

University of Oslo, Department of Political Science

STV 4313 The Welfare State: Politics, Policies, and Feedback

Masters level, Political Science

Written examination, Spring 2019; 3 hours.

**NB: CHOOSE THREE OF THE FOUR QUESTIONS BELOW**

*You may write in Norwegian, Danish, English or Swedish. You will not be graded on grammar or writing style.*

**Question 1 (about 50 minutes, 6p)**

Explain different ways in which welfare state policies may affect support for the welfare state among the public. Use illustrative examples and evidence from course literature.

*The course literature/lectures brought up two major models.*

*The “thermostat” model suggests that different aspects of welfare state support “reacts against” public policy. The dependent variable here is people’s relative preference for “more” or “less” of something, for example more or less spending, taxation, benefit generosity etc. Such relative preferences are explained by the difference between the public’s absolute preferred level and the level it gets (or perceives it is getting). An example is found in Naumann’s study. He found that pension reforms that increase the retirement age tend to reduce support for further increases of the retirement age. This is a relatively swift process, measurable over 1-2 years after reforms.*

*A second possibility is that preferences might also “adjust to” actual policies over time. This could happen through several mechanisms, where especially stable policies become regarded as more “normal” and limit people’s imagination for alternatives. An example was provided by Svallfors who used the unification of Germany as a “natural experiment” for testing adjustment effects. This sort of research design improves on past “cross-sectional” research, which is more sensitive to “chicken and egg” reversed causality problems. Consistent with the adjustment type policy feedback Svallfors found that East Germans have gradually become like West Germans in terms of welfare state-related attitudes. In other words, they have gradually adjusted to their new policy environment. Importantly, these effects are very slow and largely driven by generational replacement than by individual change. Also, they concern attitudes that resemble “absolute” rather than relative preferences.*

Course literature: Naumann 2014; Svallfors 2010.

**Question 2 (about 50 minutes, 6p)**

Häusermann argues that the “policy space” of welfare state reform has become increasingly multidimensional. Explain and exemplify the dimensions that are the core of her argument.

*The first dimension is between retrenchment/cuts/austerity in «old» social policy versus defending the status quo. Old social policy is generally taken to mean long standing social insurance/cash “passive” transfer benefits, protecting against “old” risks related to ageing, unemployment, sickness etcetera. The new social policy conflict*

is rather seen as one between defense of the status quo and expansion of policies protecting against various “new social risks.” It can be treated as one dimension or unpacked into two further (correlated) subdimensions. The first subdimension addresses «social investment/activation», as exemplified by human capital investment/promotion policies like child and elder care, or various active labour market and retraining schemes. The other subdimension, «needs-based social protection», involves improving the social protection/insurance for people hurt by new social risks. Examples here include better support for the long-term unemployed, better universal minimum pensions, and in-work benefits to supplement the “working poor”.

Beyond these core answers, some students might exemplify by placing parties along the dimensions, explain coalition opportunities for reform that arise across the two dimensions, or they may describe various new social risks in detail. Such discussions should be rewarded if they are present. But they are not needed to score fully, and they are not at the heart of the question.

Course literature: Häusermann 2012.

### **Question 3 (about 50 minutes, 6p)**

How does the presence of various party families in government affect welfare state development? In what ways may these effects have changed over time?

*The course literature stresses that there were several party families behind welfare state expansion in industrialized western democracies. Important examples include Social Democrats, especially in Scandinavia, but also Christian Democratic parties, especially in continental/conservative welfare states. Liberal-conservative secular parties have to a greater extent than others resisted ambitious social protection.*

*Over time there may have been a depolarization in effects of “government partisanship” (as predicted by Pierson’s “new politics” framework and as evidence by Stephens findings). For example both Social Democrats and Christian Democratic parties both show some acceptance of retrenchment, at least in some situations. At the same time, new parties have entered, for example populist/radical right parties. Experience so far indicate that their presence in, or influence over, governments produce less retrenchment in “old” social policy.*

Course literature: Schmidt; Stephens; Röth/Afonso/Spies

### **Question 4 (about 50 minutes, 6p)**

Van Kersbergen/Vis discuss two major categories of “pressures” that may generate welfare state reform. Explain and exemplify these categories.

*One category is “pressures from the outside”, in particular economic globalization/internationalization. Here scholars have separated between “the efficiency hypothesis” (i.e. globalization has a destructive impact on welfare states as government try to stay competitive) and the “compensation hypothesis” (i.e. iglobalization has an expansive impact as insecure workers seek shelter from the unpredictable effects of global markets). According to Van Kersbergen/Vis there was at least until recently more empirical support for the compensation hypothesis.*

*The other category is “pressures from within.” Here we find population ageing as well as different pressures emanating from postindustrialization. Specifically, more service-based economies are marked by lower growth compared to industrial manufacturing. Moreover, female labour market participation helps alleviate some pressure created by sluggish growth, but also creates new needs and tradeoffs for policymakers triggered. The umbrella term “new social risks” is often used to capture pressures related to “work-family squeeze”, long-term unemployment and skill irrelevance, “in work poverty”, and “atypical” employment (i.e. temporary/interrupted or part-time jobs). Overall, these new risks increasingly compete with the older risks that welfare states traditionally protected against.*

*(NB: Some students might answer by describing the various policy responses that different pressures have triggered. This is ok but the focus of the question is on underlying pressures rather than the many policy responses these have evoked.)*

Course literature: Van Kersbergen/Vis, chapters 7 and 8.