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## WHAT SHOULD THE STATE DO?

Assumptions about the reach and functions of the State are in the background of almost all contemporary political and economic debates, from ‘austerity’ policies to free trade agreements. How can we arrive at principled answers to the question, ‘what should the State do?’ What does ‘the State’ even mean in 2016–2017? Should we approach the subject differently in the ‘developed’ and the ‘developing’ world? And what are some new ways of thinking about the State?

To explore these questions, this Option will engage with classic and contemporary works across the social sciences and political philosophy, as well as with concrete policy case studies. The Option will focus on identifying latent ideas and ideologies about the role of the State in policy decisions, and examining what alternative policy prescriptions would emanate from different conceptualizations of State (non-)intervention. From Weeks 3–6, one hour will be spent on theoretical discussions about aspects of the State, with the second hour focusing on industrial policy, welfare and the Universal Basic Income, incarceration, and free trade agreements, respectively.

A key premise of this Option is that the future of the State matters, and that debates over policy operate with unarticulated assumptions about what the State should and could do. To make effective contributions to good government, a considered view on the role of the State in economic development, social protection, and criminal justice is essential.

### Learning Outcomes

After completing the course, students will be able to:

- Understand and critique classic approaches to the nature of the State.
- Discuss cutting-edge thinking about the role and functions of the State in the economy, welfare provision, criminal justice, and globalisation.
- Articulate a considered perspective on one applied issue about the role of the State (e.g. industrial policy, social protection, or trade agreements).

### Assessment

Students are required to complete a 1,500-word essay at the end of the course. This essay will combine a theoretical perspective on the role of the State with analysis of a public policy issue (e.g., universal basic income, industrial policy, or mass incarceration).

## **Week 1: What is the State and what should it do?**

This class takes on some foundational questions vis-à-vis the State: Is ‘the government’ the same as ‘the State’? Where does ‘local government’ fit into accounts of the State? Can we talk meaningfully about ‘the State’ across time and across countries? Why do we need theories of the State as opposed to ‘pragmatic’ views on particular issues? The class will first briefly cover key currents in social and political thinking about the State, serving as background for the rest of the course. Subsequently, we critically discuss a contemporary policy debate loaded with different understandings of what the State should do: Much policy literature has noted the merits of public-private partnerships for the delivery of services to the public. What are the embedded assumptions about the role of the State in these instruments, and what alternatives exist?

### Core reading

Bourdieu, P. 2015. *On the State*. Cambridge: Polity. [excerpts]

### Policy readings

Hall, D. 2015. “Why Public-Private Partnerships (PPPs) don’t work: The many advantages of the public alternative.” *Public Services International*. Available online: <http://www.world-psi.org/en/publication-why-public-private-partnerships-dont-work>.

Mills, K. and C. Rudnicki. 2015. “How Companies Can Help Rebuild America’s Common Resources.” *Harvard Business Review*. Available online: <https://hbr.org/2015/09/how-companies-can-help-rebuild-americas-common-resources>.

World Bank. 2013. “Introduction to Public-Private Partnerships.” Available online: [http://ieg.worldbankgroup.org/Data/Evaluation/files/ppp\\_eval\\_updated2.pdf](http://ieg.worldbankgroup.org/Data/Evaluation/files/ppp_eval_updated2.pdf).

### Background

Mann, M. 1984. “The Autonomous Power of the State: Its Origins, Mechanisms and Results.” *European Journal of Sociology* 25(2):185–213.

Wilmot-Smith, F. 2016. “Who Speaks for the State?” *London Review of Books*. Available online: <http://www.lrb.co.uk/v38/n23/frederick-wilmot-smith/who-speaks-for-the-state>.

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## **Week 2: Critiques of the State**

The second class examines some influential critiques of the State: libertarian, public choice, Marxist, and postcolonial. We discuss the origins of these critiques, and their implications for shaping or reshaping the role of the State. Subsequently, we focus on contemporary debates over ‘the establishment’ and ‘anti-establishment’ politics: Is there a ruling class, and—if so—what forms does it take and how does it influence what the State does? We elaborate on this issues with reference to policy design at the national and transnational levels.

### Core readings

Friedman, M. 1982. *Capitalism and Freedom*. Chicago: University of Chicago Press. [excerpts]

Domhoff, G. W. 2013. *Who Rules America? The Triumph of the Corporate Rich*. New York: McGraw-Hill Higher Education. [excerpts]

McAuley, I, and Lyons, M. 2015. *Governomics: Can We Afford Small Government?* Melbourne: Melbourne University Press. [excerpts]

### Background

- Ban, C., L. Seabrooke, and S. Freitas. 2016. "Grey Matter in Shadow Banking: International Organizations and Expert Strategies in Global Financial Governance." *Review of International Political Economy*. Online first.
- Jones, O. 2014. "The establishment uncovered: how power works in Britain." *The Guardian*. Available online: <https://www.theguardian.com/society/2014/aug/26/the-establishment-uncovered-how-power-works-in-britain-elites-stranglehold>.

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### **Week 3: The State and the Economy in Comparative Perspective**

This class will start with recapping the conventional approach to public goods and market failure in neoclassical economics (discussed in week 3 of Core II). We will then move to examine a range of accounts about the role of the State in the economy and the economy's impact on the State. We will question whether the commonplace State–economy dichotomy stands up to analytical scrutiny. We will consider these issues in relation to both 'developed' and 'developing' countries (if this distinction is accepted), and discuss the historical evidence.

Policy case study: To what extent can the State be entrepreneurial and drive innovation? Should a State have an active industrial policy?

#### Core readings

- Block, F. L. and P. B. Evans. 2005. "The State and the Economy." Pp. 505–26 in *The Handbook of Economic Sociology*, edited by N. J. Smelser and R. Swedberg. Princeton: Princeton University Press.
- Easterly, W. 2006. "The Big Push Déjà Vu: A Review of Jeffrey Sachs's the End of Poverty: Economic Possibilities for Our Time." *Journal of Economic literature* 44(1):96–105.
- Lin, J. and H.-J. Chang. 2009. "Should Industrial Policy in Developing Countries Conform to Comparative Advantage or Defy It?." *Development Policy Review* 27(5):483–502.
- Mazzucato, M. 2015. *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*. London: Anthem Press. [excerpts]

#### Policy readings

- The Economist*, "Picking Winners, Saving Losers." 5 August 2010. Available online: <http://www.economist.com/node/16741043>.
- Chang, H.-J. 1994. *The Political Economy of Industrial Policy*. London: Macmillan. [excerpts]

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### **Week 4: The Left Hand of the State: The Welfare State**

This class focuses on what Pierre Bourdieu understood as the 'left hand of the state'; that is, the State's redistributive activities—from education and healthcare to pensions and labour market policies—collectively referred to as 'the welfare state'. The class examines three key debates related to welfare provision by the State. First, are welfare states an essential component of contemporary capitalism, or are they outdated and expensive remnants of social struggles past? Second, do State-provided social services breed poverty and dependency? Third, how much social welfare should the State be providing? We will discuss these issues with reference to different models of welfare provision by the State (e.g., universal or targeted), and draw on the experience

of countries across levels of socioeconomic development, including South Africa, the United States of America, and New Zealand.

Policy case study: Is the Welfare State dead? Is the Universal Basic Income a viable alternative to the Welfare State?

#### Core readings

Cowen, T. 2000. "Does the Welfare State Help the Poor?" Available online: <https://www.gmu.edu/centers/publicchoice/faculty%20pages/Tyler/welfare.pdf>.

Frase, P. 2014. "Beyond the Welfare State." *Jacobin*. Available online:

<https://www.jacobinmag.com/2014/12/beyond-the-welfare-state/>.

Garland, D. 2015. "The Welfare State: a Fundamental Dimension of Modern Government." *European Journal of Sociology* 55(03):327-64.

Mkandawire, T (ed). 2004. *Social Policy in a Development Context*. Basingstoke: Palgrave. [excerpts]

#### Policy readings

Harris, M. and S. Bierema. 2016. "A Universal Basic Income for New Zealand." Future of Work Commission, Available online:

[https://d3n8a8pro7vhm.cloudfront.net/nzlabour/pages/4208/attachments/original/1461211267/Background\\_Paper\\_-\\_A\\_Universal\\_Basic\\_Income\\_for\\_New\\_Zealand.pdf?1461211267](https://d3n8a8pro7vhm.cloudfront.net/nzlabour/pages/4208/attachments/original/1461211267/Background_Paper_-_A_Universal_Basic_Income_for_New_Zealand.pdf?1461211267).

GiveDirectly. "Launch a Basic Income." Available online: <https://givedirectly.org/basic-income>.

#### Background

Freidrichs, C (dir.). 2011. *The Pruitt-Igoe Myth*. Available online: <https://www.youtube.com/watch?v=xKgZM8y3hso>.

Gough, I. et al. 2008. *Insecurity and Welfare Regimes in Asia, Africa and Latin America: Social Policy in Development Contexts*. Cambridge: Cambridge University Press. [excerpts]

Kentikelenis, A. E., M. Karanikolos, A. Reeves, M. McKee, & D. Stuckler. 2014. "Greece's Health Crisis: From Austerity to Denialism." *The Lancet* 383(9918):748-53.

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### **Week 5: The Right Hand of the State: Police, Courts, and the Prison System**

In this class, we examine 'the Right Hand' of the State, which includes police, courts, and prisons. How does 'the Right Hand' of the State relate to the Left Hand – is prison a substitute for, a replacement of, welfare systems? After discussing this question, we address in more detail the problem of the prison, and some recent debates about the reform of policing. Finally, we will discuss whether criticisms of the prison and policing lead necessarily in the direction of anti-State arguments, or whether these institutions can be reshaped without abandoning the State altogether.

Policy case study: What is the relationship between the Welfare State and the Carceral State? Should prisons be reformed or abolished?

#### Core readings

Wacquant, L. 2009. *Prisons of Poverty*. St Paul, Minnesota: University of Minnesota Press. [excerpts]

Garland, D. 2001. *The Culture of Control: Crime and Social Order in Contemporary Society*. Oxford: Oxford University Press. [excerpts]

### Policy reading

Davis, A. 2003. *Are Prisons Obsolete?* New York: Seven Stories Press. Available online: [https://www.feministes-radicales.org/wp-content/uploads/2010/11/Angela-Davis-Are\\_Prisons\\_Obsolete.pdf](https://www.feministes-radicales.org/wp-content/uploads/2010/11/Angela-Davis-Are_Prisons_Obsolete.pdf). [excerpts]

### Background

DuVernay, A (dir.). 2016. *13th*. Available online (Netflix), details to be distributed.

Harcourt, B.E. 2011. *The Illusion of Free Markets: Punishment and the Myth of Natural Order*. Cambridge, MA: Harvard University Press. [excerpts]

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## **Week 6: Globalisation and the State**

This class will focus on the commonplace proclamations that the State is constrained and/or enabled by ‘globalisation.’ We examine the institutional apparatus of globalisation—from free trade agreements and international financial institutions to global professions (like consultants or accountants) and policy norms—and discuss how this order is far from spontaneous or natural, but designed and shaped by States. We will ask how globalisation transforms the State, and what ‘policy space’ remains available for countries today.

Policy case study: Do free trade agreements empower or weaken the State? Are they compatible with industrial policy?

### Core readings

Chang, H.-J. 2006. “Policy Space in Historical Perspective with Special Reference to Trade and Industrial Policies.” *Economic and Political Weekly* 41(7):627–33.

Rodrik, D. 2011. *The Globalization Paradox: Democracy and the Future of the World Economy*. New York: W. W. Norton & Company. [excerpts]

Woods, N. 2006. *The Globalizers: the IMF, the World Bank, and Their Borrowers*. Ithaca: Cornell University Press. [excerpts]

### Policy reading

UNCTAD. 2016. *Trade and Development: Structural Transformation for Inclusive and Sustained Growth*. [excerpts] Available online: <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1610>.

### Background

Kentikelenis, A., T. Stubbs, and L. King. 2016. “IMF Conditionality and Development Policy Space, 1985-2014.” *Review of International Political Economy* 1–40.

The Plantation Workers’ Union of Sumatra (dirs.). 2003. *The Globalization Tapes*. Available online: <https://www.youtube.com/watch?v=Xo2OOIMkYOE>.

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## **Week 7: The Future of the State**

The final class outlines the main challenges for the State in the near future, and the potential of longer-term transformations. Bringing together the threads of previous classes, we examine how the State has dealt with economic pressures in a globalized environment, and how concerns—real or perceived—about ‘competitiveness’ and ‘fiscal

sustainability' have determined State policies. We draw on the experience of high-income countries since the onset of the global financial crisis in 2008/9, and explore State-led developmental paths pursued by developing countries. In the second hour, we discuss recent developments that are likely to affect the long-run trajectories of States: the rise of social entrepreneurship, the expansion of digital technologies and big data, and the emergence of global governance arrangements that bypass or undermine the State. We will situate these issues in the context of pressures from the Right and the Left for a renewed role of the State.

#### Core readings

Fraser, N. 2013. "A Triple Movement: Parsing the Politics of Crisis After Polanyi." *New Left Review* 81(May-June):119–32.

Harris, M. 2015. "What Should the State Do?" [working paper]

Offe, C. 2013. "Ungovernability." Pp. 77–87 in *Fragile Stabilität – stabile Fragilität*, edited by S. A. Jansen, E. Schröter, and N. Stehr. Wiesbaden: Springer.

Streeck, W. and A. Schäfer, eds. 2013. *Politics in the Age of Austerity*. Cambridge: Polity Press. [excerpts]

#### Background reading

Gramsci, A. 1948. *Selections from the Prison Notebooks*. International Publishers. [excerpts]