European and Global Economic Governance (Master Year 1 / Fall)

Master International Affairs, Strategic Policy Analysis and the Global Economy / Faculty of Social Sciences, Economics and Law

Introduction

European and Global Economic Governance is a 24-hour course organised into twelve two-hour sessions.
It is part of the first-semester curriculum in International Economics.
The course introduces students to the institutions, rules, policies and economic mechanisms that structure economic governance at the European and global levels. It examines how governments, European institutions and international organisations attempt to coordinate economic policies in a world characterised by increasing economic and financial interdependence.
Particular attention is devoted to the historical development of the international economic order, European economic integration, monetary and fiscal governance, international trade, financial institutions, sovereign debt, taxation, development and contemporary geopolitical fragmentation.
The objective is not only to describe institutions but also to understand the economic problems they are intended to address, the constraints they create and the major debates surrounding their operation.

Objectives

By the end of the course, students should be able to:
• identify the main institutions of European and global economic governance;
• explain the historical construction of the post-war international economic order;
• understand the institutional architecture of the European Union and the euro area;
• explain the principles of European monetary and fiscal governance;
• analyse the role of the IMF, World Bank, WTO, G7 and G20;
• understand major European and international economic crises;
• discuss contemporary debates concerning trade, debt, taxation, climate policy and economic sovereignty;
• analyse the consequences of geopolitical fragmentation for the international economic order.

Course Structure
Session 1 — Introduction to Economic Governance
Definition of economic governance; governance versus government; institutions and rules; sovereignty; economic interdependence; collective-action problems; national, European and global levels of governance.
Session 2 — Construction of the International Economic Order
The interwar crisis and the Great Depression; Bretton Woods Conference; creation of the International Monetary Fund and World Bank; GATT; embedded liberalism; collapse of the Bretton Woods exchange-rate system.
Session 3 — Institutions of European Economic Governance

Duration

1 semester

Teaching languages

- English

Conditions of submission

If you need more information about this course, kindly send an email to: incomingdri@icp.fr

European integration and distribution of competences; European Commission; European Council; Council of the European Union; European Parliament; Court of Justice; supranational and intergovernmental decisionmaking.
Session 4 — The Single Market and Competition Policy
The four freedoms; mutual recognition; harmonisation; negative and positive integration; cartels; dominant positions; merger control; state aid and European regulatory power.
Session 5 — Economic and Monetary Union
Origins of monetary integration; creation of the euro; convergence criteria; European Central Bank and Eurosystem; monetary policy; price stability; central-bank independence; optimum currency area theory.
Session 6 — European Fiscal Governance
National fiscal sovereignty; Maastricht criteria; Stability and Growth Pact; excessive-deficit procedure; European Semester; Fiscal Compact; debt sustainability; fiscal rules and political discretion.
Session 7 — The Euro-Area Sovereign Debt Crisis
Origins of the sovereign-debt crisis; banking and sovereign-debt interaction; Greece, Ireland, Portugal, Spain and Cyprus; financial assistance; austerity; conditionality; European Stability Mechanism and ECB intervention.
Session 8 — The EU Budget and Economic Crisis Management
EU budget and Multiannual Financial Framework; own resources; cohesion policy; Common Agricultural Policy; COVID-19 response; NextGenerationEU; common European borrowing; energy crisis and industrial policy.
Session 9 — Global Trade Governance
Comparative advantage; trade liberalisation; GATT and WTO; most-favoured nation principle; national treatment; dispute settlement; tariffs and non-tariff barriers; regional agreements and trade conflicts.
Session 10 — International Monetary and Financial Governance
Exchange-rate regimes; balance-of-payments crises; IMF surveillance, lending and conditionality; World Bank; multilateral development banks; Basel Committee; Financial Stability Board; G7 and G20.
Session 11 — Debt, Taxation, Development and Climate
Development finance; Washington Consensus; sovereign-debt restructuring; Paris Club; international tax competition; global minimum corporate tax; climate finance; carbon pricing and the Carbon Border Adjustment Mechanism.
Session 12 — Geopolitical Fragmentation and Future Reforms
Economic sanctions; weaponisation of interdependence; US–China competition; supply chains; de-risking and friend-shoring; BRICS; strategic autonomy; reform of global institutions and future governance scenarios.

Program

Methods of Instruction

Each session combines institutional and historical material with economic analysis and discussion of concrete European and international cases. Students are expected to attend the lectures, review the material presented in class and be able to connect institutional mechanisms with the broader economic questions discussed throughout the semester.

Assessment and Final Grade

The course will be assessed through a final written examination.
The precise format and expectations will be discussed during the course. The examination is expected to contain two components:
1. Short course questions: approximately four questions assessing students' understanding of the principal concepts, institutions, mechanisms and historical developments studied during the semester.
2. Mini-essay: one structured essay requiring students to develop an argument on a broader issue related to European or global economic governance and to mobilise concepts and examples discussed throughout the course.
Students are therefore expected both to acquire a solid knowledge of the institutions and concepts presented in class and to develop the capacity to construct a clear, structured and economically informed argument.

Bibliography

The following references provide useful background for the course. Additional readings and institutional documents may be recommended during the semester.

• De Grauwe, P. (2022), Economics of Monetary Union, Oxford University Press.
• Eichengreen, B. (2019), Globalizing Capital: A History of the International Monetary System, Princeton University Press.
• Frieden, J. A. (2020), Global Capitalism: Its Fall and Rise in the Twentieth Century, and Its Stumbles in the Twenty-First, W.W. Norton.
• Rodrik, D. (2011), The Globalization Paradox: Democracy and the Future of the World Economy, W.W. Norton.
• Woods, N. (2006), The Globalizers: The IMF, the World Bank, and Their Borrowers, Cornell University Press.
• European Commission, European Economy and Economic Governance, official reports and policy documents.
• International Monetary Fund (IMF), World Economic Outlook and selected reports.
• World Trade Organization (WTO), selected reports and documents on the multilateral trading system.