Course Description: The evolution of economic and monetary union in Europe has been underway for over 60 years. This course examines the economics of the customs union, common market, and monetary union that characterize this period in European history. Microeconomic aspects of European labor, capital, and product markets, as well as national monetary and fiscal policies are discussed. Emphasis is given to tracing in an historical context the economic theories and policies that have been central in creating the present state of the European Union.


Grade Determination:

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<th>Component</th>
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<td>First Examination (F, 10/12)</td>
<td>30%</td>
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<td>Second Examination (W, 11/14)</td>
<td>30%</td>
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<tr>
<td>Term Paper (Due M, 11/19 by 5:00 p.m.)</td>
<td>30%</td>
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<td>Attendance &amp; Participation</td>
<td>10%</td>
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Important Dates for the Term Paper:

- Monday, October 1: Paper Title and One Paragraph Summary of Topic
- Monday, November 5: Complete first draft (approximately 10 pages of text) with all diagrams, charts, and bibliography.
- Monday, November 19 (5 p.m.): Final draft (no more than 15 pages of text) with all diagrams, charts and bibliography.

Class Assignments: Please note that substitute, or additional, readings may be assigned on occasion.

M Sep 10 Introduction and Country Assignment. No Reading Assignment.


F Sep 14 A Brief Economic History of the European Union.
- 1. A&N, Ch. 1;

M Sep 17 Current Organization and Membership of the European Union. A&N, Ch. 2.

W Sep 19 Theories of Preferential Trading Areas A&N, Ch. 3.
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<tr>
<th>Day</th>
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| F   | Sep 21| Market Size and Scale Effects.  
Richard Baldwin and Charles Wyplosz.  The Economics of European Integration, 4th Ed., Chapter 6. (Handout) |
| M   | Sep 24| Trade Policy  
1. Richard Baldwin and Charles Wyplosz.  The Economics of European Integration, 4th Ed., Chapter 12. (Handout)  
| W   | Sep 26| Common Agricultural Policy.  
A&N, Chapter 4. |
| F   | Sep 28| Competition Policy.  (Paper Title and One Paragraph Summary of Topic due)  
1. A&N, Chapter 5.  
| M   | Oct 1 | Science and Technology Policy.  
A&N, Chapter 6. |
| W   | Oct 3 | Regional Policy.  
A&N, Chapter 7. |
| F   | Oct 5 | Environmental Policy.  
Green Giants. Norman J. Vig and Michael G. Faure, eds.  
| M   | Oct 8 | The European Union, the United States, and Globalization  
1. A&N, Ch. 9;  
| W   | Oct 10| Catch Up and Review |
| F   | Oct 12| Examination #1. |
| M   | Oct 15| Midterm Break. No Class, No Office Hours. |
Class Assignments, continued

F  Oct 19  |  Optimum Currency Areas and European Monetary Union.

M  Oct 22  |  European Monetary Union, continued.
         |  2. Philip R. Lane, “The Real Effects of European Monetary Union.” Journal of Economic Perspectives (Fall, 2006) Find in JSTOR.

         |  A&N, Chapter 11.

F  Oct 26  |  Fiscal Policy.
         |  A&N, Chapter 12.

M  Oct 29  |  Fiscal Policy, continued.

W  Oct 31  |  Unemployment

F  Nov 2   |  Financial Markets and the Euro
         |  Richard Baldwin and Charles Wyplosz. The Economics of European Integration, 4th Ed., Chapter 18. (Handout)

M  Nov 5   |  Sovereign Debt and the Case of Greece
Class Assignments, continued

W  Nov 7  Enlargement.
   1. A&N, Chapter 15.

F  Nov 9  So What is the Economic Future of Europe?
   1. A&N, Chapter 16.

M  Nov 12  Catch Up and Review.

W  Nov 14  Examination #2.

A Reminder: The due date for your final paper is:

M  Nov 19  Final Paper Due by 5:00 p.m. at Willis 304.