Boston University Study Abroad
London

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The European Business Environment: Institutions and Enterprise
CAS EC 330/IR 336 (Elective A)
Spring 2018

Instructor Information
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B. Day and Time Mondays & Tuesdays 1:15 – 5:15pm (plus Wednesday 17 January &
Friday 16 February, 1:15 – 5:15 pm)
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E. Office hours By appointment

Course Overview
This course provides an introduction to the European Union (EU) system of regional convergence (Integration). This system operates via ‘Competences’ ceded to, or shared with, EU institutions by 28 Member States. EU aggregate population is some 508 million, pending exit from the Treaties by the United Kingdom (BREXIT), scheduled for March 2019. UK population is around 65 million. Its GDP (2016) represents about 14.3% of the EU-28 aggregate. Britain is a global financial centre, and its economic, military and political interests extend across and beyond Europe. BREXIT therefore implies widespread, profound, change for the EU. On the other hand, several smaller European countries await EU Accession (Enlargement). In any case, the EU’s Competences will continue to powerfully shape Europe’s business environment, and influence the world-wide economy via (e.g.) the Common Commercial Framework (CCF), which determines common trade policies with the rest of the world. ‘Within’ the EU, other major ‘Competences’ include the Single European Market (SEM), which lays down common rules of conduct for European and non-European firms trading across the EU and the adjacent European Economic Area (EEA); Competition policy; State-aid; Land, air and water transportation; Trans-European networks; Energy security; Environmental regulation; Consumer protection; Health & safety regulation; Labour and workplace Rights; the Common Agricultural Policy (CAP); and the Regulation of financial services and (soon) Capital Markets..

Economic and Monetary Union (EMU) exerts a further Competence over regional economic governance. The single currency area, ‘Euroland’, currently comprises 19 of 28 Member States with a population of 340 million. Since the post-2007 Global Recession, the EU and European Central Bank (ECB) (with the IMF) has exercised powers to preserve stability in the monetary and banking system, and helped provide sovereign debt assistance to several Member States. In 2012/13 new Treaties created a European Stability Mechanism (ESM) that provides a 500 billion Euro ‘firewall’ against asymmetric shocks; and ties existing and future EU Members into co-ordination and supervision of their macroeconomic regimes. The UK, even before
BREXIT, used its ‘opt-out’ from monetary union to refuse these new obligations. But even following BREXIT its economic governance is likely to be caught-up by EU ‘Economic federalism’.

EU Common Foreign and Security Policy provisions (CFSP) have evolved slowly, though the EU manages development, crisis and humanitarian assistance to over seventy countries, and to others on an ad hoc basis. It also has a leading role in global health and disaster prevention strategies. Since the Lisbon Treaty (2009) its capacities have expanded to include a High Representative, a Common External Action Service (CEES), and closer co-ordination of security interests and resources. However, aside from economic sanctions, which have been successfully used in several international crises, including the Russian military intervention in Ukraine and efforts to contain nuclear proliferation by Iran and North Korea, the EU lacks common strategic vision for its Common Security & Defence Policy (CSDP). This is shown by the lack of a shared approach to dealing with the current Refugee crisis precipitated by wars in Syria, Iraq, Libya and elsewhere. Moreover, CSDP exists in parallel with the North Atlantic Treaty Organisation (NATO). These contending institutions have frequently complicated Transatlantic relations between the US and Europe, without obviously enhancing overall security. EU Member States possess overlapping and competing defence economic interests, for instance via their national defence and aerospace industries. At the same time, these are tied together by both the SEM and co-ordinated government procurement policies; and by high levels of co-operation and integration in certain areas of higher education, research and development – often led by EU-funding schemes, and by EU-US multinational firms and agencies. Areas of high-level integration include fundamental physics (CERN), space satellites (ESA), global positioning (Galileo GNSS), astronomy, aeronautic engineering, commercial and military aviation (Airbus), and environmental sciences.

This course provides learning and skills at the interface between international business, international relations, and other academic disciplines. It also usually entails a Field Trip to visit and receive Briefings at some of the main EU Institutions in Brussels (e.g. Commission, Council of Ministers, Parliament).

Course Methodology

The course comprises ten sessions, made up of lectures, seminars and Brussels Field Trip to sessions. Students undertake preparatory reading(s) in advance of Class; participate in Class discussions; research and present a Group Presentation; and write-up & submit a take-home Final Exam. The Field Trip provides familiarisation with EU institutions, and material for the Group Presentation. Texts for readings are available from the BU Study Abroad London Library, and other readings and study resources are listed online on Blackboard: http://learn.bu.edu

Assessment

Overall assessment will be the outcome of three distinct components, each carrying weights given below:

1. One in-class Group presentation (20 minutes). Each student acts as a member of a small group, whose task (agreed upon in advance with the Instructor) is to prepare for and subsequently report back (with class discussion) on some aspect of the Brussels Field Trip (See below). Group presentation notes will be submitted by one member of the group on behalf of all members, to assist assessment.
2. A **Take-home Final examination** will test information and knowledge gained during the course. Section ‘A’ requires responses about EU institutions and competences, and Section ‘B’ requires responses to essay-type questions.

3. **Class participation** (not including *Group presentations*) will be assessed on the contribution each student makes to questions and discussions around Lecture and Class topics throughout the course.

Maximum marks available for each assignment are:

- Group presentation & commentary = 40%
- Final examination = 40%
- Class/Seminar participation = 20%

**Grading**

Please refer to the Academic Handbook for detailed grading criteria and policies on plagiarism: [http://www.bu.edu/london/current-semester](http://www.bu.edu/london/current-semester)

*Final Grades are subject to deductions by the Academic Affairs Office due to unauthorised absences. NB – Contingency Class Date (See below).*

**Attendance Policy**

**Classes**

All Boston University London Programme students are expected to attend each and every class session, seminar, and field trip in order to fulfil the required course contact hours and receive course credit. Any student that has been absent from two class sessions (whether authorised or unauthorised) will need to meet with the Directors to discuss their continued participation on the programme.

**Authorised Absence:**

Students who expect to be absent from any class should notify a member of Academic Affairs and complete an Authorized Absence Approval Form 10 working days in advance of the class date (except in the case of absence due to illness for more than one day. In this situation students should submit the Authorised Absence Approval Form with the required doctor’s note as soon as possible). The Authorised Absence Approval Request Form is available from: [http://www.bu.edu/london/current-semester/](http://www.bu.edu/london/current-semester/)

**Please note: Submitting an Authorised Absence Approval Form does not guarantee an authorised absence**

Students may apply for an authorised absence only under the following circumstances:

- **Illness (first day of sickness):** If a student is too ill to attend class, the student must phone the BU London Student Affairs Office (who will in turn contact the student’s lecturer).

- **Illness (multiple days):** If a student is missing more than one class day due to illness, the student must call into the BU London Student Affairs Office each day the student is ill. Students must also provide the Student Affairs office with a completed Authorised Absence Approval Form and a sick note from a local doctor excusing their absence from class.

- Important placement event that clashes with a class (verified by internship supervisor)
Special circumstances which have been approved by the Directors (see note below).

The Directors will only in the most extreme cases allow students to leave the programme early or for a significant break.

Unauthorized Absence:
Any student to miss a class due to an unauthorised absence will receive a 4% grade penalty to their final grade for the course whose class was missed. This grade penalty will be applied by the Academic Affairs office to the final grade at the end of the course. As stated above, any student that has missed two classes will need to meet with the Directors to discuss their participation on the programme as excessive absences may result in a ‘Fail’ in the class and therefore expulsion from the programme.

Religious Holidays
Boston University’s Office of the University Registrar states:

‘The University, in scheduling classes on religious holidays and observances, intends that students observing those traditions be given ample opportunity to make up work. Faculty members who wish to observe religious holidays will arrange for another faculty member to meet their classes or for cancelled classes to be rescheduled.’

Special Accommodations
Each student will need to contact the Office of Disability Services to request accommodations for the semester they are abroad. Students are advised by BU-ODS not to expect the same accommodations as they receive on campus.

BU London can only uphold special accommodations if we have received the appropriate documentation from the BU-ODS. We cannot accept letters from other universities/centres.

All disabilities need to be known to the ODS in Boston if they are to be used as a reason for requiring a change in conditions, i.e. reduced internship hours or special accommodations for the internship schedule.

Lateness
Students arriving more than 15 minutes after the posted class start time will be marked as late. Any student with irregular class attendance (more than two late arrivals to class) will be required to meet with the Associate Director for Academic Affairs and if the lateness continues, may have his/her final grade penalised.

Course Chronology

ONE: Wednesday 17 January
Lecture: The dynamics of European integration: The EU has demonstrated strong convergence. What are the forces driving this convergence/integration? What forces limit convergence/integration? What are the main differences between convergence and integration?

Seminar: European national identities: Despite regional economic integration and institutional regulation, Europe continues to be characterised by national and sub-regional diversity, and strongly differentiated levels of economic development and
performance between northern, southern and eastern parts of the Union. How effectively has institutional integration overcome these divergences?

Readings:  
Pinder & Usherwood, *The European Union*, Chs 1, 2 (pp. 1-35)  
Johnson & Turner, *European business*, Chs 1-4 (*After Class Reading*)  
European Commission, *How the EU works*, https://lms.bu.edu  
http://europa.eu/about-eu/institutions-bodies/index_en.htm

TWO: Monday 22 January  
Lecture: *The SEM and its impact*: Since the mid-1980’s the development of a ‘single market(place)’ has been the main intra-regional driver of economic integration, particularly as key principles for the management of competition, transportation, environment (including health & safety), energy, trade in services (including financial products) and consumer protections have evolved interactively. How have EU institutions, governments and business firms acted towards this framework for integration?

Seminar: *Market integration & financial policy constraints*: The EU’s capacity to openly regulate markets and the power of other actors in those market settings are crucial to the overall direction and rate of integration in the European region. What ‘markets’ does the EU regulate, and how effectively does it do so? Why is the competence of the EU in financial & capital markets comparatively immature? Is the EU acquiring Competences that exceed what is needed for free trade, competitive markets and open international competition?

Readings:  
Pinder & Usherwood, *The European Union*, Ch. 3  
Johnson & Turner, *European business*, Chs 5, 6  
European Commission, *How the EU works*, https://lms.bu.edu  
http://europa.eu/about-eu/institutions-bodies/index_en.htm

THREE: Tuesday 23 January  
Lecture: *Economic and Monetary Union (EMU)*: Monetary Union is proving to be a two-edged sword for EU members, including its key sponsors Germany and France. On the other hand even non-members of ‘Euroland’ depend on the stance of the ECB as a transmission mechanism for issuing securities to financial intermediaries against a background of weak growth, elevated levels of sovereign debt, banks reluctant to fund business and consumer borrowing; and deflated asset and commodity prices. How does the ECB function, and is ‘Euroland’ strengthened by monetary and banking integration?

Seminar: *The EMU crisis and Labour Markets*: The EU has had to take crisis measures to support countries with large deficits which cannot use interest or exchange-rate changes as policy instruments. The ECB has *de facto* adopted new monetary policies in pursuit of stabilising the financial system. The GSP has been revised and strengthened and the EFC and ESM have been established. These initiatives have nevertheless proved unpopular in both economically stronger countries, and in the weakest and most vulnerable countries. Unemployment levels and other structural problems remain severe in a large number of Member States (Greece, Spain, Croatia *etc*). Economic growth across ‘Euroland’ is generally weak. Popular politics appears to be moving to the ‘right’ (nationalism) in many member countries, including France and Germany. How can the EU effectively meet these challenges to ‘Euroland’?

Readings:  
Pinder & Usherwood, *The European Union*, Ch. 4 (pp. 65-79)
FOUR: Monday 29 January

Lecture: Social protection regimes, business, and ‘citizens’: Although the EU ‘brands’ such items as passports, visas and ‘citizenship’, when Europeans buy postage stamps, pay taxes or receive benefits for loss of earnings from employment, they do so via ‘their’ national government. EU institutions have no direct tax & spend powers, nor do they possess the same legitimacy as national legislatures. None the less, consistent efforts to expand ‘Social Europe’ have been made since the Maastricht Treaty via reform of the European Parliament and expanding existing SEM provisions, which have allowed the EU to enlarge existing Competences and powers of decision, regulation and supervision.

Seminar: European business, social protection, and consumers: As well as protecting consumers directly and indirectly, the EU regulates crucial areas of employment law, health and safety and environmental strategy, and acts together with Member States in other areas of social provision such as structural and regional unemployment, infrastructure development etc.

Readings: Pinder & Usherwood, The European Union, Chs 6, 7 (pp. 95-111) Johnson & Turner, European business, Chs 1, 9

FIVE: Tuesday 30 January

Lecture: The EU as an actor in the world economy: The EU is perhaps best viewed as a ‘Club’ whose members operate a regime of ‘Competences’. Yet separate Competences increasingly interact, and need to be managed in association with each other. This has given rise to a sophisticated Trade Policy (Common Commercial Framework) which influences other non-EU States; multilateral trade negotiations; international ‘common standards’; global environmental policies; and the strategies of international businesses. Has this influence grown too large for EU institutions to cope?

Seminar: Characteristics of the European economy: The EU’s capacities to influence regional and international trade, monetary strategies, and economic development, have become highly developed, and it is part of a dominant ‘Triad’ (with North America and Japan’s East Asian trade area). Yet the EU has little capacity to project power within the global system, or even on a regional basis.

Readings: Pinder & Usherwood, The European Union, Ch. 8 (pp. 112-126) Johnson & Turner, European business, Chs 2, 15, 17

SIX & SEVEN: Sunday 4 February to Tuesday 6 February

Site Visit: Brussels Field Trip

Depart Sunday morning 4 February; return Tuesday evening 6 February. Full details of the field trip will be confirmed at the beginning of the course. Generally, it will include travel from London to Brussels (return) by Eurostar. Briefing visits to Institutions will
include Q&A, in preparation for which you will be part of a Group that has formulated a Presentation Topic to be researched during and following the Field Trip.

Contingency Class: Friday 9 February

EIGHT: Monday 12 February

Lecture: **EU Enlargement and External Relations**: The competences of the EU in external relations (other than trade): Enlargement, Economic development, Humanitarian assistance, Security policy, ‘Neighbourhood’ and Association relationships

Seminar: **The Copenhagen criteria and the EU ‘Club’**: The Treaty on European Union (TEU) (1993) recognised ‘Social Europe’ as a pillar of the Union. The Amsterdam Treaty (1997) brought the European Convention on Human Rights into EU institutions, and helped prepare the way for ‘Enlargement’ to Central & Eastern Europe (2004-7). A Draft Constitution for the EU (2003) was rebuffed and eventually replaced by the Lisbon Treaty (2009), which strengthens the role of the Parliament. Yet nationalism, protectionism and resistance to future integration (including migration and labour market mobility) remain strong in various countries. Recent and current crises within and around Europe have further weakened cohesion, as exemplified by deep disagreements surrounding ‘Bailout’ packages, Britain’s position within the EU, and the Refugee crisis and partial breakdown of the Schengen area.

Readings: Pinder & Usherwood, *The European Union*, Ch. 8 (pp. 112-126)

Johnson & Turner, *European business*, Ch. 16

NINE: Tuesday 13 February

Lecture: **Britain and Europe**: The complex issues surrounding Britain’s role and interests in the European region, as well as the EU, originate in geography, history and culture, and stretch back through centuries of time. In the present, however, these complexities are focused on an apparently straightforward ‘single issue’, apparently resolved by the National Referendum held on 23 June 2016, namely that Britain should ‘Exit’ from, the EU: “BREXIT means BREXIT” declared Britain’s new Prime Minister, Theresa May. But what did she mean by that statement? Indeed, does anybody know what BREXIT means? The resolution of these questions will be influenced by a complex negotiation, which some believe will be protracted (Gus O’Donnell, former Cabinet Secretary) but others declare will be brief and limited (Ian Duncan Smith, former Leader of the Conservative Party). Yet others believe the Referendum outcome did not truly reflect what people wanted the government to do, and demand either a Second Referendum, or that Parliament should have a further decisive vote on the result of the negotiation between Britain and its EU partners. It is likely that the EU-27 will respond to BREXIT with proposed structural reforms of institutions and Competences, as well as the elements of a ‘package deal’ with Britain, but these are most unlikely to be finalised before the outcomes of the French Presidential election (May 2017) and the Bundestag General Election in Germany (October 2017). In the interim, British politics may
be dramatically affected by conflicts within the governing Party (Conservatives); Opposition (Labour); Scotland (SNP); and minor Parties (UKIP, Lib-Dem, DUP).

Seminar: Reform of the EU: What are the political implications for the EU of BREXIT?

Readings: Johnson & Turner, European business, Chs 18, 19  
Larabee, F. S. ‘The United States and the evolution of ESDP’, in Vasconcelos (Ed), What ambitions for European defence in 2020? (pp. 51-60)

TEN: Friday 16 February

Lecture: The EU and the ‘Western alliance’ in a changing world economy: The EU has become predominant in Europe, and prominent across the globe, to the extent that it is easy to overlook its ‘contested’ nature. This calls for a careful overview:
- The EU as a ‘Club’, regime & system of institutions;
- Competences v capabilities;
- EU commercial and development strategies;
- Transatlantic Relations: The breakdown of TTIP
- Transatlantic Relations: Differences in security and foreign policy perspectives
- The EU, North America, and the global economy

Seminar: Group Presentations based on Group Field Trip research and coursework

* Contingency Class Date – Friday ------. Students are obligated to keep this date free to attend class should any class dates need to be rescheduled.

Final Exam: The Final Exam in this course is a Take-home Paper which will be issued at the last Class and is due for submission by Email Attachment to at or prior to 5:00 pm on Tuesday 20 February.

Set Texts & Further Readings


Johnson, D & Turner, C (Eds) (2016) European Business (3e), Routledge  
Website (2nd Edition) www.routledge.com/textbooks/9780415351355


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