

PSCI 2500 INTERNATIONAL RELATIONS

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Office hours:
Davis: M-Th 3:00-4:30
JB: Tu 4:00-5:30, W 2:00-4:00

jimbutterfield.org/2500.html

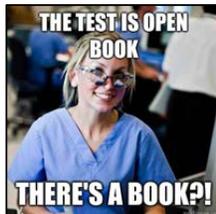
From last Wednesday, know for the final exam:

- What are the three factors make Iran a strategically important country?
- What events have led to the increasingly hostile relationship between the US and Iran since the 1950s?
- Why do we consider Iran to be a rogue country today?



Note on the Final Exam

- I will discuss this briefly on Wednesday.
- But note: **one** essay question on the final exam will be open book and open notes.
- So, **BRING YOUR TEXT AND YOUR NOTES TO THE FINAL.**



The Global Economy

- Key questions:
 - What is the role of the state in the economy?*
 - How much should countries be integrated into the global economy?*
 - What constitutes global economic governance?

* We addressed these last week.

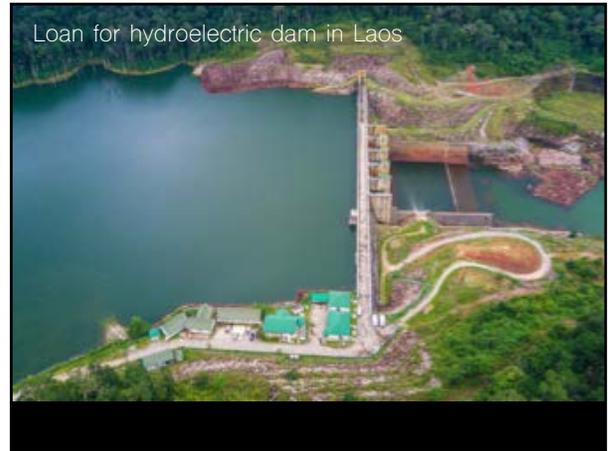
Global Economic Governance

- Recalling: Governance is "the sum of laws, norms, policies, and institutions that define, constitute, and mediate trans-border relations between states, cultures, citizens, intergovernmental and nongovernmental organizations, and the market."

International Economic Institutions

- International financial institutions (IFIs):
 - World Bank (International Bank for Reconstruction and Development)
 - Makes loans to countries to support development projects and poverty alleviation.





International Economic Institutions

- International financial institutions (IFIs):
 - International Monetary Fund (IMF)
 - Emergency assistance to countries in economic crisis.

International Economic Institutions

- Regional financial institutions. Examples:
 - Asian Development Bank.
 - Inter-American Development Bank.
 - African Development Bank.
 - Islamic Development Bank.





International Economic Institutions

- International trade organizations:
 - World Trade Organization (WTO)
 - Treaty organization that sets rules governing trade.
 - Dedicated to reducing barriers to free trade.

Note...

- The World Bank, the IMF, and the WTO are often referred to as the **** Bretton Woods institutions**.
- Named after the resort in New Hampshire where the World Bank and IMF were created.

A Key Global Actor

- Multinational corporations.
- Of the 100 wealthiest economic entities in the world...
- ... 69 are corporations. Only 31 are countries.

General Electric is wealthier than New Zealand.

Multinational Corporations

- The largest corporation in the world is...
- ...Walmart. It's wealthier than all but ten countries.

Walmart in Mexico City

Multinational Corporations

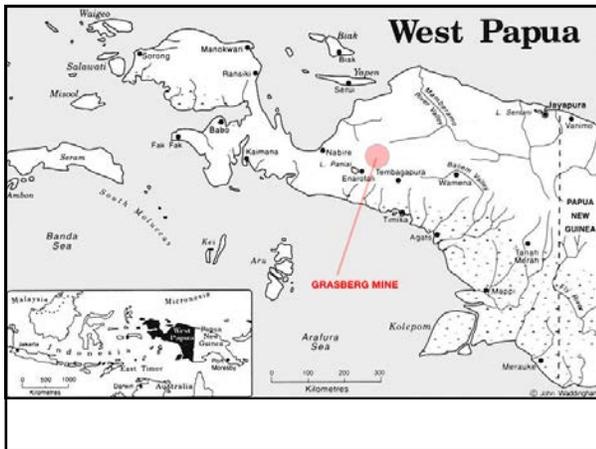
- Benefits:
 - Investment.
 - Jobs.
 - Economic development.
 - Transfer of technology.



Multinational Corporations

- Costs:
 - Low wages.
 - Avoid taxes.
 - Poor working conditions.
 - Environmental degradation.
 - In other words, they seek the "lowest common denominator."





Arsenic damage in tailings* (mine runoff) in blue from Grasberg Mine.

*200,000 metric tons daily.

Artificially colored by satellite technology.



Sum

- We do not have effective global governance over some aspects of MNC activities.
- Such factors are sometimes addressed in free trade agreements; sometimes not.
- A rising ethic: **** corporate social responsibility**, the principle that companies have a duty to practice better business norms and use their resources for the best interests of their societies.
 - This is a voluntary principle.