

**First Lecture**  
**The Post-War Global Political Economy:**  
**Order and Disorder**

*How is the “Capitalist Order” one of disorder?*

**Order or disorder?**

**What is new?**

- **Regrouping**
- **Conflict: cold and hot**
- **Globalization: de-colonization, transnational corporations, transition from socialism, emerging markets**

**Overview**

- **Hegemonic transition: GB ⇒ US ⇒ ?**
- **Early 20<sup>th</sup> century: US able but unwilling**
- **“Systemic chaos”: Great Depression and WWII**
- **Next move?**

**Post-war Bretton Woods order**

- **Structures: power, coalition (ideal/material), hegemon.**
- **Institutions: IMF, World Bank, GATT&WTO**
- **Decline: Western stagflation, debt crisis and catching up in LDC**

**State rivalry**

- **Bi-polar world: NATO and the Warsaw Pact**
- **New imperialism: re-dividing the world, de-colonization, aid and fist**
- **Bellicosity and re-armament**

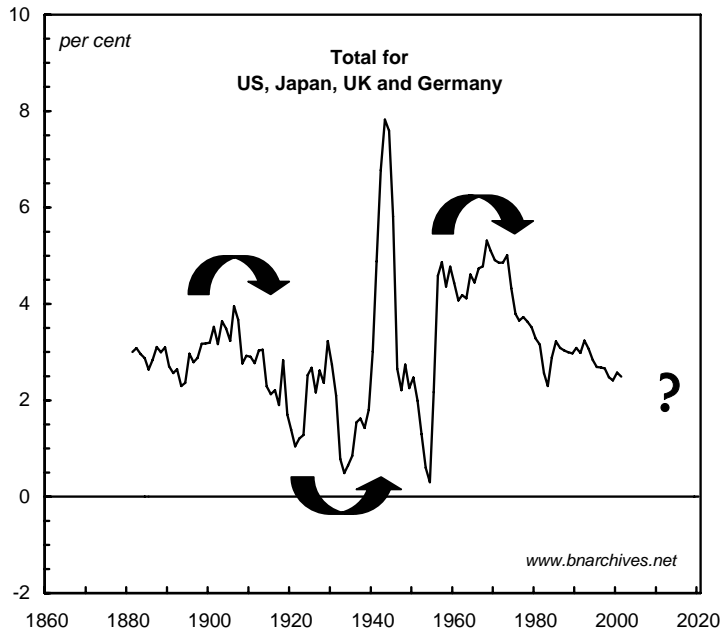
**Globalization**

- **Internationalization vs. transnationlization.**
- **Trade and capital flow**
- **Coordination**



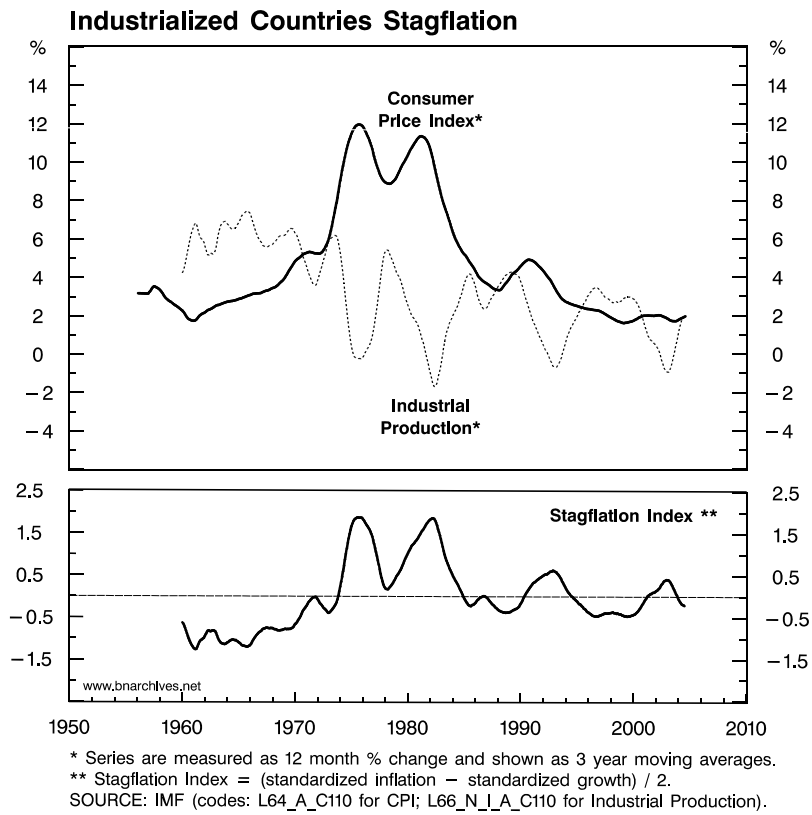
**FIGURE 1 Long Term Shifts**

NOTE: Data represent GDP measured in purchasing power parity.  
 SOURCE: Angus Maddison <http://www.ggd.net/>

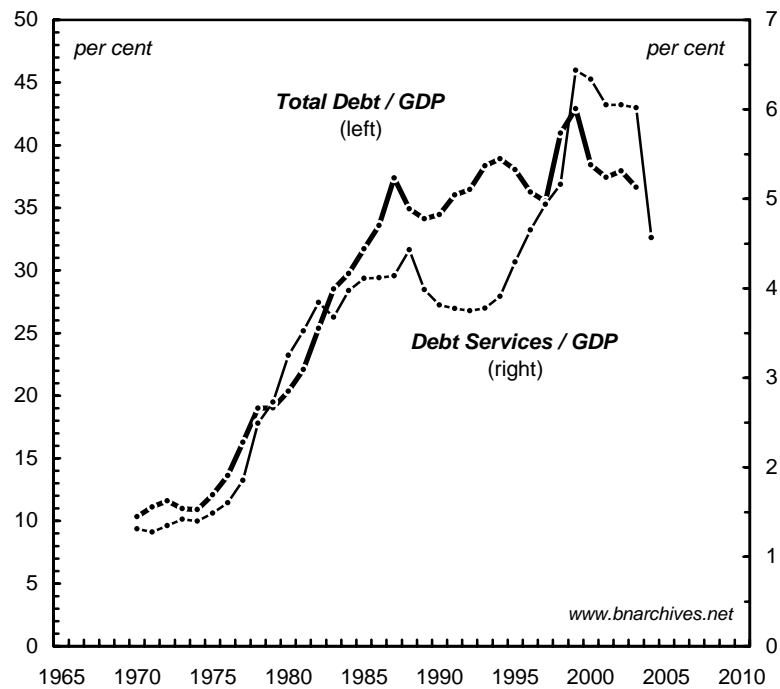


**FIGURE 2 Long Term Growth**

NOTE: Data represent GDP measured in purchasing power parity.  
 SOURCE: Angus Maddison <http://www.ggd.net/>



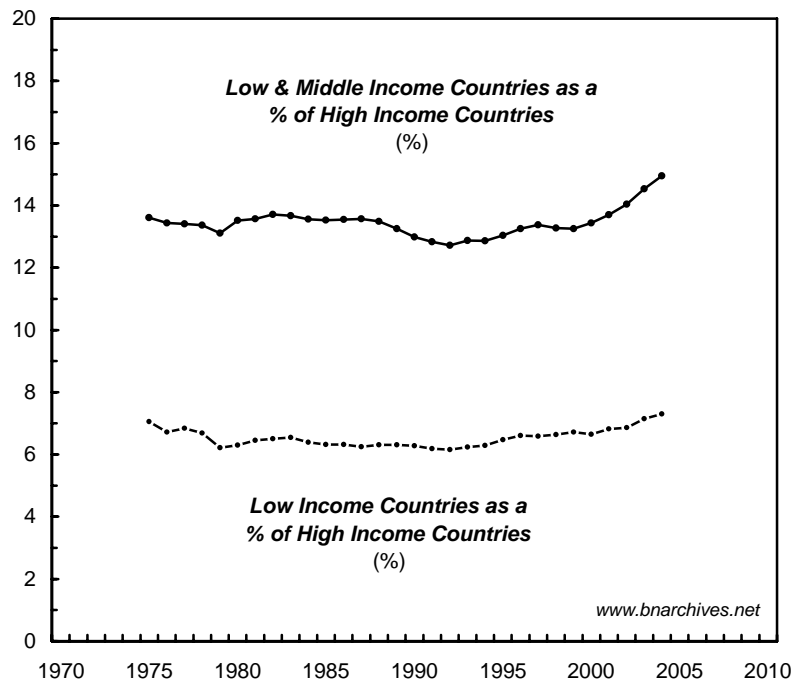
**FIGURE 3      Stagflation**



**FIGURE 4 Debt Indicators for Developing Countries**

NOTE: Developing countries are defined as low income countries (per capita 2004 GDI of less than \$825) and middle-income countries (per capita 2004 GNI of \$825-10,065).

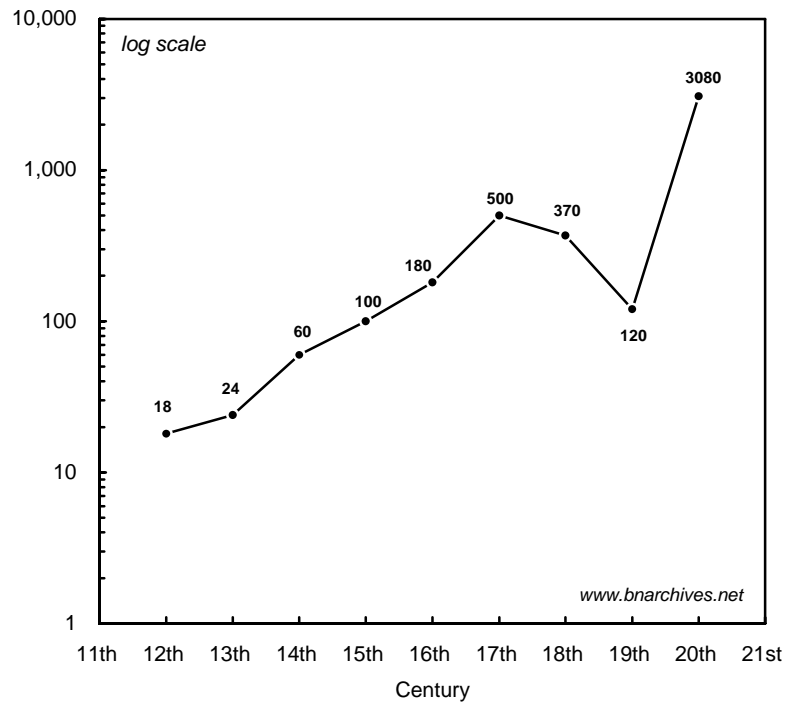
SOURCE: *World Development Indicators* (codes: NY.GDP.MKTP.CD for GDP in U.S. dollars; DT.DOD.DECT.CD for total debt in U.S. dollars; DT.TDS.DECT.CD for debt services in U.S. dollars).



**FIGURE 5 GDP per Capita: Developing Countries Relative to High Income Countries**

NOTE: Low income countries have per capita 2004 GNI of less than \$825). Middle-income countries have per capita 2004 GNI of \$825-10,065.

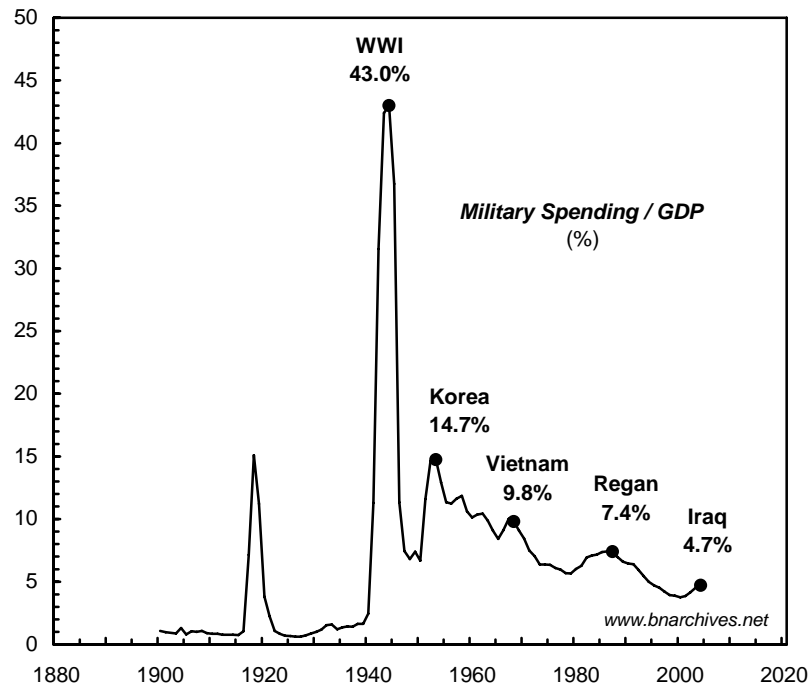
SOURCE: *World Development Indicators* (NY.GNP.PCAP.PP.CD for \$ per capita GNI of high income countries; NY.GNP.PCAP.PP.CD for \$per capita GNI of low income countries; NY.GNP.PCAP.PP.CD for \$ per capita GNI of low and middle income countries).



**FIGURE 6** Sorokin's "Bellicosity Index"

NOTE: Index reflects the number of wars, duration, army size, number of casualties and the ratio of soldiers to the civilian population. The figure for the 20<sup>th</sup> century is up to 1938 only.

SOURCE: P. Sorokin (1957) *Social and Cultural Dynamics*, cited in Q. Wright (1942) *A Study of War* (Chicago and London: The University of Chicago Press). p. 56.

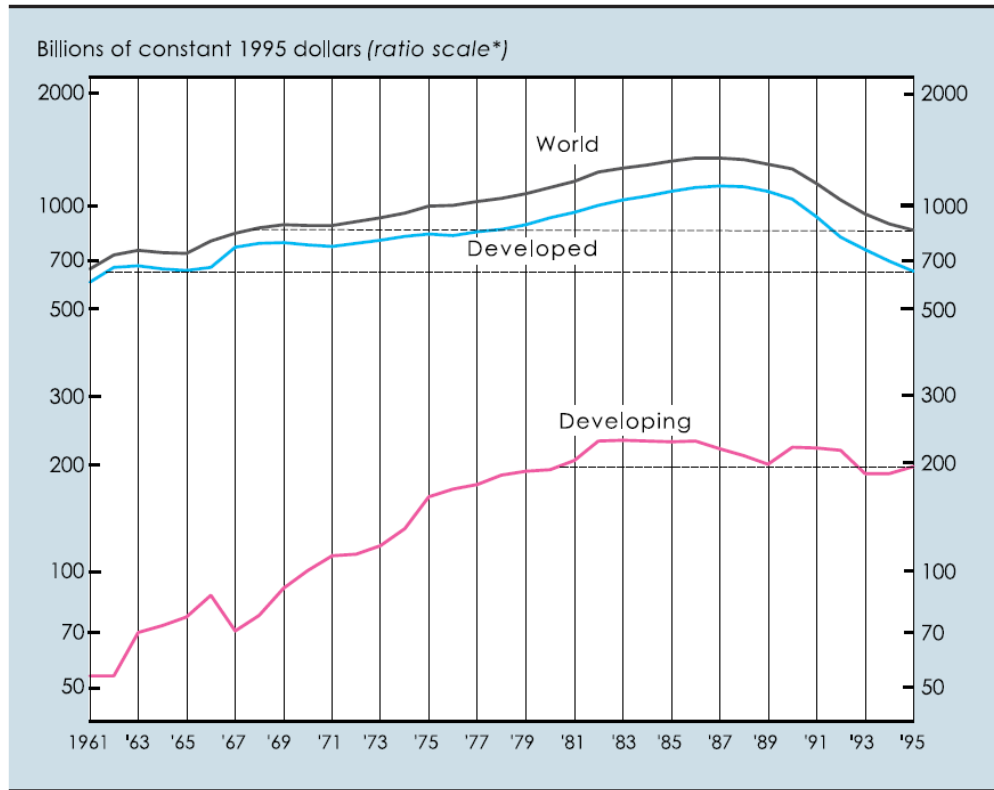


**FIGURE 7 U.S. Militarization**

SOURCE: U.S. Bureau of Economic Analysis through *Global Insight* (codes: GFML for military spending; GDP for GDP); Gleditsch, Nils Petter, ed. 1996. *The Peace Dividend*. Amsterdam and New York: Elsevier; *Bank Credit Analyst Research Group*.

## Military Expenditures

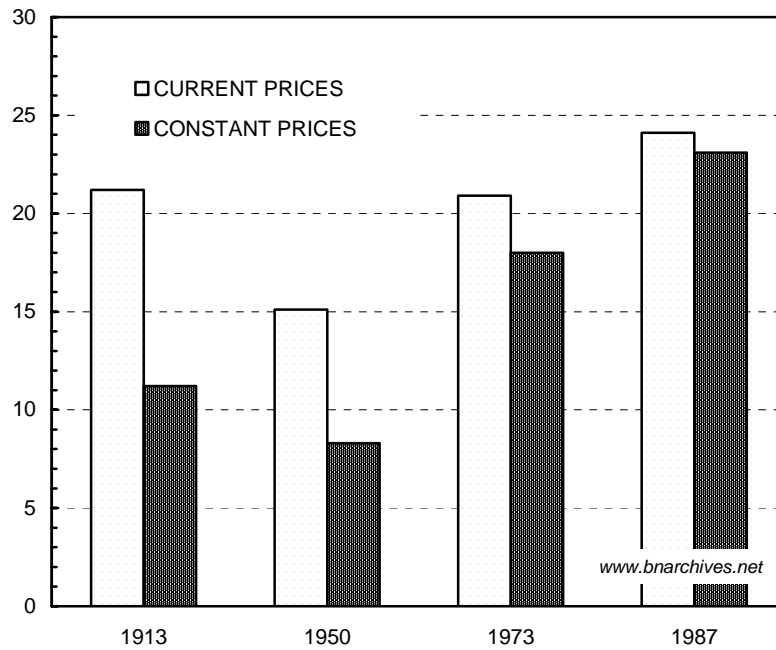
Figure 1. World Military Expenditures: 1961-1995



**FIGURE 8 World Militarization and Demilitarization**

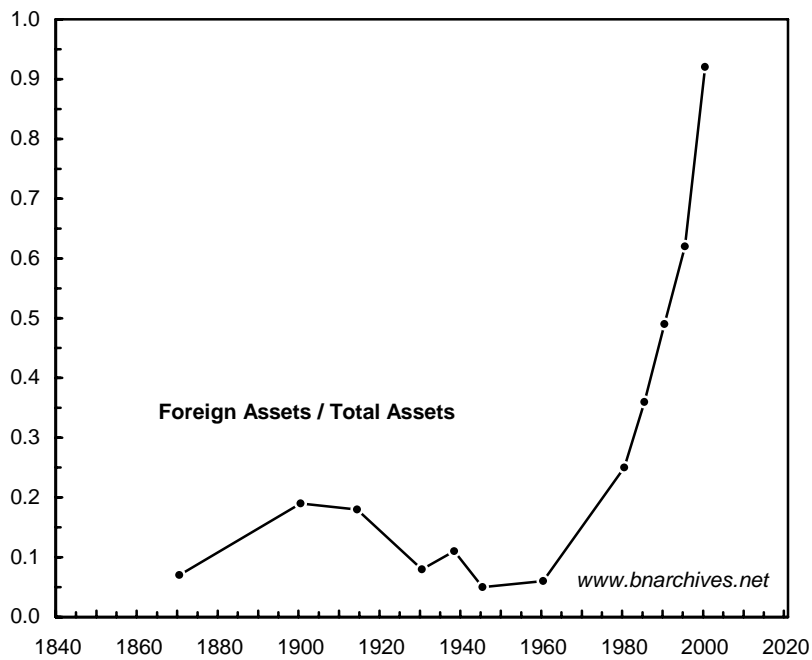
SOURCE: US Arms Control and Disarmament Agency (1997) *World Military Expenditures and Arms Transfers*, p. 1.





**FIGURE 9** Ratio of Merchandise Export to GDP (%)

NOTE: Computed as the arithmetic mean of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Sweden, UK and U.S.A.  
SOURCE: Angus Maddison (1991) *Dynamic Forces in Capitalist Development* (Oxford: Oxford University Press), Appendix F. pp. 326-7.



**FIGURE 10 Globalization of Ownership**

NOTE: Foreign assets consist of cash, loans, bonds and equities owned by non-residents

SOURCE: Obstfeld, Maurice, and Alan. M. Taylor (2004) *Global Capital Markets: Integration, Crisis and Growth* (Cambridge: Cambridge University Press), Table 2.1, pp. 52-3.