

# Teaching European Integration: The case for role-playing games

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# Introduction

- Teaching about the EU integration is hard.
- Baldwin and Wyplosz's *The Economics of the European Integration* include history, applied microeconomics and macroeconomics, economic policy, political economy.  
=> **Complexity**
- Little opportunity to discuss current events in details.

# Why to teach current events?

*"Tying curriculum to current events helps students recognize the immediate value of their studies. It equips students with a foundational knowledge to engage in ongoing conversations and debate. As students form their own opinions, they can develop the skills to determine credibility and detect bias. Ultimately, teaching about current events prepares students to become more informed and engaged citizens."*

Mackenzie Abernethy (The Choices Program, Brown University)

# Why to teach current events?

*"In fact we were so frustrated with how little our education was helping us to understand the world (...) While we were memorising and regurgitating abstract economic models for multiple choice exams, the Eurozone crisis was at its peak, with Greece and Italy on the Brink to disaster. This wasn't mentioned in our lectures and what we were learning didn't seem to have any relevance for understanding it. The elephant in the room was hard to ignore."*

Joe Earle, Cahal Moran, Zach Ward-Perkins: The Econocracy

# Role-playing game

- Groups of students represent countries and the EU institutions and negotiate resolution of current issue.
- The game setting might be partly fictional.
- Cons:
  - The course concentrates just on several issues and does not cover wide range of relevant topics.
- Pros:
  - Mediates the nature of the decision-making process in the EU...  
... which result from ongoing negotiations, inherently particular interests and coalition building, rather than from seeking objectively the best solution to the problem (Elström-Smith, J. Eur. Public Policy, 2000).
  - Development of soft-skills (team work, negotiation techniques)

# Our experience

- Goal of the game: Resolution of banking crisis in Italy.
- Game setting partly followed the real situation in Italy, with some fictional elements: The crisis was supposed to worsen due to announcement of mounting problems of an artificial large bank in Italy (Banca Popolare di Lombardia e Etrusca).
- Risk that due to new EU-wide rules for bank bailouts, even 1,5 million small retail investors will lose their life-time savings.
- Fear of contagion to other banks and renewal of banking crisis in the EU periphery => Emergency meeting of the ECB, European Commission and the Eurogroup is set up to negotiate the resolution of the crisis and to mitigate potentially devastating financial crisis.

# Our experience

- Potential outcomes:
  - a) Exemption from EU-rules given to Italy and bailout managed by ECB and ESM within the Bank recapitalization programme.
  - b) Bail-in with no exception of EU-wide rules provided.
  - c) Bailout managed by the Government of Italy unilaterally and braking the rules while remaining part of the euro area.
  - d) Bailout managed by the Government of Italy unilaterally and leaving of the Eurozone.
- + Anything else

# Game setting

- Groups: Italy, European Commission/ECB, Germany, Spain and Financial Markets
- Voting rule: 4 to 1 to accept the proposal
- Teachers: Supervising the negotiations + Reuters news agency – informing about new events.

# Game setting

- Three introductory lectures before the game: Optimum currency areas and divergence in the EU, EU fiscal rules, EU debt crisis.
- Stages of the game
  - 0) Separate meeting with the teachers
  - 1) Position papers + 1st voting round („Whom to blame“)
  - 2) Policy proposals + Final voting round
- Negotiations informal, outside of the class.

# Grading

Graded activities	Points	Notes
Analytical proposal	0-20	
Voting on the analytical proposal	10/15	10 - losing the vote; 15 – proposal of a group elected
Policy solution proposal	0-20	
Voting on the policy solution proposal	10/15	10 - losing the vote; 15 – proposal of a group elected
Written critical review - essay	0-20	
Compliance of the final deal with group's main goals and preferences	0-10	
Bonus points	0-10	

# Outcome

- Finally, all groups presented joint proposal with the following elements:
- Create „Bridge bank“ (European Asset Management Company) that should takeover non-performing loans from selected banks across the EU.
- Provide direct bail-in to the Banca Popolare di Lombarda e Etrusca from the European Stability Mechanism, exclude retail investors from losses.
- Long-run reforms in Italy to regain price competitiveness.

# Debrief

- Critical assessment of what has been negotiated (realistic or not and why)
- We asked them to share their feelings about what they just experienced, ideally by mentioning the adjective(s) that describe them best.
- Some teams can be frustrated: Discussion about this frustration is valuable
- What were the key moments of negotiations?
- What affected the outcome at most?

# Evaluation of the course

- Formal feedback from the faculty course evaluation:
  - Overall evaluation of the course 4.6/5 (faculty average 4.2)
  - Difficulty of the course 3.6/5 (3.4)
  - Expansion of general knowledge 4.4/5 (4.1)
  - Learn to work with new approaches 4.8/5 (3.7)
  - Understanding the broader context 4.8/5 (4)
  - Recommendation to other students 4.8/5 (4.2)

# Testimonials

*"Especially interesting was for me to take the position of Germany as I personally disagree with most of it."*

*"I learned that the most rational argument does not always win in the process and that one can misjudge the own position of power."*

*"It was awesome, like playing Dungeons & Dragons: Economic edition."*

# Conclusion

- Role-playing games are feasible even as a regular course in a time-table.
- Diverse background and level of knowledge wasn't a crucial problem.
- Students were able to deliver proposal that was both original and feasible, although the actual negotiation would have been very hard.
- Generally, the course was highly appreciated by the students.
- Challenge for us!

# Literature

- Main inspiration from
- Brunazzo, Marco – Settembri, Pierpaolo: Experiencing the European Union: A simulation game on the European Citizens' Initiative (2010)
- Scholl, Bruno: Manual for trans-national Simulation Games (2005)