

DEPARTMENT OF EUROPEAN and INTERNATIONAL AFFAIRS

Course Details					
Code	AVU102			Academic Year	Semester
				1	2
Title	International and European Economics			T	A
				2	0
				L	ECTS
				0	6
Language	English				
Level	Undergraduate		Graduate	X	Postgraduate
Department / Program	European and International Affairs				
Forms of Teaching and Learning	Face-to-face				
Course Type	Compulsory		Elective	X	
Objectives	<p>The course covers essential aspects of the economics of European integration. It starts with a short refresher of basic economic principle such as the supply and demand analysis in an open economy and key economic welfare concepts. We will investigate, what the adjective “social” in the term “social market economy” (mentioned in Article 3 of the European Treaty) actually stands for. Further, we will discuss how the theory of fiscal federalism can be used to consider the appropriateness of the allocation of competences between the European Union (EU), respectively the EU institutions and the 28 EU member states. Subsequently the functioning of the EU Single Market will be discussed. The so called “four fundamental freedoms” –the free movement of goods, capital, services, and labour across borders – have far reaching economic implications. These implications will be evaluated with respect to their effects on the allocation of resources, the distribution of income and economic stability. We will apply basic models from trade theory to show how institutions like a free trade area or a customs union affect economic activities. The course includes a presentation of the main facts on how factor mobility and international trade shifts the location of economic activity across countries and regions. To understand how EU’s main investment policy, the so called cohesion policy might affect the location of economic activity, we will include a brief introduction in the theory of regional growth policy. With respect to the process of European monetary integration, we will address the optimum currency area theory and the cost and benefits resulting from sharing a common currency. We will look at the issue of fiscal discipline among EU member states and how economic governance in the EU has been reinforced and refined over time.</p>				
Content	<p>Here is a sampling of the questions we will address:</p> <ul style="list-style-type: none"> • Who are the losers of globalization? • Have Chinese exports displaced manufacturing jobs in Europe? • Can a trade war be won by the European Union? • Does immigration economically harm ordinary EU Citizens? • Was the EU's monetary union a mistake? • Are regional trade agreements a threats to multilateralism? 				
Prerequisites	-				
Coordinator	Prof. Dr. Kersten Kellermann				
Lecturer(s)	Prof. Dr. Kersten Kellermann				
Assistant(s)	Res. Assist. Çiğdem Çelik				

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Work Placement			
Recommended or Required Reading			
Books / Lecture Notes	Baldwin, R. and Ch. Wyplosz (2016), The Economics of European Integration, Fifth Edition, Mc Graw-Hill, Berkshire. El-Agraa, A. M. (2011), The European Union: Economics and Policies, Cambridge University Press. Krugman, P., M. Obstfeld, and M. Melitz (2014), International Economics: Theory and Policy, 10th revised edition, global edition, Prentice Hall. Mankiw, G. N. (2004), Principles of Economics, 7th Edition		
Other Sources	-		
Additional Course Material			
Documents			
Assignments			
Exams			
Course Composition			
Mathematics und Basic Sciences			-
Engineering			-
Engineering Design			-
Social Sciences			% 100
Educational Sciences			-
Natural Sciences			-
Health Sciences			-
Expert Knowledge			-
Assessment			
Activity	Count		Percentage (%)
Midterm Exam	1		40
Quiz			
Assignments			
Attendance			
Recitations			
Projects			
Final Exam	1		60
		Total	100
ECTS Points and Work Load			
Activity	Count	Duration	Work Load (Hours)
Lectures	15	2	30
Self-Study			
Assignments			
Presentation / Seminar Preparation			

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Midterm Exam	1		60
Recitations			
Laboratory			
Projects			
Final Exam	1		90
Total Work Load			180
ECTS Points (Total Work Load / Hour)			6

Learning Outcomes

1	Classify the economic effects of European integration into three aspects: allocation effects, accumulation effects and location effects
2	Describe the main EU Policies such as CAP, Regional Policy, EU Competition and state aid policy and EU Trade policy.
3	Describe the timeline from the Gold standard, to Bretton Woods up to the establishment of the European Monetary Union along with its macroeconomic functioning.

Weekly Content

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Contribution of Learning Outcomes to Program Objectives (1-5)

	P1	P2	P3	P4	P5	P6	P7
1	4	4	4	4	4	4	4
2	4	4	4	4	3	4	4
3	4	4	4	4	4	5	4
4	4	4	4	4	4	5	4
5	4	4	4	5	4	5	4

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6	4	4	3	4	4	5	4
7	4	4	4	4	4	5	4
8	4	4	4	4	4	5	4
9	4	4	4	4	4	5	5
10	4	4	4	4	4	5	4
11	4	4	4	4	4	5	4
12	4	5	4	5	4	5	4
Contribution Level	1: Low 2: Low-intermediate 3: Intermediate 4: High 5: Very High						
Compiled by:	Res. Assist. Taşkın Toprak İpek						
Date of Compilation:	14.06.2021						