

# Property, the Welfare State and Distributional Justice:

- **New (B)Orders: The Euro/financial crisis and its implication for the welfare state**
- **Restructuring and sovereign default – on the way to Euro Bonds in a transfer union?**
- **The property question in the North African transition countries**

(2 hours per week) 6/9 ECTS  
Wednesdays 2:00 - 4:00 pm  
Venue: GD 04 (Start: 17 October 2012)  
MES modules: ZB Wirtschaft, Recht, Politik, WPM 1, 6  
Lecturer: Prof. Dr. iur. Jens Lowitzsch

The seminar examines the new (b)orders of Social Europe with regards to the functions of property and to distributive justice. Basis of the investigation is a discussion of the social conversions caused by the “Euro crisis” in several EU Member States.

The relevance to the discussion on the welfare state, particularly in the context of current economic and financial crises and on the process of marking, overstepping, dissolution and redrawing of (property) boundaries ensues from the changes in the relationship delineating (1) owners and non-owners, (2) private and public/state ownership, as well as (3) capital and labour. In Europe, responses to the economic and financial crisis have changed these relationships (e.g., socialization losses and privatising profits during the bank bailout, additional privatisation and cuts to social services in the context of austerity programs).

## **Financial and sovereign debt crisis – on the way to Euro Bonds in a transfer union?**

The current “financial crisis” is characterised by information asymmetry and uncertainty, leading to a classic “agency problem” in the relation between the banks’ managers, shareholders and financiers on the one side and governments and the regulatory authorities on the other. In the private sector this is typically the situation when insolvency proceedings apply to prevent abuse and further damage.

We will discuss to what extent the experience of private sector insolvency proceedings and specifically the (lack of) application of well established rules and principles during the financial crisis offer advice for dealing with the current sovereign default crisis. In most cases the real causes behind this policy are not economic, but a dangerous mix of information asymmetry, weak regulation and the pressure of lobby groups. Against this background the solution of Euro Bonds and its implication for the welfare state are examined.

## **Focus: Property question in the North African transition countries**

The vast majority of citizens in industrial societies do not own any kind of productive property. Thus, they are impeded from wider participation in civil society and from access to economic opportunity, as well as from the attainment of economic security and leisure. The “society of owners” is simultaneously a “society of non-owners”. Interestingly, the catastrophe of 2008 has occasioned very little demand for radical financial, fiscal or ownership reforms. One of the core questions is, how to open up economic opportunity to the majority of citizens enabling them to become owners of productive assets.

In the economies of the North African transition countries this is ever more true, as most of the capital assets were concentrated in the hands of the former autocratic rulers, now ousted. The question of how to dispose of these assets – today in trusteeship or under government administration – is one of the most challenging of the transformation process.

**Language:** The working language of the seminar will be English.

**Participation requirements, performance test and credits:**

Proficiency in English.

ECTS: 6/9. Regular attendance; presentation (5-7 min.) of the term paper concept by mid-November; first draft of the term paper by the end of November; submission of the final term paper by the end of the semester.

**For registration, please contact:** [kelso-professorship@europa-uni.de](mailto:kelso-professorship@europa-uni.de)

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**Literatur – register for Dropbox:**

Jens Lowitzsch, Bankenkrise, Staateninsolvenz und systemische Risiken. Zur Neuordnung des Finanzsektors, MES Perspektiven 1/2011 S. 31 ff. (English Version available)

Jens Lowitzsch, Property, the Welfare State and Distributive Justice – New B(O)rders in the EU in the course of the „Euro-Crisis, Project proposal.

Jens Lowitzsch, The Property Question in the North African Transition Countries, Outline of Conceptual Frame for Future Cooperation