

## **THE POLITICAL ECONOMY OF EUROPEAN INTEGRATION**

*Number of sessions: 30*

*Length of each session: 1,5 h*

*Total length of the module: 45 hours*

### **INTRODUCTION TO THE COURSE**

This course will introduce students to the main issues of economics and politics of European integration by using an economic approach. The course addresses key economic questions that arise from the process of integration. This course draws on a core textbook, articles from journals and other documents. Student will be oriented in the most up to date policy discussion about European integration. By the end, students will be able to apply and relate conceptual and theoretical knowledge underpinning the course of the economic and political process of European integration,

### **CONTENT**

- 1- Geography & History of European Union (EU).
- 2- Institutions and budget: EU laws and legitimacy in EU decision making.
- 3- Basic macroeconomics tools: open economics, tariffs and import protections.  
Case study: The Common Agricultural Policy (CAP)
- 4- State aid: competition, mergers and antitrust policies. Case study: Microsoft.
- 5- Growth effects and factor market integration
- 6- The effects of integration: labor integration
- 7- Labor productivity: Europe vs. US
- 8- European migration flows 1950-2000
- 9- European imbalances: core-periphery structure. The EU regional policies
- 10-The spatial distribution of activities across the European Union
- 11-Regional imbalances and convergence process
- 12-The effects of integration: capital integration.
- 13-Monetary integration: history, choice of an exchange regime
- 14-The European Monetary System.

**BIBLIOGRAPHY**Basic textbook:

Baldwin, R. and Ch. Wyplosz (2006): *Economics of European Integration*, 2nd Edition, Mc Graw Hill.

Other References

- H. Badinger (2005): "Growth effects of economic integration: evidence from the EU Member States", *Weltwirtschaftliches Archiv*, vol. 141 (1), pp. 50-78.
- R. Barro and X. Sala-i-Martin (1992): "Convergence", *Journal of Political Economics*, vol. 100(2), pp. 223-251.
- T. Boeri and H. Brücker (2005): "Why are Europeans so tough on migrants", *Economic Policy*, vol 44, October, pp 629-703.
- P. Combes and H. Overman (2003): "The spatial distribution of economic activity in the EU", in J.F. Thisse and V. Henderson (eds) *Handbook of Urban and Regional Economics*, vol. 4, North-Holland Amsterdam.
- D.W. Jorgenson, M.S. Ho and K.J. Stiroh (2008): "A Retrospective Look at the US Productivity Growth Resurgence", *Journal of Economic Perspectives*, vol. 22(1), pp. 3-24.
- R. Inklaar, M.P. Timmer and B. van Ark (2008): "Market Service Productivity across Europe and the US", *Economic Policy*, January, vol. 53, pp.139-194.
- Ph. Monfort and R. Nicolini (2000): "Regional Convergence and International Integration", *Journal of Urban Economics*, vol. 48, pp. 286-306.
- B. van Ark, M. O'Mahoney, and M.P. Timmer (2008): "The Productivity Gap between Europe and the United States: Trends and Causes", *Journal of Economic Perspectives*, vol. 22(1), pp. 25-44.

Other hand-outs will be given, if necessary.

**GRADING**

There will be NO final exam. The assessment will be based on:

- 50% Individual course work and presentation
- 40% Problem sets to be handed out
- 10% Participation

Students are required to attend classes and hand out three problem sets. A copy of the slides presented in class can be download from the course website.

In addition, each student will be also required to write a short report on a selected topic (among those we discussed in class) and, then, make a short presentation about it.