

BA-Lecture (European Cultures and Society), Title: Economy

Time: Tuesdays, weekly, 2.00-4.00pm Venue: OSL 247

Start: 17.09.2019

Description:

According to John Kenneth Galbraith the “shortcomings of economics are not original error, but uncorrected obsolescence” (Galbraith 1958: 3). Following this insight, the lecture begins with a discovery of the virtues of classical and neoclassical approaches, however continues with a depiction of the fallacies they produced over time. The same critical method is applied towards the basic ideas of Keynesian economic theory, the theoretical models which have emerged after the neoliberal turn during the 1980s and finally institutionalist theory which accounts for the cultural diversity of market economies.

These approaches are assessed by linking their popularity to historical events which they attempted to deal with. By reviewing these theories and accounting for their time-sensitivity, careful and limited theoretical explanations are developed for the national and regional differences in economic performance, innovation and distributional outcomes. At the centre of the analysis are types of institutional arrangements in political economies. In particular, the lecture focuses on national and regional differences of corporate governance, industrial relations and vocational training systems. In the last part of the lecture it

will be examined how these diverging arrangements can be integrated into the European Single Market. Moreover, it will be analysed whether the integration of this diversity leads to dysfunctional outcomes on labour and financial markets.

Qualification objectives

Students will learn theoretical concepts relevant for the understanding of contemporary political economies. They will understand the cultural embeddedness of markets by studying diverse empirical developments of national and regional economies in Europe. Finally, they will acquire theoretical and empirical knowledge concerning the integration of these diverse economies into the European Single Market.

Course logistics

Students are expected to complete assigned readings according to schedule (the literature will be made accessible on moodle) and sit a written exam at the end of the lecture.

Session 1 (17.09.2019)

Idea and Organization of the Lecture

The Development of Economic Theory

Session 2

Classical and Neoclassical Economic Theory

Peet, Richard and Hartwick, Elaine (2009): Classical and Neoclassical Economics, in: Peet, Richard and Hartwick, Elaine: Theories of Development: Contentions, Arguments, Alternatives. Second Edition. New York/ London: The Guilford Press, p. 23-52.

Session 3

Keynesian Economics and the Neoliberal Turn, Part I

Peet, Richard and Hartwick, Elaine (2009): From Keynesian Economics to Neoliberalism, in: Peet, Richard and Hartwick, Elaine: *Theories of Development: Contentions, Arguments, Alternatives*. Second Edition. New York/ London: The Guilford Press, p. 53-74.

Session 4

Keynesian Economics and the Neoliberal Turn, Part II

Peet, Richard and Hartwick, Elaine (2009): From Keynesian Economics to Neoliberalism, in: Peet, Richard and Hartwick, Elaine: *Theories of Development: Contentions, Arguments, Alternatives*. Second Edition. New York/ London: The Guilford Press, p. 74-102.

Session 5

Growth Models, Development Models and time-sensitivity of Economic Theory

Galbraith, John Kenneth (1958): *The Affluent Society*. 40th Anniversary Edition. Updated and with a New Introduction by the Author. Boston/ New York: Houghton Mifflin Company, Excerpts.

An Institutional Perspective on Western Political Economies

Session 6

Varieties of Capitalism

Hall, Peter; Soskice, David (2001): An Introduction to Varieties of Capitalism, in: Hall, Peter; Soskice, David (Hg.): *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press: 1-68.

Session 7

Regional Varieties of Capitalism – The Mediterranean Experience

Glassmann, Ulrich (2016): Social Rights, Family Networks and Regional Varieties of Capitalism in Mediterranean Countries. *Regional Studies*, 50 (1): 35-51.

Session 8

Vocational Training, Social Protection and the Unemployment Problem

Estevez-Abe, Margarita; Iversen, Torben; Soskice, David (2001): Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State, in: Hall, Peter; Soskice, David (Hg.): *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press: 145-183.

Session 9

The Emergence of the Knowledge Economy and Political Populism

Iversen, Torben and Soskice, David (2019): Knowledge Economies and their Political Construction, in: *ibid.* (eds.): *Democracy and Prosperity. Reinventing Capitalism through a Turbulent Century*. Princeton: Princeton University Press: 136-215.

Session 10

Corporate Governance, Enterprise Financing and Creative Industries

Florida, Richard (2002): The Rise of the Creative Class ...and how it's transforming work, leisure, community, & everyday life. New York: Basic Books, Chapter 3: The Creative Economy: 44-66 and Chapter 4: The Creative Class: 67-82.

Session 11

The Demand Side: Growth Models and Capitalist Development

Baccaro, Lucio and Pontusson, Jonas (2016): Rethinking Comparative Political Economy. The Growth Model Perspective, in: *Politics & Society*, 44(2): 175–207.

The Integration of Culturally Diverse Economies into the European Single Market

Session 12

The Liberal Bias of European Integration: Eliminating Cultural Diversity?

Scharpf, Fritz W. (2010): The asymmetry of European integration, or why the EU cannot be a ‘social market economy’, in: *Socio-Economic Review*, 8: 211–250.

Session 13

The Knowledge Economy and Employment Growth in the European Single Market

Di Cataldo, Marco; Rodríguez-Pose, Andrés (2017): What drives employment growth and social inclusion in the regions of the European Union?, *Regional Studies*. Online first: 1-20.