

PSCI 4604A
Topics in International Politics:
Selected Problems in International Political Economy
Wednesday 8.35am – 11.25am
Please confirm location on Carleton Central

Instructor Randall Germain
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Office: C663 Loeb
Office Hours Tues. 10 – 11.30am and 2.30 – 4pm
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AIMS AND OBJECTIVES

The main aim of this course is to provide students with the opportunity to evaluate critically the organization and activities of international financial institutions (IFIs) in different areas of the world by using analytical tools derived from the tradition of political economy. Specific objectives include familiarizing students with the history and organizational structure of the IMF, World Bank and other IFIs; examining and comparing the relationship between these IFIs and developing countries in different parts of the world; and in evaluating the future role of IFIs within the global political economy. By taking this course, students will deepen their knowledge of IFIs and equip themselves for graduate-level research into the political economy of global finance.

STRUCTURE, READING MATERIAL AND ASSESSMENT

The course is a 'research-led' seminar that meets weekly in three-hour sessions. It begins by reviewing the history and theory of IFIs and then examines their activities in different aspects and areas of the global political economy. These seminars are student-led, and may include a combination of individual and/or team presentations, small group work and general class discussion. The course is capped by a series of seminars in which students present the research and argument of their long essays. It is expected that all students will complete the key readings, participate fully in class debate, and prepare and deliver well-organized material to lead the class in discussion.

The reading load for this course is approximately 100 pages per week. All of the key readings are available on-line through the library, as are many of the supplementary readings. In addition, one book has been ordered for this course and is available through Carleton University Bookstore. Although this book is not technically a 'textbook', we use it extensively throughout the course and you are strongly encouraged to purchase it:

Ngaire Woods, *The Globalizers: the IMF, the World Bank and their Borrowers* (Cornell University Press, 2006).

Assessment is based on the following:

1 x 2000 word position piece	due	Feb. 4th	[20%]
1 x 500 word research essay outline	due	Feb. 11th	[10%]
1 x 4000 word research paper	due	April 7th	[50%]
oral contributions	ongoing		[20%]

The oral participation mark assesses your comprehension of the material covered in class and your ongoing commitment to the subject. Accordingly, assessment for oral participation includes the quantity as well as the quality of your participation. Clearly, if attendance is uneven, your oral contribution mark will suffer. However, if attendance is regular, it is rare for your oral contribution mark to lower your grade; on the contrary, it is an excellent opportunity to raise your mark. Also note that this is a cumulative mark, which means that it assesses the extent of your intellectual ‘growth’ throughout the course.

ESSAY REQUIREMENTS

In addition to an oral contribution component, assessment for the course includes three written assignments. The first assignment is a short (maximum 2000 word) briefing paper that provides advice to the Canadian government on whether Canada should support the reform or the abolition of either the IMF or the World Bank. You will need to outline the principal problems facing the institution, and indicate whether these can be addressed (and if so, how) or whether they are so grave that the institution can no longer function. If you argue for the abolition of the institution, make sure and indicate whether it can be replaced, and if not, what kinds of arrangements will likely arise in its place. This should be styled as a civil service memo to a deputy-minister; thus it should contain no citations or footnotes, although you must include all of the sources you use in a bibliography. As a briefing paper it must be succinct and to the point, and above all you must remember that whatever you argue **it must be in Canada’s best interests** to follow your advice.

The second and third assignments are connected to the production of an independent piece of scholarly research on a topic related to the themes and issues of the course. This is a major piece of work and should command an appropriate share of your time and energy. The topic you choose may follow on from any of the seminar topics, or it may reflect your own personal research interests in accordance with the subject matter of the course. However, your topic must be approved by the instructor. To this end, a 500 word outline must be submitted by **Wednesday February 4th**. This outline must contain:

- title
- research questions
- organization of the paper
- an indication of some of the relevant literature
- a brief summary of the argument
- select bibliography

The research essay itself is due before 1pm on **Tuesday April 7th**. Please note that I will hold a special set of office hours on April 7th from 11am until 1pm.

The briefing paper, essay outline and research essay must be submitted in hard copy form. All written work must conform to standard margins, be double-spaced and use 12 point font.

Please note that there is a late penalty of **3% per day including weekends** for all work handed in after the due date.

OUTLINE

Seminar 1 Introduction: What are IFIs and what do they do? [January 7th, 2009]

Key reading

André Broome, "The importance of being earnest: the IMF as a reputational intermediary", *New Political Economy*, Vol. 13, no. 2 (2008): 125-51.

Seminar 2 The IMF and World Bank: a brief history [January 14th, 2009]

Key readings

Ngairé Woods, *The Globalizers*, Ch. 1-3.

Jean Grugel, Pia Rigorozzi and Ben Thirkwell-White, "Beyond the Washington Consensus? Asia and Latin America in search of more autonomous development:", *International Affairs*, Vol. 84, no. 3 (2008): 499-517.

Supplementary readings

Penny Griffin, "Global Monitor: World Bank", *New Political Economy*, Vol. 11, no. 4 (2006): 571-581.

Simon Lee, "Global Monitor: IMF", *New Political Economy*, Vol. 7, no. 2 (2002): 283-298.

Graham Bird, "The IMF: a bird's eye view of its role and operations", *Journal of Economic Surveys*, Vol. 21, no. 4 (2007): 683-745.

Miles Kahler, "Bretton Woods and its competitors: the political economy of institutional choice," in David M Andrews, C. Randall Henning and Louis W. Pauly, eds, *Governing the World's Money*.

John Williamson, "The strange history of the Washington Consensus", *Journal of Post-Keynesian Economy*, Vol. 27, no. 2 (2005): 195-206.

Jeffrey Chwieroth, "Organizational change 'from within': exploring the World Bank's early lending," *Review of International Political Economy*, Vol. 15, no. 5 (2008): 481-505.

Robin Broad, "Research, knowledge and the art of 'paradigm maintenance': the World Bank's Development Economics Vice-Presidency (DEC)," *Review of International Political Economy*, Vol. 13, no.3 (2006): 387-419.

Robert Wade, "US Hegemony and the World Bank: The fight over people and ideas," *Review of International Political Economy*, Vol. 9, no. 2 (2002): 215-243.

Harold James, *International Monetary Cooperation since Bretton Woods*, 2 vols.

Devash Kapur, John Lewis and Richard Webb, eds., *The World Bank: its first half century*, Vols. 1-2.

Marcus Taylor and Susanne Soederberg, *The King is Dead: from Wolfensohn to Wolfowitz at the World Bank*.

Paul Cammack, "What the World Bank means by poverty reduction, and why it matters?" in *New Political Economy*, Vol. 9, no. 2 (2004): 189-211.

Thacker, Strom, "The high politics of IMF lending," *World Politics*, Vol. 52, no. 1 (1999): 38-75.

Kanshik Basu, "Globalization and the politics of international finance: the Stiglitz verdict," *Journal of Economic Literature*, Vol. 41, no. 3 (2003): 885-99.

Craig N. Murphy, *Global Institutions, Marginalization and Development*.

William Easterly, *The White Man's Burden*.

General background on the global financial system:

Eric Helleiner, *States and the Re-emergence of Global Finance*.

Barry Eichengreen, *Globalizing Capital*.

Louis W. Pauly, *Who Elected the Bankers? Surveillance and control in the world economy*.

Randall Germain, *The International Organization of Credit*.

Seminar 3 BIS, WTO, OECD and IOSCO: their role in global finance
[January 21st, 2009]

Key readings

Leonard Seabrooke, "Global Monitor: BIS", *New Political Economy*, Vol. 11, no. 1 (2006): 141-149.

Sydney Key, "Trade in services and prudential regulation: the international framework for financial services", *International Affairs*, Vol. 75, no.1 (1999): 61-75.

Daniel Egan, "The limits of internationalization: a neo-Gramscian analysis of the Multilateral Agreement on Investment", *Critical Sociology*, Vol. 27, no.3 (2001): 74-97.

Geoffrey Underhill, "Keeping governments out of politics: transnational securities markets, regulatory cooperation and political legitimacy", *Review of International Studies*, Vol. 21, no. 3 (1996): 251-278.

Supplementary readings

M. Fratianni and J. Pattison, "The Bank for International Settlements: an assessment of its role in international monetary and financial coordination", *Open Economy Review*, Vol. 12, no.2 (2001): 197-222.

C. Felsenfeld and G. Bilali, "The role of the Bank for International Settlements in shaping the world financial system", *University of Pennsylvania Journal of International Economic Law*, Vol. 25, no. 3 (2004): 945-1045.

Kristin Howell, "The role of the Bank for International Settlements in central bank cooperation", *Journal of European Economic History*, Vol. 22, no. 2 (1993): 367-80.

Beth Simmons, "Why innovate? Founding the Bank for International Settlements",

- World Politics*, Vol. 45, no. 3 (1993): 361-405.
- Rawi Abdelal, "Writing the rules of global finance: France, Europe and capital liberalization", *Review of International Political Economy*, Vol. 13, no.1 (2006): 1-27.
- William Vicek, "The OECD and off-shore financial centres: rearguard action against globalisation?", *Australian Journal of International Affairs*, Vol. 16, no. 3 (2004): 227-42.
- Aaditya Mattoo, "Financial services and the WTO: liberalisation commitments of the developing and transition economies", *World Economy*, Vol. 23, no. 3 (2000): 351-86.
- Jonathan Crystal, "Bargaining in the negotiations over liberalizing trade in services: power, reciprocity and learning", *Review of International Political Economy*, Vol. 10, no. 3 (2003): 352-78.
- Matthew Watson, "Rethinking capital mobility, re-regulating financial markets," *New Political Economy*, Vol. 4, no. 1 (1999): 55-76.
- Sol Picciotto and Jason Haines, "Regulating global financial markets", *Journal of Law and Society*, Vol. 26, no. 3 (1999): 351-68.
- Stephen Harris, "Regulating finance: who rules, whose rules?", *Review of Policy Research*, Vol. 21, no. 6 (2004): 743-66.
- Philip G. Cerny, "Webs of governance and the privatization of transnational regulation," in David Andrews, C. Randall Henning and Louis Pauly, eds, *Governing the World's Money*.
- Ethan Kapstein, "Between power and purpose: central bankers and the politics of regulatory convergence", *International Organization*, Vol. 46, no. 1 (1992): 265-87.

Seminar 4 IFIs in Africa
[January 28th, 2009]

Key readings

- Ngairé Woods, *The Globalizers*, Ch. 6.
- Laila Smith, "Power and the hierarchy of knowledge: a review of a decade of the World Bank's Relationship with South Africa," *Geoforum*, Vol. 39, no. 1 (2008): 236-51.
- Fantu Cheru, "Building and supporting PRSP's in Africa: what has worked well so far? What needs changing?," *3rd World Quarterly*, Vol. 27, no. 2 (2006): 355-376.
- Jane Harrigan, Chengang Wang and Hamed El-Said, "The economic and political determinants of IMF and World Bank lending in the Middle East and North Africa", *World Development*, Vol. 34, no. 2 (2006): 247-70.

Supplementary readings

- C. Rustomjee, "Pathways through financial crisis: South Africa", *Global Governance*, Vol. 12, no. 4 (2006): 431-48.
- Duncan Holtom, "Reconsidering the power of the IFIs: Tanzania and the World Bank: 1978-1985", in *Review of African Political Economy*, no. 106 (2005): 549-567.
- Alistair Fraser, "Poverty reduction strategy papers: who calls the shots now?",

- Review of African Political Economy*, Vol. 32, nos. 104/05 (2005): 317-40.
- Randall Stone, "The political economy of IMF lending in Africa", *American Political Science Review*, Vol. 98, no. 4 (2004): 577-91.
- Andy Storey, "Structural adjustment, state power and genocide: the World Bank and Rwanda", *Review of African Political Economy*, Vol. 28, no. 89 (2001): 365-85.
- Special Issue, "Africa's future: that sinking feeling", *Review of African Political Economy*, Vol. 28, no. 88 (2001): 149-240.
- Rita Abrahamsen, *Disciplining Democracy*.
- Nicolas Van de Walle, *African Economies and the Politics of Permanent Crisis: 1979-1999*.
- Graham Harrison, *The World Bank and Africa: the construction of governance states*.
- Patrick Bond, *Against Global Apartheid: South Africa meets the World Bank, the IMF and International Finance*.
- Caroline Thomas, "The international financial institutions' relations with Africa: insights from the issue of representation and voice," in Ian Taylor and Paul Williams, eds, *Africa in International Politics: external involvement in the continent*.

Seminar 5 IFIs in Latin America
[February 4th, 2009]

Key readings

- Ngair Woods, *The Globalizers*, Ch. 4.
- Brad Setser and Anna Gelpern, "Pathways through financial crisis: Argentina", *Global Governance*, Vo. 12, no. 4 (2006): 465-82.
- Eric Helleiner, "The strange story of Bush and the Argentine debt crisis", *Third World Quarterly*, Vol. 26, no. 6 (2005): 951-69.
- Domingo Cavallo, "Argentina and the IMF during the two Bush administrations", *International Finance*, Vol. 7, no.1 (2004): 137-50.
- Joseph Halevi, "The Argentine crisis", *Monthly Review*, Vol. 53, no. 11 (2003): 15-23.

Supplementary readings

- Arne Rückert, "Producing neoliberal hegemony? The poverty reduction strategy in Nicaragua," *Studies in Political Economy*, Vol. 79, no. 1 (2007): 91-118.
- Ziya Önis, "Varieties and crises of neoliberal globalisation: Argentina, Turkey and the IMF", *Third World Quarterly*, Vol. 27, no. 2 (2006): 239-263.
- Judith Teichmann, "The World Bank and policy reform in Mexico and Argentina", *Latin American Politics and Society*, Vol.46, no.1 (2004): 39-74.
- Judith Teichman, *The Politics of Freeing Markets in Latin America*.
- David Rock, "Racking Argentina", *New Left Review*, no. 17 (2002): 55-86.
- Sylvia Maxfield, *Governing Capital: international finance and Mexican politics*.
- Michael Mussa. *Argentina and the Fund: from triumph to tragedy*.
- Diane Tussia and M. Botzman, "Sweet entanglement: Argentina and the World Bank, 1985-1989," *Development Policy Review*, Vol. 8 (1990): 393-409.

Seminar 6 IFIs in Asia

[February 11th, 2009]

Key readings

- Jomo Kwame Sundamn, "Pathways through financial crisis: Malaysia", *Global Governance*, Vol. 12, no.4 (2006): 489-505.
- Stephen Grenville, "The IMF and the Indonesian crisis", *Bulletin of Indonesian Economic Studies*, Vol. 40, no. 1 (2004): 77-94.
- Rodney Bruce Hall, "The discursive demolition of the Asian development model", *International Studies Quarterly*, Vol. 47, no. 1 (2003): 71-99.
- Xu Yi-chong, "Models, templates and currents: the World Bank and electricity reforms", *Review of International Political Economy*, Vol. 12, no. 4 (2005): 647-73.

Supplementary readings

- L.S. Lauridsen, "The financial crisis in Thailand: causes, conduct, consequences", *World Development*, Vol. 42, no. 1 (1998): 1575-1591.
- Takatoshi Ito, "Asian currency crisis and the IMF, 10 years later: an overview", *Asian Economic Policy Review*, Vol. 2, no. 1 (2007): 16-49.
- Rob Jenkins, "International development institutions and national economic contexts: neo-liberalism encounters India's indigenous political traditions," *Economy and Society*, Vol. 32, no. 4 (2003): 584-610.
- Jason Kirk, "Banking on India's states: the politics of World Bank reform programs in Andhar Pradesh and Karnataka", *India Review*, Vol. 4, nos. 3/4 (2005): 287-325.
- A. Ghosh, "Pathways through financial crisis: India", *Global Governance*, Vol. 12, no. 4 (2006): 413-29.
- Barry Eichengreen, "The International Monetary Fund in the wake of the Asian crisis," in Gregory Noble and John Ravenhill, eds, *The Asian Financial Crisis and the Architecture of Global Finance*.
- Robert Wade, *Governing the Market*.
- Richard Stubbs, *Rethinking Asia's Economic Miracle*.
- Bruce McFarlane, "Politics of the World Bank – International Monetary Fund nexus," *Journal of Contemporary Asia*, Vol. 31, no. 2 (2001): 214-240.
- IMF, *The IMF's response to the Asian financial crisis*. Washington: 1999.

Seminar 7 IFIs in Post-Communist Transition States

[February 25th, 2009]

Key readings

- Ngair Woods, *The Globalizers*, Ch. 5.
- Massimo Florio, "Economists, privatization in Russia and the waning of the Washington Consensus", *Review of International Political Economy*, Vol. 9, no. 2 (2002): 359-400.
- "The IMF and the ruble zone", Special Issue, *Comparative Economic Studies*, Vol. XLIV, no. 4 (2002): 3-80.

Supplementary readings

- Rachel Epstein, "Cultivating consensus and creating conflict: international institutions and the (de)politicization of economic policy in postcommunist Europe", *Comparative Political Studies*, Vol. 39, no. 8 (2006): 1019-1042.
- Hilary Appel "Western financial institutions, local actors, and promoting the privatization paradigm", *Problems of Post-Communism*, Vol. 51, no.5 (2004): 3-10.
- Vladimir Popov, "Shock therapy versus gradualism reconsidered: lessons from the transition economies after 15 years of reform", *Comparative Economic Studies*, Vol. 42, no. 1 (2000): 1-58.
- Kazimierz Klor, "Banking systems and banking crises in Ukraine, Georgia and Kyrgyzstan", *Problems of Economic Transition*, Vol. 45, no. 8 (2002): 6-71.
- Milada Anna Vachudova, *Europe Undivided: Democracy, Leverage, and Integration After Communism*.
- Randall Stone, *Lending Credibility: the IMF and the post-communist transition*.
- Juliet Johnson, *Fistful of Rubles: the rise and fall of the Russian banking system*.
- Janine Wedel, *Collision and Collusion: the strange case of western aid to Eastern Europe*.
- Michael McFail, "Getting Russia right", *Foreign Policy*, no. 117 (Winter 1999-2000): 58-73.
- Elizabeth deBoer-Asworth, *The Global Political Economy of post-1989 Change: the place of the central European transition*.
- Michael Orenstein, *Out of the Red: building capitalism and democracy in post-communist Europe*.

Seminar 8 Reforming IFIs
[March 4th, 2009]

Key readings

- Ngaire Woods, *The Globalizers*, Ch. 7.
- John Glenn, "Global governance and the democratic deficit: stifling the voice of the south", *Third World Quarterly*, Vol. 29, no. 2 (2008): 217-38.
- Barry Eichengreen, "A blueprint for IMF reform: more than just a lender", *International Finance*, Vol. 10, no. 2 (2007): 153-75.
- Allan Meltzer, "A blueprint for IMF reform: what is worth retaining?", *International Finance*, Vol. 10, no. 2 (2007): 177-182.
- Graham Bird and Dane Rowlands, "IMF quotas: constructing an international organization using inferior building blocks", *Review of International Organization*, Vol. 1 no. 2 (2006): 153-171.

Supplementary readings

- Heribert Dieter, "The decline of the IMF: Is it reversible? Should it be reversed?", *Global Governance*, Vol. 12, no. 4 (2006): 343-49.
- C. Tan, "Reform or Reinvent? The IMF at a crossroads", *Global Governance*, Vol. 12, no. 4 (2006): 507-22.
- David Rapkin and Jonathan Strand, "Reforming the IMF's weighted voting system", *World Economy*, Vol. 29, no. 3 (2006): 305-24.
- Stanley Fischer, "Financial crises and the reform of the international financial

system”, *Review of World Economics*, Vol. 139, no. 1 (2003): 1-37.

André Cartapanis and Michel Herland, “The reconstruction of the international financial architecture: Keynes’ revenge”, *Review of International Political Economy*, Vol. 9, no. 2 (2002): 257-83.

Bessma Momani, “IMF staff: the missing link in fund reform proposals,” *Review of International Organization*, Vol. 2, no.1 (2007): 39-57.

Patrick Bond, “Should the World Bank and IMF be ‘fixed’ or ‘nixed’?”, in *Capitalism, Nature, Socialism*, Vol. 15, no.2 (2004): 85-105.

Ben Thirkell-White, *The IMF and the Politics of Financial Globalization: from the Asian financial crisis to the new international financial architecture*.

Ariel Buirra, ed., *Reforming the Governance of the IMF and World Bank*.

Jonathan Pincus and Jeffrey Winters, eds, *Reinventing the World Bank*.

Diane Stone and Christopher Wright, eds, *The World Bank and Governance: a decade of reform and reaction*.

Jacqueline Best, “The moral politics of IMF reform: universal economics, particular ethics,” *Perspectives on Global Development and Technology*, Vol. 4, nos. 3/4 (2005): 357-78.

Seminar 9 Student Research Presentations
[March 11th, 2009]

Seminar 10 Student Research Presentations
[March 18th, 2009]

Seminar 11 Student Research Presentations
[March 25th, 2009]

Seminar 12 Student Research Presentations
[April 1st, 2009]



Academic Accommodations

For Students with Disabilities: Students with disabilities requiring academic accommodations in this course are encouraged to contact the Paul Menton Centre (PMC) for Students with Disabilities (500 University Centre) to complete the necessary forms. After registering with the PMC, make an appointment to meet with the instructor in order to discuss your needs **at least two weeks before the first in-class test or CUTV midterm exam**. This will allow for sufficient time to process your request. Please note the following deadline for submitting completed forms to the PMC for formally scheduled exam accommodations: **July 25th, 2008** for August examinations.

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 Undergraduate Calendar defines plagiarism as: "to use and pass off as one's own idea or product, work of another without expressly giving credit to another." The Graduate Calendar states that plagiarism has occurred when a student either: (a) directly copies another's work without acknowledgment; or (b) closely paraphrases the equivalent of a short paragraph or more without acknowledgment; or (c) borrows, without acknowledgment, any ideas in a clear and recognizable form in such a way as to present them as the student's own thought, where such ideas, if they were the student's own would contribute to the merit of his or her own work. Instructors who suspect plagiarism are required to submit the paper and supporting documentation to the Departmental Chair who will refer the case to the Dean. It is not permitted to hand in the same assignment to two or more courses. The Department's Style Guide is available at:
<http://www.carleton.ca/polisci/undergrad/Essay%20Style%20Guide.html>

Oral Examination: At the discretion of the instructor, students may be required to pass a brief oral examination on research papers and essays.

Submission and Return of Term Work: Papers must be handed directly to the instructor 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. Please note that assignments sent via fax or email will not be accepted. Final exams are intended solely for the purpose of evaluation and will not be returned.

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.

Course Requirements: Students must fulfill all course requirements in order to achieve a passing grade. Failure to hand in any assignment will result in a grade of F. Failure to write the final exam will result in a grade of ABS. FND (Failure No Deferred) is assigned when a student's performance is so poor during the term that they cannot pass the course even with 100% on the final examination. In such cases, instructors may use this notation on the Final Grade Report to indicate that a student has already failed the course due to inadequate term work and should not be permitted access to a deferral of the examination. Deferred final exams are available **ONLY** if the student is in good standing in the course.

Connect Email Accounts: The Department of Political Science strongly encourages students to sign up for a campus email account. Important course and University information will be distributed via the Connect email system. See <http://connect.carleton.ca> for instructions on how to set up your account.