



APPLIES TO ACADEMIC YEAR 2011/2012

GRA 5921 The Political Economy of Redistribution: The Welfare State

Programme

Master of Science in Political Economy, Specialization Course

Responsible for the course

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

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 confines 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

Bachelor degree qualifying for admission to the MSc Programme

Compulsory reading

Books:

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

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

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

Collection of articles:

Compendium of Journal Articles, including articles/chapters.

Other:

A list of compulsory readings will be provided on It's learning or in class.

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Recommended reading

Books:

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

Esping-Andersen, Gøsta, with Duncan Gallie, Anton Hemerijck and John Myles. 2002. Why we need a new welfare state. Oxford University Press
Hall, Peter A. and David Soskice, eds. 2001. Varieties of capitalism : the institutional foundations of comparative advantage. Oxford University Press
Lijphart, Arend. 1999. Patterns of democracy : government forms and performance in thirty-six countries. Yale University Press
Wilensky, Harold L. 2002. Rich democracies : political economy, public policy, and performance. 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

It's learning

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination

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.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

Examination code(s)

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

Examination support materials

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>

Re-sit examination

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

Additional information

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 academic integrity. If you have any questions about your responsibilities under the honor code, please ask.