

The European Union now includes 25 countries and is scheduled to expand further in the near future. Its population substantially exceeds that of the United States and its GDP slightly exceeds that of the US. This course examines the many economics aspects of the European Union in comparison to the US. Viewed as a series of questions, the course considers, for example, the following:

- What led to the formation of the European Union?
- Is the EU becoming a United States of Europe?
- How did the formation of the EU affect the economies of its member states?
- How did the formation of the EU affect the economies of bordering nations?
- How was the Euro introduced?
- What economic effects did adoption of the Euro have?
- Why did some EU countries choose not to adopt the Euro?
- Will the Euro replace the US dollar as the international currency?
- Is the US economy positively or negatively affected by the EU?
- Is the European Union going to survive?

The textbook for the course is *The Economics of European Integration* by Richard Baldwin and Charles Wyplosz, 2nd edition, 2006, published by McGraw-Hill.¹ In addition to covering most of the text, the course will introduce you to the current economic conditions in the member states and compare them to those of the United States. The course will also consider the legal framework of the European Union as it affects such matters as employment and competition, and the difficulties thus presented to US companies operating in Europe.

Grading in the course will be based on a midterm and a final exam, each accounting for 50% of the final grade. Plus/minus grades are not used. *All students will be graded on the same basis and no other factors will affect the grade. Students are thus cautioned not to discuss their “need” for a certain grade or inquire about extra credit projects.* Students may record the lectures and share these and notes with other students, as long as they are not sold. The final exam will be given at 3:30 on Wednesday, December 13. Under no circumstances will the exam be given early—so do not schedule trips home or elsewhere until after the final exam.

Students will be given their textbook reading assignments at least a week in advance, except for the first week. The date of the midterm exam will be announced two weeks before the exam.

¹ Caution: You may find copies of the 2004 edition of this text available. Because of dramatic recent changes in the EU since that edition, it is very much obsolete. Don't buy it!