

**Federal State Educational Government-financed Institution of Higher Professional
Education
“Lomonosov Moscow State University”**

Moscow School of Economics

The syllabus confirmed by the
Scientific Council of the MSE MSU

« ____ » _____ 2019

SYLLABUS OF THE COURSE

**STRATEGIC MANAGEMENT OF THE GLOBAL MARKET SPACE
AND THE WORLD ECONOMY**

Specialization
38.04.01 “Economics”
(code and name of direction of preparation)

Qualification (degree) of the graduate student
Master of Science in

Tuition
Full-time

The syllabus is confirmed by the decision of the
Chair of Financial Strategy of the MSE MSU
_____, 2019
The author of the program is

Moscow
2019

TITLE: STRATEGIC MANAGEMENT OF THE GLOBAL MARKET SPACE AND THE WORLD ECONOMY

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Course Description

This one-week course provides an introduction to the ways that the contemporary world economy is – and could be – governed. The motivation is that economists need to understand the political context in which economics unfolds. Today that political context is not only national, but also local, regional and global. In particular, the rules that govern economic activity are coming not only from the nation-state, but also from substate and suprastate institutions.

Prerequisites: students on entering this course must have solid grounding in macroeconomics, including international economics. Prior study of political science and international relations can be helpful, but is not necessary.

Course Objectives and Learning Outcomes (LOS)

From this course students will develop professional competences:

- to identify and analyze political aspects of economic processes and to assess the implications of political economy for economic modelling
- to comprehend key concepts concerning governance of the world economy and to apply them to a range of concrete problems
- to distinguish various policy goals that can be pursued in the world economy, including possible trade-offs between different objectives
- to understand relationships between local, national, regional and global spaces of world economy, including how policy made at any of these levels needs to consider conditions at the other levels
- to map the complex networks of institutions that govern the contemporary world economy
- to distinguish – and assess the strengths and limitations of – various policy prescriptions for governing the world economy
- to understand dynamics of legitimacy beliefs toward governance arrangements in the world economy

Teaching and Learning Strategy

Teaching methods include lectures, interactive discussion between lecturer and students, and group exercises. The lectures use multimedia technologies such as PowerPoint presentations. The group exercises are a practical training in which students relate the conceptual themes of the day to concrete situations of world economy. Student learning also occurs through self-study (reading, reflection, and writing) outside of class. The table below specifies the time allocation between these methods.

| Type of study | | Total hours | | | | |
|-------------------------|---------------------------|-------------|----------|------------------|---|---|
| | | Total | Semester | | | |
| | | | 1 | 2 | 3 | 4 |
| Classes | | 20 | | 20 | | |
| Including | Lectures | 10 | | 10 | | |
| | Practical training | 10 | | 10 | | |
| Self-study | | 52 | | 52 | | |
| In Total | Hours | 72 | | 72 | | |
| | Credits | 2 | | 2 | | |
| Type of control: | | | | pass/non pass | | |

Curriculum content

Topic 1. Challenges for the Contemporary World Economy (4 hours)

Central question: What are major problems requiring governance in today's world economy?

Subtopic 1. Ecological integrity

- population and urbanisation
- pollutions
- natural resource depletions
- stratospheric ozone losses
- biodiversity losses
- unknown effects of bio- and nanotechnologies
- climate change
- anthropocentrism and extractivism
- general challenge: how to secure eco-sustainability in today's world economy?

Subtopic 2. Material security

- health
- education
- employment
- finance
- general challenge: how to secure material well-being in today's world economy?

Subtopic 3. Distributive justice

- geographical
- social
- cultural
- general challenge: how to achieve fair allocation in today's world economy?

Subtopic 4. Solidarity

- national communities
- universal cosmopolitanism
- nonterritorial solidarities
- identity binaries and the violence of 'othering'
- hyper-individualism
- general challenge: how to build social solidarity in today's world economy?

Subtopic 5. Liberty

- individual freedoms
- group rights
- collective needs
- ecological limits
- general challenge: how to secure human freedoms in today's world economy?

Subtopic 6. Cultural vibrancy

- diversity and difference
- assimilationism
- multiculturalism
- transculturalism
- general challenge: how to nurture creative expression in today's world economy?

Subtopic 7. Democracy

- conceptualisation
- citizen education
- deliberation and debate
- institutional accountabilities
- structural inequalities
- unrecognised life-ways
- general challenge: how to obtain adequate participation and control for affected people in today's world economy?

Subtopic 8. Peace

- weapons proliferation
- warfare (within and between countries)
- structural violences
- general challenge: how to ensure positive cooperation and constructive conflict in today's world economy?

Subtopic 9. Moral conduct

- criminality and illegality
- tolerance of arbitrary inequalities and associated harms
- denials of human dignity
- deficits of care and compassion
- general challenge: how to sustain decency in today's (competitive) world economy?

Subtopic 10. Conclusion

- how to govern today's world economy to maximize the above values
- how to negotiate trade-offs between these values when they conflict?

Topic 2. Shifting Geographies of the Contemporary World Economy (4 hours)

Central question: How have geographical developments of recent times affected the world economy and its main challenges (as discussed in topic 1)?

Subtopic 1. Space and scale

- economy happens in spaces, domains, spheres, arenas
- country-centric territorialism
- shifts to more transscalar geography
- supraterritoriality and virtual economy

Subtopic 2. Globalisation

- globality as transplanetary social connectivity
- globality-internationality distinction
- material and ideational manifestations of globality
- supraterritoriality in contemporary globality
- unprecedented globalisation of recent history

Subtopic 3. Regionalisation

- macro-regions among neighbouring countries and micro-regions within a country
- various types of regions: continental, littoral, subcontinental, transborder, subnational
- interregionalism: global relations of regions
- material and ideational manifestations of regionality

- unprecedented regionalisation of contemporary history

Subtopic 4. Localisation

- locality as social spaces of close proximity
- translocalism: global and regional relations of localities
- material and ideational manifestations of locality
- like globalisation and regionalisation, significant increases in recent history

Subtopic 5. (Re-) Nationalisation

- persistence of countries, states, nationalities
- reconfiguration of countries
- reassertions of the nation-state-country amidst globalization, regionalization, localisation

Subtopic 6. Relationship among the geographical trends

- tensions: closed globalism, regionalism, nationalism and localism
- complementarities: open regionalism, nationalism and localism in mutual reinforcement with globalisation
- transscalarity

Subtopic 7. Qualifications

- globality, regionality and locality have a longer history.
- country-based geography, governance and identities remain important.
- the different spaces are always interrelated (transscalarity)
- larger social spaces do not necessarily entail cultural homogenisation.
- global, regional, national and local connections are unevenly spread among countries, classes and cultures.
- the benefits and harms of global, regional, national and local relations are unequally distributed
- all spaces are steeped in power relations.
- the contents and consequences of globalisation, regionalisation, localisation and re-nationalisation are not predetermined and substantially result from policy choices
- so governance of spaces – and associated political struggles – matter a great deal.

Topic 3. Regimes in the Contemporary World Economy (4 hours)

Central question: What institutional arrangements are available to govern policy challenges (as discussed in topic 1) in today's transscalar world economy (as discussed in topic 2)?

Subtopic 1. Governance

- the issue of regulation: formulating, implementing, adjusting, enforcing societal rules
- governance as pivotal to society for order, sustainability and directed change
- rules underpin – and shape the direction of – globalisation, regionalisation, nationalisation and localisation in the world economy
- governance involves more than government

Subtopic 2. From statism to polycentrism

- from country-centred regulation to transscalar regulation
- from public sector governance to transsectoral governance
- from centralised to diffuse and dispersed decision-taking
- from relatively fixed to more fluid institutional arrangements
- from neatly distinguished jurisdictions to overlapping mandates between regulatory bodies
- from quite clear to more ambiguous hierarchies of command between governance agencies

- from sovereignty (singular, absolute, supreme, comprehensive authority) to governance with no final arbiter

Subtopic 3. Continuing importance of the state

- end of statism ≠ end of the state
- different states have different levels of governing capacity in the world economy
- old foreign policy actors (cabinets, foreign services, armed forces) are still important, but they are no longer the only parts of the state that are relevant beyond its borders
- so-called ‘domestic’ ministries are now involved in transgovernmental networks
- unilateralism and bilateralism still figure, but more multilateralism (though under pressure recently)
- old-style international law still important, but no longer the only form of law beyond state borders
- states are now often enmeshed with nonstate actors in multistakeholder governance arrangements

Subtopic 4. Non-state governance in the world economy

- ‘paradiplomacy’ of substate local and regional authorities
- suprastate regional and global authorities
- private global governance
- trans-sectoral hybrids (multistakeholder initiatives, public-private partnerships)

Subtopic 5. Governance through polycentric networks

- map by issue, identifying the various relevant institutions in relation to the above categories
- adjust research and policy from single institutions to polycentric networks

Subtopic 6. Potential opportunities of polycentric governing

- more information, insight, experience, expertise for policy development
- multiple, diverse and more creative policy responses
- speed, adaptability and flexibility
- issues less likely to be neglected
- forum shopping to obtain and accelerate responses
- relevant and high-quality policy
- democracy (participation and control)

Subtopic 7. Potential problems of polycentric governing

- capacity building of officials and citizens to deal with new situation
- crowdedness – navigating the complex institutional networks
- coordination/coherence/control (multiple agencies, overlapping mandates)
- cost effectiveness with duplication and overlap
- compliance difficulties with limited formal enforcement mechanisms
- negotiating cultural diversity (of sectors as well as nations)
- special-interest capture
- accountability (blame games)
- access and turnover
- democracy (participation and control *for all affected people*)

Topic 4. Policy Frameworks for the Contemporary World Economy (4 hours)

Central question: What broad policy framework can deliver core societal values (as discussed in topic 1) through polycentric governance (as discussed in topic 3) in the contemporary transscalar world economy (as discussed in topic 2)?

Subtopic 1. Neoliberalism

- advocates governance of economic problems through unconstrained market forces and to this end prescribes liberalisation, deregulation, privatization, tight money, and fiscal constraint
- orthodox globalization as western, modern, capitalist, free market
- so-called ‘Washington Consensus’ of the late twentieth century
- illustrated in IMF/World Bank structural adjustment programmes of the 1980s and 1990s; the Uruguay Round design of the WTO; much of the mainstream economic and financial press
- possible strengths
 - ❖ economic innovation and dynamism
 - ❖ (liberal) democratic advances (at national level)
 - ❖ emphasis on individual liberty encourages personal initiative
 - ❖ ‘tolerance’ of cultural differences
- possible objections
 - ❖ economism that neglects social and ecological aspects of the world economy
 - ❖ failure to supply adequate (global) public goods
 - ❖ growing inequality on scales incompatible with social justice
 - ❖ ‘free trade’ as an ideology of the strong?

Subtopic 2. Neomercantilism

- advocates subjecting cross-border flows to strong regulatory restrictions by states, local authorities and/or regional blocs to counter alleged cultural, economic, political and ecological harms of ‘the outside world’
- also called protectionism, nationalism, sovereigntism, localism, closed regionalism, ‘de-globalisation’, ‘de-linking’
- illustrated in capital controls by Chile, China and (in 1997-8) Malaysia; Common Agricultural Policy of the EU; local currency schemes; ALBA in Latin America; discourse of ‘food sovereignty’ and ‘sovereignty over natural resources’; Trump and other populisms
- possible strengths
 - ❖ moderation of economic adjustment
 - ❖ protection of infant industries
 - ❖ greater security of identity (for those who find it in locality and nationhood)
 - ❖ governance brought (geographically) closer to people
- possible objections
 - ❖ prone to romanticise the local/national/regional
 - ❖ refusal of many possible fruits of engagement with the wider world
 - ❖ assumption that people’s interests are defined in territorial terms
 - ❖ perpetuation of unjust privileges of global maldistribution
 - ❖ economic inefficiencies
 - ❖ largely impracticable in the face of the powerful forces driving globalisation

Subtopic 3. Global social market

- broadly endorses globalisation through marketisation, but pursues interventions from official, business and civil society quarters to correct market failures and externalities
- ‘Post’ or ‘Augmented’ Washington Consensus; taming the free market
- illustrated by social safety nets; good governance programmes; corporate social responsibility schemes, ‘green capitalism’
- possible strengths
 - ❖ avoids market fundamentalism
 - ❖ improves governance institutions
 - ❖ promotes transparency and combats corruption
 - ❖ expands notions of ‘the bottom line’
 - ❖ experiments in new forms of voice and influence in governance (e.g. multistakeholderism)

- possible objections
 - ❖ overestimation of the capacity of market dynamics to deliver public goods
 - ❖ limited attention to distributive justice
 - ❖ economism that neglects cultural diversity, deeper ecological adjustment, fuller democracy

Subtopic 4. Global social democracy

- ambitious reformism with thorough (transscalar) public regulation of global spaces
- major expansion of suprastate governance instruments and agencies
- high priority to global redistribution and (reconstructed) democracy
- illustrated by debt cancellation, ODA increases, SDGs aim to reduce inequality, gender equity measures in global and regional governance, creative commons licences, reallocated votes in IFIs, redistributive global taxes
- possible strengths
 - ❖ addresses inequality in a structural way
 - ❖ gives attention to (global) solidarity
 - ❖ focuses on (renewal of) democracy in the face of globalisation and regionalisation
- possible objections
 - ❖ faces major practical obstacles to implementation
 - ❖ insufficient attention to cultural diversity and indeed possibly prone to western cultural imperialism
 - ❖ insufficient attention to ecological damages
 - ❖ more radical perspectives would object that the paradigm remains rooted in capitalism and modernity with their associated social and environmental harms

Subtopic 5. Global transformism

- regards the emergence of transscalar geography and polycentric governance as an opportunity to take social relations to a radically new situation beyond capitalism and/or modernity
- illustrated by
 - ❖ global socialism (with emphasis on post-capitalist relations of production based on cooperation, collective property)
 - ❖ eco-centrism (with emphasis on fundamental reorientation in society-nature relations)
 - ❖ new spiritualities (with emphasis on post-rationalist knowledge, including religious revivalisms)
 - ❖ feminism (with gender equality in a global care economy)
 - ❖ postcolonialism (with emphasis on ending imperialism of the West)
 - ❖ postmodernism (with emphasis on plural identities and knowledges)
 - ❖ *bem viver* (living well) paradigm resting on democracy, caring, sharing, daring, solidarity, diversity, social justice, ecological integrity, happiness
- possible strengths
 - ❖ highlights potential deep inherent flaws in modernity and capitalism
 - ❖ promotes creative imagination of – and hope for – alternative worlds
- possible objections
 - ❖ impracticability (for the moment?)
 - ❖ underdeveloped visions of alternative economy and society
 - ❖ not guaranteed to generate greater ecological integrity, material well-being, social equality, cultural creativity, democracy, or social solidarity

Subtopic 6. Current and future trends

- current centre of debate between neomercantilism and global social market ideas; ultra-neoliberalism in retreat; global social democracy and transformism not in immediate prospect
- the future: neomercantilism and an end to global cooperation? Revival of neoliberalism? Turn to global social democracy or global transformism?

Topic 5. Legitimacy in Governance of the World Economy (4 hours)

Central question: How and why is current governance of the world economy regarded as (not) legitimate?

Subtopic 1. Legitimacy

- legitimacy = a condition where the governed believe that governance is exercised rightfully and appropriately
- without legitimacy governance occurs by coercion, stealth, or not at all
- legitimacy may bring governance more resources, more decisions, more compliance, more problem-solving, more standing relative to other sites of power

Subtopic 2. Degrees of legitimacy toward global governance institutions

- citizen legitimacy beliefs – evidence from the World Values Survey
- elite legitimacy beliefs – evidence from the LegGov Elite Survey
- variations by institution, issue-area, country, elite sector
- a citizen-elite gap?

Subtopic 3. Sources of legitimacy

- institutional
- individual
- societal

Subtopic 4. Institutional sources of legitimacy in more detail

- purpose
- procedure (democratic, effective, fair)
- performance (democratic, effective, fair)
- personality
- relative priorities; democracy, effectiveness or fairness?

Subtopic 5. Institutional Sources of Legitimacy: Democracy

- transparency
- consultation and participation
- review and redress
- supporting democracy in wider society (e.g. monitoring elections)

Subtopic 5. Institutional Sources of Legitimacy: Fairness

- impartiality and non-discrimination (e.g. rule of law, no double standards)
- equitable sharing of burdens of governance (proportionality)
- promotion of dignity for all (e.g. human rights, sharia)
- equitable sharing of benefits and harms (distributive justice)

Subtopic 6. Getting to legitimacy (or not): (de)legitimation practices

- institutional (e.g. constitutional reforms, accountability initiatives)
- discursive (e.g. rhetorics, narratives)
- material (e.g. money, objects)
- behavioural (e.g. lobbying, protesting, opinion polls, expert evaluations)

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- Slaughter, Anne-Marie (2004): *A New World Order: Government Networks and the Disaggregated State*, Princeton: Princeton University Press.
- Tallberg, Jonas, Karin Bäckstrand and Jan Aart Scholte (eds.) (2018): *Legitimacy in Global Governance: Sources, Processes and Consequences*. Oxford: Oxford University Press.

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Data sources

Legitimacy in Global Governance Program (LegGov) Elite Survey

World Values Survey

Assessment Strategy

Assessment of the course has two elements:

1. Participation in the five daily group exercises: 50%. If a student misses (with justifiable reason) more than one group exercise, then a two-page paper (in English) is required for submission at the end of the week instead.
2. One-page paper (in English) to be submitted at the end of the week: 50%.

To pass the course as a whole it is required to pass both of these assessment elements. In cases of two or more absences without acceptable reason, it is not possible to write the two-page paper and the student fails the course.

Academic Integrity

Academic honesty is non-negotiable. All assignments submitted in fulfillment of course requirements must be the student's own work. Plagiarism and/or any other form of academic dishonesty will not be tolerated and will result in a grade of zero on the assignment.

Group Exercise Questions

Topic 1. Assess the implications of international trade for a core value of a good society: cultural vibrancy, distributive justice, ecological integrity, or peace.

Topic 2. How is transscularity manifested in the economy of: money; pollution; poverty; or university education.

Topic 3. Map contemporary governance of: banking; climate change; the Internet; or trade in oil.

Topic 4. Formulate a policy response to a global health epidemic based on principles of: neoliberalism, neomercantilism, global social market, global social democracy, or global transformism.

Topic 5. Prepare a strategic plan for the leadership to achieve greater legitimacy of: the Group of Twenty (G20); the International Monetary Fund (IMF); the Internet Corporation for Assigned Names and Numbers (ICANN); the United Nations Security Council (UNSC); or the World Trade Organisation (WTO).

Essay Questions

All students must answer (in English) the following question in one page (250-300 words): what do you regard to be the greatest challenge for today's world economy, and what kind of governance (in terms of both policy substance and institutional design) would you recommend to address that challenge?

In addition, students who contribute to less than four of the daily group exercises must answer (in English) one of the following questions in two pages (500-600 words):

1. How far is distributive justice a problem for the world economy?
2. How has regionalisation affected the contemporary world economy?
3. To what extent is governance of today's world economy hampered by problems of accountability?
4. Assess neomercantilism as a policy framework for today's world economy.
5. What is more important for legitimate governance of the world economy: effectiveness or fairness?