

► Part 2

Lecturer

Instructor

Dr. Dónal Palcic (Summer school 1)
Darragh Flannery (Summer school 2)

Email

donal.palcic@ul.ie
Darragh.Flannery@ul.ie

Course format

Working language :	English
Volume of contact hours :	13 h
Workload to be expected by the student :	30 h

Course track

Track : Attendance

Course description

This course provides a rigorous analysis of the economic rationale for the European Union and the central theoretical and empirical issues raised by the process of European integration. It provides a comprehensive analysis of the theories of economic integration, monetary and fiscal policy, while also presenting a detailed discussion of the most important microeconomic and macroeconomic policies of the EU.

Educational organisation

In-class ...

Presentations/lectures

As a group ...

Presentation/lectures

Interaction ...

Discussions/debates

Assignments ...

Readings
Individual

Learning outcomes

At the end of the course, the student should be able to ... :

Describe the various stages of European economic integration

Describe the structure and design of the European Central Bank

Analyze Monetary and Fiscal Policy in Europe

Understand the concept of optimum currency areas

Course outline

I. Introduction and Context

a) Brief history of European economic integration and description of topics to follow

ii. Essential microeconomic and macroeconomic tools

a) Introduction/revision of concepts of demand, supply, consumer and producer surplus, GDP, output gap, AD and AS.

iii. Economic Integration

a) Types of economic integration

b) Trade creation and trade diversion

c) Evolution of the EU as an economic entity

d) Institutions and economic policy making in the EU (particularly the structure and design of the ECB)

iv. Trade theory and trade policy

a) Concept of comparative advantage

b) Simple model of trade

c) Tariffs and non-tariff barriers to trade

V. Europe's exchange rate question

a) Types of exchange rates

b) The impossible trinity

c) What did Europe do?

d) Optimum Currency Area (OCA) theory

VI. EU monetary policy

a) The ECB's monetary policy strategies

b) The instruments of Eurozone monetary policy

c) The ECB's response to the Eurozone crisis

VII. EU fiscal policy

a) Fiscal policies and the theory of optimum currency areas

b) The sustainability of government budget deficits and the argument for fiscal rules

c) The Stability & Growth Pact: origins, performance and recent reform

d) The Eurozone sovereign debt crisis and the response to date

Pre-requisites for the course

Key concepts to master :

This course deals with a mixture of micro and macro economic principles and how they apply to the economics of integration. Students should have a basic knowledge of these concepts (e.g. demand and supply, Gross Domestic Product)

Knowledge in :
Basics in micro/macro economics

Teaching materials

All document formats ...

Books
Journal Articles

Electronic platforms ...

N/A

Software ...

MS Word
PDF
MS Powerpoint

ICT in Education ...

- ■Internet
- ■Videos

Recommended Reading

Major works :

Introduction to International Economics, 3rd Edition, D. Salvatore, Wiley, 2012. *Chapter 7*
Introduction to International Economics, 3rd Edition, D. Salvatore, Wiley, 2012. *Chapter 2*
Introduction to International Economics, 3rd Edition, D. Salvatore, Wiley, 2012. *Chapter 5*
Introduction to International Economics, 3rd Edition, D. Salvatore, Wiley, 2012. *Chapter 6*

DE GRAUWE, Paul, Chapter 8 “The European Central Bank”, pp. 151-172.
DE GRAUWE, Paul, Chapter 9 “Monetary Policy in the Eurozone”, pp. 173-206.
DE GRAUWE, Paul, Chapter 10 “Fiscal policies in monetary unions”, pp. 207-230.

Further literature

DE GRAUWE, Paul and JI, Yuemei, “Panic-driven austerity in the Eurozone and its implications”, <http://www.voxeu.org/article/panic-driven-austerity-eurozone-and-its-implications>
DE GRAUWE, Paul and JI, Yuemei, “The Legacy of Austerity in the Eurozone”, Centre for European Policy Studies, <http://www.ceps.be/book/legacy-austerity-eurozone>

EM Research: N/A

Assessment

Intermediate evaluation / continuous assessment 1: N/A

Intermediate evaluation / continuous assessment 2 : N/A

Final assessment :

Written / Individual / English / weighting : 100%

Grounds for expulsion from classes

Such behaviors as...

arriving late, leaving early or unannounced leaving of the classroom during class time
disruptive eating or drinking in class
using smartphones and laptops for non class-related purposes
reading non class-related document

chatting on non class-related issues
showing disrespect towards lecturers

... may lead to expulsion from classes.