

## POLITICS OF EUROPEAN INTEGRATION

(4 credits)

**Lecturer:** Attila Fölsz [folsza@ceu.hu](mailto:folsza@ceu.hu)

**Lectures and seminars:** Monday and Wednesday, 9.00 – 10.40

**Office hours:** Tuesday 10.40 – 12.00, Thursday 10.40 – 13.00

### Course description and objective:

The course aims at exploring the logic of policy-making in the EU and the dynamics of the European integration process by analyzing the history of EC/EU, by studying of theories of integration, by surveying the actors and institutions of integration politics and by discussing crucial issues presently on the European agenda.

This is not a usual course on the European Union, since it tries to avoid as much as possible the detailed and technical description of the EU institutional setup, the so-called "pillars" and the common policies, because this kind of knowledge is intellectually less interesting and - if needed - is easily obtainable from handbooks.

Participation in this course does not require any background in European Studies but does require some very basic acquaintance with some fields of political science, such as comparative politics, political economy and public choice. Since European integration does not have a theory as such there is a variety of approaches applied in the study of integration. Therefore the selected readings consider the EU from different perspectives and use different methodologies. The course provides good opportunity to compare the strengths and weaknesses of different approaches in understanding the same phenomenon.

### Learning outcomes:

Students will be acquainted with the development of European integration and the major approaches explaining it. The acquired knowledge will enable them to pursue individual research on EU-related topics.

### Teaching format:

Usually 2 classes are devoted to each topic. The first are interactive lectures while the seconds are seminars that require active students' participation.

### Requirements:

- Students are required to attend classes regularly and to participate actively in course discussions.
- Students are expected to formulate written comments and questions about the literature. These not more than half page long comments and questions will serve as basis for seminar discussions, and are to be submitted via e-mail before the seminars.
- Students are expected to make in-class presentations of some literature not included in the core readings.
- Students write in-class closed-book mid-term and final exams.

### Assessment:

|                                 |      |
|---------------------------------|------|
| Mid-Term Exam:                  | 30 % |
| End-Term Exam:                  | 40 % |
| Written questions and comments: | 10 % |
| In-class presentation           | 10 % |
| In-class participation          | 10 % |

## **1-2: FROM THE MARSHALL PLAN TO THE MAASTRICHT TREATY: THE PROCESS OF EUROPEAN INTEGRATION**

*A review of major steps in the development of European integration. Lessons from the process*

### **Required reading:**

- Dinan, Desmond: *Ever Closer Union? An Introduction to the European Community*. MacMillan, 2005 (*This is not available in the readings, since it will be divided into parts and assigned to students to make oral presentations in class and distribute one-page long "executive summaries" about the different periods of EC history.*)
- Mazey, Sonia: *The Development of the European Idea*. In: Richardson (ed.): *European Union. Power and Policy-making*. Routledge, 1996

### **Further reading:**

- Cowles, Maria Green and Desmond Dinan, eds: *Developments in the European Union*. Palgrave, 2004.
- McCormick, J: *Understanding the European Union*, 5th Edition. Palgrave, 2005.
- Nugent, Neil: *The Government and Politics of the European Union*, 5th Edition. Palgrave, 2003
- Parsons, Craig: "Showing Ideas as Causes: The Origins of the European Union." *International Organization* 56, 2002: 47-84.

## **3-4: ECONOMIC THEORIES OF INTEGRATION**

*Steps of economic integration. The basics of trade theory and the theory of customs union.*

### **Required reading:**

- Tobias, Alfred: *A Survey of the Theory of Economic Integration*. in: Solvates, P., Minchermann, H.J. (eds.): *European Integration: Theories and Approaches*. University Press of America, 1995.
- Lal, Deepak: *Trade Blocks and Multilateral Free Trade*. in: Bulmar, S., Scott, A.(eds.): *Economic and Political integration in Europe: Internal Dynamics and Global Context*. Blackwell, 1994.

### **Further readings:**

- Balassa, Bela (1961), *The Theory of Economic Integration*, R.D. Irwin: Homewood, Illinois
- Grossman G., Helpman E. 1995 "The politics of free trade agreements" *American Economic Review* 85, pp.667-690
- Krishna P. 1998 "Regionalism and multilateralism: a political economy approach" *Quarterly Journal of Economics*, 113, pp227-251
- Krishna P. 2005. "The Economics of Preferential Trade Agreements" *Handbook of International Trade*, vol. 2
- Krueger Anne O. 1995 "Free Trade Agreements versus Customs Unions" *NBER Working PaperNo. 5084*
- Molle W. (2001), *The Economics of European Integration, theory, practice, policy*; 4th ed (Aldershot, Dartmouth).

## **5-6: POLITICAL THEORIES OF INTEGRATION**

*Review of various approaches of integration in comparative politics, international relations and other social sciences*

### **Required reading:**

- Mutimer, David: *Theories of Political Integration*. in: Soldatos, P., Minchermann, H.J. (eds.): *European Integration: Theories and Approaches*. University Press of America, 1995.
- Cram, Laura: *Integration Theory and the Study of the European Policy Process*. In: Richardson (ed.): *European Union. Power and Policy-making*. Routledge, 1996

### **Further reading:**

- Rosamond, Ben: *Theories of European Integration*. St Martin's Press, 2000
- Wiener, Antje and Thomas Diez, eds.: *European Integration Theory*. Oxford University Press, 2004
- Tranholm-Mikkelsen, J.: "Neofunctionalism: Obstinate or Obsolete?" *Millennium: Journal of International Studies* 20(1) 1991
- Pierson, Paul: "The Path to European Union: A Historical Institutional Account." *Comparative Political Studies* 29, 1996: 123 – 164
- Diez, Thomas: "Europe as a Discursive Battleground: European Integration Studies and Discourse Analysis." *Cooperation and Conflict* 36, 2001: 5-38.

- Gerald Schneider and Mark Aspinwall, eds: *The Rules of Integration: The Institutionalist Approach to European Studies*. Palgrave, 2000.
- Schmidt, Vivien and Claudio Radelli: "Policy Change and Discourse in Europe: Conceptual and Methodological Issues." *West European Politics* 27, 2004: 183-210.
- Van Apeldoorn, Bastiaan: "The Struggle over European Order: Transnational Class Agency in the Making of "Embedded Neo-Liberalism (70-89)." In *Social Forces in the Making of the New Europe: The Restructuring of European Social Relations in the Global Political Economy*, eds. A. Bieler and A.D. Morton. Palgrave, 2001.

## **7-8: THE EUROPEAN POLITICAL ECONOMY**

*The political economic motives behind the integration process. Models of integration according to different concepts over the economic role of the state.*

### **Required reading:**

- Hooghe, Liesbet - Marks, Gary: *The Making of a Polity: The Stuggle over European Integraon*. EUI Robert Schuman Centre Working Ppaper No. 97/31  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=302663](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=302663)
- Scharpf, Fritz W.: *Negative and Positive Integration in the Political Economy of European Welfare States*. in: Marks - Scharpf - Schmitter - Streeck: *Governance in the European Union*. Sage Publications, 1996

### **Further reading:**

- Scharpf, Fritz W.: *The Joint Decision Trap Revisited*. *Journal of Common Market Studies* 2006 Vol 44 No. 4 pp 845-64
- Baimbridge, Mark; Jeffrey Harrop and George Philippidis: *Current economic issues in EU integration*. Palgrave Macmillan, 2004
- Jones, Erik and Amy Verdun, eds: *The political economy of European integration : Theory and Analysis*. Routledge, 2005.
- Hall, Peter. "The Political Economy of f Europe in an Era of Interdependence," in *Continuity and Change in Contemporary Capitalism*, H. Kitschelt, P. Lange, G. Marks, and J.D. Stephens, eds. (Cambridge UP, 2001), Ch.5, 135-163
- Milward, Alan. *The European Rescue of the Nation-State* (2nd edition, London: Routledge, 2000), Ch.3.

## **9-10: MODELS OF EU GOVERNANCE I.**

*An analysis of the EU governance system. The debate over its intergovernmental and supranational nature. Major theories explaining EU governance.*

### **Required reading:**

- Hooghe, Liesbet - Marks, Gary: *European Integration from the 1980s: State-Centric v. Multi-Level Governance*. *Journal of Common Market Studies* Vol 34, No 3, September, 1996
- Moravcsik, Andrew: *Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach*. *Journal of Common Market Studies* Vol 31, No 4, December 1996
- Tsebelis, George – Garrett, Geoffrey: *The Institutional Foundations of Intergovernmentalism and Supranationalism in the European Union*. International Organization, Spring 2001

### **Further reading:**

- Bache, Ian and M. Flinders, eds: *Multi-Level Governance*. Oxford University Press, 2004
- Hooghe, Liesbet and Gary Marks: *Multi-level Governance and European Integration*. Rowman and Littlefield, 2001
- Jachtenfuchs, Markus: "The Governance Approach to European Integration." *Journal of Common Market Studies* 39, 2001: 245-64.
- Milward, Alan: *The European Rescue of the Nation-State*. London: Routledge, 1992
- Pollack, Mark (1997). "Delegation, agency, and agenda setting in the EC," *International Organization*, Vol. 51: No. 1: 99-134.

## 11-12: MODELS OF EU GOVERNANCE II.

*Different concepts over the EU, as a polity. The debate over its “democratic deficit”.*

### Required reading:

- Morawcsik, Andrew: In Defence of the “Democratic Deficit”: Reassessing Legitimacy in the European Union. *Journal of Common Market Studies*, No. 4., 2002
  - Schmitter, Philippe C.: Examining the Present Euro-Polity with the Help of Past Theories
  - Schmitter, Philippe C: Imagining the Future of the Euro-Polity with the Help of New Concepts
- Both in: Marks - Scharpf - Schmitter - Streeck: *Governance in the European Union*. Sage Publications, 1996 pp. 1-39, 121-150

### Further reading:

- Scharpf, Fritz, *Governing in Europe: Effective and Democratic?* Oxford University Press, 1999: 1-83
- Follesdal, Andreas and Simon Hix: “Why There is a Democratic Deficit in the EU: A Response to Majone and Moravcsik.” *European Governance Papers* No. C-05-02, 2005. Access at: <http://www.connex-network.org/eurogov/pdf/egp-connex-C-05-02.pdf>

## 13: MID-TERM EXAM

### 14: EXPLAINING THE SINGLE EUROPEAN ACT

*The SEA, as a milestone in the process of European integration: its content, origins and consequences on the development of EU*

### Required reading:

- Garrett, Geoffrey: *International Cooperation and Institutional Choice: The European Community's Internal Market*. *International Organization* 46, 2 Spring 1992

### Further reading:

- Bulmer, Simon: “New Institutionalism and the Governance of the Single European Market.” *Journal of European Public Policy* 5, 1998: 365 – 386.
- Sapir, André (1996), “The Effects of Europe’s Internal Market Program on Production and Trade: A First Assessment”, *Weltwirtschaftliches Archiv* 132: 457-475
- Zysman, John and Wayne Sandholtz (1989). “1992: Recasting the European Bargain.” *World Politics*, Vol. 41, 95–128.

### 15-16: THE MAASTRICHT TREATY ON ECONOMIC AND MONETARY UNION

*The economic preconditions of monetary unification and hives about their existence in the EU. The political determinants of EMU.*

### Required reading:

- Padoa-Schioppa, Tommaso: *Key Questions on Economic and Monetary Union*. in: Adams, W. (ed.): *Economy and Polity of the European Community after 1992*. The University of Michigan Press, 1994
- Sandholtz, Wayne: *Choosing Union: Monetary Politics and Maastricht*. *International Organization*, 47, 1, Winter 1993
- Martin, Lisa: *International and Domestic Institutions in the EMU Process*. in: Eichengreen - Frieden (eds): *The Political Economy of European Monetary Unification*. Westview Press, 1994

### Further reading:

- Dyson, Ken, “Introduction: EMU as Integration, Europeanization, and Convergence (1-27)” and “Conclusions: European States and Euro Economic Governance (335-356).” In *European States and the Euro: Europeanization, Variation and Convergence*, ed. Kenneth Dyson, Oxford University Press, 2002
- Grieco, Joseph: “The Maastricht Treaty, Economic and Monetary Union and the Neorealist Research Program.” *Review of International Studies*, 21, 1995: 21-41.
- Duff, Andrew, John Pinder and Roy Price, eds., *Maastricht and Beyond: Building the European Union*. (New York: Routledge, 1994), Chs. 2-3, 19-52

- Grauwe, Paul; Kouretas, Georgios P, 2004 "EMU: Current State and Future Prospects" Journal of Common Market Studies, vol. 42, no. 4, Special Issue Nov., pp. 679-87
- Olowski Lucjan T. "Monetary convergence of the EU accession countries to the eurozone: A theoretical framework and policy implications" Journal of Banking & Finance Vol. 29, Issue 1 , January 2005, Pages 203-225
- Fölsz, Attila: The monetary framework after accession: a political economy analysis of ERM2. European Integration Online Papers series , March 2003 <http://eiop.or.at/eiop/texte/2003-002a.htm>

## 17-18 THE FISCAL CONSEQUENCES OF MONETARY UNIFICATION

*The consequences of monetary union on the future development of EU. Views on the expected spill-over of EMU on other policy domains.*

### Required reading:

- De Grauwe, Paul: The Economics of Monetary Integration. Chapter 4.: Costs and Benefits Compared pp 69-84. Oxford University Press, 1997
- von Hagen, Jürgen: Monetary Union and Fiscal Union: A Perspective from Fiscal federalism. in: Masson - Taylor (eds): Policy issues in the Operation of Currency Unions. Cambridge University Press, 1993

### Further Reading:

- Vila Maior, Paulo: Unveiling fiscal federalism in the European Union <http://www4.fe.uc.pt/30years/papers/91.pdf>
- Tondl, Gabriele (2000), "Fiscal Federalism and the Reality of the European Union Budget", in Crouch, Colin (Ed.), After the Euro - Shaping Institutions for Governance in the Wake of European Monetary Union, Oxford: OxfordUniversity Press
- Person, Torsten, Gérard Roland and Guido Tabellini (1996), The Theory of FiscalFederalism: What Does It Mean for Europe?, Paper presented in the Conference "Quo Vadis Europe", Kiel
- Kletzer, Kenneth and Jürgen von Hagen (2000): "Monetary Union and Fiscal Federalism," ZEI Policy Working Paper B01, Center for European Integration Studies, Bonn
- Jørn Rattsø: Fiscal federation or confederation in the European Union: The challenge of the common pool problem, Norwegian University of Science and Technology, Trondheim. Manuscript <http://www.svt.ntnu.no/iso/Jorn.Rattso/Papers/jrffieurev.pdf>

## 19-20: PAST AND PRESENT ENLARGEMENTS

*A review of various EC/EU enlargements and their lessons. The causes of consequences on the EU of enlargements. The limits of future enlargements*

### Required reading:

- Schimmelfennig, Frank. "The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union." International Organization 55(1), 2001: 47-80.
- Preston, Christopher: Enlargement and Integration in the European Union. Routledge, 1997 pp. 4-22, 216-235
- Glenn, John : From Nation-State to Member States: Accession Negotiations as an Instrument of Europeanization. Comparative European Politics 2004/2

### Further reading:

- Nugent, Neill, ed: European Union Enlargement. Palgrave-Macmillan, 2004.
- Moravcsik, Andrew and Milada Anna Vachudova: "National Interests, State Power and EU Enlargement." East European Politics and Societies 17, 2003: 42-57.
- Schimmelfennig, Frank and Ulrich Sedelmeier: "Theorizing EU Enlargement: Research Focus, Hypotheses, and the State of Research." Journal of European Public Policy 9 (4), 2002: 23-56.
- Sedelmeier, Ulrich, The European Union's Association Policy Towards Central and Eastern Europe: Collective EU Identity and Policy Paradigms in a Composite Policy. Manchester University Press, 2006.

## **21-22-23: ACCOMODATING DEEPENING AND WIDENING: EURO-FUTUROLOGY**

*What kind of EU can be evolved from its present development? A discussion of the compatibility of various strategic goal of EU integration. The challenges ahead and an analysis of recent developments from this aspect.*

### **Required Reading:**

- Philippart, Eric – Edwards, Geoffrey: The provisions on Closer Co-operation in the Treaty of Amsterdam: The Politics of Flexibility in the European Union. *Journal of Common Market Studies*, Vol 37 no. 1, March 1999
- Dimitrakopoulos, Dionyssis G. - Hussein Kassim. 2004. Deciding the Future of the European Union: Preference Formation and Treaty Reform. *Comparative European Politics*, 2004/2
- Hughes, Kirsty: A Dynamic and Undemocratic EU or Muddling Through Again? Assessing the EU's Draft Constitution. Research paper, The Federal Trust, 2003
- Tsoukalis, Loukas: Managing Diversity and Change in the EU. *Journal of Common Market Studies* 2006/1

### **Further reading:**

- Jachtenfuchs, Markus: "Deepening and Widening Integration Theory." *Journal of European Public Policy*, 9(4), August 2002: 650-657
- Dinan, Desmond (2004). "Governance and Institution: The Convention and the Intergovernmental Conference.," *Journal of Common Market Studies*, Vol. 42, Annual Review: 27-42
- Olsen, Johan P., Alberta Sbragia and Fritz W. Scharpf (2002). Symposium: Governing in Europe: Effective and Democratic?" *Journal of European Public Policy*, Vol. 7, No. 2, p. 310-24.
- Nicolaidis, Kalypso (2004). "We, the Peoples of Europe..." *Foreign Affairs*, Vol. 83, No. 6, 97-110
- Gray, Mark – Stubb, Alexander: The Treaty of Nice: Negotiating a Poisoned Chalice., *Journal of Common Market Studies*. Vol 39. Annual Review. September 2001

## **24: END-TERM EXAM**

### **Some additional background readings on European Integration**

- Baldwin, Richard and Charles Wyplosz: *The Economics of European Integration*. McGraw-Hill Education, 2006.
- Bomberg, Elizabeth and Alexander Stubb, eds: *The European Union: How Does it Work?* Oxford University Press, 2003
- Bulmer, Simon and C. Lequesne: *Member States and the European Union*. Oxford University Press, 2006
- Cini, M. ed.: *European Union Politics*. Oxford University Press, 2003.
- Cowles, Maria Green and Desmond Dinan, eds: *Developments in the European Union*. Palgrave, 2004.
- Dinan, Desmond: *Europe Recast: A History of European Union*. Palgrave, 2004.
- Dinan, Desmond: *Ever Closer Union? An Introduction to the European Community*. MacMillan, 2005
- Nugent, Neil: *The Government and Politics of the European Union*, 5th Edition. Palgrave, 2003
- McCormick, J: *Understanding the European Union*, 5th Edition. Palgrave, 2005.
- Peterson, J. and M. Shackleton: *The Institutions of the European Union*. Oxford University Press, 200-
- Richardson, Jeremy, ed. *European Union: Power and Policy Making*, 2nd Edition. Routledge, 2005
- Sbragia, A.M, ed: *Europolitics. Institutions and Policymaking in the "New" European Community*. The Brookings Institution, Washington D.C. 1992
- Wallace, William, - Wallace, Helen – Pollack, Mark A.: *Policy-Making in the European Union*. Oxford University Press, 2005

### **Internet resources:**

- European Union Website: [http://europa.eu/index\\_en.htm](http://europa.eu/index_en.htm)
- European Union Treaties: [http://europa.eu/abc/treaties/index\\_en.htm](http://europa.eu/abc/treaties/index_en.htm)
- Archive of European Integration (research materials): <http://aei.pitt.edu/>