

Collegio Carlo Alberto
MAPS
Academic Year 2014-15
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Varieties of Global Capitalism

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Course Outline

This course has the following goals: 1) Introduce the building blocks of the Varieties of Capitalism perspective by contrasting it with previous theoretical frameworks in comparative political economy, especially corporatism. 2) Reconstruct the evolution of the debate on the diversity vs. commonality of capitalism, and on institutional change and liberalization. 3) Analyze the determinants of the current financial and economic crisis and discuss what the crisis reveals about the nature and trajectory of contemporary capitalism; introduce an alternative theoretical framework on capitalist commonality and variety: the growth models perspective. 4) Examine the economic foundations of the Eurocrisis and its political and social consequences (e.g., impact on democratic legitimacy and on labor market and social protection systems).

Structure of Class

The course is organized in four sessions, each composed of two (related) units. The class will have a seminar format, which implies that active student involvement is expected. For each unit there will be three required readings which will provide the bases for class discussion (6 required readings in total per class). We will examine the articles in detail, including by analyzing the methods used and scrutinizing the solidity of empirical results; therefore in-depth reading is in order. Individual students will be asked to write short memos on each required text (see below for more details), to circulate them before class, and to present them briefly in class (in 10 minutes max.). All students are required to read all assigned articles before class and be prepared to discuss them in class. To guide the discussion, questions will be circulated in advance (see below for the first class).

Requirements & Evaluations

Some parts of the course presuppose familiarity with basic macroeconomic and econometric concepts, at the level of intermediate bachelor-level courses. Students who feel they lack this preliminary knowledge should consult the instructor for remedial action.

The grade will be based on the following criteria:

- 1) Final in-class exam: you will be asked to provide written answers to three essay questions. The exam is closed book (50 percent of the grade).
- 2) In-class participation (30 percent).
- 3) Two memos per students analyzing one required reading each. The memos will be of max. 1,000 words and will be distributed to the other students and the instructor by email at least two days before class. The memos will have the following structure: a) summary of the general argument (approximately 25 percent of text); b) analysis of the methodological approach, supporting evidence, and discussion of results in the case of empirical articles, or analysis of arguments, causal relationships, and mechanisms in the case of theoretical pieces (approximately 50 percent of text); c) questions, themes for discussion, critiques, or ideas for future research (approximately 25 percent of text).

Course Content

*The # sign indicates that the reading presupposes familiarity with econometrics; the * sign indicates a reading presupposing basic macroeconomic knowledge.*

Class 1: Feb. 14, 2015

The VofC Perspective in Comparative Political Economy

The Variety of Capitalism Theory

Required:

Soskice (1999)
Streeck (1991)
Estevez-Abe, Iversen and Soskice (2001)

Recommended:

Goldthorpe (1984)
Esping-Andersen (1990)
Hall and Soskice (2001)

Questions for general discussion:

- 1) What is Diversified Quality Production? What particular supply-side institutions are required for DQP to be viable? In what ways do institutions provide 'enabling constraints' for firms?
- 2) In what ways are a liberal market economy (LME) and a coordinated market economy (CME) two different institutional equilibria? What is meant by 'institutional equilibrium'? What are the basic features of the two types? How do LMEs and CMEs respond to the shocks of globalization? Is there institutional convergence both across and within different varieties of capitalism?
- 3) Why do scholars need to shift from a "politics against market" approach (Esping-Andersen) to a "politics for markets" one according to the Varieties of Capitalism approach? How do labor market institutions (employment protection, unemployment insurance, industry-level collective bargaining) contribute to investments in different types of skills and human capital?

Shifting Focus: from Unions to Firms

Required:

Pizzorno (1978)
Swenson (1991)
Korpi (2006)

Recommended:

Cameron (1984)
Swenson (2002)
Hacker and Pierson (2002)
Culpepper (2014)

Questions for general discussion:

- 1) What is “political exchange”? Who are the main actors of political exchange in a corporatist system and the main terms of the exchange? Is political exchange a central feature of the VofC perspective? Why (not)?
- 2) What is Swenson’s argument about the determinants of centralized bargaining in Sweden and Denmark? How do these determinants differ from standard corporatist theory? What does Swenson’s argument imply for the study of capitalist systems?
- 3) What is Korpi’s critique of the VofC/business preference literature? Is his critique well-founded in your opinion?

Class 2: Feb. 28, 2015

The Evolution of Capitalism(s) and Institutional Change

Early Critiques of VofC and Responses

Required:

Streeck and Thelen (2005)
Glyn (2006: chapters 2 & 3)
Hall (2007)

Recommended:

Howell (2003)

From Varieties of Capitalism to Varieties of Liberalization

Required:

Streeck (2010)
Baccaro and Howell (2011)
Thelen (2014: chapter 1)

Recommended:

Palier and Thelen (2010)
Thelen (2011)

Class 3: March 7, 2015

The Current Crisis and the Growth Models Perspective

Determinants of the Crisis

Required:

Iversen and Soskice (2012)*
Krugman (2009: chapters 7 to 10)
Stockhammer (2013)*

Recommended:

Stiglitz (2009)

Rajan (2010)
Ansell (2014)

The Growth Models Perspective

Required:

Lavoie and Stockhammer (2012)*
Storm and Naastepad (2012)*
Baccaro and Pontusson (2015)

Recommended:

Baccaro and Benassi (2014a)
Baccaro and Benassi (2014b)
Hein and Mundt (2012)*
Onaran and Galanis (2012)#

Class 4: March 28, 2015

The Eurocrisis & the Austerity Debate

Political Economy of the Eurocrisis

Required:

Frenkel and Rapetti (2009)*
Scharpf (2011)
Streeck (2014)

Recommended:

Armingeon and Baccaro (2012b)
Armingeon and Baccaro (2012a)

The Intellectual Underpinnings of Austerity Policy

Required:

Alesina and Ardagna (2009)#
Guajardo, Leigh and Pescatori (2011)#
Sinn (2014)*

Recommended:

Giavazzi and Pagano (1990)*#
Blyth (2013)
Blanchard and Leigh (2013)*#

Bibliography

(Working papers such as the Max-Planck-Institute, ILO, and IMF ones are freely available on line)

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