



**UNIVERSITY OF SYDNEY**

## **ECOP 6019 Political Economy of Conflict and Peace Semester 1, 2009**

### **Unit of Study Outline**

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Unit coordinator (Political Economy): Professor Frank Stilwell  
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**Classes:** Thursdays 3-5 pm in Education 452  
(except the initial meeting on Friday 6 March which will be held at 3-5 pm in Education 452)

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Please note that the general requirements and facilities relating to this unit of study are these that apply generally in the School of Social and Political Sciences.

## **A. Unit Description**

The Political Economy of Conflict and Peace will examine the economic bases of conflict in society at large. It will consider sources of conflict in the relations between market and state; capital and labour, and between national economies in the context of current processes of globalisation. Students will analyse issues of conflict as evidenced in industrial relations, crime, terrorism and war. They will consider economic and political drivers predisposing societies toward violent, or non-violent responses respectively. They will study how to enhance the prospects for peace with justice, by such means as regulation of market economies, corporate social responsibility, and mediation between the interests of stakeholders in economic activities.

## **B. Learning Outcomes**

At the successful completion of this unit of study students will be able to:

- engage in system-level critique of economic and political structures that predispose societies to violent and non-violent responses to conflict respectively;
- gather relevant information and analyse the relevant debates;
- understand the political and economic roots of conflict, and consider how to work within a broadly defined field of political and economic activity in order to create opportunities for society at large to consider and to value non-violent responses;
- write a well-researched, detailed paper on at least one major area of significance in the study of the political economy of peace and conflict.

## **C. Assignments and Assessment**

There are three assessable tasks for this unit of study: tutorial paper (counting for 20% of the total assessment), major essay (60%) and learning journal (20%).

The **tutorial paper** should be approximately 800 words and is based on one of the tutorial topics (to be allocated at the first class), written up after the class presentation that you have made and handed in the following week.

The criteria for assessment of the tutorial paper are:

- (a) clarity with which the topic is introduced and engaged;
- (b) succinctness of information summarized, and
- (c) evidence of some personal interpretation of the issue discussed.

The **essay** should be approximately 3000 words, written on the following topic:

**Describe a situation involving conflict and then (a) analyse why and how political economic interests cause or exacerbate the conflict, and (b) consider how political economic principles and policies could help in generating a more peaceful and socially just outcome.**

Note: the situation analysed in this essay should not be the same topic as that chosen for the tutorial paper.

**The essay due date is 15 June at 4 pm.** Requests for extensions and/or special consideration should be channeled through the Arts Faculty website: [arts.usyd.edu.au/specialcon/](http://arts.usyd.edu.au/specialcon/) or put in writing to one of the unit of study coordinators.

The criteria for assessment of the essay are:

- (a) evidence of systematic research and reading;
- (b) quality of political economic analysis;
- (c) clear structure of argument;
- (d) clarity and quality of expression; and
- (e) adequacy of referencing and bibliographical methods.

The **learning journal** requires you to keep a weekly journal in which you reflect upon connections between economics, conflict, violence and peace. The journal might include observations regarding the extent to which acts of physical violence can be attributed to the influence of economic policies or arrangements, or it could consider whether and how far such arrangements can be considered violent in themselves, perhaps leading to reflections on what 'peaceful economics' would entail in a given situation. In reflecting upon these themes,

you should draw on – and critique – classroom discussions and readings for each week, as well as your own evolving ideas and values.

The purpose of this learning journal assignment is to raise awareness of the issues of economics peace and conflict as they bear upon students' everyday lives and in society as a whole: to make the link between personal learning and lived experience. Each journal entry should focus on a specific example of lived experience relating, however tangentially, to the class theme for that week. The emphasis should be on reflections and analysis rather than a detailed description of a particular conflict or experience. Ideally, students should use the journal to reflect on the evolution of their learning as the unit progresses.

You are required to submit a **journal consisting of three entries relating to the themes of any three of the first eight weeks of classes**. The expected total length of the journal is approximately 1500 words. As a guide, journal entries thus need to average about 500 words each, but this is not a strict requirement and journal entries may vary in length. Students may wish to write more in some weeks in order to fully explore their ideas and reflections. There will be no penalty for exceeding the word limit, but please bear in mind that longer journals will take longer to mark! Even though students must draw on class readings in their weekly journal reflections, full referencing and a bibliography are not required.

Criteria for assessment:

- (a) evidence of the ability to analyse the links between personal learning and lived experience (whether personally or as reflected in current events);
- (b) consideration of economics, conflict and peace examples from a diversity of sources (e.g. work relations, inter-group violence, global resource conflicts);
- (c) evidence of reflective and critical reading (full citations and reference list not required) and reference to class discussions;
- (d) inclusion of your own thoughts relating to course themes, indicating how these are evolving in response to your life experiences as the course progresses;
- (e) clarity of expression, coherent integration of ideas and evidence of intelligent and original reflections and analysis.

**Deadline for submission of learning journals: in class on Thursday May 7.**

## **D. Week-by-week topics and reading**

**Asterisks denote references included, wholly or in part, in the Course Reader for this unit of study. The Reader can be purchased from the CPACS office.**

Also note that references to the *Journal of Australian Political Economy* are easily accessible online at [www.jape.org](http://www.jape.org) so these are not included in the Reader.

### **1. Introduction to the Political Economy of Conflict and Peace**

*Friday March 6*

This introductory session sets the scene for subsequent consideration of different currents of political economic thought and different case studies. It considers key issues of conflict and peace, and ideas of social and global justice. Key questions:

- Why is a political economic analysis of conflict and peace needed?
- Is violence embedded in particular types of economic activity?
- Is economic inequality inherently a form of violence and a source of conflict?
- What political economic arrangements are conducive to peace?

#### **References:**

\*F. Stilwell, *Political Economy: the Contest of Economic Ideas*, Oxford University Press Melbourne, 2<sup>nd</sup> edition, 2006, Chapters 1-5.

J. Stanford, *Economics for Everyone: a short guide to the economics of capitalism*, Fernwood Publishing, Nova Scotia, 2008, Chapter 4, pp. 52-62.

E.R. Gurr, 'Relative Deprivation and the Impetus to violence' in *Why Men Rebel*, pp. 22-40.

\*Richard Wilkinson, *The Impact of Inequality: How to Make Sick Societies Healthier*, Routledge, London, Chapters 2, 3 and 5.

\*Paul Rogers, *Losing Control: Global Security in the 21<sup>st</sup> Century*, Pluto Press, 2006, pp. 78-100.

## **2. Political Economy of Global Change and Security**

*Thursday March 12*

This second session looks at the relationship between crises, interventions, economic interests and political processes. It sets the scene for a systematic examination of how economic interests are interwoven with responses by state and non-state actors to crises in different countries. Key questions:

- What kinds of crises precipitate calls for intervention?
- How do political economic interests shape the nature of interventions?
- How can political economic analysis help to shape our understanding of conflicts – local, intra-national and international?

### **References:**

\*Jake Lynch, What Works and What Doesn't: new directions in conflict intervention, introduction to special issue of *Global Change, Peace and Security*, Vol. 20, No. 3, October 2008, pp. 237-242.

\*F. Stilwell, K. Jordan and A. Pearce, Crises, Interventions and Profits: a political economic perspective, *Global Change, Peace and Security*, Vol. 20, No. 3, October 2008, pp. 263-274.

\*Naomi Klein, *The Shock Doctrine; the Rise of Disaster Capitalism*, Allen Lane, Melbourne 2007, pp. 3-21.

## **3. Free Market Economics in theory and Practice: harmony or conflict?**

*Thursday March 19*

This third session begins our exploration of different ways of understanding the influence of economic interests and ideologies. It focuses on the dominant economic orthodoxy known as neoclassical theory which emphasizes the harmonious features of market economies. It looks at efforts to spread and/or impose this orthodoxy, and promote it as a route for countries to

attain prosperity, and compares it with the actual methods used by rich countries to become rich. Key issues:

- Neoclassical economic theory: what is its nature and influence? How was this influence built?
- Does resolution of conflict occur through markets?
- 'Economic rationalism' and neoliberalism: what is the link?
- How does the theory compare with the 'real world' policies of its proponents?

### References:

\*F. Stilwell, *op.cit*, Chapters 18, 22, 23.

\*M. Friedman & R. Friedman, the Power of the Market, in G. Argyrous & F. Stilwell (eds) *Economics as a Social Science*, Pluto Press, Sydney, 2<sup>nd</sup> edition, 2003, pp. 126-31.

Will Hutton, *The World We're In*, Little, Brown, London, 2002, pp. 11-34.

Mark Pilisuk and Jennifer Achord Rowntree, *Who Benefits from Global Violence and War*, pp. 95-120.

\* Ha-joon Chang, *Kicking Away the Ladder*, Anthem Press, 2002, pp 1-9 and 125-141.

D. Cahill and S. Beder, Regulating the power Shift: the State, Capital and Electricity Privatisation in Australia, *Journal of Australian Political Economy*, No. 55, June 2005, pp. 5-22.

## 4. Class, Power and the State: structural roots of conflict

*Thursday March 26*

A more radical interpretation of the capitalist economy emphasizes class and power relations. The Marxian tradition in particular emphasizes the conflicting interests that shape the economy and society. The materialist theory of nationalism emphasizes the role of industrial-scale military violence in forming the states of the modern world. Key issues:

- Marxist political economy: what is its nature and influence?
- Are capital-labour conflicts inherent in capitalist power relations?
- The state: does it institutionalise conflict between nations?

- What can we draw from these analyses of structural conflict that would help the achievement of more peaceful outcomes?

## References:

\*F. Stilwell, *op.cit.*, Chapters 12, 13, 14.

\*B. Ollman, What is Marxism? in G. Argyrous & F. Stilwell (eds) *Economics as a Social Science*, Pluto Press, Sydney, 2<sup>nd</sup> edition, 2003, pp. 106-11.

\*Eric Hobsbawm, *Nations and Nationalism since 1780: Programme, Myth, Reality*, Cambridge University Press, 1992, pp. 88-100.

C. Doran, A Militarised Neoliberalism in Iraq, *Journal of Australian Political Economy*, No. 59, June 2007, pp. 48-73.

## 5. The Political Economy of Reform: towards the ‘good society’?

*Thursday April 2*

Between the conservative and radical economic viewpoints is an array of reformist perspectives. These include both Keynesian economics and institutional economics and put emphasis on the role of the state as an instrument for managing economic interests and reconciling them with public interests. There are different arrangements in capitalism, from the Anglo-American ‘free market’ to the European social model and many more. Key issues:

- Keynesian and institutional economics: what are their nature and influence?
- The state and the ‘good society’: what assumptions underpin reformism?
- Comparative systems: what are the different ‘varieties of capitalism’ and why are some more conflict-prone than others?
- What lessons can be drawn about the potential and limits of reformism as a means of achieving equity and social justice?

## References:

\*F. Stilwell, *op. cit.*, Chapters 24-29.

R. Skidelsky, Keynes's Political Legacy , in G. Argyrous & F. Stilwell (eds) *Economics as a Social Science*, Pluto Press, Sydney, 2<sup>nd</sup> edition, 2003, pp. 181-5.

\*J. K. Galbraith, Towards the Good Society, in G. Argyrous & F. Stilwell (eds) *Economics as a Social Science*, Pluto Press, Sydney, 2<sup>nd</sup> edition, 2003, pp. 328-31.

\*Will Hutton, *The World We're In*, Little, Brown, London, 2002, pp. 52-85.

## 6. Case I: The Political Economy of Oil

*Thursday April 9*

The economic interests shaping conflicts over access to resources are an obvious starting point for our exploration of case studies. Oil in particular has been a focus of global conflicts. Key issues:

- What is the relationship between oil producers, distributors and consumers?
- Who has the power over supply and prices and what conflicts arise from the exercise of this power?
- Was the invasion of Iraq 'all about oil'? If so, how?
- What policies or strategies could ameliorate conflicts arising from access to oil resources?

## References:

\*L. Maugeri, *The Age of Oil*, The Lyons Press, Guilford, 2006, Ch. 15.

M. Yeomans, *Oil: anatomy of an industry*, New Press, New York, 2004.

J. Shankleman, *Oil, profits, and peace: does business have a role in peacemaking?*, United States Institute of Peace, Washington, D.C. 2006.

\*Ismael Hossein-Zadeh, *The Political Economy of US Militarism*, Palgrave Macmillan, 2006, Chapter 6.

T. Anderson, Aid, Trade and Oil: Australia's Second Betrayal of East Timor, *Journal of Australian Political Economy*, No. 52, December 2003, pp. 113-127.

## 7. Case II: The Military-Industrial Complex

Thursday April 23

The significance of the 'permanent arms economy' was debated by political economists during the years of the 'long boom' in the 1950s and 1960s. Since then, the links between producers of military equipment, the armed forces and national political leaderships have continued, particularly in the United States, where the military-industrial complex can be seen as a constraint on foreign policy. Key issues:

- What is the military-industrial complex and how does it exert political economic power?
- Does it further general US interests or have the use of military power, and military spending, become an end in themselves?
- What is distinctive about the United States in particular as a 'global policeman' and/or imperial power?
- What strategies could reduce the influence of the military-industrial complex?

### References:

\*Ismael Hossein-Zadeh, *The Political Economy of US Militarism*, Palgrave Macmillan, 2006, Introduction and Ch. 1.

\*Mark Pilisuk and Jennifer Achord Rowntree, *Who Benefits from Global Violence and War*, pp. 51-71.

\*Chalmers Johnson, *Blowback: the costs and consequences of American Empire*, Chapters 1, 2 and 3.

Erik Paul, *Little America: Australia, the 51<sup>st</sup> State*, Pluto Press, London 2006, pp.1-35.

*The Economics of Peace and Security Journal*, Vol. 3, No. 1, 2008 Symposium: the UK Military-Industrial Complex.

## 8. Case III: The Political Economy of 'Interventions'

*Thursday April 30*

Interventions in other countries are often undertaken for ostensibly humanitarian reasons. There are numerous examples ranging from intervention in Iraq in order to overthrow the regime of Saddam Hussein to intervention in Indonesia, India, Thailand and Sri Lanka to mop up after the tsunami. The intervention by Australia in the Solomon Islands (RAMSI) is another case. In each it is pertinent to ask what role economic interests play in the interventions. Key issues:

- What is the nature of interventions?
- What role do economic interests play in shaping the form of these interventions?
- What strategies can effectively balance humanitarian concerns against economic interests?

### References:

T. Anderson, RAMSI: Intervention, Aid Trauma and Self Governance, *Journal of Australian Political Economy*, December 2008, pp. 62-93.

\*Wendy Lambourne and Annie Herro, Peacebuilding Theory and the UN Peacebuilding Commission: implications for non-UN interventions, *Global Change, Peace and Security*, Vol. 20, No. 3, October 2008, pp.275-290.

J. Petrik, Does foreign aid alleviate violent tensions?, *Global Change, Peace & Security*, 20 (3), October 2008, pp. 305-322.

\*W. Bello, The rise of the Relief and Reconstruction Complex, *Journal of International Affairs*, 59 (2), Spring-Summer 2006, pp.

## 9. Case IV: The Political Economy of the Media

*Thursday May 7*

The way in which conflicts within and between nations are reported reflects, among other things, the structure of media interests. The content of media messages is acknowledged, in

turn, as an important influence over the course of events in conflict and the responses of those involved. So, when exploring the possibilities of achieving more harmonious and peaceful outcomes, it is important to understand the role that the media plays and how this might be modified. Key issues:

- What economic interests are reflected by the structures of media ownership and management?
- Case studies of media reporting: how are issues involving conflict represented? How far is media content determined by media structures, including economic structures?
- What strategies for media reform could contribute to the achievement of more peaceful outcomes?

*References:*

\*Ben Bagdikian, *The Media Monopoly*, Beacon Press, 1998, Chapter 10, Democracy and the Media, pp. 174-192.

\* Edward S. Herman and Noam Chomsky, *Manufacturing Consent: The Political Economy of the Mass Media*, Pantheon, 2002 edition, Chapter 1, A Propaganda Model, pp. 1-35.

R. W. McChesney, *The Political Economy of Media: enduring issues, emerging dilemmas*, Monthly Review Press, New York, 2008.

\*J. Lynch, Modernisation or participatory development: the emerging divide in journalist training for conflict-affected societies, *Global Change, Peace & Security*, 20 (3), October 2008, pp. 291-304.

Hackett, Robert A & Zhao, Yuezhi 2005: 'Media Globalization, Media Democratization – Challenges, Issues and Paradoxes', in RA Hackett and Y Zhao (eds), *Democratizing Global Media*, Lanham: Rowman & Littlefield, pp. 1-36.

Robert A. Hackett, 2007: 'Is peace journalism possible? Three frameworks for assessing structure and agency in news media', in D. Shinar and W. Kempf (Eds.), *Peace Journalism – the State of the Art*, Berlin: Regener, pp. 75-96.

## 10. Case V: Environmental Stress and Conflicts: towards a ‘steady state’?

*Thursday May 14*

The importance of balancing economic, social and ecological concerns is increasingly recognised. Conflicts associated with access to environmental resources and the problems of environmental decay have intensified and are likely to loom larger still, particularly if climate change accelerates. There are contrasting views about what causes environmental stress, and the policies and approaches needed to alleviate and reverse it. This session explores the nature of these problems and what can be done to address them. Key issues:

- What is the nature of environmental conflicts and their relationship to economic structures and interests?
- What alternative socio-economic arrangements could be more compatible with ecological goals and constraints?
- What would it mean to be socially, economically and ecologically sustainable?
- What policies can create sustainability?

### References:

\*H. Daly, *For the Common Good*, Beacon Press, Boston, 1989, Introduction.

J. Stanford, *Economics for Everyone: a short guide to the economics of capitalism*, Fernwood Publishing, Nova Scotia, 2008, Chapter 15.

\*J. O’Connor, *Environmental Crisis: an Eco-Marxist Perspective*, in G. Argyrous & F, Stilwell (eds) *Economics as a Social Science*, Pluto Press, Sydney, 2<sup>nd</sup> edition, 2003, pp.220-5.

\*Jennifer Clapp and Peter Dauvergne, *Paths to a Green World*, MIT Press, 2005, Chapters 1, 2 and 8.

William Hipwell, 2007: ‘The Industria Hypothesis’, *Peace Review* 19:3, 305-313.

## 11. Case VI: Conflict and Inequality in The Workplace: *WorkChoices* and beyond

*Thursday May 21*

Conflict in the industrial relations arena is a seemingly permanent feature of our economy and society. Successive governments have sought to develop institutional arrangements to modify or ameliorate those conflicts. In Australia, the issue has been particularly contentious in recent years because of ‘industrial relations reforms’ such as the *WorkChoices* legislation of the former government led by John Howard. This session explores the nature of these conflicts, the implications for economic inequality and social cohesion, and alternative means of resolution. Key issues:

- Why are conflicts so pervasive in workplace relations and why do the resulting inequalities of income and power matter?
- What are the distinctive features of industrial relations arrangements in Australia and how were these changed by *WorkChoices*?
- What policies are conducive to harmonious industrial relations and equitable economic outcomes?
- How does the rise of multi-national corporations, in a globalised world, impact upon workers’ rights, and how can they be upheld?

### References:

*Journal of Australian Political Economy*: special issue on *WorkChoices*, December 2005.

\*D. Peetz, *Brave New Workplace*, Allen & Unwin, 2006, Chapters 1, 2, 5.

Clare Duffield, ‘Multinational corporations and workers’ rights’, in *Human Rights Corporate Responsibility: A Dialogue*, eds Stuart Rees and Shelley Wright, Sydney: Pluto Press, 200, pp. 191-209.

C. Sheil, Trade Unionism, Individual Contracts and the MUA’s Doppelganger, *Journal of Australian Political Economy*, No. 59, June 2007, pp. 95-117.

\*Kathie Muir, *Worth Fighting For: Inside the ‘Your Rights at Work’ Campaign*, UNSW Press, Sydney, 2008, Ch. 1.

\*F. Stilwell and K. Jordan, *Who Gets What? Analysing Economic Inequality in Australia*, Cambridge University Press, Melbourne, 2009, Chs. 8 and 10.

## **12. Case VII: Conflictual Aspects of the Global Financial Crisis**

*Thursday May 28*

The current era is particularly problematic, from a political economic perspective, because economic growth has given way to impending recession. There are numerous interpretations of the cause of these problems and possible remedies. This session explores the extent to which the global financial crisis has arisen because of political economic imbalances and conflicts, nationally and internationally. Key issues:

- What is the nature of the current global financial crisis?
- What are the conflictual elements in the crisis?
- What policies could effectively address these conflictual elements and create a recovery?

### **References:**

\*Articles in *Real World Economics Review*, No. 48, December 2008, online at

[www.paecon.net](http://www.paecon.net)

\*F. Stilwell, Financial Crisis, Recession and Remedies, *Australian Options*, Spring 2008.

B. Lucarelli, The United States Empire of Debt, *Journal of Australian Political Economy*, No. 62, December 2008, pp. 16-38.

George Monbiot on Keynes and Bretton Woods, online at

[www.guardian.co.uk/commentisfree/2008/nov/18/lord-Keynes-international-monetary-fund](http://www.guardian.co.uk/commentisfree/2008/nov/18/lord-Keynes-international-monetary-fund).

## **13. Globalisation and anti-Globalisation**

*Thursday June 4*

The growth of international flows and interactions has created what some see as an inexorable tendency towards globalisation. The principal drivers are economic and technological, but the implications are social, cultural and political. There are also strong

critiques of globalisation, some challenging the concept itself, and some challenging the political economic interests that are involved. In exploring these issues, key questions are:

- What is the nature of globalisation and what conflicts does it generate?
- What is the nature of the anti-globalisation movement and what are its prospects for sustained influence?
- What policies or institutions could help to accentuate the benefits of globalisation while minimising its costs?

### **References:**

F. Stilwell, *op. cit.*, Chapter 28.

W. Higgins, Globalisation and Neo-liberal Rule, *Journal of Australian Political Economy*, No. 57, June 2006, pp. 5-29.

\*W. Bello, *Deglobalisation: Ideas for a New World Economy*, Zed Books, London, 2005.

J. Goodman (ed), *Protest and Globalisation*, introduction.

\*F. Stilwell, Contesting neoliberal globalism in Australia: opportunities for progressive alternatives, in P. Bowles, R. Broomhill, R. Gutierrez-Haces & S. McBride (eds) *International Trade and Neoliberal Globalism*, Routledge, London, pp. 53-71.

J. H. Dunning, The Moral Imperative of Global Capitalism: An Overview, in J.H. Dunning (ed), *Making Globalisation Good*, Oxford University Press, Oxford, 2003, pp. 11-40.

A. Glyn, *Capitalism Unleashed: Finance Globalisation and Welfare*, Oxford University Press, 2006.

H. Patpmaki, *The Political Economy of Global Security*, Routledge, London, 2008, Chs. 1, 2, 7, 8 and 9.

### **Where to find reading materials**

Some or all of the readings marked with an asterisk \* are in the Course Reader. Most of the books listed are available in Fisher. Further material is held in the CPACS Resource Centre, located in the Mackie Building, in the resource boxes marked as ECOP 3019. Books may not be removed from the building, but all students are welcome to work in there, and material can be photocopied at 10c per sheet. The facility is available during office hours, Mon-Fri.