

1390: Social Policy in Developing Economies

Tuesdays, 17:45-19:15
6 ECTS points

Building No. 212
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Room: S110

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Outline of the Course

The course has three goals: First, the course aims at introducing you to the field of social policy research in comparative politics and comparative political economy. The course is designed to provide an understanding about the main contributions and the “frontiers” of this research field. Second, the course should provide you with micro and macro theories that contribute to explain social policies and the welfare state in low- and middle-income economies. The idea is to learn to transfer and adjust general theories to the context of less developed states. Finally, the course is designed to strengthen your analytical skills with regard to the identification of general patterns in the relationship between individual interests, actors, and institutions.

The course is organized in four sections: Section I introduces key concepts of welfare state research in the field of comparative politics and comparative political economy. We study differences in welfare regimes in high-income economies and distinguish welfare state configurations by regime type (democracy/autocracy). Section II focuses on micro level theories, studying individual social policy preferences (also preferences for redistribution) from a rigorous cost-benefit rationale towards more complex theories that consider social affinity, social mobility expectations, and justice considerations. In section III we study factors that influence social policy expenditures in low- and middle-income economies and the impact of institutions such as the performance of the state for the welfare system. In the final section IV we address particular obstacles and challenges for social policies in low- and middle-income economies in the form of globalization, privatization and clientelism/corruption.

Prerequisites

A good knowledge of general political science concepts, theories and basic quantitative and qualitative methods is required. Students should be able to understand and articulate themselves in English as this will be the general classroom language. Of course, perfection is not required but you should be able to make yourself understood. The term paper should be written in English as well.

Requirements

The sessions in class are designed as a very participatory seminar format. This means that the class also depends on your in-class participation. In order to ensure the quality of participation I expect you to have prepared the required readings prior to class and to attend all meetings. The required reading is indicated as such, but you will also find *recommended* readings which are not required for class. The recommended readings list only serves as orientation in case that you intend to delve deeper into the particular research topic.

The term paper should bear on the themes discussed in class and contain no more than 6.000 words (approximately 15-20 pages). You should be clear about your theory, data and methodological approach. It is vital to develop a clear research design that supports your analytical interest. The paper is due on **August 19th 2014** (24:00). Individual presentations in class (10-15 minutes) on a seminar topic of your choice are welcome but not required. The final grade is composed of the term paper (80%) and in-class participation (20%).

Registration

Please register via KLIPS. If you cannot use KLIPS, please register by sending me an email (sarah.berens@uni-koeln.de).

I FUNDAMENTALS

Session 1 (April 8th 2014)

Introductory Meeting

- Esping-Andersen, Gøsta. 1990. *Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press. Chapters 1+2.
- Bonoli, Giuliano. 1997. Classifying Welfare States: A two-dimension Approach. *Journal of Social Policy*, 26, 3, 351- 372.

Session 2 (April 15th 2014)

Conceptualization: Social Policy

Required:

- Mares, I., Carnes, M. (2009) Social policy in developing countries. *Annual Review of Political Science* 12: 93-113.
- Rudra, N. (2007) Welfare states in developing countries: unique or universal? *Journal of Politics*, 69, No 2: 378–396.

Recommended:

- Huber, E. & Stephens, J. (2012) *Democracy and the Left. Social Policy and Inequality in Latin America*. University of Chicago Press. Chicago/London. Chapter 1+2.
- De Ferranti, David, Guillermo E. Perry, Francisco H. G. Ferreira, and Michael Walton. (2004) *Inequality in Latin America and the Caribbean: Breaking with History?* Washington D. C.: World Bank.

Session 3 (April 22nd 2014)

Democracy, Autocracy and Social Policy

Required:

- Lake & Baum (2001) The invisible hand of democracy. *Comparative Political Studies* 34: 587-621.
Ross, M (2006) Is Democracy Good for the Poor? *American Political Science Journal* Vol. 50, No. 4: 860–874.

Recommended:

- Boix, Carles. 2003. *Democracy and Redistribution*. New York: Cambridge University Press, Chapters 1-3.
Acemoglu & Robinson (2006) *Economic origins of dictatorship and democracy*. Cambridge: Cambridge University Press.
Ansell, Ben. 2007. “Traders, Teachers, and Tyrants: Democracy, Globalization, and Public Investment in Education”, *International Organization*.
Meltzer, Allan and Richard, Scott. 1981. A Rational Theory of the Size of the Government, *Journal of Political Economy*, 89: 5, 914- 927.
Stasavage, D. (2005) Democracy and Education Spending in Africa. *American Political Science Journal*.
Huber, E. & Stephens, J. (2012) *Democracy and the Left. Social Policy and Inequality in Latin America*. University of Chicago Press. Chicago/London. Chapter 1+2.

II MICRO LEVEL: INTERESTS AND DISTRIBUTIVE POLICIES

Session 4 (April 29th 2014)

Individual Interests and Social Policy: Economic Self-Interest and Social Mobility Expectations

Required:

- Finseraas, H. (2008) Income Inequality and Demand for Redistribution: A Multilevel Analysis of European Public Opinion. *Scandinavian Political Studies* 32: 94-119.
Dion & Birchfield (2012) Economic Development, Income Inequality, and Preferences for Redistribution. *International Studies Quarterly* 54: 315-334.

Recommended:

- Benabou, R. and Ok, E. A. (2001), ‘Social mobility and the demand for redistribution: The POUM hypothesis’, *The Quarterly Journal of Economics* 116(02), 447–487.
Meltzer, Allan and Richard, Scott. 1981. A Rational Theory of the Size of the Government, *Journal of Political Economy*, 89: 5, 914- 927.
Moene, Karl O., and Michael Wallerstein. (2001) Inequality, Social Insurance, and Redistribution. *American Political Science Review* 95: 859–874.
Piketty (1995) Social mobility and redistributive politics, *The Quarterly Journal of Economics* 110: 551-584.

Session 5 (May 6th 2014)

Individual Interests and Social Policy: Justice Principles

Required:

- Reeskens/van Ooorschot (2013) Equity, equality, or need? A study of popular preferences for welfare redistribution principles across 24 European countries. *Journal of European Public Policy*. Vol. X (online first) p. 1-22.

Jordan, J. (2013), 'Policy feedback and support for the welfare state', *Journal of European Social Policy* 23(02), 134–148.

Recommended:

Benabou, R. and Tirole, J. (2006), 'Belief in a just world and redistributive politics', *The Quarterly Journal of Economics* 121(02), 699–746.

Alesina, A. & La Ferrara, E. (2005) Preferences for Redistribution in the Land of Opportunities. *Journal of Public Economics* Vol. 89: 897—931.

Session 6 (May 13th 2014)

Individual Interests and Social Policy: Social Affinity

Required:

Lupu & Pontusson (2011) The Structure of Inequality and the Politics of Redistribution. *American Political Science Review* 105: 316-336.

Shayo (2009) A model of social identity with an application to political economy: Nation, class, and redistribution. *American Political Science Review* 103: 147-174.

Recommended:

Habyarimana, James, Macartan Humphreys, Daniel Posner and Jeremy Weinstein. 2007. "Why does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review* 101: 709-725.

Stasavage and Scheve. 2006. "Religion and Preferences for Social Insurance", *Quarterly Journal of Political Science*, vol.1, no.3, pp.255-286.

Luttmer, E. (2001), 'Group loyalty and the taste for redistribution', *Journal of Political Economy* 109(03), 500–528.

Session 7 (May 20th 2014)

Labor Market Fragmentation and Social Policy

Required:

Rehm, P. and Hacker, J.S. and Schlesinger, M. (2012) Insecure alliances: Risk, inequality, and support for the welfare state. *American Political Science Review* 106: 386-406.

Portes, Alejandro and Kelly Hoffman. (2003) Latin American Class Structures: Their Composition and Change During the Neoliberal Era. *Latin American Research Review* 38: 41–82.

Recommended:

Saint-Paul, Gilles. (1996) Exploring the Political Economy of Labour Market Institutions. *Economic Policy* 23: 264–315.

III MACRO LEVEL: SOCIAL SPENDING

Session 8 (May 27th 2014)

Determinants of Social Policy Expenditures

Required:

Kaufman-Segura-Ubiergo (2001) Globalization, domestic politics, and social spending in Latin America: a time-series cross-section analysis, 1973-97. *World Politics* 53: 553-587.
Wibbels (2006) Dependency revisited: International markets, business cycles, and social spending in the developing world. *International Organization* 60: 433-468.

Recommended:

Wibbels, E., Ahlquist, J. (2011) Development, Trade, and Social Insurance. *International Studies Quarterly*.
Huber, E., Mustillo, T., Stephens, J. (2006) Politics and social spending in Latin America. *The Journal of Politics*.

Session 9 (June 3rd 2014)

Parties and Social Policy

Required:

Huber, E. & Stephens, J. (2012) *Democracy and the Left. Social Policy and Inequality in Latin America*. University of Chicago Press. Chicago/London. Chapter 1+2.
Pribbel, J. (2013) *Welfare and Party Politics in Latin America*. Cambridge: Cambridge University Press. Chapters 1+2

Recommended:

Häusermann, Silja and Picot, Georg and Geering, Dominik: Review Article: Rethinking Party Politics and the Welfare State: Recent Advances in the Literature. *British Journal of Political Science* 43: 221-240.
Huber et al. 2006 Politics and inequality in Latin America and the Caribbean. *American Sociological Review*.
Huber, Evelyn and Stephens, John. 2001. *Development and Crisis of the Welfare State*. Chicago: University of Chicago Press, Chapters 2 + 3.

No class: (June 10th 2014)

Pfingsten!

Session 10 (June 17th 2014)

State Capacity and Social Policy

Mares, I. (2005), 'Social protection around the world', *Comparative Political Studies* 38(06), 623–651.
Rothstein, B., Samanni, M. & Teorell, J. (2011) Explaining the welfare state: power resources vs. the Quality of Government. *European Political Science Review*, Vol. 4: 1-28.

Recommended:

Rothstein/Uslander (2005) All for all: Equality, corruption, and social trust. *World Politics*.
Barbara Geddes, Politician's Dilemma: Building State Capacity in Latin America, 1994.

IV OBSTACLES AND CHALLENGES

Session 11 (June 24th 2014)

Globalization and Social Policy

Required:

- Rudra, N. (2002) Globalization and the decline of the welfare state in less-developed countries. *International Organization* 56: 411-445.
- Walter, S. (2010) Globalization and the Welfare State: Testing the Microfoundations of the Compensation Hypothesis. *International Studies Quarterly* 54: 403-426.

Recommended:

- Rodrik, Dani. 1997. *Has Globalization gone too far?* Washington: Institute for International Economics. Chapter 4.
- Rudra, N. (2008) *Globalization and the Race to the Bottom in Developing Countries: Who Really Gets Hurt?* Cambridge University Press.
- Iversen, Torben and Thomas Cusack. 2000. "The Causes of Welfare State Expansion: Deindustrialization or Globalization?" *World Politics*.

Session 12 (July 2nd 2014)

Social Policy and Privatization

Required:

- Brooks, S. M. (2005) Interdependent and Domestic Foundations of Policy Change: The Diffusion of Pension Privatization around the World. *International Studies Quarterly* 49, 273–294.
- Carnes, M. & Mares, I. (2013) Measuring the Individual-Level Determinants of Social Insurance Preferences: Survey Evidence from the 2008 Argentine Pension Nationalization. *Latin American Research Review*, Vol. 48: 108-129.

Recommended:

- Denisova, Irina and Eller, Marcus and Frye, Timothy and Zhuravskaya, Ekaterina (2012) Who Wants to Revise Privatization?: The Complementarity of Market Skills and Institutions *American Political Science Review*.
- Brooks, Sarah M. (2009) *Social Protection and the Market in Latin America*. Cambridge: Cambridge University Press.

Session 13 (July 8th 2014)

Social Policy and Corruption/Clientelism

Required:

- Remmer, K. (2007) The Political Economy of Patronage: Expenditure Patterns in the Argentine Provinces, 1983–2003. *American Journal of Political Science*, Vol. 69, No 2: 363–377.
- Rothstein, B. (2011) *The quality of government: corruption, social trust, and inequality in international perspective*. University of Chicago Press. Chapter 7

Recommended:

- Dixit Avinash and John Londregan. 1996. "The Determinants of Success of Special Interests in Redistributive Politics." *Journal of Politics*, Vol. 58, pp. 1132-1155

De la O (2013) Do Conditional Cash Transfers Affect Electoral Behavior? Evidence from a Randomized Experiment in Mexico. *American Journal of Political Science*, Vol xx (online first, p. 1-14).

Session 14 (July 15th 2014)

Social Policy and the Informal Economy

Required:

Scholz, Lubell (1998) Trust and taxpaying: Testing the heuristic approach to collective action. *American Journal of Political Science*.

Torgler, Benno, and Friedrich Schneider. (2009) The Impact of Tax Morale and Institutional Quality on the Shadow Economy. *Journal of Economic Psychology* 30: 228–245.

Recommended:

Djankov, Simeon, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer. (2002) The Regulation of Entry. *The Quarterly Journal of Economics* 117: 1–37.

Feld, Lars P., and Bruno S. Frey. (2007) Tax Compliance as the Result of a Psychological Tax Contract: The Role of Incentives and Responsive Regulation. *Law & Policy* 29: 102–120.

Friedman, Eric, Simon Johnson, Daniel Kaufmann, and Pablo Zoido-Lobaton. (2000) Dodging the Grabbing Hand: The Determinants of Unofficial Activity in 69 Countries', *Journal of Public Economics* 76: 459–493.

Johnson, Simon, Daniel Kaufmann, and Pablo Zoido-Lobaton. (1998) Regulatory Discretion and the Unofficial Economy. *The American Economic Review* 88: 387–392.

Perry, Guillermo E., William F. Maloney, Omar S. Arias, Pablo Fajnzylber, Andrew D. Mason, and Jaime Saavedra-Chanduvi. (2007) *Informality: Exit and Exclusion*. Washington, D. C.: World Bank Publications.