

## SCHOOL OF BUSINESS AND INTERNATIONAL RELATIONS

SPRING 2022

ECO 301/501

3 credits

Professor Sarah McIntosh

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Office hours: by appointment

### **INTERNATIONAL ECONOMICS AND THE EUROPEAN UNION**

#### **I. COURSE DESCRIPTION**

The European Union (EU) is a unique political and economic construction. For many economists, its defining characteristic is its four freedoms of movement of goods, services, people, and capital within the world's largest single market. Nineteen member states have gone even further in economic integration and share a common currency, the euro. The EU's policies influence the everyday lives of those who live inside and outside its borders.

This course will study the benefits and costs for the people of the EU, and indeed the world, of this 'ever closer' union using the tools of international economics. Its focus is the economic integration of Europe from the end of the Second World War to the present day.

#### **II. COURSE OBJECTIVES**

This course aims to:

- Give students an understanding of the EU economy and its market-related institutions and policies in a historical and global context
- Help students progressively build skills in applying international economic concepts and tools to answering questions in the real world

It does NOT aim to cover everything to do with international economics and the EU. That would be an impossible task and mind-numbingly complex!

#### **III. LEARNING OUTCOMES**

By the end of the semester, students should be able to:

1. Summarize how the EU has evolved over time and how it operates today

2. Describe the basic structure of the EU economy within the global context
3. Evaluate the benefits and costs of EU integration using economic models
4. Analyze contemporary debates and policies in the EU related to economic integration
5. Interpret and present data on the EU economy

#### IV. INSTRUCTIONAL METHODS AND ACTIVITIES

The method is to ask interesting questions first and then to introduce the material, concepts, and tools to help answer them. The course will rely on discussion and activities, including classroom games, case studies and data exercises. For this format to work you are expected to read and think about the assigned material before class.

Whenever possible the course will use examples and make applications to the real world and other courses, including a joint field study trip to Brussels if the Covid situation allows. At the beginning of the semester each student will choose an EU country as a focus of study for certain activities and assignments.

The course is taught by a policy economist who has worked with governments in Europe, Africa, and Asia, specifically on impact evaluation. It has a particular emphasis therefore on introducing you to some of what economists do professionally. The course will also draw on students' knowledge and experiences to make connections to other disciplines and contexts.

#### V. PRIMARY TEXTBOOKS AND MATERIAL

The primary course textbook is:

Baldwin, R., and Wyplosz, C. (2020) *The Economics of European Integration*. 6<sup>th</sup> ed., London: McGraw Hill Education.

Although the textbook does review most essential economics, if you have not taken a first-year principles course, then you may need to supplement your reading. Let me know during the first class and we can work out how best to support you.

Two other important sources of material for the course are:

- The *Financial Times*. IAU has an institutional subscription, which we will use as a starting point to identify contemporary debates and policies.
- Eurostat is the statistical office of the European Union. Much of our data work with rely on this website.

Additional course material will be posted on Teams.

#### VI. EVALUATION AND GRADING

			What	Why	When
Reading quizzes	25 points each	20%	Regular online quizzes with a focus on basic	To help guide your reading and provide the common	Weekly

			knowledge and understanding	ground for class discussion and activities	
Class attendance and participation	100 points	10%	Skill-based system to assess participation	To motivate participation skill building across a variety of dimensions	Through out
Class activities	200 points	20%	E.g., class games, case studies and data exercises	To provide a low-stakes assessment of your effort to understand the material	Through out
EU country profile	150 points	15%	A two-page brief on your EU country	To summarize data on your EU country and use this context as a basis to inform your subsequent research	Thursday 24 February
Final research project	350 points	35%	A five-page policy brief on an aspect of economic integration for your EU country	To integrate and apply the knowledge and skills that you have learned in the course	Thursday 28 April

All assignments should be submitted on Teams. Extensions require one full day's advance approval from me. Grading rubrics will be provided for all assignment prompts and for class attendance and participation. Students can at any time get an idea of their overall grade themselves using the tool provided.

As per IAU's attendance policy, attendance will be part of your final grade. Two unexcused absences are tolerated. Any other unexcused absence will affect the final grade. The following are considered as excused absences: absences linked to IAU excursions; sickness (a medical certificate is required); emergencies. Absence to a field study counts for twice.

## VII. CALENDAR

The course schedule is presented below. We may discover that we want to spend more time on certain topics and less time on others. I will consider changing the schedule if such a change would benefit most students' learning in this course.

### Unit 1. Introducing the European Union and international economics

Week	Dates	Topic
1	TH 27/01	Introduction to the course
2	TU 01/02 TH 03/02	History of the EU
3	TU 08/02 TH 10/02	The EU today

<b>4</b>	TU 15/02 TH 17/02	The EU in the global economy
<b>5</b>	TU 22/02 TH 24/02	Introduction to international economics

## Unit 2. The economics of European integration

<b>Week</b>	<b>Dates</b>	<b>Topic</b>
6	TU 01/03 TH 03/03	Integration of goods and services (trade)
7	TU 08/03 TH 10/03	Integration of goods and services (trade)
8	TU 15/03 TH 17/03	Integration of labor (migration) and capital (FDI)
9	TU 22/03 TH 24/03	Brussels trip (TBC) and debrief
10	TU 29/03 TH 31/03	Integration of labor (migration) and capital (FDI)

## Unit 3. EU economic policies

<b>Week</b>	<b>Dates</b>	<b>Topic</b>
11	TU 05/04 TH 07/04	EU economic policies
12	TU 12/04 TH 14/04	Spring break: NO CLASSES
13	TU 19/04 TH 21/04	Case: the Eurozone in crisis
14	TU 26/04 TH 28/04	Economic growth
15	TU 03/05 TH 05/05	What next? and wrap-up

## VIII. FIELD-STUDY

A three-day trip to Brussels is to be confirmed but is provisionally booked for Sunday 20 March – Tuesday 22 March.