

Authors:

Mariely López-Santana & Rossella Moyer (George Mason University)

**Re-designing the Institutional Configuration of the Welfare State:
Why is the intergovernmental model you choose relevant?**

Comparative research on the transformation of the welfare state has tended to focus on changes in the levels of generosity and content of social policies. Yet, authors have tended to overlook other manifestations of these changes, namely the modifications of labour market political institutions and intergovernmental relations through decentralization and/or devolution. In this context, attention must be paid to changes in ‘social policy governance,’ including the re-allocation of social policy competences across levels of government. These institutional transformations are especially linked to the implementation of the ‘activation paradigm.’

This paper focuses on the re-design and implementation of new institutional (intergovernmental) models of labour market policies (LMPs). Across countries, states have organized these models differently. We explore various models of LMP decentralization by comparing and contrasting the Spanish and Italian models—two countries that have recently devolved LMP competencies to the regions. By addressing these issues, we seek to shed light on the implications of the new architecture of LMPs on various phenomena, including levels of regional equality, redistribution, and the nature of labour market policies. We argue that a model of decentralization in which the national level maintains a significant level of control is more positive given the goals of the welfare state. In this way, institutional choices are extremely relevant.

To develop our analysis, we use more than 40 interviews conducted at various levels of government in Spain and Italy. Furthermore, we refer to official documents and reports. By analyzing the spatial re-configuration of LMPs while highlighting the key role of the activation paradigm in driving this phenomenon, this paper bridges the literatures on the re-structuring of the welfare state and its contemporary changes with the body of work on comparative federalism, devolution and decentralization.