

University of Haifa-Faculty of Management
International MBA
International Finance (209.4972) - Period 6,
Oct.-Nov. 2020

Prof. Ronny Manos, rmanos@colman.ac.il

Office hours: on lecture days, on a *pre-arranged* basis

Two recent crises have influenced the thinking and actions of policy makers, organizations and society at large. The most recent is the COVID19 crisis which a UN report warned was likely to affect societies and economies and to increase poverty and inequalities globally¹. An earlier one is the global financial crisis of 2008 which has shaken our faith in governments, central banks, regulators, and financial institutions. Another ongoing global phenomenon is the accelerating rate of technological advances that increases connectivity across countries; blurs the boundaries between the physical and the virtual; and provides alternatives to traditional finance.

Those events have influenced many aspects of our lives and have consequently given rise to widespread debate concerning issues such as: global versus local interests; free market versus regulation; fairness and equality in access to finance and over taxation; the future of work and retirement.

The aim of this course is to shed light on the financial and economic aspects of current global developments, focusing in particular on the impact of the recent crises and on the consequences of an accelerated technological progress. We will explore the meaning of a globalized, well-connected and technologically changing world and study its manifestation in financial markets, trade, and organizations. The impact of the forces of globalization and technology varies across countries and cultures; an issue we will also explore and discuss.

The course is built around four sessions, each devoting to a particular financial aspect of a modern, global world. All sessions begin with an introduction by the lecturer to the financial aspect to be explored, followed by **Groupwork** on various contemporary topics relating to that aspect.

COVID19: *Following the instructions of the rector, the course is planned to be taught on Zoom. Accordingly, students are requested to connect to Zoom 10 minutes before the beginning of the course and to open their camera.*

¹ The report, published in April 2020, states that: "The COVID-19 pandemic is far more than a health crisis: it is affecting societies and economies at their core. While the impact of the pandemic will vary from country to country, it will most likely increase poverty and inequalities at a global scale, making achievement of SDGs even more urgent". See the UN's Framework for the Immediate Socio-Economic Response to the COVID 19 Crisis at <https://unsdg.un.org/sites/default/files/2020-04/UN-framework-for-the-immediate-socio-economic-response-to-COVID-19.pdf>

Course content (Thurs. 1800-2100):

#	Date	Topic
1	29.10.20	<p>International cooperation & trade: <i>The case of the international monetary system & the currency market</i></p> <p><u>Key terms:</u> The International Monetary System; Forex Markets; Currency Manipulation;</p> <p><u>Learning material:</u> Judy Shelton, <i>The Case for a New International Monetary System</i>, Cato Institute, 2018 https://www.cato.org/cato-journal/springsummer-2018/case-new-international-monetary-system</p>
2	5.11.20	<p>The impact of accelerated technological progress: <i>The case of digital money and cashless economies</i></p> <p><u>Key terms:</u> Cryptocurrency; Bitcoin; Initial Coin Offering; Cashless societies</p> <p><u>Learning material:</u> Compilation of papers on the future of money by the ECON committee, European Parliament. YOU ARE REQUIRED TO SELECT ONE PAPER TO READ. https://www.europarl.europa.eu/cmsdata/190218/IPOL_STU(2019)642364_EN-original.pdf</p>
3	12.11.20	<p>Financial crises: <i>The case of the subprime mortgage crisis and the Great Lockdown</i></p> <p><u>Key terms:</u> Securitization; Lehman Brothers; Covid19;</p> <p><u>Learning material:</u> <i>How the S&P 500 Performed During Major Market Crashes</i> https://www.visualcapitalist.com/sp-500-market-crashes/</p>
4	19.11.20	<p>Global & local: <i>The case of local finance in a globalized and technologically advanced world</i></p> <p><u>Key terms:</u> The implications of Covid19; The future of work; tax havens; microfinance;</p> <p><u>Learning material:</u> Go to the website of <i>By Invitation</i> from the Economist. YOU ARE REQUIRED TO SELECT ONE PAPER TO READ. The article should relate to current economic or financial issue. https://www.economist.com/by-invitation/</p>

The final grade for the course is composed as follows:

Task & % of grade	Requirements
Group work (50%)	<ul style="list-style-type: none"> You will form groups of up to 3 students each and will select a topic per session to study as a group. (see Appendix A for lists of topics organized under the various sessions) You will have time during each session to explore the chosen topic and to prepare a short presentation and key points for class discussion. Your group needs to be prepared to introduce its selected topic to the rest of the class during each session, and to lead relevant class discussion.
Attendance & participation (50%)	Including: looking at the learning materials before class; class attendance; contribution to class discussion; and completing the group presentation evaluation forms (see Appendix B).

*A passing grade (min. 65/100) in each of the above components is a necessary condition for passing the course.

Appendix A: Group work

The following is a list of topics for the groups to select from in each session:

1. international monetary system & the currency market

What is money? (BBC Radio 4, [Analysis](#), Sun 1 Apr 2012 30min)

<https://www.bbc.co.uk/programmes/b01dtlzn>

We dream about it, argue about it, worry about it, celebrate it, spend it, save it, we transfer it from one emotion to another. But what exactly is money? And why do we trust it? Frances Stonor Saunders takes a journey through some of the fundamentals of money.

During her journey she dips her toe into the world of quantitative easing. How is that money invented? Is it as real as the pieces of paper in our wallets? And she explores some of the reasons for the calls to return to a gold standard. Essentially, she tries to gain a better understanding of what this stuff which we call money is really about; how and why do we maintain our faith in it, or has it just become too complicated?

The Gold Standard (BBC Radio 4, [Analysis](#), Sun 8 Jul 2012 30min)

<https://www.bbc.co.uk/programmes/b01k9qd8>

As banks collapse and governments run out of money, the popular solution is to print more and more and expand bank balance sheets. But is there another way of fixing our economy? Would the financial system be more stable if each pound in our pocket was backed by gold? The Today programme's business presenter Simon Jack meets the so-called 'gold bugs' who predict the collapse of the paper system as well as those who argue that a return to the gold standard would be a huge mistake. Which makes more sense - placing your faith in a yellow metal or in money created at the push of a button?

Fair Exchange? ([Analysis](#), BBC4, 28 minutes, Sun 24 Feb 2019)

<https://www.bbc.co.uk/programmes/m0002lvx>

Does a falling currency help or harm the economy? It's an urgent question for the UK, as the pound fell sharply in value against other major currencies after the referendum on Britain's membership of the European Union in June 2016. Market commentators put this down to foreign investors becoming intensely gloomy about the prospects for the UK economy after Brexit. Others have welcomed the drop, saying it will benefit British exporters. But is it really such a simple, binary question? Paul Johnson, director of the Institute for Fiscal Studies investigates.

A single West African currency

[Business Daily](#), BBC World Service, 18 minutes, Tue 25 Feb 2020

<https://www.bbc.co.uk/programmes/w3csy7fl>

Some West African countries already use a single currency - the CFA franc. Now there are plans to introduce a broader shared currency - the eco - across 15 states. But the region's economic powerhouse Nigeria has put those plans in doubt. Tamasin Ford speaks to business people in the region about what difference a new single currency would really make.

2. *Digital money and cashless societies*

The Downside of Cashless (BBC World Service, [Business Daily](#) , Tue 3 Jul 2018, 18min)

<https://www.bbc.co.uk/programmes/w3cswgvn>

In an increasingly cashless economy people who depend on spare change are bound to lose out: the buskers and beggars, the homeless and the charities. Manuela Saragosa hears from a start-up that's come up with a solution to cashless donating and why it's expensive to be poor in a cashless society.

Magical Money (BBC World Service, [The Documentary Podcast](#) 9 May 2018, 28min)

<https://www.bbc.co.uk/programmes/p66l9qg>

A new digital currency gold rush is sweeping the world but is the bubble about to burst?

What's The Point Of Bitcoin? (BBC World Service, [The Inquiry](#) , Mon 1 Jan 2018, 23min)

<https://www.bbc.co.uk/programmes/w3csvgsh>

Making sense of the digital currency and the ideology of its founders, fans and future. In 2010 a developer spent 10,000 bitcoin to buy two pizzas. Seven and a half years later that was the equivalent of over \$80m. Bitcoin has been exploding in value throughout 2017 as more and more people buy into the idea of a digital currency. Traditional financial institutions have even begun to get involved. But far from a mainstream investment, Bitcoin started life as an idea from the radical cypherpunk movement, who wanted to use decentralised technologies as a way to disrupt governments and corporations. In this edition of The Inquiry we trace the history and development of Bitcoin – and ask whether its future will stay true to its libertarian roots.

Why the race to build a quantum computer? (BBC World Service, [The Inquiry](#) Mon 16 Sep 2019, 23min)

<https://www.bbc.co.uk/programmes/w3csytgh>

Quantum computers could transform our lives. Based on a branch of Physics that even Einstein found "spooky", the machines are still in their infancy. But governments and corporations are spending billions trying to turn them into workable technology. Neal Razzell finds out why by talking to four experts: Shohini Ghose, Professor of Physics and Computer Science at Wilfred Laurier University in Canada. Stephanie Wehner, Professor in Quantum Information at Delft University of Technology in the Netherlands. Winifried Hensinger, Professor of Quantum Technologies at the University of Sussex. Jonathan Dowling, Professor of Theoretical Physics at the University of Louisiana and author of 'Quantum Technology - The Second Quantum Revolution' and 'Schrödinger's Killer App - Race to Build the World's First Quantum Computer'.

3. *The subprime mortgage crisis and the Great Lockdown*

African women and Covid

BBC World Service, [Business Daily](#), 18 minutes, Tue 18 Aug 2020

<https://www.bbc.co.uk/programmes/w3csz89q>

Coronavirus has impacted economies in every corner of the globe but there's a fear it's hitting women's economic opportunities hardest. Tamasin Ford explores how women in Africa are affected. Lisa Kolovich is an economist at the IMF which is warning the pandemic threatens to roll back gains in women's economic opportunities despite decades of progress. South African feminist and activist Shamillah Wilson says women's voices are not being heard at policy level. And Tennen B Dalieh, a government worker and a feminist in Liberia says women and girls are bearing the brunt of the country's second pandemic in a decade.

Are we heading for a global recession?

[The Inquiry](#), BBC World Service, Mon 14 Oct 2019 23 minutes

<https://www.bbc.co.uk/programmes/w3csytgm>

The world's two biggest economies are fighting a trade war, European growth is slowing and global manufacturing data looks grim. Financial markets are flashing warning signs. It's been a decade since the last global recession and in 2019 so far, the data has started to turn down. Are we on the verge of an economic meltdown? And what can countries do to avoid recession or reduce its impact when it comes?

How will the world pay for Covid-19?

[The Inquiry](#), BBC World Service, Mon 25 May 2020, 23 min

<https://www.bbc.co.uk/programmes/w3cszl3d>

As governments spend huge sums to get through the coronavirus crisis, how will they fund it all? Slash spending, raise taxes or just accept debt is here to stay? With Tanya Beckett.

After the Crash: Authority and Trust. [The Compass After the Crash](#), Episode 1 of 5

27 minutes Sun 30 Sep 2018 BBC World Service, The Compass

<https://www.bbc.co.uk/programmes/w3csxhjk>

In 2008 the world financial system had a heart attack. Gripped by panic, banks stopped lending, cash ran out and the world came to the edge of a financial precipice. As millions of people lost their jobs and as the shock that started in Wall Street reverberated around the world, the crisis led to a collapse of the Greek, Spanish, Icelandic and other economies.

Professor Ian Goldin looks at the origins of the crash and he examines how it affected our trust in authorities and experts. He travels to New York to talk to some of the world's leading academics including Joseph Stiglitz, Jeffrey Sachs and Adam Tooze and he hears from a former Lehman Brothers employee about the final days of the troubled business whose collapse led to the financial crisis.

4. *Local finance in a globalized and technologically advanced world:*

Why do Tax Havens Still Exist? (BBC World Service, [The Inquiry](#) Sun 2 Aug 2015 25min)

<https://www.bbc.co.uk/programmes/p02xnbgg>

In 2009, UK Prime Minister Gordon Brown declared “the beginning of the end” for off-shore tax havens. Since then, the EU, the G20, President Obama and others have lined up to criticise them. And yet they are still with us. Tim Whewell asks why tax havens continue to exist, and whether tax havens are really to blame for tax avoidance in the first place.

Does Poverty Change the Way We Think? ([The Inquiry](#) BBC World Service, Mon 29 May 2017 23min)

<https://www.bbc.co.uk/programmes/p0537nbj>

Does the experience of poverty actually take a physical toll on your brain? The Inquiry investigates the scientific claims that being poor affects how our brains work. It's well known that children from poorer backgrounds do worse at school. And adults who are poor are often criticised for making bad life decisions - ones that don't help them in the long-term. Some say the problems are rooted in the unfair way our society functions. Others argue it's simple genetics. But a growing body of research suggests that something else may be going on too. The Inquiry assesses the evidence and asks: does poverty change the way we think? Presenter: Ruth Alexander

What Will Happen When Robots Take Our Jobs? (BBC World Service, [The Inquiry](#) , Sun 23 Aug 2015, 23min)

<https://www.bbc.co.uk/programmes/p02ys32f>

Robots are coming for your job. Blue-collar jobs in industries like manufacturing have been disappearing for years but now white-collar work is under threat too. Machines are already taking roles that used to be done by journalists, lawyers and even anaesthetists. One recent study calculated that 47% of total employment in the US is at risk of automation in the next 20 years. So what will happen to all the human beings who did those jobs? Will we invent enough new jobs to keep them occupied? If not, how will they fill their time? And how will they earn money? The Inquiry – still made by humans, for now, – brings you answers.

From Construction to Microfinance - David Bussau, Part 1 (BBC World Service, Global Business 19 August 2004, 26min)

<http://www.bbc.co.uk/programmes/p03jrr9q>

An interview with David Bussau, a New Zealand entrepreneur and pioneer of microfinance. David Bussau is the co-founder in Opportunity International, one of the leading pioneers of microfinance. He talks about his journey from construction to social finance, after winning an award at the Global Entrepreneur of The Year in Monte Carlo.

Appendix B: Peer evaluation

Your name: _____

Name of presenters: _____

Topic: _____ Date: _____

	Comments	Mark
Content (e.g. interest, appropriateness for audience and assignment, clear focus, good support and details, identified sources adequately)		Out of 40:
Organization (e.g. easy to follow, clear sections [introduction, body, and conclusion], transitions, coherent)		Out of 40:
Delivery & Communication (e.g. eye contact, appropriate volume & rate of speech, clarity of speech, comprehensibility, posture & body language, use of media & visual aids, all members well-prepared)		Out of 20:

Overall: _____ out of 100