

BOSTON UNIVERSITY

**THE POLITICAL ECONOMY OF THE EUROPEAN UNION**

IR 760/PO 756

Fall Semester 2014

Class Hours: Tuesdays 2-5

Location: IRC 220

Instructor:

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## **IR 760/PO 756: THE POLITICAL ECONOMY OF THE EUROPEAN UNION**

**Professor Vivien A. Schmidt**

### CATALOGUE DESCRIPTION:

Investigates major issues of European economic integration, including the Single Market and European Monetary Union. Explores the theoretical and practical problems of integration. Considers the crisis of the Euro and its consequences for European member-state economies and democracies.

### COURSE DESCRIPTION:

Between the launching of the euro in 1999 and the completion of the single market in 1992, the European Union in less than a decade achieved a level of monetary and market integration that has had no equivalent among other regional trade organizations. With the euro taking its place next to the dollar as the second reserve currency in the world, and with the European market already larger than that of the U.S., Europe has become an economic giant rivalled only by the U.S. And then the economic crisis hit, first with the financial boom and bust that began in the US in 2007 and then the sovereign debt crisis that hit in 2010. The Eurozone crisis in particular has been the defining problem not just for Europe's economics but also its politics since 2008. It has affected all aspects of Europe's political economy, including the Single Market. How this happened and what this has meant not just for the European Union but also for European member-states in terms of changes in their own national political economies are the main concerns of this course.

The course begins with a consideration of the European political economy in perspective in terms of what appears to be a crisis without end. This raises questions about the origins of the crisis in terms of global as well as European economic ideas, policies, and outcomes that have important consequences for the present and future of the European Union. The course then examines the specific ideas behind European economic integration along with the current remedies to the Eurozone crisis, with a discussion of neo-liberalism and ordo-liberalism (neo-liberalism with rules, the mainstay of Germanic macroeconomic thought) versus neo-Keynesianism. We next read about the European Single Market in order to understand the political processes by which it was generated and what it meant in terms of opening up markets as well as of ensuring a level playing field through competition policy and limits to state aid. We subsequently consider how the EU in the context of the Single Market project also helped to create a European and global market in finance that was also to become the source of future problems.

The following section of the course focuses on the economics and politics of monetary integration. We first examine the architecture of the single currency and the incompleteness of Economic and Monetary Union (EMU). After this, we explore the economic policies devised to solve the eurozone crisis, focused on austerity and structural reform along with the critiques and proposals for alternative policies to resolve the crisis. Subsequently, we consider the politics of economic integration by looking first at the overall picture regarding the way in which the crisis unfolded and then more closely at the ways in which different institutional actors governed (or

not) during the crisis—including the European Central Bank (ECB), the Council, the Commission, and the European Parliament.

The final sections of the course explore the impact of the economic crisis on European countries and citizens both in terms of the economics and the politics. Here, we begin with the impact of the crisis on the member-states, with readings focused on a range of countries in the center and the periphery, to see how they understood the economic crisis as well as how they coped (or not) with it. We then step back to consider questions of labor and welfare policy, considering how the eurozone crisis represents a crisis for social democracy. We end the final two sessions with a discussion of the challenges for political democracy from the crisis, and how democratic legitimacy has come increasingly into question as a result of the crisis.

The reading materials are themselves a mix of scholarly books and articles, policy-related pamphlets and briefs, and background readings. You may find it useful to read first the policy-related materials, to get a clearer sense of the events, contexts and controversies that the scholarly pieces may be addressing.

The scholarly materials are cross-disciplinary (from political science, economics, history, and sociology) and use a range of methodological approaches. These run the gamut from statistical and econometric studies through historical narratives and political interpretation, from accounts of deep political economic structures to equally deep philosophical ideas and discourses, and from studies of the economic and social policies to discussions of the political interactions. Most of the literature, however, is situated in the fields of Comparative Political Economy (CPE) and International Political Economy (IPE) as well as European Union (EU) Studies. EU Studies constitutes a field half way between the previous two fields. It is focused on a particular region in which governance has gone far beyond anything expected in IR theory (in which only the nation-state counts), but is nowhere near that seen in any nation-state, since the EU is a regional union of nation-states become member-states. Finally, regarding the analytic frameworks used in many of the scholarly materials, for CPE most of the articles employ rational choice institutionalism (focused on interests and incentive structures), historical institutionalism (focused on historically path-dependent rules and regularities) and/or discursive institutionalism (focused on ideas and discursive interactions in institutional context); for IPE most are realist/materialist (focused on state interests and how these play out in politics and economics) and/or constructivist (focused on the ideas that ‘construct’ the interests). Although these methodological issues are not the central focus of the course (which is why no theoretical readings regarding these approaches are assigned), they will be duly noted. This is because how an author frames the question using any such analytic framework often affects how and what they explain.

**REQUIRED TEXTS:**

Blyth, Mark (2013) *Austerity: The History of a Dangerous Idea* New York: Oxford University Press

Jabko, Nicolas (2006) *Playing the Market: A Political Strategy for Uniting Europe 1985-2005* Ithaca: Cornell University Press

Abdelal, Rawi (2007) *Capital Rules: The Construction of Global Finance* Cambridge, MA: Harvard University Press  
Schmidt, Vivien A. and Thatcher, Mark (2013) *Resilient Liberalism in Europe's Political Economy* Cambridge: Cambridge University Press  
Majone, Giandomenico, *Rethinking the Union of Europe Post-Crisis: Has Integration gone too far?* Cambridge: Cambridge University Press  
Gamble, Andrew (2014) *Crisis without End? The Unravelling of Western Prosperity* Basingstoke: Palgrave Macmillan  
Mair, Peter (2013) *Ruling the Void: The Hollowing of Western Democracy* London: Verso

The books are all available at Barnes and Noble. All other readings will be available either via the internet, from BU library via e-resources (ebooks or ejournals) or will be emailed to you, as indicated.

Students are strongly encouraged to get a subscription to the Financial Times and The Economist. Also, please also check out the internet. The EU has a very elaborate site, with a great deal of information. Check it out at [www.eurunion.org](http://www.eurunion.org) or [www.europe.org](http://www.europe.org). There is a short guide for Americans at [www.eurunion.org/infores/eurguide/eurguide.htm](http://www.eurunion.org/infores/eurguide/eurguide.htm) There is also a list of internet sites on the Center for the Study of Europe website at: <http://www.bu.edu/european> listed under the 'resources' link.

Websites to check out on a regular basis:

- <http://www.euointelligence.com/Euointelligence-Home.901.0.html>: A daily wrap-up of European newspapers produced by Wolfgang Munchau (a commentator to follow via his op-eds in the Financial Times) and Susanne Mundschenk.
- <http://www.euractiv.com> A website with all the latest information on EU institutions and policies. Sign up for the newsletters on issues of interest to you.
- <http://www.voxeu.org/>: A policy-oriented forum, hosted by the Center for European Policy Research, a European network of economists and policy analysts
- <http://www.telos.fr/> A French policy-oriented forum (with English translations) that often reproduces voxeu pieces and vice-versa
- *Social Europe Journal* (access <http://www.social-europe.eu/>): Has lots of US and EU political scientists, economists, and policy analysts writing interesting pieces.
- Breughel ([www.bruegel.org/](http://www.bruegel.org/)): The top EU economics think-tank which carries lots of in-depth pieces.
- Also consider country newspapers: *Wall Street Journal*, *Le Monde*: <http://www.lemonde.fr/>, Frankfurter Allgemeine Zeitung: <http://www.faz.net/s/homepage.html>, Repubblica: <http://www.repubblica.it/>, and El Pais: <http://www.elpais.com/global/>.
- Also use websites from national governments and international institutions: e.g., EU Commission ([http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm)) and the ECB (<http://www.ecb.int/home/html/index.en.html>).
- On the eurozone crisis specifically: [http://ec.europa.eu/economy\\_finance/focuson/crisis/index\\_en.htm](http://ec.europa.eu/economy_finance/focuson/crisis/index_en.htm) EU Commission website on the economic crisis; Robert Schuman Foundation (leading think tank on European affairs) <http://www.robert-schuman.eu/en/>

### **COURSE REQUIREMENTS:**

This course will be run as a seminar. Students are expected to do all the readings (even if they may not be able to read all very thoroughly) and to be prepared to discuss them.

- There will be one major final paper (6000 words) worth 50 percent of the grade. The topic of the major paper will focus on some aspect of the single market or single currency that has been affected by the economic crisis (financial and/or sovereign debt) and will normally involve a discussion of how this has played out in one, two, or more countries.
  - Students will also provide an abstract and bibliography for their paper midway through the course at the latest, i.e., no later than October 28 (no grade).
  - Presentations of the major paper will take place during the last week of the class.
- There will be two short papers (2500 words) worth 20 per cent of the grade each.
  - The short paper(s) will be based on readings from the syllabus, as write-ups of class presentations due a week after the class presentation.
  - Each student will be expected to present at least twice in the course of the semester (15 minute presentation).
- Class participation will be 10 percent of the grade.
  - As part of class participation, to help stimulate discussion, students will send in four times during the semester a set of questions about the readings for the week.

### **Information**

The College of Arts and Sciences (CAS) Dean's Office has requested that you be informed of the following: The last day you may drop the course without a W grade is Monday, Oct. 6. The last day you may drop the course with a W grade is Nov. 7. You are responsible for knowing the provisions of the CAS Academic Conduct Code (copies are available in CAS 105).

**Academic Misconduct:** All class members are expected to maintain high standards of academic honesty and integrity. You are expected to provide citations in papers for all quotations, paraphrases, and ideas taken from any source other than your own original thoughts. Boston University has very strict standards for intellectual integrity, and punishment for plagiarism is severe, and can include permanent expulsion from the university. For more on the definition of plagiarism and the standards to which you will be held, see the CAS Academic Conduct Code, available at <http://www.bu.edu/academics/resources/academic-conduct-code/> or the GRS Academic Conduct Code: <http://www.bu.edu/cas/students/graduate/forms-policies-procedures/academic-discipline-procedures/>

## COURSE READINGS:

9/2

### Introduction

### I European political economy in perspective

9/9

Gamble, Andrew (2014) *Crisis without End? The Unravelling of Western Prosperity*

Basingstoke: Palgrave Macmillan.

Majone, Giandomenico, *Rethinking the Union of Europe Post-Crisis: Has Integration gone too far?* Cambridge: Cambridge University Press.

### II Ideas and Economic Integration: Neo-Liberalism vs Neo-Keynesianism

9/16

Schmidt, Vivien A. and Thatcher, Mark (2013) “Theorizing Ideational Continuity: The Resilience of Neo-Liberal Ideas in Europe” and “Conclusion” in *Resilient Liberalism in Europe’s Political Economy* Cambridge: Cambridge University Press, pp. 1-50, 403-431

Gamble, Andrew (2013) “Neo-liberalism and fiscal conservatism” in *Resilient Liberalism in Europe’s Political Economy* Cambridge: Cambridge University Press, pp. 53-76

Paul Krugman, “Mr. Keynes and the Moderns” <http://www.social-europe.eu/2011/06/mr-keynes-and-the-moderns/>

Schnyder, Gerhard and Siems, Matthias (2012) “The Ordo-Liberal Variety of Neo-Liberalism” in Suzanne Konzelmann and Marc Fovargue-Davies (eds.), *Banking Systems in the Crisis: The Faces of Liberal Capitalism*, Abingdon: Routledge, 2013, pages 250-268. Find at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2142529](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2142529)

#### *Policy-Related Readings:*

\*Dullien, S. and Guérot, U. (2012) ‘The Long Shadow of Ordo-Liberalism’ *European Council on Foreign Relations* Policy Brief ECFR 49.

[http://www.ecfr.eu/content/entry/the\\_long\\_shadow\\_of\\_ordoliberalism\\_germanys\\_approach\\_to\\_the\\_euro\\_crisis](http://www.ecfr.eu/content/entry/the_long_shadow_of_ordoliberalism_germanys_approach_to_the_euro_crisis)

\*Philip Mirowski, “The Thirteen Commandments of Neo-Liberalism” the-Utopian.org

<http://www.the-utopian.org/post/53360513384/the-thirteen-commandments-of-neoliberalism>

### III The Economics and Politics of Market Integration

9/23

#### *a. The Single Market*

Jabko, Nicolas (2006) *Playing the Market: A Political Strategy for Uniting Europe 1985-2005* Ithaca: Cornell University Press, chapters 1-6, with special attention to chapter 5 and 6.

- Thatcher, Mark (2013) “Supranational neo-liberalization: The EU’s regulatory model of economic markets” in *Resilient Liberalism: European Political Economy through Boom and Bust* eds. Vivien A. Schmidt and Mark Thatcher (Cambridge: Cambridge University Press).
- Egan, Michelle and Maria-Helena Guimaraes (2012) “Compliance in the Single Market,” *Business and Politics* vol. 14, no. 4: 1-28.  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2393756](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2393756)
- Crespy A., « European Integration and Resistance to Institutional Change: The Politics of Services Liberalization in the European Union », CES Papers - Open Forum, 2011,  
[https://ces.fas.harvard.edu/files/working\\_papers/CES\\_OFWP\\_7.pdf](https://ces.fas.harvard.edu/files/working_papers/CES_OFWP_7.pdf)

*Policy-Related Readings:*

- \*“The Single Market” (2008) University of North Carolina Center Policy Brief  
<http://europe.unc.edu/wp-content/uploads/2013/08/Brief0803-single-market.pdf>
- \*Monti, Mario (2010) “A New Strategy for the Single Market: At the Service of Europe’s Economy and Society.” Report to the President of the European Commission (May 9, 2010)  
[http://ec.europa.eu/bepa/pdf/monti\\_report\\_final\\_10\\_05\\_2010\\_en.pdf](http://ec.europa.eu/bepa/pdf/monti_report_final_10_05_2010_en.pdf)

9/30

***b. Creating a European and Global Market in Finance***

- Abdelal, Rawi (2007) *Capital Rules: The Construction of Global Finance* Cambridge, MA: Harvard University Press. Skim all but read esp. chapters 1-4
- Mügge, Daniel (2013) “Neoliberalism in EU Financial Regulation: Whence it came, why it stuck,” in *Resilient Liberalism: European Political Economy through Boom and Bust* eds. Vivien A. Schmidt and Mark Thatcher (Cambridge: Cambridge University Press).
- Grossman, Emiliano, and Patrick LeBlond (2011). ‘European Financial Integration: Finally the Great Leap Forward?’ *Journal of Common Market Studies* 49:2 (January) pp. 413-435. (ejournals)
- Posner, Elliot (2005) “Sources of Institutional Change: The Supranational Origins of Europe’s New Stock Markets” *World Politics* 58, 1 (October 2005): 1-40. (find in ejournals or at <http://politicalscience.case.edu/posnerarticle1.pdf> )

**IV The Economics of Monetary Integration: The Single Currency and the Euro Crisis**

10/7

***a. Building an Incomplete Economic and Monetary Union?***

- Jabko, Nicolas (2006) *Playing the Market: A Political Strategy for Uniting Europe 1985-2005* Ithaca: Cornell University Press, chapter 8.
- McNamara, Kathleen (2014) “History Lessons: What can past Currency Unions tell us about the Future of the Euro?” in *The Future of the Euro* co-edited by Matthias Matthijs and Mark Blyth. New York: Oxford University Press (forthcoming) (will email)
- Jones, Erik (2014) “Forgotten Financial Union: How You Can Have a Euro Crisis without a Euro” in *The Future of the Euro* edited by Mark Blyth and Matthias Matthijs, New York: Oxford University Press (forthcoming) (will email)

- Schelkle, Waltraud. 2014. "The Insurance Potential of a Non-Optimum Currency Area" in *Democratic Politics in a European Union under Stress* eds. Olaf Cramme and Sara B. Hobolt. Oxford: Oxford University Press (forthcoming). (will email)
- Eichengreen, Barry (2012) "European Monetary Integration with the Benefit of Hindsight" *Journal of Common Market Studies* vol. 50, no. S1: 123-136 (ejournals)

*Policy-Related Readings:*

- \*Randall Henning and Martin Kessler, *Fiscal Federalism: US History for Architects of Europe's Fiscal Union* (Brussels: Bruegel 2012), available at <http://www.iie.com/publications/wp/wp12-1.pdf>
- \*Eichengreen, Barry (1991) "Is Europe an Optimum Currency Area?," National Bureau of Economic Research NBER Working Paper 3579 <http://www.nber.org/papers/w3579.pdf>
- \*Feldstein, Martin (1997) "The Political Economy of the European Economic and Monetary Union: Political Sources of an Economic Liability," National Bureau of Economic Research NBER Working Paper 6150 <http://www.nber.org/papers/w6150.pdf>
- \*Padoa-Schioppa, Tomaso (1987). *Efficiency, Stability and Equity: A Strategy for the Evolution of the Economic System of the European Community*. Brussels: Commission of the European Communities, II/49/87 (April). <http://tinyurl.com/lh7xqgt> (Report recommending creation of EMU)

*Background Readings:*

- Heipertz, Martin and Verdun, Amy (2010) *Ruling Europe: The Politics of the Stability and Growth Pact* New York: Cambridge University Press.
- Dyson, Kenneth (2000) *The Politics of the Eurozone: Stability or Breakdown?* Oxford: Oxford University Press.
- Thomas Sargent, *United States Then, Europe Now*, Nobel Prize Lecture (Stockholm, 2012), available at [https://files.nyu.edu/ts43/public/research/Sargent\\_Sweden\\_final.pdf](https://files.nyu.edu/ts43/public/research/Sargent_Sweden_final.pdf)

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***b. Economic Policies for the EU and the Eurozone: Austerity and Structural Reform***

- Blyth, Mark *Austerity: The History of a Dangerous Idea* New York: Oxford University Press (entire)
- Alesina, Alberto, Ardagna, Silvia, and Galasso, Vincenzo, (2008) "The Euro and Structural Reforms" National Bureau of Economic Research NBER Working Paper 14479 <http://www.nber.org/papers/w14479.pdf>
- Servaas Storm & C.W.M. Naastepad (2014) "Why the Eurozone may Self-Destruct: NAIRU Economics cannot resolve EMU's Internal Contradictions." Paper prepared for delivery at the International Workshop "Full Employment in Europe: With or Without the Euro?", organized by Centre de Recherche en Economie de Grenoble (CREG)—Université de Grenoble—and the Institute for New Economic Thinking, May 15-16, 2014. (Will email)
- Hay, Colin and Smith, Nicola (2013) "The resilience of Anglo-liberalism in the absence of growth: The UK and Irish cases" in *Resilient Liberalism: European Political Economy through Boom and Bust* eds. Vivien A. Schmidt and Mark Thatcher (Cambridge: Cambridge University Press)



*Policy-Related Readings:*

- \*Jones, Erik (2013) “The Politics of Austerity,” University of North Carolina Center Policy Briefs <http://europe.unc.edu/wp-content/uploads/2013/09/Brief1308-austerity.pdf>
- \*Martin Wolf, FT on austerity vs. stimulus <http://video.ft.com/v/129159354001/The-stimulus-vs-austerity-debate>
- \*Mark Blyth video on “Austerity” [http://watsoninstitute.org/news\\_detail.cfm?id=1388](http://watsoninstitute.org/news_detail.cfm?id=1388)
- \*Alesina, Alberto (2012) “The Kindest Cuts,” *City Journal* [http://www.city-journal.org/2012/22\\_4\\_spending-cuts.html](http://www.city-journal.org/2012/22_4_spending-cuts.html)

10/28

***c. Further Critiques and Alternative Economic Policies for the Eurozone***

- Scharpf, Fritz W. .2012. Monetary Union, Fiscal Crisis and the Pre-emption of Democracy. In: Joachim Jens Hesse (ed.), *Zeitschrift für Staats- und Europawissenschaften*, vol. 9, no. 2, 163-198 [http://www.zse.nomos.de/fileadmin/zse/doc/Aufsatz\\_ZSE\\_11\\_02.pdf](http://www.zse.nomos.de/fileadmin/zse/doc/Aufsatz_ZSE_11_02.pdf)
- DeGrauwe Paul and Ji, Yuemei (2012) “Mispricing of Sovereign Risk and Macroeconomic Stability in the Eurozone” *Journal of Common Market Studies*, 50/6: 866-880. (ejournals)
- DeGrauwe Paul and Ji , Yuemei (2013) “From Panic Driven Austerity to Symmetric Macroeconomic Policies in the Eurozone,” *Journal of Common Market Studies*, Annual Review vol. 51: 31-41
- Braun, Benjamin (2013) “Preparedness, Crisis Management and Policy Change: The Euro Area at the Critical Juncture of 2008-2013,” *British Journal of Political and International Relations* (forthcoming) ejournals or <http://onlinelibrary.wiley.com.ezproxy.bu.edu/doi/10.1111/1467-856X.12026/pdf>

*Policy-Related Readings:*

- \*Enderlein, H. et al. (2012): *Completing the Euro – A road map towards fiscal union in Europe*. Notre Europe Study No. 92 <http://www.notre-europe.eu/media/completingtheeuroreportpadoa-schioppagroupneune2012.pdf?pdf=ok>
- \*Enderlein, Henrik, Guttenberg, Lucas and Spiess, Jann (2013) “Blueprint for a cyclical shock insurance in the Euro Area.” Notre Europe/Jacques Delor Institute Studies and Reports (September). <http://www.eng.notre-europe.eu/011-16659-Blueprint-for-a-Cyclical-Shock-Insurance-in-the-euro-area.html>
- \*Fernandes, Sofia and Maslauskaitė, Kristina (2013) “Deepening the EMU: How to Maintain and Develop the European Social Model” Notre Europe (November) <http://www.notre-europe.eu/media/deepeningtheemu-fernandesmaslauskaitene-jdioc2013.pdf?pdf=ok>
- \*Claessens, Stijn, Mody, Ashoka, and Vallee, Shahin (2012) “Paths to Eurobonds.” Bruegel Working Paper 2012/10. available at <http://www.bruegel.org/publications/publication-detail/publication/733-paths-to-eurobonds/>
- \*Benedicta Marzinotto, André Sapir, Guntram B. Wolff, *What Kind of Fiscal Union?* Bruegel Policy Brief 2011/06 (November 2011), available at <http://www.bruegel.org/publications/publication-detail/publication/646-what-kind-of-fiscal-union/>

## V. The Politics of Economic Integration: Governing the Financial and Sovereign Debt Crises

11/4

### a. *The Unfolding Crisis and Complex Political Interactions*

Lütz, Susanne and Kranke, Matthias (2010) "The European Rescue of the Washington Consensus? EU and IMF Lending to Central and East European Countries" LESQ Paper 22/2010. Find online

Schmidt, Vivien A. (2010) "The European Union's Eurozone Crisis and What (not) to do about it" *Brown Journal of World Affairs* vol. XVII, issue I (Fall/Winter 2010), pp. 199-214. Find online

Jones, Erik (2010) "Merkel's Folly," *Survival* 52/3, 21-38. (ejournals)

Jabko, Nicolas (2014) "The Crisis of EU Institutions and the Weakness of Economic Governance" in *The Future of the Euro* co-edited by Matthias Matthijs and Mark Blyth. New York: Oxford University Press (will email)

### *Policy-Related Readings:*

\*Spiegel, Peter (2014) 'How the Euro was Saved,' *Financial Times*, May 11, 14, 15

Part I May 11, 2014 <http://www.ft.com/intl/cms/s/0/f6f4d6b4-ca2e-11e3-ac05-00144feabdc0.html#axzz39tfBzdJm>

Part II May 14, 2014 <http://www.ft.com/intl/cms/s/0/0ac1306e-d508-11e3-9187-00144feabdc0.html#slide0>

Part III May 15, 2014 <http://www.ft.com/intl/cms/s/0/b4e2e140-d9c3-11e3-920f-00144feabdc0.html?siteedition=intl#axzz39tfBzdJm>

\*Matthijs, Matthias and Blyth, Mark "Why Only Germany Can Fix the Euro: Reading Kindleberger in Berlin" *Foreign Affairs* Nov. 17, 2011.

<http://www.foreignaffairs.com/articles/136685/matthijs-matthijs-and-mark-blyth/why-only-germany-can-fix-the-euro>

\*Jean Pisani-Ferry, André Sapir, and Guntram B. Wolff, "The Messy Rebuilding of Europe," *Bruegel Policy Brief* 2012/01 (March 2012)

<http://www.bruegel.org/publications/publication-detail/publication/719-the-messy-rebuilding-of-europe/>

\*Text of the Fiscal Compact:" [www.european-council.europa.eu/media/579087/treaty.pdf](http://www.european-council.europa.eu/media/579087/treaty.pdf)

\*ECFIN explanation of Six Pack, etc:

[http://ec.europa.eu/economy\\_finance/articles/governance/2012-03-14\\_six\\_pack\\_en.htm](http://ec.europa.eu/economy_finance/articles/governance/2012-03-14_six_pack_en.htm)

## VI. EU Institutional Actors' Roles in Governing the Eurozone Crisis

11/11

Jones, Erik (2013) "The Collapse of the Brussels Frankfurt Consensus and the Future of the Euro" in *Resilient Liberalism: European Political Economy through Boom and Bust* eds.

Vivien A. Schmidt and Mark Thatcher (Cambridge: Cambridge University Press, 2013

Drudi, Francesco, Alain Durré, and Mogelli, Francesco Paolo (2012) "The Interplay of Economic Reforms and Monetary Policy: The Case of the Eurozone," *Journal of Common Market Studies* vol. 50, no. 6: 881-898. (ejournals)

Fabbrini, Sergio. (2013). "Intergovernmentalism and its limits: Assessing the European Union's Answer to the Euro Crisis," *Comparative Political Studies* vol. 46 no. 9: 1003-1029.

Hodson, Dermot (2014) "Eurozone governance: Recovery, Reticence, and Reform," *Journal of Common Market Studies* Annual Review vol. 52: 186-201 (ejournals)

#### *Policy-Related Readings:*

- \*Asmussen, Jörg (2012) "Building Trust in a World of Unknown Unknowns: Central Bank Communication between Markets and Politics in the Crisis" European Central Bank, <http://www.ecb.int/press/key/date/2012/html/sp120706.en.html>
- \*Jones, Erik (2014) "The New Strategy of the ECB" University of North Carolina Center Policy Briefs <http://europe.unc.edu/wp-content/uploads/2014/07/NC-ecb-strat-28-7-2014.pdf>
- \*Bruegel report on the European Semester (2013) <http://www.bruegel.org/publications/publication-detail/publication/793-does-the-european-semester-deliver-the-right-policy-advice/>

#### *Background Readings:*

Puetter, Uwe, 2012, "Europe's Deliberative Intergovernmentalism: The Role of the Council and European Council in EU Economic Governance", *Journal of European Public Policy*, 19(2): 161-178

## **VII The Member-states in the Eurozone Crisis**

11/18

- Regan, Aidan (2013) "Political Tensions and Euro-Varieties of Capitalism: The Crisis of the Democratic State in Europe." EUI Working Papers MWP 2013/24 Max Weber Programme [http://cadmus.eui.eu/bitstream/handle/1814/28177/MWP\\_2013\\_24.pdf](http://cadmus.eui.eu/bitstream/handle/1814/28177/MWP_2013_24.pdf)
- Jacoby, Wade (2014) "The Timing of Politics and the Politics of Timing: The Case of Germany" in *The Future of the Euro* co-edited by Matthias Matthijs and Mark Blyth. New York: Oxford University Press (forthcoming) (will email)
- Hopkin, Jonathan (2014) "The Southern Problem: The Euro Crisis in Italy and Spain" in *The Future of the Euro* co-edited by Matthias Matthijs and Mark Blyth. New York: Oxford University Press (forthcoming) (will email)
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## VIII The Challenges for Political Democracy and Society

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- \*Legrain, Philippe (2014) “How to Finish the Euro House.” Report for the Center for European Reform. (June) [http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2014/report\\_legrain\\_euro\\_house\\_june14-9111.pdf](http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2014/report_legrain_euro_house_june14-9111.pdf)

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- Olsen, Johan (2013) "The Institutional Basis of Democratic Accountability," *West European Politics* 36/3: 447-473. (ejournals)
- Schmidt, V. A. 2013a. "Democracy and Legitimacy in the European Union Revisited: Input, Output and 'Throughput.'" *Political Studies* vol. 61, no. 1 (2013): 2-22
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Last Class: Continued discussion of the challenges for democracy

Paper presentations

Final Papers due Friday, Dec. 12 via email