

ECONOMICS OF EUROPEAN INTEGRATION

March 23, 2023

Mid-Term exam

Duration : 1h and 30 minutes

Part 1: (40 points)

1/ (10 points) Explain the principle of the domino theory which led to successive enlargements of the EEC.

2/ (10 points) What were the main achievements of the Maastricht Treaty?

3/ (10 points) Why the harmonization of corporate income taxes has not been part of EU integration efforts?

8/ (10 points) In class, we discussed the impact of a tariff on the welfare of the country that increases trade protection. Use a similar graph to explain the consequences of an import quota (hint: a quota is like imposing a fixed amount of imports, less than the free trade import flow).

Part 2: (60 points) Short essays

How important was the USA's role in promoting European integration? To what extent does the EU correspond to an evolution of Europe such as it may have been desired by the United States?

Explain (possibly with a graph) why a country may lose in terms of global welfare when it joins a preferential trade agreement.