



university of
 groningen

faculty of arts

Academic year 2016-2017 | Semester I

Course unit syllabus

RS International Political Economy of Global Financial Markets

MA International Relations 60 ECTS

LYXo84M10

G.W. Fuller





1 / Type of course unit, number of ECTS credit points and admission requirements

a. Type: Mandatory

Each Master IR student must follow two 10 ECTS research seminars of which at least one should be linked to your track. One of the research seminars may also be replaced by optional course units in your field of specialisation, but this has to be approved by the Board of Examiners. Please contact the study advisers if you are considering this: study.advice.irio@rug.nl

b. ETCS credit points: 10 ECTS

c. Admission requirements: Admission to one of the tracks of the Master International Relations (60 ects, CROHO 60734): You must have completed your BA degree in IRIO or you must have been admitted to the MA by the Admission Board on the basis of another BA degree (and Pre-Master programme). Please note that you must have enrolled in the Master programme and the track of your choice via Studielink.

d. Contact details:

Office: 1312.0516 (Harmonie, 5th Floor)

Office Hours: I run an open office; drop by anytime!

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e. Time and place: See rooster.rug.nl under Faculty of Arts, Ma IR.

2 / Content of the course unit

Research seminars are seminars concentrating on a more focused IR subject linked to the different fields of expertise of lecturers in the Department IRIO. You will learn to conduct research into a certain aspect of the theory and practice of international relations and will deepen your knowledge and understanding of a specific topic within one of the tracks. It also helps you to acquire the necessary research skills at an advanced level.

This particular research seminar caters to the following tracks in the Master:

- International Political Economy (IPE)

Understanding the integration of financial markets is becoming increasingly essential for today's International Relations student. From the eurozone and the Greece crisis, to the rise of China and its relationship with the United States, to the implications of economic sanctions on nations like Russia and Iran, globally interconnected financial markets are playing a central role in the international system.



This course has several objectives: The first is for students to be able to put the present in its historical perspective, understanding how global financial relations have changed from the era of metallic standards to the present day. The second is to introduce students to competing ideas about financial growth and interdependence: do globalized financial markets promote more complete and efficient markets or a never-ending series of crises? The third is to improve students' analyses of major contemporary issues by examining them from the perspective of global financial markets. In particular, we will focus on the impact that global (and regional) financial integration has had on national systems.

The course will be structured in the form of lectures with extensive in-class discussion, a substantial research project, and a presentation. The research project – to be presented to fellow students – must establish a cause-and-effect relationship focused on financial markets or financial institutions.

3 / Position of the course unit in the degree programme

The research seminars build upon the knowledge and skills you acquired during your Bachelor programme or Pre-Master programme and the Master module Advanced Theories of International Relations. The research seminars provide the possibility to give focus to your track by offering a variety of topics from which you can choose. Also within the research seminars, there is some flexibility with regard to the paper topic that you want to do research on, in good consultation with the lecturer(s) involved. The advanced research skills that are further developed during the research seminars also help you prepare for your autonomous research project in the Master Thesis.

For continuing with a placement, you need to have completed at least one research seminar successfully. In addition, at least one of the research seminars within your track must have been completed successfully in order to continue with the Master Thesis. Please note that in order to qualify for the diploma of your track within the Master, at least one of the research seminars must be linked to your track.

4 / Learning outcomes of the course unit

The learning outcomes of this course unit contribute to the following programme learning outcomes (PLO) of the MA International Relations as described in article 3.2 of the Teaching and Examination Regulations Part B: 1.1, 1.3, 2.1, 2.2, 2.3, 3.1, 3.2, 3.3, 4.1, 4.2, 4.3, 5.1, 5.2 and 5.5. You can find the full wording of the programme learning outcomes here: <http://www.rug.nl/let/organization/bestuur-afdelingen-en-medewerkers/bestuur-en-commissies/oeren/>

Upon successful completion of the course unit, students are able to:



- L1.** Acquire, organize and apply knowledge about various aspects of the specialisation(s) linked to the research seminar, as well as about the role of different actors within these fields. (PLO 1.1, 1.3, 2.3, 5.1)
- L2.** Develop a research plan with a clearly formulated problem definition, using one or more methods and techniques suitable for the research in the specific field of specialisation. (PLO 2.1, 2.2)
- L3.** Act self-reliant and reliable in the execution of the tasks belonging to this course unit, and execute tasks in a scientifically, socially and ethically responsible manner. (PLO 3.1)
- L4.** Critically assess research of oneself and of others. (PLO 3.1, 3.2, 3.3, 5.2)
- L5.** Report on research choices and progress in a clear manner, with the help of ICT skills. (PLO 4.1, 4.3, 5.5)
- L6.** Express oneself in a clear and coherent manner, both in oral and in written/typed form, using understandable and correct English or Dutch. (PLO 4.1, 4.2, 4.3)

The PLO numbers correspond to the programme learning outcomes in the Teaching and Examination Regulations of the Master programme.

5 / Mode of instruction and learning activities

Each class begins with a brief review of any world news that has a bearing on our class objectives – looking at ways of connecting contemporary events to the materials we have learned. We then recap the previous class meetings' objectives and a brief overview of the objectives for the day's lecture. The rest of the class meeting will consist of a mix of lecture, discussion, structured debate, and group activities aimed at achieving the aims of the particular class meeting.

Outside of class, your main project will be the research paper. You will be required to meet with me no fewer than two times (and often many more) to discuss (1) what you want to analyse (i.e., your research question; (2) how you want to analyse it (i.e., your research design); and (3) any issues that come up over the course of your research. This project makes up part of all the assessment criteria and grading for the course: meeting with me is part of participation, developing a good research paper is 50% of the course, and you will also develop a presentation based on your research for presentation to your fellow students.

6 / Assessment

a. Mode of assessment

The achievement of the learning outcomes are evaluated in this research seminar by means of a mix of assessment methods:

20% Class Participation.

Participation is a required component of this course. It ensures that everyone is acquiring the requisite course knowledge, facilitates the critical assessment of the



course readings, encourages scientifically responsible behaviour and – perhaps most importantly – offers opportunities to improve your self-expression on the difficult topics to be covered (LOs 1, 3, 4, 6). As part of your participation grade, you will need to complete a *reading journal*.

30% Examination.

The three-hour essay examination will assess your mastery of the knowledge acquired during the seven formal class meetings – with an emphasis on critically deploying the assigned readings to form strong, well-presented academic arguments. See below for more details. (LOs 1, 3, 4, 6).

40% Individual Paper.

The paper is the most substantial component of the course. It requires students to apply the knowledge and skills developed in the first part of the course to a project of your own choosing. You will need to develop a research plan to investigate the impact of global financial integration (or disintegration!) on any actor(s) you like. Then, in cooperation with me, you will execute that plan to write a roughly 10-page paper covering at least 1,000 pages of literature that you have consulted. See below for more details. (LOs 1-6).

10% Presentation.

The presentation is connected to – but partly independent from – the paper assignment. Part of your presentation will be assessed purely on communication and presentation skills (LOs 5,6). Part will be determined by how well you convey and defend your academic argument (LOs 1, 3, 4, 5, 6)

b. Assessment: duration, time and place; deadlines and procedures; perusal

1. Class Participation:

A student is allowed to miss 20% of all sessions provided she/he has a valid excuse and notifies the lecturer in advance (note: this means you can miss 1 meeting, including the exam sitting). Pre-planned holidays and alike are not considered to be a valid excuse. NB: Failing to meet a paper deadline without approval counts as an absence.

You are also expected to demonstrate preparation of intermediate assignments for 1-on-1 paper meetings (i.e., a research question and an outline – discussed below). The expectation is that you will have spent several hours considering the meeting before we actually meet (there is no such requirement for informal visits!).

Additionally, you are expected to write !~500 words each week with a reaction



to that week's assigned readings: what struck you about the readings? Was there anything you disagreed with? How can the readings be applied to the real world? I will collect these journals at the examination.

2. Exam:

The exam will be held in class, following the completion of the first 7 weeks of seminars as well as a brief study period. Resits and perusal will be scheduled on an as-needed basis.

3. Individual Paper:

The paper of about 10 pages must be based on a wide variety of primary and/or secondary sources with a total volume of at least 1,000 pages of literature studied.

The key goal with this paper is to determine the consequences of global financial integration on any actor of your choosing – in any region or countries of your choosing. This does mean that the expectation is for you to write an empirical paper.

For example, what role does mortgage insurance have on capital inflows in wealthy countries? Or: What financial policies enhance / hurt small businesses' access to international funding. Or: Under what conditions does microfinance become attractive for international capital flows. Or: Under what conditions does access to global financial markets harm households. The possibilities are endless!

There are two intermediate meetings with me and/or the class concerning your paper. These are essential components of the research paper and you cannot complete the paper without participating in these meetings:

Meeting One: Individual Discussion of the Research Question

The purpose of this meeting is for me to hear what question / problem you want to analyse and why it's interesting for you. I do not necessarily expect you to have a perfectly formed idea for your paper. I do expect you to have done some thinking and preliminary research in order to figure out what you want to write about. In other words, don't come in expecting me to find your topic for you! This meeting is a chance for me to help you find your problem – and give you a reality check on whether or not answering it is feasible. This will take place in the first week of October.

Meeting Two: Discussion of the Research Plan

For this meeting, I expect to see a 1-page outline establishing (1) the cause-and-effect relationship you want to examine (i.e., your research question); (2) what



factors are involved in this relationship (i.e., your dependent and independent variables; (3) what data/sources you plan to use to arrive at a conclusion. The outline is due on November 30. You will briefly present this outline (5-minutes) to your classmates on December 7. We will then meet the week of December 14 to discuss what you need to do in order to complete your paper to a high standard.

4. Individual Presentation:

All students will give a 5-10-minute presentation of their research project at the end of the course. The goal of these presentations is to familiarize the other students with what you spent your semester working on!

The presentation must show evidence of preparation and practice – whether or not technology is used (use of PowerPoint or other technology is optional).

In agreement with the Teaching and Examination Regulations, students have the right to inspect their marked work and peruse the examination paper and assessment criteria. If an official inspection moment is not available, you can make an appointment directly with the lecturer.

c. Examples of tests

Representative examples of the exam and the assessments can be found on the Student Portal.

d. Conditions for takings exams

In the event of insufficient presence or insufficient fulfilment of exams and assignments, you will be excluded from the rest of the course.

Missing lectures: You may miss no more than 20% of the lectures if you provide a valid excuse. The first lecture in week 2 is compulsory. In all instances, notice of absence must be handed to the lecturer in advance, including a valid excuse.

Resits: There are two opportunities to sit examinations and the final paper. In principle, the first opportunity should be used first before making use of a resit or resubmission of an assignment.

Consequences of failing a research seminar: If you do not pass the IR research seminar, even after a resit, you must take another research seminar in a following semester.



7 / Assessment

a. Assessment criteria

1. Class Participation:

Participation refers to involvement in discussions and activities, clear evidence of having read papers before class, input during the discussion of the news, and making all required meetings for 1-on-1 feedback on your research paper. It also involves demonstrating adequate engagement with the readings – as demonstrated by your reading journal.

2. Exam:

Exams will be assessed based on the clarity with which they answer the question, the degree to which they incorporate the readings from class, and the degree of original thought / evidence of engagement with the course reading materials. A rubric and past exams will be provided as examples on the Student Portal.

3. Individual Paper:

The paper will be assessed on basis of the following bases (paralleling the requirements of the MA thesis):

- The quality of the research design, including the use of methods and theories, models and/or approaches.
- The structure and clarity of the argument (consistency of introduction, argument and conclusion), including the clarity for a broader public.
- Demonstration of ability to independently analyze data and synthesize arguments.
- Originality/ complexity.
- Justification and presentation of the project.
- Independence in searching and processing literature.
- Use of secondary and, if relevant, primary sources.
- Correct and careful processing of literature (annotation and justification).
- Correct spelling and sentence structure as well as evidence of stylistic skills.



- **Individual Presentation:**

Presentations are evaluated on four criteria:

- Evidence of preparation (i.e., strong use of IT and/or well-rehearsed speech – not reading from the paper itself; clear evidence of structure in the presentation).
- Whether a clear causal claim is made – as well as the degree to which that causal claim is justified by the evidence.
- Clarity and language

b. Calculating preliminary and final marks

Each component of the course is graded on the standard 1-10 scale, with 5.5 being the lowest passing mark. Each component grade will be multiplied by its weight and then summed together to find the final grade. For instance: someone with a 7.5 for participation, 6 on the exam, 7 on the paper, and 9 on the presentation, would receive the following grade:

$$(9 * 0.1) + (6 * 0.3) + (7 * 0.4) + (7.5 * 0.2) = 0.9 + 1.8 + 2.8 + 1.5 = 7.0$$

8 / Cheating and plagiarism

Cheating and plagiarism are subject to the provisions set down in the Teaching and Examination Regulations Part A, Article 4.13. You can find the regulations here:

- <http://www.rug.nl/let/organization/bestuur-afdelingen-en-medewerkers/bestuur-en-commissies/oeren/>

The Board of Examiners is always informed in cases of suspected cheating or plagiarism.

9 / Calculation of student workload

The research seminars are awarded with 10 ECTS. Under Dutch regulations, this means that you should expect on average a total workload of 280 hours for this course. In this research seminar the teaching activities are projected to have an average workload in hours as follows:

- Attending 3 hours per week for 10 weeks = 30 hours.
- Preparing research question, outline, and meeting individually to discuss them = 5 hours.
- Weekly reading, amounting to roughly 100 pages per week (average – some weeks will be more and others will be less) = 80 hours.
- Weekly reading of news and popular sources on material relevant to the course = 10 hours.



- Paper, based on 1,000 pages of reading (excluding the prescribed literature) and resulting in a 4,500 word paper, excluding notes and literature = 140 hours.
- Preparation of a presentation based on your paper = 5 hours.
- Preparation of reading journal= 10 hours.

10 / Literature

The following resources are mandatory for this research seminar:

This course makes use of different types of material: several recent books, edited book chapters, academic journal articles, and think tank and government reports. Most of the material will be available electronically through Nestor or posted online.



11 / Weekly schedule

Each week of the semester is designated as a week of Class / Individual / No Meeting:

Class meetings indicate days where we will all meet together in the assigned room at the assigned time for a full class session. Individual meetings mean that you must schedule a meeting with me at some point during that week: we can meet during the assigned class session or later, depending on our schedules. However, we must meet during the week on which an individual meeting is scheduled. No meeting means just that – we don't meet that week. However, on those weeks, there is usually something (research / studying) that you should be doing!

Part 1: Theory

September 13, 2017 - Class Meeting

Seminar 1: The Evolution of the Global Financial System

- Readings:
 - Eichengreen, Barry. [*Globalizing Capital: A History of the International Monetary System*](#) (Princeton: Princeton University Press, 2008): Skim the whole book, depending on your familiarity with the subject
 - Helleiner, Eric, “[The Evolution of the International Monetary and Financial System](#),” in Ravenhill, ed., *Global Political Economy*, 5th ed (Oxford: Oxford University Press, 2017), pp 199-224: Recommended reading.
 - Ruggie, John Gerald, “[International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order](#),” *International Organization* 36:2 (Spring, 1982), pp. 379-415: Recommended reading.

September 20, 2017 - Class Meeting

Seminar 2: Financial Globalization; Domestic Constraints

- Readings:
 - Milner, Helen and Robert O. Keohane, “[Internationalization and Domestic Politics: An Introduction](#),” in Keohane and Milner, eds., *Internationalization and Domestic Politics* (Cambridge: Cambridge University Press, 1996), pp 3-24: Required reading.
 - Cerny, Philip, “[Paradoxes of the Competition State: The Dynamics of Political Globalization](#),” *Government and Opposition* 32:2 (1997), pp. 251-274: Required reading.
 - Drezner, Daniel, “[Globalization and Policy Convergence](#),” *International Studies Review* 3:1 (2001), pp. 53-78: Required reading.
 - Polanyi, Karl, [*The Great Transformation: The Political and Economic Origins of Our Time*](#) (Boston: Beacon Press, 1944): Recommended reading



September 27, 2017 - Class Meeting

Seminar 3: The Supranational Solution?

- Readings:
 - Cohen, Benjamin J., *International Political Economy: An Intellectual History* (Princeton: Princeton University Press, 2008), Chapter 4: Required reading; currently on seminar shelves.
 - Keohane, Robert O., *After Hegemony: Cooperation and Discord in World Political Economy* (Princeton: Princeton University Press), Chapters 4-7: Required reading; currently on seminar shelves.
 - McNamara, Kathleen R., "[The Forgotten Problem of Embeddedness](#)," in Blyth and Matthijs, eds., *The Future of the Euro* (Oxford: Oxford University Press, 2015), chapter 2: Required reading.

October 4, 2017 - Class Meeting

Seminar 4: Core Mechanics and Concepts

- Readings:
 - None! But if you have an international economics textbook, it might be a good idea to bring it...

October 11, 2017 - Individual Meeting

Individual meeting to discuss your research question

Part 2: The Real World

October 18, 2017 - Class Meeting

Seminar 5: Capital Flows and Development

- Readings:
 - Calvo, Guillermo A., "[Capital Flows or Capital Flaws?](#)" in Leonardo Auernheimer, ed., *International Financial Markets: The Challenge of Globalization* (Chicago: University of Chicago Press, 2003), pp. 147-174: Required reading.
 - Davies, Ken, "[China Investment Policy: An Update](#)," *OECD Working Papers on International Investment* 2013/01.
 - Mishkin, Frederic [The Next Great Globalization: How Disadvantaged Nations Can Harness Their Financial Systems to Get Rich](#) (Princeton: Princeton University Press, 2006): Skim entire book

NB: Our classes may switch times after this point; subsequent classes are currently listed by week-of dates (i.e., the date of the Monday at the start of the week). I'm not 100% certain which day/time/location we will meet yet.



October 23, 2017 - Class Meeting

Seminar 6: The Capital Controls Debate

- Readings:
 - Kindleberger, Charles P. and Robert Aliber, [*Manias, Panics, and Crashes: A History of Financial Crises*](#), 6th ed. (New York: Palgrave MacMillan, 2011): Chapters 8 and 9 required. Recommend skimming whole book.
 - Abdelal, Rawi, "[Writing the Rules of Global Finance: France, Europe, and Capital Liberalization](#)," *Review of International Political Economy* 13:1 (February, 2006), pp. 1-26: Required reading.
 - IMF Staff Paper, "[The Liberalization and Management of Capital Flows: An Institutional View](#)," November 14, 2012: Required reading.

October 30, 2017 - Class Meeting

Seminar 7: Case Study of Financial Integration in the Eurozone

- Readings:
 - Jones, Erik and Gregory W. Fuller, "Europe and the Global Economic Crisis," in *Europe Today*, 5th Edition (Lanham: Rowman and Littlefield, 2015), pp. 343-368: Required reading; currently on seminar shelves.
 - Darvas, Zsolt, "[The Euro Crisis: Ten Roots, But Fewer Solutions](#)," Bruegel Policy Contribution 2012/17: Required reading (short)
 - Merler, Silvia and Jean Pisani-Ferry, "[Sudden Stops in the Euro Area](#)," Bruegel Blog Post, 2012: Required reading (short)
 - Fuller, Gregory W., "Exporting Assets: EMU and the Financial Drivers of European Macroeconomic Imbalances," *New Political Economy* xx:xx (2017): Required reading (forthcoming).
 - Blyth, Mark and Matthias Matthijs, eds., [*The Future of the Euro*](#) (Oxford: Oxford University Press, 2015). Skim chapters 6-8. Recommended to read the whole book.

November 6, 2016 - No Meeting

Study period

November 13, 2016 - Class Meeting

EXAMINATION

Rest of November, 2017 - No Meetings

Research period



OUTLINES DUE December 1.

December 4, 2016 - Class Meeting

OUTLINE PRESENTATIONS

December 11, 2017 - Individual Meeting

Individual meeting to evaluate outlines and outline presentations with an emphasis on what to fix prior to final papers and final presentations.

January 15, 2017 – No Meeting

PAPERS DUE January 15

January 15, 2017 - Class Meeting

PAPER PRESENTATIONS

January 22, 2016 - Individual Meeting

Individual meeting to discuss final grades

12 / Copyright

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