

Carleton University
Department of Political Science

Fall 2019

PSCI 4805A / 5802F
THE POLITICAL ECONOMY OF GLOBAL FINANCE

Time: Friday 2:35 – 5:35pm
Location: Southam Hall, Room 417

Instructor: James Patriquin
Office: B642 Loeb Building
Office Hours: Fridays 1:00-2:30pm, or by appointment
Contact: james.patriquin@carleton.ca
613-520-2600 ext. 1422

1. LEARNING OBJECTIVES:

The goal of this course is to equip students with the knowledge necessary to critically evaluate the organization, structure, and composition of the global financial system using insights derived from the tradition of international political economy (IPE). Specific learning 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 forms of authority in the global financial system
- Exploring the role of international financial institutions in the global economy
- Considering different possible sources of financial stability and instability
- Evaluating current and future forms of global financial regulation, including monetary policy
- Developing research and communicative skills by conceiving, executing, and presenting a major piece of independent research

In this course students should expect to 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 global capitalism.

2. STRUCTURE AND ASSESSMENT:

The course meets in a seminar format each week. It consists of one combined mini-lecture/seminar class, followed by seven seminars that consider different dimensions of the global financial system. These seminars are student-driven, question-oriented, and will consist of presentations on the assigned readings, student-led discussions, and broader engagements among the whole class. There are also four seminars dedicated to student presentations of their research essay.

Every student is expected to read **all of the assigned materials** each week, which is between 100-125 pages on average. The reading materials can be found on the ARES tab of the cuLearn course website, as well as through the research portal of the MacOdrum Library. Beyond this, students are encouraged to consult the “Money and Finance Bibliography” document to supplement classroom discussion where appropriate, and as a research aid for your research essay. This document is available on the cuLearn course website.

Evaluation and grading summary:

PERCENTAGE	ASSIGNMENT	DUE DATE
20%	Oral Participation	Ongoing
5%	Research Essay Outline (500 words)	September 27 th
20%	Review Essay and Presentation	As Scheduled
10%	Research Essay Proposal (1000 words)	November 1 st
5%	Peer Feedback (350 words)	November 8 th
40%	Research Essay (4000/5000 words)	December 12 th

Note: throughout this document the shorter word length applies to undergraduate students (PSCI 4805A) whereas the longer one applies to graduate students (PSCI 5802F).

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

A. Oral Participation: 20%

Seminar classes are premised on the principle of learning through informed discussion and oral participation. In order for this course format to be successful, students are expected to come to each session prepared for active engagement with their peers on the assigned readings for that week. Preparation for each seminar requires that each student complete the assigned readings in advance of the seminar, with adequate time to reflect on what they have read. Accordingly, the oral participation mark will reflect your comprehension of the material covered as well as your ongoing commitment to the course. You will be assessed on a combination of attendance, the frequency of your interventions in class discussions (10%), and the quality of these interventions (10%). For the sake of transparency I will keep a record of seminar discussions and you may enquire about the status of your oral participation grade at any time.

Please note that when utilized properly, your oral contribution is an excellent opportunity to raise your mark. However, in order for this to be the case, you are expected to attend seminars and regularly contribute to the discussion in a manner that reflects your comprehension of the assigned materials. Your responsibility to contribute extends as well to the research presentations scheduled for the last three weeks of the course.

B. Review Essay and Presentation: 20%

Each student is required to present a maximum 1500/2000 word critical review of the material assigned for a particular week, which will be scheduled on the first day of class.

Each student will be allotted approximately 10-12 minutes to present their review essay, which should explain the research problem addressed, and which should evaluate the overall theoretical contribution of the work/s examined. **Students should not simply summarize the assigned texts**; rather you should make a structuring argument to assist in the delivery of your presentation and analysis. In addition to answering questions about the author's aims, their main argument, their methodology, the type of evidence presented, etc., students should attempt to evaluate broader themes and contributions. A number of analytical questions may help guide your analysis, e.g. how do the assigned readings relate to each other? How would you critique the material you are presenting on? What is the text saying, what are the key concepts involved, and how is the argument made? How effective is the text, and what makes it more or less compelling? How does the text relate to study of global finance, specifically in terms of other themes and readings from the course? The expectation is for you to develop a clear argument about the overall persuasiveness and logic of the materials under review. You are also expected to raise some questions about the readings that would be appropriate for class discussion. Review essays will be due the week following your presentation.

C. Major Research Essay: 55% (5 + 10 + 40) + 5%

The major research essay, maximum 4000/5000 words in length, is an independent piece of research on a topic related to the themes of the course, and is due on December 12th. The topic you choose may follow from one of the seminar themes, or it may reflect more closely your own specific research interests. Student essays will be developed in three stages throughout the semester. Additionally, each student will be responsible for presenting their research project both during the Peer Review Exercise (groups will be assigned), and to the whole class during one of the final three seminar classes. These presentations are to be no longer than 10 minutes each, and will be followed by a 10-minute question and answer period.

The first stage will see that students obtain approval for their choice of topic by requiring a maximum 500-word essay outline (5%), which is to contain the title, research question, and organization of the paper, as well as an indication of some of the relevant literature which students would like to engage, and a brief and tentative summary of their argument with a select bibliography. This is due on **September 27th**. The second stage will see students write a maximum 1000-word preliminary draft (10%) of their research essay. This is due by **October 18th**. Students will present this draft to their assigned peer groups at a special Peer Review seminar held on **November 1st**. Each student will be required to provide feedback on one of their peer's preliminary draft and presentation, which will be due the following week on **November 8th** (+5%). The peer review feedback will be guided by a rubric available on cuLearn, and the class will discuss the parameters of this assessment in person. The final research essay (40%) is due on **December 12th**.

3. LATE PENALTIES:

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 requested from, and received, by the instructor. Extensions need to be requested before the due date in order to be granted, unless the student is able to provide medical documentation. If students fail to participate in the peer

review seminar they will forfeit that component of the grade. There is also an **over-length penalty of 5%**, which starts at word 1001/1501 for the 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. It is incumbent on you to use your best judgment when deciding what should and should not be included in your submitted work.

4. COURSE TEXTS:

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

Although we do not undertake any formal economic analysis in this course, nor are students expected to, we do encounter economic concepts and vocabulary on a regular basis. If you are concerned about your command of the basic economic concepts associated with the political economy of global finance, you may consider purchasing a good upper-level introduction to international economics. I would recommend:

Paul Krugman, Maurice Obstfeld, and Marc Melitz. *International Economics: Theory and Policy* (latest edition).

5. COURSE SCHEDULE:

Week 1 – September 6th – The Basics of Global Money and Finance

Introductions, course structure, assigned readings, and presentation schedule

Required Reading:

Cohen, B. (2017). The IPE of Money Revisited. *Review of International Political Economy*. 24, 4: pp. 657-680.

Recommended:

Cox, R. W. (1981). Social Forces, States and World Order: Beyond International Relations Theory. *Millennium*. 10, 2: pp. 126-155.

Strange, S. (1986). The Bondage of Liberal Economics. *SAIS Review of International Affairs*. 6, 1: pp. 25-38.

Week 2 – September 13th – The Political Economy of Money and Finance

The political and economic foundations of money and finance

Required Reading:

Benney, T., and Cohen, B. (2014). What does the international currency system really look like? *Review of International Political Economy*. 21, 5: pp. 1017-1041.

de Goede, M. (2003a). Beyond economism in international political economy. *Review of International Studies*. 29, 1: pp. 79-97.

Kirshner, J. (2003). Money is Politics. *Review of International Political Economy*. 10, 4: pp. 645-660.

Strange, S. (1971). The Politics of International Currencies. *World Politics*. 23, 2: pp. 215-231.

Recommended:

Brassett, J., and Rethel, L. (2015). Sexy money: the hetero-normative politics of global finance. *Review of International Studies*. 41: p. 429-449.

Greenspan, A. (1999). The Globalization of Finance. *CATO Journal*. 17: pp. 243-250.

Kirshner, J. (1999). Keynes, capital mobility and the crisis of embedded liberalism. *Review of International Political Economy*. 6, 3: pp. 313-337.

Sinclair, T. (2001). The Infrastructure of Global Governance: Quasi-Regulatory Mechanisms and the New Global Finance. *Global Governance*. 7, 4: pp. 441-451.

Week 3 – September 20th – History of the Intl. Monetary and Financial System

The interwar period, the rise and fall of the Bretton Woods system, and the globalization of finance

Required Reading:

Abdelal, R. (2011). Writing the rules of global finance: France, Europe, and capital liberalization. *Review of International Political Economy*. 13, 1: pp. 1-27.

Flandreau, M. (1997). Central Bank Cooperation in Historical Perspective: A Sceptical View. *The Economic History Review*. 50, 4: pp. 735-763.

James, H. (1984). The Causes of the German Banking Crisis of 1931. *The Economic History Review*. 37, 1: pp. 68-87.

Strange, S. (1990). Finance, Information and Power. *Review of International Studies*. 16, 3: pp. 259-274.

Recommended:

Cohen, B. J. (1977). *Organizing the World's Money*. Basic Books.

Cooper, R. N. (1975). Prolegomena to the Choice of an International Monetary System. *International Organization*. 29, 1: pp. 63-97.

Eichengreen, B. (1996). *Golden Fetters: The Gold Standard and the Great Depression 1919-1939*. Oxford University Press.

Eichengreen, B., and Flandreau, M. (2012). The Federal Reserve, the Bank of England, and the Rise of the Dollar as an International Currency, 1914-1939. *Open Economies Review*. 23: pp. 57-87.

de Goede, M. (2005). *Virtue, fortune and faith: a genealogy of finance*. University of Minneapolis Press.

Ruggie, J. G. (1982). International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order. *International Organization*. 36, 2: pp. 379-415.

Week 4 – September 27th – Global Finance and the Nation-State

Global dimensions of financial and monetary power, public and private authority, and the national bases of global finance

- *Reminder: Research Essay Outline Due*

Required Reading:

Burn, G. (1999). The state, the City, and the Euromarkets. *Review of International Political Economy*. 6, 2: pp. 225-261.

Konings, M. (2009). The construction of US financial power. *Review of International Studies*. 35: pp. 69-94.

Mosley, L. (2006). Globalisation and the state: Still room to move? *New Political Economy*. 10, 3: pp. 355-362.

Panitch, L., and Gindin, S. (2005). Superintending Global Capital. *New Left Review*. 35: pp. 101-123.

Recommended:

Cohen, B. J. (2008). The International Monetary System: Diffusion and Ambiguity. 84, 3: pp. 455-470.

Helleiner, E. (1995). Explaining the globalization of financial markets: bringing the states back in. *Review of International Political Economy*. 2: 2: pp. 315-41.

Palan, R. (2002). Tax Havens and the Commercialization of State Sovereignty. *International Organization*. 56, 1: pp. 151-176.

Prugl, E. (2015). Neoliberalising Feminism. *New Political Economy*. 20, 4: pp. 614-631.

Seabrooke, L. (2007). Everyday Legitimacy and International Financial Orders: The Social Sources of Imperialism and Hegemony in Global Finance. *New Political Economy*. 12, 1: pp. 1-18.

Week 5 – October 4th – International Institutions and Global Governance

Organizing and regulating global finance, international financial institutions, and relations between states and firms

Required Reading:

Eichengreen, B., and Woods, N. (2016). The IMF's Unmet Challenges. *Journal of Economic Perspectives*. 30, 1: pp. 29-52.

Germain, R., and Schwartz, H. (2014). The political economy of failure: The euro as an international currency. *Review of International Political Economy*. 21, 5: pp. 1095-1122.

Marshall, D. D. (2009). Gender tropes and colonial discourses in the turbulence of global finance. *Contemporary Politics*. 15, 4: pp. 413-427.

Underhill, G. R. D., and Zhang, X. (2008). Setting the rules: private power, political underpinnings, and legitimacy in global monetary and financial governance. *International Affairs*. 84, 3: pp. 535-554.

Recommended:

Germain, R. D. (1997). *The International Organization of Credit: States and Global Finance in the World-Economy*. Cambridge University Press.

Norrlöf, C. (2014). Dollar hegemony: A power analysis. *Review of International Political Economy*. 21, 5: pp. 1042-1070.

Soederberg, S. (2010). The Politics of Representation and Financial Fetishism: The Case of the G20 Summits. *Third World Quarterly*. 31, 4: pp. 523-540.

Stiglitz, J. E. (2003). Democratizing the International Monetary Fund and the World Bank: Governance and Accountability. *Governance*. 16, 1: pp. 111-139.

Woods, N., and Lombardi, D. (2006). Uneven Patterns of Governance: How Developing Countries Are Represented in the IMF. *Review of International Political Economy*. 13, 3: pp. 480-515.

Week 6 – October 11th – The Global Financial Crisis: 2007-09

Consequences for the global financial and monetary system, constructing financial crises, power dynamics and 'creative destruction'

Required Reading:

Baker, A., and Underhill, G. R. D. (2015). Economic Ideas and the Political Construction of the Financial Crash of 2008. *British Journal of Politics and International Relations*. 17: pp. 381-390.

Drezner, D. (2014). The System Worked: Global Economic Governance During the Great Recession. *World Politics*. 66, 1: pp. 123-164.

Griffin, P. (2015). Crisis, Austerity and Gendered Governance: A Feminist Perspective. *Feminist Review*. 109: pp. 49-72.

James, H. (2011). International Order After the Financial Crisis. *International Affairs*. 87, 3: pp. 525-537.

Thompson, H. (2009). The Political Origins of the Financial Crisis: The Domestic and International Politics of Fannie Mae and Freddie Mac. *The Political Quarterly*. 80, 1: pp. 17-24.

Recommended:

Brassett, J., and Clarke, C. (2012). Performing the Sub-Prime Crisis: Trauma and the Financial Event. *International Political Sociology*. 6, 1: pp. 4-20.

Sen, K. (2011). 'A Hard Rain's a-Gonna Fall': The Global Financial Crisis and Developing Countries. *New Political Economy*. 16, 3: pp. 399-413.

Sinclair, T. (2010). Round Up the Usual Suspects: Blame and the Subprime Crisis. *New Political Economy* 15, 1: pp. 91-107.

Stokes, D. (2014). Achilles' deal: Dollar decline and US grand strategy after the crisis. *Review of International Political Economy*. 21, 5: pp. 1071-1094.

Summers, L. (2000). International Crises: Causes, Prevention, and Cures. *American Economic Review*. 90, 2: pp. 1-16.

Week 7 – October 18th – Re-Imagining Global Finance

Relational finance and peer-to-peer lending, digital technology, the changing landscape of money and value

Required Reading:

Bjerg, O. (2016). How is Bitcoin Money? *Theory, Culture & Society*. 33, 1: pp. 53-72.

Campbell-Verduyn, M., Goguen, M., and Porter, T. (2017). Big Data and algorithmic governance: the case of financial practices. *New Political Economy*. 22, 2: pp. 219-236.

Dodd, N. (2017). The Social Life of Bitcoin. *Theory, Culture & Society*. 35, 3: pp. 35-56.

Fanusie, Y. J., and Logan, T. (2019). "Crypto Rogues: U.S. State Adversaries Seeking Blockchain Sanctions Resistance". *Foundation for Defense of Democracies*. Report published online.

Rogers, C., and Clarke, C. (2016). Mainstreaming social finance: the regulation of the peer-to-peer lending marketplace in the United Kingdom. *The British Journal of Politics and International Relations*. 18, 4: pp. 930-945.

Recommended:

Adrian, T., and Mancini-Griffoli, T. (2019). The Rise of Digital Money. *International Monetary Fund: FinTech Notes*. Report published online.

Campbell-Verduyn, M. (Ed.). (2018). *Bitcoin and beyond: cryptocurrencies, blockchains, and global governance*. Routledge.

Clark, G. L., Thrift, N., and Tickell, A. (2004). Performing finance: the industry, the media and its image. *Review of International Political Economy*. 11, 2: pp. 289-310.

Hayek, F. A. (1990). *Denationalisation of Money – The Argument Refined: An Analysis of the Theory and Practice of Concurrent Currencies*. Institute of Economic Affairs.

Vigna, P., and Casey, M. J. (2015). *The Age of Cryptocurrency: How Bitcoin and Digital Money Are Challenging the Global Economic Order*. St. Martin's Press.

Zimmer, Z. (2017). Bitcoin and Potosi Silver: Historical Perspectives on Cryptocurrency. *Technology and Culture*. 58, 2: pp. 307-334.

*****NOTE: Fall Break October 21st – 25th (NO CLASSES)**

Week 8 – November 1st – Peer Review Feedback Seminar

Format will be determined by individual research topics.

- *Reminder: Research Essay Proposal Due*

Week 9 – November 8th – Development Finance

Financing global development, poverty finance, and the reemergence of regional finance

- *Reminder: Peer Review Feedback Due*

Required Reading:

Frieden, J. (1981). Third World Indebted Industrialization: International Finance and State Capitalism in Mexico, Brazil, Algeria, and South Korea. *International Organization*. 35, 3: pp. 407-431.

Chin, G. T. (2010). Remaking the architecture: the emerging powers, self-insuring and regional insulation. *International Affairs*. 86, 3: pp. 693-715.

de Goede, M. (2003b). Hawala discourses and the war on terrorist finance. *EPD: Society and Space*. 21: pp. 513-532.

Rankin, K. N. (2013). A Critical Geography of Poverty Finance. *Third World Quarterly*. 34, 4: pp. 547-568.

Recommended:

Alcantara, C., and Dick, C. (2017). Decolonization in a Digital Age: Cryptocurrencies and Indigenous Self-Determination in Canada. *Canadian Journal of Law and Society*. 32, 1: pp. 19-35.

Dodd, R. (2007). Subprime: Tentacles of a Crisis. *Finance and Development*. 44, 4: published online. <https://www.imf.org/external/pubs/ft/fandd/2007/12/dodd.htm>

Humphrey, C., and Michaelowa, K. (2019). China in Africa: Competition for traditional development finance institutions? *World Development*. 120: pp. 15-28.

Makki, F. (2015). Post-Colonial Africa and the World Economy: The Long Waves of Uneven Development. *Journal of World-Systems Research*. 21, 1: pp. 124-146.

Mitchell, T. (2009). Carbon democracy. *Economy and Society*. 38, 3: pp. 399-432. (Especially pp. 413-415).

Singh, J. P. (2019). Development finance 2.0: do participation and information technologies matter? *Review of International Political Economy*. Published online.

Wapakala, A. M. (2016). Revisiting Microfinance in Africa. *Development*. 59, 1-2: pp. 143-146.

Week 10 – November 15th – Student Research Presentations [undergraduate students]

Week 11 – November 22nd – Student Research Presentations [undergraduate students]

Week 12 – November 29th – Student Research Presentations [undergraduate/graduate students]

Academic Accommodations

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 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).

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.

Support for 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 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: www.carleton.ca/sexual-violence-support

Grading: Standing in a course is determined by the course instructor, and 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, and 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.