

University of Cologne
Cologne Center for Comparative Politics
Summer Term 2023

Lecture: **Comparative Political Economy: Theories and Methods**
Module: BM Comparative Political Economy (PO 2021) (6 ECTS)
Room: H 114, IBW Building (211), Herbert-Lewin-Straße 2
Date: Fridays 8:00-11:30 (May 12 – June 23)

Instructor: Dr. Michael Schwan
Contact: schwan@wiso.uni-koeln.de
Office hours: by individual appointment

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 climate change. Through a combination of theories, concepts and different applications of quantitative and qualitative methods, the lecture illustrates how to compare political economies across countries and over time and situated them in the respective international context.

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 final exam is scheduled for **Saturday, July 1, 2023, 13:00-14:00 (Location: TBA)**. Registration via KLIPS 2 ends on **19 June, 2023**. More information in due time.

Course schedule - overview

Sessions	Date	Topic
01-02	May 12	Introduction and Political Economic Classics
03-04	May 19	Labor and Business Power
05-06	May 26	Skills and Capitalist Varieties
07-08	June 9	Financialization and Corporate Governance
09-10	June 16	Digitalization and Climate Capitalism
11-12	June 23	Conclusion and Recap

Course schedule – session details

01	May 12	<p>Comparative Political Economy: Introduction</p> <p>This introductory session offers an overview of what constitutes Comparative Political Economy as a discipline. We discuss issues concerning course organization, examination and the syllabus.</p>
02	May 12	<p>Political Economic Classics: Smith, Marx, Kalecki 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, Michael Kalecki and Karl Polanyi and discusses key parts of their extensive work and its impact on contemporary CPE.</p> <p>Kalecki, Michael (1943). Political Aspects of Full Employment. <i>Political Quarterly</i> 14(4), 322-330.</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>

03	May 19	<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>
04	May 19	<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>

05	May 26	<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 skillsets – thus co-determining 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>
06	May 26	<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>Hassel, Anke & Bruno Palier (2021). “Tracking the Transformation of Growth Regimes in Advanced Capitalist Economies”, <i>ibid.</i> (eds): <i>Growth and Welfare in Advanced Capitalist Economies: How Have Growth Regimes Evolved?</i> Oxford University Press, 3-56.</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>

	June 2	No session: Pentecost break
07	June 9	<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>Besedovsky, Natalia (2018). Financialization as calculative practice: the rise of structured finance and the cultural and calculative transformation of credit rating agencies. <i>Socio-Economic Review</i>, 16(1), 61-84.</p> <p>Pagliari, Stefano & Kevin L. Young (2021). “How financialization is reproduced politically”, in: Mader, Philip, Daniel Mertens and Natascha van der Zwan (eds.), <i>The Routledge International Handbook of Financialization</i>, 113-124.</p> <p>Stockhammer, Engelbert & Karsten Kohler (2021). “Financialization and demand regimes in advanced economies”, in: Mader, Philip, Daniel Mertens and Natascha van der Zwan (eds.), <i>The Routledge International Handbook of Financialization</i>, 149-161.</p> <p>Van der Zwan, Natascha (2014). Making sense of financialization. <i>Socio-Economic Review</i>, 12(1), 99-129.</p>
08	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>Braun, Benjamin (2022). Exit, Control, and Politics: Structural Power and Corporate Governance under Asset Manager Capitalism, <i>Politics & Society</i> 50(4), 630-654.</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>

09	June 16	<p>Digital capitalism</p> <p>Digitalization is likely to represent a structural break in the development of capitalism. The rise of new corporate giants and the technology-based re-organization of innovation, financing and production challenges the established frameworks for analyzing regulatory politics and power relations.</p> <p>Barwise, Patrick & Leo Watkins (2018). The evolution of digital dominance: how and why we got to GAFA. 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>Kemmerling, Michael & Christine Trampusch (2022). Digital power resources (DPR): the political economy of structural and infrastructural business power in digital(ized) capitalism. <i>Socio-Economic Review</i>, 1-26</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>
10	June 16	<p>Climate Capitalism</p> <p>Climate change and environmental degradation pose fundamental challenges to the modus operandi of modern societies, the functioning of economies and the capacities of political systems. How does business influence environmental policies? What is the role of trade unions? And finally: does a Green New Deal offer a convincing perspective?</p> <p>Felli, Romain (2014). An alternative socio-ecological strategy? International trade unions' engagement with climate change. <i>Review of International Political Economy</i>, 21(2), 372-398.</p> <p>Meaney, Thomas (2022). Fortunes of the Green New Deal. <i>New Left Review</i> 138, 79-103.</p> <p>Newell, Peter & Matthew Paterson (1998). A climate for business: global warming, the state and capital. <i>Review of International Political Economy</i>, 5(4), 679-703.</p> <p>Wood, Geoffrey, Jared J. Finnegan, Maria L. Allen, Matthew M. C. Allen, Douglas Cumming, Sofia Johan, Manuel Nicklich, Takahiro Endo, Sijeong Lim and Seiki Tanaka (2020). Discussion Forum: The comparative institutional analysis of energy transitions. <i>Socio-Economic Review</i>, 18(1), 257-294.</p>

11	June 23	<p>Recap</p> <p>The final two sessions wrap up the lecture. Let us first embark on a tour de force through this year's topics. We recap central concepts, highlight crucial developments and summarize key findings.</p>
12	June 23	<p>Conclusion</p> <p>By ways of conclusion we discuss what the future holds for the development of democratic capitalism. Based on insights from the lecture, what lessons can be drawn? What does the future hold for modern political economies, both from a comparative and global perspective?</p>
13	July 1	<p>Final exam</p>