



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

The Economics of European Integration

PROF. ARIANNA GALLIERA

Area of study:	Business and Economics
Area Code:	EC/PO312
Method of Instruction:	in-person and live-streaming (dual mode)
Participation:	synchronous/live and asynchronous*

* Please, read carefully “Method of instruction” for a detailed description of participation requirements.

Description

There has hardly been a year when Europe has not been on the brink of some crisis: banking, sovereign debt, terrorism, refugees, Brexit and so on. Many argue that this is due to some fundamental design flaws of the Eurozone and the European Union 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. To put it simply, the European Union is the outcome of a process of political integration, trade liberalization and monetary unification.

This course will first touch on the institutional design, as well as the political and historical background of European integration. Eventually, particular attention will be paid to the analysis of the economic crises, the policies and the prospects for the European Union. During the course, students will

- 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:

- Europe and the Global Financial Crisis (GFC), the sovereign debt crisis and the Greek case;
- The impact of austerity and the case for a supranational fiscal policy;
- Brexit: the role of economic policies and institutions;
- Income and wealth inequality in the EU;
- Climate change in the EU.

Program may be subject to changes according to students' interests.
Experts on different fields may be invited to present specific topics.



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

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 make an effort to participate to live/synchronous classes.

Due to the current situation, students attending from countries with large time differences are not required to attend synchronous lessons. Specific cases and needs will be discussed and arranged with the professor.

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

Assignments and class discussions	10 % of final grade
Final students' presentation	30 % of final grade
Midterm exam	30 % of final grade
Final written exam	30 % of final grade

Course readings and materials

Mandatory material

Readings will be available in a course pack or uploaded on blackboard. The lecturer's slides will be available on Blackboard.

Suggested readings

Richard Baldwin and Charles Wyplosz, *The Economics of European Integration*, 2nd or 3rd ed.



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

Instructor bio

Arianna Galliera is Assistant professor (Ricercatore RTDa) at Università Cattolica del Sacro Cuore and fellow at CEAR (Center for the Economic Analysis of Risk), Georgia State University (GSU). After earning her M.Sc. in Quantitative Economics (University of Alicante, Spain) she completed her PhD at LUISS (Rome) in 2016; she currently works on experimental (field and lab) economics and behavioral economics, focusing on individual decision making and risk preferences.

E-mail address: arianna.galliera@unicatt.it