

Economic policy in the EU

2014-2015



Year 3
Block 3.3

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Faculty of International Business and Communication

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Course outline for Economic policy in the EU

Department	European Studies
Year	2014-2015
Block	3.3
Workload	56 hours <ul style="list-style-type: none"> • Workshops: approx. 12 hours (1,5 hours a week) • Self-study: 44 hours (approx. 6 hours a week)
Credits	2 EC
Course Objectives	<p>At the end of this course, students can form an opinion on economic policy of the EU and provide argumentation for their opinion using economics. They can:</p> <ul style="list-style-type: none"> • Categorize the main (macro-)economic tools • Identify how the EU applies the main (macro-) economic tools • Describe the strengths and weaknesses of the economic policy of the EU • Analyse the occurrence of the EU economic and financial crisis and the response of the EU • Write opinionated texts about economic policy in the EU, present their views to an audience and answer questions
Related ES competence(s)	<ul style="list-style-type: none"> • 1- The student is thoroughly familiar with and understands Europe in general and its institutions in particular. He is able to apply this knowledge professionally in a multidisciplinary and integrative way. • 3- The student possesses an excellent command of English in both speech and writing. • 5- The student is able to complete research, either individually or in a group setting, and to present - both orally and in writing - his findings in a professional manner, if necessary through the use of modern information technology.
International dimension	<ul style="list-style-type: none"> • This course offers insights in the interplay between the EU Member States and with its external environment from an economic perspective.
Related Courses	<ul style="list-style-type: none"> • This course is relevant for both specialisations since EU economic policy is all about public policy and its interaction with the business world. • This course is linked to: <ul style="list-style-type: none"> - 1.3 Introduction to Economics - 2.4 Public and Private Finance - 3.3 CIB: Country Analysis - 3.4 CPP: European Policy Analysis - 4.1 CPP: Economic External Policy in the EU
Course Instruction	<ul style="list-style-type: none"> • The course consists of 1 workshop a week (each 90 minutes)

Course Material	<ul style="list-style-type: none"> • This study outline • Material provided on Blackboard • Baldwin, C., Wyplosz, C., 2012, The economics of European integration, McGrawHill, 4th edition
Assessment	
○ Form	<p>The course grade is computed as follows:</p> <ul style="list-style-type: none"> • Group assignment (50%): the creation and running of a weblog by a group of students whereon the students write weekly opinionated texts about the subjects and literature treated in the course; comment on each other's work; and react to comments. <p>Please note that the students will be assigned a group grade, but that individual grades may differ depending on <u>presence and participation in the workshops</u>.</p> <ul style="list-style-type: none"> • Individual assignment (50%): one specific contribution to the weblog (<u>a post</u> adhering to specific standards) will be assessed as an individual assignment.
○ Criteria	Credits for the course are provided if all elements have been completed. The minimum grade for each part is a 5.5. This means that compensation between elements is not possible.
○ Re-sits	A re-sit is not possible. This will be replaced by a <u>written exam</u> in the exam period of 3.4.
Lecturer	<p>Emmy Nelissen</p> <p>✉ emmy.nelissen@zuyd.nl</p> <p>☎ +31 43 346 6653</p> <p>Room BR.1.33</p> <p>Office hours: Monday, Tuesday and Thursday</p> <p>Please send <u>an email</u> if you want to get in touch with the instructor outside the class.</p>

Week schedule Economic policy in the EU

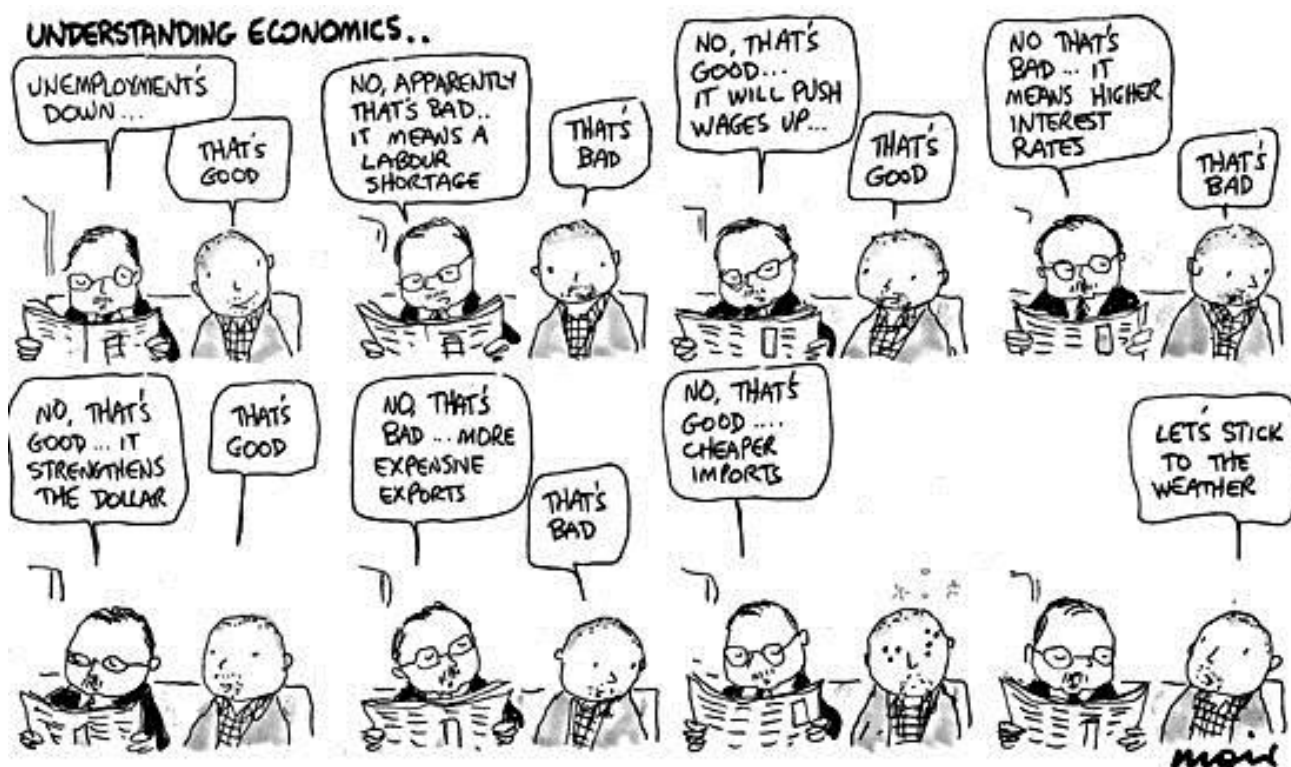
Week	Programme	Literature to read <u>before</u> the class and other necessary preparations (<i>cursive is extra in case you are interested</i>)
Week 1 9 Feb	<ul style="list-style-type: none"> • Introduction to the course • Introduction to the group and individual assignment • The science of Macroeconomics • How should government policy makers respond to the business cycle? 	<p><u>Read</u></p> <ul style="list-style-type: none"> • Read this course outline • Read Mankiw, 2013, Macroeconomics, chapter 1 The science of Macroeconomics • Read Mankiw, 2013, Macroeconomics, chapter 15 Stabilization policy • 32 pages in total <p><u>Do</u></p> <ul style="list-style-type: none"> • Create a group weblog and submit the latest by <u>Sunday 15 February, 17.00</u> a short document on Blackboard stating the name you have chosen for your group; the created weblog address of your group weblog; and the names of the students who will contribute to it.
Week 16 Feb	Holidays	
Week 2 23 Feb	<ul style="list-style-type: none"> • Weekly presentation by students with regard to group weblog activity • The European monetary union • Fiscal policy 	<p><u>Read</u></p> <ul style="list-style-type: none"> • Read Baldwin and Wyplosz, 2012, The Economics of European integration, chapter 16 The European monetary union • Read Baldwin and Wyplosz, 2012, The Economics of European integration, 17.1 Fiscal policy in the monetary union, McGrawHill, 4th edition, • Read IMF, Finance and Development, 2012, Fiscal policy: taking and giving away by Mark Horton and Asmaa El-Ganainy • 35 pages in total <p><u>Do</u></p> <ul style="list-style-type: none"> • Contribute to the group weblog • Prepare a weekly overview of group weblog activity and take it to class
Week 3 2 March	<ul style="list-style-type: none"> • Weekly presentation by students with regard to group weblog activity • Government debt and budget deficit 	<p><u>Read</u></p> <ul style="list-style-type: none"> • Read Mankiw, 2013, Macroeconomics, chapter 16 Government debt and budget deficits • 24 pages in total <p><u>Do</u></p> <ul style="list-style-type: none"> • Contribute to your group weblog • Prepare a weekly overview of group weblog activity and take it to class

		<ul style="list-style-type: none"> • Fill in the online self-assessment form and peer review form and submit both
Week 4 9 March	<ul style="list-style-type: none"> • Weekly presentation by students with regard to group weblog activity • Monetary policy • Peer review of weblog contribution 	<p><u>Read</u></p> <ul style="list-style-type: none"> • Read IMF, Finance and Development, 2012, Monetary policy: stabilizing prices and output by Koshy Mathai • Read Forbes, 2014, Why Russia is racking the rouble • Read The Economist, 2014, The rouble crisis, back to the lean years • Read BBC news, 2014, What is quantitative easing? • 16 pages in total <p><u>Do</u></p> <ul style="list-style-type: none"> • Contribute to your group weblog • Prepare a weekly overview of group weblog activity and take it to class
Week 5 16 March	<ul style="list-style-type: none"> • Weekly presentation by students with regard to group weblog activity • EU Competition policy, (Lisbon) 2020 Strategy and Common Agricultural Policy from an economic perspective 	<p><u>Read</u></p> <ul style="list-style-type: none"> • Read Baldwin and Wyplosz, 2012, The Economics of European integration, chapter 2.1 Economic integration in the EU • Read Baldwin and Wyplosz, 2012, The Economics of European integration, chapter 11.2 EU competition policy • Read Baldwin and Wyplosz, 2012, The Economics of European integration, chapter 9.5 Today's CAP and 9.6 Remaining problems • Read European Commission, 2014, work programme 2015 a new start • Read European Commission, 2014, factsheet, questions and answers_ the 2015 work programme • 37 pages <p><u>Do</u></p> <ul style="list-style-type: none"> • Contribute to your group weblog • Prepare a weekly overview of group weblog activity and take it to class
Week 6 23 March	<ul style="list-style-type: none"> • Weekly presentation by students with regard to group weblog activity • EU Stability and Growth Pact 	<p><u>Read</u></p> <ul style="list-style-type: none"> • Read Baldwin and Wyplosz, 2012, The Economics of European integration, 17.2 Fiscal policy externalities, 17.3 Principles, 17.4 Stability and Growth Pact, McGrawHill, 4th edition,

		<ul style="list-style-type: none"> • European Commission, 2014, The EU's economic governance explained • European Commission, 2014, development in economic governance • European Commission, 2014, Annual growth survey 2015 • 42 pages in total <p><u>Do</u></p> <ul style="list-style-type: none"> • Contribute to your group weblog • Prepare a weekly overview of group weblog activity and take it to class • Fill in the online self-assessment form and peer review form and submit both
Week 7 30 March	<ul style="list-style-type: none"> • Weekly presentation by students with regard to group weblog activity • The global financial crisis and Eurozone crisis • Peer review of weblog contribution • Evaluation of the course 	<p><u>Read</u></p> <ul style="list-style-type: none"> • Read Baldwin and Wyplosz, 2012, The Economics of European integration, chapter 19 The Eurozone in crisis • 27 pages in total <p><u>Do</u></p> <ul style="list-style-type: none"> • Contribute to your group weblog • Prepare a weekly overview of group weblog activity and take it to class
Week 8 6 April	No class	
Week 9 13 April	Exam period	<p><u>Do</u></p> <ul style="list-style-type: none"> • Submit your individual assignment (as part of the examination) the latest by <u>Thursday 16 April, 17.00</u> both by posting your text on the group weblog and by submitting it via the Blackboard drop box.
Week 10 20 April	Exam period	

1. Introduction to the course subject

The picture below actually says it all, but more explanation is given below the picture...



When entering into a conversation and you accidentally happen to be an economist, you typically get the question whether you are “micro” or “macro”. It seems a boring question, but there is a whole (and exciting) world behind this.

Micro-economists study the behaviour of individuals/small organisations (like students) in making decisions on the allocation of limited resources in the economy. It is all about how individual decisions (of among other consumers and producers) and behaviours have an effect on the markets where goods and services are bought and sold.

Macro-economists instead want to understand how the whole economy functions, rather than individual markets. They focus on understanding the causes and consequences of the business cycle and focus on understanding long-run economic growth. Macroeconomic theories, models and complicated forecasts are used by governments to implement **economic policy**. Interestingly, much of modern macroeconomic theory is built upon micro-economic assumptions with regard to micro-level behaviour. So....if you call yourself “macro” you cannot do without the “micro” part so in principle you are both.

By the time you reached this sentence, you will probably sigh: “But what is **economic policy**?” Well, that’s not at all easy to answer since it is an aggregate term for all actions taken by a government to influence its economy in case the general idea is that there is a **market failure** occurring. A market failure has many definitions and shapes but in principle means that the market is not clearing by itself leading to unemployment, and/or lack of price stability and/or hardly to no economic growth. In these cases, governments see it as their task to intervene through economic policies with the goal to improve the overall performance of the economy.

Typical objectives of government economic policy are to ensure sustained economic growth; stable prices (low inflation); a high level of employment; a rise in average living standards; a sustainable position in the balance of payments (with regards to external trade); and sound government finances.

Three typical tools in economic policy are **fiscal policy** (tweaking with taxes); **monetary policy** (tweaking with money supply); and **supply-side measures** (stimulating the supply side of the market). In Europe, a vast array of these policies is used to stimulate the European economy since there are many signs that we are in danger of losing our economic powerful position to other parts of the world (such as India, China, Brazil). This endangers our economic growth, employment rate and standard of living.

The problem within Europe is that the membership in the **European Monetary Union (EMU)** implies restrictions on monetary and fiscal policy. In this course we will examine what instruments are used within the EU with this restriction and how effective it has been, especially in relation to the EU crisis.

2. Course instruction

2.1 Didactical style: weekly workshop

The course instruction is straightforward. Weekly workshops are to 'tackle' difficult parts of the literature and 'practice' with the subject matter. The instructor may provide a short lecture explaining a particular part of the literature or providing an overview of the subject matter. The main goal of the workshops is however to let you 'play' with the subject matter and make you sufficiently skilled to formulate an opinion on the matter at hand using the acquired economic knowledge. The idea is that you gain through this course insight in the economic policy of the EU and get a broad understanding of the complexity of the matter and can form an opinion backed-up with solid economic argumentation.

Obviously for this to work it is essential that the reading and preparation for each workshop is done by everybody participating as much as possible **before** the start of the workshop. Otherwise, the instructor will not get anywhere with the subject matter and is forced into giving 'lecture-like' workshops which are by far less interesting and less fun than simply playing around with the subject matter through interactive exercises. So make sure you come prepared to class.



2.2 Pedagogy behind it

Learning always requires a triple **learning strategy** consisting of:

Nr.	General description of the learning strategy elements	Description for this course specifically
1	Acquiring knowledge and skills in relation to the subject matter	Reading literature about economics and economic policy in the EU
2	Integrating the subject matter in existing knowledge and skills	Link to what you have read to what you already know
3	Implementing the subject matter in practice	Practice to grasp the complexity of economic policy in the EU and argument your view on it using economics

Most often, workshops concentrate on the first element; helping students acquiring knowledge and skills. But in this course, it is the literature that you should read at home that helps the knowledge acquisition process. The subsequent ‘digestion’ of what is newly learned is an individual process of each student. The third element in the shape of playing around with the study material (implementing it in practice) will help to reach this integration and is the core business of the weblog assignment and workshops. This can only work if all students work on their group weblogs and properly prepare for each workshop by digesting all the study material beforehand.

2.3 Reading material

The weekly overview on the previous pages explains all the reading material. You will find this literature published on Blackboard. Besides this literature, it would be good for the work on the weblog to read newspapers and magazines dealing with economic news. This way, theoretical economic knowledge gets connected to the daily news.



3. The weblog assignment

Assessment will take place two-fold (group and individual) using one tool: a **weblog** that a group of students will create and run on a weekly basis. The weblog will assist you to process information from the literature, reflect on it and document your views, opinions, ideas about it.

Since this is a pilot for us, the lecturer will also create and run a weblog. This way, the lecturer will undergo the same experience and see how it goes in practice. The website has already been created and a first blog post has been put online. Check out:

<https://emmynelissen.wordpress.com/2015/02/05/getting-started/>

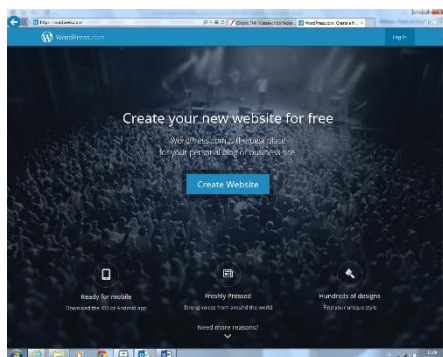
3.1 Group assignment: creation and running of a weblog

Setting up the weblog environment

So what is a weblog? It is your own website that you update on an ongoing (weekly) basis. It offers you a place to express yourself to the world. You can use it to share your thoughts, passions, ...and frustrations. It can be anything you want it to be. Most often, a weblog is an individual 'possession' but for this course we like you to 'own' it together with several group members. This way, you can share the 'burden' of weekly updating it, and it creates a natural platform for you to interact with your group members: read each other's work and comment on it. In case you read weblogs of other groups of students you can also decide to blogroll in your texts and literally refer to the other group of students blogging. This way you also create interaction with the other groups. Obviously you can also post comments on their weblogs.

Besides sharing your work with other students and the lecturer we want you to share your work with the world. You can send the address of your group weblog to friends, lecturers, parents so that they can read your blogs and comment on them as well. You can also link your group weblog to Facebook.

Wordpress seems to be a relative easy software tool to start-up a weblog. Check out www.wordpress.com and scroll to the bottom to put the language to **English**. Click on 'Create website' and follow the instructions! You can also choose a different tool That is up to you.



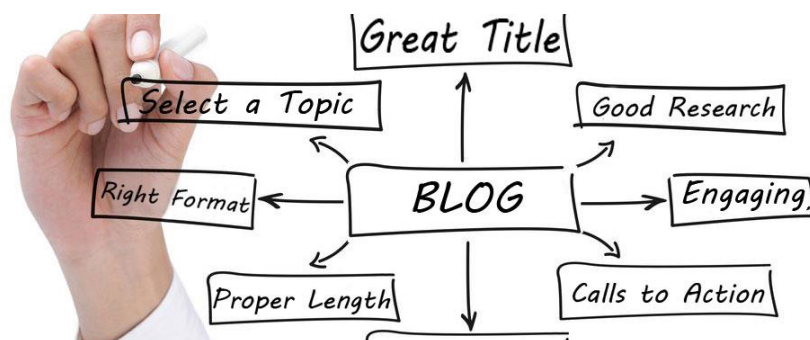
Do notice that this software is made in such a way that one author 'owns' the website. So it can only be linked to one student name, email address, and Facebook account. So think carefully about this. Perhaps you want to create a separate email address and Facebook group for this course or 1 student volunteers to link it up to his/her profile. Obviously, sharing the username and password for uploading weblog texts is something easy to organise in your group so that won't be a problem.

Writing blog posts

Once you have created your weblog, your design and the whole environment you can start writing your very first blog post. The idea is that each group member does this individually on an ongoing basis throughout the course. **For this to work, make sure you always write down your name at the end of each blog you post and also each comment you may post!!!**

Remember that a weblog is platform where you can share whatever you want to the whole world. For this course, this 'sharing' is limited (but no less fun) to the course content and subject, e.g. economic policy in the EU. So make sure to adhere to this. But otherwise you are free to give it your own 'flavour'. Just to give you an idea...you can write in the shape of a diary reflecting on what this course does to you; you can also use it to write about the literature and share your knowledge about this and link it to the daily news; you can stir a discussion by making a statement about the subject and include argumentation; you can use with visuals (pictures, graphs, etc.); or you can decide to organise something more out of the box and do a poll or a short survey what your fellow students find of a certain economic news item (Grexit for example) and report on the results in your blog.

Blogs are typically short with a maximum of around 1 page of text including some pictures. It also has to be attractive for the reader. And you want as many readers as possible who also comment! So make sure you keep an eye on the comments and organise it in your group in such a way that you regularly react on any incoming comments. Have a look on the web for tips on how to write a blog. There are many sites which give useful advice such as: <http://www.singlehop.com/blog/the-blog-behind-the-blog-7-lessons-learned-for-writing-great-blog-posts/>



Weekly update

From week 2 onwards, you will need to submit to the lecturer a weekly update of group effort. The form to submit is included in **annex 1**. Always bring 1 copy to the class and submit it to the lecturer.

Examination

At the end of the course, the lecturer will assess the overall quality of the group work on the weblog. The grade is in principle a group grade and will count for 50% of your overall grade for this course. However, during the course we will have two reflection moments (online self-assessment and peer review) and this input combined with the own judgement by the lecturer on the basis own observation in the workshop (presence and participation) may lead to a lower or higher grade for individual students. Thus, your presence and participation during the workshops is important for your final grade!

3.2 Individual assignment: write-up of a weblog article

At the end of the course, each student will write one blog post on the basis of information from a minimal of two literature sources dealing with a particular subject relevant for this course. These sources may be from the mandatory literature list but this is not required. **Your blog post should be a write-up of your view on the subject matter and your argumentation behind it, using the minimal of two literature sources and applying economic terminology.**



Subjects can for example be your explanation of the Eurozone crisis; what you think about the monetary policy of China and how it affects the world economy; or whether you think the fiscal policy of the US is smart.

'Literature' covers everything that is written on the chosen subject: books, journal articles, newspaper articles, historical records, government reports, theses and dissertations, etc. It is important that the source is reliable, up to date and 'relevant'. In your case, relevant work deals directly with economic policy within and outside the EU.

A word list is provided on the next page from which **at least** 4 words should turn up in your blog post. This way the lecturer can be pretty sure that the literature you review is relevant for the course. In case of doubt, please contact the lecturer to discuss your chosen literature.

Your blog post should consist of the following items:

- ✓ A **title** and short **introduction** in which you clearly describe (and limit) the chosen subject.
- ✓ The main body should include **your view** on the subject and why you have this opinion (so argumentation). Use facts and examples to make your point and make sure you clearly reference to the minimal of 2 literature sources.
- ✓ A **minimal of 4 words from the word list** below should be clearly and appropriately used in your text. Please make them **bold and underline** them in your post.
- ✓ Finalise with a clear **conclusion** and end the text with **your name!**
- ✓ The review should not be longer than **1,5 pages**. Use normal line spacing and word size.
- ✓ **Use of graphs and pictures** are allowed as long as referencing of the sources is correctly done and a clear link exists with the written text.
- ✓ Make sure to reference your sources appropriately within the text (preferably by including a weblink to the digital source). You do not need to submit a literature list and the end of the text!

Absolute deadline for submitting is **Thursday 16 April, 17.00**. Make sure to do this via the group weblog and the drop box on Blackboard.

Annex 2 includes the evaluation grid which the lecturer will use to assess your work and grade it.

Table 1 Word list

Accountability	Economic growth	Fiscal discipline	Maastricht treaty	Single market
Automatic stabilizer	Employment	Fiscal policy	Merger control	Six pack
Bank regulation	EMU	GDP	Monetary integration	Sovereignty
Bond	EU integration	Government debt	Monetary policy	Stability and growth pact
Budget deficit	Euro	Government spending	Money demand	State aid
CAP	European Commission	Greece	Money supply	Stock market
Central bank	Eurosystem	Inflation	Optimum currency	Subprime lending
Competition policy	Eurozone crisis	Interest rate	Price	Subsidies
Convergence	Exchange rate	Internal market	Public debt	Supervision
Country bailout	Farm size	Investment	Quantitative easing	Taxes
Discretionary policy	Financial deregulation	Keynes	Sanction	Trade
ECB	Financial market	Lisbon 2020	Single currency	Treaty of Rome

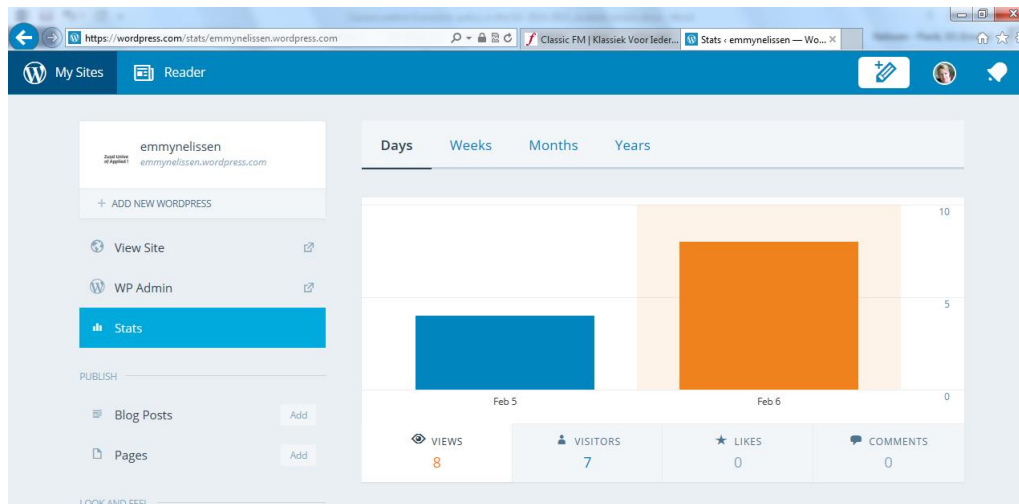
Annex 1: Form for the weekly update on the weblog group assignment

General information

Weblog title: xxx
Update about week: xxx
Date of submission to lecturer: xxx

Statistics

Please include a screenshot of your stats page. See the example below.



Content

Please write down in bullets how many blogs have been posted and by whom and how many reactions have been made to any comments and by whom. An example below is:

Blogs

- Will a grexit harm the EU? Jens Huisdorp
- The do's and don'ts of monetary policy. Annet Wielenga

Comments

- From the students-inside the group: 2 from Sven Smeets, 3 from Piet Langdorp
- From the students-outside the group: 6 from Bo Dam, 5 from Faye Lewis
- From external: 20

Reactions

- Will a grexit harm the EU? 10 comments and 5 reactions by Jens Huisdorp
- The do's and don'ts of monetary policy. 2 comments and 2 reactions by Annet Wielenga

Self-reflection

	?	1	2	3	4	5
Number of webposts						
Quality of the economic content of the webpost						
Daring to tackle difficult subjects						
Number of reactions to comments						
Overall assessment of what you think as a group of the weblog quality this week						

Annex 2: Evaluation grid for the individual assignment: write-up of 1 blog post

Name student			
Course	3.3 Economic policy in the EU		
Study year	2014-2015		
Date			
Evaluator			
Presentation of the text	Achieved score	Maximum possible score per element	Comments
The presentation of the blog article is attractive with care for detail. The student name is written at the end. <i>The length does not exceed 1,5 pages and there is a good link between text and visuals. Any subdivision in sub-titles or paragraphs is logic and there is a title.</i>		10	
Referencing done to any used literature is clear and appropriate for the subject matter. <i>Information in the blog article is backed-up with referencing. The used sources are relevant, up to date and reliable and it is clear which 2 literature sources form the basis.</i>		10	
The use of English language is correct <i>Grammar, vocabulary, and writing style is correct.</i>		10	
Content of the text			Comments
Introduction <i>Strong title and the intro explains the subject.</i>		10	
Main body <i>The main body makes it clear to the reader what the opinion of the writer is on the subject.</i>		10	
Argumentation <i>The argumentation behind the opinion is well-thought through and shows knowledge of economics.</i>		20	
Use of economic terminology <i>At least 4 terms from the word list are correctly applied.</i>		20	
Conclusion <i>The blog article finalizes with a clear conclusion.</i>		10	
		100	
Final comments			

