

Sociology 918
Comparative Sociology of Contemporary Capitalism

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This seminar introduces students to the literature and ongoing debates concerning globalization and varieties of capitalism. Research into varieties of capitalism emerged in full force around the year 2000. In its initial form, this literature made strong arguments that: a) there were distinct national models or family types of capitalism in different countries and regions; b) these distinct types were supported by specific institutional combinations that worked together to create the distinctive nature of the systems; c) these institutional configurations showed strong complementarities and path dependencies; d) different capitalist systems showed distinct attributes, strengths, and weaknesses. By 2009, however, the claims in this literature were being forcefully challenged. The Asian financial crisis, German reunification, ongoing globalization, and the spread of neoliberal policy combined to call into question the notion of varieties of capitalism that maintained their distinctive nature and institutions in the face of global forces. Focusing primarily (but not exclusively) on Western Europe, Asia (especially Japan), and the U.S., this course aims to provide both an overview of the initial VoC claims and a survey of the organizational, regional, and institutional shifts that are occurring in the current capitalist world. Conceptually, one goal of the course is to begin to think about how we can make intelligent and useful comparisons between the economic institutions of various capitalist systems and to consider the possibilities and constraints that face those who attempt to alter those systems.

Course Readings

Course readings can be downloaded from my webpage (see below for URL). If any students are interested in purchasing a course packet containing the readings, I can have the Social Science Copy Center (6th floor or William Sewell Hall, aka Social Science Building) create one on demand only. (This means it will take 24 to 48 hours for them to make you a copy. You will probably have to pay in advance. Please note that I will ask whether anybody wants to purchase a hard copy during the first class meeting. Only if I ascertain that this is the case will I leave a copy with the Social Science Copy Center.)

How to download course readings from web page:

Type the following link into your browser:

https://mywebspace.wisc.edu/xythoswfs/webview/_xy-29021083_1

YOU MUST ALLOW COOKIES FOR THIS LINK TO WORK.

Click on the folder for the week that you want to download readings for. (Please note that the folders contain both undergraduate and graduate readings for the week.)

Click on file name to download reading.

Course Requirements

1. All students are expected to attend class, do the readings, and participate in discussions. This will constitute 20% of your grade.
2. Each student is required to take responsibility for leading class discussion twice during the semester and to write a brief (one page) memo summarizing the main points of your presentation. The memo will be mailed to class members by Tuesday at 5 p.m. preceding the class meeting. (I will provide an email list for distribution.) The purpose of the presentation is

not to offer a detailed summary of the reading(s), but to engage the reading(s) and to launch the discussion by evaluating the main issues and arguments under examination and raising questions/lines of discussion. Each discussion/memo combination will count for 15% of your grade (for a total of 30%). Students are allowed to “double up” on presentations only after all sessions are filled with at least one presenter. Note: the presenter for week 2 does not need to provide the discussion memo in advance; it’s an incentive!

3. Auditors are welcome on the condition that they agree to facilitate one class discussion. See #2 above – same conditions apply.

4. All students are required to write **one** of the following (50% of final grade):

a. A final research paper based on a topic connected to the broad themes of this course. This paper can be a research proposal, a theoretical agenda/critique, a grant proposal, or a paper addressing a clearly-defined substantive, conceptual, or empirical problem. Students always ask how long these should be. Following Mark Granovetter, I always say, long enough to say something interesting. 15-30 pp. is a ballpark, but there is a lot of variation.

b. Seven 4-5 page essays on assigned weekly readings. The exact nature of the papers is up to you, but they should **not** be summaries of the readings. Rather, they should take critical issue with (some portion of) the readings, develop ideas, and engage the arguments/authors we are covering. To steal a sentence from Erik Wright, the paper “can be written as if it were designed to be a published ‘commentary’ in a journal, or a book review, or a substantive essay in its own right dealing with the issues in the reading.” The idea is to seriously grapple with the material and ideas in the course, its promises and shortcomings, and potential ways to resolve problems or recast the work. If you choose this option, you should be careful to provide systematic and thoughtful reactions to the work. **These essays are due on the weeks that the reading is to be discussed, not at the end of the semester.**

January 24: Introduction

No readings assigned

I. Initial Views on Institutional Variation and Complementarity

January 31 – Varieties of Capitalism: Liberal vs. Coordinated Market Economies

Peter A. Hall and David Soskice. 2001. “An Introduction to Varieties of Capitalism.” in Peter Hall and David Soskice (eds.), *Varieties of Capitalism: Institutional Foundations of Comparative Advantage* (Oxford: Oxford University Press), 1-44; 54-66.

Bruno Amable. 2004. *The Diversity of Modern Capitalism*. New York: Oxford, chs. 2-3, pp. 26-114.

February 7 – Coordinated Capitalism Ideal Type #1: Japan

Wikipedia entry. “Keiretsu.”

D. Eleanor Westney. 1996. “The Japanese Business System: Key Features and Prospects for Change.” *Journal of Asian Business* 12,1: 21-50.

Ronald Dore. 2000. *Stock Market Capitalism, Welfare Capitalism: Japan and Germany versus the Anglo-Saxons*. New York: Oxford, pp. 23-167.

February 14 – Coordinated Capitalism Ideal Type #2: Germany

Wolfgang Streeck. 2009. *Re-Forming Capitalism: Institutional Change in the German Political Economy*. New York: Oxford University, pp. 1-89; 106-146; 187-206.

February 21 – Liberal Capitalism Ideal Type: The U.S.

Alfred D. Chandler, Jr. 1994. "The Competitive Performance of U.S. Industrial Enterprises since the Second World War." *Business History Review* 68:1-72.

J. Rogers Hollingsworth. 1997. "The Institutional Embeddedness of American Capitalism", in Colin Crouch and Wolfgang Streeck. *Political Economy of Modern Capitalism*, Sage, pp. 133-47.

Josh Whitford and Jonathan Zeitlin. 2004. "Governing Decentralized Production: Institutions, Public Policy, and the Prospects for Inter-Firm Collaboration in the United States." *Industry & Innovation* 11(1-2):11-44.

II. Institutional Variations in a Globalizing World**February 28 – Corporate Governance**

Peter Gourevitch and James Shinn. *Political Power and Corporate Control: The New Global Politics of Corporate Governance*. Princeton 2007. selections

March 7 – Finance and Banking

Michel Lescure. 2009. "Banking and Finance." in Geoffrey Jones and Jonathan Zeitlin. *The Oxford Handbook of Business History*. New York: Oxford, pp. 319-346.

Ismail Erturk and Stefano Solari. 2007. "Banks as Continuous Reinvention." in *New Political Economy*, 12,3:369-388.

Masahiko Aoki and Serdar Dinc, 2000. "Relational Financing as an Institution and Its Viability under Competition." In Masohiko Aoki and Gary R. Saxonhouse (eds.), *Finance, Governance, and Competitiveness in Japan*. Oxford: Oxford University Press, pp. 19-42.

Sigurt Vitols. 2003. "From Banks to Markets: The Political Economy of Liberalization of the German and Japanese Financial Systems." in Kozo Yamamura and Wolfgang Streeck (eds.). *The End of Diversity? Prospects for German and Japanese Capitalism*. Cornell, pp. 240-60.

Andreas Hackethal, Reinhard H. Schmidt, and Marcel Tyrell. 2006. "The Transformation of the German Financial System" in *Revue d'économie politique*. 117:431-456.]

March 14 – The Legal System in a Global World

Terence C. Halliday. 2012. "Architects of the State: International Financial Institutions and the Reconstruction of States in East Asia." *Law & Social Inquiry* 37, 2:265-296.

Katharina Pistor. 2002. "The Standardization of Law and its Effect on Developing Economies." *American Journal of Comparative Law*. 50:97-130.

Sigrid Quack and Marie-Laure Djelic. "Adaptation, Recombination, and Reinforcement: The Story of Antitrust and Competition Law in Germany and Europe." In Wolfgang Streeck and Kathleen Thelan (eds.). *Beyond Continuity: Institutional Change in Advanced Political Economies*. Oxford, pp. 255-281.

March 21 – Skill Formation

Colin Crouch, David Finegold, and Mari Sako. 1999. *Are Skills the Answer? The Political Economy of Skill Creation in Advanced Industrial Countries*. Oxford: Oxford University, chs. 1, 4-7, pp. 1-30, 109-218.

Marino Regini. 1997. "Different Responses to Common Demands: Firms, Institutions and Training in Europe." *European Sociological Review* 13,3: 267-282.

April 4 – Labor Market Segmentation and Dualization

Richard B Freeman. 2000. "Single-Peaked vs. Diversified Capitalism: The Relation Between Economic Institutions and Outcomes", National Bureau of Economic Research Working Paper 7556, <http://www.nber.org/papers/w7556>.

Georg Menz. 2003. "Re-regulating the Single Market: National Varieties of Capitalism and Their Responses to Europeanization." *Journal of European Public Policy* 10,4: 532-555.

Bruno Palier and Kathleen Thelen. 2010. "Institutionalizing Dualism: Complementarities and Change in France and Germany," *Politics and Society*. 38:119-148.

Dong-One Kim and Seongsue Kim. 2003. "Globalization, Financial Crisis, and Industrial Relations: The Case of South Korea." *Industrial Relations*. 42,3:341-367.

April 11 – Welfare Systems #1: The Political Dimensions of Redistribution

Walter Korpi. 2006. "Power Resources And Employer-Centered Approaches In Explanations Of Welfare States And Varieties Of Capitalism Protagonists, Consenters, and Antagonists." *World Politics*. 58:167-206.

Torben Iversen and David Soskice. 2009. "Distribution and Redistribution: the Shadow of the Nineteenth Century." *World Politics*. 61,3.

Paul Pierson. 2001. "Coping with Permanent Austerity: Welfare State Restructuring in Affluent Democracies." in Paul Pierson (ed.). *The New Politics of the Welfare State*. Oxford, pp. 410-456.

April 18 – Welfare Systems #2: The Consequences of Different Approaches

Gøsta Esping-Andersen. 1999. *Social Foundations of Postindustrial Economies*. Oxford, pp. 73-94.

Jonas Pontusson. 2006. *Inequality and Prosperity: Social Europe vs. Liberal America* (Ithaca, NY: Cornell University Press), pp. 142-203.

Jacob Hacker. *Policy Drift: The Hidden Politics of US Welfare State Retrenchment*. In Wolfgang Streeck and Kathleen Thelen (eds.). *Beyond Continuity: Institutional Change in Advanced Political Economies*. Oxford, pp. 40-82.

Ito Peng. 2004. "Postindustrial Pressures, Political Regime Shifts, and Social Policy Reform in Japan and South Korea." *Journal of East Asian Studies* 4:389-425.

III. Challenges to National Models of Production

April 25 – Global Vertical Disintegration and Commodity Chains

Gary Herrigel and Volker Wittke. 2005. "Varieties of Vertical Disintegration: The Global Trend toward Heterogeneous Supply Relations and the Reproduction of Difference in US and German Manufacturing." in Glenn Morgan, Richard Whitley, and Eli Moen (eds.). *Changing Capitalisms? Internationalization, Institutional Change, and Systems of Economic Organization*. Oxford, pp. 277-311.

Gary Herrigel and Jonathan Zeitlin. 2010. "Inter-firm Relations in Global Manufacturing: Disintegrated Production and its Globalization." in Glenn Morgan, John Campbell, Colin Crouch, Peer Hull Kristensen, Ove Kai Pedersen, and Richard Whitley (eds.). *The Oxford Handbook of Comparative Institutional Analysis*. Oxford.

- Jennifer Bair. 2005. "Global Capitalism and Commodity Chains: Looking Back, Going Forward." *Competition and Change*. 9,2:153-180.
- Gary Gereffi, John Humphrey, and Tim Sturgeon. 2005. "The Governance of Global Value Chains: An Analytical Framework." *Review of International Political Economy*. 12:78-104.

May 2 - Industrial Regions

- Ash Amin and Nigel Thrift. 1992. "Neo-Marshallian Nodes in a Global Economy." *International Journal of Urban and Regional Research* 16,4: 571-87.
- John Humphrey and Hubert Schmitz. 2004. "Chain Governance and Upgrading: Taking Stock." in Hubert Schmitz (ed.), *Local Enterprises in the Global Economy*. Cheltenham: Edward Elgar, pp. 349-381.
- Seán Ó Riain. "Globalisation and Regional Development." Manuscript.
- Jonathan Zeitlin. 2007. "Industrial Districts and Regional Clusters." In Geoffrey Jones and Jonathan Zeitlin. *The Oxford Handbook of Business History*. New York: Oxford, pp. 219-43.
- Josh Whitford and Cuz Potter. 2007. "Regional Economies, Open Networks, and the Spatial Fragmentation of Production." *Socio-Economic Review* 5,3:497-526.

May 9 - To be determined, based on class interests

Some possibilities include

China

Less developed countries and capitalism

Hybrid forms of experimentation