

PUBLIC LECTURE

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"WORLD'S APART: THE EURO AND VARIETIES OF CAPITALISM"

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ABSTRACT

The crisis of EMU has quite dramatically demonstrated that the Euro-zone consists of two very different groups of economies -- the southern European economies and Ireland, on the one hand, and the North-West European economies on the other. The first group is characterized by massive current account deficits, which translated into a combination of rapidly rising government and private debt, whilst the second mirrors this situation with current account surpluses and relatively modest public and private debt. Most explanations face serious problems accounting for this sudden divergence within EMU: labour markets are at least as organized in most of the northern economies as in the south; both Spain and Ireland ran large government surpluses until the crisis of 2008; asset-price inflation does not explain Italy and Portugal; and lack of appropriate financial regulation does not explain the relatively well-regulated Spanish case. What is missing in all these accounts is a longer-term, comparative capitalism perspective that examines the substantial differences between these two groups in terms of labour market organization in general and wage setting in particular. The lecture will explore these differences and their effects.

Bob Hancké teaches European Political Economy at the London School of Economics and Political Science. He holds a Ph.D. in Political Science from MIT and was a Senior Research Fellow at the Wissenschaftszentrum Berlin, where he participated in the project that led to *Varieties of Capitalism* (Oxford UP 2001). He has held visiting appointments at the Central European University (2007-08), Hebrew University (2008), Peking University (2007), LEST at Université Aix-Marseille (2006), and the European University Institute in Florence (2003-04). His main research interests are: the political economy of advanced capitalist societies, institutions and macro-economic policy in EMU, comparative labour relations and trade union studies, while his teaching covers all aspects of Political Economy in the OECD and Europe. Publications include *Large Firms and Institutional Change* (Oxford UP 2002), *Beyond Varieties of Capitalism: Conflict, Contradiction and Complementarities in the European Economy* (co-edited with Martin Rhodes and Mark Thatcher (Oxford UP 2007), *Debating Varieties of Capitalism* (Oxford UP 2009), and *Intelligent Research Design: A guide for beginning researchers in the social sciences* (Oxford UP 2009)..