



## Money, the State, and World Order

<b>Course Code</b>			
<b>Class Times</b>	Mon/Wed/Thu 1-4pm	<b>Classroom</b>	Bldg : TBD
<b>Equivalent Year Level</b>	2-4	<b>Course Credit</b>	3
<b>Instructor</b>	Kang, Myung-koo	<b>Sessions</b>	1-14
<b>Office</b>	TBD	<b>Email</b>	nicekang@gmail.com

### □ Instructor's Profile



#### Myung-koo Kang

Dr. Kang is (tenured) assistant professor at Baruch College, City University of New York, where he teaches political economy and Asian affairs. Before joining Baruch College in 2012, he taught at Claremont McKenna College for 4 years after his postdoctoral fellowship at Stanford University (2006-2008). He was also a visiting scholar to the Ministry of Finance of the Japanese government (2004-04) and to the Institute for Advanced Study (Princeton, New Jersey) from Jan. 2010 to August of 2010.

#### Education

Ph.D. & M.A. in Political Science– University of California, Berkeley, 2006  
B.A. & M.A. in International Relations – Seoul National University, 1994

#### Expertise

Political Economy, Financial Politics, Japan and Korea

#### Most Recent Works

- “The Confidence Trap: Japan’s Past Bubble and China’s Recent Bubble”, New Political Economy, March 1-26 (2017). <http://dx.doi.org/10.1080/13563467.2017.1321626>
- “Government Policy Responses to Financial Crises: Identifying Patterns and Policy Origins in Developing Countries’ (with Eunyoung Ha), World Development, Vol. 68 (2015): 264-281.
- “The Politics of Bank Bailout in Japan: A Cognitive Capture and Leadership View.” The Pacific Review, 27 (2) (2014): 193-215.
- For more, see <http://www.mkkang.com/publications>



## □ Course Information

Course Description	<p>This course will, first, review three major theoretical paradigms in political economy—liberalist, Marxist, and statist—and explore how a modern global monetary system was established with the formation and expansion of the nation-state system. It will specifically review how the gold exchange standard in the 19<sup>th</sup> and the Bretton Woods system after the WWII were established and then collapsed by focusing on the rise and fall of the British Empire and the United States. The latter part of the course will explore how the Euro was created in response to the U.S. dollar dominance and what problems the Eurozone is facing and how Asian economies have tried to adapt to the U.S. dollar dominance by reviewing the origins of the Asian financial crisis in 1997 and the post-crisis regional monetary order.</p>
Course Evaluation	<ul style="list-style-type: none"><li>• Class attendance &amp; participation 30%</li><li>• Mid-term exam 30%</li><li>• Final Exam 40%</li></ul> <p><b>Attendance</b> will be important for keeping up with class. <b>Active participation</b> in class discussions will be reflected in grade.</p>
Course Materials	<ul style="list-style-type: none"><li>• Students are recommended (not absolutely necessary) to purchase two books for the course:<ol style="list-style-type: none"><li>1. Skidelsky, Robert (2018), <u>Money and Government: The Past and Future of Economics</u> (Yale University Press)</li><li>2. Eichengreen, Barry (2008), <u>Globalizing Capital: A History of the International Monetary System</u>, 2<sup>nd</sup> edition (Princeton University Press)</li></ol></li><li>• All other readings will be provided in PDF before the beginning of the summer session.</li><li>• Students are expected to read the course materials prior to the lecture</li></ul>
Class Policy	<p><i>An attendance list will be kept. The following policy applies: if a student is absent for up to three classes, the final grade will remain unchanged. For each additional absence, the final grade will be reduced by one level. Being more than 15 minutes late will count as absence.</i></p>



## □ Course Schedule

\* Required reading  
# recommended

### I. Rival Views on Markets and States

#### Session 1 (June 26, Thu): What is Money? & Review of the Liberalist Paradigm

- \*Goetzmann, William (2015), Money Changes Everything: How Finance Made Civilization Possible: pp. 1-14.
- \*Smith, Adam (1759). The Theory of Moral Sentiments. Ch. I~V
- #Smith, Adam (1776). An Inquiry into the Nature and Causes of the Wealth of Nations: Book I- Ch. 1 (of division of labor), Book IV Ch.I (Of the principle of the commercial or mercantile system) & Ch.VIII (Conclusion of the mercantile system)
- #Friedman, Milton (1962). Capitalism and Freedom: pp. 22-36.
- #Documentary: Ascent of Money (PBS): <http://www.pbs.org/wnet/ascentofmoney/> Part 1 & 2

#### Session 2 (June 27, Mon): Marxist & Statist Paradigm

- \*Wallerstein, Immanuel (1974 & 2011). The Modern World-System I: pp.346-357
- \*Marx, Karl, The Capital: A Critique of Political Economy, Vol.1: Chapter 1 "Commodities" (<http://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-I.pdf>)
- #List, Friedrich (1916). The National System of Political Economy: ([http://oll.libertyfund.org/index.php?option=com\\_staticxt&staticfile=show.php%3Ftitle=315&Itemid=27](http://oll.libertyfund.org/index.php?option=com_staticxt&staticfile=show.php%3Ftitle=315&Itemid=27))
- #Hilferding, Rudolf (1910). Finance Capital: A Study in the Latest Phase of Capitalist Development ch.23 & 24. (available at <http://www.marxists.org/archive/hilferding/1910/finkap/index.htm>)
- #Gerschenkron, A. (1962), Economic Backwardness in Historical Perspective: 5-30.

### II. The Ascent of Modern Money

#### Session 3 (Jul. 1, Mon): The Rise of the Gold Exchange Standard

- \*Skidelsky (2018), Money and Government: pp.19-59.
- \*Eichengreen, Barry. (1998). Globalizing Capital, pp.6-42.
- #Kindleberger, Charles P. (1984). A Financial History of Western Europe: pp.19-70
- #Tilly, Charles (1982). "War making and State Making as Organized Crime."
- #Documentary: Ascent of Money (PBS):<http://www.pbs.org/wnet/ascentofmoney/> Part 3 & 4

#### Session 4 (Jul. 3, Wed): The Great Depression and the Collapse of the Gold Standard

- \*Eichengreen, Barry. (1998). Globalizing Capital, pp.43-90.

#### Session 5 (Jul. 4, Thu): The Origins of the Bretton Woods System

- \*Eichengreen, Barry. (1998). Globalizing Capital, pp. 91-133
- #Ikenberry, John G. (1993), "The Political Origins of Bretton Woods" Bordo et. al: pp.155-198.

#### Session 6 (Jul. 8, Mon): After Bretton Woods

- \*Eichengreen, Barry. (1998). Globalizing Capital, pp. 134-184
- #Bordo & Eichengreen (1993). A Retrospective on the Bretton Woods system : lessons for international monetary reform: pp. 3-98.



**Session 7 (Jul. 10, Wed): The Creation of the Euro and Its Structural Problems**

\*Eichengreen, Barry. (1998). Globalizing Capital, pp. 185-232

\*Eichengreen, Barry (2011). Exorbitant Privilege: Ch. 6.

**Session 8 (Jul. 11, Thu): Mid-term Exam**

**III. Financial Globalization & Its Challenges**

**Session 9 (Jul. 15, Mon): Financial Crises and the Keynesian Ascendancy**

\*Skidelsky (2018), Money and Government: The Past and Future of Economics, pp.137-170.

\*Rodrik, Dani. (2011). The Globalization Paradox: Ch.9

#Documentary: Inside Job (<http://watchdocumentaries.com/inside-job/>)

**Session 10 (Jul. 16, Wed): Monetarism and Its Limits**

\*Skidelsky (2018), Money and Government, pp.171-214 & pp. 248-287

**Session 11 (Jul. 18, Thu): The role of the IMF and the World Bank Group**

\*Skidelsky (2018), Money and Government, pp. 329-344

\*Serra, Narcís, and Joseph E. Stiglitz. (2008). The Washington Consensus Reconsidered : Towards a New Global Governance: pp.14-30 (“A short history of the Washington Consensus”)

**IV. Asian Regional Monetary Order**

**Session 12 (Jul. 22, Mon): Asia’s Dollar Trap: The Asian financial crisis of 1997 and after**

\*King, Michael R. (2001). "Who Triggered the Asian Financial Crisis?" Review of International Political Economy 8 (3):438-66

\*Sussangkarn, C. (2011), “Chiang Mai Initiative Multilateralization: Origin, Development, and Outlook” Asian Economic Policy Review. 6(2):203-220.

#Eichengreen, Barry et. al (2017). How Global Currencies Work: Past, Present, and Future, ch.7 (The rise and fall of yen): pp.158-69

**Session 13 (Jul. 24, Wed): Yuan’s Internationalization and Its Hurdles**

\*Myung-koo Kang (2017), “The Confidence Trap: Japan’s Past Bubble and China’s Recent Bubble”, New Political Economy, March 1-26.

<http://dx.doi.org/10.1080/13563467.2017.1321626>

\*Skidelsky (2018), Money and Government, pp.345-390

**Session 14 (Jul. 25, Thu): Final Exam**