POL 288: Governing the Global Economy in Times of Crisis
(Spring 2016)

Professor Craig Borowiak
Office Hours: MW 2:45 – 4:00pm
Office: Hall 214
Class period: MW 1-2:30
Classroom: Stokes 119

Description:
This course offers an examination of how the global economy is governed and how governance bodies have responded to and/or been complicit in crises and their aftermaths. We will examine the evolution of the global financial architecture over the 20th century. Critical attention will be paid to power asymmetries in the international system and their consequences. In the second half of the course we will focus on the 2008 global financial crisis, the subsequent debt crises, and shifts in how the current global economy is governed.

Classroom Etiquette and Protocols:
• Be respectful of other students, but understand that critique can also be a sign of respect. Do not be afraid to challenge other students and the professor, but do so respectfully.
• NO TEXT-MESSAGING in class.
• Any student who misses more than three weeks of class may face dismissal from the course
• All assignments must be completed to pass the course

Assignments:
1) Two thought essays (max 3 pages) about assigned readings (to be shared with the class), plus discussion initiating and discussion recapping for those two classes
2) One thought essay (max 3 pages) about current events and governing the global economy (to be shared with the class)
3) Three mid-term essays (approx. 5 pages each)
4) Final essay (15-20 pages)

Readings:
Students should subscribe to and regularly read the Financial Times (see Moodle for instructions)

The following books are (or will be) available at the Haverford Bookstore:
• Mark Blyth, Austerity: The History of a Dangerous Idea
• Daniel Drezner, The System Worked: How the World Stopped Another Great Depression
• Barry Eichengreen, Globalizing Capital: A History of the International Monetary System, 2nd ed.
• David Harvey, A Brief History of Neoliberalism

Haverford College is committed to supporting the learning process for all students. Please contact me as soon as possible if you are having difficulties in the course. There are also many resources on campus available to you as a student, including the Office of Academic Resources (https://www.haverford.edu/oar/) and the Office of Access and Disability Services (https://www.haverford.edu/access-and-disability-services/). If you think you may need accommodations because of a disability, you should contact Access and Disability Services at hc-ads@haverford.edu. If you have already been approved to receive academic accommodations and would like to request accommodations in this course because of a disability, please meet with me privately at the beginning of the semester (ideally within the first two weeks) with your verification letter.
## Schedule
(subject to change)

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Topic</th>
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<tr>
<td>W 20 Jan</td>
<td>Introduction and Overview: Some Political Economic Essentials</td>
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| M 25 Jan | Some Theoretical Approaches to Global Political Economy | Robert O’Brien & Marc Williams, *Global Political Economy*  
- Chapter One: “Approaches to Global Political Economy,” 9 – 29  
- Chapter Two: “Methods and Theories,” 30 - 50  
  - Read pages 233- 238; 240- 242; 243-245  
  Rorden Wilkinson, “Global Governance” in *Encyclopedia of Governance* |

### PART I: The Evolution of the International Financial System

| W 27 Jan | Following The Yellow Brick Road: the International Gold Standard | Robert O’Brien & Marc Williams, *Global Political Economy*  
- Chapter 8: The Global Financial System  
  - Chapter One: Introduction (1-6)  
  - Chapter Two: The Gold Standard (7-43)  
  Karl Polanyi, *The Great Transformation*  
  - Chapter 1 (3-20) |

| M  1 Feb | The 1929 Crash and the Interwar Years | Karl Polanyi, *The Great Transformation*, Chapter 2 (21-32)  
  - Chapter Three: Interwar Instability (45-92)  
  John Kenneth Galbraith, *The Great Crash 1929*  
  - Chapter IX, “Causes and Consequences,” 168-194 |
Embedded Markets & The Keynesian Vision
Karl Polanyi, *The Great Transformation*, Chapter 6 (71-80)

Readings by and about John Maynard Keynes (on Moodle)

The Bretton Woods System

Barry Eichengreen, *Globalizing Capital*
  - Chapter Four: The Bretton Woods System (93-135)

Eichengreen, “The Rise and Fall of the Bretton Woods System” (275-282)

IMF – What is it?
Ngaiire Woods. “A Short Introduction to the IMF and the World Bank”

  - Chapter 1: What is the IMF (5-36)
  - Chapter 3: Why do governments participate in IMF programs? (50-72)

**Essay 1 due in class**

IMF – Critical Perspectives

Jan Aart Scholte, “Civil Society and the governance of global finance” in *Civil Society and Global Finance* (11-32)

Film: Life and Debt

Neoliberalism I
Barry Eichengreen, *Globalizing Capital*
  - Chapter Six: Conclusion (192-196)

David Harvey, *A Brief History of Neoliberalism*, pages 1-63

Neoliberalism II
David Harvey, *A Brief History of Neoliberalism*, pages 64-81, 87-119, 152-172
W 24 Feb

**International Trade Regimes**
Selected Readings on the GATT, WTO, TPP, TTIP

M 29 Feb

**Global Capital and Governance Trilemmas**

- Chapter 9: The Political Trilemma of the World Economy (184-206)
- Chapter 6: Designing Capitalism 3.0 (233-250)

http://www.worldfinancialreview.com/?p=886


W 2 Mar

Catch Up

**Essay 2 due in class**

4-13 March: Spring Break

PART I: The Evolution of the International Financial System

M 14 Mar

**Understanding Financial Crises**

- Chapter 1: Financial Crisis: A Hardy Perennial (1-23)
- Chapter 2: Anatomy of a Typical Crisis (24-37)
- Chapter 7: International Contagion (123-141)

Kindleberger, “the international (and interregional) aspects of financial crises” in Feldstein ed. *The Risk of Economic Crisis* (Chicago), 128-32

“Five Steps of a Bubble,” Investopedia, June 2 2010,
Asian Financial Crisis and the IMF

Accounts of the Crisis:
- Eichengreen, *Globalizing Capital* (186-191)
- John Ravenhill, *Global Political Economy* (3rd ed.) (4-6)

Crash Timeline: [http://www.pbs.org/wgbh/pages/frontline/shows/crash/etc/cron.html](http://www.pbs.org/wgbh/pages/frontline/shows/crash/etc/cron.html)

Joseph Stiglitz, *Democracy and its Discontents*
- “The East Asia Crisis: How IMF Policies Brought the World to the Verge of a Global Meltdown”


Momani and Helleiner, “Slipping into Obscurity? Crisis and Reform at the IMF”

The 2008 Financial Meltdown: How it Unfolded

- Chapter 7: “The American Oligarchy,” 189-222

This American Life, “A Giant Pool of Money” (audio file)

Andrew Lo, “Reading about the Financial Crisis: A 21-Book Review”


This Time is Different

Carmen Reinhart and Kenneth Rogoff, *This Time Is Different*
- Chapter 1 (1-20)
- Chapter 13 (203-222)
- Chapter 15 (240-247)
- Chapter 16 (248-273)

Structural Explanations

*Business as usual: The Roots of the Global Financial Meltdown*
- Craig Calhoun, “Series Introduction” 43-52
- David Harvey, “The Enigma of Capital and the Crisis This Time,” 89-112
- Caglar Keyder, “Crisis, Underconsumption, and Social Policy,” 159-184

Film Screening in Class
Critical Perspectives

The Deepening Crisis: Governance Challenges after Neoliberalism

- Mary Kaldor, “War and Economic Crisis,” 109-134

Aftermath: A New Global Economic Order?

- Saskia Sassen, “A Savage Sorting of Winners and Losers, and Beyond,” 21-38
- Vishwas Satgar, “The crisis of global capitalism and the solidarity economy alternative,” in The Solidarity Economy Alternative: Emerging Theory and Practice. (read only 1-17)

Sovereign Debt Crises

- Michael Lewis, Boomerang: Travels in the New Third World
  - Chapter 2 (41-82)
  - Chapter 4 (133-170)

The Deepening Crisis: Governance Challenges after Neoliberalism

- Vincent Della Sala, “A Less Close Union? The European Union’s Search for Unity amid Crisis,” 135-156
- Dag H. Claes & Carl H. Knutsen (eds), Governing the Global Economy: Politics, Institutions and Economic Development
  - Geoffrey Underhill, “Paved with good intentions: Global financial integration, the Eurozone, and the hellish road to the fabled gold standard” (110-130)

**Essay 3 due in class**

Austerity I

- Mark Blyth, Austerity: The History of a Dangerous Idea
  - Chapters 1-3, 7 (1-96, 229-244)

Austerity II

- Mark Blyth, Austerity: The History of a Dangerous Idea
  - Chapters 4-6, (97-103; skim 104-131; 132-228)

The System Worked I

- Daniel Drezner, The System Worked
  - Chapters 1-3 (1-76)

The System Worked II

- Daniel Drezner, The System Worked
  - Chapters 4-7 (77-192)
**Modifying the Global Financial Architecture**
Mathias Dewatripont, Jean-Charles Rochet, Jean Tirole: *Balancing the Banks: Global Lessons from the Financial Crisis*
- Chapter 3: The Future of Banking Regulation (by Jean-Charles Rochet), 78-106

*The Deepening Crisis: Governance Challenges after Neoliberalism*
- Vadim Volkov, “From Full to Selective Secrecy: The Offshore Realm after the Crisis,” 203-220

- Chapter 1 (1-24)
- Chapter 5 (129-164)

**W 27 Apr**

**Last class. Catch up, Wrap up, Reflections**

*Hard copies of final paper due Friday, May 13, noon (for underclass students), Saturday, May 7, 5pm (for seniors)*