



STUDY PROGRAMME

EG

ACADEMIC YEAR

2019 - 2020

SEMESTER

Second

COURSE TITLE

The Political Economy of Europe in Crisis

COURSE PROFESSOR

G. PAGOULATOS

COURSE ASSISTANT

L. PIERRET

NATURE OF COURSE (COMPULSORY, OPTIONAL)

EG Seminar

LANGUAGE OF INSTRUCTION

English

ECTS CREDITS

LAW 3 ECTS ; ECO 3 ECTS ; ELEA(LAW) 2 ECTS ; POL 4 ECTS

1. COURSE OBJECTIVE

This course is about economic governance and democracy in the EU, in the light of the recent Eurozone crisis. What started from the other side of the Atlantic, soon spread into Europe as a global financial crisis, subsequently transmuting into various crises: a (private and sovereign) debt crisis, a banking and a fiscal crisis, an economic and social crisis for the member states specifically affected, and thus a socio-political crisis and a crisis of democracy. The Eurozone crisis exposed the construction defects of EMU, was aggravated by the policy failures at national and EU level, and thrust the viability of the EMU project into doubt. It generated poisonous divisions and discontent, both within and between member states, splitting the Eurozone between creditors and debtors, unleashing forces of fragmentation. It also gave impetus to institutional and policy reform initiatives, in a Eurozone operating in perpetual crisis mode.

Though the Eurozone economy has visibly recovered, the legacies of the crisis are still with us. And the Eurozone, if not reformed, remains vulnerable to the next crisis episode, whenever that happens.

Starting with the historical context identifying important long-term trends of European integration, this course will focus on the recent Eurozone crisis as an opportunity to reflect on the EMU asymmetries, and the political economy of reform in hard times. It will seek to understand the workings and interdependencies between institutions, socio-politics and economics, between the national, the intergovernmental, and the European. It will shed light on the rationale underlying policy decisions, on the complex dilemmas and trade-offs, coalitions, winners and losers, broader implications, and crucial stakes involved.

A "real" policy orientation will be combined with a political economy perspective. A series of introductory lectures on the subject will be followed by seminars on specific topics, in which students are expected to present short essays.



2. LEARNING OUTCOMES

On completion of the course, the student will be expected to be able to use active verbs to describe knowledge and improve its communication skills, debate skills, writing skills, and competence in analysis, application of theories.

3. COURSE CONTENTS

Historical Background

- Ever bigger, more intrusive and less inclusive in a deteriorating economic environment
- Division of powers between EU and member states

Europe and the Global Economic and Financial Crisis

- The international financial crisis turns European
- What went wrong?

The Political Economy of the Euro Crisis

- Who runs the show, who runs the risk, and who pays the bill?
- A provisional balance sheet

EMU and the Eurozone Crisis

- What kind of Eurozone crisis?
- Adjustment options in the Eurozone

The Legacies of the Eurozone Crisis

- Unemployment, labour migration, and job insecurity
- The political economy of low inflation and zero-bound interest rates

The Limits of EMU

- Impossible trinitities, optimal currency areas, and the Eurozone
- What features should a new EMU architecture contain?

Deepening the EMU

- Fiscal discipline or fiscal capacity?
- How far with financial integration and risk mutualisation?

The Bigger Picture

- Winners and losers; fragmentation and populism
- Europe as a case study of the globalization paradox?

4. TEACHING METHOD(S)

Lectures, student presentations, and class discussions. Readings for each session, active class participation, written essay and class presentation, oral exam.

5. COURSE MATERIAL

Select bibliography



College of Europe
Collège d'Europe



Natolin

ECTS CARD

Baldwin, Richard and Francesco Giavazzi, [*The Eurozone Crisis: A Consensus View of the Causes and a Few Possible Remedies*](#), A VoxEU.org eBook, CEPR Press, 2015.

Brunnermeier, Marcus, Harold James and Jean-Pierre Landau, *The Euro and the Battle of Ideas*, Princeton, Princeton University Press, 2016.

European Commission, [*Reflection Paper on the Deepening of the Economic and Monetary Union*](#), Brussels, European Commission, 2017.

Hishow, Ognian, Miguel Otero-Iglesias, Federico Steinberg and Paweł Tokarski (eds) [*The Euro Paradox: Explaining the Resilience of the Single Currency*](#), Berlin, SWP Working Paper 1, 2018.

Pagoulatos, George "Deepening EMU as a win-win: How to keep the reform debate alive", [*Yes We Should! EU Priorities for 2019-2024*](#), special issue, *Challenge Europe*, Brussels, EPC, April 2019.

Tsoukalis, Loukas, *In Defence of Europe: Can the European Project be Saved?*, Oxford, Oxford University Press, 2016.

Select internet resources

EU-related resources and think tanks

BRUEGEL: <http://www.bruegel.org/>

European Policy Centre (EPC): <http://www.epc.eu/>

Centre for European Policy Studies: <http://www.ceps.be/>

Centre for European Reform: <http://www.cer.org.uk/>

Notre Europe: <http://www.notre-europe.eu/>

Vox Europa: <http://www.voxeu.org/>

Eurointelligence: <http://www.eurointelligence.com/>

Social Europe: <http://www.social-europe.eu>

EU policy portals

Europa - Official Gateway to the EU:

http://europa.eu/index_en.htm

The European Commission: http://ec.europa.eu/index_en.htm

Euractiv: <http://www.euractiv.com/en/HomePage>

European Industrial Relations Observatory:

<http://www.eiro.eurofound.ie/>

6. EVALUATION

Students will be expected to write a 3600-4400 word essay, which will be presented and discussed in class. The written essay will account for 30% of the overall mark; the essay presentation in the seminar & general participation in class will account for 20%. The remaining 50% will consist of the oral examination, which will be on the basis of general knowledge of topics covered in the course. Student essays will be presented in groups if needed, so as not to exceed the allotted total amount of time.