

UNDERSTANDING THE EUROPEAN ECONOMY

Number of sessions: 30

Length of each session: 1,5 h

Total length of the module: 45 hours

OBJECTIVE

This course is designed to give the student a quite good understanding of the Economy of the European Union. Before introducing the topics related to the economic aspect of the European economy, a brief digression will be made into the historical aspects of the development of the European community. At the end of the lectures, a chapter will be devoted to the Spanish economy in order to scrutinize its dynamics within the European economy.

Requisites: Basic knowledge of micro and macroeconomics is necessary. But it is recommendable that the student be fully knowledgeable of introductory and intermediate microeconomics and macroeconomics courses, as well as basic knowledge of calculus.

CONTENT

- 1- The theory of economic integration
 - 1.1 What is it economic integration?
 - 1.2 The stages of economic integration.
 - 1.3 Economic and political integration: Institutional aspects of economic integration.
 - 1.4 Fiscal and monetary requirements for a sound economic integration.
 - 1.5 Measurement of the impact of economic integration.

- 2- The European integration: A historical perspective
 - 2.1 The long path to the European community
 - 2.2 Economic crisis and construction of the European Union.
 - 2.3 Implementation of the customs union and the subsequent enlargements of the European community.
 - 2.4 The development of the European economy.

- 3- Economic and Monetary Union
 - 3.1 Economic Union: Costs and Benefits
 - 3.2 The European monetary system.
 - 3.3 Monetary Union: The costs and benefits of monetary union.
 - 3.4 The European Union and national macroeconomic policy: An empirical overview
 - 3.5 External aspects of the euro.

- 4- The economics of cohesion
 - 4.1 Cohesion policy and subsidiarity.
 - 4.2 Measuring the disparities among the member states.
 - 4.3 Converging the European economy: Structural funds, nominal and real convergence.
 - 4.4 Monetary and fiscal policies.
 - 4.5 Macroeconomic integration.
 - 4.6 The fundamental dilemma of the European budget.

- 5- EU enlargement and cost-benefit analysis
 - 5.1 The history and importance of the European economic space.
 - 5.2 The process of enlargement.
 - 5.3 Quantification of membership effects:
 - 5.3.1 Economic consequences of EU enlargement for the entrants.
 - 5.3.2 Economic consequences of membership for entrants.

 - 5.4 Enlargement and external effects.
 - 5.5 What next?

- 6- The European economy
 - 6.1 Governing the European economy.
 - 6.2 The European economy and macroeconomic policy.
 - 6.3 National autonomy: economic approaches.
 - 6.4 The EU and national macroeconomic policies: empirical overview.

- 7- The Public Sector
 - 7.1 Roles and dimension of the public sector in the EU.
 - 7.2 Dimension of the public budget.
 - 7.3 About the sustainability of the balanced budget objective.

- 8- Spain and the European Union
 - 8.1 First reaction of Spain and the 1986 adherence treaty.
 - 8.2 Structural funds, nominal and real convergence with other richer member states
 - 8.3 Integration and cohesion: The optimistic scenario.
 - 8.4 Integration and cohesion: The skeptical scenario.
 - 8.5 Effects of the structural funds on the Spanish economy

- 9- The EU: perspectives for the future
 - 9.1 New objectives proposed.
 - 9.2 Challenge for the future: Enlargement of the Union.
 - 9.3 The USA, Japan, and the EU economies: Dynamics, opportunities, and threats.
 - 9.4 The role of Europe in the globalized world.

***Bibliography:**

- Galduf, J. (2002) Economía de la Unión Europea. Bibliotecas Civitas Economía y Empresa.
- Grahame Thompson (2001) Converging the European Economy. SAGE Publications.
- Hitiris, T. (1991) “European Community Economics”. Harvester Wheatsheaf.
- Pelkmans, J. (2001) European Integration: Methods and Economic Analysis. Prentice Hall.
- Richard, E. et al. (1995) Expanding Membership of the European Union. Cambridge Press University.
- Solio, A.N. (1991) “ La Unión Europea: Una Nueva Etapa en la Integración Económica de Europa. Ediciones Pirámide.
- Tsoukalis, L. (1991) “The New European Economy: The Politics and Economics of Integration”. Oxford Press University.

*In addition to the reference texts, hand outs for several of the topics will be given at the appropriate time.