

International Financial Relations SIS 666

Prof. C. Randall Henning
School of International Service
American University

Spring 2018

Class time: Wednesdays, 8:20 - 10:50 p.m.

Course Description and Prerequisites

The global economy has been progressively integrated through international trade and investment over the last five decades. Globalization, which is particularly pronounced in money and financial markets, accentuates the impact of foreign financial disturbances on national economies and vice versa. This process has also elevated the importance of international monetary and financial policies for governments around the world. The 2008-2009 financial crisis, 2010-2015 European sovereign debt crisis and global financial volatility generally have kept reform of the monetary and financial system squarely on the international agenda.

This course addresses contemporary and historical issues in international monetary and financial relations. Emphasizing key political and economic concepts, the course examines the historical evolution of the international monetary system, the political economy of monetary regimes, regional monetary integration, conflicts over balance-of-payments adjustment, and international currency competition. It also examines the financial crises, the design of financial rescues, and global financial governance.

The course's learning outcomes for students are:

- (1) understanding of the major issues concerning international monetary and financial relations;
- (2) knowledge of the basic concepts and principles of the field;
- (3) ability to use analytical tools to assess policy and alternative proposals for international monetary and financial reform.
- (4) skill in articulating related arguments.

SIS 616 International Economics or its equivalent is a prerequisite; this course is the sequel to it for students in the International Economic Relations (IER) and a core course for that field. The course thus complements SIS 665 International Trade and Investment Relations and SIS 751 International Political Economy within the IER program.

The instructor's office location and office hours:

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SIS Building 317
 Time: To be announced
 Tel: 885-1707

Grading and Requirements

Students are expected to come to each class, read the assigned materials, participate in class discussions, prepare and deliver a slide presentation in class or submit a research paper, and take the final exam. The weights attached to these requirements are:

Participation	15%
First Quiz	10%
Second Quiz	10%
Research Paper	30%
Examination	35%

Students will research and write a substantial paper on a topic related to the course and approved by the instructor. Research papers will have a limit of 3300 words and are expected to use most of the space available. They should adhere to the *Chicago Manual of Style*, with footnotes at the bottom of the page and a list of references at the back. Students should submit a prospectus in the third class meeting and their final papers at the beginning of the eleventh class meeting. The professor might, at his discretion, ask students to make presentations on their papers to the class.

The examination at the end of the course will be comprehensive.

Students are required to follow the financial press on a daily basis and come to class prepared to discuss current events that are relevant to the course. To that end, students are required to follow the instructor on Twitter, @henning_randall, where links will occasionally be posted.

Students are encouraged to consult the instructor's website for syllabi, weblinks and other resources: www.randallhenning.com.

By enrolling in this course, students agree to adhere to American University's Academic Integrity Code (AIC) in its entirety. The AIC, whose provisions are taken seriously in this course, can be found at: <http://www.american.edu/american/registrar/AcademicReg/New/reg80.html>

Laptop computers are allowed in the classroom at the discretion of the instructor. Students may use them to take notes and make presentations in class. If the instructor is concerned that they might be used inappropriately – that is, for any other purpose – the student's laptop privilege will be revoked. (This usually happens to more than one student over the course of a semester.) The instructor reserves the right to ban all laptops and has done so in other courses. The use of cell phones and other personal electronic devices is completely banned during class time.

A prior understanding of the foundations of open economy macroeconomics is essential. All students will need to review and enhance their understanding of these concepts and theories over the course of the semester by reviewing their international economics textbook. I have included such a text as a required purchase below.

Required Texts

Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System* (Princeton: Princeton University Press, 2008).

C. Randall Henning, *Tangled Governance: International Regime Complexity, the Troika, and the Euro Crisis* (Oxford: Oxford University Press, 2017).

Onno Wijnholds, *Fighting Financial Fires: An IMF Insider Account* (New York: Palgrave Macmillan, 2011).

Kevin P. Gallagher, *Ruling Capital: Emerging Markets and the Re-regulation of Cross-Border Finance* (Ithaca, NY: Cornell University Press, 2015).

Eswar S. Prasad, *Gaining Currency: The Rise of the Renminbi* (Oxford: Oxford University Press, 2017).

Dennis R. Appleyard, Alfred J. Field, and Steven L. Cobb, *International Economics*, latest edition (New York: McGraw-Hill/Irwin). (We will not read all of this book, but four chapters are absolutely *essential*. One option is to buy the cheaper, previous edition.)

Recommended Text

Barry Eichengreen, *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System* (New York: Oxford University Press, 2011).

Course Outline and Readings

ER = Material posted on electronic reserve on Blackboard

CR = On closed reserve in the library

Week 1: Introduction, the Gold Standard and Interwar Conflict

1. Course administration.
2. Introduction to key concepts and analytical issues in the international monetary and financial system.
3. Gold standard and domestic politics of money in the 19th century

Hugh Rockoff, "The 'Wizard of Oz' as a Monetary Allegory," *Journal of Political Economy* 98 (1990): 739-60. (ER)

Eichengreen, *Globalizing Capital*, chapters 1 and 2.

Week 2: Bretton Woods Regime and International Monetary Fund

Eichengreen, *Globalizing Capital*, chapters 3 and 4.

Appleyard, Field and Cobb, *International Economics*, Chapter 25 ("Economic Policy in the Open Economy under Fixed Exchange Rates") and first half of Chapter 29 ("International Monetary System"). (Confirm the alignment of chapter numbers and titles in your edition. These chapter numbers are from the 6th edition.) (Read this week but discuss in Weeks 3 and 4)

Self-introductions.

Recommended:

Solomon, *The International Monetary System, 1945-1981*, chapters 10-12 and 15. (ER)

Week 3: Flexible Exchange Rates

Eichengreen, ch. 5, pp. 135-149 (floating), 178-184 (developing countries/conclusion), and chapter 7. Discussion of overall argument of Eichengreen's book during this session.

Joseph Gagnon with Marc Hinterschweiger, *Flexible Exchange Rates for a Stable World Economy* (Washington, D.C.: Peterson Institute, 2011), chapters 1 and 2 (on Blackboard under the Content tab) and chapter 3 (electronic reserves).

Week 4: Open Economy Macroeconomics and Policy

Appleyard, Field and Cobb, *International Economics*, Chapters 26 ("Economic Policy in the Open Economy under Flexible Exchange Rates") and the second half of 29 ("International Monetary System").

Gagnon and Hinterschweiger, chapter 9 (on Blackboard under Content).

Recommended:

Marcus Miller, "Target Zones and Monitoring Bands," C. Fred Bergsten and C. Randall Henning, eds., *Global Economics in Extraordinary Times: Essays in Honor of John Williamson* (Peterson Institute, 2012), chapter 5. (ER)

C. Randall Henning, "The Exchange Rate Weapon and Macroeconomic Conflict," in *International Monetary Power*, edited by David M. Andrews (Ithaca: Cornell University Press, 2006). (ER)

Maurice Obstfeld, *International Currency Experience: New Lessons and Lessons Relearned*, *Brookings Papers on Economic Activity* 1:1995, pp. 119-95. (ER) Skim text, concentrate

on the essential lessons listed at the end.

Week 5: The IMF and Its Financial Strategy (concept quiz)

The quiz will cover the concepts and principles from Weeks 1 through 4. It will not cover the readings listed below for Week 5.

Onno Wijnholds, *Fighting Financial Fires: An IMF Insider Account* (New York: Palgrave Macmillan, 2011).

IMF, “IMF Lending,” at <http://www.imf.org/en/About/Factsheets/IMF-Lending>.

IMF, “IMF Conditionality,” at <https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/28/IMF-Conditionality>.

Charles P. Kindleberger, *Manias, Panics, and Crashes: A History of Financial Crises*, 3rd edition, (New York: Wiley, 1996), chapters 10 and 11, pp. 146-189. (ER)
Read for the concept of the lender of last resort and Bagehot’s rules.

IMF Articles of Agreement, Article IV, and Guidelines for Exchange Rate Policy, as revised in June 2007, available at: www.imf.org.

Study guide questions:

1. What is a lender of last resort? What is the origin of the concept?
2. What are Walter Bagehot’s rules for a lender of last resort?
3. How does the IMF compare to an international LLR?
4. Definitions of solvency and insolvency.

Recommended:

Robert E. Rubin, and Jacob Weisberg, *In an Uncertain World* (New York: Random House, 2003), Chapters 1 (The First Crisis of the Twenty-First Century, Mexico), 9 (A Crisis Considered, Asia) and 10 (Hitting Bottom, Russia and LTCM). (ER)

C. Randall Henning, “US Interests and the International Monetary Fund,” Peterson Institute Policy Brief, June 2009. At <http://www.petersoninstitute.org/publications/pb/pb09-12.pdf>.

Edwin M. Truman, *A Strategy for IMF Reform* (Washington: Institute for International Economics, 2005), available at http://bookstore.iie.com/merchant.mvc?Screen=PROD&Product_Code=3985

Edwin M. Truman, ed., *Reform the IMF for the 21st Century* (see above), chapters 1, 2, 5 (exchange rate rules, by Goldstein), 7 (regional arrangements, by Henning), and 9 (chairs and shares, by Truman). (CR)

Ngairé Woods, *The Globalizers* (Ithaca: Cornell University Press, 2006). (CR)

IMF, “Special Drawing Rights,” Washington, D.C., November 30, 2015. Available at: <http://www.imf.org/external/np/exr/facts/pdf/sdr.pdf> and <http://www.imf.org/external/np/exr/facts/sdr.htm>.

Week 6: Central Banks, Currency Wars and the Rise of the Renminbi

Eswar S. Prasad, *The Dollar Trap: How the U.S. Dollar Tightened Its Grip on Global Finance* (Princeton: Princeton University Press, 2014), pp. 125-170 (Chapters on Currency Wars). (ER)

Raghuram Rajan, “Competitive Monetary Easing: Is It Yesterday Once More,” Remarks to Brookings Institution, April 10, 2014, at https://www.brookings.edu/wp-content/uploads/2016/07/rajan_remarks_at_brookings.pdf.

View in class: Ben S. Bernanke, Mundell-Fleming Lecture to the International Monetary Fund, November 2015. Available at: <http://www.imf.org/external/np/res/seminars/2015/arc/pdf/Mundell-Fleming.pdf>.

Eswar S. Prasad, *Gaining Currency: The Rise of the Renminbi* (New York/Oxford: Oxford University Press, 2017). (Selected chapters to be announced)

Barry Eichengreen, *Exorbitant Privilege: The Rise and Fall of the Dollar and the Future of the International Monetary System* (New York: Oxford University Press, 2011), Introduction (pp. 1-8) and Chapter 6 (Monopoly No More, pp. 121-52). (ER)

Eric Helleiner, “Were Multilateral Financial Institutions Just a Western Idea? The Significance of Chinese and Latin American Contributions to the Concept’s Birth,” paper prepared for the symposium “Beyond Bretton Woods,” forthcoming in *Development and Change*. (ER)

Recommended:

Prachi Mishra and Raghuram Rajan, “Rules of the Monetary Game,” Reserve Bank of India, at <https://faculty.chicagobooth.edu/raghuram.rajan/research/papers/Rules-of-game-mar-21-2016-3.pdf>.

Eric Helleiner and Bessma Momani, “The Hidden History of China and the IMF,” in *The Great Wall of Money*, edited by Eric Helleiner and Jonathan Kirshner (Ithaca, NY: Cornell University Press, 2014), pp. 45-70. (ER)

C. Fred Bergsten and Joseph E. Gagnon, “Currency Manipulation, the US Economy and the Global Economic Order,” Peterson Institute Policy Brief 12-25, December 2012, available at <http://www.iie.com/publications/pb/pb12-25.pdf>.

Joseph E. Gagnon, Combatting Widespread Currency Manipulation, Peterson Institute Policy Brief PB12-19, available at <http://www.iie.com/publications/pb/pb12-19.pdf>.

U.S. Department of the Treasury, “Joint Declaration of the Macroeconomic Policy Authorities of the Trans-Pacific Partnership Countries,” at <https://www.treasury.gov/initiatives/Pages/joint-declaration.aspx>.

Text of the Trade and Customs Enforcement Act of 2016 relating to currency manipulation. (ER)

- Ming Zhang, "Internationalization of the Renminbi: Developments, Problems and Influences," *New Thinking and the New G20 Series*, Paper No. 2 (CIGI, March 2015), at <https://www.cigionline.org/publications/internationalization-of-renminbi-developments-problems-and-influences>.
- Barry Eichengreen, "Sequencing RMB Internationalization," CIGI Paper Series, Paper No.69, at <https://www.cigionline.org/publications/sequencing-rmb-internationalization>.
- Arvind Subramanian, "The Inevitable Superpower," *Foreign Affairs*, September/October 2011.
- Eric Helleiner and Jonathan Kirshner, eds., *The Future of the Dollar* (Ithaca, NY: Cornell University Press, 2009).
- John Williamson, "Understanding Special Drawing Rights (SDRs)," Peterson Institute Policy Brief No. 09-11. At <http://www.petersoninstitute.org/publications/pb/pb09-11.pdf>.
- Zhou Xiaochuan, Reforming the International Monetary System, article posted on PBOC website. <http://www.bis.org/review/r090402c.pdf?frames=0>
- Kristin Forbes, Ida Hjortsoe, Tsvetelina Nenova, "Current Account Deficits during Heightened Risk: Menacing or Mitigating?", NBER Working Paper 22741, <http://www.nber.org/papers/w22741>.

Week 7: Regional Financial Arrangements: Partners or Competitors with the IMF?

- C. Randall Henning, "Global and Regional Financial Governance: Designing Cooperation," Council on Foreign Relations Discussion Paper on Global and Regional Governance, Washington, D.C., September 2016. (ER)
- C. Randall Henning, "Regional Arrangements and the International Monetary Fund," in Edwin M. Truman, ed., *Reform the IMF for the 21st Century* (Washington, D.C.: Peterson Institute, 2006), chapter 7.
- IMF, Collaboration between Regional Financial Arrangements and the IMF, staff paper for the Executive Board, July 31, 2017, at <https://www.imf.org/en/Publications/Policy-Papers/Issues/2017/07/31/pp073117-collaboration-between-regional-financing-arrangements-and-the-imf>.
- Hongying Wang, "New Multilateral Development Banks: Opportunities and Challenges for Global Governance," Council on Foreign Relations Discussion Paper on Global and Regional Governance, Washington, D.C., September 2016. Available at <http://www.cfr.org/global-governance/global-order-new-regionalism/p38348>.

Recommended

- ASEAN+3 finance ministers statement, Bali, Indonesia, May 3, 2009, <http://www.aseansec.org/22536.htm>
- ASEAN+3 finance ministers statement, Manila, the Philippines, May 2012, <http://www.aseansec.org/>.

- C. Randall Henning, “Coordinating Regional and Multilateral Financial Institutions,” Peterson Institute Working Paper 11-9 (March 2011), available at <http://www.petersoninstitute.org/publications/wp/wp11-9.pdf>.
- C. Randall Henning, “The Future of the Chiang Mai Initiative: An Asian Monetary Fund?,” Policy Brief 09-5, Peterson Institute for International Economics, Washington, February 2009. <http://www.iie.com/publications/pb/pb09-5.pdf>
- C. Randall Henning and Saori N. Katada, “Cooperation without Institutions: The Case of East Asian Currency Arrangements,” in *Asian Designs: Governance in the Contemporary World Order*, edited by Saadia M. Pekkanen (Ithaca: Cornell University Press, 2016), pp. 59-74.

Week 8: Monetary Regionalism: Europe – Theory and Principles

Paul de Grauwe, *The Economics of Monetary Union*, 7th edition (New York: Oxford University Press, 2007), Chapters 1 and 2. (ER)

Eichengreen, *Globalizing Capital*, chapter 5, pp. 152-187.

C. Randall Henning, “Systemic Conflict and Regional Monetary Integration: The Case of Europe,” *International Organization* 52 (Summer 1998): 537-73. (ER)

Recommended:

Martin Feldstein, “The Political Economy of the European Economic and Monetary Union: Political Sources of an Economic Liability,” *Journal of Economic Perspectives* 11 (Fall 1997): 23-42. (ER)

[Spring Break]

Week 9: The Euro Crisis and Rescue Programs

Philip R. Lane, The European Sovereign Debt Crisis, *Journal of Economic Perspectives*, vol. 46, no. 3 (Summer 2012), pp. 49-68. (ER)

C. Randall Henning, *Tangled Governance: International Regime Complexity, the Troika, and the Euro Crisis* (Oxford: Oxford University Press, 2017), chapters 1 (Introduction), 3 (Dramatis Institutiones), and 5 (Greece 2010). (ER)

Yanis Varoufakis, *Adults in the Room: My Battle with Europe’s Deep Establishment* (London: The Bodley Head, 2017), Chapters 16 and 17 and Epilogue (pp. 428-485). (ER)

European Commission, “Financial Assistance to Greece: Third Adjustment Programme,” at http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/index_en.htm.

Memorandum of Understanding of August 2015, at http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/pdf/01_mou

[20150811_en.pdf](#).

Maurice Obstfeld and Poul M. Thomsen, “The IMF is Not Asking Greece for More Austerity,” iMFdirect, December 12, 2016, at <https://blog-imfdirect.imf.org/2016/12/12/the-imf-is-not-asking-greece-for-more-austerity/>.

Recommended:

Visit the site of the European Stability Mechanism, <http://www.esm.europa.eu/>. See the ESM treaty in particular.

C. Randall Henning, “The ECB as a Strategic Actor: Central Banking in a Politically Fragmented Monetary Union,” at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2548333.

Week 10: European Disintegration: Will the Euro Collapse? (Second Quiz)

C. Randall Henning and Martin Kessler, *Fiscal Federalism: US History for Architects of Europe’s Fiscal Union*, Bruegel Essay and Lecture Series 2012, at http://bruegel.org/wp-content/uploads/imported/publications/essay_fiscfed_web_01.pdf.

Charles Wyplosz, “Europe’s Quest for Fiscal Discipline,” European Economy Economic Papers No. 498 (April 2013) at http://ec.europa.eu/economy_finance/publications/economic_paper/2013/pdf/ecp498_en.pdf.

Nicolas Véron, *Europe’s Radical Banking Union*, Bruegel Essay and Lecture Series, Brussels, 2015. (ER)

Desmond Lachman and Ryan Nabil, “Does Italy Pose a Threat to the Global Economy?,” AEI Policy Brief, September 2016, at <https://www.aei.org/wp-content/uploads/2016/09/Does-Italy-pose-a-threat-to-the-global-economy.pdf>.

Weder di Mauro, Beatrice, and Jeromin Zettelmeyer, ‘The New Global Financial Safety Net: Struggling for Coherent Governance in a Multipolar System’ *CIGI Essays on International Finance, No.4*. (Waterloo, Ontario: Centre for International Governance Innovation, 2017), at <https://www.cigionline.org/publications/cigi-essays-international-finance-volume-4-new-global-financial-safety-net-struggling>. [location?]

Recommended:

Waltraud Schelkle, *The Political Economy of Monetary Solidarity: Understanding the Euro Experiment* (Oxford: Oxford University Press, 2017). (CR)

Week 11: Debt Restructuring: “Bailing in” the Private Sector (papers due)

Jeffrey D. Sachs, “Do We Need an International Lender of Last Resort?,” Frank D. Graham Lecture, Princeton University, April 20, 1995. (ER)

Anne Krueger, "New Approaches to Sovereign Debt Restructuring: An Update on Our Thinking," speech to the conference, "Sovereign Debt Workouts," at the Institute for International Economics, April 2, 2002.

<http://www.imf.org/external/np/speeches/2002/040102.htm>

Steven L. Schwarcz, "Sovereign Debt Restructuring: A Bankruptcy Reorganization Approach," *Cornell Law Review*, vol. 85 (2000): 956-1034 at

http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1453&context=faculty_scholarship. This is challenging, but read pp. 956-980 for the main concepts – from a legal perspective.

The main questions for this class meeting are:

1. What is the rationale for bankruptcy arrangements in the domestic context?
2. How have scholars applied them to the international context?
3. What are the barriers to creating an SDRM at the international level?
4. What are the interests of the major actors in doing so?
5. What is the relationship between debt restructuring and crisis finance from the IMF?

Week 12: Debt Restructuring: "Bailing in" the Private Sector (continued)

Committee on International Economic Policy and Reform, *Revisiting Sovereign Bankruptcy* (Washington, D.C.: Brookings, October 2013),

http://www.brookings.edu/~media/research/files/reports/2013/10/sovereign%20bankruptcy/ciepr_2013_revisitingsovereignbankruptcyreport.pdf.

Susan Schadler, "Unsustainable Debt and the Political Economy of Lending: Constraining the IMF's Role in Sovereign Debt Crises," CIGI Papers No 19 (October 2013). Available at CIGI website: <https://www.cigionline.org/sites/default/files/no19.pdf>.

IMF, "The Fund's Lending Framework and Sovereign Debt – Further Considerations," April 9, 2015, at <http://www.imf.org/external/np/pp/eng/2015/040915.pdf>.

Recommended:

IMF, "The Fund's Lending Framework and Sovereign Debt – Preliminary Considerations," May 22, 2014, at <http://www.imf.org/external/np/pp/eng/2014/052214.pdf>.

Federico Sturzenegger and Jeromin Zettelmeyer, *Debt, Defaults and Lessons from a Decade of Crises* (Cambridge, MA, and London, UK: MIT Press, 2006). (ER)

Roubini and Setser, *Bailouts or Bailins?* (Washington, D.C.: Peterson Institute, 2004). (ER)

Arturo Porzecanski, "Behind the Greek Default and Restructuring," MPRA Papers, September 2012, at http://mpra.ub.unimuenchen.de/42432/1/MPRA_paper_42432.pdf.

Jeromin Zettelmeyer, Christoph Trebesch, and G. Mitu Gulati, "The Greek Debt Exchange: An Autopsy," http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2144932.

Questions for this class meeting:

1. What is the holdout problem and how did it manifest in the case of Argentina?
2. What is the rationale for a sovereign debt restructuring mechanism for the euro area (CIEP)?

3. Please summarize in three sentences Schadler's argument.
4. What does the revocation of the "systemic exemption" mean for IMF participation in lending programs in the future?

Week 13: Managing International Capital Flows

Kevin P. Gallagher, *Ruling Capital: Emerging Markets and the Re-regulation of Cross-Border Finance* (Ithaca, NY: Cornell University Press, 2015).

IMF, "Liberalization and Management of Capital Flows: An Institutional View," Washington, D.C., November 19, 2012. Available at:
<http://www.imf.org/external/np/pp/eng/2012/111412.pdf>.

C. Randall Henning and Andrew Walter, "Global Governance and the Changing Structure of International Finance: Introduction and Overview," in *Global Financial Governance Confronts the Rising Powers* (Waterloo, CA: Centre for International Governance Innovation, 2016). (ER)

Hélène Rey, "Dilemma Not Trilemma: The Global Financial Cycle and Monetary Policy Independence," NBER Working Paper 21162, <http://www.nber.org/papers/w21162>.

Recommended:

Dooley, Folkerts-Landau and Garber, "An Essay on the Revived Bretton Woods System," NBER Working Paper 9971 at www.nber.org/papers/w9971.

Barry Eichengreen, "Global Imbalances and the Lessons of Bretton Woods," NBER Working Paper 10497 at www.nber.org/papers/w10497.

Morris Goldstein and Nicholas R. Lardy, "China's Exchange Rate Policy: An Overview of Some Key Issues," in Goldstein and Lardy, eds., *Debating China's Exchange Rate Policy* (Washington, D.C.: Peterson Institute, 2008), pp. 1-76.

C. Randall Henning, *Accountability and Oversight of U.S. Exchange Rate Policy* (Washington, D.C.: Peterson Institute 2008).

Week 14: Cryptocurrencies and the Future of International Finance

Satoshi Nakamoto, "Bitcoin: A Peer-to-Peer Electronic Cash System," manuscript, October 31, 2008, at <https://bitcoin.org/bitcoin.pdf>.

Sinclair Davidson, Primavera de Filippi, and Jason Potts, "Blockchains and the Economic Institutions of Capitalism," manuscript, no date, at
https://www.academia.edu/33138299/Blockchains_and_the_economic_institutions_of_capitalism.

Jill Carlson, "Cryptocurrency and Capital Controls," manuscript, University of Oxford, Oxford, U.K, June 2, 2016, at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3046954.

Michael Bordo and Andrew T. Levin, “Central Bank Digital Currency and the Future of monetary Policy,” Hoover Institution Economics Working Papers, No. 17104, Stanford University, Stanford, CA, August 2017, at <http://www.nber.org/papers/w23711> A summary is provided in their article on VOX at <http://voxeu.org/article/benefits-central-bank-digital-currency>.

Dong He et al., “Fintech and Financial Services: Initial Considerations,” IMF Staff Discussion Note 17/05, Washington, D.C., June 2017, at <https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2017/06/16/Fintech-and-Financial-Services-Initial-Considerations-44985>.

Recommended:

Sahil Gupta, Patrick Lauppe, Shreyas Ravishankar, “Fedcoin: A Blockchain-Backed Central Bank Cryptocurrency,” manuscript, Yale University, October 5, 2017, ER

John Conley, “Blockchain and the Economics of Crypto-tokens and Initial Coin Offerings,” Vanderbilt University Department of Economics Working Papers, No. 17-00008, June 6, 2017, at <https://econpapers.repec.org/paper/vanwpaper/vuecon-sub-17-00007.htm>

Paul A. Volcker, “Toward a Single World Currency to Level the Playing Field,” *International Herald Tribune*, January 31, 2000. (ER)

IMF Economic Forums, “One World, One Currency: Destination or Delusion?,” available at: <http://www.imf.org/external/np/exr/ecforums/110800.htm>

Kenneth Rogoff, “On Why Not A Global Currency,” at: <http://www.economics.harvard.edu/faculty/rogoff/files/AER-May01.pdf>

Final Examination

Important Information for All Students

Standards of Academic Conduct: They are set forth in American University’s Academic Integrity Code (AIC). By registering for this course, you acknowledge your awareness of the AIC, and you are obliged to become familiar with your rights and responsibilities as defined by the Code. Violations of the AIC will not be treated lightly, and disciplinary actions will be taken should violations occur. Please contact me if you have any questions about the academic violations described in the Code in general or as they relate to particular requirements for this course, and I encourage you to familiarize yourself with the AIC at <http://www.american.edu/academics/integrity/code.cfm>. Finally, please let me know if you become aware of any violations of the AIC by other students.

In the Event of an Emergency: AU will implement a plan for meeting the needs of all members of the university community. Should the university be required to close for a period of time, we are committed to ensuring that all aspects of our educational programs will be delivered to you. These may include altering and extending the duration of the traditional term schedule to complete essential instruction in the traditional format and/or use of distance instructional

methods. Specific strategies will vary from class to class, depending on the format of the course and the timing of the emergency. I will communicate class-specific information to you via AU e-mail and/or Blackboard, and you are responsible for checking your AU email on a daily basis and for keeping yourself informed of any declared emergencies. Please refer to the AU Student Portal, the AU Web site <http://www.american.edu/emergency/> and the AU information line at (202) 885-1100 for university-wide information.

AU provides numerous services to help students to be successful in their coursework: the Academic Support Center, the Counseling Center, Disability Support Services, the Writing Center and Writing Lab, and the Center for Diversity and Inclusion, most of which are located in the Mary Graydon Center (MGC).

Academic Support Center (x3360, MGC 243) offers study skills workshops, individual instruction, tutor referrals, Supplemental Instruction, and services for students with learning disabilities and ADHD. Writing support is available in the ASC Writing Lab or in the Writing Center. If you qualify for accommodations because of a disability, please notify me in a timely manner with a letter from the Academic Support Center or Disability Support Services so that we can make arrangements to address your needs.

Counseling Center (x3500, MGC 214) offers counseling and consultations regarding personal concerns, self-help information, and connections to off-campus mental health resources.

Disability Support Services (x3315, MGC 206) offers technical and practical support and assistance with accommodations for students with physical, medical, or psychological disabilities. If you qualify for accommodations because of a disability, please notify me in a timely manner with a letter from the Academic Support Center or Disability Support Services so that we can make arrangements to address your needs.

Writing Center (x2991, Battelle-Tompkins 228) offers free, individual coaching sessions to all AU students. In your 45-minute session, a student writing consultant can help you address assignments, understand the conventions of academic writing, and learn how to revise and edit your own work. The Center offers appointments on the hour from 11 AM to 9 PM Monday through Thursday; 11 AM to 4 PM Friday, and 3 to 6 PM on Sundays.

Center for Diversity and Inclusion (x3651, MGC 2nd fl.) is dedicated to enhancing LGBTQ, Multicultural, First Generation, and Women's experiences on campus and to advance AU's commitment to respecting and valuing diversity by serving as a resource and liaison to students, staff, and faculty on issues of equity through education, outreach, and advocacy.