

Junior Professorship for International Economics,
European University Viadrina

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January 3, 2017



The Economics of European Integration

Outline

Winter 2016/17

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, monetary and fiscal policy in Europe, optimum currency areas and other monetary arrangements and probably more.

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

when and where

The course **takes place during the whole semester** and will be visited by Bachelor students (IBA, IBWL, Erasmus, ...) and Master students (Master in European Studies - MES). We meet each Monday in the afternoon and Tuesday morning:

Lecture/Tutorial: Monday, 16.15-17.45, room: GD HS 8

Lecture/Tutorial: Tuesday, 9.30-11.00, room: GD HS 3

Please note that there is no fixed weekday for the lecture or the tutorial. I expect your attendance both on Monday and on Tuesday, but I am not going to protocol who is in the room and who isn't.

We cover a **broad range of topics** with the common theme that they belong to the Economics of European Integration. Where possible, we apply our knowledge to current issues (Brexit, TTIP, Apple vs EU, refugees, Eurozone crisis, ...).

In the **first part of the semester**, a couple of lectures and tutorials will be dedicated to an **introduction to general economics**, especially for those students that did not study economics before and that have to deal with a "culture shock economics". For some students, this might be a bit boring, for others this will be a welcome opportunity to make sure that they understand the basics of economic analysis. In the **second part of the semester**, we will use more time to **discuss problem sets in class**, with a focus on European issues. Please pay attention to my announcements via Moodle to have an idea what the next lectures will cover.

There will be no lectures and no tutorials in the week 28.11 - 4.12. since many students have to write exams in that week. Monday, October 31: no lecture (Reformationstag, holiday in Brandenburg). And there will be no lecture and no workshop Monday, January 2 since Viadrina will still be in its christmas break.

Please register yourself as a student in Moodle and make sure to check our page frequently and/or pay attention to your Email-account provided by Viadrina. These are the necessary enrolment keys:

MES-students:

I-am-an-MES-student-in-WiSe16/17

^adbecker@europa-uni.de, <http://www.wiwi.euv-ffo.de/iwbz>

Bachelor-students:

I-am-a-BA-student-in-WiSe16/17

Moodle is our central communication tool for the course. So, please do not use E-Mail for communication, unless it is really necessary. I also use Moodle to provide lecture slides and other downloads.

There will be a **Workshop on the Economics of European Integration** (voluntarily) where you can discuss additional tasks of the problem sets with a more advanced student (Jonas Weißmantel). It will be offered once in two weeks, starting Monday, 24.10.16 (11.30–13.00) and then 7.11., 21.11., 05.12., 19.12., 16.01 in room GD 305.

examination

The examination will be a **written exam of 120 minutes**. **For Bachelor students, it will be Monday, 30.01.2017, 13.30-15.30, GD HS 1. For Master students, the exam will be Wednesday, 01.02.2017, 16.00-18.00, Audimax.** The deadline for registration is: 22.01.17, 23:59 h.

To register, go to <https://viacampus.europa-uni.de/>. Bachelor student look for the course “5041 The Economics of European Integration”. For Master students the examination is organized using this title: “1951 Economics of European Integration (MES)”.

There will be a second exam for those who didn't take the first one or for those who failed. It is scheduled for 28.03.2017, 8.30-10.30, GD HS 3. Deadline for registration: 12.03.17, 23:59 h.

The exam for Bachelor and Master students will be slightly different.

A special note for Erasmus students: I sometimes receive requests to certify that students participated in my course but nevertheless failed the exam. Following a general policy at Viadrina, I am not going to provide you with a certificate like this. The same applies to attendance reports or requests to clarify the reasons for failure by partner universities. What you can get in my course is 6 ECTS, given that you pass the exam. These ECTS will then be recognized by your home university. This is the standard procedure in the Erasmus program.

textbook, topics, readings list

The course follows roughly the structure of the **textbook by Baldwin and Wyplosz, 2015** and will be taught in English language. Please note that we intend to use the **5th 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**. In our experience students that used Moodle to discuss problem sets perform extraordinary well in the exam.

lecture topics

Be aware that this list of topics and references will be updated before we start and also during the lecture.

1. A short history and the present state of European Integration (10.10.) (Baldwin and Wyplosz, 2015, ch. 1-2)
2. Economic models & diagrams (11.10.) (Krugman and Wells, 2015, ch. 1-2; CORE, 2016)
3. Economic models & diagrams (17.10.)
4. Supply and Demand (18.10.) (Krugman and Wells, 2015, ch. 3)
5. TUTORIAL (24.10.)
6. Decision making in the EU (25.10.) (Baldwin and Wyplosz, 2015, ch. 1-2)
7. Essential microeconomic tools (7.11.) (Baldwin and Wyplosz, 2015, ch. 4)
8. The economics of (preferential) trade liberalisation (8.11.) (Baldwin and Wyplosz, 2015, ch. 5 + 12)
9. The economics of (preferential) trade liberalisation (14.11.)
10. TUTORIAL (15.11.)
11. Introduction into imperfect competition (21.11.) (Baldwin and Wyplosz, 2015, ch. 6)
12. Market size, scale effects and competition policy (22.11.) (Baldwin and Wyplosz, 2015, ch. 6 + 11)
13. Applied Economics: Competition policy / Trade Policy (5.12.)
14. TUTORIAL (6.12.)
15. Growth effects of European Integration (12.12.) (Baldwin and Wyplosz, 2015, ch. 7)
16. Growth effects of European Integration (13.12.)
17. Labor markets & migration (19.12.) (Baldwin and Wyplosz, 2015, ch. 8)
18. Labor markets & migration (20.12.)
19. TUTORIAL (Tue 3.1.)
20. TUTORIAL (Mon 9.1.)
new: from 16.15 until 18.30, I am available for questions afterwards (until 20.00, if necessary)
21. Essential macro for open economies (Tue 10.1.) (Baldwin and Wyplosz, 2015, ch. 13)
22. Essential macro for open economies (Mon 16.1.)
23. Monetary Integration & the choice of an exchange rate regime (Tue 17.1.) (Baldwin and Wyplosz, 2015, ch. 14, 16)
24. Optimum currency areas / TUTORIAL (Mon 23.1.) (Baldwin and Wyplosz, 2015, ch. 15) **new: from 16.15 until 18.30, I am available for questions afterwards (until 20.00, if necessary)**
25. TUTORIAL (Tue 24.1.)

References

- Baldwin, Richard E. and Charles Wyplosz (2015). *The Economics of European Integration*. 5th edition. London: McGraw-Hill. URL: <http://www.mheducation.co.uk/textbooks/baldwin>.
- CORE (2016). *The Economy (The CORE Project)*. Teaching economics as if the last three decades had happened. Ebook, beta Mar16 version. URL: <http://www.core-econ.org/> (visited on 04/27/2016).
- Krugman, Paul and Robin Wells (2015). *Economics*. 4th edition. Go for a trial account here ('Launchpad'): <http://www.macmillanhighered.com/launchpad/krugmanwellsecon4/2777050>. Macmillan. URL: <http://www.macmillanhighered.com/Catalog/product/economics-fourthedition-krugman>.

Version history of this document:

- 2017-01-03 another update of list of lectures
- 2016-12-05 update of list of lectures
- 2016-11-16 extra-exam for MES-students
- 2016-11-08 Exam dates, added dates to past lectures...
- 2016-10-16 GD HS 8 Monday
- 2016-10-06 Workshop schedule, Erasmus-note, small improvements
- 2016-09-20 Moodle enrolment keys, location, small improvements
- 2016-09-14 First public version WiSe 2016 / 2017