

Political Economy of European Integration

COURSE SYLLABUS (5 ECTS)

2025/2026 ACADEMIC YEAR
FALL SEMESTER

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DESCRIPTION OF THE COURSE

The main goal of this course is to introduce the dominant political economy approaches to European integration by assessing the processes of European integration (and disintegration) from functional and geographic perspectives. It aims to provide theoretical foundations and empirical knowledge to strengthen students' analytical capabilities to understand and analyse processes of European integration and cooperation in dealing with concrete policy challenges. It is an interdisciplinary course based on international political economy with insights from both political and economic sciences. It is focused on the EU as the main regional organisation in Europe and its key policy areas such as the Single market and the Economic and Monetary Union as well as most recent processes, in particular the management of cross-border crises in Europe such as euro zone crisis, migration crisis, Brexit, COVID-19 pandemic crisis and others. It will compare different (usually competing) accounts of the causes, processes and effects of European (dis)integration and crises management to provide a nuanced picture of the past and current scholarly debates on those issues.

THE STRUCTURE AND REQUIREMENTS OF THE COURSE

The course will start with an introductory lecture which will present the key concepts of the discipline of international political economy and European integration and the rest of the classes will be organised as seminars where particular issues of European integration will be debated on the basis of the readings assigned for each seminar. All students will be involved into the class discussions so it is important to read the texts assigned for each class. The discussions of the texts will be structured along the same general questions, concretely:

1. What are the questions raised by the author(s)?
2. What is/are the dependent variable(s) (what the author(s) aim to explain)?
3. What is/are the independent variable(s) (how author(s) answer their questions)?
4. What are the strengths of the text in terms of the consistency of the explanation and the correspondence to empirical data?
5. What are the weaknesses of the text in terms of the consistency of the explanation and the correspondence to empirical data?
6. What is the text's main input into scholarly debates and what issues could be analysed further in the future?

Students are strongly advised to have these questions in mind during the process of reading the texts assigned for each class. The discussion of the texts by students will be followed by a feedback provided by lecturer. The online classes will take place on MS Teams on Tuesdays from 18.30 to 20.00 p.m. EET (Lithuanian time). Those who would like to participate in the classes from the premises of the institute are welcome to use auditorium 301.

The final grade will consist of several elements – active participation in the online seminars (50%), the essay of around 10-12 pages (40%), and the concept of the essay to be submitted a

month before the end of the course (10%). It is important to attend the online seminars and actively debate the assigned texts. Before writing an essay, students will have to prepare the concepts of their planned essays (the main research idea, its relevance, the tentative arguments or hypotheses and short review of debates on the chosen topic), and afterwards they will receive feedback by lecturer on the initial ideas to assist students in writing their essays.

The topics of the essays will be recommended by lecturer, they will be related to the issues discussed during the seminars, mostly focusing on the effects of the recent crises on the processes of European integration, the deepening and widening of the EU. The essay should be an independent analysis of a particular issue of political economy of European integration, not a compilation of different opinions. The use of artificial intelligence software is allowed but it can't replace your independent analysis and must always be referenced when used in line with institute's rules. Please, read the relevant guidelines at <https://www.tspmi.vu.lt/en/methodological-requirements/>

COURSE MATERIALS

The readings for each class will be uploaded to the Virtual Learning Environment of Vilnius University. The compulsory readings to be discussed during the class will usually include two texts (journal articles or book chapters) on the subject which will reflect the dominant international political economy approaches in the field of European integration. There will also be additional recommended readings which might be useful for those who would like to read more on the subject or plan to write an essay on related topic. Some of those recommended readings are critical reviews of the compulsory texts and could be a very useful assistance for assessing the texts. The readings – both compulsory and recommended – are presented below under the topic of each class.

In addition to mandatory readings students might find it useful to check the main journals in the field such as the Journal of Common Market Studies, Journal of European Integration, Journal of European Public Policy and others. For the analysis of the current issues the work of the main think-tanks could be useful: European Council on Foreign Relations (www.ecfr.eu), Centre for European Policy Studies (www.ceps.eu), Bruegel (www.bruegel.org), European Policy Centre (www.epc.eu), European Policy Institutes Network (www.epin.org), Trans European Policy Studies Association (www.tepsa.eu), Centre for European Reform (www.cer.org.uk), Carnegie Europe (www.carnegieeurope.eu), for economic analysis of European affairs portal VoxEU (www.voxeu.org) at the Centre for Economic Policy Research (CEPR) (<https://cepr.org/>) and others.

For the analysis of daily EU news, the well informed and reliable sources are portals such as Politico (www.politico.eu) (with some paywalls but significant coverage for free), the daily Financial Times (www.ft.com) and the weekly The Economist (www.economist.com) which are for subscribers only.

CLASS SCHEDULE AND READINGS

1. Political economy of European (regional) integration. The dominant political economy approaches to European integration.

October 7. Introductory lecture. *The discipline of international political economy and European integration.*

Recommended readings:

Schimmelfennig, F. Regional Integration Theory // *Oxford Research Encyclopedia of Politics*. – February 2018. – online article; Manners, I., Rosamond, B. A different Europe is possible: the professionalization of EU studies and the dilemmas of integration in the 21st century // *Journal of Common Market Studies*. – 2018. – Vol. 56. – Annual Review. – P. 28-38; Borzel, T. A. Researching the EU (studies) into demise? // *Journal of European Public Policy*. – 2018. – 25:3. – P. 475-485; Haughton, T. Beelines, Bypasses and Blind Alleys: Theory and the Study of the European Union // *Journal of Common Market Studies*. – 2016. – vol. 54. – Annual Review. - P. 65-82; Weingast, B. R, Wittman, D. A. (eds.), *The Oxford Handbook of Political Economy*, Oxford: Oxford University Press. – 2008; Caporaso, J. A., Levine, D. P. *Theories of political economy*. – Cambridge: Cambridge University Press. – 1992.

October 14. Seminar. *General political economy explanations of European integration (I).*

Readings:

Moravcsik, A. *The Choice for Europe*. – Ithaca, NY: Cornell University Press. – 1998. – P. 1-85; Sweet, A. S., Sandholtz, W. Integration, Supranational Governance, and the Institutionalization of the European Policy // Sandholtz, W. Sweet, A. S. (eds.) *European Integration and Supranational Governance*. – Oxford: Oxford University Press. – 1998. – P. 1-27.

Recommended readings:

Kleine, M., Pollack, M. Liberal Intergovernmentalism and its Critics // *Journal of Common Market Studies*. – 2018. – Vol. 56. – No. 7. – P. 1493-1509; Hooghe, L., Marks, G. Is liberal intergovernmentalism regressive? A comment on Moravcsik (2018) // *Journal of European Public Policy*. – 2019. – online publication; Puchala, D. Institutionalism, Intergovernmentalism and European Integration: A Review Article // *Journal of Common Market Studies*. – Vol. 37. – No. 2. – June 1999. – P. 317-331; Diez, T. Riding the AM-track through Europe; or, The Pitfalls of a Rationalist Journey through European integration // *Millenium. Journal of International Studies*. – Vol. 28. – No. 2. – 1999. – P. 355-370; Wallace, H., Caporaso, J. A., Scharpf, F. W., Moravcsik, A. Review section symposium: The Choice for Europe // *Journal of European Public Policy*. – Vol. 6. – No. 1. – March 1999. – P. 155-179; Branch, A., Ohrgaard, J. Trapped in the supranational - intergovernmental dichotomy: a response to Stone Sweet and Sandholtz // *Journal of European Public Policy*. - March 1999. – Vol. 6. – No. 1. – P. 123-143;

October 21. Seminar. *General political economy explanations of European Integration (II).*

Readings:

Hooghe, L., Marks, G. A Postfunctionalist Theory of European Integration: from Permissive Consensus to Constraining Dissensus // *British Journal of Political Science*. – 2009. – Vol. 39. – No. 1. – P. 1-23 ; Bickerton, C. J., Hodson, D., Puetter, U. The New Intergovernmentalism: European integration in the post-Maastricht era // *Journal of Common Market Studies*. – 2015. – 53:4. – P. 703-722.

Recommended readings:

Hodson, D., Puetter, U. The European Union in disequilibrium: new intergovernmentalism, postfunctionalism and integration theory in the post-Maastricht period // *Journal of European Public Policy*. – 2019. – 26:8. – P. 1153-1171; Moravcsik, A., Preferences, power and institutions in 21st century Europe // *Journal of Common Market Studies*. – 2018. – Vol. 56. No. 7. – P. 1648-1674; Hooghe, L., Marks, G. What the rise of radical nationalism tells us about debate between postfunctionalism and liberal intergovernmentalism, <https://blogs.lse.ac.uk/euoppblog/2019/02/26/what-the-rise-of-radical-nationalism-tells-us-about-the-debate-between-postfunctionalism-and-liberal-intergovernmentalism/> 26 February 2019; Schimmelfennig, F. What's the News in 'New Intergovernmentalism'? A Critique of Bickerton, Hodson and Puetter // *Journal of Common Market Studies*. – Vol. 53. – No. 4. – P. 723-730.

2. The analysis of the main initiatives of European integration: Single European Act and the consolidation of the Single/common/internal market

October 28. Seminar. Explaining Single European Act (I).

Readings:

Sandholtz, W., Zysman, J. 1992: Recasting the European Bargain // *World Politics*. - Vol. XLII. – No. 1. – October 1989. – P. 95-128; Moravcsik, A. Negotiating the Single European Act: national interests and conventional statecraft in the European Community // *International Organization*. – Vol. 45. – No. 1. – Winter 1991. – P. 19-56.

November 4. Seminar. Explaining Single European Act (II).

Readings:

Garret, G. International cooperation and institutional choice: the European Community's internal market // *International Organization*. – Vol. 46. – No. 2. – Spring 1992. – P. 533-560; Bulmer, S. J. New Institutionalism and the Governance of the Single Market // *Journal of European Public Policy*. – Vol. 5. – No. 3. – September 1998. – P. 365-386.

Recommended readings:

Anderson, J. J. The State of the (European) Union. From the Single Market to Maastricht, from Singular Events to General Theories // *World Politics*. – Vol. 47. – April 1995. – P. 441-465.

3. The analysis of the main initiatives of European integration: Economic and Monetary Union

November 11. Seminar. Explaining the Economic and Monetary Union.

Readings:

Ostrup, F. Economic and Monetary Union // Laursen, F. (ed.) *The Political Economy of European Integration*. – The Hague: Kluwer Law International. – 1995. – P. 145-178; Sandholtz, W. Choosing union: monetary politics and Maastricht // *International Organization*. – Vol. 47. – No. 1. – Winter 1993. – P. 1-39.

Recommended readings:

Quaglia, L. Economic and Monetary Union // *Oxford Research Encyclopedia of Politics*. – December 2018. – online article; Leblond, P. Completing the Maastricht Contract: Institutional Handicraft and the Transition to European Monetary Union // *Journal of Common Market Studies*. – 2004. – Vol. 42. – No. 3. – P. 553-572; Maes, I., Verdun, A. Small States and the Creation of EMU: Belgium and the Netherlands, Pace-Setters and Gate-keepers // *Journal of Common Market Studies*. – 2005. – Vol. 43. – No. 2. – P. 327-348; Schoeller, M., Falkner, G. Acting in the Shadow of German Hegemony? The Role of Small States in the Economic and Monetary Union (introduction to the special issue) // *German Politics*. – 31:2. – P. 197-217.

4. European integration since 1990s: deepening, widening, differentiation and crises management

November 18. Seminar. *Implementing Single market for services. The use of crises for furthering integration.*

Readings:

Jensen, M. D., Nedergaard, P. From ‘Frankenstein’ to ‘toothless vampire’? Explaining the watering down of Services directive // *Journal of European Public Policy*. – 2012. – 19:6. – P. 844-862; Camisao, I., Guimaraes, M. H. The Commission, the Single Market and the Crisis: the Limits of Purposeful Opportunism // *Journal of Common Market Studies*. – 2017. – 55:2. – P. 223-239.

Recommended readings:

Chang, M. et al. The Services Directive: Trojan Horse or White Knight? // *Journal of European Integration*. – 2009. – 32:1. – P. 97-114; Sapir, A. *Globalisation and the Reform of European Social models*. – Background document for the presentation at ECOFIN Informal Meeting in Manchester, 9 September 2005; Monti, M. A New Strategy for the Single Market. At the Service of Europe’s Economy and Society. *Report to the President of the European Commission J. M. Barosso*, 2010, http://ec.europa.eu/bepa/pdf/monti_report_final_10_05_2010_en.pdf; Borrás, S., Radaelli, C. M. Recalibrating the Open Method of Coordination: Towards Diverse and More Effective Usages, Swedish Institute for European Policy Studies, Report No. 7, 2010, <http://www.sieps.se/sv/publikationer/recalibrating-the-open-method-of-coordination-towards-diverse-and-more-effective-usages-20107>; Sapir, A. (ed.) Europe’s economic priorities for 2010-2015. Memos for the new Commission. – Bruegel. – 2009; Vilpišauskas, R. *The political economy of the Baltic States’ accession into the EU: the impact on the role of state*. – University of Miami Jean Monnet/Robert Schuman Working Paper Vol. 6. – No. 21. – July 2005.

November 25. Seminar. *Differentiation, deepening and widening.*

Readings:

Schimmelfennig, F., Leuffen, D., Rittberger, B. The European Union as a system of differentiated integration: interdependence, politicization and differentiation // *Journal of European Public Policy*. – 2015. – 22:6. – P. 764-782; Kelemen, R. D., Menon, A., Slapin, J. Wider and deeper? Enlargement and integration in the European Union // *Journal of European Public Policy*. – 2014. – 21:5. – P. 647-663.

Recommended readings:

Schimmelfennig, F., Winzen, T. Grand Theories, Differentiated Integration // *Journal of European Public Policy*. – 2019. – online article.

December 2. Seminar. The effects of crises on the EU (I)

Readings:

Borzel, T. A., Risse, T. From the euro to the Schengen crises: European integration theories, politicization, and identity politics // *Journal of European Public Policy*. – vol. 25. – no. 1. - 2018. – P. 83-108; Schimmelfennig, F. European integration (theory) in times of crisis. A comparison of the euro and Schengen crises // *Journal of European Public Policy*. – 2018. – 25:7. – P. 969-989.

December 9. Seminar. The effects of crises on the EU (II)

Readings:

Biermann, F. et al. Political (non-)reform in the euro crisis and the refugee crisis: a liberal intergovernmentalist explanation // *Journal of European Public Policy*. – vol. 26. – No. 2. - 2019. – P. 246-266; Ferrara, F. M., Kriesi, H. Crisis pressures and European Integration // *Journal of European Public Policy*. – vol. 29. – No. 9. - 2022. – P. 1351-1373.

December 16. Seminar. The effects of crises on the EU (III)

Readings:

Jones, E., Kelemen, D., R., Meunier, S. Failing forward? Crises and patterns of European integration // *Journal of European Public Policy*. – 2021. – vol. 28. – no. 10. – 1519-1536; Anghel, V., Jones, E., Is Europe really forged through crises? Pandemic EU and the Russia – Ukraine war // *Journal of European Public Policy*. – 2023. – vol. 30. – no. 4. – p. 766-786.

Recommended readings:

Quaglia, L., Verdun, A., The COVID-19 pandemic and the European Union: politics, policies and institutions // *Journal of European Public Policy*. – 2023. – vol. 30. – no. 4. – p. 599-611; Hooghe, L., Marks, L. Grand theories of European integration in the twenty-first century // *Journal of European Public Policy*. – 2019. – online article; Webber, D. Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations // *Journal of European Public Policy*. – 2019. – 26:8. – P. 1134-1152; Jones, E. Towards a theory of disintegration // *Journal of European Public Policy*. – 25:3. – P. 440-451; Schimmelfennig, F. Liberal Intergovernmentalism and the Crises of the European Union // *Journal of Common Market Studies*. – 2019. – vol. 56. – no. 7. – P. 1578-1594; Caporaso, J. A. Europe's triple crisis and the uneven role of institutions: the euro, refugees and Brexit // *Journal of Common Market Studies*. – 2018. – 56:6. – P. 1345-1361.

December 23. Submission of essay concepts (please, send them to Ramunas.Vilpisauskas@tspmi.vu.lt).

January 13. Theories of EU enlargement – are they still relevant today?

Readings:

Moravcsik, A. Vachudova, M. National interests, state power, and EU enlargement // *East European Politics and Society*. – 2003. – vol. 17. – No. 1. – p. 42-57; Schimmelfennig, F. The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union // *International Organization*. – Winter 2001. – Vol. 55. – no. 1. – p. 47-80.

January 20. The persistent gap between the proposals on completing the EU's single market and the actual delivery. The discussion of the gap between the recent suggestions for EU reform and integration (i.e. Letta and Draghi reports) and the actual progress of EU decision-making based on the FT five articles' on the current state of the single market with each student providing his/her opinion on the following three questions – what are the main barriers for the functioning of the EU Single market, what explains the gap between proposals and the actual delivery and what could be the conditions of further consolidation of the Single market? In answering those question, please, use the insights from the theories of European integration which we discussed during our course.

Readings:

Five articles from *Financial Times* series “Who killed Europe’s single market dream?” (FT, December 1, 2025, December 3, 2025, December 8, 2025, December 10, 2025, December 14, 2025) and the FT article on the current state of barriers to the Single market (January 13, 2026).

Recommended readings:

Enrico Letta Report “Much more than a market”, April 2024, <https://european-research-area.ec.europa.eu/documents/letta-report-much-more-market-april-2024>

Mario Draghi Report on the Future of European competitiveness, September, 2025, https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en

EPIC, Draghi Observatory and implementation index, only 1 in 10 measures implemented, 4 September 2025, <https://thinkepic.eu/draghi-observatory-implementation-index-only-1-in-10-measures-implemented/>

European Commission, The Draghi Report: one year on, https://commission.europa.eu/topics/eu-competitiveness/draghi-report/one-year-after_en

Vilpišauskas, R., The EU's Single Market: more than a market, less than single, EPICENTER, 18 July 2024, <https://www.epicenternetwork.eu/publications/the-eus-single-market-more-than-a-market-less-than-single/>

The deadline for submitting essays by email is January 27, 20.00 p.m.