



UNIVERSITÀ DI PISA

THE ECONOMICS OF EUROPEAN UNION

POMPEO DELLA POSTA

Spring Semester	2018/19
Course	ECONOMICS
Code	440PP
Credits	6

Modules	Area	Type	Hours	Teacher(s)
THE ECONOMICS OF EUROPEAN UNION	SECS-P/01	LEZIONI	42	IRENE BRUNETTI LORENZO CORSINI POMPEO DELLA POSTA FEDERICO PIEROBON

Description:

1. A short history of the process of European integration and some basic elements on the institutions of the European Union.
2. Theoretical justification for free trade in Europe. The microeconomics of integration.
3. The Single European Market
4. The European Economic and Monetary Union

Course outline:

Historical overview of the economic and monetary integration process in Western Europe: from the end of World War II to the recent Eastern enlargement.

2a. The theory of trade and EU. Inter-industry trade: Smith, Ricardo and the principle of absolute and comparative advantage; the neoclassical interpretation and the Heckscher-Ohlin model. Intra-industry trade and the process of European integration: the role played by increasing returns to scale and imperfect competition.

2b. The microeconomics of integration: the costs and benefits of integration (also applicable to the NAFTA - North American Free Trade Association).

3. The Single Market: the process of economic integration in the EU.

4a. The theory of economic and monetary union: the theory of optimum currency areas

4b. The process of monetary integration in Europe: from the European Monetary System (EMS) to the European Economic and Monetary Union (EMU).

Textbooks:

Senior Nello, Susan M. (2011), The European Union: Economics, Policies, and History 3/E, McGraw Hill, Maidenhead, UK; Baldwin, Richard and Charles Wyplosz (2006), The Economics of European Integration 2/E, McGraw Hill, Maidenhead, UK