

# Economics of the EU: Trade and Policy

OPUS Tutorials in Economics

Hilary Term, 2018

Jean Flemming

Nuffield College, University of Oxford

[jean.flemming@economics.ox.ac.uk](mailto:jean.flemming@economics.ox.ac.uk)

## Course Description

This introductory course aims to familiarize the student with topics in EU integration, trade, and economic policy. In particular, the course will take a research-based focus on key economic concepts and issues of interest to European policymakers. The objective at the end of the course is to have a thorough understanding of the development and workings of EU institutions and policies, as well as the underlying economic theory.

## Course Structure and Requirements

The course will be run as 8 weeks of tutorials. Students are expected to complete the readings and produce an original, 2,000-word essay in preparation for each week's meeting. Readings marked with an asterisk (\*) are required. Essay assignments will be given in class and are to be submitted via email 2 days before the tutorial. Meetings will be held in a conversational style to debate and discuss the topics covered in greater depth, with some time dedicated to the associated economic theory; participation during these meetings is crucial. Students are expected to have familiarity with basic macro- and microeconomics.

## Main Resource

Baldwin, R., & Wyplosz, C. (2015). *The economics of European integration* (Fifth ed.). London.

## Other Resources

<sup>1</sup> Staab, Andreas, & ProQuest. (2013). *The European Union Explained : Institutions, Actors, Global Impact*. (3rd ed., Ebook central). Bloomington, IN.

European Parliament Fact Sheets (EPFS): [\[link\]](#)

Various journal and news articles

---

<sup>1</sup>Resource available online from <http://solo.bodleian.ox.ac.uk>

## Course Outline (*subject to change*)

### Week 1: Introduction and Origin of the European Union

- \* Baldwin & Wyplosz Ch 1
- EPFS Section 1.1
- \* Spolaore, E. (2013). What is European integration really about? A political guide for economists. *The Journal of Economic Perspectives*, 27(3), 125-144.

### Week 2: EU Institutions and Decision-making

- \* Baldwin & Wyplosz Ch 2-3
- Staab Part 2
- EPFS Sections 1.2-1.3
- europa.eu Overview of Institutional Structure [\[link\]](#)
- \* Alesina, A., & Perotti, R. (2004). The European Union: a politically incorrect view. *The Journal of Economic Perspectives*, 18(4), 27-48.

### Week 3: Market Integration and Growth

- \* Baldwin & Wyplosz Ch 5-7
- Staab Ch 9
- EPFS Section 2.1
- Johansson, H. (2001). Regional Integration and Productivity Growth: The Case of EU. *Journal of Economic Integration*, 16(1), 1-20.
- \* Boltho, A., and Eichengreen, B. (2008). “The economic impact of European integration.” [\[link\]](#)

### Week 4: Monetary Integration and the Euro

- \* Baldwin & Wyplosz ch 15-16
- EPFS Section 2.6 (skip 2.6.12)
- Dornbusch, R. (1996). Euro fantasies. *Foreign Affairs*, 75, 110. [\[link\]](#)
- \* Dominguez, K. M. (2006). The European Central Bank, the Euro, and Global Financial Markets. *The Journal of Economic Perspectives*, 20(4), 67-88.

## Week 5: Employment Policies, Migration and Welfare States

- \* Baldwin & Wyplosz ch 8
- EPFS Sections 2.3.2-2.3.3, 4.1.3
- Moravcsik, A. and Vachudova, M. (2002). National Interests, State Power, and EU Enlargement. *Perspectives*, (19), 21-31.
- \* Europe 2020 Strategy: [\[link\]](#)
- \* Regio, D. G. (2011). "Regional Policy for smart growth in Europe 2020." *Brussels: European Commission*. [\[link\]](#)

## Week 6: Competition and Trade Policies

- \* Baldwin & Wyplosz ch 11-12
- EPFS Section 2.6.12
- Staab Ch 15
- European Commission: Trade Negotiations Step By Step [\[link\]](#)
- European Commission: Competition Policy Overview [\[link\]](#)

## Week 7: Recent Crises

- \* Baldwin & Wyplosz ch 18-19
- Staab Ch 17
- \* European Commission. Directorate-General for Economic and Financial Affairs. (2009). Economic Crisis in Europe: Causes, Consequences and Responses. *Office for Official Publications of the European Communities*. [\[link\]](#)
- Goddard, J., Molyneux, P., & Wilson, J. O. (2009). The financial crisis in Europe: evolution, policy responses and lessons for the future. *Journal of financial regulation and compliance*, 17(4), 362-380.
- Buckley, J., & Howarth, D. (2010). Internal market: gesture politics? Explaining the EU's response to the financial crisis. *JCMS: Journal of Common Market Studies*, 48(s1), 119-141.
- \* Fernandez-Villaverde, J., Garicano, L., & Santos, T. (2013). Political credit cycles: the case of the Eurozone. *The Journal of Economic Perspectives*, 27(3), 145-166.

## Week 8: The Future of the EU

- \* Moravcsik, A. (2012). Europe after the Crisis: How to Sustain a Common Currency, *Foreign Affairs*, May/June. [\[link\]](#)
- Micossi, S. (2015). What future for the Eurozone?, *VoxEU*, September 15. [\[link\]](#)
- \* Van Reenen, J. (2016). Brexit's Long-Run Effects on the UK Economy. *Brookings Papers on Economic Activity*, 2016(2), 367-383.
- Special Report: The Case for Flexibility. (2017). *The Economist*, March.
  - Creaking at 60: The Future of the European Union [\[link\]](#)
  - Differentiate or Bust: Europe's Future is Multi-Speed and Multi-Tier [\[link\]](#)
- \* Kirkegaard, J. (2017). A New Roadmap for EU Reform in 2018. *Peterson Institute for International Economics*, December 22. [\[link\]](#)
- \* European Commission: White Paper on the Future of Europe [\[link\]](#)