

The Process of European Economic Integration

Bachelor Degree in Economics

Academic Course: (2021/2022)

Elective

ECTS Credits: 6.0

Course: 3rd

Semester: 2

THEORY INSTRUCTOR

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Office hours for tutorials: Monday, 2:00-3:00 pm or by appointment.

REDUCED GROUP INSTRUCTOR

Name: Nicolás Varela

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Office: 18.2.D.11

Office hours for tutorials: Thursday, 1:00-2:00 pm

As long as safety measures related to Covid-19 remain in place, tutorials will be held online through Blackboard Collaborate.

CLASSES

-Lectures (*Magistral*): Monday, 9:00-10:30 am room 7.1.06

-Reduced group (*clases practicas*): Thursday, 10:45 am-12:15 pm room 6.1.03

EXAMS

Final: May 27, 2022

Re-sit: June 24, 2022

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, paying special attention to critical junctures and transformative crises that shaped the development of supranational institutions in Europe.

Learning is structured into two types of activities:

-**Lectures** combine historical analysis and key concepts from macroeconomic theory. The main objective is to understand the unique characteristics of European integration as a process of “institutional integration”. They also analyze 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.

-The **research seminar** gives students the opportunity to improve their skills in searching for information sources, collating academic literature, analyzing policy reports, managing data sets and writing professional/academic texts. The seminar focuses on a monographic issue, analyzes its theoretical/historical background and provides examples of relevant research questions and related datasets.

This year the seminar will deal with the consequences of integration for income convergence, economic specialization and the relocation of economic activities within the EU.

Within the seminar, data workshops help students develop skills related to data manipulation, visualization and analysis. The only technical requirement is a basic command of Excel. By combining data analysis with other quantitative and qualitative information sources (such as EU studies and reports, which will be discussed in reading workshops), students will develop a small research project in the form of a case study essay, which will be also presented and discussed in class at the end of the course.

ORGANIZATION

The course enhances active learning based on student interaction and cooperation. For the research seminar, students work in teams of three. However, due to the safety measures related to COVID-19, each student should bring his/her own laptop to class. As an alternative to laptops, tablets can be used but be aware that working with them might be quite impractical. Students will be given detailed guidelines about how to work with data and readings and how to structure their case study essay.

MATERIALS

The course materials are available on Aula Global. They include:

- a) syllabus
- b) weekly schedule
- c) exam readings
- d) lecture slides
- e) readings, datasets and instructions for the research seminar
- f) samples of past exams

GRADING

The final grade is calculated as follows:

-exam: 60% (split into a mid-term and a final exam, with equal weight)

-research seminar: 40%

Please notice that a minimum average grade of 5.0 in the mid-term and final exams is required in order to pass the course.

EXAM READINGS

-Richard Baldwin & Charles Wyplosz, *The Economics of European Integration*, McGraw Hill Higher Education, 2019 (6th edition) [Library: S 339.923(4) BAL]

Chapters:

- 1. History, pp. 4-31
- 2. Facts, law, institutions and the budget, pp. 38-70
- 6. Market size and scale effects, pp. 147-161
- 7. Growth effects and factor market integration, pp. 167-183
- 10. Location effects, economic geography and regional policy, pp. 241-261
- 13. Essential macroeconomic tools, pp. 299-326
- 15. Optimum currency areas, pp. 349-386
- 16. The European Monetary Union, pp. 389-418
- 19. The Eurozone in crisis, pp. 479-510

-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
- 7. The apex of the Golden Age (only pp. 216-224)
- 8. Mounting payments problems, pp. 225-251
- 9. Declining growth, rising rigidities, only pp. 282-293
- 10. The collapse of central planning, pp. 294-334
- 11. Integration and adjustment, pp. 335-376

-Eichengreen B., *Globalizing Capital. A History of the International Monetary System*, Princeton University Press, 2019 (3rd edition)

Chapters:

- 6. A Brave New Monetary World (sections: The Euro and International Currency Competition, pp. 207-2015)
- 7. A Decade of Crisis (sections: From Subprime Crisis to Global Financial Crisis, Greece's Crisis, Europe's Crisis, pp. 216-236)

ATTENDANCE AND CLASSROOM BEHAVIOR

Attendance to all sessions is strongly recommended in order to succeed in this course. Students who expect to be unable to attend regularly should inform the instructors in order to discuss the appropriate arrangements. Each student is responsible for keeping up with the assigned materials.

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 during other students' interventions or presentations.

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

Both in class and outside the class students must strictly comply with the rules of behavior established by the university for the prevention of contagion from COVID-19.
