

Junior Professorship for International Economics,
European University Viadrina

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The Economics of European Integration

Outline

Winter 2018/19

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 task allocation, 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, 16.00-17.30, room: GD HS 8

Lecture/Tutorial: Tuesday, 11.15-12.45, room: GD HS 7

The **first lecture will take place on October 22**, 2018, in the **second week** of the lecture period.

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, "Trumponomics", migration & refugees, reform of the Eurozone, ...).

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". For some students, this might be a bit boring, for others this will be a welcome opportunity to make sure that they understand basic concepts used in economic analysis.

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. The URL is <https://moodle.europa-uni.de/course/view.php?id=5563>. These are the necessary enrollment keys:

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

MES-students:

I-am-a-MES-student-in-WiSe18/19

Bachelor-students:

I-am-a-BA-student-in-WiSe18/19

Moodle is our central communication tool. So, please do not send private messages, unless it is really necessary. We also use Moodle to provide lecture slides and other downloads.

Please note that the **lectures will be recorded** and made available for course participants. You are **not allowed to share those videos**, they are for your private use only.

examination

The examination is a **written exam of 120 minutes**. The exams for Bachelor and Master students will be slightly different.

The exam is scheduled¹ for 12.02.2019 at 13.30. The deadline for registration is: 03.02.19, 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 25.03.2019, 13.30. Deadline for registration: 10.03.19, 23:59 h.

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 this 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 slightly outdated. The publisher has an accompanying website at <http://www.mheducation.co.uk/textbooks/baldwin>. The Viadrina library provides a number of textbooks.

In addition, we use as a general introduction Krugman and Wells, 2015 - the publisher offers a trial access for the online version of that textbook. Another source for general economics is CORE, 2017, that is published as an EBook free of charge.

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.

¹The examination schedule might change. Check <http://www.wiwi.europa-uni.de/de/studium/pruefungen/index.html>.

lecture topics & schedule

This list of topics and references will be updated occasionally.

1. An very short history of European Integration, and a little bit of Economics (Mon 22.10.) (Baldwin and Wyplosz, 2015, ch. 1-2)
2. Economic models & diagrams (Tue 23.10.) (Krugman and Wells, 2015, ch. 1-2; CORE, 2017)
3. Supply and Demand (Mon 29.11.) (Krugman and Wells, 2015, ch. 3)
4. TUTORIAL (Tue 30.10.)
5. Welfare / Public Goods (Mon 05.11.) (Krugman and Wells, 2015, ch. 17)
6. TUTORIAL (Tue 06.11.) Note: International Day (10-14)
7. Decision making in the EU (Mon 12.11.) (Baldwin and Wyplosz, 2015, ch. 3)
8. Essential microeconomic tools (Tue 13.11.) (Baldwin and Wyplosz, 2015, ch. 4)
9. The economics of (preferential) trade liberalisation (Tue 20.11.) (Baldwin and Wyplosz, 2015, ch. 5 + 12)
10. Introduction into imperfect competition (Mon 26.11.)
11. TUTORIAL (Tue 27.11.) (problem set # 3)
12. Market size, scale effects and competition policy (Mon 03.12.) (Baldwin and Wyplosz, 2015, ch. 6)
13. TUTORIAL (Tue 04.12.) (problem set # 4 - PTA)
14. Trade liberalisation (and the opposite): Policy 1 - Subsidies, Competition Policy, Free Trade, ENP (Mon 10.12.)
15. TUTORIAL (Tue 11.12.) (problem set # 4)
16. TUTORIAL (Tue 18.12.) (problem set # 5)
17. Brexit / NTBs (Mon 07.01.)
18. TUTORIAL (Tue 08.01.) (problem set # 5)
19. Growth effects of European Integration I (Mon 14.01., 16.00-18.00!) (Baldwin and Wyplosz, 2015, ch. 7)
20. Growth effects of European Integration II / Essential macro for open economies I (Baldwin and Wyplosz, 2015, ch. 7 / 13) (Tue 15.01.)
21. Essential macro for open economies II (Mon 21.01, 16.00-18.00!)
22. TUTORIAL (Tue 22.01) (problem set # 6)
23. EURO / Optimum currency areas (Mon 28.01, 16.00-18.00!) (Baldwin and Wyplosz, 2015, ch. 14+15)
24. TUTORIAL (Tue 29.01) (problem set # 7)
25. Office hours / Tutorial with your questions (Friday 01.02., 12.30 - 17.00)

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 (July 2017). *The Economy (The CORE Project)*. Teaching economics as if the last three decades had happened. Ebook, version 1.0. URL: <http://www.core-econ.org/> (visited on 09/19/2017).
- Krugman, Paul and Robin Wells (2015). *Economics*. 4th edition. Go for a trial account here ('Launchpad'): <http://www.macmillanhighered.com/launchpad/krugmanwellsecon4/2777050>. Macmillan.

Version history of this document:

- 2019-01-07** various changes to the schedule and list of topics
2018-11-26 rescheduling: Brexit, Trade policy etc moved to December
2018-11-04 lecture schedule updated (Nov 12+13 were missing)
2018-10-16 added Moodle-URL
2018-10-08 First public version WiSe 18/19