Course Description and Scope:

This course uses the main theoretical tools of micro- and macroeconomics to explain the economic issues underlying the ongoing process of European integration. To understand the background of events, the course goes beyond pure economics and covers the essential aspects of European history, institutions, laws, and politics. The recent European events and the news cycle coverage of the EU will be considered in the second half of the course, when the theoretical tools are available to the students to analyze them. Students are expected to know basic mathematical concepts, read assigned materials before class and participate in class through discussion and homework assignments, which will complement the lectures. Students are encouraged to do the assignments together (though write them down separately) and discuss any difficulties they may have with the Teaching Assistant (TA) or the instructor.

Please use only the e-mail indicated above to contact the instructor.

Prerequisites:

The prerequisite for this course is **ECON 1000** or **FYSM 1003** as outlined in the 2018-2019 Undergraduate Calendar. If you do not have the specific prerequisite and you believe that you have an equivalent background or a similar course from other university you must contact the Department of Economics.

Required Textbook:

Useful Websites:

http://europa.eu/index_en.htm
http://cc.europa.eu/
http://publications.europa.eu/
http://eur-lex.europa.eu/JOIndex.do

Additional Reference:

If necessary, additional and up-to-date references will be provided at the beginning of each lecture to supplement the textbook, main reference, websites and lectures.

Evaluation/Grading:

In addition to the term paper, there will be one midterm test and several assignments. There is no final exam in this course. The assignments will vary from week to week - sometime they will take the shape of a 1-page homework, sometimes an in-class quiz, sometimes a Q&A seminar. These will be assigned approximately bi-weekly and therefore will test not only your knowledge, but also your participation. There may be bonus points to your grade for exceptional work on some of the assignments.

There will be no deferred mid-term exam for this course. Students who do not write the midterm exam for legitimate reasons may have the weight of the midterm transferred to the term paper, at the discretion of the instructor. Those who miss the midterm exam without legitimate reasons will receive a grade of zero for the mid-term.

The term paper will be due in last class and will require a good grasp of the subjects covered in Parts II, III, IV and V. You will be required to develop an outline, consult with the TA and submit it to the instructor for grading (that will be one of your assignments). The required elements of the term paper are:
- a focus on one or several closely located economies of the EU;
- a detailed analysis of one particular microeconomic issue that shows your theoretical knowledge of the problem, followed by an evaluation of the prospects for future developments on that issue in the medium term (5-10 years);
- a detailed analysis and evaluation of a particular macroeconomic issue along the same lines.

The term paper should be double-spaced, 12 font Arial, between 15 and 25 pages long (not including references, graphs and appendix).

For example, you could pick Austria, migration and fiscal policy. You can then briefly summarize the theoretical case regarding migration, provide information on Austria’s recent experience with this issue and see how it corresponds to theory, and then discuss how the current political and economic situation can affect that issue. Then do the same for the fiscal policy issue. Be sure to use supporting evidence and statistics (from Eurostat etc.) in an intelligent way - not to support your pre-existing views, but to actually form them.
The course grade will consist of:

Midterm Exam (35%) (in class)
Term Paper (40%)
Assignments/Participation (25%)

Course Outline and Reading List:

Part One: History and Institutions

I. Introduction and History
   (Ch. 1)

II. Institutions, Budget and Decision Making
    (Chs. 2-3)

Part Two: Micro and Macro Theory

III. Microeconomics of Integration
     Economics of Preferential Liberalization
     (Chs. 4-5)

IV. Microeconomics of Integration
    Market size, scale and growth effects
    (Chs. 6-7)

V. Microeconomics of Integration
   Labour markets and migration
   (Ch. 8)

VI. Macroeconomics of Integration
    Tools and Facts
    (Ch. 13)

VII. Macroeconomics of Integration
     Optimum Currency Areas
     (Chs. 14-15)

Part Three: Economic Policies

VIII. Microeconomic Policies
      Agricultural policies
      (Ch. 9)

IX. Microeconomic Policies
    Location and regional policies
    (Ch. 10)
X. Microeconomic Policies
   Competition, Aid and Trade
   (Chs. 11-12)

XI. Macroeconomic Policies
    Fiscal Policy and Stability
    (Chs. 16-17)

XII. Macroeconomic Policies
     The Euro and the Crisis
     (Chs. 18-19)

Please be aware that plagiarism is a serious offense and will not be tolerated. Make sure your term papers are written entirely by you, as any unattributed borrowings are very easy to check. For further information regarding this subject, please see the Economics Departmental Web site.

For Students with Disabilities:

Students with disabilities needing academic accommodations are required to contact a co-ordinator at the Paul Menton Centre to complete the necessary letters of accommodation. The student must then make an appointment to discuss their needs with the instructor at least two weeks prior to the first class test or ITV test. This is to ensure sufficient time is available to make the necessary accommodation arrangements.