Political Science 579: The Politics of International Finance

Friday, 9:30-12:15, Fenno Room (Harkness 329)

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Purpose of the course: This is an advanced course intended for Ph.D. students. The course conducts a broad survey of the field, focusing on the politics of substantive issues in international finance, including macroeconomic policy coordination, foreign debt and economic adjustment, and European integration.

Course Requirements: Each student writes a data-based research paper (20-25 pages, described below). A draft of the research paper is due at 5:00 pm November 13, and the final version is due December 12 at 12:00 noon (no extensions). Each student will have at least one opportunity to present a preliminary version of the paper during the semester. In addition, there will be a take-home final exam, due December 4 at 4:00 pm. Grading: 1/3 class participation, 1/3 final paper, 1/3 final. Note also the Block Seminar on Saturday, December 13, when all students will present their papers. Please reserve the day; we may go off campus for a change of venue.

Research Papers: Although the papers are short (no more than 25 pages, please), the standards are high. The papers are expected to formulate a hypothesis, ground it in appropriate literature, illustrate an argument or puzzle using qualitative evidence, and test the hypothesis using quantitative evidence. Please speak to me before the second class so I can get you started.

Readings: The following books are recommended for purchase; I recommend ordering on-line.

Course Outline:

Friday, Sept. 5: Overview

Friday, Sept. 12: Money and Power


Friday, Sept. 19: Sovereign Debt


Friday, Sept. 26: Default, Banking and Currency Crises


Student presentations

Friday, Oct. 3: Foreign Aid


Friday, Oct. 10: Foreign Direct Investment


Friday, Oct. 17: Multilateral Lending


Friday, Oct. 24: International Finance under the Gold Standard

Eichengreen, Globalizing Capital. Chapters 2, 3.

**Friday, Oct. 31: International Finance in the Bretton Woods Era**

Eichengreen, Globalizing Capital. Chapter 4.


**Friday, Nov. 7: International Finance under Flexible Exchange Rates**

Eichengreen, Globalizing Capital. Chapter 5.


Drazen, *Political Economy in Macroeconomics,* (pp. 559-87.)

**Friday, Nov. 14: No Class (IPES)**

5:00: Paper Draft due

**Friday, Nov. 21: The Origins of the Euro**


Drazen, *Political Economy in Macroeconomics,* (pp. 544-59.)


Fri., Nov. 28: No class (Thanksgiving)

Fri., Dec. 5: The Future of the Euro


Fri., Dec. 12: No class. Final paper due, 12:00 noon

Saturday, Dec. 13, 9:00-3:00: Block Seminar: Student presentations

Monday, Dec. 15: Final exam due, 5:00 pm
Additional suggested readings:


