

The Economics of European Integration

Viadrina, Master IBA & MES, Winter 2012/13

Daniel Becker*

This version: October 11, 2012

The course starts in the 2nd block of the semester. The **first lecture** will be Monday, December 10. We meet usually

Monday 14.15 - 17.00 in GD Hs4 and

Wednesday 14.15 - 17.00 in GD Hs3

Note that this is a bit shorter than the time slot that has been reserved by the administration. This is by intention, see below. On December 19 and on January 30, there will be no lecture. Changes (hopefully none) to this regular schedule will be announced via **Moodle**. Please register yourself as a student and make sure to check our page in Moodle frequently enough.

The official description of the course is here: <http://tinyurl.com/bvojgyv>. If you read it carefully, you will notice that you have to **pass an exam and also to write a paper** or present something to earn the course requirement.

You can earn 6 or 7 credits (ECTS) for this course.

If you intend to earn 6 credits, you have to

- attend the lecture on Monday and Wednesday. That means to show up for the 12 lectures in December, January and February. The typical lecture will be 2:40 hours or so.
- The lecture represents ‘contact time (per week in semester)’ of three hours (or 3 SWS).
- The examination comes in two parts:
 1. you have to write the exam (90 minutes). That will account for 75% of your grade.
 2. you have to write a short paper (essay, 4-5 pages). That will account for 25% of your grade. **The deadline to submit your short paper will be January 10.** More details will be announced in the first lecture.

If you intend to earn 7 credits (‘T-Modul’), the paper you have to write will be more demanding (longer, more research oriented, 18-20 pages). For those writing a longer paper, I offer special office hours to discuss your paper while you write it. Depending on the number of students writing a longer paper, there might be one or two extra meetings for this sub-group of course participants. **The deadline for the longer paper will be February 20, 2013.** More details will be announced in the first lecture.

If you are an **MES-Student**, there will also be the possibility to earn 9 credits. Please contact me directly if you intend to earn 9 credits and if you are an MES student.

*European University Viadrina, PO-Box 1786 15207 Frankfurt (Oder), Germany. Office: HG 113b. Phone: (+)49 - 335 - 5534 2381, dbecker@europa-uni.de, <http://www.wiwi.euv-frankfurt-o.de/iwbz>

I also plan to offer a **tutorial that is voluntarily** and will cover basic research methods and other selected topics. It will take place once a week after the lecture. Details will be announced as soon as possible.

The exam is already scheduled:

11.02.2013, 13:30-15:30 and
05.04.2013, 08:30-10:30 (for those who didn't make it in February)

The course follows roughly the structure of the **textbook Baldwin and Wyplosz (2012)** and will be taught in english language. Please note that I 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://highered.mcgraw-hill.com/sites/007713172x/information_center_view0/. In addition, there will be extra-readings for each topic that you are expected to read (self-study).

1 A short history and the present state of European Integration (10./12.12.)

Baldwin and Wyplosz (2012, ch. 1-3) and Baldwin (1993); Oates (1999)

2 Essential microeconomic tools (17.12.)

Baldwin and Wyplosz (2012, ch. 4)

3 The essential economics of preferential liberalisation (7.1.)

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

4 Market size and scale effects (9.1.)

Baldwin and Wyplosz (2012, ch. 6) and Baker (2003); Crandall and Winston (2003); European Commission (2007); Griffith, Harrison, and Simpson (2010)

5 Growth effects and factor market integration (14.1.)

Baldwin and Wyplosz (2012, ch. 7)

6 Economic integration, labour markets and migration (16.1)

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

7 Essential macroeconomics tools (21.1.)

Baldwin and Wyplosz (2012, ch. 13) and Teles and Uhlig (2010) and Buiters (2009)

8 Monetary Integration and Optimum Currency Areas (23.1.)

,

Baldwin and Wyplosz (2012, ch. 14+15) and Brunnermeier (2012)

9 The European Monetary Union (28.1.)

Baldwin and Wyplosz (2012, ch. 16)

10 Fiscal policy and the Stability Pact (4.2.)

Baldwin and Wyplosz (2012, ch. 17)

11 The Financial Markets, the Euro and the Eurozone Crisis (6.2.)

Baldwin and Wyplosz (2012, ch. 18+19)

References

- Baker, Jonathan B. (2003). 'The Case for Antitrust Enforcement'. In: *Journal of Economic Perspectives* 17.4, pp. 27–50. DOI: 10.1257/089533003772034880.
- Baldwin, Richard (1993). 'A Domino Theory of Regionalism'. In: *NBER Working Paper* 4465. URL: <http://www.nber.org/papers/w4465>.
- Baldwin, Richard E. and Charles Wyplosz (2012). *The Economics of European Integration*. 4th edition. London: McGraw-Hill Higher Education. URL: <http://www.mcgraw-hill.co.uk/textbooks/baldwin/>.

- Braun, Sebastian and Toman Omar Mahmoud (Jan. 9, 2012). *Zuwanderung und Arbeitslosigkeit: Lehren aus der deutschen Nachkriegsgeschichte*. URL: <http://oekonomenstimme.org/a/298/>.
- Brunnermeier, Markus K. (2012). 'Optimizing the Currency Area'. In: *The Great Financial Crisis: Lessons for Financial Stability and Monetary Policy*. Frankfurt: European Central Bank, pp. 14–22. URL: <http://tinyurl.com/dytpolk>.
- Buiter, Willem (Mar. 3, 2009). *The unfortunate uselessness of most 'state of the art' academic monetary economics*. URL: <http://blogs.ft.com/maverecon/2009/03/the-unfortunate-uselessness-of-most-state-of-the-art-academic-monetary-economics/#> (visited on 01/18/2012).
- Crandall, Robert W. and Clifford Winston (2003). 'Does Antitrust Policy Improve Consumer Welfare? Assessing the Evidence'. In: *Journal of Economic Perspectives* 17.4, pp. 3–26. doi: 10.1257/089533003772034871.
- European Commission (2007). *Mergers and Acquisitions Note*. DG ECFIN European Commission.
- Griffith, Rachel, Rupert Harrison, and Helen Simpson (2010). 'Product Market Reform and Innovation in the EU'. In: *Scandinavian Journal of Economics* 112.2, pp. 389–415. doi: 10.1111/j.1467-9442.2010.01602.x.
- Krishna, Pravin (2008). 'Regional and preferential trade agreements'. In: *The New Palgrave Dictionary of Economics*. Ed. by Steven N. Durlauf and Lawrence E. Blume. 2nd edition. Palgrave Macmillan. doi: 10.1057/9780230226203.1412.
- Mitra, Devashish (2008). 'trade policy, political economy of'. In: *The New Palgrave Dictionary of Economics*. Ed. by Steven N. Durlauf and Lawrence E. Blume. Basingstoke: Palgrave Macmillan. doi: 10.1057/9780230226203.1727.
- Oates, Wallace C. (1999). 'An Essay on Fiscal Federalism'. In: *Journal of Economic Literature* 37.3, pp. 1120–1149.
- Organization, World Trade (2011). *Regionalism: friends or rivals?* From the publication 'Understanding the WTO', Geneva 2011. URL: http://www.wto.org/english/thewto_e/whatis_e/tif_e/bey1_e.htm (visited on 01/15/2012).
- Sinn, Hans-Werner (2005). 'Migration and Social Replacement Incomes: How to Protect Low-Income Workers in the Industrialized Countries Against the Forces of Globalization and Market Integration'. In: *International Tax and Public Finance* 12.4, pp. 375–393. doi: 10.1007/s10797-005-1618-x.
- Teles, Pedro and Harald Uhlig (2010). 'Is Quantity Theory still alive?' In: *CEPR Discussion Paper* 8049. URL: <http://www.voxeu.org/sites/default/files/file/DP8049.pdf>.