



# European Economic Policies

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<b>COURSE GUIDE</b>	
	<p><b>EUROPEAN ECONOMIC POLICIES</b> <b>JEM012</b> Semester 2, 2016/2017 Institute of Economics Faculty of Social Sciences Charles University Prague</p>
<b>TEACHERS</b>	Luboš Komárek (guarantor), Zdeněk Čech, Laurent Weill (Strasbourg)
<b>TEACHING ASSISTANTS</b>	Pavla Břízová
<b>SCHEDULE</b>	Lecture: Thursday, 8:00 - 9:20 (room 109)
<b>CONSULTATIONS</b>	By appointment: Please indicate your interest via email, i.e.: lubos.komarek@cnb.cz zdenek.cech@ec.europa.eu



<b>DESCRIPTION</b>	<p>The course covers major aspects of <u>the economic policy-making</u> in the European Union. It addresses general topics such as economic theories behind the European economic policies, political economy aspects of the European policy-making, and the current EU challenges. It also pays attention to the institutional set-ups and major challenges of the key European economic policies, namely monetary, fiscal, financial stability and - last but not least - agricultural policy. The impact of the important recent events such as financial crisis as consequences of enlargement is also explored. The course includes guest lectures by external speakers who are prominent experts on specific European policies.</p>
<b>OBJECTIVES</b>	<p><u>The objective of the course is to improve your ability to understand the current European economic policies</u>, to assess them independently and to present your views in both the oral as well as written form. These are all skills that are useful to many professions such as policy-makers, analysts in financial or international institutions, researchers, experts in public sector or journalists. These skills are especially important now in the post-crisis period, when many European economic policies change dramatically and when views on how they should be changed are diversified.</p>



<b>PREREQUISITES</b>	<p>This is an advanced policy course and therefore it has several prerequisites.</p> <p>First, you will need the ability to work with (and think critically of ) various resources (lectures, seminar readings, complementary reading list, background textbook, various websites) as there is no single textbook available to cover all issues that would be up-to-date, given how fast various European reforms proceed in recent years.</p> <p>Second, you will need knowledge corresponding to the content of the course "European Economic Integration" (JEB026).</p> <p>There is only the final exam on May/June.</p>
<b>GRADING</b>	<p>0-50 points .... not satisfy 51-65 points ... good (3) 66-85 points... very good (2) 86-100 points... excellent (1)</p>



<b>COURSE REQUIREMENTS</b>	Final exam: The final exam takes 60 min (+ 10 min extra reading time). There will be 3 exam dates. Take an ID card with you, pls.
<b>COURSE MATERIALS</b>	There are various recourses from which you can study the subject: <ul style="list-style-type: none"><li>• Lecture notes: As there is no single textbook available to cover all issues, lecture notes are rather detailed to give you the most support possible when studying the subject. In annexes, complementary reading, selected models or terminology is attached to lecture notes. You can also quite easily google most of the concepts quoted in the lecture notes (in some cases, relevant websites are even quoted directly in lecture notes). Lecture notes are being gradually posted on website.</li></ul>



<p><b>COURSE MATERIALS</b></p>	<ul style="list-style-type: none"><li>● Additional lecture readings (voluntary): A few papers will be suggested by presenters. Background textbook:<ul style="list-style-type: none"><li>○ Emerging market economies and European economic integration / edited by R. Scott Hacker, Börje Johansson, Charlie Karlsson. - Cheltenham: Edward Elgar Publishing, 2004 - xiii, 328 s. ISBN 1-84376-679-5</li><li>○ European economic integration: edited by Frank McDonald, Stephen Dearden. - 4th ed.. - Harlow: Financial Times/Prentice Hall, 2005- xxi, 412 s. ISBN 0-273-67908-2978-0-273-67908-0</li><li>○ The economics of European integration: Richard Baldwin, Charles Wyplosz. - 4th ed.. - Maidenhead : McGraw-Hill, 2012 - xix, 560 s. ISBN 978-0-07-713172-20-07-713172-X</li><li>○ Macroeconomics : a European text [6th ed.] / Michael Burda and Charles Wyplosz. - 6th ed.. - Oxford : Oxford University Press, 2013 - xxi, 573 s. ISBN 978-0-19-960864-5</li><li>○ Monetary and exchange rate policies, EMU and Central and Eastern Europe / authors David Begg, László Halpern, Charles Wyplosz ; editors Lorand Ambrus-Lakatos, Mark E. Schaffer. - New York (NY) : EastWest Institute, 1999 - xiv, 108 s. ISBN 1-898128-41-3</li><li>○ The economics of European integration: theory, practice, policy / Willem Molle. - 5th ed.. - Aldershot : Ashgate, 2006 - xiv, 446 s. ISBN 0-7546-4812-5978-0-7546-4812-5</li></ul></li></ul>
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**IMPORTANT WEBSITES:**

- European Parliament <http://www.europarl.europa.eu>
- European Commission <http://europa.eu>
- European Central Bank <http://www.ecb.int>
- Eurostat <http://epp.eurostat.ec.europa.eu>
- Economist <http://www.economist.com>
- Financial times <http://www.ft.com>
- CEPR <http://www.cepr.org>.



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23.2.	<b>LECTURE 1</b>	<p><b>Introduction to EEP</b>  <b>Economic Alignment of the euro area countries</b>  <b>Way(s) towards the Euro</b>  <i>Luboš Komárek</i></p> <ul style="list-style-type: none"> <li>- The Maastricht Convergence Criteria</li> <li>- Alignment with the Euro Area</li> <li>- Alignment of the Euro Area</li> </ul>
2.3.	<b>LECTURE 2</b>	<p><b>European Fiscal Policies</b>  <i>Zdeněk Čech</i></p> <ul style="list-style-type: none"> <li>- overview of fiscal policies in the EU ("typical policy", including long-term fiscal sustainability)</li> <li>- national fiscal policies – interplay with the EU level</li> <li>- sovereign crisis in the EU (solvency vs. liquidity, fiscal sustainability)</li> </ul>
9.3	<b>LECTURE 3</b>	<p><b>European Fiscal Framework</b>  <i>Zdeněk Čech</i></p> <ul style="list-style-type: none"> <li>- EU budget, fiscal transfers</li> <li>- policy co-ordination (SGP, rules for national budgetary frameworks)</li> <li>- framework for "fiscal" crisis management</li> <li>- SGP reform – a post-crisis assessment</li> </ul>
16.3.	<b>LECTURE 4</b>	<p><b>EU economic policy challenges</b>  <i>Zdeněk Čech</i></p> <ul style="list-style-type: none"> <li>- EU macroeconomic challenges (investment gap, ageing)</li> <li>- EU economic policy governance</li> <li>- EMU reform</li> </ul>
23.3.	<b>LECTURE 5</b>	<p><b>European Monetary Policy</b>  <i>Luboš Komárek</i></p> <ul style="list-style-type: none"> <li>- ECB, ESCB</li> <li>- Conventional and unconventional policy</li> <li>- Agresiveness of central banks</li> </ul>



30.3.	<b>LECTURE 6</b>	<b>European Labour Market</b> <i>Luboš Komárek</i> <ul style="list-style-type: none"> <li>- nominal and real wage rigidities</li> <li>- alternative margins of adjustment</li> <li>- empirical evidence from the European survey of firms</li> </ul>
6.4.	<b>LECTURE 7</b>	<b>EU Financial Integration</b> <i>Luboš Komárek</i> <ul style="list-style-type: none"> <li>- Importance of financial integration</li> <li>- Cost and benefits of financial integration</li> <li>- Measuring financial integration (beta, sigma, gamma convergence)</li> <li>- Empirical results for Central European countries</li> </ul>
13.4.	<b>LECTURE 8</b>	<b>Financial crisis and EMU</b> <i>Luboš Komárek</i> <ul style="list-style-type: none"> <li>- Development of the last financial crisis (US, EU, EMU)</li> <li>- Solution(s)</li> <li>- Unconventional policies</li> </ul>
20.4.	<b>LECTURE 9</b>	<b>Economic Theories Behind European Economic Policies – I.</b> <i>Luboš Komárek</i> <ul style="list-style-type: none"> <li>- Microeconomics behind economic integration</li> </ul>



27.4.	<b>LECTURE 10</b>	<b>Common Agricultural Policy</b> <i>Laurent Weill (Universite de Strasbourg)</i> <ul style="list-style-type: none"> <li>- the original system, the pressures to reform</li> <li>- the first wave of reforms: the introduction of supply-control mechanisms</li> <li>- the second wave of reforms: the MacSharry Reforms in 1992-1993</li> <li>- the third wave of reforms</li> <li>- CAP and the enlargement</li> </ul>
4.5.	<b>LECTURE 11</b>	<b>Competition and the EU Banking</b> <i>Laurent Weill (Universite de Strasbourg)</i> <ul style="list-style-type: none"> <li>- why banking integration matters</li> <li>- the evolution of bank competition in the EU countries</li> <li>- the evolution of bank efficiency in the EU countries</li> </ul>
11.5.	<b>LECTURE 12</b>	<b>Guest Lecture: Jan Sliva from the European Investment Bank</b>
18.5.	<b>LECTURE 13</b>	<b>Economic Theories Behind European Economic Policies – II.</b> <i>Luboš Komárek</i> <ul style="list-style-type: none"> <li>- Macroeconomics behind economic integration</li> </ul>