

PSCI 2500 INTERNATIONAL RELATIONS
 Jim Butterfield Davis Arthur-Yeboah
 April 9, 2018

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

Tomorrow! 5:15-6:45

jimbutterfield.org/2500.html

Reminder

- You may redo the short answer section of your exam.
- Take home; books and notes are allowable.
- Answer any question you didn't get full credit on.
- Take out pages 3 & 4 from your exam and staple them to the do-over sheet.
- Due at the beginning of Wednesday's class (April 11).

Not paper clipped!

- Do-over exams that are late or that do not have pp 3-4 from your exam **stapled** to the do-over sheet will not be accepted.

Not sewn with thread! Not glued with saliva!

- From last week, know for the final exam:
 - What are the orthodox and alternative views of development?
 - What factors cause or exacerbate poverty?
 - What is the Washington Consensus?
 - What is sustainable development?
 - How has international cooperation aided poverty reduction and development?
 - What outcomes have resulted from the post-1945 international liberal economic order?
- Rely on the book, not just class!*

Today

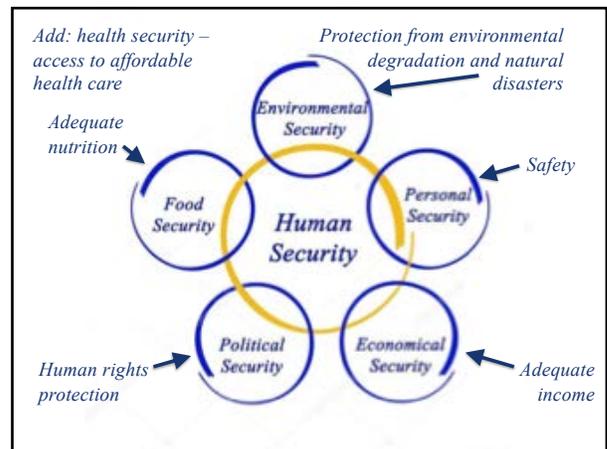
- The expanded view of human security.
- Global trade: states, markets, and other global actors.



Human Security

You have seen this slide last time.

- Expanded concept beyond national security.
- Emphasis on the individual, not just the state.
- Introduced in the *Human Development Report* (1994).
- Description of a human security project at Oxford (see video link from last time).



Feminist Perspective on Human Security

- Issues include:
 1. Violence against women and girls.
 2. Gender inequalities in control over resources.
 3. Gender inequalities in power and decision making.
 4. Women's human rights (equality and non-discrimination).
 5. Women as actors, not victims (i.e., empowerment of women).



Human Security

- The state is responsible for protecting and promoting human security.
- Prioritize human development, not just economic development:
 - Income
 - Health
 - Education
 - Rights



Global Trade

- The interplay of states, markets, and other global actors.



Global Trade and Finance

- 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?

The Text Chapter

- Much of it is technical in nature (e.g., mercantilism, floating exchange rates, derivatives, etc.).
- Your strategy:
 - Do the chapter quiz (of course).
 - Otherwise, in prep for the final, use my study guide questions to help you determine what is important.

What is the role of the state in the economy?



If only it were this simple.

Models of State Intervention

- Historically: **** laissez-faire capitalism** – a largely unregulated economy.
- 20th century: communism – a rejection of the inequality and boom/bust cycles of capitalism.
- 20th century: rise of **** social welfare capitalism** – a (1) more regulated economy and (2) state measures to protect and promote well-being.




Models of State Intervention

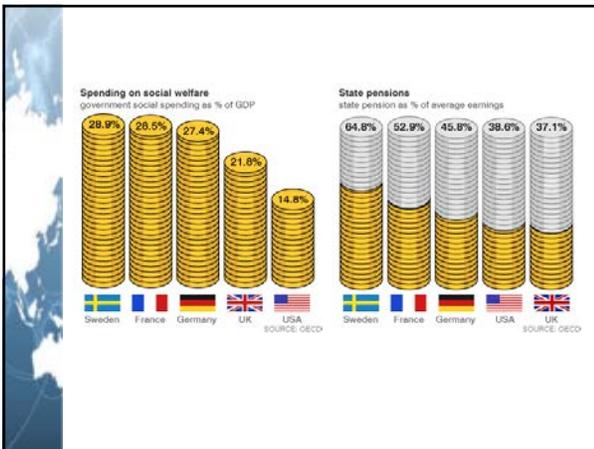
- Communism has failed. Capitalism is ascendant.
- Contemporary models:
 - Anglo-American model: least interventionist model of social welfare capitalism.
 - The "Washington Consensus."
 - Nordic (Scandinavian) model: more interventionist.
 - Beijing (or Asian) model: most interventionist.

Models of State Intervention

- Anglo-American model. ———— Emphasis on individual choice.
- Nordic (Scandinavia) model. ————
- Beijing (or Asian) model. ———— Emphasis on collective well-being.

Models of State Intervention

- Anglo-American model. ———— Less protection of individual well-being.
- Nordic (Scandinavia) model. ———— More protection of individual well-being.
- Beijing (or Asian) model. ———— Promotion of the state as guarantor of individual and collective well-being.



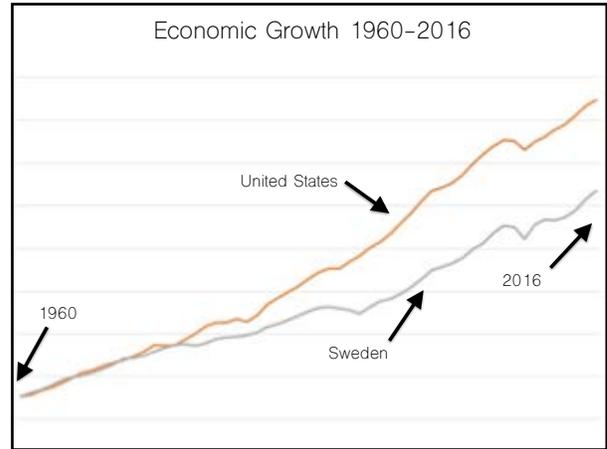
Group Discussion

What do you see as the trade-offs between more state intervention into the economy vs less intervention?



Some Trade-Offs (Tendencies)

<p>Less intervention:</p> <ul style="list-style-type: none"> • More innovation. • More startups. • More powerful corporations. • More economic growth. • Deeper recessions. • Higher poverty rates. • Lower taxes. • Lower unemployment. 	<p>More intervention:</p> <ul style="list-style-type: none"> • Less chance of financial collapse. • Less income inequality. • More environmental protection. • Higher taxes. • Better infrastructure and services. • Higher wages.
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How much should countries be integrated into the global economy?

Protectionism vs Free Trade

** Protectionism

(also called "economic nationalism")

- Measures to restrict trade to protect domestic production, jobs.
- Historically, the norm.
- Most common form: **** tariffs** (a tax) on imports to make them more expensive.
- Also quotas, subsidies (funds given to domestic producers).

Protectionism: The Down Side

- Domestic production becomes inefficient without competition.
- Consumers pay higher prices.
- Historically a source of conflict: "When goods don't cross borders, soldiers will."

** Free Trade

- No barriers to exchange of goods and services between states.
- Many bilateral and multilateral trade agreements.



** Free Trade

- No barriers to exchange of goods and services between states.
- Many bilateral and multilateral trade agreements.
- The largest: the World Trade Organization (WTO).

Cost/Benefits of Free Trade

- The upside:
 - Promotes growth.
 - Lowers consumer prices.
 - **** Comparative advantage**: each state produces goods and services that it is the most efficient at.
 - Global investment opportunities for businesses.

Cost/Benefits of Free Trade

- The downside:
 - Disadvantages sectors that cannot compete in global market.
 - US examples: steel, clothing.
 - Allows corporations to shop around for the lowest taxes, weakest labor laws and environmental regulations.

Revival of Protectionism in the US?

- First recent example:
 - **** Trans-Pacific Partnership (TPP)**.
 - Free trade agreement between 12 countries in the Pacific Rim – not including China.
 - Negotiated between 2005 and 2016.
 - Designed to link economies more tightly to US economy and limit Chinese influence.

US Withdraws from the TPP January 23, 2017

President Trump showing his executive order withdrawing from the TPP.



Who opposes free trade?

- Manufacturing workers: job protection.
- Progressives: oppose benefits for powerful corporations.

2016 Election:

Many voted for Donald Trump

Many voted for Bernie Sanders



Revival of Protectionism in the US?

- Second recent example:
 - Increase in tariffs on selected goods by the US.
 - Mostly targeting China.



Trade War?

NOTE: you do not need to memorize all the products!

- US: tariffs on imported solar panels and washing machines.
- US: tariffs on imported steel and aluminum.
- China: tariffs on fruits, nuts, pork, steel pipes.



President Trump signs off on tariffs surrounded by steel and aluminum workers.

Trade War?

- One day later: US tariffs on \$50b of Chinese imports including aerospace products, machinery, medical equipment.
- One day later: Chinese tariffs on \$50 billion of US imports including aircraft, autos, soybeans (about 1/3 of US production) and chemicals.



Trade War?

- One day later (last Thursday): US tariffs on \$100b of Chinese imports including...
- ...not sure yet. The amount has been announced but the targets have not.
- China's strategy: target products from states that voted for Trump.

(Predicted) Domestic Impacts

- Some steel jobs will be added.
- But steel prices will increase.
- Jobs that depend on using steel (ten times more) will suffer.
- Some solar panel jobs will be added.
- But solar panel prices will increase.
- Some solar panel installers will lose their jobs.



US Grievances



- Trade imbalance: we import much more from China than we export to them.
- Currency manipulation: Chinese strategy to keep the cost of their imports low.
- Intellectual property theft: \$225-\$600 billion a year.

Economists are split on whether this matters. Economists are split on whether this is true.

There is consensus on this.

Revival of Protectionism in the US?

- There are many actors for and against.
- The key factor now is that we have a president who is sympathetic to protectionism.

