1999), pp. 111-125.
- Benjamin R. Barber, "Jihad vs. McWorld," *The Atlantic Monthly*, (March 1992), pp. 23-33.

### **Part 2: Issues in North-South Relations**

#### **Session 5: Democracy, Markets, and Development (3/2)**

- Atul Kohli, "Democracy and Development," in Kohli, Moon, Sorensen (eds.), *States, Markets, and Just Growth* (2003), pp. 39-63.

- Amy L. Chua, “The Paradox of Free Market Democracy: Rethinking Development Policy,” *Harvard International Law Journal* vol. 41, no. 2, Spring 2000.
- Marina Ottaway et. al, “Democratic Mirage in the Middle East,” Carnegie Endowment Policy Brief 20 (2003), <http://www.ceip.org/files/pdf/Policybrief20.pdf>
- Ziya Onis, “The political economy of Islamic resurgence in Turkey: the rise of the Welfare Party in perspective,” *Third World Quarterly*, vol. 18, no. 4, 1997, pp. 743-766.
- Thomas Carothers, “Promoting Democracy and Fighting Terror,” *Foreign Affairs*, January/February 2003 and the response of Paula Dobriansky (which can be found at <http://www.foreignaffairs.org/20030501faresponse11226/paula-j-dobriansky-thomas-carothers/democracy-promotion.html>).
- Barry Rubin, “The Real Roots of Arab Anti-Americanism,” *Foreign Affairs*, November/December 2002.

*Supplementary:*

- Marina Ottaway, *Democracy Challenged: The Rise of Semiauthoritarianism*, Carnegie Endowment, January 2003.
- F. Gregory Gause, “The Kingdom in the Middle,” in James F. Hoge, Jr. and Gideon Rose (eds.), *How Did This Happen: Terrorism and the New War?* (New York: Public Affairs, 2001), pp. 109-122.
- Ahmed Rashid, *Taliban*, (New Haven: Yale University Press, 2000), Chapters 6, 9, 11, 12, and 13.

**Session 6: Trade (3/9)**

- ◆ Gilpin, *Global Political Economy*, pp. 217-233.
- Jagdish N. Bagwati, *Free Trade Today* (2002), Chapter 2, pp. 47-90.
- Dani Rodrik, *The New Global Economy and Developing Countries: Making Openness Work*, (1999), pp. 24-41.
- Joseph E. Stiglitz, *Globalization and Its Discontents* (2002), pp. 59-67.
- Robert Wade, “Managing Trade: Taiwan and South Korea as Challenges to Economics and Political Science,” *Comparative Politics*, (January 1993), pp. 147-164.

- Gary Gereffi, “The Organization of Buyer-Driven Global Commodity Chains,” in Gereffi and Korzeniewicz (eds.), *Commodity Chains and Global Capitalism*, (Westport: Praeger), pp. 95-121.
- Carnegie Endowment Report, “NAFTA’s Promise and Reality,” 2003, Introduction and Chapter 1, [http://www.ceip.org/files/publications/NAFTA\\_Report\\_full.asp](http://www.ceip.org/files/publications/NAFTA_Report_full.asp)
- Jeffrey J. Schott and Jayashree Watal, “Decision-Making in the WTO,” Institute for International Economics, March 2000, <http://www.iie.com/publications/pb/pb00-2.htm>

### **Session 7: Foreign Investment (3/23)**

- *The Economist*, “A Survey of Global Manufacturing: Meet the Global Factory,” June 20, 1998, pp. 3-18.
- ◆ Gilpin, *Global Political Economy*, Chapter 11.
- Peter Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*, Chapter 2.
- World Investment Report 1999, “Foreign Direct Investment and the Challenge of Development: Overview,” pp. xvii-xxxiv.
- Joseph E. Stiglitz, *Globalization and Its Discontents* (2002), pp. 67-73.
- Vincent Cable and Bishakha Mukherjee, “Foreign Investment in Low-Income Developing Countries,” pp. 87-109.
- Securing America’s Future: The Case for a Strong Manufacturing Base, [http://www.wmma.org/pdf/PopkinPaper\\_Final\\_.pdf](http://www.wmma.org/pdf/PopkinPaper_Final_.pdf)
- Robert B. Reich, “Who is US?,” *Harvard Business Review*, (January-February 1990), pp. 53-64.
- Laura D’Andrea Tyson, “They are Not Us: Why American Ownership Still Matters,” *American Prospect*, Winter 1991, pp. 37-49.

### *Supplementary:*

- Sylvia Ostry, *A New Regime for Foreign Direct Investment*, (Washington: Group of 30, 1997), pp. 1-23

- Ethan B. Kapstein, “We are US” *The National Interest*, (Winter 1991/92), pp. 55-62, “An Exchange on Multinationals,” Reich and Kapstein, pp. 104-105.

### **Session 8: Capital Flows, Financial Crises, and International Institutions (3/30)**

- ◆ Gilpin, *Global Political Economy*, Chapters 10.
- Jeffrey A. Winters, “The Determinants of Financial Crisis in Asia,” in T.J. Pempel, (ed.), *The Politics of the Asian Economic Crisis*, pp. 79-97.
- Jeffrey D. Sachs and Wing Thye Woo, “Understanding the Asian Financial Crisis,” in Sachs and Woo, (eds.), *The Asian Financial Crisis*, pp. 3-43.
- Meredith Woo-Cumings, “The State, Democracy, and the Reform of the Corporate Sector in Korea,” in T. J. Pempel ed., *The Politics of the Asian Economic Crisis*, Chapter 6.
- Joseph E. Stiglitz, *Globalization and Its Discontents* (2002), Chapter 4, pp. 89-132.
- Martin Feldstein, “Refocusing the IMF,” *Foreign Affairs*, (vol. 77, no. 2, March/April 1998), pp. 20-33.
- Stanley Fischer, “In Defense of the IMF,” *Foreign Affairs*, (vol. 77, no. 2, March/April 1998), pp. 103-106.
- For more about the Asian financial crisis, go to:  
<http://www.stern.nyu.edu/globalmacro/>

### **Session 9: Labor (4/6)**

- Eddy Lee, “Globalization and labour standards: A review of the issues,” *International Labour Review*, (vol. 136, no. 2, 1997), pp. 173-189.
- OECD, “Trade, Employment and Labour Standards: A Study of Core Workers’ Rights and International Trade, (Paris: OECD, 1996), pp. 9-22. Remainder of study on reserve.
- Kimberly Ann Elliot, “Preferences for Workers: Worker Rights and the US Generalized System of Preferences,” <http://www.iie.com/papers/elliott0500.htm>
- Ethan Kapstein, “The Corporate Ethics Crusade,” *Foreign Affairs*, September/October 2001, pp. 105-119.

- Janet Hilowitz, “Social labeling to combat child labour: Some considerations,” *International Labour Review*, Summer 1997, pp. 215-232.
- Robert Durkee, “A New Movement Breaks a Sweat,” *Trusteeship*, Association of Governing Boards of Universities and Colleges, July/August 2000, pp. 17-23.
- Charles Sabel, Dara O’Rourke, and Archon Fong, “Realizing Labor Standards,” *The Boston Review*, <http://bostonreview.mit.edu/BR26.1/fung.html>
- Responses to Sabel, O’Rourke, and Fong, see link at end of previous piece.

### Session 10: Environment (4/13)

- World Bank, *Greening Industry: New Roles for Communities, Markets, and Governments*, (2000), [http://www.worldbank.org/nipr/greening/full\\_text/index.html](http://www.worldbank.org/nipr/greening/full_text/index.html), pp. 1-54.
- David Vogel, *Trading Up: Consumer and Environmental Regulation in a Global Economy*, (Cambridge: Harvard University Press, 1995), pp. 98-149.
- Carnegie Endowment Report, “NAFTA’s Promise and Reality,” 2003, Chapter 3, [http://www.ceip.org/files/publications/NAFTA\\_Report\\_full.asp](http://www.ceip.org/files/publications/NAFTA_Report_full.asp)
- Anthony Clunies Ross, “Untying the knots of international environmental agreements,” *Journal of Economic Studies*, 2000, vol. 27, no. One/Two, pp. 94-110, available from E-journals on library homepage.
- Dara O’Rourke and Garrett Brown, “Beginning to Just Do It: Current Workplace and Environmental Conditions at the Tae Kwang Vina Nike Shoe Factory in Vietnam” March 14, 1999, <http://www.globalexchange.org/economy/corporations/nike/vt.html>
- John Bray, “Web Wars: NGOs, Companies and Governments in an Internet Connected World,” *Greener Management International*, Winter 1998, Issue 24, Use Ebsco search engine on library homepage and search for: Web Wars

#### *Supplementary:*

- Marc A. Levy, Robert O. Keohane, and Peter M. Haas, “Improving the Effectiveness of International Environmental Institutions,” in *Institutions for the Earth*, (1993), pp. 397-426.

### Session 11: Illicit Globalization (4/20)

- Stephen Flynn, “Beyond Border Control,” *Foreign Affairs*, November/December 2000, vol. 79, no. 6, pp. 57-68.
- William F. Wechsler, “Follow the Money,” *Foreign Affairs*, July/August 2001, vol. 80, no. 4, pp. 40-57.
- Peter Andreas, “U.S.-Mexico: Open Markets, Closed Borders,” *Foreign Policy* 103, Summer 1996, pp. 51-69.
- Zai Liang and Wenzhen Ye, From Fujian to New York: Understanding the New Chinese Immigration,” in David Kyle and Rey Koslowski (eds.), *Global Human Smuggling* (2001), pp. 187-209.
- Rey Koslowski, “Economic Globalization, Human Smuggling, and Global Governance, David Kyle and Rey Koslowski (eds.), *Global Human Smuggling* (2001), pp. 337-353.

#### *Supplementary:*

- Doris Meissner, “After the Attacks: Protecting Borders and Liberty,” Carnegie Endowment Policy Brief 8, November 2001, pp. 1-8, <http://www.ceip.org/files/pdf/PolicyBrief8.pdf>
- Interview with Raymond Kendall, Secretary General of Interpol, “Meet the World’s Top Cop,” *Foreign Policy*, January/February 2001, pp. 31-40.
- Peter Andreas, “Free market reform and drug market prohibition: US policies at cross-purposes in Latin America,” *Third World Quarterly*, vol. 16, no. 1, 1995, pp. 75-87.
- Peter Andreas and Thomas J. Biersteker (eds.), *The Rebordering of North America: Integration and exclusion in a new security context* (2003).

### Session 12: Final Session (4/27)

- Readings TBA.