European Political Economy

Summer Semester 2024/2025

University of Cologne
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	Block session: 211 Seminarraum 3.40
Office hours: by appointment	Class hours: 12:00-13:30
	Block session: 12:00-18:00

Course description

From the size of cucumbers and tractor seats to fights between member states over fiscal rules and the European Commission's attempts at taking on big tech firms for antitrust and privacy infringements, the European Union has a large footprint in our everyday life. Due to the EU's technocratic nature and 'home'-bias of national news reporting, this footprint often turns invisible. Behind the web of institutions and jargon rests a fascinating political story about shaping and governing global markets. Welcome to the field of European Political Economy!

The goal of this course is to help you clear the hump that makes it hard to appreciate these qualities about the political economy of the European Union. There are clear upfront costs in understanding how fields such as monetary policy, trade policy, or cohesion policy work. These upfront costs are worth it because so much of what happens in the member states and our everyday life is decided by rules and laws that are negotiated in Brussels. This is neither a question of politics or economics, given that markets are politically constructed. Hence, we need a political economy perspective to truly appreciate these important qualities of the European Union.

The course is structured in two parts spanning a total of ten substantive lectures. The first half establishes various theory-oriented foundations, such as the creation of the European

single market to the E(M)U's near-collapse during the Eurozone crisis, and subsequent reforms. We will use these insights to deepen the discussion of the five current issues in European Political Economy. These are both ongoing issues and hotly debated subjects among academics.

Learning Outcomes

The course aims to familiarize students with the core tenets of internal and external economic governanace in the European Union, and especially the evolving relation between the two. At the end of the course, students should be able to:

- Identify and describe the core institutions and rules governing the EU's single market;
- Summarize and critically assess the central theoretical and empirical insights from the core readings;
- Know the key ongoing debates relevant to European political economy;
- Apply these insights to ongoing policymaking challenges in oral and written forms.

Requirements

Students who want to obtain a grade and credits from this course have the possibility to write a **term paper** at the end of the semester, which makes up 70% of your grade. Furthermore, students will give **presentations** at the final block seminar (01.07) for the remaining 30% of their grade.

Paper (70%) **Core criteria**

- Empirical paper about a subject in European Political Economy
- Up to 4,500 words
- The paper develops a research question connected to one or more contemporary themes of EPE and locates itself in the fields of comparative or international political economy, as well as European studies.
- The paper develops a clear argument based on identifying a gap or puzzle in the literature

- It spells out its methods and clearly justifies its use of quantitative and qualitative data, as well as the research methods with which it analyzes this data.
- The main contribution and the main body of text should be devoted to the empirical analysis, which is guided by a clear conceptual framework as developed before.
- The paper concludes with a discussion that clearly rises above merely restating facts and findings.

Detailed grading criteria can be found at the end of the syllabus.

Presentation (30%)

Students will work individually or in small teams (2-3) to develop and present a policy brief addressing a contemporary challenge in European Political Economy. We will build this assignment cumulatively throughout the course, with milestones in sessions 3, 5, and 7.

Structure

Phase 1: Topic Selection and Framing (After Session 3)

- Students form teams and select a contemporary EPE challenge that interests them
- Teams submit a one-page proposal identifying their topic, why it matters, and initial sources

Phase 2: Research and Analysis (Sessions 4-7)

- Teams progressively develop their policy brief, applying theoretical frameworks from each session
- Brief progress check-ins (5 minutes) during sessions to share insights and receive feedback

Phase 3: Final Presentations (Block Session on July 1)

- 15-minute presentations followed by 5-minute Q&A
- Format: Simulated policy briefing to a relevant EU institution (Commission, Parliament, Council)
- Visual aids required (slides, infographics)

Teams must:

1. Define the problem clearly using evidence
2. Apply relevant theoretical frameworks from the course
3. Evaluate existing policy approaches
4. Propose and defend policy recommendations
5. Address potential objections/implementation challenges

Assessment Criteria

- Clear understanding of theoretical frameworks (25%)
- Quality of evidence and analysis (25%)
- Policy recommendations and feasibility (20%)
- Presentation quality and professionalism (20%)
- Response to questions (10%)

Potential Topics

- Digital sovereignty and AI regulation in the EU
- Climate policy and industrial transition challenges
- Fiscal rules reform in the post-pandemic era
- EU enlargement economic impacts and policy challenges
- Strategic autonomy and the fragmentation of global trade

Deadlines

Paper: 01.09.2025

Presentation: 01.07.2025

Prerequisites

Basic knowledge about the European Union, its institutions, decision-making rules, and basic macro-economic concepts such as trade balances, exchange rates, and monetary policy comes in highly recommended. If students wish to brush up their knowledge on these topics,

Moschella (2023), Cini and Pérez-Solórzano Borragán (2022), and Baldwin and Wyplosz (2022) are great resources.

AI policy

I encourage you to use generative AI tools to challenge your thinking or help revise your writing. In doing so, however, I expect full transparency and some critical reflection on the following facts. First, the current batch of generative AI models was never designed to get things right. Instead, as cultural and social technologies, they are statistical representations 'allowing [you] to take advantage of information other humans have accumulated' (Farrell et al. 2025, 1153). Second, like any social technology, tacit and detailed knowledge about your task or field is precisely what makes these technologies powerful. In other words: knowing how to ask the right questions is what generates good responses, and for this, you still need to study and learn. Third, while the full societal effects of generative AI are far from clear, emerging evidence shows that higher confidence in GenAI is associated with less critical thinking, while higher self-confidence is associated with more critical thinking (Lee et al. 2025). Critical and independent thinking is the lifeblood of higher education and the most precious thing you will learn in university. In gaining some time by outsourcing your tasks to a chatbot, this is what you are giving up on.

Course Outline

Session 1. Introduction: what is European Political Economy?

Date: 08.04.2025

Mandatory reading**:**

- Moschella, M., Quaglia, L., & Spendzharova, A. (2023). Introductory Chapter: European Political Economy: Mapping the Research Field. In *European Political Economy: Theoretical Approaches and Policy Issues*. Oxford: Oxford University Press.

Foundations

Session 2. Foundational narratives: the what, why, and how of European integration

Date: 15.04.2025

Mandatory reading:

- De Vries, C. E. (2023) How Foundational Narratives Shape European Union Politics. *JCMS: Journal of Common Market Studies, 61*: 867–881. https://doi.org/10.1111/jcms.13441.
- Kelemen, R. D., & McNamara, K. R. (2022). State-building and the European Union: Markets, War, and Europe's Uneven Political Development. *Comparative Political Studies, 55*(6), 963-991. https://doi.org/10.1177/00104140211047393.

Optional background readings:

- Milward, A. (1999). The European Rescue of the Nation State (2nd ed.). Routledge. https://doi.org/10.4324/9780203982150.
- Hoffmann, S. (1966). Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe. *Daedalus, 95*(3), 862–915. http://www.jstor.org/stable/20027004.

Session 3. The formation of the single market

Date: 29.04.2025

Mandatory reading:

- Sandholtz W, Zysman J. (1989). 1992: Recasting the European Bargain. *World Politics*, *42*(1):95-128. https://10.2307/2010572.

Optional:

- Jabko, N. (2006). Playing the Market: A Political Strategy for Uniting Europe, 1985–2005. Ithica, NJ: Cornell University Press.
- Warlouzet, L. (2018). Governing Europe in a Globalizing World: Neoliberalism and its Alternatives following the 1973 Oil Crisis. London: Routledge.
- Emerson, M.D., (1992). One market, one money: an evaluation of the potential benefits and costs of forming an economic and monetary union. Oxford: Oxford University Press.
- D Cecchini, P. (1988). *The European Challenge. 1992: The benefits of a single market.* http://aei.pitt.edu/99590/.

Session 4. The Eurozone crisis and its aftermath

Date: 06.05.2025

Mandatory:

- Copelovitch, M., Frieden, J., & Walter, S. (2016). The Political Economy of the Euro Crisis. *Comparative Political Studies, 49*(7), 811-840. https://doi.org/10.1177/0010414016633227
- Matthijs, M., & McNamara, K. (2015). The Euro Crisis' Theory Effect: Northern Saints, Southern Sinners, and the Demise of the Eurobond. *Journal of European Integration, 3/*(2), 229–245. https://doi.org/10.1080/07036337.2014.990137.

Optional:

- Armingeon, K, Baccaro, L. (2012). Political Economy of the Sovereign Debt Crisis: The Limits of Internal Devaluation, *Industrial Law Journal*, *41*(3), pp.254–275, https://doi.org/10.1093/indlaw/dws029.
- Waas, L. and Rittberger, B. (2024), The Berlin puzzle: Why European solidarity prevailed in the adoption of the Corona recovery fund. European Journal of Political Research, 63: 644-663. https://doi.org/10.1111/1475-6765.12614.
- Genschel, P., Hemerijck, A., Russo, L., & Nasr, M. (2021). Solidarity and Trust in Times of COVID-19. *Robert Schuman Centre for Advanced Studies Research Paper No. RSC PP 2021/11*, http://dx.doi.org/10.2139/ssrn.3972283.

Session 5. Europe: A regulatory superpower?

Date: 13.05.2025

Mandatory:

- Bradford, Anu (2020). 'How the EU Became a Global Regulatory Power', in: *The Brussels Effect: How the European Union Rules the World*. New York: Oxford University Press.

Optional:

- Damro, C. (2012). Market power Europe. *Journal of European Public Policy, 19*(5), 682–699. https://doi.org/10.1080/13501763.2011.646779.

- Manners, I. (2002), Normative Power Europe: A Contradiction in Terms? *JCMS: Journal of Common Market Studies, 40*: 235-258. https://doi.org/10.1111/1468-5965.00353.
- Lazer, D. (2001). Regulatory interdependence and international governance. *Journal of European Public Policy, 8*(3), 474–492. https://doi.org/10.1080/13501760110056077.

Current issues

Session 6. Investment gaps & fiscal straitjackets

Date: 20.05.2025

Mandatory:

- Polyak, P. (2023). Foundering on fallacies: theorizing the Eurozone's self-harming mercantilism. *Review of International Political Economy, 30*(3), 823–840. https://doi.org/10.1080/09692290.2023.2195678.

Optional:

- Baccaro, L., Bremer, B., & Neimanns, E. (2021). Till austerity do us part? A survey experiment on support for the euro in Italy. *European Union Politics, 22*(3), 401-423. https://doi.org/10.1177/14651165211004772.
- Endrejat, V. (2024). Off-balance-sheet policies to the rescue: The role of statistical expertise for European public–private partnerships. *Competition & Change, 28*(3-4), 515-535. https://doi.org/10.1177/10245294241245512.
- Mertens, D., & Thiemann, M. (2017). Building a hidden investment state? The European Investment Bank, national development banks and European economic governance. *Journal of European Public Policy, 26*(1), 23–43. https://doi.org/10.1080/13501763.2017.1382556.

Session 7. Geopolitics and the crisis of the single market

Date: 27.05.2025

Mandatory:

- Schmitz, L., and Seidl, T. (2023). As Open as Possible, as Autonomous as Necessary: Understanding the Rise of Open Strategic Autonomy in EU Trade Policy. *JCMS: Journal of Common Market Studies, 61*: 834–852. https://doi.org/10.1111/jcms.13428.

- Matthijs, M., Meunier, S. (2023). Europe's Geoeconomic Revolution: How the EU Learned to Wield Its Real Power. *Foreign Affairs*. https://www.foreignaffairs.com/europe/european-union-geoeconomic-revolution.

Optional:

- McNamara, K. R. (2023). Transforming Europe? The EU's industrial policy and geopolitical turn. Journal of European Public Policy, 31(9), 2371–2396. https://doi.org/10.1080/13501763.2023.2230247.

- International Monetary Fund (2023). Geoeconomic Fragmentation: What's at Stake for the EU. *Working Paper No. 2023/245*. https://www.imf.org/en/Publications/WP/Issues/2023/1½9 Fragmentation-Whats-at-Stake-for-the-EU-541864.

- European Commission (2024). The future of European competitiveness Part A | A competitiveness strategy for Europe. https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c- f152a8232961_en.

Session 8. Digital policy & AI regulation

Date: 17.06.2025

Mandatory:

- Cioffi, J. W., Kenney, M. F., & Zysman, J. (2022). Platform power and regulatory politics: Polanyi for the twenty-first century. *New Political Economy, 2/*(5), 820–836. https://doi.org/10.1080/13563467.2022.2027355.

- Mügge, D. (2024). EU AI sovereignty: for whom, to what end, and to whose benefit? *Journal of European Public Policy, 31*(8), 2200–2225. https://doi.org/10.1080/13501763.2024.2318475.

Optional:

- Heidebrecht, S. (2024) From Market Liberalism to Public Intervention: Digital Sovereignty and Changing European Union Digital Single Market Governance. *JCMS: Journal of Common Market Studies, 62*: 205–223. https:

//doi.org/10.1111/jcms.13488.

- Blancato, F. G., & Carr, M. (2024). The trust deficit. EU bargaining for access and control over cloud infrastructures. *Journal of European Public Policy* (online first), 1–32. https://doi.org/10.1080/13501763.2024.2441418.

Session 9. Climate change

Date: 24.06.2025

Mandatory:

- Oberthür, S., & von Homeyer, I. (2022). From emissions trading to the European Green Deal: the evolution of the climate policy mix and climate policy integration in the EU. *Journal of European Public Policy, 30*(3), 445–468. https://doi.org/10.1080/13501763.2022.2120528.
- Goldthau, A. C., and Youngs, R. (2023) The EU Energy Crisis and a New Geopolitics of Climate Transition. *JCMS: Journal of Common Market Studies, 61*: 115–124. https://doi.org/10.1111/jcms.13539.

Optional:

- Gabor, D., & Braun, B. (2024). Green macrofinancial regimes. *OSF Preprint*. https://doi.org/10.31235/osf.io/4pkv8.
- Judah, B., Vallée, S. & Sahay, T. (2024). Escaping the Permanent Suez: Navigating the Geopolitics of European Decarbonization. *Atlantic Council Europe Center and Global Energy Center*. https://www.atlanticcouncil.org/wp-content/uploads/2024/01/Escaping-the-Permanent-Suez.pdf.

Session 10. Block seminar

Mandatory:

- Anghel, V., & Jones, E. (2024). The enlargement of international organisations. *West European Politics, 48*(1), 1–28. https://doi.org/10.1080/01402382.2024.2311044.
- Bruszt, L., Jones, E. (2024). Ukraine's Perilous Path to EU Membership: How to Expand Europe Without Destabilizing It. *Foreign Affairs*. https://www.foreignaffairs.com/ukraine/ukraines-perilous-path-eu-membership.

Optional:

- Kelemen, R. D. (2024). Will the European Union escape its autocracy trap? *Journal of European Public Policy, 32*(2), 341–364. https://doi.org/10.1080/13501763.2024.2314739.

Expanded Paper Assessment Criteria

Paper Structure and Content Requirements

Research Question & Positioning (15%)

- Questions should connect directly to themes covered in sessions 5-10 (regulatory power, fiscal policy, geopolitics, digital policy, climate change, enlargement)
- Clear positioning within relevant theoretical frameworks from sessions 1-4 (foundational narratives, single market formation, Eurozone crisis)
- Demonstrates understanding of how the research contributes to ongoing scholarly debates in European Political Economy

Literature Engagement & Conceptual Framework (20%)

- Critical engagement with mandatory readings from relevant sessions
- Integration of at least 2-3 optional readings from the syllabus
- Development of a conceptual framework that draws on established approaches in the field (see mandatory and optional readings. These should act as a **starting point**. Simply summarizing the course literature is not sufficient.

Methodology & Data (15%)

- Clear justification of methods that aligns with European Political Economy approaches
- Appropriate selection of data sources relevant to EU institutional context
- For qualitative papers: Process tracing, case studies, or discourse analysis should follow methodological approaches commesurate with political science standards.
- For quantitative papers: Appropriate selection of indicators and analytical techniques commesurate with political science standards.

Empirical Analysis (25%)

- Substantive analysis that goes beyond description to provide meaningful interpretation

- Clear connection between evidence and argument throughout
- For comparative studies: Thoughtful case selection that demonstrates understanding of differences within the EU context
- Attention to institutional dynamics specific to the EU's multi-level governance system Discussion & Implications (15%)
- Discussion that connects findings back to theoretical frameworks
- Identification of policy implications relevant to contemporary EU challenges
- Consideration of how findings contribute to understanding European integration dynamics
- Reflection on limitations and future research directions Structure & Writing (10%)
- Logical organization with clear transitions between sections
- Professional academic writing style
- Proper citation format
- Adherence to word limit (4,500 words)

References

Baldwin, Richard E., and Charles Wyplosz. 2022. *The Economics of European Integration*. 7th edition. London: McGraw-Hill.

Cini, Michelle, and Nieves Pérez-Solórzano Borragán. 2022. *European Union Politics*. 7th ed. Oxford: Oxford university press.

Farrell, Henry, Alison Gopnik, Cosma Shalizi, and James Evans. 2025. "Large AI Models Are Cultural and Social Technologies." *Science* 387 (6739): 1153–56. https://doi.org/10.1126/science.adt9819.

Lee, Hao-Ping (Hank), Advait Sarkar, Lev Tankelevitch, Ian Drosos, Sean Rintel, Richard Banks, and Nicholas Wilson. 2025. "The Impact of Generative AI on Critical Thinking: Self-Reported Reductions in Cognitive Effort and Confidence Effects From a Survey of Knowledge Workers." In *Proceedings of the 2025 CHI Conference on Human Factors in Computing Systems*, 1–22. Yokohama Japan: ACM. https://doi.org/10.1145/3706598.3713778.

Moschella, Manuela. 2023. *European Political Economy*. 1st ed. New York: Oxford University Press.