



Newsletter of the European Politics & Society Section of the American Political Science Association

EPS Forum: Varieties of Capitalism as a Research Program

Peter A. Hall and David Soskice's *Varieties of Capitalism* (2001) is a rare example of an edited volume that has generated extensive and prolonged debate in the profession. The volume has received much praise, including for its thoughtful integration of rational and historical institutional theories, and for its inter-disciplinary approach. But it also been criticized for having an incomplete theory of institutional change, for

having too simple a typology, and for not specifying clearly enough a direction for future research. In this Forum, we invited scholars to briefly comment on these issues and to renew the debate on the merits of the approach to political economy entailed in *Varieties of Capitalism*.

- Richard Deeg and Orfeo Fioretos,
editors

Varieties of Capitalism and Institutional Change

By Peter A. Hall and Kathleen Thelen

What are the processes through which institutions in the developed political economies change? Interest in this question has inspired a growing number of insightful analyses. Here, we reflect on it from the perspective of the varieties of capitalism approach to comparative capitalism elaborated in Hall and Soskice (2001). Is this varieties-of-capitalism approach compatible

with a sophisticated understanding of institutional change? We argue that it is, drawing on Hall and Thelen (2005) to identify some of the central themes that emerge when we extend the approach to issues of institutional change.

We conceptualize institutions as a set of regularized practices with a rule-like quality in the sense that the actors expect the practices to be observed. Within this broad rubric, different kinds of institutions are important in the political economy. Some are backed by sanctions, enforced by statute or formal organizations. Others rely more heavily on mutual monitoring and perceptions of shared interests to secure resilient coordination. The latter often have an equilibrium character but, unlike some analysts, we argue that these equilibria are not easily secured or maintained. In many cases, support for them must be mobilized on a continuous basis.

That contention follows from our observation that institutions are not rigid matrices of sanctions and incentives, but resources used by economic actors to achieve their goals. As such, they are the objects of strategic action as well as its embodiment. Because economic actors, such as firms, typically rely on more than one institution to secure their purposes, they often have the scope to adapt those institutions or to shift their allegiance from one to another.

An analysis of institutional change

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Letter from the Chairs

Dear Members:

This issue of the EPS Newsletter features a timely forum on the varieties of capitalism research program, with contributions from a stellar cast of authors. Thanks to Richard Deeg and Orfeo Fioretos, both of Temple University, who organized the forum and are joining Mark Pollack as co-editors of the newsletter beginning with this issue.

The Annual Meeting of the EPS section took place in Washington DC in September, and we thought we would mention some of the highlights for the benefit of those who were not there.

One was the election of Chris Anderson (Syracuse University, though he is spending this next year at Oxford) as EPS program chair for next year (APSA calls him a Division Chair) and as chair-elect of the EPS Section. As Liesbet Hooghe (our outgoing chair) made clear, Chris will make a wonderful Division Chair and, next year, a wonderful Section Chair since he combines an interest in cross-national research with an interest in the EU, embodying the spirit of the section. Others elected to the Steering Committee for the first time were Kees van Kersbergen (Free University Amsterdam) and Tanja Börzel (Free University Berlin). They join Isabela Mares (Stanford University), Valerie Bunce (Cornell University), Wade Jacoby (Brigham Young University, who also serves as Treasurer) as well as the two of us as co-chairs for this year and Liesbet Hooghe (University of North Carolina, Chapel Hill) as Chair Emeritus. Mark Pollack remains as Newsletter editor and Len Ray as Webmaster, even though both have left the Steering Committee at the end of their terms of office. Also leaving the Steering Committee at the end of his term was Andrew Appleton, who had served for the last two years as Treasurer of the Section. Liesbet thanked the outgoing members for their service and we do too. We also thank Liesbet for her sterling service as Section Chair over the past year.

Other highlights of the meeting were the awarding of Ernst Haas Best Dissertation Prize to Uwe Puetter (Queen's University, Belfast) and the Best Book Prize to V. P. Gagnon (Ithaca College) for his book *The Myth of Ethnic War: Serbia and Croatia in the 1990s*. More details

can be found on the section's website, <http://www.apsanet.org/~ep/>.

No prize was awarded for Best Paper, there having been no submissions deemed worthy of a prize. The difficulty of soliciting submissions for best paper was a topic for discussion in the meeting, and it was decided that future Best Paper prize committees would be more pro-active in seeking out good papers from among those presented at the section's panels. Future prizes will also be more lucrative, at \$200 per prize.

A topic left over from last year's meeting was the possibility of naming the Best Book and Best Paper prizes, in conformity with the Ernst Haas Best Dissertation Prize. Jonah Levy had chaired a committee that had considered various names. However, there was not time to give the matter a thorough discussion, so the topic was tabled until next year's business meeting. Minutes of the meeting can be found on the section's website, <http://www.apsanet.org/~ep/>.

Finally, this seems like a good occasion to remind everyone that we are looking for new submissions for Best Book, Best Dissertation, and Best Paper prizes to be awarded at next year's business meeting. Details of the committees and closing dates (March 1st, 2006) can be found in this issue, and also on the section's website, <http://www.apsanet.org/~ep/>. Thanks to all the committee members for agreeing to serve.

Best wishes to all from

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Peter A. Hall and Kathleen Thelen
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should begin from an analysis of how institutions endure. We think the stability of institutions in the political economy is built on combinations of four factors. The first is the ubiquity of uncertainty. Actors often know how existing institutions serve their purposes better than they know whether new institutions will do so. The second is the body of common knowledge that underpins coordination. Coordination often rests on a thick set of shared understandings built up by experience over time. Shifting to new forms of coordination can require new understandings that are not easy to secure.

Institutional interaction effects operate in much the same way. Over time, firms develop business strategies that depend on the conjunction of multiple institutions. Shifting one may not be attractive if other institutions must be shifted as well for those strategies to remain effective. Finally, the durability of institutions is often secured by power relations, whether based on mobilizational capacity, statute and hierarchy, or relative opportunity costs. The German industrial relations system endures, not because there is more consensus between capital and labor in Germany than elsewhere, but because the organizations representing German labor and capital have enough power to render the alternatives to coordinated wage bargaining unattractive.

From this perspective, it follows that institutional stability is based on continuous and relatively political processes of mobilization (see Thelen 2001). Even when power relations underpin an institutional arrangement, the actors will continually test the limits of their power. Actors frequently probe the intentions of others in order to assess and reaffirm shared understandings. Since they depend on perceptions of interest rather than objective interests, there is nothing automatic about the durability of institutions in the political economy.

For such reasons, those institutions are also susceptible to change. In some cases, change follows from socioeconomic developments that shift the power or perceptions of the actors. In others, the impetus for change is endogenous to institutional arrangements themselves. Shifts in the coordination of wage bargaining in Sweden were partly inspired, for in-

stance, by the impact of existing institutions on wage differentials.

We identify three routes to institutional change. The most visible is reform that takes place through deliberation among the relevant actors and government policy. A second occurs through defection, in which actors defect from cooperative patterns of behavior, as small firms in German metalworking are now doing. The third operates through processes of reinterpretation whereby actors leave intact the formal attributes of an institution, such as a vocational training scheme, but gradually change the practices associated with it (Thelen 2004; Streeck and Thelen 2005).

One of the striking features of these processes is the role of distributive politics within them. Institutional reform normally flows from a coalitional politics inflected by distributive concerns. It is a paradox of political economy that institutional reforms with substantial effects on the aggregate economy are often driven by actors motivated, not by such effects, but by whether the reforms distribute resources to or away from them (Höpner 2003). In such contexts, whether reform will advance aggregate performance often turns on whether existing institutions align aggregate and distributive objectives.

Existing institutions influence the direction of reform in many other ways as well. Here, the institutional complementarities identified by a varieties-of-capitalism approach are relevant. Actors' interests in institutional reform in one sphere of the political economy are often conditioned by institutional arrangements in other spheres. Swenson (2001) shows how the structure of industrial relations conditioned the positions taken by employers toward proposals for pension reform in Sweden and the United States.

This perspective does not expect the developed political economies to converge on a single liberal model under the pressures of globalization. However, neither does it expect them to remain the same. Instead, we expect to see institutional adjustment in all political economies, along tracks conditioned by existing institutions. Coordinated and liberal market economies should follow distinctive adjustment paths, and there may be some divergences within each group as well.

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Among the changes occurring in all the developed economies is some "liberalization." But the terms of contemporary debate are manifestly inadequate. Many treat liberalization as if it were a single process sweeping over the developed economies with uniform effects that push each inexorably toward a liberal economic model. However, there are substantial differences among reforms commonly described as "liberal." Some, such as measures facilitating hostile takeovers, may be corrosive of the strategic coordination central to coordinated market economies, while others, that make balance sheets more transparent, may have few such effects. Liberalization must be disaggregated, the impact of each type of measure identified, and note taken that even the same type of re-

form can have distinctive effects in different contexts.

In sum, we see the political economy as an ecology of interacting institutions, which change via defection, reinterpretation and a politics of mutual adjustment inflected by distributive concerns. In that politics, the positions actors take toward reform are conditioned by institutional arrangements in many spheres of the political economy. To this, political economies owe much of their path dependence and, because of it, we expect there to be distinctive varieties of capitalism for many decades to come.

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Interdisciplinary Considerations: Management Studies and Economic Sociology

By Steven Casper

While *Varieties of Capitalism* (Hall and Soskice 2001) builds on the large body of research comparing national models of capitalism, it offers a distinct contribution to this literature by presenting microfoundations that link patterns of company organization to national institutional frameworks. Drawing on the economics of organization, the volume argues that different product market strategies are associated with the governance of a variety of organizational dilemmas involving the relationship between senior managers of a firm and its board, skilled-employees, and industrial collaborators. The success of the varieties of capitalism framework in attracting the attention of management scholars is directly tied to these microfoundations. Because a dominant perspective in strategic management, *the capabilities framework* (see Teece, Pisano, and Shuen, 1998), also draws upon the economics of organization, Hall and Soskice (2001) created common ground with management scholars. However, *Varieties of Capitalism* differs in arguing that national institutional factors, rather than firm-level managerial practice, are the key drivers of industrial performance.

The varieties of capitalism perspective has had its strongest impact in management

research in the field of international business. The perspective challenges the idea that international business should be characterized as an arena populated by global firms that exist to spread a uniform best practice around the world (Omaha 1990, Clark and Fujimoto 1991). Instead, the varieties of capitalism perspective suggests that a division of global productive labor is sustainable. Moreover, it suggests that a primary reason why global firms exist is to locate particular competencies within the national institutional frameworks that best advantage them. This new perspective on foreign direct investment helps explain why, for example, German and Swiss pharmaceutical companies locate much of their biotech operations in the United States, while American and British firms have moved substantial engineering-related R&D to Germany. In recent years this perspective has gained credence within the international business debate. For example, scholars interested in *comparative business systems* (Whitley 1999) have come to focus on institutional and company organizational issues specified by varieties of capitalism scholars.

Despite these in-roads, varieties of capitalism research has not made a large impact on the larger field of strategic management. Drawing on sociological institutionalism, varieties of

capitalism research is predisposed to read off the structure and strategy of companies from the orientation of national institutional frameworks. For scholars interested in understanding strategic management processes strong versions of institutionalism can create a straight-jacket. Just as many political scientists hope to advise governments, business scholars want to advise managers and are thus strongly biased towards agency-centered perspectives privileging managerial leadership.

Strengthening varieties of capitalism studies by attracting the participation of more management scholars requires the creation of a more flexible framework with more degrees of freedom. A starting point may be to view institutional frameworks as tool-kits that actors employ to solve problems. Here the microfoundations provided by *Varieties of Capitalism* are useful in suggesting that strategies aligned with institutional structures should be easier for managers to deploy successfully. Company-centered case studies focusing on the incentive compatibility of company strategies and national institutions would advance the case and help strengthening the follow-on political science arguments surrounding the political preferences of firms. Very little research has proceeded in this direction. Mark Lehrer's (1999) research on adjustment strategies by British Airways and Lufthansa is probably the closest to what I have in mind.

Another area of interdisciplinary research where the varieties of capitalism approach has had an important impact is in the innovation and technology management field. Drawing on evolutionary economics, an important literature developed in the 1990s on *national systems of innovation* (e.g. Nelson and Mowery 1999). This research tends to focus narrowly on how training and education systems and regulatory frameworks impact national competitiveness within particular industries. A popular implication from this literature is that governments should construct "sectoral support systems" that are unique to each industry. Implicit in these studies is the idea that any advanced industrial economy could increase its competitiveness in any industry by designing an appropriate innovation system. Varieties of capitalism research challenges this perspective by focusing on a different set of institutions (finance, skills, corporate governance, etc.) and by arguing that these institutions are encompassing in

nature and impact all industries within an economy. The varieties of capitalism approach argues that countries can develop institutions appropriate for US/UK radical innovation strategies in new technology industries, or sustained incremental innovation strategies in established industries, but not both (see Casper and Soskice 2004). During the late 1990s, David Soskice's research unit at the Wissenschaftszentrum Berlin was involved in a multi-year European Union project that fostered extensive cross-fertilization between advocates of sectoral and national frameworks for studying innovation. Competing positions and empirical research from this project can be found in Malerba (2004).

Despite its successes, the varieties of capitalism perspective also faces challenges in innovation studies. The usefulness of the framework in explaining public policy towards regional technology clusters sheds light on the opportunities and challenges created by the framework. Varieties of capitalism research has a clear expectation for these types of innovative outcomes: policy should be incentive compatible with national institutions, yielding successful high tech clusters in liberal market economies (LMEs) and failures in coordinated market economies (CMEs). Yet considerable research on regional clusters suggests that there is a heterogeneity of outcomes within both LMEs and CMEs. There are far more failures than successes in creating new technology clusters in the United States, while recent years have seen the appearance of clusters of radically innovative firms in CMEs. Stockholm's cluster of telecommunications and software start-ups and the appearance of a successful biotechnology cluster in München are cases in point. In the case of LMEs, regional heterogeneity demonstrates that institutions associated with LMEs may be necessary to promote radically innovation, but they are by no means sufficient. The CME cases go even further in discrediting institutional variables associated with the varieties of capitalism: they may not even be necessary to promote local agglomerations of highly innovative firms.

Most of the leading research on technology clusters is driven by economic sociologists and management scholars. Economic sociologists work at a more local level of analysis and

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are interested in exploring, often in collaboration with management specialists, how firms strategize within institutional environments. Interestingly, one of the leading theories explaining why some clusters have a disproportionate number of innovative firms (e.g. Silicon Valley) centers on patterns of coordination in local labor markets that is virtually identical to the argument in *Varieties of Capitalism* (see Almeida and Kogut 1999). While there seems little doubt that national institutional factors have an impact on labor market outcomes, local actors interpret and act upon these incentives and constraints. Case studies of US clusters show that institutions within LMEs are incentive compatible with the creation of successful clusters, but also that these clusters depend upon patterns of local coordination that are difficult to generate (Casper 2005). Studies of European clusters, particularly within CMEs such as Germany or Sweden, illustrate the importance of varieties of capitalism research in that policies aiming to encourage patterns of local coordination are explicitly designed to circumvent “normal” institutional incentives within these economies (Casper and Whitley 2004). While varieties of capitalism research can provide analytical leverage in this type of interdisciplinary debate, it ap-

pears that problems of coordination can be addressed through multiple instruments, not all of which are national in orientation. Understanding the interplay of such multiple logics is an important interdisciplinary challenge.

In summary, management scholars are best positioned to provide reasonable and defensible explanations surrounding topics such as firm strategy, industry dynamics, or measures of performance at the company level. Gaining their attention is important when political scientists attempt to provide sophisticated analyses of many political economy issues impacted by companies. In this regard, the varieties of capitalism framework has had some success, particularly in the international business field. Moreover, as the technology policy case illustrates, management scholars and economic sociologists are increasingly coming to share the interest in coordination that is at the core of varieties of capitalism research. However, to gain explanatory leverage over many policy dependent outcomes impacted by companies, scholars embracing the varieties of capitalism perspective will have to collaborate both with traditional management researchers and, increasingly, with economic sociologists.

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Complementarities and Institutional Change

By Richard Deeg

The concept of institutional complementarity has rapidly gained significance within institutionalist theory. The core idea behind this concept is that the coexistence of two or more institutions mutually enhances the performance of each individual institution – in essence, that the whole is more than the sum of its parts. Complementarity is typically used to explain why institutions – and the actors who support them – are resistant to change (e.g., Pierson 2004). Such a conception and role for institutional complementarity is at the heart of the Varieties of Capitalism (VoC) approach (Hall and Soskice 2001). Indeed, it is the very existence of complementarity that makes the whole notion of distinct models of capitalism plausible, since complementarity presumes that there are a limited number of ways to combine institutional ele-

ments successfully.

According to VoC, what makes coordinated market economies and liberal market economies equally successful in general economic terms is the high level of complementarity that exists in each model. The approach predicts that when confronted with pressures for change, liberal market economies will become “more liberal” and coordinated market economies will resist wholesale liberalization; they do this in order to sustain the particular complementarities that lend them their distinct competitive advantages in global markets. Drawing on a larger essay (Deeg 2005), this essay argues that, while institutional complementarities are significant, assessing their causal effect on institutional change is difficult and ambiguous. A better understanding of institutional development requires that we embed complementarities within a more general theory of institutional

change which takes a broader view of the different ways in which institutions interconnect.

If the concept of complementarity is to be truly useful, then we must first tackle the issue of metrics. Hall and Gingerich (2004) make an excellent first effort to measure the effects of institutional complementarities. Using the core institutions identified in the VoC framework, their study found a clear and internally consistent clustering of economies into CME and LME types, along with some in the mixed category. These were then correlated with GDP growth over the past two decades and, consistent with the predictions of VOC, economies with high levels of internal consistency, i.e., strong complementarities, had higher growth rates than those with lower internal consistency.

Notwithstanding the value of this study, many problems with measuring complementarities have yet to be resolved. For one, Hall and Gingerich's diachronic test finds a weakening correlation between institutional complementarities and growth over time. The authors are pressed to explain declining complementarities when the institutions which they believe generate them have not, in their view, undergone major change. Secondly, this macro approach generally obscures whether the institutions that generate complementarities change over time; or whether existing institutions have been replaced by ones that serve as functional equivalents to earlier complementary institutions.

But more problematic than these measurement issues are conceptual ones. How one utilizes the concept of complementarity in explaining institutional change is determined by which general model of institutions and institutional change one adopts. Simplifying a bit, one can juxtapose two basic approaches: the first approach I will call the equilibrium-functionalist and the second, the historical-political. In the first approach, institutions represent self-enforcing equilibria that change only as a result of exogenous shocks. In this approach complementarities often help stabilize an institution by increasing the value of that institution to actors. In this approach change occurs through breakdown and replacement; once an institution breaks down, the old complementarities no longer matter in a strict sense. Complementarities now matter insofar as actors attempt to design new institutions that will generate new complementarities. In the equilibrium-functionalist

approach complementarities are analytically central and relatively straightforward in their effects.

The VoC approach as originally formulated largely follows this conception by allowing for two possible patterns of institutional change – either through marginal institutional change without a fundamental change in the underlying logic of economic models, or through wholesale change in the system. The latter scenario comes into play if one subsystem, say the financial system, is so radically altered that it brings on radical institutional changes in other subsystems in order to establish new equilibriums and complementarities. Working in this paradigm, Vitols (2004), for example, reviewed changes in the German financial system and argued that despite a wide range of institutional changes since the late 1980s, these have been limited by complementarities and the system broadly retains its prior character and role in the economy.

The second, historical-political approach eschews equilibrium analysis and conceives of institutions as continuously evolving in non-trivial ways. In many instances smaller or gradual changes add up over time to major institutional transformation (e.g., Streeck and Thelen 2005; Morgan 2005; Pierson 2004). In recent work Hall and Thelen (2005) have begun to recast the VoC framework around a conception of institutions that comes closer to this model. In this approach complementarities are likely to matter a lot in shaping institutional change, but not in ways easily measured or usable for predicting the direction of change. This is so for several reasons. First, if the exact meaning of an institution is always subject to some interpretation or manipulation, then the complementarities that derive from that institution are also somewhat ambiguous. Thus actors may ignore complementarities because they do not believe they can be reliably assessed or they may shift at unanticipated moments. Second, this approach tends to view complementarities as evolving through an evolutionary, trial and error process rather than by a one-off moment of institutional design. Thus complementarities among specific institutions are viewed as historically constituted and variable (see Morgan 2005). In this view institutions embody relations of power and authority and might also serve other social purposes. Change in such institu-

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tions is thus often guided by forces other than efficiency gains (or preventing efficiency losses).

These two perspectives also lead to different views on how to measure complementarities and, more importantly, how important such efforts are for understanding change. Scholars within the equilibrium-functionalist perspective are more likely to focus on quantifiable complementarities and performance criteria such as innovation, profits, and growth. Quantitative assessments have the value of revealing the costs and potential benefits of institutional change. Knowing these costs, in turn, can inform predictions about the likelihood of change. While the benefits of such an exercise are clear, so are the limitations. First, it becomes technically very complex to measure complementarity among more than two institutions (Boyer 2005). Second, a simple toting up and comparison of relative costs and gains from institutional change is unlikely by itself to yield reliable predictions of change, in part because a given set of institutions may generate different levels of complementarity for different sets of actors and it is not a priori clear whose complementarities will matter.

From the historical-political perspective, the “snapshot” approach of the equilibrium perspective misses the point – it assumes the complementarities are static for a given set of institutions. But if institutions as constantly evolving,

International Institutional Dimensions

By Orfeo Fioretos

The substantial attention that *Varieties of Capitalism* (Hall and Soskice 2001) has received is in large part a function of its sophisticated microlevel explanation of why national responses to globalization vary along distinct lines. In broad terms, the volume’s central argument is that institutional developments at the national level are a function of how firms evaluate the merits of existing national comparative institutional advantages and whether or not they chose to commit to, or defect from, the institutional equilibria that produce these advantages. Because complex competitiveness strategies are often based on sustaining existing equilibria, firms tend to prefer incremental changes to the

so too are the complementarities. This suggests that “measuring” complementarity is likely to be possible only post hoc, and it cannot be assumed that what was measured at time A continues at time B, even when the institutions in question appear stable: Complementarity more often resides not in the institutions themselves but how people use them. Thus formal institutional stability can mask declining or rising complementarity from the perspective of different actors.

Beyond these problems of conceptualizing and measuring complementarity lies the fact that complementarity is only one of many dynamics that affect institutional stability and change. There are other sources that do not necessarily reflect complementarity or an effort to obtain or maintain complementarity (see Pierson 2004). Consequently, the VoC framework needs not only to advance its conception of institutions per se, but also of the character and role of institutional complementarity in explaining the numerous – and in some cases far-reaching – changes we observe in advanced political economies. And, if institutional complementarities are more elusive and less constrictive of strategic choices by economic actors, we may also need to go beyond complementarities as the institutional basis for distinguishing varieties of capitalism.

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existing system over radical change, and in the process they end up reproducing relative diversity in national systems despite the pressures of globalization.

For the most part, however, globalization represents the only international variable to which this research tradition has attached serious attention. Other international factors, such as the role of international institutions – including norms, rules, and formal organizations – in shaping distinct national adjustment strategies have remained outside the purview of the varieties of capitalism research agenda. The central contention in this short essay is that the exclusion of international institutions represents a liability to the long-term viability of the research program. Neither in advanced nor in developing

countries does economic modernization take place in a national institutional vacuum. International institutions provide national actors with organizational routines, shape domestic normative contexts, as well as reward specific strategies of reform. To continue in a progressive direction of theory development, the varieties of capitalism agenda ought to more seriously consider these and other effects of international institutions on national policy and institutional developments.

The omission of the role of international institutions in shaping national policy and institutional development is not unique to *Varieties of Capitalism*. In fact, it has been a long-standing feature in the comparative political economy of industrialized nations. If they have considered the role of international institutions, most studies have engaged in a similar maneuver to that used by Andrew Shonfield in his landmark study of the origins and evolution of capitalism in post-war Europe. In his classic *Modern Capitalism*, Shonfield briefly noted – only to as quickly justify – the omission of considering the role of international institutions in shaping post-war Europe. Hidden in a footnote, nearly exactly in the middle of the book, Shonfield writes:

There are, of course, other types of machinery, international in character, which have developed since the war ... [*Modern Capitalism*] is, however, concerned with an analysis of national institutions of capitalism; the role of the new international institutions (EEC, GATT, IMF, and others) ... is a large topic which deserves treatment on its own (1965:230, n.16).

As a discipline, comparative political economy has followed Shonfield rather closely. It has omitted the role of international institutions in shaping national policies, institutions, and economic performance. And yet, both historically and in the contemporary setting, international institutions play important roles in shaping national economic strategies.

To some diplomatic historians, economists, and international relations scholars, the exclusion of international institutions from the study of advanced capitalism is a serious omission. In the European context, which is where most work in the *Varieties of Capitalism* vein

has focused, there are several prominent examples. For example, to Alan Milward (1992), the national economic models as we know them post-1945 would not have existed without the life vest offered by the European Economic Communities. Barry Eichengreen (1993) concludes that the European Payments Union, an early multilateral arrangement aimed at ensuring currency convertibility after World War II, represented an “essential concomitant” to domestic reform programs and facilitated the early success for post-war settlements in Europe. John Ruggie's (1978) widely cited characterization of the post-war settlement as a “compromise of embedded liberalism” entails a similar claim. The post-war economies were successful in consolidating several diverse national models, Ruggie argues, because they adopted a form of multilateralism that was complementary to national designs.

The counterfactual that these scholars implicitly raise is whether the absence of these international institutions would have produced the same kind of national economic models and outcomes. Their answer is no. To this group, then, excluding international institutions is much more than an error of omission – it is an error of commission. If this is true for Europe where capitalist institutions have the longest history, then we have no reason to expect things to be different in other parts of the world, especially today when international organizations are heavily involved in shaping both policy and institutional agendas.

Despite the absence in the varieties of capitalism literature of the effects of international institutions on national institutional developments, it is an approach well-placed to take on this challenge. Since it already places the firm at the center of its analysis, it can without particular difficulty be extended to consider the effects of international institutions on firms' policy and institutional preferences. This can be done by modifying the foundations of the societal approach to international political economy, which has long anchored its explanations of international cooperation at the microlevel through explicit theories of firm preferences (e.g. Frieden 1991). However, societal theories of firm preferences rely too strongly on material profiles, and as such they are not equipped to explain why

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firms with similar material profiles that are embedded in different types of market economies vary in their institutional preferences. Varieties of capitalism offers an elegant, even parsimonious, framework that can fill this void. Some efforts exist along these lines in the European context (Fioretos 2001), but future work ought also consider other parts of the world where international organizations have become integral agents in shaping domestic reforms.

One of the more exciting developments in the varieties of capitalism research program is its expansion beyond the European and North American contexts. Scholars now use the framework to study economic development in Latin America and East Asia (Ross Schneider 2004, Haggard 2004). Developments in these regions often take place against a back-drop of regional and global multilateralism. As Dani Rodrik (2002) notes, the feasible set of domestic modernization strategies that are available to developing countries are a function of the multilateral context in which they operate. For example, feasible strategies of economic development under the current WTO system look very different than they did under the early GATT system. One general expectation from the varieties of capitalism literature is that countries with high levels of business coordination are likely to be less positively inclined to adopt the far-reaching versions of the liberal governance models often advocated by international organizations, while countries with low levels of business coordination and less developed systems of industrial relations, finance, and corporate governance will be more likely to embrace, and successfully consolidate, liberal market economy designs.

A more systematic approach to the potential effect of international institutions on domestic developments is needed. That agenda may usefully begin by considering under what conditions international institutions contribute to the consolidation or the undermining of national institutional equilibria. To scholars employing *Varieties of Capitalism*, an answer to this question centers on studying firms' incentives to support or reject specific designs – for example, because they enhance governments' credibility to one set of reforms and institutions – the varie-

ties approach offers a microlevel framework for evaluating the effects of international institutions in domestic settings.

Two brief and disparate illustrations make the general point. Capital adequacy standards have been redefined by international organizations like the OECD, IMF, and BIS and now make it easier for domestic producers to raise capital internationally. One of the consequences of this development is that the incentives for banks and producers to construct the type of long-term relationships that distinguished economic modernization strategies in coordinated market economies a few decades back are lowered significantly. In this case, international institutions serve to undermine modernization strategies aimed at establishing a framework of patient capital. But international institutions may also help economies strengthen weak institutions. For example, attempts by organizations like the ILO and UNDP in developing economies, and the European Union in transition countries, to help local employers and workers overcome market failures in vocational training systems may help firms gain access to employees with company specific skills by enhancing the incentives of firms to commit to a high-skill equilibrium.

How, when, and to what extent international institutions shape trajectories of national developments remain open empirical questions. But if the varieties of capitalism research agenda is to continue to be a central voice in comparative political economy, it must guard against the temptation of excluding the potential role of international institutions in shaping domestic developments. In short, it must avoid transforming its past error of omission into a future error of commission. That we have neglected to consider international institutions may be understood as the effect of historical disciplinary division and specialization. But as this division is steadily questioned and much scholarship is devoted to overcoming the divide, it is important that scholars in the varieties of capitalism vein not shy from the challenge. The temptation of engaging in the Shonfield maneuver is obvious: it is quick, elegant, and possibly rewarded by disciplinary specialization. Resisting this temptation, however, is likely to generate long-term benefits that far outweigh the rewards of employing Shonfield's trick. It also promises to expand the empirical relevance of the varie-

ties of capitalism research agenda and give it renewed theoretical relevance.

Mixed Market Economies

By Óscar Molina and Martin Rhodes

The Varieties of Capitalism (VoC) literature has focused on contrasts between two ideal-types – the coordinated market economy (CME) and liberal market economy (LMEs). While the former is dependent on non-market relations, collaboration, credible commitments and “deliberative calculation” on the part of firms, the essence of the latter is one of arms-length competition and formal contracting, and the operation of supply and demand in line with price signalling. Each has tightly coupled and complementary sub-systems, different logics of interaction and coordination between actors, and distinctive forms of comparative institutional advantage. Their closest real world counterparts are, respectively, Germany and the United States (Hall and Soskice 2001).

Numerous problems in this account are routinely referred to: a preoccupation with institutional resilience and equilibrium; an excessive interest in the firm and a neglect of the “political,” especially at the macro-level; and difficulties in dealing with institutional misfits and contradictions. VoC theory is caught in a trade-off between parsimony and explanatory capacity. It provides high heuristic value-added for analyzing countries with performance-enhancing institutions and well-established patterns of actor interaction and coordination, but deals less well with “deviant” cases which lack reinforcing complementarities.

Nevertheless, focusing on the case of Italy and Spain, we argue (Molina and Rhodes 2006), that VoC theory can illuminate the characteristics and adjustment mechanisms of economies far from the LME or CME ideal types. Following Hall and Gingerich (2004) we refer to these as “mixed market economies,” or MMEs. But three core innovations are needed: a thorough understanding of the logics of collective action in MMEs and the sources of coordination failures; a focus on the changing role of the state; and a fuller exploration of the links between economic adjustment and the broader political system.

If VoC theory is right, the potential for institutional “misfit” and coordination failures is

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especially acute in “mid-spectrum” economies. Indeed, both Amable (2003) and Hall and Gingerich (2004) argue that since they are denied the complementarities of LMEs and CMEs, they will, *ceteris paribus*, under-perform them. Italy and Spain support this contention: low social protection and high employment protection deter investment in specific skills which, in turn prevents industrial upgrading; product market regulation leads to lower competitive pressures; and state-protected bank-industry relations constrain financial markets. Regardless of exceptions in Italy’s competitive industrial districts, the result is a pattern of price-based competition and industrial specialization, and numerous obstacles to a higher-wage/higher-skills development path.

This much we know. But whereas LMEs and CMEs achieve different types of positive equilibrium by perfecting market relations or adapting collective coordination, it is much less clear how and in which direction MMEs adjust. Given competitive pressures and external shocks, will they move towards the LME or CME poles, remain stranded in their “bad-equilibrium” positions or achieve a more positive calibration between apparently incompatible sub-systems?

We begin with collective action. While MME unions and employers are stronger organizationally than in LMEs, they are more fragmented and less well articulated than in CMEs. Accordingly, although they are unable to create autonomous frameworks of coordination, unlike in LMEs they *do* have sufficient power to veto change. This coordination failure has been met in the past by state intervention to provide an alternative form of system governance (Schmidt 2002). Processes of adjustment therefore strongly depend on the gate-keeping role of the state and the capacities of interest organizations. Table 1 and figure 1 summarize these contrasts.

But how is collective action linked to the political system? While MMEs provide few incentives for actors to invest in long-term specific assets, the stronger intervention of the state in MMEs has led them to invest in one specific kind of asset – political power – by forging links

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Table 1: Three Varieties of Capitalism

	<i>CMEs</i>	<i>LMEs</i>	<i>MMEs</i>
<i>Dominant form of coordination of micro-interactions</i>	Autonomous coordination	Market; arms-length interactions	Mixed (autonomous + market) with a higher impact of regulation and state mediation
<i>Source of complementarities</i>	Bottom-up induced	Market-induced coherence across policy arenas	State regulatory change aimed to correct coordination failures
<i>Re-enforcing mechanisms (mechanisms of stability)</i>	High permeability of political system to domestic coalitions	High penetration of policy-making by exogenous economic forces	Gate-keeping role of the state; veto power of domestic actors
<i>Time horizons</i>	Long-term	Short-term Employers: strong and well-organized in sectors	State regulation may perpetuate long-term inefficient equilibria
<i>Investment in specific assets</i>	High	Low	Medium-low
<i>Organizational characteristics of interest associations</i>	Employers: strong and well-organized in sectors Unions: politically strong and well-articulated organizations	Employers: fragmented Unions: strong firm-level, but fragmented and politically weak	Employers: fragmented Unions: politically strong but fragmented and weakly articulated
<i>Role of the state</i>	Enabling: protects collective goods	Minimum state: guarantees the effective functioning of the market	Pervasive state: direct production and regulation + correction of coordination failures
<i>Expected reform coalitions</i>	Cross-class	Producer groups, multinational industrial and financial groups	Class-conflict; fragmented cross-class coalitions (sectoral reform coalitions)

Figure 1: The organizational logic of complementarities in VoC

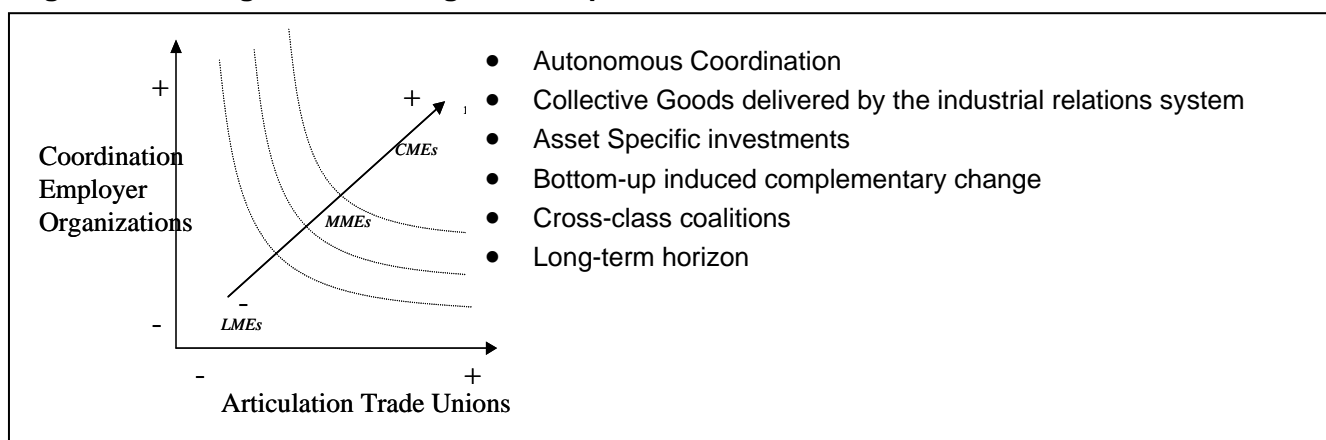
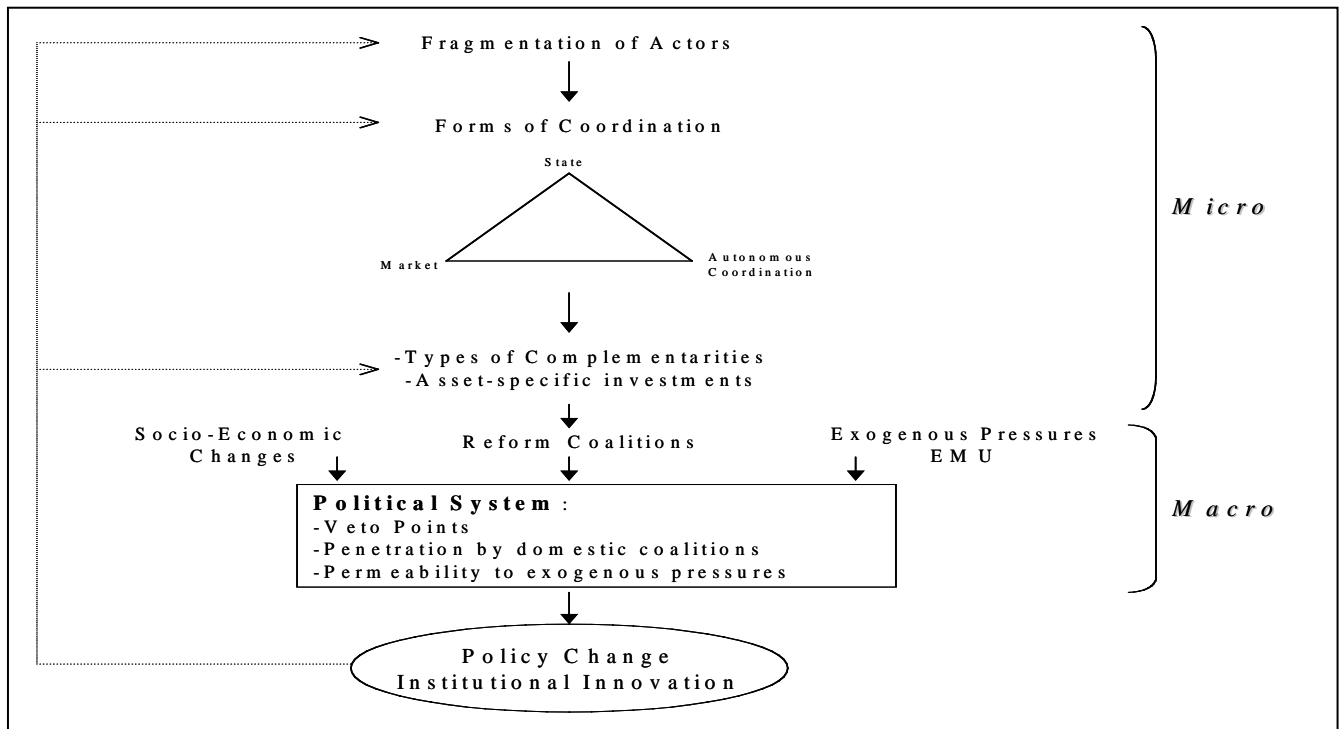


Figure 2: Analytical Framework



with political parties. Dedicated assets between interest groups and parties (e.g., the union as party “transmission belt”) are more likely in proportional (PR) and/or consociational systems because electoral losses are less likely to erase the value of the investment. Westminster/majoritarian systems limit incentives to create assets dedicated to one political party because winners monopolize payoffs (Pierson and Trowbridge 2002). Amable’s (2003) conception of a two-tier or nested game provides a useful way of understanding the links between the macro and micro political levels. The two-tiered, framework we propose is illustrated in figure 2.

At the micro level, the relevant variables are the fragmentation of interest associations and state intervention. Consequent coordination problems create an obstacle to the autonomous provision of collective goods. Fragmentation also impedes the consolidation of a stable framework for integrating social partners into the policy-making system. The absence of strong ties between the micro/meso and macro levels in the system makes it difficult to develop cross-system complementarities.

The macro features of the political system become critical for explaining the *dynamics* of system change, i.e. recalibrating state, market and autonomous coordination, and the direc-

tion of adjustment paths. These dynamics will differ markedly from MMEs with heavy-veto-laden PR systems (e.g., Italy) to those with more competitive majoritarian systems (e.g., Spain). We can hypothesize that while change in the first will be incremental and more disposed to coordinated solutions, in the latter the withdrawal of the state is more likely to be replaced by the market.

Our case analysis reveals the following. While the state still plays a greater role in MMEs, its role has changed substantially, though to different degrees. Privatization and liberalization have gone furthest in Spain, particularly in social protection and in labor and financial markets. Shifts in the triangle of state, associations and market have been determined by the capacity of economic actors to fill the consequent regulatory vacuum. In this respect, Spain resembles France rather than Italy to the extent that labor weakness has allowed firms (in the form of a “capital coalition” of foreign and domestic companies and financial institutions) to push through more liberal reforms. What explains this difference? Compared to Italian PR system, the Spanish system provides fewer opportunities for unions to veto policies. This fact also helps explain why concertation has been so

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critical in the Italian case for socio-economic reform – and why reform stalls so badly when concertation is unachievable. In Spain, it still makes sense for unions to try impose their vetoes on those areas where they enjoy other power resources than simply political leverage; after all, they still have a relatively high capacity for mobilization and the threat of conflict is a credible one. Hence, concertation in industrial relations and on labor market issues is still a win-win solution for both employers and unions when it can be achieved, but the power of unions within concertation is more constrained than in Italy.

A key consequence of these union power differentials between the two countries regards the externalization of adjustment costs. In Spain these have to a large extent been borne by workers, and much less by firms and the state itself. By contrast, and reflecting the greater veto powers of the labor movement and its political allies, Italian policies have diminished the direct impact of adjustment on labor and the state budget has instead assumed these costs, which, in turn, have translated into higher social contributions for both employers and employees.

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These changes are important, in turn, for understanding the nature of complementarities and direction of change in these systems. In Spain, there has been a high degree of specialization in labor intensive, low-technology intensity production, and successive waves of liberalization and state retrenchment have reinforced sub-system complementarities in an LME direction, even if an undeveloped stock market and a relatively well-organized collective bargaining system, compounded by some still very rigid labor market rules, continue to distance it from the LME ideal-type. The picture is quite different in Italy where only recently have there been real attempts to liberalize factor and product markets. State resilience has meant the maintenance of a wide range of instruments - both regulatory and financial – of non-market coordination. As a result, the institutional incompatibilities found in the Italian protection-production nexus have not been modified substantially over the last twenty years.

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The 2005 German Election: What to Expect from the Grand Coalition

By Dorothee Heisenberg

Germany's September 18, 2005 Federal election may prove to be an important marker in German history. Called by Chancellor Gerhard Schröder a year before it was due, the election brought about a new party and only the second grand coalition in Germany's postwar democracy. Apart from the historic "firsts" that commentators have remarked on—Angela Merkel, the first woman chancellor, as well as the first from the eastern Länder—there is hope the new grand coalition between Social and Christian Democrats may eventually be able to break out of the "joint decision trap" that Fritz Scharpf (1976) first identified in German politics. Many analysts have attributed Germany's economic malaise to this trap, which allows reform opponents to use multiple veto points to perpetuate a dysfunctional status quo. With the new SPD-CDU/CSU grand coalition the possibility exists that Germany could tackle some of its more intractable problems and revitalize the economy.

When Schröder called the election in May of 2005, it was an admission that he was in a weak position. He had lost the support of the left wing within the SPD by implementing moderate labor and economic reforms. The election in North Rhine-Westphalia had been the latest in a string of Land election defeats, and although Schröder had made the economy his prime concern, the number of unemployed rose to 5 million during his term, and his reforms antagonized his main political base.

In June, the left wing of the SPD broke away under the leadership of Oskar Lafontaine and joined with the former East German reformed socialist party, the PDS, to create a new party, the Linkspartei, or Left Party. Effectively, this brought out into the open a longstanding internal SPD party fight between those who believed labor reforms were the remedy for German economic malaise, and those who thought the business sector was to blame. The SPD leaders had tried for 4 years to straddle that divide, but the contradictions of the party's legislative agenda and its union base finally caused the split.

The creation of the Linkspartei was an indication of the PDS's likely staying power in national politics. In the post-unification elections

it had received seats in the Bundestag by winning 3 individual districts outright. The merger with the disaffected SPD members in the western districts, however, puts the party on much surer footing, and makes it less of a special interest party of mostly nostalgic eastern voters. Although both the SPD and the CDU/CSU ruled out a coalition with the Linkspartei before the election, the Linkspartei was quite successful and it came to exceed the Greens in the poll.

When Schröder called the early election, the CDU/CSU was unprepared to fight an election. In 2002, the CSU leader Edmund Stoiber, who had beaten CDU leader Merkel for the opportunity to run against Schröder, lost the general election. In 2005, many in the combined party were against putting a woman from the east up to run against Schröder, but Merkel was able to assert herself within the party and she quickly became both the candidate and the election frontrunner. Her governing style of negotiating in private and achieving consensus proved important in getting the nomination of her party as well as in the later coalition talks.

Aside from minor differences in foreign policy between the SPD and CDU/CSU platforms (Merkel suggested Turkey be offered privileged partnership instead of membership in the EU, and that she would take a more critical line with Russia's President Putin), the main differences between the two parties related to the German economy. However, Merkel was no Thatcher, and the conservatives' restructuring ideas were moderate by international standards. For the past 15 years, economists of all political stripes have agreed that a major source of employment disincentives was the legacy of funding unemployment and health care benefits out of wages instead of the general taxation, thus adding a significant non-wage expense to each employee's labor costs. Similar agreement among economists could be found in the dislike of the sector-wide minimum wage that has been a hallmark of the German economy but that did not consider firm or sector productivity in wage setting. Finally, there was cross-party agreement on the need to change German federalism. In particular, there is broad agreement on enhancing the incentives for Länder to manage their states in a fiscally sound manner, and on limiting the veto rights of Länder presidents over

legislation that impact state competences. In 2004 there had almost been agreement on changes to federalism (negotiated in a commission headed by CDU party chairman Franz Müntefering and Stoiber) but the issue of education reform thwarted the negotiation of a single program (Gunlicks 2005). Finally, the Christian Democrats themselves did not favor radical reductions in the generous social welfare provisions. Thus the CDU/CSU platform was not in complete opposition to the SPD positions.

Schröder's appeal to the electorate was more pragmatic: having lost his hard-left base to the Linkspartei, he promised reform with a heart. SPD voters were skeptical, not least because the Agenda 2010 reforms had been badly implemented. However, Schröder was a much more telegenic campaigner than Merkel, and German pundits worried that German elections were becoming more personalistic and American in nature. The CDU/CSU, which had taken a commanding 22% lead in the opinion polls in June, saw Merkel's lead drift downward throughout the summer. One of the biggest drops in her popularity was caused by her naming Paul Kirchhof, a former judge who favored a flat tax, as potential finance minister in her government. The SPD pounced on this choice as demonstrating the dangerous neoliberal economic ideas that CDU/CSU secretly harbored.

Table 1: Election Results, 2002 and 2005
 (* 2005 Allensbach poll results, 10-15 Sept.,
Frankfurter Allgemeine Zeitung)

	2002	2005 (last poll before election *)
SPD	38.5	34.2 (32.5)
CDU/CSU	38.5	35.2 (41.5)
Greens	8.6	8.1 (7)
FDP	7.4	9.8 (8)
Linkspartei (PDS in 2002)	4.0	8.7 (8.5)
Others	3.0	4.0
Turnout	79.1	77.7

The final poll before the election showed Merkel getting almost 42% of the vote. The CDU/CSU actual share of the final vote, approximately 35%, was considerably less than what voters had told pollsters a week before the vote. Coupled with the worst voter turnout in postwar German elections, one might guess that core CDU/CSU voters in particular did not show up as planned, or did not vote as they had said they would. Having a woman candidate was likely difficult for some core Conservative voters, and a sexist bias would not necessarily show up in opinion polling.

The election results brought further uncertainty. Since the result was so close, there was a small chance that a special election in a district in Dresden on October 2 could be relevant to the final outcome. Moreover, even though both parties again repudiated the Linkspartei, alternative arrangements with exotic names like the "Jamaica coalition" (CDU/CSU-FDP-Greens) and the "traffic light coalition" (SPD-FDP-Greens) were contemplated in an effort to avoid a grand coalition.

When the new grand coalition government was sworn in on November 22, many of the more divisive issues had been set aside or watered down during the coalition negotiations. Nonetheless, during the coalition negotiations Merkel proved herself able to bring together important members of both the SPD and CDU/CSU despite walkouts by senior party officials Müntefering (who later decided to serve as Vice Chancellor of the cabinet) and Stoiber. The final coalition of 8 SPD and 8 CDU/CSU ministers is fairly centrist and involves younger party members than the outgoing SPD-Green coalition (average age 55 to Schröder's 60).

The coalition agreement paired pain for both parties' voters, including an increase in income taxes for the wealthy and an increase in the time allowed to fire a worker from 6 months to two years. There is agreement that the budget deficit should be a priority, as well as refinancing of the health care costs out of general revenues rather than employee contributions. Thus some compromises have already been made. It is likely that these will not be enough to completely revitalize the German economy, but opinion polls of both ordinary Germans and businessmen in December show a rising optimism that 2006 will be the year the economy finally turns around. Since lack of do-

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mestic consumption has been one of the factors economists believe has held back recovery so long, the new German optimism might work in the coalition's favor by speeding recovery and allowing the coalition more leeway in making difficult decisions.

Both parties recognize the need for economic reform, but neither is willing to do so at the cost of a huge electoral black eye. A grand coalition allows the two main parties to undertake the necessary changes without giving the opposition the opportunity to exploit interest group anger. The grand coalition can potentially also eliminate the gridlock of having the Bundesrat veto legislation.

Of course, the smaller parties will try to make political hay from the collusion between the large parties. In the end, however, small parties will continue to need one of the big two. Thus, if public anger at reform is attached to both of the large parties, it can be electorally

diffused. There are other possible outcomes (e.g. anger at grand coalition results causes voters to turn to extremist parties) but these outcomes are less likely in a period of economic growth. Hopefully a virtuous circle will finally be created so that when the coalition breaks apart, the economy will have turned the corner.

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Call for Nominations, APSA/EPS Prizes 2006

Call for Nominations: Best Book on European politics and society published during 2005.

Deadline: March 1, 2006

The Section's *Prize for Best Book published on European Politics and Society* during 2005 will be awarded by a committee consisting of Jeffrey Anderson, Frank Schimmelfennig, and Craig Parson. Books to be considered for this award must be nominated by the publisher by March 1, 2006 (we cannot accept self-nominations). Please send a letter of nomination and one copy of the book to each committee member. For inquiries, please contact Professor Jeffrey Anderson (jj5@georgetown.edu).

Prize committee:

Professor Jeffrey Anderson (chair), BMW Center for German and European Studies, Georgetown University, ICC-501, Washington DC 20057-1022. Email: jj5@georgetown.edu

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Call for Nominations: Ernst B. Haas EPS Prize for the Best Dissertation on European Politics and Society of 2005

Deadline: March 1, 2006

The Section's Prize for the *Ernst B. Haas Best Dissertation* on European Politics and Society filed during 2005 will be awarded by a committee consisting of John Keeler, Sheri Berman, and Mitchell Orenstein. To be considered for this award, a dissertation must be nominated by

the chair of the department in which it was defended (again, we cannot accept self-nominations). Letters of nomination and a copy of the dissertation must be sent to the chair and to the members of the award committee and must be postmarked on or before March 1, 2006. For inquiries, please contact John Keeler (keeler@u.washington.edu).

Prize committee:

· Professor John Keeler (chair), Political Science, University of Washington, 101 Gowen Hall, Box 353530, Seattle, WA 98195. Email: keeler@u.washington.edu

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Call for Nominations: Best Paper on European Politics and Society presented at 2005 APSA Meetings

Deadline: March 1, 2006

The Section's prize for the best paper on European politics and society presented at the 2005 APSA meetings will be awarded by a committee consisting of Robert Cox, Harvey Feigenbaum, and Alice Cooper. Any paper presented at the 2005 meetings that deals with European politics and society may be nominated for this award. Nominations (a brief note of nomination as well as a copy of the paper itself) should be sent to each of the three committee members, either electronically or in hard copy, and must be received by March 1, 2006. Inquiries can be directed to Robert Cox (rhcox@ou.edu).

Prize Committee:

· Professor Robert H. Cox (chair), School of International and Area Studies, Oklahoma University, 729 Elm Ave, Room 116, Norman, OK 73019-2105. Email: rhcox@ou.edu

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· Professor Alice Cooper, Department of Political Science, University of Mississippi, Oxford, MS 38677. Email: acooper@olemiss.edu

Please advertise these opportunities in your department. The prizes will be awarded at the Business Meeting of the European Politics and Society APSA Section at next year's APSA meeting in Philadelphia.

The Claremont-UC Undergraduate Research Conference on the European Union, April 6 and 7, 2006

Deadline: March 6, 2006

Undergraduate students of the University of California system (Berkeley, Davis, Irvine, Los Angeles, Riverside, San Diego, San Francisco, Santa Cruz, Santa Barbara) and the Claremont Colleges are encouraged to submit applications and paper proposals that enhance their training in and knowledge of the European Union and US/European relations. Having completed individual projects, students from each participating institution and their faculty mentors will gather for an interactive conference focusing on European issues and student research. Other campuses are invited to submit applications also, although, preference will be given to applicants from the UC system and the Claremont Colleges.

Students may pursue a wide range of topics that reflect their interest, expertise, and past research. Topics may deal with, but are not limited to, the following issues: defining sovereignty and the role of the state in the European Union; constitution for the European Union; institutional reform; immigration policy; minority issues; enlargement and Turkey; nationalism and politics of the right; transatlantic relations and the war in Iraq.

Application deadline: March 6, 2006. Early appli-

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APSA/EPS News and Announcements

Call for EPS Syllabi

One of the EPS Section's most popular features has long been the syllabus bank collected by the section and made available on the Section's website. During the coming months, we will seek to augment the thirteen syllabi already in that bank with selected syllabi for courses on European politics (East and West), the European Union, and specific European countries at the undergraduate and graduate level. We invite members to submit syllabi for possible inclusion in the section's on-line collection.

In keeping with the broad scope of the EPS Section, we welcome syllabi on any geographic area within Europe, including general European courses; courses focusing on Western or Eastern Europe or the European Union, respectively; country-specific courses (existing examples include Germany, France, and Russia); and thematic courses on topics such as citizenship, the welfare state, political economy, parties and elections, and democratic transitions.

The selection committee consists of Mark Pollack (Temple University; mark.pollack@temple.edu), Anna Grzymala-Busse (University of Michigan; abusse@umich.edu), and Leonard Ray (Louisiana State University; lray2@lsu.edu). All syllabi may be sent as attachments (ideally in Word or rtf format) to the members of the committee.

Member Discounts on Journals, Books, and Other Instructional Materials

The *Scholar Saver*, a joint publication of the American Political Science Association and the American Historical Association, is a members-only catalog of discounted journals, books, and instructional materials of special interest to historians and political scientists, is available to members of both associations. Europe-related titles available at a discount include *Comparative Politics*, *Comparative European Politics*, *Comparative Political Studies*,

European Journal of Political Research, *European Political Science*, and *French Politics*. For a full list of Scholar Saver journals and prices, logon to MyAPSA at <http://www.apsanet.org/member/> and click on the "Scholar Saver" link.

APSA Centennial Center for Political Science & Public Affairs Visiting Scholars Program

The American Political Science Association recently opened the Centennial Center for Political Science & Public Affairs in its headquarters building in Washington. As part of its programs, the Centennial Center assists scholars from the United States and abroad whose research and teaching would benefit from a stay in and access to the incomparable resources available in the nation's capital. The Center provides Visiting Scholars the infrastructure needed to conduct their work, including furnished work space with computer, phone, fax, conference space, and library access.

The Center has space to host 10 scholars for extended periods of time, ranging from weeks to months. Space for shorter "drop-in" stays is also available. Scholars are expected to pursue their own research and teaching projects and contribute to the intellectual life of the residential community by sharing their work with Center colleagues in occasional informal seminars.

Eligibility is limited to APSA members. Senior or junior faculty members, post-doctoral fellows, and advanced graduate students are strongly encouraged to apply. A short application form is required and submissions will be reviewed on a rolling basis. Positions are awarded based on space availability and relevant Center programming.

For more information and an application please visit the Centennial Center web site www.apsanet.org/centennialcenter or call Sean Twombly at 202.483.2512.

Nominate 2006 APSA Committees and Council

Deadline: January 13, 2006

Member nominations are being sought for a number of committees and candidates for 2006 Council and offices. Nominations will be accepted until Friday, January 13, 2006.

Robert Axelrod, APSA president-elect, seeks nominations from APSA members for a number of standing and award committees. View the committees that require new appointments for terms beginning September 2006 online at: http://www.apsanet.org/content_2623.cfm. Nominations for committees should be sent to Rebecca Myers by email (rmyers@apsanet.org) or by mail to Rebecca Myers, Committee Nominations, APSA, 1527 New Hampshire Avenue, NW, Washington, DC 20036-1206.

The APSA Nominating Committee welcomes your suggestions for candidates for 2006 Council seats and offices. This year, eight Council seats, three vice-presidencies, and the offices of president-elect and secretary are open. Council members serve two-year terms.



Forum References ...continued from page 15

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- Whitley, Richard. 1999. *Divergent Capitalisms: The Social Structuring and Change of Business Systems*. Oxford: Oxford University Press.

Call for APSA Small Research Grant Proposals

Deadline: February 1, 2006

The APSA Small Research Grant Program supports research in all fields of political science. The intent of these grants is to support the research of political scientists who are not employed at PhD granting institutions and to help further the careers of these scholars. Grant recipients in the last five years have published over 12 books, 16 refereed articles, 8 book chapters, many working papers, and a large number of conference presentations. Others are still working on book, article, and conference projects and many recipients report great benefits for their students. Students have co-authored projects, worked as research assistants, and benefited through the professors' classroom use of their research. Many recipients also were able to use the APSA grant as seed money to get additional funding. The deadline for submissions is February 1, 2006. For more information, visit the Small Research Grant Program page of the APSA website at http://www.apsanet.org/section_509.cfm.



Call for Nominations ...continued from page 19

cations are encouraged as space may fill up fast. Applications will be considered on a first come first serve basis. Applications will be accepted from schools (group applications) and individual students. Registration materials are available on the EU Center website: www.eucenter.scrippscol.edu. For more information contact the European Union Center of California, Scripps College, 1030 Columbia Avenue, Claremont, CA 91711-3948. Tel: (909) 607-8263. E-mail: tecenter@scrippscol.edu.

European Studies News and Notes

European Studies Conferences and Calls for Papers

Fifteenth International Conference of Europeanists Chicago, 29 March – 2 April 2006

The Council for European Studies will hold its fifteenth Biennial Conference of Europeanists at the Drake Hotel in Chicago, Illinois, 29 March – 2 April 2006. For more information, see the Council's website: <http://www.europanet.org/conf/conf.html>.

Call for Papers: UACES 2006 Annual Research Conference

UACES Annual Research Conference, Limerick, Ireland (31 August – 2 September 2006). The conference theme is "Visions of Europe: Key Problems, New Trajectories", with plenary sessions on "Communicating Europe with the Citizen," "The View from Other Global Regions," and "Which Trajectories for Europe?" The keynote address will be given by John Bruton, the EU's 'ambassador' to the US. Paper proposals on any EU issue in any social science will be considered, although preference will be given to panel proposals. Further details about how to apply are available via the UACES web page, www.uaces.org.

Conference: Islam in the European Public Sphere, 27-28 January 2006

This conference, hosted by the Center for the Study of Europe Brigham Young University, aims to advance our understanding of the role of Islam in the European public sphere. The conference organizers (Wade Jacoby of BYU and Hakan Yavuz of the University of Utah) have invited original papers for presentation at a conference to be held at BYU in Provo, Utah. Selected papers will be considered for publication in a special issue of the Journal of Muslim Minority Affairs. The workshop panels will take the following set of questions and themes as points

of departure within the context of different European countries: 1) Under what conditions does Islam become a source of group identity, political mobilization, or resistance in the European context? 2) Which European public realms (e.g. the state, political society, civil society) are most effectively utilized by religious groups to participate in public debates? 3) How do religious institutions (or the lack thereof) affect governance structures at local, national, and supra-national levels in Europe, and how (if at all) do Muslims operate within such institutions? 4) How do the EU institutions and decision-making mechanisms shape the particular form of church-state relations in European societies? 5) How is the tension around European Muslims perceived by other religious groups? What is the impact of this interaction on religious life in general and social harmony in Europe? Is there a counter-mobilization of the part of other religious groups (like the European evangelical or Catholic communities)? 6) What are the policy implications for domestic security, political economy, religious freedom, and civil liberties? A second conference is planned for 2007-08, and scholars with work related to these themes are invited to contact CSE at wade.jacoby@byu.edu.

31st Annual European Studies Conference University of Nebraska, 5-7 October 2006

The 31st Annual European Studies Conference, sponsored by the University of Nebraska at Omaha, brings together individuals diverse in disciplines, but united in their interest in the area between the Atlantic and the Urals. Interdisciplinary panels, workshops, plenaries, and performances bring perspectives and insights that have earned the conference a reputation for high academic quality. The conference will be held October 5-7, 2006. For more information, contact: Tatyana Novikov, Conference Coordinator, Department of Foreign Languages, ASH 301, University of Nebraska-Omaha, Omaha, NE 68182, tel.: (402)554-4840, european@unomaha.edu, www.unomaha.edu/esc.

European Consortium for Political Research Conferences

The European Consortium for Political Research will hold a series of conferences during 2006-2007, including:

- 2006 Joint Sessions, 25-30 April, Nicosia, Cyprus;
- ECPR's 1st Graduate Conference, 7-10 September 2006, Essex, UK; and
- 2007 Joint Sessions, 7-12 May 2007, Helsinki, Finland.

For information on these and other ECPR-sponsored events, see <http://www.essex.ac.uk/ecpr/events/index.asp>.

ECPR Summer School for Methods & Techniques, 7-18 August 2006

The European Consortium for Political Research (ECPR) introduces a new summer session in Methods and Techniques that will occur from August 7-18, 2006. The curriculum will cover introductory and intermediate courses in both quantitative and qualitative methods. If you are a social science graduate student -- either at Master's or PhD level - and you wish to complement your in-house methodological training with an ECTS accredited two-week intensive course hosted at a spirited University in a scenic area, consider the ECPR Summer School in Methods and Techniques in Ljubljana. For more information, please visit <http://www.ecprnet.org> or <http://www.essex.ac.uk/ecpr/events/summerschools/ljubljana/index.aspx>

Penn-Temple European Studies Colloquium Established

The University of Pennsylvania and Temple University announce the establishment in Fall 2005 of the Penn-Temple European Studies Colloquium (PTESC), established to promote the study of Europe in the Delaware Valley. PTESC aims to build an active scholarly community in the region with regular opportunities for the exchange of ideas and research, and welcomes the participation of scholars from all post-

secondary institutions in the Delaware Valley. Scheduled speakers for Spring of 2006 include Daniel Ziblatt (Harvard University), Victoria DeGrazia (European University Institute), Josh Tucker (Princeton University), Juan Diez Medrano (Universitat de Barcelona, Spain), Mary O'Sullivan (Penn), and Mark Kesselman (Columbia University). For more information see the PTESC website: <http://www.ptesc.ssc.upenn.edu>.

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Wade Jacoby (Brigham Young University)

EPS Website
<http://www.apsanet.org/~ep/>



Newsletter of the European Politics & Society Section of the American Political Science Association

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