International Summer Program
June 26th to July 17th, 2006

Part II: European Institutions, EU policies, economic and monetary process

Department of Economic Policy
1. Introduction

- The process of reconstruction and economic development in the decades after the World War II: Europe and Germany
- Discussion of the establishment of the economic integration with special regard to industrial & trade policy
- Shaping and development of European Institutions (Commission, Council, Parliament and Court)
- Interaction of the European Union with member states and the Eastern enlargement of the Community
- The “long way” to the establishing of a monetary union
- Special insights into the bank and law system complete this part
# 1. Introduction

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1. Introduction

- All information about this course (Part II) on our website:

  ➜ http://www.mathematik.uni-ulm.de/wipo/

- Handouts of all sessions

- Everyone has to write a summary of one session (Delivery next day after the session)

- Control of attendance
1. Introduction

Tina Baur, Johanna Söhnchen, Matthias Kirbach

Journey through Europe

We will provide students with basic information about the members of the European Union, e.g. culture, sights, languages, geography.

2. European Union: An Overview

Prof. Dr. Werner Smolny

From Reconstruction to Economic, Monetary and Political Integration

We will give an introduction to the process of European Integration, starting at the end of World War II and ending with future perspectives. Since the speaker is an economist, the focus will be on economics.
3. Economic Integration

Matthias Kirbach

The aim of this session is to provide students with an analysis of the theory of economic integration within the European context. It will provide an understanding of basic objectives and the structure of the process of economic integration in Europe. Main elements of this session are:

- A discussion of the motives, aims and forms of integration
- A detailed explanation of the different levels of the integration process (free trade area, customs union, common market, economic and political union)
- Effects of economic integration (static and dynamic) and benefits of a single market and a discussion of the internal market.
4. Technological collaboration: The Airbus case

*Michael Alpert*

The Airbus case explains how industrial policy could be organized in high technology sectors. Beside facts about the commercial aircraft industry and a view at the unique history of Airbus, the students should get familiar with the strategic trade policy. The effects of the theory will be illustrated with the ongoing trade dispute in the commercial aircraft industry between the US and Europe.

5. Germany – An Introduction

*Kai Kohler*

This lecture provides information for a more detailed discussion of the German development during the last decades. It gives basic facts about the country, the political issues and the political system. Students should be enabled to understand and characterize current developments in Germany.
6. Germany – Form Cold War to the Breakdown of the Iron Curtain

Prof. Dr. Werner Smolny

We will give an overview of the development in Germany in the last 60 years. Starting from reconstruction after World War II, we go ahead with a discussion of the development in West and East Germany before and after German unification.

7. The System of Institutions within the European Union

Oliver Schnell

This lecture should make the students familiar with the fundamental organs of the EU. In addition to their composition and other basic facts, responsibilities of each institution as well as their interaction (e.g. in the decision-making process) will be clarified. The talk will give an understanding of what major changes (improvements?) Europe’s Constitution may come up with.
8. Eastern enlargement and reform discussion

Christine Brandt

After a description of the process of the enlargement we will discuss the ability to act and the decision-making in an EU with 25 member states. Furthermore we will consider the democratic legitimization of the EU and the interrelated question of European identity.

9. Monetary Integration

Matthias Kirbach

The aim of this section is to discuss the theory of monetary integration within the European context and to provide an understanding of the main macroeconomic costs and benefits of a monetary union. The main elements of this session are:

- The European Monetary System (basics and historical background)
- Stages of the European Monetary System and its assessment
- A discussion of costs and benefits of a single currency
- Theory of optimum currency areas and its application to the European Union
- A discussion of the convergence criteria and perspectives of the Monetary Union
10. ECB & Fed – A comparison

Christine Brandt

The aim of this session is to provide students with information about the Monetary Institutions in the European Union and the United States. We will compare the different strategies of monetary policy and search for an explanation of these different strategies.

11. A comparative analysis of the legal and banking system

Peter N. Posch, Stefan K. Fink

Short description:

- What are the main differences in the legal system and the banking system between the US and the EU with focus on: central banks, supreme courts and constitutions?
- What economic influence do the differences have and how does that influence the macroeconomic situation?
- What is to be expected in the future? Will there be a convergence of system or will the gap increase?
12. Final session

Questions to control your knowledge

13. Written Examination
International Summer Program
June 26th to July 17th, 2006

Introduction – Journey through Europe

By Tina Baur, Johanna Söhnchen
Quiz
Quiz Part B)

Do you know these VIPs? Please, note their names and their home country.

a)  
b)
Quiz Part B)

Do you know these VIPs? Please, note their names and their home country.

c)  
d)
Do you know these VIPs? Please, note their names and their home country.
How are the following buildings called and where are they situated? (country, city)
Quiz Part D)

a) Eiffel Tower

b) Sagrada Familia
Quiz Part D)

- c)
- d)
Quiz Part D)

e)

f)
A) General questions

Find these countries in the map below

- France,
- Germany,
- Greece,
- Slovenia,
- Sweden
A) General questions

Sweden
France
Slovenia
Germany
Greece
A) General questions

Which country in the EU has the largest area?
A) General questions

Which country in the EU has the highest population?

Population on 1 January 2004, measured in millions of people.

Vertical axis: Million.
A) General questions

Which members of EU do not use the currency Euro?

- United Kingdom
- Denmark
- Sweden
- Poland
- Czech Republic
- Malta
- Cyprus
- Hungary
- Latvia
- Lithuania
- Estonia
- Slovenia
- Slovakia
B) Famous People

Do you know these VIPs? Please, note their names and their home country.
B) Famous People

Queen Elizabeth II
Great Britain

Jürgen Klinsmann
Germany
B) Famous People

Audrey Tautou
France

Václav Havel
Czech Republic
B) Famous People

Christopher Columbus
Italy

Bono (U2)
Ireland
1) Where was Albert Einstein born? (country / town)

Germany, Ulm
2) In which country were held the first modern Olympic Games start (1896)?

Greece, Athens
3) Which population drinks most liter of beer?
Make an approximation!

The Czech Republic is the leading beer consumer per capita with 160 liters

4) In which country were invented the
a) French fries,  
  Belgium
b) car,  
  Germany
b) pizza?  
  Italy
5) In which country do people drive on the left hand side?

c) Greece
d) Estonia
e) Malta
f) The Netherlands
g) Portugal
D) Buildings

a) The Eiffel Tower

b) Sagrada Familia
D) Buildings

c) Buckingham Palace
d) Brandenburg Gate
D) Buildings

e) Colosseum

f) Neuschwanstein Castle
D) Buildings

g) Acropolis
12) Who is the President of the European Commission? Which nationality does he have?

José Manuel Barroso, Portugal

13) Do you know the six original members of the EEC?

Belgium, The Netherland, Luxemburg, France, Italy, Germany

14) When did the foundation take place? How is the agreement called?

In 1957, Treaty of Rome
15) Name the three main institutions!

- the Council of the European Union (representing the member states);

- the European Parliament (representing the citizens); and

- the European Commission (a politically independent body that upholds the collective European interest).
Journey through Europe
Location:
Western Europe, between Belgium and Spain, southeast of the UK;

Capital: Paris

Area: total: 547,030 sq km
Area - comparative: slightly less than twice the size of Colorado

Geography - note: largest West European nation

Language/s: French 100%, rapidly declining regional dialects and languages (Provencal, Breton, Alsatian, Corsican, Catalan, Basque, Flemish)

Population: 60,656,178 (July 2005 est.)
France
ITALY

FACTS:

Capital: Rome
Area: total: 301,230 sq km
Area - comparative: slightly larger than Arizona
Language/s: Italian (official), German (parts of Trentino-Alto Adige region are predominantly German speaking), French (small French-speaking minority in Valle d'Aosta region), Slovene (Slovene-speaking minority in the Trieste-Gorizia area)
Population: 58,103,033 (July 2005 est.)
Climate: predominantly Mediterranean; Alpine in far north; hot, dry in south

Location: Southern Europe, a peninsula extending into the central Mediterranean Sea, northeast of Tunisia
Location:

Western Europe, islands including the northern one-sixth of the island of Ireland between the North Atlantic Ocean and the North Sea, northwest of France.

The UK has four constituent parts. Three of these — the ancient nations of England, Wales and Scotland — are located on the island of Great Britain. The fourth part is Northern Ireland, which is located on the island of Ireland.
FACTS:

Capital: London

Area: total: 244,820 sq km

Area - comparative: slightly smaller than Oregon

Language/s: English, Welsh (about 26% of the population of Wales), Scottish form of Gaelic (about 60,000 in Scotland)

Population: 58,103,033 (July 2005 est.)

Climate: temperate; moderated by prevailing southwest winds over the North Atlantic Current; more than one-half of the days are overcast
United Kingdom
Sweden

FACTS:

Capital: Stockholm
Area: total: 449,964 sq km
Area - comparative: slightly larger than California
Language/s: Swedish, small Sami- and Finnish-speaking minorities
Population: 9,001,774 (July 2005 est.)
Climate: temperate in south with cold, cloudy winters and cool, partly cloudy summers; subarctic in north

Location:
Northern Europe, bordering the Baltic Sea, Gulf of Bothnia, Kattegat, and Skagerrak, between Finland and Norway
Spain

FACTS:
Capital: Madrid
Area: total: 504,782 sq km
Area - comparative: slightly more than twice the size of Oregon
Language/s: Castilian Spanish 74%, Catalan 17%, Galician 7%, Basque 2%; Castilian is the official Language nationwide; the other languages are official regionally
Population: 40,341,462 (July 2005 est.)
Climate: temperate; clear, hot summers in interior, more moderate and cloudy along coast;

Location: Southwestern Europe, bordering the North Atlantic Ocean, and Pyrenees Mountains, southwest of France
Spain
Greece

FACTS:

Capital: Athens
Area: 131,940 sq km
Area - comparative: slightly smaller than Alabama
Language/s: Greek 99% (official), English, French
Population: 5,432,335 (July 2005 est.)
Population: 10,665,989
Climate: temperate; mild, wet winters; hot, dry summers

Location: Southern Europe, bordering the Aegean Sea, Ionian Sea, and the Mediterranean Sea, between Albania and Turkey
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<th>Facts</th>
<th>Belgium</th>
<th>Luxembourg</th>
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</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Brussels</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Area (sq km)</td>
<td>30,528</td>
<td>2,586</td>
</tr>
<tr>
<td>Area – comparative</td>
<td>about the size of Maryland</td>
<td>slightly smaller than Rhode Island</td>
</tr>
<tr>
<td>Language</td>
<td>Dutch (official) 60%, French (official) 40%, German (official) less than 1%, legally bilingual (Dutch and French)</td>
<td>Luxembourghish (national language), German (administrative language), French (administrative language)</td>
</tr>
<tr>
<td>Population:</td>
<td>10,364,388</td>
<td>468,571</td>
</tr>
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Location: Western Europe, bordering the North Sea, between France and the Netherlands
Netherlands

FACTS:

Capital: Amsterdam, The Hague is the seat of government

Area: total: 41,526 sq km

Area - comparative: slightly less than twice the size of New Jersey

Language/s: Dutch (official), Frisian (official)

Population: 16,407,491 (July 2005 est.)

Climate: temperate; marine; cool summers and mild winters

Location: Western Europe, bordering the North Sea, between Belgium and Germany
Netherlands
FACTS:

Capital: Vienna

Area: total: 83,870 sq km

Area - comparative: slightly smaller than Main

Language: German (official nationwide), Slovene (official in Carinthia), Croatian (official in Burgenland), Hungarian (official in Burgenland)

Population: 8,184,691 (July 2005 est.)

Climate: temperate; continental, cloudy; cold winters with frequent rain and some snow in lowlands and snow in mountains; moderate summers with occasional showers

Location: Central Europe, north of Italy and Slovenia
Austria
Baltic States

Location: Eastern Europe, bordering the Baltic Sea

- Estonia
  - Flag
- Latvia
  - Flag
- Lithuania
  - Flag
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<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
</tr>
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<tr>
<td>Capital</td>
<td>Tallinn</td>
<td>Riga</td>
<td>Vilnius</td>
</tr>
<tr>
<td>Area (sq km)</td>
<td>45,226</td>
<td>64,589</td>
<td>65,200</td>
</tr>
<tr>
<td>Area-comparativ</td>
<td>slightly smaller than New Hampshire and Vermont combined</td>
<td>slightly larger than West Virginia</td>
<td>slightly larger than West Virginia</td>
</tr>
<tr>
<td>Languages</td>
<td>Estonian (official), Russian, Ukrainian, Finnish, other</td>
<td>Latvian (official), Lithuanian, Russian, other</td>
<td>Lithuanian (official), Polish, Russian</td>
</tr>
<tr>
<td>Population (July 2005 est.)</td>
<td>1,332,893</td>
<td>2,290,237</td>
<td>3,596,617</td>
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Baltic States

Riga

Vilnius

Tallinn – orthodox church
New members of the EU

- Poland
- Czech Republic
- Slovakia
- Hungary
### New members of the EU

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<th>Czech Republic</th>
<th>Hungary</th>
<th>Slovakia</th>
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<td>Capital</td>
<td>Warsaw</td>
<td>Prague</td>
<td>Budapest</td>
<td>Bratislava</td>
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<tr>
<td>Area (sq km)</td>
<td>312,685</td>
<td>78,866</td>
<td>93,030</td>
<td>48,845</td>
</tr>
<tr>
<td>Area-comparative</td>
<td>slightly smaller than New Mexico</td>
<td>slightly smaller than South Carolina</td>
<td>slightly smaller than Indiana</td>
<td>about twice the size of New Hampshire</td>
</tr>
<tr>
<td>Language</td>
<td>Polish</td>
<td>Czech</td>
<td>Hungarian</td>
<td>Slovak (official), Hungarian</td>
</tr>
<tr>
<td>Population (July 2005)</td>
<td>38,635,144</td>
<td>10,241,138</td>
<td>10,006,835</td>
<td>5,431,363</td>
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New members of the EU
Other members of the EU

Finland
Denmark
Portugal
Ireland

Cyprus
Malta
Slovenia
Germany
Conclusion

- uniting a once-divided continent
- 25 members, 20 different official languages
- a peaceful, stable and democratic Europe
- single market of nearly half a billion consumers