

Doctoral Seminar
The Political Economy of European Integration: The New Euro Regime
Prof. Martin Höpner
Thursdays, 9.30-11.00
Location: Max-Planck-Institut für Gesellschaftsforschung, Seminar Room 1

Subject

This course will explore how the political-economic heterogeneity of the European Union shaped the euro, its crisis, and the emergence of the post-crisis euro regime. We will read and discuss current research literature. Core areas will be: The comparative political economy perspective; institutional and ideational crisis explanations; austerity; transnational wage coordination; the nature of the new euro regime; democracy and legitimacy; the populist countermovement. We will assume that all participants have some basic knowledge of the political system of the EU. Further special knowledge is not required for participation. Participants from different disciplines such as political science, sociology, and economics are welcome.

Suggested Preparatory Readings

Martin Höpner, Armin Schäfer, 2012: Integration among Unequals. How the Heterogeneity of European Varieties of Capitalism Shapes the Social and Democratic Potential of the EU. *MPIfG Discussion Paper 2012/5*. Cologne: Max Planck Institute for the Study of Societies.

Andreas Nölke, 2016: Economic Causes of the Eurozone Crisis: The Analytical Contribution of Comparative Capitalism. In: *Socio-Economic Review* 14, 1, 141-161.

Language

Oral presentations and written materials are in English, but occasional use of German language is possible and recommended when it deserves clarity. We will decide on the details in our planning session, depending on the language skills of the participants. If all participants turn out to speak German, we switch the language accordingly.

Participation and Grading

Discussion of the readings will make up the core of the seminar sessions. To get credit, you are expected to:

1. Do all assigned readings.
2. Fill in a reading report (one page) for all sessions.
3. Act as *rapporteur* twice. We will discuss the details in the planning session.

Reading Reports

For each session, please fill in the following standardized note sheet on the assigned reading and send it around the course participants not later than by Tuesday evening (the Tuesday before the respective session).

Name of student:

Name of author of assigned reading:

1. Write 5-8 sentences: What is the main finding of the author? (Note that it is not sufficient to reformulate the abstract. Abstracts are mostly on the research question and the methods, not on the findings.)
2. Write another 5-8 sentences: Please reflect on what you have learnt. Does the author provide general insights on the political economy of European (monetary) integration? To which controversy is the author speaking? Is there a practical relevance? Who precisely should be surprised by the author's finding?
3. Which are the key concepts of the assigned reading? List around three and provide a brief definition of each.
4. List two or three aspects which you found to be particularly fascinating and which you would like to discuss in class.

COURSE PLAN

10 October 2019

Introduction: Course Organization

Part I: Foundations

24 October 2019

The Heterogeneity of the EU and the Eurozone: Varieties of Capitalism

Mandatory Reading:

Peter A. Hall, David Soskice, 2001: An Introduction to Varieties of Capitalism. In: Peter A. Hall, David Soskice (Eds.), *Varieties of Capitalism. Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, 1-68. Therein: 6-33.

Suggested Readings:

Peter A. Hall, David Soskice, 2001: An Introduction to Varieties of Capitalism. In: Peter A. Hall, David Soskice (Eds.), *Varieties of Capitalism. Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, 1-68. Therein: 33-68.

Georg Menz, 2017: *Comparative Political Economy. Contours of a Subfield*. Oxford: Oxford University Press. Therein: Varieties of Capitalism and the Next Steps Beyond, 66-99.

Wolfgang Streeck, 2011: E Pluribus Unum? Varieties and Commonalities of Capitalism. In: Mark Granovetter, Richard Swedberg (Eds.), *The Sociology of Economic Life*. Boulder: Westview, 419-455.

31 October 2019

The Heterogeneity of the EU and the Eurozone: Growth Regimes

Mandatory Reading:

Lucio Baccaro, Jonas Pontusson, 2016: Rethinking Comparative Political Economy: The Growth Model Perspective. In: *Politics & Society* 44, 2, 175–207.

Suggested Readings:

Lucio Baccaro, Jonas Pontusson, 2019: Social Blocs and Growth Models: An Analytical Framework with Germany and Sweden as Illustrative Cases. *Unequal Democracies Working Paper No. 7*. Genève: University de Genève.

David Hope, David Soskice, 2016: Growth Models, Varieties of Capitalism, and Macroeconomics. In: *Politics & Society* 44, 2, 209-226.

Herman Mark Schwartz, Bent Sofus Tranoy, 2019: Thinking about Comparative Political Economy: From Macro to Micro and Back. In: *Politics & Society* 47, 1, 23-54.

7 November 2019

The Euro

Mandatory Reading:

Paul De Grauwe, 2013: The Political Economy of the Euro. In: *Annual Review of Political Science* 16, 2, 153-170.

Suggested Readings:

Kenneth Dyson, Kevin Featherstone, 1999: *The Road to Maastricht. Negotiating Economic and Monetary Union*. Oxford: Oxford University Press. Therein: Ch. 17: Conclusion and Reflections, 746-801.

Ashoka Mody, 2018: *Euro Tragedy. A Drama in Nine Acts*. Oxford: Oxford University Press. Therein: Ch. 2: Kohl's Euro, 1982-1998, 65-123.

Tal Sadeh, Amy Verdun, 2009: Explaining Europe's Monetary Union: A Survey of the Literature. In: *International Studies Review* 11, 2, 277–301.

Part II: The Causes of the Euro Crisis

14 November 2019

An Institutional Explanation

Mandatory Readings:

Alison Johnston, Aidan Regan, 2016: European Monetary Integration and the Incompatibility of National Varieties of Capitalism. In: *Journal of Common Market Studies* 54, 2, 318-336.

Suggested Readings:

Peter A. Hall, 2017: Varieties of Capitalism in Light of the Euro Crisis. In: *Journal of European Public Policy* 25, 7-30.

Torben Iversen, David Soskice, David Hope, 2016: The Eurozone and Political Economic Institutions. In: *Annual Review of Political Science* 19, 163-185.

Fritz W. Scharpf, 2011: Monetary Union, Fiscal Crisis and the Preemption of Democracy. *MPIfG Discussion Paper 2011/11*. Cologne: Max Planck Institute for the Study of Societies.

21 November 2019

An Ideational Explanation

Mandatory Readings:

Matthias Matthijs, 2016: Powerful Rules Governing the Euro: The Perverse Logic of German Ideas. In: *Journal of European Public Policy* 23, 375-391.

Suggested Readings:

Mark Blyth, 2016: The New Ideas Scholarship in the Mirror of Historical Institutionalism: A Case of Old Whines in New Bottles? In: *Journal of European Public Policy* 23, 464-471.

Mark Blyth, Oddny Helgadóttir, William Kring, 2016: Ideas and Historical Institutionalism. In: Orfeo Fioretos, Tullia G. Falletti, Adam Sheingate (Eds.), *The Oxford Handbook of Historical Institutionalism*. Oxford: Oxford University Press, 142-162.

Paul James Cardwell, Holly Snaith, 2018: “There’s a Brand New Talk, but it’s Not Very Clear”: Can the Contemporary EU Really be Characterized as Ordoliberal? In: *Journal of Common Market Studies* 56, 1053-1069.

Part III: Countermeasures – Towards a Better Equipped Eurozone?

28 November 2019

Does Austerity Work? Lessons from Eastern Europe

Mandatory Reading:

Stefanie Walter, 2016: Crisis Politics in Europe: Why Austerity is Easier to Implement in Some Countries than in Others. In: *Comparative Political Studies* 49, 7, 841-873.

Suggested Readings:

Mark Blyth, 2013: *Austerity. The History of a Bad Idea*. Oxford: Oxford University Press. Therein: Ch. 1: A Primer on Austerity, Debt, and Morality Plays, 1-18.

Dorothee Bohle, 2018: European Integration, Capitalist Diversity and Crisis Trajectories on Europe’s Eastern Periphery. In: *New Political Economy* 23, 239-253.

Andreas Nölke, Arjan Vliegthart, 2009: Enlarging the Varieties of Capitalism: The Emergence of Dependent Market Economies in East Central Europe. In: *World Politics* 61, 670-702.

5 December 2019

Wage Coordination in the Eurozone?

Mandatory Reading:

Martin Höpner, Martin Seeliger, 2020: Neither Existing nor Emerging: Euro Stabilization by Means of European Wage Coordination. In: *Journal of Economic Policy Reform* (forthcoming).

Suggested Readings:

- Martin Höpner, Mark Lutter, 2018: One Currency and Many Modes of Wage Formation: Why the Eurozone is too Heterogeneous for the Euro. In: *European Political Science Review* 10, 71-96.
- Anne Dufresne, 2015: The Trade Union Response to the European Economic Governance Regime. Transnational Mobilization and Wage Coordination. In: *Transfer* 21, 2, 141-156.
- Susanne Pernicka, Vera Glassner, 2019: The Europeanisation of Wage Bargaining Coordination. In: Johannes M. Kiess, Martin Seeliger (Eds.), *Trade Unions and European Integration. A Question of Optimism and Pessimism?* London/New York: Routledge, 72-93.

12 December 2019

Has the Euro Regime Become more Intergovernmental or more Supranational?

Mandatory Reading:

- Daniel Seikel, 2019: Patterns of Pooling and Delegation After the Crisis: Old and New Asymmetries. In: *Journal of European Integration* (forthcoming).

Suggested Readings:

- Michael W. Bauer, Stefan Becker, 2014: The Unexpected Winner of the Crisis: The European Commission's Strengthened Role in Economic Governance. In: *Journal of European Integration* 36, 3, 213-229.
- Christopher J. Bickerton, Dermot Hodson, Uwe Puetter, 2015: The New Intergovernmentalism: European Integration in the Post-Maastricht Era. In: *Journal of Common Market Studies* 53, 4, 703-722.
- Benjamin Braun, Marina Hübner, 2019: *Vanishing Act: The Eurogroup's Accountability. Transparency International report*. Brussels: Transparency International.

Part IV: Legitimacy and the Populist Countermovement

19 December 2019

Does the Euro Regime Overstretch its Legitimacy?

Mandatory Reading:

- Fritz W. Scharpf, 2012: Legitimacy Intermediation in the Multilevel European Polity and Its Collapse in the Euro Crisis. *MPIfG Discussion Paper 2012/6*. Cologne: Max Planck Institute for the Study of Societies.

Suggested Readings:

- Ben Crum, 2013: Saving the Euro at the Cost of Democracy? In: *Journal of Common Market Studies* 51, 614-630.
- Andrew Moravcsik, 2002: In Defense of the "Democratic Deficit": Reassessing Legitimacy in the European Union. In: *Journal of Common Market Studies* 40, 603-624.
- Thomas Risse, 2014: No Demos? Identities and Public Spheres in the Euro Crisis. In: *Journal of Common Market Studies* 52, 1207-1215.

Christmas Break

9 January 2020

How the Euro Crisis Affects the Trust in Institutions

Mandatory Reading:

Klaus Armingeon, Kai Gunthmann, David Weisstanner, 2016: How the Euro Divides the Union: The Effect of Economic Adjustment on Support for Democracy in Europe. In: *Socio-Economic Review* 14, 1, 1-26.

Suggested Readings:

Hanspeter Kriesi, 2018: The Implications of the Euro Crisis for Democracy. In: *Journal of European Public Policy* 25, 1, 59-82.

Alina Polyakova, Neil Fligstein, 2016: Is European Integration Causing Europe to Become More Nationalist? Evidence from the 2007-9 Financial Crisis. In: *Journal of European Public Policy* 23, 1, 60-83.

Frank Schimmelfennig, Dominik Schraff, 2020: Light at the End of the Tunnel: Eurozone Bailouts and Satisfaction with Democracy. In: Romana Careja, Patrick Emmenegger, Nathalie Giger (Eds.), *The European Social Model under Pressure*. Wiesbaden: Springer VS, 555-581.

Session 12 [Date of this session needs to be selected by the group]

Varieties of Populism in the European Union

Mandatory Reading

Philip Manow, 2019: The Political Economy of Populism. (*Unpublished manuscript – Will be distributed as soon as it is available!*)

Suggested Readings:

Ronald Inglehart, Pippa Norris, 2016: Trump, Brexit and the Rise of Populism: Economic Have-Nots and Cultural Backlash. *Harvard Kennedy School Working Paper* 16-026. Cambridge: Harvard University.

Torben Iversen, David Soskice, 2019: *Democracy and Prosperity. Reinventing Capitalism Through a Turbulent Century*. Princeton/Oxford: Princeton University Press. Therein: Ch. 5: The Politics of the Knowledge Economy and the Rise of Populism, 216-256.

Dani Rodrik, 2019: Populism and the Economics of Globalization. In: *Journal of International Business Policy* (forthcoming).