



INTERNATIONAL ECONOMIC INSTITUTIONS

GSCI – FOUTH COURSE - THIRD TERM 2010-2011

PURPOSE OF THE COURSE

The course stresses the need to understand the growing and complex role Intergovernmental Economic Organizations and similar institutions are currently playing in the global economic governance. This course is intended to offer students a review of the role, functions and characteristics of the most important economic institutions already seen in previous subjects. Furthermore, the subject intends to look deeper into the issue of global governance of economic issues and the present role of these institutions responsible, with Nation States as providers of Global Public Goods.

Throughout the course, a special emphasis shall be made on the dynamic evolution of the topics analysed and the necessary adaptation, reforms and renewed goals of these institutions to tackle new global challenges in a fast changing world of interdependence. Analytical thinking is particularly required in this regard. This aspect will be approached from open debate both in class and through the aul@virtual.

Getting familiarized with the institutional websites and resources, data, statistics, publications and other resources will receive a special attention. It is important to note that, besides the managing role of some of these institutions, most of them also provide invaluable analytic information and statistics for the public in general.

COURSE SYLLABUS

SECTION 1 - I. Introduction: International Economic Organizations and the need of a Global Governance

The purpose of this introductory section is to present the role of international economic institutions and organizations within the wider framework of the international economic regimes. In particular, to show the importance of

economic cooperation in a world of increasingly integrated markets and growing interdependence.

1. Definition and classification of International Economic Organizations
2. Introduction to economic systems and regimes
 - 2.1. The Bretton Woods System and the Bretton Woods Institutions
 - 2.2. Interdependence
 - 2.3. Globalization
3. Global governance in the Twentieth-First Century

TOPIC FOR DISCUSSION: *Globalization: the Dangers and the Answers*

SECTION 2: Global Cooperation – the United Nations System

This section examines the system of international economic cooperation through the far-reaching work of the main organs of the United Nations and its special agencies. Through the example of the UN system the purpose of the international economic institutions as providers of Global Public Goods will be examined.

1. The United Nations System
 - 1.1. The United Nations Charter: economic and social provisions, coordination provisions
 - 1.2. The Economic and Social Council (ECOSOC) and the special agencies
2. The Millennium Development Goals

TOPIC FOR DISCUSSION: *Defining Global Public Goods*

2. The United Nations Development Program (UNDP): the Human Development Report and the Human Development Indexes
3. The Global Compact
4. UN Procurement and the Global Marketplace

TOPIC FOR DISCUSSION: *Understanding Sanctions*

SECTION 3: The Multilateral Trading System and Foreign Direct Investment - the World Trade Organization and UNCTAD

This section is aimed at reviewing the multilateral trade system. Its aim is to get a closer understanding of developments leading to the creation of the WTO, its contributions to the multilateral trading system as a global public good and the new challenges that it is facing especially in relation to its future and interrelations to economic development, the environment and other global issues. The relationship of trade, foreign direct and development is also approached through the UN system and UNCTAD.

1. The multilateral trade system: the World Trade Organization (WTO)
 - 1.1. Structure and member countries: Russia's accession
 - 1.2. The WTO trade agreements

- 1.3. The Dispute Settlement Mechanism
- 1.4. Challenges to the multilateral trade system

TOPIC FOR DISCUSSION: *The Doha Round: Setting a Deadline, Defining a Final Deal*

2. Trade and Development - the United Nations Conference on Trade and Development

- 2.1. Trade and development
- 2.2. Foreign Direct Investment
- 2.3. The World Investment Report, investment and trade statistics
- 2.4. Aid for Trade

TOPIC FOR DISCUSSION: *Global Economic Crisis: Implications for Trade and Development*

SECTION 5: Monetary Cooperation and Financial Assistance for crisis management - the International Monetary Fund

Section 5 deals with the IMF and its shifting role from managing the international monetary system to international surveillance, financial assistance and provider of financial stability. The special focus of this course will be placed on the reform of the IMF and the quota system and current European sovereign debt crisis.

1. Monetary cooperation and the International Monetary Fund (IMF)
 - 1.1. Membership and resources, the quota system: the reform of the IMF
 - 1.2. Surveillance of economies, financial assistance and technical assistance
 - 1.3. The IMF reports: World Economic Outlook, the Global Financial Stability Report, the Fiscal Monitor and IMF statistics

TOPIC FOR DISCUSSION: *Initial Lessons of the Crisis for the Global Architecture and the IMF*

2. The IMF cooperation in Europe

- 2.1. The European debt crisis and the role of the IMF

TOPIC FOR DISCUSSION: *The IMF and Ireland: What we can Learn from the Global South*

SECTION 6: Financial Assistance for Development - the World Bank

This section deals with other organizations within the World Bank Group that are engaged in offering financial assistance and other types of economic cooperation at different levels basically through multilateral mechanisms and the involvement of governments and states.

1. Multilateral Financial Assistance and the World Bank Group

- 1.1. The World Bank: The International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA)
- 1.2. The International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA)
- 1.3. Official Development Aid and business projects: the WB Doing Business project
2. Official Development Aid and the OECD

TOPIC FOR DISCUSSION: *Aid Effectiveness – Opening the Black Box*

SECTION 8: Global Governance of the Economic Forums - the G7 and G20

This section deals with other organizations and non formal institutions that have played and will be playing a decisive role in global economic governance. The configuration and involvement of these forums have changed in recent years in search of a better representation of respective economic weight. The lack of an organizational framework and rules provides political flexibility but point to a series of serious challenges of leadership especially in the case of the group of the world's twenty most influential economies.

1. The global economic leadership: G8, G20
2. The Organization for Economic Cooperation and Development (OECD)
 - 2.1. The OECD and the Development Co-operation Directorate (DCD)
3. World Economic Forum (WEF)
 - 3.1. The WEF's Global Competitiveness Report and statistics

TOPIC FOR DISCUSSION: *The Global Governance Agenda and the Role of the G20*

SECTION 9: Climate Change and Global Cooperation

This final section introduces a new topic which involves critical implications for economic growth and development at a global scale. Climate change and global warming presents real long-term threats to the international community. These threats have been approached under the United Nations and the Kyoto Protocol, the failures of recent negotiations poses threats to global governance, economic growth and development.

1. The United Nations Framework Convention on Climate Change and the Kyoto Protocol
 - 1.1. Prospects for a Post-Kyoto agreement on Climate Change
2. The Intergovernmental Panel on Climate Change reports

TOPIC FOR DISCUSSION: *Rethinking Global Climate Change Governance*

BIBLIOGRAPHY

Reference Bibliography

The following are some bibliographic references that will be used as reference materials for this course. Other bibliographic references will be included for each specific section of the syllabus.

- **Amerasinghe, C. F.** (2005) *Principles of the institutional law of international organizations*. Cambridge University Press, 2nd edition.
- **Colas, B. (ed.)** (2000) *Global Economic Cooperation: A Guide to Agreements and Organizations*, United Nations University Press, 2nd edition.
- **Jovanovic, M. N.** (2005) *The Economics of European Integration. Limits and Prospects*. Edward Elgar.
- **Rodrik, D.** (2007) *One Economics, Many Recipes. Globalization, Institutions and Economic Growth*. Princeton University Press.
- **Spero, J. E. and Hart, J. A.** (2009) *The Politics of International Economic Relations*. Wadsworth Cengage Learning. 7th edition.
- **Spyros, E. and Wilson, P.** (2001) *The Economic Factor in International Relations*. I.B.Tauris.

References for Discussion Topics

- **Held, D.** (2004) *Globalisation: the dangers and the answers*. Open Democracy. <http://www.opendemocracy.net/>
- **Kaul, I.; Grunberg, I. and Stern, M.A, (ed.)** (1999) "Defining Global Public Goods". *Global Public Goods: International Cooperation in the 21st Century*. United Nations Development Programme. Oxford University Press. <http://www.undp.org/globalpublicgoods/>
- **Chaitkin, M.** (2009) *Negotiation and Strategy: Understanding Sanctions Effectiveness*. Center on International Cooperation. New York University. http://www.cic.nyu.edu/peacekeeping/conflict/docs/chaitkin_negotiation.pdf/
- **Bhagwati, J.; Sutherland, P.; et al.** (2011) *The Doha Round: Setting a Deadline, Defining a Final Deal*. Interim Report, January 2011. [http://www.carnegieendowment.org/files/WTO_reform.pdf/](http://www.carnegieendowment.org/files/WTO_reform.pdf)
- **UNCTAD** (2009) *Global Economic Crisis: Implications for Trade and Development*. UNCTAD Secretariat. [http://www.unctad.org/en/docs/gds20091_en.pdf/](http://www.unctad.org/en/docs/gds20091_en.pdf)
- **IMF** (2009) *Initial Lessons of the Crisis for the Global Architecture and the IMF*. Strategy, Policy, and Review Department, IMF. <http://www.imf.org/external/np/pp/eng/2009/021809.pdf/>
- **Storey, A.** (2010) *The IMF and Ireland: What we can Learn from the Global South*. Action from Ireland (Afri) <http://www.afri.ie/>
- **Bourguignon F. and Sundberg M.** (2007) *Aid Effectiveness – Opening the Black Box*. World Bank <http://siteresources.worldbank.org/DEC/Resources/Aid-Effectiveness-MS-FB.pdf/>
- **Storey, A.** (2010) *The IMF and Ireland: What we can Learn from the Global South*. Action from Ireland (Afri) <http://www.afri.ie/>
- **Steinberg, F.** (2010) *The Global Governance Agenda and the Role of the G20*. Real Instituto Elcano. http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/dt39-2010

- **Barrett, S.** (2009) *Rethinking Global Climate Change Governance*. Economics, Vol. 3, 2009-5 | March 3, 2009. <http://www.economics-ejournal.org/economics/journalarticles/2009-5/>

Reference Websites

- International Monetary Fund: <http://www.imf.org/>
- Organisation for Economic Co-operation and Development: <http://www.oecd.org/>
- United Nations: <http://www.un.org/>
- United Nations Conference on Trade and Development: <http://www.unctad.org/>
- United Nations Development Program: <http://www.undp.org/>
- United Nations Global Compact: <http://www.unglobalcompact.org/>
- United Nations Global Market Place: <http://www.ungm.org/>
- World Bank Group: <http://www.worldbank.org/>
- World Bank Doing Business: <http://www.doingbusiness.org/>
- World Customs Organization (Customs Cooperation Council): <http://www.wcoomd.org/>
- World Economic Forum: <http://www.weforum.org/>
- World Intellectual Property Organization: <http://www.wipo.int/>
- World Trade Organization: <http://www.wto.org/>

GRADING CRITERION

The evaluation of this course will place special importance on interest and participation on the subject as well as general knowledge and progress throughout the course.

All students will be evaluated according to different criteria including the analysis of the topics proposed, class presentation and a final exam in the ordinary evaluation. Participation during the sessions, in forums, debates and presentations proposed by the teacher will be particularly valuable.

The specific criteria for the final evaluation are broken down as follows:

- 60% Final exam
- 40% Analysis of discussion topics and class presentations

Students will be considered to have passed the ordinary evaluation term with grades equal or above 5.0 out of a total of ten points considering the previous criteria. Students who do not reach that grade will have the chance to pass the course in September on a single exam weighting 100% of the final grade.

OFFICE HOURS

Students who wish to access the teacher for academic consultations or to comment aspects of their personal progress with the subject are welcome to contact via email:

miriam.micallef@prof.esci.es

Or during office hours:

Tuesdays: 18:30-20:00