INST 201 Introduction to International Studies

Economics and International Development

[](https://www.moroccoworldnews.com/2011/08/7950/microfinance-what-role-in-africas-development/)

Source: [Morocco World News](https://www.moroccoworldnews.com/2011/08/7950/microfinance-what-role-in-africas-development/)

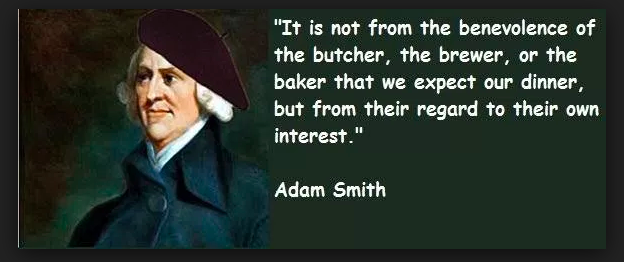
What is Economics?

[*The Dismal Science*](https://www.theatlantic.com/business/archive/2013/12/why-economics-is-really-called-the-dismal-science/282454/)

“Economics is the social science that studies, describes, models, and makes predictions about the production, distribution, and consumption of goods and services.”

“It does so by focusing on the choices made by individuals (?) about alternative uses of (scarce) resources to satisfy needs and wants (97).”

**Liberal** Economics *aka* Classical Economics: What’s **Liberal** about it?



All people (economic actors) are

*rationally* self-interested – seeking maximum benefit at minimum cost.

Competition and freedom from coercion key.

Markets are most efficient when they are free from government regulation.

Neo-liberal economics

Milton Friedman

Free trade

WTO

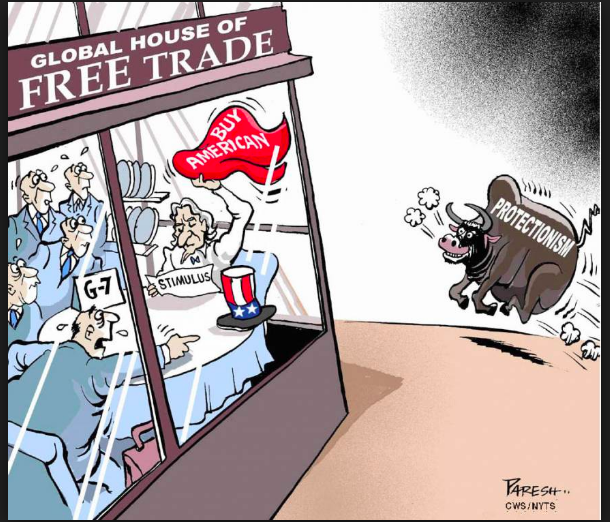
NAFTA

Economic Nationalism

Using the State to pursue national economic interests, advantages

In contrast to liberal econ

Tariffs, protectionism, etc.



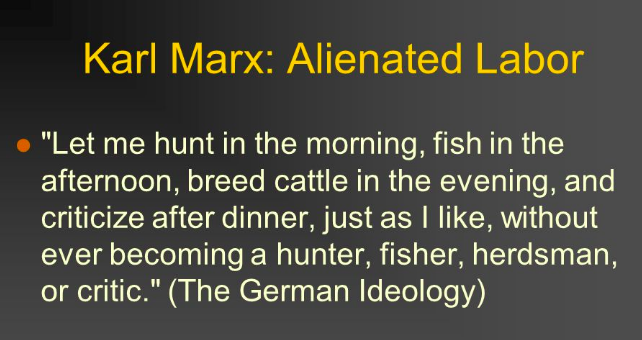
Marxism

Historical Materialism

Class antagonism

Ownership of the means of production

Nationalization



Micro vs Macro

Micro – the behavior of individuals, or individual firms; rational actor model; mini-max behavior, supply and demand to understand relative prices.

Macro – combined performance of all markets in a market system (e.g. national or regional economy)

Role of states in steering the economy through government spending and manipulation of the money supply.

Macroeconomic indicators

GDP, GDP per capita, unemployment, inflation, etc.

Development Economics

*Developing countries*: countries where the standard of living is consistently low relative to “first-world” economies of US, W Europe, Canada

How can all countries become wealthier, more productive, enjoy higher standard of living?

Stage theory (modernization theory)

Dependency theory

Why do economic development efforts so often fail to have their intended impact? Long term growth?

Cultural logics (what the book says)

Why else?

Globalization

Expansion of global communication and market connections, growing social and political interdependence, “planetary” rather than national or local consciousness on part of people





Who benefits from globalization? How are the costs and benefits of globalization spread across the world?

Non-Western Economics

Dispels the myth that human are universally “rational actors,” defined as being driven to consumer: more stuff, more pleasure, more everything, “More is better.”

The assumption of growth drive by insatiable (totally elastic) demand.

Rather, !Kung have limited wants, limit their work activity to afford them more leisure time, more family time, more communal time

Sahlins (1972) argued that different cultural logics create different forms of “rationality” and different economic behaviors

Sustainability



*“the capacity of a political economic system to meet the needs of present communities without reducing the ability of future generations to meet their own needs” (118)*

There are indeed communities, cultures who build sustainability into their economic choices rather than being short-sighted, driven by greed (scarcity) that defines the “rational” action as exploiting as much of a resource as you can before someone else does (zero-sum)

e.g., the Spokane and other Native American peoples; farmers in Nigeria and Switzerland

[](http://www.spokanetribe.com/dnr-hatchery) [](http://www.spokesman.com/stories/1995/aug/21/river-of-kings-in-years-past-the-spokane-river/)

Incorporating Economics into your International Studies Degree

Double major or major/minor in Econ and INST – in [School of Business](https://www.gonzaga.edu/school-of-business-administration/undergraduate-programs/undergraduate/business-administration/economics)

Or, more commonly,

[College of Arts & Sciences](https://www.gonzaga.edu/college-of-arts-sciences/departments/economics/degree-requirements)

[BS vs BA at GU](https://www.gonzaga.edu/college-of-arts-sciences/departments/economics)

Or

Just take [ECON 200 or ECON 201 and 202](https://www.gonzaga.edu/college-of-arts-sciences/departments/economics/courses)

And Global Economic Issues (esp bottom billion)

Recommended Economics Sites:

[OECD](http://www.oecd.org/development/)

[World Economic Forum](https://www.weforum.org/)

[World Bank](http://www.worldbank.org/)

[ILO](http://www.ilo.org/global/lang--en/index.htm)

Sustainability, sustainability and development



[UNDP Sustainability Goals](http://www.undp.org/content/undp/en/home/sustainable-development-goals.html)

[Wedo.org](http://wedo.org/)

[Wedo.org.pk](http://wedo.org.pk/)

[UCLA Sustainability](https://www.sustain.ucla.edu/about-us/what-is-sustainability/)