



The Political Economy of Advanced Welfare States

Sven Steinmo
Fall Semester 2009
Thursdays, 11-13
Room 2

This course is designed as an introduction to the political economy of advanced industrial nations. In this course we will compare the political and economic systems of several advanced capitalist states in order to better understand the issues and possibilities facing these countries.

The first part of the course will be historical. The goal here is to understand the origins of modern democratic capitalism in its various forms. How and why did we develop the Democratic Capitalist states that now dominate the world economy. We will read a small set of classic texts exploring the origins and development of early capitalism.

The second part of the course is more comparative. Here we will examine what is sometimes called the “Varieties of Capitalism.” The purpose here is to understand how different types of capitalist democracy actually work in the modern world. We will focus on four specific countries (Japan, Sweden, Germany and the United States) but our focus will not be exclusive to these states. We will specifically examine the putative effects of ‘globalization’ on democratic capitalist states exploring the sources of convergence and divergence found today.

The last section of the course will be devoted to exploring some of the current challenges facing industrial democratic regimes. In the section, in particular, students will be encouraged to present their own work.

Requirements:

Attendance and reading is required throughout the term. All students will also be required to present either their work, or the writings to be discussed in a given week. We will set out this schedule in the first week of the seminar. The intention is to give each participant the opportunity to focus directly on writing related to his or her interests and/or to present their own work before the group. We will further discuss these issues at the beginning of the term.

Part 1 -- Origins

Week 1 – Introduction and Organization

Week 2 – Foundations of Liberal Democratic Capitalism -- Seminar Leaders: Ismail Bayram/S. Steinmo

Karl Polanyi, *The Great Transformation*, Beacon Press, (esp. Part Two – The Satanic Mill, pp. 22-129, and Chapters 12-13, pp. 135-162.)

David Landes, 1969. *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*. London,: Cambridge U.P. (Chapter 1: pages 1-40)

Week 3 – Origins and Variety – Seminar Leader:s Grega Gostenchnik/Angelos Chryssogleos

Alexander Gerschenkron (1962), *Economic Backwardness in Historical Perspective*, Cambridge: Harvard University Press, chapter 1 and chapter 4.

Peter Gourevitch (1986), *Politics in Hard Times: Comparative Responses to International Economic Crises*, Ithaca, NY: Cornell University Press, pp. 17-68.

Peter Hall, “Conclusion,” in *The Political Power of Economic Ideas*, Princeton: Princeton University Press, 361-391.

Part II -- Varieties

Week 4 – The Liberal Model – (a.k.a. USA) Seminar leader: Laurent Warlouzet

Steve Krasner, “Britain: The Politics of Foreign Economic Policy” in Katzenstein, Peter J. 1978. *Between Power and Plenty : Foreign Economic Policies of Advanced Industrial States*. Madison: University of Wisconsin Press. (Chapters, 3).

Hacker, J. (2005). *Policy Drift: The hidden politics of the US Welfare State*. Beyond Continuity. W. Streeck and K. Thelen. Oxford, Oxford University Press: 40-82.

Sven Steinmo, *The Evolution of Modern States*, Chapter 4.

Week 5 – Organized Capitalism – (a.k.a. Germany) Seminar Leader: Joseph Hein

Hall and Soskice, “An Introduction to Varieties of Capitalism;” in *Varieties of Capitalism* (2001), pp. 1-70.

Kathleen Thelen, “Varieties of Labor Politics in Developed Democracies;” in *Varieties of Capitalism* (2001), pp. 71-103

Sigurt Vitols, “Varieties of Corporate Governance: Comparing Germany and the UK,” in Hall and Soskice, eds., *Varieties of Capitalism* (2001), 337-60

Suggested: Shonfield, Andrew. 1965. *Modern Capitalism: The Changing Balance between Public and Private Power*. Oxford: Oxford University Press. (Chapters 9 + 10).

Week 6 – Social Democracy (a.k.a. Sweden) Seminar Leader: Johan Christensen

Sven Steinmo, *The Evolution of Modern States*, Chapter 2

Katzenstein, P. (1984). *Small states in world markets: industrial policy in Europe*. Ithaca, Cornell University Press.

Rothstein, B. (1998). *Just Institutions Matter: The Moral and Political Logic of the Universal Welfare State*. New York, Cambridge University Press.

Week 7 – Clientalism (a.k.a. Italy) Seminar Leader: Furio Stamati

Katzenstein, Peter J. 1978. *Between Power and Plenty : Foreign Economic Policies of Advanced Industrial States*. Madison: University of Wisconsin Press. (Chapter, 7).

Maurizio Ferrara and Elizabeth Gualimini, “Italy, Rescue from Without?” in Scharpf and Schmidt, *Welfare and Work in the Open Economy*, pp. 351-390.

Richard Locke, *Remaking the Italian economy, 1997* (I do not know this reading, it has been suggested to me. As with all weeks, the ‘presenter’ will make the final decisions on readings.)

Week 8 - Asian Developmentalism (a.k.a. Japan) Seminar Leader: Pelle Moos (note, I will be out of town November 26, class will be changed)

T. J. Pempel, “Japan: Foreign Economic Policy” in Katzenstein, Peter J. 1978. *Between Power and Plenty : Foreign Economic Policies of Advanced Industrial States*. Madison: University of Wisconsin Press. (Chapters, 5).

Sven Steinmo, *The Evolution of Modern States*, Chapter 3.

Streeck, W. and K. Yamamura (2003). “Introduction: Convergence or Diversity? Stability and Change in German and Japanese Capitalism” *The End of Diversity? Prospects for German and Japanese Capitalism*. Ithaca, Cornell University Press: 1-50.

Week 9 - Post-Communist revival (?) Seminar Leader: Tamara Popic

David Stark and Laszlo Bruszt, *Postsocialist Pathways: Transforming Politics and Property in East Central Europe* (Cambridge University Press, 1998), chapters 3 and 4, pp 80-136

Other readings, TBA.

Week 10 – Conclusions – The Evolution of Democratic Capitalism in a Globalizing World.

Seminar Leaders: Miguel Fernandes and ??

Paul Pierson, “Coping with Permanent Austerity” in Pierson, *The New Politics of the Welfare State*, pp. 410 -456

Peter Hall, “The Evolution of the Varieties of Capitalism” in *Beyond the Varieties of Capitalism*, Bob Hanke, Martin Rhodes and Mark Thatcher (eds.), Oxford University Press, 2008 (39-89).

Streeck, Wolfgang (2009). *Re-forming capitalism: institutional change in the German political economy*, New York, NY, Oxford University Press. chapter 1, 7, 17.

NOTE: ALL READINGS ARE SUBJECT TO CHANGE. IN ORDER TO ADAPT THE COURSE TO THE SPECIFIC INTERESTS OF THE STUDENTS IN THE CLASS WE WILL CHANGE AND ADAPT THE READINGS REGULARLY. CHECK THE CLASS WEB SITE REGULARLY FOR THE CURRENT READING LIST EACH WEEK.