

SOCIOLOGY 918
COMPARATIVE SOCIOLOGY OF CONTEMPORARY CAPITALISM

Fall 2007
Tuesday 9:30-12:00
6105 Social Science

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Course Description

This graduate seminar will introduce students to recent comparative research and debates on globalization and varieties of capitalism, concentrating primarily (but by no means exclusively) on the developed “triad” regions of North America, Western Europe, and East Asia. Are there distinct national models or family types of capitalism across these regions? How far and in what ways do capitalist economies differ from one another in their social organization, institutional embeddedness, and modes of governance? What are the implications of such differences for industrial specialization, technological innovation, and economic performance in a competitive world market? How tightly coupled and mutually supportive/constraining are different institutional domains, such as corporate governance, finance, education and training, employment relations, and social welfare provision? Are current processes of globalization and regionalization eroding the coherence and distinctiveness of national economies? Are new forms of organizational and institutional diversity emerging from the efforts of firms, states, and other actors to coordinate production across borders, regulate market transactions, and manage uncertainty in an increasingly integrated and volatile global economy? In tackling such questions, the course will combine a comparative approach with an analysis of interactions between competing models, as well as a discussion of tendencies towards convergence and/or divergence. It will also examine the implications of contemporary transformations in national models of capitalism for broader social science debates on isomorphism, path dependency, and institutional change.

Requirements and Grading

All seminar participants are expected to: 1) take an active part in class discussions; 2) prepare at least ten memos on the week’s required readings (1-2 single-spaced pages each); 3) write a critical review (c. 2000 words or 8 double-spaced pages) of a book from the Further Reading section of the syllabus, or another work relevant to the themes of the course and agreed in advance with me; 4) write a 15-20 page (double-spaced or c. 4000-5000 words) research paper, on a topic related to the themes of the course and agreed in advance with me. Weekly memos and class participation will not be formally marked, but will count for 25 percent of the final course grade. I will meet with each student individually midway through the semester to provide

an interim performance assessment, and discuss possible areas for improvement. Both the critical book review and the final research paper will be formally evaluated and will count for the remaining 25 and 50 percent of the final grade respectively. The critical book review should focus on the relationship between the author(s)' theoretical arguments and the empirical evidence presented to support them. It will be due on October 30. You will be expected to prepare a brief written proposal for the final paper (due on November 13), on which I will provide feedback, and the paper itself will be due one week after our final class meeting. Both the critical book review and the final research paper may focus on a country or region of the world beyond those directly covered in the course, such as Latin America, East-Central Europe, the former Soviet Union, China, India, or Southeast Asia.

Weekly memos are intended to prepare the ground for good discussions by requiring seminar participants to set out their initial responses to the readings in written form. Memos should not summarize the readings, but should engage with them analytically, e.g. by taking up specific arguments, comparing the positions of different authors, identifying particular strengths and weaknesses in the texts, raising empirical questions, and drawing out theoretical or policy implications. Each memo should also identify at least one specific question that you would like the class to discuss. We will arrange to share these memos through email. In order for everyone to have time to read over others' comments, these will be due on email by 6 pm on Monday evening (the day before the class meets). You are entitled to skip any three weeks – but no more – during the semester, in deference to your other scheduled commitments. I will use the email memos to prepare an agenda for our discussions. Memos submitted after 6pm may not be included in the agenda.

Reading

A course reader will be available for purchase at the Social Science Copy Center.

All books listed in this syllabus are also available on reserve in the Helen C. White College Library. Most journal articles can be accessed and downloaded through the UW electronic library. Go either to MadCat or to the Electronic Journals List (<http://www.library.wisc.edu/journals/>), look up the title, and follow the links. Copies of book chapters and other materials not otherwise available online can be accessed through the e-reserves system under the course number. I will also create a course webpage using Learn@UW, where I may post other relevant materials during the semester.

1. Introductory Meeting (September 4)

PART I: CONVERGENCE AND DIVERGENCE IN GLOBAL CAPITALISM

2. The End of Capitalist Diversity? (September 11)

Dore, Ronald, 2000: *Stock Market Capitalism: Welfare Capitalism: Japan and Germany versus the Anglo-Saxons* (Oxford: Oxford University Press), chs. 1, 11, pp. 1-19, 219-39.

Streeck, Wolfgang, and Kozo Yamamura, 2003: "Introduction: Convergence or Diversity? Stability and Change in German and Japanese Capitalism", in Yamamura and Streeck (eds.), *The End of Diversity? Prospects for German and Japanese Capitalism* (Ithaca, NY: Cornell University Press), 1-50.

Boyer, Robert, 1996: "The Convergence Hypothesis Revisited: Globalization but Still the Century of Nations?", in: Suzanne Berger and Ronald Dore (eds.), *National Diversity and Global Capitalism* (Ithaca, NY: Cornell University Press), 29-59.

Hay, Colin, 2004: "Common Trajectories, Variable Paces, Divergent Outcomes? Models of European Capitalism under Conditions of Complex Interdependence", *Review of International Political Economy* 11(2): 231-62.

Berger, Suzanne, 2006: *How We Compete: What Companies Around the World Are Doing to Make It in Today's Economy* (New York: Currency Doubleday), ch. 2 ("A Preview of the MIT Globalization Study"), pp. 29-55.

Further Reading

Dore, *Stock Market Capitalism, Welfare Capitalism*, chs. 2-10, pp. 23-215.

Yamamura and Streeck, *End of Diversity?*

3. Globalization (September 18)

Castells, Manuel, 2000: *The Rise of the Network Society* (2nd. ed., Oxford: Oxford University Press), 101-162.

Meyer, John W., 2000: "Globalization: Sources and Effects on National States and Societies", *International Sociology* 15: 233-48.

Hirst, Paul, and Grahame Thompson, 1999: "Globalization – Frequently Asked Questions and Some Surprising Answers", in: Peter Leisink, ed., *Globalization and Labour Relations*, (Cheltenham: Edward Elgar), 36-56.

Fligstein, Neil, 2001: *The Architecture of Markets* (Princeton: Princeton University Press, 2001), ch. 9 (“Globalization”), pp. 191-222.

Guillén, Mauro, 2001: “Is Globalization Civilizing, Destructive, or Feeble? A Critique of Five Key Debates in the Social Science Literature”, *Annual Review of Sociology* 27: 235-60.

Further Reading

Hirst, Paul, and Grahame Thompson, 1999: *Globalization in Question*, (2nd edition, Cambridge: Polity).

Held, David, et al., 1999: *Global Transformations: Politics, Economics, and Culture* (Cambridge: Polity).

4. Varieties of Capitalism (September 25)

Hall, Peter A., and David Soskice, 2001: “An Introduction to Varieties of Capitalism”, in Hall and Soskice (eds.), *Varieties of Capitalism: Institutional Foundations of Comparative Advantage* (Oxford: Oxford University Press), 1-68.

Amable, Bruno, 2003: *The Diversity of Modern Capitalism* (Oxford: Oxford University Press), chs. 2-3, pp. 26-114.

Crouch, Colin, 2006: *Capitalist Diversity and Change: Recombinant Governance and Institutional Entrepreneurs* (Oxford: Oxford University Press), ch. 2 (“Typologies of Capitalism”), pp. 25-45.

Deeg, Richard, and Gregory Jackson, 2007: “Towards a More Dynamic Theory of Capitalist Variety”, *Socio-Economic Review* 5(1): 149-79.

Further Reading

Hall and Soskice, *Varieties of Capitalism*.

Hall, Peter A., and Daniel W. Gingerich, 2004: “Varieties of Capitalism and Institutional Complementarities in the Macro-Economy: An Empirical Analysis”, *Max Planck Institute for the Study of Societies Discussion Paper* 04/5, Cologne, http://www.mpi-fg-koeln.mpg.de/pu/mpifg_dp/dp04-5.pdf.

Kenworthy, Lane, 2006: “Institutional Coherence and Macroeconomic Performance”, *Socio-Economic Review*, 4(1): 69–91.

5. Beyond Isomorphism and Path Dependency: Reflexivity, Hybridization, and Institutional Change (October 2)

- Sabel, Charles, 1996: "Intelligible Differences: On Deliberate Strategy and the Exploration of Possibility in Economic Life", *Rivista Italiana degli Economisti* (Journal of the Società Italiana degli Economisti), 1(1), 55-80,
<http://www.law.columbia.edu/sabel/papers/IntelDif.html>.
- Boyer, Robert, 1998: "Hybridization and Models of Production: Geography, History, and Theory", in Boyer et al. (eds.), *Between Imitation and Innovation: Transfer and Hybridization of Productive Models in the International Automobile Industry* (Oxford: Oxford University Press), 23-56.
- Zeitlin, Jonathan, 2003: "Introduction: Governing Work and Welfare in a New Economy: European and American Experiments", in: Jonathan Zeitlin and David Trubek (eds.), *Governing Work and Welfare in a New Economy: European and American Experiments* (Oxford: Oxford University Press), 1-18.
- Streeck, Wolfgang, and Thelen, Kathleen, 2005: "Introduction: Institutional Change in Advanced Political Economies", in Streeck and Thelen (eds.), *Beyond Continuity: Institutional Change in Advanced Political Economies* (Oxford: Oxford University Press), 1-39.
- Crouch, Colin, 2006: *Capitalist Diversity and Change: Recombinant Governance and Institutional Entrepreneurs* (Oxford: Oxford University Press), chs. 1 and 4 ("Neo-institutional Analysis and Comparative Capitalism"; "Innovation and Path Dependence"), pp. 1-24, 74-100.
- Herrigel, Gary, 2007: "Rules and Roles: Ambiguity, Experimentation, and New Forms of Stakeholderism in Germany", forthcoming in *Industrielle Beziehungen*.

PART II: CROSS-NATIONAL VARIATIONS IN ECONOMIC ORGANIZATION

6. Corporate Governance (October 9 – to be rescheduled: JZ in Lisbon)

- Herrigel, Gary, 2007: "Corporate Governance", in: Geoffrey Jones and Jonathan Zeitlin (eds.), *The Oxford Handbook of Business History*, 470-97.
- Mayer, Colin, 1998: "Financial Systems and Corporate Governance: A Review of the International Evidence", *Journal of Institutional and Theoretical Economics* 154: 144-76.
- O'Sullivan, Mary, 2003: "The Political Economy of Comparative Corporate Governance", *Review of International Political Economy*, 10(1): 23-72
- Hansmann, Henry and Rainer Kraakman, 2004: "The End of History for Corporate Law", in: Jeffrey N. Gordon and Mark J. Roe (eds.), *Convergence and Persistence in Corporate Governance* (Cambridge: Cambridge University Press), 33-68.

Sabel, Charles F., 2004: “Ungoverned Production”, in: Gordon and Roe, *Convergence and Persistence in Corporate Governance*, 310-27.

Jackson, Gregory, 2005: “Towards a Comparative Perspective on Corporate Governance and Labour Management: Enterprise Coalitions and National Trajectories”, in Howard Gospel and Andrew Pendleton (eds.), *Corporate Governance and Labour Management: An International Comparison* (Oxford: Oxford University Press), 284-309.

Further Reading

Gordon and Roe, *Convergence and Persistence in Corporate Governance*.

Gospel and Pendleton, *Corporate Governance and Labour Management*.

7. Finance (October 16)

Verdier, Daniel, 2001: “Social Against Mobile Capital: Cross-National Variations in Stock Market Size in the OECD”, *EUI Working Paper SPS* (European University Institute, Florence), no. 2001/2, <http://www.iue.it/PUB/sps20012.pdf>.

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

Vitols, Sigurt, 2003: “From Banks to Markets: The Political Economy of Liberalization of the German and Japanese Financial Systems”, in Yamamura and Streeck, *End of Diversity?*, 240-60.

Lane, Christel, and Sigrid Quack, 2001: “How Banks Construct and Manage Risk: A Sociological Study of Small Firm Lending in Britain and Germany”, ESRC Centre for Business Research, University of Cambridge Working Paper No. 217, <http://ideas.repec.org/p/cbr/cbrwps/wp217.html>.

Wagenvoort, Rien, 2003: “SME Finance in Europe: Introduction and Overview”, *EIB Papers* 8(2): 10-20.

Lescure, Michel, 2007: “Banking and Finance”, in Jones and Zeitlin, *The Oxford Handbook of Business History*, 319-46.

Further Reading

Verdier, Daniel, 2002: *Moving Money: Banking and Finance in the Industrialized World* (Cambridge: Cambridge University Press).

October 23: JZ in Brussels: no meeting. Work on critical book review.

8. Skill Formation and Training (October 30)

Thelen, Kathleen, 2007: "Skill Formation and Training", in: Jones and Zeitlin, *The Oxford Handbook of Business History*, 559-80.

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

Regini, Marino, 1997: "Different Responses to Common Demands: Firms, Institutions and Training in Europe", *European Sociological Review* 13(3): 267-82.

Further Reading

Culpepper, Pepper D., and David Finegold (eds.), 1999: *The German Skill Machine: Sustaining Comparative Advantage in a Global Economy* (New York: Berghahn Books).

Brown, Phillip, Andy Green, and Hugh Lauder (eds.), 2001: *High Skills: Globalization, Competitiveness, and Skill Formation* (Oxford: Oxford University Press).

9. Labor Markets and Employment Relations (November 6)

Freeman, Richard B., 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>.

Rubery, Jill, and Grimshaw, Damian, 2003: *The Organization of Employment: An International Perspective* (London: Palgrave Macmillan), 138-97.

Traxler, Franz, 2003: "Bargaining, State Regulation and the Trajectories of Industrial Relations", *European Journal of Industrial Relations* 9(2): 141-61.

Marginson, Paul and Keith Sisson, 2002: "European Industrial Relations: A Case of Convergence and Divergence?", *Journal of Common Market Studies* 40(4): 671-92.

Thelen, Kathleen, and Ikuo Kume, 2003: "The Future of Nationally Embedded Capitalism: Industrial Relations in Germany and Japan", in: Yamamura and Streeck, *The End of Divergence*, 183-211.

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

Review Herrigel, "Rules and Roles" from week 5.

Further Reading

Traxler, Franz Sabine Blaschke, and Bernhard Kittel, 2001: *National Labour Relations in Internationalized Markets: A Comparative Study of Institutions, Change, and Performance* (Oxford: Oxford University Press).

Katz, Harry, and Owen Darbishire, 2000: *Converging Divergences: Worldwide Changes in Employment Systems* (Ithaca, NY: Cornell University Press).

10. Worlds of Welfare (November 13)

Esping-Andersen, Gøsta, 1999: *Social Foundations of Postindustrial Economies* (Oxford: Oxford University Press), 73-94.

Estevez-Abe, Margarita, Torben Iversen, and David Soskice, 2001: “Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State”, in Hall and Soskice, *Varieties of Capitalism*, 145-84.

Pierson, Paul, 2001: “Coping with Permanent Austerity: Welfare State Restructuring in Affluent Democracies”, in Paul Pierson (ed.), *The New Politics of the Welfare State*, Oxford: Oxford University Press, 410-56.

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

Ferrera, Maurizio and Anton Hemerijck, 2003: “Recalibrating Europe’s Welfare Regimes”, in: Jonathan Zeitlin and David Trubek (eds.), *Governing Work and Welfare in a New Economy: European and American Experiments* (Oxford: Oxford University Press), 88-128.

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

Further Reading

Esping-Andersen, Gøsta, 1990: *The Three Worlds of Welfare Capitalism* (Princeton: Princeton University Press).

Ebbinghaus, Bernhard, and Philip Manow (eds.), 2001: *Comparing Welfare Capitalism: Social Policy and Political Economy in Europe, Japan and the USA* (London: Routledge).

Glatzer, Michael and Dietrich Rueschmeyer (eds.), 2005: *Globalization and the Future of the Welfare State* (Pittsburgh: Pittsburgh University Press).

PART III: DIVERSITY BEYOND NATIONAL MODELS?

11. Supranational Regionalization: The Case of the European Union (November 20)

- Karns, Margaret P., and Karen A. Mingst, 2004: *International Organizations: The Politics and Processes of Global Governance* (Boulder, CO: Lynne Rienner), ch. 5 (“Regional Organizations”), pp. 145-200.
- Schmidt, Vivien, 2002: “Europeanization and the Mechanics of Economic Adjustment”, *Journal of European Public Policy* 9(6): 894-912.
- Menz, Georg, 2003: “Re-regulating the Single Market: National Varieties of Capitalism and Their Responses to Europeanization”, *Journal of European Public Policy* 10(4): 532-55.
- Thatcher, Mark, 2004: “Varieties of Capitalism in an Internationalized World: Domestic Institutional Change in European Telecommunications”, *Comparative Political Studies* 37(7): 751-80.
- Ferrera, Maurizio, 2003: “European Integration and National Social Sovereignty: Changing Boundaries, New Structuring?”, *Comparative Political Studies* 36(6): 611-52.
- Sabel, Charles, and Zeitlin, Jonathan, 2007: “Learning from Difference: The New Architecture of Experimentalist Governance in the EU”, *European Governance (EUROGOV) Paper* No. C7-02, <http://www.connex-network.org/eurogov/pdf/egp-connex-C-07-02.pdf>; forthcoming in the *European Law Journal*.

Further Reading

- Richardson, Jeremy, (ed.), 2004: *The European Union: Power and Policy-Making* (3rd ed., London: Routledge).
- Rhodes, Martin, Bob Hancké, and Mark Thatcher (eds.), 2007: *Institutional Change in Contemporary European Capitalism: Conflict, Contradiction and Complementarities* (Oxford: Oxford University Press).
- Pempel, T.J. (ed.), 2005: *Remapping East Asia: The Construction of a Region* (Ithaca, NY: Cornell University Press).

12. Subnational Regionalization: Districts and Clusters (November 27)

- Zeitlin, Jonathan, 2007: “Industrial Districts and Regional Clusters”, in: Jones and Zeitlin, *The Oxford Handbook of Business History*, 219-43.
- Crouch, Colin, and Carlo Trigilia, 2001: “Conclusions: Still Local Economies in Global Capitalism?”, in: Colin Crouch, Patrick Le Galès, Carlo Trigilia, and Helmut Voelzkow, *Local Production Systems in Europe: Rise or Demise?* (Oxford: Oxford University Press), 212-24.

- Le Galès, Patrick, and Carlo Trigilia, 2004: “Conclusions”, in: Colin Crouch, Patrick Le Galès, Carlo Trigilia, and Helmut Voelzkow, *Changing Governance of Local Economies: Responses of European Local Production Systems* (Oxford: Oxford University Press), 331-43.
- Sabel, Charles F., 2004: “The World in a Bottle or Window on the World? Open Questions about Industrial Districts in the Spirit of Sebastiano Brusco”, *Stato e Mercato* 70: 143-158, English version available online at <http://www2.law.columbia.edu/sabel/papers.htm>.
- Humphrey, John, and Hubert Schmitz, 2004: “Chain Governance and Upgrading: Taking Stock”, in: Hubert Schmitz (ed.), *Local Enterprises in the Global Economy* (Cheltenham: Edward Elgar), 349-81.
- Whitford, Josh, and Cuz Potter, 2007: “Regional Economies, Open Networks, and the Spatial Fragmentation of Production”, *Socio-Economic Review* 5(3): 497-526.

Further Reading

- Crouch et al., *Changing Governance of Local Economies*.
- Schmitz, *Local Enterprises in the Global Economy*.

13. Multinational Enterprises (December 4)

- Whitley, Richard, 2001: “How and Why Are International Firms Different? The Consequences of Cross-Border Managerial Coordination for Firm Characteristics and Behaviour”, in Glenn Morgan, Peer Hull Kristensen, and Richard Whitley, eds., *The Multinational Firm: Organizing Across Institutional and National Divides* (Oxford: Oxford University Press), 27-68.
- Ferner, Anthony, and Javier Quintilla, 1998: “Multinationals, National Business Systems and HRM: The Enduring Influence of National Identity or a Process of ‘Anglo-Saxonization’?”, *International Journal of Human Resource Management* 9 (4): 710-31.
- Almond, Phil, et al., 2005: “Unraveling Home and Host Country Effects: An Investigation of the HR Policies of an American Multinational in Four European Countries”, *Industrial Relations* 44(2): 276-306.
- Kristensen, Peer Hull, and Jonathan Zeitlin, 2005: *Local Players in Global Games: The Strategic Constitution of a Multinational Corporation* (Oxford: Oxford University Press), preface, chs. 1, 7-8, 12, pp. xii-xxii, 1-23, 157-211, 301-322.

Further Reading

- Morgan et al., *The Multinational Firm*.
- Almond, Phil, and Anthony Ferner (eds.), 2006: *American Multinationals in Europe: Managing Employment Relations Across National Borders* (Oxford: Oxford University Press).

14. Inter-Firm Networks and Global Value Chains (December 11)

- Helper, Susan, John Paul MacDuffie, and Charles Sabel, 2000: “Pragmatic Collaborations: Advancing Knowledge While Controlling Opportunism”, *Industrial and Corporate Change*, **9**, 443-83.
- Whitford, Josh, 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.
- Gereffi, Gary, John Humphrey, and Tim Sturgeon, 2005: “The Governance of Global Value Chains: An Analytical Framework”, *Review of International Political Economy*, 12: 78-104.
- Sabel, Charles F., and Jonathan Zeitlin, 2004: “Neither Modularity nor Relational Contracting: Inter-Firm Collaboration in the New Economy”, *Enterprise and Society* 5: 388-403.
- Herrigel, Gary, 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: Oxford University Press), 277-311.
- Saxenian, AnnaLee, 2002: “Transnational Communities and the Evolution of Global Production Networks: The Cases of Taiwan, China, and India”, *Industry and Innovation*, **93**, 183-202.
- Further Reading*
- Berger, *How We Compete*.
- Saxenian, AnnaLee, 2006: *The New Argonauts: Regional Advantage in a Global Economy* (Cambridge, MA: Harvard University Press).