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# Political Economy of Europe: History, Ideologies and Contemporary Challenges

by **Hardy Hanappi**

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Hardy Hanappi is University Professor at the University of Technology of Vienna and was deputy director of socioeconomics at the Austrian Academy of Sciences. He currently is ad personam chair for Political Economy at the European Commission and director of the Vienna Institute for Political Economy Research.

His book “Political Economy of Europe: History, Ideologies and Contemporary Challenges” is based on a course he is regularly teaching at the University of Technology of Vienna – but it is very different from standard reading material on “economics of European integration”. Hanappi’s book is based on the classical concept of “political economy” and it starts with a careful and innovative discussion how to apply this concept to present day issues. One element is the historical perspective, where he presents an overview of European economic and political history from 1900 to the present. Hanappi stresses the role of ideology in historical developments and thus in the second part takes a closer look at three major paradigms framing European dynamics.

These paradigms are the market oriented paradigm, Marx’s paradigm and the fascist paradigm. The detailed critical discussion of these paradigms in my view is the most interesting and most innovative part of Hanappi’s book. Hanappi has developed a new set of both historical and formal mathematical analysis to present and to criticize the essential core of each of these three paradigms. This includes for instance a formal model of “Class Struggle: From Factories to the New Left” or an intellectually impressive analysis and of the fascist paradigm where Hanappi concludes that in fact a technical critique of the fascist paradigm is not necessary because its mode of existence is “to escape theoretical explanation and to rely completely on its influence as a set of arguments and myths”.

The third part of the book first contains an overview on empirical and institutional structures of Europe, followed by a discussion concerning the most pressing actual challenges, among them also the challenges of the Corona pandemic. Hanappi stresses that these challenges have to be seen in the context of global political economy, which leads to “afterthoughts on Europe’s future”. He comes to the conclusion that Europe’s comparative advantage in the global division of labour has to be seen in

the field of knowledge production, based on Europe's history, the diversity of languages spoken and having learned to live peacefully together.

For some readers these conclusions may be seen as being a bit too optimistic. But the interesting point is, that Hanappi arrives at these conclusions by applying his systematic and rigorous approach of "political economy". Compared with other publications on European integration this concise book (145 pages) offers a highly innovative and challenging view, based on a unique combination of historical and formal analysis. This well written book can be highly recommended for students of economics or political science – but also for teachers who dare to think "out of the box".