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

The Comparative Political Economy of Industrial Societies
Fall 2021

Professor: Rodney Haddow
Class time: Thursday, 2 PM – 4 PM
Class location: Larkin 213
My office location: 3119 Sidney Smith Hall; 100 St. George Street
Office hours: Wednesday, 4 PM – 5 PM via zoom; I am also available by appointment at other times. Details of zoom connection will be provided at the first class. Note that office hours will be virtual, not in my office.
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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 scholarly literature on this topic. We will start with an examination of some classical authors on political economy, the 'Varieties of Capitalism' (VoC) approach to comparative political economy, and two major alternatives to VoC. The course then addresses macro-economic policy, the concept of 'dualization', the political economy of the European debt crisis, the consequences of labour market reform, the impact of trade unions, and the social bases of voting.

Format: This is a seminar course; classroom sessions will be devoted to 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. ***Students have the option of learning remotely for the first two weeks of the term. To accommodate their needs, I will record these seminar sessions using zoom and make the recordings available to students who are unable to attend in person. After the second week of classes, students are expected to attend in person.***

Readings: There are four articles listed for each week of the course. ***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 23rd, 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 (possibly in conjunction with one of the above)	5%
Oral participation	15%

The base for calculating the participation grade will be reduced by 1% for each class missed without medical documentation after the second week of classes. So, for instance, if a student misses three classes after that point, their participation will be marked out of 12, not 15. If that student receives a grade of 80% for participation during the classes attended, their overall participation grade would be 80 x .12 = 9.6%. If that student had attended all ten classes after the second week, the figure would be 80 x .15 = 12%

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 28th to comply with the university's course-drop deadline***. 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 of their own, 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. I propose that you address the question listed below for your topic on the syllabus.*** Needless to say, papers should be written in good Standard English, and with appropriate references to the sources used.

Essays should be submitted electronically through Quercus by the beginning of 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 to other students 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.

Extensions for assignments will be granted only with acceptable documentation. The preferred options, recognized by the Faculty of Arts and Science, are the following documents:

- *The UofT Verification of Illness or Injury Form.*
- *A Student Health or Disability Related Certificate.*
- *A Letter of Accommodation from Accessibility Services.*
- *A letter from your College Registrar.*

Normally, students will be required to submit their course assignments to the University's ***plagiarism detection tool*** *website for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their material to be included as source documents in the University's plagiarism detection tool 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 University's plagiarism detection tool service are described on the company web site.*

Possibly 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 or a submitted essay. 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.

How do I evaluate students in relation to oral participation, which is worth 15% of the final grade? It is not essential that you be talking constantly. But I do expect each student to try 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 9: Introduction to the Course.

2. September 16: 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. 2005 [1905/1921]. *The Protestant Ethic and the Spirit of Capitalism* (London: Taylor & Francis), 3-17, 102-125 [*URL: https://is.muni.cz/el/1423/podzim2013/SOC571E/um/_Routledge_Classics___Max_Weber-The_Protestant_Ethic_and_the_Spirit_of_Capitalism__Routledge_Classics_-Routledge__2001_.pdf]*

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

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

3. September 23: 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. Hanché, et al., ed. *Beyond Varieties of Capitalism* (Oxford: Oxford University Press), 3-38

Daniel Kinderman. 2017. "Challenging varieties of capitalism's account of business interests: Neoliberal think-tanks, discourse as a power resource and employers' quest for liberalization in Germany and Sweden," *Socio-Economic Review*, 15 (3), 587-613

A completely optional 4th article:

Magnus Feldman. 2019. "Review Article: Global Varieties of Capitalism," *World Politics*, 71 (1), 162-96

4. September 30: Growth Models and Regimes: Is this a better approach than 'VoC' for addressing change in advanced capitalist economies?

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

Anke Hassel and Bruno Palier. 2021. "Tracking the Transformation of Growth Regimes in Advanced Capitalist Economies." In Hassel and Palier, ed. *Growth and Welfare in Advanced Capitalist Economies: How Have Growth Regimes Evolved?* (Oxford: Oxford University Press), 3-56

Lukas Haffert and Daniel Mertens. 2021. "Between distribution and allocation: growth models, sectoral coalitions and the politics of taxation revisited," *Socio-Economic Review*, 19 (2), 487-510

5. October 7: Social Coalitional Approaches to Comparative Political Economy: What Distinctive Value, if Any, Does this Approach Have?

Gregory Luebbert. 1991. *Liberalism, Fascism, or Social Democracy* (Oxford: Oxford University Press), Introduction and chapter 8

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

Reviews of *The Politics of Advanced Capitalism* by [a] Peter Hall, [b] Christoffer Green-Pedersen and Jonas Kraft, and [c] Paul Pierson. 2016. In *Socio-Economic Review*, 14 (2), 383-394

Torben Iversen and David Soskice. 2015. "Democratic limits to redistribution: Inclusionary versus Exclusionary Coalitions in the Knowledge Economy." *World Politics*, 67 (2), 185-225

6. October 14: 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

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

Priyaranjan Jha and Giray Gozgor. 2019. "Globalization and Taxation: Theory and Evidence," *European Journal of Political Economy* 59, 296-315

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

7. October 21: Monetary Policy: How much is monetary policy-making a 'technical' matter, where central bankers follow rules to minimize inflation, and how much is it 'political'? If it is the latter, what does this mean?

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

Ben Clift. 2020. "The hollowing out of monetarism: the rise of rules-based monetary policy-making in the UK and USA and problems with the paradigm change framework," *Comparative European Politics* 18, 281-308

Arie Krampf. 2019. "Monetary Power Reconsidered: The Struggle between the Bundesbank and the Fed over Monetary Leadership," *International Studies Quarterly* 63, 938-951

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

8. October 28: 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?

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

Biegert, Thomas. 2019. "Labor market institutions, the insider/outsider divide and social inequalities in employment in affluent countries." *Socio-Economic Review* 17 (2), 255-281

Werner Eichhorst and Paul Marx. 2021. "How stable is labour market dualism? Reforms of employment protection in nine European countries," *European Journal of Industrial Relations* 27 (1), 93-110

Thomas Prosser. 2017. "Insiders and outsiders on a European scale," *European Journal of Industrial Relations*, 23 (2), 135-150

9. November 4: The European Debt Crisis: Was the crisis the inevitable result of a common currency being shared by fundamentally different political economies? Explain.

Peter Hall. 2018. "Varieties of capitalism in light of the euro crisis," *Journal of European Public Policy*, 25 (1), 7-30

Aidan Regan. 2017."The imbalance of capitalisms in the Eurozone: Can the north and south of Europe converge?" *Comparative European Politics*, 15 (6), 969-990

Christos Tsakas. 2021. "Growth Models and Core–Periphery Interactions in European Integration: The German–Greek Special Relationship in Historical Perspective," *Journal of Common Market Studies*, 59 (4), 945-962

Pablo Beramendi and Daniel Stegmueller. 2020. "The Political Geography of the Eurocrisis," *World Politics* 72 (4), 639-678

November 11: Fall Reading Week; no class

10. November 18: The Class Basis of Right Populism: Have Working Class Voters Moved from Left to Populist Right Parties? What Explains Rising Support for These Parties?

Sarah Engler and David Weisstanner. 2021. "The threat of social decline: income inequality and radical right support," *Journal of European Public Policy* 28 (2), 153-173

Nicholas Carnes and Noam Lupu. 2021. "The White Working Class and the 2016 Election," *Perspectives on Politics* 19 (1), 55-72

Tarik Abou-Chadi and Thomas Kurer. 2021. "Economic Risk Within the Household and Voting for the Radical Right," *World Politics* 73 (3), 482-511

James Gurth and Brent Nelson. 2021. "Party choice in Europe: Social cleavages and the rise of populist parties," *Party Politics* 27 (3), 453-464

11. November 25: Labour Markets: Governments try to improve outcomes for workers by liberalizing labour market policies (such as weakening employment protection legislation and restricting unemployment benefits) or by expanding active labour market programmes (training and job creation). Which, if either, of these strategies actually improves outcomes for workers?

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

Daniel Fredriksson. 2021. "Reducing unemployment? Examining the interplay between active labour market policies," *Social Policy and Administration* 55 (1), 1-17

Carlo Michael Knotz. 2020. "Does Demanding Activation Work? A Comparative Analysis of the Effects of Unemployment Benefit Conditionality on Employment in 21 Advanced Economies, 1980–2012", *European Sociological Review* 36 (1), 121-135

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

12. December 2: Labour Unions: Are unions still important in advanced political economies? Why (or why not), 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

David Hope and Angelo Martelli. 2019. "The Transition to the Knowledge Economy, Labour Market Institutions, And Income Inequality in Advanced Democracies," *World Politics* 71 (2), 236-288

Michael Becher Daniel Stegmueller. 2021. "Reducing Unequal Representation: The Impact of Labor Unions on Legislative Responsiveness in the U.S. Congress," *Perspectives on Politics* 19 (1), 92-109

Marco Simoni and Tim Vlandas. 2020. "Labour market liberalization and the rise of dualism in Europe as the interplay between governments, trade unions and the economy," *Social Policy and Administration* 55, 637-658