States and Currencies

Research Seminar: International Relations
Political Science 470
Fall 2017

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Office Hours: 10-11 Mon/Wed/Fri or right after class or by appointment
If you can’t come during my office hours, contact me to set up another time. Discussing your paper with me, repeatedly, is crucial to doing well in this class.

Prerequisites:
Course is only open to Poli Sci and IR majors.
Required: Poli Sci 200
Strongly Recommended: Econ 110 and/or Poli Sci 372

Subject Matter:
International Political Economy can be broken down into three subfields: trade, finance, and money. Trade involves flows of goods and services across international boundaries, and the political relationships that sustain or block those flows. Finance involves the political and economic aspects of short-term and long-term capital or investment flows across borders. Money in this context involves the political economy of currency and exchange rate choices by states. In order for trade or financial flows to take place between states, there must be some exchange of monetary units between those states. Firms and individuals must decide what money or currency to use in making an exchange. States must decide whether to issue their own national currency and how their currency will be exchanged for other currencies. For example, should the currency be allowed to float relative to other currencies, or should there be a fixed exchange rate? Monetary Politics is the study of the currency and exchange rate choices made by states and private actors.

In this course, we will be focusing on state choices regarding currencies. One crucial question is whether the state should issue its own currency or use someone else’s. For example, what drives a state to “dollarize”? Another question is whether states should form regional currencies with their neighbors. Although in the 20th century people came to believe that every state should have its own distinct national currency, that was not the general rule prior to the 20th century. The creation of the euro in Western Europe in 1999 suggests that “one state, one money” may not be the rule in the 21st century either. Closer to home, Canadian economists have debated the pros and cons of adopting the U.S. dollar, and President Fox of Mexico publicly proposed a long-term path towards North American Monetary Union.

Another crucial question is how different national currencies relate to each other. As in all areas of International Political Economy, power relationships heavily influence economic interactions. With the U.S. dollar the dominant currency of the past half century, has the U.S. gained influence over other states? Related questions surround the rise of the euro. Will the euro eventually replace the dollar the way the dollar replaced Britain’s pound sterling? What changing conditions would make that more or less likely?
Because a national currency can be such an important part of national identity and because the currency provides important benefits to states, monetary politics also informs larger discussions of nation-building and state-building. If Ecuador chooses to use the dollar as its currency, what does that mean for Ecuador’s identity?

In short, decisions about currencies and exchange rates are not narrow technical questions to be resolved by central bankers. These are profoundly political questions about the nature of the state and its relationships to other states.

Course Goals:
The most visible product of your efforts this semester will be a research paper. The Political Science department created research seminars to ensure that every student completes a substantial, scholarly research project before graduation. The creators of the International Relations major had the same goal. The readings for this course are therefore designed to expose you to a broad range of influential ideas on states and currencies that you can apply to your own project. In this way, we combine the advantages of breadth and depth: readings to expand the horizons of your understanding while your personal research delves into a narrower topic.

Scholarly research is fundamentally connected to writing. Some students have the mistaken idea that writing is what they do after they are done with their research, perhaps even the night before the paper is due. But scholarly research is in fact an iterative process of reading, discussing, and writing—and then more research and more writing—in which many of the most important insights are gained not while in the library or while studying a statistical printout but while writing with pen or word processor. We write to convey what we have learned but also because writing helps us to carefully think through what we believe and to figure out what we do not know. By requiring you to build your research step-by-step through a process of multiple drafts and revisions, research seminars are designed to help you more fully appreciate the scholarly research/writing process.

High-quality research requires high-quality writing. Research seminars have high standards for writing style, clarity, technical accuracy, and citations. Sloppy writing is usually a sign of sloppy thinking. Since you have all taken Poli Sci 200, you know what it means that I am a previous Poli Sci 200 instructor and five-time TA for the course.

Finally, it should be clear up front that this is intended to be one of the most challenging classes of your undergraduate career. It will require a substantial time commitment. This is not just another three-credit course, so be sure to plan your schedule carefully. At the same time, the course should be one of the most rewarding of your college career. Scholarly research is more than just finding ten sources and typing up a summary. Research is creative and adventurous—and therefore sometimes scary. You will be challenged to ask interesting questions and build new understanding. When you succeed, you will have created something you can always be proud of, and expanded your mind in ways you did not expect. Remember that I will do everything in my power to help each one of you succeed.

This course helps fill GE requirements in Advanced Writing. Those learning outcomes can be found at http://ge.byu.edu/content/foundation-documents
Readings:
The reading load for this course is initially heavy but then drops off to allow you to focus on your own research. Initially, you should expect to read about 150 pages per week. All readings in the syllabus should be done before class. There are three required books available in the bookstore or through online booksellers:


There will also be a set of required readings available on Learning Suite or as a packet at the Joseph F. Smith Building copy center (B115 JFSB).

Grading:
75% Research Paper
1% Tentative Topic Statement
4% Prospectus
2% Partial Draft
4% Rough Draft
15% Polished Draft
5% Oral Presentation
44% Final Paper
25% Class Participation
10% Peer Reviews (2 x 5%)
5% Short Analysis Papers (5 x 1%)
5% Leading Class Discussion
5% Other Contributions to Class Discussion

The Research Paper will be completed in seven stages:

(1) The **Tentative Topic Statement** is a simple one-paragraph memo due in class the week before the Prospectus is due. The goal is to ensure that every student comes to class with a concrete topic in mind for class discussion.

(2) The **Prospectus** is a summary of your proposed research project, including the general problem area you are investigating and a well-formed research question. It should already reflect significant research into general sources of information on your topic. I strongly encourage you to come talk to me about your topic before you write your prospectus. If the first prospectus is not acceptable, I will ask you to do another one until you have chosen an acceptable topic.

(3) The **Partial Draft** is a 12-page “first cut” of your research paper. It will be graded only on the number of complete pages of text, not including title page, references, charts, tables, etc. It does not have to be complete or correctly formatted. The purpose of this draft is to help you make progress towards a full paper. You will also turn in copies of search results which show you are exploring important databases for sources.

(4) The **Rough Draft** is a completed 20+ page paper, with correct formatting, citations, etc. It will not be graded on substance, however, but on completeness and timeliness. The purpose is to help you prepare for your polished draft: to give you an incentive to write and then extensively revise your paper before you turn it in as a polished draft.
(5) The **Polished Draft** should be as complete (20-30+ pages long), well written, and well documented as your final paper. If it is unfinished, it will be graded down heavily. You will receive written comments from me and from two of your peers on this draft.

(6) Shortly after turning in your Polished Draft, you will give an 8-minute, in-class **Oral Presentation** of your research, followed by fifteen to twenty minutes of questions and comments from the class. You should plan carefully to be sure you explain your most important information within eight minutes.

(7) Your **Final Paper** is due at the end of the semester. It will be graded more strictly than the previous draft and comprises nearly half of your course grade.

On all these assignments, satisfactory or average work will receive a C grade. Only good or excellent work will receive higher grades. According to department policy I cannot assign you a grade for this course until you have completed a final paper with a grade of at least C-. If your paper is incomplete or has not reached the C- level by the end of the semester, you will receive a T grade for the course until your paper is done.

Because this is a seminar, regular **Participation** by every member of the class is crucial. Students will be expected to prepare for class by doing all the readings in advance. Several students will be asked to lead the discussion of each day’s readings, but all students are expected to participate regularly.

You will also provide written **Peer Reviews** of two of your classmates’ Polished Drafts. This will give them valuable feedback and will also give you insights into the weaknesses in your own paper. In addition to your written review, you will also be expected to make brief comments during the Oral Presentation period of the papers you reviewed.

Since class **Attendance** is a prerequisite for participation, it should go without saying that attendance in class is required. If you are sick or otherwise unable to attend class on a particular day, please notify me by email or phone as soon as possible so I won’t mark you absent.

You are required to turn in 5 **Short Analysis Papers** based on class readings. You may turn in a short essay on any five days of assigned readings, but writing assignments are due **in class** on the day the particular reading is discussed. Late assignments will not be accepted. Because these assignments are to aid you in preparing for class discussion, you must be present in class to turn in your assignment. You may not turn in multiple essays on the same day. Also, you may not do a paper that covers a reading for which you led the class discussion (i.e., no doublecounting an analysis paper with leading the discussion). Analysis Papers should be about 1½ pages (typed and double spaced) and will be graded on a check, check-plus, check-minus basis. It is your responsibility to make sure that you turn in all five. If you turn in more than five, I will count your best five grades.

All of the following are reasonable ways to focus an analysis paper:

- suggest a research puzzle that emerges from the work
- evaluate problems with the author’s argument,
- compare and contrast the arguments of multiple readings,
- highlight a minor argument that you think deserves more attention,
- make comparisons to something else you have read, or
- tentatively evaluate the argument using real-world data.

The goals are to ensure that you are prepared to fully participate in our class discussions and to help you start thinking about potential paper topics. I strongly encourage you to find some way to apply the reading to your own developing research ideas. Notice that these are **not summaries** of the reading; you are required to **analyze** the author’s arguments in some way. You do not need to
discuss the author’s entire reading; your analysis could be based on a single part of the argument, or even on a single sentence.

Finally, you should remember that all forms of cheating, including plagiarism, are grave violations of the standards of any university. Your intensive research project should be accompanied by careful attention to giving credit to those whose ideas and words you use. Unfortunately, in previous research seminars I have had to give failing grades as a result of academic dishonesty. I will do so again if necessary. BYU’s Academic Honesty Policy is in the university catalog and on the web at http://honorcode.byu.edu. The assignment handout for the research paper will contain more detailed guidelines but if you have any questions about what constitutes academic honesty in this class, please ask me.

Other Policies:
Federal law and BYU policy provide protections for students against sexual discrimination and harassment (including student-to-student harassment) and also require reasonable accommodation of students with disabilities. If you feel you have encountered sexual harassment or discrimination, please talk to me, the Equal Opportunity Office (422-5895), or the Honor Code Office (422-2847). If you have any disability which may impair your ability to complete this course successfully, please contact the University Accessibility Center (422-2767) and discuss it with me.

BYU’s office of Counseling and Psychological Services offers help to students with common issues such as anxiety, depression, eating disorders, interpersonal conflicts, marital problems, low self-esteem, difficult social relationships, and stress management. Consistent with the highest standards of professional psychology, all of these services are provided in a confidential manner. Full-time BYU students are treated at no cost. Counseling and Psychological Services is located at 1500 WSC (or call 422-3035). Visit their website at https://caps.byu.edu for more information or to make an appointment.

I will use email to make additional comments and provide useful information about class requirements or substantive content. As a result, you should check your email regularly.
Schedule:
Sept 5  Introduction, Syllabus
Sept 7  History of Money
        Weatherford, Intro & ch. 1-6
Sept 12 History of Money
        Weatherford, ch. 7-12
Sept 14 Economics of Money
Sept 19 Economics of Money: Mundell-Fleming
Sept 21 Economics of Monetary Union
Sept 26 Creating National Currencies
        Helleiner, Intro & ch. 1-2
        Cohen, Intro & ch. 2
Sept 28 Creating National Currencies
        Helleiner, ch. 3-5
Oct 3 Creating and Challenging National Currencies
        Helleiner, ch. 7-8, 10
Oct 5 Currency Sharing and Subordination
        Cohen ch. 3-4
Oct 10 **Tentative Topic Statement due in class (1 paragraph)**
        Discussion: Prospectuses
        Group Discussion: Paper Topics
Oct 12  Currency Sharing: The Euro
WAYNE SANDHOLTZ, “Choosing Union: Monetary Politics and Maastricht,”
International Organization, Winter 1993


Oct 13  Prospectus Due (4:45 pm, 745 Kimball Tower)

Oct 17  Discussion: From Prospectus to Rough Draft
Currency Subordination: Dollarization
Dominick Salvatore, “Which Countries in the Americas Should Dollarize?”
Journal of Policy Modeling, April 2001


Oct 19  Currency Competition
Cohen ch. 5-7

Oct 24  Currency Competition: Dollar vs. Euro

Menzie Chinn and Jeffrey Frankel, “Why the Euro Will Rival the Dollar,”
International Finance, 2008

Oct 26  Domestic Politics of Money


Oct 30  Partial Draft Due (4:45 pm, 745 Kimball Tower)

Oct 31  Discussion: Papers, Presentations, and Peer Reviews
Currency Imagery and National Identity

Scott Cooper and David Covey, “AKP Identity and the Banknote Iconography of the Turkish Lira,” 2017 draft


Nov 2  No Class: Individual Paper Consultations
Rough Draft Due (4:45 pm, 745 Kimball Tower)
Nov 7-16  Oral Presentations (4 days x 3 per day; schedule to be announced)
Polished Draft Due (depends on presentation day)

Nov 21  No Class: Friday Instruction Day

Nov 23  No Class: Holiday

Nov 28, 30  Oral Presentations (2 days x 3 per day; schedule to be announced)
Polished Draft Due (depends on presentation day)

Dec 5, 7  No Class: Individual Paper Consultations

Dec 12  Wrap Up

Dec 14  No Class
Final Paper Due (4:45 pm, 745 Kimball Tower)

Remember: No Final Exam