What this e-tutorial covers

I. The purpose of Hay’s article
II. Intro to Cerny & Jessop
III. (Cerny) The Keynesian Welfare National State in Peril
IV. (Cerny) The Competition State
V. (Jessop) The Schumpeterian Post-National Welfare Regime
VI. Similarities in Cerny & Jessop
VII. Critique on Cerny & Jessop
VIII. Hay’s Conclusions
1. To evaluate the character of the Liberal Democratic State

2. By examining the transformation of traditional welfare states to “Competition States”

3. To resolve problems with **current studies on globalization**

4. To re-politicize the process of state transformation described by Philip G. Cerny & Bob Jessop
CURRENT STUDIES ON GLOBALIZATION (AN EXAMPLE)

- They concentrate exclusively on the independent variable (aka. Explanatory variable)
- Focus on the reality of the independent variable and the extent of the reality
- Looks only whether mechanisms of state retrenchment should be attributed to the independent variable
- BUT what is absent is the developmental trajectory of already existing states
Current Studies on Globalization (An Alternative Model)

Structure: (Public Responsibility + B + C + D) \rightarrow \text{The nation-state/Mech. Of state retrenchment}

Causal direction: 

Agency
Both are accounts of the developmental trajectory of the nation-state in advanced capitalist economies since the 1970s.

Note: Graeme Gill has noted this period as the retreat of the Capitalist Welfare State.
Cerny – The Keynesian Welfare National State in Peril

- Post-War to 1970s, chief model of state was the Welfare State
- Principle Priority: the promotion of the welfare of citizens by insulation of “key elements of economic life from market forces”
- 1970s crisis has shown the state to be Unviable
- Downfalls: heightened competition via increased capital mobility (brought by globalization)
- KWNS-s were shown to be “decadent”
- Social munificence is subordinated to economic necessity
- Aspects of state policy become exposed to competitive audits via Globalization
- *Diverse* models of state intervention only feasible when they prove themselves to be efficient alternative modes of adaptation against economic and political globalization
- Pressures on *Homogenization* will continue to erode different models that are economically inefficient in the world markets
Cerny – The Competition State

- Principle strategy: Marketization. To make national economic activities more competitive in international and transnational terms
- It is ‘residual’ in nature
- Shift from macroeconomic to microeconomic modes of intervention
- Attempts to promote flexibility and adaptive response to changing competitive conditions
Cerny – The Competition State (II)

- Internalization of neo-liberal monetarism, macro-economic emphasis on the control of inflation
- Indirect promotion of welfare
- Welfare promotion only through the positive externalities of
  1. enterprise
  2. innovation
  3. profitability
Transcending the KWNS is not due to globalization but a shit from Fordism to post-Fordism. A regime of Accumulation with regulation.

The SPWR which would replace the KWNS is still in the process of emerging.

Includes greater forms of variation between KWNS and SPWR. Differentiates between contingent political dynamics (neoliberalization) and necessitarian economic logic.

makes it possible for alternative modes to SPWR.

In Post-Fordism, with expanded reproduction of capital.
Comparing Cerny & Jessop

- Both rely on a punctuated conception on the developmental trajectory of the nation-state post World Wars
- Both identify the crisis of the 1970s as a point in punctuation
- Both stress similarities in the trajectory of advanced capitalist economies at the expense of explaining differences in states
- Both identify the demise of the KWNS and the rise of the Schumpeterian Competition State
Comparing Cerny & Jessop (II)

- Both identify exogenous/largely economic pressures for reform
- Both only offer a limited role to mediating political and ideational variables
- Both provide general, elegant and parsimonious accounts of key changes in political and economic relations
Critique on Cerny & Jessop

- 1. Description or Explanation?
- 2. Functional or Functionalist?
- 3. A Process without a political subject
- 4. Variant forms of state regimes
- 5. On structure, agency and strategy
- 6. Lack of presenting real alternatives
1. Description or Explanation?

- Preliminary Knowledge I:
- Description = tells us about the phenomena
- Explanation = shows us the mechanisms theorized to create the phenomena
The theoretical arguments used in both Cerny and Jessop places the Competition State as BOTH a dependant variable that needs explaining AND a necessary condition. This gives a confused account of both description and explanation (circular reasoning!). Issue: a tendency to extrapolate from ongoing developments \(\rightarrow\) provides an account of the (emergent) competition state form = Description. BUT the account is then retroductively presented as the only possible response to the 1970s crisis = Explanation.
Description or Explanation? (III)

• “The clear danger in this is that the contingent politics of say, neoliberalism, is presented as a necessary adaptation imposed upon unwitting states by an almost natural process of competitive selection, to the external economic environment”.

• Problem is that this creates a neo-liberal apologism that necessitates and naturalizes whatever political processes occur.
2. Functional or Functionalist?

- Functionalist. Uses functional terms such as “narrated” rather than “real” crises.
- But, to be functional, must be able to demonstrate that the SPWR was a credible successor to the KWNS, contributing towards a resolution of the real underlying crisis of Fordism.
- Thus, the SPWR must show itself to be functional while the KWNS was not, in terms of capital mobility and heightened competition between national economies.
- Result? No compelling mechanisms!
3. A Process without a Political Subject

- The Competition State Thesis has not been defended against contending theories which use political subjects
- One example) The Neoliberalization thesis, where international institutions promote neoliberal solutions to “narrated crises”
  - Not necessary to appeal to functionalist logic
  - Restores agent-less actors
  - Accounts for different timings of reforms
  - Responses NOT made to crises. Responses made by responses to the politically-motivated construction AS ecrises
4. Variant forms of State Regimes

• Thesis is too ideal-type. KWNS squeezed into the smaller SPWR-type.

• “If a specific regime only loosely resembled KWNS in the ‘golden age’ of Fordest ascendancy and now bears only a scratchy resemblance to an emergent SPWR, then why would one expect this…to capture the essence of the transition in question?”

• Not descriptive enough of reality
5. Structure, Agency and Strategy

- Both accounts are too structuralist with a notable lack of agents.
- Instead, only maps the strategic terrain on where developmental tendencies and counter-tendencies of the state were played out.
- Problematic because agents are central to the study of strategy. An analysis on strategy needs strategic actors.
- Yet, both desire to describe the strategic interplay between agency and structure in producing the Competition State.
6. Lack of Presenting Real Alternatives

- Jessop notes that his study is limited and cannot sketch alternatives, which would mean “embracing the entire world market and lifeworld, and thus look BEYOND the spatio-temporal matrices with which this work is concerned”
- Note: This does not say that there can’t be credible alternatives to SPWR, just that it would be difficult to sketch out a theoretical alternative
- Key: What is actually needed is to study whether the subordination of social policy to economic imperatives is a necessary correlate for stable modes of economic growth after Fordism
- If the workfarist element is not a necessary condition of competitiveness, then we must consider the alternatives
6. Lack of Presenting Real Alternatives (II)

• Cerny does not acknowledge the possibility of stable alternatives in globalization.

• Why we would expect the most economically efficient outcome to manifest is not properly explained.

• SPWR is described as “best possible” outcome, which would be the “economically most functional”. But not clear why we would expect the “best outcome” to be the “most likely outcome”.
Hay’s Conclusions

- Acceptance of the Competition State, is a capitulation to Neoliberal orthodoxy
- Cerny and Jessop are good for *describing* the developmental trajectory of the state and are NOT GOOD for explaining that developmental trajectory
- This is due to their high theoretical abstraction and generality
- Which is a product of their *Functional, Apolitical, and Agent-less analysis*