

Proseminar 15162 – International Political Economy

The History, Politics, and Economics of the Eurozone

Summer term 2018
Tuesday, 10.00-12.00 c.t.
Ihnestr. 21/Hörsaal B

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Office hours: Tuesday, 12.00-14.00
(appointment by email)

Course description:

What's wrong with the Euro? When a group of European Union member states introduced the common currency in 1999, the Euro was off to a good start. During the first decade, the Eurozone experienced an economically prosperous period. Yet since the outbreak of the global financial crisis of 2007-09, the Eurozone has endured a tumultuous second decade while coming at times dangerously close to a breakup. Several explanations for these events have been offered, ranging from excessive government spending in select member states over institutional weaknesses of the currency to contradictions inherent to market-based societies. Each explanation differs in terms of the underlying premises, identification of relevant factors, and proposed solutions to the observed problems. The goal of this seminar is to understand these issues, disentangle the varied approaches, and assess merits and flaws of the different perspectives. To this end, it will address the origins and consequences of the Euro and the Eurozone crisis. The first part of the seminar reviews the run-up to the creation of the Euro. Step-by-step, we will assess the status quo in post-war Europe and consider the political and economic rationales for creating first a common market and then a common currency. The second part engages with the established Eurozone, its supposedly successful first ten years and the turbulent times thereafter. We will consider the onset of the Eurozone crisis, the policy responses at domestic and European level, as well as the remaining shortcomings in the institutional and economic governance of the Euro. The seminar aims to assess and explain the historical, political, and economic aspects underlying the creation and the trajectory of the European Economic and Monetary Union. Prior knowledge of European integration or economic theory is commendable, but the seminar is open to all students willing to engage with the subject.

Course features:

- Session introduction and weekly recap by lecturer
- Student presentations provide detailed and/or critical perspectives on the topic of the day
- Group work
- Minutes for each session are taken to facilitate course review

Course requirements:

Certificate of attendance ('Teilnahmeschein'):

- Regular and active participation
- Presentation *or* minutes *or* essay

>> Example: Regular and active participation + presentation = Teilnahmeschein

Full certificate ('Leistungsschein'):

- Regular and active participation
- Presentation *or* minutes *or* essay
- 'Referatsausarbeitung' (~3000 words) or term paper (~4000 words)

>> Example: Regular and active participation + minutes + term paper = Leistungsschein

Regular and active participation: A successful and enriching seminar depends crucially on the engagement of all participants. This presupposes attendance, interest as well as thorough preparation by all students. The *required reading* for each session ranges between 10-20 pages, demanding about two hours of preparation. Please plan accordingly.

Minutes: For each session, select students will write minutes of 2-3 pages to be posted on Blackboard. These should roughly display the contents of the session, the topics we discussed as well as the different points of view. Please send me the minutes as Word-Document at the latest one week after the respective session. Minutes slots will be allocated during the introductory session.

Presentation: The presentation is intended to provide further empirical material, a pro and con perspective, or an inherently critical account of the topic of the day. The presentation should last about 10-15 minutes, time will be checked. Presentation slots will be allocated during the introductory session. **Important!:** each presenter is required to come to my office hours at the latest one week prior to the scheduled session to discuss content and structure of the presentation (office hours on Tuesdays from 12-14 o'clock, please send an email to vincent.dreher@fu-berlin.de with the preferred date and time slot).

Essay: The essay is a well-referenced opinion piece. Make sure the opinion-part does not fall short. Feel free to engage with a given topic in the realm of politics, economics, finance, and European integration in the way you consider appropriate. Deadline is on 30.09.2018, word count is ca. 1000 (meaning 800-1200 words), excluding footnotes and bibliography.

Referatsausarbeitung and *Term paper*: The deadline for the assignment is on 30.09.2018, extensions only for legitimate reasons and after advance notification. Please send your paper solely as PDF to: vincent.dreher@fu-berlin.de

You are strongly encouraged to send me a one- to two-page outline of your topic or idea in advance, explaining what question or puzzle you want to analyze, why it is interesting, and how you want to answer it (or how you could imagine answering it). Please schedule an appointment during office hours for discussing your research proposal.

- FU students: the word count for a ‘Referatsausarbeitung’ is 2500-3500 words and for a term paper 3500-4500 words, excluding footnotes and bibliography. **Important!:** apart from the word count, the requirements for a ‘Referatsausarbeitung’ and a term paper are identical. This includes the aspects of research question, paper structure, theoretical approach, and empirical analysis (hence it is not just a summary of your presentation).
- ERASMUS and exchange students: a certificate of attendance will give you 3 ECTS, a full certificate 7 ECTS. The term paper for a full certificate should count 2500-3500 words, excluding footnotes and bibliography. Please prepare the ‘Leistungsnachweis’ and bring it to the last session:
http://www.polsoz.fu-berlin.de/polwiss/studium/auslandsstudium/llp_erasmus/leistungs_und_teilnahmeschein_fb_polsoz.pdf

Grading: The Referatsausarbeitung and term paper will be graded according to criteria laid out in the Evaluation sheet, available in the Introduction folder on Blackboard.

Further guidelines on academic writing: Please refer to the “Introduction and Guidelines to Academic Research and Writing” by the Institute of Political Science at the University of Bremen for an excellent overview, available in English and German in the Introduction folder on Blackboard.

Course goals:

After finishing the course students will be able to:

- Explain what’s wrong with the Euro
- Recount the critical events and periods of European integration
- Engage with theories explaining and analyzing European integration
- Critically assess the European Union’s and the Eurozone’s emergence and trajectory
- Understand and explain the political and economic determinants of Economic and Monetary Union
- Analyze and reflect on questions of European monetary, fiscal, and economic policy
- Discuss broad developments in European economic politics and entertain several scenarios addressing the Eurozone’s future

Course schedule:

Required readings are obligatory for participation, the provided *text questions* facilitate and orient the reading process. *Further readings* provide additional literature on the topic.

1. Introduction (17.04.2018, 10-12)

PART I – The rationales for Economic and Monetary Union

2. Why create a common polity? (24.04.2018, 10-12)

Required reading:

Phinnemore, David (2016): *The European Union: Establishment and Development*. In Michelle Cini, Nieves Pérez-Solórzano Borragán (Eds.): *European Union politics*. Fifth Edition. Oxford: Oxford University Press, pp. 11–29 >> *Required reading pages 11-22*

Text questions:

1. *What was the Council of Europe? Why was it created?*
2. *When was the European Coal and Steel Community (ECSC) established and why?*
3. *Why did the European Defense Community (EDC) and the European Political Community (EPC) fail?*
4. *When was the Treaty of Rome signed? Who established the European Economic Community (EEC) and the European Atomic Energy Community (EAEC)? Which policy areas were pooled? Which four European institutions were established by the Treaty?*
5. *Who participated in the European Free Trade Association (EFTA)? Why was it established?*
6. *What changes entailed the Merger Treaty of 1965?*
7. *Why did support for integration suddenly increase in 1969? And why did it subside in the 1970s?*
8. *What was the persistent trade-off of further enlargement?*
9. *Who drove the development of the Single Market project? And why? What did the Single European Act (SEA) of 1986 entail?*
10. *What were the implications of the Treaty on European Union (TEU), agreed in Maastricht in 1991?*

- Presentation 2: Robert Schuman, Jean Monnet and the Schuman Plan

Phinnemore, David (2016): *The European Union: Establishment and Development*. In Michelle Cini, Nieves Pérez-Solórzano Borragán (Eds.): *European Union politics*. Fifth Edition. Oxford: Oxford University Press, pp. 11–29

Fontaine, Pascal (2000): *A new idea for Europe. The Schuman Declaration 1950-2000*. Available online at http://aei.pitt.edu/13909/1/EURDOC_newidea.PDF, checked on 12.04.2018

Further reading:

Garrett, Geoffrey (1992): International Cooperation and Institutional Choice: The European Community's Internal Market. In *International Organization* 46 (2), pp. 533–560

Martin, Stephen (2006): Building on Coal and Steel: European Integration in the 1950s and 1960s. In Desmond Dinan (Ed.): *Origins and Evolution of the European Union*. Oxford: Oxford University Press, pp. 126–140

3. NO CLASS – Holiday ‘Tag der Arbeit’ (01.05.2018, 10-12)

4. Why create a common market? (08.05.2018, 10-12)

Required reading:

Egan, Michelle (2016): The Single Market. In Michelle Cini, Nieves Pérez-Solórzano Borragán (Eds.): *European Union politics*. Fifth Edition. Oxford: Oxford University Press, pp. 255–268 >>
Required reading pages 256-264

Text questions:

1. *What were the three elements of the Spaak report? What was their intention?*
2. *What do the four freedoms – for goods, capital, services, and labor – entail and why were they pursued?*
3. *What are the stylized differences between Neoliberalism and Regulated Capitalism?*
4. *What is mutual recognition?*
5. *What role played the European Court of Justice (ECJ) in the creation of the single market?*
6. *What is the European Round Table? How did it promote further market integration in the early 1980s?*
7. *Who put forward the white paper *Completing the Single Market in 1985*? What was its main promise for committing to further market integration?*
8. *What tensions arise between market integration and social policy?*

- Presentation 3: Jacques Delors and the influence of neoliberal ideas

Abdelal, Rawi (2006): Writing the rules of global finance. France, Europe, and capital liberalization. In *Review of International Political Economy* 13 (1), pp. 1–27

Hodson, Dermot (2016): Jacques Delors: Vision, Revisionism, and the Design of EMU. In Kenneth H. F. Dyson, Ivo Maes (Eds.): *Architects of the Euro*. Intellectuals in the making of European monetary union. First edition. Oxford: Oxford University Press, pp. 212–232

Further reading:

National Board of Trade (2015): Single Market, Four Freedoms, Sixteen Facts. Available online at <https://www.kommers.se/Documents/dokumentarkiv/publikationer/2015/Publ-single-market-4-freedoms-16-facts.pdf>, checked on 08.03.2018

Erixon, Fredrik; Georgiva, Rositsa (2016): What is wrong with the single market? European Centre for International Political Economy. Available online at http://ecipe.org/app/uploads/2016/02/5Free-dom-012016-paper_fixed_v2.pdf, checked on 08.03.2018

Garrett, Geoffrey; Weingast, Barry (1993): Ideas, Interests, and Institutions: Constructing the European Community's Internal Market. In Judith Goldstein, Robert O. Keohane (Eds.): Ideas and foreign policy. Beliefs, institutions, and political change. Ithaca: Cornell University Press (Cornell studies in political economy), pp. 173–206

5. Why create a common currency? (15.05.2018, 10-12)

Required reading:

Verdun, Amy (2016): Economic and Monetary Union. In Michelle Cini, Nieves Pérez-Solórzano Borragán (Eds.): European Union politics. Fifth Edition. Oxford: Oxford University Press, pp. 296–308 >> *Required reading pages 295-303*

Text questions:

1. *What is monetary policy? What authorities execute it and how?*
2. *What institutions were created through the establishment of the Economic and Monetary Union (EMU)?*
3. *What two alternatives to a single currency would have been possible?*
4. *What is macroeconomic policy? What rules were agreed to in terms of public debt and budgetary deficits?*
5. *Which are the different stages of economic integration? How was (is) EMU asymmetric?*
6. *Why did the development of EMU stall in the 1970s? What was the 'snake' and exchange rate mechanism (ERM)?*
7. *What were the three stages of EMU? The 'Maastricht convergence criteria'?*
8. *Which are the current members of EMU? What are the preventive and corrective arms of the Stability and Growth Pact (SGP)?*
9. *What are the two economic perspectives on EMU discussed by the author? How do they differ?*
10. *What are the political perspectives on explaining the creation of EMU?*

- Presentation 5: Europe and Optimum Currency Area theory

Eichengreen, Barry (1991): Is Europe an Optimum Currency Area. Available online at <http://www.nber.org/papers/w3579.pdf>, checked on 12.04.2018

McKinnon, Ronald (2002): Optimum currency areas and the European experience. In *Economics of Transition* 10 (2), pp. 343–364

Schelkle, Waltraud (2016): Paul Krugman's argument... Available online at <http://blogs.lse.ac.uk/usappblog/2016/04/28/paul-krugmans-argument-that-the-eurozone-is-not-an-optimum-currency-area-could-be-just-as-easily-applied-to-the-us/>, checked on 12.04.2018

Further reading:

Bordo, Michael; Jonung, Lars (1999): The Future of EMU: What does the history of monetary unions tell us? Available online at <http://www.nber.org/papers/w7365.pdf>, checked on 12.04.2018

McNamara, Kathleen (2011): Rational Fictions. Central Bank Independence and the Social Logic of Delegation. In *West European Politics* 25 (1), pp. 47–76

Schelkle, Waltraud (2017): The political economy of monetary solidarity. Understanding the Euro experiment. First edition. Oxford United Kingdom: Oxford University Press

6. Towards the common currency (22.05.2018, 10-12)

Required reading:

Verdun, Amy (1999): The role of the Delors Committee in the creation of EMU. An epistemic community? In *Journal of European Public Policy* 6 (2), pp. 308–328

Text questions:

1. *What role did experts play in earlier steps of European integration? Why is the role of experts particularly enhanced at the European level?*
2. *What different explanations are offered in the literature for explaining the creation of EMU?*
3. *Why does the author choose to focus on experts? What are epistemic communities? How can they influence policy-making?*
4. *What were the main issues and obstacles discussed in the Delors committee?*
5. *According to Verdun, why does the Delors Committee qualify as epistemic community? And how did the experts engage with political struggles in member states?*

- Presentation 6: The Delors report and its legacy

Delors Report (1989): Report on Economic and Monetary Union in the European Community. Available online at http://aei.pitt.edu/1007/1/monetary_delors.pdf, checked on 08.03.2018

Enderlein, Henrik; Rubio, Eulalia (2014): 25 Years after the Delors Report. Which Lessons for Economic and Monetary Union. Jacques Delors Institute. Available online at http://www.delorsinstitut.de/2015/wp-content/uploads/2014/05/25DelorsReport_RubioEnderlein_NE-JDI_EN_apr2014.pdf, checked on 08.03.2018

Hodson, Dermot (2016): Jacques Delors: Vision, Revisionism, and the Design of EMU. In Kenneth H. F. Dyson, Ivo Maes (Eds.): *Architects of the Euro. Intellectuals in the making of European monetary union*. First edition. Oxford: Oxford University Press, pp. 212–232

Interview: Delors, Jacques (2011): Jacques Delors interview: Euro would still be strong if it had been built to my plan. Available online at <http://www.telegraph.co.uk/finance/financialcrisis/8932640/Jacques-Delors-interview-Euro-would-still-be-strong-if-it-had-been-built-to-my-plan.html>

Further reading:

Artis, Michael (1992): The Maastricht Road to Monetary Union. In *Journal of Common Market Studies* 30 (3)

Hosli, Madeleine O. (2000): The creation of the European economic and monetary union (EMU). Intergovernmental negotiations and two-level games. In *Journal of European Public Policy* 7 (5), pp. 744–766

Pauly, Louis W. (1992): The Politics of European Monetary Union: National Strategies, International Implications. In *International Journal* 47 (1), pp. 93–111

Sandholtz, Wayne (1993): Choosing Union: Monetary Politics and Maastricht. In *International Organization* 47 (1), pp. 1–39

7. Negotiating the common currency (29.05.2018, 10-12)

Required reading:

Kertzer, David I. (2015): Interview with Romano Prodi. Part 2. In *Journal of Modern Italian Studies* 20 (4), pp. 508–526 >> *Required reading pages 508-516*

Text questions:

1. *What was Prodi's 'European dream'? Why was his Commission Presidency limited to one term?*
2. *What does Prodi think about the two seats of the European Parliament? What role did the French play? And what did the Brits think about European bureaucracy?*
3. *What was Prodi's early position towards Italy joining the Euro? Which internal and external challenges did he face? How was the issue of the large Italian debt-to-GDP ratio treated?*
4. *What does Prodi state regarding a common fiscal policy? How did, in Prodi's account, German chancellor Helmut Kohl react to the proposition that the Euro needed to rest on the three pillars of common monetary, common fiscal, and common economic policy?*
5. *What has changed after the founding moment of the EMU? What role for Germany?*
6. *How does Prodi recount the trajectory and reasons for the EU's eastward expansion? What does he say about the European constitution?*
7. *What consequences had, according to Prodi, the breaching of budgetary rules by France and Germany in 2003?*

- Presentation 7: EMU and the common market – Critiques

Gill, Stephen (1998): European governance and new constitutionalism. Economic and Monetary Union and alternatives to disciplinary Neoliberalism in Europe. In *New Political Economy* 3 (1), pp. 5–26

Hermann, Christoph (2016): Neoliberalism in the European Union. In *Studies in Political Economy* 79 (1), pp. 61–90

Young, Brigitte (2010): Disciplinary Neoliberalism in the European Union and Gender Politics. In *New Political Economy* 5 (1), pp. 77–98

Further reading:

Verdun, Amy (2000): Symposium: The Road to Maastricht: Negotiating Economic and Monetary Union. In *Journal of European Public Policy* 7 (5), pp. 823–833

Kertzer, David I. (2014): Interview with Romano Prodi. Part 1. In *Journal of Modern Italian Studies* 19 (4), pp. 412–423

8. Explaining ever closer union (05.06.2018, 10-12)

Required reading:

Wiener, Antje; Diez, Thomas (2009): Introducing the Mosaic of Integration Theory. In Antje Wiener, Thomas Diez (Eds.): *European integration theory*. 2nd ed. Oxford: Oxford University Press, pp. 1–22 >> *Required reading pages 1-11*

Text questions:

1. *What is integration theory?*
2. *What are the three reasons the authors put forward to justify the study of integration theory?*
3. *Why do the authors distinguish three phases of European integration theory, the explanatory, the analytical, and the constructive phase? Which time periods conform with these phases?*
4. *When and why did the first phase of integration theory begin? Which were the dominant theories and what are their main premises?*
5. *How did the second phase emerge? What novel approaches defined this period?*
6. *When did the third phase arise? What role for critical and constructivist perspectives?*

- Group work: Applying theories to EU integration

Further reading:

Moravcsik, Andrew (1991): Negotiating the Single European Act. National interests and conventional statecraft in the European Community. In *International Organization* 45 (01), p. 19

Pierson, Paul (1996): The Path to European Integration: A Historical Institutional Analysis. In *Comparative Political Studies* 29 (2), pp. 123–163

Sandholtz, Wayne; Stone Sweet, Alec (1998): *European integration and supranational governance*. Oxford, New York: Oxford University Press

Risse-Kappen, Thomas (1996): Exploring the Nature of the Beast. International Relations Theory and Comparative Policy Analysis Meet the European Union. In *Journal of Common Market Studies* 34 (1), pp. 53–80

PART II – The Euro

9. The prosperous 2000s (12.06.2018, 10-12)

Required reading:

Enderlein, Henrik; Verdun, Amy (2009): EMU's teenage challenge. What have we learned and can we predict from political science?*. In *Journal of European Public Policy* 16 (4), pp. 490–507

Text questions:

1. Which are the three key themes the authors identify? What is the article's main argument?
2. What is the central question regarding the relationship of political and monetary union?
3. What were the mostly negative predictions on EMU?
4. Describe the three channels of welfare/redistribution effects: a) welfare enhancing effects, b) redistribution as a consequence of the real interest rate, c) redistribution as a consequence of welfare state adjustment
5. Describe the state of the EU's democratic deficit: a) the legitimacy of the ECB and b) the legitimacy of EMU's institutional design
6. What do the authors argue regarding the necessity of further political integration?

- Presentation: Economic performance and wages in the Eurozone 1999-2009

Voggenauer, Martin (2013): Unit Labour Costs in the Eurozone. CESifo DICE - Database for Institutional Comparisons in Europe. Available online at <http://www.cesifo-group.de/DocDL/dicereport113-db2.pdf>, checked on 08.04.2018

Johnston, Alison; Hancké, Bob (2009): Wage inflation and labour unions in EMU. In *Journal of European Public Policy* 16 (4), pp. 601–622

Further reading:

Dyson, Kenneth H. F. (2000): EMU as Europeanization: Convergence, Diversity and Contingency. In *JCMS: Journal of Common Market Studies* 4 (38), pp. 645–666

10. The onset of the Eurozone crisis (19.06.2018, 10-12)

Required reading:

Hodson, Dermot; Puetter, Uwe (2016): The European Union and the Economic Crisis. In Michelle Cini, Nieves Pérez-Solórzano Borrágán (Eds.): *European Union politics*. Fifth Edition. Oxford: Oxford University Press, pp. 367–380 >> *Required reading pages 267-278*

Text questions:

1. What is Jean Monnet's memorable quote on European integration? What does it mean?

2. *How does the Euro crisis compare to prior crises befalling the EU?*
3. *What were the key dates of the global financial crisis of 2007-09? How did it spread across the euro area?*
4. *What role played government debt levels of member states? What happened in the case of Greece? Why was the International Monetary Fund (IMF) involved in crisis management?*
5. *What role for the ECB in the crisis?*
6. *What were the major institutional reforms in response to the crisis?*
7. *What is the Eurogroup? How did it perform during the crisis?*
8. *What is the European Council? How did its schedule change?*
9. *What, do you think, are long-term implications of the Euro crisis?*

- Presentation 10: The no-bailout clause of EMU

Moghadam, Reza (2014): Maastricht and the Crisis in Europe. Director, European Department IMF. Available online at <https://www.imf.org/en/News/Articles/2015/09/28/04/53/sp021214>, checked on 12.04.2018

Sarotte, Mary Elise (2010): Eurozone Crisis as Historical Legacy. Available online at <https://www.cfr.org/report/eurozone-crisis-historical-legacy>, checked on 12.04.2018

Collignon, Stefan (2012): The Bankruptcy of the No-Bailout Clause. Available online at <https://www.socialeurope.eu/the-bankruptcy-of-the-no-bailout-principle>, checked on 12.04.2018

Further reading:

Hall, Peter A. (2012): The Economics and Politics of the Euro Crisis. In *German Politics* 21 (4), pp. 355–371

Jones, Erik; Kelemen, R. Daniel; Meunier, Sophie (2016): Failing Forward? The Euro Crisis and the Incomplete Nature of European Integration. In *Comparative Political Studies* 49 (7), pp. 1010–1034

EconomicsHelp (2016): Euro Debt Crisis Explained. Available online at <https://www.economicshelp.org/blog/3806/economics/euro-debt-crisis-explained/>, checked on 08.03.2018

11. The politics of Eurozone bailouts (26.06.2018, 10-12)

Required reading:

Karger, Howard (2014): The Bitter Pill: Austerity, Debt, and the Attack on Europe's Welfare States. In *The Journal of Sociology & Social Welfare* 41 (2), pp. 33–53

New York Times (2016): Explaining Greece's Debt Crisis. Available online at <https://www.nytimes.com/interactive/2016/business/international/greece-debt-crisis-euro.html>, checked on 08.03.2018

Text questions:

1. *What is the 'general belief' among EU policymakers, according to the author?*
2. *How did the US and the European response to the global financial crisis differ?*

3. *What is 'Expansionary Austerity'? What was the issue with the Reinhart & Rogoff paper?*
4. *How do austerity-favoring academic papers coincide with interests of conservative politicians?*
5. *How does the author describe the situation and programs in a) Cyprus, b) Greece, c) Italy, d) Portugal, and e) Spain?*
6. *How does the author illustrate the differences between austerity politics and Keynesian economics in response to the crisis? What are consequences of excessive austerity, in view of the author?*
7. *What are structural adjustment programs? How did they come to play a role in Europe?*
8. *How does the NYTimes article explain the case of Greece?*

- Presentation 11: The role of Germany

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

Matthijs, Matthias (2015): Powerful rules governing the euro. The perverse logic of German ideas. In *Journal of European Public Policy* 23 (3), pp. 375–391

Schäuble, Wolfgang (2011): Why austerity is the only cure for the Eurozone. Financial Times. Available online at <https://www.ft.com/content/97b826e2-d7ab-11e0-a06b-00144feabdc0>, checked on 08.03.2018

Further reading:

Blustein, Paul (2016): Laid low. Inside the crisis that overwhelmed Europe and the IMF. Waterloo, ON Canada: Centre for International Governance Innovation

Verdun, Amy (2015): A historical institutionalist explanation of the EU's responses to the euro area financial crisis. In *Journal of European Public Policy* 22 (2), pp. 219–237

12. Why create a common banking union? (03.07.2018, 10-12)

Required reading:

Glöckler, Gabriel; Lindner, Johannes; Salines, Marion (2016): Explaining the sudden creation of a banking supervisor for the euro area. In *Journal of European Public Policy* 24 (8), pp. 1135–1153

Text questions:

1. *What is the Single Supervisory Mechanism (SSM)? What does it represent?*
2. *What are the three theoretical 'reproductive mechanisms' described in the paper?*
3. *What is the main argument of the paper (try to formulate it in your own words after reading the whole paper)?*
4. *What were the findings of previous scholarship on financial regulatory reforms in the EU?*
5. *What are the constituent parts of the paper's theoretical framework?*
6. *How did the three aspects described lead to the establishment of the SSM?*
 - a. *the SSM as only viable policy solution to a collective action problem*
 - b. *the impact of the Spanish crisis on balance of interests and bargaining power of*

involved actors

c. *the non-viability of further incremental change*

- Presentation 12: The economics of banking union

Véron, Nicolas (2015): Europe's Radical Banking Union. Bruegel. Bruegel Essay and Lecture Series. Available online at http://bruegel.org/wp-content/uploads/imported/publications/essay_NV_CMU.pdf, checked on 03.10.2015

De Grauwe, Paul (2013): Design Failures in the Eurozone: can they be fixed? Source: Available online at <http://www.lse.ac.uk/europeanInstitute/LEQS%20Discussion%20Paper%20Series/LEQSPaper57.pdf>, checked on 26.01.2016

Further reading:

Donnelly, Shawn (2016): Expert advice and political choice in constructing European banking union. In *J Bank Regul* 17 (1-2), pp. 104–118

Epstein, Rachel A.; Rhodes, Martin (2016): The political dynamics behind Europe's new banking union. In *West European Politics* 39 (3), pp. 415–437

Howarth, David J.; Quaglia, Lucia K. (2016): The political economy of European banking union. First edition. Oxford United Kingdom: Oxford University Press

Schäfer, David (2016): A Banking Union of Ideas? The Impact of Ordoliberalism and the Vicious Circle on the EU Banking Union. In *JCMS: Journal of Common Market Studies* 54 (4), pp. 961–980

13. The unfinished Economic and Monetary Union (10.07.2018, 10-12)

Required reading:

Bruegel (2017): Europe in a New World Order (Policy Brief, 2). Available online at http://bruegel.org/wp-content/uploads/2017/02/Bruegel_Policy_Brief-2017_02-170217_final.pdf, checked on 12.04.2018

The Economist (2017): New moves to strengthen the euro zone - Charlemagne: Banking on it. Available online at <https://www.economist.com/news/europe/21732534-everyone-has-euro-zone-plan-until-they-get-punched-mouth-new-moves-strengthen-euro>, checked on 12.04.2018

Politico (2018): France and Germany agree on eurozone reform. ... Well, their economists do. Available online at <https://www.politico.eu/article/french-german-economists-launch-their-own-eurozone-plan/>, checked on 12.04.2018

Text questions:

1. *What are the overall assessments of the policy contributions?*
 - a. *What has changed in the new world order?*
 - b. *Which policy changes are needed to strengthen the euro zone?*
 - c. *How likely are these policy changes in view of political constraints?*

2. *What do you think will happen in the next years? What should happen?*
3. *Reviewing the seminar, what has been in your opinion the main driving force of European integration? What have been major obstacles?*

- Presentation 13: Why create a common fiscal policy?

Thirion, Gilles (2017): European Fiscal Union. Economic rationale and design challenges. Centre for European Policy Studies. Available online at <https://www.ceps.eu/system/files/WD2017-01GT%20FiscalUnion.pdf>, checked on 08.03.2018

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14. Conclusion (17.07.2018, 10-12)

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