The Political Economy of Welfare State Change
Elective course – 4 credits (8 ECTS)
Political Science Department, CEU
Fall semester, 2014-2015

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Class: FT 809
Office: FT 906
Office hours: Tuesdays: 13.00-15.00
Thursdays: 13.00-15.00
Fridays: 9.30-10.30
and by appointment Mondays through Fridays.

Course description and structure
This course engages with welfare state and social policy change as a special concern of politics in the contemporary world, both in advanced democratic as well as other polities. The course brings together discussions about key theoretical concepts, competing explanatory models and a range of methodological approaches to explaining welfare state change throughout the 20th century and especially over the last three decades around the world. The course tackles political explanations to welfare state expansion in the developed world and in developing nations and offers insights into the politics of welfare state adaptation over the past thirty years especially in Eastern and Western Europe. The course also deals with scholarly debates around exogenous and endogenous drivers of change such as globalisation, Europeanisation, post-industrialisation and population ageing. Not least, the course makes incursions into the theoretical frameworks and methods that welfare state analysts typically rely on.

The course asks, among others, the following questions: What is the welfare state and through what political processes has it come about? What political factors explain the post-war expansion of modern welfare states across the world? Why are different welfare states in different parts of the world responding to global pressures differently? Why are different welfare states across the world responding to similar internal pressures differently? Why are some social welfare programmes being expanded, while others undergoing retrenchment? How to understand and theorise welfare state adaptation in a new global context across the world?

The course is divided into three main sections:
- The early development and expansion of contemporary welfare states
- Theorising welfare state change
- Explaining welfare state change in the 21st century: pressures on welfare states

Each week brings into focus one topic. Each topic comprises two related discussions, one focusing on key concepts and the theorisation of causation and the other centring on methods and data underpinning conceptual discussions and theory-building.

This course builds on students’ existing knowledge about key policy actors and institutions in democratic as well as non-democratic contexts and different methodological approaches to explaining causality in the study of (social) politics.
Learning outcomes

The organisation of classes is aimed to help students develop a good understanding of the subject matter, with a focus on concepts, theoretical and methodological approaches to explaining causal relationships as well as their analytical relevance and value. In addition, classroom activities are aimed at helping students develop a range of:

- **transferable skills**: especially developing effective PowerPoint presentations; making conference-type presentations; presenting and critically discussing scholarly work by others; chairing group sessions; listening critically; offering informed judgements in a concise fashion;
- **study skills**: especially note taking, summarising (orally and in written form), critical reading comprehension, metacomprehension; constructive feedback and team work; defining one’s own learning needs, planning progress and incorporating constructive feedback received; manage a semester-long project in a successful way;
- **critical thinking skills**: especially deductive reasoning; hypothesising; structured argumentation; the application of newly acquired knowledge to new situations.

Class structure

Most meetings consist of a 15-minute presentation of a key reading, 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.**

Class requirements and assessment

Students are expected to attend meetings regularly, to participate in class discussions and submit independent work according to assignment descriptions. Furthermore, students will have to (1) present a key reading during the course **and/or (depending on class size)** (2) act as discussant.

Students’ final grade will consist of the following assignments:

1. class participation in structured discussions and in-class group activities – 30% of the final grade
2. acting as presenter and/or discussant with mandatory handouts to be sent out 24 hours before class (Moodle) – 30% of the final grade (or, in case of two presentations, 15% + 15%);
3. in-class small group assignments (see syllabus below and details TBA) – 10% of the final grade
4. **week 12 final assignment** – 30% of the final grade:
   - the making of a conference-style presentation focusing on instances of social policy change, including mandatory handouts and a PowerPoint-like presentation (details TBA)
   - OR
   - a conference-style poster presentation (details TBA)
   - OR
   - the submission of a complete social welfare programme reform portfolio (details TBA).

**Penalties:** in case of late submissions of independent work and plagiarism. Departmental rules on plagiarism apply.
COURSE TOPICS AND KEY READINGS

I. INTRODUCTION

Week 1. Introducing the political economy of welfare state change

The purpose of these two discussions is to introduce the subject matter of the course: the political economy of welfare state change: what it is and what analytical frameworks and methods it generically employs.

Session 1. What do we know about the political economy of welfare state change?

This session is an open discussion about the focus of the course, i.e. the political economy of welfare state change. The discussion focuses on charting students’ existing knowledge about the following issues: What is the welfare state? Why do welfare states change and in what ways? How do we know welfare states change?

Session 2. What do we know about the analytical frameworks and the methods of the political economy of welfare states?

To complement the previous discussion, the focus of this session is on the methods of studying welfare state change. In focus are different analytical and methodological approaches to engaging with the politics of social policies and, thus, of welfare state adaptation.

Key reading:

II. THE EARLY DEVELOPMENT AND EXPANSION OF CONTEMPORARY WELFARE STATES

Week 2. The politics of welfare state formation and development

In focus this week are the political drivers of modern welfare states’ creation in advanced democratic polities at the end of the 19th century and in what are now higher-income developing countries in the early 20th century.

Session 3. Welfare state emergence and expansion: political factors in focus

This session looks at historical accounts that provide competing perspectives on the emergence of the first social programmes in advanced welfare states, i.e. Western Europe, and less successful European welfare states in Central and Eastern Europe. This session tackles the following question: As a result of what political factors did the first social programmes in Europe emerge?

Key readings:

Additional readings:

Session 4. Operationalising the emergence and expansion of the welfare state

Building on the historical discussion about the emergence of the earliest social programmes in session 3, the focus of this discussion is the range of causal explanations formulated about the emergence of modern welfare states in developed and developing nations.

Key readings:
Week 3. The ‘golden age’ of welfare state development

The focus this of this week’s discussions is the post-war ‘maturation’ of welfare states around the world, with a special focus on advanced welfare states and the countries of Latin America, Central and Eastern Europe and East Asia.

Session 5. Accounting for welfare state expansion during the post-war decades

In focus are historical accounts of welfare state expansion and its political drivers around the world.

Key readings:


Additional reading:


Session 6. ‘Critical junctures’ in historical institutionalism

In the context of the predominance of historical institutionalist accounts in explaining welfare state development and expansion over the last century, the focus of this session is on one key conceptual element of causality in historical institutionalism: critical junctures. The session asks: What are critical junctures and what is their role in explaining causation in historical accounts of welfare state development?

Key reading:


Additional readings:

Week 4. Welfare state expansion in developing countries now

While Western countries have been debating welfare state *retrenchment* for thirty years (see sessions 9-10), many developing countries are currently expanding welfare programmes and the welfare state, in some cases for the first time. The focus of this week’s session is why this might be happening and explaining the directions of social welfare expansion across developing nations.

Session 7. Welfare state expansion in developing countries

This session focuses on the theoretical (normative) arguments put forth for the expansion of social security in developing, especially low-income, countries. The following issue is tackled in this course: why do (and why should) developing nations expand social protection efforts?

Key reading:

Session 8. Explaining welfare state expansion in the developing world

The focus of this session is represented by political explanations for social welfare programmes adoption and reform in newly democratic countries around the world. This session asks: what political factors might explain the adoption of social programmes in the absence of policy legacies in recent democracies and emerging economies? This discussion builds on that in session 4.

Key readings:

Additional reading:
III. THEORISING WELFARE STATE CHANGE

Week 5. Rolling back the state

The 1980’s and 1990’s saw a range of social policy changes in Western Europe and the transitioning economies of Central and Eastern Europe and the former Soviet Union that amounted to what came to be termed ‘welfare state retrenchment’ driven by a neoliberal agenda. This week’s sessions focus on the concept of retrenchment, its politics and methodological issues in accounting for welfare state retrenchment.

Session 9. Welfare state retrenchment

Drawing on advanced welfare state literature, this session focuses on the definitions of welfare state retrenchment as one form of welfare state change.

Key reading:

Additional reading:

Session 10. Operationalising welfare state retrenchment: how much change makes different?

The focus of this session is constituted by the following methodological questions:

- How can we operationalize retrenchment?
- How much change in quantity constitutes change in quality or, to put it differently, how much social policy change means different social policy?

Key reading:

Additional reading:
Week 6. Theories of welfare state transformation

If retrenchment is not what welfare state change over recent decade has amounted to, then what is the nature of change over this period and what explains it?

Session 11. Recalibration and restructuring

Reflecting on the limitations of the retrenchment literature, this session looks at different types of welfare state change described by historical institutionalists.

Key readings:


Additional reading:


Session 12. Conceptualising and demonstrating divergence in pathways of welfare state change

In focus are causal explanations that rely on the concepts of path dependence and increasing returns: what do they mean, why do they happen and what their explanatory power in the political economy of the welfare state might be

Key reading:


Additional reading:

Week 7. Theorising welfare state adaptation

The last decade has seen new social policy developments across Europe that have focused mainly on employment (activation policies) and care (family policies writ large, in particular childcare policies and elder care policies), driven by a paradigmatic shift in social policy to ‘social investment’. This week’s discussions focus on what social investment has meant and how related policy developments in employment policy and family policy, with a focus on care, have been explained.

Session 13. Welfare state adaptation in Europe

This session discusses the direction and scope of social policy developments in European welfare states over the last decade with special attention paid to activation and care policies. The focal question of this session is: how do these social policy developments affect our interpretations of contemporary welfare state change?

Key reading:

Additional readings:

Session 14. Employment and care: expanding policy domains

This session provides further discussion of two policy areas in expansion in European countries: activation policies and care policies for children. The focal question remains: how do these social policy developments affect our interpretations of contemporary welfare state change?

Key readings:

Employment policies

Care policies
IV. EXPLAINING WELFARE STATE CHANGE IN THE 21ST CENTURY: PRESSURES ON THE WELFARE STATE

Exogenous pressures on the welfare state

Week 8. Globalisation

Regardless of the nature and rhythm of welfare state change, one set of factors that have been seen to drive this process are exogenous ones. This week’s discussions focus on the range of theoretical propositions regarding the ways in which social politics is shaped by exogenous factors, especially economic globalisation.

Session 15. Globalisation and welfare state change

This discussion focuses on one of the most debated exogenous factors argued to exert pressures on welfare states during the 1990’s and 2000’s: economic globalisation. The session asks: in what ways might economic globalisation affect welfare states around the world and why?

Key reading:

Additional readings:

Session 16. Operationalising economic globalisation in welfare state research

This session aims to critically assess the methods and empirical ‘evidence’ that substantiate theoretical claims about the role of economic globalisation in welfare state change. This session asks:

- In what ways is globalisation on the one hand and welfare state change on the other operationalised in empirical research?
- How convincing are these causal models?

Key readings:
**Week 9. Europeanisation and welfare state change**

The impact of the European Union has been ever stronger since the Lisbon treaty. It remains debatable, however, what the Europeanisation of social protection or of social policies entails across the member states. This week’s sessions tackle the questions of what Europeanization might be and how it might be theorised in welfare state research.

**Session 17. The Europeanisation of social policy**

The adoption of the Lisbon treaty and that of the Open Method of Coordination in respect to social protection has also redirected welfare state scholars’ attention to what has been termed the Europeanisation of social policy. This session deals with what Europeanisation might be and with its implications for European welfare states’ adaptation over the last 15 years.

**Key reading:**


**Additional reading:**

**Session 18. Policy Diffusion and Learning and Europeanisation**

The focus of this session is engagement with the theoretical and methodological underpinnings of the study of ‘Europeanisation’ in welfare state research. How does ‘Europeanisation’ in social protection occur and are policy diffusion, policy learning or policy transfer adequate depictions of this process of Europeanisation?

**Key reading:**
Week 10. The global financial downturn

The global economic downturn of the last five years has seen a range of welfare state responses across the board. This week’s discussions focus on the relationship between the global economic crisis and ensuing recession on the one hand and welfare state adaptation on the other.

Session 19. Welfare state adaptation in the context of the new ‘era of austerity’

Key reading:

Additional readings:

Session 20. Operationalising the economic crisis in welfare state research

The focus of this session is: How have scholars operationalized and measured the impact of the global economic crisis on social policy developments over the last five years?

**Assignment**: Students search for one article or book chapter and explain how

(1) The global economic crisis is operationalized
(2) social policy change is conceptualised
(3) how the relationship between the economic downturn and social policy adaptation is explained.
Endogenous pressures on welfare states

Week 11. Structural transformations, new social risks and welfare state adaptation

Session 21. De-industrialisation and new social risks
Since the 1970’s advanced capitalist nations have experienced a range of macroeconomic changes. This session focuses on the nature of these endogenous changes and their impact on social welfare needs and introduces the ‘new social risks’ debate of the 2000’s in welfare state studies.

Key reading:

Additional reading:

Session 22. Family responsibilities, paid work and welfare state change
What has been referred to as de-industrialisation has overlapped around the world with women’s increased participation in paid work and a starker decline in fertility rates than ever before. What challenges does the revolution in women’s roles pose for welfare states? How have different welfare states responded to these challenges?

Key reading:

Additional reading:

V. CONSOLIDATION

Week 12: Consolidation

Sessions 23. Concluding discussion:
How have welfare state scholars engaged with social policy and welfare state change over recent decades?
What might we expect over the next decade in respect to welfare state adaptation?

Session 24. Final presentations and projects