



Econ 3960-001: The Dollar and Global Financial Inequality

Spring Semester 2026

Tu 04:35PM-07:05PM; GC 2675

Instructor: Patrick Hallan

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Student Office Hours: Tuesdays

3:00-4:20 pm and 7:15-8:30pm,
or by appointment

Meeting Location: Gardner of Commons, Suite 4100

1. Course Description

"The Dollar and Global Financial Inequality" is an interdisciplinary course that combines the views of international political economy (IPE), economics, and economic geography. It covers two main themes: 1. International currencies and the role of the US dollar as the hegemonic currency of the system, and 2. how structural components of the international monetary system (IMFS) impact the space for economic development and policy space of developing and emerging economies.

Topics include

- Dollar hegemony and the "exorbitant privilege and exorbitant duty" of the United States as the issuer of the reserve currency;
- The history of the international monetary and financial system (IMFS);
- State power, monetary power, and statecraft;
- Globalization and financialization;
- Subordinate finance
- The uneven development of financial markets, policy responses from developing countries;

At the end of this course, students should:

- Understand the historical foundations of the dollar as a hegemonic currency;

- Understand the macroeconomics economy of the dollar hegemony for both the United States and the Rest of the World;
- Understand the political economy of the dollar hegemony;
- Be comfortable with the institutional developments of the international monetary and financial system (IMFS) from world war II to the present;
- Understand currency hierarchies and the implications for the policy space and economic development of less-developed economies

2. Teaching and Learning Methods

This class is a hybrid of expository lectures and debate-driven seminars. Slides will be made available for every session. There will be quizzes, small group discussions, in-class essays and student presentations. **This is a reading-intensive course, with a load of about 60-100 pages per week.** You are expected to ask lots of questions, be prepared to contribute to regular small group discussions and summarize your conversations for the rest of the class. Most importantly, share what you know! We can all learn a lot from one another.

3. Structure of the class

There will be two kinds of classes:

Lecture Classes (An approximate outline)

This class will be weekly and will last 2.5h. Each class is divided into halves separated by a 5-minute break. Each half will have the following structure:

- a. At the beginning of every lecture class, one or two students will present a **paper/chapter introduction**, an overview of the paper/book chapter for 5-10 min, sharing
 - The main arguments;
 - The key 2 or 3 concepts;
 - How it compares to other texts read and discussed in class;
 - Their opinions;
 - Questions they are still left with.
- b. 40min-50min lecture where I will breakdown the paper into parts
- c. 10 min quiz reviewing the topic (answered individually or in small groups)
- d. 10 min discussion of the quiz

Student-led sessions

Students will prepare 10-to-15-minute presentations of the content (paper/book chapter). Different from the paper/class introductions (see below), these presentations will cover the content in detail and, preferably, should have slides.

4. Required Materials

This class uses a combination of papers and book chapters (see references below). All materials are either available at Marriott Library's website or will be made available on Canvas.

5. Grading Policy

Item	Percentage of Grade	Date
In-class quizzes/assignments	15%	Every class
Paper/chapter introduction	15%	Introductions calendar
"Listen, Read, Watch" Presentations	Up to 10% (Extra credit, 5% each time)	"Listen, Read, Watch" calendar
Midterm Exams	45% (15% each)	02/03, 03/03, 04/07
Term paper proposal submission	5% (Extra credit if submitted by deadline)	04/14
Term Paper (In class)	25%	04/28

In-class quizzes/assignments (15%)

Immediately after the presentation of the material, students will answer a quiz (MCQ and/or short-essay) for practice and content retention. We will then discuss the answers together.

Quizzes can be answered individually or in small groups.

Students can miss up to 20% of this without a penalty to the grade.

Paper/chapter introduction (15%)

At the beginning of every lecture class, one or two students will present a **paper/chapter introduction**, an overview of the paper/book chapter for 5-10 min, sharing

- The main arguments;
- The key 2 or 3 concepts;
- Their opinion on the reading (Any particular insights? Anything you disagree with?)
- Questions and doubts about the paper and that you would like to be covered in class.

Students responsible for the paper/chapter introduction of the week will fill out a Canvas

assignment 24h before the class (Monday 4:35 PM).

“Listen, Read, Watch” Presentations (Up to 10% of extra credit)

At the end of classes, groups of 1 or 2 students will briefly present a podcast on a topic related to the content of the class.

Each group will pick a podcast to present in class and write a short essay on. Presentations will last 8-10 minutes and the use of slides is strongly encouraged.

Exams (45%)

There will be three midterm exams. Each exam is worth 15% of the final grade. Exams will be based on the readings, class discussions and quizzes and are **open notes**.

Term paper proposal (5% extra credit)

Students will submit a proposal for their term paper by filling a template on Canvas. This proposal will include:

- Which **broad theme** it will cover (see below);
- Proposed title (this can change);
- Which of the readings will be used;
- What **genre** it will follow: comparative literature review, argumentative (position), case study, historical or institutional analysis;
- A brief overview of what the term paper will look like.

In-class Term Paper (25%)

At the end of the semester students will write a term paper in class. Students will choose one of the broad themes and include at least 3 sources from the References (see below). *Students are allowed to bring any physical books, printed papers, or hand-written notes.* No electronic devices will be allowed.

Broad Themes

- I. The international monetary and financial system (IMFS);
- II. Exorbitant privilege and exorbitant duty of the US dollar;
- III. The future of the US dollar;
- IV. Foreign Exchange Markets;
- V. Challenges faced by less-developed economies;

VI. Other (specify)

6. Course Schedule

Week (Date)	Module	Bibliography	Listen, Read, Watch
1 (01/06)	Review of International Finance	Melvin and Norrbin (textbook) Ch. 1 and 2	
2 (01/13)	Review of International Finance	Melvin and Norrbin (textbook) Ch. 3 and 4	FX Markets
3 (01/20)	Review of International Finance	Melvin and Norrbin (textbook) Ch. 5 and 6	The Bretton Woods System
4 (01/27)	Review of International Finance	Melvin and Norrbin (textbook) Ch. 7 and 8	How Global Trade Runs on US Dollars The Plaza Accord of 1985
5 (02/03)	Midterm 1	Midterm 1 (Covers Chs. 1-8 of the textbook) Eichengreen et al. (2018 - Ch. 1)	
6 (02/10)	How Global Currencies Work	Eichengreen et al. (2018 - Chs. 2 - 4)	The Hidden History of Eurodollars part 1 (Odd Lots)
7 (02/17)	How Global Currencies Work	Eichengreen et al. (2018 - Chs. 5 - 7)	The Hidden History of Eurodollars part 2 (Odd Lots)
8 (02/24)	How Global Currencies Work	Eichengreen et al. (2018 - Chs. 8 - 10)	The Hidden History of Eurodollars part 3 (Odd Lots) Financialization (Investopedia)
9 (03/03)	Midterm 2	Covers Eichengreen et al. (2018 - chapters 1-10)	
10 (03/7-03/15)	Spring Break		

11 (03/17)	Theoretical Foundations of the Dollar Hegemony: The Money View	Merhling (2013a); Merhling (2013b)	The Global Role of the Dollar (Perry Mehrling)
12 (03/24)	Theoretical Foundations of the Dollar Hegemony: The Marxist View	Vasudevan (2017); Vasudevan (2025)	How Global Trade Runs on US Dollars
13 (03/31)	Theoretical Foundations of the Dollar Hegemony: IPE	Cohen, 2015 (Ch.s 1 to 3); Palley, (2022)	The Dollar: The World's Reserve Currency The Power of Credit Rating Agencies (A. Heuser TED Talk)
14 (04/02)	Dollar Hegemony Today	Rogoff (2025 - ch. 20 to 25;)	BRICS Just "Declared War" on the US Dollar Why is the Dollar so Powerful?
15 (04/07)	Midterm 3	Midterm exam 3 Benney & Cohen (2024);	
16 (04/14)	Global Financial Inequality	Gourinchas, Rey, & Sauzet (2019) Carneiro, R., & De Conti, B. (2022) Term paper proposal submission deadline	Money and Financial Hierarchies 1 Money and Financial Hierarchies 2
17 (04/21)	Global Financial Inequality	Alami (2025) Koddenbrock, K., Kvangraven, I. H., & Sylla, N. S. (2022)	What Drives Reserve Accumulation and at what Cost? Uneven and Combined Development International Financial Subordination (IFS)
18 (04/28)	Term Paper		

References:

Core Readings:

Alami, I. (2025). Political Economy of International Financial Subordination: From Genesis to Varieties of Financial Statecraft. In *State, Capitalism, and Finance in Emerging Markets* (pp. 22-46). Bristol University Press.

Benney, T. M., & Cohen, B. J. (2024). The international currency system revisited. In *Dollar Hegemony* (pp. 1-19). Edward Elgar Publishing.

Carneiro, R., & De Conti, B. (2022). Exorbitant privilege and compulsory duty: the two faces of the financialised IMS. *Cambridge journal of economics*, 46(4), 735-752.

Cohen, B. J. (2015). *Currency power: Understanding monetary rivalry*. Princeton University Press.

Eichengreen, B., Mehl, A., & Chitu, L. (2018). *How global currencies work: past, present, and future*. Princeton University Press.

Gourinchas, P. O., Rey, H., & Sauzet, M. (2019). The international monetary and financial system. *Annual Review of Economics*, 11(1), 859-893.

Koddenbrock, K., Kvaggraven, I. H., & Sylla, N. S. (2022). Beyond financialisation: the longue durée of finance and production in the Global South. *Cambridge Journal of Economics*, 46(4), 703-733.

Melvin, M., & Norrbin, S. C. (2017). *International money and finance*. Academic Press.

Mehrling, P. (2013a). The inherent hierarchy of money. *Social fairness and economics*, 394-404.

Mehrling, P. (2013b). Essential hybridity: A money view of FX. *Journal of Comparative Economics*, 41(2), 355-363.

Palley, T. (2022). Theorizing dollar hegemony, Part 1: the political economic foundations of exorbitant privilege. *Post-Keynesian Economics Society Working Paper*, 2220, 1-64.

Rogoff, K. (2025). *Our dollar, your problem: an insider's view of seven turbulent decades of global finance, and the road ahead*. Yale University Press.

Vasudevan, R. (2017). The significance of Marx's theory of money. *Economic and Political Weekly*, 70-82.

Vasudevan, R. (2025). The nexus of public debt and private finance: Forging the international monetary order. *Review of Political Economy*, 37(2), 637-656.

Additional Readings:

Akçay, Ü., & Güngen, A. R. (2022). Dependent financialisation and its crisis: the case of Turkey. *Cambridge Journal of Economics*, 46(2), 293-316.

Alami, I. (2025). Political Economy of International Financial Subordination: From Genesis to Varieties of Financial Statecraft. In *State, Capitalism, and Finance in Emerging Markets* (pp. 22-46). Bristol University Press.

Armijo, L. E. (2025). International Financial Statecraft: How, Who, and with What Expectations of Success?. In *State, Capitalism, and Finance in Emerging Markets* (pp. 47-76). Bristol University Press.

Bond, P. (2025). South African Financial System Innovation and Degradation under Conditions of Extreme Uneven Development. In *State, Capitalism, and Finance in Emerging Markets* (pp. 79-109). Bristol University Press.

Calvo, G. A., & Reinhart, C. M. (2002). Fear of floating. *The Quarterly journal of economics*, 117(2), 379-408.

De Paula, L. F., Fritz, B., & Prates, D. M. (2017). Keynes at the periphery: Currency hierarchy and challenges for economic policy in emerging economies. *Journal of post Keynesian economics*, 40(2), 183-202.

Eichengreen, B. (2019). Globalizing capital: a history of the international monetary system.

Eichengreen, B., & Hausmann, R. (1999). Exchange rates and financial fragility. *NBER WORKING PAPER SERIES*

Fritz, B., de Paula, L. F., & Prates, D. (2022). Currency hierarchy and financial globalization in emerging economies: how far does Riese's critique of growth by external debt still hold?. *European Journal of Economics and Economic Policies*, 19(2), 260-277.

Gourinchas, P. O., & Jeanne, O. (2013). Capital flows to developing countries: The allocation puzzle. *Review of Economic Studies*, 80(4), 1484-1515.

Gourinchas, P. O., & Rey, H. (2022). Exorbitant privilege and exorbitant duty.

Griffith-Jones, S., & Ocampo, J. A. (Eds.). (2018). *The future of national development banks*. Oxford University Press.

Guttman, R (2021). Multi-Polar Capitalism: The End of the Dollar Standard. Palgrave Macmillan. *Springer*.

Howell, M. J. (2020). *Capital wars: The rise of global liquidity*. New York: palgrave macmillan.

Kapadia, A., & Musthaq, F. (2025). Relaxing the Survival Constraint: India's Financial Statecraft in Search of Domestic Autonomy. In *State, Capitalism, and Finance in Emerging Markets* (pp. 135-161). Bristol University Press

Kvangraven, I. H. (2025). Afterword: The Relevance of Global Capitalism for Studying Statecraft and Financial Subordination. In *State, Capitalism, and Finance in Emerging Markets* (pp. 255-262). Bristol University Press.

Lamfalussy, A., & Lámfalussy, S. (2000). *Financial crises in emerging markets: An essay on financial globalisation and fragility*. Yale University Press.

Lapavitsas, C. (2014). *Profiting without producing: How finance exploits us all*. Verso Books.

Liu, Z. Z., & Papa, M. (2022). *Can BRICS de-dollarize the global financial system?*. Cambridge University Press.

Machado, P. L., de Paula, L. F., & Mantoan, E. (2025). Brazil in the Global Financial Order: How Domestic Politics Trigger Ambiguous Contestation. In *State, Capitalism, and Finance in Emerging Markets* (pp. 110-134). Bristol University Press.

McNally, C. A. (2025). Seeking Autonomy Beyond Subordination: Chinese Financial Statecraft and the e-CNY. In *State, Capitalism, and Finance in Emerging Markets* (pp. 162-182). Bristol University Press.

Miranda-Agrrippino, S., & Rey, H. (2022). The global financial cycle. In *Handbook of international economics* (Vol. 6, pp. 1-43). Elsevier.

Moreno-Brid, J. C., Caldentey, E. P., & Valdez, L. (2019). Changing challenges in the modernization of Nacional Financiera: Mexico's key development bank.

Ndikumana, L., Naidoo, K., & Perez, F. (2023). Can national development banks help alleviate the shortage of patient investment capital in Africa? Evidence from bank-level panel data. *Journal of African Development*, 24(1), 1-42.

Newstadt, E. (2008). Neoliberalism and the Federal Reserve. In *American empire and the political economy of global finance* (pp. 90-118). London: Palgrave Macmillan UK.

Petry, J., & Nölke, A. (2025). Introduction: Subordination, Statecraft, and Comparative Capitalism. In *State, Capitalism, and Finance in Emerging Markets* (pp. 3-21). Bristol University Press.

Rey, H. (2015). *Dilemma not trilemma: the global financial cycle and monetary policy independence* (No. w21162). National Bureau of Economic Research.

Rodrik, D. (2006). The social cost of foreign exchange reserves. *International economic journal*, 20(3), 253-266.

Sarai, D., Panitch, L., & Konings, M. (2009). American Empire and the Political Economy of Global Finance.

Vernengo, M. (2006). Technology, finance, and dependency: Latin American radical political economy in retrospect. *Review of radical political economics*, 38(4), 551-568.

Note: This syllabus is meant to serve as an outline and guide for our course. Please note that I may modify it with reasonable notice to you. I may also modify the Course Schedule to accommodate the needs of our class. Any changes will be announced in class and posted on Canvas under Announcements.

Course Policies

Attendance & Punctuality: Given the nature of this course, attendance is required and adjustments cannot be granted to allow non-attendance. However, if you need to seek an Americans with Disabilities Act (ADA) accommodation to request an exception to this attendance policy due to a disability, please contact the Center for Disability and Access (CDA). CDA will work with us to determine which, if any, ADA accommodations are reasonable and appropriate.

Food & Drink: Please try not to distract others if you choose to eat or drink during class.

Electronic Devices in Class: No electronic devices unless you have a CDA-approved exemption.

Canvas: Besides the textbook, all other readings will be posted on Canvas. All assignments should also be submitted via Canvas.