



## EC 341 ITALIAN ECONOMY WITHIN THE EUROPEAN UNION

IES Abroad Rome

### DESCRIPTION:

The course focuses on the behavior of the Italian economy within the context of the European Union (EU). Emphasis is on macroeconomic policies designed at the EU level and their interplay with domestic policies, especially in the case of highly indebted European countries such as Greece. Special attention will be given to the wider framework of the international economy and the challenges to national economic policies coming from globalization and increased worldwide competition due to countries such as China and India. The exit of the United Kingdom from the EU, as a result of the June referendum, will be widely analyzed in its likely current and future consequences. The present structure and the performance of the Italian economic system will be seen throughout the course in comparison with the other largest EU countries and, whenever significant, with the US economy.

**CREDITS:** 3 credits

**CONTACT HOURS:** 45

**LANGUAGE OF INSTRUCTION:** English

**PREREQUISITES:** Macroeconomics.

### METHOD OF PRESENTATION:

- Lectures
- Seminar discussions
- Student presentations
- Moodle

### REQUIRED WORK AND FORM OF ASSESSMENT:

- Participation (10%)
- Midterm exam (30%)
- Student presentation (30%)
- Final exam (30%)

### \*Details of required work:

Both midterm and final exams are composed of long essays on topics discussed in class.

For the presentation the student will choose a topic, mutually agreed with the instructor, between those developed during the course. The topic can vary among Italian or European economy.

### Grading Rubric for student participation:

<b>A</b>	<b>Excellent participation</b> The student's contributions reflect an active reading of the assigned bibliography. Skillfully synthesizes the main ideas of the readings and raises questions about the applications and implications of the material. Demonstrates, through questions and comments, that he or she has been capable of relating the main ideas in the readings to the other information discussed in the course, and with his or her own life experience. The student makes informed judgments about the readings and other ideas discussed in class, providing evidence and reasons. He/she respectfully states his/her reactions about other classmates' opinions, and is capable of contributing to the inquiry spiral with other questions. The student gets fully involved in the completion of the class activities.
<b>B</b>	<b>Very good participation</b> The student's contributions show that the assigned materials are usually read. Most of the time the main ideas are identified, even though sometimes it seems that applications and implications of the information read were not properly reflected upon. The student is able to construct over others' contributions, but sometimes seems

	to interrupt the shared construction to go over tangents. He/she is respectful of others' ideas. Regularly involved in the activities but occasionally loses concentration or energy.
<b>C</b>	<b>Regular participation</b> The participant evidences a regular reading of the bibliography, but in a superficial way. He/she tries to construct over others' ideas, but commonly provides comments that indicate lack of preparation about the material. Frequently, contributions are shallow or unarticulated with the discussion in hand.
<b>F</b>	<b>Insufficient participation</b> Consistently, the participant reads in a shallow way or does not read at all. Does not participate in an informed way, and shows lack of interest in constructing over others' ideas.

#### LEARNING OUTCOMES:

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

- understand the macroeconomic behavior of a country like Italy within the constraints and opportunities given by a tightly-integrated and enlarging economic area such as the EU;
- know in more detail the way macroeconomic policies are conducted at the EU level;
- assess the role of national independent economic policies in a framework of higher market competition and increased relevance of supranational institutions.

#### ATTENDANCE POLICY:

Attendance is mandatory for all IES classes, including field studies. If a student misses more than two classes, 2 percentage points will be deducted from the final grade for every additional absence. Any exams, tests, presentations, or other work missed due to student absences can only be rescheduled in cases of documented medical emergencies or family emergencies. IES will only consider extreme emergency cases and will strictly adhere to this policy.

#### CONTENT:

Section	Content
<b>Section I</b> (5 lectures):	The economic performance of Italy and EU, 1990-2012 (3 h.) The European Single Market (1 ½ h.) The economic consequences of BREXIT /1 ½h) Italy and the economic integration of Europe (1 ½ h.)
<b>Section II</b> (4 lectures):	European Monetary Union (1 ½ h.) The monetary policy of the European Central Bank (1 ½ h.) Exchange rate and inflation targeting (1 ½ h.) Euro's exchange rate and inflation at Italian and European level (1 ½ h.)
<b>Section III</b> (5 lectures):	The Maastricht Treaty and the Stability and Growth Pact (1 ½ h) The "fiscal compact" (1 ½ h.) Public Finance in EU and EMU countries (1 ½ h.) The measurement of the Italian public deficit and debt (1 ½ h.) The sustainability of the Italian public debt (1 ½ h.)
<b>Section IV</b> (4 lectures):	The Italian position within global competitiveness patterns (3 h.) EU foreign trade policies (1 ½ h.) The structure and evolution of Italian foreign trade (1 ½ h.)

**Section V** (4 lectures):

The role of foreign direct investment (1 ½ h.)  
Europe and Southern Italy (1 ½ h.)  
The macroeconomic convergence of the Italian economy (3 h.)

**REQUIRED READINGS:**

- Blanchard, O., Giavazzi, F. and A. Amighini, *Macroeconomics. A European Perspective*, Financial Times/Prentice Hall, 2010, chapters nn. 1-4, 14, 19-20.
- Banca d'Italia, *Annual Report*, current year (latest issue published in May 2016); available at <http://www.bancaditalia.it/>
- Banca d'Italia, *Economic Bulletin*, latest issue, available at <http://www.bancaditalia.it/pubblicazioni/>

**RECOMMENDED READINGS:**

- Banca d'Italia (2016), *The Italian economy in brief* <http://www.bancaditalia.it>
- European Central Bank (2016), *Annual Report 2015* <https://www.ecb.europa.eu/pub/annual/html/ar2015.en.html>
- European Commission (2016), *The EU at a Glance* [http://europa.eu/abc/index\\_en.htm](http://europa.eu/abc/index_en.htm)
- European Commission (2016), *Public Finances in EMU 2015* [http://ec.europa.eu/economy\\_finance/publications/eeip/pdf/ip014\\_en.pdf](http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip014_en.pdf)