

Winter Term 2015/16

University of Cologne

Faculty of Management, Economics and Social Sciences

Cologne Center for Comparative Politics (CCCP)

Chair of International Comparative Political Economy and Economic Sociology

Seminar: The Political Economy of European Economic and Monetary Policy

ECTS Points: 6

Lecturer: Leon Kanthak

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Office hours:

Wednesday Sessions: 16:00-17:30, October 21 – December 16, 2015, Room S69, Building 103 (Philosophikum)

Compact Session: 09:00-18:00, December 12, 2015, Room HS VIIa, Building 100 (Hauptgebäude)

Outline:

The regulation and coordination of economic activity represents an essential element of European policy-making since the beginning of the European integration process. Partly being brought about by previous integrative steps, economic (policy) interdependencies provide for functionalist justifications for further integration and communitarianization. The dynamic institutional development observable in the context of the recent (macro-)economic troubles offers many examples of such processes. At the same time, the development of European economic policies is subject to political decision-making processes and thus follows a political logic. Also, diverse national economic policies, strategies, and institutional settings continue to co-exist. The interdependencies between economies, politics, and policies at different levels (national, international, central) constitute an intriguing field of study for (Comparative) Political Economy (CPE). The seminar aims to explore this field and to introduce students to methods, techniques, and tools of CPE to conduct their own independent research.

Literature:

- Clift, Ben. 2014. *Comparative Political Economy: States, Markets and Global Capitalism*. Basingstoke: Palgrave Macmillan
- Cini, Michelle and Nieves Pérez-Solórzano Borrágán. 2013. Eds. *European Union Politics. Fourth Edition*. Oxford: Oxford University Press
- Drazen, Allan. 2000. *Political Economy in Macroeconomics*. Princeton: Princeton University Press.
- Höpner, Martin and Armin Schäfer. 2008. *Die Politische Ökonomie der europäischen Integration*. Frankfurt/New York: Campus Verlag.
- Wallace, Helen, Mark A. Pollack and Alasdair R. Young. 2010. Eds. *Policy-Making in the European Union. Sixth Edition*. Oxford: Oxford University Press.

Expectations:

- active participation in discussions
- preparations for discussions of weekly readings
- input presentation
- research design for term paper (first sketch submission deadline: **November 17, 2015**; elaborated design submission deadline: **December 6, 2015**)

Assessment:

- term paper (max. 15 pages, Times New Roman, 12 pt, 1,5 line spacing; submission deadline: **February 1, 2016**)

We would like to point out that all term papers submitted in this context will be checked anonymously for plagiarism with the software Turnitin. Term papers will not be saved permanently on the Turnitin server.

For information on Turnitin see: <http://www.wiso-it.uni-koeln.de/turnitin.html>

See also the advice for presentations and term papers as well the information on plagiarism on our web page.

The seminar envisages the discussion of weekly readings in group work as well as plenary. Presentations must be discussed with the lecturer at least one week ahead of the presentation. Presenters are expected to build on and to go beyond the weekly readings so as to provide input for further discussions.

A personal remark concerning a matter of course: Preparation for the discussion of weekly readings is a prerequisite for the functioning of the seminar, and therefore also for your learning success. Please do read the texts and be prepared to discuss them with your fellow students!

All participants are asked to bindingly confirm their participation via e-mail (kanthak@wiso.uni-koeln.de) until **Tuesday, 27 October, 10:00** at the very latest. This is necessary to allow for planning dependability.

Introduction

1. Introduction (October 21, 2015, 16:00-17:30)
Round of introductions, discussion of the course schedule, assignment of presentations etc.

Basics

2. Economics and Politics in Comparative Political Economy (October 28, 2015, 16:00-17:30)
Topics: The relationship between the economy and politics (differences, interdependencies); the research program of International and Comparative Political Economy (IPE; CPE)
Required reading:
 - o Clift, Ben. 2014. *Comparative Political Economy: States, Markets and Global Capitalism*. Basingstoke: Palgrave Macmillan: 1-43.
 Input presentation:
 - o Economics, politics and economic policy advice
3. (Economic) Policy-Making in the EU I: The Single Market (November 4, 2015, 16:00-17:30)
Topics: The EU policy-making process and the diversity of EU policies; the establishment of the single market and its consequences
Required readings:
 - o Warleigh-Lack, Alex and Ralf Drachenberg. 2013. 'Policy-making in the European Union.' In: Cini, Michelle and Nieves Pérez-Solórzano Borrágán. Eds. *European Union Politics. Fourth Edition*. Oxford: Oxford University Press: 199-212.
 - o Egan, Michelle. 2013. 'The Single Market.' In: Cini, Michelle and Nieves Pérez-Solórzano Borrágán. Eds. *European Union Politics. Fourth Edition*. Oxford: Oxford University Press: 254-267.
 Input presentations:
 - o The EU as a regulatory state
4. (Economic) Policy-Making in the EU II: The Monetary Union (November 11, 2015, 16:00-17:30)
Topic: The evolution of Economic and Monetary Union (EMU) in Europe; the impact of the financial, economic, and sovereign debt crises on EMU and institutional responses
Required readings:
 - o Verdun, Amy. 2013. 'Economic and Monetary Union.' In: Cini, Michelle and Nieves Pérez-Solórzano Borrágán. Eds. *European Union Politics. Fourth Edition*. Oxford: Oxford University Press: 296-308.
 - o Hodson, Dermot and Uwe Puetter. 2013. 'The European Union and the Economic Crisis.' In: Cini, Michelle and Nieves Pérez-Solórzano Borrágán. Eds. *European Union Politics. Fourth Edition*. Oxford: Oxford University Press: 367-379.
 Input presentations:
 - o The theory of optimum currency areas (OCA)
5. Research design in political science (November 18, 2015, 16:00-17:30)
Topics: scientific research; major elements of a research design: research question, theory and concept specification, operationalization and measurement, case selection, conclusions; student examples
Required reading:
 - o Gschwend, Thomas and Frank Schimmelfennig. 2007. Introduction: Designing Research in Political Science – A Dialogue between Theory and Data. In: Ibid. Eds. *Research Design in Political Science: How to Practice what they Preach*. Basingstoke: Palgrave Macmillan: 1-18.
 Input:
 - o Students prepare and discuss their first ideas for term papers

Fields of discussion

6. Causes of the euro crisis: New Political Economy Perspective (November 25, 2015, 16:00-17:30)
Topics: country-specific differences in competitiveness; divergences in political incentives as a problem hampering EMU and as a cause of the crisis
Required reading:
 - o Fernández-Villaverde, Jesús, Luis Garicano und Tano Santos. 2013. 'Political Credit Cycles: The Case of the Eurozone.' *Journal of Economic Perspectives* 27(3), 145-166.Input presentation:
 - o Eurocrisis: institutional failure or opportunity?
7. Causes of the euro crisis: Varieties of Capitalism-Perspective (December 2, 2015, 16:00-17:30)
Topics: Institutional differences in European political economies as a problem hampering EMU and as a cause of the crisis
Required reading:
 - o Hall, Peter A. 2012. 'The Economics and Politics of the Euro Crisis.' *German Politics* 21(4), 355-371.Input presentation:
 - o Heterogeneity of labor market institutions in the Eurozone
8. Adjustment conflicts and asymmetric power (December 9, 2015, 16:00-17:30)
Topics: country-specific structural economic positions (surplus/deficit) as a cause for differences in preferences on crisis response strategies, relevance of power asymmetries
Required readings:
 - o Dyson, Kenneth. 2010. 'Norman's Lament: The Greek and Euro Area Crisis in Historical Perspective.' *New Political Economy* 15(4), 597-608.
 - o Frieden, Jeffrey A. 2015. 'The Political Economy of Adjustment and Rebalancing.' *Journal of International Money and Finance* 52: 4-14.Input presentation:
 - o The euro crisis as a conflict of monetary power
9. Democracy: The first victim of the crisis? (December 12, 2015, 09:00-10:30)
Topics: Divergences between (would-be) economically necessary and (would-be) democratically legitimate 'solutions' of the crisis
Required readings:
 - o Crum, Ben. 2015. 'Saving the Euro at the Cost of Democracy?' *Journal of Common Market Studies* 51(4): 614-630.Input presentation:
 - o The democratic deficit: does it exist?
10. Shifting political landscapes I (December 12, 2015, 10:45-12:15)
Topics: The meaning of the recent upheavals, conflicts, and resolution strategies for the future of European integration and economic policies
Required reading:
 - o Menz, Georg und Mitchell P. Smith. 2013. 'Kicking the Can Down the Road to More Europe? Salvaging the Euro and the Future of European Economic Governance.' *Journal of European Integration* 35(3), 195-206.Input presentations:
 - o Franco-German Bilateralism in the unfolding euro crisis and the open question of German hegemony

11. Shifting political landscapes II (December 12, 2015, 13:00-14:30)

Topics: The meaning of the recent upheavals, conflicts, and resolution strategies for the future of European integration and economic policies

Required reading:

- Schimmelfennig, Frank. 2014. 'European Integration in the Euro Crisis: The Limits of Postfunctionalism.' *Journal of European Integration* 36(3). 321-337.

Input presentation:

- 'Intergovernmentalization' of the Community method?

Research design

12. Research design: student examples (December 12, 2015, 14:45-18:00)

Topics: Presentation and discussion of research designs prepared by participants

Required readings:

- Submitted student research designs

Final session

13. Seminar conclusion (December 16, 16-17:30)

Topics: (final) queries concerning term papers; student feedback

Required reading:

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