

DEPARTMENT OF ECONOMICS

**ECON 3807A**  
**EUROPEAN ECONOMIC INTEGRATION**  
**Winter 2025**

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	Please DO NOT use my Carleton/Brightspace e-mail!
<b>Class Time:</b>	Thursday, 18:05 – 20:55 EST (in-person lectures)
<b>Classroom:</b>	Check Carleton Central for location
<b>Website:</b>	<a href="https://brightspace.carleton.ca/d2l/home/283658">https://brightspace.carleton.ca/d2l/home/283658</a>
<b>Office Hours:</b>	By appointment and as announced in class

### Prerequisites

Prerequisite: ECON 1000 or FYSM 1003. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator.

### Course Description

This course introduces some key microeconomic and macroeconomic tools to explain the economics underlying the ongoing process of European integration. To provide the background for the structure of the modern EU, the course briefly covers the essential aspects of European history, institutions, laws, and politics. The microeconomic theory section covers trade, competition, growth and labour markets, followed by applications to Common Agricultural Policy, competition policy and trade policy. Macroeconomic theory covers monetary integration and optimum currency areas, followed by applications to European monetary union and fiscal policies. The recent events in European integration such as Brexit are considered as a use case at the end, when the theoretical tools are available to the students to analyze them. Students are expected to know basic mathematical concepts, micro- and macro-foundations (demand, consumer surplus, budget deficit, fiscal and monetary policy), read assigned materials before class and participate in class through discussion and assignments, which will complement the lectures.

### Learning Outcomes

Students graduating from this course can expect to know the origins of European governance, its current state and direction, the scientific basis for the gains their economies receive from integration and the key economic issues facing the EU. Theoretical framework to examine these issues is provided and its use is expected to provide micro- and macroeconomic solutions to the proposed problems. Application of these tools to trade, competition, growth, monetary and fiscal policies constitute the essence of the course.

### Required Textbook

Baldwin, Richard and Charles Wyplosz, (2022), *“The Economics of European Integration”*, 7th ed., McGraw-Hill Co., London.

Approximate cost at the bookstore: \$119.00 (e-book); previous edition(6<sup>th</sup>) acceptable and available from \$78.50 (McGraw-Hill).

### Useful Websites:

[http://europa.eu/index\\_en.htm](http://europa.eu/index_en.htm)

<http://cc.europa.eu/>

<http://publications.europa.eu/>

<http://eur-lex.europa.eu/JOIndex.do>

<http://www.cvce.eu/en>

### Additional References:

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.

### Grading

Midterm Exam	35%
Assignments (4)	20%
Final Exam	45%
<b>TOTAL</b>	<b>100%</b>

### Evaluation

#### Workload

In addition to the final exam, there will be one midterm test and four assignments. The four assignments will all be written at the end of your classes (@8:30 pm) on Jan. 30<sup>th</sup>, Feb. 13<sup>th</sup>, Mar. 13<sup>th</sup> and Mar. 27<sup>th</sup> respectively. No make-up assignments will take place. You are allowed to miss one assignment for legitimate illness, family or compassionate reasons, as long as you notify the instructor prior to the test. The weight of your missed assignment will then be transferred to your final exam.

The midterm will take place in class on **Feb. 27th**, at 19:00 EST. There will be no deferred midterm exam for this course. As it is required that all course evaluations be submitted in order to have good standing in this course, an absence from a midterm will result in withdrawal or a failing grade for this course. E-proctoring will not be used for evaluations in this course.

#### Final Exam

The final exam will be in-person as scheduled by the University during the exam period. Students are not to make travel plans during the exam period as that is not a valid reason for missing a final exam.

### Satisfactory Performance Criteria

Students must fulfill all of the course requirements, including the midterm and the final exam, in order to achieve a passing grade (D- or higher).

### Deferred Finals

Students who do not write the final examination because of illness or other circumstances beyond their control may apply for to write a deferred final examination by contacting the Registrar's Office no later than three working days after the original final examination was scheduled. In the event that a student writes a deferred examination, the deferred examination will carry the same weight as the final examination in determining the course grade. Any deferred examination will not be identical to the original final examination. Deferred finals are only available if the student is in good standing in the course (defined as 50%+ of all other evaluation marks).

### **Course Outline**

#### **Part One: History and Institutions**

- I. Introduction: European History, Political and Economic Development  
(various materials + Ch. 1)
- II. EU Institutions, Law, Budget and Decision Making  
(Chs. 2-3)

#### **Part Two: Micro-Economic Tools and Policies**

- III. Microeconomics of Integration
  - Economics of Tariffs and Preferential Liberalization  
(Chs. 4-5)
  - Market size, scale and growth effects  
(Chs. 6-7)
  - Labour markets and migration  
(Ch. 8)

#### **MIDTERM**

- IV. Microeconomic Policies
  - Agricultural policies  
(Ch. 9)
  - Location and regional policies (tentative)  
(Ch. 10)
  - Competition, Aid and Trade  
(Chs. 11-12)

### **Part Three: Macro-Economic Tools and Policies**

- V. Macroeconomics of Integration
  - Macroeconomic tools and optimum Currency Areas  
(Chs. 13-14)
  
- VI. Macroeconomic Policies
  - Monetary union and fiscal policy  
(Chs. 15-17)
  
  - Brexit: Problems and Prospects  
(Ch. 20)

### **PLAGIARISM, UNIVERSITY RESOURCES AND ACADEMIC ACCOMMODATIONS**

You are responsible for reading and knowing the information about plagiarism, Carleton University resources, and academic accommodations found [HERE](#). Please note that the use of generative AI tools (e.g. LLMs such as ChatGPT etc.) is prohibited in this course.

#### **Submission, Return and Grading of Term Work:**

Final standing in courses will be shown by alphabetical grades. The system of grades is standard.

90-100:	A+
85-89:	A
80-84:	A-
77-79:	B+
73-76:	B
70-72:	B-
67-69:	C+
63-66:	C
60-62:	C-
57-59:	D+
53-56:	D
50-52:	D-
0-50:	F

Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by an instructor may be subject to revision. No grades are final until they have been approved by the Dean.

Carleton E-mail Accounts: All email communication to students will be from the instructor's e-mail ([menelhil@yahoo.com](mailto:menelhil@yahoo.com)) to the students' official Carleton university e-mail accounts through Brightspace. Important course and university information is distributed this way, so it is the student's responsibility to monitor their Carleton accounts. However, do not e-mail the instructor through Carleton or Brightspace, and use the e-mail above for all communications.