

MONEY AND THE LAW

Syllabus – 2016

Course Description and Administrative Details:

Course no. 14117263-40

Wednesdays 10:15 – 11:45

If money makes the world go round, perhaps by now it has made us dizzy. Financial crises, currency crises, and political crises in their wake make understanding money more urgent than ever. This course approaches money as a legal institution. It explores the way money systems are engineered to mobilize resources, and the way money provides a common frame of value. We will investigate the most important actors in today's monetary architecture: central banks, commercial banks, non-bank financial institutions, and state treasuries, as well as global institutions like the Basel Committee on Banking Supervision, the International Monetary Fund, and the Financial Stability Board. By unpacking the legal building blocks of monetary institutions, the course will open a window onto today's politics of money.

Students will write short response papers and present critical accounts of the reading material in class discussion. There will be a brief final paper, due at the end of the semester.

Grade: Response papers and in class presentations and participation: 40%; final paper: 60%.

Reading List

2.3.2016	Introduction	Christine Desan, "The Constitutional Approach to Money: Monetary Design and the Production of the Modern World," [unpublished excerpt] (2016).
9.3.206	Sovereign Money	Abba P. Lerner, "Money as a Creature of the State," 37 <i>Am. Econ. Rev.</i> 312-317 (1947). L. Randall Wray, <i>Modern Money Theory</i> 39-56 (2012).
16.3.2016	Money Creation with Banks	Michael McLeay et. al., "Money Creation in the Modern Economy," 54 <i>Bank of England Q. Bull.</i> No. 1, 14-27 (2014).

23.3.2016	Central Banks	C.A.E. Goodhart, "The Changing Role of Central Banks," 18 <i>Financial History Review</i> 135-154 (2011).
30.3.2016	Monetary Policy and Public Debt	Charles Goodhart, "Monetary Policy and Public Debt," 16 <i>Banque de France Financial Stability Review</i> 123-130 (2012). Brad DeLong, "Needed: More Government, More Government Debt, Less Worry," <i>Equitablog</i> July 13, 2015.
6.4.2016	Money Markets and Capital Markets	Perry Mehrling, "Monetary Policy Implementation: A Microstructure Approach," in <i>David Laidler's Contributions to Economics</i> 212-234 (Robert Leeson, ed., 2010). Perry Mehrling, "Rethorizing Liquidity" [unpublished manuscript] (2016).
13.4.2016	Shadow Banking	Morgan Ricks, <i>The Money Problem</i> , Introduction and ch. 3 (2016).
18.4.2016*	International Monetary Integration	Barry Eichengreen, <i>Globalizing Capital</i> 134-184 (2008).
4.5.2016	Monetary Sources of System Instability	Hyman P. Minsky, "The Financial Instability Hypothesis," Levy Institute Working Paper No. 74 (1992). L. Randall Wray, "What do Banks Do? What Should Banks Do?" Levy Institute Working Paper No. 612 (2010)
18.5.2016	Regulatory Frameworks	Katharina Pistor, "A Legal Theory of Finance," 41 <i>J. Comp. Econ.</i> 315-330 (2013).
25.5.2016	Crisis and Response	Adam J. Levitin, "The Politics of Financial Regulation and the Regulation of Financial Politics: A Review Essay," 127 <i>Harv. L. Rev.</i> 1991-2037 (2014).
1.6.2016	Current Issues	Student Presentations
8.6.2016	Current Issues	Student Presentations

* (NOTE: Monday with Wednesday classes)