Economics of european integration

Academic Year: (2022 / 2023) **Review date: 11-05-2022**

Department assigned to the subject: Economics Department

Coordinating teacher: SAN JUAN MESONADA, CARLOS

Type: Electives ECTS Credits : 6.0

Year : Semester :

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Macroeconomics

OBJECTIVES

Specific knowledge and capacities:
1. Understanding and compression of the economics of the EU.
2. Capabilities for and evaluation of the economic environment of companies in the EU and international context.
3. Capability to apply the theoretical models of regional integration and the new economic geography to real word problems
4. Problems solving

Skills and aptitudes:
1. EU data base and documentation search.
2. Team working
3. Critical reasoning
4. Written and oral communication. Essay presentation.

DESCRIPTION OF CONTENTS: PROGRAMME

1 Introduction: The process of European integration. From 6 to 27, from the Treaty of Rome to the Treaty of Lisbon: A brief history of the EU EU Institutions. The Council of the EU and the European Council The European Commission. The Parliament, The Court of Justice and Other European Institutions The EU budget Basic statistics of the European Union: Income, population and territory.

2 The economic crisis in Spain and the EU. Origins of the mortgage and financial crisis. Effects of the crisis in Spain and the EU. European initiatives to overcome the crisis.

3 Economic Theory of Integration. Forms of regional economic integration. Bilateral agreements and preferential agreements. Free trade areas and Customs Unions. Economic Unions and Monetary Unions. Free trade versus protection. The principle of community preference, the TEC and export refunds. Effects of protection on consumers and producers. Tariffs, fees and subsidies. Free Trade Area: Creation and diversion of trade. Customs Union: Pro-competitive effects, Economies of scale. Common Market: Mobility of factors. Economic and Monetary Union. Economic Integration and Growth: Cost Benefit Analysis

4 European monetary integration. The Optimal Monetary Zones model: Asymmetric shocks. The Delors report (1989): From the EMS to the Euro .. Exchange rates and the single European currency .. The ESCB and the European Central Bank .. The Maastrich criteria, the EMS-II and the Stability and Growth Pact

5 Common Policies I: The Common Agricultural Policy (CAP). Stabilization and Maintenance of income. Redistributive effects: The new and the old CAP. The reforms of the CAP (from CAP92 to CAP2021-27). Expost evaluation of the CAP.

6 Common Policies II: Regional Policy. The real convergence: Competition and regional policy. Structure policy: ERDF and EAGGF. Structure and regional policies. The EIB and the Growth Initiative.

7 Common Policies III: Environmental Policy. The VI Environmental Action Program. Economic instruments for environmental control: Emission Permits and Pigouvian Taxes. The European Emissions Trading Scheme

8 Common Policies IV: Commercial policy (with third countries). Negotiations in the WTO (World Trade Organization). Trade disputes

10 European Integration Dynamic

LEARNING ACTIVITIES AND METHODOLOGY

The students knowledge competencies and aptitudes will be acquire through masterly lessons, by problems solving handed to the TA and reviewed during the practical lessons and by the students problems solving in the blackboard during the practical lessons. Although the skills will be worked out by the students individually in the week before each practical lesson.

ASSESSMENT SYSTEM

GRADING
- Final course grade: final exam grade 40% and continuous assessment grade 60%

- the final exam will consist of theory questions (60%) and exercises (40%)

Continuous assessment: 60% of the final grade for the course

- Theory controls (partial exam) and exercises 40%

- final work (optional in groups of maximum four students) 20%

- active participation in class (debates, questions, etc.) bonus of up to 5%

Class Participation and Ethical Integrity: Attendance and participation in class are required. Repeated absences (more than three), lack of involvement or inappropriate behaviour will prevent passing this subject. Plagiarism (on tests or assignments) or other forms of dishonest behaviour will mean failure on continuous evaluation.

UC3M students doing internships in a company or academic exchange (or similar situation) may choose, with prior authorization from their professor, for the 80-20 system: 80% exam grade plus 20% individual essay grade. The professor of the course must previously authorize the subject of this essay.
The midterm exam is scheduled to take place in weeks 10 or 11, depending on how the group's dates and days of class fall.

% end-of-term-examination:	40
% of continuous assessment (assigments, laboratory, practicals…):	60

BASIC BIBLIOGRAPHY

- Carlos San Juan Mesonada Readings in Economics of Eropean Integration, Jean Monnet Chair in Economics of Eropean Integration, 2015
- Theo Hitiris European Union Economics, , 5th edition, Pearson Education, 2003
- Theo Hitiris (2003): European Union Economics, , 5th edition, Prentice Hall.

ADDITIONAL BIBLIOGRAPHY

- Mike Artis and Frederick Nixson (2007): The Economics of the European Union. , Policy and Analyses, 4th edition, , Oxford University Press
- Paul De Grauwe (2007) Economics of Monetary Union, 7th edition , Oxford University Press, 2007
- Richard Baldwin and Charles Wyplosz (2006): The Economics of European Integration, , 2nd edition, , McGraw Hill

BASIC ELECTRONIC RESOURCES

- Carlos San Juan Mesonada . Economics of European Integration: //baobab.uc3m.es/monet/monnet/spip.php?rubrique24