1. OVERALL DESCRIPTION

This is a course which provides the students with the necessary theories and skills to understand and analyse, from a historical perspective, the main agents, institutions and structures that have shaped the political economy of the international monetary and financial system since the gold standard of the XIX Century until the global and the European financial crises of the first two decades of the XXI Century. At the end of the course, students will have a good general knowledge of the most fundamental concepts related to macroeconomics, the political economy of money and finance, monetary theory, financial innovation and regulation and global and European economic governance. This should give them a solid basis to undertake more specialized and technical courses in the field of international finance.

2. LEARNING OBJECTIVES

1. Functional knowledge of the main theories and concepts in the literature on international monetary affairs
2. Intellectual capacities
   2.1. Identifying and integrating relevant information and demonstrate the capacity of analysing a situation, a process, an environment in monetary affairs.
   2.2. Show the capacity of critical thinking in elaborating an argumentation on key debates and processes in international monetary affairs.
3. Interpersonal, teamwork and communication skills
   3.1. Demonstrate effective team interaction skills.
   3.2. Develop and apply skills of personal organisation, anticipation, planning (time management) and methodological rigour.

2. ASSESSMENT

Continuous Assessment (CA): 60% of Overall Mark

1. Research Paper Project: 40% of overall Mark;
   Student will choose their own research question, and essays need to be submitted in class in Session 20 (see guidelines).
2. Oral Examination (Class Presentations, and class Participation): 20% of overall mark.
   Students will give 20 minutes presentations in pairs on one of the topics covered each session (see guidelines).
Final Exam (FE): 40% of Overall Mark; in session 30.
The exam will consist of essay style questions. You will choose 2 questions out of 5, and you will have 90 minutes.

To remember:
Any student missing more than 9 sessions will fail the course. Any student found plagiarizing on an assignment will receive a ‘0’ for that assignment and an ethics warning. A second case of plagiarism will lead to the convening of a university ethics committee, and failing the course. All papers will be graded using turnitin. Any case of cheating on the exam will result in failing the course and the convening of a university ethics committee.

Students who fail the class due to poor grades will have the chance to take an extraordinary exam in July. This exam will compromise two essay questions, and will require students to understand course readings. Students who fail the course due to attendance or ethics violations will not be able to take the July Exam. Exam dates in July are non-negotiable.

Readings
It is absolutely essential that you read at least two sources of literature every week. The publications underlined are particularly important. At this stage of the bachelor it is expected that you are motivated to read the material without the pressure of reading quizzes. If the class is not reading enough, the lecturer reserves the discretion to introduce this type of quizzes.

If you have any problems with the readings, please contact the lecturer.

3. STRUCTURE OF THE COURSE

SESSIONS 1/2: INTRO AND THEORIES OF MONEY

a) Intro to the course
b) The Metallist School
c) The Chartalist School
d) Money and Power


a) Money in the Middle Ages b. The Gold Standard
b) Interwar Instability
c) Bretton Woods System

SESSIONS 5/6: THE CURRENT FLOATING-DOLLAR STANDARD

a) The Nixon Shock
b) From Fixed to Flexible Exchange Rates
c) The ‘Exorbitant Privilege’ and ‘Triffin Dilemma’
d) Coping with ‘Dollar Shocks’ and the ‘Dollar Weapon’

SESSIONS 7/8: THE ROAD TO THE EURO

a. The Werner Plan
b. The Snake in the Tunnel
c. The European Monetary System
d. The European Exchange Rate Mechanism
SESSIONS 9/10: THE BIRTH OF THE EURO

a) Optimal Currency Area Theory
b) The Maastricht Treaty
c) The Growth and Stability Pact

SESSIONS 11/12: INTERNATIONAL CURRENCY COMPETITION ($ VS. € VS. ¥)

a. Determinants of International Currencies
b. International Monetary Power
c. Conditions to become an International Currency
d. The International Role of the Euro

SESSIONS 13/14: EUROPEAN SOVEREIGN DEBT CRISIS

a. Causes of the Crisis
b. Structural Imbalances in the Eurozone
c. The lack of Lender of Last Resort
d. The break-up of the euro?

SESSIONS 15/16: NEW EUROPEAN ECONOMIC GOVERNANCE

a) The European Stability Mechanism
a. The European Fiscal Compact
b. The Banking Union
c. Towards a Political Union?

SESSIONS: 17/18 GLOBALISATION OF FINANCE

a) Global Finance and the State
b) Deregulation of Finance
c) Financial Instability
d) Regulatory Capture and Revolving Doors

SESSION 19: THE ASIAN FINANCIAL CRISIS

Debate: Capital Controls: are they necessary?

SESSIONS 20/21: CAUSES OF THE GLOBAL FINANCIAL CRISIS

a. The Savings Glut Theory
b. Financial Engineering Theory
c. The Democratisation of Finance Theory
d. The Triffin Dilemma Theory
SESSION 22/23: POLICY RESPONSE TO THE GREAT RECESSION

a. Between US stimulus and European austerity  
b. FED and BoE: Quantitative Easing  
c. ECB: LTRO and OMT  
d. Regulatory Response: Basel III

SESSIONS 24/25: GLOBAL MONETARY GOVERNANCE

a. From G8 to G20  
b. The Role of the IMF  
c. The Rise of the BRICs  
d. The Influence of Europe

SESSIONS 26/27: CURRENCY WARS

a. The Deflection Power of the US  
b. Europe plays by the rules  
c. China as a currency manipulator  
d. A return to FX intervention?

SESSIONS 28/29: THE FUTURE OF MONEY AND FINANCE

a. Towards a Multicurrency System?  
b. Reregulation of Finance?  
c. A Financial Transaction Tax?  
d. A Multilateral Economic Order Literature:

SESSION 30: EXAM
4. GUIDELINES FOR THE RESEARCH PAPER

I. GENERAL

1. Aim for 1,500 words (you have 10% up or down discretion)
2. The deadline for the papers is Session 10 of the Module.
3. Penalty of 10% for every day late, maximum 3 days late

II. TOPICS

1. You need to decide your own research question.
2. It needs to be on a topic related to the module.
3. Get the ‘green light’ for your topic from Dr. Miguel Otero-Iglesias

III. TECHNIQUES AND REQUIREMENTS

1. Give the title of the paper.
2. Provide the reader with a short introduction into the topic.
3. Use the introduction to state clearly your research question.
4. Summarise briefly what is your argument in regards to the question
5. Provide an analytical structure which balances your research interest with the evidence in sources and other opinion in secondary literature.
6. Alternatively, arrange the main arguments along the sources available.
7. Use one of the following referencing methods to quote primary and secondary literature.
8. Footnote: giving author, title, place of publication, year, page number
9. Reference in the main text: (author, year : page number)
10. Finish the main body of the text with conclusions on your findings.
11. The conclusions should not be a summary of the main arguments.
12. Rather try and give your opinion to interpret the conclusions you draw form the arguments in the main text.
13. Provide any necessary appendices (tables, graphs etc.) after the main text.
14. Attach a bibliography – a comprehensive overview of the used sources – at the end.

IV. FINAL PROVISIONS

1. Only the main text counts towards the word limit.
2. Footnotes, bibliography and appendices are excluded for that purpose.
3. Use 1.5 line spacing and 12 font size
4. Where it is suitable student collaboration is encourage
5. If you intend to write your paper together with another student, make sure the dividing lines and the linkages are clear. I would strongly advise you to consult with me in such cases.
5. GUIDELINES FOR PRESENTATIONS

- It is important that you work as a team. Distribute the work load (research, reading, preparation of presentation) evenly.
- Make sure that you give a coherent presentation, together. Do not give two separate presentations!
- In order to catch the attention and interest of your audience it is essential to present your topic in a free speech.
- It is usually helpful to have some notes to refer to. It depends on your personal style how detailed they are. A structured list of key points and related arguments which are fleshed out and explained during the presentation usually delivers good results.
- Handouts are usually a good way of providing your audience with basic information and the structure of your presentation. Structural elements such as bullet points, sequential numbers etc., are advisable.
- Give a short bibliography of the sources used at the end of the handout so that one can read up on presentation materials afterwards.
- Additional materials such as overhead foils, blackboard or Power Point can be used, but should not be overemphasized. The presenter and the contents must remain the dominant elements of the presentation.
- Usually it works well, if you stand up and present in front of the class.

Clearly all the above points are no strict rules. Feel free to experiment and find your own way to put your arguments across in the most convincing way. The most important criterion for grading will be the effort and the attempt to give a good presentation. Clear presentation of contents and the attention of class normally result from this effort and will, therefore, form the basis of the evaluation.