The Political Economy of the Welfare State

2013 Course Outline

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Introduction

The overall aim of this course, to be held from 1-12 July 2013, is to survey debates over state intervention in selected fields of social policy, political economy and political ecology. 'Political economy' refers to the overall configuration of power relations in public policy formulation, which in turn is an outcome of institutional evolution, accumulation processes, social struggles and other factors both global and domestic. The 'Welfare State' is a phrase that emerged to describe northern societies during the Keynesian, social-democratic era, but analysis of welfare state functions can also be usefully translated to other settings, including Africa, as well as practices and ideologies within multilateral institutions, bilateral donor relations, the aid industry and other actors in society's reproduction. From below, the analyses, strategies, tactics and alliances of civil society forces were often decisive and bear careful attention, especially with the rise since 2011 of oppositional popular movements demanding socio-economic justice and democracy in North Africa and the Middle East, southern Europe, several African countries and even the United States. South Africa is the primary case site, but experiences in other countries will be considered, including the US, Norway and Zimbabwe.

The course provides an overview of the primary political-economic developments in relation to development and state policies, with attention to global processes since the 1970s and the evolution of African state/society/economic/environmental relations. Feminist perspectives on the mode of production and social policies are critical, as are understandings of – to borrow from the jargon of political-economic theory – ‘uneven and combined’ processes that contribute to ongoing ‘articulations of modes of production,’ particularly where ‘accumulation by dispossession’ is currently being amplified. The formidable challenges of ecological destruction deserve ample consideration, especially emerging state/market policies aimed at quantifying and imposing ‘Payments for Environmental Services,’ as expressed in the Rio+20 Earth Summit of June 2012. One example is the emissions trade, which was only partially bolstered by the Durban UN climate summit of December 2011, and another is the long debate over public-private partnerships in water, as reflected in controversies associated with the World Water Forum’s March 2012 summit in Marseilles. An additional critical factor may be the rise of the Brazil-Russia-India-China-South Africa (BRICS) bloc, whose March 2013 summit in Durban gives added urgency to the question of what forces are required to achieve reforms in
multilateral power relations, as well as to the broader challenges of economic, social and political development, and environmental stewardship.

In our study of South Africa, we will consider how the most significant socio-economic development policies were adopted during the first 19 years of ANC rule (1994-2013), and their results. The local cases, including first-hand Durban experiences, will be augmented by a general theoretical survey of how such policies are formulated and influenced. Gender implications will be explored. The ‘Developmental State,’ ‘Two Economies’ and ‘War on Poverty’ narratives are amongst areas of enquiry, because these relate closely to other settings. The fluid political balance of forces in South Africa, which resulted in Thabo Mbeki’s 2007-08 ouster in part because of excessive ‘neoliberal’ policy bias, is generating changes in some areas of social policy (especially National Health Insurance), yet also means continuities in macroeconomic practices. These are increasingly contested, as seen in the debate over a ‘New Growth Path’ and Industrial Policy Action Plan, and the National Planning Commission’s National Development Plan. Extreme disputes have recently broken out in areas such as electricity pricing and coal-fired energy generation, the casualised labour market and municipal-scale ‘service delivery’.

The beauty of the SA case study is that nearly every issue remains on the table for debate, as witnessed in the 2012 Mangaung conference of the African National Congress, with very explicit lines of division corresponding to long-standing ideological partitions. Development, economic and environmental policy issues will be chosen to highlight AIDS (especially treatment), basic municipal services (especially water, sanitation and electricity), socio-ecological dilemmas (such as climate change, air/water quality and bulk water supply), and economic debates that relate to social policies (e.g. macroeconomic policy, microfinancing and megaprojects). Linkages between climate and other crucial affected sectors – health, water, local economic development – will be explored, in part based upon the diverse campaigns associated with local and global civil society.

Further afield, in understanding other country cases, global governance and policies for the African continent, we will draw upon seminal books and articles from the international social, economic and environmental policy literature. Scores of other relevant global/African/South African documents in the public realm are provided. Additional audio/visual materials – including film footage and internet sites – will be utilised.

Students are expected to actively participate in what will be a lecture (2/3) plus seminar (1/3) format, particularly in areas relating to their own specialisations. If possible, the course will overlap with the students’ own research agenda, so that the written assignments will contribute to the thesis writing process, both in terms of background literature and concrete case studies.

**Objectives of the course**
The learning objectives are for students to:

- comprehend basic concepts in political economy and political ecology;
- firmly establish a basis in political/social theory for understanding public policies;
- assess the adoption and implications of different kinds of socio-economic and environmental policies, with considerations of case studies in specific countries and at the multilateral scale;
- clarify how and why certain kinds of developmental mandates were given to the South African government and understand the main features of South Africa’s democratic social, development, environmental and economic policies; and
- be capable of assessing critiques and rebuttals of arguments associated with these policies’ successes or shortcomings.
Course meetings
The course commences on 1 July and will occupy five full days, with one afternoon spent in Durban communities (an example of our ‘reality tour’ field trip activities is on video at http://ccs.ukzn.ac.za/default.asp?10,14). The meetings will take place in the Development Studies seminar room. I am generally available for personal consultations (aside from 3-5 July) and always available on skype (patricksouthafrica) or phone (083 425 1401) and email (pbond@mail.ngo.za). Sessions are generally 2.5 hours in duration with a brief tea break, as well as a 90-minute lunch break between sessions. We have 10 scheduled sessions, and additional times may be scheduled for viewing of relevant documentary films. Students are also expected to attend relevant BEDS, Development Studies, CCS and other public seminars.

Method
Participants are expected to take responsibility for preparing an abstract-style summary plus an analysis/assessment for at least three appropriate readings during the course, and to provide notes at least one day before the class meeting. These notes should be typed (or provided as powerpoint slides) and should summarise the main arguments in the readings, highlight critical arguments, controversies and disagreements and contain some personal points of view on the subject matter. Note that seminar presentations and notes count 20% of your final mark.

Student assessments
The final course mark will be made up as follows:
1. 20% of the mark will be based on the think pieces and seminar presentations.
2. 30% of the mark will be based on the first (short) essay.
3. 50% of the mark will be based on the second (long) essay (see below).

Assignment 1) Three reading abstracts (20%)
AN EXAMPLE OF A FIVE-SENTENCE ABSTRACT PLUS ASSESSMENT:
READING: Esping-Andersen, Three Worlds of Welfare Capitalism
• Central questions are whether the welfare state transforms capitalist social relations, and what causes welfare states to look the way they do?
• Welfare states have been said to have ‘functionalist’ roles in legitimating capitalism and securing a stable labour force (with consumption capabilities that reduce capitalist crisis tendencies), as well as ‘institutionalist’ characteristics associated with the nature of the societies in which they arise (e.g., open/closed, early/late democracy and nature of state-society bargaining systems).
• If social class is a determinant, the interests of workers are to ‘decommodify’ their own labour-power (through assuring benefits that allow them to leave the job market) and to ‘destratify’ access to welfare services (‘universalism’), and in the process to build in redistribution to contribution systems.
• Class coalitions are crucial to understanding how a numerically-important but minority class (workers) can forge alliances with, e.g., rural people, to establish ‘social-democratic’ systems, and conversely why close relations between capital and the state often lead to ‘liberal’ welfare systems that commodify labour and establish means-tests for benefits.
• The three clusters of regime types that help categorise the way welfare states have developed are social democratic (Scandinavia and some other N.European countries); corporatist (middle-Europe); and neoliberal (Anglo-Saxon countries).
• ASSESSMENT: The analysis operates in a nuanced way at the macro-political level, with excellent coverage of preceding theoretical and comparative contributions to the literature—but does it do justice to the micro-level that especially requires consideration of gender, household relations, demography and the interface of labour and social movements?

Assignment 2) Short Essay – due Monday, July 8, 9AM (30%)
The assignment will entail each student choosing a particular policy and discussing it via either an 800-1000-word 'op-ed' article for a periodical, an executive summary of a policy options briefing paper, a research brief for a government department requiring further information about the policy’s impact, a strategy paper for a civil society network intent on political advocacy, or some other means of reflecting on debates about the policy. If you write an op-ed essay on a topic related to the course, for submission to a newspaper of your choice in your country, consider these tips.

An opinion-editorial (‘op-ed’) – usually placed in a newspaper ‘opposite the editorial page’ – is a brief argument meant to persuade. *Excessively preachy and moralistic argumentation is often a turn-off to readers.* Compressing a complex argument – often about politics or public policy – into 800 words or so is a very useful exercise. Think carefully about your readers’ perspective, what they know and don’t know, and how you might persuade them to take your point of view seriously. Here are some tips:

- First, which publication are you writing for? Specify, and if it is obscure, explain the audience.
- Expect to have *substantial* edits, from a good editor, to tighten the wording and especially rid your article of superfluous material. (Of 500 or so such articles I’ve written, the first 50 were tossed back by editors who were disgusted with my long sentences and babbling, so keep that in mind.)
- Try to start your article with a punchy attention-grabbing idea, possibly a quotation. Try to show why the article addresses a topical issue that the reader will be interested in understanding.
- Use quotations from people ‘in authority’ as much as possible. The reasons for quoting people include their standing (whether they are elites or grassroots people), their quotability (especially if they are good with soundbites), or their articulation of an idea you want to put across. But if you quote someone, give the reader an intro so that s/he knows why you are giving them space. Try to limit the quotation to a couple of sentences.
- Use statistics as much as is appropriate (don’t overload, but definitely demonstrate that you are aware of facts).
- Appear balanced; indeed, try to anticipate what an opponent might argue, and be ready with an implicit or explicit rebuttal.
- Use interesting metaphors or other creative writing tools so that the article flows well and doesn’t get bogged down in minutia.
- Try to end with a punch-line argument, whether it is witty or thoughtprovoking.
- Some newspapers allow 1000 (or even more) words, but you are *much* more likely to have an article published if it is 800 words.
- Provide a good ID note about yourself.

Assignment 3) Long Essay – due July 22 (50%)
The long essay will review the student’s comprehension of theoretical issues, assessments of central debates, and ability to draw and defend more general conclusions about the character of policy-making. The assignment – roughly 5000 words - is worth 50% of the mark. It is anticipated to be written in academic essay format, drawing upon the main threads of analysis and particular policies we will have reviewed in depth. In the box on the next page, see Ruth Reitan’s useful summary of how an ‘excellent’ term paper is produced.

**Course architecture**

**Part One: Theory and Global/African Trends**

The course begins with four sessions of discussion and debate regarding, first, context for the past three decades of trends in social policy (including global political-economic, geopolitical and environmental trends); second, theoretical and methodological approaches to the state and public policy, including a survey of social policy typologies in the advanced industrialised countries; third, a scan of major global social policy processes; and fourth, relevant analyses about the condition of post-colonial African states and societies.

Firstly, by way of introduction, deep-rooted economic and political processes at the world scale are reviewed, drawing on my recent literature survey, focusing on the roots of the economic crisis and implications for the Third World, especially Africa. In order to seek out the roots properly, arguments by major political economists are considered: last-century theorists of imperialism and updated analyses. Establishment perspectives are considered, from institutions such as the World Bank, International Monetary Fund, Bank for International Settlements, UN Conference on Trade and Development, World Economic Forum and Project for a New American Century. Aspects of global economics relevant to social and environmental policy are highlighted: fiscal pressure, interest rates and monetary policy, financial flows, investment trends, trade-related policy processes, overseas development aid and labour flows and remittances.

Second, theories and major international trends that relate to social policy are reviewed. Four seminal schools of political theory are considered in relation to the classic question, ‘Who Rules the State?’: the liberal-pluralist approach (e.g., Robert Dahl); the ‘power elite’ model (C.Wright Mills and William Domhoff); the ‘statecentric’ approach (Theda Skocpol and Peter Evans); and structuralist analysis (James O’Connor and Vicente Navarro). These four different ‘windows’ on how influence is exercised over and within the state offer frameworks (albeit contradictory) that we can apply to South African conditions. Consideration will focus on modes of debating (more methodological than issue-oriented) between the traditions. (I will circulate a brief summary paper to acquaint participants with the issues, beforehand.) The path-breaking work of Gosta Esping-Andersen (*The Three Worlds of Welfare Capitalism*) will be used to assess the actual historical development and fundamental characteristics of core traditions in social policy. Drawing from the Scandinavian, middle-European and Anglo-American traditions, Esping-Andersen’s typology of social policies has been updated/critiqued by Ben Fine, extended to the sphere of gender and household production by Esping-Andersen himself as well as by Vicente Navarro, and partially translated to South African conditions by Sampie Terreblanche and Franco Barchiesi.

Third, several global social policy issues are considered, beginning with the Millennium Development Goals and a critique by Bond. Gender analysis of global social policy, and feminist strategy, is provided by Lourdes Beneria, Isabella Bakker and Stephen Gill, Joanna Kerr and Niloofer Cagatay. Asbjorn Wahl updates analysis of Scandinavian social policy. The debate over universal entitlement versus means testing is reviewed by Bob Deacon. Urban processes are
highlighted by Mike Davis, David Harvey and UN Habitat. The social capital debate is joined by Ben Fine and Vicente Navarro. Ray Bush surveys global poverty, while inequality research is considered by Robind Broad, Ravi Kanbur and the United Nations. Global environmental issues are on the agenda of John Bellamy Foster, David Harvey and Wolfgang Sachs. Global health threats are addressed by Mike Davis, a University of Ottawa WHO Global Knowledge Network team and Global Health Watch. Anwar Shaikh considers the social wage, while Michael Lebowitz reviews social economy debates. Books edited by Kohler and Chaves and by Saad-Filho and Johnston include a variety of critical positions on globalisation from various geographical vantagepoints. John Holloway makes an argument against reliance upon states, Karen Bakker and Bond critique rights discourses (in the case of water), while Pauline Dibben, Ian Roper and Geoffrey Wood condemn the turn to New Public Management. This broad array of literature, as well as additional books and papers available on the web to be added, generated more nuance in the classical welfare-state typology, so that we can better consider fully the character of the alliances, mobilisation strategies and institutional issues behind the adoption of social policies.

Fourth, we will consider several studies of how the African state works. After an overview of post-colonial politics and economics drawing upon Frantz Fanon’s *The Wretched of the Earth*, Walter Rodney’s *How Europe Underdeveloped Africa*, John Saul and Colin Leys’ work, Guy Mhone’s analysis of enclavity, and Bond’s *Looting Africa*, we turn to Thandika Mkandawire and Charles Soludo who establish a broad overview of Africa’s crisis of governance (two of their books will be sourced along with two other Mkandawire articles), and additional analysis of African social policy trends by Jimi Adesina and Adebayo Olukoshi. Dodzi Tsikata and Joanna Kerr review gender considerations. State failure is an issue, as David Sogge and Mariano Aguirre point out. Civil society ‘participation’ in social policy formulation are also crucial (as noted by Issa Shivji, ActionAid and James Ferguson). And there are external processes that profoundly affect social policy, ranging from debt (Gavin Capps and Fantu Cheru), to the Blair Commission on Africa (and assessments by Paul Cammack and David Booth) and the US Council on Foreign Relations, to G8 processes (Ron Labonte and Ted Schrecker), to UN democracy building (Zoe Wilson), to the World Bank’s African Action Plan and infrastructure investment, as well as the New Partnership for Africa’s Development (and critiques by Dani Nabudere, Adesina and others in *Fanon’s Warning*). Additional work by Jeffrey Sachs on African poverty and Branco Milanovic on inequality provides context for the African political economy session, which concludes with a survey of socio-political unrest as reflected in the pages of Pambazuka weekly news service.

**Part Two: South African Context and Policies**

Once the theoretical and international/African literature has been surveyed, we move to post-apartheid South Africa for four sessions (the fifth through eighth). To begin, we will review SA state analysis (and theory) highlighting historical social and race relations and political-economic analysis, including papers (in Bond’s edited edition of the *Africanus* journal) by Michael Perelman, Ari Sitas, Gillian Hart and David Masondo on history and theory; Charles Meth on poverty statistics; Isobel Frye and Bond on the ‘second economy’; Bill Freund and Devan Pillay on the developmental state; Nina Hunter on social reproduction and home-based care; Melanie Samson on public works programmes; Simon Mapadimeng on ubuntu/botho; and Ashwin Desai on ‘Taylorism and Mbekism.’ Other theoretical insights on political economy come from papers by Michael Burowoy, Jeff Guy, Andrew Nash, Rosa Luxemburg and Harold Wolpe, and from the edited collection on *The Accumulation of Capital in Southern Africa* (by Bond, Homan Chitonge and Arndt Hopffmann).

We will then review some of the main assessments of the first period of ANC rule, including from within the HSRC State of the Nation series and Democracy and Delivery; the UKZN SDS book
Development Decade edited by Vishnu Padayachee; the journal Development Update (2003, #3; 2004, #1); the book edited by Haroon Borat and Ravi Kanbur on Poverty and Policy; influential papers by independent intellectuals (Asghar Adelzadeh, Stefan Andreassen, Ashwin Desai, Stephen Gelb, Martin Legassick, Neva Makgetla; Charles Meth; Richard Peet; Robert Pollin; Dani Rodrik; John Saul; Mark Swilling; Sampie Terreblanche; etc); in Bond’s Elite Transition (second edition, 2005); and in recent books and reports by David Everatt, Alan Hirsch, Joel Netshitenzhe and Ronald Suresh Roberts. To assist us to track the apartheid-era social struggles associated with various policies, we will review the main processes and policy debates since the adoption of the 1994 Reconstruction and Development Programme. We consider the immediate post-apartheid social policies through the comprehensive RDP Policy Audit carried out by Bond and Meshack Khosa in 1998-99, incorporating relevant Green/White Papers (including GEAR), policy documents, laws and statements of delivery. Specific topics in social policy will be tackled, including work on poverty by Julian May (with Nina Hunter and Padayachee); on education by John Aitcheson and Salim Vally; on health by Yogapragasen Pillay, David Sanders and Bond and on AIDS in particular by Hein Marais; on welfare by Francie Lund; on financing basic services by Bond, Lieb Loots and David McDonald and John Pape (in a book dealing especially with cost recovery); on housing by Bond; on a gendered critique of GEAR by Naledi; on the Basic Income Grant by Franco Barchiesi; and on microcredit by Ted Baumann and Bond. The water sector is of special interest because of community litigation against Johannesburg Water and DWAF regarding free basic water supplies and pre-paid meters, which community activists lost in the Constitutional Court in October 2009, so a great deal of background reading is supplied from that lawsuit and associated arguments, as well as international cases in water management. Another major case study is the controversial April 2010 World Bank loan to Eskom for the construction of the Medupi power plant. Another is the largest Clean Development Mechanism project in South Africa, the Bisasar Road landfill. Another is the port, freight and petro-chemical expansion planned for South Durban, with investment of approximately R250 billion proposed, and with high levels of community opposition already evident.

Background data on SA are provided in reports by the UN Development Programme, Southern African Development Bank, State of the Cities report; Stats SA, the Treasury and the IMF and World Bank. Intra-Alliance political analysis of social policy and the political economy of the state more broadly is to be found in documents from the ANC, SACP and Cosatu. A survey of social movements is provided by Richard Ballard, and anti- or post-Alliance analysis is to be found in Amandla journal and work by Dennis Brutus, Ashwin Desai, Trevor Ngwane and others. We will consider the impact of the December 2012 Mangaung African National Congress convention and diverse ideological strands within the Alliance.

A final session will draw out public policy implications and political-strategic lessons, with special attention to the 2013 BRICS Durban summit; the Rio+20 Earth Summit (June 2012); and the Durban UNFCCC Conference of the Parties 17 (December 2011). We will consider strengths and weaknesses in the author's books Durban’s Climate Gamble and Politics of Climate Justice, as well as subsequent articles on neoliberalising nature.

Course facilitator: Patrick Bond
Patrick Bond, a political economist, has longstanding research interests and applied work in global governance and national policy debates, in urban communities and with economic justice and eco-social justice movements in several countries. He is senior professor at the University of KwaZulu-Natal School of Built Environment and Development Studies where since 2004 he has directed the Centre for Civil Society. His work presently covers aspects of economic crisis,
environment (energy, water and climate change), social mobilization, public policy and geopolitics, with publications about South Africa, Zimbabwe, the African continent and global-scale processes.


In service to the new South African government from 1994-2002, Patrick authored/edited more than a dozen policy papers, including the *Reconstruction and Development Programme* and the *RDP White Paper*. He held other positions at Johannesburg NGOs (the National Institute for Economic Policy, 1996-97 and Planact, 1990-94); at the University of Zimbabwe’s Department of Political and Administrative Studies (1989-90); and in Washington, DC at the Institute for Policy Studies, Pacifica Radio, MarketPlace Radio, and several international trade unions (late 1980s). He was also active in the international anti-apartheid movement and US student and community movements.

Patrick currently also serves as visiting professor at Gyeongsang National University Institute of Social Sciences, South Korea. He was a visiting scholar at the University of California/Berkeley while on sabbatical in 2010-11, and was also visiting professor in 2009 at Suffolk University (Boston); in 2008 at State University of New York (Geneseo); in 2007 at Stellenbosch University’s Sustainability Institute; in 2006 at Chulalongkorn University’s Focus on the Global South Course on Globalisation and Civil Society, Thailand; in 2005 at the Central European University Summer School, Budapest; in 2004 at the Africa University Institute for Peace, Leadership and Governance, Zimbabwe; in 2003-04 at York University’s Department of Political Science and Faculty of Environmental Sciences; and in 1999 at the Yokohama National University Department of Economics. He lectured from 1997-2004 at the University of the Witwatersrand’s Graduate School of Public and Development Management in Johannesburg where he founded the doctoral programme and co-directed the Municipal Services Project, and
was assistant professor at the Johns Hopkins University School of Public Health in 1994-95. He has presented lectures at more than 70 universities.

Patrick earned his doctorate in economic geography under the supervision of David Harvey at Johns Hopkins (1985-92), following studies at the University of Pennsylvania's Wharton School of Finance (Philadelphia, 1983-85) and an undergraduate economics degree at Swarthmore College (Philadelphia, 1979-83), including a semester studying classical guitar at the Peabody Conservatory (Baltimore, 1982). He was born in Belfast, Northern Ireland in 1961 and was raised in the US state of Alabama.