

Ishita!

38

① You have content but structuring of answers need improvement. esp Q1, Q5, Q6.

② In Q5, you haven't addressed demand.

Feel free to contact me but need to work a little on structuring.

Focus on this you need practise word wrchap answers of these topics.

Ques 1

How are rising powers challenging USA & Western dominance in IMF & World Bank?

5/6/21

Ans

The trend towards global governance has been most prominent in the economic sphere with the emergence of the Bretton Woods system in the aftermath of World War II.

OK

IMF and World Bank were the preeminent International Financial Institutions for reconstruction of war ravaged economies. Their roles have evolved overtime & they're now dictating access to development aid & also promoting free market economies.

BRICS emerged in 2009 as a coalition of emerging economies. It created its New Development Bank at the 2014 Fortaleza Summit which

finances infrastructure and development projects. It is seen as an alternative to the unchallenged dominance of the Western institutions.

Jaaved Zakaria terms this as 'decline of the west' & 'Rise of the east'.

The NDB (along with its Contingency Reserve Arrangement) &

AIB usher in long standing demands of changes in the global financial architecture.

Accusations include exclusion in IMF decision making despite growth and prominence. ?

China and India have experienced sustained rates of high economic growth. Asian Tigers (Singapore, Hong Kong etc) & Asian Clubs

Other issues?

Check sources

with strong input oriented policies
have seen strong growth. Further,
the volumes of global trade has
increased but the budget of IMF
hasn't. All decisions require 85%
of votes, hence USA with 17%
weightage holds a virtual veto.

Challenge
from G20??

On the other hand,
sceptics believe that emerging
economies will not hold up the
norms & values of the institutions
& opt for unstable financial &
trade strategies. China's Belt & Road

Initiative is fast gaining criticism
unsustainable
for high rates of interest, & is
behaving like a "predatory hegemon"

India is criticised by its South Asian

neighbours for only promising & not delimiting any infrastructure projects. Hence, they still are a few steps away from global leadership.

Further with the advent of floating exchange rates in 1970s followed by oil price rises, we saw multiple financial crises in emerging markets, which were averted with the timely & stable support of IMF.

However, it cannot be denied that this also created a distinct group of debtors & creditors (mostly advanced economies).

Thus there is a need to include the voice of different stakeholders and enhance the legitimacy of global governance.

While trying to argue your point you are overstretching!

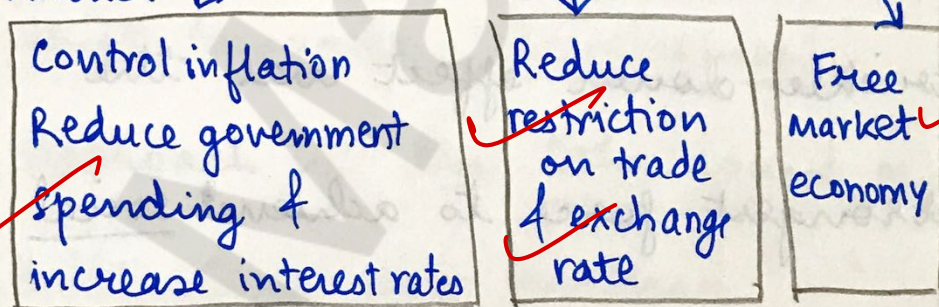
good

10.5

Ques 2 Sketch the journey of global political economy from Washington Consensus to the present.

Ans Washington Consensus was an agreement b/w IMF, World Bank & USA Department of Treasury for policy advice to debt laden economies. It was a neoliberal approach for achieving macroeconomic stability with three broad stages

in Latin America



It recommended the reduction of state involvement &

^{more} towards privatisation. The market

led development strategies would

result in economic growth that

will trickle down to benefit poorer section

This was further popularised by "Reaganism" & "Thatcherism".
In India, ~~ANANDY~~ JAGDISH BHAGWATI ^{believed it was a social good.}
However, their market fundamentalism had a disastrous impact on social policies & poverty levels.

This approach received impetus from the "Reaganism" & "Thatcherism" in US & UK. In India,

Jagdish Bhagwati believed the

trickle down effect was the ~~strongest~~ strongest force to achieve social benefits.

However, this Consensus was subsequently weakened by its own nd unintended consequences.

The pace of capital account liberalisation was damaging. Growth and poverty

reduction outcomes fell significantly short of the reformers' expectations

By late 1990s, a change of direction emerged towards the

Post-Washington Consensus . Joseph Stiglitz

the Chief Economist of World Bank

at the time criticized the ^{IMF} policies

in response to crises in Asia.

In 2001, there was a shift towards "development"

approach in the Doha round of

talks. This was further

strengthened by the 2008

Global Financial Crisis.

East Asia & Pacific are

prime examples of how state

involvement led to better

growth & poverty alleviation

How
can you
say this?
You have
to give
motives

Est'd
of WTO?

This is imp.
stage in
global economic
governance

This highlights the prescriptive nature of policy proposals by monetarists on a uniform view as if all situations are alike.

→ good
Eg Chinese State led growth

G20 & G20!

The global political economy has evolved since the Washington Consensus orthodoxy. With a broad intellectual shift in developed towards health, education, highlighted by Roderik, there is an integrated approach at present towards Sustainable Development Goals. Somewhat returning to the state led Keynesian model

good eg like this to substantiate your point

Relevant

Content can be added

6.5

Ques 3 Examine in brief the rise and fall of the Cold War.

Ans Cold War was coined by Bernard Baruch denoting the relations between US and former USSR primarily since World War.

According to Kenneth Waltz, cold war remained cold due to the presence of nuclear weapons.

After the war, it was evident that the bon-honier between US & USSR was just a war time alliance. The

Manhattan Project of USA was to assert its status as a single superpower. The Truman

doctrine legitimized efforts of self determination by rebels in other countries

Marshall Plan of reconstruction

strengthened the US dollar.

The Molotov Plan of USSR pushed

centralised planning in Eastern

Europe. The Long Telegram by

Mr X suggested to pursue a

"Patient, Vigilante & Containment"

policy. The development of

nuclear power by USSR led

to formation of NATO, which

led to the Warsaw Pact after

induction of West Germany in NATO

Soon both powers were

overstretched which led to a

détente phase i.e. ^{relaxation} cooling of

tensions; after the Cuban missile

crisis. A number of treaties

Is CW
was
inevitable

Can you
include

such
dimensions?

for arms control were signed like PTBT, NPT, ~~SALT 1~~. West recognised Soviet control over Eastern Europe & USSR recognised human rights as the ~~basis~~ for peace.

With the coming of Ronald Reagan, USSR was again termed as a evil empire & there was again an arms race - Star Wars

This new cold war was due to USSR invasion in Afghanistan & the Iranian Revolution in 1979.

This phase was less ideological & more geopolitical.

With Gorbachev's reforms & collapse of Berlin Wall, cold war ended formally in the ^{ideological} victory of the west. However its legacy continues with contextual changes.

5.5

What about C.W. 2.0?

See your Vol 1 endnote
It is because you are explaining too much

Ques 4

Comment on the demand for New International Economic Order.

Ans

In the age of Post Western Globalisation emerging markets and developing countries have become assertive in their views about global economic management.

In a 10 market it is here where you save space

UNGA in 1974 adopted their demands embodied in the Declaration for Establishment of a New International Economic Order (NIEO). They called for greater stability in exchange rate, aid to least developed, favourable debt rescheduling, technology transfer, address neocolonialism by MNCs & their compliance with national laws, favouring redistribution over efficiency.

good

In response, IMF trust was
created, ^{sugar} ~~cotton~~ & rubber agreements
were signed but for most part
general strategy of West rejected
historical responsibility, a demand
that was even asserted at NAM
by Pt. Nehru.

Why did
(failed?)

Oil diplomacy in the
Arab-Jewish war showed how
raw materials can be used as a
weapon to pressurise the West

While not complete but a
massive shift in economic power
is underway as emerging economies
account for almost one fourth of
global GDP & one fifth of exports.

These demands are here to stay
and ^{continue to} manifest in various forms
like the fight for World Bank presidency

5.0
-0.5
=

U.S

Relevant!

Ques 5. Examine the impact of globalization on developing societies.

Ans

Globalisation is defined as the inescapable integration of markets, people and nation states, to a degree never witnessed before as per Thomas Friedman

It is driven by trade, investment and aided by Information & Communication Technology. Anthony Giddens calls it a compression in time & space

As an ideology & a process, it is the dominant force of 21st century. Its exponents

include Jagdish Bhagwati who believes it has pulled people out of poverty with the trickle down. He gives the example of Vietnam

As a miracle as it moved in a single generation from poor to middle income

However many small states
for eg - Caribbean are in a peculiar
situation as they confront challenges
in becoming "competition states".

Ann Marie Bissessar mentions how
global interaction has multiplied
exponentially. She talks about
the role of state → whether it
is rebreathing or reconstituting.

Though states remain
primary actors, their degree
of significance depends on
the global power structure.

Arundhati Roy calls it a mutant
variety of colonialism, remote
controlled & digitally operated.
Socio-political disparities have
risen, ~~exist~~ with internal state

→ This
page
shows what
was
impact??
It tells
that there
was some
impact.
You need
to be
specific

dysfunctions, evident from rise
in failed states and non state actors

With right wing populism rising,
especially in UK, US, Ashutosh

Varshney mentions how Globalisation
is in retreat due to sentiments
of nationalism & policies of protectionism.

According to P B Mehta the pincer
movement is on.

With the advent of digital
age, Industrial Revolution 4.0, social
media, along with socio cultural
changes like commercialisation of
culture, blurring privacy; values
like justice & human rights need
attention. We need to strengthen
the legal apparatus as well as

macroeconomic framework to
ensure GAINS FOR ALL.

But,
what's
impact
on
developing
countries

Write
again

Generic

4

Ques 6

Do you agree that American hegemony is in a state of decline? Justify.

Ans

The beginning of American hegemony can be traced to the disintegration

of USSR, the main rival of USA.

According to Immanuel Wallerstein

the hegemon is an actor that has

capacity to create a system based on

its own political, economic & security

preferences.

good intro
==

For the past few decades,

US managed to attain global

unilateral dominance notwithstanding

Mearsheimer's criteria that no

state has ever achieved a

global hegemony.

However, we now see US

retreating from the liberal international

economic order with its America First

policy and withdrawal from WHO, UNESCO, Paris Climate Agreement & essentially global leadership. The grim outlook captures the essence of the argument that we are nearing the end of American Century.

Rising & assertive powers with emerging markets like BRICS are expanding their influence.

China, in particular took advantage of the liberal order & established itself as a strong pole.

Mackinder in "Geographical Pivot to History" had predicted the rise of China. It is continental with a vast coastline. In 2018, it increased its military budget by 80% thereby strengthening its natural advantage. It has sustained economic growth.

for more than three decades now
even the world has benefitted
from China's cheap exports & diverse
manufacturing. Apple is a prime example

According to Kenneth Organsky
major wars occur when an existing
dominant power is challenged by
a new great power. US is trying
to contain China economically
by engaging in trade wars &
geopolitically with its "Pivot to Asia"
and QUAD alliance in Indo Pacific.

However it is ironic that
"Make America Great Again" policies
will lead to its own decline as
empirically trade between industrially
advanced economy will yield higher
mutual gains ~~not~~.

The smart American choice
is to step back from a tariff war & ~~not~~
China's ~~retaliatory~~ predatory policies by
resuming leadership

Structure
can be
improved

here
mention
about
attractiveness
of US
values

Include
opinion that
hegemony
may be
declining
but US
is

1.0

Can't
be certain