INTL 314
POLITICS OF INTERNATIONAL FINANCE
Koç University
Spring 2004

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Class Hours: TU and TH 11:00-12:15
Location: CAS B26
Office Hours: W 14:00-17:00 and by appointment

Purpose and Nature of the Course

This is a non-technical course in international political economy that investigates the political dynamics of the global financial relations. We will examine how state and non-state actors built and maintain the global financial system, who are the winners and losers of this system, and how countries’ external financial relations affect their domestic politics, and vice versa. We will emphasize current policy issues and problems in global finance, and learn to discuss these issues by reading stories from serious newspapers or magazines.

Grading

Attendance and participation 15 percent of the total grade
Midterms 55 (25+30) percent “
Choice of Take-Home Final or Thought Paper 30 percent “

Course Outline

(If necessary, changes might be made in the following outline, and in the rest of the syllabus, during the semester)

1. INTERNATIONAL FINANCIAL SYSTEM AS A PUBLIC GOOD

February 16 Introduction to the course

February 18
What are the Desirable Features of an Ideal International Financial System?

Lecture Notes

February 24, 26 How to Supply the Public Good?


**March 2, 4** The Shifting Patterns of the International Financial System


Balance of Payments Adjustments and Governments, Lecture Notes

David Held, et. al. 1999. *Global Transformations*, Polity, Chap. 4

**March 9, 11** International Capital Flows, Financial Liberalization and Development


**March 24, 26** International Coordination of Monetary Policy and Balance of Payments Financing


**March 30, April 1** Hegemony and International Coordination of Banking and Security Markets Regulation


Lecture Notes

**II. DOMESTIC POLITICS AND FINANCIAL GLOBALIZATION**

**April 6, 8** The Political Determinants of Capital Controls and Financial Liberalization


**April 13, 15**  **Review 1. midterm** (Covering section I)

**April 20, 22**  **Spring Break, no class**

**April 27, 29**  Politics and Exchange Rate Regimes


**May 4, 6**  Bank-State Relations, Hegemony, and Financial Market Regulations


**III. CURRENT ISSUES AND CHALLENGES**

**May 11**  Central banks and Monetary Policy


**May 13**  **2. Midterm (covering section II)**

**May 18**  International Financial Crises


**May 20** Reforming the International Financial Institutions


**May 25, 27**  European Monetary Union

Final Examination

ACADEMIC HONESTY

Academic honesty is a fundamental value that all members of the university should cherish. Students and faculty at Koç adhere to the following principles of academic honesty:

1. **Individual responsibility and accountability** for all individual work, written or oral. Copying from others or providing answers or information, written or oral, to others is **cheating**.
2. Providing **proper acknowledgement of original author**: you should acknowledge the person whenever you use another author’s ideas or information. Using a text without acknowledging its author or copying from another student’s paper is **plagiarism**.
3. Study or project group activity is effective and **authorized teamwork**. Unauthorized help from another person or having someone else write one’s paper or assignment is **collusion**.

Cheating, plagiarism, and collusion are serious offences resulting in an F grade and disciplinary action.