

Social stratification effects (paradox of redistribution)

Social stratification effects (inequalities, poverty)




Other social effects (security, trust, solidarity and integration)

Learning effects (normative effects, moral and behavioural effects)

Economic effects (macro-, micro- economic growth)

Political effects (legitimacy of political system, policy disaffection, political behaviour)

Korpi and Palme (1988): paradox of redistribution

- Universal versus selective welfare provision
- “The more welfare resources are targeted exclusively at the poor, the less redistribution is achieved”
- Causal chain: institutional setting ($u \times s$)  class coalitions and public support for RED  RED budget size + private welfare  achieved REDISTRIBUTION (interaction of social stratification effect with the other effects)
- Discussing the assumptions (Gugushvili, Laenen)

Universal WS
RED?



greater public support for

- Yes, reasons:
- *Larger welfare constituences, irrespective of classes (but self-interest)*
- *Perceived to function better (costs, abuse)*
- *Less divisive discussions about deservingness*

Higher public support → larger RED budget?

- Yes
- *Policy feedback, public attitudes, voting*
- *But*
- *Saturation theory, growth to limits theory (+amount of taxes)*
- *Holds only for cross-country comparison*

Other assumptions

Is size of budget RED greater in Universal WS?

Yes, but UNIV does not guarantee immunity from cuts

Does size of budget RED matters for reducing poverty and inequality WS?

Yes, but generosity can be compensated by accurate targeting

Does larger RED budget lead to less private provisions and lower poverty and inequality?

Yes, private welfare as substitute, less redistributive

Other assumptions

- Does UNIVERSAL WS reduce poverty and inequality more than SELECTIVE WS?
- Yes
- *UNIV soc insurance systems (working + middle class) – matter in the initial stage of WS, but a weakening link*
- *Targeting within UNIV – selective universalism is the most effective*

- *Other factors: Activation policies, conditionality, Demographic profile, Pre-transfer income distribution*

- Indirect effects: value of solidarity, equality