CIEE Barcelona, Spain

Course name: The Spanish Economy in the European Union
Course number: ECON 3006 BASP
Programs offering course: Barcelona Business and Culture, Barcelona Economics and Culture, Barcelona Language and Culture
Language of instruction: English
U.S. Semester Credits: 3
Contact Hours: 45
Term: Spring 2020

Course Description

This course will explore the main determinants of Spanish economic growth and convergence since the 1980s, placing an emphasis on the country’s specificities. Economic structure, firms’ productivity or labor market particularities –among others- will be reviewed to understand the Spanish Economy. We will also explore sociological trends such as demographic ones, some institutional structure related to economic productivity and output (e.g. healthcare system, public policy or innovation system).

Spain’s membership to the Euro currency area is fundamental in understanding the economy’s development and assessing its prospects. Euro membership facilitated an economic boom, but the country’s net international trade position deteriorated considerably, and the economy became heavily dependent on foreign financial inflows, including borrowing from the European Central Bank (ECB). We will study the implications of euro membership in times of crisis and explore how Spain is adapting to challenges posed.

Learning Objectives

We will use different analysis tools to better know the Spanish economy (e.g. tariff analysis, micro and macro-economic analysis, trade patterns); all those analytical tools can be used while analyzing other economies. The main learning objective then is to know and learn how to apply the most recurrent analytical tools for contemporary economies while using auxiliary social sciences such as sociology, political science and economic history for support.

By the end of the course students will know:

- How to characterize a given economy and its international context.
- Where to find and how to interpret the main magnitudes of a given economy.
- The different problems that European economies (and Spain in particular) have faced in recent stages of development and different alternative solutions that scholars and policymakers have proposed.
Course Prerequisites

3 semesters of college-level micro- or macroeconomics. 1 semester of calculus recommended.

Methods of Instruction

The course will consist of lectures, class discussion, student presentations and class dynamics (sub-group discussions, seminars, etc.) that can be useful for better understanding of the contents of the course. Reading material will be referenced on daily basis (mainly small articles, newspaper notes and blog entries) and on weekly basis (book chapters or research papers).

Assessment and Final Grade

Grading will be based on the following:

1. Final Exam: Class Participation: 20%
2. Midterm: 20%
3. Final: 20%
4. Exercises and activities: 15%
5. Final project (paper + Presentation): 25%

Course Requirements

Class Participation
All students must participate in class discussions and ask relevant questions relative to the topic discussed in class. A proactive attitude in class dynamics is also important. Being present in class is not enough; sharing your opinions, doubts and clarifications about readings, lectures and other class materials is a way to score in participation.

Mid-term and Final Exams
Both exams will consist of open questions to be developed. Notes from the class and printed material can be used but no internet connection will be permitted. The midterm exam will cover the first part of the syllabus and the final exam will cover the rest of it (see schedule below).

Exercises and activities
Exercises and activities are of two kinds: 1) discussion material is provided in class together with some lines of discussion, you’ll have to submit the results of the discussion individually, regardless if the activity was done in small or big groups; 2) practical exercises of the topic discussed in class, you can discuss the way to solve them in groups or with the professor, also, answers must be submitted individually.

Final project (Paper and presentation)
The final project consists of a final paper of 2000 words and a small presentation (around 8 minutes). The structure of the paper will be discussed in the first classes and different check points during the course will help you to advance in the elaboration of it. The paper must be delivered before the last
day of class and after the presentation (see section below). Acceptable topics for the final paper will be discussed in the first weeks of class (Spanish economy topics, European Union Economy topics, specific industries studies or comparative exercises are some of the possibilities).

In the last classes of the course you’ll have to present your final paper in around 8-10 minutes. The format of the presentation is a seminar, where the presenter delivers the highlights of his/her paper (motivation, question, arguments and conclusions), and the rest of the group makes observations, questions and suggestions to help the presenter to improve the final version of his/her work.

**CIEE Barcelona Attendance Policy**
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 5 points out of 100 on the CIEE grade scale for each additional absence beyond 3 (for example a 95 will become a 90 if they reach the 4th absence, and an 85 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 Academic Director 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.

**Weekly Schedule**

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<tr>
<th>Week 1</th>
<th>Introduction</th>
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<tr>
<td>1.1</td>
<td>Introductions to class</td>
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<tr>
<td></td>
<td>Presentation of the course, methods to be used, contents of the course, groups setting and explaining what is expected from the students’ presentation and the essay</td>
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| 1.2    | Introduction to Spanish Economy |
|        | Exposing first definitions of the courses, unit of study (what should we understand when we hear the word “Spain” and what a modern economy is?) |
|        | **Readings:** “A dictionary of Spanish History and Culture”, pp 1-3 |
|        | **Activity 1: Autarky** |

<table>
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<tr>
<th>Week 2</th>
<th>Economic History of Spain</th>
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<td>2.1</td>
<td>“Spain is different”, brief history of Spain and how certain history facts conditioned the economic development of Spain.</td>
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Reading: Preston (1986: Chapter 10).
Due: Submission of activity 1 “Autarky”

2.2 Synchronizing with Europe: Democracy and joining the European club.
Activity 2: Documentary, After God Muñoz.
Due: final paper topic

Week 3
3.1 European Integration: From the post WWII to the European Union.
3.2 Different theories used to explain the EU: Institutionalism, Market integration, Custom Union, etc.
Activity 3: Illiteracy and Capitalism

Week 4
4.1 Economics of European Integration.
The Economics of European Integration: Comparison with other models (multilateral trade liberalization).
4.2 Demand and supply of import and export. Barriers to trade.

Week 5
5.1 “The good fellow”: from the entry to the EU to the setting of the Maastricht treaty (monetary union).
5.2 Social reforms needed to apply for the EU.
Readings: Tsebelis (2001)
Activity 4: Supranationalism and Intergovernmentalism

Week 6
6.1 Believes before the Euro.
Spanish crisis before the Euro.
6.2 What it was said before the creation of the Euro: Reasons of supporters and those against.

Week 7
7.1 Review and final paper structure.
Short review and Presentation of the second part of the course.
7.2 Mid-Term
Due: Final paper general structure

Week 8
8.1 Case study, crisis in Spain and Europe.
2008-2013 Crisis in Spain and Europe. Multinational causes and local actions.
8.2 Consequences and proposed solutions: Monetary constrains and alternatives.

**Week 9**

9.1 Integration fosters growth hypothesis.
   Economic growth in Spain and Europe. Fragmented markets versus integrated ones.
   **Reading:** Baldwin and Wyplosz (2009: Chapter 7)

   **Material:** Documentary, *The Great Euro Crisis*
   **Activity 5:** Group activity on the Euro

**Week 10**

10.1 Spanish labor markets.
   Spanish labor market: unemployment in Spain and by communities.
   Mobility of labor in Spain and Europe. Supply and Demand of Labor.

**Week 11**

11.1 Income distribution.
   Income distribution: Personal, functional and industrial distribution of income. The space perspective on income distribution.

11.2 Regional inequalities. Good and bad of Tourism specialization in the Spanish Economy.

**Week 12**

12.1 Reforms on the European economy.
   European policies: common fiscal policy, Banking Union, Other proposals to cope with crisis.
   **Readings:** Barbieri, Pierpaolo and Vallée (2017) and Giugliano (2017).

12.2 Short individual presentations
   **Reading:** Baldwin and Wyplosz (2009: Chapter 15) or Krugman, Paul et al (2015: Chapter 20).
   **Activity 6:** The Euro and the Optimal Currency Areas

**Week 13**

13.1 Public sector economics.
   The Spanish way on public sector economics: Comparison between southern European and other Session European models. Pension system and its crisis (world trend and specific issues), European public reform. Short individual presentations

13.2 Final-Exam
Course Materials

Readings

“A dictionary of Spanish History and Culture” on Iberian Nature: A guide to the environment, climate, wildlife, geography and nature of Spain, Electronic resource.
Giugliano, Ferdinando, (2017) For Europe, There are no Shortcuts to Fiscal Union, Bloomberg.

Bibliography (to know more)


Other resources

In the first session and the final project checkpoints we will discuss how can you use these resources.

Journals, newspapers and related
http://www.economist.com/topics/spanish-economy
http://www.ft.com/intl/topics/places/Spain
http://topics.nytimes.com/top/news/international/countriesandterritories/spain/

Databases and statistics
(Eurostat: European Statistics Agency)  
http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/