

## **International Financial Institutions, Financial Crises, and Social Responsibility**

EURO 3000 (4 credits / 60 hours)

SIT Study Abroad Program:  
**Switzerland: Banking, Finance, and Social Responsibility**

PLEASE NOTE: This syllabus represents a recent semester. Because courses develop and change over time to take advantage of unique learning opportunities, actual course content varies from semester to semester.

### **Description**

The course addresses issues related to international financial institutions including the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO), the UN Conference on Trade and Development (UNCTAD) and the European Central Bank. The focus is on the role of regulating financial institutions, questions relating to international finance and macroeconomics, the functioning of equity and commodity markets, and their impact on society. The seminar also tackles the reforms of the international financial system, the global and European financial crises (“Grexit”, “Brexit”), and their local and global impact on society. The seminar uses lectures, field trips to governmental institutions, international or inter-governmental organizations, financial institutions and NGOs, and case studies from the 2008 US financial crisis and the 2011 Euro crisis to the present. Special attention is given to the Greek financial crisis as the course is mostly taught Athens.

### **Learning Outcomes**

The International Financial Institutions, Financial Crises, and Social Responsibility course comprises 60 class hours of instruction (4 credits). Upon completion of the course, students will be able to:

- Demonstrate a deeper understanding of fundamental strengths and weaknesses of the recent financial architecture;
- Show knowledge of the UN vision of the international monetary and financial system;
- Evaluate the economic responsibility of developed countries towards the poorest / emerging countries;
- Appraise financial crises and their impact on new financial policies;

- Produce critical essays on the recent changes in the global financial architecture and their social impact and the social responsibility of international financial institutions (Case studies: “Grexit” and “Brexit”).

### Language of Instruction

This course is taught in English, but students will be exposed to vocabulary related to course content through in-country expert lectures and field visits in a wide range of venues and regional sites in Athens.

### Course Schedule

\* Please be aware that topics and excursions may vary to take advantage of any emerging events, to accommodate changes in our lecturers’ availability, and to respect any changes that would affect student safety. Students will be notified if this occurs.

### Nyon / Geneva, Switzerland

#### Module 1: Financial Globalization, Regional Integration, and Social Responsibility

In order to explain the current financial crisis, this module presents an overview of the European integration process since WWII to present (European Coal and Steel Community, European Economic Community, Maastricht Treaty, Monetary Union). This module provides a short historical overview of the world economic system from the Bretton-Woods system until today. It explores foundations of the formation, processes, functions, and effects of major international financial organizations today. Main focus of attention is the regional integration in Europe (EU) and North America (NAFTA).

#### Session 1: European Integration, Power and Crisis

This session retraces the history of European integration after WWII and discusses the most important treaties of the European Economic Community and the European Union (Treaty of Rome, Schengen Agreement, Maastricht Treaty, Treaty of Lisbon, etc.). The session also addresses the issue of the current European crisis (“Grexit”, “Brexit”).

#### *Required Reading:*

Rogers, J. (2013). *A New geography of European power?(Egmont papers 42)*. Academia Press, 31.

#### Session 2: International Financial Institutions: An Overview

This session discusses the main international institutions in the field of banking, finance, trade and development (World Bank, IMF, WTO, UNECE, UNCTAD, ECB, etc.). Students will visit the WTO and UNCTAD in Geneva and be briefed by their representatives.

#### *Required Reading:*

Barkin, J. (2013). *International Organization: Theories and Institutions 2<sup>nd</sup> Edition*. New York; Springer, 97-126.

#### Session 3: Regional Integration in North America (NAFTA)

This session addresses the issue of regional cooperation in North America between Canada, Mexico and the USA. The session discusses the arguments in favor and against regional cooperation as seen from the perspectives of the three member states as well as from the viewpoint of the corporate sector, trade unions, farmers and the indigenous population.

*Required Readings:*

- Castañeda, J. G. (2014). "NAFTA's Mixed Record: The View From Mexico". *Foreign Aff.*, 93 (Jan-Feb), 134-141.
- Hills, C. A. (2014). "NAFTA's Economic Upsides: The View From the United States". *Foreign Aff.*, 93 (Jan-Feb), 122-127.
- Wilson, M. (2014). "NAFTA's Unfinished Business: The View from Canada". *Foreign Aff.*, 93 (Jan-Feb), 128-133.

**Athens, Greece**

**Module 2: Financial Crises and Social Responsibility in a Changing EU Context: Case Study Greece**

The module focuses on effects of the 2008 financial crisis and the process of the European political and economic integration. It analyzes the rise of unemployment in Europe and impact that refugees from the Middle East and North Africa regions may have on European unity. The particular focus is on the Greek financial crisis, economy, and society.

Session 1: The Institutional Background: Economic and Monetary Union and the Creation of the Common Currency

This session focuses on the creation of the Economic and Monetary Union (EMU); Main characteristics of the EMU; Maastricht convergence criteria for joining the EMU; the Stability and Growth Pact, its goals and weaknesses; Launch of the common currency as the culmination of the EMU; Eurozone membership: which countries have adopted the Euro and when; political and strategic implications of a common European currency, and the symbolic importance of the Euro.

*Required Reading:*

- Galenianos, M. (2015). *The Greek Crisis: Origins and Implications*. Crisis Observatory / ELIAMEP: Athens, Research Paper, No. 16, 28. Retrieved from: [https://www.files.ethz.ch/isn/188283/Ερευνητικό-Κείμενο\\_16\\_Manolis-Galenianos-ENG1.pdf](https://www.files.ethz.ch/isn/188283/Ερευνητικό-Κείμενο_16_Manolis-Galenianos-ENG1.pdf)

Sessions 2: Eurozone Crisis: Background and Responses

This session focuses on the background of the financial crisis: economic, institutional and political conditions leading to the crisis (overspending, over-borrowing, clientelism, weak institutions, etc.); Response to the crisis: The Troika's involvement, memorandum of understanding, bailout, austerity, recession; Contagion of the crisis to other members of the Eurozone: Portugal, Ireland, and Spain in danger; "Grexit" scenarios.

*Required Reading:*

- Chrysoloras, N. (2013). *Greece's successful death*. Crisis Observatory / ELIAMEP: Athens, Research Paper, No. 16, 13. Retrieved from: [http://crisisobs.gr/wp-content/uploads/2013/11/POLICY-PAPER-No16.2013\\_Nikos-Chrysoloras2.pdf](http://crisisobs.gr/wp-content/uploads/2013/11/POLICY-PAPER-No16.2013_Nikos-Chrysoloras2.pdf)

Session 3: The Impact of the Crisis on European Economy and Society

This session discusses the economic, social and political impact of the crisis in Greece and Europe; Cost of austerity; Recession, unemployment, increase in poverty, rise of extremism and Euroscepticism; Social upheaval and anti-austerity demonstrations throughout Europe.

*Required Reading:*

Hanan, R. (2012). "The Social Impact of the Economic Crisis in Europe". *Working Notes*, Issue 69, 16-21. Retrieved from:

<http://www.workingnotes.ie/images/stories/Issue69/the%20social%20impact%20of%20the%20economic%20crisis%20in%20europe.pdf>

Evans-Pritchard, A. (2016). "IMF admits disastrous love affair with the euro and apologizes for the immolation of Greece". *The Telegraph / Business*, 29 July 2016. Retrieved from: <http://www.telegraph.co.uk/business/2016/07/28/imf-admits-disastrous-love-affair-with-euro-apologises-for-the-i/>

#### Session 4: A View to the Future: New Challenges for the Eurozone and for Europe

This session retraces the latest developments in the Eurozone and Europe's enduring recession; Looking beyond the Eurozone crisis and examining new emerging challenges confronting Europe; The refugee/ migration crisis and its repercussions; The departure of the United Kingdom from the EU ("Brexit"): economic, political and institutional consequences for Europe and the UK; The specter of terrorism in Europe.

##### *Required Reading:*

Archick, K. (2017). *The European Union: Current Challenges and Future Prospects*. Congressional Research Service: Washington DC, 21. Retrieved from: <https://fas.org/sgp/crs/row/R44249.pdf>

##### *Recommended Reading:*

Niblett, R. (2016). "What are the big challenges facing Europe?" *BBC News*, 4 January 2016.

Retrieved from: <http://www.bbc.com/news/uk-35125052>

#### Session 5: Economic Crisis and Intergenerational Justice

This session focuses on the concept of intergenerational justice. It retraces what has happened in Greece since 2009 and how different generations within Greek society have experienced the financial crisis.

##### *Required Reading:*

Vanhuyse, P. (2014). *Intergenerational Justice and Public Policy in Europe*. OCE, Opinion Paper: Brussels, No.16, 17. Retrieved from: [http://www.ose.be/files/publication/OSERPaperSeries/Vanhuyse\\_2014\\_OpinionPaper16\\_Intergenerational\\_justice.pdf](http://www.ose.be/files/publication/OSERPaperSeries/Vanhuyse_2014_OpinionPaper16_Intergenerational_justice.pdf)

#### Session 6: Consumers, Debt, and Everyday Strategies of Economic Survival

This session focuses on the bottom-up perspective and the everyday experience of the financial crisis by ordinary Greek citizens. The session presents a series of cases on how Greek citizens have organized themselves to respond to the economic hardship and find creative solutions for their economic survival.

##### *Required Reading:*

Kakissis, J. (2014). "Greek families struggle to survive economic crisis". Deutsche Welle, April 9, 2014. Retrieved from: <http://www.dw.com/en/greek-families-struggle-to-survive-economic-crisis/a-17518870>

Rodgers, L., Stylianou, N. (2015). "How bad are things for the people of Greece?" *BBC News*, 16 July 2015. Retrieved from: <http://www.bbc.com/news/world-europe-33507802>

### Session 7: The Refugee Crisis and the Economic Crisis

This session retraces the effects in Greece of the recent migrant crisis from the Middle East and North Africa (MENA) region to Europe. The session focuses on how the migrant crisis shapes the Greek financial and economic crisis and how various actors in Greek society (state, corporate sector, civil society, NGOs, ordinary Greeks) perceive and act within the public sphere.

#### *Required Reading:*

OECD Publication. (2015). "Is this humanitarian migration crisis different?" Migration Policy Debates / OECD. No. 7, Sept 2015, 15. Retrieved from: <https://www.oecd.org/migration/Is-this-refugee-crisis-different.pdf>

### Session 8: Traditional and Social Media: Portraying the Crisis

#### *Required Reading:*

Juko, S. (2010). Have the media made the Greek crisis worse? An inquiry into the credit crisis of the state. *Economic Sociology: The European Electronic Newsletter*, 12(1), 28-41.

#### *Recommended Reading:*

Kouparanis, P. (2015). "The Greek Media Are Part of the Problem." Deutsche Welle, 25 June 2015. Retrieved from: <http://www.dw.com/en/the-greek-media-are-part-of-the-problem/a-18543816>

The Greece component also includes 10 Lessons of Modern Greek Language and Culture, field study sessions at Greek public and financial institutions, and on-site visits with government, think-tanks, corporate sector, museums, and an excursion to the island of Crete.

The Swiss component includes on-site visits to the United Nations Organization, World Trade Organization, United Nations Conference on Trade and Development and the US Mission to the UN in Geneva.

### **Evaluation and Grading Criteria**

Papers will be graded on style and structure, depth of analysis, and synthesis of secondary and primary sources.

#### Description of Assignments:

Midterm assessment, final exam, and participation constitute the seminar requirements. In all exercises, students are asked to reflect analytically and to integrate the briefings, lectures, readings, as well as field visits.

#### Final Exam

This is an in-class written exam on international financial institutions, financial crises, and social responsibility.

#### Individual Project

Research assessment includes an academic paper on an issue related to the financial crisis in Greece and its effects on the local society, neighboring countries, and EU

integration process. Length: 1,500 words. Class presentation with Power Point (images only).

Research topics: The origin of the Greek economic and financial crisis; Trans-Atlantic relations and the Greek economic and financial crisis; The institutional background of the Greek crisis: European economic & monetary union; The impact of the Greek economic and financial crisis on the European integration process, security and society; Legal and financial aspects of the Greek economic and financial crisis; The refugee crisis and the economic crisis; Media broadcast on the Greek economic crisis; Financial crisis and public health; etc.

### Participation

Attendance, punctuality, active involvement in discussions, and completion of reading assignments are mandatory.

### Assessment:

Final Exam	50%
Individual Project (30%) + Presentation (10%)	40%
Participation	10%

### Grading Scale:

94-100%	A
90-93%	A-
87-89%	B+
84-86%	B
80-83%	B-
77-79%	C+
74-76%	C
70-73%	C-
67-69%	D+
64-66%	D
below 64%	F

### **Expectations and Policies**

- Show up prepared. Be on time, have your readings completed and points in mind for discussion or clarification. Complying with these elements raises the level of class discussion for everyone.
- Have assignments completed on schedule, printed, and done according to the specified requirements. This will help ensure that your assignments are returned in a timely manner.
- Ask questions in class. Engage the lecturer. These are often very busy professionals who are doing us an honor by coming to speak.
- Comply with academic integrity policies (no plagiarism or cheating, nothing unethical).
- Respect differences of opinion (classmates, lecturers, local constituents we engage with on site visits). You are not expected to agree with everything you

hear, but you are expected to listen across difference and consider other perspectives with respect.

**Academic Policies:** SIT prides itself on providing students with an experientially based program; we hold ourselves, and our students, to the highest of academic standards. Students are asked to refer to the **SIT Study Abroad Handbook** for policies on academic integrity, ethics, academic warning and probation, diversity and disability, sexual harassment and the academic appeals process.

**Disability Services:** Students with disabilities are encouraged to contact Disability Services at [disabilityservices@sit.edu](mailto:disabilityservices@sit.edu) for information and support in facilitating an accessible educational experience. Additional information regarding SIT Disability Services, including a link to the online request form, can be found on the Disability Services website at <http://studyabroad.sit.edu/disabilityservices>.