



university of
 groningen

faculty of arts

Academic year 2019-2020 | 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. ECTS 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 (Harmony, 5th Floor)

Office Hours: I run an open office; drop by anytime I am there (usually Tues-Thurs in the afternoon)

Tel / WhatsApp: 06 41 76 76 11

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 (Reading Journal)

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).

50% 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).

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

1. Class Participation & Reading Journal:

All students are allowed to miss one session without penalty; otherwise, reading journals will not be accepted from students not present in class.

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 some time 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? **You must hand in your writing "journal" at the start of class** – and there is no journal required for the first week's meeting. **Yes, this means I am trying to force you to read the readings before class.** No, I am not expecting extended pieces of literary genius – just a bit of reflection.



2. Exam:

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

3. Individual Paper:

The paper should include about 4,000 words, 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 is to determine the consequences of global financial integration on any actor of your choosing: this means 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 to ensure that you're on the right track with your paper. 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 December 2. You will briefly present this outline (5-minutes) to your classmates on December 5. We will then meet the week of December 10 to discuss what you need to do in order to complete your paper to a high standard.



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 exam 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). A full grading guide will be posted on Nestor:

- 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.
- Capacity for analysis over description
- 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.

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, and 7 on the paper would receive the following grade:

$$(6 * 0.3) + (7 * 0.5) + (7.5 * 0.2) = 1.8 + 3.5 + 1.5 = \mathbf{6.8}$$

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!

September 12, 2019 - Class Meeting

Seminar 1: Introduction and Core Economic Mechanics

- No readings! But if you have an international economics textbook, it might be a good idea to bring it...

September 19, 2019 - Class Meeting

Seminar 2: The Evolution of the Global Financial System

- 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. Required reading.

September 26, 2019 - Class Meeting

Seminar 3: Financial Interdependence and the Control Gap

- Cohen, Benjamin J., *International Political Economy: An Intellectual History* (Princeton: Princeton University Press, 2008), Chapter 4: Required reading; currently on seminar shelves.
- Cooper, Richard N. "[National Economic Policy in an Interdependent World Economy](#)," *Yale Law Review* 7:76 (1967), pp. 1273-1298. Required reading.
- 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.
- Polanyi, Karl, [*The Great Transformation: The Political and Economic Origins of Our Time*](#) (Boston: Beacon Press, 1944): Recommended reading



October 3, 2019 - Class Meeting

Seminar 4: Globalization: A Troubled Concept

- Cerny, Philip, "[Paradoxes of the Competition State: The Dynamics of Political Globalization](#)," *Government and Opposition* 32:2 (1997), pp. 251-274: Required reading.
- Cox, Robert, "[The Retreat of the State?](#)," *International Journal* 52:2 (1997), pp. 366-369. Required reading.
- Drezner, Daniel, "[Globalization and Policy Convergence](#)," *International Studies Review* 3:1 (2001), pp. 53-78. Required reading.
- Hay, Colin, "[What's Globalization Got to Do with It? Economic Interdependence and the Future of European Welfare States](#)," *Government and Opposition* 21:1 (2006), pp. 1-22. Required reading.

October 10, 2019 - Class Meeting

Seminar 5: Capital Flows and Crisis

- 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.
- Dooley, Michael P. and Carl E. Walsh., "[Capital Movements: Curse or Blessing?](#)" in Leonardo Auernheimer, ed., *International Financial Markets: The Challenge of Globalization* (Chicago: University of Chicago Press, 2003), pp. 147-174: Required reading.
- Cavallo, Eduardo et al., "[A New Taxonomy of Sudden Stops: Which Sudden Stops Should Countries Be Most Concerned About](#)," *Interamerican Development Bank IDB-Wp-430* (2013): Required reading

Week of Oct 7: Individual Meeting

Schedule Paper Meeting #1 with GWF

October 17, 2019 - Class Meeting

Seminar 6: The Supranational Solution?

- Keohane, Robert O., [After Hegemony: Cooperation and Discord in World Political Economy](#) (Princeton: Princeton University Press), Chapters 4-7: Required reading.
- 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.
- 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.



October 24, 2019 - Class Meeting

Seminar 7: The National Solution?

- Polanyi, Karl, [*The Great Transformation: The Political and Economic Origins of Our Time*](#) (Boston: Beacon Press, 1944): Recommended again!
- Chamon, Marcos and Márcio Garcia, "[Capital Controls in Brazil: Effective?](#)," *Journal of International Money and Finance* 61 (March), pp. 163-187.
- Rodrik, Dani, "[Is Populism Necessarily Bad Economics](#)," *American Economic Review* 108 (2018), pp. 196-199. Required reading.
- Rodrik Dani, "Populism and the Economics of Globalization," *Journal of International Business Policy* 1:1-2 (2018), pp. 12-33. Required reading.

October 31, 2019 - Class Meeting

Seminar 8: The Euro

- Issing, Otmar, [*The Birth of the Euro*](#) (Cambridge: Cambridge University Press, 2008): Chapter 2. Required reading.
- Sauga, Michael, Stefan Simons and Klaus Wiegrefe, "[The Price of Unity: Was the Deutschemark Sacrificed for Reunification?](#)," *Der Spiegel*, September 30 2010. Required reading.
- Leblond, Patrick, "[The Political Stability and Growth Pact is Dead: Long Live the Economic Stability and Growth Pact](#)," *Journal of Common Market Studies* 44:5 (December 2006), pp. 969-990. Required reading.

November 7, 2019 - Class Meeting

Seminar 9: The Eurozone Crisis

- 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.
- Fuller, Gregory W., "[Exporting Assets: EMU and the Financial Drivers of European Macroeconomic Imbalances](#)," *New Political Economy* 23:2 (2018). Required reading.
- 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)

Weekend of November 16-17: TAKE-HOME EXAM

No meetings will be held on Nov 14, 21, or 28. This is meant to be study and research time.



December 6, 2018 – Final Class Meeting

Seminar 10: Paper Seminar

This is a session to present and receive feedback on your research plans. You should plan to circulate a one page outline of your paper project and give a brief (~5 minute) presentation of your research plans. This will be followed by peer feedback. You can then revise your research plan based on the feedback prior to discussing it with me the following week. If you wish to present *more* than a simple one-page outline, get in touch with me.

Week of Dec 10: Individual Meeting

Schedule Paper Meeting #2 with GWF

January 19: PAPERS DUE

12 / **Copyright**

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