

PSCI 4805A/5802W
THE POLITICAL ECONOMY OF GLOBAL FINANCE
Friday 11.35am – 2.25pm
Please confirm location on Carleton Central

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I. 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 money and finance
- exploring the historical evolution of global money and finance
- examining the changing relationship between public and private authority within the global financial system
- considering select issues associated with the political economy of money and finance, such as the role of international financial institutions in the global economy, the sources of international financial instability, currency internationalization, and the integration of the Global South into the global monetary and financial system
- 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 money and finance.

II. STRUCTURE AND ASSESSMENT

The course meets online via Big Blue Button in a synchronous seminar format each week. Half of the seminars consist of meeting as a full class, while the remaining seminars split the class into two sections which meet separately. Seminars will sometimes include a lecture or presentation, while at other times they will follow a large group and/or small group format. Four of our meetings are devoted to developing students' independent research essays, through presentations and peer review activities.

Every student is expected to read all of the assigned readings each week, about 100 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: breakdown at a glance

<u>Percentage</u>	<u>Assignment</u>	<u>Due Date</u>
20%	oral contribution	ongoing
5%	essay outline (500/600 words)	Feb. 2 nd
20%	critical review (2000/2500 words)	Feb. 9 th
10%	research essay preliminary draft (1000 words)	March 2 nd
5%	peer feedback	March 9 th
40%	research paper (4000/5000 words)	April 19 th

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

Assessment: oral participation

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 attendance/discussion and you may enquire about the status of your oral participation grade at any time.

In addition to your general contributions to seminar discussions, students will be expected to help lead off seminar discussions either by contributing to group work or by providing questions to the class about the weekly readings. A number of 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. 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 follows) 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. Please be respectful and professional in your contributions! Finally, your responsibility to contribute to seminar discussions extends also to the weeks devoted to peer review and research seminar presentations. Your

questions and comments on your colleagues' presentations will form a part of your oral contribution assessment.

Assessment: written work

All written assignments are to be submitted via the assignment link on cuLearn, where you will also find more detailed instructions for how to undertake these assignments.

The first assignment is a 2000/2500 word review of Daniel McDowell's recent book, *Brother, Can You Spare a Billion?* (Oxford University Press, 2017). It is due on **Tuesday February 9th** and is worth 20% of your final grade. Your review should assess critically the principal arguments made in the book, using some of the literature we will already have examined in the course, along with any other material (such as scholarly reviews of the book) 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 assessment about the overall persuasiveness and logic of this book.

The second assignment is a 4000/5000 word research essay on a topic related to the themes and issues of the course. You are responsible for selecting this topic in consultation with the instructor. The topic you choose may follow on from one of the seminar themes, or it may reflect more closely your own specific research interests. You will develop this essay in stages. First, you must obtain approval for your choice of topic by submitting a maximum 500/600 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 **Tuesday February 2nd**. Second, you must write a 1000 word preliminary draft (worth 10%) of your essay and submit it by **Tuesday March 2nd**. You will then present this draft to your peer group at a special 'peer review seminar' held on **Friday March 5th**. You will also have been assigned a peer discussant responsibility for this seminar (worth 5%), which is to be uploaded to cuLearn by **Tuesday March 9th**. The peer review feedback will be guided by a rubric available on cuLearn, and we will discuss the parameters of this assessment in class. **Please note: if you fail for any reason to participate in the peer review seminar you forfeit that component of the grade (5%).** The research essay itself is due on **Friday April 19th**, and is worth 40% of your final grade.

Please note 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. There is also an **over-length penalty of 5%** starting at word 501/601 for the research essay outline, at word 2001/2501 for the critical review essay, at word 1001 for the preliminary draft, and at word 4001/5001 for the research essay. There are no exceptions to this penalty.

III. COURSE TEXTS

All of the readings are available through the Ares tab on the cuLearn website for this course, or through the MacOdrum Library journal portal. There is no assigned course textbook.

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).

IV. 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 develop your essay.

WEEK 1 *Introductions; course structure and assessment*
 January 15 *Mini-lecture on the basics of global money and finance*
 (full class)

Readings

Leo Panitch and Sam Gindin, “Superintending Global Capital,” *New Left Review*, no. 35 (Sept-Oct 2005): 101-23.
 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 *Historical Perspectives on Global Money and Finance*
 January 22
 (2 sections) Seminar themes: the 20th century history of global money and finance; ‘eras’ of money and finance and their differences

Readings

Frank Costigliola, “Anglo-American Financial Rivalry in the 1920s,” *Journal of Economic History*, Vol. 37, no. 4 (1977): 911-34.
 Susan Strange, “The Politics of International Currencies,” *World Politics*, Vol. 23, no. 2 (1971): 215-31.
 Eric Helleiner, “The life and times of embedded liberalism: legacies and innovations since Bretton Woods,” *Review of International Political Economy*, Vol. 26, no. 6 (2019): 1112-1135.
 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 29
(2 sections)

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 and their challenges

Readings

Barry Eichengreen and Ngaire Woods, "The IMF's Unmet Challenges," *Journal of Economic Perspectives*, Vol. 30, no. 1 (2016): 29-52.

Erik Andressen, "Monies that Matter: on the discursive power of the Bank for International Settlement," *Globalizations*, Vol. 16, no. 2 (2016): 203-216.

Tom Chodor, "The G20 Since the Global Financial Crisis: neither hegemony nor collectivism," *Global Governance*, Vol. 23, no. 2 (2017): 205-23.

Gregory Chin, "The Asian Infrastructure Investment Bank – New Multilateralism: early development, innovation and future agendas," *Global Policy*, Vol. 10, no. 4 (2019): 569-581.

WEEK 4

February 5
(2 sections)

Governing Global Finance

Seminar themes: the institutions involved in regulating global finance; the changing balance of power in global financial governance; the Global South and financial governance

Readings

Daniel Drezner, "The System Worked: global economic governance during the Great Recession," *World Politics*, Vol. 66, no. 1 (2014): 123–64.

Stephen Bell and Andrew Hindmoor, "Are the Major Global Banks Now Safer? Structural continuities and change in banking and finance since the 2008 crisis," *Review of International Political Economy*, Vol. 25, no. 1 (2018): 1-27.

Matthew Stephen, "Rising Powers, Global Capitalism and Liberal Global Governance: a historical materialist account of the BRICs challenge," *European Journal of International Relations*, Vol. 20, no. 4 (2014): 912-938.

Takatoshi Ito, "Changing International Financial Architecture: growing Chinese influence?" *Asian Economic Policy Review*, Vol. 13, no. 2 (2018): 192-214.

WEEK 5

February 12
(2 sections)

The Global South in the Global Monetary and Financial System

Seminar themes: challenges facing developing countries; towards a possible power shift in global money and finance?

Readings

- Atul Kohli, "Nationalist Versus Dependent Capitalist Development: alternate pathways of Asia and Latin America in a globalized world," *Studies in Comparative International Development*, Vol. 44, no. 4 (2009): 386-410.
- Peter Kragelund. "Towards convergence and cooperation in the global development finance regime: closing Africa's policy space?," *Cambridge Review of International Affairs*, Vol. 28, no. 2 (2015): 246-262.
- Eric Helleiner and Hongying Wang, "Limits to the BRICS Challenge: credit rating reform and institutional innovation in global finance," *Review of International Political Economy*, Vol. 25, no. 1 (2018): 573-95.
- William Kring and Kevin Gallagher, "Strengthening the Foundations? Alternative Institutions for Finance and Development," *Development and Change*, Vo. 50, no. 1 (2019): 3-23.

READING WEEK (NO CLASS)

February 19

WEEK 6February 26
(full class)***Special Guest Presentation***Professor Daniel McDowell (Syracuse University)
Reflections on *Brother Can You Spare a Billion?***WEEK 7**March 5
(full class)***Peer Review Feedback Seminar***

Format to be determined by research topic

WEEK 8March 12
(2 sections)***Global Financial Crises****Seminar themes:* comparing global financial crises; the sources of financial crises; financial crises and world order*Readings*

- William Allen and Richhild Moessner, "The International Propagation of the Financial Crisis of 1931 and a Comparison with 2008," *Financial History Review*, Vol. 19, no. 2 (2012): 123-147.
- Harold James, "International Order After the Financial Crisis," *International Affairs*, Vol. 87, no. 3 (2011): 525-37.
- Kunal Sen. "A Hard Rain's a-Gonna Fall": the global financial crisis and developing countries," *New Political Economy*, Vol. 16, no. 3 (2011): 399-413.
- 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.

WEEK 9 Currency Internationalization: Dollar versus Renminbi

March 19
(2 sections)

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

Readings

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.

Carla Norrlof. “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): 9–17.

Edward Kwon, “China’s Monetary Power: internationalization of the renminbi,” *Pacific Focus*, Vol. 30, no. 1 (2015): 78-102.

Eswar Prasad. “The Slow, Uneven Rise of the Renminbi,” *Cato Journal*, Vol. 38, issue 2 (2018): 521-529.

WEEK 10 *Student Research Presentations (undergraduate students)*

March 26 (full class)

***** Friday April 2nd No Class [Good Friday Holiday] *****

WEEK 11 *Student Research Presentations (undergraduate students)*

April 9 (full class)

WEEK 12 *Student Research Presentations (undergraduate/graduate students)*

April 14 (full class)

(please note this is a Wednesday)

Accommodations during COVID

Due to COVID, instructors will not request or require a doctor's note when students seek accommodation for missed term work or exams due to illness. Instead, students will be asked to complete the self-declaration form available here:

https://carleton.ca/registrar/wp-content/uploads/COVID-19_Self-declaration.pdf

Academic Accommodations

Pregnancy

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website:

carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC 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 your instructor as soon as possible to ensure accommodation arrangements are made.

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit:

carleton.ca/sexual-violence-support

Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who

compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist.

<https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline

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.

More information on the University’s Academic Integrity Policy can be found at:

<https://carleton.ca/registrar/academic-integrity/>

Intellectual property

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).