Course overview
The purpose of this seminar is to explore the politics of international finance. We will focus, in particular, on the ways in which the globalization of finance over the last three decades has influenced – and been influenced by – both international relations and domestic politics. Topics include: the effects of international financial integration on national policymaking; international institutions and global financial governance; financial crises; exchange rates; and China’s integration into the global economy. Along the way, we will discuss a number of important theoretical issues in the study of international relations, including the role of international institutions, the interplay between politics and economics, and the role of the nation-state.

Course requirements

Written requirements

1. One short essay (~6-8 pages) on an assigned topic related to the readings. The first essay topic will be handed out in class on October 17, with papers due on October 31. Collaboration with other students is not permitted.

2. Two “news analysis” memos (2-3 pages each) in which you discuss a key article/event/policy debate in the news related to the reading materials covered in class during that week. The goal for these memos will be critically analyze the event or article in light of what we have learned about the politics of global financial relations. Examples of questions you might address include: 1) What are the merits of the author’s proposal or argument?; 2) What is at stake? Who are the winners and losers?; 3) What are the key political issues/obstacles?; 4) Does the article misstate or overlook key economic and political issues? **NOTE: These are not meant to be summaries of the readings; rather, I expect you to think critically about the important questions and issues raised by the news.** You may choose when to write these memos, with four qualifications: (1) you must write at least one by October 10; (2) you must have written both by November 14; (3) you may not write a memo for week 1; and (4) retroactive (backdated) memos are not permitted. Papers are due at the start of class and must address the readings for that class meeting.
3. **Final paper:** On the last day of class (**December 12**), we will be holding a **mock Eurozone summit** to debate the state of the eurozone crisis and consider possible policy initiatives to manage and resolve the crisis. At the summit, each of you will play the role of the finance minister or central bank governor of a Eurozone member-state. In preparation for this summit, you will prepare a 10-15 page research memo, in which you discuss the following: 1) your country’s current economic and financial situation and how the Eurozone crisis has affected it; and 2) your government’s policy positions on two key issues: a) future European Central Bank initiatives to address the debt and banking crises in the eurozone; and b) institutional reform to ensure the long-term stability and survival of the Eurozone. The papers will be due on Friday, **December 14**. However each of you will choose your country by **October 10** (NOTE: I will be playing the role of ECB President Mario Draghi), and you will complete a **one-page summary/outline** of your memo by **November 21**. As the semester progresses, we will discuss plans for the mock summit in greater detail.

*Participation*

This is a seminar course, with the emphasis on careful reading and intensive discussion. **I expect you to come to class having done all of the reading,** which I have kept as manageable as possible for this reason. I also **expect that you will actively participate in class discussions; this is not a lecture course.** I highly suggest, in addition, that you take notes while you read, so that we can have a focused, detailed discussion class. We will not spend class simply summarizing the arguments in the material, nor will I be doing the majority of the talking. Rather, the goal of our discussions will be to analyze, critique, and compare the readings, with an eye toward identifying and discussing the major issues/themes of the week.

Evaluation for the course will be based on the final paper (30%), class participation (30%), the take-home essay (25%), and the news analysis memos (15%).

**Readings**

Nearly all of the readings are available online, either through the provided web links or on the course web site. Those available on the website are indicated by an asterisk (*) on the syllabus. Due to copyright regulations, the cost (to you) of printing these materials is vastly less than the cost of a course pack.

In addition, two book are highly suggested for purchase; they is available from the UW bookstore:


We will discuss recommended newspaper/blog/magazine readings at the first class session.
Important notes/class policies

- The best way to reach me is via email at copelovitch@wisc.edu or to speak with me before/after class.

- Attendance: If you know that you will be absent from class for religious or other reasons that can be known in advance, please let me know. If you have to miss class due to sickness or family emergencies, please keep me informed as possible. Remember that attendance/participation is fully 30% of your grade, and unexcused/unexplained absences will be noted accordingly.

- Grading: Re-evaluating grades (please read very carefully!): My policy is the following:
  o You have to wait for 48 hours after the assignment has been returned before issuing any complaints. You then have to draft a 1-2 page double-spaced memo outlining why you deserve a better grade. Please note that this memo has to be based entirely on the merit of your own work, i.e., it cannot be based on comparisons with the grades of other students.
  o Your grade will then be fully re-evaluated. This means that I may revise the grade downward as well as upward. So please be certain that you have a very specific and justifiable reason before asking us to make any changes – this is not a risk-free process!

- Assignments: The assignment schedule is set. Clear your schedules now. There will be no make-up assignments unless you can provide proper documentation that your absence is due to a) a genuine family emergency, b) illness or injury, or c) travel away from Madison for university-related (!) obligations. If an assignment is missed for a valid reason, I will give you a substitute assignment. This will be an essay of 10 pages based on the material covered in the assignment and will be due two days after the date of the missed assignment.

- Late policy: All late work will be penalized at the rate of 1/2 letter grade per day, including weekends (e.g., a “B” paper one day late will earn a “B/C”). If you have conflicts with deadlines for any reason (illness, scheduling, religious holidays, or otherwise) please discuss them with me as early as possible.

- Accommodations: Students needing special accommodations to ensure full participation in this course should contact me as early as possible. All information will remain confidential. You also may contact the McBurney Disability Resource Center regarding questions about campus policies/services.

- Cheating and plagiarism are very serious offenses that will not be tolerated in the course. You will receive a failing grade for the class, and the reason for the grade will be noted in your transcript.
I. FOUNDATIONS

September 5: Overview

- (*) Martin Wolf, “Unfettered Finance is Fast Reshaping the Global Economy.” *Financial Times*, June 18, 2007 (http://www.ft.com/cms/s/518482b4-1dc5-11dc-89f7-000b5df10621.html)


September 12: Financial markets and exchange rates


September 19: Capital flows and financial crises


- Paul Krugman, *The Return of Depression Economics and the Crisis of 2008*, Chs. 1-5 (pp. 3-118)
September 26: NO CLASS (YOM KIPPUR)

October 3: The politics and history of international finance


October 10: Historical background: The global economy, 1933-2000


II. KEY TOPICS IN GLOBAL FINANCIAL RELATIONS

October 17: The IMF and global financial governance

- (*) James Vreeland, The International Monetary Fund: Politics of Conditional Lending, Ch. 1 (5-36).


October 24: Foreign aid, debt relief, and the World Bank


October 31: China and the global financial system


III. THE GLOBAL FINANCIAL CRISIS OF 2008-12

November 7: Precursors and causes

- Paul Krugman, *Return of Depression Economics*, Chs. 6-10 (pp. 119-191)


November 14: Consequences and responses


**November 21: The Euro crisis**


**NOVEMBER 28: NO CLASS**

**December 5: Taking stock and looking ahead**


December 12: “Eurozone summit 2012, Frankfurt, Germany”

- Background readings to be circulated in advance