

Doctoral Seminar
The Political Economy of European Integration: The Euro Regime
Prof. Martin Höpner
Tuesdays, 9.30-11.00

Location: Max-Planck-Institut für Gesellschaftsforschung, Paulstr. 3, Köln, Conference Room

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; the nature of the new euro regime; hegemony and legitimacy; the introduction of a fiscal capacity in the context of the Covid-19 crisis. 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.

Language

Oral presentations and written materials are in English, but occasional use of German language is possible and recommended when it deserves clarity.

Note on Covid-19

The course will be a presence event. It will take place in the large conference room of the Max Planck Institute, in which, under conditions of Covid-19, up to 20 persons can meet. All participants are required to wear masks at the institute and to only take them off after being seated.

Suggested Preparatory Reading

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

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 mandatory 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

The readings can be downloaded here: (will be updated shortly)

For each session, please fill in the following standardized note sheet on the assigned mandatory reading and send it around in the course of the week before the respective session (Sunday evening at the very latest).

Name of student:

Name of author of assigned reading:

1. Write around 5 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 applied, not on the findings.)
2. Write another around 5 sentences: Please reflect on what you have learnt. Ask yourself, for example: To which controversy is the author speaking? Does the author provide general insights on the political economy of European (monetary) integration? What is the practical relevance of the insights? Has the author convinced you?
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

5 April 2022

Introduction: Course Organization

Part I: Foundations

12 April 2022

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: Ch. 3, 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.

19 April 2022

The Heterogeneity of the EU and the Eurozone: Growth Models

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.

26 April 2022

The Euro

Mandatory Reading:

Amy Verdun, 2022: Economic and Monetary Union. In: Michelle Cini, Nieves Pérez Solórzano (Eds.), *European Union Politics. 7th Edition*. Oxford: Oxford University Press, 324-338.

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

3 May 2022

An Institutional Explanation

Mandatory Reading:

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, 1, 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.

10 May 2022

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, 3, 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, 3, 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, 5, 1053-1069.

Part III: Austerity

17 May 2022

Does Austerity Work? Lessons from Eastern (and Southern) 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:

- Klaus Armingeon, Lucio Baccaro, 2012: Political Economy of the Sovereign Debt Crisis: The Limits of Internal Devaluation. In: *Industrial Law Journal* 41, 3, 254-275.
- 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.
- Fabio Bulfone, Arianna Tassinari, 2021: Under Pressure. Economic Constraints, Electoral Politics and Labour Market Reforms in Southern Europe in the Decade of the Great Recession. In: *European Journal of Political Research* 60, 3, 509-538.

24 May 2022

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* 41, 6, 693-709.

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.
- Liesbet Hooghe, Gary Marks, 2019: Grand Theories of European Integration in the TwentyFirst Century. In: *Journal of European Public Policy* 26, 8, 1113-1133.

31 May 2022

When do the Rules Apply? Whose Budget Plan Gets Rejected, Who Gets Sanctioned?

Mandatory Reading:

- Frédéric Mérand, 2021: *The Political Commissioner. A European Ethnography*. Oxford: Oxford University Press. Therein: Ch. 5, Discipline, Not Punish, 105-126, and ch. 6, Italian Populists and the Pact, 127-148.

Suggested Readings:

- Frédéric Mérand, 2021: *The Political Commissioner. A European Ethnography*. Oxford: Oxford University Press. Therein: Other chapters.

7 June 2022

No meeting today (Pfingstferien)

Part IV: Legitimacy and Hegemony in the New Euro Regime

14 June 2022

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, 4, 614-630.

Andrew Moravcsik, 2002: In Defense of the “Democratic Deficit”: Reassessing Legitimacy in the European Union. In: *Journal of Common Market Studies* 40, 4, 603–624.

Thomas Risse, 2014: No Demos? Identities and Public Spheres in the Euro Crisis. In: *Journal of Common Market Studies* 52, 6, 1207-1215.

21 June 2022

German Hegemony?

Mandatory Reading:

Simon Bulmer, 2019: Deutschland in der EU: Europas unverzichtbarer Hegemon? In: *Integration* 42, 1, 3-20.

An English version of the article will be provided!

Suggested Readings:

Simon Bulmer, 2014: Germany and the Eurozone Crisis: Between Hegemony and Domestic Politics. In: *West European Politics* 37, 6, 1244-1263.

Wolfgang Streeck, 2021: *Zwischen Globalismus und Demokratie. Politische Ökonomie im ausgehenden Neoliberalismus*. Frankfurt a.M.: Suhrkamp. Therein: Ch. IV, Europa: Gescheiterter Superstaat, scheiterndes Imperium, 331-386.

Tobias Tober, 2022: The Launch of EMU and German Export Interests. In: *Socio-Economic Review* (preprint).

Part V: The Recovery Fund as a Fiscal Capacity – Problems Solved?

28 June 2022

NextGenerationEU

Mandatory Reading:

Martin Höpner, 2021: Vollendung der Währungsunion? Der europäische Aufbaufonds. In: *Leviathan* 49, 4, 488-509.

An English version of the article will be provided!

Suggested Readings:

- Jens van t' Klooster, 2022: Technocratic Keynesianism: A Paradigm Shift Without Legislative Change. In: *New Political Economy* (preprint).
- Caroline de la Porte, Mads Dagnis Jensen, 2021: The Next Generation EU: An Analysis of the Dimensions of Conflict Behind the Deal. In: *Social Policy Administration* 55, 2, 388402.
- Lucas Schramm, 2022: Economic Ideas, Party Politics, or Material Interests? Explaining Germany's Support for the EU Corona Recovery Plan. In: *Journal of European Public Policy* (preprint).

5 July 2022

No meeting today (due to the IMPRS Summer Conference)

12 July 2022

Closing Discussion