# Economics of the EU

## Prof. Raul Caruso; Prof. Andrea Boitani; Prof. Daniele Siena

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course is designed to deal with the economics of the EU. In particular, the course is focused on economic integration and EU economic policies. In addition, the course is also intended to deal with institutional aspects of EU and how they adapt to historical turning points. The course can be ideally split into three sections: (i) in a first section the historical and institutional steps of European integration are presented with a special focus on decision-making processes within the EU; (ii) in a second section the essential economics of EU is introduced also highlighting some crucial economic policies like the CAP, the EU trade policy, the competition and state aid policy; (iii) in a third section the course will focus on the main steps of the European *monetary* integration, the common currency and of the European Central Bank, the main policy issues and challenges facing the EU in the light of the Sovereign Debt Crisis and the COVID-19 pandemic crisis and the Russia-Ukraine War.

With respect to the criterion of ‘knowledge and understanding’ at the end of the course students will be able to:

– understand the essential turning points of European Integration;

– understand the current institutional structure of the European Union;

– understand the essential economics of European integration

– understand the impact of European integration and policies on welfare.

With respect to the criterion of ‘applying knowledge and understanding’ at the end of the course students will be able to:

– apply their knowledge to evaluate the strengths and weaknesses of the European institutional set-up;

– form their own opinions on the main economic policy issues of the European Union;

– communicate and express opinions in the current debate with the correct, technical, terminology.

***COURSE CONTENT***

1. History of European Integration

2. Institutions and the budget of the EU

3. The Decision making system

4. The essential economics of integration and preferential liberalization

5. The common agricultural policy

6. EU competition and State aid policy

7. EU Trade Policy

8. Advantages and disadvantages of a monetary union.

9. The common monetary policy and the European Central Bank: design and performance.

10. Monetary and Fiscal integration in the EU.

11. The European Sovereign Debt Crisis and the COVID-19 pandemic Crisis: response of the ECB and of the EU.

***READING LIST***

References - reading list

Baldwin R., Wyplosz B., The Economics of European INtegration, Mcgraw-Hill Education, 6th Edition 2019, Chapters 1,2,3,4,5,6, 7, 8,9,11,12

P. De Grauwe, Economics of Monetary Union, Oxford University Press, twelfth edition 2018.

Chapter 1 (1.2, 1.3)

Chapter 3 (3.1, 3.2, 3.5, 3.6, 3.7, 3.8)

Chapter 4 (excluding 4.7, 4.8, 4.9, 4.10)

Chapter 7

Chapter 8

Chapter 9

Chapter 10 (10.2, 10.3, 10.4, 10.5, 10.6)

***TEACHING METHOD***

Lectures (slides) on topics and readings made available beforehand.

***ASSESSMENT METHOD AND CRITERIA***

Students are required to take a written exam during the session dates assigned to this course. The written exam weights 100% of global evaluation. With respect of the evaluation the criteria taken into account will be: (i) the proper use of technical language; (ii) the capacity of highlighting linkages between different topics; (iii) the punctuality in expounding formal models; (iv) use of specific data and information.

***NOTES AND PREREQUISITES***

Office hours of Prof. Caruso are at the Department of Economic Policy (via necchi 5, 1st floor, room 107).