

# CAPITALISM & DEMOCRACY IN EAST-CENTRAL EUROPE

Teaching Format: Seminar • Value: 3 ECTS

Summer Semester 2018/2019 • Thursday, 08:20-09:50 • Room 2075 (Jinonice Campus)

## LECTURER

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### Office Hours:

Thursday, 17:00-19:00 (IIR, Nerudova 3, 118 00 Prague; a prior appointment via e-mail is necessary)

## COURSE DESCRIPTION

The course will survey the dilemmatic simultaneity of political and economic transition(s) to democracy and market economy in East-Central Europe (ECE) after 1989. Taking advantage of Comparative and International Political Economy perspectives, it will examine the intricacies inherent to the past formation and present crisis of democratic capitalism in ECE as geo-historically distinct outcomes of otherwise general (re)ordering of world politics and global economy in last three decades.

The course structure is as follows: First, we will focus on historical conditions, general dilemmas, and the emergent diversity of democratic capitalism on Europe's Eastern periphery in order to acquire a better grasp of political-economic dynamics in this region. Gaining the bigger picture will then allow us to explore the particular inter-*national* commonalities as well as varieties of (welfare) state role in economy, (new) property relations, and (collective) actors in postcommunist capitalism. From that viewpoint, we will then survey the ECE's *transnational* (re-)integration into European and global political-economic structures as a solution to its transition dilemmas which has however unevenly eroded in recent years.

In sum, the course aims to help students with better understanding of at least the following questions: Is the long-term cohabitation of democracy and capitalism possible in ECE? What are the main varieties and similarities shaping the still uncertain diversity of democratic capitalism in ECE and what makes the ECE's case different from and similar to other regional clusters in the EU (and postcommunist world) at the same time? How can we explain the most recent period of democratic backsliding? Have there actually been any democratic capitalism in CEE and, if so, what future does it have?

## LEARNING OUTCOMES

Students will gain basic analytical and argumentation skills which shall allow them to understand and explain the contemporary political-economic developments in ECE in the context of the region's postcommunist (re-)integration into global politics and economy. At the same time, they will also acquire basic understanding of theoretical discussions in the fields of comparative and international political

economy. The mutual exchange between the political economy theory and ECE empirical reality will thus improve students' skills and knowledge in the following points:

- Knowledge about the complexity of political and economic transitions in postcommunist ECE.
- Ability to identify domestic social forces and actors behind the political-economic changes in ECE.
- Ability to interpret the factors behind the emergent capitalist and democratic diversity in ECE.
- Understanding the impact of transnational processes such as the EU accession as well as forces such as transnational corporations on the reconstitution of political economies in ECE.
- Acquiring the knowledge of relevant research concepts in (comparative and international) political economy and their application in further research on not only ECE but also other world's regions.

### **STRUCTURE OF FINAL MARK**

**60 % Essay** with the length of 2000-2,500 words to be submitted to 'sitera@iir.cz'. Deadline: 2 June 2019. The topic of the essay shall be discussed with and approved by the lecturer by 4 May 2019 at latest (in person or via email). There are two sets of criteria for evaluation. The first set of criteria will evaluate whether the essay complies with the formal rules of academic text. The second set of criteria will evaluate the originality of the argument, coherence of interpretation and reasoning, and an ability to critically engage with existing literature. The essay will include references to at least 4 texts from the mandatory literature included in the reading list.

**20 % Active Participation and Discussion in Class** shall be based on the mandatory readings. There is a maximum of 1 unannounced absence possible when attending the whole seminar.

**20 % Presentation** shall be 10-15 minutes long. It should provide an introduction to mandatory readings for the particular class. It must identify and critically interpret core concepts and arguments of the assigned readings, while avoiding plain description. Every presentation must be concluded with a final question for the audience.

### **EVALUATION (3 ECTS)**

**To get the credit points, the student must receive 70 % of the output.**

## COURSE STRUCTURE AND READING LIST

### I. FROM STATE SOCIALISM TO DEMOCRATIC CAPITALISM ON EUROPE'S PERIPHERY

#### 1) From Eastern Semiperiphery to the Semiperiphery of the West (21.2.2019)

- Introduction and other organizational issues will be solved in this class; no mandatory reading for this class.

##### *Recommended*

- Janos, Andrew (2003): 'From Eastern Empire to Western Hegemony: East Central Europe under Two International Regimes', *East European Politics and Societies* 15(2), pp. 221-249.
- Berend, Ivan T. (2009): *From the Soviet Bloc to the European Union: The Economic and Social Transformation of Central and Eastern Europe since 1973*, Cambridge: Cambridge University Press.
- Frank, André G. (1994): Soviet and East European 'Socialism': A Review of the International Political Economy on What Went Wrong, *Review of International Political Economy* 1(2), pp. 317-343.

#### 2) (Im)possibility of Democratic Capitalism in Postcommunist Transition (7.3.2019)

##### *Mandatory*

- Offe, Claus (1991): 'Capitalism by Democratic Design? Democratic Theory Facing the Triple Transition in East Central Europe', *Social Research* 58(4), pp. 865-892.

##### *Recommended*

- Przeworski, Adam (1991): *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*, Cambridge: Cambridge University Press.
- Greskovits, Béla (1998): *The Political Economy of Protest and Patience: East European and Latin American Transformations Compared*, Budapest: CEU Press.

#### 3) A Diversity of Democratic Capitalism at Last? (7.3.2019)

##### *Mandatory*

- Bohle, Dorothee and Béla Greskovits (2007): 'Neoliberalism, Embedded Neoliberalism and Neocorporatism: Towards Transnational Capitalism in Central-Eastern Europe', *West European Politics* 30(3), pp. 443-466.

##### *Recommended*

- Bohle, Dorothee and Béla Greskovits (2012): *Capitalist Diversity on Europe's Periphery*, Ithaca: Cornell University Press.
- Merkel, Wolfgang (2009): 'Plausible Theory, Unexpected Results: The Rapid Democratic Consolidation in Central and Eastern Europe', in H. Best and A. Wenninger (eds.), *Landmark 1989. Central and Eastern European Societies Twenty Years after the System Change*, Münster: LIT-Verlag: 7-26.

#### **4) Dependent Development in ECE as a Solution to Transition Dilemmas? (21.3.2019)**

##### *Mandatory*

- Nölke, Andreas and Arjan Vliegthart (2009): 'Enlarging the Varieties of Capitalism: The Emergence of Dependent Market Economies in East Central Europe', *World Politics* 61(4), pp. 670-702.

##### *Recommended*

- Bandelj, Nina (2008): *From Communists to Foreign Capitalists: The Social Foundations of Foreign Direct Investment in Postsocialist Europe*, Princeton, NJ: Princeton University Press.
- Holman, Otto (2004): 'Integrating Peripheral Europe: the Different Roads to 'Security and Stability' in Southern and Central Europe', *Journal of International Relations and Development* 7(2), pp. 208-236.

#### **5) State-led Development in Russia as an Alternative? (21.3.2019)**

##### *Mandatory*

- Becker, Uwe and A. Vasileva (2017): 'Russia's Political Economy Re-Conceptualized: A Changing Hybrid of Liberalism, Statism and Patrimonialism', *Journal of Eurasian Studies* 8, 83–96.

##### *Recommended*

- King, Lawrence (2002): 'Postcommunist Divergence: A Comparative Analysis of Russian and Polish Capitalism', *Studies in Comparative International Development* 37:3, 3–34.
- Drahekoupil, Jan and Martin Myant (2015): 'Putting Comparative Capitalisms Research in Its Place: Varieties of Capitalism in Transition Economies', in M. Ebenau, I. Bruff and C. May, *New Directions in Comparative Capitalisms Research*, London: Palgrave, 155-171.

## **II. SOCIAL RELATIONS, IDEOLOGIES, AND INSTITUTIONS OF THE EMERGENT DEMOCRATIC CAPITALISM**

#### **6) New Capitalist Elite and New Property Relations (4.4.2019)**

##### *Mandatory*

- Gill, Eyal, Ivan Szelenyi and Eleanor Townsley (1998): *Making Capitalism Without Capitalists: Class Formation and Elite Struggles in Post-Communist Central Europe*, New York: Verso, pp. 1-16, 159-193.

##### *Recommended*

- Stark, David and László Brzust (1998): *Postsocialist Pathways: Transforming Politics and Property in East Central Europe*, Cambridge: Cambridge University Press.
- Böröcz, Jozsef (2000): 'Informality Rules', *East European Politics and Societies* 14(2), pp. 348-380.

#### **7) Social Movements and Labour in Postcommunism (4.4.2019)**

##### *Mandatory*

- Císař, Ondřej and Jiří Navrátil (2016): 'Polanyi, Political-Economic Opportunity Structure and Protest: Capitalism and Contention in the Post-Communist Czech Republic', *Social Movement Studies* 16(1), pp. 88-100.

*Recommended*

- Ost, David (2009): 'The Consequences of Postcommunism: Trade Unions in Eastern Europe's Future', *East European Politics and Societies* 23(1), pp. 13-33.
- Delteil, Violaine and Vassil N. Kirov (eds.) (2017): *Labour and Social Transformation in Central and Eastern Europe: Europeanization and beyond*, London: Routledge.

## **9) Politics of Redistribution and the Welfare State (25.4.2019)**

*Mandatory*

- Vanhuyse, Pieter (2009): 'Power, Order, and the Politics of Social Policy in Central and Eastern Europe', in Alfio Cerami and Pieter Vanhuyse (eds.) (2009): *Post-Communist Welfare Pathways: Theorizing Social Policy Transformations in Central and Eastern Europe*, London: Palgrave Macmillan, pp. 53-70.

*Recommended*

- Inglot, Tomasz (2008): *Welfare States in East Central Europe, 1919–2004*, Cambridge: Cambridge University Press.
- Saxonberg, Steven and Tomáš Sirovátka (2009): 'Neo-liberalism by Decay? The Evolution of the Czech Welfare State', *Social Policy and Administration* 43(2), pp. 186-203.

## **10) The Working Poor and the Neoliberal Burden (25.4.2019)**

*Mandatory*

- Smith, Adrian and Alena Rochovská (2007): 'Domesticating Neo-liberalism: Everyday Lives and the Geographies of Post-Socialist Transformations', *Geoforum* 38, 1163–1178.

*Recommended*

- Documentary [Hranice práce](#) (Limits of the Work, Český žurnál, Apolena Rychlíková) facilitates a view on the every-day life of working poor (and labour market) in Czechia and the rest of ECE.

## **III. INTERNATIONAL POLITICAL AND ECONOMIC (RE-)INTEGRATION**

### **11) Europeanization: Assymetrical EU Integration (9.5.2019)**

*Mandatory*

- Grabbe, Heather (2006): *EU's Transformative Power: Europeanization through Conditionality*, London: Palgrave Macmillan, pp. 7-38, 200-8.

*Recommended*

- Schimmelfennig, Frank and Ulrich Sedelmeier (eds.) (2005): *The Europeanization of Central and Eastern Europe*, Ithaca, NY: Cornell University Press.
- Vachudova, Anna (2005): *Europe Undivided: Democracy, Leverage and Integration After Communism*, Oxford: Oxford University Press.

### **11) Globalization: Uneven Economic Integration (9.5.2019)**

#### *Mandatory*

- Jacoby, W. (2010): 'Managing Globalization by Managing Central and Eastern Europe: The EU's Backyard as Threat and Opportunity', *Journal of European Public Policy* 17:3, 416–32.

#### *Recommended*

- Pavlínek, Petr (2017): 'Whose Success? The State–Foreign Capital Nexus and the Development of the Automotive Industry in Slovakia', *European Urban and Regional Studies* 23(4), pp. 571-593.
- Medve-Bálint, Gergő (2014): 'The Role of the EU in Shaping FDI Flows to East Central Europe', *Journal of Common Market Studies* 52(1), pp. 35-51.

## **IV. (EAST-CENTRAL) EUROPEAN MANY CRISES**

### **12) (Global) Economic Crisis? Resilience of Capitalist Diversity (23.5.2019)**

#### *Mandatory*

- Myant, Martin, Jan Drahokoupil and Ivan Lesay (2013): 'The Political Economy of Crisis Management in East–Central European Countries', *Europe-Asia Studies* 65(3), pp. 383-41

#### *Recommended*

- Hardy, Jane (2014): 'Transformation and Crisis in Central and Eastern Europe: A Combined and Uneven Development Perspective', *Capital & Class* 38(1), pp. 143-155.
- Appel, Hilary and Mitchell Orenstein (2016): 'Why Did Neoliberalism Triumph and Endure in the Post-Communist World?', *Comparative Politics* 48(3), pp. 313-331.

### **13) (European) Political Crisis? Democratic Backsliding (23.5.2019)**

#### *Mandatory*

- Hanley, Sean and Milada Anna Vachudova (2018): 'Understanding the Illiberal Turn: Democratic Backsliding in the Czech Republic', *East European Politics* 34(3), pp. 276-296.

#### *Recommended*

- Merkel, Wolfgang and Felix Scholl (2018): 'Illiberalism, Populism and Democracy in East and West', *Czech Journal of Political Science* 25(1), pp. 28-44.
- Karolewski, Ireneusz Pawel (2016): 'Protest and Participation in Post-transformation Poland: The Case of the Committee for the Defense of Democracy (KOD)', *Communist and Post-Communist Studies* 49(3), pp. 1-13.