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Office Hours: Tuesday, 2:00 – 4:00 PM
and by appointment

version 1.0
August 28, 2021

Department of Economics
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International Finance
Economics 721
Fall, 2021

Syllabus

This course analyzes the nature and effects of financial arrangements on capitalist economies operating in an international context. It deals primarily with international financial arrangements and is designed to complement Economics 797L “Open Economy Macroeconomics” taught by Arslan Razmi, though that course is not a pre-requisite for this course.

More specifically, *International Finance* studies the effects of domestic and international banking, finance, foreign direct investment and macroeconomic policy and institutions on capital accumulation, unemployment, inflation, income distribution and class conflict in capitalist economies including the rich, poor and semi-industrialized countries. The course will also survey some relevant economic theories which have tried to understand the operation and implications of these international arrangements.

This semester, the course will use, among other issues, the financial aspects of the global pandemic, the international role of the dollar, the global shadow banking system and the Euro Crisis as lenses through which to study these topics. We will also discuss other issues of direct concern to developing and so-called "emerging" market economies such as exchange rate management and capital controls.

The course will involve heavy doses of history, empirical work and some modeling. Student participation in discussions and in helping to structure class through response papers will be very important in the operations of the class this semester. In addition, students will be expected to write a term research paper that can help students launch further work in these areas (such as dissertations and other writing projects). (There will also be a take home mid-term).

Completing the required reading, preferably before class, will be extremely valuable to ensure that class discussions are fruitful.

Course Requirements:

The requirements for the course and grade weights for the course will consist of the following:

Short response papers and class participation: 35%
(see below for more information on these).

Mid-term exam: 30%

Research paper: 35%

There will be short response papers required for the course. These will be critical summaries/reactions to a set of readings. Each student will need to write 6 or 7 of these scattered throughout the course and students will be expected to write 2 – 4 pages or so for each of them. Students will write and distribute these before most classes and all students will be ready to discuss the paper and answer questions regarding the paper and readings, as well as help lead discussions in the class. This will help structure the discussion in many classes.

There will be a take-home mid-term, the week of October 17 – 24.

With respect to the final research paper, students will present their final papers in “extra” (December 13th) class sessions at the end of the semester. Students are expected to give feedback to their fellow students on their presentations. **The final paper due Saturday, December 18th.**

I intend for students to write papers exploring a topic in international finance/open economy macroeconomics that is of interest to them, quite possibly as an initial exploration of a topic related to their dissertation. This is a good opportunity for students to begin or further develop ideas for dissertations.

Moodle Site:

The course has a *Moodle* site where the syllabus and key readings are posted. We may also use the site for various course activities. So, it is crucial that you use the site.

Moodle courses are now hosted in Moodle in the Cloud, [an upgraded version of Moodle](https://umass.moonami.com), at umass.moonami.com. Log in with your **netid@umass.edu** and password.

Readings:

Most of the readings will be available either on **Moodle (M)** or on **Reserve in the library (R)**. There are a few readings that have been ordered at **Amherst Books (AB)** bookstore that will be useful for the course.

Useful Books: (AB books have been ordered at Amherst Books)

Yilmaz Akyuz. 2017. *Playing With Fire*. Oxford University Press. (R)
Geert Bekaert and Robert Hodrick, *International Financial Management*, 3rd Edition, Cambridge University Press, 2018 (**Relevant Chapters on Reserve/Moodle**)

Fred L. Block. *The Origins of International Economic Disorder: A Study of U.S. International Monetary Policy from WWII to the Present*. 1977, Berkeley, University of California Press. (R)

D'Arista, Jane. 2018. *All Fall Down: Debt, Deregulation and Financial Crises*. Northampton, MA: Elgar Press. (R)

Barry Eichengreen, *Globalizing Capital*. Princeton University Press, 2019. (3rd Edition) (AB)
Ebook: [Globalizing Capital](#)

Gerald Epstein, editor. 2019. *The Political Economy of International Finance in An Age of Inequality: Soft Currencies, Hard Landings*. Northampton, MA: Edward Elgar. (R)

Gerald Epstein, 2019. *What's Wrong with Modern Money Theory*. Palgrave (moodle).

Fritz Foley, James Hines Jr. and David Wessel. 2021. *Global Goliaths; Multinational Corporations in the 21st Century*. Brookings Institution (**Ebook: [Global Goliaths](#)**)

Ilene Grabel. 2018. *When Things Don't Fall Apart; Global Financial Governance and Developmental Finance in an Age of Productive Incoherence*. Cambridge, US: MIT Press. <https://direct.mit.edu/books/book/3634/When-Things-Don-t-Fall-ApartGlobal-Financial>

Eric Helleiner. *States and the Resurgence of Global Finance: From Bretton Woods to the 1990's*. (R) 1994, Cornell University Press. (Ebook: [States and the Reemergence of Global Finance](#) (passim).

Eric Helleiner, *Forgotten Foundations of Bretton Woods: International Development and the Making of the Post-war Order*, Ithaca: Cornell University Press, 2014. ([Ebook on Library Website](#))\

Charles Kindleberger and Robert Aliber, 2011, 6th edition or 2015, 7th edition. *Manias, Panics and Crashes*, John Wiley, Inc. (AB, R)

William Milberg and Deborah Winkler, *Outsourcing Economics: Global Value Chains in Capitalist Development*. Cambridge University Press. 2013. (Ebook: [Outsourcing Economics](#))

Larry Neal, *A Concise History of International Finance; From Babylon to Bernanke*. Cambridge University Press, 2015. (R)

Jose Antonio Ocampo. 2017. *Resetting the International Monetary System*. Oxford University: United Nations University. (Moodle).

Katharina Pistor, *The Code of Capital: How the Law Creates Wealth and Inequality*, was published by Princeton University Press (Ebook: [Code of Capital](#)).

Joseph Stiglitz, *The Euro*. Norton. 2016. (R)

Adam Tooze. 2018. *Crashed; How A Decade of Financial Crises Changed the World*. New York: Viking. (AB, R)

Yanis Varoufaskis, 2017. *Adults in the Room*. New York: Farrar, Straus and Giroux. (R)

Other Required and Optional Readings:

In each section, I will list required readings: the most important can be found either on the *Moodle website or on reserve at the library*.

As the course goes on, I will be adding new readings to the Moodle Site.

NOTE: SPECIAL DATES FOR COURSE:

NO CLASSES: SEPTEMBER 7, SEPTEMBER 16, NOVEMBER 11, NOVEMBER 25TH..

MAKE UP DOUBLE CLASS (TENTATIVELY SCHEDULED) WEDNESDAY, SEPTEMBER 15.

IN CLASS PAPER PRESENTATIONS: MONDAY, DECEMBER 13TH (RESERVE THE WHOLE DAY, 10 am – 5:30 pm; LUNCH TO BE PROVIDED)

Outline of Course

Week I September 2: Introduction: Major Issues in the Political Economy of International Finance and Open Economy Macroeconomics

Week II September 9, 14 and (No Class, Sept. 7th and 16th): International Monetary System: Basic Models and Concepts, History and Political Economy

Weeks III and IV Double-make-up class, Wednesday, Sept 15th; September 21, 23: Financial Crises in Historical Perspective: Minskian Perspectives and Empirical Evidence

Weeks V-VII September 28, 30, October 5, October 7, 12, October 14: The Structure of Global Financial Markets, the Debate over “Global Imbalances” and the Causes of the Financial Crisis, Shadow Financial System, “Emerging Markets I”, Endogenous Enforcement and the International Credit Regime.

---Take Home Mid-Term Exam ---

Week VIII-IX: October 19, 21, 26, 28. “Emerging Markets”, Dollarization, Capital Flows and Capital Controls: Beating the Trilemma: How Much Policy Space?

Week X-XI : November 2, 4, 9 (No Class Nov. 11). The Role of the Dollar and Reserve Currencies, The Euro and The Euro Crisis.

Week XII: November 16, 18. Multinational Corporations, Foreign Direct Investment and Outsourcing

Week XIII: November 23, 30. Global Financial Havens, Tax Evasion and Capital Flight

Week XIV: December 2, 7: The IMF and other International Financial Institutions: Anything New Under the Sun?

Monday, December 13th: In class Paper Presentations and Class (Reserve the Whole Day: including lunch)

Saturday, December 18th: Final Papers due at mid-night.

Readings:

If you have not taken a course in open economy macroeconomics or international finance then familiarize yourself with the finance and open economy macroeconomics sections of a "good" textbook in international finance and open economy macroeconomics. On Reserve at the library will be the very useful intermediate level textbook by Geert Bekaert and Robert Hodrick, *International Financial Management*, 3rd Edition, Cambridge University Press, 2018 (Relevant Chapters on Reserve) ; and the very useful Stigum's Money Market, 3rd or 4th Edition; for more traditional textbooks see Krugman and Obstfeld, *International Economics*_. (Just read the "International Finance" sections of the book.) Another one is Caves, Jones and Frankel, *World Trade and Payments*. If you need a refresher, you should read through the chapters on international finance and Open Economy Macroeconomics.

A better and more advanced text is Rudiger Dornbusch, *Open Economy Macroeconomics, Basic Books, 1980.(On Reserve)*. Though is now quite old and out of print, it still contains much valuable material. A good, but somewhat difficult book with a developing country perspective is: Lance Taylor: *Inflation, Distribution and Growth* (On Reserve).

We will discuss key aspects of some of this material in class during the second week or so.

Week I: Introduction

September 2:

- *Jane D'Arista, "The Evolving International Monetary System", *Cambridge Journal of Economics*, 2009, 33, pp. 633-652.
- *Barry Eichengreen, *Globalizing Capital*, Chapter 1, Introduction.
- *Jose Antonio Ocampo, *Resetting the International Monetary System*, Ch. 1.
- Fred L. Block. The Origins of International Economic Disorder: A Study of U.S. International Monetary Policy from WWII to the Present. 1977, Berkeley, University of California Press. (R), ch. Ch. 1, Introduction
- *Gabriel Zucman "Global Wealth Inequality", *Annual Review of Economics* 2018.

Weeks II and III: International Monetary System: Basic Models, History and Political Economy

We will be take a tour through recent international monetary and financial history focusing on several themes that will recur throughout the course.

Week II The Gold Standard, Bretton Woods System and the Non-System

September 9, 14:

- * Barry Eichengreen, *Globalizing Capital*, chs. 2 – 5.
- *Eric Helleiner, *Forgotten Foundations of Bretton Woods: International Development and the Making of the Postwar Order*, Ithaca: Cornell University Press, 2014. (paperback, AB)
- *Jose Antonio Ocampo. 2017. *Resetting the International Monetary System*. Oxford University: United Nations University. (Moodle). (passim)
- * Matías Vernengo (2021) "The Consolidation of Dollar Hegemony After the Collapse of Bretton Woods: Bringing Power Back in", *Review of Political Economy*, 33:4, 529-551, DOI: 10.1080/09538259.2021.1950966
- * Barry Eichengreen (2021) "Bretton Woods After 50", *Review of Political Economy*, 33:4, 552-569, DOI: 10.1080/09538259.2021.1952011
- Yilmaz Akyuz. 2017. *Playing With Fire*. Oxford University Press. (Passim) (R)
- Fred L. Block. *The Origins of International Economic Disorder: A Study of U.S. International Monetary Policy from WWII to the Present*. 1977, Berkeley, University of California Press., chs. 2 and 3. (R)
- Eric Helleiner. *States and the Resurgence of Global Finance: From Bretton Woods to the 1990's*. (R) 1994, Cornell University Press. (passim)
- Vasudevan, R. 2009. 'From the Gold Standard to the Floating Dollar Standard: An Appraisal in the Light of Marx's Theory of Money.' *Review of Radical Political Economics* 41 (4): 473–491.

Katharina Pistor, Coding Capital (INET).

<https://www.ineteconomics.org/perspectives/blog/coding-private-money>

Carolyn Sissoko, “[Modern legal practice as the engine of inequality](#): an essay on Katharina Pistor’s The Code of Capital. March 8, 2020

Katharina Pistor, *Code of Capital* (Ebook: [Code of Capital](#))

For more on the gold standard read:

Barry Eichengreen, *Golden Fetters; The Gold Standard and the Great Depression. 1919-1934*. Oxford University Press.

Marcello De Cecco *Money and Empire (R)*

Week III: Basic Models and Concepts in International Finance (This is a quick overview of basic concepts and models)

September 15 Double Class (time and place to be announced):

*Geert Bekaert and Robert Hodrick, *International Financial Management, 3rd Edition*, Cambridge University Press, 2018 (Relevant Chapters on Reserve/Moodle)

Dornbusch, Open Economy Macroeconomics, chs. 1,2,3,4, 10, 11. (R) (or similar material in intermediate text book like Krugman and Obstfeld, or Frankel, Caves and Jones)

Marcia Stigum, *Money Markets*

Week IV: Financial Crises in Historical Perspective: Minskian Perspectives and Empirical Evidence.

September 21, 23.

*Charles Kindleberger and Robert Aliber, *Manias, Panics and Crashes* (R, AB), chs. 1 -6, 12, 14, 15.

* Adam Tooze, *Crashed; How a Decade of Financial Crises Changed the World*. Introduction. (AB, R)

*Carlos Diaz Alejandro, 1985. “Good-bye Financial Repression; Hello Financial Crash” *Journal of Development Economics*, 19 (no. 1/2) (moodle)

*Oscar Jorda, Moritz Schularick, and Alan M. Taylor “Financial Crises, Credit Booms, and External Imbalances: 140 Years of Lessons”, *International Monetary Fund*.

*Moritz Schularick and Alan M. Taylor “Credit Booms Gone Bust: Monetary Policy, Leverage Cycles, and Financial Crises, 1870–2008”, *American Economic Review*, 2012.

*Kenneth Rogoff and Carmen Reinhart, “This Time is Different: A Panoramic View of Eight Centuries of Financial Crisis” Carmen M. Reinhart and Kenneth S. Rogoff
Working Paper 13882 <http://www.nber.org/papers/w13882>

*Alan Taylor, 2012. “The Great Leveraging”, BIS Working Papers, No. 398

Jose Antonio Ocampo Jose Antonio Ocampo. 2017. *Resetting the International Monetary System*. Oxford University: United Nations University. (Moodle).

Yilmaz Akyuz, *Playing With Fire* (R)

Ilene Grabel, "Speculation-led economic development: toward a post-Keynesian interpretation of financial liberalization programs in the third world. International Review of Applied Economics, 1995, 9(2).

Arturo O’Connell, “The Politics and Economics of Cross-Border Credit/Debt Restructuring – The Experience of the “Periphery” Countries”, Presentation at INET Conference, 2012.

Gabriel Palma “How The Full Opening of the Capital Account to Highly Liquid and Unstable Financial Markets led Latin America to Two and a Half Cycles of “Mania, Panic and Crash”, in Wolfson and Epstein, *The Handbook of Financial Crises*. Oxford, 2013.

Skim The BIS Annual Reports, the IMF, and Bank of England Financial Stability Reports
UNCTAD Annual reports in recent years.

Weeks V-VII: The Structure of Global Financial Markets and the Debate over “Global Imbalances”:

September 28, 30, October 5, 7, 12, 14.

September 28, 30 Breaking Free of the Triple Coincidence, Banking Glut vs. Savings Glut

*Stefan Avdjiev, Robert McCauley and Hyun Song Shin, "Breaking Free of the Triple Coincidence in International Finance", BIS Working Papers, October 2015.

Agustín S. Bénétrix , Robert N. McCauley, Patrick M. McGuire and Goetz von Peter. "The consolidated wealth of nations: a first step using BIS data", 2017.

*Rey, Helen. "Dilemma not Trilemma: The Global Financial Cycle and Monetary Policy Independence", in Federal Reserve Bank of Kansas City Jackson Hole Economic Symposium, 2014, pp. 285-333.

*Junji Tokunaga and Gerald Epstein "The Endogenous Finance of Global Dollar and Global Financial Fragility in the 2000's: A Minskian Approach", *Review of Keynesian Economics*, 2017.

*BIS Annual Report, "The International Monetary and Financial System (Segment V, Chapter 1).

*Obstfeld, "Does the Current Account Still Matter?", Richard T. Ely Lecture, 2012.

*Hyun Song Shin, "Global Banking Glut and Loan Risk Premium," Mundell-Fleming Lecture, 2012

Valentina Bruno and Hyun Song Shin, "Capital Flows, Cross-Border Banking and Global Liquidity", March 15, 2012

Tobias Adrian, Hyun Song Shin "Liquidity and Leverage" Federal Reserve Bank of New York, May 2008

Katharina Pistor, Coding Capital (INET).

<https://www.ineteconomics.org/perspectives/blog/coding-private-money>

Carolyn Sissoko, "[Modern legal practice as the engine of inequality](#): an essay on Katharina Pistor's The Code of Capital. March 8, 2020

Katharina Pistor, *Code of Capital* (Ebook: [Code of Capital](#))

*Christine Desan, "How To Spend a Trillion Dollars"

The Role of the Dollar in the Financial Architecture and Crises

Hiro Ito and Robert McCauley, "A Key Currency View of Global Imbalances", BIS, 2017.

Robert N. McCauley, Patrick McGuire and Vladyslav Sushko, "Dollar Credit to Emerging Market Economies", BIS, Quarterly Review, 2015.

Robert N. McCauley, Patrick McGuire and Vladyslav Sushko, "Global Dollar Credit: Links to US Monetary Policy and Leverage", BIS Working Papers, No. 483, January 2015.

October 5, 7, 12 Safe Assets, Money and the Shadow Banking System

IMF, 2012. “Shadow Banking: Economics and Policy” Stijn Claessens, Zoltan Pozsar, Lev Ratnovski, and Manmohan Singh

Katharina Pistor, “A Legal Theory of Money”, working paper.

Zoltan Pozsar, 2011, “*Institutional Cash Pools and the Triffin Dilemma of the U.S. Banking System*,” *IMF Working Paper No. 11/190* (Washington: International Monetary Fund).

Perry Mehrling, 2011. *The New Lombard Street; How The Fed Became the Dealer of Last Resort*. Princeton University Press. (Ebook: [New Lombard Street](#))

[Anna Gelpern and Erik F. Gerding](#) *Inside Safe Assets* [Yale Journal on Regulation](#), *Forthcoming* 28 Sep 2016.

Daniela Gabor, Why Shadow Finance is Bigger than Ever. Jacobin, 2018.
<https://jacobinmag.com/2018/11/why-shadow-banking-is-bigger-than-ever>

Daniela Gabor, “Goodbye (Chinese) Shadow Banking, Hello Market-Based Finance”, *Development and Change*, 2018, 49 (2).

Ban, C. and D. Gabor (2017) ‘The Political Economy of Shadow Banking’, *Review of International Political Economy* 23(6): 901–14.

Claessens, S., L. Ratnovski and M. Singh (2012) ‘Shadow Banking: Economics and Policy’. IMF Working Paper No. 12. Washington, DC: International Monetary Fund.

Gabor, D. (2015) ‘The IMF’s Rethink of Global Banks: Critical in Theory, Orthodox in Practice’. *Governance* 28(2): 199–218.

Repos and the Shadow Financial System

Gabor, D. (2016) ‘The (Impossible) Repo Trinity: The Political Economy of Repo Markets’, *Review of International Political Economy* 23(6): 1–34.

Carolyn Sissoko, [“Repurchase Agreements and the De\(con\)struction of Financial Markets”](#)

Gabor, D. and J. Vestergaard (2017) ‘Towards a Theory of Shadow Money’. INET Blog, Institute for New Economic Thinking. www.ineteconomics.org/perspectives/blog/towards-a-theory-of-shadow-money

Mehrling, P., Z. Pozsar, J. Sweeney and D.H. Neilson (2013) ‘Bagehot Was a Shadow Banker: Shadow Banking, Central Banking, and the Future of Global Finance’.
https://papers.ssrn.com/sol3/Papers.cfm?abstract_id=2232016

Pozsar, Z. (2011) ‘Institutional Cash Pools and the Triffin Dilemma of the US Banking System’, *Financial Markets, Institutions & Instruments* 22(5): 283–318.

Pozsar, Z., T. Adrian, A. Ashcraft and H. Boesky (2010) ‘The Shadow Banking System’. Staff Report No. 458. New York: Federal Reserve of New York.
Asset Management

Gerald Epstein, 2019, *The Asset Management Industry in the United States*, CEPAL.
<https://www.cepal.org/en/publications/45045-asset-management-industry-united-states>

October 14 Covid Meltdown and the Architecture of the Global Financial Markets

Financial Stability Board, 2020 [*Holistic Review of the March Market Turmoil*](#)

Carolyn Sissoko, “The collateral supply effect on central bank policy” August 21, 2020

BIS, “Central Bank Response to Crisis”. BIS Annual Report, 2020.

-----Take Home Mid-Term Exam -----

Week VIII-IX: October 19, 21, 26, 28 “Emerging Markets”, Dollarization, Capital Flows and Capital Controls: Beating the Trilemma

October 19, 21

Trilemma and Choice of Exchange Rate

Yilmaz Akyuz. 2017. *Playing With Fire*. Oxford University Press. (R)

Joshua Aizenman, Menzie D. Chinn and Hiro Ito, 2010. “Surfing the Waves of Globalization: Asia and Financial Globalization in the Context of the Trilemma”, NBER Working Paper, 2010.

Andrew K. Rose, “Exchange Rate Regimes, in The Modern Era: Fixed Floating and Flaky”, 2011. UC Berkeley.

*Frankel, Jeffrey Frankel, “No Single Currency Regime is Right for All Countries or At All Times”, Princeton Essays, August, 1999.

Ilene Grabel. 2018. *When Things Don't Fall Apart; Global Financial Governance and Developmental Finance in an Age of Productive Incoherence*. Cambridge, US: MIT Press. <https://direct.mit.edu/books/book/3634/When-Things-Don-t-Fall-ApartGlobal-Financial>

*Ilene Grabel (2015): Post-Crisis Experiments in Development Finance Architectures: A Hirschmanian Perspective On 'Productive Incoherence', *Review of Social Economy*.

*IMF, Macprudential Policy: What Instruments and How To Use Them? Lessons from Country Experiences. 2011.

Real Exchange Rates and Development

*Dani Rodrik, "The Real Exchange Rate and Economic Growth", 2008; JFK School.

*Martin Rapetti and Roberto Frenkel, "A Concise History of Exchange Rate Regimes in Latin America", Umass Economics.

*Mario Damill, Roberto Frenkel and Martin Rapetti, "Financial and Currency Crises in Latin America", Wolfson and Epstein, Ch. 14. (R)
October 26-28 Capital Controls and Capital Mobility

*John Maynard Keynes, "National Self-Sufficiency", *Yale Review*, 1936.

*James Crotty and Gerald Epstein, 1996. "In Defense of Capital Controls". *Socialist Register*. pp. 118-149.

*Rodrik. Dani (1998), Who Needs Capital Account Convertibility?. In *Should the IMF Pursue Capital-Account Convertibility?* Essays in International Finance. No. 207. Princeton University.

* Bilge Erten, Anton Korinek, and José Antonio Ocampo*, "Capital Controls: Theory and Evidence" *Journal of Economic Literature* 2021, 59(1), 45–89

Iñaki Aldasoro, Paula Beltrán, Federico Grinberg and Tommaso Mancini-Griffoli, "The macro-financial effects of international bank lending on emerging markets" *BIS Working Papers No 899*, November 2020.

Gerald Epstein, Ilene Grabel, and Jomo, KS "Capital Management Techniques In Developing Countries: Managing Capital Flows in Malaysia, India, and China." in ed. Joseph Stiglitz and Jose Antonio Ocampo, *Capital Market Liberalization and Development*. New York: Oxford University Press. (with Ilene Grabel and Jomo, K.S.) (2008)

Ilene Grabel, "Trip Wires and Speed Bumps: Managing Financial Risks and Reducing the Potential for Financial Crises in Developing Economies," prepared for the XVIIIth Technical Group Meeting of the G-24 in Geneva, Switzerland, March 8-9, 2004. Published as G-24 Discussion Paper No. 33, November 2004, United Nations and Geneva.

http://www.unctad.org/en/docs/gdsmdpbg2420049_en.pdf

Grabel, Ilene, "Averting Crisis? Assessing Measures to Manage Financial Integration in Emerging Economies, Cambridge Journal of Economics, May 2003, vol. 27, no. 3, pp. 317-36.

<http://0-search.epnet.com.bianca.penlib.du.edu:80/login.aspx?direct=true&db=ecn&an=0652020>

*Kevin Gallagher, Stephany Griffith-Jones and Jose Antonio Ocampo, *Regulating Global Capital Flows for Long-Run Development*, Boston University. Pardee Center. 2012.

*IMF, [The Fund's Role Regarding Cross Border Capital Flows](#), Nov. 2011.

Kang-kook Lee and Arjun Jayadev, "The Effects of Capital Account Liberalization on Economic Growth and Income Distribution" in Gerald Epstein, *Capital Controls and capital Flight In Developing Countries*.

Dollarization

Mainstream Economic Analysis

Sebastian Edwards and I. Igal Magendzo, 2004. "Strict Dollarization and Economic Performance: An Empirical Investigation".

Myriam Quispe-Agnoli, "Costs and Benefits of Dollarization", Federal Reserve Bank of Atlanta, 2002.

Political Economy Factors

Jeffrey A. Frieden, 2001. "The Political Economy of Dollarization: Domestic and International Factors. Department of Government; Harvard University.

Benjamin J. Cohen, 2003. "Dollarization, Rest in Peace", *International Journal of Political Economy*, vol. 33, No. 1, Spring, 2003, pp. 4-20.

Paul Bowles and Juan Carlos Moreno-Brid "The Political Economy of Mexico's Dollarization Debate", CEPAL, *Estudios y Perspectivas*, 2006.

Steinberg, D. (2015). *Demanding devaluation: Exchange rate politics in the developing world*. Ithaca ; London: Cornell University Press.

Steinberg, D. (2016). Developmental states and undervalued exchange rates in the developing world. *Review of International Political Economy*, 23 (3), 418{449. doi: 10.1080/09692290.2015.1135177

Steinberg, D., & Malhotra, K. (2014). "The Effect of Authoritarian Regime Type on Exchange Rate Policy". *World Politics*, 66 (3), 491{529. doi: 10.1017/S0043887114000136

Week X, XI : November 2, 4, 9 (No Class Nov. 11). The Role of the Dollar, Euro, Exorbitant Privilege, Imperialism and Financial Rivalry and Endogenous Enforcement and the International Credit Regime

*Roohi Prem, “An Analysis of The Determinants of Reserve Currency Status”, IMF

*Paul Krugman, “The International Role of the Dollar: Theory and Prospect”.

Elias Papaionnou and Richard Portes, “Costs and Benefits of Running an International Currency”, CEPR.

Jose Antonio Ocampo *Resetting The International Monetary System*

Stiglitz Commission, United Nations, “Report of the Commission of Experts”, September, 2009. (sections on role of dollar)

Gerald Epstein, “The Triple Debt Crisis” *World Policy Journal*.

Gerald Epstein, “*Monetary Policy in the Hidden Election*”. in Ferguson and Rogers, *The Hidden Election*, 1981, in Epstein, 2019.

Barry Eichengreen and Marc Flandreau, “The Federal Reserve, The Bank of England and the Rise of the Dollar as an International Currency, 1914 – 1939” BIS Paper, no. 328. November, 2010.

Matias Vernengo, “The Consolidation of Dollar Hegemony After the Collapse of Bretton Woods: Bringing Power Back In”, *Review of Political Economy*, vol. 4, pp. 529-551.
<https://doi.org/10.1080/09538259.2021.1950966>

Ito, Hiro and Robert McCauley. “A Key currency View of Global Imbalances”, BIS, 2018.

*Robert McCauley, 2015. “Does the US Dollar Confer an Exorbitant Privilege, *Journal of International Finance* 57: 1 – 14.

Eichengreen, et. al. *How Global Currencies Work: Past, Present and Future*. Princeton University Press. 2018.

Mariam Majd, “Collateral and the Role of the Dollar”, mimeo, 2019.

Gerald Epstein, *What’s Wrong With Modern Money Theory*, Chapter 4. 2019.

Barry Eichengreen, *Exorbitant Privilege*, Oxford University Press. 2011.

Barry Eichengreen Marc Flandreau, Central Banks as Architects: The Federal Reserve, the Bank of England, and the Rise of the Dollar as an International Currency, 1914-1939, ppt.

Endogenous Enforcement:

The Euro and Euro Crisis

*Yanis Varoufakis, *Adults in the Room*

Joseph Stiglitz: *The Euro*.

*Yanis Varoufakis, "And the Week Suffer What they Must? Europe's Crisis and America's Economic Future" (Umass E-book/internet) HC240

EuroMemo Group, *European Integration at the Crossroads, Euromemorandum 2012*.

Heiner Flassbeck and Costas Lapavistas, "The Systemic Crisis of the Euro-True Causes and Effective Therapies", 2012.

Paul De Grauwe and Yuemi Ji, "Self-Fulfilling Crises in the Eurozone: An Empirical Test" CEPS Working Document, No. 366. 2012.

Costas Lapavistas, "The Eurozone Crisis through the Prism of World Money", Wolfson and Epstein, Ch. 18. (R)

Week XII: November 16, 18: Multinational Corporations, Foreign Direct Investment and Outsourcing

C. Fritz Foley, James R. Hines Jr. and David Wessel, 2021. *Global Goliaths; Multinational Corporations in the 21st Century*, Brookings Institution. Chs. 1, 2, 7, 8, 10. (Ebook: [Global Goliaths](#))

*William Milberg and Deborah Winkler, *Outsourcing Economics: Global Value Chains in Capitalist Development*. Cambridge University Press. 2013. (E-Book: [Outsourcing Economics](#))

"The financialisation-offshoring nexus and the capital accumulation of U.S. nonfinancial firms" Tristan AUVRAY & Joel RABINOVICH CEPN, CNRS 7234 - Université Paris 13.

Özgür Orhangazi **The role of intangible assets in explaining the investment–profit puzzle** *Cambridge Journal of Economics*, Volume 43, Issue 5, September 2019, Pages 1251–1286, <https://doi.org/10.1093/cje/bey046>

Week XIII: November 23, 30. Global Financial Havens: Tax Evasion and Capital Flight

James Henry, *The Price of Offshore Revisited*, 2016.

Gabriel Zuchman, *"The Hidden Wealth of Nations"*, The University of Chicago Press. (R)

Leonce Ndikumana and James Boyce, *2011 Africa's Odious Debts*. Zed Books. (R)

Leonce Ndikumana and James Boyce: Capital Flight from Africa: New Results, PERI, *Capital Flight from Africa, 1970-2018: New Estimates with Updated Trade Misinvoicing Methodology* May 29, 2021 |

Capital Flight from Africa: Channels, Actors, Enablers

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Final Paper Presentations in Class: Monday, December 13th.

Final Paper due midnight: December 18th.