THE POLITICAL ECONOMY OF THE EUROPEAN UNION
2014FALL SEMESTER

Instructor: Prof. László CSABA, Member of the Hungarian Academy of Sciences and of Academia Europaea/London

Course description

This is an MA course, open to interested PhD students for additional assignments along CEU standards and practices. It addresses the history, institutional evolution as well as the core policies of the enlarged European Union, focusing on those relating to money and decision making on areas involving national and community spending. It analyzes the evolution of the major policy areas and institutions, with special emphasis on how the Lisbon Treaty on reforming the EU, and the Pluriannual Financial Framework for 2014-2020 will change the face and functioning of the EU and its policies against available theories to date.

Aims and Scope

This is a course for motivated MA students, introducing major issues of European political economy. First: we provide a broad overview of those EU policies which matter for economic actors, and this in a dynamic perspective. Second: we aim to supply the relevant knowledge in a condensed manner. Thus we conduct an intensive and interactive learning procedure, combining lectures, individual processing of written materials, oral presentations and classroom debates. Written output is required for the same reason. Those finishing the class successfully should be able to have an idea about the major issues and be able to catch up in the future, if and when new problems/issues emerge. In turn, many insights can and should be deepened/and contradicted/ by recourse to the recommended literature.

Course Structure

The course describes and interprets the monetary model of integration, the role of fiscal coordination, the unlimited liquidity provision by the ECB since 2012 and ESM, implications of the Irish, Portuguese and Greek crises. It also covers the past present and future of the major expenditure areas. The latter include agriculture and rural development, regional
development, but also the policy areas where common policies exist without common funds. These apply to such expensive areas as environmental protection and labor markets. The debates on new, sometimes supra-national methods of coordination, the new Europe 2020 strategy, and the solutions to problems of decision-making are discussed. Enlargement is though a major undercurrent, but this is not an enlargement class. Background in macoeconomics, international finance and trade is though a positive advantage, however, this is not a prerequisite for taking the class.

This course is composed of a mixture of lectures and seminars. The two do not necessarily overlap, neither with the details discussed in the required readings. Independent processing of the latter is presumed, i.e it does not take place in the classroom. Regular and active participation is required/you may miss any occasion on prior notice only/. Interactive participation on the seminars, where typically recommended readings are processed is a precondition for obtaining a grade. Seminar presentations should be made by choosing one item from the list of recommended readings, maximum 3 presentations per seminar. Points of clarification of details are ideally performed by attending the office hours/prior registration is required. Use of mobile phones, laptops and tablets in class is not allowed.

Methods of Assessment

Regular and active participation in each of the classes and successful processing of the written materials are the preconditions for the grade. Besides regular attendance each participant – also those for audit- must make an oral presentation/cf above/. For grade you also need to write up a 10 pages/1.5 space, 12 size/ long book review in a format, ideally publishable in an academic journal. The printout or electronic version must be submitted by 14 November, 2014, Friday, 18 hrs at latest. Those wishing a grade must also write two closed book quizzes, to be written at 20 October 2014, Monday and 81 December 2014, Monday, checking facts and figures. Exam dates and deadlines are prefixed and nontransferable.

Grading

Attendance and activity: 10 p.c., midterm quiz: 25 p.c.; seminar presentation: 20 p.c.; book review:20 p.c., final quiz: 25 p.c. Books for review may be selected by yourselves within the course subject/not only recommended readings/, and approved by the instructor. Good reviews may
get published. For a grade improvement additional book reviews might be taken up on a voluntary base.

Reference volumes/statistical and documentary resources

For those of you not having any background in economics/finance/EU studies it may make sense to consult regularly one or more of the reference volumes clarifying the underlying concepts, categories and elementary facts/vocabulary, since at graduate level no introductory course can be made. On the various subject matters:

1. European Union/concepts of EU political economy/


D E T A I L E D  S C H E D U L E
24 Sept, 2014, Wednesday/ACTUAL TEACHING STARTS/

The Monetary Model of European Integration

**Required:** BELLAMY, R., 2013/: ‘An ever closer union across the peoples of Europe’: republican inter-governmentalism and democratic representation within the EU. *Journal of European Integration*, vol.35.no.5., pp499-516.


Week of 29 September

Revising Rules-Based Fiscal Policy for Europe: a Solution or a Trap?


**Week of 6 October**

**Labor Markets in the EU: Implications for Integration and Enlargement**

**Required**: Labor Mobility in the EU: Dynamics, Patterns and Policies/Forum discussion/. *Intereconomics*, vol.49.no.3./2014/, pp116 -158.


Week of 13 October

Common Agricultural Policy: Foot Dragging, Change and Globalization


Forum Discussion: The CAP after 2013. *Intereconomics*, vol.47.no.6.pp. 316-343./available online/.

CSÁKI, Cs. – JÁMBOR, A./2013/: The impact of EU accession on the agriculture of the Visegrád countries. *Society and Economy*, vol.35.no.3.pp343-364.

20 October, Monday: Midterm Quiz

22 October/lecture and seminar/

Cohesion Policies in the EU: Poetry and Reality


**Recommended:** BLOOM, S. -PETROVA, V./2013/: National subversion of supranational goals: ‘pork-barrel’ politics and EU regional aid. *Europe-Asia Studies*, vol.65.no.8.,pp.1599-1620..

COLOMBO,A.ed/2012/: *Subsidiarity Governance*. New York etc: Palgrave/select one chapter for review!/

**Week of 27 October**

**The EU in the Transatlantic Trade Conflict**


KEUKELIERE,S. – HOOLMAYERS,B./2014/: The BRICs and other emerging alliances and MOs in the Asia-pacific: challenges for the EU and its view on multilateralism. *Journal of Common market Studies*, vol.52.no.3.pp 582-599.


**Week of 3 November**
Environmental Policy in the EU: Sandwiched Between Enlargement and the Single Market?


Week of 4 November

**Europe 2020 and Financial Crisis Management: an Odd Couple**

**Required:** CSABA, L./2013/: On the new economic philosophy of crisis management in the EU. *Society and Economy*, vol.35.no.2.pp121-139.


TOSUN,J.et al./2014/: The EU in crisis: advancing the debate. *Journal of European Integration,* vol.36.no.3.pp 195-211.

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**Week of 17 November**

**The State of the Union**


GOCAJ,L. – MEUNIER,S./2013/: Time will tell: the ESF, the ESM and the euro-crisis. *Journal of European Integration,* vol.35. no.3,, pp239-253.

**Recommended:** COPELAND,P./2014/: Central and eastern Europe: negotiating influence in an enlarged Union. *Europe-Asia Studies,* vol.66.no.3.pp467-487.


Week of 24 November

Enlargement and Its Consequences


Week of 1 December

The Future of the European Union in the Global Political Economy


HOLLIS,R./2012/: No friend of democratization: Europe’s role in the genesis of the ‘Arab Spring’. *International Affairs*, vol.89. no.1. pp81-94.

JOVANOVIC,M./2013/: Was European integration nice while it lasted? *Journal of European Integration*, vol.28. no.1., pp1-36.

8 December, 2014, Monday: Final Quiz

Notes: All sources are available in the original at CEU Library, most of them also online. Assignments cannot be saved, transferred or negotiated. Deadlines are fixed. Thus any delay triggers automatically a five per cent minus of the final grade per day. In case of exceptional circumstances, such as illness testified by a medical doctor, prior agreement of the instructor is to be obtained/there is a round the clock answering machine at the department, 327-30-17, or via e-mail: csabal@ceu.hu/. The book review and quizzes are to be written in conformity with CEU regulations including ethical standards and academic writing requirements. Double submission and plagiarism/including inadequate referencing/ will be severely penalized.

The book reviews are meant to test your independent analytical ability on a freely chosen topic within the course subject, however in identifying the book to be reviewed prior approval of the instructor is needed. Quizzes check facts and figures/two analytical and five factual, short questions, closed book format/, in writing. All participants/also for audit/ must make one oral presentation in the seminar. To obtain an A these must be selected from among the recommended reading. All assignments, petitions, second readings etc must be definitively concluded by 17 December, 2014, Wednesday, 18 hrs.

Consultations: preferably before and after class and also during office hours, Mondays and Wednesdays 17-19 hrs, room FT 304/sign up sheet available and needed/. In case of exceptional circumstances you may want to
use the e-mail and/or ask for a special appointment. In case of doubt please do not hesitate to raise the issues before exam/deadline etc. The departmental phone is 327-30-17, fax 327-32-43, my email: csabal@ceu.hu, my personal website for further downloadable materials: www.csabal.com


Prof. László CSABA/IRES