

## Junior Sophister 2018/19

# European Economy A and B: EC 3130/3131

ECTS Value = 10 overall or 5 for each module taken

### Rationale and Aims

The aim of this course is to equip students with a critical understanding of the major issues facing the European economy. The course provides a blend of descriptive information, theory and empirical analysis. The emphasis is on economic issues, but these issues are studied in their political, institutional, and historical context. Theoretical analysis forms an essential part of Module B particularly and requires knowledge of intermediate micro- and macroeconomics. Attention is devoted to policy areas in which EU co-ordination has progressed furthest: monetary integration, internal market, external trade policy, regional policy, factor mobility, agriculture, and competition policy. The course is suitable for any JS student who has taken Economics in his/her SF year and all Visiting Students who have acquired an equivalent level of Economics training.

### Course Content/Outline

#### Module A, MT (John O'Hagan)

- 1 Historical evolution of the European Union.
- 2 Law, institutions and budget.
- 3 Decision making: fiscal federalism, distribution of power and legitimacy.
- 4 Economic growth. Facts and explanations.
- 5 Employment. Performance, labour market rigidities and EU labour market institutions.
- 6 Location effects, economic geography and regional policy.
- 7 Agriculture: reasons for intervention, history, reforms and outlook.

#### Module B, HT (Michael Wycherley)

1. Customs Union: The microeconomics of preferential liberalization
2. The EU Trade policy: theory and practice, policy making, multilateralism vs bilateralism, policy coherence
3. The macroeconomics of monetary integration
4. European exchange rate history
5. European Monetary Union.
6. Fiscal policy in EMU.
7. EMU and financial markets.

### Indicative Reading/Resources

1. Baldwin, R. and Wyplosz, C. (2015) (5th edition), *The Economics of European Integration*, McGraw-Hill. Order asap in book shops.
2. De Grauwe, Paul (2015). *The Economics of Monetary Union* (9th edition), OUP.

The first of the above is essential reading for both modules. Lectures will follow closely the material in this book. The second of these books provides more information on European monetary issues covered in the second module. In addition to the above, students should keep abreast of current European economy issues through newspapers and magazines, particularly *Financial Times* and the *Economist*, and the Web references provided in the Baldwin and Wyplosz book.

## Learning Outcomes

On successful completion of this course, student should be able to:

- Review and summarise relevant reading material on various key aspects of European economic integration (see Course Outline above)
- Explain the importance and relevance of the information contained in this reading
- Understand the application of some basic economic theory and diagrams to issues of European economic policy
- Compare, and contrast, using this theoretical economics framework, different aspects of the policy debate surrounding European economic integration
- Formulate a balanced, critical judgment on the status of each of these debates.

## Contact Hours/Methods of Teaching and Student Learning

The main mode of teaching is the use of standard lectures, running for 50 minutes twice a week, throughout both semesters. The lectures will be used primarily to stimulate interest in the subject, provide introductions to some of the more difficult material in the core textbook, and to supplement the book where relevant. While the numbers taking the course can exceed 100, questions are welcomed, at least to a limited extent, during lectures.

No lecture notes are produced for Module A, just bullet points to provide a context and focus for students during lectures. The slides for these (not more than five/six per lecture) will be placed on the dedicated web site for the course so that students can if they wish print them out in advance of the lectures and use the headings to structure their notes. Attendance at lectures is vital if you wish to get a good grade, for two reasons. First, much material covered in lectures is not in the book or on the slides. Second, there is no substitute for a 'live' lecture, either before or after reading the relevant book material.

There will also be a class programme (details to be provided later) at which students will be required to contribute in some minimal way to class discussion. Both lecturers will also be readily contactable by email to answer queries in relation to the course and to make face-to-face appointments if required.

Students will be asked to evaluate the course and any overall suggestions for improvement taken on board where possible.

## Methods of Assessment (Module A)

- 60 per cent for short test Week 10, MT
- 40 per cent for essay due 18<sup>th</sup> December 2018 (details to follow later)

## Lecturers

John O'Hagan, c/o Department of Economics

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