

**PSCI 688: GOVERNANCE OF THE GLOBAL ECONOMY**  
**Department of Political Science**  
Fall 2011  
Wednesdays 9:30 - 11:50 in AL 210

Course Instructor: **DR. B. MOMANI**  
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**Course Description:** How is the global economy governed? This course addresses this question through an examination of contemporary policy-oriented debates relating to: international trade, foreign direct investment, international financial institutions, global money and finance, global poverty and inequality, emerging economic powers, the illicit world economy, and economic knowledge. The course is designed for students with a strong background in the study of international political economy at the undergraduate or graduate level, and/or for students studying Global Governance at the M.A or Ph.D. level. The course is not recommended for students who do not have either of these backgrounds.

**Course Evaluation:**

		<u>Due Date</u>
1 Oral Presentation	15%	Sign Up Sheet in Class
Participation in Class Discussions	15%	
10 Reaction Papers	10 x 3% = 30%	Sign Up Sheet in Class
Research Paper	40%	Tuesday Dec 6th

Oral Presentations

Each student is required to present on a topic that fits the themes in each week. Each presentation should be approximately 20 minutes. The presentation can be on one of your reaction papers, but it must go beyond the reaction papers and be researched, structured, and contribute to the knowledge of the class and generate interesting discussion afterwards (another 10 minutes or so). The sign up sheet will be available in class (please do not email me your requests). The purpose of the presentation is to go beyond the readings and examine the academic literature on the examined policy area. What is the big picture of the readings? What are we to learn from the readings in the study of IPE? What is missing? What is the political dimension that is perhaps ignored or overlooked? Who are the political stakeholders, national, regional, and international? What are the policy implications of the article, if left unspecified?

Participation

This grade is based on attendance, participation in class question and answer sessions, paying attention to your colleagues who are presenting, and general classroom manner.

**Note:** participation grades cannot be made-up due to missed classes, regardless of the reason (illness, interviews, etc) i.e. if you are not there, then you did not participate. That said, after the first class, one missed class will be a >freebie=. Please do not email me your reasons for simple

absences. You will be rewarded for both physical attendance of the class and intellectual Attendance@ in the class

### Weekly Reaction Papers

Every week, you will produce a reaction papers- each to be one page, single spaced. This may take the form of commentary, questions, agreements, disagreements, and points of discussion. But, this is not about providing a summary of the readings. This is to help you recognize your own interests in and questions about the course material and to help direct the instructor toward issues that are of interest to the class or questions that need to be more fully explored in class. Try not to make your comments too specific, i.e. if you choose to concentrate on only one or two of the readings, be sure to try to link your ideas to the broader themes being addressed that week. The papers are not research papers - there is no need to consult any sources beyond the required readings assigned that week. Please note that these reaction papers are due the day before class, by 3 pm on Wednesday and must be dropped off in the political science drop box outside of Hagey Hall 311. After 3pm, you will lose 50% of the mark, and 10% per day thereafter.

### Research Paper and Proposal

Your research proposal should be 1 page single spaced and is due in class on October 28. Tell me what you want to do, how you plan to examine the topic, and your planned argument. This will be discussed further in class. There is no grade assigned for this assignment, but failure to submit this will result in a 3% deduction off your research paper.

Your research paper should be 8 pages *single spaced*, using 12 pitch Times New Roman font and 1 inch margins top, bottom, and sides. This means that you must be concise, effective, and remember that every word counts. Do not be repetitive. You will be graded on research, argument, structure, and writing. Please use parentheses method of referencing, for example: (Smith, 1998:2). This assignment is due on the last class, December 2nd. Papers received after class will be considered one day late. Note that a 5% late penalty will be deducted per day, including every day of the weekend. Late papers can be placed in the assignment drop box in the political science department. Please do not email me your assignment. A hardcopy must be received. Note that no extensions will be granted, so please do not ask. Computer failure or other technical difficulties will not count as a valid excuse. Note that no assignment will be accepted one week after the due date and a mark of zero will be assigned.

## **COURSE SCHEDULE AND REQUIRED READINGS**

Note: All readings can be obtained electronically online.

### **Sept. 14. Introduction and Organization**

#### **September 21. Governance of the Global Economy: the issues**

El-Erian, M.A., & Spence, M. (2010). Global governance: Pre and Post crisis. In S. Claessens, S. Evenett & B. Hoekman (Eds.) *Rebalancing the Global Economy: A Primer for Policymaking*. 165 – 172. <http://www.rrojasdatabank.info/globimb23.pdf>.

Helleiner, E. (2009). The Contemporary Reform of Global Financial Governance: Implications of and Lessons from the Past. *UNCTAD G-24 Discussion Paper Series No. 55*, 1 – 19. [http://www.unctad.org/en/docs/gdsmdpg2420092\\_en.pdf](http://www.unctad.org/en/docs/gdsmdpg2420092_en.pdf).

Alexandroff, A.S., Shorr, D., & Zaibang, W. (2010). Leadership and the Global Governance Agenda: Three Voices. Available at [http://www.cigionline.org/sites/default/files/3\\_Voices\\_0.pdf](http://www.cigionline.org/sites/default/files/3_Voices_0.pdf).

#### **September 28. The International Financial Crisis: Governing the way out**

Rossi, V. (2009). Towards a Post-Crisis Global Economy: Not out of the Woods yet, Europe now the Key Risk? *Chatham House International Economics Programme Paper 09/01*, 1-19. [http://www.chathamhouse.org.uk/files/14343\\_pp0709globalec.pdf](http://www.chathamhouse.org.uk/files/14343_pp0709globalec.pdf).

Cooper, A. F., & Bradford, Colin, I. (2009). The G20 and the Post-Crisis Economic Order. *CIGI G20 Papers*, June 30, 2010. <http://www.iadb.org/intal/intalcdi/PE/2011/08273.pdf>.

Stanton, T.H. (2011). Governance Implications of the Global Financial Crisis: United States Experience. *Public Organization Review* 11(1), 45 – 59. See PDF.

World Economic Forum. Global Risks 2011, Sixth Edition: An initiative of the Risk Response Network. *World Economic Forum*, January 2011. <http://riskreport.weforum.org/global-risks-2011.pdf>.

#### **October 5. The Role of Financial Regulation**

Goldman Sachs Global Markets Institute (2009) *Effective Regulation: Part 1 Avoiding Another Meltdown*, 1-31. <http://www2.goldmansachs.com/citizenship/global-initiatives/research-and-conferences/recently-published-research/effective-regulation-part-1.pdf>

Blundell-Wignall, A. & Atkinson, P. (2010). Thinking Beyond Basel III: Necessary Solutions for Capital and Liquidity. *OECD Journal: Financial Market Trends*, 1, 1 – 23. Available at <http://www.oecd.org/dataoecd/42/58/45314422.pdf>.

Georg, Co-Pierre. (2011). Basel III and Systemic Risk Regulation – What Way Forward? *Global Financial Markets Working Paper*, No. 17, 1 – 25.  
<http://www.gfinm.de/images/stories/workingpaper17.pdf>.

Verdier, Pierre-Hugues (2011). Mutual Recognition in International Finance. *Harvard International Law Journal*, 52(1), 55 – 108. Available at [http://www.harvardilj.org/wp-content/uploads/2011/02/HILJ\\_52-1\\_Verdier.pdf](http://www.harvardilj.org/wp-content/uploads/2011/02/HILJ_52-1_Verdier.pdf).

### **October 12. The G20 and the new power of the Emerging Market Economies**

O’neill, J. (2009). Some Advice for the G20. *Goldman Sachs Global Economics Paper No: 181*, 3-25. <http://www2.goldmansachs.com/ideas/public-policy/some-advice-for.pdf>.

Woods, N. (2010). The G20 Leaders and Global Governance. *GEG Working Paper No. 59*, 1 – 16. <http://www.globaleconomicgovernance.org/wp-content/uploads/Woods-2010-The-G20-and-Global-Governance.doc.pdf>.

Heinbecker, P. (2011). The Future of the G20 and Its Place in Global Governance. *CIGI G20 Papers No. 5*, 1 – 20. <http://www.iadb.org/intal/intalcdi/PE/2011/08269.pdf>.

Chin, G. (2010). The Emerging Countries and China in the G20: Reshaping Global Economic Governance. *Studia Diplomatica* 63(2), 105 – 123. Available at [http://www.yorku.ca/ycar/Chin\\_Studia.pdf](http://www.yorku.ca/ycar/Chin_Studia.pdf).

### **October 19. Search For a World Currency**

Cohen, B. J. (2003). Chapter One: The Changing Geography of Money. In Cohen (Ed.) *The Future of Money* (pp.1-32). Princeton University Press.  
<http://press.princeton.edu/chapters/s7653.pdf>.

Cohen, B. J. (2011). Paradise Lost? The Euro After the Crisis. UCSB Department of Political Science. Available at [http://www.polsci.ucsb.edu/faculty/cohen/working/pdfs/Euro\\_Future.pdf](http://www.polsci.ucsb.edu/faculty/cohen/working/pdfs/Euro_Future.pdf).

Dolan, M., et. al. (2010). Global Currency War. Thomson Reuters, 1 - 17. Available at <http://graphics.thomsonreuters.com/AS/pdf/currency.pdf>.

Eichengreen, B. (2009). The Dollar Dilemma: The World’s Top Currency Faces Competition. *Foreign Affairs* 88(5), 53 – 68. Available at <http://www.economicforumonline.org/source/downloads/thedollardilemma.pdf>.

### **October 26. The Future of the IMF**

Helleiner, E. & Momani, B. (2007). Slipping Into Obscurity? Crisis and Reform at the IMF. *CIGI Working Paper No. 16*, 1-37.  
[http://www.cigionline.org/sites/default/files/Paper16\\_Helleiner\\_Momani.pdf](http://www.cigionline.org/sites/default/files/Paper16_Helleiner_Momani.pdf).

Santor, E. & Momani, B. (Eds) (2009). The Future of the International Monetary Fund: A Canadian Perspective. *CIGI/CIC Special Report*.  
[http://www.cigionline.org/sites/default/files/The%20Future%20of%20the%20IMF\\_0.pdf](http://www.cigionline.org/sites/default/files/The%20Future%20of%20the%20IMF_0.pdf).

Reinventing Bretton Woods Committee. (2009). Building an International Monetary and Financial System for the 21<sup>st</sup> Century: Agenda for Reform. *Proceedings of the conference organized by the Committee in New York City, November 24 – 25 2009*.  
<http://media.rgemonitor.com/papers/0/RBWCAgendaforReformeBook.pdf>.

Bird, G. & Rowlands, D. (2010). The IMF and the Challenges it Faces. *World Economics* 11(4), 131 – 156. Available at [http://www.relooney.info/0\\_New\\_9441.pdf](http://www.relooney.info/0_New_9441.pdf)

*NOTE: your research paper proposal is due today*

## **November 2. Contemporary Trade Governance**

Kennedy, M. (2011). Two Single Undertakings – Can the WTO Implement The Results of a Round? *Journal of International Economic Law* 14(1), 77 – 120. See PDF.

Kleimann, D. et al. (2011). The Doha Round: An Obituary. *Global Governance Programme, Policy Brief 11-01, 1 - 8*.  
<http://www.eui.eu/Projects/GGP/Documents/Publications/PolicyBriefs/PolicyBrief20111.pdf>.

High Level Trade Experts Group (2011). World Trade and the Doha Round: Final Report of the High-Level Trade Experts Group. Available at  
<http://www.voxeu.org/sites/default/files/file/Trade-experts-group-final%20report-26-05-2011.pdf>.

Cho, S. The Demise of Development in the Doha Round Negotiations. *Texas International Law Journal* 45(573), 573 – 601. Available at  
<http://www.tilj.org/journal/45/cho/Cho%2045%20Tex%20Intl%20LJ%20573.pdf>.

## **November 9. Development and Global Governance**

United Nations (2009). UN Conference on the World and Economic Crisis and Its Impact on Development, June 2009. Available at:  
<http://www.un.org/ga/president/63/interactive/financialcrisis/PreliminaryReport210509.pdf>

## **November 16. Global Imbalances**

Lane, P. R. (2009). *Global Imbalances and Global Governance*. In R. Portes (Chair), *Macroeconomic Imbalances*. Paper presented at CERP Global Economic Governance: Systematic Challenges, Institutional Responses, and the Role of New Actors Conference, Brussels, 2-18.  
<http://www.cepr.org/MEETS/LTM/2399/Lane.pdf>.

Cooper, R. N. (2007). Understanding Global Imbalances. *Brookings Papers on Economic Activity*, 2007-2, 237-261. <http://www.bos.frb.org/economic/conf/conf51/conf51f.pdf>.

Helleiner, E. (2008). International Payments Imbalances and Global Governance. *CIGI Policy Brief No. 8*, 1-8. [http://www.cigionline.org/sites/default/files/Policy\\_Brief\\_no8-web.pdf](http://www.cigionline.org/sites/default/files/Policy_Brief_no8-web.pdf).

Collignon, S. et al. (2010). Rebalancing the Global Economy: Four Perspectives on the Future of the International Monetary System. *Europe in Dialogue 10-01*.  
<http://www.stefancollignon.de/PDF/Europe%20in%20Dialogue2010-Rebalancing.pdf>.

### **November 23. Sovereign Wealth Funds: Threat or Savior?**

Cohen, B. J. (2009). Sovereign Wealth Funds and National Security: the Great Tradeoff. *International Affairs*, 85(4), 713-731.

Kotter, J. & Lel, U. (2011). Friends or Foes? Target Selection Decisions of Sovereign Wealth Funds and Their Consequences. *Journal of Financial Economics* 101, 360 – 381. See PDF.

Mezzacapo, S. (2009). The So-called “Sovereign Wealth Funds”: Regulatory Issues, Financial Stability and Prudential Supervision. *European Commission European Economy Economic Papers* 378, 1 – 104. [http://ec.europa.eu/economy\\_finance/publications/publication15064\\_en.pdf](http://ec.europa.eu/economy_finance/publications/publication15064_en.pdf).

Afyonogly, G. et al. (2010). The Brave New World of Sovereign Wealth Funds. Wharton Leadership Center.  
[http://knowledge.wharton.upenn.edu/papers/download/052810\\_Lauder\\_Sovereign\\_Wealth\\_Fund\\_report\\_2010.pdf](http://knowledge.wharton.upenn.edu/papers/download/052810_Lauder_Sovereign_Wealth_Fund_report_2010.pdf).

### **November 30. Governing Foreign Direct Investment: Regulating States or Corporations?**

Kirkpatrick, C., Parker, D., & Zhang, Y. (2006). Foreign Direct Investment in Infrastructure in Developing Countries: Does Regulation Make a Difference? *Transnational Corporations*, 15(1), 143-167. [http://www.unctad.org/en/docs/iteiit20061a6\\_en.pdf](http://www.unctad.org/en/docs/iteiit20061a6_en.pdf).

Alcacer, J. & Ingram, P. (2008). Spanning the Institutional Abyss: The Intergovernmental Network and the Governance of Foreign Direct Investment. *Harvard Business School Working Paper 09-045*, 1 – 40. <http://www.hbs.edu/research/pdf/09-045.pdf>

Bartels, F. & de Crombrughe, S.A. (2009). FDI Policy Instruments: Advantages and Disadvantages. *UNIDO Research and Statistics Branch Working Paper 01*, 1 – 32.  
[http://www.unido.org/fileadmin/user\\_media/Publications/RSF\\_DPR/WP012009\\_Ebook.pdf](http://www.unido.org/fileadmin/user_media/Publications/RSF_DPR/WP012009_Ebook.pdf)

Reiter, S.L. & Steensma, H.K. (2010). Human Development and Foreign Direct Investment in Developing Countries: The Influence of FDI Policy and Corruption. *World Development* 39(12), 1678 – 1691. See PDF.

## Notices:

### **Academic Integrity:**

**Academic Integrity:** In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility.

**Discipline:** A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline, <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>

**Grievance:** A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>

**Appeals:** A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>

### **Academic Integrity website (Arts):**

[http://arts.uwaterloo.ca/arts/ugrad/academic\\_responsibility.html](http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html)

**Academic Integrity Office (UW):** <http://uwaterloo.ca/academicintegrity/>

### **Accommodation for Students with Disabilities:**

**Note for students with disabilities:** The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.