

PSci 683 BRICs in the Global Economy (Topics in International Political Economy)
University of Waterloo and Balsillie School International Affairs, Winter 2010

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Office Hours: Mondays 2:30-4:30 and by appointment

Course Description and Objectives: This is a course about four countries, Brazil, Russia, India, and China, the BRICs. It is about how they became “emerging economies”, marshalling substantial resource endowments and large populations to industrialize, grow at rapid rates, and occupy central positions in their regions and in the international political economy. The experiences of these countries also offer us the opportunity to think about larger questions of global order and national development. What is power in the global political economy and how is it/should it be/is it beginning to be (re)distributed? How can states and markets work together to generate equitable and participatory growth? Is that even possible? How should the BRICs be factored into the 21st century’s policy challenges, such as climate change or reworking international financial institutions after the recent economic crisis? What do the experiences of the BRICs mean for the many people who still lack access to such growth – including over a billion citizens of these countries themselves?

Course Format: Weekly seminar on Tuesdays 2:30-5:20, in Hagey Hall 123

Requirements:

1. Seminar participation (15% of the final grade). Since this is a seminar, your thoughtful participation in class is critical for the course’s success. You are expected to complete all readings and attend all seminars. If you are not on track to receive full credit for this part of the course, I will let you know by the time of the term break.
2. First paper (35% of the final grade). You will write an essay of 6 double-spaced pages (not less than 5 or more than 7) about the readings of either January 12 or January 19. The essay should address one or more of the questions posed on the syllabus for that day, presenting and defending an argument with respect to the question(s). You should show understanding of all the articles and how they relate to each other (which share common assumptions, which are opposed to each other, and so on), citing specific articles as you make your argument, but should *not* summarize the contents of each reading without analysis. This is an analytical, not descriptive exercise. No additional sources are required, and you should focus on the assigned works. The essay is due on Thursday, January 28. Late papers will receive penalties of 3% per day, including weekends.
3. Final paper (50% of the final grade). Choose one of the following two assignments. More information will follow on each option, by January 19. The due date for both is Friday April 16. There is no late penalty for this assignment, but late papers will receive fewer comments. By February 2, I need a one page summary of how you plan to complete this final assignment. Since these assignments will require sources in addition to the course readings, attach a preliminary bibliography for your planned paper. Please feel free to consult with me about your options. Presenting the unattributed work of others as your own is plagiarism and will result in a failing grade.
- 3a. Write a 10 page (double-spaced) policy analysis of one of the topics of the three final course

sessions. You may write on another topic related to the course, with explicit instructor permission. If you choose this assignment, you will need to do additional research on recent developments (e.g., the outcomes and process of the recent Copenhagen climate change negotiations) as well as some academic and policy writings on different policy options.

OR 3b. Write a 10 page (double-spaced) proposal for how you would conduct extended research (an MA thesis or PhD dissertation) on a topic related to this class. The proposal should identify a specific research question, briefly describe existing literature relevant to the question, and set out a clear methodology and plan for empirically researching the question. Additional reading for this assignment will be primarily within academic sources. Note that you do not have to actually be writing about one of the BRICs as long as you are addressing themes of this course.

Academic Integrity:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. [Check <http://www.uwaterloo.ca/academicintegrity/> for more information.]

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline, <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>. For typical penalties check Guidelines for the Assessment of Penalties, <http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm>.

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>. When in doubt please be certain to contact the department’s administrative assistant who will provide further assistance.

Appeals: A student may appeal the finding and/or penalty in a decision made under Policy 70 Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>.

Academic Integrity website (Arts): http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Academic Integrity Office (UW): <http://uwaterloo.ca/academicintegrity/>

Accommodation for Students with Disabilities:

Note for students with disabilities: The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Dates, topics, and specific readings:

Readings: Most of the readings can be obtained electronically through the University of Waterloo's electronic journals system and/or will be available through its "eReserves" system:

<http://www.ereserves.uwaterloo.ca/ereservesSearch.cfm>. They are listed under the course number.

January 5 Course introduction

O'Neill, Jim. 2001. *Building Better Economic BRICs*. New York: Goldman Sachs, Global Economics Paper No. 66. <http://www2.goldmansachs.com/ideas/brics/building-better-doc.pdf>

January 12 Interpretations of the Impact of the Rise of the BRICs on Global Order

This week's readings offer a number of different perspectives relevant to understanding the implications of the rise of the BRICs for global order – even though some of them might not mention the BRICs themselves at all. As you read them, consider how each would answer the following questions: What is power in the global political economy and how is it/should it be/is it beginning to be (re)distributed? Which specific institutions or actors are seen to embody different positions in this power distribution? What purposes are attributed to these? What are the sources of change in the global order? Are the arguments temporally or spatially circumscribed? If you are not very familiar with international relations theory, you may want to read this overview article which will help you understand some of the underlying arguments: Hurrell, Andrew. 2006. Hegemony, Liberalism and Global Order: What Space for Would-Be Great Powers? *International Affairs* 82(1): 1-19.

Mearsheimer, John J. 2006. China's Unpeaceful Rise. *Current History* 105(690): 160-162.

Armijo, Leslie Elliott. 2007. The BRICs Countries (Brazil, Russia, India, and China) as Analytic Category: Mirage or Insight? *Asian Perspective* 31(4): 7-42.

Wallerstein, Immanuel. 1974. *The Modern World-System*, Ch. 7, Theoretical Reprise. New York: Academic Press. 346-357.

Arrighi, Giovanni. 2007. *Adam Smith in Beijing: Lineages of the Twenty-First Century*, Ch. 11, States, Markets, and Capitalism, East and West. London: Verso. 309-350.

Katzenstein, Peter J. 2005. *A World of Regions: Asia and Europe in the American Imperium*, Ch. 1, American Power in World Politics. Ithaca: Cornell University Press. 1-36.

Porter, Tony. 2001. The Democratic Deficit in the Institutional Arrangements for Regulating Global Finance. *Global Governance* 7: 427-439.

Hurrell, Andrew and Ngaire Woods. 1995. Globalisation and Inequality. *Millennium – Journal of International Studies* 24(3): 447-470.

January 19 Domestic Foundations of the Rise of the BRICs: Development Choices

The BRICs all developed through economic formulas that included significantly more state participation in the economy than the neoclassical economic model recommends. Later in the course, we will look at the specific choices each made. This week's readings place their choices in a broader theoretical context by examining long-standing arguments about the proper roles of state and market in economic development. As you read them, consider how each would answer the following questions: What should be the balance between state and market for engendering development, and which countries appear as examples of the right (and wrong) balance? To what extent does the appropriate development choice depend on specific conditions and contexts? What vision of development is invoked, and what would be empirical indicators of that vision? To what extent can development outcomes be actively chosen and pursued? Note: This is an enormous literature, and I

decided to give you primarily recent refinements rather than classic statements. You should be attentive to presentations of the classic models, e.g., dependency, the developmental state, and the neoclassical economic model.

- Krueger, Anne O. 1990. Government Failures in Development. *Journal of Economic Perspectives* 4(3): 9-25.
- Sabel, Charles F. 2007. Bootstrapping Development: Rethinking the Role of Public Intervention in Promoting Growth. In *On Capitalism*, eds, V. Nee and R. Swedberg. Stanford: Stanford University Press. 305-341.
- Pempel, T.J. 1999. The Developmental Regime in a Changing World Economy. In *The Developmental State*, ed. M. Woo-Cumings. Cambridge: Cambridge University Press. 137-181.
- Kim, Wonik. 2009. Rethinking Colonialism and the Origins of the Developmental State in East Asia. *Journal of Contemporary Asia* 39(3): 382-399.
- Dreze, Jean and Amartya Sen. 2002. *India, 2nd Edition: Development and Participation*, Ch. 2, Economic Development and Social Opportunity. Oxford: Oxford University Press. 34-63.
- Evans, Peter. 2009. From Situations of Dependency to Globalized Social Democracy. *Studies in Comparative International Development* 44(): 318-336.

January 26 Development Choices in China and Russia

- Arrighi, Giovanni. 2007. *Adam Smith in Beijing: Lineages of the Twenty-First Century*, Ch. 12, Origins and Dynamic of the Chinese Ascent. London: Verso. 351-378.
- Kim, Min-Jeong and Jai S. Mah. 2009. China's R&D Policies and Technology-Intensive Industries. *Journal of Contemporary Asia* 39(2): 262-278.
- Tsai, Kellee S. 2006. Adaptive Informal Institutions and Endogenous Institutional Change in China. *World Politics* 59(1): 116-141.
- Gerschenkron, Alexander. 1962. *Economic Backwardness in Historical Perspective: A Book of Essays*, Ch. 1 Economic Backwardness in Historical Perspective. Cambridge: Harvard University Press. 5-30.
- Barnes, Andrew. 2007. Industrial Property in Russia: The Return of the State and a Focus on Oil. *SAIS Review* 27(2): 47-62.
- Robinson, Neil. 2009. August 1998 and the Development of Russia's Post-Communist Political Economy. *Review of International Political Economy* 16(3): 433-455.

Thursday January 28 First Paper Due

February 2 Russia in the International Political Economy – One page summary due

- MacFarlane, S. Neil. 2006. The “R” in BRICs: Is Russia an Emerging Power? *International Affairs* 82(1): 41-57.
- Lane, David. 2009. Global Capitalism and the Transformation of State Socialism. *Studies in Comparative International Development* 44(2): 97-117.
- Lo, Bobo. 2003. *Vladimir Putin and the Evolution of Russia Foreign Policy*, Ch. 4 the Economic Agenda. London: Royal Institute of International Affairs, Russia and Eurasia Programme; Oxford: Blackwell. 51-71.
- Kramer, Mark. 2008. Russian Policy Toward the Commonwealth of Independent States: Recent Trends and Future Prospects. *Problems of Post-Communism* 55(6): 3-19.

February 9 China in the International Political Economy

- Legro, Jeffrey W. 2007. What Will China Want: The Future Intentions of a Rising Power. *Perspectives on Politics* 5(3): 515-534.
- Foot, Rosemary. 2006. Chinese Strategies in a US-Hegemonic Global Order: Accommodating and Hedging. *International Affairs* 82(1): 77-94.
- Beeson, Mark. 2009. Comment: Trading places? China, the United States and the evolution of the international political economy. *Review of International Political Economy* 16(4): 729-741.
- Kiely, Ray. 2008. "Poverty's Fall"/China's Rise: Global Convergence or New Forms of Uneven Development? *Journal of Contemporary Asia* 38(3): 353-372.
- Bell, Stephen and Feng, Hui. 2007. Made in China: IT infrastructure policy and the politics of trade opening in post-WTO China. *Review of International Political Economy* 14(1): 49-76.

February 16 "Spring" Break – no class

February 23 Development Choices in India and Brazil

- Armijo, Leslie Elliott. 2005. Mass Democracy: the Real Reason that Brazil Ended Inflation? *World Development* 33(12): 2013-2027.
- Jensen, Nathan M. and Scott Schmith. 2005. Market Responses to Politics: The Rise of Lula and the Decline of the Brazilian Stock Market. *Comparative Political Studies* 38(10): 1245-1270.
- Herring, Ronald J. 1999. Embedded Particularism: India's Failed Developmental State. In *The Developmental State*, ed. M. Woo-Cumings. 306-334.
- Kohli, Atul. 2007. State, Business, and Economic Growth in India. *Studies in Comparative International Development* 42(1-2): 87-114.
- Dreze, Jean and Amartya Sen. 2002. *India, 2nd Edition: Development and Participation*, Ch. 9, Well Beyond Liberalization. Oxford: Oxford University Press. 306-346.

March 2 India in the International Political Economy

- Narlikar, Amrita. 2006. Peculiar Chauvinism or Strategic Calculation? Explaining the Negotiating Strategy of a Rising India. *International Affairs* 82(1): 59-76.
- Hurrell, Andrew and Amrita Narliker. 2006. A New Politics of Confrontation? Brazil and India in Multilateral Trade Negotiations. *Global Society* 20(4): 415-433.
- Menon, Nidhiya and Yana van der Meulen Rodgers. 2009. International Trade and the Gender Wage Gap: New Evidence from India's Manufacturing Sector. *World Development* 37(5): 965-981.
- Reddy, Prasada. 1997. New Trends in Globalization of Corporate R&D and Implications for Innovation Capability in Host Countries: A Survey from India. *World Development* 25(11): 1821-1837.

March 9 Brazil in the International Political Economy

- Hurrell, Andrew. Forthcoming. Brazil: What Kind of Rising State in What Kind of Institutional Order? For publication in *Rising States, Rising Institutions*.
- Lima, Maria Regina Soares de and Monica Hirst. 2006. Brazil as an Intermediate State and Regional Power: Action, Choice, and Responsibilities. *International Affairs* 82(10): 21-40.
- Burges, Sean W. 2009. *Brazilian Foreign Policy after the Cold War*, Introduction and Chapter 4. Gainesville: University Press of Florida. 1-16; 92-124.
- Moreira, Mauricio Mesquita. 2009. Brazil's Trade Policy: Old and New Issues. In *Brazil as an Economic Superpower? Understanding Brazil's Changing Role in the Global Economy*, eds. L. Brainard and L. Martinez-Diaz. Washington DC: Brookings Institutions. 137-156.

March 16 A New International Economic Order in the 21st Century?

- Odell, John S. 2009. Breaking Deadlocks in International Institutional Negotiations: The WTO, Seattle, and Doha. *International Studies Quarterly* 53(2): 273-299.
- Gallagher, Kevin P. 2008. Understanding developing country resistance to the Doha Round. *Review of International Political Economy* 15(1): 62-85.
- Germain, Randall D. 2001. Global Financial Governance and the Problem of Inclusion. *Global Governance* 7: 411-426.
- Cooper, Andrew F. and Thomas Fues. 2007. Do the Asian Drivers Pull their Diplomatic Weight? China, India, and the United Nations. *World Development* 36(2): 293-307.
- Wolf, Martin. 2004. Globalization and Global Economic Governance. *Oxford Review of Economic Policy* 20(1): 72-84.
- Cooper, Andrew F. and Daniel Schwanen. 2009. *CIGI Special G20 Report: Flashpoints for the Pittsburgh Summit, September 24-25, 2009*, Introduction and Part 1. Waterloo: CIGI. 9-29.

March 23 The BRICs in Climate Change Debates

- Steffek, Jens. 2006. *Embedded Liberalism and its Critics: Justifying Global Governance in the American Century*, Ch. 5, Embedded Liberalism Versus Redistribution in Global Climate Policy. New York: Palgrave Macmillan. 105-127.
- Roberts, J. Timmons, Peter E. Grimes, and Jodie L. Manale. 2003. Social Roots of Global Environmental Change: A World-Systems Analysis of Carbon Dioxide Emissions. *Journal of World Systems Research* 9(2): 277-315.
- Barnett, Jon. 2008. The Worst of Friends: OPEC and G-77 in the Climate Regime. *Global Environmental Politics* 8(4): 1-8.
- Lecocq, Franck and Philippe Ambrosi. 2007. The Clean Development Mechanism: History, Status, and Prospects. *Review of Environmental Politics and Policy* 1(1): 134-151.
- Whalley, John and Sean Walsh. 2009. Bringing the Copenhagen Global Climate Change Negotiations to Conclusion. *CESifo Economic Studies* 55(2): 255-285.

March 30 The Rise of “The Rest”? The BRICs and Lesser Developed Countries

- Hausmann, Ricardo, Dani Rodrik, and Andres Velasco. 2006. Getting the Diagnosis Right: A New Approach to Economic Reform. *Finance and Development*, 43(1): 12–15.
- Amsden, Alice H. and Takashi Hikino. 2000. The Bark is Worse than the Bite: New WTO Law and Late Industrialization. *The ANNALS of the American Academy of Political and Social Science* 570: 104-114.
- Wade, Robert. 2003. What Strategies are Viable for Developing Countries today? The World Trade Organization and the Shrinking of the “Development Space”. *Review of International Political Economy* 10(4): 621-644.
- Goldberg, Pinelopi Koujianou and Nina Pavcnik. 2007. Distributional Effects of Globalization in Developing Countries. *Journal of Economic Literature* 65(March): 39-82.
- Woods, Ngaire. 2009. *The International Response to the Global Crisis and the Reform of the International Financial and Aid Architecture*. Brussels: European Parliament, Directorate-General for External Policies, Policy Department Briefing Paper.

Friday April 16 Second Paper Due