

# **Welfare States in the Current Era: origins, issues and challenges**

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**Credits:** 4 Credits (8 ECTS)

**Semester:** Winter 2017

**Course Level:** 1 and 2 Year MAs

## **Course Objectives**

The course aims to examine welfare states and current welfare policies in a comparative perspective. In order to achieve this, different approaches on the relationship between welfare, market and state are analyzed. In the first part of the course fundamental concepts, origins and typologies of welfare state are reviewed. This part tries to answer the questions of what a welfare state is, why it exists and how they differ across countries. The second part covers a variety of issues such as active and passive labor market policies, pensions, health care, work and life balance, and redistribution. Given the complexity of welfare state, we are not able to cover all of the policies but the course captures the highly relevant areas and provides a comparative perspective. In the final part of the course, welfare state challenges are examined to understand the impact of globalization, migration and post-industrialization on social policy. At the end of this part we will be able to understand the extent and reasons of retrenchment, liberalization and privatization of social expenditures. Throughout the class both theoretical and empirical material are covered.

**Learning Outcomes:** At the end of this course, the students are expected to;

- understand the basic terms in welfare state research
- have sufficient knowledge to apply these concepts in their research
- formulate researchable questions
- to be able to follow and understand the literature related to the subject matter
- be able to follow theoretical and empirical debates about social policy
- acquire knowledge of methodologies and assumptions in the study of globalization and the welfare state.
- gain skills for presenting and critically discussing scholarly work by others

## **Class structure**

Most meetings consists of a 15-minute critical presentation by a discussant, followed by an instructor-led structured discussion of key concepts; key arguments; key theoretical and methodological approaches; puzzles & questions; the relevance of the subject matter. Meetings with a different structure will be announced in due course.

## **Grading and Assessment**

All of the students are expected to attend and actively participate in the class discussion. The participation counts for 10% while the presentations make up 20% of your grade for the course. There is also midterm and final paper, which counts for 30% and 40% respectively. The grades won't be based on a curve.

Participation:	10%
Presentations:	20%
Midterm Exam:	30%
Final Exam:	40%

The grades will be marked down in case of late submissions, and in case of plagiarism departmental rules apply.

## **Note on Citing and Referencing**

You will be expected to use Harvard style referencing. Please find an extensive citation and referencing guide on the course website: <http://ceulearning.ceu.edu/course/view.php?id=4862>. At the same time, you are strongly encouraged to use a citation manager software for all your written assignments, in which case you can use Chicago style referencing.

## **Useful Textbooks**

F.G. Castles, S. Leibfried, J. Lewis, H. Obinger, and C. Pierson (eds.) (2010) The Oxford Handbook of the Welfare State. Oxford: Oxford University Press.

B. Greve (ed.) (2013) The Routledge Handbook of the Welfare State, New York, NY: Routledge.

C. Pierson and F. Castles (eds.) (2013) The Welfare State Reader, 3<sup>rd</sup> ed. Oxford: Polity Press.

## Week 1: Definitions and Indicators

This session introduces the fundamental concepts and indicators to understand what a welfare state is, how we can measure its generosity, and what type of rights welfare states give to their citizens.

### Key Readings:

- Marshall, T. H. (1992) Citizenship and Social Class. London: Pluto, pp. 46-75.
- Hill, M. (2013) “What is a Welfare State?”. In B. Greve (ed.). The Routledge Handbook of the Welfare State. New York, NY: Routledge, pp. 11-20.
- Castless, F. (2008) “What Welfare States Do: a disaggregated expenditure approach”. Journal of Social Policy, 38(1), pp. 45-62.

### Additional Readings:

- Titmuss, R.M. (1974) Social Policy. London: Allen and Unwin, pp. 138-147.
- Polanyi, K. (1944) The Great Transformation: The Political and Economic Origins of Our Time. Boston, MA: Beacon Press, pp. 231-257.
- von Hayek, F. “The Meaning of the Welfare State,” in P. Pierson and Castles (eds.). The Welfare State Reader, pp. 90-95.

## Week 2: Origins

This session discusses a number of theoretical approaches that try to clarify why welfare states came into existence. Power resources, business oriented and other alternative explanations are covered.

### Key Readings:

- Korpi, W. (2006) “Power resources and employer-centered approaches in explanations of welfare states and varieties of capitalism: protagonists, consenters, and antagonists”. World Politics, 58(2), pp. 167–167.
- Swenson, P. (2004) “Varieties of Capitalist Interests: Power, Institutions, and the Regulatory Welfare State in the United States and Sweden”. Studies in American Political Development, 18(1), pp. 1-29.

### Additional Readings:

- Baldwin, P. (1990) The Politics of Social Solidarity: Class Bases of the European Welfare State, 1875-1975. Boston, MA: Cambridge University Press, pp. 83-107.
- Skocpol, T. (1992) Protecting soldiers and mothers: The political origins of social policy in the United States. Cambridge, MA: Harvard University Press, pp. 1-63.

- Ulriksen, M.S. (2012) “Welfare Policy Expansion in Botswana and Mauritius: Explaining the Causes of Different Welfare Regime Paths”. Comparative Political Studies, 45(12), pp. 1483-1509.
- Mares, I. (2005) “Social protection around the world: external insecurity, state capacity, and domestic political cleavages”. Comparative Political Studies, 38(6), pp. 623–651.

### **Week 3: Models and Typologies**

This session looks at the criteria marking different welfare state regimes and whether it is possible to reach meaningful typologies. It also identifies the winners and losers of welfare state across the highly accepted regimes.

#### Key Readings:

- Esping-Andersen, G. (1990) The Three Worlds of Capitalism. Princeton, NJ: Princeton University Press, pp. 1-33.
- Bohle, D. and Greskovits, B. (2007) “Neoliberalism, embedded neoliberalism and neocorporatism: Towards transnational capitalism in Central-Eastern Europe”. West European Politics, 30(3), pp. 443-466.

#### Additional Readings:

- Alber, J. (2010) “What the European and American Welfare States have in Common and Where they Differ: Facts and Fiction in Comparisons of the European Social Model and the United States. Journal of European Social Policy, 20(2), pp. 102-125.
- Peng, I. And Wong, J. (2010) “East Asia”. In F.G. Castles et al. (eds.) The Oxford Handbook of the Welfare State. Oxford: Oxford University Press. pp. 656-670.
- Estevez-Abe, M., Iversen, T., and Soskice, S. (2001). “Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State”. In P.A. Hall and D. Soskice (eds.). Varieties of Capitalism: The Institutional Foundations of Comparative Advantage. Oxford: Oxford University Press, pp. 145-183.

## Week 4: Labor Markets

This session examines the impact of welfare state policies on labor market outcomes, and how varied these across countries. Active and passive labor market policies as well as policies related to specific groups are considered.

### Key Readings:

- Eichhorst, W., and Hemerijck, A. (2010) “Welfare and Employment: A European Dilemma?”. In J. Alber and N. Gilbert (eds.). United in Diversity: Comparing Social Models in Europe and America, Oxford: Oxford University Press, pp. 201-236.
- Mandel, H., and Semyonov, M. (2006) “A Welfare State Paradox: State Interventions and Women’s Employment Opportunities in 22 Countries”. American Journal of Sociology, 111, pp. 1910-1949.
- Wood, S. (2001) “Labor Market Regimes under Threat? Sources of Continuity in Germany, Britain and Sweden”. In P. Pierson (ed.). The New Politics of the Welfare State. Oxford: Oxford University Press, pp. 368-410.

### Additional Readings:

- Kenworthy, L. (2010) “Labor Market Activation”. In F.G. Castles et al. (eds.) The Oxford Handbook of the Welfare State. Oxford: Oxford University Press, pp. 435-448.
- Blank, R. (2009) “Economic Change and the Structure of Opportunity for Less Skilled Workers”. Focus, 26(2), pp. 14-20.
- Peck, D. (2010) “How a Jobless Era will Transform America”, The Atlantic, March. Available at <http://www.theatlantic.com/magazine/archive/2010/03/how-a-new-joblessera-will-transform-america/307919/>

## Week 5: Pensions

This session examines how policies related to old age are shaped by different welfare states and how they evolved over time. Given that pensioners have high electoral power in certain countries, it also looks at whether these policies are economically optimal or politically driven.

### Key Readings:

- Myles, J., and Pierson, P. (2001) “The Comparative Political Economy of Pension Reform”. In P. Pierson (ed.). The New Politics of the Welfare State, Oxford: Oxford University Press, pp. 305-333.
- Folbre, N., and Wolf, D. (2013) “The Intergenerational Welfare State”. Population and Development Review, 38(supplement), pp. 36-51.

#### Additional Readings:

- Barr, N. (2012). Economics of The Welfare State, 5th ed., Oxford: Oxford University Press, pp. 152-189.
- Burtless, G. (2011) “Do Private Saving Schemes Offer a Plausible Substitute for Public Pensions? Lessons from the Economic Crisis”. Available at: [https://www.brookings.edu/wp-content/uploads/2016/06/0425\\_private\\_saving\\_burtless.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/0425_private_saving_burtless.pdf).
- Hinrick, K. (2013) “Old Age Pension”. In B. Greve (ed.). The Routledge Handbook of the Welfare State. New York, NY: Routledge, pp. 358-371.

### **Week 6: Health Care**

This session inspects models of health care across countries and the reasons why nations adopted various policies. Both policy making processes and outcomes of these policies are studied.

#### Key Readings:

- Immergut, E. (1992) “The Rules of the Game: The Logic of Health Policymaking in France, Switzerland, and Sweden”. In S. Steinmo, K. Thelen, and F. Longstreth (eds). Structuring Politics: Historical Institutionalism in Comparative Analysis, Cambridge: Cambridge University Press, pp. 57-89.
- Bureau, V., and Blank, R.H. (2006) “Comparing health policy: an assessment of typologies of health systems”. Journal of Comparative Policy Analysis, 8(1), pp. 63-76.

#### Additional Readings:

- White, J. (1995) Competing Solutions: American Health Care Proposals and International Experience. Washington, DC: Brookings.
- Freeman, R., and Rothgang, H. (2010). “Health”. In F.G. Castles et al. (eds.) The Oxford Handbook of the Welfare State. Oxford: Oxford University Press.
- Moran, M. (2000) “Understanding the welfare state: The case of health care”. British Journal of Politics and International Relations, 2(2), pp. 135-160.
- Bamba, C. (2005) “Cash versus services: ‘Worlds of welfare’ and the decommodification of cash benefits and health care services”. Journal of Social Policy, 34(2), pp. 195-213.

## Week 7: Housing

This section examines the relationship between housing policies and welfare state, and whether housing policies differ across countries systematically.

### Key Readings:

- Castles, . (1998) “The Really Big Trade-Off: Home Ownership and the Welfare State in the New World and the Old”. Acta Politica, 33, pp. 5–19.
- Kemeny, J. (2005) “The Really Big Trade-Off” between Home Ownership and Welfare: Castles’ Evaluation of the 1980 Thesis, and a Reformulation 25 Years on”. Theory and Society, 22(2), pp. 59-75
- Schwartz, H. (2012) “Housing, the Welfare State, and the Global Financial Crisis”. Politics and Society, 40, pp. 35-58.

### Additional Readings:

- Oxley, M. (2000) The Future of Social Housing: Learning from Europe. London: IPPR.
- Lelkes, O., and Zolyomi, E. (2010) “Housing Quality Deficiencies and the Link to Income in the EU”. Available at: [http://www.euro.centre.org/data/1270820381\\_27296.pdf](http://www.euro.centre.org/data/1270820381_27296.pdf)
- Olsen, G.M. (2013) “Housing, housing policy, and inequality”. In B. Greve (ed.). The Routledge Handbook of the Welfare State. New York, NY: Routledge, pp. 332-347.

## Week 8: Redistribution

This section covers one of the most important policy outcomes of welfare state, namely redistribution. It answers the distinctive distributive effects of different regime types, generosity of these regimes, and how effective they are in correcting market failures with regards to income distribution.

### Key Readings:

- Bradley, D., Huber, H., Moller, S., Nielsen, F., and Stephens, J.D. (2003) “Distribution and Redistribution in Post-Industrial Democracies”. World Politics 55(2), pp. 193-228.
- Hacker, J.S., and Pierson, P. (2010) “Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States”. Politics and Society, 38(2), pp. 152-204.

#### Additional Readings:

- Gilens, M. (1999) Why Americans Hate Welfare: Race, Media and the Politics of Antipoverty Policy. Chicago, IL: Chicago University Press, pp. 60-80.
- Moene, K.Oç, and Wallerstein, M. (2003) “Earnings Inequality and Welfare Spending”. World Politics, 55, pp. 485-516.
- Iversen, T., and Soskice, D. (2006) “Electoral Systems and the Politics of Coalitions: Why Some Democracies Redistribute More than Others”. American Political Science Review, 100, pp. 165-182.
- Bates, R. (1981) Markets and States in Tropical Africa: The Political Basis of Agricultural Policies. Berkeley, CA: University of California Press, pp. 1-8 and 81-118.

#### **Week 9: Globalization**

This section inspects the effect of globalization on welfare state and identifies the specific challenges raised as a result of international integration. Both political and economic constraints are evaluated with respect to the different welfare regimes.

#### Key Readings:

- Walter, S. (2010) “Globalization and the Welfare State. Testing the Microfoundations of the Compensation Hypothesis”. International Studies Quarterly, 54(2), pp. 403-426.
- Schwarz, H. (2001) “Round Up the Usual Suspects! Globalization, Domestic Politics, and Welfare State Change”. In P Pierson (ed.). The New Politics of the Welfare State. Oxford: Oxford University Press, pp. 17-44.
- Meinhard, S., and Potrafke, N. (2012) “The Globalization–Welfare State Nexus Reconsidered”. Review of International Economics, 20(2), pp. 271-87.

#### Additional Readings:

- Rudra, N. (2002) "Globalization and the Decline of the Welfare State in Less Developed Countries". International Organization, 56(2), 411-45.
- Simmons, B., and Elkins, Z. (2004) “The Globalization of Liberalization: Policy Diffusion in the International Political Economy”. American Political Science Review, 98, pp. 171-190.
- Koster, F. (2009) “The Welfare State and Globalisation: Down and out or Too Tough to Die?”. International Journal of Social Welfare, 18(2), pp. 153-62.
- Vij, R. (ed.) (2007) Globalization and Welfare: A Critical Reader. New York, NY: Palgrave, pp. 50-60.



## **Week 10: Post-Industrialization**

This section continues to examine the challenges for welfare states, and highlights the characteristics of post-industrial societies. The political mechanisms through which post-industrialization affect social policies and the end results are studied.

### Key Readings:

- Iversen, T., and Wren, R. (1998) "Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy". World Politics, 50(4), pp. 507–46.
- Pierson, P. (1996). "The New Politics of the Welfare State". World Politics, 48(2), pp. 143-179.
- Hausermann, S. (2006) "Changing Coalitions in Social Policy Reforms: The Politics of New Social Needs and Demands". Journal of European Social Policy, 16(1), pp. 5-21.

### Additional Readings:

- Kitschelt, H. (2001). "Partisan Competition and Welfare State Retrenchment: When Do Politicians Choose Unpopular Policies?". In P. Pierson (ed.). The New Politics of the Welfare State. Oxford: Oxford University Press, pp. 265-305.
- Oesch, D. (2006) "Coming to grips with a changing class structure. An analysis of employment stratification in Britain, Germany, Sweden and Switzerland". International Sociology, 21(2), pp. 263-288.
- Patashnik, E.M. (2015) "Pierson's Dismantling the Welfare State: A Twentieth Anniversary Reassessment". Political Science and Politics, 48(2), pp. 267-269.
- Palier, B. (2010). "Beyond Retrenchment: four problems in current welfare state research and one suggestion on how to overcome them". In F.G. Castles et al. (eds.) The Oxford Handbook of the Welfare State. Oxford: Oxford University Press, pp. 656-670.

## **Week 11: Immigration**

This section looks at the that the settlement of immigrant populations poses to social protection systems of the host societies, and how welfare states respond to flows of skilled and unskilled labor.

### Key Readings:

- Nannestad, P. (2007) "Immigration and welfare states: A survey of 15 years of research". European Journal of Political Economy, 23, pp. 512–532.
- Hansen, J.D. (2003) "Immigration and income redistribution in welfare states". European Journal of Political Economy, 19, pp. 735–746.

- Hermerijck, A.C., Palm, T.P., Entendmann, E., and Van Hooren, F.J. (2013) “Changing European Welfare States and the Evolution of Migrant Incorporation Regimes”. Available at: [http://www.compas.ox.ac.uk/media/PR-2013-IMPACIM\\_Background\\_Welfare\\_States.pdf](http://www.compas.ox.ac.uk/media/PR-2013-IMPACIM_Background_Welfare_States.pdf).

#### Additional Readings:

- Koopmans, R. (2010) “Trade-Offs between Equality and Difference: Immigrant Integration, Multiculturalism and the Welfare State in Cross-National Perspective”. Journal of Ethnic and Migration Studies, 36(1), pp. 1-26.
- Schneider, S. (2008) “Anti-Immigrant Attitudes in Europe: Outgroup Size and Perceived Ethnic Threat”. European Sociological Review, 24(1), pp. 53-67.
- Sainsbury, D (2006) “Immigrants’ social rights in comparative perspective: welfare regimes, forms of immigration and policy regimes”. European Journal of Social Policy, 16(3), pp. 229-244.
- Noack, F.S., and Birkelund, G.E. (2007) “Does the Ethnic Composition of Upper Secondary Schools Influence Educational Achievement and Attainment? A Multilevel Analysis of the Norwegian Case”. European Sociological Review, 23(3), pp. 309-323.

### **Week 12: Future**

This section offers concluding remarks on the topics covered before and outlines what

#### Key Readings:

- Greve, B. (2013) “Future of the Welfare State”. In B. Greve (ed.). The Routledge Handbook of the Welfare State. New York, NY: Routledge, pp. 433-440.
- Gough, I., and Therborn, G. (2010) “The Global Future of Welfare States”. In F.G. Castles et al. (eds.) The Oxford Handbook of the Welfare State. Oxford: Oxford University Press, pp. 703-721.

#### Additional Readings:

- Yoruk, E. (2012) “Welfare Provision as Political Containment: The Politics of Social Assistance and the Kurdish Conflict in Turkey”. Politics and Society, 40, pp. 517-47.
- Wilding, P. (2000) “The Welfare State: 2000-2050”. Available at: <http://rszarf.ips.uw.edu.pl/welfare-state/wilding2.pdf>.
- Jane J. (2010) “Diffusing Ideas for After Neoliberalism: The Social Investment in Europe and Latin America”. Global Social Policy, 10(1), pp. 59-84.
- Kwon, S., and Holliday, I. (2007) “The Korean Welfare State: A Paradox of Expansion in an Era of Globalisation and Economic Crisis”. International Journal of Social Welfare, 16, pp. 242-48.