

17.158

Political Economy of Western Europe

Course Description

Examines role of European states in postwar period of rapid economic growth and current crisis. Includes analysis of different state traditions ("etatist," liberal, authoritarian); government's role in decline of some economies and rise of others; why and where Keynesianism, indicative planning, and state enterprises were introduced; alternative conceptions of contemporary economic problems (new international division of labor? too few producers? oil shock?); and of policies to deal with them (industrial policy? monetarism? protectionism?).

Requirements

Students must do all the reading before attending the class. The course focuses on reading and discussion. The assignments are either

1. two short papers (12-15 pages each) or
2. a major research paper.

Grading

Grading is based mainly on the essays, with some consideration of class participation.

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Class #1 **Introduction**

Class #2 **National Traditions of State and Economy: Britain**

Samuel Beer, British Politics in the Collectivist Age,
(Knopf, 1965) chapters 1-3;

Tony Cutler, Karel Williams, and John Williams, Keynes,
Beveridge and Beyond, (Routledge & Kegan Paul, 1986),
Introduction and chapter 1;

Donald Winch, "*Keynes, Keynesianism, and State Intervention*,"
and Margaret Weir, "*Ideas and Politics: The Political Sources of
Economic Policy*," both in Peter Hall (ed.), The Political Power of
Economic Ideas: Keynesianism across nations, (Princeton
University Press, 1989) chapters 3, 5;

Peter Hall, Governing the Economy: The Politics of State
Intervention in Britain and France, (Cambridge University Press
1986), chapters 2-5;

Desmond King and Stewart Wood, "*The Political Economy of
Neoliberalism: Britain and the US in the 1980s*," in Kitschelt,
Herbert et al, Continuity and Change in Contemporary Capitalism,
(Cambridge University Press, 1999), chapter 13.

Class #3 **National Traditions of State and Economy: France**

Andrew Shonfield, Modern Capitalism: The Changing Balance of
Public and Private Power, (Oxford University Press, 1969),
chapters 5-8;

Richard Kuisel, Capitalism and the State in Modern France,
(Cambridge University Press, 1981), chapters 1, 5, 10;

French Documents (xerox);

Pierre Rosanvallon, "*Development of Keynesianism in France*," in
Peter Hall (ed.), The Political Power of Economic Ideas:
Keynesianism across Nations, (Princeton University Press, 1989)
chapter 7.

Class #4

National Traditions of State and Economy: Germany

Andrew Shonfield, Modern Capitalism: The Changing Balance of Public and Private Power, (Oxford University Press, 1969), chapters 11, 12;

Gary Herrigel, Industrial Construction, the Sources of German Industrial Power, (Cambridge University, Press 1996), chapters 1-3;

Herbert Giersch, Karl-Heinz Paqué, Holger Schmieding, The Fading Miracle: Four Decades of Market Economy in Germany, (Cambridge University Press, 1992) chapter 1;

Christopher Allen, "*The Underdevelopment of Keynesianism in the FRG*," and Harold James, "*What is Keynesian about Deficit Spending*," both in Peter Hall (ed.), The Political Power of Economic Ideas: Keynesianism across Nations, (Princeton University Press, 1989) chapter 9, 10;

Class #5

National Traditions of State and Economy: Italy

Andrew Shonfield, Modern Capitalism: The Changing Balance of Public and Private Power, (Oxford University Press, 1969), chapter 9;

Paul Ginsborg, A History of Contemporary Italy: Society and Politics, 1943-1998, (Penguin Books, 1990), chapters 3-9;

Richard Locke, Remaking the Italian Economy, (Cornell University Press, 1995), Chapters 1, 2, 6.

Class #6

Building the Boom: Economic Growth in the Postwar Era

Andrew Shonfield, Modern Capitalism: The Changing Balance of Public and Private Power, (Oxford University Press, 1969), chapters 1-4;

Andrea Boltho (ed.), The European Economy: Growth and Crisis, (Oxford University Press, 1982), chapters Introduction, 1, 10;

Barry Eichengreen, "*Institutions and Economic Growth: Europe after World War II*," in Nicholas Crafts and Gianni Toniolo, (eds.), Economic Growth in Europe Since 1945, (Cambridge University Press, 1997), chapter 2.

Class #7

Building the Boom: The International System and Economic Reconstruction

Fred L. Block, The Origins of International Economic Disorder: a study of United States international monetary policy from World War II to the present, (University of California Press, 1977) chapters 1-5;

Alan S. Milward, The Reconstruction of Western Europe, 1945-51, (University of California Press, 1984) chapter 14;

J. Bradford De Long and Barry Eichengreen, "*The Marshall Plan: History's Adjustment Program*", in Rudiger Dornbusch et. al., Postwar Economic Reconstruction and Lessons for the East Today, (MIT Press, 1993), pp. 189-230;

Alan S. Milward, The European Rescue of the Nation-State, (Routledge, 2000), chapters 1, 2, 4.

Class #8

From the Golden 1960s to the Crisis of the 1970s: Politics and Economy from the "Trente Glorieuses" to Stagflation

Ernst Haas, "*Technocracy, Pluralism and the New Europe*," and S. M. Lipset, "*The Changing Class Structure and Contemporary European Politics*," in Stephen Graubard (ed.), A New Europe?, (Houghton Mifflin, 1964), 62-88 & 337-370;

Phillip Armstrong, Andrew Glyn, John Harrison, Capitalism Since 1945, (Basil Blackwell, 1991), chapters 8-19;

Samuel Brittan, "*Inflation and Democracy*," and John Goldthorpe, "*The Current Inflation: Towards Sociological Account*," in Fred Hirsch and John Goldthorpe (eds.), The Political Economy of Inflation (Harvard University Press, 1978), chapter 7, 8.

Class #9

European Capitalism today: Making Europe

Joseph Weiler, The Constitution of Europe : Do the new clothes have an emperor?, (Cambridge University Press, 1999), chapters 1, 2;

Giandomenico Majone, (ed), Regulating Europe, (Routledge, 1996) chapters 1-4;

Karen Alter, Establishing the Supremacy of European Law: the Making of an International Rule of Law in Europe, (Oxford University Press, 2001), chapters 1, 2, 5, 6.

Class #10

Varieties of Capitalism

Peter Hall and David Soskice, Varieties of Capitalism, (Oxford University Press, 2001), Introduction;

Robert Boyer, "*The Convergence Hypothesis Revisited: Globalization but still the Century of Nations?*" and Andrea Boltho "*Has France Converged on Germany?*" and Wolfgang Streeck "*Lean Production in the German Auto Industry*" all in Suzanne Berger and Ronald Dore (eds.), National Diversity and Global Capitalism, (Cornell University Press, 1999) chapters Introduction, 1, 3, 5.

Class #11

Globalization and the Future of the Welfare State

Jonah Levy, "*Vice into Virtue*," Politics & Society, June 1999, vol. 27, no. 2, pp. 239-273;

John Stephens, Evelyne Huber, Leonard Ray, "*The Welfare State in Hard Times*" in Kitschelt et al, Continuity & Change in Contemporary Capitalism, (Cambridge, 1999) chapter 6;

Wolfgang Streeck, "*From Market Making to State Building? Reflections on the Political Economy of European Social Policy.*" in Leibfried and Pierson, European Social Policy: Between Fragmentation and Integration, (Brookings Institution, 1995), chapter 12.

Class #12

Globalization and European Politics

Kathleen Thelen, "*Varieties of Labor Politics in the Developed Democracies*," in Peter Hall and David Soskice, Varieties of Capitalism, (Oxford University Press, 2001), chapter 2;

Marcos Ancelovici, "*Organizing against Globalization: The Case of ATTAC in France*," in Politics and Society, September 2002, vol. 30, no. 3, pp. 427-463;

Kenneth Scheve and Matthew Slaughter, "*What Determines Individual Trade Policy Preferences?*" National Bureau of Economic Research Working Paper 6531, April 1998.