

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

Professor: **Emanuele FERRAGINA**

Session: **July 2025**

Language of instruction: **English**

Number of hours of class: **36h**



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 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 a 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 the welfare state is 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 for 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?

Six presentations from students and the connected debates will complement this programme:

- **(1)** Understanding class in the 21st Century. Still a useful concept? (Lecture 6).
- **(2)** Kicking away the ladder. Discussing development and free trade (Lecture 7).
- **(3)** Feminism seduced. Discussing the relation between capitalism and feminism (Lecture 8).
- **(4)** Why a dangerous idea won the west? Discussing austerity in the aftermath of the 2008 Global Financial Crisis (Lecture 9).
- **(5)** 'Politics against markets?' Lessons from the past about the relationship between capital, labour and the welfare state (Lecture 10).
- **(6)** Platform work and basic income. Discussing social action and regulation in the Age of Automation (Lecture 10).

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

- 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?



Organisation of the course

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



Bibliography

TEXTBOOKS

These texts provide general and introductory material for the course.

Gough, I. 1979. *The Political Economy of the Welfare State*. London: Palgrave
Keucheyan, R. 2013 *The Left Hemisphere. Mapping Critical Social Theory Today*.
London: Verso

READINGS FOR EACH SESSION

*The readings for each session are presented under the rubric essential readings.
For those students who want to go beyond there is also an additional list of readings
for each class.*

Part I:

Capital, Labour & Class: Political economy foundations to understand contemporary world

- Sessions 1 & 2, Marx and the Theory of Value

Essential Readings

Jessop, 1998. Karl Marx (in Stones, R., (Eds.), *Key Sociological Thinkers*, London: Palgrave.

To go Beyond

Eagleton, T. 2011. *Why Marx Was Right*, New Haven: Yale University Press.

Fine, B, & Saad-Filho, A. 2016. *Marx's Capital*. London: Pluto Press.

Harvey, D. 2013. *A Companion to Marx's Capital (Complete Edition)*, London: Verso.

Marx, Capital (I)

Reading Capital, David Harvey's Video Lectures: <http://davidharvey.org/reading-capital/>

A Marxist Reading List: <https://www.versobooks.com/blogs/3041-karl-marx-reading-list>

- Session 3, Polanyi, The Great Transformation and the Nature of Trade

Essential Readings

Polanyi, K. 2001. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press (Introduction, Chapters 6 & 7).

To go Beyond

Block, F., Somers, M.R. 2013. *The Power of Market Fundamentalism: Karl Polanyi's Critique*. Cambridge: Cambridge University Press.

Kyung-Sup, C. 1999. "Compressed Modernity and its Discontents: South Korean Society in Transition", *Economy and Society*, 28, 30-55.

- Session 4, When History Meets Class: Back to the Future with EP Thompson

Essential Readings

Thompson, E.P. 1963. *The Making of the English Working Class*. London: Penguin, The Preface, Chapters 5 & 6.

To go Beyond

Wright, E. O. (ed.) 1998. *The Debate on Classes*. Verso: London

Part II:

The Political Economy of the Welfare State: Past & Present

- Session 5, What is the Welfare State For? Explaining the exceptional development of the Modern Welfare States: An unprecedented mediation between capital and labour

Essential Readings

Briggs, A. 1961. *The Welfare State in Historical Perspective*. *European Journal of Sociology*, 2 (2) : 221-258.

Hay, C. and Wincott, D. 2012. *The Political Economy of European Welfare Capitalism*, Basingstoke: Palgrave Macmillan (chap 1).

Skocpol, T. & Amenta, E. 1986. "States and Social Policies", *Annual Review of Sociology* 12, 131-157.

To go Beyond

Gough, I. 1979. *The Political Economy of the Welfare State*. London: Palgrave

Marshall, T.H. 2014. "Citizenship and Social Class", in Pierson et al. (eds), pp. 28-37.

Titmuss, R. 2014. "Universalism versus Selection" in Pierson et al. (eds), pp. 38-46.

- Session 6, The Three Worlds of Welfare Capitalism

Esping-Andersen, G. 1990. *The Three Worlds of Welfare Capitalism*, Cambridge: Polity (Part I)

To go beyond

Ferragina, E. and Seeleib-Kaiser, M. 2011. "Welfare Regime Debate: Past, Present, Futures? Policy and Politics, 39(4), pp. 583-611.

Debate 1: Understanding class in the 21st century. Still a useful concept?

Reading: Wright, E. O. 2015. *Understanding class*. London: Verso Books.

- Session 7, Keynes vs. Schumpeter. The Transformation of Modern Welfare States

Essential Readings

Bonoli, G. 2005. "The Politics of the New Social Policies: Providing Coverage against new Social Risks in Mature Welfare States", *Policy and Politics*, 33 (3), 431-449.
Jessop, B. 1993. "Towards a Schumpeterian Workfare State? Preliminary Remarks on Post-Fordist Political Economy", *Studies in Political Economy*, 40, 7-39.

Debate 2: Kicking away the ladder. Discussing about development and free trade
Reading: Chang, H. J. 2002. *Kicking away the ladder: development strategy in historical perspective*. London: Anthem Press.

- Session 8, Class, Gender & Welfare State Change

Essential Readings

Ferragina, E. 2019. The Political Economy of Family Policy Expansion. *Review of International Political Economy*, 29 (6): 1238-1265.

Fraser, N. 2013. A Triple Movement? Parsing the Politics of Crisis after Polanyi. *New Left Review*, 81 (May-June)

To go beyond

Daly, M. 2011. What Adult Worker Model? *Social Politics*, 18:1-23.

Ferragina, E. (Forthcoming) Family Policy and Women's Employment Outcomes in 45 High-Income Countries: A Systematic Qualitative Review of 238 Comparative and National Studies. *Social Policy & Administration*.

Debate 3: Feminism seduced. Discussing the relation between capitalism and feminism

Reading: Eisenstein, H. 2015. *Feminism seduced: How global elites use women's labor and ideas to exploit the world*. London: Routledge. [The edition provided is the first one published in 2009]

- Session 9, Welfare State and the Financial Crisis

Essential Readings

Hemerijck, A. 2013. *Changing Welfare States*, Oxford: Oxford University Press, (pp. 323-372).

Vahid Shadidi, F. 2015. "Welfare Capitalism in Crisis: A Qualitative Comparative Analysis of Labour Market Policy Responses to the Great Recession", *Journal of Social Policy*, 44, 659-686.

To go Beyond

Streeck, W. 2014. *Buying Time. The Delayed Crisis of Democratic Capitalism*. London: Verso.

Debate 4: Why a dangerous idea won the west? Discussing austerity in the aftermath of the 2008 great financial crisis

Reading: Blyth, M. (2013) *Austerity. The History of a Dangerous Idea*. Oxford: Oxford University Press.

Part III:
Bringing Society back into Contemporary Political Economy

- Session 10, Debates 5 & 6

Debate 5: ‘Politics against markets?’ Lessons from the past about the relationship between capital, labour and the welfare state

Reading: Esping-Andersen, G. (1985) Politics against Markets. The social democratic road to power. Princeton: Princeton University Press [The edition provided is the one published in 2017].

Debate 6: Platform work and basic income. Discussing social action and regulation in the Age of Automation

Readings: Tassinari, A. & Maccarone, V. 2020. “Riders on the Storm: Workplace solidarity among Gig Economy Couriers in Italy and the UK”. *Work, Employment and Society*, 34 (1), 35-54.

Van Parijs, P. (1992). Arguing for Basic Income. Ethical Foundations for a Radical Reform

- Suggested essays: (Standing, Jordan, Gorz).

To go Beyond

Gorz, A. 1999. Reclaiming Work. Beyond the Wage-Based Society. Cambridge: Polity Press

- Session 11, Bringing the Voice of the Invisibles back into International Political Economy

Essential Readings

Ferragina et al. Forthcoming. “The Rising Invisible Majority: Bringing society back into international political economy”. *Review of International Political Economy*

To go Beyond

Boyer, R. 2000. “Is a Finance-led Growth Regime a Viable Alternative to Fordism?” *Economy and Society*, 29(1), 111–145.

Ryner, J. M. 2010. “An Obituary for the Third Way: The Financial Crisis and Social Democracy in Europe”. *The Political Quarterly*, 81 (4): 554-563



Requirements for validation

1. Presentation of readings and debate (40% of grade). During the first class students will be divided in six groups. Each group will be responsible to present a book or a series of readings and introduce the discussion (during lectures 6, 7, 8, 9 and 10). The time allocated for the exercise is one hour and twenty minutes (including presentation and discussion). Each group will be assessed on: (1) the capacity to clearly illustrate the content of each assigned reading, (2) the capacity to introduce the debate, (3) the ability to stimulate a lively discussion with the rest of the class. The readings and debates are listed in the reading list.

2. Summary and critique of weekly readings (50% of grade): Each student will summarize and critique the readings for one selected week (students can pick any week). The paper is worth 50% of the grade. The page limit is 3 1.5-spaced pages (use 12-point Times New Roman font).

Summary

Step back and think about the key ideas and central arguments of the readings. Describe what you have learned from the set of readings assigned for that week first (in a paragraph), and then highlight the unique contributions of each one or each subset of readings, respectively. Focus on the big picture instead of each and every detail. Limit the summary portion of the assignment to about 2 pages. Grades for this assignment will depend primarily on the organization and accuracy of the summary, accounting for about 2/3 of grade.

Critique

Think critically about the ideas, methods, and evidence presented in the readings, the style of their writing, and whether it is interesting and enlightening. Is the thinking logical and reasonable? Why or why not? What are the strengths of the arguments? Are the methods used appropriate? Is the evidence robust and supportive of the arguments? Where do you see flaws, weaknesses, or aspects that are not convincing? What would be a better way to think about the issue or topic? What is lacking or overlooked? What might be some innovative and well-reasoned ideas about the issue or topic at hand? Evaluate the readings either as a whole or critique just one or one subset of the readings. Not every reading should be expected to cover everything, which is why multiple readings are assigned to address various facets of a topic. If you choose to critique the reading as a whole, compare and contrast the authors' ideas and arguments. How are they similar or different? How can they learn from each other?

Do not answer all of the questions listed above. These are designed to help you think about how to critique the readings thoughtfully and constructively. Focus on 1-3 of

these questions. This part of the paper should not exceed 1 page and account for about 1/3 of grade.

The assignment should be submitted via Moodle by the specified due date. Late submissions will result in the deduction of 1 point for each day, including weekends. Every page beyond the page limit will result in a deduction of 1 point.

3. Class attendance and participation (10% of grade): Each student is expected to participate fully in class discussions.



Professor's Biography



Emanuele Ferragina is Full 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 lower league football.