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**Department of Political Science  
UNIVERSITY OF TORONTO**

**The Spatial Construction of the Political Economy  
POL 371H 1 S  
Spring 2020**

**Instructor:** Harald Bathelt  
**Office:** Sidney Smith Hall, Room 3121  
**Office Hours:** Monday, 2:30-4:00 PM  
(or by appointment)  
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**Lecture Hours:** Monday, 12:00-2:00 PM  
**Lecture Room:** SS 2127 (Sidney Smith Hall)

**Course Description:**

This course engages with topics that are closely linked to the study of comparative industrial politics, comparative political economy and economic geography. It investigates the spatial construction of the political economy, using a firm-centred perspective that addresses questions of industrial location, organization, innovation and the formation of networks at different spatial levels. Employing an interdisciplinary approach, the course explores how economic interaction differs across space, how it is shaped by institutions in different contexts, how it changes over time, and how it is influenced by political action at different scales. This is done in a largely conceptual way. The course provides a framework for economic policy-making by exploring regularities in the behaviour of firms and organizations. It serves as an excellent preparation for 4th-year undergraduate seminars related to innovation studies, political economy and comparative industrial politics.

The course applies a relational and spatial perspective of economic action that emphasizes the role of context, path dependence and contingency. It addresses the intentions, opportunities and constraints of economic agency by analysing the interdependencies between institutions and industrial organization, interaction, innovation, and evolution at different spatial levels, thus exploring the spatial construction of the political economy. Topics discussed in class include: (i) a relational perspective of economic action/interaction in space, (ii) organizational options of production in the political economy, (iii) innovation, technological and societal change at different spatial levels, (iv) evolutionary perspectives on economic interaction in space, and (v) issues of economic globalization and regionalization.

**Course Structure:**

Although the course has a lecture format, it will provide plenty of opportunities for active student participation in class discussions. Course evaluations will be based on a final exam and two research components: a research proposal (2 pages double-spaced plus annotated bibliography) and a research paper (10-12 pages double-spaced). In addition, a 2% attendance bonus will be granted to those students attending at least 10 classes.

For the research assignments, students are expected to choose a topic from the context of the course, and apply it to the Canadian and/or US political economy. This should be done from a comparative perspective. Specifically, students should choose (a) one manufacturing or service industry and compare (b) two cities, regions or states/provinces in Canada and/or the US. With these choices, the research should focus on one of the following topics:

- Comparison of economic start-up dynamics and institutional support
- Comparison of cluster development and policy
- Comparison of innovation systems and policy
- Comparison of growth dynamics and local-global networks

The 2-page *paper proposal* should provide an introduction to the topic, put forward the main question or problem to be addressed, provide a preliminary structure of the argument advanced, and indicate the conceptual basis used to structure the research. An annotated bibliography should be attached to the proposal that gives an overview of the sources to be used. It is expected that the *research paper* will later be developed from this proposal and the comments received on it. To conserve paper, please print all assignments double-sided.

Assignments should be handed in as a hardcopy on the due date in class (or, if not possible, in the Political Science Main Office, SS Room 3018). The due dates for the assignments are noted below. For lateness, a penalty of 3% per day will be deducted from the mark for the first 7 days. After this 7-day period, papers will receive a grade of 0%. (Special arrangements can only be made based on proper documentation, such as a doctor's note, and must be arranged with the instructor or teaching assistant in a timely fashion.) Students are strongly advised to keep rough and draft work and hard copies of their research papers and assignments after submitting them to the Department. These should be kept until the marked assignments have been returned and the grades posted on ACORN. The research paper (NOT the proposal) also needs to be submitted online through the Quercus-based course website.

**Quercus:**

The course uses the management system Quercus which helps to establish efficient communication between instructor, teaching assistant, and students. One of its advantages is that students can access their marks at any time on an individual basis. Questions related to the course should normally be directed to the teaching assistant first. An answer will usually be

provided within 2-3 days, except for the weekend. In urgent cases, students should discuss issues with the teaching assistant or instructor in person or by telephone.

To access the Quercus-based course website, go to the UofT portal login page at <http://portal.utoronto.ca> and log in using your UTORid and password. If you need information on how to activate your UTORid and set your password for the first time, please go to <http://www.utorid.utoronto.ca>. The Help Desk at the Information Commons and telephone assistance under 416-978-HELP can also answer other related questions.

Once you have logged into the portal using your UTORid and password, you will find a link on the Quercus “Dashboard” to this course website, along with links to all your other Quercus-based courses. At times, the instructor or teaching assistant may decide to send out important course information by e-mail. To this end, all UofT students are required to have a valid UofT e-mail address. You are responsible for ensuring that your UofT e-mail address is set up AND properly entered in the ACORN system.

### **Academic integrity:**

Academic integrity is fundamental to learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will be valued as a true indication of your individual academic achievement, and will continue to receive the respect and recognition it deserves. For further details and information on academic integrity, see <https://www.artsci.utoronto.ca/current/academic-advising-and-support/student-academic-integrity>.

### **Turnitin.com:**

The course also uses Turnitin.com, a web-based program to deter plagiarism and ensure academic integrity. Normally, students will be required to submit their research papers (NOT the proposals) 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 website. The submitted electronic version of the research paper and the handed-in hardcopy must be identical.

If, as a student, you object to using Turnitin.com, please see the course instructor to establish appropriate alternative arrangements for submission of your written assignments. This must be done at least 4 weeks before the submission deadline.

Plagiarism is a serious academic offence and will be dealt with accordingly. For further clarification and information on plagiarism, see the University of Toronto’s policy on Plagiarism at <http://advice.writing.utoronto.ca/using-sources/>.

The submission of the final research paper to Turnitin.com is done through the Quercus-based website, without the need to register separately with Turnitin.com. Students have to select “Assignments” from the Quercus course menu and click the “Research Paper” link to upload and submit their research papers (“Submit Assignment”). Help regarding this process is available through [portal.help@utoronto.ca](mailto:portal.help@utoronto.ca) (see also the information in the Quercus “Help” menu).

**Accessibility Needs:**

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible at [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca) or <http://www.accessibility.utoronto.ca/>.

**Required Readings:**

The readings for this course consist of two components:

(a) Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. This book is available as paperback at the UofT Bookstore for \$49.95 + GST.

(b) All required readings are accessible online by clicking the link “Library Course Reserves” on the Quercus-based course website.

**Course Evaluation:**

The course evaluation will be based on the following aspects:

	20%	paper proposal (2 pages plus annotated bibliography) (due class 6: February 10)
	40%	research paper (10-12 pages) (due class 11: March 23)
	40%	final exam
BONUS:	2%	if students attend at least 10 classes

Further details about the course and suggestions from students will be discussed in class.

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**TOPICS: Spring Term 2020**

**A. Spatial political economy: Relational perspective of economic interaction in space**

1. Introduction: Spatial political economy in relational perspective
2. Institutions in the spatial political economy

**B. Organizational options of production in the spatial political economy**

3. Classical view of industrial location and policy
4. Transaction cost theory, embeddedness and networks
5. Firms and states
6. Industrial districts and creative milieus

**C. Innovation, technological and societal change at different spatial levels**

7. Learning, knowledge creation and lock-in
8. Innovation, product-cycles and long waves
9. Innovation systems

**D. Evolutionary perspective on economic interaction in space**

10. Organizational ecology and start-up processes
11. Social construction of economic spaces

**E. Economic globalization and regionalization**

12. Temporary and transient spaces in the global political economy

## Readings by Topic: Spring Term 2020

Readings marked by an asterisk (\*) are core readings which all students are required to read.

### 1. Introduction: Spatial political economy in relational perspective

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Chapter 2: Relational action in a spatial perspective, pp. 21-44 (ISBN 978-0-19-958739-1).

\*Storper, M., Kemeny, T., Makarem, N. and Osman, T. (2015): The Rise and Fall of Urban Economies: Lessons from San Francisco and Los Angeles. Stanford: Stanford University Press. Chapter 8: Seeing the landscape: The relational infrastructure of regions, pp. 169-192 (ISBN 978-1-50360066-9).

Glassner, M. I. and Fahrner, C. (2004): Political Geography. 3rd Edition. New York: Wiley. Chapter 2: Personal space and territoriality, pp. 11-17 (ISBN 0-471-35266-7).

Glassner, M. I. and Fahrner, C. (2004): Political Geography. 3rd Edition. New York: Wiley. Chapter 4: State, nation and nation-state, pp. 31-40 (ISBN 0-471-35266-7).

Yeung, H. W.-C. (2005): Rethinking relational economic geography. Transactions of the Institute of British Geographers NS 30: 37-51 (ISSN 0020-2754).

### 2. Institutions in the spatial political economy

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Chapter 3: Structure, agency, and institutions, pp. 45-62 (ISBN 978-0-19-958739-1).

North, D. C. (1991): Institutions. Journal of Economic Perspectives 5: 97-112 (ISSN 0895-3309).

Hargadon, A. B. and Douglas, Y. (2001): When innovations meet institutions: Edison and the design of the electric light. Administrative Science Quarterly 46: 476-501 (ISSN 0001-8392).

### 3. Classical view of industrial location and policy

\*Dicken, P. and Lloyd, P. E. (1990): Location in Space: Theoretical Perspectives in Economic Geography. 3rd Edition. London, New York: Harper & Row. Chapter 2: A heterogeneous land surface, pp. 83-111 (ISBN 0-06-041677-7).

#### 4. Transaction cost theory, embeddedness and networks

\*Granovetter, M. (1985): Economic action and economic structure: The problem of embeddedness. American Journal of Sociology 91: 481-510 (ISSN 0002-9602).

\*von Bernuth, C. and Bathelt, H. (2007): The organizational paradox in advertising and the reconfiguration of project cooperation. Geoforum 38: 545-557 (ISSN 0016-7185).

Grabher, G. (1993): Rediscovering the social in the economics of interfirm relations. In: Grabher, G. (Ed.): The Embedded Firm. On the Socioeconomics of Industrial Networks. London, New York: Routledge, pp. 1-31 (ISBN 0-415-07374-X).

Uzzi, B. (1997): Social structure and competition in interfirm networks: The paradox of embeddedness. Administrative Science Quarterly 42: 35-67 (ISSN 0001-8392).

#### 5. Firms and states

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Parts of chapter 8: A relational conception of firm internationalization, pp. 155-164 (ISBN 978-0-19-958739-1).

\*Dicken, P. (2015): Global Shift: Mapping the Changing Contours of the World Economy. 7th Edition. New York: Guilford. Parts of chapter 5: ‘Transnational Corporations: The Primary ‘Movers and Shakers’ of the Global Economy’, pp. 128-130, 142-171 (ISBN 978-1462519552).

\*Dicken, P. (2015): Global Shift: Mapping the Changing Contours of the World Economy. 7th Edition. New York: Guilford. Parts of Chapter 7: ‘The Uneasy Relationship Between Transnational Corporations and States: Dynamics of Conflict and Cooperation.’, pp. 230-251 (ISBN 978-1462519552).

#### 6. Industrial districts and creative milieus

\*Belussi, F. (2003): The Changing Governance of IDs: The Entry of Multinationals in Local Nets. The Case of Montebelluna. Paper presented at the Danish Research Unit on Industrial Dynamics Summer Conference, Copenhagen. Website: <http://www.druid.dk/conferences/summer2003/Papers/BELUSSI.pdf>.

\*Storper, M., Kemeny, T., Makarem, N. and Osman, T. (2015): The Rise and Fall of Urban Economies: Lessons from San Francisco and Los Angeles. Stanford: Stanford University Press. Chapter 8: Seeing the landscape: The relational infrastructure of regions, pp. 169-192 (ISBN 978-1-50360066-9).

Maillat, D., Lecoq, B., Nemeti, F. and Pfister, M. (1995): Technology district and innovation: The case of the Swiss Jura. Regional Studies 29: 251-263 (ISSN 0034-3404).

## 7. Learning, knowledge creation and lock-in

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Parts of chapter 4: Knowledge as a relational resource, pp. 63-73 (ISBN 978-0-19-958739-1).

\*Malecki, E. J. (1991): Technology and Economic Development: The Dynamics of Local, Regional, and National Change. Burnt Mill: Longman. Chapter 4: Technological capability: The core of economic development, pp. 113-159 (ISBN 0-582-01758-0).

David, P. A. (1985): Clio and the economics of QWERTY. American Economic Review, Papers and Proceedings 75: 332-337.

## 8. Innovation, product-cycles and long waves

\*Cohendet, P. and Simon, L. (2017): Concepts and models of innovation. In: Bathelt, H., Cohendet, P., Henn, S. and Simon, L. (Eds.): The Elgar Companion to Innovation and Knowledge Creation. Cheltenham, Northampton (MA): Edward Elgar. Chapter 3.

\*Dicken, P. (2015): Global Shift: Transforming the World Economy. 7th Edition. New York: Guilford. Parts of chapter 4: 'Technological Change: 'Gales of Creative Destruction', pp. 75-99 (ISBN 978-1462519552).

Pavitt, K. (2005): Innovation process. In: Fagerberg, J., Mowery, D. C. and Nelson, R. R. (Eds.): The Oxford Handbook of Innovation. Oxford: Oxford University Press, pp. 86-114 (ISBN 0-199-28680-9).

## 9. Innovation systems

\*Asheim, B. T. and Isaksen, A. (1997): Location, agglomeration and innovation: Towards regional innovation systems in Norway? European Planning Studies 5: 299-330 (ISSN 0965-4313).

\*Bathelt, H. and Henn, S. (2017): National and regional innovation systems. In: Bathelt, H., Cohendet, P., Henn, S. and Simon, L. (Eds.): The Elgar Companion to Innovation and Knowledge Creation. Cheltenham, Northampton (MA): Edward Elgar. Chapter 28.

Archibugi, D., Howells, J. and Michie, J. (1999): Innovation systems and policy in a global economy. In: Archibugi, D., Howells, J. and Michie, J. (Eds.): Innovation Policy in a Global Economy. Cambridge: Cambridge University Press, pp. 1-16 (ISBN 0-521-

63361-3).

Bathelt, H. (2003): Geographies of production: Growth regimes in spatial perspective 1 – Innovation, institutions and social systems. Progress in Human Geography 27: 763-778 (ISSN 0309-1325).

## **10. Organizational ecology and start-up processes**

\*Hannan, M. T. and Freeman, J. (1984): Structural inertia and organizational change. American Sociological Review 49: 149-164 (ISSN 0003-1224).

\*Hayter, R. (1997): The Dynamics of Industrial Location: The Factory, the Firm and the Production System. Chichester: Wiley. Chapter 9: Formation and function of new (and small) firms, pp. 215-244 (ISBN 0-471-97119-7).

## **11. Social construction of economic spaces**

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Parts of chapter 5: Know-who and industrial clusters, pp. 85-110 (ISBN 978-0-19-958739-1).

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Chapter 7: Local buzz and global pipelines, pp. 131-151 (ISBN 978-0-19-958739-1).

Storper, M. and Walker, R. (1989): The Capitalist Imperative. Territory, Technology, and Industrial Growth. New York, Oxford: Basil Blackwell. Chapter 3: How industries produce regions, pp. 70-98 (ISBN 0-631-16533-9).

## **12. Temporary and transient spaces in the global political economy**

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Diverse parts of chapters 1, 4, 10: Global value chains, power structures and knowledge flows, pp. 9-11, 73-77, 195-208 (ISBN 978-0-19-958739-1).

\*Bathelt, H. and Glückler, J. (2011): The Relational Economy: Geographies of Knowing and Learning. Oxford: Oxford University Press. Chapter 9: From permanent to temporary clusters, pp. 177-194 (ISBN 978-0-19-958739-1).

Bathelt, H. and Li, P.-F. (2014): Global cluster networks – Foreign direct investment flows from Canada to China. Journal of Economic Geography 14: 45-71 (ISSN 1468-2702).

- Castells, M. (1996): The Information Age: Economy, Society and Culture. Volume I: The Rise of the Network Society. Malden: Blackwell. Parts of chapter 2: The informational economy and the process of globalization, pp. 92-115 (ISBN 1-55786-617-1).
- Coe, N. M., Kelly, P. F. and Yeung, H. W. C. (2007): Economic Geography: A Contemporary Introduction. Malden: Blackwell. Chapter 4: Commodity chains, pp. 87-118 (ISBN 978-1-4051-3219-0).
- Pauly, L. W. (2006): Global finance and political order. In: Stubbs, R. and Underhill, G. R. D. (Eds.): Political Economy and the Changing Global Order. 3rd Edition. Oxford: Oxford University Press, pp. 135-144 (ISBN 0-19-541989-8).