

Junior Professorship for International Economics,  
European University Viadrina

Prof. Dr. Daniel Becker<sup>a</sup>

Winter 2015/16



## The Economics of European Integration

Outline for Bachelor students

This version:<sup>b</sup>  
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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 during the whole semester. There will be a lecture on Monday and a tutorial on Tuesday:

#### Lecture:

Monday, 16.15-17.45 in GD HS 3

Lectures about different topics in European Integration, see below. This lecture will be visited by Bachelor students (IBA, IBWL, Erasmus, ...) and Master students (Master of European Studies - MES).

#### Tutorial, part 1 (12.10.15 - 29.11.15):

Tuesday, 9.30-11.00 in GD HS 5

“Culture shock Economics” - introduction to economic thinking and methods. Voluntarily for Bachelor students.

#### Tutorial, part 2 (07.12.15 - 05.02.16):

Tuesday, 9.30-11.00 in GD HS 4

Solving problem sets & exam preparation. Mandatory for Bachelor students

No lecture and no tutorial 30.11. / 1.12. (exam week for many other courses).

The tutorial has two parts. The first half of the semester, we will discuss the way economists think and review methods. If you had your introductory lectures in Economics (Micro, Macro, Statistics or Econometrics), this part will probably be a bit boring. However, many students might be happy to have the chance to review the fundamentals.

The second half of the semester is dedicated to problem sets and exam preparation.

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

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<sup>b</sup>There is a version history at the end of the document. Updates of this document will be announced via Moodle.

<sup>a</sup>dbecker@europa-uni.de, <http://www.wiwi.euv-ffo.de/iwbz>

necessary. I also use Moodle to provide lecture slides and other downloads, to find the topic of your paper (see below), and so on.

## examination

The examination will be a written exam of 120 minutes. It is scheduled for Monday, 8 February 2016 from 16 to 18, Room to be announced. The deadline for registration: 31 January, 2016 at 23:59.

There will be a second exam for those who didn't take the first one or for those who failed. This will be end of March 2016 (probably March 17, 8.30-10.30), details to be announced. Deadline for registration: 6 March 2016, 23:59.

The exam for Bachelor students will be different from the one for students in the Master of European Studies program that visit the same lecture.

## textbook, topics, readings list

The course follows roughly the structure of the **textbook Baldwin and Wyplosz (2015)** and will be taught in English language. Please note that we intend to use the **4th edition** of the book. The 3rd and the 4th edition are also ok, but outdated in many respects. The publisher has an accompanying website at <http://www.mheducation.co.uk/textbooks/baldwin>. The Viadrina library also provides a number of textbooks.

A lecture will cover (roughly) a chapter from the 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.

## 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. 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 (2015) are essential reading, the other references are in addition. You will understand during the lecture if and why they are interesting.

THE SCHEDULE FOR THE LECTURE (and the reading list) WILL BE UPDATED IN OCTOBER.

13 lectures / 13 tutorials

### 1 A short history and the present state of European Integration

Baldwin and Wyplosz (2015, ch. 1-3) and Baldwin (1993), Baldwin and Rieder (2007), Economist (2012), Oates (1972, 1999), Red Cross and Red Crescent Societies (2013), Tiebout (1956), Wildasin (2008), and Wilson (1999)

## **2 Essential microeconomic tools**

Baldwin and Wyplosz (2015, ch. 4)

## **3 The essential economics of preferential liberalisation**

Baldwin and Wyplosz (2015, ch. 5) and Facchini, Silva, and Willmann (2013), Krishna (2008), Mitra (2008), and World Trade Organization (2011)

## **4 Market size and scale effects**

Baldwin and Wyplosz (2015, ch. 6) and Baker (2003), Crandall and Winston (2003), European Commission (2007), and Griffith, Harrison, and Simpson (2010) and Bagwell and Staiger (2002, ch. 7)

## **5 Competition Policy**

Baldwin and Wyplosz (2015, ch. 11) and Duso, Gugler, and Yurtoglu (2011)

## **6 Factor Mobility, Migration and Asylum**

Baldwin and Wyplosz (2015, ch. 11, 8) and Braun and Mahmoud (2012) and Sinn (2005)

## **7 Growth**

Baldwin and Wyplosz (2015, ch. 7) and Acemoglu (2009) and Acemoglu and Robinson (2012)

## **8 Agriculture**

Baldwin and Wyplosz (2015, ch. 9)

## **9 Essential macroeconomics tools**

Baldwin and Wyplosz (2015, ch. 13) and Buiter (2009), Campa and Gavilan (2011), Krugman (2011), Obstfeld and Rogoff (1996a,b), Schmitz and Hagen (2011), and Teles and Uhlig (2010)

## **10 Monetary Integration**

Baldwin and Wyplosz (2015, ch. 14)

## **11 Optimum Currency Areas**

Baldwin and Wyplosz (2015, ch. 15) and Brunnermeier (2012)

## **12 Competitiveness in Europe**

Baldwin and Wyplosz (2015, ch. 16-19) and Allen, 2008; Eichengreen, 2008; Kantoos Economics, 2011a,b; Krugman, 1994; McKinsey Germany, 2012; Sheets and Sockin, 2012; Sinn, 2013

## 13 Fiscal policy and the Stability Pact

Baldwin and Wyplosz (2015, ch. 17)

## 14 The Financial Markets, the Euro and the Eurozone Crisis

Baldwin and Wyplosz (2015, ch. 18+19)

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## version history of this document:

- 2015-11-12** more details about the exam + registration deadline.
- 2015-10-14** new room(s) for the tutorial.
- 2015-10-14** examination without a mandatory paper, added dates for the written exam.
- 2015-09-20** First public version for the WiSe 2015 / 2016