Middle income trap

Whittaker, D. H. et al., (2010). Compressed Development.

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International Development

, 45(4), pp.439—467.

Whittaker, D., Sturgeon, T., Okita, T., & Zhu, T. (2020).

Compressed Development:

Time and Timing in Economic and Social Development

. Oxford University Press.

Doner, R., & Schneider, B. (2016). The Middle-Income Trap: More Politics than

Economics.

World Politics

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68

(4), 608-644.

Breman, J., & van der Linden, M. (2014). Informalizing the Economy: The Return of

the Social Question at a Global Level.

Development And Change

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(5), 920-940.

Fischer, A. (2015). The End of Peripheries? On the Enduring Relevance of

Structuralism for Understanding Contemporary Global

Development.

Development And Change

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(4), 700-732.

Fuller, D. (2013). Building Ladders out of Chains: China's Hybrid-led Technological

Development in Disaggregated Value Chains.

The Journal Of Development

Studies

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49

(4), 547-563.

Catherine Boone and David Soskice

Dept. of Government, LSE

LT 2023

14 Jan. 2023

New Approaches in Comparative Political Economy

GV517 MT 2023

LT 2023: Thursdays, 2-5, OLD 1.26. (or in the Int. Inequalities Institute: TBA)

CPE speakers series, Th. 5-6:30.

This half-unit reading seminar will survey a set of major topics in the Comparative Political Economy (CPE) of advanced capitalist and developing countries. The seminar is designed for PhD students (research students) across the School wanting to familiarize themselves with some of the major themes, controversies, and research frontiers in CPE. Our goal is to nurture innovation in doctoral-level CPE research at the LSE.

The seminar will will be run by Catherine Boone and David Soskice. Soskice works on the CPE of the OECD countries, as well as China and India. Boone works on the CPE of African economies and the developing world more generally. We have two objectives in this course.

Our first objective is to develop a course focused on understanding using CPE theory to understand how the contemporary world works. While situating our analyses in the context of a changing global economy, our focus will be on describing and explaining transformation at the level of nation states. Drivers of change can be found in the locus and organization of political power, in technological change, and/or in the dynamics of capital. Our seminar will explore both productive connections and tensions that emerge across explanatory models. We are particularly interested in whether the rise of the Knowledge Economy has confirmed, undermined, or transformed "varieties of capitalism," and whether problems, concepts, theories and empirical categories from the VoC literature and its descendants travel to the global South.

We are also interested in Global Capitalism (financialization, technological change, GVCs, MNCs, offshore world

The 2023 version of this course explores the evolution of the "varieties of capitalism" literature since the 1990s, its limits and extensions, and how it connects to comparative political economy research on countries of the developing world or Global South. We are interested in different forms of inequality and the politics that they produce, how this may be affected by structural change in the OECD countries (esp. financialization and rise of the knowledge economy), and changing theories and patterns of global market integration and regulation.

As in the past, the LT 2022 course will pay particular attention to ways in which comparativists and economists frame and use concepts of economic structure, agency (individual and collective), institutions, power, and ideology in making descriptive and causal inference. We will also trace the micro and macro economic theories that are woven through these works, comparing and contrasting economic models to those proposed in other disciplines. An underlying question is this: Is capitalist democracy sustainable?

More detailed questions could include rethinking models of :

growth and development: changing varieties of capitalism and developmentalism under conditions of financialisation, globalisation, and post-Bretton Woods global regulatory regimes.

levels, structures, and effects of inequality. How can we explain over time and cross- national variation in level/forms of social contract, support, and welfare systems? Do different forms of inequality underlie support for different welfare systems?

the political underwriting of changing asset-ownership and technological regimes: global IPR regimes, knowledge, higher education, deskilling, urban skill clusters, innovation and its geographic distribution across the advanced and developing world, MNEs, privatization and de-nationalization, commodification, accumulation by disposssession, capital mobility

structure and change in labor markets, mobility, labor market participation;

insiderism and outsiderism; (lumpen)proletarianization, informalism, flexibilization, exclusion; careers, women, and implications for the political expression of socio-economic cleavage (eg. political parties' re-gendering or regionalization; disenfranchisement)

macroeconomics in open economies, tax regimes and financial systems, constrained and asymmetric monetary and fiscal policy; international debt regimes; the Eurozone, the Digital Silk Road.

A second objective is to enhance the role of the LSE as a multi- and inter-disciplinary institution for doctoral students. We aim to teach CPE not as a sub-discipline of political science but rather as a core tool for doctoral students across the social sciences, from (in LSE terms) sociology and social policy to political science and IR, development, European studies, gender, and law, as well as Economics and Economic History.

Participation and Assessment.

-- Each seminar member will launch discussion of one week's reading (10 min. presentation, approx). You may focus on one reading (eg. book ch. or article) and discuss how it relates to other readings for that week, and to readings for earlier weeks.

-- The last 40 min. of each session, as well as the last two weeks of the term, will be reserved for student presentations of dissertation proposals or draft chapters. Plan a 20 min. presentation of your work.

-- Assessment will be based on coursework (100%) in the MT. Each student will present their research project as described above and submit a 20 page (double spaced, approx. 5000 words) research paper, dissertation proposal, or draft dissertation chapter on T., Week 2 of LT.

Readings (indicative list). Avail. on-line via LSE library (see also LSE Readings on line (via course Moodle side))

Torben Iversen and David Soskice, *Democracy and Prosperity: Reinventing capitalism through a turbulent century* (Princeton 2019).

Anke Hassel and Bruno Palier, eds, *Growth and Welfare in Advanced Capitalist Economies: How have Growth Regimes Evolved*  CUP 2021

Jacob Hacker et al., *The American Political Economy: Politics, Markets, and Power*. CUP 2022.

Adnan Naseemullah. forthcoming in 2023. The Political Economy of National Development. *World Development (forthcoming).*

Mark Thatcher and Tim Vlandas, *Foreign States in Domestic Markets: Sovereign Wealth Funds and the West* (OUP, 2021)

Roselyn Hsueh, *Micro-Institutional Foundations of Capitalism: Sectoral Pathways to Globalization in China, India, and Russia*, CUP, 2022.

Frances McCall Rosenbluth and Margaret Weir, eds. *Who gets what? The New Politics of Insecurity*. CUP 2021.

Course Outline and Readings

**Week 1. Th. Jan. 19. Introductions, course overview, discussion of paradoxes and competing approaches**

Anke Hassel and Bruno Palier, *Growth and Welfare in Advanced Capitalist Economies, How have growth regimes evolved?* OUP, 2021.Ch 1 (Hassel and Palier, Tracking the transformation of growth regimes), Ch 2 (Hall, How growth strategies evolve in the developed democracies), Ch 6 (Thelen, Transitions to the knowledge economy).

Recommended

Jackson, G., & Deeg, R. 2006. How many varieties of capitalism? Comparing the comparative institutional analyses of capitalist diversity Max-Planck-Institut fuer Gesellschaftsforschung, Discussion Paper, 06/2.

Witt, Michael A.,et al. 2018. “Mapping the Business Systems of 61 Major Economies: A Taxonomy and Implications for Varieties of Capitalism and Business Systems Research.” *Socio- Economic Review* 16, no. 1: 5-38.

**Week 2. Jan. 26 Growth Models and the Politics of Inequality**

What is the "political construction of the knowledge economy" as conceptualized by I&S (2019)? How have the politics of inequality changed over time?

Iversen and Soskice, *Democracy and Prosperity: Reinventing capitalism through a turbulent century* (Princeton 2019), Ch. 1, 6

Carles Boix. 2021. Electoral Realignments in the Atlantic World, in Rosenbluth and Weir,

eds., *Who gets what? The New Politics of Insecurity*. CUP, pp. 213-236.

Recommended:

Carles Boix, *Democratic Capitalism at the Crossroads: Technological Change and the Future of Politics* (Princeton 2020).

Lucio Baccaro and Jonas Pontussen, "Rethinking Comparative Political Economy: The Growth Model Perspective," *Politics & Society* 44/2 (2016): 175-207.

Craig Calhoun, Randall Collins, Georgi Derluguian, Michael Mann and Immanuel Wallerstein. 2013. *Does Capitalism Have a Future* (New York: Oxford University Press, 2013), 37–70.

Torbin Iversen and Max Goplerud, "Redistribution without a Median Voter: Models of Multidimensional Politics," *Annual Review of Political Science*, 21, 2018: 295-317

Ford and Jennings, Cleavage Structure in Europe, *Annual Review of Political Science*, 2020.

Jamila Michener and Margaret Teresa Brower, "What's policy got to do with it? Race, Gender, and Economic Inequality in the US," Deadalus, 149/1, 2020: 100-118.

Streeck, Wolfgang. Progressive Regression: Metamorphoses of European Social Policy. NLR, 118 (July/Aug) 2019: 117-139.

**Week 3. Feb. 2. Politics and the Knowledge Economy: Changing Cleavage Structures and The Future of Work**

Here we consider how models of the effects of technological change (upgrading) -- both employment-effects models and general equilibrium models -- leave open a vacuum when it comes to explaining the political effects thereof. Much new work calls for public policy innovations that can steer toward more socially-optimal effects (less subsidy to capital at the expense of labor, more spatial diffusion of investment and retained benefits, higher wage floors, displacement compensation and adjustment support), but this work tends toward the technocratic (like development economics!), leaving out analysis of the political forces that will shape the "future 'we' chose."

Christian Lyhne Ibsen and Kathleen Thelen. "Diverging Solidarities: Labor Strategies in the New Knowledge Economy," *World Politics* 69/3 (2017): 409-47.

Daron Acemoglu and Pascual Restrepo, "AI, Automation, and Work," 4 Jan.2018, NBER.

Philippe Aghion, Céline Antonin, and Simon Bunel.2019. “Artificial Intelligence, Growth and Employment: The Role of Policy.” *Economie et Statistique* 510–12: 149–64

Recommended

Daron Acemoglu, Claire Lelarge, and Pascual Restrepo, Competing with Robots: Firm level evidence from France, AEA Papers and Proceedings 2020, 110: 383-388

Acemoglu, Daron, and Pascual Restrepo. 2019. “Automation and New Tasks: How Technol- ogy Displaces and Reinstates Labor.” *Journal of Economic Perspectives* 33 (2): 3–30.

Richard Baldwin, *The Robotics Upheaval: Globalization, Robotics, and the Future of Work* (Oxford 2019).

**Week 4. Feb. 9 Growth Models and Innovation**

What drives innovation? How do the (re)distributive effects of innovation shape national economies' growth and development trajectories?

Jeffry Frieden and Arthur Silve, The political reception of innovations. *Economics & Politics*, 2022: 1-34.

~~William Lazonick and Mariana Mazzucato, "The Risk-Reward Nexus in the Innovation-~~ ~~Inequality Relationship: Who takes the Risks, Who gets the rewards?"~~ *~~Industrial and~~  ~~Corporate Change~~*~~, 22/4. 2013. 1093-1128.~~

David Soskice, The US as a Radial Innovation Driver: The Politics of Declining Dominance?" in Hacker et al, *The American Political Economy: Politics, Markets, and Power.* CUP 2022, pp. 323-350.

~~or~~

~~David Soskice. 2020. The American Knowledge Economy, LSE, III WP 51, Oct.~~

Recommended

Mazzucato, Mariana and Carlota Perez, Innovation as Growth Policy, in Jan Fagerberg et al, *The Triple Challenge for Europe: Development, Climate Change, and Governance,"* NY: OUP, 2015.

Steven Vogel, *Marketcraft* (OUP 2018), Chs. 1 and 2, pp. 1-42

Jeffrey Wood, Jared Finnegan et al., 2020. "The Comparative Institutional Analysis of Energy Transitions," *Socio-Economic Review* 18/1: 257-294

Fred Block. 2008. "Swimming Against the Current: The Rise of a Hidden Developmental State in the United States," *Politics & Society*, 36/2 : 169-206.

Michelle Williams, ed. *The end of the developmental state?* Routledge 2014. See Intro and chs. by Peter Evans, Vivek Chibber (HC59.7 E61).

Kinishka Jayasuriya. 2013. Regulatory State with Dirigiste Characteristics: Variegated Pathways of Regulatory Governance," Ch. 9 in Navroz K. Dubash and BronwynMorgan, eds. *The Rise of the Regulatory State in the Global South* (Oxford) 185-197.

Kenneth Shadlen, Bhaven Sampat, and Amy Kapczynski, Patents, Trade and medicine: Past, present, and future. *Review of International Political Economy*, 27/1 (2020), Special Issue on PE of Global Health.

Manolis Kalaitzake, "Brexit for Finance: Structural interdependence as a source of financial political power within UK-EU withdrawal negotiations," *Review of International Political Economy*, 6 March 2020.

Natascha van der Zwan, "Making sense of financialization," *Socio-Economic Review*, 12/1 (2014: 99-129).

AnnaLee Saxenian. 1995. *Regional Advantage: Culture and Competition in Silicon Valley and Route 128.* Harvard.

**Week 5. Feb. 16. Postindustrialism, Knowledge Economies, and Uneven Development (Political Geography).** This week considers how the rise of the KE has reshaped the spatial distribution of advantage and disadvantage with national economies, and how institutions do (or do not) mediate the political effects of these shifts.

McCann, Phillip. 2020. "Perceptions of regional inequality and the geography of discontent: Insights from the UK"*, J. of Regional Studies*, 54 /2: 256-67.

Grumbach, Hacker, and Pierson. 2021. The Political Economy of Red States, in Hacker et al., *The American Political Economy: Politics, Markets, and Power* (CUP 2021), pp. 209- 244.

Simona Iammarino, Andrés Rodriguez-Pose, and Michael Storper. 2019. "Regional Inequality in Europe: Evidence, Theory, and Policy Implications," *J. of Economic Geography* 19 (2019): 273-298.

Recommended

Beramendi and Rogers, 2022. *Geography, Capacity, and Inequality: Spatial Inequality.* CUP, Cambridge Element.

Melissa Zeigler Rogers, *The Politics of Place and the Limits to Redistribution* (Routledge 2016).

Dong Wook Lee and Melissa Rogers, "Inter-regional inequality and the dynamics of government spending," *Journal of Politics*, forthcoming.

Pike, A., Rodríguez-Pose, A., Tomaney, J., Torrisi, G., and Tselios, V. (2012) "In search of the 'economic dividend' of devolution: Spatial disparities, spatial economic policy and decentralisation in the UK." *Environment and Planning C: Gov. and Policy* 30, 1, 10-28.

Lars- Erik Cederman, Kristian Gleditsch, and Halvard Buhaug, *Inequality, Grievances and Civil War* (CUP 2013)

Jacqueline Behrend and Laurence Whitehead, "Territorially Uneven Democratization Processes in Large Federations," in Behrend and Whitehead, eds., *Illiberal Practices: Territorial Variance within Large Federal Democracies* (Baltimore: JHU, 2016).

Jonathan Rodden, *Why Cities Lose: The Deep Roots of the Urban-Rural Divide*, Basic Books, 2019, Chs. 1-4 (pp. 1-99).

Jonthan Rodden, "Geographic Distribution of Political Preferences," *Annual Review of Political Science n. 13, 2*010: 321-40.

Pablo Beramendi, *The Political Geography of Inequality: Regions and Redistribution,* CUP, 2104*.*

Pablo Beramendi. 2007. "Inequality and the Territorial Fragmentation of Solidarity," *International Organization* 61 (Fall): 783-820.

J-P Azam, "The Political Geography of Redistribution," in Benno Ndulu et al., *The PE of Economic Growth in Africa,* 1960-2000 (Cambridge U. Press, 2008), pp. 225-248.

Kristin Bakke and Eric Wibbels, Diversity, Disparity, and Civil Conflict in Federal States, *World Politics*, 59/1 (2006): 1-50.

Abdul-Garafu Abdoulai, "Rethinking Spatial Inequality in Development: The Primacy of Power Relations," *Journal of Int Development*, 29 (2017): 386-403.

**Week 6. Reading Week. Feb. 23. No class.**

**Week 7. March 2. Technological Innovation and Restructuring: State and Market Building**

Here we are interested in building of states and markets and implications for development in both the advanced and late developing countries, and the role of tech and ICT therein. Issues that have received attention are GMOs, property rights in land and in IP (including patents esp. as this relates to commercial and industrial issues around pharma), direct integration of producers into digitally-monitored value chains, surveillance technology used by states, the harvesting of digital data from developing country tech users, and "technopolitics."

K. Sabeel Rahman and Kathleen Thelen. 2019. The Rise of the Platform Business Model and the Transformation of Twenty-First Century Capitalism," *Politics and Society*, 47/2: 177-204.

Adnan Naseemullah. forthcoming in 2023. The Political Economy of National Development. *World Development.*

Kojo S. Amanor, 2019. "Global Value Chains and Agribusiness in Africa: Upgrading or Capturing Smallholder Production?" *Agrarian South: Journal of Political Economy*, 8/1-2: 30-63.

Mann, Laura. 2018. Left to other people's devices: A political economy perspective on the big data revolution in development. *Development and Change* 49/1: 3-36.

Recommended

Kevin Gallagher, "Reforming Global Economic Governances as if Development Mattered (review article)," *Development and Change*, Vol.49/6 (Nov.) 2018: 1605-1615

Yue Hou, *The Private Sector in Public Office: Selective Poverty Rights in China* (CUP 2019) (Selection TBA)

Daniel Rosen, China's Economic Reckoning: The Price of Failure, *Foreign Affair*s

July/August 2021:

Breckenridge, K. 2021. The Biometric State, in Dalberto, Séverine Awenego and Richard Banégas*, Identification and Citizenship in Africa: Biometrics, the Documentary State and Bureaucratic Writings of the Self*, Routledge, 2021: 49-64.

*Gary Gereffi, Global Value Chains and Development: Redefining the contours of 21st Century Capitalism* (CUP 2018).

Tyce, Matthew. 2020. Beyond the neoliberal-statist divide on the drivers of innovation: A political settlements reading of Kemya's M-Pesa success story. *World Development*, 125 (January): 1-14.

***Week 8. No class. March 9.***

**Week 9. March 16. New Economy and Global Restructuring: State Capitalism and New Imperialism(s)**

This week focuses on restructuring of the global economy: the rise of state investors, new strategies of state(-sponsored) capital, and emergence of the offshore world.

Mark Thatcher and Tim Vlandas, *Foreign States in Domestic Markets: Sovereign Wealth Funds and the West* (OUP, 2021).pp.1-22.

Roselyn Hsueh, *Micro-Institutional Foundations of Capitalism: Sectoral Pathways to Globalization in China, India, and Russia*, CUP, 2022, Ch. 12: Development, New Capitalisms, and Future of Global Conflict and Cooperation.

Ricardo Soares de Oliviera. 2022. Researching Africa and the Offshore World, *J. of Modern African Studies*, pp. \_\_\_.

Recommended

Naseemullah, Adnan. 2022. Dependent Development in the twenty-first century, *Third World Quarterly*, 43/9: 2225-2243.

David Harvey, The New Imperialism: Accumulation by Dispossession. *Socialist Register,* 2004.

Ian Bremmer, State Capitalism Comes of Age, *Foreign Affairs*. May/June 2009.

Da i Mochinaga, The Digital Silk Road and China's Technology Influence in Southeast Asia, Council on Foreign Relations, June 10, 2021. https://www.cfr.org/blog/digital-silk-road-and-chinas-technology-influence-southeast-asia

Iginio Gagliardone. 2019. *China, Africa, and the Future of the Internet: New Media, New Politics*. 1st

edition. Zed Books, 2019.

Musacchio, Aldo et al. New varieties of state capitalism, Strategic and Governance Implications. *The Academy of Management Perspectives*, 29/1 (2015): 15-131.

Ronen Palan, The Emergence of the Offshore Economy. *Futures*, 30/1 (1998): 63-73.

**Week 10. March 23. Last Presentations**

Week 11. March 30. Presentations (reserve date only)