

POLSCI 3171

Spring 2019

The Political Economy of European Integration

TR 1:00–2:30pm

<https://mycanvas.wustl.edu/>

Room: Seigle L002

Instructor: Ryan Weldzius

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DESCRIPTION: In November 2016, the election of Donald Trump shocked much of the Western world. Trump’s election, however, seemed to follow a trend across Europe following the 2008 global financial crisis: the rise of (mostly right-wing) populist parties asserting an aggressive antiglobalization stance. Just months before Trump’s election, the U.K. surprised the world with a vote to leave the European Union (EU)—the divorce will become official on March 29, 2019. Just a year prior to the Brexit vote, the French eurosceptic party National Front became the third strongest party in local elections with approximately 25% of the votes and the left-leaning anti-austerity party Podemos made strides in Spanish elections. And now the French government faces a leftist uprising in Paris, Germany faces a growing far-right movement led by the AfD, and Italy’s coalition government, which is an awkward mix of far-right, anti-establishment, and anti-immigration but with support for some social policies popular on the left, is battling the EU on its budget proposal. This all followed a sovereign debt crisis that spawned stringent austerity measures and years of anemic growth throughout the eurozone periphery, as well as a historical migration crisis originating after the Arab Spring and an endless civil war in Syria.

In this course, we will seek to understand the origins of these populist movements/parties.¹ We will begin by exploring the historical rationale for establishing the EU, evaluate the institutions created by this union, and consider how these institutions affect the political economy of European integration (past, present, and future). We will then dig into the theory and fundamentals of international political economy in order to have the necessary tools to analyze the rise of populist movements across modern Europe. We will explore the variation in responses to the 2008 financial crisis—in particular, austerity—, how the EU institutional design has alleviated or exacerbated economic recovery, and how this has fueled antiglobalization and anti-EU backlash.

PREREQUITES: Because economic union in Europe was a prerequisite for political union, we will need to build a firm understanding of international economics in order to analyze the major themes in this course. It is not required that you have taken an intro economics course, but you will find the course a bit easier with this background. I will teach this material slowly, but you should stop me in lecture if you find something unclear. Where

¹Note that our primary focus in this course is not to consider the normative implications of these movements, but rather, why they arose in the first place.

necessary, I will provide supplementary readings and/or links to videos.

TEACHING ASSISTANTS:

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REQUIREMENTS: The course requirements consist of a midterm exam (25%), an analytical essay (45%), and a final exam (30%). You have to complete all requirements in order to receive a passing grade for the course.

Grading Scale. 98-100, A+; 92-97, A; 90-91, A-; 88-89, B+; 82-87, B; 80-81, B-; 78-79, C+; 72-77, C; 70-71, C-; 60-69, D; 0-60, F.

Exams. The exams will consist of identification, short-answer, and essay questions, and will be administered in class. The final exam will be comprehensive. The format for both exams will be the same, albeit the final exam will be slightly longer in length.

Dates of the exams

Midterm exam: March 7, 2019

Final exam: May 7, 2019 1:00pm–3:00pm

Analytical Essay. Each of you will choose a contemporary populist movement in the European Union and analyze its origins (country-specific or EU-wide). Using Blyth's (2013) book *Austerity: The History of a Dangerous Idea* as your foundation, your analysis will focus on answering the question: did this movement/party arise (or gain strength) *because* of the 2008 financial crisis and the austerity measures that followed? Your analysis must provide background on the policy positions of the movement/party, its role in national and/or EU politics, and its future in the EU. In structuring your argument, consider the history of the movement/party (if any), the movement/party's position on European integration, and electoral success (if any). Also consider how identity politics and immigration issues played a role. The analytical essays will be due at the beginning of class on **Tuesday, April 23, 2019.**² Grading will be based on the clarity of the thesis, well-reasoned support of the thesis, concise writing, a demonstration that the student understands the relevant course literature, and strict adherence to the required elements on the final page of the syllabus. Late essays will be graded down one-half (1/2) grade for each day they are late. Analytical essays should be typed, double-spaced, typeface of 12 point, 1-inch margins, and 8-11 pages in length.

Missed Exams. Make-up exams will only be given under valid, documented, and extreme circumstances. If you know you will miss an exam for a legitimate reason, notify me at least one week in advance. If you are not able to contact me in advance, you must do so as soon

²Please note that this is near the end of the semester so plan accordingly. All of the material up to the week before your essays are due will help in providing explanations for the rise of your populist movement/party. These papers will also help you in preparing for the final exam as you must understand the literature to provide well-reasoned support for your thesis.

as possible. It is your responsibility to arrange with me to take a make-up exam.

Attendance. Attendance in lecture will be vital for a successful performance on the exams. Much of the material that we will cover in class will not be in the readings. Moreover, the slides are a tool to assist you, but will not provide all important information. Consistent attendance throughout the course is very important; the theories you will learn at the beginning of the course will build upon each other and are vital to understanding the contemporary debates we discuss in the latter half of the course.

Academic Integrity. University standards on plagiarism and cheating apply to all work. Please familiarize yourself with these regulations. Note that your analytical essays will be submitted through [Turnitin.com](https://www.turnitin.com), which automatically calculates the percentage of your paper that is a direct match to other sources.

Grade Appeals. You will be graded on your academic performance on the two exams and the analytical essay. This includes mastery of the material, clarity of thought, composition, spelling, and grammar (the latter two less so in your exams). If you do not understand why you were given a particular grade, you should discuss it with the teaching assistant first. If you would like for me to grade the exam or essay a second time, I will do so, but I reserve the right to lower your grade if I find mistakes in the original grading. If you believe you received an incorrect final grade, you may formally appeal it to me. The appeal will consist of a one-page typed explanation that identifies the problem and presents a reasoned argument for the proposed change.

Electronic Devices. The use of laptops or tablets is allowed. Phones are not allowed in class. I strongly recommend that all students attempt to take notes on paper. To understand why, see this [article](#), which overviews the empirical evidence showing that students who take notes with pen and paper perform better on exams.

READINGS: The course readings will be drawn from a textbook, an academic book, and numerous articles. All readings (not from the assigned books) will be made available on the course webpage or links will be available on the syllabus. The following books are available for purchase at the WashU book store (or online):

- John McCormick. *Understanding the European Union: A Concise Introduction*. Palgrave, 7th edition, 2017.
- Mark Blyth. *Austerity: The History of a Dangerous Idea*. Oxford University Press, 2013.

The newest edition of the textbook (*Understanding the EU*) includes updates that are important for the content of this class. Thus, earlier versions of the book, while sufficient for the historical content, will leave students at a disadvantage on content for the contemporary lessons.

SCHEDULE: The weekly schedule is subject to change.

Topic 1: Introduction to the European Union

Tuesday, January 15: Course Introduction

- Timothy Garton Ash. The crisis of Europe: How the Union came together and why it’s falling apart. *Foreign Affairs*, 91:2, 2012.
- Richard N. Haass. Europe in disarray. <https://www.project-syndicate.org/commentary/growing-threats-to-europe-democracy-security-by-richard-n--haass-2018-12>, December 13, 2018. Accessed: 2018-12-17.

Thursday, January 17: What is the European Union?

- John McCormick. *Understanding the European Union: A Concise Introduction*. Palgrave, 7th edition, 2017: Chapter 1.

Tuesday, January 22: European Integration in Historical Perspective

- John McCormick. *Understanding the European Union: A Concise Introduction*. Palgrave, 7th edition, 2017: Chapter 3.

Thursday, January 24: The Institutions of the European Union

- John McCormick. *Understanding the European Union: A Concise Introduction*. Palgrave, 7th edition, 2017: Chapter 4.

Tuesday, January 29: Decision Making in the European Union

- John McCormick. *Understanding the European Union: A Concise Introduction*. Palgrave, 7th edition, 2017: Chapter 6.
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Topic 2: Economic Integration via the Single Market

Thursday, January 31: Overview of EU Economic Policy

- John McCormick. *Understanding the European Union: A Concise Introduction*. Palgrave, 7th edition, 2017: Chapter 7 and 9 (section on “Trade Policy” only, pp. 204-208).

Tuesday, February 5: The costs and benefits of open trade policy

- Joseph M Grieco and G John Ikenberry. *State Power and World Markets: The International Political Economy*. 2003: Chapter 2, pp. 19-56 (posted on course web page; for copyright reasons, to be accessed by enrolled course participants only).
- Post-lecture support from Khan Academy on [indifference curves](#) and [production possibility frontiers](#).

Thursday, February 7: Trade policy preferences - Heckscher-Ohlin & Stolper-Samuelson

- Ronald Rogowski. Political cleavages and changing exposure to trade. *American Political Science Review*, 81(4):1121–1137, 1987.

Tuesday, February 12: Immigration policy preferences; different from trade?

- Margaret E Peters. Open trade, closed borders immigration in the era of globalization. *World Politics*, 67(1):114–154, 2015.
- Alexander Betts and Paul Collier. How Europe can reform its migration policy. *Foreign Affairs*, 5 October 2018. Accessed: 2018-11-06.

Thursday, February 14: Globalization and voter preferences - the role of class

- Rafaela Dancygier and Stefanie Walter. Globalization, labor market risks, and class cleavages. In Pablo Beramendi, Silja Häusermann, Hebert Kitschelt, and Hanspeter Kriesi, editors, *The Politics of Advanced Capitalism*, pages 133–56. Cambridge University Press, Cambridge, 2015.

Topic 3: Monetary Union (*sans* fiscal union)

Tuesday, February 19: Globalization of capital and exchange rate preferences

- Jeffrey A Frieden. Invested interests: the politics of national economic policies in a world of global finance. *International Organization*, 45(4):425–451, 1991.
- Jeffrey A. Frieden. Exchange rate politics. In Jeffrey A Frieden and David A Lake, editors, *International Political Economy*, pages 257–69. Routledge, 4th edition, 2002.
 - * Read pages 266-68, “Exchange rate politics in Europe since 1970.”
 - * If the “Invested Interests” article was unclear, read this entire chapter, which nicely summarizes some of the main elements from the article.

Thursday, February 21: The Unholy Trinity and Monetary Union

- Benjamin J Cohen. The triad and the unholy trinity: problems of international monetary cooperation. In Jeffrey A. Frieden and David A. Lake, editors, *International Political Economy*, pages 245–256. Routledge, 4th edition, 2002.
- Charles Wyplosz. EMU: Why and how it might happen. In Jeffrey A. Frieden and David A. Lake, editors, *International Political Economy*, pages 257–69. Routledge, 4th edition, 2002.

Tuesday, February 26: Monetary union and the economic geography of Europe

- Karen-Helene Midelfart, Henry G. Overman, and Anthony J. Venables. Monetary union and the economic geography of Europe. *JCMS: Journal of Common Market Studies*, 41(5):847–868, 2003.

Thursday, February 28: Lessons in fixed exchange rates and economic crises

- Barry Eichengreen. *Golden Fetters*. New York: Oxford University Press, 1992: Chapter 1 (posted on course web page; for copyright reasons, to be accessed by enrolled course participants only).

Tuesday, March 5: Monetary Union Predictions; Midterm Review

- Martin Feldstein. The political economy of the European economic and monetary union: Political sources of an economic liability. *Journal of Economic Perspectives*, 11(4):23–42, 1997.

*Thursday, March 7: **Midterm Exam**: all material through Thursday, February 28.*

Tuesday/Thursday, March 12/14: Spring Break, NO CLASS

Tuesday, March 19: Away for conference, NO CLASS

- *start reading Blyth (2013) and begin working on analytical essays*

Topic 4: Global Financial Crisis, Sovereign Debt, and Austerity

Thursday, March 21: The 2008 global financial crisis. “America: Too big to fail?”

- Mark Blyth. *Austerity: The History of a Dangerous Idea*. Oxford University Press, 2013: Chapters 1-2.

Tuesday, March 26: “Europe: Too big to bail?”

- Mark Blyth. *Austerity: The History of a Dangerous Idea*. Oxford University Press, 2013: Chapter 3.

Thursday, March 28: Economic integration and asymmetric shocks

- Ryan Weldzius, Ronald Rogowski, Lauren Peritz, and Thomas Flaherty. Enduring the Great Recession: Economic integration in the European Union. 2018. Working Paper.

Tuesday, April 2: Austerity’s intellectual history, 1692-2012

- Mark Blyth. *Austerity: The History of a Dangerous Idea*. Oxford University Press, 2013: Chapters 4-5, pp. 97–177.

- * You may find it helpful to briefly summarize the contribution of each scholar discussed in these chapters.

Thursday, April 4: Austerity’s natural history, 1942-2012

- Mark Blyth. *Austerity: The History of a Dangerous Idea*. Oxford University Press, 2013: Chapters 6-7, pp. 178–244.

Topic 5: Populism Takes Hold

Tuesday, April 9: Economics or identity politics?

- Dani Rodrik. Populism and the economics of globalization. *Journal of International Business Policy*, 1:12–33, 2018.
- Ronald F Inglehart and Pippa Norris. Trump, Brexit, and the rise of Populism: Economic have-nots and cultural backlash. 2016. HKS Working Paper: RWP16-026.

Thursday, April 11: Inequality, ethnic heterogeneity, and redistribution

- James Alt and Torben Iversen. Inequality, labor market segmentation, and preferences for redistribution. *American Journal of Political Science*, 61(1):21–36, 2017.

Tuesday, April 16: What drives left-leaning populism?

- David Rueda. Insider–outsider politics in industrialized democracies: the challenge to social democratic parties. *American Political Science Review*, 99(1):61–74, 2005.

Thursday, April 18: History of right-leaning populism

- Cas Mudde. Three decades of populist radical right parties in Western Europe: So what? *European Journal of Political Research*, 52(1):1–19, 2013.
- Cas Mudde. Europe’s populist surge: A long time in the making. *Foreign Aff.*, 95:25–30, 2016.

Tuesday, April 23: The case of Brexit

- **Analytical essays due by 1:00pm**
- Italo Colantone and Piero Stanig. Global competition and Brexit. *American Political Science Review*, 112(2):201–218, 2018.

Thursday, April 25: Crisis for democracy? Course summary and review

- Francis Fukuyama. Against identity politics: The new tribalism and the crisis of democracy. *Foreign Aff.*, 97:90, 2018.
- Come with questions; we will review for the final exam.

Final Exam: Tuesday, May 7, 2019 1:00pm-3:00pm

Analytical Essay Requirements:

1. **Format.** Typed, double-spaced, typeface of 12 point, one-inch margins all around, 8-11 pages including works cited page.
2. **Title.** Your title must reveal something about the argument you are making in the essay and not simply recapitulate the prompt you are investigating.
3. **Abstract.** Your abstract is a brief (fewer than 250 words), single-spaced summary of your essay and should contain sentences demonstrating the significance of the argument, your thesis, and conclusion. It SHOULD NOT include quotes.
4. **Introductory paragraph.** Must include a thesis statement set off by the following phrase: “In this essay, I argue that...” Remember that your thesis is the motor that drives your essay. So, think hard on what your central argument is before settling.
5. **Topic sentences.** All paragraphs must have topic sentences. If any element within a paragraph is not addressed by the topic sentence, remove it from the paragraph.
6. **Conclusion.** Your concluding section/paragraph should not simply recapitulate your introduction. It must address how you have demonstrated the validity of your essay’s thesis with the evidence you have used as well as leaving the reader with a greater sense of the significance of what you have demonstrated. Remember, this is last impression you will leave on your reader.
7. **Bibliography and sources.** Both must follow a standard style (for example, MLA, APA, Chicago, etc.). You are required to have a MINIMUM of 5 sources.
 - (a) Of these 5 sources, a MINIMUM of 3 must be scholarly sources.
 - (b) Of your 3 scholarly sources, a MINIMUM of 1 must be a book and a MINIMUM of 2 must be scholarly journal articles (required readings do not count).
 - (c) Of your 2 “non-scholarly” sources, they must come from reputable sources (for example, New York Times, The Economist, etc.)
 - (d) You can choose (and I highly suggest) to have all your sources be scholarly.
8. **Pagination.** All pages must be numbered and have your last name.
9. **Citations.** Any evidence upon which you rely that is not common knowledge MUST BE cited.
10. **READ** your paper before turning it in. Your spell checker (which you should use) is not enough. Moreover, even though you are turning in a “first draft,” it should, in fact, be at least a second draft.