# Economics Applied to European Integration

## Prof. Giuseppe Colangelo

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

The course is designed for students who already are familiar with basic economic concepts, and focuses on an analysis of European integration starting from its history, with a specific emphasis on economic aspects, the institutions of the European Union and some of the more important common policies that it pursued. A special focus goes to real economy and particularly to the European policy on competition, the European trade policy, the regional policy, and the agricultural one.

The European Monetary Union will be also examined along with a survey on the history of international and European monetary integration from the second post-war period to date. Recent statistical data on the major macroeconomic indicators will be provided with reference to main European countries and over different years.

During the second, and equally important, part of the course, the objective is to present several more advanced economic concepts which are essential for understanding phenomena related to firms and markets in Europe. The course ends with the presentation of several famous anti-trust cases analysed in the European context that allow for using the knowledge acquired about the institutions of the European Union and the more typically economic instruments studied.

*Intended learning outcomes*

At the end of the course, students will have a more complete view of the history of European integration, objectives, mission, institutional set-up and common policies carried out by the European Union and will therefore have a greater awareness of the deep connections between what is happening in the present and what had happened in the past in the long process of European integration, which is still in progress. Students will also have learned some more advanced microeconomic concepts and will be able to better assess antitrust and state aid cases discussed by the European Commission.

***COURSE CONTENT***

Module I

Introductory notions. The issue of the coordination between the different government levels and the principle of subsidiarity. Short history of European integration: the first experiences of economic cooperation and the first European community; the European Economic Community and the Treaty of Rome; the 1970s economic crisis; acceleration in European integration during Delors times; the institutional crisis in the early 21st century and the most recent political issues. Short history of international and European monetary integration: the Bretton Woods system; the Currency Snake experience; European Monetary System; European Monetary Union. Hints on European Union institutional structure and its mutations from the Treaty of Rome to present times. Common policies in the European Union. Monetary policies and actual policies Common actual policies: (I) international trade policy; (II) agricultural policy; (III) competition and market protection policy; (IV) regional policy; (V) social and labour market policies and the connected demographic issues.

Module II

Microeconomic concepts useful for studying common polices for the real economy: oligopoly; price discrimination; vertical relationships between businesses; product differentiation and advertising; barriers to entry and potential competition. Antitrust intervention in the US and Europe. Examination of antitrust cases argued by the European Commission.

***READING LIST***

Module I

G. Laschi, *Storia dell’Integrazione Europea*, 2021, Le Monnier, Firenze.

Module II

L. Cabral, *Economia Industriale,* Carocci, Rome, New edition, 2018 (Chapters 12-13-14).

***TEACHING METHOD***

Lectures.

***ASSESSMENT METHOD AND CRITERIA***

Oral examination only. Students may choose between two options: (a) taking two oral exams, one for each module; (b) taking only one oral exam on both modules.

Students who choose the first option (a) shall take an interim oral exam on the first module in February 2024. Students who pass this exam will take the final oral exam only with reference to the second module, provided that this will take place within one year of the date of the first oral exam.

The final grade will be an average of the grades obtained on each module.

Students who choose the second option (b) shall take the exam on the entire syllabus in the official exam sessions at the end of the course.

Students who do not pass the first interim oral exam on the first module and those who do, yet do not pass the second exam within one year of the date of the first oral exam, shall take the exam in the form of a final oral exam as indicated in option (b).

The examination questions concern the topics covered during the lectures and that can be found in the texts of the reading list. Assessment focuses on students' ability to express economic, political and social issues examined in a systematic and organic manner as well their analytical skills. Also the graphics and the formulas explained during the second part of the course will be included in the final exam.

***NOTES AND PREREQUISITES***

*Prerequisites*

Students must already have a basic knowledge of microeconomics and macroeconomics, such as knowledge acquired during the first year of the course in Economics Institutions (which is, in fact, an introductory course). Only the students who have already passed the Economic Institutions exam will be allowed to take the final exam of this course.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.