**ECONOMICS 299**  
**ECONOMICS OF THE EUROPEAN UNION**  
*Spring 2016*

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**Instructor**  
Olena Staveley-O’Carroll, omykhayl@holycross.edu

**Class meeting times**  
Section 01: TR 9:30–10:45 am, Stein 319  
Section 02: TR 11:00–12:15 pm, Stein 319

**Prerequisites**  
Economics 111 (Principles of Macroeconomics)  
Economics 112 (Principles of Microeconomics)

**Suggested text**  
Artis, Mike and Frederick Nixson (eds.) The Economics of the European Union: Policy and Analysis. 4th edition.

**Course material**  
Will be posted on Moodle

**Office hours**  
TR 3:30–5:00 pm, F 9:30–12:00 pm and 1:30–5:00 pm in Stein 540, and by appointment

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**Course Description and Objectives**

The post-World War II period in Europe stands out as a sustained effort in improving economic integration in multiple dimensions. In this course, we will explore various components of this process.

The course is divided into several sections examining different aspects of the EU. Following introduction, which looks at the history of European integration and the modern EU institutions, we turn to the discussion of trade and factor movement liberalization, regional policies of the EU (including the common agricultural policy and structural funds), macroeconomic integration and the European Monetary Union, issues of unemployment and welfare, and the future EU widening.

By taking this course, you will (1) understand the interconnections between the different segments of the European Union; (2) analyze the impact of integration on different industries in Europe by collecting and analyzing macroeconomic data; (3) evaluate existing policies from the social welfare perspective; and (4) apply what you have learned throughout the semester to write a policy proposal paper.

To be successful in this course you should expect to devote no less than 10-14 hours each week in-class, reading and studying the material, and preparing assignments.

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**Attendance**

Your time is limited, and you must decide how to best allocate this scarce resource between classes, studying, and other activities. Therefore, attendance is not required; however, the opportunity cost of skipping a class is an increased probability of missing a pop quiz and a lower overall course grade.

It is your responsibility to catch up on whatever material you missed by not attending a lecture. Moreover, since I do not accept late assignments, you should make arrangements to turn them in prior to the due date. There are no make-up exams; should an emergency prevent you from taking the midterm exam, your final exam grade will be re-weighted accordingly.

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**Readings**

By its nature, the course covers a broad range of issues and therefore requires a broad range of reading materials, which will be posted on Moodle. Reading these articles is
not optional; I expect everyone to be able to participate when we discuss them in class. In addition, there is a detailed handout for each class, also available online. You should print out the handouts and bring them to class. When I write the exams, I will assume that you have read all the required material and studied the handouts. You are also encouraged to regularly peruse publications such as the Economist, the New York Times, the Wall Street Journal, and the Financial Times to keep informed about current economic events.

Grading
Your grade for the course will be based on your performance in two exams (a midterm and a cumulative final), a group presentation, a term paper, and five pop quizzes.

Exams will include multiple choice questions and short and long answer essay questions, which will emphasize the material covered in class, as well as assigned readings.

Presentations will be prepared and presented by groups of four or five students. Each group will examine the process of European integration from the perspective of a single good or industry. While topics are subject to my approval, I am quite flexible as long as they have an economic and European angle. More detailed information about the presentation and due dates is given in the Presentation and Paper handout.

Term paper is an individual project, and is essentially a 10-page country study with a heavy policy orientation format. You will pick a country in the beginning of the semester, research it thoroughly, and offer policy suggestions for the country's future. Essays should contain a degree of personal contribution and not just repeat the lessons from the classes and readings. More detailed information about the paper is given in the Presentation and Paper handout, available on Moodle.

Pop quizzes: I will give five unannounced five-minute in-class assignments during the semester. Each assignment is worth 2 points. If you get the answer right, you will get 2 points; otherwise, you will get 1 point for being present. Since we will discuss the answers to each quiz immediately after you turn them in, you may not take the quiz if you are more than ten minutes late for class.

Extra credit assignments can boost your overall grade. You may take advantage of up to three such opportunities. Each extra credit paper will add up to 1 point to your quiz grade. Each extra credit report is a one-page (typed, double-spaced) analysis of a recent external article that relates to the topics covered in class. I will grade your report on your ability to apply the theories developed during lectures to real world issues, and on the clarity of your exposition. As such, you should clearly indicate to which model/theory/issue the article is referring, and explain how it applies, supports, extends, or contradicts the model/theory/issue. You may pick articles from credible sources such as newspapers and magazines mentioned above or academic journals. You may not use articles which are assigned as class readings. You must attach a copy of the article to your report.
The **deadlines** for the three extra credit papers are as follows:

- Extra credit 1: February 25
- Extra credit 2: March 31
- Extra credit 3: April 28

**Project Weighting and Important Dates**

<table>
<thead>
<tr>
<th>Event</th>
<th>Weight</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Presentation topics due</td>
<td>25%</td>
<td>March 1</td>
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<tr>
<td>Midterm exam</td>
<td>25%</td>
<td>March 22</td>
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<tr>
<td>Presentation group meetings</td>
<td>15%</td>
<td>March 29, 31, and April 1</td>
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<tr>
<td>Presentation</td>
<td>15%</td>
<td>April 5 and 7</td>
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<tr>
<td>Paper topics due</td>
<td>20%</td>
<td>April 12</td>
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<tr>
<td>Paper</td>
<td>20%</td>
<td>May 5</td>
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<tr>
<td>Final exam</td>
<td>35%</td>
<td>01: May 13, 3:00 pm</td>
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<td></td>
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<td>02: May 17, 11:30 am</td>
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<tr>
<td>Quizzes</td>
<td>5%</td>
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**Academic Honesty**

All students are expected to comply with the College’s Academic Honesty Policy, which can be found here: [http://catalog.holycross.edu/node/1381#AHP](http://catalog.holycross.edu/node/1381#AHP).

The penalty for scholastic dishonesty (including, but not limited to, receiving or giving help on exams, plagiarizing, or sabotaging another student’s work) in this course will be failure (grade of zero) on the entire assignment or exam.
# Lecture Schedule

This schedule is approximate and subject to change. All readings (posted on Moodle and marked below as R1, R2, etc.) should be completed **before** the lectures for which they are assigned; the last page of the syllabus provides additional details.

<table>
<thead>
<tr>
<th>Date</th>
<th>Lecture Topic</th>
<th>Reading(s)</th>
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<tbody>
<tr>
<td>Jan. 26</td>
<td>Syllabus, Lecture 1 (Introduction)</td>
<td>R1</td>
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<tr>
<td>Jan. 28</td>
<td>Lecture 2 (History of European Integration)</td>
<td>R2</td>
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<tr>
<td>Feb. 2</td>
<td>Lecture 2, cont’d (History, European Institutions)</td>
<td>R3, Bring colored pencils</td>
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<td>Feb. 4</td>
<td>Lecture 2, cont’d (Political Process, Membership)</td>
<td>R4, Groups</td>
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<td>Feb. 9</td>
<td>Lecture 3 (Theory of Economic Integration)</td>
<td>R5</td>
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<tr>
<td>Feb. 11</td>
<td>Lecture 3, cont’d (Tariffs, PTAs)</td>
<td>R6, R7</td>
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<tr>
<td>Feb. 16</td>
<td>Lecture 4 (SEM: Goods and Services)</td>
<td>R8</td>
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<tr>
<td>Feb. 18</td>
<td>Lecture 4, cont’d (SEM: Services and Labor)</td>
<td>R9</td>
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<tr>
<td>Feb. 23</td>
<td>Lecture 4, cont’d (SEM: Labor and Capital)</td>
<td>SPRING BREAK</td>
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<tr>
<td>Feb. 25</td>
<td>Lecture 4, cont’d (SEM: Capital; Effects of SEM)</td>
<td>EASTER BREAK</td>
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<td>Mar. 1</td>
<td>Lecture 5 (EU Budget)</td>
<td>Presentation topic due</td>
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<td>Mar. 3</td>
<td>Lecture 5, cont’d (Structural Funds)</td>
<td>R10, R11</td>
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<td>Mar. 15</td>
<td>Lecture 6 (CAP)</td>
<td>R12, R13</td>
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<td>Mar. 17</td>
<td>Lecture 6, cont’d (CFP)</td>
<td>R14</td>
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<tr>
<td>Mar. 22</td>
<td><strong>Midterm</strong></td>
<td>Paper topic due</td>
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<td>Mar. 29</td>
<td>Lecture 7 (Intro to IFinance)</td>
<td>R15</td>
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<tr>
<td>Mar. 31</td>
<td>Lecture 7, cont’d (OCAs)</td>
<td>R16, R17, R18</td>
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<tr>
<td>Apr. 5</td>
<td><strong>Student Presentations</strong></td>
<td>R19</td>
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<tr>
<td>Apr. 7</td>
<td><strong>Student Presentations</strong></td>
<td>R20</td>
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<td>Apr. 12</td>
<td>Lecture 7, cont’d (EMU)</td>
<td>R21, Paper draft due (opt.)</td>
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<td>Apr. 14</td>
<td>Lecture 7, cont’d (The Future of EMU)</td>
<td>R22</td>
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<td>Apr. 19</td>
<td>Lecture 8 (Structure of Labor Markets)</td>
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<td>Apr. 21</td>
<td>Lecture 8, cont’d (Rigidities in the Labor Markets)</td>
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<tr>
<td>Apr. 26</td>
<td>Lecture 8, cont’d (Unemployment Policy)</td>
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<td>Apr. 28</td>
<td>Lecture 9 (Demographic Shift)</td>
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<td>May 3</td>
<td>Lecture 9, cont’d (Pension System Reform)</td>
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<tr>
<td>May 5</td>
<td>Lecture 10 (Future of the EU)</td>
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Outline of Readings by Chapter

Optional/additional readings are marked with an asterisk. All other readings are mandatory. All chapters refer to the Artis and Nixson (AN) text. Readings should be completed before the lectures for which they are assigned.

Lecture 1. Introduction to the EU
* The European Union in Slides.

Lecture 2. History and Institutions of the EU
2. The Economist (June 6, 2009). *From Strasbourg with Indifference.*
3. The Economist (September 10, 2011). *Germany’s Euro Question.*
   * AN section 1.1 – available online

Lecture 3. The Theory of Economic Integration
4. Handouts on surpluses and monopolies.
   * AN. Chapter 3.

Lecture 4. The Four Freedoms of the Single Market
   * The Economist (May 28, 2011). *Drain or Gain?*

Lecture 5. EU Budget and Regional Policies
   * AN. Chapter 7.

Lecture 6. Common Agricultural and Fisheries Policies
11. BBC News. *Q&A: Reform of EU Farm Policy.* (12 October 2011)
Lecture 7. European Monetary Union

18. The Economist (February 11, 2012). *1789 And All That*.

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Lecture 8. Labor Markets and Unemployment

20. The Economist (September 10, 2011). *Left Behind*.

* AN. Chapters 10 and 11.

Lecture 9. EU Pension System


* AN. Chapter 14.

Lecture 10. The Enlargement and Future of the EU


* BBC News. Q&A: *Turkey’s EU Entry Talks*.

* AN. Chapter 15.