

Master in European Economic Governance

A.Y. 2024/2025

Course Syllabus

Course	EU Open Strategic Autonomy
Lecturer	Professors Paolo Guerrieri and Pier Carlo Padoan
Course Description	<p>The course offers an assessment of European Open Strategic Autonomy and its recent debate, a conceptual framework of the link between economy and security nexus and the role of the EU in different scenarios of global governance of a highly fragmented world economy. Students will learn</p> <ul style="list-style-type: none"> (i) the debate around EU Open Strategic Autonomy, European economic security, strategic trade and industrial policies. (ii) a conceptual framework for analyzing how security affects economic activity. (iii) the importance of economy-security linkages and spillovers for EU integration process. (iv) the international role of Europe and a new pragmatic EU multilateralism to achieve global public goods.
Primary References	See detailed topics below.
Course Objectives	
Prerequisite	None
Teaching Method	
Assessment Method and Grading Policy	Assessment will take place through students' class participation (35% of the final mark) and final written exam (65% of the final mark).

Course Plan and References

Week 1: The fragmented world economy in a polycrisis scenario

The class will discuss how the main tendency of the global economy is towards a risky fragmentation across practically all domains, economic, social and political, along the lines not of the two blocs of countries Us and China but of a certain number of rival economic blocks given the relevant new role of intermediate countries.

IMF (2022), *Geo-economic Puzzle. Policymaking in a More Fragmented World*, Finance and Development, pp. 1-19, June

DeLong, J. Bradford (2022), *Slouching Towards Utopia: An Economic History of the Twentieth Century*, New York: Basic Books, 2022.

Week 2: The role of economics and security in the new global economy

The class will explore how the sequence of major crises that have unfolded in the recent past has produced severe disruptions in the global economy. Security has come to the fore as the single most relevant element needed to reconstruct global governance.

Guerrieri P. and P. C. Padoan (2024), *Sovereign Europe. An Agenda for Europe in a Fragmented Global Economy*, Edward Elgar, ch. 5

Farrell H., Newman A.L. (2019), *Weaponized Interdependence: How Global Economic Networks Shape State Coercion*, in *“International Security”*, 44, 1, pp. 42-79

Week 3: Economics and Security : a conceptual framework

The aim of this class is to introduce students to the concept of international regimes. Long term global governance is based on regimes. We will discuss conditions for setting up a regime (rules, norms and institutions that allow governance) and the nature of the issue generated by a security dimension.

Gilpin R. (2001), *Global Political Economy. Understanding the international Economic Order*, Princeton: Princeton University Press.

Keohane N.O. (1984), *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton (NJ): Princeton University Press.

Week 4: Phases of European integration: building a EU security and economy regime

The class will discuss how EU has gone through different integration regimes and dynamics, the most relevant ones including monetary and macroeconomic regimes. The evolution of regimes includes factors belonging to different mechanisms. We will explore the impacts of security across all of these aspects.

P. Guerrieri and P. C. Padoan, (2024), *Security Regimes and EU Economic Integration*, Leap Luiss Working papers, (forthcoming)

Steinberg F. and G. Wolff (2023), *Dealing with Europe’s economic (in-)security*, Global Policy, 13 November

Week 5: Economic security and Open Strategic Autonomy

The open strategic autonomy (OSA) is a concept that has long been debated in Europe. The class will discuss how the concept should emphasize the need for Europe to become a stronger player in the geopolitical arena while maintaining an open and competitive market economy, by integrating 'national security' considerations into EU economic policy.

Guerrieri P. and P.C. Padoan (2024), *European Competitiveness and Strategic Autonomy*, LUISS LEAP Working Paper 02/2024

European Commission (2023), Joint Communication to the European Parliament, the European Council and the Council on “*European Economic Security Strategy*”, 20 June

Week 6: Economic security and EU trade and industrial policy

The class will lay the foundations of what are trade and industrial policies and why they are crucial tools for bolstering Europe's economic and international presence. We will discuss how they could align with Europe's strategic interests and adapt to the evolving global context.

Aghion P. (2023), *An Innovation-Driven Industrial Policy for Europe*, in S. Tagliapietra, R. Veugelers (editors), “Sparking Europe's New Industrial Revolution: A Policy for Net Zero, Growth and Resilience,” Bruegel, Brussels.

Hoekman B.M., Puccio L. (2019), *EU Trade Policy: Challenges and Opportunities*, in “Robert Schuman Centre for Advanced Studies Policy Papers”, 6, 2019

Week 7: EU Growth model and NGEU Plan

The class explores the European growth model and its economic policy implications to establish a link between the existing growth model and the direction of its post-crisis transformation. By using the concept of ‘growth accelerations’ we will consider the role of the strategy of the Next Generation EU (NGEU).

Padoan P. C. (2023), ‘NGEU as a Growth Machine’, *Astrid Rassegna* 3/2023

Hausmann, R., Pritchett L. and D. Rodrik (2004), ‘*Growth Accelerations*’, NBER Working Paper, 10566, June

Week 8: Green Deal and EU sustainable Growth

The class will assess the Green Deal as a EU environmentally and socially sustainable growth strategy inspired by the dual transformation, green and digital. We will discuss why the Green Deal could be seen as a continuation of the NGEU but on the condition that the full exploitation of climate policies is accompanied by the establishment of an adequate policy regime

Guerrieri P. and P. C. Padoan (2024), *Sovereign Europe. An Agenda for Europe in a Fragmented Global Economy*, Edward Elgar, ch. 2

Pisani-Ferry J., Mahfouz S. (2023), *Les incidences économiques de l'action pour le climat*, France Stratégie, https://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/2023-incidences-economiques-transition-climat-rapport-de-synthese_0.pdf.

Week 9: Global governance and economic security: international regimes

The class will explore a number of economic/security regimes starting from the Bretton Woods regime. We will then sketch the elements of a new EU regime as a precondition for defining a global cooperation structure and global governance agreement.

Guerrieri P. and P. C. Padoan (2024), *Sovereign Europe. An Agenda for Europe in a Fragmented Global Economy*, Edward Elgar, ch. 1

Cohen B.J. (2008), *International Political Economy: An Intellectual History*, Princeton (NJ): Princeton University Press.

Week 10: Global governance and economic security: a pragmatic multilateralism

The class will lay the foundations of what is industrial policy and we will review the key theoretical concepts that have been used to justify its use. We will also review the historic debate around whether industrial policy should exist in the first place.

Obsfeld M. (2024), *Economic multilateralism after 80 years of Bretton Woods*, PIIE, Working Papers 9/24 April.

Guerrieri P. and P. C. Padoan (2024), *Sovereign Europe. An Agenda for Europe in a Fragmented Global Economy*, Edward Elgar, ch. 5