



STUDY PROGRAMME

ECO + ECO-EPPA

ACADEMIC YEAR

2023 - 2024

SEMESTER

1st

COURSE TITLE

EUROPEAN MACROECONOMICS

COURSE PROFESSOR

LORENZO CODOGNO

COURSE ASSISTANT

UYANGA LKHAGVAJAV

NATURE OF COURSE (COMPULSORY, OPTIONAL)

COMPULSORY

LANGUAGE OF INSTRUCTION

ENGLISH

ECTS CREDITS

4.5

## 1. COURSE OBJECTIVE

Providing an intermediate understanding of macroeconomics, with an overview on the institutions and rules underlying the European Union and the Euro Area, and the role of financial markets. Examining monetary and fiscal issues, and their interaction. Evaluating the origins and the nature of macroeconomic imbalances in the EU/Euro Area, financial sector issues, and macro stabilisation tools. Critically evaluating and discussing key macroeconomic aspects of European economic and financial integration.

## 2. LEARNING OUTCOMES

On completion of this course, students should:

- a. have a good understanding of the main tenets of macroeconomic theory;
- b. be able to link macroeconomic theory to EU policy themes;
- c. explain and critically evaluate the institutions and rules underlying monetary and fiscal policies\*, and to discuss proposals for their reform;
- d. be able to take position in the debate concerning the sources of macroeconomic and current account imbalances in the Euro Area;
- e. to evaluate the factors underlying convergence, or the lack thereof, of Euro Area economies, and the role of monetary and fiscal (budgetary) policies in this context;
- f. to discuss the recent developments following the pandemic crisis;
- g. to discuss the macroeconomic aspects of European unemployment.

The learning outcomes for this course tie in with the following learning outcomes for the European Economic Studies programme:



- i) describe, explain and illustrate core economic theory and selected policies related to economic integration;
- ii) use economic theory to assess current problems and policies;
- iii) think innovatively and provide constructive analytical commentary as well as potential recommendations on the evolution of the EU and its possible future development;
- iv) recognise the importance of empirical foundation for knowledge acquisition and evidence-based policies and use quantitative techniques and other empirical methods to evaluate theoretical knowledge;
- v) be autonomous in their preparation and review of materials for the courses as well as in their completion of assignments bearing different requirements in terms of methodology, workload and evaluation of the final work;
- vi) demonstrate knowledge of the European Union' institutions, competences and substantive principles;
- vii) recognise, analyse, explain and critique economic developments and economic policies in Europe;
- viii) acquire a strong knowledge of broader social and political conditions and developments in Europe.

\*The content of the course has been coordinated with Martin Larch's course in the second semester, and thus it will be light on fiscal matters.

### 3. COURSE CONTENTS

- A. Monetary Policy in the Euro Area and the role of expectations
- B. Fiscal (Budgetary) Policy in the Euro Area, its stabilisation role, the political economy of deficit and debt dynamics
- C. Fiscal Policies and Structural Reforms
- D. Macroeconomic and Current Account Imbalances
- E. Perspectives for the Euro Area economy
- F. Special Topics

### 4. TEACHING METHOD(S)

Lectures with class participation.

### 5. COURSE MATERIAL

The reference text is Wendy Carlin & David Soskice 'Macroeconomics, Institutions, Instability, and the Financial System', available in the library. Lecture notes and readings will be made available through the course web page.

### 6. EVALUATION

Grades will be taken from a closed-book written exam with three hours in length, which will take place during the November-December first examination session. The exam will consist of five questions divided into sub-questions. The weight of each question will be indicated. For those who will have to do resit exam, the written exam counts for 100% of their grades.



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# ECTS CARD

**The College of Europe reserves the right to change the delivery and assessment of the course in case of restrictions related to the Covid-19 pandemic. Any communication from the Department in this regard takes precedence over the information provided in this ECTS card.**