

**INGS 1001 Power and Money in Global Society**  
**Semester 1 2013**

**WEEK 1 lecture 1: General Themes**

**3 views on globalisation**

- hyperglobalists - inevitable force that changes the world  
Thomas Friedman

- skeptics - a force that is nothing new

Realists: power determines state behaviour and always will

1. transformationalists - forcing change but the direction is indeterminate

**globalisation AND sovereignty**

1. international legal sovereignty - formal recognition by community of states

**globalisation does little to undermine this sovereignty**

2. Westphalian sovereignty - exclusion of outside actors in domestic structures, sovereignty of nation states on their territory. **challenges come from international institutions**

3. domestic sovereignty - ability of state to exercise authority within borders  
**international rules and standards**

4. interdependence sovereignty - ability of state to regulate borders

**globalisation makes it difficult to control borders**

**Chronology of Globalisation**

1970-1914 e.g. colonial africa late 1800's

1945-1980

1990-present

Post WWII; new international architecture and organisations, Un collective security, IBRD (world bank) IMF (fiscal stability) GATT (promote free trade)

Cold War - consider: transport and accessibility, access to internet and the unequal distribution of it, traders and MNCS

Long term sustainability - limits to growth

1.2 billion people in the developed world

4.8 billion in less developed

2 billion of which live on less than \$2 a day, 1 billion of which on \$1 a day

rise in populations = strain on resources = draining them at an increasing rate, degrading environment = life as we know it in doubt

### Week 1 lecture 2 : how should we think about global divisions?

Divisions can be considered from a range of perspectives

1. E.g. LDCs and MDCs, North-South (geographical depiction), centre and periphery (relationship of exploitation – core extracts resources and surplus value from periphery), ethnicity, language, religion, culture – do these divisions matter?

Global inequalities

1. Geopolitical, economic, between countries, within countries (e.g. Shanghai as a region dev. is = to Italy), question as to why these differences occur
2. Global inequalities are measured through

**Absolute poverty:** not comparable to others - \$1 a day measurement, defined in terms of minimal requirements necessary to afford minimal standards of food, clothing, health, education

**Relative poverty:** comparable to others e.g. having no internet connection in Sub-Saharan Africa isn't unusual- the norm, however not having internet connection in Sydney may be an indicator of poverty

Life expectancy at birth shows gradual improvement globally

3. Consider the **distribution** of inequality: sub Saharan Africa, Americas – within (Shanghai e.g.) and between countries –

Consider the Q of whether poverty must be maintained in order for the West and other wealthy people to maintain their current lifestyles and SOL (**Marxian** perspective),

**Liberal** perspective argues for greater economic linkages and liberalisation of econ – question of the policies and institutions e.g. Washington Consensus Neoliberalism universal spread/dissemination

Others argue inequality is necessary – **incentivisation** – if inequality was eliminated, it would eliminate the need for competition

#### 4. Distribution Q?

Distribution of what? – income, wealth, resources ('resource curse' argument), power (geopol, econ, pol, military), 'capabilities' (dif. support mechanisms),

Distribution of crises is a major element e.g. politically Arab world vs. Aus and Brazil, e.g. economic crises such as rapidly growing (china and India) vs. stagnating (US, Europe) (however growing at faster rate because started at far lower point), contend that the GFC has greatly changed the distribution of financial crises (Debt crisis 82', E Asian Tiger crisis 90s, now GFC West)

#### 5. **Perspectives** – different perspectives emphasise different divisions that result in different policy recommendations (consider Week 1 reading)

Fundamental diffs between **Marxism** and **Liberalism**

**Realism:** nations as actors, emphasise power relations – power decides intern order, power characterises the interaction between nations, intern. system is inherently anarchic, emphasis on state power and demanding concessions from other state and non-state actors

**Liberalism:** actor based framework, emphasis on mutually beneficial interaction of actors (mainly trade), non-coercive voluntary exchange

**Marxism:** oriented towards **structural analysis** of global economy, emphasis on structure, structure limits actors, antagonistic relationship between classes, economic relations are **exploitative** (value creation), this is extended to the global scale e.g. imperialist powers capitalist class extract surplus value from periphery states, inequality as an inherent part of the capitalist class.