

# INTL 102: Economics, Politics, and International Change

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# Reminders

**Office Hours:** Tuesdays 11-1, SSB 343.

**Website:** All past section slides are now available on my website:  
[heidimcnamara.com](http://heidimcnamara.com)

I still have a few midterms. If you haven't already—pick it up!

## Frieden Chapter 16 Takeaways

- ▶ Discusses rise and success of OPEC
- ▶ Rising oil prices led to stagflation in the US and increased debt load in developing countries
- ▶ Pau Volcker: Chairmen of the Fed under Carter. Increased interest rates to rein in inflation. This made the dollar stronger and interest rates higher, which made it very difficult for developing countries to repay their loans

# Frieden Chapter 17 Takeaways

- ▶ Traces growth of global economic market in the 1980s-2000s
- ▶ Rise of new technologies (computer, internet, etc.) gave rise to giant corporations of unprecedented scale working around the globe
- ▶ Case study on George Soros... interesting guy.

## Frieden Chapter 18 Takeaways

- ▶ Traces success stories in the 80s and 90s of countries that turned away from ISI and toward Export Oriented Industrialization (EOI)
- ▶ Case studies on East Asian countries, Chile, European periphery, etc.

# Acemoglu in FLB Takeaways

- ▶ Argues domestic political institutions are the fundamental cause of differences in economic development
- ▶ Good institutions have 3 key characteristics:
  - ▶ Enforcement of property rights
  - ▶ Constraints on the actions of elites and powerful groups
  - ▶ Some degree of equal opportunity for broad segments of society
- ▶ There's no compelling reason to think societies will naturally gravitate toward good institutions :(

# Key Concepts: Cartels

International commodity cartels

Collective action theory and OPEC

Petrodollar recycling

# Key Concepts: Debt Crises

Stagflation

Fed Chairman Paul Volcker

Debt Crises of the 1980s



# Key Concepts: Export Oriented Growth

## Export-Oriented Industrialization (EOI)

“Good” political institutions

Secure property rights

# Successful growth

If we want to stimulate growth in countries that are struggling to develop, what should we do?