

University of Toronto
Department of Political Science
POL 472H / 2372H

The Comparative Political Economy of Industrial Societies
Fall 2016

Professor: Rodney Haddow

Class time: Thursday, 2 PM – 4 PM

Class location: UC 148

My office location: 3030 Sydney Smith Hall; 100 St. George Street

Office hours: Thursday, 4:30-5:30; I am usually also available sometime earlier in the week, by appointment.

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Course description: This seminar course examines the relationship of state and economy in advanced capitalist democracies, assessing the importance of differences across time and space for a proper understanding of this connection. It investigates the ‘variable geometry’ of the relationship between the exercise of sovereign authority, on the one hand, and the production and distribution of wealth, on the other, under advanced capitalism. There is now a voluminous and dynamic literature on these questions. We will start with an examination of some classical authors on political economy and of the ‘Varieties of Capitalism’ (VoC) approach to comparative political economy and two recently-emerged alternatives to VoC. The course then addresses macro-economic policy, the concept of ‘dualization’, the political economy of the European Union, the consequences of labour market regulation, the impact of trade unions, and the social basis of voting.

Format: This is a seminar course; classroom sessions will be devoted to the discussion of the readings assigned for that session. Students are expected to complete the required readings, even when they are not submitting a paper or making an oral presentation.

Readings: There are four articles listed for each week of the course. *Except for the week of September 29th, all four readings are mandatory for graduate students, and must be incorporated into submitted essays. Undergraduate students are required only to do three of these readings each week, and to write about those three when preparing a paper. I recommend that they select the first three readings listed under each topic.* (For September 29th, graduate students must complete only three readings, undergraduate students must read only two).

PDFs of readings are posted on the course web page unless information is provided below about how to access a source on-line. In that case I provide a link that worked in early September.

Grading Scheme and Course Requirements:

POL 472H:

4 short essays (4-5 pages each) [double spaced, Times Roman 12 pt.] (each essay is worth 20%)	80%
1 oral presentation (in conjunction with one of the above)	5%
Oral participation	15%

POL 2372H:

5 short essays (5-6 pages each) [double spaced, Times Roman 12 pt.] (each essay is worth 15%; your best is worth 20%)	80%
1 oral presentation (in conjunction with one of the above)	5%
Oral participation	15%

Written and oral assignments: The most important responsibility for students in the course is to prepare four 4-5 page (undergraduate) or five 5-6 page (graduate) papers, based on the assigned readings. Papers will be double-spaced and submitted in Times Roman 12 pt. font. ***There is considerable flexibility regarding which topics you write on, but at least one paper must be submitted by October 27 to comply with the university's course-drop decline;*** the drop deadline is November 7 this term. These essays are expected to accomplish two tasks: [a] they should provide a clear review of the main arguments made by each of the readings assigned for that week; and [b] they should make an original argument, by pointing to a major issue or theme addressed in the readings, comparing what the different authors have to say about this question, and evaluating the strengths different perspectives. Needless to say, papers should be written in good Standard English, and with appropriate references to the sources used

Essays are due in class, at the beginning of the class, on the date when their topic will be discussed in the seminar. Because the seminar discussion should clarify the readings for all participants, it would not be fair for me to accept papers submitted late without significant penalty. Consequently, ***late papers will be subject to a penalty of 10% during the first 24 hours after they are due, and of 20% thereafter.*** The 10% penalty will rise to 20% for a second or subsequent one-day-late assignment.

*Normally, students will be required to submit their course essays to **Turnitin.com** for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the*

turnitin.com web site. If, as a student, you object to using turnitin.com, please see me to establish alternative arrangements for submission of your written assignments.

In conjunction with one of these essays, each student will also make one ten-minute presentation of their argument in class. Presentations should *not* simply summarize the readings. They should be argumentative, and provide a cogent analysis of a theme relevant to the readings. The presenter should assume that other seminar participants are familiar with the readings. ***Students will sign up for a presentation during the second week of classes;*** there will be a maximum of two presentations per class, unless enrolment is so large as to require more.

Finally, students will be graded for participation. Five marks will be assigned based on attendance at class. Only documented medical grounds will be accepted as an explanation of non-attendance. Students will lose one per cent of their term grade for each class missed without evidence of such grounds. I also reserve the right to mark you as absent if you show up late for class on more than a couple of occasions. (If more than five classes are missed, further grades will be deducted). The other ten marks will be based on the quality and quantity of each student's involvement in oral discussions. It is not essential that you be talking constantly. But I do expect each student to make an effort to contribute to each week's seminar discussion. In evaluating this participation, I am particularly interested in the extent to which the oral contribution shows a sound understanding of the readings, and gives evidence that the student has reflected upon them. Particular emphasis will be attached to each student's contribution during weeks when they are *not* submitting an essay.

Seminar themes and readings:

1. September 15: Introduction to the Course.

2. September 22: What shaped the development of capitalism? Interests, Ideas and Institutions

Karl Marx. 1867. "The So-Called Primitive Accumulation," Part VIII of *Capital*, vol. 1. In Marx and Frederick Engels, *Selected Works* (in three volumes), vol. 2, (Moscow: Progress Publishers), 100-145 [URL: www.marxists.org/archive/marx/works/sw/]

Max Weber. 1905/1921. *The Protestant Ethic and the Spirit of Capitalism* (London: Taylor & Francis, 2005), 3-17, 102-125 [URL: <http://www.d.umn.edu/cla/faculty/jhamlin/1095/The%20Protestant%20Ethic%20and%20the%20Spirit%20of%20Capitalism.pdf>]

Otto Hintze. 1929. "Economics and Politics in the Age of Modern Capitalism." In *The Historical Essays of Otto Hintze* (New York: Oxford University Press, 1975), 422-452 [*After opening, right click, then click 'rotate clockwise'*]

Karl Polanyi. 1944. *The Great Transformation* (Boston: Beacon Press), 56-85

3. September 29: Hall & Soskice's 'Varieties of Capitalism': What are this typology's insights and failings?

Peter Hall and David Soskice. 2001. "An Introduction to Varieties of Capitalism." In P. Hall and D. Soskice, ed. *Varieties of Capitalism* (Oxford: Oxford University Press), 1-68

Bob Hancké, Martin Rhodes and Mark Thatcher. 2007. "Introduction: Beyond Varieties of Capitalism." In B. Hancké, et al., ed. *Beyond Varieties of Capitalism* (Oxford: Oxford University Press), 3-38

Richard Deeg and Gregory Jackson. 2007. "Towards a More Dynamic Theory of Capitalist Variety," *Socio-Economic Review*, 5 (3), 149-179

A completely optional 4th article:

Iain Hardie, David Howarth, Sylvia Maxfield and Amy Verdun. 2013. "Banks and the False Dichotomy in the Comparative Political Economy of Finance," *World Politics*, 65 (4), 691-728

4. October 6: The Role of Politics: Is partisan conflict a neglected and vital feature of all variants of advanced capitalism?

Pablo Beramendi, Silja Hausermann, Herbert Kitschelt and Hanspeter Kriesi. 2015. "Introduction: The Politics of Advanced Capitalism." In Beramendi, et al., ed. *The Politics of Advanced Capitalism* (Cambridge: Cambridge University Press), 1-64

Herbert Kitschelt and Philipp Rehm. 2015. "Party Alignments: Change and Continuity." In Beramendi, et al., ed. *The Politics of Advanced Capitalism* (Cambridge: Cambridge University Press), 179-201

Reviews of *The Politics of Advanced Capitalism* by [a] Peter Hall, [b] Christopher Green-Pedersen and Jonas Kraft, and [c] Paul Pierson. 2016. In *Socio-Economic Review*, 14 (2), 383-392

Damian Raess and Jonas Pontusson. 2015. "The Politics of Fiscal Policy during Economic Downturns, 1981-2010," *European Journal of Political Research*, 51 (1), 1-22

5. October 13: The Growth Model Perspective: Is the central question about how advanced political economies renew profitability in (somewhat) different ways?

Lucio Baccaro and Jonas Pontusson. 2016. "Rethinking Comparative Political Economy: The Growth Model Perspective," *Politics and Society*, 44 (2), 175-207

Commentaries on Baccaro and Pontusson article by [a] David Hope and David Soskice, [b] Cathie Jo Martin, [c] Michael Piore, and [d] Wolfgang Streeck. 2016. In *Politics and Society*, 44 (2), 209-247

Wolfgang Streeck. 2010. "E Pluribus Unum? Varieties and Commonalities of Capitalism", *MPIFG Discussion Paper 10/12*, 5-27, 34-40

Damian Raess. 2014. "Export Dependence and Institutional Change in Wage Bargaining in Germany," *International Studies Quarterly*, 58 (2), 282-94

6. October 20: Fiscal Policy: Does globalization (or other influences) now strongly limit how much governments can tax and spend? What are the implications?

David Brady and Hang Young Lee. 2014. "The Rise and Fall of Government Spending in Affluent Democracies, 1971-2008," *Journal of European Social Policy*, 24 (1), 56-79

Wolfgang Streeck and Daniel Mertens. 2013. "Public Finance and the Decline of Democratic Capitalism." In Armin Schaefer and Wolfgang Streeck, eds., *Politics in the Age of Austerity* (Cambridge, UK: Polity Press), 26-58

Hanna Lierse and Laura Seelkopf. 2016. "Room to Manoeuvre? International Financial Markets and the National Tax State," *New Political Economy*, 21 (1), 145-65

Layna Mosley. 2000. "Room to Move: International Financial Markets and National Welfare States," *International Organization*, 54 (4), 737-773

7. October 27: Monetary Policy: How much is monetary policy-making a ‘technical’ process overseen by central bankers, and how much is it ‘political’? If it is the latter, what does this mean?

Torben Iversen. 1998. “Wage Bargaining, Central Bank Independence, and the Real Effects of Money,” *International Organization*, 53 (3), 469-504

Jose Fernandez-Albertos. 2015, “The Politics of Central Bank Independence,” *Annual Review of Political Science*, 18, 217-37

Ho-fung Hung and Daniel Thompson. 2016. “Money Supply, Class Power, and Inflation: Monetarism Reassessed,” *American Sociological Review*, 81 (3), 447-66

Christopher Way. 2000. “Central Banks, Partisan Politics, and Macroeconomic Outcomes,” *Comparative Political Studies*, 33 (2), 196-224

8. November 3: Dualization: Are citizens in advanced political economies increasingly divided between ‘insiders’ and ‘outsiders’? If so, why, with what consequences, and with what variations across countries?

Bruno Palier and Kathleen Thelen. 2010. “Institutionalized Dualism: Complementarities and Change in France and Germany,” *Politics and Society*, 38 (1), 119-148

Silja Hausermann and Hanna Schwander. 2012. “Labour Market Segmentation and Insider-Outsider Divides Across Regimes.” In Patrick Emmenegger, et al. *The Age of Dualization* (Oxford: Oxford University Press), 27-51

Marco Giesselmann. 2014. “The Impact of Labour Market Reform Policies on Insiders’ and Outsiders’ Low-Wage Risk,” *European Sociological Review*, 30 (5), 549-61

David Rueda, Erik Wibbels and Melina Alamirano. 2015. “The Origins of Dualism.” In Beramendi, et al., ed. *The Politics of Advanced Capitalism* (Cambridge: Cambridge University Press), 89-111

9. November 10: The European Debt Crisis: Was the crisis the inevitable result of a common currency being shared by fundamentally different political economies? Explain.

Torben Iversen, David Soskice and David Hope. 2016. “The Eurozone and Political Economic Institutions,” *Annual Review of Political Science*, 19, 163-85

Francesca Gambarotto and Stefano Solari. 2015. “The Peripheralization of Southern European Capitalism Within the EMU,” *Review of International Political Economy*, 22 (4), 788-812

Erik Jones, R. Daniel Kelemen and Sophie Meunier. 2016. “Failing Forward? The Euro Crisis and the Incomplete Nature of European Integration,” *Comparative Political Studies*, 49 (7), 1010-34

Alison Johnston and Aidan Regan. 2016. “European Monetary Integration and the Incompatibility of National Varieties of Capitalism,” *Journal of Common Market Studies*, 54 (2), 318-36

10. November 17: Class Voting: How much ‘dealignment’ has occurred? Why?

Clem Brooks, Paul Nieuwbeerta, and Jeff Manza. 2006. “Cleavage-based Voting Behaviour in Cross-Sectional Perspective: Evidence from Six Postwar Democracies,” *Social Science Research*, 35 (1), 88-128

Guido Jansen, Geoffrey Evans and Nan Dirk de Graut. 2013. “Class Voting and Left-Right Party Positions: A Comparative Study of 15 Western Democracies, 1960-2005,” *Social Science Research*, 42 (2), 376-400

Larry Bartels. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age* (Princeton, NJ: Princeton University Press), chapter 3

Peter Achterberg. 2006. "Class Voting in the New Political Culture: Economic, Cultural and Environmental Voting in 20 Western Countries," *International Sociology*, 21 (2), 237-261

11. November 24: Labour Markets: It is argued that labour market reforms, such as weakening employment protection legislation and reducing unemployment benefits, enhance employment. Does the evidence support this view?

David Bradley and John Stephens. 2007. "Employment Performance in OECD Countries: A Test of Neoliberal and Institutional hypotheses," *Comparative Political Studies*, 40 (12), 1486-1510

Milike Wulfgramm and Lukas Fervers. 2015. "Unemployment and Subsequent Employment Stability: Does Labour Market Policy Matter?" *Socio-Economic Review*, 13 (4), 791-812

Michael Gebel and Johannes Giersecke. 2016. "Does Deregulation Help? The Impact of Employment Protection Reforms on Youths' Unemployment and Temporary Employment Risks in Europe," *European Sociological Review*, 32 (4), 486-500

Sabina Avdagic and Paola Salardi. 2013. "Tenuous Links: Labour Market Institutions and Unemployment in Advanced and New Market Economies," *Socio-Economic Review*, 11 (4), 739-769

12. December 1: Labour Unions: Are unions still important in advanced political economies? Why, and with what implications?

Anke Hassel. 2015. "Trade Unions and the Future of Democratic Capitalism." In Beramendi, et al., eds., *The Politics of Advanced Capitalism* (Cambridge: Cambridge University Press), 231-256

Lucio Baccaro and Chris Howell. 2011. "A Common Neoliberal Trajectory: The Transformation of Industrial Relations in Advanced Capitalism," *Politics and Society*, 39 (4), 521-563

Claus Schnabel. 2013. "Union Membership and Density: Some (not so) stylized facts and challenges", *European Journal of Industrial Relations*, 19 (3), 255-272

David Jacobs and Lindsey Myers. 2014. "Union Strength, Neoliberalism, and Inequality: Contingent Political Analysis of US Income Differences since 1950," *American Sociological Review*, 79 (4), 752-774