

A RISING INVISIBLE MAJORITY? CAPITAL, LABOUR AND THE WELFARE STATE IN CONTEMPORARY POLITICAL ECONOMY

Professor: Emanuele Ferragina
Session: July 2022
Language of instruction: English
Number of hours of class: 36

Objective of the Course

The objective of the course is to equip students with critical tools to analyze the transformation of the political economy and the welfare state in contemporary societies. Many myths dominate the public debate and are often 'naturally' internalized in our classrooms. For example, is market economy a natural consequence of economic development? Does market economy really support the economic development of every country on the planet? Is market economy neutral or does it contribute to shape up dynamics of power and domination across gender and class? The course is at the same time theoretical and practical. It offers critical tools to understand the crisis of modern capitalism (through the study of Marx, Polanyi and Thompson) and the transformation of the welfare state, but also how to approach contemporary issues, such as the potential of basic income to transform social protection and the regulation of platform workers and automation. The final part of the course discusses the complex relationship between political economy transformations and societal change. Mixing social science and fiction, we metaphorically employ Saramago's dystopian image of an entire nation, where citizens go blind to describe how a long-term political economy shift is contributing to make a large share of the population 'invisible'. A Rising Invisible Majority for 'mainstream' political parties, a Rising Invisible Majority unable to recognize its interest in redistribution and political change.

Summary

The course is divided into three parts. The first part **Capital, Labour & Class: Political Economy Foundations to Understand the Contemporary World**, will focus on the study of Marx, Polanyi and Thompson. These three thinkers merged insights from sociology, economics, political economy and history to unveil the underpinnings of market economy and its inherent power structure. Marx interrogated the notion of value to understand what is hidden beyond the dynamic of prices, and how capitalism uses a veil to exploit workers. Polanyi provided an historical account of how the expansion of market capitalism 'automatically' engenders societal reactions. This notion will help us to link the transformation of political economy to social and political contemporary evolutions. Thompson's monumental reflection on *The Making of the English Working Class* is the basis to discuss the utility of critical class analysis. This first part of the course will provide an analytical framework to understand the relationship

between capital, labour and class. Every critical analysis of political economy is embedded within these three notions.

The second part of the course, **The Political Economy of the Welfare State: Past & Present**, applies the theoretical tools discussed in the previous sessions to understand welfare state transformations. We will discuss what is the welfare state for and how it expanded over time across different countries. Then we will study contemporary welfare state change, approaching three controversial topics: the advent of a Schumpeterian logic (which replaced the Keynesian approach), the position of the welfare state as a moderator/accelerator of gender and class/income inequalities, and how the 2008 financial crisis has reduced the fiscal capacity to implement new policies to deal with growing social risks.

The third part of the course, **Bringing Society Back into Contemporary Political Economy**, will put together the theoretical and empirical foundations acquired during the course to understand how epochal political economy shifts are contributing to transform the composition of society, with a marked increase of poverty, unemployment and precarization. We will observe how these transformations have entailed a reduced capacity to political participation of several segments of society. Are these segments becoming a majority? The last lecture provides an avenue of debate on issues related to the political economy of contemporary societies: Are our societies able to regulate platform work in the age of automation? What are the social forces on the battlefield?

Five presentations from students and the connected debates will complement this program:

- (1) Understanding class in the 21st Century. Still a useful concept? (Lecture 9).
- (2) Kicking away the ladder. Discussing about development and free trade (Lecture 11).
- (3) Feminism seduced. Discussing about the relation between capitalism and feminism (Lecture 13).
- (4) Why a dangerous idea won the west? Discussing about austerity in the aftermath of the 2008 Global Financial Crisis (Lecture 15).
- (5) Platform work and basic income. Discussing about social action and regulation in the Age of Automation (Lecture 17).

To sum up, the course will approach among others the following questions:

- Did the relationship between capital and labour fundamentally change over the last four decades?
- Can political economy help us to understand new (and old) political trends?
- Why did the welfare state expand?
- How did the 2008 financial crisis impact our capacity to reduce inequality and social risks?
- Where do gender and class intersect? And what can the welfare state do to reduce gender and income inequalities?
- Was Marx right? Why does everybody interested in political economy constantly discuss Polanyi?
- What is basic income? Shall we introduce it?
- Does talking about class still make sense in the 21st Century?
- Are societies becoming more unequal because of technology and automation?
- Is critical theory useful to understand present societal developments?

Organization of the Course

	Date	Topic
1	5/07	Introduction
Part I: Capital, Labour & Class: Political Economy Foundations to Understand the Contemporary World		
2	5/07	Marx and the Theory of Value (Part 1)
3	6/07	Marx and the Theory of Value (Part 2)
4	7/07	Polanyi, <i>The Great Transformation</i> and the Nature of Free Trade
5	7/07	When History Meets Class: Back to the Future with EP Thompson
Part II: The Political Economy of the Welfare State: Past & Present		
6	8/07	What is the Welfare State for?
7	11/07	Explaining the Exceptional Development of the Modern Welfare States: An Unprecedented Mediation Between Capital and Labour
8	12/07	The Three Worlds of Welfare Capitalism
9	12/07	Debate 1: <i>Understanding class in the 21st Century. Still a useful concept?</i>
10	15/07	Keynes vs. Schumpeter. The Transformation of Modern Welfare States
11	15/07	Debate 2: <i>Kicking away the ladder. Discussing about development and free trade</i>
12	19/07	Class, Gender & Welfare State Change
13	19/07	Debate 3: <i>Feminism seduced. Discussing about the relation between capitalism and feminism</i>
14	21/07	The Welfare State and the financial crisis
15	21/07	Debate 4: <i>Why a dangerous idea won the west? Discussing about austerity in the aftermath of the 2008 global financial crisis</i>
Part III: Bringing Society back into Contemporary Political Economy		
16	26/07	Bringing the Voice of the Invisibles back into International Political Economy
17	26/07	Debate 5: <i>Platform work and basic income. Discussing about social action and regulation in the Age of Automation</i>
18	27/07	Recap

Main Professor Biography



Emanuele Ferragina is an Associate Professor of Sociology at *Sciences Po*. He grew up in Catanzaro, in the deep south of Italy. Prior to *Sciences Po*, he was a Departmental Lecturer at the *University of Oxford*, where he also received his PhD. His main research interest is the political economy of the welfare state. Besides academia, he has established (with a group of Italian researchers) the think tank *Fonderia Oxford*, which has the objective of raising public awareness about important societal issues, such as the rigidity of the Italian labour market, the lack of social cohesion in the Mezzogiorno, and the Italian brain drain. He also regularly writes for *Il Fatto Quotidiano* about equality, labour market issues, party politics, the welfare state, and the lower league football.