Globalization

The Politics of Global Economic Relations and International Business

N. Oluwafemi Mimiko

CAROLINA ACADEMIC PRESS
Durham, North Carolina
Contents

Series Editor's Foreword xv
Preface xvii

Chapter One • Between Foreign Policy and International (Economic) Relations: Contending Perspectives in the Study of How the Global System Runs

Introduction 3
Foreign Policy, International (Economic) Relations, and World Politics: Conceptualization and Framework of Analysis 4
Evolution of International Relations as an Academic Discipline 8
Theory in International Relations 10
The Nature of the International System 13
   1. Sovereignty 13
   2. Presence of Non-State Actors 14
   3. Existence of Power Blocs 15
   4. Power 16
   5. National Interest 17
   6. State of Disorder 20
   7. Legitimization of War 21
   8. Economic (Inter) Dependence and a Structured International Economic System 21

Chapter Two • The Politics-Economics Nexus in International Relations 27
Chapter Three • Evolution of the International Economic System: From the Industrial Revolution to the Global Financial Meltdown 35
The Industrial Revolution 35
The Great Depression 36
The New Deal 37
The Bretton Woods Monetary Order 38
The Uruguay Rounds/World Trade Organization 39
Globalization 41
21st Century—The Asia Century 42
The Global Financial Meltdown and Re-inventing the U.S. 43

Chapter Four • The North-South Dialogue 47
Introduction 47
Origin of NIEO 48
Substantive Issues in NIEO 49
Challenges Faced by NIEO 51
Conclusion 52

Chapter Five • Frameworks for National Economic Development: From Keynes to Monetarism 55
Growth and Development 55
Maynard Keynes and National Economic Planning 59
Neo-liberalism 61
Capitalist Developmental State 63
Socialism 69
Socialist Market Economy 69

Chapter Six • The Bretton Woods Monetary Order: The IMF and the IBRD 71
Introduction 71
The IMF in Transition: From Insipidity to Ubiquity 72
Structure 73
The Nature of the Conditionalities 76
Trade Liberalization 77
Export Promotion 78
Currency Devaluation 78
Classification of Parastatals 79
# Contents

De-subsidization 79  
Good Governance 80  
Beyond the Façade: Conditionalities as Instruments of Control—A Comparative Experience 81  
The World Bank 83  
Objectives 83  
Structure 84  
Conclusion 85  

Chapter Seven • The Role of OPEC in the International Economic System 89  
Introduction 89  
Achievements 90  
Challenges 91  
  1. Glut in the International Oil Market 91  
  2. Lack of Technology 91  
  3. Economic Dependence 92  
  4. Mono-cultural Orientation of Member-nations 92  
  5. Intra-OPEC Crisis 92  
Conclusion 93  

Chapter Eight • The Debt Crisis 95  
Conceptualization 95  
Origin 96  
  1. Historical Exploitation 96  
  2. Oil Crisis 96  
  3. Decreasing Export Earnings 97  
  4. Corruption 97  
Debt Management Strategies 98  
The Politics of Debt Management: Rescheduling, Cancellation and Repudiation 100  

Chapter Nine • Foreign Direct Investment and Transnational Corporations in the Global Economy 105  
Introduction 105  
TNCs As Agents of Development 106  
The Attraction in FDI/TNC 110
<table>
<thead>
<tr>
<th>Chapter Ten</th>
<th>The Globalization of Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>117</td>
</tr>
<tr>
<td>Trends in Globalization</td>
<td>117</td>
</tr>
<tr>
<td>Features of Globalization</td>
<td>119</td>
</tr>
<tr>
<td>1. Change in the Methods of Production</td>
<td>119</td>
</tr>
<tr>
<td>2. Transnational Corporations as the Most-Prominent Actors</td>
<td>120</td>
</tr>
<tr>
<td>3. Mobility of Capital</td>
<td>120</td>
</tr>
<tr>
<td>4. Rapid Information Dissemination</td>
<td>120</td>
</tr>
<tr>
<td>5. Growing Powerlessness of States</td>
<td>120</td>
</tr>
<tr>
<td>Consequences of Globalization</td>
<td>121</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter Eleven</th>
<th>NEPAD and the Limited Possibilities for Partnership and Economic Development in Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>123</td>
</tr>
<tr>
<td>NEPAD: The Philosophy, the Direction</td>
<td>126</td>
</tr>
<tr>
<td>NEPAD: How New, How Developmental?</td>
<td>128</td>
</tr>
<tr>
<td>Conclusion</td>
<td>131</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter Twelve</th>
<th>Strategic Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>What Is Strategic Planning?</td>
<td>133</td>
</tr>
<tr>
<td>Steps in Strategic Planning</td>
<td>135</td>
</tr>
<tr>
<td>1. Business and Mission Definition</td>
<td>135</td>
</tr>
<tr>
<td>2. Objective Setting</td>
<td>135</td>
</tr>
<tr>
<td>3. Environment Analysis</td>
<td>136</td>
</tr>
<tr>
<td>4. Strategizing or Development of Strategies for Attainment of Set Objective</td>
<td>137</td>
</tr>
<tr>
<td>Methods of Planning</td>
<td>137</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter Thirteen</th>
<th>The Art of Negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>143</td>
<td></td>
</tr>
</tbody>
</table>
Introduction 143
Principles of Negotiation 144
   1. Adequate Preparation 144
   2. Emotion 144
   3. Options 145
   4. Timing 145
   5. Eliciting Concession 145
   6. Decision-Making Power 146
Characteristics of a Successful Negotiator 146
Suggestive Elements in Negotiation 147
Keys to Successful Negotiation 147

Chapter Fourteen • Crimes Beyond Borders: Terrorism 149
   Introduction 149
   The Crisis of Conceptualization 150
   The Washington-Jerusalem (Peculiar) Nexus 152
   The Economy of the Global War on Terrorism 156

Chapter Fifteen • The Future of International Economic Relations 157

Bibliography 165

About the Author 177

Index 181