

**DEREE COLLEGE SYLLABUS FOR:**

**EC 3221 ECONOMIC DEVELOPMENT OF MODERN GREECE – LEVEL 5**

**UK CREDITS: 15**

(Updated Spring 2015)

**PREREQUISITES:**

EC 1000 Principles of Microeconomics  
EC 1101 Principles of Macroeconomics

**CATALOG**

**DESCRIPTION:**

Major trends in Greek economy since WWII. Fiscal and monetary policies. Sectoral analyses and discussion of problems, like inflation, tax evasion, the public debt, the balance of payments, education, and social security. From accession to the EEC to membership of the Eurozone. The onset of crisis, 2009-10.

**RATIONALE:**

This course enables students from all disciplines to obtain a picture of the evolution of the Greek economy in the post-war period and assess the various episodes in Greek economic life. Emphasis is placed on the salient features and peculiarities, historical circumstances and the social context, as well as the political economy of growth and structural change. Where appropriate, older and modern development theories are utilized, helping to place the Greek development experience in an international context. The capabilities of the Greek economy to cope with the demands of European integration are thoroughly investigated and assessed, special focus given to the causes of the 2009-10 crisis and its attempted management.

**LEARNING OUTCOMES:**

As a result of taking this course, the student should be able to:

1. Evaluate the characteristics and potential of the Greek economy.
2. Demonstrate detailed knowledge of the economic, social, and historical peculiarities that shaped the evolution of the Greek economy in the post-war period.
3. Analyze specific internal and external problems faced by the Greek economy over this period, such as the oil crises, exchange rate crises, the 2009-2010 crisis, inflation, low productivity and deteriorating international competitiveness, her balance of payments, her educational system and her social security system, and the tourist industry.
4. Analyze the nature, scope, and effectiveness of Greek governments' fiscal and monetary policies over the period.
5. Evaluate Greece's efforts to join the EEC and later the EMU, and, more recently, to cope with the crisis of 2009-2010 2015.

**METHODS OF TEACHING**

**AND LEARNING:**

In congruence with the learning and teaching strategy of the college, the following tools are used:

- Classes consist of lectures and class discussions of recent articles in economic journals assigned by the instructor. Students are encouraged to keep up with current issues by reading dailies and periodicals.
- Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions and go over lecture material.
- Use of a blackboard site, where instructors post lecture notes, assignment instructions, timely announcements, as well as additional resources.

### ASSESSMENT:

In-class, 1-hour, "diagnostic" test - <b>formative</b>	0	problems/essay questions combination
In-class midterm examination (1-hour) - <b>summative</b>	40	problems/essay questions combination
Final examination (2-hour, comprehensive) - <b>summative</b>	60	problems/essay questions combination

The formative test aims to prepare students for the final examination.

The midterm examination tests Learning Outcomes. 1, 2

The final examination tests Learning Outcomes 3 -5

### READING

#### LIST:

#### (A) Textbook(s):

- (1) N.G Pirounakis, *The Greek Economy: Past, Present and Future*, originally published by Macmillan in 1997, ISBN 0-333-65422-6, as updated and edited by author (who now has the copyright).
- (2) M. Dragoumis, *The Greek Economy 1940-2004*, published by *Athens News* in 2004, ISBN960-86395-6-5.

#### (B) Other:

- (1) *The Economist*, "Prometheus unbound: A survey of Greece", Oct. 12<sup>th</sup> 2002.
- (2) M. Baldwin-Edwards (2004): "Albanian emigration and the Greek labour market: economic symbiosis and social ambiguity", in *South East Europe Review*, 1, pp. 51-65.
- (3) B. Bosworth & T. Kollintzas (2001): "Economic growth in Greece: Past performance and future prospects", *CEPR Discussion Papers* no. 2852.
- (4) L. Vasiliadis (2008): "How Greece and Ireland have been positioned in the world developments since 1945: a French regulation approach", in *Journal of Social Sciences* 4 (1): 42-55.
- (5) Hondroyiannis, G., Lolos, S., Papapetrou, E. (2004): "Financial Markets and Economic Growth in Greece, 1986-1999", *Bank of Greece Working Paper* 17, Sept.
- (6) Gibson, H. D., Tsaveas, N. T., Vlassopoulos, T. (2006): "Capital flows, capital account liberalisation and Mediterranean countries", *Bank of Greece Working Paper* 33, Feb.

- (7) Fotopoulos, T. (1992): “Economic restructuring and the debt problem: the Greek case”, in *Int’l Review of Applied Economics*, v. 6, n. 1, pp. 38-64.
- (8) Lazaretou, S. (2003): “Greek monetary economics in retrospect: the adventures of the drachma”, *Bank of Greece Working Paper 2*, April.
- (9) Tinios, P. (2003): “Pensions in Greece: The economics of the politics of ‘reform by instalments’”. LSE Conference: Pension Reform in Europe. Dec. In [http://www.lse.ac.uk/collections/hellenicObservatory/pdf/pensions\\_conference/tinios-paper.pdf](http://www.lse.ac.uk/collections/hellenicObservatory/pdf/pensions_conference/tinios-paper.pdf). Also as: “Pension reform in Greece: ‘Reform by instalments’ – A blocked process”, in *West European Politics*, v. 28, iss. 2, pp. 402-419. March 2005.
- (10) Gwartney, J., Lawson, R., Holcombe, R. (1998): “The size and functions of government and economic growth”. Paper prepared for the Joint Economic Committee, Washington DC, April. In <http://www.redaruba.com/hessels/nl/docs/The%20size%20and%20functions%20of%20government.pdf>.
- (11) Reinhart, C. M. & Rogoff, K. S. (2010): “Growth in a Time of Debt”. Paper prepared for the American Economic Review Papers and Proceedings. Dec. In <http://www.aeaweb.org/aea/conference/program/retrieve.php?pdfid=460>.
- (12) IMF (2010): Interim Report on Greece – findings of an IMF staff visit to Athens during June 14-18. IMF Country Report no. 10/217. July.
- (13) IMF (2014): Greece country report no. 14/151, June.
- (14) Alogoskoufis, G. (2012): Greece’s Sovereign Debt Crisis: Retrospect and Prospect (European Institute: Hellenic Observatory), GreeSE paper no. 54.

**RECOMMENDED MATERIAL:**

*Annual Reports of the Governor of the Bank of Greece* [in English], from c. 1981 to the present.  
 OECD, *Economic Surveys: Greece*, various years.  
 OECD, 2003: *Sources of economic growth in OECD Countries*.  
 D. H. Close (2002). *Greece Since 1945: A History*. Longman.  
 G. A. Tzouganatos (1992). *The Development of the Greek Economy, 1950-1991*. Greenwood Press Inc.  
 N. Mouzelis (1986). *Politics in the Semi-Periphery: Early Parliamentarism and Late Industrialization in the Balkans and Latin America*, London: Macmillan.  
 O. Kazakos (2001). *Between State and Market: Economy and Economic Policy in Post-War Greece, 1944-2000* [in Greek]. Athens: Patakis.  
 A. F. Freris (1986). *The Greek Economy in the 20<sup>th</sup> century*, New York: St Martin’s Press.

**SOFTWARE REQUIREMENTS:**

Word, Excel, PowerPoint.

- INDICATIVE CONTENT:**
1. A short reference to economic development theories.
  2. A historical overview of the Greek economy since WWII; the social & political framework, with special emphasis on the role of the state.
  3. Major macroeconomic indicators and performance; the microeconomic foundations of registered performance.
  4. Governments, macroeconomic policies and the Bank of Greece: fiscal, monetary, and exchange rate policies. The public debt.
  5. Sectors of the Greek economy; special emphasis on tourism.
  6. Problems of the Greek economy: Investment (domestic & foreign), productivity, factors affecting same; the special role of housing; the influence of the public sector; tax evasion and the informal economy; the educational system and competitiveness; demographics; the social security problem.
  7. Balance of payments: its composition and factors shaping it.
  8. Greece in the EEC and in the EU. Was Greece ripe to join? Has membership benefited Greece?
  9. The crisis of 2008-09, and how it affected Greece; the onset of the 2009-2010 crisis and its attempted management.
  10. Lessons, insights and necessary reforms.