

POLI 441

POLITICAL ECONOMY OF AFRICA'S DEVELOPMENT SINCE INDEPENDENCE

SESSION 2 : NATURE OF POLITICAL ECONOMY II

Lecturer: Dr. Seidu Alidu

Contact Information: smalidu@ug.edu.gh /seidualidu@gmail.com



UNIVERSITY OF GHANA

College of Education

School of Continuing and Distance Education

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Session Overview

Traditionally, the discipline deals with a number of **activities** and **institutions**. The primary activities include **production** (this is the process of creating goods and services. This process helps in making things for survival, consumption and pleasure. The organization of production leads to division of labour which has a great influence on how people live), **trade** (trade is the exchange of these products and services so created across borders), **finance** (finance include the creation and distribution of money and credit), and **war** (war is organized international violence that is usually thought of as the military of one state engaged in conflict with the military of another).

The institutions superintend over the activities and include rules and regulations that guide and govern how the activities we identified earlier are conducted. It also involves regulatory bodies that determine these rules and regulations and ensure they are enforced. Some of these bodies include the state, the Bretton Woods institutions (i.e., the International Monetary Fund and the World Bank), the World Trade Organization, international order, among others.

Session Outline

The key topics to be covered in this session are:

- Topic 1: **TRADITIONAL POLITICAL ECONOMY ACTIVITIES**
- Topic 2: **RECENT ACTIVITIES**
- Topic 3: **POLITICAL ECONOMY INSTITUTIONS**
- Topic 4: **IMPLICATIONS ON DEVELOPMENT**

Reading materials

- Ravenhill, J. (ed.) (2005) Global Political Economy, Oxford: Oxford University Press, (Part One, pp. 3 – 47)
- Jackson, R. and Sorensen, G. (2003) Introduction to International Relations Theories and Approaches, Oxford: Oxford University Press (Chp. 8, International Political Economy: Contemporary Debates).
- Oatley, T. (2008) International Political Economy: Interests and Institutions in the Global Economy, Third Edition, New York: Pearson Education, Inc. (Chp. 1: International Political Economy, pp. 2 – 21)
- O'Brien, R. and Williams, M. (2004) Global Political Economy: Evolution and Dynamics, New York: Palgrave Macmillan, (Chp. 1, Understanding the Global Political Economy, pp. 11 – 36)

Learning objectives

At the end of the session, students should be able to:

- Understand the nature of political economy
- Differentiate between political economy and global political economy
- Become familiar with the interactive process between politics, economics and international relations
- Articulate clearly the implication of the politics and economics to decision making in Africa African
- Become familiar with the nature of the African economy
- Become familiar with the relationship between Africa's economy and the global economy

Topic one

TRADITIONAL POLITICAL ECONOMY ACTIVITIES



POLITICAL ECONOMY ACTIVITIES

Traditionally, the discipline deals with a number of **activities** .

The primary activities include:

- **production** (this is the process of creating goods and services. This process helps in making things for survival, consumption and pleasure. The organization of production leads to division of labour which has a great influence on how people live),
- **trade** (trade is the exchange of these products and services so created across borders),

TRADITIONAL ACTIVITIES

- **finance** (finance include the creation and distribution of money and credit),
- **war** (war is organized international violence that is usually thought of as the military of one state engaged in conflict with the military of another).

TRADITIONAL ACTIVITIES

However, each of these activities takes place outside the confines of the borders of states and that brings in the component of international relations, in those activities that occur within the borders of the state has an implication on activities that happen outside the borders of state.

Therefore, the international relations provide the environment in which both the pursuit of power and wealth are realized. Activities in this environment are governed by rules and regulations that affect the behavior of states and the international system.

Topic Two

RECENT ACTIVITIES



RECENT ACTIVITIES

Currently, courses in IPE have embraced more nuanced activities and phenomena previously not seen as important to the discipline. Some of these activities and phenomena are:

- **technology** (is an aspect of production; the knowledge applied to create tools to perform particular tasks)
- **ideas** (ideas are views that we have about how society and the world should be organized);
- **interaction between humans and their natural environment** (all of these elements exist in a dynamic and sometimes destructive relationship with the natural environment).

Topic Three

POLITICAL ECONOMY INSTITUTIONS



POLITICAL ECONOMY INSTITUTIONS

Institutions provide the guidance and the constraints needed to make human life worth living. Political economy institutions can be construed in two forms:

- Existing laws and norms about how political economy activities are conducted
- Regulatory bodies that enforce the laws and norms

Conceived this way, we can distinguish four critical levels of institutions:

- State level institutions
- Sub-regional level institutions
- Regional level institutions
- Global/international level institutions

STATE-LEVEL INSTITUTIONS

These include all institutions at the level of the state that has a role in both political and economic decision making process. These institutions include:

- The Executive
- The Legislature
- The Judiciary
- Private sector
- Civil Society
- Individuals, etc

SUB-REGIONAL INSTITUTIONS

This includes all institutions at the sub-regional level that make economic and political decisions:

- ECOWAS
- SADC
- COMESA
- CEN-SAD
- ECOWAS MONETRAY ZONE
- ECOBANK
- ECOWAS PARLIAMENT

REGIONAL LEVEL INSTITUTIONS

This includes all institutions at the regional level that make economic and political decisions:

- African Union
- African Development Bank
- Economic Commission for Africa
- European Union

GLOBAL LEVEL INSTITUTIONS

This includes all institutions at the global level that make economic and political decisions:

- The UN
- The G8
- The G22
- The IMF
- The WB
- BRICS
- WTO

Topic Four

IMPLICATION FOR DEVELOPMENT



IMPLICATION FOR DEVELOPMENT

The implication depends on how development is conceived:

- As economic growth
- As human development
- The “means” and “end” of development
- The question of African development

DIMESNION OF CONFLICT

Another aspect of the dimension of conflict is how conflict parties stand in relation to conflict and why they take those stands.

Three of such stands are important to this session:

- **Position** (a party's concrete demands in a conflict)
- **Interest** (a party's concern about a conflict issue)

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