

University of Cologne
Cologne Center for Comparative Politics
Summer Term 2021
Lecture: **Comparative Political Economy: Theories and Methods**
Module: Basismodul Politikwissenschaft II (1336BPoWi2) (6 ECTS)
Room: virtual classroom (online format)
Date: Wednesdays, 14:00-15:30 (Zoom meetings) plus podcasts
Instructor: Dr. Michael Schwan
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Office hour: Tue, 16:00-17:00 (by appointment only)

Description

Reflecting key theories and methods of comparative political economy the lecture presents analytical approaches and methods used in the comparative analysis of capitalism. It puts a special focus on the relationship between states and markets and the interaction of political and economic power. We discuss classics like Adam Smith and Karl Marx as well as newer concepts of labor and business power. In addition, the lecture covers some of the most important challenges political economies have been dealing with: the rise of the financial sector (financialization), the emergence of new types of firms (digital capitalism) and increasing levels inequality. Via a combination of theories, concepts and different empirical applications of quantitative and qualitative methods, the lecture illustrates how to compare political economies across countries and over time.

Format

Given the existing health and safety regulations, the lecture is as an online course. It consists of eleven podcasts (including slides), which discuss the respective topics, give an overview of the literature and provide some additional insights. Six regular Zoom sessions, including an introductory meeting and a final recap session, complement the podcasts. The purpose of these meetings is to provide ample room for Q&A and engage in some form of classroom discussion, for instance via breakout sessions or similar interactive elements.

Prerequisites

Sound knowledge of basic concepts and methods of political science is required. Prior knowledge of political economy is an asset. Participants are asked to engage in active discussions based on preparatory readings. Classroom and exam language is English.

Formalities

Registration via KLIPS 2. Mandatory readings and course materials are available via ILIAS.

Exam

The written exam is currently scheduled for **Wednesday, 21 July 2021, 14:00-15:00**. If the format is online or on-site, depends on the health and safety regulations and is yet to be determined. Further information in due time. **Registration for the exam (KLIPS 2) ends on July 7, 2021.**

Course schedule - overview

Session	Date	Topic
	April 14	Zoom meeting Comparative Political Economy: Introduction
01	April 21	Podcast Classics in Political Economy: Smith, Marx and Polanyi
02	April 28	Podcast Labor Power
03	May 5	Podcast Business Power
	May 12	Zoom meeting (Sessions 1-3)
04	May 12	Podcast Skills and Capitalism
05	May 19	Podcast Varieties of Capitalism 2.0
	May 26	No lecture Pentecost break
	June 2	Zoom meeting (Sessions 4-5)
06	June 2	Podcast Financialization
07	June 9	Podcast Corporate Governance
	June 16	Zoom meeting (Sessions 6-7)
08	June 16	Podcast Inequality
09	June 23	Podcast States in Markets
	June 30	Zoom meeting (Sessions 8-9)
10	June 30	Podcast Taxes
11	July 7	Podcast Digital Capitalism
	July 14	Zoom meeting (Sessions 10-11 and general questions)
	July 21	Final exam Online or on-site, to be determined

Course schedule – individual sessions

Zoom	April 14	<p>Comparative Political Economy: Introduction</p> <p>This introductory offers an overview of what constitutes Comparative Political Economy as a discipline and how it came about. In addition, we discuss issues concerning course organization, examination and the syllabus.</p>
Podcast (1)	April 21	<p>Classics in Political Economic Thinking: Smith, Marx and Polanyi</p> <p>Modern approaches to Comparative Political Economy would be unimaginable without the foundation laid by many canonical texts and thinkers in economics, philosophy and sociology. This session focuses on Adam Smith, Karl Marx and Karl Polanyi and exemplarily discusses key parts of their extensive work and its impact on contemporary CPE.</p> <p>Marx, Karl (1996) [1867]. <i>Capital. Volume 1</i>. Chicago. Encyclopedia Britannica. Part 8, Ch. 26-32 (pp. 354-378).</p> <p>Polanyi, Karl (1957) [1944]. <i>The Great Transformation</i>. Boston. Beacon Press. Ch. 5+6 (pp. 56-76), Ch. 11+12 (130-50) and Ch. 21 (249-58).</p> <p>Smith, Adam. (1996) [1776]. <i>An Inquiry into the Nature and Causes of the Wealth of Nations</i>. Book 1. Chicago. Encyclopaedia Britannica. Ch. 1-3 (pp. 3-15)</p>
Podcast (2)	April 28	<p>Labor Power</p> <p>Many important contributions to CPE have dealt with questions of how labor, as one of the key social forces in capitalism, has been able to exercise power, mobilize resources and realize its interests. Archetypically, this is associated with the roles of trade unions, left parties and the development of welfare states.</p> <p>Davidsson, Johann Bo and Patrick Emmenegger (2013). Defending the Organisation, not the Members: Unions and the Reform of Job Security Legislation in Western Europe. <i>European Journal of Political Research</i>, 52 (3), 339-63.</p> <p>Korpi, Walter (1985). Power Resources Approach vs Action and Conflict: On Causal and Intentional Explanations in the Study of Power. <i>Sociological Theory</i>, 3 (2), 31-45.</p> <p>Korpi, Walter and Joakim Palme (2003): New Politics and Class Politics in the Context of Austerity and Globalization: Welfare State Regress in 18 Countries, 1975-95. <i>American Political Science Review</i>, 97 (3), 425-46.</p> <p>Offe, Claus and Helmut Wessenthal (1980). Two Logics of Collective Action: Theoretical Notes on Social Class and Organizational Form. <i>Political Power and Social Theory</i>, 1 (1), 71-87.</p>

Podcast (3)	May 5	<p>Business Power</p> <p>In addition to labor, capital constitutes the other important social force in the political economy. In this session we look at the roots of business power and the different forms it can take when (non-)decisions are made.</p> <p>Culpepper, Pepper D. and Raphael Reinke (2014). Structural Power and Bank Bailouts in the United Kingdom and the United States. <i>Politics & Society</i>, 42 (4), 427-54.</p> <p>Block, Fred (1977): The Ruling Class does not Rule: Notes on the Marxist Theory of the State. <i>Socialist Revolution</i>, 33(6), 6-28.</p> <p>Dahl, Robert A. (1959): Business and Politics: A Critical Appraisal of Political Science. <i>American Political Science Review</i>, 53(1), 1-34.</p> <p>Lindblom, Charles E. (1982): The Market as Prison. <i>The Journal of Politics</i>, 44(2), 323-36.</p>
Zoom	May 12	Virtual classroom meeting on sessions 1-3
Podcast (4)	May 12	<p>Skills and Capitalism</p> <p>One of the core institutional spheres in political economies, where business, labor and governments interact, are systems of vocational education and training. Not only do they equip workers with distinct skill sets – and thus co-determine their job perspectives – they also complement innovation systems within different production regimes.</p> <p>Busemeyer, Marius & Christine Trampusch (2019). The Politics of Vocational Training: Theories, Typologies, and Public Policies. In: David Guile & Lorna Unwin (eds.). <i>The Wiley Handbook on Vocational Education and Training</i>. Hoboken, NJ, 137-64.</p> <p>Han, Kyung Joon and Eric Graig Castater (2016). They may not have the Skills, but they have the Desire: Why the Skill Composition of Trade Unions Matters for Wage Inequality. <i>Research in Social Stratification and Mobility</i>, 45, 1-12.</p> <p>Kerr, C. (1954): Balkanization of Labor Markets. In: Bakke, E. W. (ed.): <i>Labor Mobility and Economic Opportunity</i>. Cambridge: MIT Press, 92-110.</p> <p>Trampusch, Christine (2010). Co-evolution of Skills and Welfare in Coordinated Market Economies? A Comparative Historical Analysis of Denmark, the Netherlands, and Switzerland. <i>European Journal of Industrial Relations</i>, 16 (3), 197-220.</p>

Podcast (5)	May 19	<p>Beyond Varieties of Capitalism</p> <p>Established by Hall & Soskice (2001) in their seminal edited volume, the Varieties of Capitalism (VoC) approach has structured the CPE debate for a long time. Over the years, however, both substantial criticism and an expansion of the original framework have led to modifications and new insights.</p> <p>Baccaro, Lucio & Jonas Pontusson (2016). Rethinking Comparative Political Economy: The Growth Models Perspective. <i>Politics & Society</i>, 44 (2), 175-207.</p> <p>Bohle, Dorothee & Béla Greskovits (2007). Neoliberalism, embedded neoliberalism and neocorporatism: Towards transnational capitalism in Central-Eastern Europe. <i>West European Politics</i>, 30 (3), 443-66.</p> <p>Schneider, Martin R. & Mihai Paunescu (2012). Changing varieties of capitalism and revealed comparative advantages from 1990 to 2005: a test of the Hall and Soskice claims. <i>Socio-Economic Review</i>, 10 (4), 731-53.</p>
	May 26	No session: Pentecost break
Zoom	June 2	Virtual classroom meeting on sessions 4-5
Podcast (6)	June 2	<p>Financialization</p> <p>The rise of finance has been one of the most influential developments in contemporary capitalism. This session provides an overview of what we mean when we talk about “financialization” and puts a special emphasis on a broader, macroeconomic point of view.</p> <p>Stockhammer, Engelbert (2008). Some Stylized Facts on the Finance-dominated Accumulation Regime. <i>Competition & Change</i>, 12(2), 184-202.</p> <p>Van der Zwan, Natascha (2014). Making sense of financialization. <i>Socio-Economic Review</i>, 12(1), 99-129.</p> <p>Van Treeck, Till (2009). The political economy debate on ‘financialization’ – a macroeconomic perspective. <i>Review of International Political Economy</i>, 16(5), 907-944.</p>
Podcast (7)	June 9	<p>Corporate Governance</p> <p>Who controls the modern corporation? Corporate governance lies at the core of comparative political economy. In this session we will deal with different corporate business models, changing ownership structures and the question whether global capitalism and “patient capital” can co-exist.</p> <p>Deeg, Richard and Iain Hardie (2016). ‘What is patient capital and who supplies it?’, <i>Socio-Economic Review</i>, 14(4), 627-645.</p> <p>Fichtner, Jan and Eelke M. Heemskerk (2020). The New Permanent Universal Owners: Index funds, patient capital, and the distinction between feeble and forceful stewardship. <i>Economy and Society</i>, 49(4), 493-515.</p> <p>Lazonick, William and Mary O’Sullivan (2000). Maximizing shareholder value: a new ideology for corporate Governance. <i>Economy and Society</i>, 29(1), 13-35.</p>
Zoom	June 16	Virtual classroom meeting on sessions 6-7

Podcast (8)	June 16	<p>Inequality</p> <p>The unequal distribution of income, wealth, skills and “chances” is probably at least as old as capitalism itself. However, sparked by the developments following the global financial crisis of 2008 and the work by economic historians and critical economists like Piketty, Saez and Zucman, discussions about inequality have gained speed again. We are going to look at new findings, mitigating and reinforcing factors and implications for socioeconomic stability.</p> <p>Alvaredo, Facundo, Lucas Chancel, Thomas Piketty, Emmanuel Saez and Gabriel Zucman (2017). Global Inequality Dynamics: New Findings from WID.world. <i>American Economic Review: Papers & Proceedings</i>, 107(5), 404-409.</p> <p>Huber, Evelyne, Bilyana Petrova and John D. Stephens (2020). Financialization, labor market institutions and inequality. <i>Review of International Political Economy</i>, 1-28.</p> <p>Kuhn, Moritz, Moritz Schularick and Ulrike I. Steins (2020). Income and Wealth Inequality in America, 1949-2016. <i>Journal of Political Economy</i>, 128(9), 3469-3519.</p>
Podcast (9)	June 23	<p>State in Markets</p> <p>Sometimes viewed as diametrically opposed to each other, states and markets are rather complementary. In fact, one cannot understand either in isolation from the other. Talking about a “return of the state” – not only during the pandemic and the economic fallout it has created – this session deals with some key aspects of the new role of states in the market.</p> <p>Babic, Milan, Javier Garcia-Bernardo and Eelke M. Heemskerk (2020). The rise of transnational state capital: state-led foreign investment in the 21st century. <i>Review of International Political Economy</i>, 27(3), 433-475.</p> <p>Schwan, Michael, Christine Trampusch and Florian Fastenrath (2020). Financialisation of, not by the State. Exploring Changes in the Management of Public Debt and Assets across Europe. <i>Review of International Political Economy</i>, 1-23.</p> <p>Thatcher, Mark and Tim Vlandas (2016). Overseas state outsiders as new sources of patient capital: Government policies to welcome Sovereign Wealth Fund investment in France and Germany. <i>Socio-Economic Review</i>, 14(4), 647-668.</p>
Zoom	June 30	Virtual classroom meeting on sessions 8-9

Podcast (10)	June 30	<p>Taxes</p> <p>Facing a fiscal dilemma between spending, taxation, investment, evasion and debt, public finances are a crucial territory when examining what is going on in capitalism. This session deals with several studies that highlight problems and prospects of taxation in modern political economies, including the role of business power in lobbying and shaping discourses.</p> <p>Bell, Stephen and Andrew Hindmoor (2014): The Structural Power of Business and the Power of Ideas: The Strange Case of the Australian Mining Tax. <i>New Political Economy</i>, 19(3), 470-86.</p> <p>Hakelberg, Lukas and Thomas Rixen (2020). Is neoliberalism still spreading? The impact of international tax cooperation on capital taxation. <i>Review of International Political Economy</i>, 1-27.</p> <p>Kastner, Lisa (2018). Business lobbying under salience – financial industry mobilization against the European financial transaction tax. <i>Journal of European Public Policy</i>. 25(11), 1648-1666.</p> <p>Schumpeter, Joseph A. (1991) [1918]: The Crisis of the Tax State. In: Richard Swedberg (ed.): <i>The Economics and Sociology of Capitalism</i>. Princeton University Press, 99-140.</p>
Podcast (11)	July 7	<p>Digital capitalism</p> <p>Concluding this lecture series on CPE, we tackle digitalization, one of the fundamental issues and developments in contemporary capitalism. The rise of new corporate giants and the technology-based re-organization of innovation, financing and production challenges the established frameworks for analyzing regulation and power.</p> <p>Barwise, Patrick & Leo Watkins (2018). The evolution of digital dominance: how and why we got to GAFAM. In: Martin Moore & Damian Tambini (eds.). <i>Digital Dominance. The Power of Google, Amazon, Facebook, and Apple</i>. Oxford University Press, 21-49.</p> <p>Culpepper, Pepper D. & Kathleen Thelen (2020). Are We All Amazon Primed? Consumers and the Politics of Platform Power. <i>Comparative Political Studies</i>, 53(2), 288-318.</p> <p>Rahman, K. Sabeel & Kathleen Thelen (2019). The Rise of the Platform Business Model and the Transformation of Twenty-First-Century Capitalism. <i>Politics & Society</i>, 47(2), 177-204.</p>
Zoom	July 14	Virtual classroom meeting on sessions 10-11 plus recap
	July 21	Final exam