

Course title:	Economics of European Integration
Instructor:	Prof. Dr. Volker Nitsch
Email address:	nitsch@vwl.tu-darmstadt.de
Track:	B-Track
Language of instruction:	English
Prerequisites:	Students should be able to speak and read English at the upper intermediate level (B2) or higher. Elementary knowledge of economics and statistics is desirable.
Contact hours:	72 (6 per day)
ECTS-Credits:	7

Course description

What is today's role of the European Union? After decades towards greater integration, economic relationships have recently become more fragile. Examples of the rise of disintegration include tendencies of secession and the exit of countries from international institutional arrangements. In view of strong interdependencies between economic actors (global supply chains), these disruptions seem to be particularly costly and may require appropriate policy responses.

This course introduces the main economic aspects of the current development of the European Union (EU) and its policies. The basic idea is to discuss general issues in economic integration with a strong emphasis on experiences in Europe. After reviewing the institutional, political and historical background of European integration, the main focus is on the economic analysis of the policies and prospects for the European Union and its economic impacts on individuals, firms and regions.

Some recent developments in the international policy agenda like sovereign debt crises, Brexit and the euro crisis will also be covered.

This course provides an introduction to economic tools and concepts useful for the analysis of European integration. More generally, students learn to apply economic theory to real-world problems.

Student profile

The course is open to students from all disciplines.

Prerequisites

Students should be able to speak and read English at the upper intermediate level (B2) or higher. Elementary knowledge of economics and statistics is desirable.

Course Requirements

Regular attendance and active participation, short research paper and final written exam.

Required language skills

The language of instruction is English. Language proficiency on an advanced intermediate level (B2) is a prerequisite for participation. For orientation purposes, you can assess your language skills here (Common European Framework of Reference for Languages (CEFR): <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=090000168045bb52>)

Grading

20% Class participation
30% Short Paper (3-5 pages)
50% Final exam

Readings

A reader will be provided at the orientation meeting.

Course schedule

Date	Program*
Tuesday, June 07, 2022	<p>Session 1 History, Facts and Institutions</p> <ul style="list-style-type: none"> - Stages of integration - History of European integration <p>Session 2 Budget</p> <ul style="list-style-type: none"> - Revenues and expenditures at EU level <p>Session 3 Fiscal Federalism</p> <ul style="list-style-type: none"> - Task allocation - Theory of fiscal federalism
Friday, June 10, 2022	<p>Session 1 Field Trip: German-Russian Museum Karlshorst</p> <p>Session 2 Decision Making</p> <ul style="list-style-type: none"> - Legitimacy - Measures of decision making efficiency <p>Session 3 Microeconomic Tools</p> <ul style="list-style-type: none"> - Open-economy supply and demand analysis
Tuesday, June 14, 2022	<p>Session 1 Tariff Analysis</p> <ul style="list-style-type: none"> - MFN tariff analysis <p>Session 2 Trade Integration</p> <ul style="list-style-type: none"> - Types of protection - Analysis of preferential liberalization - WTO rules <p>Session 3 Market Size and Scale Effects</p> <ul style="list-style-type: none"> - Industrial restructuring: logic and facts
Friday, June 17, 2022	<p>Session 1</p>

	<p>Field Trip: Europe Direct Informationszentrum Berlin</p> <p>Session 2 Growth Effects and Factor Market Integration</p> <ul style="list-style-type: none"> - Introduction to growth economics - Solow growth model <p>Session 3 The Single Market Effects and frictions: empirical approaches</p>
Tuesday, June 21, 2022	<p>Session 1 Labour Markets</p> <ul style="list-style-type: none"> - Economic principles - Effects of trade integration <p>Session 2 Migration</p> <ul style="list-style-type: none"> - Migration policies - Individual attitudes towards migration <p>Session 3 Common Agricultural Policy</p> <ul style="list-style-type: none"> - CAP problems - Reforms
Friday, June 24, 2022	<p>Session 1 Field Trip: Stiftung Wissenschaft und Politik</p> <p>Session 2 Regional Policy</p> <ul style="list-style-type: none"> - Economic geography: theory and empirics <p>Session 3 Other EU Policies</p> <ul style="list-style-type: none"> - Competition and state aid policy
Tuesday, June 28, 2022	<p>Session 1 Macroeconomic Tools</p> <ul style="list-style-type: none"> - Impossible trinity principle - Real exchange rate <p>Session 2 Monetary Integration</p> <ul style="list-style-type: none"> - Fixed and floating exchange rates <p>Session 3 Exchange Rate Regimes</p> <ul style="list-style-type: none"> - Classifications of exchange rate regimes - Effects
Friday, July 01, 2022	<p>Session 1 Optimum Currency Areas</p> <ul style="list-style-type: none"> - Theory of optimum currency areas <p>Session 2 History of European Monetary Integration</p> <ul style="list-style-type: none"> - OCA theory and European monetary integration <p>Session 3 EMU</p> <ul style="list-style-type: none"> - Effects of EMU

<p>Tuesday, July 05, 2022</p>	<p>Session 1 Field Trip: Deutsche Bundesbank, Berlin branch</p> <p>Session 2 European Central Bank: Structure</p> <ul style="list-style-type: none"> - Institutional structure - Decision making <p>Session 3 European Central Bank: Monetary Policy</p> <ul style="list-style-type: none"> - Strategy - Instruments
<p>Friday, July 08, 2022</p>	<p>Session 1 Fiscal Policy</p> <ul style="list-style-type: none"> - Externalities <p>Session 2 Stability Pact</p> <ul style="list-style-type: none"> - Stability and growth pact - Macroeconomic imbalances procedure <p>Session 3 Financial Markets</p> <ul style="list-style-type: none"> - Essentials - Effects of a monetary union <p>Paper due (3-5 pages)</p>
<p>Tuesday, July 12, 2022</p>	<p>Session 1 Banking</p> <ul style="list-style-type: none"> - Banking as an industry - Banking union <p>Session 2 Role of the Euro</p> <ul style="list-style-type: none"> - Functions of currency <p>Session 3 Crises</p> <ul style="list-style-type: none"> - Global financial crisis - Debt crisis - Brexit
<p>Friday, July 15, 2022</p>	<p>Session 1 Wrap up session</p> <p>Session 2 Final exam</p>

*Field trips are subject to change depending on the availability of appointments and speakers. On field trip days, class hours may be adjusted.