

Spring - Economics of European Integration

ECON-UA 9219 F01

We 13,30-16,15

Fall 2020

We know that you may be taking courses at multiple locations this semester. If you are enrolled in this course 100% remotely and are not a Go Local/Study Away student for this course site, please make sure that you've completed the online academic orientation via NYU Classes so you are aware of site specific support, policies and procedures.

Please contact florence.academicssupport@nyu.edu if you have trouble accessing the NYU Classes site.

If you are attending in person, you will be instructed to choose your seat on the first day and are expected to use that seat for the entire semester due to NYU COVID-19 safety protocol.

Class Description:

Pre requisites: Economics Principles

Aim of the Course is to offer a wide perspective on the main economic issues concerning the European economy. We will discuss the characteristics of the role of EU and the EU monetary union that comes from a long period of economic coordination in a globalized context. We will focus on the role of EU and main international institutions in the recent (and less recent) financial turmoil and through the Covid-19 crisis. We shall discuss the Next Generation EU- Recovery Fund, the debt crisis and the possible policies to counteract it. We shall also discuss the ECB responses to the financial crisis and the EU responses to the Covid.19 induced crisis. A special attention will be given to the consequences of "Brexit" for the UK and EU countries and to the developments of the Banking Union and the debate on the Fiscal Union.

We will deal with the long process of European Integration (history), the recent episodes of dissatisfaction with the current structure, the crisis linked to migration. We shall discuss whether further integration (especially fiscal) may represent a possible solution to the recent crises.

This course will highlight the different crises of the 2000s, focus on the long run causes, consequences and EU responses, conditionally on the characteristics of the countries involved (differences between countries will be highlighted). Active participation from students is requested.

There will be discussion in class at the end of each lecture on a "hot" topic on the EU with a student leading the discussion.

Instructor Details:

Name: Giorgia Giovannetti

NYUGlobal Home Email Address:

Office Hours:

Appointments available via Zoom or in person on request

Villa Ulivi Office Location:

Villa Ulivi Phone Number:

Zoom Personal Meeting Room: [add the hyperlink here from your NYU Classes site]

Desired Outcomes:

On completion of this course, students should:

- know the history of European Union (EU) and European Monetary Union (EMU) formation
- Have an understanding of the workings of the EU and of the challenges lying ahead for the Union;
- Have understood underlying theories (such as Optimal currency areas);
- Have made relevant connections between theory and real world examples, through references to media material, readings or case studies
- Find an increased interest to read economic related materials in the media (Economist, FT, Vox-EU etc).
- Understand the changing EU role in the changing worldHave improved their mastery of economic and business related concepts;
- Have performed graphical and quantitative treatment of the theories
- Have made relevant connections between theory and real world examples, through references to media material, readings or case studies
- Find an increased interest to read economic and business related materials in the media.

Assessment Components

- Attendance and Participation: Tests in class, discussion, active participation in discussion sections at the end of the class (last 15-20 minutes) on “hot issues” (e.g. discussion on quantitative easing; relations between fiscal and monetary policy; EU enlargement; Trade policy, migration issues, Brexit, TTIP etc) 15%
- Written Assignments (two 3 page reaction papers) or PPT (e.g. on Brexit) read an article and lead a discussion on a selected theme for 3-5 minutes (with notes) 25%
- Midterm Exam: Identification questions, multiple choice, essay questions, some calculations involved 20%
- Oral Presentation of 15 minute length: (possibly using a ppt): 15%
- Final Exam: Identification questions, multiple choice, essay questions, some calculations involved)25%

Failure to submit or fulfill any required course component results in failure of the class.

Assessment Expectations:

Grade A: The student makes excellent use of empirical and theoretical material and offers structured arguments in work. The student writes comprehensive essays/exam questions and their work shows strong evidence of critical thought and extensive reading.

Grade B: The candidate shows a good understanding of the problem and has demonstrated the ability to formulate and execute a coherent research strategy

Grade C: The work is acceptable and shows a basic grasp of the research problem. However, the work fails to organize findings coherently and is in need of improvement

Grade D: The work passes because some relevant points are made. However, there may be a problem of poor definition, lack of critical awareness, poor research

Grade F: The work shows that the research problem is not understood; there is little or no critical awareness and the research is clearly negligible

Grading Guidelines

Required Grading Language for Elective Courses

At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have agreed that for elective courses the individual instructor or department is responsible for determining reasonable grading guidelines. I/my department have elected to use the following grading guidelines for this course:

Please refer to Assessment Expectations and the policy on late submission of work

Conversion of grades:

A=94-100

A-=90-93

B+=87-89

B=84-86

B-=80-83

C+=77-79

C=74-76

C-=70-73

D+=67-69

D=65-66

F=below 65

Grading Policy:

Please refer to Assessment Expectations and the policy on late submission of work

Academic Accommodations:

Academic accommodations are available for students with documented disabilities. Please contact the Moses Center for Students with Disabilities at 212-998-4980 or see the [Moses Center](#) for further information.

Students with disabilities who believe that they may need accommodations in a class are encouraged to contact the Moses Center for Students with Disabilities at (212) 998-4980 as soon as possible to better ensure that such accommodations are implemented in a timely fashion. For more information, see [Study Away and Disability](#).

Attendance Policy:

Study abroad at Global Academic Centers is an academically intensive experience, in which students from a wide range of backgrounds exchange ideas in discussion-based seminars. Learning in such an environment depends on the active participation of all students. Since classes typically meet once or twice a week, even a single absence can cause a student to miss a significant portion of a course. To ensure the integrity of this academic experience, class attendance at the Global Sites is expected. Unexcused absences will affect students' semester participation grade. Faculty will take attendance at the beginning of every class. If you have scheduled a remote course immediately preceding/following an in-person class, you may want to discuss where at the Academic Center the remote course can be taken. Both in-person and remote students are responsible for making up any work missed due to absence. Repeated unexcused absences in a course may result in failure. This means they should initiate email and/or office hour discussions to address any missed lectures and assignments and arrange a timeline for submitting missed work.

Excused Absences:

In case of absence, regardless of the reason, the student is responsible for completing missed assignments, getting notes and making up missed work in a timely manner based upon a schedule that is mutually agreed upon between the faculty member and the student. **The only excused absences are those approved by the Office of Academic Support; they are as follows:**

Absence Due to Illness

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- If you are sick, please see a doctor. Contact the [Office of Student Life](#) for assistance.
- Self-isolation as recommended by a medical professional due to COVID-19 exposure
- COVID-19 related family emergencies
- For absences that last for two or more consecutive days, a doctor's certificate, "certificato medico" is required. The doctor will indicate in writing the number of days of bed rest required. Please note these certificates can only be obtained on the day you see the doctor and cannot be written for you afterwards. For any questions or concerns, please reach out to florence.academicssupport@nyu.edu.
- Absences can ONLY be excused if they are reported prior to or no later than the week that they return to class via the online [NYU Florence Absence Form](#). Failure to submit your request in time will automatically result in one or more unexcused absences.
- OAS will not accept a student email or telephone call regarding an absence due to illness

- OAS will only notify faculty of absences REPORTED on the ABSENCE FORM
- The Office of Student Life, when assisting you in cases of severe or extended illness, will coordinate with the Office of Academic Support to properly record your absences

Due to Religious Observance

- Students observing a religious holiday during regularly scheduled class time are entitled to miss class without any penalty to their grade. This is for the holiday only and does not include the days of travel that may come before and/or after the holiday
- [Information regarding absences due to religious observance must be provided at least SEVEN DAYS PRIOR to the date\(s\) in question using the online NYU Florence Absence Form \[insert new hyperlink\]](#)
- Please note that no excused absences for reasons other than illness can be applied retroactively.

Due to a class conflict with a program sponsored lecture, event, or activity

- All students are entitled to miss one class period without any penalty to their grade in order to attend a lecture, event or activity that is sponsored by La Pietra Dialogues, Acton Miscellany or the Graduate Lecture series.
- Information regarding absences due to a class conflict must be provided at least SEVEN DAYS PRIOR to the date(s) in question using the online NYU Florence Absence Form [insert new hyperlink]
- Please note that no excused absences for reasons other than illness can be applied retroactively.

Students with questions or needing clarification about this policy are instructed to contact a member of the Office of Academic Support located in Villa Ulivi or to email florence.academicssupport@nyu.edu

Late Submission of Work

- All course work must be submitted on time, in class on the date specified on the syllabus.
- To request an extension on a deadline for an assignment, students must speak to the professor one week prior to the due date
- To receive an incomplete for a course at the end of the semester, two weeks before final exams, both the student and the faculty member must meet with the Assistant Director of Academic Affairs to review the request and if granted, they must both sign an Incomplete Contract detailing the terms for completing missing coursework.

Plagiarism Policy

PLAGIARISM WILL NOT BE TOLERATED IN ANY FORM:

The presentation of another person's words, ideas, judgment, images or data as though they were your own, whether intentionally or unintentionally, constitutes an act of plagiarism.

In the event of suspected or confirmed cases of plagiarism, The faculty member will consult first with the Assistant Director for Academic Affairs as definitions and procedures vary from school to school. Please consult the "Academic Guidelines for Success" distributed on your USB key at Check-in and on the NYU Florence Global Wiki.

For a detailed description of some possible forms of plagiarism and cheating please consult the Community Compact that you signed at Orientation, a copy of which is on the above mentioned Wiki and USB key.

Writing Center:

The NYU Florence Writing Center offers you feedback on any type of writing, at any stage in planning or drafting; very rough drafts are welcome. Sign up for an online consultation at the Writing Center's website and submit your working draft or ideas at least six hours in advance to NYU Florence Writing Center. Please also note that the Writing Center does not correct or "fix" your writing but prompts you to think and work. The aim is to create stronger writers in the long term, not necessarily perfect papers in the short term.

Required Text(s):

R.E. Baldwin and C. Wyplosz, *The Economics of European Integration*, 6th Edition, McGraw-Hill (Indicated as BW).. Can be substituted by the Italian version

Marco Buti, Gabriele Giudice, José Leandro, *Strengthening the Institutional Architecture of the Economic and Monetary Union*, 13 July 2020,

<https://voxeu.org/content/strengthening-institutional-architecture-economic-and-monetary-union>

Copies of each textbook are available for consultation and short term loans in the [Villa Ulivi Library](#). Extra copies of some textbooks are also available for semester long loans. For more information on Books and Course Materials go [here](#).

Supplemental Texts available on line:

Angela Cheptea, Charlotte Emlinger, Lionel Fontagné, Gianluca Orefice, Olga Pindyuk, Robert Stehrer, 2014, *The Development of EU and EU Member States' External Competitiveness*, Cepii WP, 2014-06, March
A specific reading lists for presentations (out of which to select one or two articles)

Web page for the course on the NYU site where announcements for supplementary required readings will be posted.

Internet Research Guidelines:

The careful use of internet resources is encouraged and a list of recommended websites is:

The Economist www.economist.com, the Wall Street Journal www.wsj.com, the Financial Times www.ft.com, Vox www.voxeu.com , the Cepii (<http://www.cepii.fr/CEPII/en/welcome.asp>); specific readings will be indicated before the relevant class (the aim is to read updated texts).

Failure to cite internet and other non-traditional media sources in your written work constitutes plagiarism.

Additional Required Equipment:

N/A

Class Assignments and Topics:

Session 1 - [2/9]

A short history and the present state of EU integration; the heterogeneity of the Covid.19 crisis

BW Annex CH 1;

9/9 NO CLASS

Session 2- [16/9]

The evolution of Europe after WWII into the first communities, issues related to the EU enlargement. History and Current Institutions

BW CH 1

Session 3-[23/9]

The EU in the world: the economic data, emphasis on trade relations with US and China, foreign direct investments, growth. Some theory: Definition of Custom Union and other form of integration. reading in Voxeu, **Bénassy-Quéré, Beatrice Weder di Mauro** 22 May 2020 <https://voxeu.org/content/europe-time-covid-19>

BW CH 2 (2.1)

Session 4 - [30/9]

Trade policy of EU: instruments, theory and practice; the state of the art in a world of increasing trade wars; examples of trade agreements

BW CH 4

Session 5- [7/10]

The European Monetary System (EMS): early arrangements and the exchange rate mechanism until 1992-93. The European Monetary Union (EMU) and the convergence process to the Euro following the Maastricht Treaty; an evaluation of the first decade of EMU and the challenges ahead (including the discussion on possible exit from the euro).

BW CH 5

Session 6- [14/10]

Mid term (possibly)

Session 7- [21/10]

Field trip: EUI archives To be confirmed, if the situation allows it; possible also on line

Session 8 - [28/10]

The impact of Brexit in different EU countries

Articles in the reading list plus data

Session 9 - [4/11]

The impact of Covid.19 on several EU countries and on EU cohesion

Buti et al, Part 2

Session 10 - [11/11]

Monetary and fiscal policy: interest rate parity condition and the relationship between monetary policy and the exchange rates.

BW CH 14 and 15; Buti et al, Part 2

Session 11 - [18/11]

Fiscal policy and the Stability Pact. The effects of fiscal spending on the imbalances within the Euro area and the workings of the Stability and Growth Pact. The novelty of the Banking Union.

BW CH 17; BW CH 14 and 16

Buti et al, Part 3

Session 12 - [25/11]

Labour markets and migration. The characteristics of the labour markets, with particular reference to the effects of trade integration and migration across countries. Debate on migration and its economic and political impact on different EU countries

Session 13 - [2/12]

The financial markets and the Euro, the financial crisis and its development, the debt crisis, populism in Europe

Articles to be added

Session 14 - [9/12]

EU the current situation, discussion of recent issues (general discussion)

Session 15 - [16/12]**Final Exam****Classroom Etiquette**

- Eating is not permitted in the classrooms. Bottled water is permitted.
- Cell phones should be turned off during class time.
- The use of personal laptops and other electronic handheld devices are prohibited in the classroom unless otherwise specified by the professor.
- We recycle! So keep it green! Please dispose of trash in the clearly marked recycle bins located throughout the on campus buildings

Required Co-curricular Activities

[Field trip and site visit dates may be consolidated here as well as listed under the appropriate class session above. These must be requested in advance via the Office of Academic Support and pre-approved before appearing on the syllabus]

Suggested Co-curricular Activities

Suggested optional co-curricular activities will be announced in class and/or via email by the professor throughout the semester.

Your Instructor

Giorgia Giovannetti is Vice President for International Relations and full Professor of Economics at the University of Florence, Visiting Professor at EUI. She has acted as Scientific Director of the European Report on Development in 2009 and 2010, Director of the Research Centre of the Italian Trade Institute (2005-2007). She has been advising the President of ICE (2004-2011), the Italian Treasury (2003-05) and the Italian Ministry of Foreign Trade (2002-05). She is Scientific coordinator of the Fondazione Manlio Masi, member of the globalization team at OECD, and of a Group for the Reform of the Rome Agencies of the Center for Global Development in Washington. She holds a PhD and an MPhil in Economics from Cambridge University, and a Laurea cum laude in Statistics from the University of Roma la Sapienza. In the past she has been fellow of Trinity College- Cambridge and lecturer (1990-1995) and visiting Professor in several universities (UPF, NYU, Hoover Institution, Universitat Torcuato de Tella). Her research interests include macroeconomics, political economy, international trade and development economics. Her work has been published in leading academic journals and presented in main international conferences.