

1. Forms of economic integration (preferential tariff agreement, free trade area, customs union, single market, common market, economic union, economic and monetary union).
2. Why economic integration? Local, regional and global public goods, transaction costs. Why the global free trade regime is so difficult to establish?
3. History of European economic integration 1944-2010. Widening and deepening. European economic area.
4. Welfare effects of trade, Marshallian surplus, consumers' surplus, producers' surplus, welfare effects of free trade, welfare effects of tariff protection and quota protection. Why it is so difficult to establish free trade regime.
5. Theory of trade creation and trade diversion in international trade.
6. Customs union, traditional Viner's theory, welfare effects of customs union. Is customs union always better than tariff or quota protection? Is customs union always a step to free trade?
7. Common market, welfare effects of common market, free mobility of capital. Is common market always better than customs union?
8. Labor migration in the common market and its welfare effects. Why free mobility of labor is politically so sensitive?
9. Economic theory of monetary union. Concepts of optimal currency area. Development of European monetary union, European system of central banks. Decision making in the EMU. Monetary and fiscal coordination.
10. Budget and microeconomic policies in the EU, Budgetary rules, structure of EU budget.
11. Common agricultural policy, theoretical background and problems.
12. Regional policies and political economy of regional redistribution.
13. Institutional economics of European integration. System of European Union institutions and European decision making procedures.
14. Institutional reform, Lisbon Treaty and Nice Treaty. Inter-governmentalism and cooperative federalism.
15. Decision making rules in European Commission, Council of Ministers and European Parliament.

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