

PSCI 4805A/5802W
THE POLITICAL ECONOMY OF GLOBAL FINANCE
Tuesdays 6-9pm
Online

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I. LEARNING AIMS, OBJECTIVES AND OUTCOMES

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 global money and finance
- developing research skills by conceiving, executing and presenting a major piece of independent research

By successfully completing this course, you should achieve three core learning outcomes:

- your knowledge of how money and finance are organized on a global basis, including its history, will be deeper and more systematic
- your understanding of current global financial issues will be deeper and more systematic
- your ability to conduct further research into the political economy of global money and finance will be more advanced and systematic

II. STRUCTURE AND ASSESSMENT

The course meets online via Zoom in a synchronous seminar format each week. Most seminars involve a combination of large and small group formats; learning is predicated on informed discussion among the instructor and students, rather than receiving material through lectures. Four of our meetings are devoted to developing

students' independent research essays, through presentations and peer review activities.

Seminar format: most seminars will begin with questions from 4-5 students on the weekly theme and readings, followed by small group discussions facilitated by the students who posed the questions. Most students can expect to be called upon twice during the semester for their questions and leadership in discussion.

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 Brightspace, 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. All documents are available on Brightspace.

Course Evaluation Summary

Course element	Percentage of grade	Due date
Class Participation	20%	Throughout semester
Critical review essay 2000/2500 words	20%	Friday February 11 th
Research essay outline 500/600 words	5%	Friday March 3 rd
Preliminary draft of research essay 1000 words	10%	Friday March 17 th
Peer review exercise	included as part of oral participation grade	Tuesday March 21 st
Peer review feedback report	5%	Friday March 24 th
Research essay final draft 4000/5000 words	40%	Wednesday April 12 th or Friday April 14 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 by providing questions to the class about the weekly readings and by contributing to group work. A number of students will be selected at random each week to provide lead-off questions, which means that you can expect to be called upon to do this twice 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, smaller group work, 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 appropriate assignment link in Brightspace, where you will also find more detailed instructions about how to undertake them. **Please include a word count on the title page of each of your essays.**

The first assignment is a 2000/2500 word review of themes related to global money and finance. It is due on **Friday February 11th** and is worth 20% of your final grade. You have two options for this assignment. Option 1 is to review a scholarly text from the list provided in the instructions for the assignment. 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 chose this option, it would be quite valuable also to read the inspiration for the film *The Big Short*, written by Michael Lewis.

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, a brief and tentative summary of the argument and a select bibliography. This is due **Friday March 3rd**. Second, you must write a 1000 word preliminary draft (worth 10%) of your essay and submit it by **Friday March 17th**. You will then present this draft to your peer group at a special ‘peer review seminar’ held on **Tuesday March 21st**. You will also have been assigned a peer discussant responsibility for this element of the course (worth 5%), the report of which is due **Friday March 24th**. The peer review feedback will be guided by a rubric available on Brightspace, 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 this component of the grade (5%). The research essay itself, which is worth 40% of your final grade, is due on either **Wednesday April 12th** (undergraduate students) or **Friday April 14th** (graduate students).

In terms of penalties, there are two you need to be aware of. One 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. A second one is 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, although references are not included in the word count.

III. COURSE TEXTS

All of the readings are available through the Ares tab on Brightspace, 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 Brightspace. I encourage you to consult these resources as you develop your essay.

WEEK 1

Introductions; organization of course; assessment

January 10 ***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.

WEEK 2 ***Global Money and Finance in Historical Perspective***
January 17

Seminar themes: power in global finance; the 20th century history of global money and finance; ‘eras’ of money and finance and their differences

Readings

Michael Moran and Anthony Payne, “Neglecting, Rediscovering and Thinking Again about Power in Finance,” *Government & Opposition*, Vol. 49, no. 3 (2014): 331-341.

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.

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.

WEEK 3 ***Institutions and Global Finance: I: central banks, markets and violence***
January 24

Seminar themes: global finance; race; war

Readings

Marc Flandreau and Juan Flores, “The Peaceful Conspiracy: Bond Markets and International Relations During the Pax Britannica,” *International Organization*, Vol. 66, no. 2(2012): 211-241.

Paul Paost, “Central Banks at War,” *International Organization*, Vol. 69, no. 1 (2015): 63-95.

Carol Cohn and Claire Duncanson, “Whose Recovery? IFI prescriptions for postwar states,” *Review of International Political Economy*, Vol. 27, no. 6 (2020): 1214-1234.

Ilias Alami and Vincent Guermond, “The Color of Money at the Financial Frontier, *Review of International Political Economy* (2022): DOI: [10.1080/09692290.2022.2078857](https://doi.org/10.1080/09692290.2022.2078857).

WEEK 4 ***Institutions and Global Finance II: IFIs***
January 31

Seminar themes: the role of IFIs in the global monetary and financial system; challenges for IFIs; how do IFIs work?

Readings

- André Broome, “Back to Basics: the Great Recession and the narrowing of IMF policy advice,” *Governance*, Vol. 28, no.2 (2015): 147-165.
- 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 5 *The Global South in the Global Monetary and Financial System*
 February 7

Seminar themes: global finance and development; towards a possible power shift in global money and finance

Readings

- 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.
- 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.
- William Kring and Kevin Gallagher, “Strengthening the Foundations? Alternative Institutions for Finance and Development,” *Development and Change*, Vo. 50, no. 1 (2019): 3-23.
- Adam Hanieh, “New Geographies of Financial Power: global Islamic finance and the Gulf,” *Third World Quarterly*, Vol. 41, no.3 (2020): 525-546.

WEEK 6 *Global Currency Competition I: Dollar versus Euro versus Renminbi*
 February 14

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

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.
- Leslie Elliott Armijo, Daniel Tirone & Hyoung-kyu Chey, “The Monetary and Financial Powers of States: theory, dataset, and observations on the trajectory of American dominance,” *New Political Economy*, Vol. 25, no. 2 (2020): 174-194.
- Daniel McDowell,” Financial Sanctions and Political Risk in the International

- Currency System," *Review of International Political Economy*, Vol. 28, no. 3 (2021): 635-631.
- Iain Hardie, and Helen Thompson, "Taking Europe Seriously: European financialization and US monetary power," *Review of International Political Economy*, Vol. 28, no. 4 (2021): 775-793.

READING WEEK (NO CLASS)

February 21

WEEK 7	<i>Global Currency Competition II: Cryptocurrencies and Digital Finance</i>
February 28	

Seminar themes: the development, significance and politics of cryptocurrencies and digital finance

Readings

- Ole Bjerg, "How is Bitcoin Money?" *Theory, Culture and Society*, Vol. 33, no. 1 (2016): 53-72.
- Daniela Gabor and Sally Brooks, "The digital revolution in financial inclusion: international development in the fintech era," *New Political Economy*, Vol. 22, no. 4 (2017): 423-436.
- Paul Langley and Andrew Leyshon, "The Platform Political Economy of FinTech: Reintermediation, Consolidation and Capitalisation," *New Political Economy*. Vol. 26, no. 3 (2021): 376-388.
- Hyoung-Kyu Chey, "Cryptocurrencies and the IPE of money: an agenda for research," *Review of International Political Economy* (2022): DOI: [10.1080/09692290.2022.2109188](https://doi.org/10.1080/09692290.2022.2109188).

WEEK 8

March 7

Debate: Drezner on financial sanctions

Class debate on the utility of financial sanctions as a means of foreign policy (and war): is Drezner correct?

Readings

- Daniel Drezner, "The United States of Sanctions: the use and abuse of economic coercion," *Foreign Affairs*, Vol. 100, no. 5 (2021): 142-154.
- Daniel Drezner, "How Not to Sanction," *International Affairs*, Vol. 89, no. 5 (2022): 1533-1552.

WEEK 9

March 14

No Class (Professor away at conference)

(please work on your essay!)

WEEK 10

March 21

Peer Review Feedback Seminar

Format to be determined by research topics

WEEK 11

March 28

*Student Research Presentations***WEEK 12**

April 4

*Student Research Presentations***WEEK 13**

April 11

Student Research Presentations

Appendix

Covid-19 Pandemic Measures

It is important to remember that COVID is still present in Ottawa. The situation can change at any time and the risks of new variants and outbreaks are very real. There are [a number of actions you can take](#) to lower your risk and the risk you pose to those around you including being vaccinated, wearing a mask, staying home when you're sick, washing your hands and maintaining proper respiratory and cough etiquette.

Feeling sick? Remaining vigilant and not attending work or school when sick or with symptoms is critically important. If you feel ill or exhibit COVID-19 symptoms do not come to class or campus. If you feel ill or exhibit symptoms while on campus or in class, please leave campus immediately. In all situations, you should follow Carleton's [symptom reporting protocols](#).

Masks: Masks are no longer mandatory in university buildings and facilities. However, we continue to recommend masking when indoors, particularly if physical distancing cannot be maintained. We are aware that personal preferences regarding optional mask use will vary greatly, and we ask that we all show consideration and care for each other during this transition.

Vaccines: While proof of vaccination is no longer required to access campus or participate in in-person Carleton activities, it may become necessary for the University to bring back proof of vaccination requirements on short notice if the situation and public health advice changes. Students are strongly encouraged to get a full course of vaccination, including booster doses as soon as they are eligible and submit their booster dose information in [cuScreen](#) as soon as possible. Please note that Carleton cannot guarantee that it will be able to offer virtual or hybrid learning options for those who are unable to attend the campus.

All members of the Carleton community are required to follow requirements and guidelines regarding health and safety which may change from time to time. For the most recent information about Carleton's COVID-19 response and health and safety requirements please see the [University's COVID-19 website](#) and review the [Frequently Asked Questions \(FAQs\)](#). Should you have additional questions after reviewing, please contact covidinfo@carleton.ca.

Student Mental Health

As a university student you may experience a range of mental health challenges that significantly impact your academic success and overall well-being. If you need help, please speak to someone. There are numerous resources available both on- and off-campus to support you. Here is a list that may be helpful:

Emergency Resources (on and off campus):

<https://carleton.ca/health/emergencies-and-crisis/emergency-numbers/>

Carleton Resources:

- Mental Health and Wellbeing: <https://carleton.ca/wellness/>
- Health & Counselling Services: <https://carleton.ca/health/>
- Paul Menton Centre: <https://carleton.ca/pmc/>
- Academic Advising Centre (AAC):
<https://carleton.ca/academicadvising/>
- Centre for Student Academic Support (CSAS): <https://carleton.ca/csas/>
- Equity & Inclusivity Communities: <https://carleton.ca/equity/>

Off Campus Resources:

- Distress Centre of Ottawa and Region: (613) 238-3311 or TEXT: 343-306-5550, <https://www.dcottawa.on.ca/>
- Mental Health Crisis Service: (613) 722-6914, 1-866-996-0991, <http://www.crisisline.ca/>
- Empower Me: 1-844-741-6389,
<https://students.carleton.ca/services/empower-me-counselling-services/>
- Good2Talk: 1-866-925-5454, <https://good2talk.ca/>
- The Walk-In Counselling Clinic: <https://walkincounselling.com>

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 accommodation: 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 accommodation regarding a formally-scheduled final exam, you must complete the Pregnancy Accommodation Form ([click here](#)).

Religious accommodation: 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 [click here](#).

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, reach out to your instructor as soon as

possible to ensure accommodation arrangements are made. For more details, [click here](#).

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 engage in student activities 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.

Sexual Violence Policy

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated. 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.

Plagiarism

Carleton's [Academic Integrity Policy](#) defines plagiarism as "presenting, whether intentional or not, the ideas, expression of ideas or work of others as one's own." This includes 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. Examples of sources from which the ideas, expressions of ideas or works of others may be drawn from include, but are not limited to: books, articles, papers, websites, literary compositions and phrases, performance compositions, chemical compounds, art works, laboratory reports, research results, calculations and the results of calculations, diagrams, constructions, computer reports, computer code/software, material on the internet and/or conversations.

Examples of plagiarism include, but are not limited to:

- any submission prepared in whole or in part, by someone else;
- using ideas or direct, verbatim quotations, paraphrased material, algorithms, formulae, scientific or mathematical concepts, or ideas without appropriate acknowledgment in any academic assignment;
- using another's data or research findings without appropriate acknowledgement;
- submitting a computer program developed in whole or in part by someone else, with or without modifications, as one's own; and
- failing to acknowledge sources through the use of proper citations when using another's work and/or failing to use quotations marks.

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).

Submission and Return of Term Work

Papers must be submitted directly to the instructor according to the instructions in the course outline. The departmental office will not accept assignments submitted in hard copy.

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

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 Brightspace. As important course and university information is distributed this way, it is the student's responsibility to monitor their Carleton University email accounts and Brightspace.

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/>.

Official Course Outline

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