

**UNIVERSITY OF NATIONAL AND WORLD ECONOMY -
SOFIA**

FACULTY OF FINANCE AND ACCOUNTING

CURRICULUM

For

Academic discipline:

INTERNATIONAL FINANCIAL

ORGANIZATIONS

Assoc. Prof. Dr. Silvia Trifonova

ANOTATION

The discipline “International Financial Organization” is being taught to the students in the Specialty of Finance, Master’s Degree, at the University of National and World Economy (UNWE), Sofia.

The course in “International Financial Organizations” is aimed to study the major international financial organizations, reasons for their establishment, their policies and the subsequent effects on the member-states and the rest of the world. The course is focused on three main topics – the international financial architecture, the external debt problems and the international financial organizations’ policies towards the developing countries. The central attention is attached on the so-called Bretton Woods institutions – the International Monetary Fund /IMF/ and the World Bank, as well as on the European Union /EU/ financial institutions – the European Central Bank /ECB/, the European Bank for Reconstruction and Development /EBRD/, the European Investment Bank /EIB/, etc. The evolution of these institutions is demonstrated and their activity is thoroughly analyzed. Also the main suggestions for reforming these financial institutions are discussed. The course gives particular attention on the relationships between Bulgaria and the international financial institutions as the main focus is put on the 1996/1997 financial crisis, external debt crisis from the beginning of 90s and the last world financial crisis since 2008.

At the seminars all concerned aspects are presented in a practical and applied form with discussions on specific case studies.

The course in “International Financial Organizations” is distinguished in 10 topics each of them is accompanied by elaboration of individual works and case studies during the seminars. The hours of tuition for each topic taught comprise 3 hours lectures and 3 hours seminars.

MODULE CONTENTS

A. LECTURES

№	TOPIC	HOURS
Part 1. The international financial organizations and the international financial architecture /15 hours/		
1	Introduction in international financial organizations. Main terms and concepts. Structure of international financial and monetary system. International money. Foreign exchange reserves. Demand and supply of foreign exchange reserves. International financial markets. Intergovernmental arrangements /international financial arrangements/.	3

2	Evolution of international financial and monetary system. Classical gold standard. Period between two world wars. Gold exchange standard. Gold devise standard. Bretton Woods international monetary conference in 1944. Establishment, characteristics and dissolution of Bretton Woods currency system.	3
3	Establishment of IMF and World Bank. Organization and management of IMF and World Bank. Functions of both institutions. Lending activities. Technical support. Cooperation. Financial operations, mechanisms and policies. Cooperation between Bulgaria and the IMF and the World Bank.	3
4	World financial crises. Historical review. Causes for emerging. Contagion effect. Main issues. Policy options for solving the world financial crises. Consequences.	3
5	IMF and the world financial crises. For the need of an international lender of last resort. Prevention measures against the world financial crises.	3
Part 2. The international financial organizations and the external debt /15 hours/		
6	Role of international financial organizations for solving the external debt problem. Necessity of external financing. Forms of external financing. Indicators for external debt.	3
7	Debt crisis in developing countries. Historical review. Causes for emergence. Main issues. Policy options for solving the debt crises. Bankruptcy and moratorium. Cooperated financing. Paris Club and London Club. Redemption. Brady Plan. Debt restructuring.	3
8	International financial organizations and developing countries. Programs for financial support of developing countries' economic development. Policies of the IMF, the World Bank and the European Bank for Reconstruction and Development.	3
9	Bank system stability and Basel agreement. Bank for International Settlements /BIS/, Basel. Role, organization and functioning of BIS. BIS Committees and their operation. Cooperation between Bulgaria and BIS.	3
10	European Central Bank /ECB/. Organization. Aims and tasks. Governing structure. Functions and operations. Principles for functioning. Formulation and implementation of the single European monetary policy. Balance sheet of the ECB. Consolidated balance sheet of the Eurosystem. Monetary-financial institutions in the Euro area.	3

	BNB's membership into the European System of Central Banks /ESCB/ and the Eurosystem.	
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B. SEMINARS

№	TOPIC	HOURS OF TUITION	NON- CONTACT HOURS
1	The international financial institutions and the international financial architecture. Organization and management of IMF. Transparency, publicity and cooperation. Surveillance functions – at national and world level. Strengthening the crises surveillance. Better framework for crises prevention.	3	6
2	The international financial institutions and the international financial architecture. Financial operations and policies of the IMF. Regular financing. Quotas. Lending and borrowing arrangements – types, specific features and role. Concession financing – mechanisms and role. SDRs. Poverty reduction in less developing countries.	3	6
3	The international financial institutions and the international financial architecture. World financial crises. Historical review. Causes for emerging. Contagion effect. Policy options for solving the world financial crises. Consequences. – Continuation.	3	6
4	The international financial institutions and the international financial architecture. Financial crisis in Bulgaria in 1996-1997. Causes. Main issues. Stabilization measures. IMF role. IMF stand-by agreements in Bulgaria.	3	6
5	The international financial institutions and the international financial architecture. IMF and monetary policy regimes.	3	6
6	The international financial institutions and the external debt crises. Debt crisis in Bulgaria. Causes. Main issues. Policy choices made. External financing policy in a currency board system.	3	6
7	The international financial institutions and the world financial crises. Asian crisis in 1997-1998. Russian financial crisis in 1998-1999. International financial crisis	3	6

	started in USA in 2007 and spread out in the whole world.		
8	The international financial institutions and the developing countries. Economic reforms in transition economies. Programs for financial support of developing countries' economic development. Policies of the IMF, World Bank, ECB, EBRD.	3	6
9	Bank system stability and Basel agreement. Bank for International Settlements /BIS/, Basel. Role, organization and functioning of BIS. BIS Committees and their operation. Cooperation between Bulgaria and BIS	3	6
10	ECB and Eurosystem. Organization and management. Monetary policy instruments and procedures – practical issues. Balance sheets of the ECB and the Eurosystem.	3	6

LEARNING OUTCOMES

The subject “International Financial Organization” will provide foundation knowledge in the field of functioning of the main international financial organizations in the world, reasons for their establishment, their policies and particularly their effects for the developing countries. The training of the students in this field will ensure them solid knowledge in the specific operation of the International Monetary Fund, the World Bank, the European Central Bank, the Bank for International Settlements, the European Bank for Reconstruction and Development and others. This is especially important having in mind the membership of Bulgaria into the EU since the beginning of 2007 and the current process of integration to the Euro area.

The obtained knowledge for the international financial institutions activities will guarantee the following skills of the students: ability to analyze the international financial architecture, world financial crises, external debt problems, etc.

INDICATIVE READING

A. MAIN

In Bulgarian

1. Stiglitz, J. E., Globalization and Its Discontents, Publishing House "InfoDar" and University Publishing House “Stopanstvo”, Sofia, 2003.

2. Mantchev, Tz., Financial crises and financial system restructuring - theory, national and international practice, Sofia University „St. Kliment Ohridski”, Sofia, 2001.
3. Georgviev, G., International economic agreements and organizations, Publishing House „Nova zvezda”, Sofia, 2002.
4. Pilbeam, K., International Finance, Publishing House “FTP”, Sofia, 1995.
5. Trifonova, S., Monetary Theory, Monetary Policy, European Monetary Integration, University Publishing House “Stopanstvo”, UNWE, Sofia, 2006.
6. Minassian, G., External Debt, Theory, Practice, Management, Publishing House “Siela”, Sofia 2004.
7. Maslarov, S., Currency and International Finance, Publishing House “PRINCEPS”, Sofia, 1998.
8. Minassian, G., Financial Programming, 2nd ed., Publishing House „Litavra”, Sofia, 2004.
9. Trifonova, S., Results from the currency board’s operation in Bulgaria, University of National and World Economy, Scientific Works 2001, Vol. 1, University Publishing House “Stopanstvo”, Sofia, 2001, pp. 77 – 114.
10. Papers and materials on the personal website of Assoc. Prof. Dr. Silvia Trifonova: www.silvia-trifonova.microstat-analytics.com.
11. Papers and materials on the personal website of Prof. Nikolay Nenovsky: www.nenovsky.com

In English

12. Nabli, M., Financial Integration, Vulnerabilities to Crisis, and EU Accession in Five Central European Countries, The World Bank, 1999.
13. Petkov, K., and co-authors, The Role of the International Financial Institutions in South Eastern Europe Countries and European Integration Process: Strategies for the Trade Union Movement, 86 p.
14. Krugman, P., Currencies and Crises, Cambridge, Massachusetts, London: The MIT Press, 1992.
15. Bordo, M, Eichengreen, B., A Retrospective on the Bretton Woods System, Lessons for International Monetary Reform, University of Chicago Press, 1993.
16. Stiglitz, J. E., Globalization and Its Discontents, W.W. Norton & Company, June 2002.
17. Stiglitz, J. E., Making Globalization Work, Penguin Books, August 2006.
18. Kindleberger, Ch., R. Aliber, Manias, Panics, and Crashes: A History of Financial Crises, 5th ed. Wiley, 2005.
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20. Fischer, S., The Asian Crisis and the Changing Role of the IMF, *Finance & Development* 35:2 (June), 1998, pp. 2-5.
21. Fischer, S., On the Need for an International Lender of Last Resort, *The Journal of Economic Perspectives*, vol. 13, no. 4, 1999, pp. 85-104.
22. IMF, *International Capital Markets, Part I: Exchange Rate Management and International Capital Flows*, April, 1993, www.imf.org.
23. Mishkin, F., *The Causes and Propagations of Financial Instability: Lessons For Policymakers: Maintaining Financial Stability in a Global Economy*, Federal Reserve Bank of Kansas City, Kansas City, 1997.
24. Kaminsky, G., C. Reinhart, *The Twin Crises: The Causes of Banking and Balance-of-Payments Problems*, *American Economic Review* 89, 1999, pp. 473-500.
25. Mishkin, F., *International Experiences with Different Monetary Policy Regimes*, NBER Working Papers, No. 7704, 1999.
26. Sorsa, P., *Globalization, IMF and Bulgaria*, Presentation at the Conference on Globalization and Sustainable Development, Varna Free University, July 1, 2002.
27. Schaehter, A., M. R. Stone, M. Zelmer, *Adopting Inflation Targeting: Practical Issues for Emerging Market Countries*, IMF Occasional paper No. 202, 2002.
28. Cottarelli, C., C. Giannini, *Credibility Without Rules? Monetary Frameworks in the Post-Bretton Woods Era*, IMF Occasional paper No. 154, 1997.
29. Bordo, M., *The Bretton Woods International Monetary System: An Historical Overview*, NBER Working Paper No. 4033, 1992.
30. DeVries, M., *The IMF In A Changing World, 1945-1985*, IMF Publications, 1986.
31. Pilbeam, K., *International finance*, 3rd. ed. - Basingstoke [u.a.]: Palgrave Macmillan, 2005.
32. Mussa, M., M. Savastano, *The IMF Approach to Economic Stabilization*, IMF Working Papers, WP/99/104, 1999.
33. Polak, J., *The IMF Monetary Model at Forty*, IMF Working Papers, WP/97/49, 1997.
34. De Grauwe, *Economics of Monetary Union*, 2006.
35. Roussenova, L., *The 1996–1997 financial crisis in Bulgaria*, European Institute, Sofia, 2002.
36. Trifonova, S., “Role of World Bank for Achieving Sustainable Development”, Paper on the International Conference “Economic Policies for Sustainable Development”, UNWE, Center on Sustainable Development, Sofia, 19-20 October, 2007, University Publishing House “Stopanstvo”, Sofia, 2008, pp. 50-61.
37. Trifonova, S., *Bulgaria - on the road to the EMU with a currency board system*”, “Global Business & Economics Anthology”, Vol. II, December 2008, Selected Papers 2008 Business & Economics Society International Conference, pp. 280-295.

38. Trifonova, S., The Process of European Economic Convergence, Conference Proceedings “Integration Processes in Europe”, Vol. 1-2, Book II, University of Nish, 2005, pp. 291-299.
39. ECB, The monetary policy of the ECB, European Central Bank, Frankfurt am Main, 2004.
40. ECB, The implementation of monetary policy in the euro area: General documentation on Eurosystem monetary policy instruments and procedures February 2004, ECB Working Paper No. 363, May, 2004.

B. ADDITIONAL

In Bulgarian and Russian

1. Delisivkova, T., Integration of Bulgaria into the European Union, Publishing House “Stoilov”, Sofia, 1996.
2. Vultchev, T., End of gold dollar standard: Problems of capitalist currency system evolution and functioning, Bulgarian Academy of Science, 1980.
3. Tzigankov, P., International relations: Theories, conflicts, movements, organizations, Publishing House „Alfa-M”, Moscow, 2002.
4. Shrepler, Kh.-A., International economic organizations, Publishing House „International relations”, Moscow, 1998.
5. Shrepler, Kh.-A., International economic organizations: Manual, Publishing House „International relations”, Moscow, 1999.
6. Jackson, S., Financial crimes of the big business, Publishing House „Info-Dar”, 2007.
7. Jeremias, P., Role of the International Monetary Fund and the World Bank for the macroeconomic stabilization of Angola, Bulgarian Academy of Sciences, 1998.
8. Trifonova, S., European Central Bank – legislation, operation and conduct of the single European monetary policy, Law without borders, Vol. 1-4/2006, Publishing House, Sofia, 2006.
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- integration of Bulgarian economy in the European single internal market”, University Publishing House “Stopanstvo”, Sofia, 2006.
13. Trifonova, S., The monetary policy of the BNB – from a currency board system to the ESCB membership, Conference Proceedings, Scientific and Practical Conference “Theory and practice of Finance and Accounting in the process of integration to the European Union”, Publishing House “Science and economy”, University of Economics – Varna, 2005, Varna, pp. 333–342.
 14. Trifonova, S., Evolution of the relationships between Bulgaria and the International Monetary Fund and their role for the macroeconomic stabilization, Conference Proceedings, Scientific Conference “Welfare and economic growth in an efficiently working market economy”, University Publishing “Stopanstvo”, Sofia, 2003, pp. 133–137.
 15. Internet websites: Government of the Republic of Bulgaria - www.minfin.bg, Ministry of Finance of the Republic of Bulgaria - www.government.bg, Bulgarian National Bank /BNB/ – www.bnb.bg, EU Structural Funds - www.eufunds.bg, etc.
 16. Scientific Works of the UNWE.

In English

17. Kiguel, M., N. Livatan, Exchange-Rate-Based Stabilizations in Argentina and Chile: A Fresh Look, In: Balino, T., C. Cottarelli (eds.), Framework for Monetary Stability. Policy Issues and Country Experiences, IMF Institute and Monetary and Exchange Affairs Department, Washington D.C., 1994.
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24. IMF, Research Activities of the International Monetary Fund: January 1991-December 1998, International Monetary Fund, 1999.
25. ECB, Money and Banking Statistics, European Central Bank, Frankfurt am Main.
26. ECB, Convergence Reports, European Central Bank, Frankfurt am Main.

27. Internet websites: IMF - www.imf.org, World Bank – www.worldbank.org, European Central Bank – www.ecb.int, European Union - www.europa.eu, Bank for International Settlements – www.bis.org, etc.