

## 8,390 The International Financial Architecture

### Course Outline

**Prof. Simon J. Evenett**

#### **Contact details:**

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There is no course assistant for this course. Please direct any inquiries to me.

#### **Objectives of the course:**

The goal of this course is to characterise the current international financial architecture, analyse its strengths and weaknesses, and examine various proposals to reform it. The analytical frameworks used in the course will be built on economic tools, and students will learn how to apply them in different contexts and settings. Practical policy matters and institutional considerations will also be addressed.

#### **Organisation of the course:**

The class will meet once all together on 20. February 2008 to discuss the following matters: (i) an overview of the current "international financial architecture" (ii) expectations concerning the completion of five essays that will be completed during the semester, and (iii) the organisation of the three-person tutorial teams that will meet during the semester. With respect to the essays every two weeks each student will prepare a 1000-2000 word essay that answers a question that I have circulated in advance. A total of five essays will be prepared during the semester.

#### **Assessment method for this course:**

Students will be assessed solely on the basis of five written essays that they will write during the semester. Each essay is to be produced during a stated two-week interval and submitted in hard copy to my office 48 hours before the agreed time for a tutorial. At the tutorial the graded essay will be returned to the student and a discussion will take place. Each essay is worth 20 percent of the final grade. A student that fails to submit an essay on time will receive zero percentage points for that essay and will not be able to attend the relevant tutorial. Each essay is an individual assignment. Therefore, students are not to work in groups when completing the assignment. Essays may be hand-written as well as typed. Students are encouraged to focus on the analytical content of their essay and not on the formatting or presentation of their essays.

#### **Topic of the first essay:**

Please complete a 1000-2000 word-long essay that addresses the following question: *What were the outcomes of the Bretton Woods conference and which factors can account for the agreements reached at that conference?*

### Readings:

Michael Bordo. "The Bretton Woods International Monetary System: A Historical Overview." National Bureau of Economic Research working paper number 4033, available at <http://www.nber.org/papers/w4033.pdf>. Section 3 only.

Benjamin Cohen. "The Bretton Woods System." *Routledge Encyclopedia of International Political Economy*. Available online at <http://www.polsci.ucsb.edu/faculty/cohen/inpress/bretton.html>

Roy Harrod. *The Life of John Maynard Keynes*. Chapter 13. Macmillan. 1951.

Harold James. *International Monetary Cooperation Since Bretton Woods*. Chapters 2 and 3. Oxford University Press. 1996.

G. John Ikenberry. "A World Economy Restored: Expert Consensus and the Anglo-American Postwar Settlement." *International Organization*. Volume 46, No.1. (Winter 1992). Available electronically at <http://www.jstor.org/browse#Political+Science>

Stephen Krasner. "State Power and the Structure of International Trade." *World Politics*. Volume 28. 1976. Available electronically at <http://www.jstor.org/browse#Political+Science>

### Suggestions for completing the essays:

With respect to writing your essay, let me be clear what I am looking for. I see these essays as the best way to test if you have understood the material and can put together relevant arguments in a sequence that makes sense. I firmly believe that good writing follows from clear sequential thinking. If the text is not clear or the arguments do not follow on from one another, then I am likely to believe that you haven't thought something through well enough. This is what I am looking for:

1. A clear, informative introduction that guides the reader. The introduction should state what the main issue being discussed is, what your main finding is, and how the rest of the paper is organised.
2. A conclusion that reminds the reader what the main issue is, why it is important, and summarises the key elements of your argument. The reader should be left in no doubt of your main points.
3. A clear logical flow between paragraphs—demonstrating sequential organisation of the material.
4. Precise exposition within each paragraph, showing mastery of terms, appreciation of the facts, and a critical perspective.
5. Explanation of those terms necessary to understand the argument. Avoidance of irrelevant or superfluous ideas and concepts.
6. Where appropriate, use of tools and concepts discussed in class.
7. Comprehensiveness of argument, given word limits.
8. Overall sophistication of the argument.

In general, I have the following suggestions for how you write up this paper:

1. Ask yourself have you really answered the question that I have set.

2. Use the paper as an opportunity to show that you understand the concepts discussed in the readings. Having said that, you are free to draw on any other frameworks or tools that you have learnt during your MIA courses.
3. Sometimes the arguments you want to make have caveats or disadvantages, or are relevant to certain industries or circumstances. It is OK to acknowledge this. In fact, such acknowledgements show you are not trying to over-generalise your arguments or push them too far. Sophistication in arguments is nothing to be afraid of.
4. Before you begin writing (or typing), write out a paragraph-by-paragraph plan. Think of each paragraph as a big idea that you will develop. (A paper that is 1000-2000 words long contains probably 8-10 big ideas, plus an introduction and a conclusion.)
5. Make sure that each big idea (paragraph) follows from the one before it. Think of ways of legitimately linking the ideas, so the reader gets to see that you really understand what you are writing about.
6. Make sure your paper does not look like a list of bullet points, or like a powerpoint presentation that has been copied into Microsoft Word.
7. Do not cut and paste out of documents on the web or elsewhere. Use proper citations (I don't care which style of citations you use.)
8. Do not take my emphasis here on writing clearly to mean that I am looking for a perfectly formatted document. **I will read your document for its content only, for not how well formatted the document is.**
9. Once you have drafted your paper, print it out. Then read it out loud, ideally in front of a loved one or someone you are not too embarrassed to read in front of! Almost everyone I know who is serious about writing analyses does this. Why? Because logical flaws are somehow easier to spot when spoken, and grammatical errors become clearer too. Correct the paper and re-read it before submitting it.