This course is designed to give the student a thorough grounding in the political economy of international relations, using international monetary relations as a particular prism. The analytic goals of the course are twofold. First, to examine the key problems states have faced, and continue to struggle with, in an interdependent world economy over the past century or so. Second, to analyze how the role of the state in that economy, and the strategies that states have employed in the IPE, have changed over time by looking comparatively at different states’ economic strategies.

The course is divided into four parts. The first part introduces the 19th Century Gold standard regime and analyzes why it fell apart, why its interwar restoration was so problematic, and why its post-WW2 replacement, the so-called ‘embedded liberal’ Bretton Woods regime, was so different than what came before. The second part focuses on tensions within the Bretton Woods regime that led to its dissolution, out of which came, in the context of the period, a fear of US decline and a consequent return to the politics of the 1930s. We discuss why this fear was misplaced and how different states (the US, the EU and East Asia) each found their own ways of dealing with this new ‘globalized’ and/or ‘neoliberalized’ environment. Part three analyzes how this neoliberal order is policed and the sources of monetary power therein. The role of the IMF, Credit Rating Agencies and Independent Central banks are discussed, as is the (continuing) role of the dollar as the key currency. The final part of the course focuses upon new sources of tension in the current system. Specifically, the ‘warning’ given by the East Asian financial crisis and the current global financial crisis are analyzed alongside of the rise of the so-called BRIC countries (Brazil, Russia, India and China) as possible ‘system transformers’ in the 21st Century.

There are three pieces of work for course credit for each of the classes. First, there is a short answer mid-term exam (closed book) in class on October 11th. Second, there is a substantive paper (7-10
pages) topics for which are given out November 13th and are due back November 27th. Finally there is, of course, a final exam covering the whole semester's work, which will be held at 2pm on May 19th 2011. The breakdown on these components is as follows: Mid-Term 30% Paper 30% Final Exam 30%. The remaining ten percent depends upon section participation.

**Texts Available For Purchase**

Mark Blyth *Great Transformations: Economic Ideas and Political Change in the Twentieth Century* (Cambridge: Cambridge University Press 2002)

**Class Schedule**

**Class One: Introduction**
Thursday September 6th
No Readings

**Part One: The Beginning and End of Globalization v.1.0**

**Class Two: The 19th Century IPE**
Tuesday Sept 11th
Karl Polanyi *The Great Transformation* Chs. 1, 2

**Class Three:**
Thursday September 13th
No Class – Conference Absence

**Class Four: The End of the Old Order**
Tuesday September 18th
Eichengreen *Globalizing Capital* ch. 2
Block *The Origins of the International Monetary Disorder* Ch. 2.

**Class Five: The Great Collapse**
Thursday September 20th
Galbraith, *The Great Crash* Chs. 4-7
Class Six: Interwar Instability
Tuesday September 25th
Block *The Origins of the International Monetary Disorder* Ch.3
Eichengreen *Globalizing Capital* Ch. 3

Class Seven: Creating a New Order
Thursday September 27th
Helleiner *States and the Reemergence of Global Finance* Ch. 1-3.
Block *The Origins of the International Monetary Disorder* Chs. 4-5

Class Eight: Destabilizing the New Order
Tuesday October 2nd 2012
Helleiner *States and the Reemergence of Global Finance* Ch. 4-7
Eichengreen, *Globalizing Capital* Ch. 4

Class Nine: Destabilizing the New Order
Thursday October 4th 2012
Blyth, *Great Transformations* Chs. 1, 5, 6.

Class Ten: The Fear of Failure
Tuesday October 9th
Kindleberger *The World in Depression*
Chs. 1 and 14.
Gilpin, *The Political Economy of International Relations*, Chs. 9, 10.

Class Eleven:
Thursday October 11th
Mid Term Exam

### Part Two: Financial Fixes and Foreign Reformulations

Class Twelve: The US Financial Fix
Tuesday Oct. 16th
Krippner, *Capitalizing on Crisis*,
Chs. 3 and 4

Class Thirteen: Europe’s Adaptations
Thursday Oct. 18th
McNamara, *The Currency of Ideas*
Chs. 5-7
Abdelal, *Capital Rules*, ch. 4

Class Fourteen: Asia’s Alternative 1
Tuesday October 23rd
Evans Haggard *Pathways from the Periphery*
Chs. 1, 2.
Alice Amsden “The State and Taiwan’s Economic Development” in Evans et al. *Bringing the State Back In?* pp. 77- 106.
Woo-Cummings (ed.) *The Developmental State* Ch. 4

Class Fifteen:
Thursday October 25th
No Class - Conference Absence
Class Sixteen: Asia’s Alternative 2
Tuesday October 30th

**Part Three: Globalization v.2.0 - Policing the New Order**

Class Seventeen: Institutions and Power – IFIs
Thursday November 1st
Pauly, *Who Elected the Bankers?*
Chs. 1, 2, 5, 6, 7
Abdelal, *Capital Rules*, ch. 7.

**Class Eighteen: Institutions and Power - CBI**
Tuesday November 6th
Posen “Central Bank Independence and Disinflationary Credibility”
Posen “Declarations Are Not Enough”
Grabel “Ideology and Power,” in Kirshner (ed.)
*Monetary Orders* 2003
Berman and McNamara “Bank on Democracy”
*Foreign Affairs* (2000)

**Class Nineteen:**
Thursday November 8th
No Class - Conference Absence

**Class Twenty: Money and Power – The Dollar**
Tuesday November 13th
Helleiner and Kirshner (eds.)

NB: Paper Topics will be given out November 13th and are due back first class after Thanksgiving
Part Four: Alarm Bells and Possible Futures

Class Twenty-One: The East Asian Crisis
Thursday November 15th
Wade and Veneroso “The Asian Crisis”
*New Left Review* 228 (1998)
Wade “From Miracle to Cronyism”
Stiglitz “Sound Finance” Speech (1998)
Calomiris “Senate Testimony” (1998)

Class Twenty-Two:  
Tuesday November 20th
No Class – Conference Absence

Class Twenty-Three  
Thursday November 22nd
No Class - Thanksgiving

Class Twenty-Four: The Global Financial Crisis (Act One – the US)  
Tuesday November 27th
*Watch this on line on your own time*
http://www.pbs.org/wgbh/pages/frontline/meltdown/view/

*Then read these for class…*
Michael Lewis on the blow-up and AIG
Joe Nocera on value at risk analysis
Felix's Salmon's piece on the Gaussian Cupola
http://www.wired.com/techbiz/it/magazine/17-03/wp_quant?currentPage=all
Matt Taibbi on Goldman Sachs
http://www.rollingstone.com/politics/story/29127316/the_great_american_bubble_machine
Blyth on Bouncy castle finance
http://www.foreignpolicy.com/articles/2009/09/14/bouncy_castle_finance
and related
http://www.nytimes.com/2012/05/12/business/jpmorgan-chase-fought-rule-on-risky-trading.html?pagewanted=1&_r=1&hp
Class Twenty-Five: The Global Financial Crisis (Act Two – Europe)
Thursday November 29th
Watch the video of Martin Wolf at Brown here:
http://brown.edu/web/livestream/archive/2012-euroconf.html
Then read:
Jay Shambaugh, ‘The Euro’s Three Crises’ available at
http://www.brookings.edu/~media/Files/Programs/ES/BPEA/2012_spring_bpea_papers/2012_spring_BPEA_shambaugh.pdf
Mark Blyth, Austerity: The History of a Dangerous Idea Ch. 3 (PDF from me)

Class Twenty-Six: Was Finance Really a Fix?
Tuesday December 4th
Kindleberger, Manias, Panics, Crashes Chs, 1-3.
Reinhart and Rogoff “This Time its Different” NBER 13882, Available at
http://www.nber.org/papers/w13882
Reinhart and Rogoff
“The Aftermath of Financial Crises” NBER 14656
Available at http://www.nber.org/papers/w14656

Class Twenty-Seven: The BRICs Alternative?
Thursday December 6th
“Dreaming with the BRICs” Goldman Sachs Economics Papers 99 (2003)
Varshney, “India’s Democratic Challenge” Foreign Affairs, March 2007
Ban, ‘Brazil’s Neo-developmental State’ (forthcoming) Review of International Political Economy 2013 (PDF from me)

Class Twenty-Eight
Course Review
TBD

Final Exam:
9am December 13th – Room TBC