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The Economics of European Integration

DR. KORAY AKTAS

Area of study:	Business and Economics
Area Code:	EC/PO312
Method of Instruction:	In person
Participation:	In person

Description

There has hardly been a year when Europe has not been on the brink of some crisis: banking, sovereign debt, terrorism, refugees, Brexit, Covid-19, energy price, and the invasion of Ukraine. Many argue that this is due to some fundamental design flaws of the Eurozone and the European Union (EU) in general. In fact, the European integration process, which started in the aftermath of World War II, is often said to be *sui generis*, in that it has some peculiar features which make it hardly comparable with any other case in history. The EU is the outcome of a long and convoluted process of political integration, trade liberalization and monetary unification.

This course will first touch on the institutional design and the historical background of the European integration, describing the necessary economic tools to understand the functioning of the European monetary union. Particular attention will then be paid to the analysis of the economic crises, the policies, and the prospects for the EU.

Course objectives can be synthesized as follows:

- Develop a nuanced knowledge of the historical evolution of European integration and the institutional setup of the EU;
- Analyze the major economic theories related to trade liberalization and the monetary union;
- Discuss recent economic topics in the European policy agenda.

Course contents

The course will provide an overview of the economic issues regarding the European integration process, along with the necessary institutional and historical background. The first part of the course will be dedicated to the study of the economic theories and the analytical tools that are necessary for a proper understanding of the topics discussed in the second part of the course.

In particular, in the first part the course will focus on:

- The history of the European integration and the institutional design of the EU;
- The rationale for trade liberalization and the theory of comparative advantages;
- The study of some essential macroeconomic concepts;
- The rationale for monetary unification and the theory of the optimum currency area.

In the second part of the course, particular attention will be paid to some of the recent hotly debated European issues in economics, such as:

- The Global Financial Crisis (GFC) and the Eurozone sovereign debt crisis;
- Brexit: the role of economic policies and institutions;
- Income and wealth inequality in the EU;
- Climate change in the EU;
- Recovery from the Covid-19 pandemic;
- Gender policies in the EU.



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Program may be subject to changes according to students' interests.

Prerequisites

A background in Introductory Microeconomics and Macroeconomics may be helpful, since some conceptual and analytical micro/macroeconomic tools will be used. However, in order to facilitate participation by students with heterogeneous backgrounds, a brief recapitulation of the basic tools will be provided during the course whenever necessary.

Method of instruction

Seminars (with group activities).
All students are required to participate to classes in person.

The final part of the course is devoted to students' presentations: all students are required to present their work in class.

Course requirements

Students are expected to regularly attend class sessions and to actively take part in class debates and case discussions. Students are expected to be prepared on assigned readings. Students are expected to deliver one individual/group assignment and present it to the class.

Credits

6 ECTS

Grading

Class discussions and participation	20 % of final grade
Midterm exam - home assignment	30 % of final grade
Final exam - final students' presentation	50 % of final grade

Course readings and materials

Mandatory material

The lecturer's slides will be available on Blackboard. Other readings will be announced in due course.

Suggested readings

Richard Baldwin and Charles Wyplosz, 5th ed.

Instructor bio

Koray Aktas is Assistant Professor of Economics at the Department of Economics and Finance of the Catholic University of Milan. He was previously Assistant Professor at Ca' Foscari University of Venice and post-doctoral researcher at the University of Milano-Bicocca and at the Catholic University of Milan. He obtained a PhD in Economics from the Catholic University of Milan. His research interests are in the areas of Labor Economics, Economics of Education, income dynamics and inequality. His work has been published in journals such as Labour Economics, International Economics, the Canadian Journal of Economics, The Journal of Economic Inequality, and The B.E. Journal of Economic Analysis and Policy. **E-mail address**

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