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# International Summer Program

June 26<sup>th</sup> to July 17<sup>th</sup>, 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



Mo, June 26	Introduction	Tina Baur and Johanna Söhnchen
Tue, June 27	European Union: An Overview	Prof. Smolny
Wed, June 28	Economic Integration	Matthias Kirbach
Thu, June 29	Technological collaboration: The Airbus case	Michael Alpert
Mo, July 3	Germany – An Introduction	Kai Kohler
Tue, July 4	Germany – From Cold War to the Breakdown of the Iron Curtain	Prof. Smolny
Wed, July 5	The System of Institutions within the EU	Oliver Schnell
Thu, July 6	Eastern enlargement and reform discussion	Christine Brandt
Mo, July 10	Monetary Integration	Matthias Kirbach
Tue, July 11	ECB & Fed – A comparison	Christine Brandt
Wed, July 12	A comparative analysis of the legal and banking system	Peter N. Posch and Stefan K. Fink
Thu, July 13	Final Session	Prof. Smolny
Mo, July 17	Written Examination	

# 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



## 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.

# 1. Introduction



## 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.

# 1. Introduction



## 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.

# 1. Introduction



## 6. Germany – From 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.



# 1. Introduction



## 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

# 1. Introduction



## 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?

# 1. Introduction



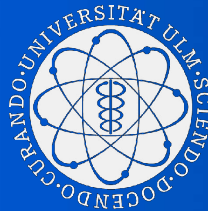
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## 12. Final session

Questions to control your knowledge

## 13. Written Examination



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# International Summer Program

June 26<sup>th</sup> to July 17<sup>th</sup>, 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)

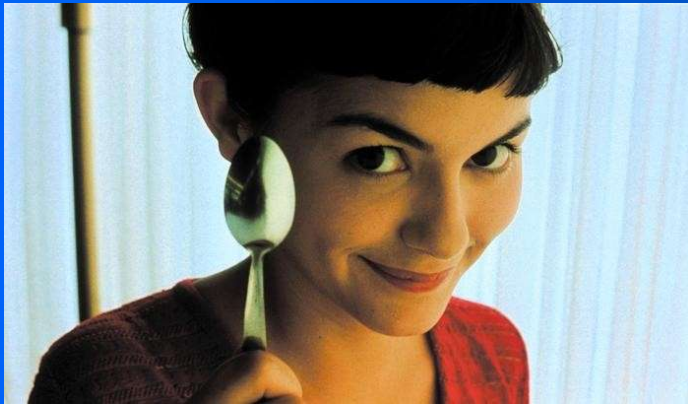


b)

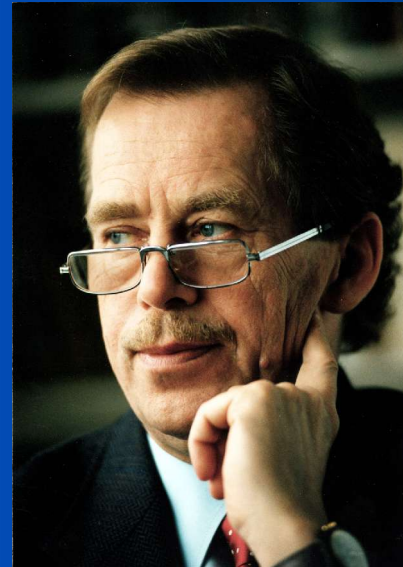
# Quiz Part B)



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



c)



d)

# Quiz Part B)



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



e)



f)



# Quiz Part D)



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How are the following buildings called and where are they situated ? (country, city)

# Quiz Part D)



a)



b)

# Quiz Part D)



c)



d)

# Quiz Part D)



e)



f)

# Quiz Part D)



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g)



## THE ANSWERS

# A) General questions



Find these countries in the map below

- France,
- Germany,
- Greece,
- Slovenia,
- Sweden



# A) General questions

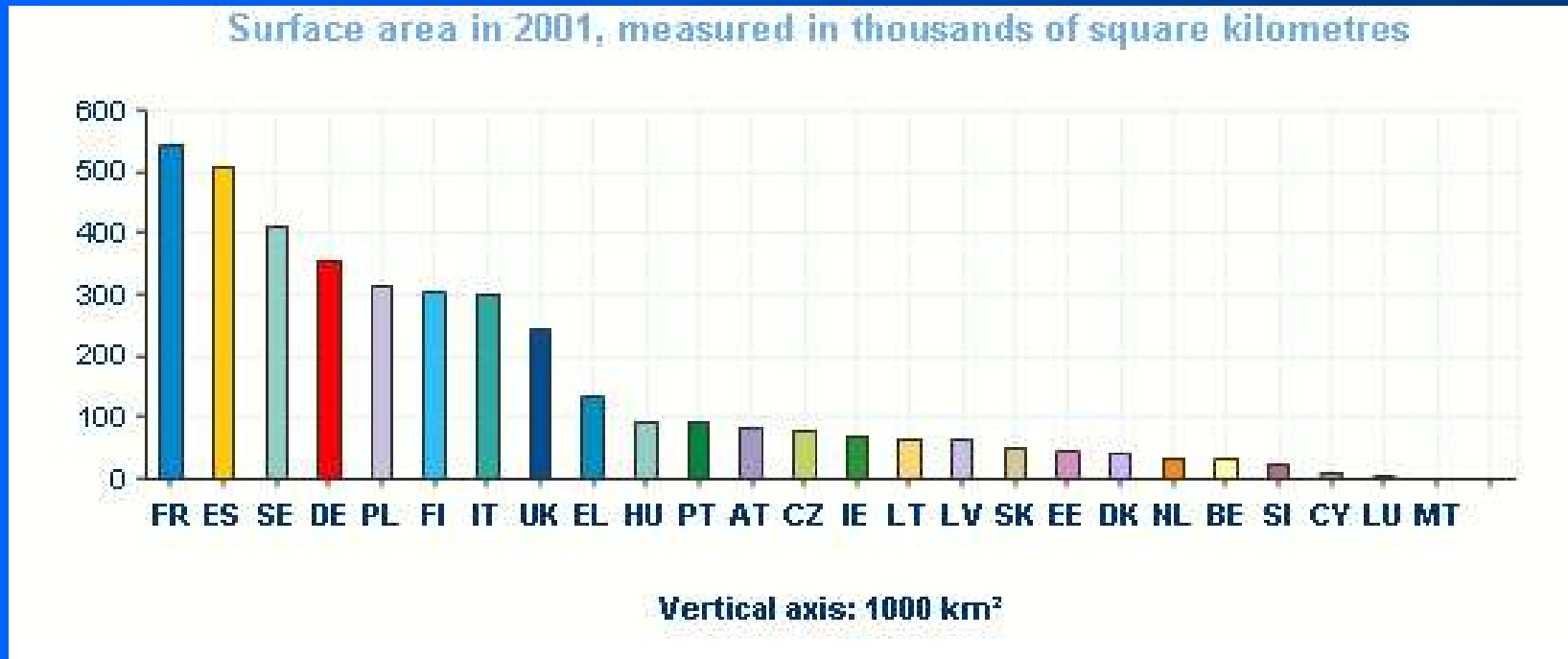




# A) General questions



Which country in the EU has the largest area ?

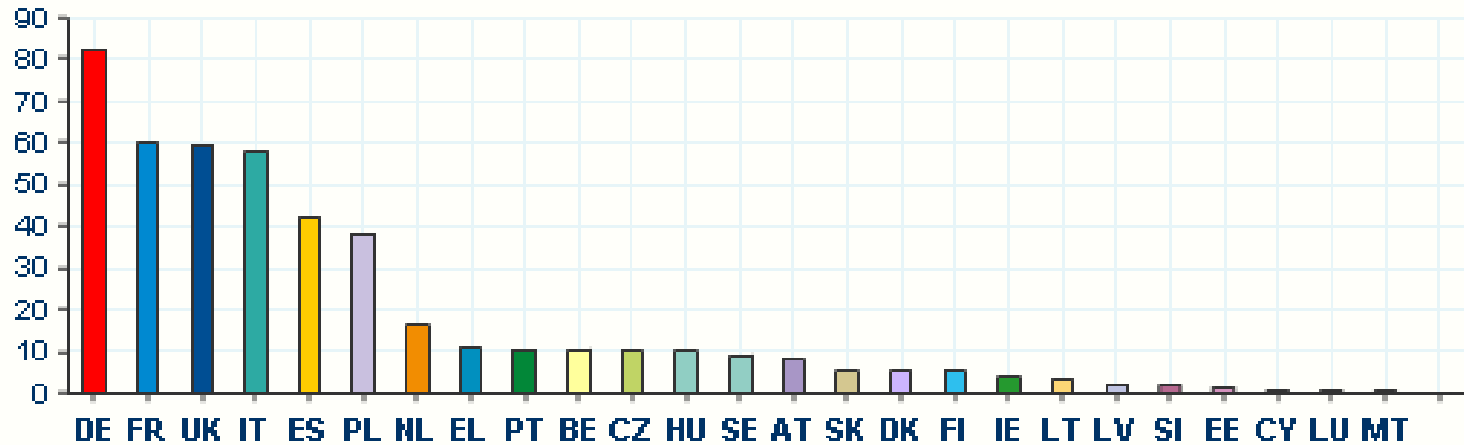


# A) General questions



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**

**Letvia**

**Lithuania**

**Estonia**

**Slovenia**

**Slovakia**

# B) Famous People



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

# B) Famous People



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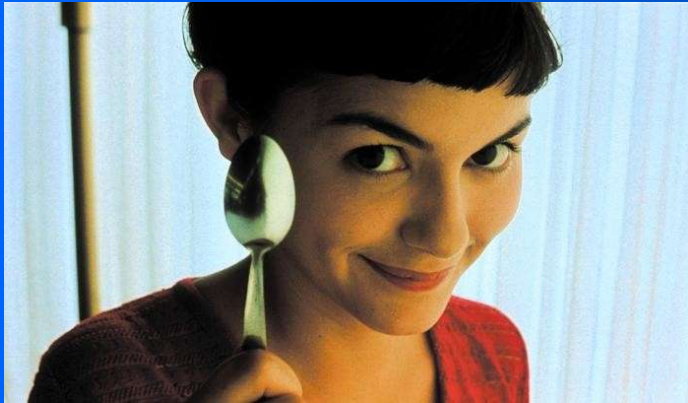


Queen Elizabeth II  
Great Britain

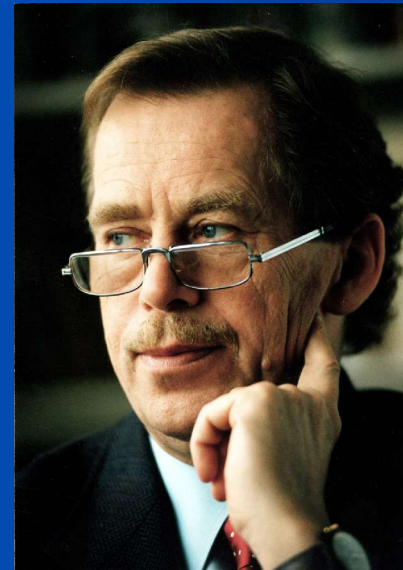


Jürgen Klinsmann  
Germany

# B) Famous People



Audrey Tautou  
France



Václav Havel  
Czech Republic

# B) Famous People



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Christopher Columbus  
Italy



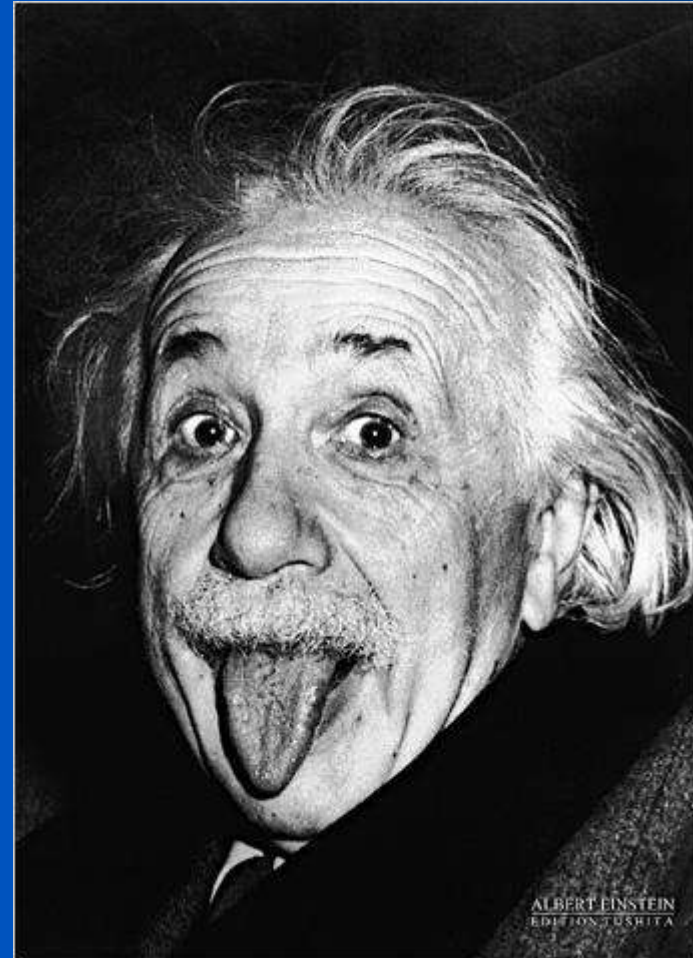
Bono (U2)  
Ireland

# C) Gossip



- 1) Where was Albert Einstein born?  
(country / town)

**Germany, Ulm**





# C) Gossip



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

**Greece, Athens**



# C) Gossip



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**

c) pizza ?

**Italy**

# C) Gossip



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



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g) Acropolis

# E) European Union



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**



# E) European Union

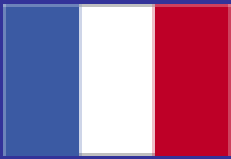


15) Name the three main institutions!

- **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





# France



## 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

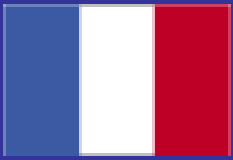
## Language/s:

French 100%, rapidly declining regional dialects and languages (Provençal, Breton, Alsatian, Corsican, Catalan, Basque, Flemish)

## Population:

60,656,178 (July 2005 est.)





# France



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# 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



# Italy



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# United Kingdom



## 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.





# United Kingdom



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## 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



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# 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





# Sweden



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Elch





# 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



Greece



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# Belgium & Luxembourg



Facts	Belgium	Luxembourg
Capital	Brussels	Luxembourg
Area (sq km)	30,528	2,586
Area – comparative	about the size of Maryland	slightly smaller than Rhode Island
Language	Dutch (official) 60%, French (official) 40%, German (official) less than 1%, legally bilingual (Dutch and French)	Luxembourgish (national language), German (administrative language), French (administrative language)
Population:	10,364,388	468,571



Location: Western Europe, bordering the North Sea, between France and the Netherlands





# Belgium & Luxembourg



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# 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



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# Austria



## FACTS:

Capital: Vienna

Area: total: 83,870 sq km

Area - comparative: slightly smaller than Main

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

Croatian  
Hungarian

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



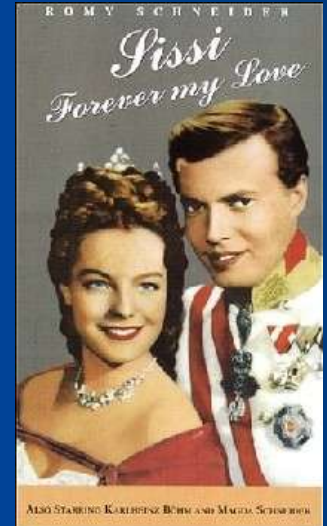
Location: Central Europe, north of  
Italy and Slovenia



# Austria



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# Baltic States



Estonia



Latvia



Lituania



Location: Eastern Europe,  
bordering the Baltic Sea

# Baltic States



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

# Baltic States



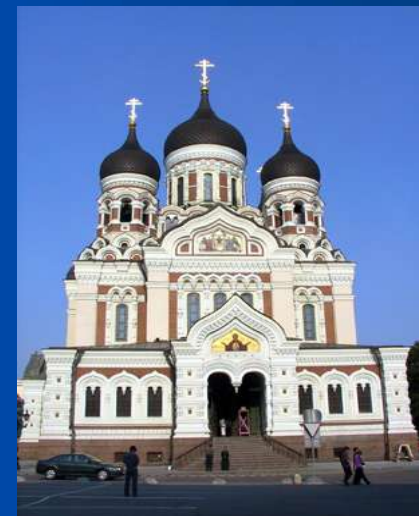
Vilnius



Riga



Tallinn –  
orthodox church





# New members of the EU



Poland



Czech Republic



Slovakia



Hungary

# New members of the EU

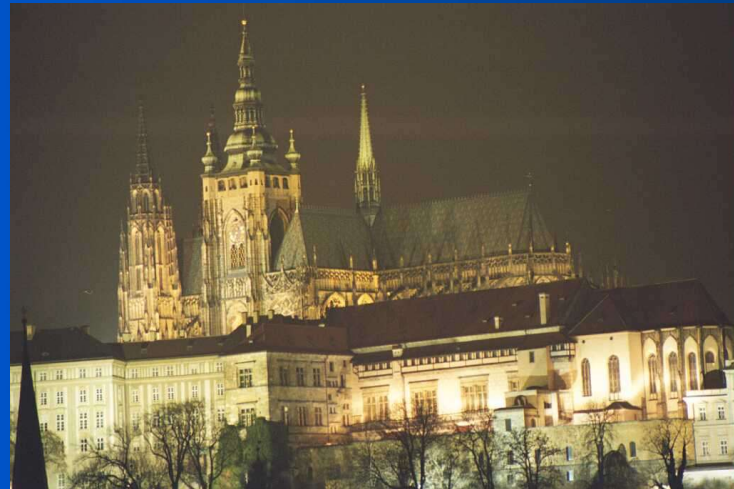


Facts	Poland	Czech Republic	Hungary	Slovakia
Capital	Warsaw	Prague	Budapest	Bratislava
Area (sq km)	312,685	78,866	93,030	48,845
Area-comparative	slightly smaller than New Mexico	slightly smaller than South Carolina	slightly smaller than Indiana	about twice the size of New Hampshire
Language	Polish	Czech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

# New members of the EU



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# Other members of the EU



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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