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Why Global Studies Students Should Study Economics

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Globalization has deep economic implications and is propelled in many respects by an explicitly economic logic. Global studies and economics therefore have a lot to say to each other. Yet there seems to be surprisingly little intellectual cross-fertilization between them. As an economist and global studies professor, this is

particularly apparent to me in conversations with students in both fields.

It is not difficult to understand this state of play. Global studies is generally conceived as “post-colonial and critical” and as an alternative to “a Western-dominated hegemonic project aimed at spreading the acceptance of laissez-faire liberal economics through the world” or at least to “Western economic models of globalization” (Juergensmeyer, 2011). Frank conversations with fellow global scholars and students often return to a familiar list of grievances with economists, including: providing theoretical support to neoliberal political projects; hiding behind pseudo-scientific mathematical models; promoting economic growth as the best response to everything without regard to its environmental or social cost; promoting a soulless, hyper-rational individualistic view of human behavior; displaying a tin ear and indifference to inequality; and uncritical positivism in our handling of evidence. My immediate concern is with the pedagogical implications of this rift for global students, and so I will not address these charges, other than to assert that, while they have deep historical and political roots, economics continues to evolve, and the overall charge sheet is not representative of the work, habits of thought, politics or beliefs of most academic research economists today.



This essay argues that global students stand to benefit significantly from an introductory economics course or two, suitably modified to meet their interests. I am not arguing for mandatory training in economics, or that economics should take precedence over other disciplines. However, I would suggest that there is a set of economic ideas and skills, the inclusion of which complements the global studies curriculum well.

First, if the mission is to empower students to develop their own views on global issues, a curriculum should not stand in support of or in opposition to any particular intellectual perspective – that determination is for students to make for themselves. Consider, for example, international trade. There are reasonable arguments for international trade, just as there are reasonable arguments against it. The arguments for trade are not simple, and go beyond the basic libertarian impulse towards unfettered commercial association. They involve notions of comparative advantage, relative resource abundance and opportunity cost. Understanding the nuts and bolts of these arguments lays bare their strengths and weaknesses. I have yet to meet the student that actually understood these arguments without taking a basic economics course.

Second, economics courses cover a variety of theories about how socially vital goods and services are allocated, and about how we are and are not rewarded for our contributions to productive processes. Studying and debating these theories sharpens our understanding of policy problems, the root causes of economic inequality, the likely effects of government policy interventions and the institutional safeguards that must be built to ensure that they achieve their goals.

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Third, studying economics may involve methodological departures. Economics emphasizes a level of deductive consistency regarding social issues that can be a useful complement to the often inductive and normative approach more common in global studies research. And yet, a sound economics course will not assert cause and consequence, but will provide a series of theoretical reasons why different causal outcomes may arise, and will emphasize the importance of testing and contesting these theories. As such, they expose students to the discipline of asking a

question that some students, particularly those who wear their politics on their sleeves, ask too rarely: “What would the world look like if my theory/worldview is wrong?” The answers to such questions about economic issues can often be examined using simple statistical procedures, and greater familiarity with how this is done is helpful for students.



Fourth, economic theory spells out very well the conditions under which laissez faire prescriptions do not apply. I refer here both to the fact that economic efficiency does not deliver on broader notions of equity, and to the standard market failures: externalities, information asymmetries, public goods, commons goods, coordination failures and market power. Understanding market failures well opens up a whole world of possibilities for coordinated social action, whether through government, NGOs or new types of socially motivated businesses (e.g. microfinance agencies and fair-trade companies).

Many of our students go on to seek employment in organizations dedicated to rectifying market failures, and basic microeconomic theory provides helpful

intellectual clarity.

Fifth, economics reminds students that when adjusting policies and institutions in furtherance of some social goal, these adjustments should attempt to align participants' incentives with that goal. Too many of our students, especially undergraduates, seem unduly optimistic about the power of moral suasion to fix social problems, or to treat government naively as a deus ex machina that could do the right thing if "it" wanted do. By focusing on incentive-driven behavior in its deliberately non-judgmental way, economics can help to reconcile students to the needs of others. For example, "being greedy" and "trying to put food on the table" are sometimes only distinguished by perspective, particularly the shift from third to first person. These realizations are important, irrespective of one's views on moral relativism, because many of our students aspire to be agents of social change who will need to build and manage broad coalitions.

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Sixth, the global economy has a structure that can be expressed mathematically that encapsulates in a direct, logical fashion, a form of global socioeconomic interconnectedness that has bearing on practically every other aspect of global studies. For example, suppose we have two countries, Global North and Global South. It turns out that an increase in the current account surpluses of South must be accompanied by an increase in foreign borrowing by North. This in turn implies that export- or remittance-led growth in South can only occur if some entity in North is ready to take on debt and some entity in South to issue it. The pressure to issue and finance debt influences, and is influenced by, the distribution of political power within and between nations. Thus, the global becomes local and vice versa, and must do so in planetary lockstep. Again, I have yet to meet a global student who was aware of these connections without taking a course in economics or in international political economy.

It goes without saying that critical thought is important. Yet, most of our students will leave the protection of the academy to work in a world in which mainstream economic ideas are taken seriously, basic deductive and quantitative skills are

valued, and those who bring an exclusively critical perspective to the tools of modern commerce are less likely to thrive or be successful agents of social change. By studying some economics alongside more critical elements of the global curriculum, our students can have the best of several worlds.

Author's Note: This article is an abbreviated version of a longer essay on why and how economics should be taught to global studies students (available on request) which I prepared at the suggestion of my colleagues in the UCSB Global Studies program, particularly Mark Juergensmeyer. I thank them for suggesting the topic, and especially Richard Appelbaum, Alison Brysk, Raymond Clemencon, Giles Gunn and Jan Nederveen Pieterse for their thoughtful responses on the original essay. I am also grateful to Chris Wegemer for research assistance.

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