

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON396 EUROPEAN UNION ECONOMICS

Semester 1, 2009

Department of Economics

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 policies and the economic performance 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;
Phone: 9850 8501; Fax: 9850 8586,
Email: mlombard@efs.mq.edu.au

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

LECTURES AND SEMINARS:

LECTURES:

There will be a two-hour lecture each week, on **Tuesdays, 4-6 pm**, in Room **W5C-220**

SEMINARS:

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

- **Tuesdays, 1-2 pm**, room **C5A-401**
- **Tuesdays, 3-4 pm**, room **X5B-143**
- **Thursdays, 3-4 pm**, room **C5C-238**

ASSESSMENT:

The assessment will consist of:

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

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) It is also 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.

GRADES

The following range of standardised numerical grades applies as follows:

HD = High Distinction	85-100
D = Distinction	75-84
Cr = Credit	65-74
P = Pass	50-64
PC = Conceded Pass	45-49
F = Fail	0-44

Raw marks are given on each assessment task. The scaled marks are then derived from raw marks. The student's grade of achievement in a unit is based on an assessment of all relevant work in the unit including performance at examinations

RECOMMENDED REFERENCES:

There is no set textbook for this unit. For this reason it is essential, for the successful completion of this unit, that **students attend all lectures**, as the examination/tests will focus on material discussed in the lectures .

The following references (in alphabetical order) should prove useful:

- Baldwin, R. and Wyplosz, C. (2006), **The Economics of European Integration**, 2nd ed., McGraw Hill
- Jones, R. (2001), **The Politics and Economics of the European Union**, Edward Elgar

- Neal, I. (2007), **The Economics of Europe and the European Union**, Cambridge
- Nello, S. (2005), **The European Union**, Mcgraw Hill
- Pelkmans, J. (2001), **European Integration**, 2nd ed., Prentice Hall
- Wood, D. and Yesilada, B. (2007), **The Emerging European Union**, 4th ed., Pearson

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

- Artis, M. and Nixson, F. (2001), **The Economics of the European Union**, 3rded., Oxford
- El-Agraa, A. (2004), **The European Union: Economics and Policies**, 7th ed.
Prentice Hall
- Hitiris, T. (2003), **European Union Economics**, 5th ed., Prentice Hall
- McCormick, J. (2002), **Understanding the European Union**, Palgrave
- McDonald, F. and Dearden, S. (2005), **European economic Integration**, 4th ed.,
Prentice Hall

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 site of the European Union is: <http://www.europa.eu.int>

Other useful sites providing EU news and analyses include:

www.euractiv.com

www.europeanvoice.com

www.neurope.eu

www.euobserver.com

www.guardian.co.uk/wld/eu

Periodicals

Among the periodicals, the weekly **The Economist**, www.economist.com

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). These x-marked chapters and articles have been available in e-reserve

Topic 1: The European Union: An Overall View.

Historical Background

The EU on the World Scene

- x Jones, R. (2001), chapter 1
- 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, 11
- McCormick (2002), chapters 3, 8
- Hitiris (2003), chapters 2, 15 (pp.333-336)
- Artis and Nixon (2001), chapter 1
- Jones, R. (2001), chapter 4

Topic 2: The Institutions and the Politics of the European Union

Integration: Ever Closer Union?

- x "Jacques Chirac, socialist", *The Economist*, 19-3-05
- Baldwin & Wyplosz (2006), ch. 2.4, 3.3
- McCormick (2002), ch. 1 (pp.7-12), 4
- Jones (2001), ch.2, 5

Topic 3: The EU Social Policy and Socio-Economic Models.

The "Big Four": Germany, Britain, France, Italy

- x "Choose your poison", *The Economist*, 1-10-2005
- x Neal, I. (2007), chapter 12
- x "More unequal than others", *The Economist*, 15-3-2008, p.74
- 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

Topic 4: Economic and Monetary Union.

The Single Currency and Monetary Policy

Optimum Currency Area

- X Baldwin & Wyplosz (2006), ch. 17
- Baldwin & Wyplosz (2006), ch. 16
- McDonald & Dearden (2005), ch. 3
- Hitiris (2003), ch. 6
- Wood and Yesilada (2007), ch. 8

Topic 5: Macroeconomic performance and policy

The Labour Market and Unemployment

- Baldwin & Wyplosz (2006), ch. 8.1-3
- 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

Topic 6: Fiscal Policy and The Growth and Stability Pact

- Baldwin & Wyplosz (2006), Ch. 18
- Pelkmans, J. (2006), ch.18 (pp405-079)
- Wood and Yesilada (2007), ch. 8 (pp.142-143)

Topic 7: Enlargement and Immigration

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

Topic 8: The EU Budget.

The Common Agricultural Policy

Taxation Policy

- x Pelkmans, J. (2006), ch.19
- 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.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>.

BESS

The (Faculty of) **B**usiness and **E**conomics **S**tudent **S**ervices is a drop-in centre for students who are taking units in the Faculty of Business and Economics. It is located in **Room 106, Building E4B**.

W: http://www.efs.mq.edu.au/student_support/BESS

Talk to Peer Advisers:

Phone: +61 (02) 9850 8450

Opening hours during semester (including mid-semester breaks and the exam period:

Mon-Thur: 9 am- 6pm

Fridays: 9 am- 5pm

Out of semester:

Monday-Friday, 9am-5pm

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.

ENQUIRIES

Any enquiries about the unit should be directed to **Marc Lombard**, ECON396 unit convenor, room E4A-436, tel. 9850 8501, email: marc.lombard@mq.edu.au