

# International Finance

Course syllabus by Aaron Medlin

## *Course description*

This course delves into the theory, history, and political economy of the international organization of money and finance. The course will include a detailed study of the historical and political economy of international financial regimes, the balance of payment and exchange rate dynamics in an open world economy, as well as the effectiveness of (and constraints on) macroeconomic policy under conditions of globalization and floating exchange rates. In addition to studying the formal theory of open economy macroeconomics, we will examine the history and political economy of international financial regimes. Emphasizing contemporary debates, the course covers key issues for in-depth study, including the global financial crisis, the Eurozone crisis, the elements of the global financial safety net and the role of the international lender-of-last-resort, the evolving roles of the U.S. dollar and China's RMB in global finance. By completing this course, students will be equipped to actively engage in policy discussions and address the challenges facing today's international monetary affairs.

## *Texts*

- *International Economics* (11th ed.) by Paul Krugman and Maurice Obstfeld
- *Globalizing Capital: A History of the International Monetary System* by Barry Eichengreen
- *States and the Reemergence of Global Finance* by Eric Helleiner
- *The Age of Central Banks* by Curzio Giannini
- *The Fed Unbound: Central Banking in a Time of Crisis* by Lev Menand
- *The System Worked: How the World Stopped Another Great Depression* by Daniel W. Drezner
- *Currency Statecraft, Monetary Rivalry and Geopolitical Ambition* by Benjamin J. Cohen

## *Course outline*

1. Introduction: Major Issues in the Political Economy of International Finance and Open Economy Macroeconomics
2. International Monetary System: Basic Models and Concepts, History and Political Economy
3. The Gold Standard, Bretton Woods System and the Non-System
4. IMF and other International Financial Institutions
5. Financial Crises in Historical Perspective: Minskian Perspectives and Empirical Evidence
6. The Structure of Global Financial Markets, the Debate over "Global Imbalances" and the Causes of the Financial Crisis, Shadow Financial System
7. The Role of the Dollar and Reserve Currencies
8. "Emerging Markets", Dollarization, Capital Flows and Capital Controls: the Trilemma
9. Currency Areas: Euro and the Euro Crisis
10. Multinational Corporations, Foreign Direct Investment and Outsourcing
11. Global Financial Havens, Tax Evasion and Capital Flight