

Junior Professorship
International Economics
European University Viadrina

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Winter 2013/14



The Economics of European Integration

Outline

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A course about the Economics of European Integration based on the textbook by Baldwin/Wyplosz. We apply both micro- and macroeconomic tools to understand the European integration process. We cover a broad range of topics, including European history, the effects of liberalizing trade on consumers and producers, competition policy, agriculture, monetary and fiscal policy in Europe, optimum currency areas and other monetary arrangements, competitiveness and probably more.

when and where

The course takes place in the 1st block of the semester. We will usually meet

Lecture:

Monday 12.15 - 13.45 in GD Hs4,
Tuesday 11.15 - 12.45 in GD Hs4,
Wednesday 12.15 - 13.45 in GD Hs4

Lectures will start on Monday, October 14.

Tutorial:

Tuesday 14.15 - 15.45 in GD 305

The tutorial is not mandatory and meant as an offer to help students to master the course where necessary. See below for topics to be covered.

Changes (hopefully none) to this regular schedule will be announced via **Moodle** at <http://www.moodle.europa-uni.de>.

Please register yourself as a student and make sure to check our page in Moodle frequently. Moodle is our central communication tool for the course. So, please do not use E-Mail for communication, unless it's really necessary. We also use it to provide you with lecture slides and other downloads, to find the topic of your essay, and so on.

examination

The official description of the course is here: <http://tinyurl.com/m9dor2n>. If you read it carefully, you will notice that, in order to earn the course requirement, you must...

^cThere is a version history at the end of the document. Updates of this document will be announced via Moodle.

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...**write an essay** of 2 - 3 pages on a subject of your choice. (Essential requirement to be admitted to the exam.) Details will be announced in the lecture and via Moodle. They must be handed in until November, 17th (midnight).

There exists a short paper on "How to find and use literature" (see downloads => additional material in Moodle). It contains tips and tricks that might prove helpful when writing your essay.

...**pass an exam** of 120 minutes. It will take place in the week following the last lecture.

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 we 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://higher.ed.mcgraw-hill.com/sites/007713172x/information_center_view0/. The Viadrina library also provides a number of textbooks.

A lecture (or two) 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 that are simply suggestions because they are interesting. References in german are not mandatory.

problem sets

We will provide problem sets. They are meant to help you to prepare for the written exam – the problems in the exam will be similar. In Moodle, there is a dedicated forum to discuss the solutions for the problem sets, to ask questions, to correct other students. We will also participate in this virtual conversation. In our experience students that used Moodle to discuss problem sets perform extraordinary well in the exam. So, feel invited!

lecture topics

Be aware that this list of topics and references will be updated before we start and also during the lecture. The chapters in Baldwin and Wyplosz (2012) are essential reading, the other references are in addition. You will understand during the lecture if and why they are interesting.

1 A short history and the present state of European Integration

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

Baldwin and Wyplosz (2012, ch. 4)

3 The essential economics of preferential liberalisation

Baldwin and Wyplosz (2012, ch. 5) and Krishna (2008); Mitra (2008); World Trade Organization (2011)

4 Market size and scale effects

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

Baldwin and Wyplosz (2012, ch. 11, 8) and Braun and Mahmoud (2012); Duso, Gugler, and Yurtoglu (2011); Sinn (2005)

6 Agriculture / Growth

Baldwin and Wyplosz (2012, ch. 9, 7) and Acemoglu (2009); Acemoglu and Robinson (2012)

7 Essential macroeconomics tools

Baldwin and Wyplosz (2012, ch. 13) and Buiters (2009); Campa and Gavilan (2011); Krugman (2011); Obstfeld and Rogoff (1996a,b); Schmitz and Hagen (2011); Teles and Uhlig (2010)

8 Optimum Currency Areas

Baldwin and Wyplosz (2012, ch. 15) and Brunnermeier (2012)

9 Competitiveness in Europe

Baldwin and Wyplosz (2012, ch. 16-19) and Allen, 2008; Eichengreen, 2008; Kantoos Economics, 2011a,b; Krugman, 1994; McKinsey Germany, 2012; Sheets and Sockin, 2012; Sinn, 2013

tutorial topics

1 Essentials in Microeconomics

On the market in general.

2 How to write an essay

On Plagiarism, citations, writing style and other writing issues.

3 Essentials in Macroeconomics

On the economy in general.

4 Essays revisited

What could and could not have been done better in the essays.

5 Problem sets

How to solve them.

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version history of this document:

October 09, 2013: room for tutorial, minor updates, remark about the "How to find and use literature"-paper.

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