



STUDY PROGRAMME

ECO-EPPA + ECO + EEIB + ECO-ELEA

ACADEMIC YEAR

2021 - 2022

SEMESTER

2

COURSE TITLE

ECONOMIC ADVICE TO EU POLICY MAKING – CASE STUDIES

COURSE PROFESSOR

KOEN JONKERS

COURSE ASSISTANT

JEANNE MOUTON

NATURE OF COURSE (COMPULSORY, OPTIONAL)

COMPULSORY (ECO-EPPA)
OPTIONAL (ECO, EEIB, ECO-ELEA)

LANGUAGE OF INSTRUCTION

ENGLISH

ECTS CREDITS

4,5

1. COURSE OBJECTIVE

This module provides students with a practical introduction to economic advice to policy makers in the European institutions – with practical case studies. We will cover theory about the nature of scientific advice to policy and the specificities of economic knowledge as well as on how to impact policy and how as a policy makers to make use of economic advice. This is followed by a series of case studies with practical examples on the use of economic indicators, micro-economic impact assessments, macro-economic modelling, monetary and fiscal policy, competitiveness and innovation, competition policy, economic advice by the European Commission to member states and the use of behavioural insights in EU policy making.

2. LEARNING OUTCOMES

On completion of this course, students should be able to:

1. Identify and compare the main approaches towards Economic Advice to policy
2. Identify some of the challenges underlying the interaction between economists and policy makers.
3. Discuss and describe how economic knowledge is used across various policy areas in the EC commission at different phases of the policy cycle.
4. Evaluate different practical instances of economic advice to policy as well as the impact economic advice has had in different instances.
5. Demonstrate how to responsibly formulate economic advice to policy makers through discussion in class and a written policy brief.

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

1. Use economic theory to assess current problems and policies;
2. Understand the normative assumptions, implications and limitations of economic theory and economic policy making.
3. Learn how to acquire relevant information in related disciplines (law, political science).
4. Ability to demonstrate independent learning skills, communicate and work in a group, discuss and negotiate.



5. Find, select, critically evaluate and use references, data and other sources of information within a short amount of time and of suggesting possible actions that contribute to problem-solving in a creative way
6. 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.
7. Think innovatively and provide constructive analytical commentary as well as potential recommendations on the evolution of the EU and its possible future development.
8. Recognise, analyse, explain and critique the impact of economic advice on EU policy making.

3. COURSE CONTENTS

1. **What is Economic advice to policy making?**
 1. Introduction to scientific advice to policy making
 2. The specific nature of economic advice
2. **Economic indicators**
 1. The ethics of quantification
 2. The benefits and drawbacks of simplification
 3. Supporting narrative economics with indicators to achieve impact
3. **Macro-economic models**
 1. The Policy Cycle and better regulation
 2. Responsible use and presentation of models
 3. The benefits and challenges of using models
 4. Economic modelling case study: regional policy
4. **Micro-economic impact assessments**
 1. The policy cycle
 2. The use of counterfactual impact assessment in "better regulation"
 3. Case study: employment policy
5. **Monetary and financial policy**
 1. Economic advice in fiscal and monetary policy
 2. The Euro crisis
 3. Case study: the use of economic evidence in current monetary and financial policy
6. **Competitiveness and innovation policy**
 1. Recent trends in economic advice to innovation policy
 2. Rankings and Scoreboards
 3. The role of the OECD
 4. Case study: competitiveness
7. **Competition policy**
 1. Shifting influence of economic ideas that shape competition policy
 2. Economic vs legal advice and advisors
 3. A practical example of the use of economic evidence in competition policy
8. **Economic advice by the European Commission to Member States**
 1. The European Semester
 2. The Recovery and Resilience Facility
 3. Case study: what (type of) advice has been taken by Member States
9. **Behavioural insights and EU policy making**
 1. Understanding the values of economists
 2. Understanding the values of policy makers
 3. The evolution of behaviourally informed policy making in the EU
 4. Economic advice to policy making: practical approaches and co-creation
10. **Presentations of policy briefs**
 1. Presentation and discussion of policy briefs by the students

4. TEACHING METHOD(S)

Lectures with class participation, student presentation and discussion of articles/chapters, lectures and Q&A with senior guest speakers from the EU institutions.



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ECTS CARD

5. COURSE MATERIAL

Lecture notes and readings.

6. EVALUATION

The course evaluation will be based on:

- A Policy Brief report of 2000-3000 words, accounting for 60pc of the final grade.
- A presentation for the class, representing a policy audience, representing 30pc of the final grade.
- An assessment of participation in class, representing 10pc of the final grade.

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.