Study Center in Barcelona, Spain

Course name: European Economic Integration and its Impact on the Spanish Economy
Course number: ECON 3002 BAEC (ENG)
Programs offering course: Barcelona Business and Culture, Barcelona Economics and Culture, Barcelona Language and Culture
Language of instruction: Spanish
U.S. Semester Credits: 3
Contact Hours: 45
Term: Spring 2018

Course Description

The course is organized as follows. The first topic reviews the reconstruction of Western Europe after World War II. In the second half of the 20th century the lives of Europeans were transformed almost beyond recognition. GDP per capita tripled in the second half of the 20th century and the quality of life had an impressive improvement. What made possible the rapid economic growth of a continent that was devastated by WWII? Why it was not possible to maintain this rapid economic growth after 1973? This section is an attempt to answer these questions. The second topic reviews the dawn and collapse of the Eastern Block. In specific, we study the strategy, problems and collapse of the central planned economies. We finish this section reviewing Integration of the Eastern Block into the EU. The third topic reviews in detail the process of integration of Europe. We start discussing the spirit of the integration process as well as the fundamental problems of the union. Then, we highlight the most important momentums of the European integration. The fourth topic deals with the functioning of the European Union. In specific, we review the Institutions (Council of the European Union, The European Council, The European Commission, The European Parliament, European Court of Justice and The European Central Bank), the Budget and the Policies (The Common Agricultural Policy, Regional Policy, Competition Policy and Trade Policy) of the European Union. The fifth topic analyzes the impact of the European Union in the Spanish economy. Spain developed more slowly than most of its European neighbors after Second War II, restrained by the authoritarian regime of General Franco. Since the restoration of democracy in the mid-1970s and particularly since accession to the European Union (EU) in 1986, growth has been impressive. We explore the main forces driving economic growth and convergence over the past two decades. Although we cannot underscore the importance of policy domestic changes, we focus on the impact of the EU in this process. The last topic study the challenges faced by the EU and the Spanish economy today. Great deal of time is devoted to study the European and Spanish crises.

Learning Objectives

General

Instrumental
- Abstraction and synthesis skills
- Information management
- Self-discipline and self-motivation

Interpersonal
- Teamwork skills
- Critical capacity

Systemic
- Creativity
- Reasoning skills and autonomous work

Specific
- Apply economic reasoning to understand the process of economic integration of the EU
- Compare the efficiency of the different economic system implemented in Europe during the second part of the XX century
- Understand the economic and political challenges of the EU
- Assess the impact on the Spanish economy of joining the EU

Course Prerequisites

The course will consist of lectures, class discussion and student presentations. It is strongly suggested that students read the reading material in advance.

Methods of Instruction

Lectures (PowerPoint)
Clips
Students’ presentations
Class debates

Assessment and Final Grade

1. Class attendance and participation: 10%
2. Midterm exam: 30%
3. Midterm paper and presentation: 15%
4. Final examination: 30%

Course Requirements

Midterm exam
4 Questions (essays)
Until what so far we have advanced in the course

Country presentation

Germany, France, UK, Italy, Spain, Greece Benelux, Scandinavia, Portugal, Ireland, or any country of Europe in which you are interested in.
20 minutes per presentation and 10 minutes per questions and discussion (provide to the class and to me a synopsis of your presentation and open the discussion with questions)
Historical background, Structure of the Economy (natural resources, main industries, exports, imports, main companies), Main economic indicators (macroeconomic, external, public finances), any special event impacting the economy (e.g. the German Reunification, the real state bubble in Spain), Strengths and weakness of the economy, Challenges

Midterm paper and presentation

Any topic related to the content of the course (the crisis (Spanish, Greek, European), the Euro (costs and benefits), unemployment in Spain, the deterioration of the welfare state, ETC))
Write a mid-term paper (5 pages at most). Paper submission: week 9
20 minutes per presentation, and 10 minutes per questions and discussion (provide to the class and to the instructor a synopsis of your presentation--extended abstract)

Final examination

4 Questions (essays)
Until what so far we have advanced in the course

Attendance and Class Participation

Students are expected to attend all scheduled class sessions on time and prepared for the day’s class activities. CIEE does not distinguish between justified or unjustified absences, whether due to sickness, personal emergency, inevitable transport delay and/or other impediments. You are considered responsible of managing your own absences. Please keep in mind that exams, paper submission dates, presentations and any other course work deadlines cannot be changed.

No academic penalty will be applied if students miss up to 3 class sessions. If students miss up to 5 class sessions, students’ final course grade will drop 0,5 points out of 10 on the Spanish grade scale for each additional absence beyond 3 (for example a 9.5 will become a 9 if they reach the 4th absence, and an 8,5 if they reach the 5th absence). Students will automatically fail the course if they miss more than 20% of total class hours (i.e. if they exceed 5 absences).
For students who miss up to 20% of the total course hours due to extenuating circumstances, the RD may allow for exceptions to the local attendance policy based on documentation such as proof of bereavement, religious observances, hospitalization etc.

Students arriving more than 10 minutes late to the class will be considered absent for a day. Late assignments will be marked down 10% after the first day and 5% every day afterwards. No coursework will be accepted after the last day of class.

**Weekly Schedule**

**Session 1**
Course presentation and assignment of topics  
Introduction: Europe generalities and an overview of the course  
The Reconstruction of Western Europe after WWII

**Session 2**
The Reconstruction of Western Europe after WWII

**Session 3**
Eastern Europe

**Session 4**
The Integration of Europe

**Session 5**
The Integration of Europe

**Session 6**
Midterm exam  
The EU

**Session 7**
The EU

**Session 8**
The EU

**Session 9**
Spain and the EU

**Session 10**
The European and Spanish Crisis
Session 11
The European and Spanish Crisis

Session 12
Final Exam

Contents

Topic 1: The Reconstruction of Western Europe after WWII
- The Postwar Situation
- Description of the European Economic Growth
- Different Explanations of the European Economic Growth
  - Catch-up and Convergence
  - The growth of the Labor Force
  - Cyclical stability
  - Institutions
- Other Factors Influencing Growth
  - The Marshal Plan
  - Extra market mechanisms
  - Education
- The End of the Golden Age

Topic 2: Eastern Europe
- Capitalism, Socialism, and Social Market Economy
- The Strategy of Central Planning
- Problems of Central Planning
- The Survival of Central Planning
- The Collapse of Central Planning
- Economic Consequences, Dilemmas and Response
- German Reunification
- Integration of the Eastern Block into the EU.

Topic 3: The Integration of Europe
- Conditions Influencing European Integration
- Fundamental Problems
- Chronology
  - Marshall Plan, The Organization for the European Economic Cooperation (OEEC), and European Payments Union (EPU)
  - The Schuman Plan and the European Coal and Steal Community (ECSC)
  - Treaties of Rome (EEC) and the European Free Trade Agreement EFTA
  - Common Agricultural Policy (CAP)
  - 1st, 2nd, and 3rd enlargements
  - European Monetary System (EMS)
  - The Single Market
- Maastricht Treaty
- Fourth enlargement
- Reuniting Western and Eastern Europe: Treaty of Amsterdam, the Treaty of Nice, and the First Eastern Enlargement.
- Second Eastern Enlargement, Lisbon Treaty, Toward Fiscal Integration?

**Topic 4: The European Union (EU)**

The Institutions of the European Union
- Council of the European Union
- The European Council
- The European Commission
- The European Parliament
- European Court of Justice
- The European Central Bank (ECB)

The Budget of the European Union
- Important Facts
- Expenditure, Revenue, and Budget Process.

The Policies of the European Union
- The Common Agricultural Policy (CAP)
- Regional (cohesion) Policy
- Competition Policy
- Trade Policy

**Topic 5: Spain and the European Union**

Background (1940s-1970s) of the Spanish Economy
The Process of Integration
Effects on the External Sector, Foreign Direct Investment, Inflation, Interest Rates

**Topic 6: The European and Spanish Crisis**

Refresh of concepts
The subprime
The public debt crisis in the Eurozone
Policy responses
The Spanish crisis.

**Readings**

Miguel Sebastian 2003, “Spain in the EU: fifteen years may not be enough.” (inbox)

**Links of Interest**

Newspapers and blogs:

www.ft.com
www.economist.com
http://www.project-syndicate.org
http://www.europointelligence.com
http://economistview.typepad.com
http://blogs.ft.com/economistsforum
http://Krugmanblogs.nytimes.com
http://www.nadaesgratis.es

Economic studies, think tanks and private institutions:

www.voxeu.org
http://iie.com/realtie
http://www.mckinsey.com/MGI
http://www.econlib.org/library/CEECategory.html
http://www.cepr.org/default_static.htm
http://www.epin.org/new/ceps
http://serviciosdeestudios.bbva.com/KETD/kedt/ing/index.jsp
http://www.funcas.ceca.es
http://www.fedea.es
http://www.bruegel.org
www.dbresearch.com

Government and international institutions

http://europa.eu/index_en.htm
http://www.ecb.int