

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

The Comparative Political Economy of Industrial Societies
Fall 2019

Professor: Rodney Haddow

Class time: Thursday, 2 PM – 4 PM

Class location: SS 1078

My office location: 3119 Sidney Smith Hall; 100 St. George Street

Office hours: Wednesday, 4:15-5:15; Thursday, 4:15-5:15; I am also available 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 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 recent 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 deregulation, the impact of trade unions, and the social bases 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. *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 19th, 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 24th 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, 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 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.

Extensions for assignments will be granted only with acceptable documentation. The Faculty of Arts and Science recognizes the following four (4) types of documentation:

- *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 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 5: Introduction to the Course.

2. September 12: 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:

https://www.ttu.ee/public/m/mart-murdvee/EconPsy/1/Weber_Max_1930-2005_The_Protestant_Ethic_and_the_Spirit_of_Capitalism.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

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

3. September 19: 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

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 26: Alternative Frameworks for Comparing Advanced Capitalist Political Economies: What are their Merits?

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

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

Gilberto Antonelli, Pinuccia P. Calia and Giovanni Guidetti. 2019. "Institutions, Models of Capitalism and Inequality in Income Distribution: An Empirical Investigation," *Socio-Economic Review*, [advanced access](#), 1-35

Bruno Amable, Aidan Regan, Sabina Avdagic, Lucio Baccaro, Jonas Pontusson and Natascha Van der Zwan. 2019. "Discussion Forum: New Approaches to Political Economy," *Socio-Economic Review*, [advanced access](#), 1-27

5. October 3: 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

Herman Schwartz and Bent Tranoy. 2019. "Thinking about Thinking about Comparative Political Economy: From Macro to Micro and Back," *Politics and Society*, 47 (1), 23-54

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

Jan Behringer and Till van Treeck. 2019. "Income Distribution and Growth Models: A Sectoral Balances Approach," *Politics and Society*, vol. 47 (3), 303-332

6. October 10: 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

Reimut Zohlnhofer, Fabian Engler and Kathrin Dumig. 2017. "Review Article: The Retreat of the Interventionist State in Advanced Democracies," *British Journal of Political Science*, 48, 535-62

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 17: 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?

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

Deborah Mabbett and Waltraude Schelkle. 2019. "Independent or lonely? Central banking in crisis," *Review of International Political Economy*, 26 (3), 436-460

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. October 24: 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

Thomas Biegert. 2019. "Labor market institutions, the insider/outsider divide and social inequalities in employment in affluent countries," *Socio-Economic Review*, advanced access, 1-27

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

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. October 31: 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

Andreas Bieler, Jamie Jordan and Adam Morton. 2019. "EU Aggregate Demand as a Way out of Crisis? Engaging the Post-Keynesian Critique," *Journal of Common Market Studies*, 57 (4), 805-822

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

Sofia Perez. 2019. "A Europe of creditor and debtor states: explaining the north/south divide in the Eurozone," *West European Politics*, 42 (5), 989-1014

November 7: Fall Reading Week; no class

10. November 14: Class Voting: How much ‘dealignment’ and ‘realignment’ has occurred? Why?

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

Daniel Oesch and Line Rennwald. 2018. “Electoral competition in Europe’s new tripolar political space: Class voting for the left, centre-right and radical right,” *European Journal of Political Research*, 57, 783-807

Herbert Kitschelt and Philipp Rehm. 2019. “Secular Partisan Realignment in the United States: The Socioeconomic Reconfiguration of White Partisan Support since the New Deal Era,” *Politics and Society*, 47 (3), 425-479

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

11. November 21: Labour Markets: It is argued that labour market reforms, such as weakening employment protection legislation and reducing unemployment benefits, improve labour market outcomes for workers. 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

Giovanni Dosi, Marcelo C. Pereira, Andrea Roventini, and Maria Enrica Virgillito. 2018. “The effects of labour market reforms upon unemployment and income inequalities: an agent-based model,” *Socio-Economic Review*, 16 (4), 687-720

Mirella Damiani, Fabrizio Pompei, and Andrea Ricci. 2019. “Labour shares, employment protection and unions in European economies,” *Socio-Economic Review*, [advanced access](#), 1-33

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

12. November 28: 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

John Ahlquist. 2017. “Labor Unions, Political Representation, and Economic Inequality,” in *Annual Review of Political Science*, 20, 409-432.

Werner Schmidt, Andrea Muller, Irene Ramos-Vielba, Annette Thornquist and Christer Thornqvist. 2019. “Austerity and public sector trade union power: Before and after the crisis,” *European Journal of Industrial Relations*, 25 (2), 129-145

Jake Rosenfeld. 2019. “US Labor Studies in the Twenty-First Century: Understanding Laborism Without Labor,” *Annual Review of Sociology*, 45, 449-465