

DEPARTMENT OF EUROPEAN AND INTERNATIONAL AFFAIRS

Course Details				
Code		Academic Year		Semester
AVU102		1		2.
Title		T	A	L
International and European Economics		2	0	0
ECTS		6		
Language	English			
Level	Undergraduate		Graduate	X
				Postgraduate
Department / Program	Master Program of European and International Affairs			
Forms of Teaching and Learning				
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: • 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?</p>			
Prerequisites	-			

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Coordinator	Dr. Philipp Decker
Lecturer(s)	-
Assistant(s)	Res. Asst. Çiğdem Çelik
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		40
Quiz		
Assignments		
Attendance		
Recitations		
Projects		
Final Exam		60
	Total	100

ECTS Points and Work Load

Activity	Count	Duration	Work Load (Hours)
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Lectures	15	2	30
Self-Study			
Assignments			
Presentation / Seminar Preparation			
Midterm Exam	1		60
Recitations			
Laboratory			
Projects	1		
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.
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Weekly Content

1	Introduction: Overview to the course
2	The History of Monetary Unions
3	Reasons of Economic Unions: Theoretical Perspectives
4	Theory of Economic Integrations and Foundations of the European Union
5	Competition Policy in the EU
6	Industrial Policy in the EU
7	Social, Economic and Political Structure of the EU Countries

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8	Mid-Term Week
9	The Financial Markets and the Euro
10	Customs Union and Turkey
11	Sectoral Impacts of the EU on Turkish Economy
12	Debate on migration and its economic and political impact on different EU countries
13	The impact of Brexit in different EU countries
14	Review of the Semester
15	

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

	P1	P2	P3	P4	P5	P6	P7
1	5	5	5	4	5	4	4
2	5	5	5	5	5	5	5
3	4	4	4	4	4	4	4
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Contribution Level 1: Low 2: Low-intermediate 3: Intermediate 4: High 5: Very High

<https://obs.tau.edu.tr/oibs/bologna/progLearnOutcomes.aspx?lang=en&curSunit=200>

Compiled by: Res. Asst. Çiğdem Çelik

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