

BOOK REVIEW

Maurizio Ferrera (2005). *The Boundaries of Welfare: European Integration and the New Spatial Politics of Social Protection*. Oxford: Oxford University Press

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This book takes as its starting point the tension between national systems of social solidarity and European integration. Ferrera's key argument is that the political legitimacy of nation states rests on closure – i.e. they represent a cohesive community, whose members feel that they are reciprocally linked by common ties against social risks within clearly demarcated boundaries – whereas the building of a European community and identity is based on opening and by this weakens the national boundaries which demarcated the territorial range of social protection. European integration is thus redefining these boundaries between insiders and outsiders of social sharing systems and by this challenging the foundation of Europe's national societies and political systems as welfare states.

Illustrating what he calls the "new spatial politics of welfare" (p. 6) is a main objective of this book. He sets out to answer to what extent and in what ways the process of European integration has redrawn the boundaries of national welfare states and what the effects of this development are. The concept of boundaries is key to his argumentation as they are a prerequisite for tying together individuals, groups, and territorial units and for strengthening their readiness to exert solidarity. From a geographical perspective of boundaries he outlines that EU members states become increasingly sandwiched between processes of supranationalisation on the one hand and regionalisation on the other hand. The concept of boundaries can, however, also be understood as a membership space of social interaction in which insiders share common traits or are subject to common sets of norms and rules. In this sense the welfare state has always been a bundle of membership spaces with different tiers of social provision, each with its own codified boundaries of inclusion and exclusion. European integration is now challenging both types of boundaries, quite obviously the territorial bases, but also the internal membership spaces.

Ferrera asks important questions regarding a possible destabilisation and restructuring of national systems of solidarity through European integration. As he correctly notes, the causal chain of boundary reconfiguration (or 'destructuring') only develops incrementally and a historical approach is thus indispensable. The six chapters of the book reflect his analytical framework and the historical perspective. After an introductory part, in which the main arguments and the key findings are briefly presented, chapter one outlines the theoretical groundwork on boundaries and gives a framework for the exploration of spatial politics. He draws in particular on Stein Rokkan's theoretical work on the role of cleavage structures with regard to nation-building and adopts explicitly a historical perspective. Accordingly, welfare state formation is depicted as a long-term process of structuring in the social sphere. In the second chapter he gives a historical background of the emergence and development of European welfare states until the Second World War and describes this welfare state formation mainly as a process of boundary-building or closure. He describes in this first empirical chapter how closure dilemmas were solved and redistributive collectivities bounded in different national contexts. Clear boundaries were mainly drawn through compulsory insurance between those who are obliged to enter the protection systems and thus gain entitlements and those who are not eligible to join the insurance schemes. Chapter three then concentrates on the following thirty "golden" years of the welfare state until the

mid-1970s. Despite the general economic prosperity and expanding welfare state budgets, this was when the first challenges from within national welfare states took place in the form of growing demands for more generous and differentiated welfare systems, leading e.g. to the institutionalisation of supplementary pension systems. This was also the time of the foundation of the European Communities and thus first external challenges to national welfare state boundaries in the form of regulations for migrant workers came about.

Chapter four focuses on the period after the first oil shock and thus on the time when breaches into the internal and external boundaries of solidarity became more visible. It illustrates how EC laws on social protection as well as free movement and competition regulations significantly contested national social sovereignty. Member states could, e.g., no longer restrict welfare state provision to their own citizens, but had to admit other EU-nationals automatically. With examples from pensions, health care, and social assistance the reconfiguration of welfare state boundaries by the European Union are demonstrated. In contrast, Chapter five deals with challenges to the nation state from below, namely with the impact of regionalisation on central welfare states. This revival of subnational units has, in turn, partly been promoted by European integration and did not only lead to within-state regionalisation but also to the building of transnational regions. Just as they have been pivotal for the building of loyalty within the early European nation-states, social policies have been central for winning loyalties in a process of what Ferrera calls 'competitive region-building'. The effects of this revival of older centre-periphery cleavages are exemplified in areas as diverse as health care, active labour market policies or social services. The final Chapter six summarises the main elements of his diagnosed spatial reconfiguration of social protection and examines its potential 'destructuring' effects. The book concludes with a discussion of how solidarity within the EU might be strengthened through improved citizenship rights and increased democratic accountability.

This is an excellent book. Its main strength is the clear analytical framework and historical approach. Ferrera gives a profound historical overview of the development of European welfare states and describes systematically with many empirical examples, how the institutionalisation of the European Union redefined the boundaries of its members' welfare states. Throughout the empirical part, illustrative case studies are briefly described in concise information boxes. Moreover, useful empirical data are presented in tables, and various figures provide good visualisations of the main theoretical arguments. Finally, European Court of Justice cases are referred to in order to underline his empirical diagnosis.

This book should be read by everyone who is interested in the often problematic consequences of European integration for national systems of social sharing and protection.

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Much has been said about the fate of the Western European welfare state. Contributing to this vast debate Maurizio Ferrera's *The Boundaries of Welfare* clearly shows that we might be far from 'solving' many of the related key political and intellectual puzzles but that a broad range of perspectives is not adding complexity but enriching our understanding of these complex processes.

His particular analytical strategy is to focus on boundaries. Closely connected with the concept of boundary is the concept of space, which is used in a broad sense as territorial as well as membership spaces demarcated by their boundaries. Against this background, the welfare state displayed the highest level of closure in both senses resulting from long term historical processes of boundary building. The 'locking in' of insiders and preventing outsiders from entering created congruent territorial and membership spaces with citizenship as the key social marker. Moreover, this strict separation enabled entirely new levels of redistribution

on a national scale. According to Ferrera this institutionalisation of national sharing practices is the key to understanding social cohesion and legitimacy of the nation state. Hence, while focusing on the mechanism of “internal bonding through external bounding” (p. 4), the main theme of his book is whether and how the opening pressures arising from European integration affect the national welfare states of Western Europe.

The strong interest in the concept of boundaries originates in the author’s admiration of Stein Rokkan, whose account is labelled by Ferrera as ‘bounded structuring’. In short, this means simultaneous processes of external demarcation and internal differentiation or ‘system building’. Over the history of state-building in Europe, two types of structures turned out to be most prominent: ‘centre-periphery structures’ linking power centres with their subordinate areas and ‘cleavage structures’ or those fundamental socio-economic or cultural differences that “systematically divide national communities” (p. 18). Each form is expressed in a particular configuration of institutions and organisations, which often became ‘crystallized’ after specific historical turning points. ‘Structuring’, then, denotes the stabilisation and institutionalisation of patterns of interaction, organisations, norms or social alliances. The creation and consolidation of boundaries is a key element of all structuring processes. They can be physical or symbolic, they separate territories and citizens but they also divide social groups within a society.

With regards to the concrete mechanisms of structuring, Rokkan utilises Albert Hirschmann’s model of exit, voice and loyalty. Historically, long-term boundary drawing around the nation state eliminated exit options and triggered processes of ‘system-building’ within it. Apart from a moderate extension of Hirschmann’s model to general ‘options of vocality’ and ‘options of locality’, Ferrera claims that Rokkan’s framework is still convincing and could, in fact, be tested against the new conditions under European integration.

In order to do so, he concentrates on citizenship, which plays a double role as territorial marking device linking persons to states and as social marker, providing persons with rights, obligations, social roles and identities. The latter also makes it “the privileged currency of politics” (p. 37) ensuring cooperation and trust. In this context, social citizenship receives particular attention as its invention constituted a quantum leap anchoring people’s life chances and establishing practices of national sharing or institutionalised solidarity. However, in order to realise social rights in a sustainable system of sharing two requirements had to be met. First, impermeable boundaries were needed to construct the solidarity-community and to prevent its economic collapse, and second, a very specific organisational form: the compulsory social insurance covering all citizens.

Departing from this insight, the empirical core of the book investigates how the large-scale boundary redrawing of European integration affects this spatial architecture of social citizenship. Does it effect in the ‘destructuring’ of (national) social sharing? Can we also identify ‘restructuring’ of social sharing at European level? Although the first seeds of destructuring can be traced back to the ‘Trente Glorieuses’, EU competition law and free movement regulations gained full force over the last two decades. The central study on the impact of EU legislation and case law on the boundaries of national health care systems, social assistance schemes, social protection schemes vis-à-vis third country nationals and the issues of compulsory membership and public monopoly in social insurances produces an appealing and differentiated picture. Ferrera contends that, although the member states may experience massive losses of their boundary setting capacities, this does not imply a linear process of erosion but rather a ‘tug of war’ in which the member states still have capacities of ‘defensive restructuring’. “[A] distinctive new spatial politics has emerged, structured around locality interests and vocality strategies.” (p. 165):

With regards to newly emerging structures, the author identifies a strong trend towards new forms of welfare regionalism, which are, directly and indirectly, fuelled by the European Union. His assessment of restructuring at the European level is more cautious. Nevertheless, he contends that an increasingly consolidated European catalogue of social rights in combination with the new governance instruments of the open method of coordination

could indicate an “emerging EU citizenship area” (p. 250) and thereby initiate the “virtuous nesting of the welfare state in the EU institutional framework” (ibid.).

Ferrera is not alone with his strong hope in the OMC yet the empirical basis for these hopes is still weak. Until then, some healthy scepticism might be wise. Notwithstanding this fuzzy prospect of a ‘virtuously nested welfare state’, the book stands out through its inventive perspective and a rich and multifaceted empirical study.

The focus on space and boundary (re)drawing allows to access highly complex processes of large scale social transformations in a very sophisticated and original way. Especially the strong emphasis on social citizenship as space and as political currency is a major strength. Ferrera convincingly demonstrates its crucial role for the territorial and social integration of the welfare nation state in the 20th century—a role that is often neglected by other, especially liberal, citizenship theories. However, despite his strong interest in social citizenship, the author is not too interested in contributing to the wider citizenship debate. It would have been interesting to tie his concept of citizenship closer to the rich body of normative and critical citizenship theories. On the one hand, this could have broadened the perspective from citizenship rights to ‘citizenship in practice’ and, thereby, the analysis of centre-periphery and cleavage-structures. On the other hand, such a discussion could have added a valuable normative-critical element to the study.

The empirical chapters provide a skilful and thorough investigation full of original insights. In particular, the discussion about the crucial role of compulsory social insurance and its dissolution is striking. It demonstrates that the seeds for this destructuring were planted by the welfare states themselves and that the market making efforts of the Union just interact with these conditions. Moreover, the author manages to tie these rather technical issues together with the different context of migration. Finally, his convincing argument about a trend towards ‘welfare regionalism’ makes a strong case to take the EU’s multi-level character serious and to expand the focus to the sub-state level. In addition, this point clearly illustrates that we are witnessing processes of boundary re-drawing rather than the mere disappearance of borders. Overall, the empirical investigation of contemporary processes of destructuring and the problems of re-structuring constitute an important contribution to our understanding of negative and positive integration and their unequal relationship.

Two aspects, however, are missing. On the one hand, while Ferrera concentrates on technical and legal aspects, all processes on the normative-discursive level are left out. However, it can be assumed that normative and discursive changes are similarly important for de/restructuring. For example, the European Employment Strategy is characterised by a vast number of new political frames and policy ideas. On the other hand, the issue of agency is slightly neglected. Although the crucial role of all types of agents is clearly demonstrated throughout the case studies, the Rokkan-Hirschmann framework is rather meagre with regards to their constructive and creative potential.

In general, it could be argued that most of the possible criticisms originate from a structuralist bias inherent in the theoretical framework. While the book raises many new and original insights about the nature of the ongoing transformations, its interest in structural configurations and long-term structural change prevents critical reflections on political options, strategies and opportunities in the presence.
