



UNIVERSITY OF THE PHILIPPINES SCHOOL OF ECONOMICS

Course Offering: 2nd Semester AY 2013-2014

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.

INSTRUCTOR:



Dr. J.S. Villa (Jes) earned his MBA in Corporate Finance at the Wharton School of the University of Pennsylvania, then worked many years in senior positions in global investment banking and private equity. He recently completed doctoral studies at Ludwig-Maximilians-Universität - München in Germany and University of Tasmania in Australia, where he conducted empirical research on major banks in Australia and Hong Kong. LMU awarded him a PhD in Philosophy magna cum laude in 2010.

He lives in Munich and lectures at Ingolstadt and at Weihenstephan University of Applied Sciences, both in Germany. He is also University Associate at the University of Tasmania.