

Georg-August-Universität Göttingen Module B.WIWI-VWL.0068: Economic Aspects of European Integration	6 C 3 WLH
Learning outcome, core skills: The students: <ul style="list-style-type: none"> • know the main institutions that are governing the EU single market and their competencies, • can discuss the economic benefits of European integration in goods, labour and capital markets, • know the economic rationale and main features of EU competition and state aid policies, • understand the concepts of potential output and employment, • can discuss the main arguments in favour and against monetary union, • know main characteristics of the European Central Bank, its main monetary policy instruments and related transmission channels, • can discuss the main economic forces behind the recent economic crisis and main related issues in financial, fiscal and macro policies, • understand the rationale for effective single supervision and resolution mechanism for banks and can discuss the main issues in establishing a "banking union", • know the key features of the EU fiscal governance system, its strengths and weaknesses, • know the key features of the "European Semester" economic surveillance cycle. 	Workload: Attendance time: 42 h Self-study time: 138 h
Courses: 1. Economic Aspects of European Integration (Lecture) <i>Contents:</i> The first part of the course deals with main institutions, provisions and concepts underpinning the EU single market. It reviews potential static and dynamic gains of product and factor market integration, and considers stylised facts about EU trade integration and migration. It introduces EU competition and state aid policies. It explains the concepts of potential output and output gaps, and their link to macroeconomic and structural policy analysis and EU economic governance. The second part deals with key institutional and policy issues of monetary union and financial markets. It discusses the pros and cons of a single currency and considers the operation of the System of European Central Banks and main characteristics of monetary policy in the euro area. Selective issues in financial market integration are addressed, including essential reform measures taken to establish a „Banking Union“. Attention is paid to the main drivers of the financial crisis. The third part is devoted to fiscal policy and governance. It introduces main concepts for fiscal policy assessment, such as structural government balances and the sustainability of government finances, and discusses fiscal policy channels, potential externalities, EU fiscal surveillance and approaches to secure sustainable government finances.	2 WLH

<p>The last part highlights EU economic performance targets and key features of EU economic surveillance and policy coordination.</p> <p>2. Economic Aspects of European Integration (Exercise)</p> <p><i>Contents:</i></p> <p>This part of the course discusses a set of questions on the Single Market, economic coordination and monetary and fiscal issues. The questions are provided for consideration ahead of the sessions. Also discussed are the questions on the two papers that are prerequisites for participation in the exam.</p>	1 WLH
<p>Examination: Written examination (90 minutes)</p> <p>Examination prerequisites:</p> <p>Submission of written answers on two papers (3 questions each; maximum 2 pages submission each). The references are given in the course.</p>	6 C
<p>Examination requirements:</p> <p>Students need to demonstrate knowledge and understanding of:</p> <ul style="list-style-type: none"> • the relation between the free movement of goods, services, labour and capital and economic efficiency and growth, • key elements of the European currency union, the main policy instruments of the European Central Bank and transmission channels of monetary policy, • principles of bank supervision and resolution in the euro area and the EU and their relation to the functioning of the currency union and the Single Market, • main features of the EU fiscal governance system and associated challenges, • risks associated with macro-economic imbalances and their surveillance. <p>Students also need to demonstrate knowledge about main EU institutions and their competences.</p>	
<p>Admission requirements:</p> <p>none</p>	<p>Recommended previous knowledge:</p> <p>B.WIWI-OPH.0007 Microeconomics I, B.WIWI-OPH.0008 Macroeconomics I</p>
<p>Language:</p> <p>English</p>	<p>Person responsible for module:</p> <p>Hon.-Prof. Dr. Eckhard Wurzel</p>
<p>Course frequency:</p> <p>irregular</p>	<p>Duration:</p> <p>1 semester[s]</p>
<p>Number of repeat examinations permitted:</p> <p>twice</p>	<p>Recommended semester:</p> <p>4 - 6</p>
<p>Maximum number of students:</p> <p>not limited</p>	