



Autumn 2019  
 Prof. Dr. Ulrich Glassmann  
 Comparative Institutional Analysis

**BA-Lecture (Topics in Area Studies)**

**Title: Institutional Change of Capitalist Economies & Societies**

**Time: Tuesdays, weekly, 10.00-12.00am**

**Venue: MAD 225, Start: 17.09.2019**

**Course Description:** The lecture deals with the institutional configurations which emerged in the course of the development of modern capitalism. It focuses on significant historical transformations by which the formal and informal societal and economic rules of the Western World have been fundamentally altered. At the same time the lecture deepens the knowledge of students with regard to the “Mediterranean Economies” and discusses the current crisis which most of these economies currently experience.

In chronological order, we will look at specific institutional arrangements regulating capitalist production and trade, such as the introduction and abolition of the gold standard, the conflictual establishment of labour union representation, the creation of the methods of mass production as well as the techniques influencing the support for mass consumption. Moreover, we look at institutional reforms designed to deal with specific crisis events such as the Great Crash of 1929, the Oil Price Crisis of the 1970s or the contemporary financial and debt crisis in the Eurozone countries. Here we will focus especially on Southern Europe.

While the lecture discusses specific historical events, it also introduces to significant political and economic theories which have interpreted these events and established a specific perspective in Political Economy. For instance, we will inquire into the various perspectives of economic liberalism as well as the criticism that was voiced against liberal theories, especially in Germany. This approach is supposed to help students to understand the time-sensitivity of economic concepts and enable them to engage in a critical debate on the institutional designs of modern capitalism.

**Formal requirements:** For the successful completion of this class students need to attend from beginning to end and prepare the literature for each session. At the end of the lecture students will participate in an oral exam (30 minutes) on 3 topics of the lecture. Logistics and the specifics of the formal requirements will be discussed in the first session.

**Qualification objectives:** The aim of this lecture is to make students acquainted with the historical evolution of economic concepts and deepen their understanding for the development and change of institutional arrangements governing modern capitalism. Students will learn about the cultural differences of these governance structures and will be enabled to understand time-sensitive interpretations of economic policies. Thus, the lecture presents a critical view on dogmatism in economics and approaches which ignore the historical and cultural context of economic activity.

**Literature:** The literature will be made available on Moodle and has to be prepared for each session.

Session 1) **(17.09.2017):** Organisation of the Lecture and Logistics

Session 2) Why are economic theories dependent on historical context?

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

Session 3) The Economic Institutions of “The Hundred Years’ Peace” since 1815 and the Rising Opposition between Liberalism and Socialism

Polanyi, Karl (2001 [1944]): *The Great Transformation. The Political and Economic Origins of Our Time*. Boston: Beacon Press. Part One: 3-32.

Session 4) Antiliberalism und the War Economy During World War One

Keynes, John M. (1915): *The Economics of War in Germany*, in: *The Economic Journal* 25 (9): 443-452.

Session 5) From War Propaganda to Psychological Theories of Public Relations and Mass Consumption in the 1920s

Bernays, Edward (1928 [2005]): *Propaganda*. New York: Ig Publishing, Kapitel I –IV: 38-82.

Session 6) The Great Depression in the 1930s and “The Road to Serfdom”

Hayek, Friedrich A. (2007 [1944]): *The Road to Serfdom*. London: Routledge/ The University of Chicago Press. Chapter 1: The Abandoned Road: 65-75, Chapter 3: Individualism and

Collectivism: 83-90, Chapter 12: The Socialist Roots of Naziism: 181-192.

Session 7) Economic Institutions of Post-War Europe between 1945 – 1970

Grabas, Christian (2014): *Planning the Economic Miracle? Industrial Policy in Italy Between Boom and Crisis, 1950–1975*, in: Grabas, Christian and Nützenadel, Alexander (Hg): *Industrial Policy in Europe after 1945. Wealth, Power and Economic Development in the Cold War*. Houndmills: Palgrave Macmillan: 134-161

Session 8) The Crisis of Mass Production and the Institutional Regulation of Inflation and Unemployment during the 1970s

Scharpf, Fritz W. (1987): *A Game-Theoretical Interpretation of Inflation and Unemployment in Western Europe*, in: *Journal of Public Policy*, 7(3): 227-257.

Session 9) The Deregulation of Financial Markets, the Power of Corporations and Neoliberalism form the 1980s to the present

Crouch Crouch, Colin (2011): *The Strange Non-Death of Neoliberalism*. Cambridge: Polity Press, S. 1-48.

Sitzung 10) Varieties of Capitalism: Coexistence or Antagonism between Liberal and Coordinated Market Economies in the European Union?

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 11) Regional Varieties of Capitalism in Southern Europe

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

Session 12) The Crisis-Ridden Transformation of the Eurozone after the Financial Crisis of 2007/ 2008

Scharpf, Fritz W. (2011) Monetary Union, Fiscal Crisis and the Preemption of Democracy. MPIfG Discussion Paper 11/11. Cologne: Max Planck Institute for the Study of Societies.

Session 13) The Crisis of Democratic Capitalisms: Public and Private Debt from the Perspective of New Crisis Theories

Streeck, Wolfgang (2014): *Buying Time: The Delayed Crisis of Democratic Capitalism*. London/ New York: Verso Books, Part One: From Legitimation Crisis to Fiscal Crisis: 45-170.