

SYLLABUS

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Course Description

An introduction to the political economy of the European region during the post-World War II period. The course will examine the historic class compromises and institutions that undergirded the emergence of advanced capitalism in the west European countries. Students will examine the political conditions that gave impetus to the creation, maintenance, crisis, decline, and reform of Keynesian economic policies, social welfare states, social democratic partisan alliances, cooperative industrial relations, and subnational polities and development patterns. The course will also examine the rise and reform of the project of European integration, including analyses of the common market, the pitfalls of regional governance (e.g., the "democratic deficit" of the European Union), enlargement, and the project for monetary integration.

What is Expected of Students

Students will be expected to read, think, criticize, and form arguments. That will require keeping up on reading assignments and attending class regularly. Students must be fully prepared *at all times* to discuss the readings and concepts from previous lectures. The best students will be critical but balanced in their assessments, and will develop coherent arguments that they can defend in their writing and their in-class discussion.

Reading Materials

The **six required books** for this course have been ordered and are presently on sale at the college bookstore. The texts are:

Peter J. Katzenstein. 1985. *Small States in World Markets: Industrial Policy in Europe* Ithaca: Cornell University Press.

Jonas Pontusson. 2005. *Inequality and Prosperity: Social Europe vs. Liberal America*. Ithaca: Cornell University Press.

Paul Pierson, ed. 2001. *The New Politics of the Welfare State*. New York: Oxford University Press.

Rand Smith. 1998. *The Left's Dirty Job: The Politics of Industrial Restructuring in France and*

Spain. Pittsburgh: University of Pittsburgh Press.

Helen Wallace, Mark A. Pollack, and Alasdair R. Young, eds. 2010. *Policy-Making in the European Union*. 6th Ed. New York: Oxford University Press.

Eleanor E. Zeff and Ellen B. Pirro. 2006. *The European Union and the Member States*. 2nd Ed. Boulder, CO: Lynne Rienner.

In addition to these texts, this course requires your study of a number of other readings from diverse sources. These readings are all available on the course Moodle page. Additionally, I will occasionally distribute clippings from *The New York Times*, *Financial Times*, the *Economist*, *The International Economy* and www.voxeu.org on Moodle. Additional resources are available on the course's web page and my resources page.

Grading

Assessment of the students in this course will be based on their performance on two light research papers, a group data analysis project with an oral presentation component, and classroom participation. The grade breakdown follows:

First Writing Assignment	20%
Second Writing Assignment	25%
Group Data Analysis Project	30%
Group Dynamics:	(20%)
Oral Presentation:	(10%)
Class Participation	25%

The Writing Assignments

Paper assignments in this course are of varying lengths. Yet they must all be typed, paginated, and double-spaced with Times New Roman font type, 12cpi font size, and one-inch margins.

These assignments must be turned in as PDF files unless otherwise indicated by 5 p.m. in the student's hand-in folder on the Courses directory on the due date specified below. *Late work will receive no credit.* Technical problems involved in converting and uploading work onto Courses will not be accepted as a reason for late or improperly formatted work. Students remain responsible for addressing all glitches unless they are systemic. Proper use of spelling,

punctuation, and grammar is expected. Since ability to edit your own work and produce concise argument is a touchstone for assessing and developing your critical skills, students will not be allowed to surpass the required number of pages. A handout will be distributed with the particular parameters of each of these assignments well before the due date.

Paper #1: An Empirical Assessment of Small States in World Markets

Students will select one of the following countries: Austria, Denmark, Belgium, the Netherlands, and Sweden. In a six page essay, students will be asked to specify:

- (1) the political economic regime
- (2) the dominant kind of economic policies
- (3) the behavior of organized labor, and
- (4) macroeconomic performance

Students will then be asked to assess the validity of the globalization argument in light of what they have discovered in their empirical analysis. In addition to the required readings, and in particular the Katzenstein book (*Small States in World Markets*), students will need to collect secondary qualitative and quantitative data to support their arguments. A brief handout will provide further details regarding this assignment at least one week before the paper is due. I encourage students to work on this assignment in small groups.

Paper #2: Varieties of Capitalism

Using one of the large economies under study – Germany, the United Kingdom, France, Sweden or Spain – students will compare the particular aspects of these political economies that enable them to deal with the challenges of globalization. The paper must first compare institutional changes in the country *over time*. Then students are free to select a second country from a broader list than that of the countries studied in the course. (As a rule: any of the members of the European Union, plus Iceland, Norway, and Switzerland may be selected. No country used to answer Paper #1 may be used in this second paper). Once the second country is chosen, it must be compared in terms of its capacity for meeting the challenges posed by globalization with the first country chosen for analysis. This paper will involve more empirical research than Paper #1, and therefore will be longer (8 pages) and involve both qualitative and quantitative research. Complete endnote citation must be included. An explanatory handout of the assignment and of the required bibliographic format will be distributed at least two weeks before the assignment is due.

Group Data Analysis Project

As the class begins to do more empirical analysis of problem areas in European political economy, the students will be divided into groups of 3-4 members. Each group will be charged with the task of collecting quantitative data on a number of countries as part of a collaborative

project involving a choice of hypotheses concerning varieties of capitalism. Each group will work with the professor to focus their project and they will consult Danya Leebaw, the social science reference librarian, for help in acquiring the necessary data. Each research team will carry on some of their discussions on Moodle so that the professor may monitor the groups' progress. Using STATA, each group will analyze the quantitative data they have collected and render a 10-12 minute formal oral report at the end of the term. A detailed handout will describe the format and other aspects of this project during Session 2.

The "group dynamics" score will be determined based on peer evaluations, professor's observations of preliminary work handed in, and demonstrated work on Moodle. Emphasis will be placed on the demonstration of *consistent* effort by all group members. The group dynamics score will be based on a mean group score adjusted for varying level of individual effort. The oral presentation score will be strictly collective. Because this is a collaborative exercise, all group members are responsible for the whole project. That is, each member shares in the collective responsibility of the project, making individual backsliding the problem of the entire team.

Class Participation

Communicating your insights into the subjects analyzed in this course is an integral part of the learning experience. Communication also depends on reading and listening comprehension. In this course, I will evaluate your performance on both dimensions. I will assess your ability to communicate your ideas and arguments in formal, scheduled presentations and informal class discussion. The following are structured presentation formats that will be used in this course, in addition to the formal presentation of the group research project:

- (1) A debate between conservative (British) and socialist (Swedish) reformers.
- (2) A simulation of the German industrial relations system.
- (3) A two-day simulation on the European Union.
- (4) Small group discussion sections and preparatory study group sections for the EU simulation.

In addition to these activities, occasionally students will prepare homework assignments or answer written and oral questions based on the readings and lectures. These periodic "diagnostics" will assess listening and reading comprehension. They will compose a third of the total participation score. Throughout the term, students will be expected to take copious notes on both the lectures and the readings and have *at least two discussion questions* prepared on each chapter/article for class. If called upon, students must be ready to read their questions aloud to initiate discussion. At certain points in the term, students will be asked to upload to their hand-in files their discussion questions and/or notes for evaluation.

Attendance

Consistent attendance in the course is required. If you know you will be absent due to a scheduling conflict involving athletic events, Model U.N., forensics, job interviews, or any other activity, please communicate that to me as soon as possible. Keep in mind that given the unique aspects of a class, you cannot really "make up" an absence.

The Grading Scale

I will be using the following grading scale in this course:

98-100 A+

94-97 A

91-93 A-

88-90 B+

83-87 B

79-82 B-

76-78 C+

72-75 C

68-71 C-

67/below D/F

Academic Misconduct

Given the fact that academe relies upon the ethical conduct of scholars, students are held to the same standards in their own work. Any act of academic dishonesty or misconduct will be referred to the Office of the Dean. For further information, see the useful link, "Academic Honesty Policy," available on the course webpage.

Special Needs

Students requiring access to learning tools/special schedules approved by Student Support Services should contact me at the beginning of the course.

NOTE: Readings must be completed for the dates assigned below.

PART ONE:

THE POST-WAR II EUROPEAN POLITICAL ECONOMY

Session 1: The Class Compromise of Embedded Liberalism

Introduction: The End of the Road for European Socialism? (January 3, Monday)

David Brooks, "Fear and Rejection," *New York Times* June 2, 2005.

Olivier Blanchard. 2004. "The Economic Future of Europe." *Journal of Economic Perspectives* 18:4 (Fall): 3-26.

The Antecedents of Class Compromise: Historical Causes of Social Democracy (January 5, Wednesday)

Katzenstein, *Small States in World Markets*, Chapter 4.

Patterns of Adjustment to the Great Depression: The Large and Small West European Economies Compared (January 7, Friday; January 10, Monday)

Peter Gourevitch. 1986. *Politics in Hard Times: Comparative Responses to International Economic Crises*. Ithaca: Cornell University Press, pp. 17-54.

Barry Eichengreen. 1992. "It Can Happen Again," *Challenge* 35:6 (Nov./Dec.): 14-20.

Keynesian Demand Management and Industrial Policy (January 12, Wednesday; January 14, Friday)

Katzenstein, *Small States in World Markets*, Chapter 2.

Katzenstein, "Small States and Small States Revisited," *New Political Economy* 8 (2003).

The Political Institutions of Democratic Corporatism and the Keynesian Welfare State (January 17, Monday)

Katzenstein, *Small States in World Markets*, Chapter 3.

Session 2: Stagflation and Globalization: The Crisis of the Keynesian Welfare State Model

The Crisis of Keynesian Demand Management (January 19, Wednesday)

Paulette Kurzer. 1993. *Business and Banking: Political Change and Economic Integration in*

Western Europe. Ithaca: Cornell, Chapter 3.

Herman Schwartz. 2001. "Round up the Usual Suspects!: Globalization, Domestic Politics, and Welfare State Change." In *The New Politics of the Welfare State*. Paul Pierson, ed. New York: Oxford University Press.

The Globalization Argument (January 21, Friday)

Thomas Friedman. 1999. *The Lexus and the Olive Tree: Understanding Globalization*. New York: FSG, selected pages.

Rebuttals to the Globalization Argument (January 24, Monday; January 26, Wednesday)

Martin Rhodes. 2001. "The Political Economy of Social Pacts: 'Competitive Corporatism' and European Welfare Reform." In *The New Politics of the Welfare State*. Paul Pierson, ed. New York: Oxford University Press.

Geoffrey Garrett. 1998. *Partisan Politics in the Global Economy*. New York: Cambridge University Press, Chapter 6.

Torben Iversen and Thomas R. Cusack. 2000. "The Causes of Welfare State Expansion: Deindustrialization or Globalization?" *World Politics* 52:3 (April): 313-49.

Åsa Hansson and Karin Olofsdotter. 2008. "Integration and the Structure of Public Spending." *Comparative Political Studies* 41:7 (July): 1001-27.

PAPER #1 IS DUE (January 29, Friday) – NO CLASS

Session 3: Varieties of Capitalism: Understanding Institutional Change Across Types

The Analytical Framework (January 31, Monday)

Pontusson, *Inequality and Prosperity*, chs 1-2.

Torben Iversen. 2005. *Capitalism, Democracy, and Welfare*. New York: Cambridge University Press, ch. 2.

For Extra Credit: Peter Hall and David Soskice. 2001. "An Introduction to Varieties of Capitalism." In *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Peter A. Hall and David Soskice, eds. New York: Oxford University Press.

Varieties of Capitalism and Welfare State Retrenchment/Expansion (February 2,

Wednesday)

Duane Swank. 2001. "Political Institutions and Welfare State Restructuring: The Impact of Institutions on Social Policy Change in Developed Democracies." In *The New Politics of the Welfare State*. Paul Pierson, ed. New York: Oxford University Press.

Julia Lynch and Mikko Myrskylä. 2010. "Always the Third Rail? Pension Income and Policy Preferences in European Democracies." *Comparative Political Studies* 42:8 (August): 1068-97.

Recommended: Lyle A. Scruggs and James P. Allan. 2008. "Social Stratification and Welfare Regimes for the Twenty-first Century: Revisiting *The Three Worlds of Welfare Capitalism*." *World Politics* 60:4 (July): 642-64.

For Extra Credit: Torben Iversen and John D. Stephens. 2008. "Partisan Politics, the Welfare State, and Three Worlds of Human Capital Formation." *Comparative Political Studies* 41:4/5 (April/May): 600-37.

PART TWO:

NATIONAL PATTERNS OF REFORM AND RETRENCHMENT

Session 4: Liberalism and Liberalizing the Social Welfare Model: The United Kingdom and Sweden

Two Distinct Patterns of Reform: The U.K. and Sweden (February 4, Friday)

Mark Blyth. 2001. "The Transformation of the Swedish Model: Economic Ideas, Distributional Conflict, and Institutional Change." *World Politics* 5:1 (October): 1-26.

Geoffrey Garrett. 1993. "The Politics of Structural Change: Swedish Social Democracy and Thatcherism in Comparative Perspective." *Comparative Political Studies* 25:4 (January): 521-47.

MIDTERM BREAK (February 7, Monday)

Comparative Observations of Institutional Adjustment in the U.K. and Sweden (February 9, Wednesday)

Sven Steinmo. 2002. "Globalization and Taxation: Challenges to the Swedish Welfare State." *Comparative Political Studies* 35:7 (September): 839-62.

Michael Baggesen Klitgaard. 2007. "Why Are They Doing It? Social Democracy and Market-Oriented Welfare State Reforms." *West European Politics* 30:1 (January): 172-94.

Debate: Testing the Globalization Argument and Its Rebuttals in the U.K. and Sweden (February 11, Friday)

Session 5: Reforming *Étatisme*: France and Spain

Socialist Reform During the 1980s (February 14, Monday)

Smith, *The Left's Dirty Job*, Chapters 4-7.

Assessment of the Politics of the Left's Dirty Job (February 16, Wednesday)

Smith, *The Left's Dirty Job*, Chapters 2-3.

Film: "Mondays in the Sun" ("Lunes al sol," Spain) (Showing time and place TBA).

Session 6: Reforming Capital-Labor Relations in Germany

Reforming the Social Market Economy (February 18, Friday)

Pontusson, *Inequality and Prosperity*, chs. 5-6.

Bargaining for Rights: Capital, Labor, and the State in Germany (February 21, Monday)

Wolfgang Streeck. 1984. "Neo-Corporatist Industrial Relations and the Economic Crisis in West Germany." In *Order and Conflict in Contemporary Capitalism*, ed. John H. Goldthorpe. Oxford: Clarendon Press.

Kathleen Thelen and Christa Van Wijnbergen. 2003. "The Paradox of Globalization: Labor Relations in Germany and Beyond." *Comparative Political Studies* 36:8 (October): 859-80.

Simulation: Tripartite Collective Bargaining in Germany (February 23, Wednesday)

PART THREE:

THE EUROPEAN UNION

Session 7: The Institutions of the European Union

The Slow Evolution of the Project of European Integration (February 25, Friday)

Wallace et al., *Policy-Making in the European Union*, Chapters 1-3.

The Maastricht Convergence Agenda and the Common Market, Part 1 (February 28, Monday)

Wallace et al., *Policy-Making in the European Union*, Chapters 5 & 7.

PAPER #2 IS DUE (March 1, Tuesday)

The Maastricht Convergence Agenda and the Common Market, Part 2 (March 2, Wednesday)

Economist articles and EU documents on monetary convergence.

Policy Areas and Domestic Interests (March 2, Wednesday)

Choose two of the policy chapters from Wallace et al.'s *Policy-Making in the European Union*.

and

Choose two country chapters from Eleanor E. Zeff and Ellen B. Pirro, *The European Union and the Member States*.

Simulation: Negotiating Change in a Multiple-Level Game: The Council of Ministers, the Commission, and the European Parliament (March 2, Wednesday; March 4, Friday (if needed)).

Group Data Presentations (March 7, Monday; March 9, Wednesday)