The Economics of European Integration  
Viadrina, Master IBA & MES, Winter 2012/13

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This version: January 28, 2013†

lecture

The course starts in the 2nd block of the semester. The first lecture will be Monday, December 10. We meet usually

Monday 14.15 - 17.00 in GD Hs4 and
Wednesday 14.15 - 17.00 in GD Hs3

Note that this is a bit shorter than the time slot that has been reserved by the administration. This is by intention, see below. On December 19, there will be no lecture†. Changes (hopefully none) to this regular schedule will be announced via Moodle. Please register yourself as a student and make sure to check our page in Moodle frequently enough.

examination

The official description of the course is here: http://tinyurl.com/bvojgyv. If you read it carefully, you will notice that you have to pass an exam and also to write a paper or present something to earn the course requirement.

You can earn 6 or 7 credits (ECTS) for this course.

If you intend to earn 6 credits, you have to

- attend the lecture on Monday and Wednesday. That means to show up for the 12 lectures in December, January and February. The typical lecture will be 2:40 hours or so.
- The lecture represents ‘contact time (per week in semester)’ of three hours (or 3 SWS).
- The examination comes in two parts:
  1. you have to write the exam (90 minutes). That will account for 75% of your grade.
  2. you have to write a short paper (essay, 4-5 pages). That will account for 25% of your grade. The deadline to submit your short paper will be January 12, 11:30 pm. More details will be announced in the first lecture.

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†There is a version history at the end of the document.
†There will be a lecture January 30!
If you intend to earn 7 credits (‘T-Modul’), the paper you have to write will be more demanding (longer, more research oriented, 18-20 pages). For those writing a longer paper, I offer special office hours to discuss your paper while you write it. Depending on the number of students writing a longer paper, there might be one or two extra meetings for this sub-group of course participants. The deadline for the longer paper will be February 20, 2013. More details will be announced in the first lecture.

If you are an MES-Student, there will also be the possibility to earn 9 credits. Please contact me directly if you intend to earn 9 credits and if you are an MES student. (Short version: Exam + Paper 21-25 pages)

Unfortunately, I will not be able to offer the tutorial on basic research methods and other topics that has been announced earlier.

The exam is already scheduled:
11.02.2013, 13:30-15:30 and
05.04.2013, 08:30-10:30 (for those who didn’t make it in February)

textbook, topics, readings list

The course follows roughly the structure of the textbook Baldwin and Wyplosz (2012) and will be taught in english language. Please note that I intend to use the 4th edition of the book. The 3rd edition is also ok, but outdated in many respects. The publisher has an accompanying website at http://highered.mcgraw-hill.com/sites/007713172x/information_center_viewof/.

Each lecture will cover (roughly) a chapter from our textbook. You should consider those chapters as mandatory reading. In addition, there will be extra-references for most topics that you are expected to read (self-study) or simply are suggestions because they are interesting. References in german are not mandatory.

problem sets

I will provide problem sets. They are meant to help you to prepare for the written exam – the problems in the exam will be similar. Unfortunately, there is no tutorial but in Moodle, there is dedicated forum to discuss the solutions for the problem sets, to ask questions, to correct other students. I will be one the participants in that virtual conversation. My experience is that students that used Moodle to discuss problem sets perform extraordinary well in the exam. So: Feel invited!

1 A short history and the present state of European Integration (Lectures 1-3: 10./12./17.12.)

Baldwin and Wyplosz (2012, ch. 1-3) and Baldwin (1993); Baldwin and Rieder (2007); Economist (2012); Oates (1972, 1999); Tiebout (1956); Wildasin (2008); Wilson (1999)
2 Essential microeconomic tools (Lecture 3: 17.12.)
Baldwin and Wyplosz (2012, ch. 4)

3 The essential economics of preferential liberalisation
(Lectures 4-5: 7./14.1.)
Baldwin and Wyplosz (2012, ch. 5) and Krishna (2008); Mitra (2008); World Trade Organization (2011)

4 Market size and scale effects (Lectures 5-6: 14./17.1.)
Baldwin and Wyplosz (2012, ch. 6) and Baker (2003); Crandall and Winston (2003); European Commission (2007); Griffith, Harrison, and Simpson (2010) and Bagwell and Staiger (2002, ch. 7)

5 Competition Policy / Factor Mobility (Lecture 7: 20.1)
Baldwin and Wyplosz (2012, ch. 11, 8) and Sinn2005_IIPF; Braun and Mahmoud (2012); Duso, Gugler, and Yurtoglu (2011)

6 Agriculture / Growth (Lecture 8: 23.1.)
Baldwin and Wyplosz (2012, ch. 9, 7) and Acemoglu (2009); Acemoglu and Robinson (2012)

7 Essential macroeconomics tools (28.1.)
Baldwin and Wyplosz (2012, ch. 13) and Teles and Uhlig (2010) and Buiter (2009)

8 Monetary Integration and Optimum Currency Areas (30.1.)
Baldwin and Wyplosz (2012, ch. 14+15) and Brunnermeier (2012)

9 The European Monetary Union (4.2.)
Baldwin and Wyplosz (2012, ch. 16)
10 Fiscal policy and the Stability Pact (4.2.)

Baldwin and Wyplosz (2012, ch. 17)

11 The Financial Markets, the Euro and the Eurozone Crisis (6.2.)

Baldwin and Wyplosz (2012, ch. 18+19)

References


**version history of this document:**

**January 28, 2013:** schedule of the lectures and deadline for short papers adjusted to reality; lecture January 30; updated reading list; added a remark about problem sets.

**December 9, 2012:** no tutorial, minor editing

**November 11, 2012:** first consolidated version with rules, topics etc. for the course.