



SCHOOL OF POLITICS AND INTERNATIONAL RELATIONS

**POL41650**

## **The Global Political Economy of Europe**

### **Lecturer**

Dr. Aidan Regan

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**Blog:** [www.europeanpoliticaleconomy.wordpress.com](http://www.europeanpoliticaleconomy.wordpress.com)

**Twitter:** @aidan\_regan #EuroUCD

### **Timetable**

Seminars will be held on Thursdays 10-12pm, G316, Newman Building.

### **Description**

The euro crisis, the refugee crisis, and Brexit, have all 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 analyse the political and policy consequences of European integration, paying particular attention to countries in the single currency. 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. The second part examines the politics of liberalisation, the creation of the single market, the EMU, and the political fallout from the banking cum sovereign debt crisis. The final part of the course examines the politics of Brexit, and the rise of far-right nationalist parties.

### **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 comparative political economy and its application to the study of European integration. 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 and concise arguments based on sound analysis
- Design policy reports on the political economy of European integration
- Think critically about the problems facing European actors
- Understand the factors shaping attitudes toward European integration

### **Assessment**

Assessment will be based on two elements: a blog post/podcast (40%) and a final term paper (60%). The final paper can be up to 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 hypotheses 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. It is possible that readings might change, depending on class dynamics. All 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 blog. Reading is essential. 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.
- (2) All written work submitted for this module should also conform to Harvard style (see guide on UCD Library website) for citations.
- (3) In class discussions, I expect everyone to show tolerance for different viewpoints.

## **Seminar Plan:**

- Week 1:       Introducing the post-crisis European political economy  
*How did a financial crisis turn into a sovereign debt crisis in Europe?*
- Week 2:       Theories of comparative European political economy  
*What shapes the politics of European integration?*
- Week 3:       The Euro trilemma and the international monetary system  
*Why did member-states give up their national currencies?*
- Week 4:       The European economy since 1945: From Keynesianism to Neoliberalism  
*What explains the institutional transformation of European economies?*
- Week 5:       The politics of capitalist diversity in Europe  
*What explains the political and economic differences between member-states?*
- Week 6:       The politics of liberalisation in Europe  
*Does European liberalisation undermine the social democratic state?*
- Week 7:       The politics of macroeconomic growth regimes in Europe  
*Is it possible for all member-states to become export-led growth regimes?*
- Week 8:       The decline of the European social market economy  
*Can the EU become a social market economy without tax harmonisation?*
- Week 9:       The brave new world of European central banking  
*To whom is the European Central Bank accountable?*
- Week 10:      The EU policy response to the financial crisis  
*Has the policy response to the euro crisis undermined liberal democracy?*
- Week 11:      Politics and protest: Electoral competition in Europe's new tripolar space  
*Does class voting explain the rise of the far-right in Europe?*
- Week 12:      Democratic governance, Brexit and the politics of legitimacy  
*Do voters want more or less European integration?*

## **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:

- Dyson, Kenneth HF, Kenneth Dyson, and Kevin Featherstone. *The road to Maastricht: negotiating economic and monetary union*. Oxford University Press, 1999.

This is an excellent account that explains the background to the creation of the EMU.

- 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

- Paul De Grauwe (2016) [\*The Economics of Monetary Union\*](#) (Oxford University Press, 7th ed.)
- 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.
- Mody, A., 2018. *EuroTragedy: a drama in nine acts*. Oxford University Press.
- 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 Ecfm (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.
- 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.
- Beramendi, P., Häusermann, S., Kitschelt, H., & Kriesi, H. (Eds.). (2015). *The politics of advanced capitalism*. Cambridge University Press.
- Mair, P., 2013. *Ruling the void: The hollowing of Western democracy*. Verso Trade.
- Streeck, W., 2014. *Buying time: The delayed crisis of democratic capitalism*. Verso Books.
- Mudge, S.L., 2018. *Leftism reinvented: Western parties from socialism to neoliberalism*. Harvard University Press.
- Milanovic, B. (2016). *Global Inequality*. Harvard University Press.
- Prasad, Monica. *The politics of free markets: The rise of neoliberal economic policies in Britain, France, Germany and the United States*. University of Chicago Press, 2006.
- Atkinson, Anthony B (2015). *Inequality*. Harvard University Press.
- Acemoglu, D. and Robinson, J.A., 2012. *Why nations fail: The origins of power, prosperity, and poverty*. Crown Books.
- Wilkinson, R. and Pickett, K., 2011. *The spirit level: Why greater equality makes societies stronger*. Bloomsbury Publishing USA.
- Hodson, D. and Maher, I., 2018. *The transformation of EU treaty making: the rise of parliaments, referendums and courts since 1950*. Cambridge University Press.
- Rodrik, D., 2011. *The globalization paradox: democracy and the future of the world economy*. WW Norton & Company.
- Turner, Adair (2015), *Between Debt and the Devil: Money, Credit and Fixing Global Finance*, Princeton University Press.
- McNamara, K.R., 1998. *The currency of ideas: monetary politics in the European Union*. Cornell University Press.
- Bartels, Larry M (2016). "Unequal democracy: The political economy of the New Gilded Age."
- Hall, P.A. and Soskice, D. eds. (2001). *Varieties of capitalism: The institutional foundations of comparative advantage*. OUP Oxford.

- Berman, Sheri. *Democracy and dictatorship in Europe: From the ancien régime to the present day*. Oxford University Press, 2019.
- Esping-Andersen, G., 1990. *The three worlds of welfare capitalism*. Princeton University Press.
- Gingrich, Jane. *Making markets in the welfare state: The politics of varying market reforms*. Cambridge University Press, 2011.
- Schmidt, V.A. and Thatcher, M. eds., 2013. *Resilient liberalism in Europe's political economy*. Cambridge University Press.
- Salverda, W., Nolan, B., & Smeeding, T. M. (Eds.). (2009). *The Oxford handbook of economic inequality*. Oxford University Press.
- Iversen, T. and Soskice, D., 2019. *Democracy and Prosperity: Reinventing Capitalism Through a Turbulent Century*. Princeton University Press.
- Tooze, A., 2018. *Crashed: How a decade of financial crises changed the world*. Penguin.
- Baccaro, L. and Howell, C., 2017. *Trajectories of neoliberal transformation: European industrial relations since the 1970s*. Cambridge University Press.
- Hacker, J.S. and Pierson, P., 2010. *Winner-take-all politics: How Washington made the rich richer--and turned its back on the middle class*. Simon and Schuster.
- Zucman, G., 2015. *The hidden wealth of nations: The scourge of tax havens*. University of Chicago Press.
- Judt, Tony, 2005: *Postwar: A History of Europe since 1945*. London: Penguin.
- Schmidt, V.A. and Thatcher, M. eds., 2013. *Resilient liberalism in Europe's political economy*. Cambridge University Press.
- Bohle, D. and Greskovits, B., 2012. *Capitalist diversity on Europe's periphery*. Cornell University Press.
- Abdelal, R., Blyth, M. and Parsons, C. eds., 2015. *Constructing the international economy*. Cornell University Press.
- Woll, C., 2014. *The power of inaction: Bank bailouts in comparison*. Cornell University Press.
- De Vries, C.E., 2018. *Euroscepticism and the future of European integration*. Oxford University Press.

- Crouch, C., 2004. *Post-democracy* (p. 70). Cambridge: Polity.
- Hayek, Friedrich A., [1950]1967: Full Employment, Planning and Inflation. In: *Studies in Philosophy, Politics, and Economics*. Chicago, IL: The University of Chicago Press, 270–279.
- Hirsch, Fred/John Goldthorpe (eds.), 1978: *The Political Economy of Inflation*. London: Martin Robertson.
- Polanyi, Karl, [1944]1957: *The Great Transformation: The Political and Economic Origins of Our Time*. Boston, NY: Beacon Press.
- Shonfield, Andrew, 1965: *Modern Capitalism: The Changing Balance of Public and Private Power*. New York: Oxford University Press.
- Mills, C. Wright, 1956: *The Power Elite*. New York: Oxford University Press.
- Pilling, D., 2018. *The growth delusion: wealth, poverty, and the well-being of nations*. Tim Duggan Books.
- Wren, A. ed., 2013. *The political economy of the service transition*. Oxford University Press.
- Häusermann, S., 2010. *The politics of welfare state reform in continental Europe: Modernization in hard times*. Cambridge University Press.
- Barta, Z., 2018. *In the Red: The Politics of Public Debt Accumulation in Developed Countries*. University of Michigan Press.

#### **Internet links:**

[www.ft.com](http://www.ft.com) (there is tons of material on the euro crisis)

<http://blogs.lse.ac.uk/euoppblog/> (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://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](http://europa.eu/about-eu/institutions-bodies/index_en.htm) (information on European institutions).

## **DATA sources:**

**Eurostat** provides detailed information on European countries in the following 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** consists 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](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](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://europa.eu/legislation_summaries/index_en.htm)

[http://bookshop.europa.eu/eubookshop/index.action?request\\_locale=EN](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](#)

## **Week 1: Introducing the Post-Crisis European Political Economy**

In this seminar we will discuss the global financial crisis, the subsequent great recession, and the impact it had on the member-states of the European Monetary Union (EMU). The core question we will ask is how a global and international banking/finance crisis turned into a sovereign debt/public sector crisis for the eurozone? To answer this question, we will probe into those theories that examine the relationship between nation-states and global markets, and creditors and debtors. It will be argued that in order to understand the post-crisis European political economy, we need to adopt a global and transatlantic perspective.

### Required

Helleiner, E., 2011. Understanding the 2007–2008 global financial crisis: Lessons for scholars of international political economy. *Annual review of political science*, 14, pp.67-87.

Frieden, J. and Walter, S., 2017. Understanding the political economy of the Eurozone crisis. *Annual Review of Political Science*, 20.

Regan, A., 2017. The imbalance of capitalisms in the Eurozone: Can the north and south of Europe converge?. *Comparative European Politics*, 15(6), pp.969-990.

Recommended: Adam Tooze, *Crashed*, introduction + chapters 1-3.

## **Week 2: Theories of Comparative European Political Economy**

In this seminar we will examine different theoretical perspectives in political economy. In particular, we will analyse the relative importance of *institutions, ideas and interests* in shaping the comparative political economy of European integration. We will ask the question: who influences the choices that governments pursue at the European level? We will then inquire into the changing dynamics of globalisation, labour market and class politics, and try to identify the dominant ideas, institutions and interests shaping European politics and policy.

### Required

Hall, P.A., 1997. The role of interests, institutions, and ideas in the comparative political economy of the industrialized nations. *Comparative politics: Rationality, culture, and structure*, pp.174-207.

Beramendi, P., Häusermann, S., Kitschelt, H. and Kriesi, H. eds., 2015. *The politics of advanced capitalism*. Cambridge University Press. Introduction, pp 1-67

Fabbrini, S., 2013. Intergovernmentalism and its limits: Assessing the European Union's answer to the Euro crisis. *Comparative political studies*, 46(9), pp.1003-1029.

Schimmelfennig, F., 2015. Liberal intergovernmentalism and the euro area crisis. *Journal of European Public Policy*, 22(2), pp.177-195.

### **Week 3: The Euro Trilemma and the International Monetary System**

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In this seminar we will discuss the importance of the international monetary system for understanding the political economy of European integration, whilst examining the costs and benefits of joining a single currency. It will be argued that EMU is a radical solution to the classic Mundell–Fleming macroeconomic policy trilemma. However, it suffers from serious political and economic design flaws. We will discuss how macroeconomic constraints in the Euro area are related to the coordination problems in the international economy.

#### Required

O'Rourke, K.H., 2014. A tale of two trilemmas. In *Enacting Globalization* (pp. 287-297). Palgrave Macmillan, London. Chapt 9, pp 184-207

Rodrik, D., 2007. The inescapable trilemma of the world economy. *Dani Rodrik's weblog*, 27.

Scharpf, F.W., 2011. *Monetary union, fiscal crisis and the preemption of democracy* (No. 11/11). MPIfG discussion paper. [http://www.mpifg.de/pu/mpifg\\_dp/dp11-11.pdf](http://www.mpifg.de/pu/mpifg_dp/dp11-11.pdf)

Crum, B., 2013. Saving the Euro at the Cost of Democracy?. *JCMS: Journal of common market studies*, 51(4), pp.614-630.

Recommended: Adam Tooze, *Crashed*, chapters 4-5.

### **Week 4: The European economy since 1945: From Keynesianism to Neoliberalism?**

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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. We discuss whether there has been a paradigm shift in how governments approach the economy, and whether we can conceptualise this as a shift from Keynesian to Neoliberal economic policymaking, whilst asking what will come next?

#### Required

Hall, P.A., 2013. The political origins of our economic discontents. *Politics in the new hard times: the great recession in comparative perspective*.  
<https://dash.harvard.edu/bitstream/handle/1/34520898/Gourevitch.pdf?sequence=1&isAllowed=y>

Acemoglu, D., Johnson, S. and Robinson, J.A., 2005. Institutions as a fundamental cause of long-run growth. *Handbook of economic growth*, 1, pp.385-472.

Recommended: Adam Tooze, *Crashed*, chapters 6-8

## **Week 5: The Politics of Capitalist Diversity in Europe**

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In this seminar we will examine how different models of capitalism within Europe have adapted in distinctive ways to the pressures of globalization and Europeanization. The core question we will seek to address is whether it is possible for diverse political economies to co-exist together within the constraints of European economic and monetary integration?

### Required

Nölke, A., 2016. Economic causes of the Eurozone crisis: the analytical contribution of Comparative Capitalism. *Socio-Economic Review*, 14(1), pp.141-161.

Brazys, S. and Regan, A., 2017. The politics of capitalist diversity in Europe: Explaining Ireland's divergent recovery from the Euro crisis. *Perspectives on Politics*, 15(2), pp.411-427.

Hall, P.A., 2012. The economics and politics of the euro crisis. *German Politics*, 21(4), pp.355-371.

Bohle, D., 2018. European integration, capitalist diversity and crises trajectories on Europe's Eastern periphery. *New political economy*, 23(2), pp.239-253.

Recommended: Adam Tooze, *Crashed*, chapters 9-10

## **Week 6: The Politics of Economic Liberalisation in Europe**

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In this seminar we will examine how different member states have responded to the pressures of globalisation and European liberalisation. We will examine the labour market reforms that member-states have pursued over the past few years, and ask whether we are observing the convergence toward a single liberal market model? The core question we seek to address is whether European integration, understood as liberalisation, undermines social solidarity? Do member-states face a political trade-off between economic growth and inequality? If so, why do some member-states witness more labour market dualisation/segmentation than others?

### Required

Thelen, K., 2012. Varieties of capitalism: Trajectories of liberalization and the new politics of social solidarity. *Annual Review of Political Science*, 15, pp.137-159.

Hassel, A., 2014. The Paradox of Liberalization—Understanding Dualism and the Recovery of the German Political Economy. *British Journal of Industrial Relations*, 52(1), pp.57-81.

Beramendi, P., Häusermann, S., Kitschelt, H. and Kriesi, H. eds., 2015. *The politics of advanced capitalism*. Cambridge University Press. Chapter 3. The origins of dualism.

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

Recommended: Adam Tooze, *Crashed*, chapters 11-12

## **Week 7: The Politics of Macroeconomic Growth Regimes in Europe**

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In this seminar we will discuss the importance of macroeconomic regimes in shaping the policy choices facing policymakers? We will discuss the asymmetry of economic integration under monetary union by identifying different growth regimes within the eurozone. The core question that we consider is whether all member-states can converge on an export-led growth model? Furthermore, to what extent is the 'euro' growth regime dependent on USA/China?

### Required

Blyth, M. and Matthijs, M., 2017. Black Swans, Lame Ducks, and the mystery of IPE's missing macroeconomy. *Review of international political economy*, 24(2), pp.203-231.

Stockhammer, E., 2016. Neoliberal growth models, monetary union and the Euro crisis. A post-Keynesian perspective. *New political economy*, 21(4), pp.365-379.

Baccaro, L. and Pontusson, J., 2016. Rethinking comparative political economy: the growth model perspective. *Politics & Society*, 44(2), pp.175-207.

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

Recommended: Adam Tooze, *Crashed*, chapters 13-14

## **Week 8: The decline of the European social market economy**

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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 at the level of the EU, and discuss whether the EU is capable of solving social policy problems. The core question we seek to address is whether it is possible for a Social Europe to emerge in the absence of a fiscal state?

### Required

Scharpf, F.W., 1997. Economic integration, democracy and the welfare state. *Journal of European public policy*, 4(1), pp.18-36.

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

Crespy, A. and Menz, G., 2015. Commission entrepreneurship and the debasing of social Europe before and after the Eurocrisis. *JCMS: Journal of Common Market Studies*, 53(4), pp.753-768.

Lindstrom, N., 2019. What's Left for 'Social Europe'? Brexit and Transnational Labour Market Regulation in the UK-1 and the EU-27. *New political economy*, 24(2), pp.286-298.

## **Week 9     The Brave New World of European Central Banking**

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In this seminar we will ask, to whom is the ECB accountable? The centrepiece of the EMU is the European Central Bank (ECB), and this was created as the most independent central bank in the history of monetary politics. We will ask why national executives made this decision and examine the consequences. We will address the design flaws of the ECB in the aftermath of the transatlantic financial crisis and compare them to monetary politics in the USA.

### Required

Pisani-Ferry, J., 2012. *The euro crisis and the new impossible trinity* (No. 2012/01). Bruegel Policy Contribution.

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>

Fernández-Albertos, J., 2015. The politics of central bank independence. *Annual Review of Political Science*, 18, pp.217-237.

Tooze, A., 2018. *Crashed: How a decade of financial crises changed the world*. Penguin. Chapters 14-18

## **Week 10:    The EU Policy Response to the Financial Crisis**

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In this seminar we ask whether the EU's policy response to the crisis has undermined national democracy? We will assess the merits of strengthening fiscal rules, labour market reform and constructing a banking union. It will be argued that none of these reforms address the fundamental adjustment problem facing member-states in the EMU, namely how to democratically respond to citizens and govern a stateless currency in a global market.

### Required

Armingeon, K., Guthmann, K. and Weisstanner, D., 2015. How the Euro divides the union: the effect of economic adjustment on support for democracy in Europe. *Socio-Economic Review*, 14(1), pp.1-26.

Hobolt, S.B. and Wratil, C., 2015. Public opinion and the crisis: the dynamics of support for the euro. *Journal of European Public Policy*, 22(2), pp.238-256.

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

Armingeon, K. and Guthmann, K., 2014. Democracy in crisis? The declining support for national democracy in European countries, 2007–2011. *European Journal of Political Research*, 53(3), pp.423-442.

Recommended: Adam Tooze, *Crashed*, chapters 19-20

## **Week 11: Electoral competition in Europe's new tripolar space**

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In this seminar we will inquire into the international political economy debate on the 'winners and losers' of globalization. Based on what we have discussed in the module so far, we will ask whether the socio-structural changes in European economies is impacting voting behaviour, and the emergence of new challenger parties. In particular, we will examine who votes for the nationalist far right in Europe, and the grievances these parties seek to address.

### Required

Dancygier, R.M. and Walter, S., 2015. Globalization, labor market risks, and class cleavages.

Oesch, D. and Rennwald, L., 2018. Electoral competition in Europe's new tripolar political space: Class voting for the left, centre-right and radical right. *European Journal of Political Research*.

Hobolt, S.B. and Tilley, J., 2016. Fleeing the centre: the rise of challenger parties in the aftermath of the euro crisis. *West European Politics*, 39(5), pp.971-991.

Gingrich, J. and Häusermann, S., 2015. The decline of the working-class vote, the reconfiguration of the welfare support coalition and consequences for the welfare state. *Journal of European Social Policy*, 25(1), pp.50-75.

Recommended: Adam Tooze, *Crashed*, chapters 21-22

## **Week 12: Democratic governance, Brexit and the politics of legitimacy**

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In this seminar we will ask whether voters want more or less European integration? We will debate these issues with reference to Brexit, and the rise of euro scepticism in Eastern and Central Europe, and the role of the media. The seminar will conclude with a broader debate on the trajectory of European integration, and the policy challenges this creates.

### Required:

Hobolt, S.B. and De Vries, C.E., 2016. Public support for European integration. *Annual Review of Political Science*, 19, pp.413-432.

Fetzer, T., 2019. Did austerity cause Brexit?.

Hobolt, S.B., 2016. The Brexit vote: a divided nation, a divided continent. *Journal of European Public Policy*, 23(9), pp.1259-1277.

Tooze, A., 2018. *Crashed: How a decade of financial crises changed the world*. Penguin. Chapters 23-25

Mair, P., 2013. *Ruling the void: The hollowing of Western democracy*. Verso Trade. Chapter 4