Objective: The objective of this course is to provide students with a better understanding of the European financial crisis. Starting with a background of the European Union and the Euro, the course continues with an overview of the crisis and finishes with the potential options available to policy and decision makers and the potential impacts and unintended consequences of selected decisions. The class culminates with reading and discussing a case related to developing an investment thesis to make a sovereign debt trade. I ask students if they have questions and topics that interest them, and if there is a consensus, we will adjust the course and cover them. If there is not a consensus, I am more than happy to cover topics after class for a smaller group.

Location: The course location is Madrid. Madrid has been chosen specifically to bring students closer to the crisis and make it easier for European-based guest speakers to present to the class.

Philosophy: I treat and respect everyone as if they are adults who are paying a lot of money to learn. The spirit of the course is to try to make it as practical as possible. Guest speakers will be invited and confirmed closer to the start of class. The course utilizes a series of articles and practical experiences. It is a timely course that focuses on key, selected, memorable messages/lessons learned and an emphasis on what can help you in your career.

Classes: Typically, classes are 9am to 5pm. A lunch break is held for 1 hour. There are several 15-minute breaks. The focus is not the amount of time in the classroom, but covering and learning the material. There will be optional social evening activities to ask questions or to ask career advice.

Requirements: There will be relatively short reading assignments that are required. If you don’t read them before class, it may be difficult to follow along and answer questions. There will be supplementary readings that will help your participation, but that are not required. Most of the readings are in the “case book.” I divide the readings into required and supplementary to help make sure people can read at least some basic information in a manageable amount of time.

Grades:

33% Class Participation
33% Midterm (in class game show quiz)
33% Final 2-3 Page Memo

The game show quiz is a series of questions that students answer in groups in class. It is as much about learning in a fun group environment as it is a test (although the groups can get competitive). Students submit suggested questions before the quiz, which is part of the grade (and learning). The final is a short (2- to 3-page) memo covering a topic/question. The possible questions/topics and possible approaches/frameworks will be discussed in class before the deadline to help students be efficient with their time. I grade according to standards of quality and comprehension, not to a curve.
**Background**

**Practical Questions**
Managing the Euro Zone, HBR***
I Love the Euro, But…, HBR Blog***
The Wisdom of the Currency Crowd, HBR Blog***

**The Crisis**
Question the Euro Crisis, HBR Blog Network***
The Euro in Crisis: Decision Time at the European Central Bank, HBS Case***
Who Fixes the Euro? HBR Blog***
Three Reasons the Euro Zone Deal Won’t Work, HBR Blog***

**The Countries**

**Germany**
Paradigm Lost: The Euro Crisis: Germany: Europe’s Pride or Europe’s Problem*** Germany Should Leave the Euro but Probably Can’t, HBR Blog***
Will Germany Leave the Euro? HBR Blog***

**Greece**
Paradigm Lost: The Euro Crisis: Why Greece Has to Restructure Its Debt***
A Dire Warning From Argentina and Latvia
Lessons From Russia’s Crisis
The Greek Crisis: Tragedy or Opportunity, HBS Case
Will Greece Survive the Crisis? HBR Blog***
Will Greece Exit the Euro? HBR Blog***
The Euro is not a Long Term Crisis, HBR Blog
The Common Currency as a Guarantee of Discontent, HBR Blog

**Practical Question**
What could happen next if Greece leaves the Eurozone? BBC News***

**Goldman / Greek Trade**
Goldman Secret Greece Loan Shows Two Sinners as Client Unravels, Bloomberg
Wall Street Helped to Mask Debt Fueling Europe’s Crisis, New York Times
Goldman role in Greek crisis Probed, Financial Times
Spain
Paradigm Lost: The Euro Crisis: Can Spain Overcome the Aegean Flu?***
Spain: Can the House Resist the Storm? HBS Case***
Spain is Now Making Ireland’s Mistakes***
Spain, Scary Statistics, and Why the US Dollar Remains the World’s Reserve Currency, HBR Blog***
Spain Straddling the Atlantic, HBS Case

Italy
Paradigm Lost: The Euro Crisis: Is Italy the Next Greece
The Euro Crisis: Italy’s Turn, HBR Blog
Italy: If not now, when? HBS Case Remedies

Remedies
Paradigm Lost: The Euro Crisis:
A Three Point Plan to Save the Euro***
Europe Bought Time and Not Much Else***
Emerging From the Emergency
Beware of Fundamentalism

Effects on the Rest of the World
Paradigm Lost: The Euro Crisis: Effects on the Rest of the World
The Euro Crisis is Bigger Than You Think***
A Threat to the US Economy*** The Euro Crisis and Developing Countries
Is Sovereign Debt Crisis Looming?***

Investment Thesis / Trade
The Euro Zone and The Sovereign Debt Crisis, Darden Case**
* Prospective Capital Flows and Currency Movements: US Dollar versus Euro, Darden Case
The Euro Dollar Decision, HBS Case

Other Topics/Ideas
Regulatory Issues
Capital Issues Facing Banks (Basel III, reporting, risk)
What does this mean if you own a company?
What does this mean if you work at a bank?