



APPLIES TO ACADEMIC YEAR 2008/2009

GRA 5921 The Political Economy of Redistribution: The Welfare State

Program

Advanced Specialization Course (MSc), Master of Science in Political Economy

Responsible for the course

Kåre Hagen

Department

Term

According to study plan

ECTS Credits

6

Language of instruction

English

The course is dedicated to core questions in political economy, in this case the welfare state. It requires no previous knowledge, but is primarily designed for students taking the MSc in Political Economy and therefore assumes some knowledge of political processes and policy making. The central themes include the normative basis for redistributive social policies, the development of different welfare-capitalist regimes, the logics of social insurance and the interplay between the state, civil society and the market.

Learning outcome

The course aims at providing a broad, cross-disciplinary understanding of why and how democratic institutions intervene into the distribution of wealth, both through providing regulatory regimes for the work contract and for the operation of market based social insurance. Its core message is that the development and the internal dynamics of the comprehensive public sector developed in the post-war period is intimately related to the public sector as a provider of social services and income insurance. It will address theories of the crisis of the welfare state, of how the existence of social security schemes provide (un)intended behavioural incentives in the economic sphere, and how historically developed and often rigid welfare institutions confine the range of reforms to incremental 'problem solving'. Problems of welfare state reforms will be addressed with particular reference to institutional accommodation to the on-going demographic transition in the areas of health and pensions. The role of market based provision will be discussed, both as a supplement and as alternative to state provision. Throughout the course, a comparative perspective will be employed, and students are expected to do a comparative analysis in their take home exam, based on available sources like the OECD or Eurostat.

Prerequisites

Bachelors degree qualifying for admission to the MSc Program

Compulsory literature

Books:

Barr, Nicholas. 2001. The welfare state as piggy bank : information, risk, uncertainty, and the role of the state. Oxford : Oxford University Press

Esping-Andersen, Gösta. 1990. The three worlds of welfare capitalism. Cambridge : Polity Press

Pierson, Christopher and Francis G. Castles, eds. 2006. The Welfare state reader. 2nd ed. Cambridge : Polity

Collection of articles:

Compendium of Journal Articles, including articles/chapters.

Recommended literature

Books:

Barr, Nicholas. 2004. The economics of the welfare state. 4th ed. Oxford: Oxford University Press

Esping-Andersen, Gösta. 2002. Why we need a new welfare state. Oxford: Oxford University Press

Hall, Peter A. and David Soskice, eds. 2001. Varieties of capitalism: The institutional

foundations of comparative advantage. Oxford: Oxford University Press
Lijphart, Arend. 1999. Patterns of democracy: Government forms and performance in thirty-six countries. New Haven, Conn.: Yale University Press
Marks, Gary et al. 1996. Governance in the European Union. London: Sage
Wilensky, Harold L.. 2002. Rich democracies: Political economy, public policy, and performance. Berkeley, Calif.: University of California Press

Course outline

- 1: Normative arguments for state provision of social insurance. Core concepts of need, risk, risk-pooling, social responsibility and market failure
- 2: System characteristics and the historical background behind different welfare state regimes, and their re-distributional properties and actual effects on productivity and labour markets. The empirical analysis of poverty and inequality.
- 3: The logics of insurance and its application to welfare state institutions. Problems of information, incentives and moral hazard. System-generated pressures for reform.
- 4: The welfare pluralist perspective: The state, the market, the work contract, the family and non-profit organisations as alternative and complementary producers of social welfare. The state as a regulator of private sector provision
- 5: Overview over reforms of health and pension insurance.

Computer-based tools

None

Course structure

36 hours.

Specific Information regarding student evaluation will be provided in class. Please note that while attendance is not compulsory in all courses, it is the student's responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book. Homepages and/or Blackboard are not designed for the purpose of students who choose not to attend class

Evaluation

Individual research paper (70%) and in-class presentation (30%).

Both parts of the evaluation need to be passed in order to get a grade in the course.

Evaluation code(s)

Gra 59211 accounts for 100 % of the final grade in the course GRA 5921.

Aids at the examination

A bilingual dictionary. Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary. <http://www.bi.edu/studenthandbook/examaids>

Makeup exam

Re-takes are only possible at the next time a course will be held. When the course evaluation has a separate exam code for each part of the evaluation it is possible to retake parts of the evaluation. Otherwise, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee

Honor Code

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.

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