



Elective course or Laboratory (use the credits as you prefer in the study plan)

## The economic and social governance of the European Union in times of crisis

(SSD: SPS/04)

May-June 2022

### Lecturer:

Francesco Corti, Postdoctoral Researcher (University of Milan) and Associate Researcher (Centre for European Policy Studies)

### OFFICE HOURS

Only by appointment via email: [francesco.corti2@unimi.it](mailto:francesco.corti2@unimi.it)

### LEARNING OBJECTIVES

The course examines the EU integration process and the evolution of economic governance in Europe after the outbreak of the financial and economic crisis, up to the recent Covid-19 pandemic. The course provides a broad understanding of the political, economic and social dimensions of European economic governance and equip students with all the fundamentals to critically assess the ongoing transforming process that is affecting European economic integration. A strong policy orientation will be combined with a political economy perspective in order to show students that the economic governance in the Union is not a politically neutral process. Special emphasis will be given to the current pandemic crisis and how the EU responded to it. We will explore the impact of the crisis on the European economy and society, look at the policy responses at national level and examine the response at the EU level.

The course is particularly suited for students with an interest in the European Union and in having a working experience in the EU institutions or in Brussels-based think tanks.

### EXPECTED LEARNING OUTCOMES:

By the end of this course, having completed the essential reading list and attended classes, students should be able to:

- **Knowledge and understanding:** Students acquire a basic knowledge and understanding of the integration process and of the economic and political rationale for the establishment of the Economic and Monetary Union. The course will focus mainly on the EU's key policies, instruments and underlying economic models, which emerged in the aftermath of the financial crisis. A particular attention will also be devoted to the interplay between economic integration and the national welfare state.
- **Applying knowledge and understanding:** Students are expected to acquire a critical understanding of the evolution of the EU economic governance, and especially the interplay between economic and social policies. Through the critical analysis of EU official documents and the review of the most relevant policy papers, students are expected to learn how to apply their knowledge to recognize, contextualize, explain, and interpret political, societal and economic phenomena in European integration. They can critically assess the latest policy developments.
- **Making judgements:** By reading official EU documents and relevant academic literature, students will get familiar to EU sources (notably the EurLex database) and will be able to understand the different phases of the EU decision making, identify the relevant actors involved and understand their role. This will help them in making judgements that are consistent with the empirical evidence.
- **Communication skills:** Students will learn to present and discuss EU official documents and relevant policy papers included in the syllabus. Students will also engage in small group assignments, thus developing skills of planning, organization, prioritization and time management.
- **Learning skills:** Students are expected to learn to evaluate and assess autonomously EU policies in the field of economic and social governance. Students should also improve their analytical skills and capabilities, so



that they could be apply them in a range of situations and environments.

#### PREREQUISITES

It is important to have a basic understanding and familiarity with the European Union institutions. However, participation is allowed also for students that show a specific interests in learning about the EU. In this case, the chapter on 'Institutions' of the Oxford handbook of the European Union is a good way to fill the gaps. This can be provided upon request.

#### COURSE LANGUAGE:

English

#### CREDITS:

3 credits as elective course within the 12 free choice credits or 3 credits as other activities (laboratory) according to the study plan (for SPO and IPLE students only).

#### SCHEDULE OF LESSONS AND EXERCISES (PROVISIONAL AGENDA):

(tbd, starting form early May 2022)

#### TEACHING METHODS

The course for attending students is a varying mix of frontal lectures and group works. Each class will be divided in two parts. In the first part, students will read and comments articles distributed to them in due advance. In the second part, slides-based teaching will be provided.

#### ASSESSMENT METHODS AND CRITERIA

Attending students are assessed according to the following criteria:

- Final essay (5-10 pages): 70%
- Participation in class (presentation of one paper): 30%

Non-attending students' knowledge and understanding is assessed through a written exam, combining multiple-choice questions and open questions.

#### COURSE SYLLABUS (Provisional)

##### 1. From Bretton-Woods to Brussels-Frankfurt consensus: the EMU and the welfare state (2 classes)

Origins of monetary cooperation in Europe; Designing the single currency; Nominal and real convergence; Maastricht criteria, semi-sovereign welfare states

Readings:

Nicoli, F. (2020) Crises, Path Dependency, and the Five Trilemmas of European Integration: Seventy Years of 'Failing Forward' From the Common Market to the European Fiscal Union

De Grauwe. (2018) The economics of Monetary Union, chapter 5 and 6



## 2. The Eurozone Crises: causes, management and new governance (2 classes)

The interpretations of the Eurozone crisis and the reform of the EMU governance (European Semester; and the Economic Adjustment Programmes).

Readings:

Carmassi, J., Gros, D. and Micossi, S. (2009) The Global Financial Crisis: Causes and Cures, *Journal of Common Market Studies*, 47(5), pp. 977-996

Verdun, A. (2015) A historical institutionalist explanation of the EU's responses to the euro area financial crisis, *Journal of European Public Policy*, 22(2), pp. 219-237

## 3. Post-crisis EMU Governance and the impact on national welfare states (2 classes)

Impact of austerity policies on welfare state

Readings:

S Theodoropoulou, A Watt (2011) Withdrawal symptoms: an assessment of the austerity packages in Europe, ETUI Working paper

Dawson, M. (2018) New governance and the displacement of Social Europe: the case of the European Semester, *European Constitutional Law Review*, 14(1), pp. 191-209.

## 4. Prospects of further EMU reform and fiscal capacity before the Covid-19 (2 classes)

From the first to the second Presidents' Report, Fiscal Capacity, Automatic transfers and the European Unemployment Benefit Scheme, flexibility and the interpretations of the fiscal rules, the European Pillar of Social Rights;

Juncker J.-C., Tusk D., Dijsselbloem J., Dragi M. and Schultz M. (2015), Completing Europe's Economic and Monetary Union, Five Presidents Report, European Commission.

Garben, S. (2018) 'The European Pillar of Social Rights: An Assessment of its Meaning and Significance', *Cambridge Yearbook of European Legal Studies*

Zeitlin, J. and Vanhercke, B. (2018) Socializing the European Semester: EU social and economic policy co-ordination in crisis and beyond, *Journal of European Public Policy*, 25(2), pp. 149-174

## 5. The EU response to the Covid-19: towards an EMU as holding environment for flourishing welfare states (2 classes)

Activation of the general escape clause in the Stability and Growth Pact; SURE, Next Generation EU

Readings:

Alcidi, A., Gros, D. and Corti, F. (2020) Who will really benefit from the Next Generation EU? CEPS Policy Brief

Corti, F. & Alcidi, C. (2021) Toward a more solidaristic EU? A critical appraisal of the EU's recovery and



resilience instruments, in B. Vanhercke, S. Spasova (2021) *Social policy in the EU: state play 2021*, Brussels: OSE-ETUI

**BIBLIOGRAPHIC MATERIAL (Full List):**

Textbook (mandatory for non-attending students)

De Grauwe, P. (2018) *Economics of Monetary Union*. 12<sup>th</sup> Edition. Oxford: OUP, chapters 1-8

Articles (provisional)

Alcidi, A., Gros, D. and Corti, F. (2020) Who will really benefit from the Next Generation EU? CEPS Policy Brief

Carmassi, J., Gros, D. and Micossi, S. (2009) The Global Financial Crisis: Causes and Cures, *Journal of Common Market Studies*, 47(5), pp. 977-996

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Zeitlin, J. and Vanhercke, B. (2018) Socializing the European Semester: EU social and economic policy coordination in crisis and beyond, *Journal of European Public Policy*, 25(2), pp. 149-174