PECO 5501/PSCI 5501/SOCI 5504F:
The Political Economy of Crisis and Austerity

Fall 2013

Wednesdays, 2:30 - 5:30
(Please confirm Location on Carleton Central)

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SHORT DESCRIPTION

A number of factors have been associated with the post-2007 crisis: banking crisis and the collapse of financial markets; economic recession; spiraling public debt; deep cuts in public expenditure; the privileging of business interests; and the revival of mass protest. But in reality, the 'global' crisis has affected individual nation states in very different ways. This course seeks to understand, not only the origins of the crisis, but its particular manifestations within different economies. It investigates how particular institutional frameworks and power relationships have helped to mediate and/or amplify the crisis within different settings. And it examines how the crisis has transformed debate on the relationship between state and market at the global, world regional, and national level. In short, it tries to answer two related questions: 1) why did the crisis, which began in the US, have a greater impact on, for instance, Ireland (which was almost driven to bankruptcy) than Canada? 2) And why has austerity featured more prominently in the UK than it has in Iceland (which was effectively bankrupted by the crisis)?

TEACHING METHODS

This module will be delivered in weekly 3-hour sessions. From week 5, students will deliver presentations on their chosen essay topics (see below)

AIMS

- To increase students’ knowledge and appreciation of the factors which led up to the post-2008 economic crisis
- To increase student’s appreciation of how the post-2008 crisis varied from previous crises, and how different states were affected in different ways
- To develop students knowledge of theories of power and economic development and how these impact on the responses to the crisis
- To increase students’ knowledge and appreciation of how political power, institutional factors and ideas have shaped the politics of austerity

LEARNING OUTCOMES

By the end of this module, students will be able to demonstrate:

- A clear understanding of the causes of the post-2008 economic crisis and the various global and national responses since
- Knowledge of the various ways in which the global crisis was mediated by
national institutions and policy responses

- Knowledge and understanding of the politics of crisis and austerity
- An ability to analyse the adequacy and appropriateness of national political and economic responses to the post-2008 economic crisis
- A knowledge and appreciation of the different responses to the global crisis

ASSESSMENT DETAILS:

Participation (20%):
Attendance is essential to your learning on this course. The participation component of the assessment requires each student to:
1) participate in all sessions (see guidelines below);
2) present two-three readings on one of the seminar topics. The student will prepare two questions for discussion and play a key role in the group discussion on the readings, and,
3) act as a discussant for another student’s paper presentation (Week 12 or 13).

Critical reviews (2* 10% = 20%):
Students should write an overview and critique of at least two texts from two different weeks (weeks 2-10). You should choose weeks other than the week of your presentations. The summaries should be about three pages double spaced, with the first half summarizing the key arguments of the readings and the second commenting on the articles’ strengths and weaknesses. The reviews are due in class the week the assigned article is discussed.

Purpose:
The purpose of the critical reviews is:

- To engage with the required reading in a focused and critical manner
- To enhance your contributions to seminar discussions.

Task:
Each critical review should begin with relevant bibliographic details (author, title, source, publisher, year of publication). It should include the following information:

- Topic of the reading
- Key question or central argument
- Key supporting claims of the author
- Your identification of the strengths and/or weaknesses of the reading
**Class debate on crisis and austerity (15%)**: 
In week 11 we will hold a debate on the crisis and austerity. Students will be assigned an organization which they will represent at an event entitled “What future for public policy?”. All students will be required to thoroughly research their organization and accurately represent the perspectives / preferences of that organization.

**The final paper (45%)**: 
The final paper should be between 18-20 pages of text (Times New Roman, pt 12, double spaced), with at least 15 references (social science format). Students can construct their own question based on one or more of the key themes in this module. The questions must be agreed and signed off by Kevin Farnsworth by the end of week 5. The signed form (available from week 2) must be attached to the final submission of the essay.

**Late Policy**: Assignments are due on the dates specified in the course outline. **Late papers will be subject to a penalty of 2% a day not including weekends**. Assignments will not be accepted two weeks after the due date. No retroactive extensions will be permitted. Do not ask for an extension on the due date of the assignment. Exceptions will be made only in those cases of special circumstances, (e.g. illness, bereavement) and where the student has verifiable documentation.

**Marking criteria**
Although this course is assessed by different methods, there are six broad assessment objectives against which you are assessed. These are provided as a guide only (they are not necessarily equally weighted):

1. Knowledge of the topic - ideas, concepts and institutions;
2. Analysis of issues and an awareness of different viewpoints;
3. Evaluation of competing explanations or theories applied to a problem
4. Ability to identify relevant sources of evidence, both empirical and theoretical, and to use these to produce an informative referencing system.
5. Ability to fully and accurately address the question
6. Skill in the (verbal or written) presentation of an answer with accuracy, clarity and coherence.

**Overview of Course**
Week 1 – 11th September: Introduction: The political economy of crisis and austerity

Week 2 – 18th September: The Great Depression and the American New Deal - 1930s / The 'Golden Age' of the welfare state – 1945-1973
Week 3 - 25th September: The Oil crisis and the rise of neoliberalism / The Nordic crisis / Economic crisis and paradigm shift

Week 4 – 2nd October: The causes of the crisis

Week 5 – 9th October: The phases of the Great Recession

Week 6 – 16th October: A clash of diagnoses, prescriptions and responses

Week 7 – 23rd October: From crisis to austerity

Week 8: 6th November: Varieties of impact

Week 9 – 13th November: Class debate

Week 10 – 20th November: Global public policy responses

Week 11 – 27th November: Deep crisis, spending cuts

Week 12 – 4th December: Moderate crisis, spending cuts and crisis management

Introduction: The political economy of crisis and austerity

- Week 1 – 11th September
  - Introduction
  - The Political economy of crisis and austerity

Please complete and make notes on the following:


Never again? Crisis and Austerity through the ages

- Week 2 – 18th September
  - The Great Depression and the American New Deal - 1930s
  - The ‘Golden Age’ of the welfare state – 1945-1973

Please read the following:


- **Week 3 – 25th September**
  - The Oil crisis and the rise of neoliberalism – 1973-2008
  - The Nordic crisis – early 1990s
  - Economic crisis and paradigm shift

Students should read the following:


In addition, students may carry out further reading from the following:


Grauwe, P.D. 2009 “The Crisis as a Paradigm Shift” in Hemerijck, Anton, Knapen, Ben & Doorne, Ellen van Aftershocks: Economic Crisis and Institutional Choice Amsterdam: Amsterdam University Press


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**The economics and politics of the post-2008 crisis**

**Week 4 – 2nd October**

- The causes of the crisis:
  - Corporate greed and reckless risk taking
  - High levels of personal debt
  - Growing inequality
  - Low growth / industrial output
  - Public borrowing
  - The state was/is too big
Students should read at least two texts from the following:


Hayek, F.V. (1944) *The Road to Serfdom* London: Routledge


Lew, J. 2013 Put job creation at the heart of the global recovery *Financial Times*, July 18 [http://www.ft.com/cms/s/0/a0bc0b5a-ef0f-11e2-9269-00144feabdc0.html#axzz2bK1UwEac](http://www.ft.com/cms/s/0/a0bc0b5a-ef0f-11e2-9269-00144feabdc0.html#axzz2bK1UwEac)


**Week 5 – 9th October**
- The phases of the Great Recession

Please read the Introductions and conclusions from the following books.


**Week 6 – 16th October**
- A clash of diagnoses, prescriptions and responses
  - Left versus Right
  - Capital versus labour…
  - The Occupy movement and the corporate backlash

All students should read the following:


In addition, students should read one of the following:
From crisis to austerity

Week 7 – October 23rd

- From financial crisis to fiscal crisis
- Tax competition and tax avoidance
- From fiscal crisis to austerity
- Not letting a good crisis go to waste

Students should read either:


OR


PLUS, the following:


Week 8 - Varieties of impact – 6th November

- Impact of crisis and austerity on different groups
  - Low income groups
  - Peripheral workers
  - Migrant workers
  - Women
Students should read two of the following reports by the ETUI:


**Week 9 – 13th November: Class Debate**

More information will be provided in preceding classes.

**Managing the crisis: from global incoherence to national vacillation**

**Week 10 – 20th November**

- Global public policy responses

Please read the following:


In addition, you may read one of the following:


- Sapir, André 2013 “The Crisis of Global Governance” in Hemerijck, Anton, Knapen, Ben & Doorne, Ellen van *Aftershocks: Economic Crisis and*
Week 11 – 27th November

- Deep crisis, deep public sector cuts: UK, Ireland, Greece
- Deep crisis, public sector expansion: US, Iceland

Please read at least two country case studies from the following:


Week 12 – 4th December

- Moderate crisis, deep public sector cuts: Canada
- Moderate crisis, public sector expansion: China
- Moderate crisis, public sector management: Germany and Sweden

Please read at least two country case studies from the following:


Other key readings which you may find useful:

Academic Regulations, Accommodations, Plagiarism, Etc.
University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university’s website, here: http://calendar.carleton.ca/grad/gradregulations/

Requests for Academic Accommodations
Academic Accommodations for Students with Disabilities
The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (if applicable).
- The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2013 exam period is November 8, 2013 and for the April 2014 exam period is March 7, 2014.

For Religious Obligations:
Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event. Accommodation is to be worked out directly and on an individual basis between the
student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student. Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:
Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Plagiarism
Plagiarism is the passing off of someone else's work as your own and is a serious academic offence. For the details of what constitutes plagiarism, the potential penalties and the procedures refer to the section on Instructional Offences in the Graduate Calendar.

What are the Penalties for Plagiarism?
A student found to have plagiarized an assignment may be subject to one of several penalties including: expulsion; suspension from all studies at Carleton; suspension from full-time studies; and/or a reprimand; a refusal of permission to continue or to register in a specific degree program; academic probation; award of F, or an ABS.

What are the Procedures?
All allegations of plagiarism are reported to the faculty of Dean of the Faculty of Graduate and Postdoctoral Affairs. Documentation is prepared by instructors and/or departmental chairs. The Dean writes to the student and the University Ombudsperson about the alleged plagiarism. The Dean reviews the allegation. If it is not resolved at this level then it is referred to a tribunal appointed by the Senate.

Plagiarism and cheating at the graduate level are viewed as being particularly serious and the sanctions imposed are accordingly severe. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy (See http://www1.carleton.ca/studentsupport/). The Policy is strictly enforced and is binding on all students. Plagiarism and cheating – presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the graduate degree. Academic dishonesty in any form will not be tolerated. Students who infringe the Policy may be subject to one of several penalties including: expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; or a grade of Failure in the course.