

# ECON 3807 – EUROPEAN ECONOMIC INTEGRATION

## Draft course outline – Winter 2020

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**Office:** RH 3312

**Classes:** Wednesdays, 8:35 AM – 11:25 AM, Room: Tory 446

**Office hours:** Tuesdays: 10AM – 12 PM or by appointment

**Prerequisite:** ECON 1001 and ECON 1002 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, Amanda Wright.

**TA:** information will be added on the CU Learn page

### Course description:

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 read assigned materials before class and participate in class through discussion and homework assignments, which will complement the lectures.

### Requirements:

Midterm exam	20%
Assignments	20% (10% each assignment)
Group debate	15%
Position paper	20%
Final Exam	25%
Bonus points towards final grade	2%

**Assignments:** Two assignments related to microeconomics and macroeconomics of integration. Assignment 1 is due on Week 5 (February 5) and Assignment 2 is due on Week 9 (March 11). Assignments will be posted on CU Learn 2 weeks prior to their due dates.

**Group debate:** In Weeks 8-12 of the course one hour and a half will be devoted to debate on a hot topic. For debates, teams of 3-4 students will prepare and present a case on one side of a

particular issue. Then the topic will be opened to class discussion. Details will be provided by the third week of class.

**Term essay:** A position paper will be prepared by each student in connection with the class debate presentation. The position paper will be 1800-2000 words in length with sources additional to required class readings. Detailed instructions will be provided by the third week of class. The paper will be due on one week after the class debate presentation.

**Bonus points:** students that are taking one of two qualifying courses (each course brings 1.0%) offered through Carleton's "Incentive Program" (Centre for Student Academic support, CSAS). Not all workshops offered by CSAS qualify for receiving the bonus in this course, thus, consult with the instructor ahead of time. Preference is given to courses that promote academic writing, critical thinking, note-taking, academic integrity or presentation skills. The workshops should be completed in person or online during the winter 2020 semester. For details please see: <https://carleton.ca/csas/incentive-program/#sect3>.

**Please note the following important rules associated with this course:**

- Any student who fails to appear for the final exam will receive a final course grade of F ("Failure"). Application to write a deferred final exam must be made at the Registrar's Office.
- Any student who fails to appear for the midterm test without a valid medical or equivalent excuse will receive a final course grade of F ("Failure"). With a valid excuse, a substitute test will be scheduled.
- Any student who fails to hand in the position paper will receive a final course grade of F ("Failure"). See penalties for late papers and other restrictions for late papers below.
- Any student who fails to appear for the class debate will automatically receive a zero for that assignment unless the instructor is notified in advance and a written medical or equivalent excuse is provided.
- Penalties for late essays are as follows: Two points (of a % scale) for each day late (including weekends). Papers will not be accepted more than one week after the due date without a valid (e.g., written medical) excuse.

**Book in the bookstore (also on reserve):**

**Required textbook:**

**Baldwin, R. and Wyplosz, C. (2020).** *The Economics of European Integration*. London: McGraw Hill (6<sup>th</sup> edition) (referred as B&W):

- e-book through Carleton University bookstore;
- on reserve at the library (one 6<sup>th</sup> edition, one 5<sup>th</sup> edition and one 3<sup>rd</sup> edition)

**Useful Websites:**

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

<http://publications.europa.eu/>  
<https://eur-lex.europa.eu/homepage.html>  
<https://www.ecb.europa.eu/home/html/index.en.html>  
[https://ec.europa.eu/info/index\\_en](https://ec.europa.eu/info/index_en)  
<https://voxeu.org/>  
<https://bruegel.org/>

## **TENTATIVE COURSE OUTLINE**

### **Part I: HISTORY AND INSTITUTIONS**

**January 8**

**Week 1: Introduction to the course and overview. History and EU Institutions**

Readings: B&W Chapters 1 and 2 (up to section 2.6)

**January 15**

**Weeks 2: The EU budget and decision-making in the EU**

Readings: B&W Chapters 2 (section 2.7) and 3

### **Part II: MICRO AND MACRO THEORY**

**January 22**

**Week 3: Microeconomics of Integration**

**The essential economics of preferential liberalization. Market size and scale effects**

Readings: B&W Chapters 5 and 6

Chapter 4 recommended for students with limited economic background

**January 29**

**Week 4: Microeconomics of Integration**

**Growth effects and factors market integration. Labour markets and migration**

Readings: B&W Chapters 7 and 8

**February 5 (deadline assignment 1)**

**Week 5: Macroeconomics of Integration**

**Essential macroeconomic tools. The history of European monetary integration.**

Readings: B&W Chapter 14

Chapter 13 recommended for students with limited economic background

**February 12**

**Week 6: Macroeconomics of Integration**

**Optimum currency areas.**

**Review for midterm**

Readings: B&W Chapter 15

**February 19 – no class (mid-term break)**

**February 26**

**Week 7: Midterm exam**

**Part III: ECONOMIC POLICIES**

**March 4**

**Week 8: Common Agricultural Policy. Regional policy.**

Readings: B&W Chapters 9 and 10

*Debates*

1. The Common Agricultural Policy should be set at the EU level.

2. Structural funds should support only regions in poor member states, not poor regions in any member state.

### **March 11 (deadline assignment 2)**

#### **Week 9: Trade policy. Competition and state aid policy**

Readings: B&W Chapters 11 and 12

##### *Debates*

1. The EU pursues a protectionist trade policy.
2. A deep and comprehensive free trade agreement with the US will benefit the economies of the EU and of the US.

### **March 18**

#### **Week 10: European Monetary Union. Financial markets and the Euro**

Readings: B&W Chapters 16 and 18

##### *Debates*

1. The Eurozone should have its own budget.
2. The EU should have a banking union with a single resolution mechanism.

### **March 25**

#### **Week 11: Fiscal policy and the Stability Growth Pact**

Readings: B&W Chapter 17

##### *Debates*

1. The Eurozone should be a fiscal union.
2. Admission of more countries into the Eurozone will increase the risk of asymmetric shocks.

### **April 1**

#### **Week 12: Eurozone Crisis**

##### **Review**

Readings: B&W Chapter 19

## *Debates*

1. Austerity was the most efficient approach to deal with the Eurozone crisis.
2. Greece should exit the Eurozone.

### **Academic Accommodations:**

#### **Requests for Academic Accommodation**

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

#### **Pregnancy obligation**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: [carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](http://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

#### **Religious obligation**

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: [carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf](http://carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf)

#### **Academic Accommodations for Students with Disabilities**

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made.

[carleton.ca/pmc](http://carleton.ca/pmc)

#### **Survivors of Sexual Violence**

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: [carleton.ca/sexual-violence-support](http://carleton.ca/sexual-violence-support)

#### **Accommodation for Student Activities**

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for

accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: [students.carleton.ca/course-outline](https://students.carleton.ca/course-outline)

### **Plagiarism:**

The University Senate defines plagiarism as “presenting, whether intentional or not, the ideas, expression of ideas or work of others as one’s own”. This can include:

- reproducing or paraphrasing portions of someone else’s published or unpublished material, regardless of the source, and presenting these as one’s own without proper citation or reference to the original source;
- submitting a take-home examination, essay, laboratory report or other assignment written, in whole or in part, by someone else;
- using ideas or direct, verbatim quotations, or paraphrased material, concepts, or ideas without appropriate acknowledgment in any academic assignment;
- using another’s data or research findings;
- failing to acknowledge sources through the use of proper citations when using another’s works and/or failing to use quotation marks;
- handing in substantially the same piece of work for academic credit more than once without prior written permission of the course instructor in which the submission occurs.

All suspicions of plagiarism will be dealt with according to the Carleton’s Academic Integrity Policy (<http://carleton.ca/studentaffairs/academic-integrity/>). The Associate Dean of the Faculty will conduct a rigorous investigation, including an interview with the student. Penalties are not trivial. They may include a mark of zero for the plagiarized work or a final grade of F for the course.

Student or professor materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

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

Written assignments must be submitted directly to the instructor(s) according to the instructions in the course outline. If permitted in the course outline, late assignments may be submitted to the drop box in the corridor outside room 3305 Richcraft Hall. Assignments will be retrieved every business day at **4 p.m.**, stamped with that day's date, and then distributed to the instructors. For written assignments not returned in class please attach a stamped, self-addressed envelope if you wish to have your assignment returned by mail. Final exams are intended solely for the purpose of evaluation and will not be returned.

Final standing in courses will be shown by alphabetical grades. The system of grades used, with corresponding grade points is:

Percentage	Letter grade	12-point scale	Percentage	Letter grade	12-point scale
90-100	A+	12	67-69	C+	6
85-89	A	11	63-66	C	5
80-84	A-	10	60-62	C-	4
77-79	B+	9	57-59	D+	3
73-76	B	8	53-56	D	2
70-72	B-	7	50-52	D-	1

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. Application to write a deferred final examination must be made at the Registrar's Office.

**Carleton E-mail Accounts:** All email communication to students will be via official Carleton university e-mail accounts and/or cuLearn. As important course and university information is distributed this way, it is the student's responsibility to monitor their Carleton and cuLearn accounts.