

First Term, Academic Year 2024-2025

European Political Economy and Public Policy

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Thursdays, 9:00-11:00, Mansarda meeting room (Villa Schifanoia)

This course has two premises. First, European Political Economy is both Comparative and International Political Economy, i.e. it draws on insights from both and, in turn, combines them in ways that are also enlightening for CPE and IPE. Its affinity to CPE goes beyond the worthwhile study of how different member states shape and respond to market integration in the EU. European integration entails polity-formation, the evolution of a second-order political system that complements the first-order polity of member states. Its affinity with IPE stems from the fact that European integration is a process that affects jurisdictions and institutions beyond the EU. Besides, EU organisations are actors in the international system, for instance climate change negotiations and international financial regulation.

Second, public policy is core to the study of political economy. In Jon Elster's words, policies embody "the concern with substantive decisions" that lend "urgency to political debates" (Elster 1986 *The market and the forum: three varieties of political theory*, p.128). The contestation over the merits of different policies structure the democratic process and policies largely determine "who gets what, when and how" as Lasswell's definition of politics has it.

The sessions each week revolve around a socio-economic policy domain but with a view to how political economy concepts and theories can inform the analysis of policies. Wherever possible, the readings try to introduce key contributions in the context of contemporary debates.

Learning outcomes: The course introduces participants to advanced debates in political economy and public policy, as they apply to the European context. Participants will learn substantively about policy domains that are most affected by the European integration process that reaches beyond the EU, e.g. through regulatory standard setting and aligned policy agendas in international fora. And they will be introduced to key debates on the forces that shape European polities, in a forward-looking manner that can inform research.

Course requirements: Seminar participants are expected to introduce the topic with reference to the readings in one week and write up what we discussed in another week.

Sessions

1. Comparative, International and European Political Economy

Cohen, Benjamin J. (2007). [The transatlantic divide: Why are American and British IPE so different?](#) *Review of International Political Economy*, 14(2), 197-219.
doi:10.1080/09692290701288277

Hacker, Jacob S., Hertel-Fernandez, Alexander, Pierson, Paul & Thelen, Kathleen (2022), [The American Political Economy: A Framework and Agenda for Research](#), in Jacob S. Hacker, et al. (eds.), *The American Political Economy: Politics, Markets, and Power*; Cambridge Studies in Comparative Politics; Cambridge: Cambridge University Press, 1-48.

Schmidt, Vivien A. (2008). [European Political Economy: Labour Out, State Back In, Firm to the Fore](#). *West European Politics*, 31(1-2), 302-320. doi:10.1080/01402380701835082

2. Comparative welfare capitalism

Baccaro, Lucio, & Pontusson, Jonas (2016). [Rethinking Comparative Political Economy: The Growth Model Perspective](#). *Politics & Society*, 44(2), 175-207.
doi:10.1177/0032329216638053

Esping-Andersen, Gøsta (1992). The Three Political Economies of the Welfare State. In J. E. Kolberg (Ed.), *The Study of Welfare State Regimes* (pp. 92-123). Armonk, NY: M.E.Sharpe.

3. Market integration 1: The logic of 'Peace and Prosperity'

Ferrera, Maurizio (2017). [The Stein Rokkan Lecture 2016. Mission Impossible?](#) Reconciling Economic and Social Europe after the Euro Crisis and Brexit. *European Journal of Political Research*, 56(1), 3-22.

Milward, Alan S. (2000). [The European rescue of the nation-state](#) (2nd ed.). London, New York: Routledge, Introduction.

Scharpf, Fritz (1998). [Negative and Positive Integration in the Political Economy of European Welfare States](#). In M. Rhodes & Y. Mény (Eds.), *The Future of European Welfare: A New Social Contract?* (pp. 157-177). London: Palgrave Macmillan UK.

4. Market integration 2: The regulatory polity

Majone, Giandomenico (1996). [Regulating Europe](#). London and New York: Routledge, Introduction (pp.1-5) and ch.2: Theories of Regulation (pp. 28-45).

Genschel, Philipp, & Jachtenfuchs, Markus (2014). [Beyond the regulatory polity? The European integration of core state powers](#). Oxford: Oxford University Press, Introduction.

Mabbett, Deborah & Schelkle, Waltraud (2009). [The Politics of Conflict Management in EU Regulation](#). *West European Politics* 32(4), 699-718.

5. Monetary integration 1: Currency unification and central banking

McNamara, Kathleen (1998). *The currency of ideas: monetary politics in the European Union*. Ithaca: Cornell University Press, ch.3: Capital Mobility and Ideas in European Monetary Cooperation (pp.43-71).

Moschella, Manuela and Diodati, Nicola M. (2020), ['Does politics drive conflict in central banks' committees?](#) Lifting the veil on the European Central Bank consensus', *European Union Politics*, 21 (2), 183-203.

Schelkle, Waltraud (2017). The System of Limited Risk-Sharing in the Euro Area. In: [*The political economy of monetary solidarity: understanding the euro experiment*](#). Oxford: Oxford University Press, ch.5 (125-157]

6. Monetary integration 2: Fiscal federalism

Oates, Wallace E. (2005). [Toward A Second-Generation Theory of Fiscal Federalism](#). *International Tax and Public Finance*, 12, 349-373.

Rodden, Jonathan, & Wibbels, Erik (2010). [Fiscal decentralization and the business cycle](#): An empirical study of seven federations. *Economics & Politics*, 22(1), 37-67.

Schelkle, Waltraud (2021). [Fiscal integration in an experimental union](#): how path-breaking was the EU's response to the COVID-19 pandemic? *JCMS: Journal of Common Market Studies*, 59(S1), 44-55. doi:DOI:10.1111/jcms.13246

7. Finance and financialisation

Gabor, Daniela (2020), ['Critical macro-finance: A theoretical lens'](#), *Finance and Society*, 6 (1), 45-55.

Hardie, Ian, Howarth, David, Maxfield, Sylvia, & Verdun, Amy (2013). [Banks and the False Dichotomy in the Comparative Political Economy of Finance](#). *World Politics*, 65(4), 691-728.

van der Zwan, Nathascha (2014). [Making sense of financialization](#). *Socio-economic review*, 12(1), 99-129. doi:10.1093/ser/mwt020

8. Policy crises and crisis politics in the EU

Ferrera, Maurizio, Kriesi, Hanspeter, and Schelkle, Waltraud (2024), ['Maintaining the EU's compound polity during the long crisis decade'](#), *Journal of European Public Policy*, 31 (3), 706-28.

Kelemen, R. Daniel, & McNamara, Kathleen R. (2021). [State-building and the European Union](#): Markets, War, and Europe's Uneven Political Development. *Comparative Political Studies*, 0(0), 00104140211047393. doi:10.1177/00104140211047393

Rhinard, Mark (2019). [The Crisisification of Policy-making in the European Union](#). *JCMS: Journal of Common Market Studies*, 57(3), 616-633. doi:https://doi.org/10.1111/jcms.12838

9. EPE and the international order, past, present and dystopian future

Bhambra, Gumindra K. (2021). [Colonial global economy: towards a theoretical reorientation of political economy](#). *Review of International Political Economy*, 28(2), 307-322. doi:10.1080/09692290.2020.1830831

Farrell, Henri & Newman, Abe L. (2019). [Weaponized Interdependence](#): How Global Economic Networks Shape State Coercion. *International Security*, 44(1), 42-79. doi:10.1162/isec_a_00351

10. Global interdependence and geoeconomics

Colgan, Jeff D., Green, Jessica F., and Hale, Thomas N. (2021), ['Asset Revaluation and the Existential Politics of Climate Change'](#), *International Organization*, 75 (2), 586-610.

Lavery, Scott (2024), ['Rebuilding the fortress? Europe in a changing world economy'](#), *Review of International Political Economy : RIPE*, 31 (1), 330-53.