EC 474 – Course Content

A. Continuity and Change in Contemporary Capitalism
B. Understanding Neo-liberal Globalisation
C. Growth, Development and the Environment
D. Environmental Distribution Conflicts and Currents of Environmentalism
E. Political Economy of Mining
F. Climate Change and Justice
G. Environment and Development in Turkey

Part B

Understanding Neo-liberal Globalisation

Globalisation

- Trade, Production and Investment
- The world is not globalizing for the first time!
Globalising World? (1)

- In the 17th-18th C: some colonial trading companies, particularly Dutch and British.
- 1870-1914: witnessed huge increase in trade, growth rates, labour movements and migration
- In 1920s: a lot of MNCs
- 1914-45: falling - international trade, FDI, banking facilities

Globalising World? (2)

- 1961-71: only share of merchandise X
  - 4% of GDP in USA,
  - 17% in Western Europe
  - 9.7% for Japan
- Post 1980s: real openness – overwhelming increase in the volume of trade and investment.
- Beginning of the 1990s:
  - Spectacular expansion of trade in US
  - Increase in FDI is much more spectacular than the increase in trade
  - Growth of 3 times btw 80s-90s
- In the 60s - the US is the most important contributor to FDI flows
- End of 80s - share of US in total decrease, Japan’s share increase tremendously

Expanding financial sector

- Most typical K flows of the post-WWII
  - Official credits (bilateral)
    - Grants, concessional loans
  - FDI
  - Portfolio investment
  - Commercial lending

Globalisation vs. Internationalisation

- Inter-national: founded on the existing, even changing system of nation-states
  - Multi-national corporations
- Global: the emergence of processes and a system of social relations not founded on the system of nation-states
  - Transnational corporations
Two Faces of Globalisation

- Positive aspects:
  - Voluntary exchanges
  - Free circulation of ideas
- Negative aspects:
  - Coercion and brute force
    - Leads to child labour in the South
    - Takes middle class jobs in the North
    - Destruction of environment
    - Exploitation of the weak
- Both are correct

Mainstream view

- Globalisation is a force leading ultimately to the era of
  - converging world incomes
  - converging institutions
  - cultural richness

Realities of today’s neo-liberal globalisation

- Increasing integration of worldwide product and capital markets
- Uneven process of development
- Increasing flows of energy and materials in the world economy
- Progressively more difficult to escape from the requirements of international law and norms (?)
- Creation of international civil society

Tools to analyse Global Commodity Chains

- Valuable methodological tools to look at factors that drive the distribution of gains from global production and exchange
  - Value Chain Analysis (political economy)
  - Ecologically unequal exchange (political ecology)