

**COURSE DATA****Data Subject**

Code	36114
Name	Economy of the European Union
Cycle	Grade
ECTS Credits	6.0
Academic year	2020 - 2021

Study (s)

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Faculty of Economics	2	Second term

Subject-matter

Degree	Subject-matter	Character
1316 - Degree in Economics	9 - Spanish and international economy	Obligatory

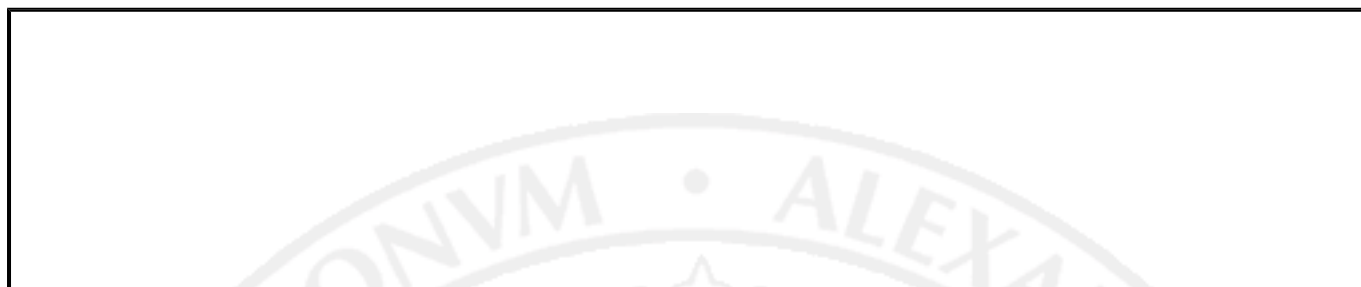
Coordination

Name	Department
LLORCA VIVERO, RAFAEL ARTURO	132 - Economic Structure

SUMMARY

Economics of the European Union is a compulsory subject in the second year of the Degree in Economics. In this Course, the European economic integration process is examined. The historic process of economic integration has accelerated on two fronts since the second half of last century: by increasing the number of countries and by deepening in matters such as institutions, trade and finance. This process has been so intense that it has led to the establishment of a monetary union by some member countries. Since 1986, Spain is a member of the European Union and since 1999 shares the single currency (the euro) with 16 other member countries. Understanding the economic logic of these events and the inner workings of the European Union from the standpoint of fiscal and institutional matters and in relation to common economic policies is the goal of this Course.

The Course prepares future professionals to learn about the functioning of the geopolitical area where most of them will have to exert their professions. It represents also a good lab to apply a toolbox of economic concepts to national economies making use of knowledge previously acquired in other courses of the Degree.



PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

OUTCOMES

1316 - Degree in Economics

- Show critical thinking skills.
- Be able to collect and analyse information.
- Have oral and written communication skills in the native language.
- Have decision-making skills and be able to apply knowledge to practice.
- Be able to work in a team (including interdisciplinary teams).
- Be able to learn autonomously.
- Be able to use ICTs.
- Be able to use English in a professional environment.
- Apply the principles of economic analysis (rational decision) to the diagnosis and resolution of problems.
- Understand and apply the scientific method, which involves formulating hypotheses, deducing verifiable results and contrasting them with empirical and experimental evidence.
- Be able to prepare and defend an economic report.
- Understand the functioning of the economy at the aggregate level and the effect of different economic policies.
- Know and understand the determinants of the long-term sustainable growth of an economy.
- Understand the possible causes of economic cycles and the effects of stabilisation policies.



- Know and understand the nature of international trade and of the financial framework in which it takes place.
- Know the Spanish, European and international economic environment, the productive sectors and the functioning of institutions.
- Know and understand the different instrumental, sectorial and structural economic policies, as well as their formulation process.
- Understand the mechanisms that explain the distribution of economic activity in space and regional and urban development processes.

LEARNING OUTCOMES

Capacity to address critical economic issues and current debates.
Ability to identify problems and the European economic position in the major debates on the subject.
Ability to understand the formation process of the European Union, the challenges facing the European project and also to take a reasoned position towards them.
Ability to understand and analyze the strengths, weaknesses, opportunities and challenges facing the European economy as well as adopting a personal position with regards to the major current debates.

DESCRIPTION OF CONTENTS

1. INTRODUCTION: THE PROCESS OF EUROPEAN ECONOMIC INTEGRATION

Causes and history of the process: main stages in the extension and deepening of the integration process.

The European Union in figures.

The EU and the rest of the world: trade policy and development cooperation.

2. ANALYSIS OF ECONOMIC INTEGRATION. EFFECTS OF CUSTOM UNIONS.

Multilateral and regional trade liberalization.

Concept and types of economic integration.

Static effects of trade integration.

Dynamic effects of economic integration.



3.

EUROPEAN UNION INSTITUTIONS AND PUBLIC FINANCE

The community legal system.
The European institutions and their powers.
Decision rules in the EU.
The public finance of the European Union. The Community Budget.

4. THE CONSTRUCTION OF THE SINGLE MARKET

The Internal Market program. The four basic freedoms.
The single market for goods. Physical barriers and technical barriers.
The single market for services. Digital Single Market.
Balance of the integration of the Single Market of goods and services.
Factor movements: foreign direct investment and worker mobility

5. ECONOMIC GROWTH AND LABOR MARKET

- Basic concepts for the analysis of economic growth
 - A long-term perspective of European growth
 - The dynamics of productivity: growth, productivity and integration
 - Characterization of European labor markets. The problem of unemployment
- In Europe and lines of action
- Integration, labor markets and migration

6. MONETARY UNION

Costs and benefits of forming a monetary union.
Is the European Union an optimal monetary area?

7. MACROECONOMIC POLICIES IN THE EUROPEAN ECONOMIC AND MONETARY UNION

The European Central Bank (ECB) and European Monetary Policy. The new scenario after the financial and health crisis.
Fiscal Policy in a monetary union. European Fiscal Policy and the Stability and Growth Pact (ECP).
The fiscal reaction to the Covid crisis¹⁹

8. COMMUNITY AGRICULTURAL POLICY

The agricultural problem and the characteristics of European agriculture.
Objectives and initial instruments of the Common Agricultural Policy (CAP).
Successes and failures of the CAP.
The reforms and the new logic of the CAP: decoupling of aid and environmental objectives in the CAP.
The CAP for the period 2021-2027.

**9. THE COMPETITION POLICY**

- Basic aspects of the EU Industrial Policy
- Competition policy: control of anti-competitive practices in the private sector
- Competition policy: the Community position on State aid to enterprises

10. EUROPEAN REGIONAL POLICY

- Regional imbalances in the European Union
- Economic integration and regional imbalances: can convergence be expected?
- Historical perspective of the principles, objectives and instruments of the European Regional Policy
- European Regional Policy for the period 2014-2020

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Development of group work	16,00	0
Development of individual work	10,00	0
Study and independent work	10,00	0
Readings supplementary material	10,00	0
Preparation of evaluation activities	10,00	0
Preparing lectures	10,00	0
Resolution of case studies	10,00	0
TOTAL	136,00	

TEACHING METHODOLOGY

The teaching methodology is based on a combination of class work and non-contact activities. The practical part of the Course is structured around two main instruments: the active participation in practical classes and student's personal work by solving practical exercises assigned. The student is encouraged to search for data sources and working documents via the Internet and to the use of library resources of the Social Sciences Library and European Documentation Centre at the University of Valencia.



EVALUATION

The subject will be assessed through the following procedure:

- 1.- A written exam consisting of questions both theoretical and problem-solving, and/or test questions.
- 2.- The continuous evaluation of the student, based on his participation and involvement in the teaching-learning process, both in theoretical lectures and practical classes.

Point 1 is weighted 70% in the final course grade. The remaining 30% will correspond to the evaluation described in point 2.

Due to its own nature, there will be no resit for these activities that account for 30% of the final grade.

REFERENCES

Basic

- Baldwin, R, and Wyplosz, Ch. (2015); The Economics of European Integration (5th Edition). Mc Graw-Hill.
- Camarero, M., Tamarit, C. (Coordinadores) (2019): Economía de la Unión Europea, 8ª Edición, Thomson-Cívitas. (es el texto básico de la asignatura).

Additional

- De Grauwe, P. (1994). Teoría de la integración monetaria, Celeste Ediciones.
- De Grauwe, P. (2016). Economics of Monetary Union. 11th Edition. Oxford University Press.

ADDENDUM COVID-19

This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

Content

1. INTRODUCTION: THE PROCESS OF EUROPEAN ECONOMIC INTEGRATION



Causes and history of the process: main stages in the expansion and deepening of the integration process. The European Union in numbers. The EU and the rest of the world: trade policy and development cooperation.

2. ANALYSIS OF ECONOMIC INTEGRATION. EFFECTS OF UNIONS

Multilateral and regional trade liberalization. Concept and types of economic integration. Static effects of commercial integration. Dynamic effects of economic integration.

3. INSTITUTIONS AND PUBLIC FINANCES OF THE EUROPEAN UNION

The Community legal order. The European institutions and their competences. Decision rules in the EU. The Public Treasury of the European Union. The Community Budget.

4. THE CONSTRUCTION OF THE EUROPEAN SINGLE MARKET

The Internal Market programme. The four basic freedoms. The single market for goods. Physical barriers and technical barriers. The single market for services. Digital Single Market. Balance of the integration of the Single Market for goods and services. Factor movements: foreign direct investment and worker mobility

5. ECONOMIC GROWTH AND LABOUR MARKET

Basic concepts for the analysis of economic growth. The long-term outlook for European growth. Growth, productivity and integration. Integration, labour markets and migrations The problem of unemployment in Europe. Lines of action in the face of unemployment from a Community perspective

6. MONETARY UNION

Costs and benefits of forming a monetary union. Is the European Union an optimal monetary area?

7. MACROECONOMIC POLICIES IN ECONOMIC AND MONETARY UNION

European Central Bank (ECB) and European Monetary Policy. The new scenario behind financial and health crises. Fiscal policy in a monetary union. European Fiscal Policy and the Stability and Growth Pact (SGP). The fiscal reaction to the Covid19 crisis

8. COMMUNITY AGRARIAN POLICY

The agricultural problem and the characteristics of European agriculture. Initial objectives and instruments of the Common Agricultural Policy (CAP). Cap successes and failures. The reforms and the new logic of the CAP: disengagement of aid and environmental objectives in the CAP. The CAP for the period 2021-2027.

9. THE POLICY OF COMEPTENCE

Basics of Community Industrial Policy Competition Policy: Controlling anti-competitive practices in the private sector Competition Policy: the Community position on public aid to companies

**10. EUROPEAN REGIONAL POLICY**

Regional imbalances in the European Union. Economic integration and regional imbalances. Evolution of the European Regional Policy: principles, objectives and instruments. European Regional Policy for the period 2021-2027.

VOLUME OF WORK

ACTIVIDAD	Horas	% Presencial
Theory Lectures	30,00	100
Practices	30,00	100
Group Work	16,00	0
Individual work	10,00	0
Individual study	10,00	0
Readings	10,00	0
Evaluation activities	10,00	0
Theory preparation	10,00	0
Resolution of practices	10,00	0
TOTAL	136,00	

TEACHING METHODOLOGY



The modality of classes for students will depend on the social and health conditions and the restrictions established by the competent authorities.

In the case of online teaching, classes will be given by videoconference, preferably synchronous, using Blackboard Collaborate, Teams, Skype or the tool that the lecturer considers appropriate to optimize the student's teaching-learning process during the scheduled program sessions, which remain the same days and times.

In the case of blended teaching, the students will have to access the classroom in alternate weeks according to the initial of their last name (A-M or L-Z). The classes will be broadcast so that the students will have face-to-face teaching one week, and the next week they will follow the classes in streaming.

Evaluation

The subject matter shall be assessed on the basis of the following procedure:

- 1.- A written examination, consisting of both theoretical questions, and/or test type, as well as problems.
- 2.- The continuous evaluation of the student, based on the participation and involvement of the student in the teaching-learning process, both in theoretical and practical classes.

The procedure corresponding to point 1 shall weigh 70% on the final grade of the subject. The remaining 30% shall correspond to the assessment described in point 2.

The note to the continuous evaluation (30%), by its very nature, is not recoverable.

Bibliography

Basic

- Baldwin, R, and Wyplosz, Ch. (2015); *The Economics of European Integration* (5th Edition). Mc Graw-Hill.

Waiter, M., Tamarit, C. (Coordinators) (2019): *Economy of the European Union*, 8th Edition, Thomson-Cyvitass. (it is the basic text of the subject).

Complementary



- De Grauwe, P. (1994). Theory of monetary integration, Celeste Editions.
- De Grauwe, P. (2016). Economics of Monetary Union. 11th Edition. Oxford University Press.

