ECONOMICS 198: FINANCIALIZATION AND DISTORTIONS OF THE REAL ECONOMY

Background:
Money affects the lives of all people and societies. Dangers arise when financial goals become the overarching metrics and the profit motive mutates into excessive self-interest ignoring adverse consequences to others. Ethical failures on the part of banks caused the global sub-prime crisis of 2007 - 2009 that resulted in bank failures, wreaked havoc on vulnerable customers, and continues to exploit hapless victims to this date. The current economic crisis in Europe stemmed from similar origins. Financialization is endemic in most major economies. This course examines the centrality of money and finance and why ethical behaviour is vital.

Description:
In this course we will analyze the following issues: Global credit crisis: causes, casualties, current state, philosophical views on money throughout history, financialization: growth in issuance and trading of financial market instruments and ownership claims; over-reliance on structured finance, dominance of financial disciplines in corporate management and governance, exuberance in consumer credit boom, impetus to unbridled growth in predatory sub-prime real estate mortgage loans., efficacy of regulations to curtail greed and abuses; debate on excessive bonus compensation, need for enlightened leadership and education in order to instill ethical values and reform corporate culture

Number of Units: Three (3) units
Prerequisites: Econ 101, 102/ COI.