

# INTRODUCTION TO COMPARATIVE POLITICAL ECONOMY

Spring/Summer 2020

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<b>Instructor:</b>	Timo Seidl	<b>Time:</b>	April 17-18, April 24-25
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<b>Office Hours:</b>	By appointment		

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**Course Description:** Comparative Political Economy (CPE) is the comparative study of how politics shapes, constrains, and supports the (capitalist) economy. Comparative political economists try to understand how interest groups, political parties, institutional structures and ideas affect i) the creation and distribution of wealth and ii) the relationship between the economy and the rest of society. They look, among many other things, at how labor and financial markets are organized, how education and welfare systems are set up, how trade unions and employer organizations interact, how taxes are levied or not, how macroeconomic paradigms rise and fall, how families are supported or left alone, or how governments promote or regulate industries. And they look at how this affects levels of productivity, income and wealth inequality, work time, (un-)employment levels, market concentration, pollution, mobility, gender equality, consumer safety, social protection, happiness, or fertility. This course introduces students to some of the main theories that try to explain why regions, countries and continents differ in these regards, and when and how such varieties persist. While the focus will be on advanced capitalist democracies, we will also venture into the comparative political economy of developing countries.

**Learning Outcomes:** This course aims to introduce students to the main concepts, theories, and debates in CPE as well as to provide them with the basic analytical skills to embark on theoretical or empirical projects of their own. At the end of the course, students should be able to

- identify and describe some of the main features of advanced political economies as well as the most important differences between them;
- summarize and critically assess the strengths and weakness of the various theoretical approaches that try to account for these differences;
- apply the insights they gained from the CPE literature to smaller empirical or theoretical projects of their own;

**Requirements:** To obtain **credits for participation (Beteiligungsnachweis - BN)**, students are expected to complete the required readings and to actively participate in discussions. They must also provide short response papers (no longer than 1 page) for at least **four** of the sessions. In these response papers, students are expected

- to choose and discuss one or two aspects of the readings that they found particularly interesting, challenging, problematic, and
- to formulate at least one question that they want to be discussed in class.

These response papers have to be circulated at least two days before the seminar and may be discussed in class.

To obtain **credits for the module (Modulabschlussprüfung - AP)**, students must - *in addition* to the above requirements - write a term paper. Term papers should be no longer than 5500 words and no shorter than 3500. They can be either theoretical or empirical as long as they tackle well-defined research questions, problems or puzzles in the CPE literature. Potential topics can be discussed in person. Term papers must be submitted by September 30 the latest.

**Grading Policy:** Response paper will not be graded. Term papers will be graded in accordance with departmental standards.

**Prerequisites:** Students need no prior knowledge of CPE to successfully participate in the course. A general interest in the topic of the course and decent English language skills are sufficient. While some readings might prove somewhat challenging, there will be ample time in class to discuss open questions.

**Structure of the Course:** The course will be held over two consecutive weekends, in 4 blocks of six hours each. Each block consists of three thematically organized sessions of 2 hours. While I will prepare introductory as well as context slides, each session will center around the assigned readings and the questions students have about them. While students are free to ask questions at any moment, we will also use online platforms that allow them - in real time - to ask and rank questions anonymously. This is meant to create a more inclusive class-room atmosphere and to identify the questions students deem most pressing or relevant.

**General Reading:** This book provides an excellent overview of the field of CPE and may be helpful in addition to the session-specific readings:

- Georg Menz, *Comparative Political Economy: Contours of a Subfield*, Oxford University Press, 2017.

# Course Outline

## | Block 1: General Overview .....April 17, 2020

### | Session 1: Introduction ..... 10:00 - 12:00

*Questions:*

- What is CPE and where does it come from?
- What does CPE try to explain, and how does it do the explaining?

*Readings:*

- No required readings for this session.

### | Session 2: Capitalism and the Law ..... 13:00 - 15:00

*Questions:*

- How does the law create capital and shape capitalism?
- What does this entail for the relationship between states and markets?

*Readings:*

- Katharina Pistor, *The Code of Capital: How the Law Creates Wealth and Inequality*, Princeton University Press, 2019, pp. 1–22.

### | Session 3: Interest, Institutions, Ideas ..... 15:30 - 17:30

*Questions:*

- What characterizes explanations that focus on interests, institutions, or ideas?
- When and how should they be used, when and how should they be combined?

*Readings:*

- Peter Hall, *The Role of Interests, Institutions and Ideas in the Political Economy of Industrialized Nations* In: *Comparative Politics: Rationality, Culture, and Structure*, eds. M. Lichbach and A. Zuckerman. Cambridge Univ. Press, 1997, pp. 174–207.
- Craig Parsons, *How to Map Arguments in Political Science*, Oxford Univ. Press, 2007, pp. 3–20 (optional).

## Block 2: Main Theories ..... April 18, 2020

### Session 4: Varieties of Capitalism ..... 10:00 - 12:00

Questions:

- What are the main arguments, strengths and weaknesses of the Varieties of Capitalism approach?

Readings:

- Bernhard Ebbinghaus, *Peter A. Hall and David Soskice, Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* In: *The Oxford Handbook of Classics in Public Policy and Administration*, Oxford Univ. Press, 2016, pp. 605–621.
- Dorothee Bohle and Béla Greskovits. Varieties of Capitalism and Capitalism tout court *European Journal of Sociology* 50 (3, 2009, pp. 355–86 (**optional**).

### Session 5: Worlds of Welfare ..... 13:30 - 15:30

Questions:

- What characterizes different types of welfare states and why are they relatively stable?

Readings:

- Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism*, Princeton Univ. Press, 1990, pp. 9–34.
- Paul Pierson, The New Politics of the Welfare State. *World Politics* 48 (2), 1996, pp. 143–79 (**optional**).

### Session 6: Commonalities of Capitalism ..... 15:30 - 17:30

Questions:

- Have political economies become 'neoliberalized'?
- Should we talk more about the commonalities and less about the varieties of capitalism?

Readings:

- Wolfgang Streeck, E Pluribus Unum? Varieties and Commonalities of Capitalism *MPIfG Discussion Paper*, 2010, 10/12.
- Lucio Baccaro and Chris Howell, A Common Neoliberal Trajectory: The Transformation of Industrial Relations in Advanced Capitalism, *Politics & Society* 39 (4), 2011, pp. 521–563 (**optional**).

## **Block 3: Substantive Topics ..... April 24, 2020**

### **Session 7: Debt ..... 10:00 - 12:00**

#### *Questions:*

- Which role does debt play in today's political economies, and which role did it play in the recent economic crisis?
- Do private and public mitigate or conceal a more fundamental tension in the relationship between capitalism and democracy?

#### *Readings:*

- Wolfgang Streeck, *The Crises of Democratic Capitalism* *New Left Review* 71, 2011, pp. 5–29.

### **Session 8: Higher Education ..... 13:30 - 15:30**

#### *Questions:*

- How do higher education systems differ across countries?
- How can we explain these differences?

#### *Readings:*

- Julian Garritzmman, *The Political Economy of Higher Education Finance: The Politics of Tuition Fees and Subsidies in OECD Countries, 1945-2015*, Palgrave Macmillan, 2016, pp. 1–56.

### **Session 9: Competition ..... 15:30 - 17:30**

#### *Questions:*

- What are the economic effects of competition policy?
- Why does competition policy differ between Europe and the US?

#### *Readings:*

- Thomas Philippon, *The Great Reversal: How America gave up on free markets*, Harvard Univ. Press, 2019, pp. 1–10, 223–239.

## | Block 4: Beyond Traditional CPE ..... April 25, 2020

### | Session 10: CPE of Developing Countries ..... 10:00 - 12:00

*Questions:*

- How do developed and developing political economies differ in the way they redistribute wealth?

*Readings:*

- Alisha Holland, *Forbearance as Redistribution: The politics of informal welfare in Latin America*, Cambridge Univ. Press, 2017, pp. 1–64.

### | Session 11: The invisible hand of the state? ..... 13:30 - 15:30

*Questions:*

- What is the role of the state in innovation, and why is it so often brushed under the carpet?

*Readings:*

- Fred Block, Swimming Against the Current: The Rise of a Hidden Developmental State in the United States, *Politics & Society* 36 (2), 2008, pp. 169–206.
- João Medeiros, This economist has a plan to fix capitalism. It's time we all listened *Wired*, 8 October 2019, available at <https://www.wired.co.uk/article/mariana-mazzucato>.

### | Session 12: Democracy and Capitalism ..... 15:30 - 17:30

*Questions:*

- What is the relationship between democracy and capitalism?
- Are they compatible (in the long run)?

*Readings:*

- Wolfgang Streeck, A Problem with Democracy, available at <https://www.versobooks.com/blogs/2943-wolfgang-streeck-a-problem-with-democracy>.
- Kerem Coban, Book Review: Democracy and Prosperity: Reinventing Capitalism through a Turbulent Century by Torben Iversen and David Soskice, available at <https://blogs.lse.ac.uk/lsereviewofbooks/2019/10/02/book-review-democracy-and-prosperity-reinventing-capitalism-through-a-turbulent-century-by-torben-iversen-and-david-soskice/>.
- Paul, Collier, How to Save Capitalism from Itself, *The Times Literary Supplement*, available at <https://www.the-tls.co.uk/articles/public/how-to-save-capitalism/>.