

SCHOOL OF HISTORY, PHILOSOPHY, POLITICAL SCIENCE AND INTERNATIONAL RELATIONS

**POLITICAL SCIENCE AND INTERNATIONAL RELATIONS
POLS417/INTP417 COMPARATIVE POLITICS: EUROPE**

The Politics of Creating Markets

2010 TRIMESTERS 1 and 2
1 March to 14 November 2010

Trimester 1 dates

Teaching dates: 1 March 2010 to 4 June 2010

Mid-trimester break: 5 April to 18 April 2010

Study week: 7 June to 11 June 2010

Examination/Assessment period: 22 October to 13 November

Withdrawal dates

Information on withdrawals and refunds may be found at

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

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Class times and locations

Lecture Times: Fri 13.10 – 15.00

Venue: Murphy 301

Office Hours: Thursday 15:00 – 16:30, or by appointment

Course delivery

This course meets weekly for two hours. For the first semester and the first week of the second semester the course will operate as a seminar. The course instructor will provide questions to guide seminar discussions (see questions in outline of readings below), but students are expected to read all texts prior to coming to class and be prepared to discuss them.

From Week 2 to Week 6 of Trimester 2, students will share responsibility with the course coordinator for organising seminar readings and discussions. Students will choose a research topic that fits into one of the following broad categories:

1. Re-regulation of 'labour' (23 July)
2. Re-regulation of money/financial markets (30 July)
3. Re-regulation of 'nature'/environment (6 August)
4. Regulation/re-regulation of 'ideas' (13 August)

In preparation for the class discussions on these four themes students are expected to locate and summarise critically a *scholarly* source (book, journal article, book chapter, editorial, website, blog, etc.)¹ that is relevant to their specific topic as well as one of these broader themes. Students will post their critical summary, one or two questions for discussion/debate as well as a citation and link (if possible) to the source on one of the four corresponding discussion boards on the course Blackboard website. Students are expected to follow the discussions on the Blackboard site, particularly on those themes into which their research fits. By the end of the first week of the Second Trimester the students and course instructor will create a list of readings and discussion questions for Weeks 2 – 6 of the Second Trimester.

Communication of additional information

Information about any changes to the timetable or programme will be announced in class and posted on the Blackboard site for this course (at <http://blackboard.vuw.ac.nz/>) as well as on the Political Science notice board on the 5th Floor of the Murphy Building across from the lifts.

Course content

Is the structure of political economy in the contemporary world national, regional or global? This course investigates this question by addressing one of the central issues of comparative politics and international relations: the politics of creating and extending market relations. The creation of “marketised” societies is recent and, perhaps, the most dramatic event in human history. A “marketised” society first appeared in the late-18th and early-19th Century Britain with the emergence of new interest groups into politics and the consolidation of Parliamentary power. At that time, according to one observer, societies were reorganised around “fictitious commodities:” human beings were commodified as ‘labour,’ nature was commodified as ‘land’ and the creation of universal money, specifically an international gold standard, made it possible to value and commodify everything. Since the mid-19th Century this marketised world has undergone expansion, crisis and evolution. National regulations of land, labour and money have existed as complements to or in competition with international regulation of them. Now, at the end of the first decade of the 21st Century, it seems that rules governing the sale and purchase of land, labour and money are once again changing rapidly and dramatically. In addition, innovation in information and communications technologies has made possible—and highly lucrative—the commodification of ideas. The

¹ Note: These sources must be examples of *expository* writing—writing that seeks to explain or elucidate the fundamental causes of an event or phenomenon. In most cases news articles are not expository but descriptive. They may relate the immediate precursors to events without seeking to uncover deeper underlying causes. Think for example of the humanitarian disaster in Haiti in 2010. Newspaper articles will usually explain this disaster as an immediate consequence of a large magnitude earthquake. An expository piece might delve into theories of plate tectonics or the consequences of colonisation, political and economic underdevelopment in Haiti. Descriptive works that do not explore such underlying causes for events will not work for this purpose.

question motivating this course is whether rules regulating the exchange of human effort, 'natural' resources, capital and ideas are being made at the national, regional or global levels.

In order to understand contemporary developments one must understand how marketised societies emerged and developed. Once in control of the British state, liberals imposed legislation to transform British society. Utilizing the power unleashed by industrialization, Britain's liberal leadership proceeded, with missionary zeal, to spread markets around the globe and recreate the world in their own image. To accomplish this, they built international institutions, like the gold standard, and a global order that rested on the principles of laissez-faire liberalism. This global order came crashing down in the turbulence of two World Wars and the rise of Fascism and Stalinism.

After the Second World War, policy makers in the US, UK and West Europe constructed a new liberal order. This order rested on the principles of "embedded"—rather than "laissez faire"—liberalism. It sought to build political safeguards into the functioning of domestic and international markets to prevent a return to the economic and political chaos of the interwar period. Like its 19th Century counterpart, the post-war order brought an expansion of international economic activity that transformed the world. This era, too, seems to have come to an end, but not in the kind of ideological strife that characterized the 1930s. Rather, we speak of a new "global" order that somehow differs from its Anglo-American predecessors, but at the center of which stands—unmistakably—the international expansion of markets. Indeed, at the beginning of the 21st Century markets are expanding not only geographically, but even into the wholly man-made realm of the internet.

As the preceding narrative suggests, the creation and expansion of markets is a most political process. It transforms distributions of power within societies as well as between them. It precipitates the rise of some social groups and nations and the demise of others, complete with the cultures and values they cherished. This development is revolutionary in every sense of the word. This course raises these issues in a narrative that is both chronological and geographical. The chronology follows the events outlined above. Geographically, the course focuses on the developments of the past two centuries in Europe, although it must refer to important developments in Asia and North America that shaped developments in Europe.

Learning objectives

Students passing this paper should command a conceptual framework into which they can place contemporary or historical developments in political economy, regardless of whether those developments occur in Europe, New Zealand, Asia, Latin America or elsewhere. The point of this course is to paint a "forest" within which students can locate particular events, policies, or conflicts in international or domestic political economy as "trees." More specifically, a student passing this course should understand some of the major schools of thought on how "societies"—international and domestic—are organized as well as on how they change (e.g. liberalism, Marxism, mercantilism/economic nationalism, institutional and ideational arguments). They should be able to research and analyse empirical events in political economy critically, asking how they shape our understanding of different schools of

explanation. And, if nothing else, this course should make reading newspapers much more fun.

Expected workload

In accordance with Faculty Guidelines, the norm for a Political Science Honours paper is a minimum of 12 hours per week, including: two in-class contact hours, and ten hours spent reading and reviewing course readings, preparing assignments, and conducting independent research.

Readings

Essential texts:

- Robert Gilpin, *The Political Economy of International Relations* (Princeton University Press, 1987)
- Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 2001)
- POLS/INTP417 Course Notes Packet of Readings.

For the first two weeks of trimester all undergraduate textbooks and student notes will be sold from the Memorial Theatre foyer, while postgraduate textbooks and student notes will be available from the top floor of vicbooks in the Student Union Building, Kelburn Campus. After week two all undergraduate textbooks will be sold from vicbooks and student notes from the Student Notes Distribution Centre on the ground floor of the Student Union Building.

Customers can order textbooks and student notes online at www.vicbooks.co.nz or can email an order or enquiry to enquiries@vicbooks.co.nz. Books can be couriered to customers or they can be picked up from the shop. Customers will be contacted when they are available.

Opening hours are 8.00 am – 6.00 pm, Monday – Friday during term time (closing at 5.00 pm in the holidays). Phone: 463 5515.

Assessment requirements

1) One **500-word Critical Summary** of one reading from 1st Trimester or from Week 1 Trimester 2 Reading List (=5%). This summary must be posted on the course Blackboard site general discussion board before the class meeting in which it will be discussed. . More information about the this **Critical Summary**—and the two described below—is provided at the end of this course outline.

2) **One 8,000 -10,000-word research essay = 65% (total)**. This essay assignment has five parts:

- **1-2 page Statement and Bibliography (= 10%)**: Submit a one-to-two page summary that: 1) states the question motivating your paper and why it is important (answers the “So what?” question), 2) offers a provisional, falsifiable answer to this question (your “hypothesis,” “thesis,” or “argument”) and 3) outlines the evidence you will present to support your argument. You must also include a bibliography of sources (not included in the 1-2 page space limit). **Statement and Bibliography** are due at the

beginning of class, **1:00 PM Friday, 23 April**. *You do not need to submit this part of the assignment to Turnitin.com*. More information about essay format and topics is provided at the end of this course outline.

- **Two 1-page Critical Summaries of scholarly sources (= 5% each, 10 % total)** for your research essay. These **Critical Summaries** have a format similar to the one above and are due by the beginning of class **1:00PM Friday 4 June**. You will choose two scholarly sources to summarise critically that link your research topic to one of the four broad themes listed above. You must also identify one or two questions that the article raises with regard to the broader theme within which you are working. ***You must post this critical summary on the Blackboard discussion board for the appropriate theme.*** More information about the Critical Summary is provided at the end of this course outline.
- **1,500-2,000-word Statement of Argument and Literature Review due by 1:00PM Friday, July 16 (= 15%)**
- **Final Essay (= 30 %) due at the beginning of class Friday, 15 October.** *No Final Essay will be assessed unless a 1-2 page Statement, 2 Critical Summaries and 1500-2000-word Statement of Argument and Literature Review have been submitted! You must submit an electronic copy of the Final Essay to Turnitin.com!* The essay length is exclusive of bibliography.
- **Submit electronic copy of Final Essay to Turnitin.com** (a plagiarism detection service). No essay will be marked until an electronic copy is submitted. Late penalties (see below) apply to submission of both hard copies and Turnitin.com electronic copies.

3) **Final Examination = 30%**, held during the examination period examination period i.e. Trimester 2 2010, **18 October – 14 November**. This examination will cover all materials presented in the course from Trimesters 1 and 2.

Hard copies of **1-2 Page Statements, Critical Summaries, 1,500-2,000-word Statement of Argument and Literature Review and Final Essays**, not handed in at lectures, are to be posted to the Political Science and International Relations Essay Collection Box on the 5th floor of Murphy (across from the lifts). ***I will collect materials turned into these boxes before seminars!***

Penalties

Students will be penalised for late submission of essays—a deduction of 5% for the first day late, and 2% per day thereafter, up to a maximum of 8 days. Work that is more than 8 days late can be accepted for mandatory course requirements but will not be marked. However, penalties may be waived if there are valid grounds, e.g., illness (presentation of a medical certificate will be necessary) or similar other contingencies. In such cases prior information will be necessary.

Mandatory course requirements

To gain a pass in this course each student must:

- a) Submit the written work specified for this course on or by the specified dates (subject to such provisions as are stated for late submission of work).
- b) Submission of the final draft of your essay to Turnitin.com.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Statement on legibility

Students are expected to write clearly. Where work is deemed 'illegible', the options are:

- the student will be given a photocopy of the work and asked to transcribe it to an acceptable standard (preferably typed) within a specified time frame after which penalties will apply;
- the student will be given a photocopy of the work and asked to transcribe it to an acceptable standard (preferably typed) and lateness penalties apply;
- if the student does not transcribe it to an acceptable standard, the work will be accepted as 'received' (so any associated mandatory course requirements are met) but not marked.

Academic Integrity and Plagiarism

Academic integrity means that university staff and students, in their teaching and learning are expected to treat others honestly, fairly and with respect at all times. It is not acceptable to mistreat academic, intellectual or creative work that has been done by other people by representing it as your own original work.

Academic integrity is important because it is the core value on which the University's learning, teaching and research activities are based. Victoria University's reputation for academic integrity adds value to your qualification.

The University defines plagiarism as presenting someone else's work as if it were your own, whether you mean to or not. 'Someone else's work' means anything that is not your own idea. Even if it is presented in your own style, you must acknowledge your sources fully and appropriately. This includes:

- Material from books, journals or any other printed source
- The work of other students or staff
- Information from the internet
- Software programs and other electronic material
- Designs and ideas
- The organisation or structuring of any such material

Find out more about plagiarism, how to avoid it and penalties, on the University's website: <http://www.victoria.ac.nz/home/study/plagiarism.aspx>

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an online plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted material on behalf of the University for detection of future plagiarism, but access to the full text of submissions is not made available to any other party.

GENERAL UNIVERSITY POLICIES AND STATUTES

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the *Victoria University Calendar* or go to the Academic Policy and Student Policy sections on:

<http://www.victoria.ac.nz/home/about/policy>

The AVC(Academic) website also provides information for students in a number of areas including Academic Grievances, Student and Staff conduct, Meeting the needs of students with impairments, and student support/VUWSA student advocates. This website can be accessed at:

http://www.victoria.ac.nz/home/about_victoria/avcademic/Publications.aspx

Course Outline

First Trimester 2010

Week 1 – March 1 - 5

- A. Wednesday, 3 March – Honours Meeting of Political Science and International Relations Programme

Week 2 – March 8 – 12

- A. Friday, 12 March – International Relations, Theories and Kenneth Waltz

Readings:

- Kenneth Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979) Chapters 4-5, pp.60-101.

If you are unfamiliar with Waltz, it is highly recommended that you also read Chapters 6 & 7 (pp.102-160).

Pay attention to what Waltz means by 'systemic' and 'unit-level' explanations of international relations. How do systems constrain the behaviour of actors (states)? What are the components of Waltz's 'structural' explanation ("ordering principle," "character of units," and "distribution of capabilities")? How does Waltz piece these components together?

Week 3 – March 15 – 19

- A. Friday, March 12 – Politics, Markets and Materialist Perspectives: Liberals, Marxists and Mercantilists

Readings:

- Robert Gilpin, *The Political Economy of International Relations*, Chapter 2, pp.25-54.
- Adam Smith, *The Wealth of Nations* (London: Penguin Books, (1776) 1986), pp.109-126.
- Karl Marx, *Manifesto of the Communist Party*, Parts I and II, "Bourgeois and Proletarians" and "Proletarians and Communists," pp.1-16, from <http://csf.colorado/psn/marx/Archive?1848-CM/cm.html>

Compare the three perspectives according to what they assume are the basic building blocs of the world (individuals, classes, or states?). What does each perspective consider to be the logical outcome of international economic interactions: harmony or conflict? How does each perspective view the

relationship between economics and politics? Does each regard change as possible? Do they believe there is an end or goal to human development?

Week 4 – March 22 - 26

A. Friday, March 26 – Materialist Perspectives on Change in the International System
Readings:

- Robert Gilpin, *The Political Economy of International Relations*, and Chapter 3, pp.65-117.
- E.H. Carr, *The Twenty Year's Peace* (London: Macmillan, 1948) Chapters 1, 2 and 13, pp.1-21, 208-223.

How do different perspectives view the international order? Is it stable or unstable? Can human intention shape the course of the international system? What is the difference between liberalism and idealism? What is the difference between realism and idealism?

PART II – The Rise and Fall of the 19th Century, Laissez-Faire “World Order”

Week 5 – March 29 – April 2

A. Friday, 2 April – The Creation and Diffusion of “Marketized” Society as Intentional Acts

Readings:

- Karl Polanyi, *The Great Transformation*, Chapters 3 – 8, 12 (pp.35-108, 141-157).
- Bernard Semmel, *The Rise of Free Trade Imperialism* (Cambridge, UK: Cambridge University Press, 1970), pp.130-157.
- John Gallagher and Ronald Robinson, “The Imperialism of Free Trade,” *Economic History Review* Second Series Vol.VI, No.1 (1953), pp.1-15.
- Barry Eichengreen, *Golden Fetters*, Chapter 2, “The Classical Gold Standard in Interwar Perspective,” pp.29-42.

Polanyi’s argument is not intuitive to people who grew up in the West after the 19th Century. At the most basic level Polanyi is criticizing perspectives in both Smith’s and Marx’s work that markets are a spontaneous or unintentional consequence of human nature or technology. Rather, he argues that markets were the intentional creation, or ‘project’, of one group in English society pursuing its interests against others. What evidence does Polanyi provide for this? What does Polanyi mean by ‘fictitious commodities?’ Who wins and who loses in the creation of markets?

How does the repeal of the Corn Laws mark the turning of English liberalism outward? What is the great gamble that British policymakers undertake with

repeal of the Corn Laws? Why is Gallagher and Robinson's title so provocative? How do they present the relationship between political power and market creation? How did the classical gold standard enforce automatic adjustment, at least in principle? Did the gold standard function automatically? Is 'automaticity' the same as political neutrality?

MID-TRIMESTER BREAK APRIL 5 - 18

Week 6 – April 19 - 23

A. Friday, April 23 – Illiberal Backlash: Industrialization, Social Structure and Market 'Correction' in Imperial Germany

Readings:

- Alexander Gerschenkron, "Economic Backwardness in Historical Perspective," in idem., *Economic Backwardness in Historical Perspective* (Cambridge: Harvard/Belknap, 1962), pp.5-30.
- Peter Gourevitch, *Politics in Hard Times* (Ithaca: Cornell University Press, 1986), pp.71-103.

In Britain industrialization took place in a political system where commercial classes had taken political control away from the agricultural aristocracy. In Germany, the agricultural aristocracy, the "Junkers," still held important positions in the state bureaucracy and military. What impact did this have on economic and political developments in Germany? Gourevitch tells a story about the revolutionary potential of market creation and reactions to it. How do tariffs serve to "correct" markets? Who are the winners and losers of market creation? Who are the winners and losers of market correction?

Proposed Research Topics due by 23 April at 1pm

Part III – "Embedded Liberalism:" Market Creation and Market Correction in the Postwar World

Week 7 – April 26 - 30

A. Monday, April 30 – "Embedded Liberalism" and the Institutions of Pax Americana

Readings:

- Karl Polanyi, *The Great Transformation*, Chapters 1-2 (pp.3-32)
- John Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," in Stephen Krasner, ed., *International Regimes*, pp.195-231.
- John Ruggie, "Multilateralism: The Anatomy of an Institution," in idem. (ed.), *Multilateralism Matters* (New York: Columbia University Press, 1993), pp.3-47
- Robert Heilbroner, "The Heresies of John Maynard Keynes," in Idem., *The Worldly Philosophers*, (New York: Simon and Schuster, 1986), pp. 225-261.

Polanyi, it turns out, is not interested in explaining English development, but world development up to his time, the Second World War. Indeed, he explains the central events of the 19th Century in terms of the creation and correction of markets. From his perspective, how are fascism, Stalinism, Social Democracy, and the New Deal in the U.S. related to one another? How are they related to the laissez-faire liberalism of the 19th Century?

Ruggie provides a synthesis of Polanyi and Charles Kindleberger's "hegemonic stability theory." He argues that it is not the existence of a hegemon, but the existence of a liberal hegemon, that permits the creation of marketized (liberal) international economic orders. He also distinguishes, however, between laissez faire and "embedded" liberalism and the institutions that supported these systems. What is the crucial distinction between the two systems? How do the GATT and "Bretton Woods" monetary system demonstrate the difference between a "laissez faire" and "embedded liberal" economic order?

John Maynard Keynes provided the intellectual rationale behind "embedded liberalism." What is the role of politics, according to Keynes, in managing savings and consumption, wages and investment? What implications does Keynes' analysis have for Marx? Keynes' ideas took different shapes in the post-war policies of different countries.

For those of you unfamiliar with the political economic history of the 1930s and the Great Depression, the classical text is

- Charles Kindleberger, *The World in Depression*. This is not required reading.

Kindelberger is also the source of one branch of what has come to be known as Hegemonic Stability Theory (see Chapter 14 above).

Those seeking further material on the operation of post-war international institutions like the GATT and IMF might consult:

- Jock Finlayson and Mark Zacher, "The GATT and the Regulation of Trade Barriers: Regime Dynamics and Functions" in Stephen Krasner, ed., *International Regimes*, pp.273-314.
- Robert Gilpin, *The Political Economy of International Relations*, pp.131-151, 190-215. This is not required reading.

Week 8 – May 3 - 7

A. Friday, 7 May – Regimes, Institutions, and Hegemons

Readings:

- Stephen Krasner, "Structural Causes and Regime Consequences: Regimes as Intervening Variables," *International Organization*, Vol. 36, No. 2, *International Regimes*. (Spring, 1982), pp. 185-205.

- Robert Gilpin, *The Political Economy of International Relations*, pp. 341-408.

Krasner and Keohane address directly the relationship between power and market creation and particularly the relationship between hegemons and the institutions necessary to govern international markets. Can these institutions, and markets, exist without hegemons? Can they come into being without hegemons? Why might these questions be important for the world we live in?

Part IV – Shifting Perspectives – “Globalization” and “Varieties of Capitalism”?

Week 9 – May 10 - 14

A. Friday, May 14 – Sources of Change: Institutions at the Macro- and Micro-levels

Readings:

- Kenichi Ohmae, *The Borderless World* (New York: HarperCollins, 1990), pp.193-210.
- Charles Sable and Michael Piore, *The Second Industrial Divide*, Chapters 1,2,7 (pp.3-48, 165-193) and chapters 3-5 (pp. 49-132) are highly recommended!
- Kathleen Thelen and Sven Steinmo, „Historical Institutionalism in Comparative Politics“ in S. Steinmo, K. Thelen, and F. Longstreth (eds) *Structuring Politics* (Cambridge: Cambridge University Press, 1992), pp.1-32.
- David Soskice, “Divergent Production Regimes: Coordinated and Uncoordinated Market Economies in the 1980s and 1990s,” in Herbert Kitschelt, et al, eds., Continuity and Change in Contemporary Capitalism (Cambridge: Cambridge University Press, 1999), pp.101-34

In The Borderless World, Kenich Ohmae provides one explanation of globalization and economic turbulence since the 1970s—this is the conventional wisdom that comes from both the political left (“Neo-Marxists”) and the political right (liberals/Neo-Conservatives). Why do Sabel and Piore find this conventional wisdom unconvincing? What alternative do they offer in its place? It might be argued that the “conventional wisdom” focuses on macro-level source of change—the economic policy levers that governments control—to explain the emergence of “globalization” and economic troubles since the 1970s. Sabel and Piore, on the other hand, focus on micro-level sources of change, the organization of firms and production processes. What are the macro- and micro-level sources of change in their different accounts?

Are interests and even technology a reflection of institutions and history (turning not only Smith but also Marx on their heads?)

Week 10 – May 17 – 21

A. Friday, May 14 – Sources of Diversity: Post-war Japan and France

Readings:

- Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford University Press, 1982), Chapters 9, pp.305-24.
- Tyson, Laura and John Zysman, “Developmental Strategy and Production Innovation in Japan,” in *Politics and Productivity* (New York: Harper Business, 1989), pp.59-130.
- Womack, Daniel Jones, and Daniel Roos, *The Machine that Changed the World* (New York: Macmillan Publishing Co., 1990), Chapter 3, “The Rise of Lean Production,” pp.48-69.

Johnson argues that the Japanese state has different capacities than, for example, its American counterpart. What is a “pilot” organization like MITI. From whom or what is it insulated? Why must it be isolated? How does such a state come into being? What are the advantages/disadvantages of a developmental state?

The organization of the Japanese state had consequences for Japanese policies and economic development. As Zysman and Tyson tell the story, Japanese bureaucrats bucked economic wisdom and pursued a different path to economic development. How did they buck conventional economic wisdom? What tools did they have at their disposal to guide or “nurture” the economy? How does the Japanese “model” differ from Soviet –style planning? How does it differ from Anglo-Saxon pluralism? Womack, et al argue that the Japanese developmental system had consequences for the very organization of firms and production in Japan, generating a model of production technologically superior to US mass production. What distinguishes “lean” from “mass” production in the relationship between assemblers and suppliers, firms and employees, and firms and customers?

For students interested in a European example of post-war, “state-led” economic growth, should consult (**this is not required reading**):

- Andrew Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power*, (New York: Oxford University Press, 1965).
- John Zysman, *Governments, Markets and Growth* (Ithaca: Cornell University Press, 1983).
- Peter Hall, *Governing the Economy* (Oxford: Oxford University Press, 1986).
- Jonah Levy, *Toqueville’s Revenge* (Cambridge,MA: Harvard University Press, 1999).
- Jonah Levy, “Redeploying the State: Liberalization and Social Policy in France,” in Wolfgang Streeck and Kathleen Thelen, eds., *Beyond Continuity: Institutional Change in Advanced Political Economies* (Oxford University Press, 2005)pp.103-126.

In examining the French case note the similarities with the organization and policies of the post-war Japanese case. There are also important differences. Particularly, Japanese producers ended up creating a new form of production—“lean production,” “Just-in-time” production, “flexible volume”

production—while the French did not. Why did this happen? What happened to dirigisme in France?

Week 11 – May 24 – 28

A. Friday, May 24 – Sources of Diversity: Postwar Germany

Readings:

- Andrew Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power*, (New York: Oxford University Press, 1965), pp.239-64.
- Peter Katzenstein, “The Taming of Power: West Germany’s Semi-Sovereign State,” in *idem.*, *Politics and Policy in West Germany* (Philadelphia: Temple University Press, 1987) pp.58-80.
- Garry B. Herrigel, “Industrial Order and the Politics of Industrial Change: Mechanical Engineering,” in Peter B. Katzenstein, ed., *Industry and Politics in West Germany* (Ithaca: Cornell University Press, 1989), pp.185-220.
- Wolfgang Streeck, “German Capitalism: Does It Exist? Can I Survive?” MPIFG Discussion paper 95/5 (Cologne: Max Planck Gesellschaft für Gesellschaftsforschung, November 1995) www.mpi-fg-koeln.mpg.de/pu/mpifg_dp/dp95-5.pdf

Post-war Germany provides yet another example of how to organize a capitalist economy. Here, unlike Japan, it is not the state or managers that dominate economic decision making, but rather a careful balance between different interests is maintained in economic governance at the macro-economic and micro-economic (within firms) levels. How do institutions representing powerful social interests maintain this balance?

Herrigel and Streeck make arguments similar to Womack, et al and Sabel and Piore. The governance of the post-war German economy generated micro-economic innovations—a “flexible” production technology—that was superior to American mass production. What was “flexible” about it? How did institutions shape relations between firms and between firms and their employees?

Statement of Argument and Literature Review due Monday May 21 at 5pm

Week 12 – May 31 – June 4

A. Friday, June 4 – Renewed regional integration

Readings:

- Andrew Moravcsik Negotiating the Single European Act: National Interests and Conventional Statecraft in the European in the European Community *International Organization*, Vol. 45, No. 1 (Winter, 1991), pp. 19-56.
- Wayne Sandholtz and John Zysman, 1992: Recasting the European Bargain *World Politics*, Vol. 42, No. 1 (Oct., 1989), pp. 95-128.
- Frank Schimmelfennig, "The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union" *International Organization*, Vol. 55, No. 1 (Winter, 2001), pp. 47-80
- Philippa Mein Smith, "Did Muldoon really 'go too slowly' with CER?" *New Zealand Journal of History* 41, 2 (2007), pp.161-79.

MID-YEAR BREAK

Second Trimester 2010

Week 1 – July 12 – 16

Friday, July 16 – Problems with regional integration

- Suzanne Berger, "Introduction," and Ronald Dore, "Convergence in Whose Interest?" in Suzanne Berger and Ronald Dore (eds.), *National Diversity and Global Capitalism* (Ithaca: Cornell University Press, 1996), pp.1-25, 366-74.
- Michael Borrus and John Zysman, "Globalization with Borders: The Rise of Wintelism as the Future of Industrial Competition," in John Zysman and Andrew Schwartz, editors, Enlarging Europe: The Industrial Foundations of a New Political Reality (Berkeley: U.C./IAS Press, 1999), pp.27-62.

For Weeks 2-6 students and the course coordinator will construct seminars around the four themes outlined above and students' research topics. Student's critical summaries of readings and the questions they raise will provide the substantial foundations for these seminars. The course coordinator in conjunction with the students will select and make available reading materials for these sessions. These materials will, of course, be fair game for the final examination! These arrangements will have to be put in place during Week 1 of Trimester 2, July 12-16.

Week 2 – July 19 – 23

Friday, July 23 – Student presentations on reregulation of labour markets.

Reading: TBD

Week 3 – July 26 – 30

Friday, July 26 – Student presentations on reregulation of financial markets

Reading: TBD

Week 4 – August 2 – 6

Friday, August 6 – Student presentations on regulation of the environment.
Reading: TBD

Week 5 – August 9 – 13

Friday, August 13 – Student Presentations on regulation of ‘ideas’.
Reading: TBD

Week 6 – August 16 – 20 –

Friday, August 20 – Wrap up and Revision

Mid-Trimester Break 23 August – 3 September

Weeks 7 – 12, 6 September 6 – 15 October

No Class Meetings

FINAL PAPER DUE Friday, 15 OCTOBER 5:00PM!

Essay Assignment

This Essay Assignment consists of five separate, but related, tasks and constitutes 65% of your grade for the course. The four tasks are:

1. Complete and submit a **1-2 Page Statement** that presents: a) the central question motivating your research project, b) your proposed argument/hypothesis (answer to the question above) and c) the type of evidence you propose to present in support of that argument. It must also include a bibliography. This bibliography will be preliminary, but you must get started sometime! It is due by 1:00PM Friday, 1 April. This task is worth 10% of your grade. So, it is worth spending some time on it! Time spent at this stage will also (greatly) improve your **Final Essay**.
2. Write **two Critical Summaries** of scholarly sources you use in your research paper and relate each to one of the broader themes of the course. This critical summary will be described in more detail below. Each is worth 5% of your total grade and they must be submitted to the course Blackboard site no later than **1:00PM Friday 4 June**
3. 1,500-2,000-word **Statement of Argument and Literature Review due by 1:00PM Friday, July 16 (= 15%)**
4. Complete and submit a **Final Essay by 5:00PM Friday, 15 October (=30%)**.
5. Students are also required to submit electronic copies of their **Final Essay** to Turnitin.com. Please refer to the course outline for instructions about setting up a profile with Turnitin.com. The Course ID is **3173194** and the password is **Polanyi** (I believe the password is case-sensitive). Please set up your profile well before the deadline for the **Final Essay**. ***Final essays will not be marked unless an electronic copy has first been submitted to Turnitin.com. Late penalties apply to electronic copies submitted to Turnitin.com.***

Format

- The text of the **1-2 Page Statement** may be no more than 600 words. The text of the final essay may be no more than 10,000 words. This limit includes footnotes or endnotes, but not the bibliography or the cover. You must include a bibliography.
- **All texts must be double-spaced, using a Times New Roman, 12-point font, and your margins must be at least 3cm on left, right, top and bottom.**
- If you refer to the words or ideas of another author, you must cite that author. Your citations and bibliography may be in a format of your choice (e.g., Harvard, APA (American Psychological Association), Chicago, etc.). You must, however, use one style consistently and correctly! Check online for style/format sheets or consult one of the following references: Kate L. Turabian, *A Manual for Writers of Term Papers, These, and Dissertations*,

Chicago Manual of Style, American Psychological Association Style Manual, if you are unsure of how to cite sources correctly. **Correct usage of citations is a part of the assessment!**

- University regulations regarding academic integrity apply to this assignment and a failure to comply with them will result—at the least—in a failing grade for the essay.

Assessment

Your essay will be assessed according to the following criteria:

1. Language and Presentation (30%) – Can you follow directions with regard to format and can you communicate your ideas in clear, forceful English without spelling or grammatical errors (20%)? Can you use a standard form of bibliographical citation in your notes and bibliography (10%)?

2. Argument and Relevance (40%) – Every expository paper must have an “argument,” the assertion of a “cause-and-effect” relationship that is “falsifiable”—one that it is possible to prove wrong. This is usually a “thesis” or a “hypothesis,” presented at or near the beginning of the paper. A clear argument is the essential backbone in the organization of any paper. It is worth 30%.

An argument must also be relevant. This raises the famous “So What?” question. You must tell the reader—preferably at the outset of the paper-- why she/he should be interested in reading your paper and understanding your argument. You might tell the reader that you address a problem that has not be addressed before or that has been addressed incorrectly. Or, you might suggest there is a controversy or open question on which you intend to shed new light. Establishing relevance demonstrates that you know what others have and have not written about your subject. It is worth 10%.

3. Evidence (30%) – Once a paper has an argument, it must provide evidence to support it. There is more to providing evidence than simply listing facts or events that support your argument. Such a list says nothing about facts and events that do not support your argument and that you have—intentionally or unintentionally—not listed! Thus, a paper must create a structure that demonstrates logically why the evidence that supports your argument is better than the evidence that supports alternative arguments. Accordingly, 10% of your grade rests on the quality/originality of your evidence and 20% rests on how convincing your evidence and the structure of your presentation are.

Summary of Essay Assessment:

- **20% Format, Grammar, Spelling, Style**
- **10% Citation and Bibliography**
- **30% Argument**

- **10% Relevance**
- **10% Quality/Originality of Evidence**
- **20% Methodology/Logical Structure of Evidence**

Assignment

You have considerable freedom to choose your topic. I ask only that you analyse some issue of politics directly related to one of the broad categories below.

1. Re-regulation of 'labour' markets (e.g. immigration rules, welfare state rules, etc.)
2. Re-regulation of money/financial markets (currency unions, banking regulations, etc.)
3. Re-regulation of 'nature'/environment (emissions trading schemes, whaling, etc.)
4. Regulation/re-regulation of 'ideas' (ICANN, intellectual property, etc.)

I will use the **1-2 Page Statement and Bibliography, Critical Summaries and Statement of Argument and Literature Review** to help make sure you are on a productive track of inquiry. This provides an opportunity for me to provide you with constructive feedback on your research, so I take it very seriously. You should, too! Please feel free to discuss your topic with me, or anyone else.

Critical Summary of a Scholarly Source

A critical summary of one of the readings on the course outline is **due on the day that reading is discussed in seminar**. Two critical summaries of readings you use in your research are due no later than **1:00PM Friday 4 June**, Each of these summaries is worth 5% of your total grade.

Being able to read and summarise scholarly sources is a skill critical to academic success. You must be able to recognise: how authors relate their work to others', what authors believe to be their original contribution to scholarly debates as well as what evidence authors provide to support their claims. It is important to recognise these things not only to understand the state of knowledge that exists in the world, but also to determine where and how your own work fits into the larger body of scholarship.

This assignment asks you to select one scholarly source from the course outline and two from the bibliography of your research essay and to summarise them critically. This involves two tasks. First, you must determine the following:

- What is the problem or puzzle the author is attempting to address? Why does the author believe this subject is important or relevant? What is her answer to the "So What?" question?
- What is the author's argument or hypothesis and what are the alternatives to it?
- What evidence does the author use to support her claims? Does she address evidence supporting other claims?

Summarising a source is only the first task. You must also evaluate it critically. Additionally, you must ask the following of your source:

- Given the general topic of the source, is the author addressing the 'right' or most important questions and puzzles or would you frame the problem differently? Why or why not?
- Do you agree with the author's hypothesis and/or her characterisation of her hypothesis as an alternative to others'?
- Do you consider the evidence presented adequate to support the author's claims? Did she deal adequately with alternatives and anomalies?

Once you have summarised and evaluated your source you must post your critical summary on the appropriate discussion board on the course Blackboard site. Posting your summary involves a third task: you must also post one or two questions which relate your source to one of the broad policy areas/themes

1. Re-regulation of 'labour' (23 July)
2. Re-regulation of money/financial markets (30 July)
3. Re-regulation of 'nature'/environment (6 August)
4. Regulation/re-regulation of 'ideas' (13 August)

You should read each other's postings. Hopefully, the postings of others will introduce you to other valuable sources. By asking you to relate your topic to broader course themes, this exercise seeks to prepare you for the course discussions that will occupy much of the second part of the course.

