



**MACQUARIE UNIVERSITY**

Division of Economic and Financial Studies

**ECON396**

**EUROPEAN UNION ECONOMICS**

UNIT OUTLINE

February 2008

**Marc Lombard**  
Unit Convenor

# ECON396 - EUROPEAN UNION ECONOMICS

Students in this unit should read this outline carefully at the start of the semester. It contains important information about the unit. If anything is unclear, please consult the unit convenor.

## **UNIT DESCRIPTION**

This unit examines the economic performance and the policies of the European Union (EU) and of some of its leading members. It analyses key economic and political issues affecting the successful integration of the European Union, and examines their effects on community members. Overall, it intends to be a comprehensive and up-to-date course on the economic policies of the world's largest regional association.

**Credit points: 3**

## **LEARNINGS OUTCOMES**

The unit-specific skills that ECON396 seeks to develop include the critical examination of economic ideologies and policy issues that have dominated the European integration process, as well as the awareness of how political objectives and ideologies have determined economics policies in the EU. ECON396 provides students with a global vision of economics, where theory is not seen as operating in a vacuum but is adjusted to institutional factors (socio-political and cultural ones).

ECON396 also seeks to develop generic skills, such as the critical analysis of economic theory and its relevance to the real world, lecture and reading material evaluation, and research skills.

## **LECTURER:**

**Marc Lombard**, ECON396 Convenor  
Room E4A-436, Ph.: 9850 8501, Fax: 9850 8586,  
Email: [mlombard@efs.mq.edu.au](mailto:mlombard@efs.mq.edu.au)

**Consultation times** will be announced at the beginning of the course.

## **LECTURE TIME AND LOCATION:**

Tuesdays, 4-6pm, in W5C-220

**NOTE: It is essential that students attend all sessions, as the examination/tests will include material presented and discussed in the lectures and seminars, not available on-line**

## **SEMINARS:**

The dates of the seminars will be announced in week one. The venues are:

- Tuesdays, 1pm, room C5A-401
- Tuesdays, 3pm, room W6B-286
- Thursdays, 1pm, room E7B-163
- Thursdays, 3pm, room E7B-263

## **ASSESSMENT:**

The assessment will consist of:

- **A final examination** (2 hours), covering the whole course, worth 60% of the marks
- **Class tests**, worth 40% of the marks  
Dates of class tests will be announced at the beginning of the semester.

**Assessment will be based on both the material discussed in the lectures/seminars and the prescribed readings.**

Absence from class tests will result in a mark of zero, unless absence is supported by acceptable documented evidence. In this case, the final exam mark will be converted to a higher percentage of the total marks.

### **NOTE:**

- 1) It is the policy of the Economics Department that **students must pass the final examination in order to successfully complete a unit**
- 2) You are advised that it is Macquarie University policy not to set early examinations for individual or group of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.

## **RECOMMENDED REFERENCES:**

There is no set textbook for this unit. The lecture notes are the prescribed text. For this reason it is essential that students attend all sessions, as the examination/tests will include material discussed in the lectures and seminars.

The following references should prove useful (see reading guide below for relevance to a particular topic).

- Baldwin, R. and Wyplosz, C. (2006), **The Economics of European Integration**, 2<sup>nd</sup> ed., McGraw Hill
- Wood, D. and Yesilada, B. (2007), **The Emerging European Union**, 4<sup>th</sup> ed. Pearson
- Hitiris, T. (2003), **European Union Economics**, 5<sup>th</sup> ed., Prentice Hall
- El-Agraa, A. (2004), **The European Union: Economics and Policies**, 7<sup>th</sup> ed. Prentice Hall
- McDonald, F. and Dearden, S. (2005), **European economic Integration**, 4th ed., Prentice Hall

- Neal, I. (2007), **The Economics of Europe and the European Union**, Cambridge
- Jones, R. (2001), **The Politics and Economics of the European Union**, Edward Elgar
- Artis, M. and Nixon, F. (2001), **The Economics of the European Union**, 3<sup>rd</sup> ed., Oxford
- McCormick, J. (2002), **Understanding the European Union**, Palgrave
- Pelkmans, J. (2001), **European Integration**, 2<sup>nd</sup> ed., Prentice Hall

- The above books have been placed in the Reserve section of the library

**Prescribed journal articles:** see the reading guide below.

In addition, a number of prescribed, up-to-date journal articles will be announced during lecture time and be made available in e-Reserve

### Internet

The official web page of the European Union is:

<http://www.europa.eu.int> .

There are many other sites providing information on features of the European Union.

### Periodicals

Among the periodicals, the weekly **The Economist** is a good source of information on the latest economic, political and social developments affecting the EU

### UNIT STRUCTURE and READING GUIDE

Recommended reading (in order of relevance for each topic).

Guidance to additional reading will be provided in lectures.

**An x indicates required reading (in addition to lecture notes)**

#### **1. The European Union: An Overall View.**

- **Historical background - The EU member countries**

- **The EU on the world scene**

x Rifkin, J., 'Worlds apart on the vision thing', *Globeandmail.com*, 17-8-'04

- Baldwin & Wyplosz (2006), ch.1, ch.2.6 (pp.56-57)

- Wood and Yesilada (2007), ch. 1-6

- McCormick (2002), chapters 3, 8

- Hitiris (2003), chapters 2, 15 (pp.333-336)

- Artis and Nixon (2001), chapter 1

- Jones, R. (2001), chapters 1, 4

## **2. The Institutions and the Politics of the European Union**

- Baldwin & Wyplosz (2006), ch. 2.4, 3.3
- McCormick (2002), ch. 1 (pp.7-12), 4
- Jones (2001), ch.2, 5

## **3. Current Issues:**

- **Integration: Ever Closer Union?**
- **Enlargement**
- **Immigration**
- **Ageing population**
- Baldwin & Wyplosz (2006), Ch. 8.4, pp.223-24
- x Lombard (2003), "Immigration: An Economic Perspective",  
*The EBE Journal*, Vol.39, No.1
- El-Agraa (2004), ch. 26
- Artis and Nixon (2001), ch. 4

## **4. The EU Socio-Economic Models. The Major Players**

- x "Choose your poison", *The Economist*, 1-10-2005
- x "Getting back together is so hard", *The Economist*, 18-9-2004
- x A civil self-service, *The Economist*, 1/1/1999, p.51-52
- x 'Jacques Chirac, socialist', *The Economist*, 19-3-05

## **5. Macroeconomic Performance & Policy**

### **Growth and Unemployment**

- Baldwin & Wyplosz (2006), ch. 8.1-3, 18
- Jones, ch.11 (pp. 290-94)
- Lombard, M. (1999), 'Restrictive Policies and Unemployment in the European Union', *Review of Political Economy*, Vol.12, No.3, July, 317-332

## **6. Economic and Monetary Union**

### **An Optimum Currency Area?**

#### **The Single Currency**

- Baldwin & Wyplosz (2006), ch.16. 17
- McDonald & Dearden (2005), ch. 3      - Hitiris (2003), ch. 6

## **7. The EU Budget.**

### **Taxation Policy**

### **The Common Agricultural Policy**

### **Research and Development**

- Baldwin & Wyplosz (2006), ch. 2.7, 9
- McDonald & Dearden (2005), ch. 4, 11
- Hitiris (2003), ch. 4, 5, 7
- El-Agraa, A.M. (2004), ch. 14, 19

**NOTE:** The numbering of topics above **is not related** to the number of lecture weeks. Some topics are shorter/longer than others.

## **PLAGIARISM**

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own". Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found on the web at: <http://www.student.mq.edu.au/plagiarism/>. Penalties may include a deduction of marks, failure in a unit, and/or referral to the University Discipline Committee.

## **UNIVERSITY POLICY ON GRADING**

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e. the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results. The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.