

**PSCI 4805A/5802W**  
**THE POLITICAL ECONOMY OF GLOBAL FINANCE**  
**Wednesday 8:35 – 11:25am**  
**Please confirm location on Carleton Central**

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**Office:** D689 Loeb  
**Office Hours:** Wednesday 12noon – 2pm  
Thursday 2.30pm – 4.30pm  
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**AIMS AND OBJECTIVES**

The main aim of this course is to provide students with the knowledge to evaluate critically the organization and structure of the global financial system using analytical tools derived from the tradition of political economy. Specific objectives include:

- familiarizing students with different approaches to the political economy of global finance
- exploring the historical evolution of global finance
- examining the changing relationship between public and private authority within the global financial system
- exploring the role of international financial institutions in the global economy
- considering different possible sources of international financial instability
- evaluating current and future forms of global financial regulation
- developing research skills by conceiving, executing and presenting a major piece of independent research

By taking this course, students will deepen their knowledge of how finance is organized on a global basis, extend their understanding of current global financial issues, and equip themselves for further research into the political economy of global finance and the world-economy.

**STRUCTURE AND ASSESSMENT**

The course meets in seminar format each week. It consists of one combination lecture/seminar class, followed by six seminars that consider different aspects of the global financial system. These seminars are question-driven, and will consist of a combination of student-led questions, small group work, and general class discussion.

There are also four seminars devoted to student presentations of their research at various stages of completion.

Every student is expected to read all of the assigned readings each week, about 100-125 pages on average. These may be found on the Ares tab on the cuLearn website for this course, as well as through the journal portal of the MacOdrum Library. Beyond this, you are encouraged to consult the Further Readings document to supplement classroom discussion where appropriate, and to use the money and finance bibliography as a research aid for your major essay. Both of these documents are available on the cuLearn website for this course.

Assessment at a glance:

<b><u>Percentage</u></b>	<b><u>Assignment</u></b>	<b><u>Due Date</u></b>
<b>20%</b>	oral contribution	<b>ongoing</b>
<b>5%</b>	essay outline (500 words)	<b>Jan. 26<sup>th</sup></b>
<b>20%</b>	critical review (2000/2500 words)	<b>Feb. 2<sup>nd</sup></b>
<b>10%</b>	research essay preliminary draft (1000 words)	<b>Feb. 16<sup>th</sup></b>
<b>5%</b>	peer feedback	<b>March 5<sup>th</sup></b>
<b>40%</b>	research paper (4000/5000 words)	<b>April 14<sup>th</sup></b>

The shorter word length applies to undergraduate students (PSCI 4805), while the longer one applies to graduate students (PSCI 5802).

Your oral participation mark assesses your comprehension of the material being covered and your ongoing commitment to the subject. Accordingly, assessment for oral participation is derived from a combination of attendance, the frequency of interventions in class discussions, and the quality of these interventions. I keep a record of seminar discussions and you may enquire about the status of your oral contribution grade at any time.

In addition to your general contributions to seminar discussions, students will be expected to help lead off seminar discussions by posing one or two questions about the readings that highlight different aspects of the seminar themes for that week. Eight students will be selected at random each week to provide lead-off questions, which means that you may expect to be called upon to do this at least twice and possibly three times during the semester. Additionally, each student is responsible for presenting their research both during the peer review exercise and during one of the final three seminar classes. These presentations are to be no longer than 10 minutes, and will be followed by a 10 minute question and answer period. It is through the combination of lead-off questions, contributions to seminar discussion and presentations of your essay material (together with the Q & A which will follow) that I assemble the assessment of your oral contribution grade.

Please note that it is rare for your oral contribution mark to lower your grade; on the contrary, it is an excellent opportunity to raise your mark. However, in order to do so you must attend seminars and contribute to the discussion in a manner that reflects

your comprehension of the material. Finally, your responsibility to contribute to seminar discussions extends also to the research seminar presentations during the last three weeks of the course. Your questions and comments on your colleagues' presentations will form a part of your oral contribution assessment.

## ESSAY REQUIREMENTS

All written assignments are to be submitted via the assignment link on cuLearn.

A maximum 2000/25000 word critical review (worth 20%) of a work on global finance is due by **Friday February 2<sup>nd</sup>**. You have two options for this review.

**Option 1** is to do a critical book review of one of the following books:

- Rawi Abdelal, *Capital Rules: the construction of global finance*.
- Rob Aitken, *Performing Capital: toward a cultural political economy of popular and global finance*.
- Jacqueline Best, *The Limits of Transparency: ambiguity and the history of international finance*.
- Mark Blyth, *Austerity: the history of a dangerous idea*.
- André Broome, *The Currency of Power: the IMF and monetary reform in Central Asia*.
- Benjamin Cohen, *The Geography of Money*; or *The Future of Money*; or *Currency Power*.
- Jeffrey Chwieroth, *Capital Ideas: the IMF and the rise of financial liberalization*.
- Marieke de Goede, *Virtue, Fortune and Faith: a genealogy of finance*
- John Eatwell and Lance Taylor, *Global Finance at Risk*.
- Barry Eichengreen, *Globalizing Capital* (2<sup>nd</sup> ed.).
- Anthony Elson, *Governing Global Finance*.
- Niall Ferguson, *The Cash Nexus: money and power in the modern world 1700-2000*.
- William Grimes, *Currency and Contest in East Asia: the great power politics of financial regionalism*.
- Graham Harrison, *The World Bank and Africa: the construction of governance states*.
- Eric Helleiner, *States and the Re-emergence of Global Finance*; or *The Status Quo Crisis*; or *The Forgotten Foundations of Bretton Woods*.
- Juliet Johnson, *Fistful of Rubles: the rise and fall of the Russian banking system*.
- Ethan Kapstein, *Governing the Global Economy*.
- Jonathan Kirshner, *Appeasing Bankers: financial caution on the road to war*.
- Martijn Konings, *The Development of American Finance*.
- Paul Langley, *The Everyday Life of Global Finance: Saving and Borrowing in Anglo-America*.
- Kathryn Lavelle, *Legislating International Organization: the US Congress, the IMF and the World Bank*.
- Manuela Moschella, *Governing Risk: the IMF and the global financial crisis*.
- Ronen Palan, *The Off-shore World: sovereign markets, virtual places and nomad millionaires*

- Louis Pauly, *Who Elected the Bankers? Surveillance and control in the world Economy.*
- Carmen Reinhart and Kenneth Rogoff, *This Time is Different: Eight Centuries of Financial Folly.*
- Leonard Seabrooke, *The Social Sources of Financial Power.*
- Herman Schwartz, *Subprime Nation: American capital, global power and the housing bubble.*
- Timothy Sinclair, *The New Masters of Capital.*
- David Andrew Singer, *Regulating Capital: setting standards for the international financial system.*
- Andrew Sobel, *State Institutions, Private Incentives, Global Capital.*
- Susan Strange, *Mad Money.*
- John Taylor, *Global Financial Warriors: the untold story of international finance in the post 9/11 world.*
- Andrew Walter, *Governing Finance: East Asia's Adoption of International Standards.*
- Catherine Weaver, *Hypocrisy Trap: the World Bank and the poverty of reform.*
- Duncan Wood, *Governing Global Banking: the Basel Committee and the politics of financial globalization.*
- Ngairé Woods, *The Globalizers: the IMF, the World Bank and their Borrowers.*

Your review should be a critical assessment of the book and most crucially its main arguments. There is an expectation of considerable theoretical and/or historical sophistication in this assignment, as we will have spent several weeks working through many of the themes with which these books engage. I will also expect you to deploy some of this literature in your review, along with any other material (such as scholarly reviews of the book you are reviewing) that you may find useful. Be sure to strike an appropriate balance between the descriptive elements of the review and the critical assessment: in the end, I will expect a clear argument about the overall persuasiveness and logic of the book under review.

**Option 2** is to review two movies which have as a central part of their storyline the world of finance: the 2015 movie 'The Big Short' (directed by Adam McKay) and the 1946 movie 'It's a Wonderful Life' (directed by Frank Capra). If you choose this option, what I am most interested in is your assessment of the portrayal of finance and how this representation has changed over the period covered in the two movies. I am especially interested in the portrayal of the agents involved in 'finance', the activities that constitute 'finance', and of course the role of government and its relation to financial actors. I will also expect you to use secondary material in your analysis in the same way as if you reviewed one of the books from the above list. If you chose this option, it would be quite valuable to read the inspiration for the film *The Big Short*, written by Michael Lewis.

The major research essay, maximum 4000/5000 words in length, is an independent piece of research on a topic related to the themes and issues of the course. The topic you choose may follow on from one of the seminar themes, or it may reflect more closely your own specific research interests. Your essay will be developed in stages.

First, you must obtain approval for your choice of topic by submitting a maximum 500 word outline (worth 5%) containing the title, research question, the organization of the paper, an indication of some of the relevant literature, a brief and tentative summary of the argument and a select bibliography. This is due **Friday January 26<sup>th</sup>**. Second, you must write a maximum 1000 word preliminary draft (worth 10%) of your essay and submit it by **Friday February 16<sup>th</sup>**. You will then present this draft to your peer group at a special ‘peer review seminar’ held on **Wednesday February 28<sup>th</sup>**. Each of you will then provide to the class feedback on one of your peer’s preliminary draft and presentation (worth 5%) by **Monday March 5<sup>th</sup>**. The peer review feedback will be guided by a rubric available on cuLearn, and we will discuss the parameters of this assessment in class. The research essay itself is due on **Friday April 14<sup>th</sup>** (worth 40%). There is a research essay guide that explains this process in more depth on cuLearn.

There is a **late penalty of 3% per day including weekends** for all written work handed in after the due date, unless an extension is received from the instructor. If you fail to participate in the peer review seminar you forfeit that component of the grade. There is also an **over-length penalty of 5%** starting at word 2001/2501 for the critical review essay, 501 for the research essay outline, 1001 for the preliminary draft, and 4001/5001 for the research essay. There are no exceptions to this penalty.

## **COURSE TEXTS**

There are no assigned course texts; all of the readings are available through the MacOdrum library journal portal or the cuLearn website for this course.

Although we do not undertake any formal economic analysis in this course, we encounter economic concepts and vocabulary on a regular basis. If you are concerned about your command of the basic economic concepts associated with understanding the political economy of global finance, you may also consider purchasing a good upper-level introduction to international economics. I would recommend:

Paul Krugman and Maurice Obstfeld, *International Economics: theory and policy* (latest edition).

## **COURSE OUTLINE**

This outline is to be used in conjunction with the ‘Further Readings’ and the selected bibliography on the ‘Political Economy of Money and Finance’, both of which are available on the cuLearn website for this course. I encourage you to consult these resources as you work on your presentations and essay.

**WEEK 1**                      *Introductions; course structure and assessment*  
January 10                    *Mini-lecture: the basics of global money and finance*

Richard Deeg and Mary O’Sullivan, “The Political Economy of Global Finance Capital,” *World Politics*, Vol. 61, no. 4 (2009): 731-63.

Benjamin Cohen, “The IPE of Money Revisited,” *Review of International Political Economy*, Vol. 24, no.4 (2017): 657-80.

**WEEK 2**  
January 17

***The political economy of money***

*Seminar themes:* the political and economic foundations of global money

*Readings*

- Susan Strange, "The Politics of International Currencies," *World Politics*, Vol. 23, no. 2 (1971): 215-31.
- Robert Cox, "Social Forces, States and World Order: beyond international relations Theory," *Millennium*, Vol. 10, no. 2 (1981): 126-55.
- Marieke de Goede, "Beyond Economism in International Political Economy," *Review of International Studies*, Vol. 29, no. 1 (2003): 79-97.
- Benjamin Cohen and Tabitha Benney, "What Does the International Currency System Really Look Like?" *Review of International Political Economy*, Vol. 21, no. 5 (2014): 1017-41.

**WEEK 3**  
January 24

***Global Financial and Monetary Power***

*Seminar themes:* the bases of global financial and monetary power; the link between authority and power in relation to public and/or private authority; the power relationship between global finance and the nation-state

*Readings*

- Leo Panitch and Sam Gindin, "Superintending Global Capital," *New Left Review*, no. 35 (Sept-Oct 2005): 101-23.
- Daniel Drezner, "Bad Debts: Assessing China's Financial Influence in Great Power Politics," *International Security*, Vol. 34, no.2 (2009): 7-45.
- Hyoung-kyu Chey, "Theories of International Currencies and the Future of the World Monetary Order," *International Studies Review*, Vol. 14, no. 1 (2012): 51-77.
- Benjamin J. Cohen, "Money, Power, Authority," in Randall Germain (ed), *Susan Strange and the Future of Global Political Economy* (London: Routledge: 2016), pp. 111-25.

**WEEK 4**  
January 31

***International Institutions and Global Finance***

*Seminar themes:* the role of IFIs in the global monetary and financial system; the relationship of states and private actors: the significance of IFIs, or their marginality

*Readings*

- Robert Wade, "A New Global Financial Architecture?" *New Left Review*, no. 46 (July-August 2007): 113-29.
- N.Chorev and S. Babb, "The crisis of neoliberalism and the future of international institutions: a comparison of the IMF and the WTO," *Theory and Society*, Vol. 38, no. 5 (2009): 459-484.

- Gregory Chin, "Asian Infrastructure Investment Bank: Governance Innovation and Prospects," *Global Governance*, Vol. 22, no. 1 (2016): 11–26.
- Erik Andressen, "Monies that Matter: on the discursive power of the Bank for International Settlement," *Globalizations*, Vol. 16, no. 2 (2016): 203-216.

**WEEK 5**                      **Governing Global Finance**

February 7

*Seminar themes:* the institutions involved in regulating global finance; the global and/or national organization of financial governance; the balance between private and public authority

*Readings*

- Geoffrey R.D. Underhill and Xiaoke Zhang, "Setting the Rules: private power, political underpinnings, and legitimacy in global monetary and financial governance", *International Affairs*, Vol. 84, no.3 (2008): 535-554.
- Andrew Baker, "Deliberative Equality and the Transgovernmental Politics of the Global Financial Architecture," *Global Governance*, Vol. 15, no. 2 (2009): 195-218.
- Daniel Drezner, "The System Worked: global economic governance during the great Recession," *World Politics*, Vol. 66, no. 1 (2014): 123–64.
- J.M. Boughton, D. Lombardi and A. Malkin, "The Limits of Global Economic Governance after the 2007-09 International Financial Crisis," *Global Policy*, Vol. 8, Suppl. 4 (2017): 30-41.

**WEEK 6**                      **Global Financial Crisis: 2007/2009**

February 14

*Seminar themes:* the consequences for the organization of the global financial and monetary system; crises and the power dynamics at work in the global monetary and financial system

*Readings*

- Aaron Friedberg, "Implications of the Financial Crisis for the US-China Rivalry," *Survival*, Vol. 52, no. 4 (2010): 34-51.
- Harold James, "International Order After the Financial Crisis," *International Affairs*, Vol. 87, no. 3 (2011): 525-37.
- Daniel Drezner and Kathleen McNamara, "International Political Economy, Global Financial Orders and the 2008 Financial Crisis," *Perspectives on Politics*, Vol. 11, no. 1 (2013): 155- 166.
- Sean Starrs, "The Chimera of Global Convergence," *New Left Review*, no. 87 (May-June 2014): 81-97.

**READING WEEK (NO CLASS)**

February 21

**WEEK 7**                      **Peer Review Feedback Seminar**

February 28

Format to be determined by research topic

**WEEK 8                      World Money: the Dollar and its Rivals**

March 7

*Seminar themes:* the politics of ‘world money’; the sources of US dollar dominance; challenges to the US dollar

*Readings*

Christian Thimann, “Global Roles of Currencies,” *International Finance*, Vol. 11, no. 3 (2008): 211–45.

Chey, Hyoung-Kyu, “Can the Renminbi Rise as a Global Currency? The Political Economy of Currency Internationalization,” *Asian Survey*, Vol. 53, no. 2 (2013): 348–368.

Carla Norloff. “Dollar Hegemony: a power analysis,” *Review of International Political Economy*, Vol. 21, no. 5 (2014): 1042–70.

Eric Helleiner, “Downsizing the Dollar in the Age of Trump? The Ambiguities of Key Currency Status,” *Brown Journal of World Affairs*, Vol. 23, no. 2 (2017): 9-27.

**WEEK 9                      Student Research Presentations (undergraduate students)**

March 14

**WEEK 10                   Student Research Presentations (undergraduate students)**

March 21

**WEEK 11                   Student Research Presentations (undergraduate/graduate students)**

March 28

**WEEK 12                NO CLASS (Instructor away at conference)**

April 4

**Academic Accommodations**

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The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of Accommodation** at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

**For Religious Observance:** Students requesting accommodation for religious observances should apply in writing to their instructor for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory academic event. Accommodation is to be worked out directly and on an individual basis between the

student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student. Instructors and students may contact an Equity Services Advisor for assistance ([www.carleton.ca/equity](http://www.carleton.ca/equity)).

**For Pregnancy:** Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a *letter of accommodation*. Then, make an appointment to discuss your needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

**Plagiarism:** The University Senate defines plagiarism as “presenting, whether intentional or not, the ideas, expression of ideas or work of others as one’s own.” This can include:

- reproducing or paraphrasing portions of someone else’s published or unpublished material, regardless of the source, and presenting these as one’s own without proper citation or reference to the original source;
- submitting a take-home examination, essay, laboratory report or other assignment written, in whole or in part, by someone else;
- using ideas or direct, verbatim quotations, or paraphrased material, concepts, or ideas without appropriate acknowledgment in any academic assignment;
- using another’s data or research findings;
- failing to acknowledge sources through the use of proper citations when using another’s works and/or failing to use quotation marks;
- handing in "substantially the same piece of work for academic credit more than once without prior written permission of the course instructor in which the submission occurs.

Plagiarism is a serious offence which cannot be resolved directly with the course’s instructor. The Associate Deans of the Faculty conduct a rigorous investigation, including an interview with the student, when an instructor suspects a piece of work has been plagiarized. Penalties are not trivial. They may include a mark of zero for the plagiarized work or a final grade of "F" for the course.

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

**Submission and Return of Term Work:** Papers must be submitted directly to the instructor according to the instructions in the course outline and will not be date-stamped in the departmental office. Late assignments may be submitted to the drop box in the corridor outside B640 Loeb. Assignments will be retrieved every business day at **4 p.m.**, stamped with that day's date, and then distributed to the instructor. For essays not returned in class please attach a **stamped, self-addressed envelope** if you wish to have your assignment returned by mail. Final exams are intended solely for the purpose of evaluation and will not be returned.

**Grading:** Standing in a course is determined by the course instructor, subject to the approval of the faculty Dean. Final standing in courses will be shown by alphabetical grades. The system of grades used, with corresponding grade points is:

Percentage	Letter grade	12-point scale	Percentage	Letter grade	12-point scale
90-100	A+	12	67-69	C+	6
85-89	A	11	63-66	C	5
80-84	A-	10	60-62	C-	4
77-79	B+	9	57-59	D+	3
73-76	B	8	53-56	D	2
70-72	B-	7	50-52	D-	1

**Approval of final grades:** Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by an instructor may be subject to revision. No grades are final until they have been approved by the Dean.

**Carleton E-mail Accounts:** All email communication to students from the Department of Political Science will be via official Carleton university e-mail accounts and/or cuLearn. As important course and University information is distributed this way, it is the student's responsibility to monitor their Carleton and cuLearn accounts.

**Carleton Political Science Society:** The Carleton Political Science Society (CPSS) has made its mission to provide a social environment for politically inclined students and faculty. Holding social events, debates, and panel discussions, CPSS aims to involve all political science students at Carleton University. Our mandate is to arrange social and academic activities in order to instill a sense of belonging within the Department and the larger University community. Members can benefit through numerous opportunities which will complement both academic and social life at Carleton University. To find out more, visit <https://www.facebook.com/groups/politicalsciencesociety/> or come to our office in Loeb D688.

**Official Course Outline:** The course outline posted to the Political Science website is the official course outline.