

POLITICS 372:**Political Economy of Western Europe**

Fall 2005

Instructor:

Jonas Pontusson
230 Corwin Hall
258-4764

jpontuss@princeton.edu

office hours: Tuesdays 2-4:00 p.m.

Note: I will be in my office regularly during office hours, feel free to drop by; to avoid waiting, sign up at <http://www.princeton.edu/soh?netid=jpontuss>.

Preceptor:

Jennifer Lieb

jl Lieb@princeton.edu

office hours: Mondays 4-5 and Fridays 2-3, location tba.

Readings:

- The following books are available for purchase at the campus store (one copy on reserve as well):

Peter Hall, *Governing the Economy*

Peter Hall and David Soskice, eds., *Varieties of Capitalism*

Vivien Schmidt, *The Futures of European Capitalism*

Gøsta Esping-Andersen, *Three Worlds of Welfare Capitalism*

Geoffrey Garrett, *Partisan Politics in the Global Economy*

Kathleen McNamara, *The Currency of Ideas*

- The reading assignments marked by an asterisk (*) are available under “Course Materials” at <http://blackboard.princeton.edu>.

- All other reading assignments are available on electronic reserve (<http://lib-terminal.princeton.edu/ereserves/logon.asp>). The user ID for electronic reserve is “pol372” and the password is “western” (all in lower case!).

Requirements (components of final grade):

- 1). Participation in lecture and precept (20%)
- 2). Take-home mid-term exam (20%)

Essay questions will be handed out in class on 10/25 (posted on Blackboard immediately after class); typed hard copies due in class on 10/27. 3 out of 4 questions, max 3 double-spaced pages per question.

- 3). Take-home final exam (35%)

Essay questions will be posted on Blackboard on 1/17; typed hard copies due in preceptor's mailbox on 1/23. 3 out of 4 questions, max 5 double-spaced pages per question.

- 4). Research paper (25%)

Due on 1/17 (preceptor's mailbox), this paper should explore some topic related to the themes of the course, drawing on your own research. The paper should not exceed 15 double-spaced pages (including notes and bibliography). The paper should advance an explanatory argument and present evidence in support of the argument. You should discuss the topic with your preceptor. One-paragraph paper proposals are due on 11/10.

Week 1

9/15 Introduction

Week 2

9/20 Varieties of Capitalism

Peter Hall, *Governing the Economy*, ch. 9 [30]

Peter Hall and David Soskice, "Introduction" in Hall and Soskice, eds., *Varieties of Capitalism*, 1-69 [68]

*Jonas Pontusson, *Inequality and Prosperity*, ch. 2 [19]

9/22 Is there are trade-off between egalitarianism and growth?

*Pontusson, *Inequality and Prosperity*, chs. 3-4 [50]

Week 3

9/27 Distinctive features Britain as the first industrializer

Hall, *Governing*, chs. 2-4 [75]

9/29 Thatcher era: Breaking the Mould?

Hall, *Governing*, ch. 5 [36]

Will Hutton, *The State We're In*, chs. 6-7 [60]

Meghnad Desai, "Debating the British Disease," *New Political Economy*, v. 1, no. 1, 1996, 79-93 [14]

Vivien Schmidt, *The Futures of European Capitalism*, 148-164 [16]

Week 4

10/4 The "social market economies" of Germany and Sweden

Wolfgang Streeck, "German Capitalism" in Crouch and Streeck, eds., *Political Economy of Modern Capitalism*, 33-54 [20]

Pontusson, "Between Neo-Liberalism and the German Model" in Crouch and Streeck, 55-70 [15]

10/6 Banking and industry in Germany

Richard Deeg, *Finance Capitalism Unveiled*, ch 3 [50]

Schmidt, *Futures*, 165-182 [15]

Week 5

10/11 State-led capitalism in France

Hall, *Governing*, chs 6-7 [50]

10/13 A new French model?

Hall, *Governing*, ch. 8 [34]

Bob Hancké, “Revisiting the French Model” in Hall and Soskice, 307-334 [27]

Schmidt, *Futures*, 182-204 [22]

Week 6

10/18 Finance and corporate governance

Sigurt Vitols, “Varieties of Corporate Governance” in Hall and Soskice, 337-360 [33]

Mary O’Sullivan, “The Political Economy of Comparative Corporate Governance,”
Review of International Political Economy 10 (2003), 23-72 [50]

10/20 European regulation, European capitalism?

Schmidt, *Futures*, chs. 1-2 [90]

“Survey of European business,” *Economist*, April 29, 2000 (**HANDOUT**) [25]

Orfeo Fioretos, “The Domestic Sources of Multilateral Preferences” in Hall and Soskice,
213-244 [30]

Week 7 (mid-term week)

10/25 Review: Globalization and varieties of capitalism

Soskice, “Divergent Production Regimes” in Kitschelt *et al*, eds., *Continuity and Change
in Contemporary Capitalism*, 101-135 [35]

Schmidt, *Futures*, ch. 3 [40]

10/27 Looking ahead: role of labor in the political economy

Week 8

11/8 Wage bargaining

*Pontusson, *Inequality and Prosperity*, ch. 5 [20]

Geoffrey Garrett and Christopher Way, “Public-Sector Unions, Corporatism and Wage
Determination” in Iversen, Pontusson and Soskice, eds., *Unions, Employers and Central
Banks*, 267-291 [24]

Pontusson and Peter Swenson, "Labor Markets, Production Strategies and Wage Bargaining Institutions," *Comparative Political Studies*, vol. 29, no. 2 (1996), 223-250 [27]

11/10 Employment protection, training and labor relations at the firm level

*Pontusson, *Inequality and Prosperity*, ch. 6 [23]

Kathleen Thelen, "Varieties of Labor Politics" in Hall and Soskice, 71-103 [30]

Week 10

11/15 The public provision of social welfare

Gøsta Esping-Andersen, *Three Worlds of Welfare Capitalism*, chs. 1-3, 5, 8 [140]

*Pontusson, *Inequality and Prosperity*, ch. 7 [34]

11/17 Alternative interpretations of welfare states

Estevez-Abe, Iversen and Soskice, "Social Protection and the Formation of Skills" in Hall and Soskice, 145-184 [40]

Week 11

11/22 Trends in distribution and redistribution

*Lane Kenworthy and Jonas Pontusson, "Rising Inequality and the Politics of Redistribution in Affluent Countries," *Perspectives on Politics* [25]

Week 12

11/29 Globalization and partisan politics I

Geoffrey Garrett, *Partisan Politics in the Global Economy*, chs. 1-4 [105]

12/1 Globalization and partisan politics II

Garrett, chs. 5-6 [55]

*Hyeok Kwon and Jonas Pontusson, "The Rise and Fall of Government Partisanship: Dynamics of Social Spending in OECD countries 1962-2000" [30]

Week 13

12/6 European integration and macro-economic management

Kathleen McNamara, *The Currency of Ideas* [175]

12/8 European integration and social policy

Stephan Leibfried and Paul Pierson, "Social Policy" in Helen Wallace and William Wallace, eds., *Policy-Making in the European Union* [40]

Week 14

12/13 Are welfare states in decline?

Pierson, "Coping with Permanent Austerity" in Pierson, ed., *The New Politics of the Welfare State*, 410-456 [46]

Walter Korpi and Joakim Palme, "New Politics and Class Politics," *American Political Science Review*, vol. 97 (2003), 425-446 [21]

*Pontusson, *Inequality and Prosperity*, ch. 8 [20]

Stewart Wood, "Labour Market Regimes under Threat?" in Pierson, 368-409 [41]

12/15 Summation