

GGR 344H

Political Economy of Germany and the EU

University of Toronto, Fall 2020
Mondays, 2:00 PM - 4:00 PM
Room SS 1073 (Sidney Smith Hall)

Instructor

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Bb Collaborate "Course Room" on Quercus)
or by appointment

Teaching Assistant

TBA
TA Email: TBA

Course Description

This course discusses a range of interdisciplinary topics that are particularly relevant for students in economic and political geography, as well as political science/political economy. It conducts a comparative institutional analysis of the German political economy in the context of EU integration and economic globalisation. This includes an understanding of the economic and political system and its regional manifestations. Drawing upon the varieties-of-capitalism and welfare-states literature, the main themes of the course revolve around the institutional conditions for growth. Using a comparative institutional approach, the course aims to understand the specific structure of the German political economy via comparisons with other countries on topics, such as the role of collective agents, corporate governance and finance, collective bargaining, social security systems, and population structure and immigration. In order to understand the heterogeneous challenges to the "German model", the course also explores the conditions under which sub-national (regional) economies and regional networks develop, using examples from East Germany, the Ruhr area and Baden-Württemberg.

Learning Outcomes

By the end of this course, students will 1. understand how territorial development is shaped by wider institutional contexts, 2. understand differences in economic structure by using a comparative approach, 3. understand how different modes of social inclusion generate different capitalist systems

Course Organization

Although the course has a lecture format, it will provide opportunities for students to participate in class discussions. The lectures will be delivered in-class and also live-streamed through Bb Collaborate. Lectures will be recorded and made available through the Quercus-based course website for one week.

Course evaluation will be based on a final essay exam assignment (3-4 pages double-spaced) and two research components: a research proposal (2 pages double-spaced plus annotated bibliography) and a research paper (10-12 pages double-spaced).

Access to Course Materials & Readings

All course materials and additional information about administration, assignments, plagiarism and writing support will be available through the Quercus-based course website.

Submissions

All assignments should be submitted online through the Quercus-based course website where they will be checked through Turnitin.com. Students have to select “Assignments” from the Quercus course menu and click the corresponding link to upload and submit their assignments (“Submit Assignment”). Help regarding this process is available through the Quercus “Help” menu or help.desk@utoronto.ca. The due dates for the assignments are noted below.

Turnitin.com

The course uses Turnitin.com, a web-based program to deter plagiarism and ensure academic integrity. Normally, students will be required to submit all written assignment to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of the Turnitin.com service are described on the Turnitin.com website. Plagiarism is a serious academic offence and will be dealt with accordingly. For further clarification and information on plagiarism, see the [University of Toronto’s policy on plagiarism](#).

If, as a student, you object to using Turnitin.com, please see the course instructor to establish appropriate alternative arrangements for submission of your written assignments. This must be done at least 4 weeks before the submission deadline.

Quercus

The course uses the management system Quercus which helps to establish efficient communication between instructor, teaching assistant and students. One of its advantages is that students can access their marks at any time on an individual basis. To access the Quercus-based course website, go to the [UofT portal login page](#) and log in using your [UTORid](#) and password.

Once you have logged into the portal using your UTORid and password, you will find a link on the Quercus “Dashboard” to this course website, along with links to all your other Quercus-based courses. At times, the instructor or teaching assistant may decide to send out important course information by e-mail. To this end, all UofT students are required to have a valid UofT e-mail address. You are responsible for ensuring that your UofT e-mail address is set up and properly entered in the ACORN system.

Assignments and Evaluation

Key Dates

1. Research Proposal	20%	October 26, 2020
2. Research Paper	50%	December 7, 2020
3. Final Exam Essay Assignment	30%	TBA

Assignment Details

Assignment 1 – Research Proposal (2 pages double-spaced plus annotated bibliography)

Due date October 26 (class 6); weight: 20%

The research proposal should provide an introduction to the topic, put forward the main question or problem to be addressed, provide a structure of the argument advanced, and indicate the conceptual basis used to structure the research. An annotated bibliography should be attached to the 2-page proposal that gives an overview of the sources to be used. It is expected that the research paper will later be developed from this proposal and the comments received on it.

For the research proposal and research paper, students are expected to choose a topic from the context of the course, comparing the political economy of Germany with that of another European country or Canada. For instance, students could compare changes in the financial system or in corporate governance after the global financial crisis between Germany and the UK, the impact of globalization processes on the German and Canadian labour markets, or adaptations in the German and Scandinavian welfare states under economic pressure. Topics can range from industrial relations to financial system, corporate governance, welfare state, social security system, company networks, immigration and system transformation.

Assignment 2 – Research Paper (10-12 pages double-spaced)

Due date December 7 (class 11); weight: 50%

It is expected that the research proposal and the comments received on it will provide the basis for the research paper.

Evaluation Criteria for Written Assignments:

- Clarity in writing and referencing. The paper is expected to be free of spelling and grammatical errors. A recognized referencing style must be used in a consistent manner; references are always to be cited accurately in the paper. If references appear in the body of the paper but not in the “references cited” list and vice versa, this will negatively impact the grade.
- Clarity and logic in structure. The paper should be written in a coherent, logical manner. The logic of the structure is determined by the goal, which is to test a hypothesis, answer a research question or defend a thesis statement.
- Precision and accuracy. Precision means saying exactly and specifically what you mean, avoiding vague generalities. Accuracy refers to absence of major factual errors.
- Analysis. Student papers are expected to demonstrate originality in thought and to summarize and assess information in a critical, objective manner. The term paper will be evaluated on the defensibility of the analysis in terms of the use of evidence and logical coherence.

Assignment 3 – Final Exam Essay Assignment (3-4 pages double-spaced)

Due date TBA; weight: 30%

The final exam assignment is an essay assignment that asks students to summarize one mandatory course reading (determined by the instructor) and link it to other course contents (3-4 pages double-spaced). The reading will be announced in the morning of the scheduled date (10:00 AM). Students will have 24 hours to submit the assignment.

Late Penalties

For lateness, a penalty of 3% per day will be deducted from the mark for the first 7 days. After this 7-day period, papers will receive a grade of 0%. Extensions without penalty will be granted for reasons of accommodation, illness or emergencies when appropriate documentation is submitted to the instructor. Reweighting of assignments/grades is not permitted.

Required Text

All required readings are accessible online by clicking the link “Library Course Reserves” on the Quercus-based course website. Readings marked by an asterisk (*) below are core readings on each topic which all students are required to read.

Weekly Course Schedule

A. Background and conceptual basis for understanding the German political economy

Topic 1 – Introduction: Regional political and economic structure of Germany

Topic 2. – Backwardness and the rise of the semi-sovereign state I

Topic 3 – Backwardness and the rise of the semi-sovereign state II

Topic 4 – Models of welfare capitalism

Topic 5 – Fordism, Post-Fordism and varieties of capitalism

B. Collective agents and basic institutional structure of the German political economy

Topic 6 – German corporatism and industrial relations

Topic 7 – Financial system and corporate governance

Topic 8 – Social security system: Unemployment insurance, health care, and pension funds

C. Regional expressions of and challenges to the German political economy

Topic 9 – Networking and lock-in: Company networks and structural change in the German Ruhr

Topic 10 – “Späth capitalism” and economic revival in Baden-Württemberg

Topic 11 – Germany reunited: Transformation of the East German economy

D. Limitations of the German political economy

Topic 12 – Frictions to inclusion: Immigration and shifts in the population structure

Readings

Topic 1 – Introduction: Regional political and economic structure of Germany

*BBSR – Bundesinstitut für Bau-, Stadt- und Raumforschung (Federal Institute for Urban and Regional Research) (2020): [INKAR – Indikatoren und Karten zur Raum- und Stadtentwicklung](#) (INKAR – Regional and Urban Planning Indicators and Maps). BBSR: Bonn (in German; tool to create interactive maps of a wide range of socio-economic indicators for Germany).

*Reisenbichler, A. and Morgan, K. (2012): From ‘sick man’ to ‘miracle:’ Explaining the robustness of the German labor market during and after the financial crisis 2008-09. *Politics and Society* 40: 549-579.

*Website: [Facts About Germany](#).

Dustmann, C., Fitzenberger, B., Schönberg, U. and Spitz-Oener, A. (2014): From sick man of Europe to economic superstar: Germany’s resurgent economy. *The Journal of Economic Perspectives* 28: 167-188.

Topic 2/3 – Backwardness and the rise of the semi-sovereign state I and II

*Gerschenkron, A. (1962): Economic backwardness in historical perspective. In: Gerschenkron, A. (Ed.): *Economic Backwardness in Historical Perspective*. Cambridge, MA: Harvard University Press, pp. 5-30.

*Green, S. and Paterson, W. E. (2005): Introduction: Semisovereignty challenged. In: Green, S. and Paterson, W. E. (Eds.): *Governance in Contemporary Germany: The Semisovereign State Revisited*. Cambridge: Cambridge University Press, pp. 1-20.

Bulmer, S. and Paterson, W. E. (2013) Germany as the EU’s reluctant hegemon? Of economic strength and political constraints. *Journal of European Public Policy* 20: 1387-1405.

Hough, D. (2009): Smaller parties and the ‘normalisation’ of the German party system. In: Miskimmon, A., Paterson, W. E. and Sloam, J. (Eds.): *Germany’s Gathering Crisis: The 2005 Federal Election and the Grand Coalition*. Houndsmill, Basingstoke, New York: Palgrave Macmillan, pp. 140-157.

Katzenstein, P. J. (1987): *Policy and Politics in West Germany: The Growth of a Semisovereign State*. Philadelphia: Temple University Press. Chapter 1.

Topic 4 – Models of welfare capitalism

*Esping-Andersen, G. (1990): *The Three Worlds of Welfare Capitalism*. Cambridge, MA: Polity Press, pp. 9-34.

*Hassel, A. (2010): Twenty years after German unification: The restructuring the German welfare and employment regime. In: Anderson, J. J. and Langenbacher, E. (Eds.): *From the Bonn to the Berlin Republic: Germany at the Twentieth Anniversary of Unification*. New York: Berghahn Books. Chapter 18.

Carlin, W., Hassel, A., Martin, A. and Soskice, D. (2015): The transformation of the German social model. In: Dølvik, J. E. and Martin, A. (Eds.): *European Social Models from Crisis to Crisis: Employment and Inequality in the Era of Monetary Integration*. Oxford: Oxford Scholarship Online, pp. 49-104.

Esping-Andersen, G. (1996): Welfare states without work – The impasse of labour shedding and familiarism in continental European social policy. In: Esping-Andersen (Ed.): *Welfare States in Transition: National Adaptations in Global Economies*. London: Sage, pp. 66-87.

Pierson, P. (2000): Three worlds of welfare state research. *Comparative Political Studies* 33: 791-821.

Streeck, W. (2009): *Re-Forming Capitalism: Institutional Change in the German Political Economy*. Oxford, New York: Oxford University Press (Chapter 4: Social policy: The rise and fall of welfare corporatism).

Topic 5 – Fordism, Post-Fordism and varieties of capitalism

*Jessop, B. (1992): Fordism and post-Fordism: A critical reformulation. In: Storper, M. and Scott, A. J. (Eds.): *Pathways to Industrialization and Regional Development*. London, New York: Routledge, pp. 46-69.

*Hall, P. A. and Soskice, D. (2001): An introduction to varieties of capitalism. In: Hall, P. A. and Soskice, D. (Eds.): *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford, New York: Oxford University Press, pp. 1-68.

Bathelt, H. and Gertler, M. S. (2005): The German variety of capitalism: Forces and dynamics of evolutionary change. *Economic Geography* 81: 1-9.

Haddow, R. (2008): How can comparative political economy explain variable change? Lessons for, and from, Canada. In: White, L. A., Simeon, R., Vipond, R. and Wallner, J. (Eds.): *The Comparative Turn in Canadian Political Science*. Vancouver: UBC Press, pp. 221-237.

Kitschelt, H., Lange, P., Marks, G. and Stephens, J. D. (1999): Convergence and divergence in advanced capitalist democracies. In: Kitschelt, H., Lange, P., Marks, G. and Stephens, J. D. (Eds.): *Continuity and Change in Contemporary Capitalism*. Cambridge: Cambridge University Press, pp. 427-460.

Topic 6 – German corporatism and industrial relations

*Addison, J. T., Teixeira, P., Pahnke, A. and Bellmann, L. (2017): The demise of a model? The state of collective bargaining and worker representation in Germany. *Economic and Industrial Democracy* 38: 193-234.

*Streeck, W. (2009): *Re-Forming Capitalism: Institutional Change in the German Political Economy*. Oxford, New York: Oxford University Press (Chapter 2: Industry-wide collective bargaining: Shrinking core, expanding fringes).

Hassel, A. (2014): The paradox of liberalization – Understanding dualism and the recovery of the German political economy. *British Journal of Industrial Relations* 52: 57-81.

Jackson, G. and Thelen, K. (2015): Stability and change in CMEs: Corporate governance and industrial relations in Germany and Denmark. In: Beramendi, P., Häusermann, S., Kitschelt, H. and Kriesi, H. (Eds.): *The Politics of Advanced Capitalism*. New York: Cambridge University Press, pp. 305-329.

Streeck, W. (2005): Industrial relations: From state weakness as strength to state weakness as weakness. Welfare corporatism and the private use of the public interest. In: Green, S. and Paterson, W. E. (Eds.): *Governance in Contemporary Germany: The Semisovereign State Revisited*. Cambridge: Cambridge University Press, pp. 138-164.

Streeck, W. (2009): *Re-Forming Capitalism: Institutional Change in the German Political Economy*. Oxford, New York: Oxford University Press (Chapter 3: Intermediary organization: Declining membership, rising tensions).

Streeck, W. and Hassel, A. (2003): The crumbling pillars of social partnership In: *West European Politics* 26: 101-124.

Topic 7 – Financial system and corporate governance

*Jackson, G. (2003): Corporate governance in Germany and Japan: Liberalization pressures and responses during the 1990s. In: Yamamura, K. and Streeck, W. (Eds.): *The End of Diversity? Prospects for German and Japanese Capitalism*. Ithaca: Cornell University Press, pp. 261-305.

*Kogut, B. and Walker, G. (2001): The small world of Germany and the durability of national networks. *American Sociological Review* 66: 317-335.

*Streeck, W. (2009): *Re-Forming Capitalism: Institutional Change in the German Political Economy*. Oxford, New York: Oxford University Press (Chapter 6: Corporate governance: The decline of Germany Inc.).

Boyer, R. (2005): [How and Why Capitalisms Differ](#). MPIfG Working Paper 05/4. Köln: MPIfG.

Kellermann, C. (2005): Disentangling Deutschland AG. In: Beck, S., Klobes, F. and Scherrer, C. (Eds.): *Surviving Globalization? Perspectives for the German Economic Model*. Dordrecht: Springer, pp. 111-132.

Topic 8 – Social security system: Unemployment insurance, health care, and pension funds

*Leibfried, S. and Obinger, H. (2004): The state of the welfare state: German social policy between macroeconomic retrenchment and microeconomic recalibration. In: Kitschelt, H. and Streeck, W. (Eds.): *Germany: Beyond the Stable State*. London, Portland, OR: Frank Cass, pp. 199-218.

*Mosebach, K. (2005): Transforming the welfare state: Continuity and change in social policy since 1998. In: Beck, S., Klobes, F. and Scherrer, C. (Eds.): *Surviving Globalization? Perspectives for the German Economic Model*. Dordrecht: Springer, pp. 133-155.

Busch, A. (2009): Schröder's agenda 2010: From 'plan B' to lasting legacy? In: Miskimmon, A., Paterson, W. E. and Sloam, J. (Eds.): *Germany's Gathering Crisis: The 2005 Federal Election and the Grand Coalition*. Houndsmill, Basingstoke, New York: Palgrave Macmillan, pp. 64-79.

Czada, R. (2003): Social policy: Crisis and transformation. In: Green, S. and Paterson, W. E. (Eds.): *Governance in Contemporary Germany: The Semisovereign State Revisited*. Cambridge: Cambridge University Press, pp. 165-189.

Mertens, D. (2017): Borrowing for social security? Credit, asset-based welfare and the decline of the German savings regime. *Journal of European Social Policy* 27: 474-490.

Topic 9 – Networking and lock-in: Company networks and structural change in the German Ruhr

*Grabher, G. (1993): The weakness of strong ties: The lock-in of regional development in the Ruhr area. In: Grabher, G. (Ed.): *The Embedded Firm: On the Socioeconomics of Industrial Networks*. London, New York: Routledge, pp. 255-277.

*Höpner, M. and Kremel, L. (2003): [The Politics of the German Company Network](#). MPIfG Working Paper 03/9. Köln: MPIfG.

*Hospers, G.-J. (2010): Breaking out from lock-in: Regional innovation strategies in the German Ruhrgebiet. *International Journal of E-Entrepreneurship and Innovation* 1: 55-67.

Heinze, R. G., Hilbert, J., Norhouse-Jan, J. and Rehfeld, D. (2004): Industrial clusters and the governance of change: Lessons from North Rhine–Westphalia (NRW). In: Braczyk, H.-J., Cooke, P. and Heidenreich, M. (Eds.): *Regional Innovation Systems*. London: UCL Press, pp. 263-283.

Leboutte, R. (2009): A space of European de-industrialisation in the late twentieth century: Nord/Pas-de-Calais, Wallonia and the Ruhrgebiet. *European Review of History* 16: 755-770.

Topic 10 – “Späth capitalism” and economic revival in Baden-Württemberg

*Fuchs, G. and Wassermann, S. (2005): Path dependency in Baden-Württemberg: Lock-in or breakthrough? In: Fuchs, G. and Shapira, P. (Eds.): *Rethinking Regional Innovation and Change: Path Dependency or Regional Breakthrough?* New York: Springer, pp. 223-248.

*Grotz, R. and Braun, B. (1993): Networks, milieux and individual firm strategies: Empirical evidence of an innovative SME environment. *Geografiska Annaler* 75 B: 149-162.

Heidenreich, M. and Krauss, G. (2004): The Baden-Württemberg production and innovation regime: Past successes and new challenges. In: Braczyk, H.-J., Cooke, P. and Heidenreich, M. (Eds.): *Regional Innovation Systems*. London: UCL Press, pp. 186-213.

Topic 11 – Germany reunited: Transformation of the East German economy

*Bathelt, H. (2013): Post-reunification restructuring and corporate re-bundling in the Bitterfeld-Wolfen chemical industry, East Germany. *International Journal of Urban and Regional Research* 37: 1456-1485.

*Wolf, H. (2010): German economic unification twenty years later. In: Anderson, J. J. and Langenbacher, E. (Eds.): *From the Bonn to the Berlin Republic: Germany at the Twentieth Anniversary of Unification*. New York: Berghahn Books. Chapter 16.

Lange, T. and Shackelton, J. R. (1998): The labour market in post-unification Eastern Germany. In: Lange, T. and Shackelton, J. R. (Eds.): *The Political Economy of German Unification*. Providence: Berghahn Books, pp. 89-104.

Wiesenthal, H. (2004): German unification and ‘model Germany’: An adventure in institutional conservatism. In: Kitschelt, H. and Streeck, W. (Eds.): *Germany: Beyond the Stable State*. London, Portland, OR: Frank Cass, pp. 37-58.

Topic 12 – Frictions to inclusion: Immigration and shifts in the population structure

*Kohli, M. (2005): Generational changes and generational equity. In: Johnson, M., Bengtson, V. L., Coleman, P. and Kirkwood, T. (Eds.): The Cambridge Handbook of Age and Ageing. Cambridge: Cambridge University Press, pp. 518-526.

*Martin, P. L. (2004): Germany: Managing migration in the twenty-first century (with commentaries by William M. Chandler and Uwe Hunger). In: Cornelius, W. A., Tsuda, T., Martin, P. L. and Hollifield, J. F. (Eds.): Controlling Immigration: A Global Perspective. 2nd Edition, Palo Alto: Stanford University Press, pp. 221-253.

*Schönwälder, K. and Triadafilopoulos, T. (2012): A bridge or barrier to incorporation? Germany's 1999 citizenship reform in critical perspective. *German Politics and Society* 30: 52-70.

Mayer, K. U. and Hillmert, S. (2004): New ways of life or old rigidities? Changes in social structures and life courses and their political impact. In: Kitschelt, H. and Streeck, W. (Eds.): *Germany: Beyond the Stable State*. London, Portland, OR: Frank Cass, pp. 79-100.

Schmidt-Catran, A. W. and Spies, D. C. (2016): Immigration and welfare support in Germany. *American Sociological Review* 81: 242-261.

Triadafilopoulos, T. (2012): *Becoming Multicultural: Immigration and the Politics of Membership in Canada and Germany*. Vancouver: UBC Press (Chapter 3: Between two worlds).

Course Policies & Expectations

Communication

Questions related to the course should be directed to the teaching assistant OR instructor – but not both at the same time. An answer will usually be provided within 1-2 days, except for the weekend. In urgent cases, students should discuss issues with the teaching assistant or instructor in person or by telephone.

Accessibility Services

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible at accessibility.services@utoronto.ca or <http://www.accessibility.utoronto.ca/>.

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Academic Integrity

Academic integrity is fundamental to learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree

that you earn will be valued as a true indication of your individual academic achievement, and will continue to receive the respect and recognition it deserves. For further details and information on [academic integrity](#).