

Doctoral Seminar

Global Economic Governance – Architectures, Processes and Design

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Course outline

PREVIEW

Global governance refers to sets of formal and informal rules and institutions that seek to align the interests and actions of international actors towards a common goal. This course constitutes an introduction to the scientific literature on this topic. Its scope is multidisciplinary but its focus is deliberately business-oriented. Special emphasis will be put on the choice and design of instruments for global economic governance. Readings and lectures will not be very technical, but in order to understand the materials at the level required to do rigorous research some (undergraduate-level) background in transaction costs economics, organization theory or game theory is highly recommended.

LEARNING OBJECTIVES

At the end of this course, students should be able to:

- Examine rigorously the pros and cons of existing international institutions and rules.
- Develop an operational approach to investigate how to safeguard or improve global economic governance in certain areas such as international trade, climate change, science and technology, and global public health.

STUDENTS EVALUATION

A student's learning will be assessed in several ways, according to his/her understanding of central issues and the fulfillment of the above objectives. Assessments will bear the following respective weights:

- Class participation 15%
- Article discussion and written summaries 30%
- Integration of assigned readings 10%
- Term paper 40%
 - Proposal 10%
 - Manuscript 25%
 - Class presentation 10%

SEMINAR AT-A-GLANCE

Session	Date	Topic
1	xx	Globalization – current state, trends and challenges
2	xx	States, multinational firms and NGOs
3	xx	The mechanisms of global governance
4	xx	Networks, processes and negotiations
5	xx	Agency problems in international organizations
6	xx	International policy coordination
7	xx	Framing international business transactions I: Trade and competition
8	xx	Framing international business transactions II: Finance
9	xx	Managing global environmental resources
10	xx	Global public health
11	xx	Science and technology
12	xx	Catastrophes
13	xx	Term papers presentations

The course is therefore divided in three parts. The first one will give an exhaustive overview of global economic governance: its current trends and challenges (Session 1) and the main parties involved (Session 2). The second part will next consider the types of mechanisms available to achieve global economic governance (Session 3) and the methods (Sessions 4 and 5) to analyze, select or design an appropriate mechanism in light of a generic objective (Session 6). Building in these classes, the third part will then apply the acquired notions and tools to global economic governance in specific areas, namely international trade (Session 7), finance (Session 8), common-pool environmental resources (Session 9), public health (Session 10), science and technology (Session 11), and major catastrophes (Session 12).

COURSE MATERIALS

The following are relevant works for each session and topic. Their common thread is briefly underlined, and required readings are marked (*). This list is of course not an exhaustive one.

Session 1 - Globalization – current state, trends and challenges

Cohen, Daniel (2006), *Trois leçons sur la société post-industrielle* (Paris: Éditions du Seuil).

Feenstra, Robert C. (1998), "Integration of Trade and Disintegration of Production in the Global Economy," *Journal of Economic Perspectives*, vol. 12, no. 4, pp. 31-50.

* Fischer, Stanley (2003), "Globalization and its Challenges," *American Economic Review*, vol. 93, no. 2, pp. 1-30.

Friedman, Thomas L. (2005), *The World is Flat – The Globalized World in the Twenty-First Century* (New York: Penguin Books).

Norel, Philippe (2009), *L'histoire économique globale* (Paris: Éditions du Seuil).

* Rodrik, Dani (2007), "How to Save Globalization from its Cheerleaders," *Journal of International Trade and Diplomacy*, vol. 1, no. 2, pp. 1-33.

Rodrik, Dani (2000), "How Far Will International Economic Integration Go?," *Journal of Economic Perspectives*, vol. 14, no. 1, pp. 177-186.

* Rosenau, James N. (1995), "Globalization in the Twenty-First Century," *Global Governance*, vol. 6, pp. 13-43.

Seabright, Paul (2004), *The Company of Strangers – A Natural History of Economic Life* (Princeton, NJ: Princeton University Press).

Stiglitz, Joseph E. (2006), *Making Globalization Work* (New York: W. W. Norton & Company).

Session 2 - Governments, multinational corporations, NGOs and communities

* Martin, Lisa (1992), "Interests, Power, and Multilateralism," *International Organization*, vol. 46, pp. 561-598.

Barba Navaretti, Giorgio and Anthony J. Venables (2004), *Multinational Firms in the World Economy* (Princeton, NJ: Princeton University Press).

Jacquet, Pierre, Jean Pisani-Ferry et Laurence Tubiana, éditeurs (2001), *Gouvernance mondiale*, Rapport de synthèse du Conseil d'Analyse Économique (Paris: La documentation française).

Jones, Ian W., Michael G. Pollitt and David Bek (2007), *Multinationals in their Communities – A Social Capital Approach to Corporate Citizenship Projects* (New York: Palgrave Macmillan).

Lyon, Thomas P., editor (2010), *Good Cop Bad Cop – Environmental NGOs and their Strategies towards Business* (Washington: RFF Press).

Scherer, Andreas Georg, Guido Palazzo and Dorothee Baumann (2007), "Global Rules and Private Actors: Towards a New Role of the TNC in Global Governance," *Business Ethics Quarterly*, vol. 16, no. 4, pp. 505-532.

* Wapner, Paul (1995), "Politics Beyond the State: Environmental Activism and World Civic Politics," *World Politics*, vol. 47, pp. 311-340.

* Wolf M. (2001), "Will the Nation-State Survive Globalization?," *Foreign Affairs*, vol. 80, no. 1, pp. 178-190

Yaziji, Michael and Jonathan Doh (2009), *NGOs and Corporations* (New York: Cambridge University Press).

Session 3 - The mechanisms of global governance

Abott, Kenneth and Duncan Snidal (2000), "Hard and Soft Law in International Governance," *International Organization*, vol. 54, pp 421-456

Archer, Clive (2001), *International Organizations* (London, UK: Routledge).

Barkin, Samuel J. (2006), *International Organization: Theories and Institutions* (New York: Palgrave Macmillan).

Cortell, Andrew and James Davis (1996), "How Do International Institutions Matter? The Domestic Impact of International Rules and Norms," *International Studies Quarterly*, vol. 40, pp. 451-478.

* Haggard, Stephan and Beth A. Simmons (1987), "Theories of International Regimes," *International Organization*, vol. 41, no. 3, pp. 491-517.

Lipson, Charles (1991), "Why Are Some International Agreements Informal?," *International Organization*, vol. 45, pp. 495-538.

Martin, Lisa and Beth Simmons (1998), "Theories and Empirical Studies of International Institutions," *International Organization*, vol. 52, pp. 729-757.

Molle, Willem (2008), *Global Economic Institutions* (London, UK: Routledge).

* Murphy, Craig N. (2000), "Global Governance: Poorly Done and Poorly Understood," *International Affairs*, vol. 76, pp. 789-804.

* Ostrom, Elinor (2010), "Beyond Markets and States: Polycentric Governance of Complex Economic Systems," *American Economic Review*, vol. 100, pp. 641-672.

Rodrik, Dani (2007), *One Economics, Many Recipes: Globalization, Institutions and Economic Growth* (Princeton, NJ: Princeton University Press).

Weiss, Pierre (2005), *Les organisations internationales* (Paris : Armand Colin).

Session 4 - Networks, processes and negotiations

Alacevich, Michele (2009), *The Political Economy of the World Bank* (Palo Alto: Stanford University Press).

Castells, Manuel (2008), "The New Public Sphere: Global Civil Society, Communication Networks, and Global Governance," *The Annals of the American Academy of Political and Social Science*, vol. 616, pp. 78-93.

Fearon, James (1998), "Bargaining, Enforcement, and Cooperation," *International Organization*, vol. 52, pp. 269-305.

Gereffi, Gary (2004), "The Global Economy: Organization, Governance and Development," in Neil J. Smelser and Richard Swedberg, editors, *The Handbook of Economic Sociology* (Princeton, NJ: Princeton University Press), pp. 160-182.

Detomasi, David Antony (2007), "The Multinational Corporation and Global Governance: Modelling Global Public Policy Networks," *Journal of Business Ethics*, vol. 71, pp. 321-334.

* Kali, Raja and Javier Reyes (2007), "The Architecture of Globalization: A Network Approach to International Economic Integration," *Journal of International Business Studies*, vol. 38, pp. 595-620.

Karns, Margaret and Karen A. Mingst (2010), *International Organizations: The Politics and Processes of Global Governance* (Boulder, CO: Lynne Rienner).

* Landau, A (2000), "Analyzing International Economic Negotiations: Towards a Synthesis of Approaches," *International Negotiation*, vol. 5, no. 1, pp. 1-19.

* Rauch, James E. (2001), "Business and Social Networks in International Trade," *Journal of Economic Literature*, vol. 39, pp. 1177-1203.

Stone, Diane (2008), "Global Public Policy, Transnational Policy Communities, and their Networks," *Policy Studies Journal*, vol. 36, no. 1, pp. 19-38.

Session 5 - Agency problems in international organizations

Acemoglu, Daron, Michael Kremer and Atif Mian (2008), "Incentives in Markets, Firms and Governments," *Journal of Law, Economics and Organization*, vol. 24, no. 2, pp. 273-306.

* Congleton, Roger D. (2006), "International Public Goods and Agency Problems in Treaty Organizations," *Review of International Organizations*, vol. 1, pp. 319-336.

Cortel, Andrew P. and Susan Peterson (2006), "Dutiful Agents, Rogue Actors, or Both? Staffing, Voting Rules, and Slack in the WHO and WTO," in Darren G. Hawkins, David A.

Lake, Daniel L. Nielson and Michael J. Tierney, editors, *Delegation and Agency in International Organizations* (Cambridge, UK: Cambridge University Press), pp. 255-280.

Hawkins, Darren G., David A. Lake, Daniel L. Nielson and Michael J. Tierney, editors (2006), *Delegation and Agency in International Organizations* (Cambridge, UK: Cambridge University Press).

* Sinclair-Desgagné, Bernard (1999), "How to Restore Higher-Powered Incentives in Multitask Agencies," *Journal of Law, Economics and Organization*, vol. 15, pp. 418-433.

* Vaubel, Roland (2006), "Principal-Agent Problems in International Organizations," *Review of International Organizations*, vol. 1, pp. 125-138.

* Yarbrough, Beth V. and Robert M. Yarbrough, "International Institutions and the New Economics of Organization," *International Organization*, vol. 44, no. 2, pp. 235-259.

Session 6 - Policy coordination

Kahler, Miles (2000), "Private Capital, Central Banks, and International Monetary Governance," paper available online at <http://irps.ucsd.edu/assets/014/6744.pdf>

* Klodt, Henning and Oliver Lorz (2008), "The Coordinate Plane of Global Governance," *Review of International Organizations*, vol. 3, pp. 29-40.

Plasmans, Joseph, Jacob Engwerda, Bas van Arle, Giovanni di Bartolomeo and Tomasz Michalak (2006), "International Policy Coordination," in *Dynamic Modelling and Econometrics in Economics and Finance*, vol. 8, pp. 1-39.

* Simmons, Beth (2001), "The International Politics of Harmonization: The Case of Capital Market Regulation," *International Organization*, vol. 55, pp. 589-620.

Webb, Michael C. (1994), "Capital Mobility and the Possibilities for International Policy Coordination," *Policy Sciences*, vol. 27, pp. 395-423.

* Willett, Thomas D. (1998), "Developments in the Political Economy of Policy Coordination," *Open Economies Review*, vol. 10, pp. 221-253.

Session 7 - Framing international transactions I: Trade and competition

* Cohen, Benjamin J. (1990), "The Political Economy of International Trade," *International Organization*, vol. 44, pp. 261-281.

* Budzinski, Oliver (2008), *The Governance of Global Competition – Competence Allocation in International Competition Policy* (Northampton, MA: Edward Elgar), pp. 84-114.

* Maggi, Giovanni (1999), "The Role of Multilateral Institutions in International Trade Cooperation," *American Economic Review*, vol. 89, no. 1, pp. 190-214.

* Ostroy, Sylvia (2006), "The World Trading System: In the Fog of Uncertainty," *Review of International Organization*, vol. 1, pp. 139-152.

Stephan, Paul B. (2005), "Global Governance, Antitrust, and the Limits of International Cooperation," *Cornell International Law Journal*, vol. 173, pp. 174-210.

Trebilcock, Michael J. and Robert Howse (2005), *The Regulation of International Trade* (New York: Routledge).

Session 8 - Framing international transactions II: Finance

Barba Navaretti, Giorgio and Anthony J. Venables (2004), *Multinational Firms in the World Economy* (Princeton, NJ: Princeton University Press).

* Davies, Howard and David Green (2008), *Global Financial Regulation* (London: Polity Press), pp. 7-110.

* Haaland, Ian I. (2004), "Policy Implications and Effects," in Giorgio Barba Navaretti and Anthony J. Venables, *Multinational Firms in the World Economy* (Princeton, NJ: Princeton University Press), pp. 241-276.

Rajan, Raghuram G. and Luigi Zingales (2004), *Saving Capitalism from the Capitalists* (Princeton, NJ: Princeton University Press).

* Schularick, Moritz (2010), "The End of Globalization 3.0," *The Economists' Voice*, January 2010, pp. 1-5.

* Stiglitz, Joseph E. (2010), "Risk and Global Economic Architecture: Why Full Financial Integration May Be Undesirable," *American Economic Review*, vol. 100, pp. 388-392.

Session 9 - Managing global environmental resources

* Andrée, Peter (2005), "The Genetic Engineering Revolution in Agriculture and Food: Strategies of the 'Biotech Bloc'," in David L. Levy and Peter J. Newell, editors, *The*

Business of Global Environmental Governance (Cambridge, MA: Cambridge University Press). Pp. 135-167.

* Barrett, Scott (2009), "Rethinking Global Climate Change Governance," *Economics: The Open-Access, Open-Assessment E-Journal*, vol. 3, no. 5, pp. 1-12.

Boucher, Vincent and Yann Bramoullé (2010), "Providing Global Public Goods Under Uncertainty," *Journal of Public Economics*, vol. 94, pp. 591-603.

* Dietz, Thomas, Elinor Ostrom and Paul C. Stern (2003), "The Struggle to Govern the Commons," *Science*, vol. 302, pp. 1907-1912.

* Finger, Michael (2005), "The New Water Paradigm: The Privatization of Governance and the Instrumentalization of the State," in David L. Levy and Peter J. Newell, editors,

The Business of Global Environmental Governance (Cambridge, MA: Cambridge University Press), pp. 275-304.

Leroux, Justin, Jerémy Luccheti and Bernard Sinclair-Desgagné (2010), "Splitting and Uncertain (Natural) Capital," Working Paper, Fondazione Eni Enrico Mattei.

Levy, David L. and Peter J. Newell, editors (2005), *The Business of Global Environmental Governance* (Cambridge, MA: Cambridge University Press).

Lyon, Thomas P., editor (2010), *Good Cop Bad Cop – Environmental NGOs and their Strategies towards Business* (Washington: RFF Press).

Pinkse, Jonatan and Ans Kolk (2009), *International Business and Global Climate Change* (New York: Routledge).

* Young, Oran R. (2008), "The Architecture of Global Environmental Governance: Bringing Science to Bear on Policy," *Global Environmental Politics*, vol. 8, no. 1, pp. 14-32.

Session 10 - Global public health

Calain, Philippe (2007), "Exploring the International Arena of Global Public Health Surveillance," *Health Policy and Planning*, vol. 2, no. 2, pp. 2-12.

* Fidler, David P. (2007), "Architecture amidst Anarchy: Global Health's Quest for Governance," *Global Health Governance*, vol. 1, no. 1, pp. 1-17.

* Ford, Lucy H. (2005), "Challenging the Global Environmental Governance of Toxics: Social Movement Agency and Global Civil Society," in David L. Levy and Peter J. Newell, editors, *The Business of Global Environmental Governance* (Cambridge, MA: Cambridge University Press), pp. 305-328.

Hein, Wolfgang and Lars Kohlmorgen (2008), "Global Health Governance: Conflicts on Global Social Rights," *Global Social Policy*, vol. 8, no. 1, pp. 80-108.

* Novotny, Thomas E. (2008), "Global Governance and Public Health Security in the 21st Century," *California Western International Law Journal*, vol. 38, pp. 19-40.

Prah Ruger, Jennifer (2007), "Global Health Governance and the World Bank," *Lancet*, vol. 370, no. 9597, pp. 1471-1474.

Session 11 - Science and technology

* Barrieu, Pauline and Bernard Sinclair-Desgagné (2006), "On Precautionary Policies," *Management Science*, vol. 52, pp. 1145-1154.

Bosso, Christopher J., editor (2010), *Governing Uncertainty – Environmental Regulation in the Age of Nanotechnology* (Washington, DC: RFF Press).

* Coglianese, Cary (2010), "Engaging Business in the Regulation of Nanotechnology," in Bosso, Christopher J., editor, *Governing Uncertainty – Environmental Regulation in the Age of Nanotechnology* (Washington, DC: RFF Press), pp. 46-79.

* Drezner, Daniel W. (2004), "The Global Governance of the Internet: Bringing the State Back In," *Political Science Quarterly*, vol. 119, no. 3, pp. 477-498.

Paris, Roland (2003), "The Globalization of Taxation? Electronic Commerce and the Transformation of the State," *International Studies Quarterly*, vol. 47, pp. 153-182.

Roberts, Paul (2009), *The End of Food* (Boston: Houghton Mifflin Harcourt).

* Sell, Susan and Aseem Prakash (2004), "Using Ideas Strategically: The Contest Between Business and NGO Networks in Intellectual Property Rights," *International Studies Quarterly*, vol. 48, no. 1, pp. 143-175.

Session 12 - Catastrophes

* Chichilnisky, Graciela (2006), "Catastrophic Risks: The need for New Tools, Financial Instruments and Institutions," online at <http://privatizationofrisk.ssrc.org/Chichilnisky/> .

Chichilnisky, Graciela and Geoffrey Heal (1993), "Global Environmental Risks," *Journal of Economic Perspectives*, vol. 7, no. 4, pp. 65-86.

* Posner, Richard A. (2004), *Catastrophes – Risk and Response* (New York: Oxford University Press), pp. 139-198.

Sinclair-Desgagné, Bernard, Nathalie De Marcellis-Warin and Carel Vachon, (2003), "The Economics of Engineering Risk Management: A Primer," Chaire de Développement durable, École Polytechnique, Paris, France, cahier n° 2003-013, downloadable at http://expertise.hec.ca/bernard_sinclair_desgagne/wp-content/uploads/Primer-on-Risk-Management_oct_2003.pdf.

* World Economic Forum (2010), *Global Risks 2010*, downloadable at http://www.oliverwyman.com/ow/pdf_files/Global_Risk_2010.pdf.

Session 13 - Term papers presentations