

University of Cologne  
Cologne Center for Comparative Politics  
Summer Term 2020  
Lecture: Comparative Political Economy: Theories and Methods  
Module: Basismodul Politikwissenschaft II (1336BPoWi2) (6 ECTS)  
Room: Hörsaal IV, Hauptgebäude (100), Albertus-Magnus-Platz  
Date: Wed, 14:00-15:30  
Instructor: Dr. Michael Schwan  
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Office hour: Tue, 16:00-17:00 (by appointment only)

### **Description**

This lecture deepens students' knowledge in theories and methods of comparative political economy. It discusses analytical approaches and methods used in the comparative analysis of capitalism, with a special focus on the relationship between states and markets (or political and economic power) in the governance of labor and financial markets. We discuss classical authors of Comparative Political Economy (CPE), such as Smith and Marx, and newer concepts of labor and business power. Moreover, the lecture broadens students' understanding of some of the most important challenges political economies are facing such as financialization, debt, skills, migration, labor-market dualization and globalization. The lecture also intensively discusses different empirical applications of both quantitative and qualitative methods to test hypotheses or to generate and refine existing theories. The course confronts different analytical and theoretical frameworks with their respective strengths and weaknesses.

### **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. All obligatory readings and course materials are available via ILIAS.

### **Exam**

The written exam is scheduled for **Wednesday, 15 July 2020, 14:00-15:00, Hörsaal II, Hauptgebäude (100)** and deals with potentially all topics and texts discussed in the lecture. There will be no multiple-choice questions. Instead, participants have to write brief essay-like answers to a few selected questions. More details in due time.

### Course schedule - overview

#	Date	Topic
01	April 8	Comparative Political Economy: Introduction and Course Organization
02	April 15	Classics in Political Economy: Smith, Marx and Polanyi
03	April 22	Labor Power
04	April 29	Business Power
05	May 6	Skills and Capitalism
06	May 13	Varieties of Capitalism expanded
07	May 20	Globalization
08	May 27	Financial Liberalization
	June 3	Pentecost Holidays
09	June 10	Financialization
10	June 17	Taxes, Debt and the State
11	June 24	Documentary "The Ascent of Money"
12	June 31	Digital Capitalism
13	July 7	Recap
14	July 14	Final Exam

## Course schedule – individual sessions

01	April 8	<p><b>Comparative Political Economy: Introduction and Course Organization</b></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> <p>Clift, Ben (2014). <i>Comparative Political Economy. States, Markets and Global Capitalism</i>. London. Macmillan. Ch. 1 'Introduction' (pp. 1-25) and Ch. 2 'Comparative Political Economy' (pp. 26-44).</p> <p>Menz, Georg (2017). <i>Comparative Political Economy</i>. Oxford University Press. Ch. 2 'Contemporary CPE' (pp. 36-65).</p>
02	April 15	<p><b>Classics in Political Economic Thinking: Smith, Marx and Polanyi</b></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>
03	April 22	<p><b>Labor Power</b></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 Wiesenthal (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	April 29	<p><b>Business Power</b></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 &amp; Society</i>, 42 (4), 427-54.</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>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 6	<p><b>Skills and Capitalism</b></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>Bussemeyer, Marius &amp; Christine Trampusch (2019). The Politics of Vocational Training: Theories, Typologies, and Public Policies. In: David Guile &amp; 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 13	<p><b>Varieties of Capitalism expanded</b></p> <p>Established by Hall &amp; Soskice (2001) in their seminar 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 &amp; Jonas Pontusson (2016). Rethinking Comparative Political Economy: The Growth Models Perspective. <i>Politics &amp; Society</i>, 44 (2), 175-207.</p> <p>Bohle, Dorothee &amp; 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. &amp; 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>
07	May 20	<p><b>Globalization</b></p> <p>It is common sense that we do not only live in a globalized world, but that the increasing density and interdependence of production, trade and communication poses new challenges for both national political economies and questions of global governance.</p> <p>Clarke, Thomas &amp; Martijn Boersma (2019). Global Corporations and Global Value Chains: the disaggregation of corporations? In: Thomas Clarke, Justin O'Brien and Charles R. T. O'Kelley (eds.). <i>The Oxford Handbook of the Corporation</i>. Oxford University Press, 319-65.</p> <p>Rodrik, Dani (2011). <i>The Globalization Paradox. Why Global Markets, States and Democracy can't Coexist</i>. Oxford University Press. Introduction, Ch. 1 "Of Markets and States. Globalization in History's Mirror", Ch. 9 "The Political Trilemma of the World Economy" and Ch. 10 "Is Global Governance Feasible? Is it Desirable?".</p> <p>Selwyn, Benjamin, Bettina Musiolek and Artemisa Ijarja (2020). Making a global poverty chain: export footwear production and gendered labor exploitation in Eastern and Central Europe. <i>Review of International Political Economy</i>, 27 (2), 377-403.</p>

08	May 27	<p><b>Financial Liberalization</b></p> <p>In addition to trade in commodities and services, the globalization of financial markets can arguably be viewed as the most fundamental political economic transformation of the last fifty years. This session looks at some landmark decisions and discusses the relationship between politics, markets and technology.</p> <p>Cerny, Philip G. (1994). The dynamics of financial globalization: Technology, market structure, and policy response. <i>Policy Studies</i>, 27 (4), 319-42.</p> <p>Helleiner, Eric (1995). Explaining the Globalization of Financial Markets: Bringing States Back in. <i>Review of International Political Economy</i>, 2 (2), 315-41.</p> <p>Kalinowski, Thomas (2013). Regulating international finance and the diversity of capitalism. <i>Socio-Economic Review</i>, 11 (3), 471-96.</p>
	June 3	<p><b>Pentecost Holidays</b></p>
09	June 10	<p><b>Financialization</b></p> <p>Understood as the increasing importance of finance for all sorts of political, economic and social dynamics, <i>financialization</i> research asks how the rise of finance has affected states, households and non-financial firms in the ways they act and conduct their business.</p> <p>Alvarez, Ignacio (2015). Financialization, non-financial corporations and income inequality: the case of France. <i>Socio-Economic Review</i>, 13 (3), 449-75.</p> <p>Fligstein, Neil and Adam Goldstein (2015). The emergence of a finance culture in American households, 1989-2007. <i>Socio-Economic Review</i>, 13 (3), 575-601.</p> <p>Krippner, Greta R. (2005). The Financialization of the American Economy. <i>Socio-Economic Review</i>, 3(2), 173-208.</p>
10	June 17	<p><b>Taxes, Debt and the State</b></p> <p>As a special session dedicated to the state, we ask in which ways the repercussions of financial globalization and financialization have affected the ability of states to raise taxes and go into debt.</p> <p>Fastenrath, Florian, Michael Schwan and Christine Trampusch (2017). Where States and Markets meet: The Financialisation of Sovereign Debt Management. <i>New Political Economy</i>, 22 (3), 273-93.</p> <p>Mertens, Armin, Christine Trampusch, Florian Fastenrath and Rebecca Wangemann (2019). The political economy of local government financialization and the role of policy diffusion. <i>Regulation &amp; Governance</i>, 1-18.</p> <p>Rixen, Thomas (2011). From double tax avoidance to tax competition: Explaining the institutional trajectory of international tax governance. <i>Review of International Political Economy</i>, 18 (2), 197-227.</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>

11	June 24	<p><b>Documentary “The Ascent of Money”</b></p> <p>Concluding our discussion of financial markets, global finance and financialization, the documentary “The Ascent of Money” offers an impressive and excellent view from the perspective of an economic historian. Although watching all four episodes is highly recommended, you can also just concentrate on episode 4 “Planet Finance”. This Emmy Award-winning piece was re-edited for the US audience and is available for free on the PBS website:</p> <p><a href="https://www.pbs.org/show/ascent-of-money/">https://www.pbs.org/show/ascent-of-money/</a></p>
12	July 01	<p><b>Digital capitalism</b></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 &amp; Leo Watkins (2018). The evolution of digital dominance: how and why we got to GAFA. In: Martin Moore &amp; Damian Tambini (eds.). <i>Digital Dominance. The Power of Google, Amazon, Facebook, and Apple</i>. Oxford University Press, 21-49.</p> <p>Durand, Cédric &amp; William Milberg (2020). Intellectual monopoly in global value chains. <i>Review of International Political Economy</i>, 27 (2), 404-29.</p> <p>Rahman, K. Sabeel &amp; Kathleen Thelen (2019). The Rise of the Platform Business Model and the Transformation of Twenty-First-Century Capitalism. <i>Politics &amp; Society</i>, 1-28.</p>
13	July 08	<p><b>Recap and evaluation</b></p> <p>This session recapitulates core insights of the lecture with a specific focus on the different theories, concepts and methods that we discussed. Furthermore, we are going to evaluate the course and there will be some more information on the final exam.</p>
14	July 15	<p><b>Final exam</b></p>