

Junior Professorship for International Economics,
European University Viadrina

Prof. Dr. Daniel Becker^a

November 11, 2019



The Economics of European Integration

Outline

Winter 2019/20

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, 14.00-16.00, room: GD HS 7

Lecture/Tutorial: Tuesday, 09.30-11.00, room: GD HS 8

Please note that we meet on Mondays for 120 minutes. The **first lecture will take place on October 14, 2019**. There will be no lectures at the following dates: Tue Oct-15, Mo/Tue Feb-3/4. (See also the overview at the end of this outline.)

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=6550>. 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-WiSe19/20

Bachelor-students:

I-am-a-BA-student-in-WiSe19/20

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 11.02.2020 at 13.30. The deadline for registration is: 02.02.20, 23:59h.

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 24.03.2020, 08.30. Deadline for registration: 08.03.20, 23:59h.

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, reading list

The course follows roughly the structure of the **textbook by Baldwin and Wyplosz, 2019** and will be taught in english language. Please note that we intend to use the **6th edition** of the book. The 4th and the 5th edition are also ok, but slightly outdated. 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 14.10.) (Baldwin and Wyplosz, 2019, ch. 1-2)
no lecture Tuesday 15.10.
2. Economic models & diagrams (Mon 21.10.) (Krugman and Wells, 2015, ch. 1-2; CORE, 2017)
3. Supply and Demand (Tue 22.10.) (Krugman and Wells, 2015, ch. 3)
4. TUTORIAL (Mon 28.10.)
5. Welfare / Public Goods (Tue 29.10.) (Krugman and Wells, 2015, ch. 17)
6. Decision making in the EU (Tue 05.11.) (Baldwin and Wyplosz, 2019, ch. 3)
7. Essential microeconomic tools (Mon 11.11.) (Baldwin and Wyplosz, 2019, ch. 4)
8. TUTORIAL (Tue 12.11.)
9. The economics of (preferential) trade liberalisation (Mon 18.11.) (Baldwin and Wyplosz, 2019, ch. 5 + 12)
10. Introduction into imperfect competition (Tue 19.11.)
11. TUTORIAL (Mon 25.11.)
12. Market size, scale effects and competition policy (Mon 26.11.) (Baldwin and Wyplosz, 2019, ch. 6)
13. TUTORIAL (Mo 02.12.)
14. Trade liberalisation (and the opposite): Policy 1 - Subsidies, Competition Policy, Free Trade, ENP (Tue 03.12.)
15. Brexit / NTBs (Mon 09.12.)
16. TUTORIAL (Tue 10.12.)
17. Growth effects of European Integration I (Mon 16.12.) (Baldwin and Wyplosz, 2019, ch. 7)
18. Growth effects of European Integration II (Tue 17.12.)
19. TUTORIAL (Mon 06.01.)
20. Essential macro for open economies I (Tue 07.01)
21. Essential macro for open economies II (Mon 13.01)
22. TUTORIAL (Tue 14.01)
23. Monetary Integration (Mon 20.01.) (Baldwin and Wyplosz, 2019, ch. 14)
24. Optimum currency areas (Tue 21.01.) (Baldwin and Wyplosz, 2019, ch. 15)
25. TUTORIAL / tba (Mon 27.01)
26. TUTORIAL / tba (Tue 28.01)
no lectures Mo/Tue 03./04.02.

References

- Baldwin, Richard E. and Charles Wyplosz (2019). *The Economics of European Integration*. 6th edition. London: McGraw-Hill. URL: <https://www.mheducation.co.uk/the-economics-of-european-integration-6-e-9781526847218-emea-group>.
- 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:

- 2019-11-11** updated schedule
2019-10-01 Lecture Tuesday from 9.30-11.00. /// 06.01. Tutorial!
2019-09-27 minor corrections, 2nd exam rescheduled
2019-09-24 First public version WiSe 19/20