

CET Syllabus of Record



Program: CET Florence

Course Title: The European Banking System

Course Code: FL/ECON 323

Total Hours: 45

Recommended Credits: 3

Primary Discipline / Suggested Cross Listings: Economics / Italian Studies

Language of Instruction: English

Prerequisites/Requirements: Prior coursework in Economics recommended

Description

The recent financial crisis has provided evidence that certain peculiarities of the banking system and financial institutions operating behind the real economy have created scope for artificial growth and high investment risks. The crisis has also provided an opportunity to reshuffle the structure of the banking system, review banking regulations and contemplate the possibility for a new supervisory policy, one that aims to contain risks and increase transparency and accountability.

This course begins by briefly surveying the European integration process. It then presents and describes progress on the establishment of a single banking market in the European Union, and seeks to delimit the role of European institutions with regard to the network of National Central Banks in the EU, as well as within the global banking system. Finally, the course explores the recent financial crisis and the way the European banking system has faced it. The course also looks at relationships between banking on the one hand, and the real economy and realpolitik on the other, as well as at the indirect impact of banking on social stability. The Italian banking system is considered as a case study. While some historical explanations are provided, the focus is on the very recent and current state of affairs.

The course takes a cross-disciplinary approach of the topic, shedding light on the connections between the banking system and economic policies, general political framework and historical and socio-cultural development.

Objectives

During this course, students:

- Achieve a general understanding of banking, through the more specific lens of the European system
- Understand banking as an organic part of an economic-political reality, and study the major factors at play within that reality
- Examine the impact banking has on social order and stability in the EU scene
- Analyze case studies about the European banking system, with particular attention paid to the Italian, German and British models

CET Syllabus of Record

Course Requirements

Lectures represent the main didactic base for the course. Individual study of readings is required on a weekly basis. Students are expected to read assignments carefully before class and take detailed notes during lectures. Readings average approximately 30 pages per session. Classes also include interactive assignments and discussions in which students are expected to actively participate.

Students complete an oral presentation on a topic of their choice and confirmed by the instructor. Presentations should not exceed 45 minutes. Students may choose their preferred format, but multimedia presentations are most welcome. Upon completion, students transform the presentation into a paper of about 2,000 words. The paper should include clear references to at least two secondary academic sources. Criticism and personal opinions are particularly encouraged.

There is a midterm and final exam, each consisting of two parts, short answer questions and essays. The final exam covers the materials from the second half of the term only.

Finally, students are required to complete “quick writes” in class. These brief in-class writing assignments give students the opportunity to demonstrate their understanding of the assigned readings for that class, and to propose questions and hypotheses that may be discussed during the class session.

Methods of Evaluation

The final grade is determined as follows:

Class attendance and participation	10%
Quick writes	10%
Oral presentation	15%
Midterm exam	20%
Paper	15%
Final exam	30%

Primary Texts

- Qualia, Lucia, *Central Banking Governance in the European Union. A Comparative Analysis*, Routledge Taylor and Francis Group, London and New York, 2008.
- R.E. Baldwin and C. Wyplosz, *The Economics of European Integration*, 5th Edition, McGraw-Hill (2015) (Henceforth BW)
- Howarth, David and Qualia, Lucia, *The Political Economy of European Banking Union*, Oxford University Press, Oxford, UK (2016)

Outline of Course Content

Note: Fall/Spring students cover approximately 1 topic per week. During the summer, when class periods are longer, students cover approximately 2 topics per week.

TOPIC 1: The European Integration Project from 1951 to Present
The EU's Institutional System. The Lisbon and Maastricht Treaties.

TOPIC 2: The EMU/ Eurozone within the EU

CET Syllabus of Record

The Monetary Policy of the Zone: challenges and problems. The European Banking Union.

TOPIC 3: Central Banking Governance. Models of Central Banks within the EU (1): England

TOPIC 4: Central Banking Governance. Models of Central Banks within the EU (2): Germany

TOPIC 5: Central Banking Governance. Models of Central Banks within the EU (3): Italy

TOPIC 6: Banking: Past and Present

Italy and Europe

How the EU banking has influenced the Italian case

TOPIC 7: Central Banking Governance: The ECB and its Role

The European Central Bank and Global Banking.

TOPIC 8: Financial Crisis.

The European Monetary Union and Financial Crises. The EMU and Sovereign Debt Crises.

TOPIC 9: A Dialogue about the Last Financial Crisis--a Global Perspective. Banking Systems in Times of Crisis.

TOPIC 10: The Aftermath of the Crisis

Current trends. Open debates.

TOPIC 11: Prudential Banking

The European Prudential Banking Regulation and Supervision. The Legal Dimension. Banking Union Supervision. Resolutions and Deposit Guarantee. Lender of Last Resort in Banking Union.

TOPIC 12: New Banking Economics. Banking Regulation and the Single Rulebook.