

# International Trade Theory - Politique économique et intégration européennes

## Lecturers

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## Course mnemonic

ECON-S3001

## ECTS credits

5 credits

## Language(s) of instruction

English and French

## Course period

First term

## Campus

Solbosch

## Course content

### PEIE

The first part of this course defines the concepts and tools necessary to analyse the process of European integration and to discuss European economic policies. It covers key facts concerning European economies, describes the main steps in the process of European economic integration and presents information on core EU institutions, as well as the main features of the EU budget. It also introduces the objectives, instruments and limitations of the political economy. These concepts and tools are used to discuss current challenges facing the EU and to consider European economic policy debates. The main lessons of the crises having affected the EU (the financial and debt crisis, the pandemic crisis and the energy crisis) will also be analysed.

The second part presents the microeconomic aspects of European integration and important microeconomic policies of the EU. It starts with a short overview of the different theories necessary to understand the impact of the integration of goods and services markets, such as the analysis of the formation of a customs union and of international trade in a situation of imperfect competition. These theories are combined to explain the effects of European market integration in the presence of scale economies and imperfect competition. This framework is used to understand the objectives of the creation of the European internal market and to analyse its main economic effects. Two microeconomic policies essential for a good functioning of the European internal market are also examined: EU industrial and competition policies. A special attention will be given to the complementarities between these two policies and the objectives of the European Green Deal.

The third part concerns the European monetary integration. It starts with a short overview of the history of EMU. Thereafter, it presents the theory of the optimum currency area and uses this framework to discuss the benefits and costs of a monetary union and to analyse whether the euro area is an optimum currency

area. It will also briefly discuss the next proposals for the economic governance of the euro area and the EU.

## Objectives (and/or specific learning outcomes)

### PEIE

- › Understand and apply the concepts, tools and economic models useful for the analysis of the process of European economic integration and the examination of European economic policies
- › Have a good understanding of the main steps in EU economic integration, of the functioning of core EU institutions and of key European economic policies in order to be able to develop an objective and logical analysis of the main challenges facing the EU.
- › Analyse the quality of statistical and quantitative data of the economic situation and the degree of market integration within the EU and draw clear and logical conclusions from this analysis.

## Pre-requisites and co-requisites

### Required knowledge and skills

#### PEIE

Basic concepts of micro and macroeconomics.

## Teaching method and learning activities

### PEIE

- › Readings and preparatory work to be done by students on a voluntary basis.
- › Ex-cathedra lectures and discussion of work done by the students.

## Contribution to the teaching profile

### PEIE

- › Apply fundamental concepts, tools and models in economics to formulate and analyse European economic issues (including sustainable development).
- › Adopt a scientific approach to data analysis and communicate results with clear and structured arguments.
- › Display critical thinking, logical and abstract reasoning in an independent approach to learning.
- › Assess the quality of a statistical or quantitative analysis of an economic problem.
- › Recognise ethical dilemmas.

## References, bibliography and recommended reading

### PEIE

Provided by the teacher on the UV.

## Course notes

Université virtuelle

## Other information

### Place(s) of teaching

Solbosch

### Contact(s)

**PEIE**

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### Evaluation method(s)

written examination

### Evaluation method(s) (additional information)

**PEIE**

A written exam will be organised. An oral exam might also be organised.

The written exam will include a MCQ, a MRQ and open questions. Students will have to provide short answers to the open questions.

### Determination of the mark (including the weighting of partial marks)

This is a written exam including a QCM, a QRM and open questions aimed at checking that the student has learnt the course material,

but above all, has understood the concepts taught and obtained the capacity to use them in practice. The teaching unit is credited if the student has a mark above or equal to 10. However, it is credited only if the required skills in the two parts of the teaching unit (PEIE and ITT) have been acquired, meaning that the student has a partial mark above or equal to 8/20 for each of them. If the teaching unit is credited, the mark is the average of the partial marks obtained for PEIE and ITT. If the teaching unit is not credited because one of the marks in PEIE or ITT is below 8/20, the lowest mark is considered as the final grade of the teaching unit.

A student has an automatic carry forward of his/her mark from the first to the second session if he or she has a mark above or equal to 10. However, a student who has a mark carried forward from the first to the second session and who decides to take the exam during the second session loses the mark he/she obtained during the first session. The final mark taken in consideration is the one obtained at the exam of the second session even if it is lower than the mark obtained during the first session.

### Main language(s) of evaluation

French

### Other language(s) of evaluation, if applicable

English

## Programmes

### Programmes proposing this course at the Solvay Brussels School of Economics and Management

BA-ECON | Bachelor in Economics : General | unit 3 and BA-INGE | Bachelor in Business engineering | unit 3

