

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

Instructor: Randall Germain
Office: D689 Loeb
Office Hours: Tuesday 2.30pm – 3pm
Thursday 2.30pm – 3pm
or by appointment
Telephone: 613 520-2600 ext 8553
E-Mail: randall.germain@carleton.ca

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. It consists of one combination lecture/seminar class, followed by eight 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 for each class, about 50-60 pages on average. These can 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:

| <u>Assignment</u> | <u>Due Date</u> | <u>Percent</u> |
|--|-----------------------------|-----------------------|
| oral contribution | ongoing | 20% |
| essay outline (500 words max) | May 17th | 5% |
| critical review (2000/2500 words max) | May 24th | 20% |
| essay preliminary draft (1000 words max) | May 31st | 10% |
| peer feedback | June 7th | 5% |
| research essay (4000/5000 words max) | June 20th | 40% |

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 and your ongoing commitment to the subject. Accordingly, assessment for oral participation derives 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. Up to eight students may 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 classes devoted to peer review and research

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

ESSAY REQUIREMENTS

All written assignments are 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 May 24th**. 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*; or *Governing Failure: provisional expertise and the transformation of global development 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*; or *Currency Statecraft*.
- 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* (2nd ed.).
- Anthony Elson, *Governing Global Finance*.
- Niall Ferguson, *The Cash Nexus: money and power in the modern world 1700-2000*.
- Ilene Grabel, *When Things Don't Fall Apart: global financial governance and development finance in an age of productive incoherence*.
- 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*; or *Priests of Prosperity: how central bankers transformed the post-communist world*.
- 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; or Birth of Hegemony: crisis, financial revolution and emerging global networks.*
- 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.*
- Ngaire 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 some time working through many of the themes with which these books engage. I will 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 that 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 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. **Please note:** THIS IS NOT A FLUFF EXERCISE! Students who choose this exercise will be expected to undertake considerable

scholarly analysis of the content of these films, and in my experience this is not an easy trick to pull off. In other words, you will have to work for your grade!

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 May 17th**. Second, you must write a maximum 1000 word preliminary draft (worth 10%) of your essay and submit it by **Friday May 31st**. You will then present this draft to your peer group at a special 'peer review seminar' held on **Tuesday June 4th**. Each of you will then provide feedback on one of your peer's preliminary draft and presentation (worth 5%) by **Friday June 6th**. The peer review feedback follows a rubric available on cuLearn, and we will discuss the parameters of this assessment in class. The research essay itself is due on **Thursday June 20th** (worth 40%). The research essay guide available on cuLearn explains this process in some depth.

There is a **late penalty of 3% per day including weekends** for all written work handed in after the due date, unless you obtain an extension from the instructor. If you fail for any reason 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.

Seminar 1 *Introductions; course structure and assessment*
 May 7 *Mini-lecture on the basics of global money and finance*

Readings

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

Seminar 2 *IPE, Money and Finance: connections and debates*
 May 9

Readings

Susan Strange, "The Politics of International Currencies," *World Politics*, Vol. 23, no. 2 (1971): 215-31.

Leo Panitch and Sam Gindin, "Superintending Global Capital," *New Left Review*, no. 35 (Sept-Oct 2005): 101-23.

Seminar 3 *Historical Perspectives on Global Money and Finance*
 May 14

Readings

Frank Costigliola, "Anglo-American Financial Rivalry in the 1920s," *Journal of Economic History*, Vol. 37, no. 4 (1977): 911-34.

Eric Helleiner, "States and the Future of Global Finance," *Review of International Studies*, Vol.18, no.1 (1992): 31-49.

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.

Seminar 4 *Money, Finance and Power*
 May 16

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.

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.

Sandy Hager, "A Global Bond: explaining the safe-haven status of US Treasury securities," *European Journal of International Relations*, Vol. 23, no. 3 (2017): 557-80.

Seminar 10 *Global Financial Crisis: 2007/2009*

June 6

Readings

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.

Seminar 11 *Student Research Presentations*

June 11

Seminar 12 *Student Research Presentations*

June 13

Seminar 13 *Student Research Presentations*

June 18

Academic Accommodations

Requests for Academic Accommodation

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy 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

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

Academic Accommodations for 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. carleton.ca/pmc

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

Accommodation for 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.

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. By hosting social events, including Model Parliament, debates, professional development sessions and more, 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 our networking opportunities, academic engagement initiatives and numerous events which aim to complement both academic and social life at Carleton University. To find out more, visit us on Facebook

<https://www.facebook.com/CarletonPoliticalScienceSociety/> and our website <https://carletonpss.com/>, or stop by our office in Loeb D688!"

Official Course Outline

The course outline posted to the Political Science website is the official course outline.