SCHOOL OF POLITICS AND INTERNATIONAL RELATIONS

POL41650
The Global Political Economy of Europe

Lecturer
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Description

The Eurozone crisis, the migration crisis, and more recently, Brexit, have called into question the politics of European integration. It has exposed the fragility of joining diverse political economies into the EU, whilst exacerbating the conflict between democratic nation-states and global financial markets. The purpose of this course is to examine the comparative political economy of Europe, from an international perspective. The course is taught in three parts. The first part examines the political and economic history of the EU, and the co-evolution of national varieties of capitalism within Europe Post-WW2. It will be suggested that the EU is a regional response by nation-states to the international processes of globalisation. The second part examines the political and economic rationale for the establishment of the single market and the single currency, and the political fallout from the Eurozone sovereign debt crisis. The final part of the course examines the Troika and the EU's policy response to the financial crisis. The course will conclude with a discussion on whether the policy response to the crisis has undermined national democracy in member-states, and undermined European integration.

Intended learning outcomes

This course examines Europe as an international case study on what happens when diverse political economies are integrated into a single currency without a federal government. It is both theoretical and empirical. Each seminar is constructed around a set of core readings (that will take around 6 hours' study prior to class). You must read these before the seminar and prepare a critical response. By the end of the course you will have learnt the core theories and concepts of political economy and its application to the broader social and political sciences. Students who have successfully completed this course will be equipped to:

- Produce well-structured theoretical papers
- Utilise large data-sets and country specific case-studies
- Make clear analytic arguments, using a variety of social scientific research methods.

- Design in-depth reports on the politics and economics of European public policy
- Illustrate how the political economy of integration is related to historically diverse national models of capitalism within the EU.
- Develop critical thinking, self-management and problem solving skills.

Assessment

Assessment will be based on three elements: attendance and participation (10%); 1200-word blog post (30%); and a final term paper (60%). The final paper is approx. 5,000 words in length. The research paper should identify a significant gap or puzzle in current understandings of European political economy, articulate an empirically-researchable question that addresses this gap/puzzle, propose an argument that might explain the pattern/process/outcome in question, analyse the observable implications, and present a preliminary empirical response (based on qualitative or quantitative data) to the research question. The topic of this exercise may be related to an MA/MSC thesis in progress.

Readings

Readings will be drawn from a wide range of books and journals. All required readings must be completed before the seminar for which they are assigned. Journal articles are accessible on-line through the UCD library's e-journals catalogue. Other readings are available on designated websites or the module's Blackboard site. If you do not read you will not learn.

Disability Support Services

Students whose disabilities, medical conditions or learning difficulties (such as dyslexia) have been recognized and documented by UCD's Disability Support Services and who expect that their disability will affect the conditions of their assessment in this course are encouraged to contact Dr. Regan as soon as possible. Others who suspect that they may have such a disability are encouraged to contact the DSS office as soon as possible. For more information, see http://www.ucd.ie/disability/index.html.

Academic Standards

(1) The School's policy on standard academic practice (i.e., avoiding plagiarism) will be strictly enforced. A copy of the policy is available on the module's Blackboard site. (2) All written work submitted for this module should also conform to Harvard style (see guide on UCD Library website) for citations.

Seminar Plan:

Week 1:	Introduction to European political economy *What is the new socio-political trilemma in Europe?*
Week 2:	Explaining theories of European political economy *How do ideas, institutions and interests shape political choices?*
Week 3:	The Euro trilemma and the international monetary system *What are the costs and benefits of a single currency?*
Week 4:	The European economy since 1945 *What explains the shift from Keynesian demand management to neoliberalism?*
Week 5:	The politics of capitalist diversity in Europe *Why do countries pursue different policy responses to similar problems?*
Week 6:	The politics of European liberalisation *What type of institutional change does the EU promote?*
Week 7:	The winners and losers of European monetary integration *Is it possible for the north and south of Europe to converge?*
Week 8:	The European social market economy *Can the EU develop a European-wide welfare state?*
Week 9:	The European Central Bank (ECB) and financial markets *What explains the difference between the ECB and the Federal Reserve*?
Week 10:	The Euro crisis – causes *How did a financial crisis turn into a sovereign debt crisis in Europe?*
Week 11:	The Euro crisis - consequences *What are the consequences of austerity for member-states?*
Week 12:	The new governance of the Eurozone *Is the EU undermining national democracy?*

Background reading on European integration:

If you are not familiar with the background of EU history and institutions it is probably important that you read/browse/skim some of the following books:

- Desmond Dinan (2004). *Europe Recast: A History of European Union*. Houndmills. Palgrave Macmillan.

This is a useful introduction to the history of European integration since the end of WW2 until the late 1990's. It is a narrative and should not be considered a definitive account.

- Andrew Moravcsik (1998). *The Choice for Europe: Social Purpose and State Power. From Rome to Maastricht*. Ithaca, NY: Cornell University Press.

The argument of this book is simple but deeply contested: European integration is the outcome of rational decisions by national leaders in response to economic interests.

- Fritz Scharpf (1999). *Governing in Europe: Effective and Democratic?* Oxford University Press.

The argument of this book is that there is a growing asymmetry between negative integration (market-making) and positive integration (market–correcting) in the European Union.

- Liesbet Hooghe and Gary Marks (2001). *Multi-Level Governance and European Integration.* Roman and Littlefield.

This book attempts to move beyond neofunctional and intergovernmental theories by developing a 'multi-level governance' framework. It captures the dynamism of integration.

- Wallace, H., Pollack, M. and Young, A. (2010).*Policy-Making in the European Union*, Oxford University Press, Oxford-New York, Sixth Edition.

This is a very useful collection on the core actors, policy processes and institutions of the EU.

Useful books on the European political economy

These books/journals/reports will give you a good overview of the various approaches to the comparative political economy of European integration.

- Paul De Grauwe (2016) *The Economics of Monetary Union* (Oxford University Press, 7th ed.)

- Fioretos, O., Falleti, T. G., & Sheingate, A. (Eds.). (2016). *The Oxford Handbook of Historical Institutionalism*. Oxford University Press.

- Beramendi et al (2016) The Politics of Advanced Capitalism. Cambridge University Press.

- Blyth Mark (2015) *Austerity, The History of a Dangerous Idea*. New York: Oxford University Press.

- James Caporaso and Martin Rhodes (2016) The Political and Economic Dynamics of the Eurozone Crisis. Oxford University Press.

- Matthias Matthijs and Mark Blyth (2015) The Future of the Euro. Oxford University Press.

- Bob Hancké et al (2009) Debating Varieties of Capitalism. Oxford University Press.

- Colin Hay and Daniel Wincott (2012) The Political Economy of European Welfare Capitalism. Palgrave MacMillan.

- Barry Eichengreen (2007) *The European Economy Since 1945*: coordinated capitalism and beyond (Princeton University Press)

- Hall, Peter and David Soskice (eds.) (2001). *Varieties of Capitalism*. Oxford: Oxford University Press.

- Gourevitch, P. (1986). *Politics in hard times: comparative responses to international economic crises*. Cornell University Press.

- Kenneth Dyson and Kevin Featherstone (1999) *The Road to Maastricht*, OUP

- Special issue (2006): 'Economic Governance in EMU Revisited', *Journal of Common Market Studies* vol.44, No.4 (November);

- DG Ecfin (2009) *Economic Crisis in Europe: Causes, Consequences and Responses*, European Economy 7/2009;

- Jean Pisani-Ferry and Adam Posen (2009) *The Euro at Ten: The Next Global Currency?* Peterson Institute for International Economics.

- Glyn, Andrew (2006). *Capitalism Unleashed*. Oxford: Oxford University Press.
- Crouch, Colin (2011). *The Strange Non-Death of Neoliberalism*. Cambridge: Polity.
- Caporaso, J.A. and Levine, D.P. (1992): *Theories of Political Economy*, Cambridge: Cambridge University Press
- *Governance for the Eurozone: Integration or Disintegration?* Edited by Franklin Allen, Elena Carletti and Saverio Simonelli (2012).
- Richard Baldwin & Charles Wyplosz (2009) *The Economics of European Integration* (latest edition) by, McGraw-Hill
- Armin Schäfer & Wolfgang Streeck (2013). *Politics in an Age of Austerity*. Cambridge. Polity Press.

Internet Links

www.ft.com (there is tons of material on the euro crisis. UCD has a subscription)

http://blogs.lse.ac.uk/europpblog/ (LSE European politics and policy blog)

http://www.voxeu.org (this is a brilliant research-based website for policy analysis and commentary on economic issues. Just search 'Euro')

http://www.cvce.eu (A useful collection of documents, sound files, videos and other data on European integration history).

http://europa.eu/abc/history/index_en.htm (The EU's own take on its history).

http://aei.pitt.edu (An electronic depository for research material on the topic of European integration).

http://www.unizar.es/euroconstitucion/Home.htm (The website provides important documents on the preparation, negotiation, and ratification of important European treaties).

http://eur---lex.europa.eu/en/index.htm (A search engine for European Union primary and secondary law).

http://europa.eu/about---eu/institutions---bodies/index_en.htm (information on European institutions).

Useful DATA sources:

Eurostat provides detailed information on European countries in the follow areas: economy and finance; population and social conditions; industry, trade and services; agriculture and fisheries; external trade; transport; environment and energy; science and technology.
http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/themes

The European Central Bank (ECB) statistical portal provides data relevant to Eurozone monetary policy, financial stability and other central bank activities. Aggregate series are based on observations from national central banks, credit institutions and other international sources: http://sdw.ecb.int/

The **Euro Barometer Survey** consist of approximately 1,000 face-to-face interviews per EU member state, covering social conditions, health, culture, the economy, citizenship, security, information technology, the environment, the Euro and European Union enlargement.
http://www.gesis.org/eurobarometer/data-access/

The **EUDO Data Centre** (EUI) provides data on European public opinion, political elites and the media; political parties and representation; institutional change and reform, and citizenship http://www.eui.eu/Projects/EUDO/EUDODataCentre.aspx

The **European Social Survey** covers social and public trust; political interest and participation; socio-political orientations; governance; media use; moral, political and social values; social exclusion; national, ethnic and religious allegiances; well-being, health and security, and; demographics and socio-economic topics http://www.europeansocialsurvey.org/

The **European Labour Force Statistics** is a household sample survey conducted across the EU and three EFTA countries, providing quarterly results on labour participation. Data ranges from 1983, depending on member state accession and other availability factors. Surveys are conducted by European national statistical agencies and collated by Eurostat.
http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/data/database

EU-SILC is a cross-sectional and longitudinal multi-dimensional micro data set on income, poverty, social exclusion and living conditions in the European Union. Surveys are conducted by European national statistical agencies and collated by Eurostat.
http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc

Other useful websites

http://ft.com
http://www.euractiv.com/en/
http://euobserver.com/
http://www.ft.com/world/europe/brussels
http://europa.eu/legislation_summaries/index_en.htm
http://bookshop.europa.eu/eubookshop/index.action?request_locale=EN
http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/
http://www.bruegel.org/
http://www.notre-europe.eu/
http://www.lisboncouncil.net/index.php
http://www.ceps.eu

Twitter

#EuroUCD

Useful Journals (not in any particular order)

Journal of Common Market Studies

Socio-Economic Review

Journal of European Public Policy

Comparative European Politics

European Journal of Industrial Relations

Politics and Society

Comparative Political Studies

New Political Economy

European Journal of Political Research

European Political Science Review

European Journal of International Relations

West European Politics

Journal of European Integration

The Journal of Economic Perspectives

Annual Review of Political Science

International Studies Review

International Organization

World Politics

Perspectives on Politics

WEEK1 INTRODUCTION TO EUROPEAN POLITICAL ECONOMY

In this seminar, we will discuss the global political trilemma outlined by Dani Rodrik. This suggests that there is a trade-off between international economic integration (capital mobility), fixed exchange rates (nation-state) and monetary autonomy (democratic politics). We will reconsider this trilemma in the context of European monetary union.

Required

Crum, B. (2013). Saving the Euro at the Cost of Democracy? *JCMS: Journal of Common Market Studies*, *51*(4), 614-630.

Dani Rodrik (2000): How far will international economic integration go? *The Journal of Economic Perspectives*, 177-186

Paul De Grauwe (2013): The political economy of the euro. *Annual review of political science*, *16*, 153-170.

Fritz Scharpf (1997): *Economic integration, democracy and the welfare state*. Journal of European Public Policy, 4(1), 18-36

Recommended

Richard Baldwin & Charles Wyplosz (2005). *The Economics of European Integration*. Part I, chapters 1-3, P1-73.

Matthias Matthijs and Mark Blyth (2015) The Future of the Euro and the Politics of Embedded Currency Areas, introduction, pp 1-21

WEEK 2 THEORIES OF POLITICAL ECONOMY

In this seminar, we will discuss the relative importance of *institutions, ideas and interests* in explaining the trajectory of European integration. This complex interplay between economic ideas, material interests and path-dependent institutions (or what's often called the politics puzzling and powering) will act as a theoretical compass for the remainder of the module.

Required

Peter Hall (1997). The role of interest, institutions and ideas in the political economy of industrialized nations. In Lichbach and Zuckerman ed., *Comparative Politics: Rationality, Culture and Structure*. pp 174-207

Peter Hall & Rosemary Taylor (1996). Political science and the three new institutionalisms. *Political studies*, *44*(5), 936-957.

Peter Hall (2015). How Political Economies Change? The Evolution of Growth Regimes in Developed Democracies. https://www.sss.ias.edu/files/pdfs/Rodrik/workshop%2014-15/GrowthRegimes6.pdf

Recommended

Matthijs, M. (2016). Powerful rules governing the euro: the perverse logic of German ideas. *Journal of European Public Policy*, *23*(3), 375-391.

Steinmo, S. (2014). Historical Institutionalism: Theory and Methods Revisited. In *APSA 2014 Annual Meeting Paper*.

Fioretos, O., Falleti, T. G., & Sheingate, A. (Eds.). (2016). *The Oxford Handbook of Historical Institutionalism*. Oxford University Press. Introduction.

Geoffrey Garrett & Barry Weingast (1991). *Ideas, interests and institutions: Constructing the EC's internal market*. University of California, Center for German and European Studies.

Colin Crouch (2011). *The strange non-death of neo-liberalism*. Polity press.

Mark Blyth (2002). Great transformations: Economic ideas and institutional change in the twentieth century. Cambridge University Press

Caporaso, J.A. and Levine, D.P. (1992): *Theories of Political Economy*, Cambridge: Cambridge University Press (reprinted 1998, 2005), ch.1, 2, 4, 5.

Fritz Scharpf (1997): *Games real actors play*: Actor-centered institutionalism in policy research (Vol. 1997). Boulder, CO: Westview Press.

Albert Hirschman, *Rival Views of Market Society*, chapter 5 (p105-141)

Karl Polayni, *The Great Transformation*, chapters 11-12 (p130-150)

Richard Baldwin & Charles Wyplosz (2005). *The Economics of European Integration*. Part II, chapters 4-7, P103-174

WEEK 3 THE EURO TRILEMMA & MONETARY REGIMES

In this seminar, we will discuss the importance of the international monetary system for understanding the political economy of European integration. It will be argued that EMU is a radical solution to the global trilemma in the study of international economics. However, it suffers from serious design flaws. We will discuss the costs and benefits of a single currency, and conclude that the EMU has provided a strategic advantage to the German export-model.

Required

Fritz Scharpf (2011). Monetary Union, Fiscal Crisis and the Pre-emption of Democracy. *LEQS Paper*, (36).
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1852316

Bibow, Jörg. "The Euroland crisis and Germany's euro trilemma." *International Review of Applied Economics* 27, no. 3 (2013): 360-385.

O'Rourke, K. H. (2014). A tale of two trilemmas. In *Enacting Globalization* (pp. 287-297). Palgrave Macmillan UK
https://pdfs.semanticscholar.org/f243/efd41e04b126c18957d8ae072d70f9429972.pdf

Recommended

Barry Eichengreen (2008): *Globalizing Capital*, *A History of the International Monetary System*. Chapter 4 & 5, p91-183. Princeton University Press.

Richard Baldwin & Charles Wyplosz (2005). *The Economics of European Integration*. Part IV, chapters 10-11, p275-310

Joseph S. Nye & John Donahue (2000). *Governance in a globalizing world*. Brookings Institution Press.

Helen Milner (1991). The Assumption of Anarchy in International Politics: A Critique. *Review of International Studies* 17, 67-85

WEEK 4 THE EUROPEAN ECONOMY SINCE 1945

In this seminar, we will trace the architecture of the European political economy since 1945. We will seek to identify the institutional structures, ideas and policy regimes that gave rise to the golden age of post-war European economic growth. We will then discuss the extent to which these political institutions give rise to the contemporary economic adjustment problems facing European member-states today. Be prepared, there is a lot of reading this week!

Required

Hall (2013): *The Political Origins of Our Economic Discontents. Contemporary Adjustment Problems in a Historical Perspective*. In 'Politics in the new hard times: the great recession in comparative perspective'.
http://www.people.fas.harvard.edu/~phall/Gourevitch.pdf

Peter Barry Eichengreen (2007) *The European Economy Since 1945*: coordinated capitalism and beyond. Chapters 1-4, p1-129

Daron Acemoglu, Simon Johnson, & James Robinson (2005): Institutions as a fundamental cause of long-run growth. *Handbook of economic growth*, *1*, 385-472.
http://ciep.itam.mx/~rahul.giri/uploads/1/1/3/6/113608/institutionslongrungrwth_acemoglujohnsonrobinson_ch6handbkofecongrwth2005.pdf

Recommended

Andrew Moravcsik and Peter Katzenstein (1998): *The choice for Europe: social purpose and state power from Messina to Maastricht* (Vol. 1). Ithaca, NY: Cornell University Press.

Roderick, Dani. 1998. "Why Do Open Economies Have Bigger Governments?" *Journal of Political Economy* 106: 997-1032.

Richard Baldwin & Charles Wyplosz (2005). *The Economics of European Integration*. Part IV, chapters 4-7

Nicholas Crafts & Gianni Toniolo eds (1996): *Economic Growth in Europe since 1945*. Cambridge, Cambridge University Press (CUP).

Peter Gourevitch (1986): *Politics in Hard Time*s. Ithaca: Cornell University Press.

Stasavage, D. (2002). Credible commitment in early modern Europe: North and Weingast revisited. *Journal of Law, Economics, and Organization*, *18*(1), 155-186

WEEK 5 THE POLITICS OF CAPITALIST DIVERSITY IN EUROPE

In this seminar, we will examine how different models of capitalism within Europe have adapted in distinctive ways to the pressures of globalisation and the international financial crisis. It will be argued that whilst a VoC provides a framework to understand the diversity of socio-economic systems in Europe, it does not adequately account for the international political economy of monetary integration, particularly as it pertains to EMU.

Required

Brazys, Samuel, and Aidan Regan (2017). "The Politics of Capitalist Diversity in Europe: Explaining Ireland's Divergent Recovery from the Euro Crisis." *Perspectives on Politics* 15, no. 2: 411-427.

Peter Hall & David Soskice, (2001): An introduction to varieties of capitalism. *Varieties of capitalism: The institutional foundations of comparative advantage*, *1*, 21-27. http://www.cerium.ca/IMG/pdf/HALL-_A_Peter_and_SOSKICE_David-_An_introduction_to_varieties_of_capitalism-2.pdf

Walter Korpi (2006): Power resources and employer-centered approaches in explanations of welfare states and varieties of capitalism: Protagonists, consenters, and antagonists. *World Politics*, *58*(02), 167-206. http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=7694288&fileId=S004388710002058X

Recommended

Beramendi et al (2016) The Politics of Advanced Capitalism. Cambridge University Press. Introduction pp 1-67

Vivien A. Schmidt (2000). The Futures of European Capitalism. Chapter 1, p1-13. Oxford University Press (OUP).

Peter Katzenstein (1985): *Small States in the World Economy*, Cornell University Press, 1985, Chapters, 1-2.

Herbert Kitschelt, Peter Lange Marks and Stephens, (1999): *Continuity and Change in Contemporary Capitalism*. Cambridge: Cambridge University Press

Duane Swank (2002): *Global Capital, Political Institutions, and Policy Change in Developed Welfare States*. New York: Cambridge University Press.

WEEK 6 THE POLITICS OF EUROPEAN LIBERALISATION

In this seminar, we will discuss what type of institutional change the EU promotes, and whether or not diverse European varieties of capitalism can continue to co-exist within the constraints of European integration. We will discuss the idea that whilst the EU promotes different trajectories of liberalisation, it does benefit certain growth models over others/

Required

Thelen, K. (2014). *Varieties of liberalization and the new politics of social solidarity*. Cambridge University Press. Pages 1-33.

Baccaro, L., & Howell, C. (2011). A common neoliberal trajectory: The transformation of industrial relations in advanced capitalism. *Politics & Society*, *39*(4), 521-563.

Höpner, M., & Schäfer, A. (2010). A new phase of European integration: Organised capitalisms in post-Ricardian Europe. *West European Politics*, *33*(2), 344-368.

Recommended

Barry Eichengreen (2007): *The European Economy Since 1945*: coordinated capitalism and beyond. Chapter 11, P335-377

Andrew Moravcsik (1993): Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach. *Journal of Common Market Studies* 31, 473-524

N Jabko (1999): In the name of the Market: how the European Commission paved the way for monetary union. *Journal of European Public Policy*, *6*(3), 475-495.

Paul De Grauwe (2014): *The economics of monetary union*. Oxford University Press (OUP). Chapter 3, 4, 7, 8

Peter Hall & Robert Franzese. (1998): Mixed signals: Central bank independence, coordinated wage bargaining, and European Monetary Union. *International organization*, *52*(03), 505-535.

Hancké, B., & Rhodes, M. (2005): EMU and Labor Market Institutions in Europe. The Rise and Fall of National Social Pacts. *Work and Occupations*, *32*(2), 196-228

WEEK 7 THE WINNERS AND LOSERS OF EUROPEAN INTEGRAITON

In this seminar, we will discuss the winners and losers of European monetary integration. We will discuss the asymmetry of integration by examining the macroeconomic imbalances that have emerged between the north and south of Europe, before and after the euro crisis.

Required

Nölke, A. (2015). Economic causes of the Eurozone crisis: the analytical contribution of Comparative Capitalism. *Socio-Economic Review*, *14*(1), 141-161.

Regan, A. (2015). The imbalance of capitalisms in the Eurozone: Can the north and south of Europe converge? *Comparative European Politics*.

Johnston, A., & Regan, A. (2016). European monetary integration and the incompatibility of national varieties of capitalism. *JCMS: Journal of Common Market Studies*, *54*(2), 318-336.

Hall, P. A. (2017). Varieties of capitalism in light of the euro crisis. *Journal of European Public Policy*, 1-24.

Recommended

Tal Sadel & Amy Verdun (2009): Explaining Europe's Monetary Union: a survey of the Literature. *International Studies Review*, *11*(2), 277-301.

Wolfgang Streeck & Daniel Mertens (2011): *Fiscal austerity and public investment: Is the possible the enemy of the necessary*? (No. 11/12). MPIfG discussion paper. http://www.mpifg.de/pu/mpifg_dp/dp11-12.pdf

Martin Höpner and Mark Lutter (2014): *One Currency and Many Modes of Wage Formation*. MPIfG Discussion Paper. http://www.mpifg.de/pu/mpifg_dp/dp14-14.pdf

Paul De Grauwe (2014): *The economics of monetary union*. Oxford University Press (OUP). Chapter 9,10

European Central Bank (2006): *The Euro's Trade Effects*. Working Paper Series No 594/march 2006

Kenneth Dyson (2000): *The Politics of the Eurozone, Stability or Breakdown?* Oxford University Press

Colin Crouch (2000). After the Euro: Shaping institutions for governance in the wake of European Monetary Union. Oxford University Press.

Richard Baldwin & Charles Wyplosz (2005). *The Economics of European Integration*. Part IV, chapters 10-11, p275-310

De Grauwe, P. (2006). What Have we Learnt about Monetary Integration since the Maastricht Treaty? *JCMS: Journal of Common Market Studies*, *44*(4), 711-730.

WEEK 8 THE EUROPEAN SOCIAL MARKET ECONOMY

In this seminar, we will ask whether there is an implicit neoliberal bias underpinning the economics of European integration. We will examine the difference between positive (social institutions) and negative (market liberalization) integration. This will illustrate the political priorities underpinning economic integration, from the single market to the EMU.

Required

Fritz Scharpf (2010). The asymmetry of European Integration, or why the EU cannot be a social market economy? *Socio-Economic Review* 8, 211-250

Fritz Scharpf (1999). *Governing in Europe: Effective and Democratic*? Oxford University Press. Chapters 2-4.

Rosamond, B. (2017). The political economy context of EU crises. *The European Union in Crisis*, 33.

Recommended

Parker, O., & Pye, R. (2017). Mobilising social rights in EU economic governance: a pragmatic challenge to neoliberal Europe. *Comparative European Politics*, 1-20.

Jeffrey Friedman Ronald Rogowski (1996): The Impact of the International Economy on National Policies: An Analytical Overview. In *Internationalization and Domestic Politics*, edited by Robert O. Keohane and Helen V. Milner. Cambridge: Cambridge University Press.

Ruggie, John G. (1998): Globalization and the Embedded Liberalism Compromise: The End of an Era? In *Internationale Wirtschaft, nationale Demokratie. Herausforderungen für die Demokratietheorie*, edited by Wolfgang Streeck, 79---98. Frankfurt: Campus.

Giandomenico Majone (2005): Dilemmas of European integration. The ambiguities and pitfalls of integration by stealth. Oxford: Oxford University Press.

WEEK 9 THE BRAVE NEW WORLD OF CENTRAL BANKING

In this seminar, we will discuss the different ideational backgrounds to central banking in Europe and the USA. The centrepiece of the European Monetary Union is the European Central Bank (ECB). This was created as the most independent institution in the history of central banking. We will ask why national executives made this decision and address the design flaws of the ECB, whilst comparing them to monetary politics in the USA.

Required

Read Mario Draghi's Speech at New Jackson:
http://www.ecb.europa.eu/press/key/date/2014/html/sp140822.en.html

Jens Weidman (2014), Europe's Monetary Union. Making it Prosperous and Resilient. Speech to the Harvard Centre for European Studies:
https://www.youtube.com/watch?v=3T9NQOHbgdU

Braun, B., & Hoffmann-Axtheim, L. (2017). Two Sides of the Same Coin? Independence and Accountability of the European Central Bank.

Paul De Grauwe (2014): *The economics of monetary union*. Oxford University Press (OUP), chapters 8 & 11

Fernández-Albertos, J. (2015). The politics of Central Bank independence. *Annual Review of Political Science*, *18*, 217-237.

Recommended

Berman Kathleen McNamara 'Rational Fictions (2002): Central Bank Independence and the Social Logic of Delegation.' *West European Politics* 25, no. 1: 47-76.

WH Buiter (1999): Alice in euroland. JCMS: *Journal of Common Market Studies*, 37(2), 181-209.

For a response see: De Haan, Jakob, and Sylvester CW Eijffinger (2000): "The democratic accountability of the European Central Bank: A comment on two fairy-tales." *JCMS: Journal of Common Market Studies* 38.3, 393-407.

McNamara, K. (1999). 'Bank on Democracy: Why Central Banks Need Public Oversight', Foreign Affairs 78/2 March/April: 2-9.

Joseph Stiglitz (1998) 'Central Banking in a Democratic Society.' *De Economist* 146, no. 2 (1998): 199-226.

Randall Henning (2014): *The ECB as a Strategic Actor*: The Brave new World of Central Banking in the Eurozone. Draft discussion paper.

WEEK 10 THE ORIGINS OF THE EUROZONE CRISIS

In this seminar, we will ask how an international *banking and financial* crisis turned into a sovereign debt and public sector crisis in the Euro area. We will examine three major explanations for the sovereign debt crisis: fiscal, competitiveness and financial. If the crisis was primarily a private banking crisis, why did the EU's policy response prioritise austerity?

Required

Philip R Lane (2012): The European Sovereign Debt Crisis, *the Journal of Economic Perspectives*, 26(3), 49-67.

Frieden, J., & Walter, S. (2017). Understanding the Political Economy of the Eurozone Crisis. *Annual Review of Political Science*, *20*.

Erik Jones (2014): *Forgotten Financial Union*. Chapter in Mark Blyth & Matthias Matthijs, eds. The Future of the Euro. New York, OUP.

Jones, E. (2017). The euro and the battle of ideas*.

Recommended

Gros, Daniel, 2012: "Macroeconomic Imbalances in the Euro Area: Symptom or cause of the crisis". *CEPS Policy Brief* .

Belke, Ansgar/Christian Dreger, 2011: "Current Account Imbalances in the Euro Area: Catching up or Competitiveness". *RUHR Economic Papers* , 4-24.

Bibow, Jörg, 2012: "The Euro Debt Crisis and Germany's Euro Trilemma." *Levy Economics Institute of Bard College* , 1-42.

Buiter, Willem/Ebrahim Rahbari, 2010: "Greece and the fiscal crisis in the Eurozone". *CEPR Policy Insight* , 1-15.

Burda, Michael 2013: "The European debt crisis: How did we get into this mess? How can we get out of it?" SFB Discussion Paper, No. 2013-019. http://www.econstor.eu/bitstream/10419/79629/1/745234356.pdf

Jones, Erik, 2003: "Liberalized capital markets, state autonomy and European monetary union", *European Journal of Political Research*. 42(2): 197-222.

WEEK 11 THE CONSEQUENCES OF THE EUROZONE CRISIS

In this seminar, we will assess the consequences of the Troika and austerity for the future of European integration. We will discuss the cross-country variation in how member-states pursued fiscal adjustment. It will be argued that the policy response does not address the fundamental adjustment problem facing member-states of the EU: how to democratically govern a stateless currency in a global financial market (as outlined in seminar 1).

Required

Blyth, Mark. *Austerity: The History of a Dangerous Idea* (Oxford University Press 2013): Chapter 1 (page 1-18); Chapter 4 (51-92).

Beramendi, P., Häusermann, S., Kitschelt, H., & Kriesi, H. (Eds.). (2015). *The politics of advanced capitalism*. Cambridge University Press. Pages 1-67

S Tilford & P Whyte (2011): *Why stricter rules threaten the eurozone*. Centre for European Reform. http://cer-live.thomas-paterson.co.uk/sites/default/files/publications/attachments/pdf/2011/essay_eurozone_9nov11-4084.pdf

Recommended

Hooghe, L., & Marks, G. (2017). Cleavage theory meets Europe's crises: Lipset, Rokkan, and the transnational cleavage. *Journal of European Public Policy*, 1-27.

Karl Whelan (2012): *How should a banking union work?* European parliament's committee on economic and monetary affairs.

Monastiriotis, Vassilis, Niamh Hardiman, Aidan Regan, Chiara Goretti, Lucio Landi, J. Ignacio Conde-Ruiz, Carmen Marín, and Ricardo Cabral (2013):" "Austerity measures in crisis countries—results and impact on mid-term development." *Intereconomics* 48, no. 1. 4-32.

WEEK 12 EUROPEAN DEMOCRACY IN CRISIS?

In this seminar, we will return to the puzzle outlined in weeks 1 and 3. We will map the new economic governance reforms of the Eurozone and ask what these mean for the future of democracy and European integration. We will conclude with a discussion on the electoral consequences of the Euro crisis, and ask whether the rise of Trump, and the Brexit vote, is a long-term consequence of "politics without choice"

Kriesi, H. (2017). The implications of the euro crisis for democracy. *Journal of European Public Policy*, 1-24.

Hernández, E., & Kriesi, H. (2016). The electoral consequences of the financial and economic crisis in Europe. *European Journal of Political Research*, *55*(2), 203-224.

Sergio Fabbrini (2013): "Intergovernmentalism and Its Limits Assessing the European Union's Answer to the Euro Crisis." *Comparative political studies*, forthcoming.

Peter Mair (2013): Smaghi vs. The parties: representative government and institutional constraints. Chapter 6, in Armin Schäfer & Wolfgang Streeck (2013). *Politics in an Age of Austerity*. Cambridge. Polity Press