The Process of European Economic Integration

Bachelor Degree in Economics

Academic Course: (2019/ 2029)

Elective
ECTS Credits: 6.0
Course: 3rd
Semester: 2

INSTRUCTOR
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CLASSES
Room 7.1.06
-Monday, 9:00-10:30 am
-Thursday, 9:00-10:30 am

EXAMS
Final: May 14, 2020
Re-sit: June 16, 2020

DESCRIPTION

This course provides a long-run view of the origins and historical developments of the European Economic Community (EEC) and the European Union (EU) since the 1950s in a macroeconomic history perspective. It focuses on the two main outcomes of European integration: the establishment of a Single Market and the introduction of a Single Currency – two side of the same coin ("one market, one money") according to the official view of European institutions. The course provides analytical insights on both aspects of European integration and critically discusses their complementarity.

Learning is structured into three kinds of activities:
-Lectures combine historical analysis and key concepts from macroeconomic theory to understand the policy dilemmas that in different historical periods motivated European governments' search for a regional area of economic integration, exchange rate stability and monetary coordination.

-Data workshops help students develop analytical skills related to data manipulation, visualization and analysis. The only technical requirement is a basic command of Excel. At the end of each workshop, students sit a data exercise in class.

-The research seminar gives students the opportunity to improve their skills in information search, data management and professional/academic writing. The seminar focuses on a specific issue, presents its theoretical background and provides key examples of research questions and related datasets that students can use to develop their own research project.

WEEKLY SCHEDULE

Week	Date	Class	Content
1	27-ene		Introduction to the course
	30-ene	Lecture	Economic integration in growth theories
2	03-feb	Lecture	Economic growth in Europe: a long-run perspective
	06-feb	Data workshop	Growth accounting
3	10-feb	Lecture	Restoring the conditions for European growth after WW2
	13-feb	Data workshop	Exercise 1 practice
4	17-feb	Lecture	European integration: the Common Market
	20-feb	Data workshop	Exercise 1 in class
5	24-feb	Lecture	The end of the Golden Age and the productivity slowdown
	27-feb	Data workshop	GDP per capita decomposition
6	02-mar	Lecture	Supply side reforms: the Single Market
	05-mar	Data workshop	Exercise 2 practice
7	09-mar	Lecture	The integration of Eastern Europe
	12-mar	Data workshop	Exercise 2 in class
8	16-mar	Research workshop	Integration, specialization and delocation: theory, data and empirical analysis
	19-mar		
9	23-mar		
	26-mar		
10	30-mar		Presentations of research projects
	02-abr		
			EASTER BREAK
11	13-abr		HOLIDAY
	16-abr	Lecture	The Impossible Trinity
12	20-abr	Lecture	Europe and the collapse of Bretton Woods
	23-abr	Lecture	The European Monetary System
13	27-abr	Lecture	The EMS crisis and the road to the EMU
	30-abr	Lecture	Is Europe an Optimum Currency Area?
14	04-may	Lecture	The Euro Area crisis
	07-may		Recap

ORGANIZATION
The course enhances active learning based on student interaction and cooperation.

In data workshops, students work in pairs. Each data workshop has three stages: 1) introduction to methodology and datasets; 2) a class activity in which students practice with data; 3) a class exercise that adds to the final grade.

For research projects, students work in groups of four. Detailed guidelines will be provided in class. A preliminary draft will be presented and discussed in class. The final draft must be submitted before the end of the course.

Both for data workshops and research seminars, students are required to bring a laptop to class. As an alternative, tablets can be used but be aware that working with data in Excel on a tablet is quite impractical.

MATERIALS
The course materials will be available on Aula Global. They will include:
a) syllabus
b) detailed course schedule
c) exam readings
d) lecture slides
e) datasets and instructions for data workshops
f) readings, datasets and instructions for research projects
g) samples of past exams

GRADING
The final grade is calculated as follows:
-final exam: 60%
-data workshops: 10%
-research project: 30%
Please notice that a minimum grade of 5.0 is required in the final exam in order to pass the course.

EXAM READINGS

-**Richard Baldwin & Charles Wyplosz, *The Economics of European Integration*, McGraw Hill Higher Education, 2014 (5th edition)** [Library: S 339.923(4) BAL]
Chapters:
-1, History, pp. 3-31
-2, Facts, law, institutions and the budget (only pp. 37-50)
-7, Growth effects and factor market integration, pp. 167-182
-13, Essential macroeconomic tools, pp. 299-326
-15, Optimum currency areas, pp. 349-386
In total, 101 pages.

-Eichengreen B., *The European Economy Since 1945: Coordinated Capitalism and Beyond*, **Princeton University Press, 2008** [Library: S 338.1E(4) EIC]
Chapters:
-2, Mainsprings of growth, pp. 15-51
-3, The postwar situation, pp. 52-85
-6, The integration of Western Europe, pp. 163-197
-8, Mounting payments problems, pp. 225-251
-9, Declining growth, rising rigidities, pp. 252-293
-10, The collapse of central planning, pp. 294-334
-11, Integration and adjustment, pp. 335-378
In total, 285 pages

-Crafts N., Toniolo G. (2010), Aggregate Growth 1950-2005, in Cambridge Economic History of Europe, pp. 296-332

-De Grauwe P. (2011), The governance of a fragile Eurozone, CEPS Working Document n. 346

-Krugman P. (2013), Revenge of the Optimum Currency Area, in NBER Macroeconomic Annual n. 27, pp. 439-448

-Lane P.R. (2012), The European sovereign debt crisis, Journal of Economic Perspectives, 26 (3), pp. 49-68

ATTENDANCE AND CLASSROOM BEHAVIOR

Attendance to all sessions is strongly recommended in order to succeed in this class. Students who expect to be unable to attend regularly should inform the instructor in order to discuss the appropriate arrangements. Each student is responsible for keeping up with the assigned materials. Please take due notice of scheduled dates for data exercises and research project presentations, as attendance is mandatory in these cases.

Students should be respectful of the classroom, the space, and each other. During class activities, you are expected to remain respectful of your fellow students and their perspectives. Examples of disruptive behavior include, but are not limited to, consistently showing up late to class, leaving early without prior approval, or chatting and being noisy in the middle of a lecture or another student's presentation.

The use of mobile phones in class can be disruptive, so please make sure that you switched it off before getting into class.

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