

**Political Economy of Europe**  
POL 2321H1S / POL438H1S Winter 2019  
Wednesdays, 4–6pm, Room OI 4418

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Office hours: Wednesday, 1–2pm (or by appointment)

**Course Description**

This course surveys major theoretical and empirical contributions on the political economy of Western Europe. The course explores the political sources of how and why European societies have adopted different economic institutions and policies in the global economy. We analyze theories on the origins, stability, and changes of capitalist structures and the welfare state in Europe, and explore some of these developments in two case studies: Germany and the Nordic countries. We will analyze important areas of political economy, such as the rise of finance and credit, as well as long-term challenges of growing inequality and labor market dualization. The course also examines the deeper processes of European integration that have shaped European economies, with a particular focus on monetary integration. Finally, we discuss contemporary issues that define economies in Western Europe today -- the eurozone crisis, Brexit, and populism.

**Learning Objectives**

This course is designed to help students:

1. Survey the academic literature on different economic models in Europe.
2. Develop a deeper understanding of different areas of political economy, such as housing, financial, and labor markets in the European context.
3. Improve your ability to critique core arguments and theories in political economy and the European Union.
4. Develop writing skills by composing academic essays and research papers with attention to logical rigor.
5. Understand contemporary debates and current events in European political economy.

**Requirements**

Class Participation: 25%

This is a seminar course -- not a lecture course -- with a strong emphasis on class discussion.

*Attendance:* you are expected to attend all classes. If you have to miss class, please inform me of your absence before class and provide appropriate documentation (i.e., doctor's note, etc.). It is also important for you to show up on time, so we can start and finish class in a timely manner.

*Weekly Discussion Questions:* you are required to submit two discussion questions before the beginning of each class (except for the first class of the semester) to the discussion board on Quercus (by 10pm on Tuesday before class). These questions will serve as the foundation of class discussion and help you think through the readings. You should identify unifying themes that connect the readings, critically reflect particular readings, and/or provide connections to current events.

*Participation:* in-class discussion contributions are key for your success in this course. Make sure to do the readings and come well prepared for every class, as we will discuss and analyze the readings and put them into broader perspective. The quality of your responses, which requires you to speak up in class, will be evaluated for your participation grade.

Written Assignments: 75%

*Option A: Three Response Papers (25% each)*

Three times during the semester, students choosing this option have to submit a response paper (8-10 double-spaced pages) for a given week. Students may choose the weeks for which they write a paper (NB: you may not choose the first class of the semester). Given university deadlines, your first response paper must be written by **February 6, 2019**. Response papers for a given week are due before we discuss the material in class (10pm on Tuesday before class). Students who submit a response paper are expected to help lead discussion.

The response papers should critique ALL readings for a given week (including recommended readings). Please don't provide extensive summaries of the readings and instead evaluate specific arguments and positions, strengths and weaknesses of these arguments, methods and evidence, and/or the implications of the readings.

*Option B: Research Paper Option*

Students with an interest in particular questions relating to European political economy should feel encouraged to choose the research paper option. This is a great opportunity to apply some of the theoretical frameworks we study in class.

Research proposal (25%): If you choose this option, please submit a 5-page, double-spaced research proposal (excluding references) by **February 6, 2019**. The proposal should include the research topic and question, an outline of the argument, intended data sources, a tentative reference list, and how you would like to test your argument.

Final research paper (50%): The final research paper should be around 20-25 pages long (double-spaced, excluding references) and is due **April 3, 2019**.

## **Course Resources**

### *Quercus*

This course uses Quercus for announcements, readings, and the discussion board. Please be sure to have access to Quercus and check it regularly.

## **Class Policies**

### *Communication*

Please send emails from your university email account. I will try my best to respond to your emails within 48 hours, excluding weekends. You are very much encouraged to see me during office hours for substantive questions regarding course material and assignments.

### *Late Work*

You are expected to submit assignments on time. To receive special consideration, it is key to communicate with me well before deadlines and provide me with appropriate documentation.

Option A: Unless granted special consideration, you will not be allowed to submit your response papers after we discuss the material for a given week in class. If you submit your response paper before the start of class for a given week, but miss the Tuesday 10pm deadline, you will receive a penalty of 15 percent.

Option B: Late research proposals and research papers will be penalized 10 percent on the first day and 5 percent for each additional day. Assignments submitted five calendar days beyond the due date will be assigned a grade of zero.

### *Submission of Assignments*

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. You are also required to submit a hard copy in class on the due date.

### *Classroom Technology Policy*

Please stay away from your cellphones at all times and use laptops/tablets for class purposes only.

## **Academic Integrity**

Academic integrity is essential to the pursuit of learning and scholarship in a university, and to ensuring that a degree from the University of Toronto is a strong signal of each student's individual academic achievement. As a result, the University treats cases of cheating and plagiarism very seriously. The University of Toronto's *Code of Behavior on Academic Matters* ([www.governingcouncil.utoronto.ca/policies/behaveac.htm](http://www.governingcouncil.utoronto.ca/policies/behaveac.htm)) outlines the behaviors that constitute academic dishonesty and the processes for addressing academic offences. All suspected cases of academic dishonesty will be investigated and dealt with accordingly.

## **Religious Holidays**

Please notify me if you plan on missing class in order to observe a religious holiday. If an assignment falls on that day, we will work together to find an alternative time for you to complete or submit the assignment. It is key to inform me well before your planned absence (at least 4 weeks in advance).

**Accessibility**

Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, please feel free to approach me and/or the AccessAbility Resource Centre as soon as possible.

AccessAbility staff (located at 445 Spadina Ave.) are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. Please call 416-978-8060 or email [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca). The sooner you let us know your needs the quicker we can assist you in achieving your learning goals in this course.

**Notice of Collection**

The University of Toronto respects your privacy. The information on medical certificates is collected pursuant to section 2(14) of the University of Toronto Act, 1971. It is collected for the purpose of administering accommodations for academic purposes based on medical grounds. The department will maintain a record of all medical certificates received. At all times it will be protected in accordance with the Freedom of Information and Protection of Privacy Act. If you have questions, please refer to [www.utoronto.ca/privacy](http://www.utoronto.ca/privacy) or contact the University's Freedom of Information and Protection of Privacy Office at 416-946-5835. Address: Room 201, McMurrich Bldg., 12 Queen's Park Crescent, Toronto, ON, M5S 1A1.

## COURSE SCHEDULE

### 1. January 9: Introduction

Hall, Peter. "The Role of Interests, Institutions, and Ideas in the Comparative Political Economy of the Industrialized Nations." In: Lichbach, Mark and Zuckerman, Alan, eds. *Comparative Politics: Rationality, Culture and Structure*. Cambridge University Press, 1997.

Garton Ash, Timothy. "Is Europe Disintegrating?" *New York Review of Books*. January 19, 2017.

### 2. January 16: Capitalism in Europe

Peter Hall, and David Soskice. *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford University Press, 2001. Chapter one.

Martin, Cathie Jo, and Duane Swank. *The Political Construction of Business Interests: Coordination, Growth, and Equality*. Cambridge University Press, 2012. Chapter two.

Baccaro, Lucio, and Jonas Pontusson. "Rethinking Comparative Political Economy: The Growth Model Perspective." *Politics & Society* vol. 44 no. 2 (2016): 175-207.

Streeck, Wolfgang. "How Will Capitalism End?" *New Left Review* vol. 87 no. 3 (2013): 35-64.

Recommended:

Anke Hassel and Bruno Palier, eds., *Growth and Welfare Reforms in Global Capitalism: How Growth Regimes Evolve*. Oxford University Press, forthcoming. Introduction.

### 3. January 23: European Welfare States

Esping-Andersen, Gøsta. *The Three Worlds of Welfare Capitalism*. Princeton University Press, 1990. Chapters one & two.

Manow, Philip. "Electoral Rules, Class Coalitions and Welfare State Regimes, or How to Explain Esping-Andersen with Stein Rokkan." *Socio-Economic Review* vol. 7 no. 1 (2008): 101-121.

Evelyn Huber, and John Stephens. "Postindustrial Social Policy." In: Beramendi et al., eds. *The Politics of Advanced Capitalism*. Cambridge University Press, 2015.

Recommended:

Orloff, Ann. "Gendered States Made and Remade: Gendered Labor Policies in the United States and Sweden, 1960–2010." In: Kimberly Morgan and Ann Orloff, eds., *The Many Hands of the State*. Cambridge University Press, 2017.

#### **4. January 30: Postwar Economic Development in Europe**

Eichengreen, Barry. *The European Economy Since 1945: Coordinated Capitalism and Beyond*. Princeton University Press, 2008. Chapter two.

Hall, Peter. "How Growth Regimes Evolve in the Developed Democracies." In: Anke Hassel and Bruno Palier, eds., *Growth and Welfare Reforms in Global Capitalism: How Growth Regimes Evolve*. Oxford University Press, forthcoming.

Berman, Sheri. *The Primacy of Politics: Social Democracy and the Making of Europe's Twentieth Century*. Chapter 8.

Kalyvas, Stathis and Kees van Kersbergen, "Christian Democracy." *Annual Review of Political Science* vol. 13, 2010, pp 183-209.

Recommended:

Ruggie, John. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order." *International Organization* vol. 36 no. 2 (1982): 379-415.

#### **5. February 6: Stability and Change in European Political Economies**

Streeck, Wolfgang, and Kathleen Thelen, eds. *Beyond Continuity: Institutional Change in Advanced Political Economies*. Oxford University Press, 2005. Introduction.

Thelen, Kathleen. *Varieties of Liberalization and the New Politics of Social Solidarity*. Cambridge University Press, 2014. Chapter one.

Pierson, Paul. "The New Politics of the Welfare State." *World Politics* vol. 48 no. 2 (1996): 143-79.

Morgan, Kimberly. "Path Shifting of the Welfare State: Electoral Competition and the Expansion of Work-family Policies in Western Europe." *World Politics* vol. 65 no. 1 (2013): 73-115.

## **6. February 13: Case study I: The Nordic States**

Katzenstein, Peter. *Small States in World Markets: Industrial Policy in Europe*. Cornell University Press, 1985. Chapter three.

Ornston, Darius. *Good Governance Gone Bad: When Adaptability Leads to Excess*. Cornell University Press, 2018. Chapters one, two, AND one country chapter.

Recommended:

Ornston, Darius. "Creative Corporatism: The Politics of High-Technology Competition in Nordic Europe." *Comparative Political Studies* vol. 46 no. 6 (2013): 702-729.

## **7. February 20: NO CLASS (READING WEEK)**

## **8. February 27: Case Study II: The German Model**

Streeck, Wolfgang. "German Capitalism: Does It Exist? Can it Survive?" *New Political Economy* vol. 2 no. 2 (1997): 237-256.

Manow Philip, and Seils, Eric. "Adjusting Badly: The German Welfare State, Structural Change, and the Open Economy." In: Scharpf, Fritz, and Schmidt, Vivien, eds., *Welfare and Work in the Open Economy Volume II: Diverse Responses to Common Challenges in Twelve Countries*. Oxford University Press, 2000.

Reisenbichler, Alexander, and Kimberly Morgan. "From 'Sick Man' to 'Miracle:' Explaining the Robustness of the German Labor Market During and After the Financial Crisis 2008-09." *Politics & Society* vol. 40 no. 4 (2012): 549-579.

Recommended:

Hassel, Anke. "The Paradox of Liberalization: Understanding Dualism and the Recovery of the German Political Economy." *British Journal of Industrial Relations* vol. 52 no. 1 (2014): 57-81.

## **9. March 6: The Role of Credit, Finance, and Housing in European Economies**

Crouch, Colin. "Privatised Keynesianism: An Unacknowledged Policy Regime." *British Journal of Politics & International Relations* vol. 11 no. 3 (2009): 382-399.

Ansell, Ben. "The Political Economy of Ownership: Housing Markets and the Welfare State." *American Political Science Review* vol. 108 no. 2 (2014): 383-402.

Ahlquist, John, and Ben Ansell. "Taking Credit: Redistribution and Borrowing in an Age of Economic Polarization." *World Politics* vol. 69 no. 4 (2017): 640-675.

Recommended:

Mertens, Daniel. "Borrowing for Social Security? Credit, Asset-Based Welfare and the Decline of the German Savings Regime." *Journal of European Social Policy* vol. 27 no. 5 (2017): 474-490.

## **10. March 13: Insider-Outsider Politics and Inequality**

Palier, Bruno, and Kathleen Thelen. "Institutionalizing Dualism: Complementarities and Change in France and Germany." *Politics & Society* vol. 38 no. 1 (2010): 119-148.

Emmenegger, Patrick and Romana Careja. "From Dilemma to Dualization: Social and Migration Policies in the 'Reluctant Countries of Immigration.'" In: Patrick Emmenegger et al., eds. *The Age of Dualization: The Changing Face of Inequality in Deindustrializing Societies*. Oxford University Press, 2012.

Hopkin, Jonathan, and Kate Alexander Shaw. "Organized Combat or Structural Advantage? The Politics of Inequality and the Winner-Take-All Economy in the United Kingdom." *Politics & Society* vol. 44 no. 3 (2016): 345-371.

Recommended:

Meyer, Brett. "Learning to Love the Government: Trade Unions and Late Adoption of the Minimum Wage." *World Politics* vol. 68 no. 3 (2016): 538-575.

## **11. March 20: The Euro and Its Crisis**

Dinan, Desmond. "The Internal Market and Monetary Union." In: *Ever Closer Union*, 4<sup>th</sup> edition, Palgrave, 2010. [background reading]

Frieden, Jeffry, and Stefanie Walter. "Understanding the Political Economy of the Eurozone Crisis." *Annual Review of Political Science* vol. 20 (2017): 371-90.

Johnston, Alison, and Aidan Regan. "European Monetary Integration and the Incompatibility of National Varieties of Capitalism." *Journal of Common Market Studies* vol. 54 no. 2 (2016): 318-336.

Jones, Erik, Daniel Kelemen, and Sophie Meunier. "Failing Forward? The Euro Crisis and the Incomplete Nature of European Integration." *Comparative Political Studies* vol. 49 no. 7 (2016): 1010-1034.

## **12. March 27: Policy Responses to the Financial and Euro Crises**

Mandelkern, Ronen. "Explaining the Striking Similarity in Macroeconomic Policy Responses to the Great Recession: The Institutional Power of Macroeconomic Governance." *Comparative Political Studies* vol. 49 no. 2 (2016): 219-252.

Matthijs, Matthias, and Mark Blyth. "When Is It Rational to Learn the Wrong Lessons? Technocratic Authority, Social Learning, and Euro Fragility." *Perspectives on Politics* vol. 16 no. 1 (2018): 110-126.

Perez, Sofia, and Manos Matsaganis. "The Political Economy of Austerity in Southern Europe." *New Political Economy* vol. 23 no. 2 (2018): 192-207.

Blyth, Mark. "The Austerity Delusion: Why a Bad Idea Won Over the West." *Foreign Affairs* vol. 92 no. 3 (2013): 41-56.

Recommended:

Pontusson, Jonas, and Damian Raess. "How (and Why) Is This Time Different? The Politics of Economic Crisis in Western Europe and the United States." *Annual Review of Political Science* vol. 15 (2012): 13-33.

## **13. April 3: Brexit, Populism, and Immigration**

Hobolt, Sara. "The Brexit Vote: A Divided Nation, a Divided Continent." *Journal of European Public Policy* vol. 23 no. 9 (2016): 1259-1277.

Inglehart, Ronald, and Pippa Norris. "Trump and the Populist Authoritarian Parties: The Silent Revolution in Reverse." *Perspectives on Politics* vol. 15 no. 2 (2017): 443-454.

Rodrik, Dani. "Populism and the Economics of Globalization." *Journal of International Business Policy* (2018): 1-22.

Recommended:

Dustmann et al., "On the Economics and Politics of Refugee Migration." *Economic Policy* vol. 32 no. 91 (2017): 497-550.