Economics of the European Union

Course Overview

Title: Economics of the European Union  
Hours: 50  
Number of Credits: 5  
Prerequisites: None  
Type of Course: ECON  
Term: Winter, Spring, Summer  
Language: English  
Instructor: Manish Singh  
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Course Description

The aim of this course is to get to know the European Union from an economic perspective. We will study the evolution of this integration agreement, which started as Customs Union and where some of the member countries evolved into a Monetary Union. Special reference will be made to the implications on Member States economies derived from adopting a single currency, as well as the recent enlargement of the Central and Eastern European countries. We will go through the historical evolution of European integration insisting on economic issues, from the Treaty of Rome (1957) up to the present.

This course introduces the main economic aspects of the current development of the European Union (EU) and its policies. The course covers the process of European Integration and its economic impacts on different regions. Special attention will be devoted to the analysis of the economic opportunities and challenges generated by economic integration, and to the assessment of the policies designed to support this process and mitigate its potential side-effects.

The course will touch on the institutional, political and historical background of European integration, though its main focus is on the economic analysis of the policies and prospects for the European Union. Some recent hot topics in the international policy agenda like rising public debt and the euro crisis will also be covered.

Learning Outcomes

This course is highly relevant to students and scholars interested in expanding their knowledge of the European Union and its economics.
Assessment Criteria
The final grade will be determined by the following:
One essay written and presented by the students (25%)
2 Presentation topics (15% each)
A final exam (45%)

Sessions
Session 1:
Presentation of the course and general guidelines for essays, presentations
An overview of Europe's evolution of openness: from 40s to 60s;
history of the European Union;
From the Treaty of Rome to Maastricht.
• Spolaore, Enrico. 2013. "What Is European Integration Really About? A

Session 2:
The EU-15: members and main players.
Political organization of European Union: Economic weight and political
influence per country;
Supranational institutions: ECB, EC, EEA;
European Investment Funds;
European transfer Funds;
The Common Agricultural Policy of the European Union.

Presentation: Describe supranational institutions of EU
and 205-208.
• McCormick, John. Undertsnading the European Union: A concise
• European Commission. Working for the Regions. Extract from the
• European Union. Agriculture: introduction. Extract from the documents
Session 3:
Overview of exchange rate regimes.

**Presentation: Advantages and inconveniences of a fixed exchange rate regime.**
- The International Monetary System, 1870-1973
- Macroeconomic Policy Goals in an Open Economy;
- The Interwar Years, 1918-1939;
- The Bretton Wood System and the International Monetary Fund;
- Analysing Policy Options Under the Bretton Woods System;
- The External Balance Problem of the United States;
- Worldwide Inflation and the Transition to Floating Rate.

"Fix or Float?" in The Economist (28 January 1999).

Session 4:
Contrasting "dollarization" and "euroization".

**Presentation: To "dollarize" or "euroize": the economic and political issues.**

Session 5:
Economic and Monetary Union I: Steps towards the common currency.
The Maastricht Criteria.

**Presentation: Which political and economic factors were behind the Maastricht Criteria?**

Session 6:
Economic and Monetary Union II: Advantages and disadvantages of the euro.
The optimal currency area debate.

**Presentation: What can go wrong with the euro from a macroeconomic perspective?**
Session 7:
Economic and Monetary Union III: The workings of the European Central Bank: is it working properly for all eurozone members?

Presentation: Why economic policy-makers give priority to combat inflation?

Session 8:

Presentation: Possible futures for the Stability and Growth Pact
- "Unpicking the fiscal straitjacket", in The Economist (Nov 27th 2003).

Session 9:
Evolution of GDP structure, productivity and competitiveness of Spanish Economy inside the EU.

Presentation: Why Ireland has been more economically successful than Spain as a EU member?

Session 10:
The Recent enlargement of the EU (Central and Eastern countries). Costs and benefits of enlargement on the EU 15 and on the new entrants.

Presentation: The "statistical effect" impact of the EU enlargement in the case of Spain.

Session 11:
The cross of euro: European sovereign debt crisis – Causes and implications

Presentation: The European sovereign debt crisis: The case of Spain.
- Facts and ideas about the ongoing economic crisis
- O'Rourke, Kevin H. and Alan M. Taylor. (2013)