

POLI 243: International Politics of Economic Relations
Midterm Notes

OVERVIEW:

- Theories are built on assumptions
 - Condense info into essentials
 - Inherent author bias
 - Assumptions taken to be true – not always
- Group theories by shared assumptions
- Sort by paradigms
 - Idealism: People are inherently good. Rules guide good behaviour
 - Realism: States are rational unitary actors. Maximizing power
 - Classical realism
 - Structural realism
 - Liberalism: Individuals are important, focus on economy
 - Analytical liberalism: Bottom-up groups compete for power
 - Marxism:
 - Classical Marxism
 - Marxist-Leninism
 - Institutionalism: Complex interdependence. External acts. Goals are not zero-sum
 - Constructivism: Trends,
- Levels of Analysis:
 - System-level: Nations as key actors
 - Domestic-level: Within the nation. Unions, interest groups
 - Bureaucratic-level: Within the government
 - Individual-level: Influential people influencing developmental path

PARADIGMS AND ANALYSES:

Paradigm Summaries:

- Classic Idealism:
 - Human nature can be perfected
 - Harmony of interests between people and government
 - War is never appropriate
 - Rules guide good behaviour to harmony of interests
- Classic Realism:
 - Reaction/critique to idealism
 - Morgenthau, Niebuhr (The Twenty Years Crisis), E.H. Carr
 - Basic will to survive → selfish by nature → will to dominate → search for power and competition
 - Popular because of WWII
- Structural Realism:
 - Focus more on unique circumstances
 - States are rational, unitary actors
 - System is anarchic
 - Goal is to maximize power

- Classic Liberalism
 - Individuals are primary actors
 - Rational and unitary
 - Utility maximizing
 - Everything can be traded – trade will continue till utility is maximized
 - Individual indifference curves sum to society indifference curves
- Analytical Liberalism:
 - Focus on domestic politics as source of state goals
 - Established by individuals in domestic politics
 - Bottom-up approach
- Classical Marxism:
 - Social classes are primary
 - Class competition for material interests
 - Expropriation of surplus value = exploitation by capitalists
- Marxist-Leninism:
 - Move away from ideological standpoint towards more applicable, state-centric perspective.
 - Classes operate under material interests
 - Capitalist class control *state* interests
 - Proposed a “vanguard party” foster class consciousness and proletariat revolution
- Institutionalism and Constructivism:
 - Largely economic perspective
 - Emerged from concept of realism
 - Keohane and Nye: *Complex Interdependence*
 - Focus on international trade and globalization
 - Inter-state interactions
 - MNC interactions
 - Core weakness: assumption that all people are actors
 - No focus on assumption
 - Good critique, poor theory

Paradigm Details and Analyses:

Liberalism and Marxism:

- Criticized mercantilism
- Adam Smith challenge of “wealth = power”
 - Not measure of gold, but PPC Curve
 - Theory of competitive advantage and specialization
- David Ricardo macro perspective – trade through specialization
- Liberalism – main ideas:
 - Voluntary trade satisfies both parties
 - Cooperation resolves most problems
 - Normative, analytical view
- Marx Attack on Liberalism:
 - Failure to deliver on promises of economic growth and development
 - Reliance on Labour Theory of Value (all value created by labour)

- $V(\text{Value}) = K(\text{Capital}) + W(\text{Wages}) + SV(\text{Surplus Value})$
- Model of Surplus Value:

