Language of Instruction: English
Professor: Maria Gundín Castro
Course Contact Hours: 45
Recommended Credit: 5 ECTS credits
Course Prerequisites: Basic knowledge in economics is highly recommended
Language Requirements: English

Course Description:
This course aims at providing an economic analysis of the European Union countries, with a special focus on the Eurozone. It also covers basic historical and critical tools for the understanding of the construction and integration processes of the European Union after the II World War.

Special reference will be made to the implications on member countries economies derived from sharing a single currency and solving the present economic crisis. The role of the European Central Bank when facing the danger of deflation will also be studied, together with the asymmetries and economic disparities across the Economic and Monetary Union. We will reflect together, from an economic standpoint, on the Brexit, the new orientation of US politics and their expected effects on the EU economy. We will also use our knowledge of macroeconomic and microeconomic to give the students a clearer understanding of the Economic policies applied across the EU.

Learning Objectives:
With regard to Knowledge, by the end of the course students are able to outline the historical process of the European integration and the reasons behind those ones; to indicate the present debates around economic policy surrounding the EU. Also, the student will be capable of analysing the economic situation of the European area and reasons behind inequalities and asymmetries in economic indicators across the Eurozone.

With regard to Skills, by the end of the course students are able to: demonstrate presentational abilities, justify diverse economic arguments in class discussions, assess the methodological virtues/deficiencies of the academic works handled and presented along the term and to develop research techniques. They will be familiar with database from eurostat, ECB or OECD.

Course Workload:
During all the sessions there will be a lecture, student presentations and student discussions on the readings assigned for that specific session. Readings should be deeply read prior to class. Students should be prepared to read around 50 pages per week.

Methods of Instruction:
The course includes lectures, student presentations and student discussion. Two-hours class sessions (plus 15 minutes break in between) are normally divided into one-hour lecture and a second hour focused on student presentations and student discussions on readings, which they have read in advance. Each topic proposed (11) will be covered during two sessions. Starting on week 2, at the beginning of each session, students must answer, and hand in, soe questions on the required readings of the day. See E below.
Method of Assessment:
The final grade will be determined on:

A/ One Essay and its presentation (15%). Groups of two people.
B/ Two Presentation Topics (5% + 5%). Individual
C/ Mid term exam (30%). Individual
D/ Final exam (30%). Individual
E/ Questions on readings (before the lecture): 10%
F/ Class participation (5%)

A/ In the case of Essay (15%), you must work in groups of two people
   - write a paper (between 8 and 10 pages, 1.5 space, size char. 12) and hand it in the day of the presentation.
   - present it to all of us using ppt or similar (upload it the same day of the presentation).

B/ The Presentation topic is an individual work (10% each), you do not need to write a paper but you are expected to prepare a good presentation (It must uploaded prior to the corresponding session) in order to clearly explain the topic proposed (10 minutes presentation aprox , never more than 15mi).

C/ and D/ Exams (30% each): The midterm and final exams will consist of short questions on the topics covered along the course. The midterm exam will cover the first half of the syllabus. The final exam will cover the rest of the syllabus.
   - During the exams you can take your notes and readings with you, computers are not allowed

E/ Questions on readings, before the lecture, (10%): Starting on week 2, at the beginning of each session, students must answer, and hand in, some questions on the required readings of the day.

F/ Class participation (5%): During the Sessions I will be proposing some short questions and open discussions and, working in groups, you are invited to answer those.

Absence Policy:
Attending class is mandatory and will be monitored daily by professors. The impact of absences on the final grade is as follows:

<table>
<thead>
<tr>
<th>Absences</th>
<th>Penalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to two (2) absences</td>
<td>No penalization</td>
</tr>
<tr>
<td>Three (3) absences</td>
<td>1 point subtracted from final grade (on a 10 point scale)</td>
</tr>
<tr>
<td>Four (4) absences</td>
<td>2 points subtracted from final grade (on a 10 point scale)</td>
</tr>
<tr>
<td>Five (5) absences or more</td>
<td>The student receives an INCOMPLETE for the course</td>
</tr>
</tbody>
</table>

The UPF Summer School attendance policy does not distinguish between justified or unjustified absences. The student is deemed responsible to manage his/her absences.

Emergency situations (hospitalization, family emergency, etc.) will be analyzed on a case by case basis by the Academic Director of the UPF Summer School.

Classroom Norms:
- No food or drink is permitted.
- There will be a ten-minute break during the class: Class 17.15 to 18.15 and from 18.30 to 19.30
Students must come to class fully prepared.
Computers are not allowed during sessions.

Course Contents:

1. Description of the course and reading/discussing exercise: content, methods of work, guidelines for writing an essay, organising groups of work...


Compulsory Readings:
- Eichengreen, Barry “Lessons form the Marshall Plan” for WORLD DEVELOPMENT REPORT 2011, University of California, Berkeley, April 2010
- Crafts, N. “Saving the Eurozone: Is a ‘Real’ Marshall Plan the answer?”, in Vox Research-based policy analysis and commentary from leading economists, June 2012

Recommended readings:

3. An overview of Europe’s evolution of openness: late 50s to late 70s. From the Treaty of Rome to European Monetary System.

* Presentation Topic 1: Referring to the post war period in Europe we talk about “reconstruction” instead of “recovery”. Explain why is it so. From Guirao, F. A detailed history of the European Union. 2008. UOC, Barcelona. Pp: 15-21

4. EU evolution of integration: From EMS crisis to the Treaty of Lisbon

Compulsory Readings:
- Dorrucci, E. et al “Europe’s challenging economic integration: Insights from a new index”, in VOX, April 2015
- Michael J. Baun, "The Maastricht Treaty as high politics: Germany, France and European Integration" in Political Science Quarterly, Vol. 110, No. 4, 1995-96, pp. 605-624. (SNU CUL and SNU SSL on line access)
* Presentation Topic 3: Maastricht Treaty: German French tension. See Baun
* Presentation topic 4: How much do poorer countries benefit from membership in the European Unión? see Campos et al.
5. Convergence or divergence within the EU?

Compulsory Readings:
Andrea Boltho, Wendy Carlin, The problems of European monetary union – asymmetric shocks or asymmetric behaviour? VOX 31 March 2012

* Presentation Topic 6: Asymmetries in the EU. From Boltho & Carlin

* Presentation Topic 7: To be determined

6. Evolution of GDP structure, productivity and economic growth in the EU.

Compulsory Readings:
  - The Economist “Smart Work” Oct 2010
    - The Economist “How to grow?” Oct 2010

* Presentation topic 8: European productivity: homework to be done.
Reading: “Smart Work” The Economist Oct 2010

* Presentation topic 9: What can be done to foster Economic growth?
Reading: “How to grow?” The Economist Oct 2010

7. Workshop (for all students): Can Marshall Plan inspire a mechanism for boosting a healthy economic growth nowadays? Proposals are welcomed! In groups of three students

8. The case of Spanish model of economic growth versus Irish one: 80s & 90s.

Compulsory Readings:
- “Ireland's crash, After the race” in The Economist Feb 17th 2011

* Presentation topic 10: Irish model of economic growth late XX century.


10. To understand the implications of European Monetary Union: An overview of exchange rate regimes

Compulsory Readings:
- “Fix or Float?,” in The Economist (28 January 1999).
- other reading to be determined
* Presentation topic 11: Advantages and drawbacks derived from a Flexible exchange rate system

11. Flexible exchange rates (II), European currencies prior to European Monetary System

Compulsory Reading to be determined

12. Fixed-exchange-rates and quasi-fixed exchange rates regimes. The cases of EMS and EMU

Compulsory Readings:

“A much devalued idea”. The Economist, March 1995

* Presentation topic 12: Why can a devaluation translate into inflation? Why not?

13. Economic and Monetary Union I Steps towards the common currency. The Maastricht Criteria: what for?

Compulsory Readings:

- De Grauwe, P. “The politics of the Maastricht convergence criteria”. Vox Research-based policy analysis and commentary from leading economists. 15 April 2009
- Cukierman, A. “The Revolution in Monetary Policymaking Institutions”. Vox Research-based policy analysis and commentary from leading economists 27 September 2007
- Wyplosz, Ch. “Eurozone reform: Not yet fiscal discipline, but a good start” . Vox Research-based policy analysis and commentary from leading economists October 2010

Recommended Reading:


* Presentation Topic 13: Reasons for having Maastricht criteria regarding discipline in public finances.
* Presentation Topic 14: Are Maastricht fiscal rules too soft? see Jonas, pp 17-28

14. Economic and Monetary Union II. Advantages and disadvantages of the euro. The optimal currency area debate.

Compulsory Readings:


* Presentation Topic 15: Is the EMU an Optimal currency area?
* Presentation Topic 16: Is the EMU a good club? Reasons for the Uk to remain out.
15. Housing boom and bust in Spain: causes and effects over economy. effects to the financial sector and to the citizens. Guest lecturer José María Raya,

Compulsory Reading:
http://www.funcas.es/publicaciones/viewarticulo_PDF.aspx?IdArt=20769

* Presentation topic 17: Which were the main causes and consequences of the housing bubble in Spain?

* Presentation topic 18: Which was the mechanism that expanded this housing bubble to the financial sector?

16. EMU crisis: background and effects. Greece, Portugal and Ireland.

Compulsory Readings:
- De Grauwe, P. “Panic-driven austerity in the Eurozone and its implications”, Vox Feb 2013

- Burda M. & Gerlach, S. “A credible Stability and Growth Pact: Raising the bar for budgetary transparency “ Vox Research-based policy analysis and commentary from leading economists. 17 June 2010


* Presentation Topics to be determined.


Compulsory Reading:
- Fernández-Villaverde, Jesús & Garicano, Luis & Santos, Tano. “Did the euro kill governance in the periphery?” Vox 30 April 2013

- The Economist, Why giving politicians influence over monetary policy is a bad idea, Mar 10th 2016 http://www.economist.com/blogs/economist-explains/2016/03/economist-explains-7


* Presentation Topic: Advantages of Central Bank independence and evolution of the main ones during last decades.

* Presentation Topic: ECB and Fed Monetary policies fighting crisis

18. Other policies in the EU to handle economic crisis.

Compulsory Reading:
- De Grauwe, Paul. “Fighting the wrong enemy” in VOX, 19 May 2010
- Cottarelli Carlo, “Fiscal adjustment: Too much of a good thing?2. VOX 08 February 2012

* Presentation topic: Fiscal adjustment, what for?
19. Around present situation from an economic perspective: refugees and migration; outcome of Britain’s EU referendum. Essay presentations

Readings to be determined.


María Gundín, Last revised March 2017