

COURSE NUMBER: ITRN 602-002

SEMESTER: Fall 2003

COURSE TITLE: International Financial Institutions and the Forces of Globalization

This course focuses on the activities and roles of financial institutions in the international system and examines how these institutions contribute to globalization. It looks at the organization, programs and controversies surrounding individual institutions and delves into the functioning of major financial markets worldwide. Key policy issues affecting the institutions are discussed, such as environmental effects, ethical questions, issues of equity, differing national interests, the debt crisis, developing countries' needs, and conflicting concerns of lenders, borrowers and investors. This course provides a conceptual foundation for understanding the sources of financing for international transactions, including the possibilities and limitations of different institutions, and the record of success and failure of individual organizations.

CLASS DAYS: Thursdays, 7:20 - 9:45 pm
First class, August 28, 2003
Last class, December 4, 2003

ROOM NUMBER: 245

COURSE OBJECTIVES: This course aims to provide a thorough introduction to all major types of international financial institutions, with a special focus on those that are headquartered in Washington. It explores the basic mechanics of international finance, with emphasis on the policy issues surrounding international lending and investment. The objectives of this course are to familiarize students with the workings of these institutions, explain the practical aspects of their operations, and evaluate the results of their activities in recent years.

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METHOD OF INSTRUCTION: This course will be taught as a survey course. Topics will be covered by the instructor through lectures accompanied by visual material. Case studies will be a regular feature of classroom instruction. Guest speakers from international financial institutions will discuss the roles of their organizations and the challenges they face.

CLASS PREPARATION REQUIREMENTS: Students will be required to complete all assigned readings before each class. They will also have to keep abreast of current issues in international finance by daily reading of at least one major newspaper with good international coverage (i.e., Wall Street Journal, Washington Post, New York Times, Financial Times). Class participation is important and students are encouraged to ask questions, express opinions, and participate in discussions.

TEXTBOOKS: James C. Baker, International Finance: Management, Markets and Institutions, Prentice Hall (1998) and Joseph Stiglitz, Globalization and its Discontents, W. W. Norton (2002)

GRADING: Class participation - 33%
Mid-term exam - 33%
Final examination - 33%

SCHEDULE

August 28 Globalization of International Finance: History and Issues

September 4 Activities and Role of the World Bank Group (IBRD, IDA, IFC, MIGA)

September 11 Activities and Role of the International Monetary Fund and National Monetary Authorities

September 18 Activities and Role of Regional Development Banks (Inter-American, Asian, African, European, etc.)

September 25 Activities and Role of Foreign Direct Investors

October 2 Activities and Role of Export Credit Agencies and Investment Insurers (Eximbank, OPIC, etc.)

October 9 Activities and Role of Overseas Development Agencies (USAID, etc.)

October 16 Country Risk Analysis by International Financial Institutions

Mid-term Exam

October 23 Activities and Role of Commercial Banks

October 30 Activities and Role of Financial Markets (Debt, Equity and Currency)

November 6 Corporate Risk Analysis by International Financial Institutions

November 13 Project Risk Analysis by International Financial Institutions

November 20 Global Concerns of International Financial Institutions

Thanksgiving Recess

December 4 Regional Concerns of International Financial Institutions (Western Europe, Eastern Europe, Former Soviet Union, China, Southeast Asia, Africa, Middle East, Latin America)

Final Examination