

Georg-August-Universität Göttingen Module M.WIWI-VWL.0042: European Economy	6 C 4 WLH
<p>Learning outcome, core skills: The key learning objectives are:</p> <ul style="list-style-type: none"> • students should understand the extent of economic integration in the EU and the basics of EU law and its basic institutional structure and economic facts about European nations. Students should also learn the broad outline of the EU budget on the receipts and expenditure side and the basic content and the structure and problems with the Constitutional Treaty and the subsequent Treaty of reform, • acquire knowledge of the standard open-economic supply and demand diagrams and how they can be used to analyze the positive and normative impact of tariffs. Students should also learn about the various types of trade barriers that can constrain trade, • learn to apply open-economy supply and demand analysis to a three country setting with the aim of illustrating the main positive and normative effects of preferential liberalization on aspects of European integration. Students should also learn about the differences between customs unions and free trade areas and about WTO disciplines and about the nature of empirical studies into the effects of EU market integration, • learn the economics behind the notion that integrating European markets can improve economic efficiency by giving European firms better access to a wider market. As part of this, students learn about market interactions in the presence of imperfect competition and increasing returns, • learn the economic logic that explains how integrating European markets can increase income growth rates in the medium term and in the long term and the specific features of Europe's labour markets and key labour economics principles. Students should also learn about the sources of unemployment and the microeconomics of labour market integration and the conflict between efficiency and social imperatives, as well as understand the impact of economic integration and migration on labour markets, • learn about the CAP, which is by far the most important policy in terms of the budget and it is one of the most important in terms of EU politics. Students should also learn about recent reforms to the CAP based on de-coupling, • learn about the very uneven distribution of economic activity in Europe and about the economics that helps account for this result as well as using the suitable framework for understanding how deeper integration affects the distribution. Also learn about EU regional policy, essentially designed to prevent geographic concentration or to ameliorate its effects on people living in rural areas, • acquire Knowledge of the basic facts of the EU's trade pattern both in terms of partners and commodity composition and become familiar with the basic institutions of EU trade policy making and acquire a basic understanding of the EU's external trade policy. 	<p>Workload: Attendance time: 28 h Self-study time: 152 h</p>
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Contents:

The course is organized as a series of lectures complemented with tutorials and student presentations of selected topics.

Introduction

1. The European Integration Process in the World Economy

- 1.1 History
- 1.2 Facts, Institutions and Laws
- 1.3 The Budget
- 1.4 The Constitutional Treaty

Microeconomics of European Integration

2. Economic Effects of Forming a Customs Union I: Static Effects

- 2.1 Microeconomic Tools
- 2.2 Static Effects: Trade Creation and Trade Diversion
- 2.3 WTO Rules
- 2.4 Evaluation of the Static Effects

3. Economic Effects of Forming a Customs Union II: Market size and Scale Effects

- 3.1 Dynamic Effects
- 3.2 Market Structure and Scale Effects
- 3.3 Evaluation of the Dynamic Effects

4. The Single Market Process: Growth Effects

- 4.1 Economic Impact of the Single Market: Growth Effects
- 4.2 Free Factor Movement inside the Internal Market: Labour Markets and Migration
- 4.3 Effects of Integration

EU Selected Policies

5. EU Environmental Policy

- 5.1 History of the Policy Strategies
- 5.2 Objectives, Targets and Timetables
- 5.3 The "new" Environmental Policy of the EU
- 5.4 Role of Product Standards

6. Innovation Patterns and the EU Regional Policy

- 6.1 The Facts
- 6.2 Innovation Patterns
- 6.3 EU Regional Policies
- 6.4 Empirical Evidence

7. Trade Policy

7.1 Basic Trade Policy Analysis 7.2 Economics of Preferential Liberalization 7.3 Market Size and Scale Economies A key starting point is the official site: http://www.europa.eu.int .	
Course: M.WIWI-VWL.0042.Tut European Economy (Tutorial) Contents: Presentation and discussion of the term papers.	2 WLH
Examination: Term paper (max. 10 pages text) M.WIWI-VWL.0042.1: European Economy Examination prerequisites: Regular attendance, Presentation of the term paper	2 C
Examination: Written examination (90 minutes) M.WIWI-VWL.0042.Mp: European Economy	4 C
Examination requirements: <ul style="list-style-type: none"> • Show a deep knowledge of the European integration process, its history and evolution over time, • show ability to draw open-economic supply and demand diagrams and how they can be used to analyze the positive and normative impact of tariffs, • understanding of the economic logic that explains how integrating European markets can increase income growth rates in the medium term and in the long term, • show a profound knowledge of the European economic policies and its economic effects. 	
Admission requirements: none	Recommended previous knowledge: Introductory macroeconomics and microeconomics
Language: English	Person responsible for module: Prof. Dr. Inmaculada Martinez-Zarzoso
Course frequency: irregular	Duration: 1 semester[s]
Number of repeat examinations permitted: twice	Recommended semester: 1 - 4
Maximum number of students: 30	