



EC 342 EUROPEAN REGIONAL ECONOMIES

IES Abroad Madrid

DESCRIPTION: As Europe forges an increasingly closer union, regions have emerged as important actors, both economically and politically. The purpose of this course is to study, particularly from an economic perspective, the origins, significance and possible futures of the so-called “Europe of Regions”, in a context of increasing economic and political interdependence.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: A background in economic theory and a basic knowledge of statistics.

METHOD OF PRESENTATION:

Lectures : where fundamental aspects of the topics will be presented.

Class Discussion: where we will compare and contrast different views on the subject.

DEBATES : where we will deploy our analytical and discussion abilities.

Individual oral presentation: From Session 6 onwards, a presentation (on an individual basis) of about 15-20 minutes on a topic related to the subject to be covered that day in class will take place. Students are expected to conduct research on the session's topic and evaluate the claim of at least one academic publication about the topic at hand. The grade obtained will depend on the depth, clarity and originality of the presentation.

Group projects: A team of two student will work on a project applying one of the class topics to the analysis of the economic situation of one of the regions of Europe. While one of the students will be responsible for the exploration and evaluation of academic literature on the topic and on the region, the second will be responsible for researching and interpreting first hand data on the topic.

REQUIRED WORK AND FORM OF ASSESSMENT:

- Mid-term exam (20%)
- Final exam (20%)
- Class participation and quizzes (25%)
- Topic Presentation (15%)
- Group project work (20%)

LEARNING OUTCOMES:

By the end of the course students will be able to:

- explain the theoretical bases for economic integration;
- describe and analyse the historical course of European integration;
- identify and illustrate the impact of integration on distinct national and regional economies (e.g. labour mobility, education, competitiveness, etc.);
- discuss and analyse key issues facing the contemporary European economy and its continued integration;
- define the main indicators of economic performance, find and interpret economic data, and discuss it from a comparative perspective;
- demonstrate an ability to investigate and effectively communicate their knowledge on a specific European economic topic to the rest of the class.

ATTENDANCE POLICY:

Attendance is mandatory for all IES Abroad classes, including course-related trips. Any exams, tests, presentations, or other work missed due to student absences can only be rescheduled in cases of documented medical or family emergencies. If a student misses more than three classes in any course 3 percentage points will be deducted from the final grade for every additional absence. Seven absences in any course will result in a failing grade.

CONTENT:

Session	Content	Required Reading
Session 1	Overview of the course and its requirements. Sources, evaluation, expectations.	
Session 2	What determines regional economic growth	Acemoglu, D. Johnson, Simon. Robinson J.A. (2002) Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. In <i>The Quarterly Journal of Economics</i> , Vol. 117, No. 4 (Nov., 2002), pp. 1231-1294.
Session 3	What determines regional economic growth	Acemoglu, D. Johnson, Simon. Robinson J.A. (2002) Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. In <i>The Quarterly Journal of Economics</i> , Vol. 117, No. 4 (Nov., 2002), pp. 1231-1294.
Session 4	The industrialization of Europe.	Pollard, Sydney (1998). Industrialization, 1740 to the Present. In R.A. Butlin and R.A. Dodgshon (eds.), <i>An Historical Geography of Europe</i> . London: Oxford University Press: 280-296.
Session 5	A historical perspective of the European regions and cities.	Sutcliffe, Anthony (1998). The Urbanization of Europe since 1500. In R.A. Butlin and R.A. Dodgshon (eds.), <i>An Historical Geography of Europe</i> : 300-310. London: Oxford University Press.
Session 6	Foundations of the European integration.	McCormick, John (2003). The evolution of the EU. in J. McCormick, <i>Understanding the European Union: A Concise Introduction</i> . New York, NY: Palgrave: 56-83.
Session 7	The institutions of the European Union.	McCormick, John (2003). The evolution of the EU. in J. McCormick, <i>Understanding the European Union: A Concise Introduction</i> . New York, NY: Palgrave: 84-113.
Session 8	Why regions? An overview of the arguments.	• Assembly of European Regions (2000). The Regional situation in Europe in the year 2000. • Assembly of European Regions (2006). AER White Paper on the Role of the Regions in Europe.
Session 9	European integration and the regions: policy and significance.	• European Structural Funds. Information from the European Regional Policy website. Available: http://ec.europa.eu/regional_policy/index_en.htm. Accessed: 8 October 2007. • Südekum, Jens (2005). Normative and Positive Problems of Regional Policies. In Bradley, John, Petrakos, George & Traistaru, Iulia (Eds.) <i>Integration, Growth and Cohesion in an Enlarged European</i>

		<i>Union</i> , ZEI Studies in European Economics and Law, Volume 7, Chapter 12, pp. 313-328.
Session 10	Statistical data on regions of Europe	European Communities (2012). Regions: Statistical Yearbook 2012. Available: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-HA-12-001/EN/KS-HA-12-001-EN.PDF . Accessed: 18 May 2013.
Session 11	The changing patterns of European regional policy.	Bachter, J. and D. Yuill (2001). Policies and Strategies for Regional Development: A Shift in Paradigm? In <i>European Policies Research Centre</i> . University of Strathclyde. Regional and Industrial Policy Research Paper No. 46: 5-18.
Session 12	The EU enlargement and the regional impact.	Hughes, J., G. Sasse and C. Gordon (2001). The Regional Deficit in Eastward Enlargement of the European Union: Top Down Policies and Bottom Up Reactions. University of Sussex, ESRC "One Europe or Several" Programme. Working Paper 29/01: 8-14. Available: http://www.one-europe.ac.uk/pdf/w29gordon.pdf . Accessed: 8 October 2007.
Session 13	Mid-term exam.	
Session 14	Crisis in Eurozone	- Rosenthal, John (2012) Germany and the Euro Crisis: Is the Powerhouse Really So Pure? In <i>World Affairs</i>, May/June 2012: 53-61. - Garton Ash, Timothy (2012) The Crisis of Europe. In <i>Foreign Affairs</i>, Vol. 91 Issue 5: 2-15. - Laqueur, Walter (2012) The Weimar Union. In <i>The New Republic</i>, August 2012: 15-17. - Bergsten, C. Fred (2012) Why the Euro Will Survive. In <i>Foreign Affairs</i>, Vol. 91 Issue 5: 16-22.
Session 15	Crisis in Eurozone	- Höpner M. and Schäfer A. (2007) A New Phase of European Integration: Organized Capitalisms in Post-Ricardian Europe, MPIfG Discussion Paper, 07/4. - Schmidt, Vivien (2010) A. EU Economic Solidarity: A Great Leap Forward or a Bridge too Far? available: http://www.polsoz.fu-berlin.de/en/v/transformeurope/ueber_uns/Newsletter/KFG_Newsletter_02_10_Online.pdf. Accessed: 14 January, 2013. - Bohle, Dorothee (2010) The Crisis of the Eurozone. EUI Working Papers, RSCAS 2010/77.
Session 16	Economic integration, political disintegration? Theoretical framework.	Alesina, Alberto, E. Spolaore and R. Wacziarg (2000). Economic Integration and Political Disintegration. In <i>American Economic Review</i> , 90(5): 1276-1296.

Session 17	Impact of the euro on the regions.	• Martin, Ron (2001). EMU versus the regions? Regional convergence and divergence in Euroland. In <i>Journal of Economic Geography</i>, 1: 51-80. • European Central bank (2006). The European Central Bank, the Eurosystem, the European System of Central Banks. Available: http://www.ecb.int/pub/pdf/infobr/ecbbr2006en.pdf. Accessed: 8 October 2007.
Session 18	Clusters: the policy and regional case studies.	• Ketels, Christian (2004). European Clusters. Structural Change in Europe 3 – Innovative City and Business Regions. Hagbarth Publications. Available: www.isc.hbs.edu/pdf/Ketels_European_Clusters_2004.pdf. Accessed: 8 October 2007. • Ketels, Christian. (2006). Michal Porter's Competitiveness Framework – Recent Learnings and New Research Priorities. In <i>Journal of Industry, Competition and Trade</i>, 6(2): 115-136.
Session 19	Economic performance of regions.	• Porter, M. E. (2003). The Economic Performance of Regions. In <i>Regional Studies</i>, 37(6): 549-578.
Session 20	Education, Immigration and regional growth patterns.	• Rodríguez-Pose, A. and M. Vilalta-Bufí (2005). Education, migration, and job satisfaction: the regional returns of human capital in the EU. In <i>Journal of Economic Geography</i>, 5: 545-566.
Session 21	Spain's country within a country: Catalonia.	• Sala-i-Martin, Xavier (2002). The Independence of Catalonia: The Economic Viability. Script prepared for a Conference at the Ommium Cultural. Available: http://www.columbia.edu/~xs23/papers/independ%20english.htm. Accessed: 8 October 2007.
Session 22	Violent dimensions of regional assertiveness: The Basque Country and Northern Ireland.	• Cremin, Donnchadh (2002). A Short History of the Conflict in Northern Ireland. Available: http://www.clannada.org/irelandconflict.php. Accessed: 8 October 2007. • Weiss, Meredith (2002). The Basque Nationalist Movement. The MacMillan Center – Yale University. Available: www.yale.edu/macmillan/globalization/basque.pdf. Accessed: 8 October 2007. • A brief history of strife. In <i>The Economist</i> (2 December 1999): 56-57.
Session 23	Ireland: a successful economic "region".	• Murphy, Antoin E. (2000). The 'Celtic Tiger' – An Analysis of Ireland's Economic Growth Performance. Robert Schuman Centre for Advanced Studies. European University Institute. Working Paper RSC

		No. 2000/16: 3-14. Available: www.iue.it/RSCAS/WP-Texts/00_16.pdf . Accessed: 8 October 2007. • The tiger tamed. In <i>The Economist</i> (12 December 2002): 29.
Session 24	Group Presentations	

Final Exam

REQUIRED READINGS:

- A brief history of strife. In *The Economist* (2 December 1999): 56-57.
- Acemoglu, D. Johnson, Simon. Robinson J.A. (2002) Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. In *The Quarterly Journal of Economics*, Vol. 117, No. 4 (Nov., 2002), pp. 1231-1294.
- Alesina, Alberto, E. Spolaore and R. Wacziarg (2000). Economic Integration and Political Disintegration. In *American Economic Review*, 90(5): 1276-1296.
- Assembly of European Regions (2000). The Regional situation in Europe in the year 2000.
- Assembly of European Regions (2006). AER White Paper on the Role of the Regions in Europe.
- Bachter, J. and D. Yuill (2001). Policies and Strategies for Regional Development: A Shift in Paradigm? In *European Policies Research Centre. University of Strathclyde. Regional and Industrial Policy Research Paper No. 46*: 5-18.
- Bergsten, C. Fred (2012) Why the Euro Will Survive. In *Foreign Affairs*, Vol. 91 Issue 5: 16-22.
- Bohle, Dorothee (2010) The Crisis of the Eurozone. *EUI Working Papers, RSCAS 2010/77*.
- Cremin, Donnchadh (2002). A Short History of the Conflict in Northern Ireland. Available: <http://www.clannada.org/irelandconflict.php>. Accessed: 8 October 2007.
- European Central bank (2006). The European Central Bank, the Eurosystem, the European System of Central Banks. Available: <http://www.ecb.int/pub/pdf/infobr/ecbbr2006en.pdf>. Accessed: 8 October 2007.
- European Communities (2012). Regions: Statistical Yearbook 2012. Available: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-HA-12-001/EN/KS-HA-12-001-EN.PDF. Accessed: 18 May 2013.
- European Structural Funds. Information from the European Regional Policy website. Available: http://ec.europa.eu/regional_policy/index_en.htm. Accessed: 8 October 2007.
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- Hughes, J., G. Sasse and C. Gordon (2001). The Regional Deficit in Eastward Enlargement of the European Union: Top Down Policies and Bottom Up Reactions. *University of Sussex, ESRC "One Europe or Several" Programme. Working Paper 29/01*: 8-14. Available: <http://www.one-europe.ac.uk/pdf/w29gordon.pdf>. Accessed: 8 October 2007.
- Ketels, Christian (2004). European Clusters. *Structural Change in Europe 3 – Innovative City and Business Regions*. Hagbarth Publications. Available: www.isc.hbs.edu/pdf/Ketels_European_Clusters_2004.pdf. Accessed: 8 October 2007.
- Ketels, Christian. (2006). Michal Porter's Competitiveness Framework – Recent Learnings and New Research Priorities. *Journal of Industry, Competition and Trade*, 6(2): 115-136.
- Laqueur, Walter (2012) The Weimar Union. In *The New Republic*, August 2012: 15-17.
- Martin, Ron (2001). EMU versus the regions? Regional convergence and divergence in Euroland. IN *Journal of Economic Geography*, 1: 51-80.
- McCormick, John (2003). The evolution of the EU. In J. McCormick, *Understanding the European Union: A Concise Introduction*. New York, NY: Palgrave: 56-83; 84-113.
- Murphy, Antoin E. (2000). The 'Celtic Tiger' – An Analysis of Ireland's Economic Growth Performance. Robert Schuman Centre for Advanced Studies. European University Institute. Working Paper RSC No. 2000/16: 3-14. Available: www.iue.it/RSCAS/WP-Texts/00_16.pdf. Accessed: 8 October 2007.
- Pollard, Sydney (1998). Industrialization, 1740 to the Present. In R.A. Butlin and R.A. Dodgshon (eds.), *An Historical Geography of Europe*. London: Oxford University Press: 280-296.
- Porter, M. E. (2003). The Economic Performance of Regions. In *Regional Studies*, 37(6): 549-578.

- Rodríguez-Pose, A. and M. Vilalta-Bufí (2005). Education, migration, and job satisfaction: the regional returns of human capital in the EU. In *Journal of Economic Geography*, 5: 545-566.
- Rosenthal, John (2012) Germany and the Euro Crisis: Is the Powerhouse Really So Pure? In *World Affairs*, May/June 2012: 53-61.
- Sala-i-Martin, Xavier (2002). The Independence of Catalonia: The Economic Viability. Script prepared for a Conference at the Ommium Cultural. Available: <http://www.columbia.edu/~xs23/papers/independ%20english.htm>. Accessed: 8 October 2007.
- Schmidt, Vivien (2010) A. EU Economic Solidarity: A Great Leap Forward or a Bridge too Far? available: http://www.polsoz.fu-berlin.de/en/v/transformeurope/ueber_uns/Newsletter/KFG_Newsletter_02_10_Online.pdf. Accessed: 14 January, 2013.
- Südekum, Jens (2005). Normative and Positive Problems of Regional Policies. In Bradley, John, Petrakos, George & Traistaru, Iulia (Eds.) *Integration, Growth and Cohesion in an Enlarged European Union*, ZEI Studies in European Economics and Law, Volume 7, Chapter 12, pp. 313-328.
- Sutcliffe, Anthony (1998). The Urbanization of Europe since 1500. In R.A. Butlin and R.A. Dodgshon (eds), *An Historical Geography of Europe*: 300-310. London: Oxford University Press.
- The tiger tamed. *The Economist* (12 December 2002): 29.
- Weiss, Meredith (2002). The Basque Nationalist Movement. *The MacMillan Center – Yale University*. Available: www.yale.edu/macmillan/globalization/basque.pdf. Accessed: 8 October 2007.

RECOMMENDED READINGS:

- Barry, Frank (2002). The Celtic Tiger Era: Delayed Convergence or Regional Boom. *ESRI Quarterly Economic Commentary*. University College Dublin.
- Available: http://www.ucd.ie/economic/staff/barry/papers/cog_gec.pdf. Accessed: 8 October 2007.
- Barry Frank (2003). EU Regional Aid and the Irish Boom. In B. Funcke and L. Pizzati (eds.) *European Integration, Regional Policy and Growth*, Washington DC: World Bank.
- Bekele, G.W. and R.W. Jackson (2006). Theoretical Perspectives on Industry Clusters. Research Paper 2006-5: 1-26. Regional Research Institute, West Virginal University. Available: www.rri.wvu.edu/pdffiles/bekelewp2006-5.pdf Accessed: 8 October 2007.
- Blanchard, Ian (1998). The Long Sixteenth Century, circa. 1450-1650. paper prepared for the XXIIth International Economic History Congress. Available: www.ianblanchard.com/CEU/paper3.pdf. Accessed: 8 October 2007.
- Brandt, Mats (2001). Nordic Clusters and Cluster Policies. In A. Mariussen (ed.), *Cluster Policies – Cluster Development?*. Nordregio Report 2001(2): 109-128.
- Díaz Noci, Javier (1999). The Creation of the Basque Identity through Cultural Symbols in Modern Times. Seminar on Southern Europe, St. Antony's College, European Studies Centre, University of Oxford. Available: www.ehu.es/diaz-noci/Conf/C17.pdf. Accessed: 8 October 2007.
- Easterly, William (2002). Corruption and Growth. In W. Easterly *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge MA: MIT Press.
- Farrell, D.M. (2000). Electoral Systems, Parties and Voter: A Comparative Overview. Conference paper presented at *Thinking about 2007: A Workshop on Constitutionally Related Issues Facing Hong Kong*. City University of Hong Kong.
- Available: <http://www.hkdf.org/seminars/001021/farrell.doc> . Accessed: 17 May 2007.
- Gomez-Ssalvador, R., A. Musso, M. Stocker, and J. Turunen (2006). Labour Productivity Developments in the Euro area. European Central Bank Occasional Paper No. 53 / October 2006. Available: www.ecb.int/pub/pdf/scpops/ecbocp53.pdf. Accessed: 8 October 2007.
- Harrington, J.W., T.J. Barnes, A.K. Glasmeier, D.M. Hanink, and D.L. Rigby (1999). Economic Geography: Reconceiving "the economic" and "the region". In G.L. Gaile and C.J. Willmott (eds.) *Geography in America at the Dawn of the 21st century*. New York, NY: Oxford University Press.
- Lagendijk, Arnoud (1998). New Forms of Regional Industrial Policy in Europe: how do policy makers understand "competitiveness" and "clusters"? *Political Studies Conference Proceedings 1998*: 313-334. Nottingham: Political Studies Association. Available: <http://www.psa.ac.uk/journals/pdf/5/1998/lagandijk.pdf>. Accessed: 8 October 2007.
- Moreno, Luis, A. Arriba and A. Serrano (1997). Multiple Identities in decentralized Spain: The case of Catalonia. Instituto de Estudios Sociales Avanzados (CSIC). Working Paper 97-06. Available: www.iesam.csic.es/doctrab1/dt-9706.pdf. Accessed: 8 October 2007.

- Office of the Deputy Prime Minister. "Understanding the regional dimension", Chapter 1 of Your Region, Your Choice: Revitalising the English Regions. 2002. Pp. 13-20.
- Office of the Deputy Prime Minister. "Regional arrangements in other countries", Annex E to Your Region, Your Choice: Revitalising the English Regions. 2002. Pp. 86-97.
- Raines, Philip (2000). Developing Cluster Policies in Seven European Regions. Regional and Industrial Policy Research Paper No. 42. European Policies Research Centre. University of Strathclyde.
- Rodrik, Dani (2004). Growth Strategies. Pp. 1-7 and 15-20. Preliminary version of a chapter Forthcoming in Aghion and Durlauf (eds.), *Handbook of Economic Growth*. Available: <http://ksghome.harvard.edu/~drodrik/growthstrat10.pdf>. Accessed: 15 September 2005.
- Russel, W. (2000). Regional Government in England: A Preliminary Review of Literature and Research Findings. Department of the Environment, Transport, and the Regions. Pp. 15-20.
- Stegarescu, Dan (2003). Economic Integration and Fiscal Decentralization: Evidence from OECD Countries. Centre for European Economic Research.
- Available: <http://economics.ca/2003/papers/0364.pdf>. Accessed: 8 October 2007.
- Todtling, Franz (2001). Industrial Clusters and Cluster Policies in Austrian Regions. In A. Mariussen (ed.), *Cluster Policies – Cluster Development?*. Nordregio Report 2001(2): 59-78.
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- Yuill, D. and F. Wishlade (2001). Regional policy developments in the member states: A comparative overview of change. Regional Industrial Policy Research Paper No. 45: 4-19. EPC, University of Strathclyde. Available: www.eprc.strath.ac.uk/eprc/Documents/PDF_files/R45ERIOverview.pdf. Accessed: 8 October 2007.