

Theory and Practice of the Welfare State in Europe

Sessions 5 and 6

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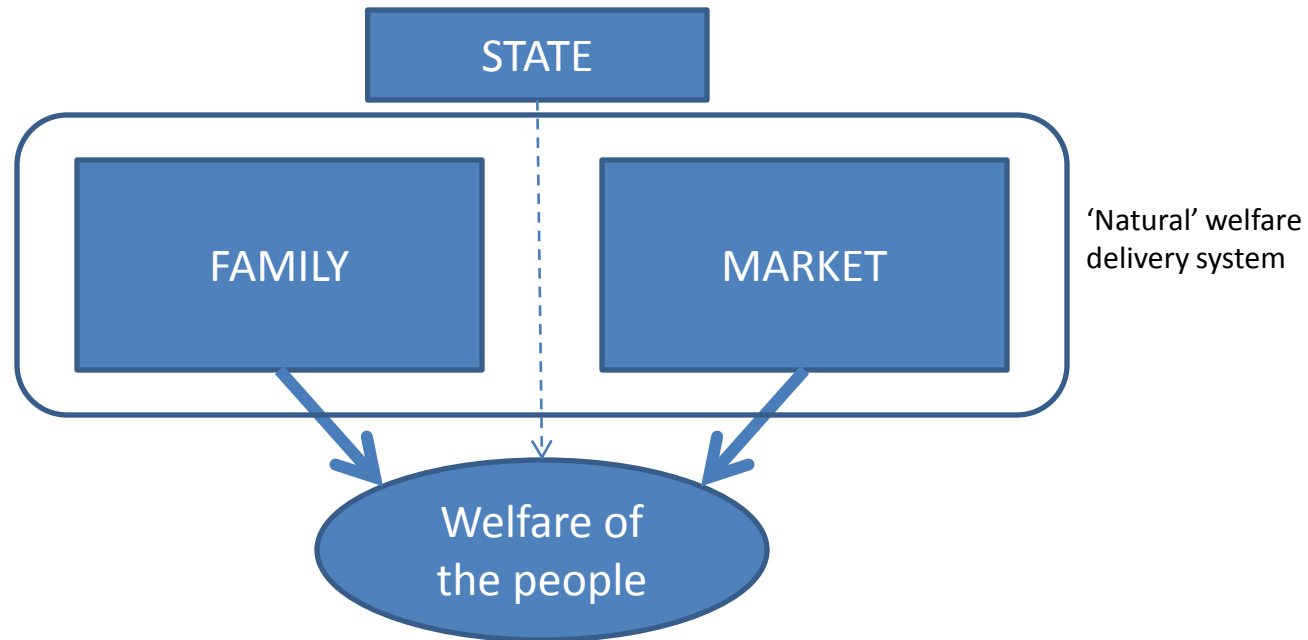
Course web page

www.ips.uw.edu.pl/rszarf/welfare-state/

Models, Regimes etc. of the Welfare State

Three models of social policy (Titmuss)

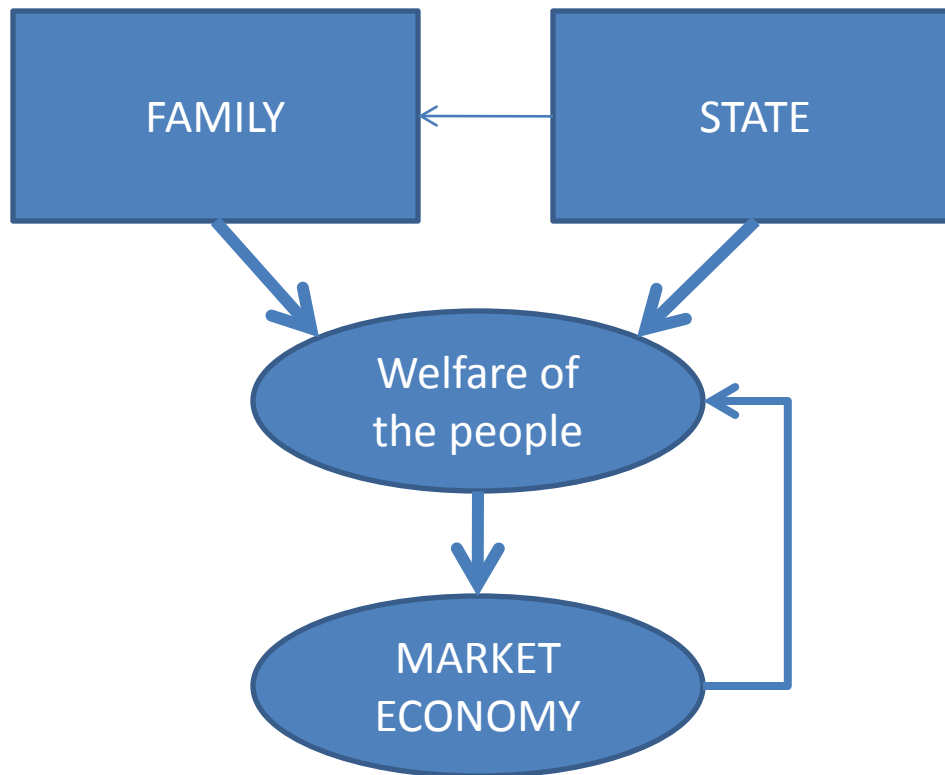
The Residual Welfare Model



Motto: learn how to do without social policy

Three models of social policy (Titmuss)

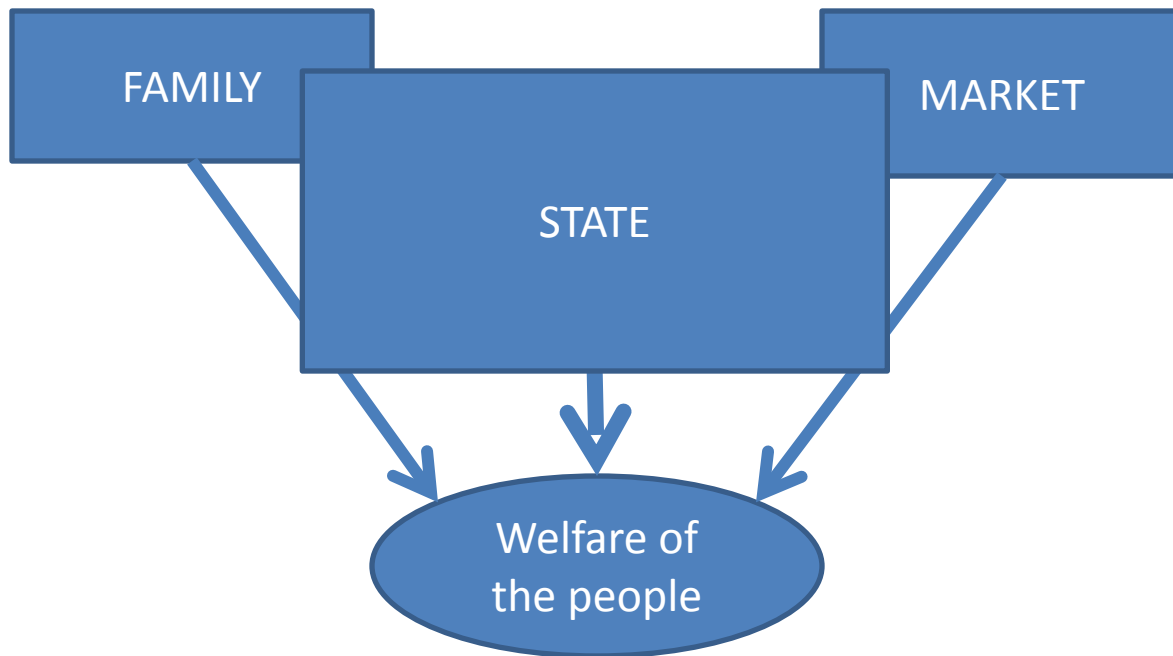
The Industrial Achievement-
Performance Model



Motto: social policy should be good to economy (and family)

Three models of social policy (Titmuss)

The Institutional
Redistributive Model



Motto: we can't live without social policy!

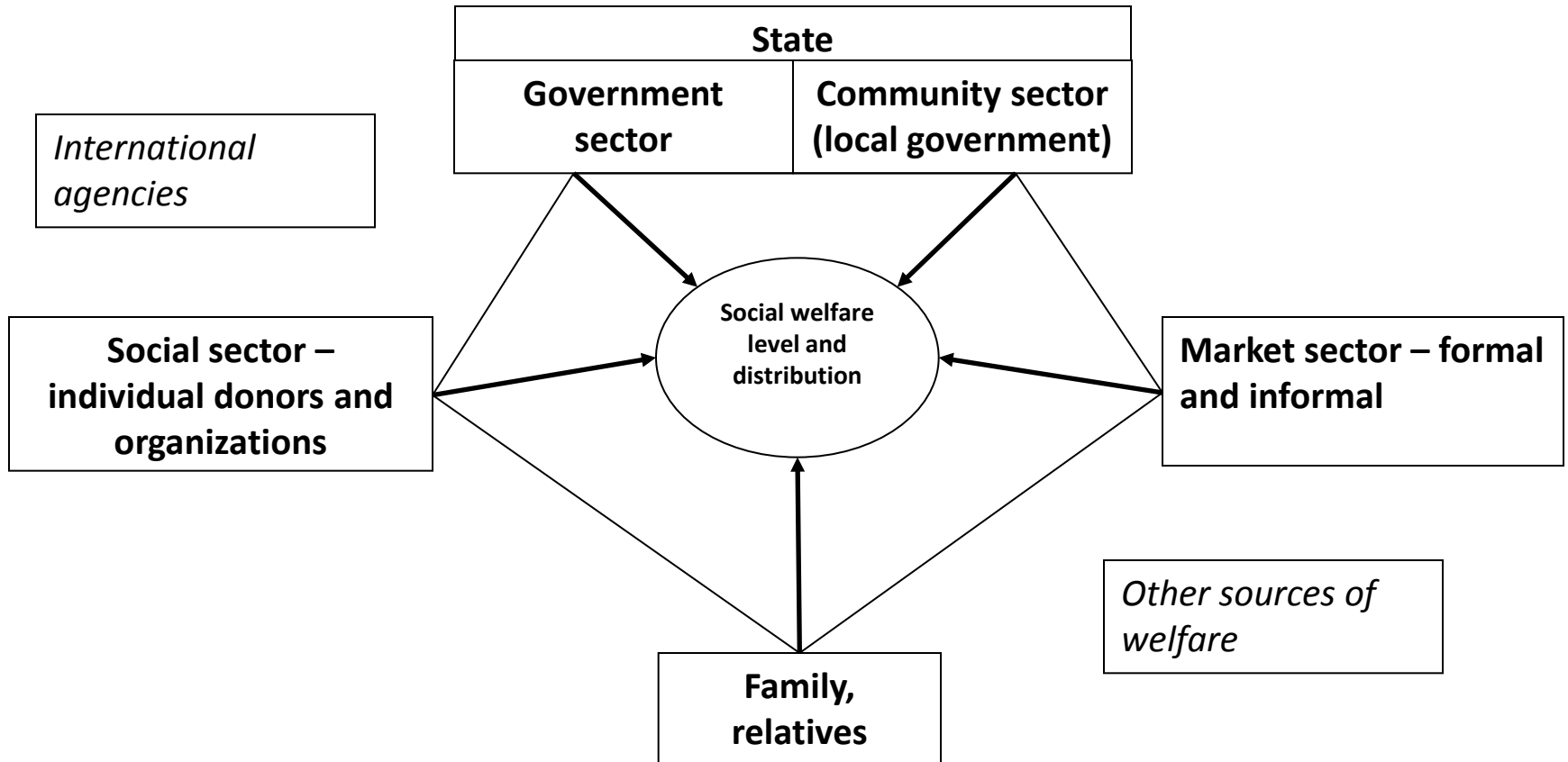
Titmuss approach vs more recent comparative studies

- Titmuss' primary focus was on the provision of services
- Titmuss was perhaps above all concerned with values and the 'ends' of social policy
- More recent comparative studies say little about values, adopt a more 'scientific' approach to the study of social institutions and focus on means rather than ends as the operational method for classifying welfare state regimes

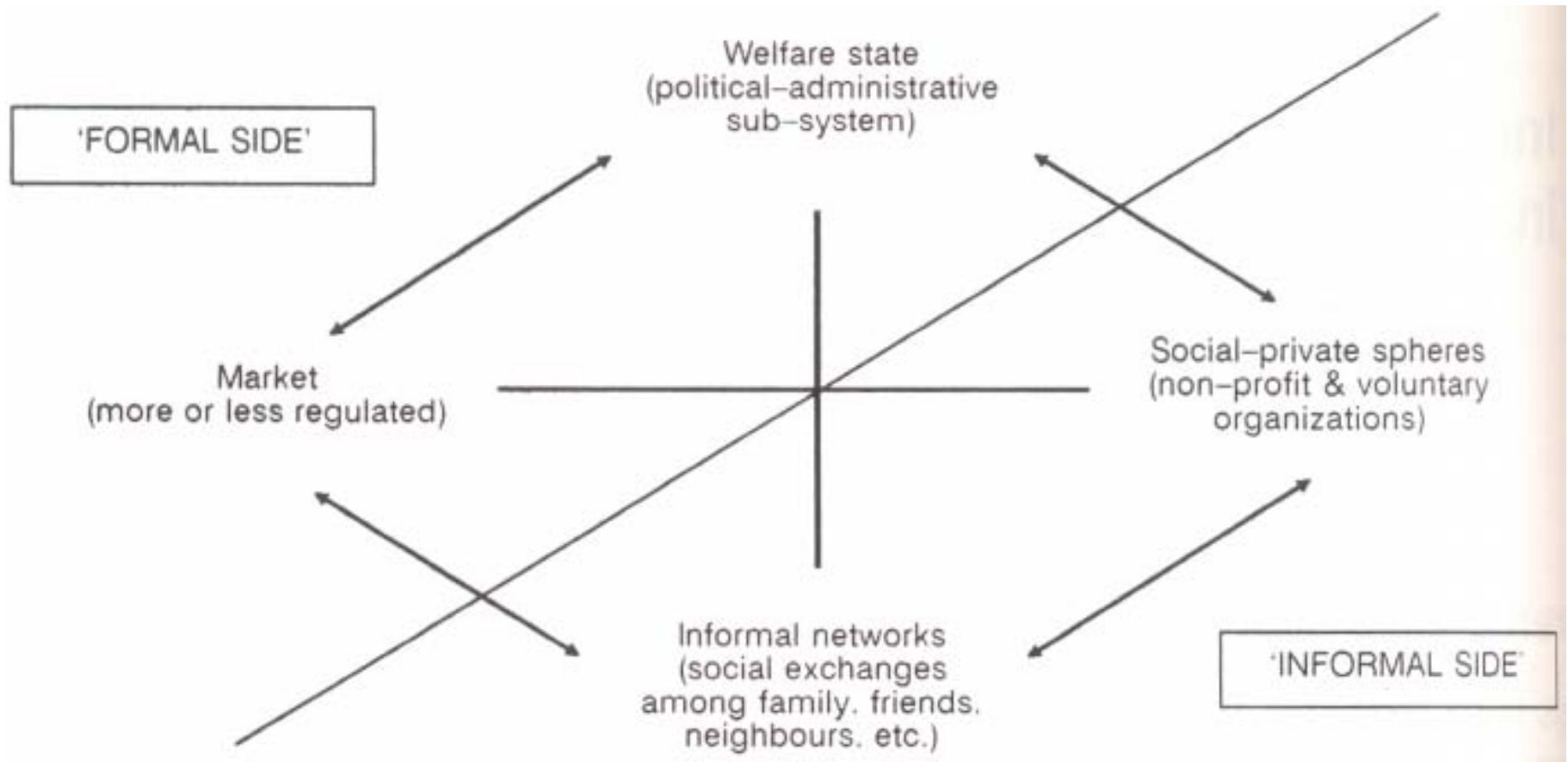
Three main components of a welfare regime

- **The welfare mix**, the articulation of the state, households, and the market, to provide protection of living standards against social risks (family-state-market nexus)
- **The welfare outcomes** (measure the actual insulation of people's welfare from social risks, with decommodification and defamilialism providing the key measures)
- **Stratification effects** describe the distributional effects of the welfare mix and welfare outcomes

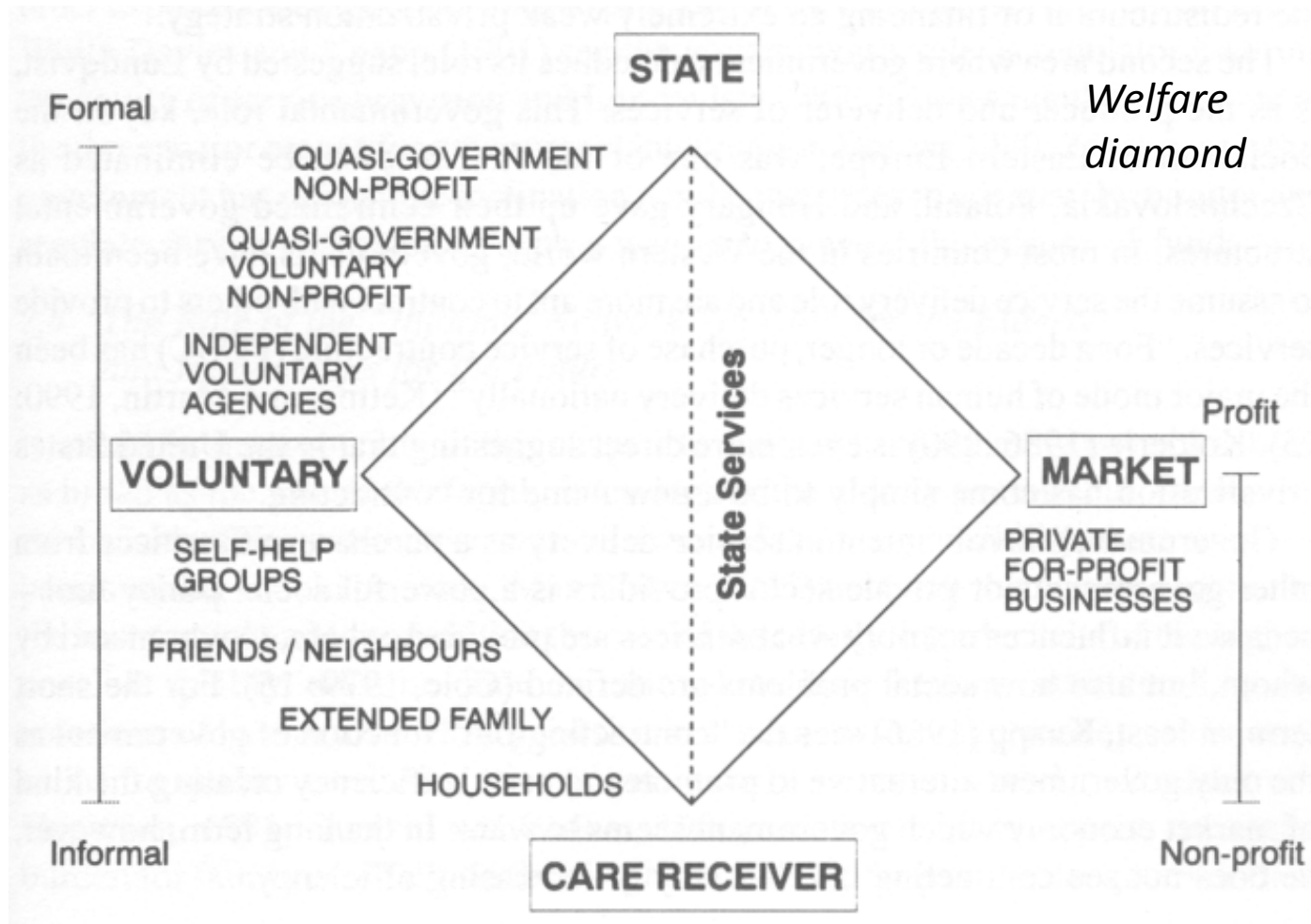
Welfare mix



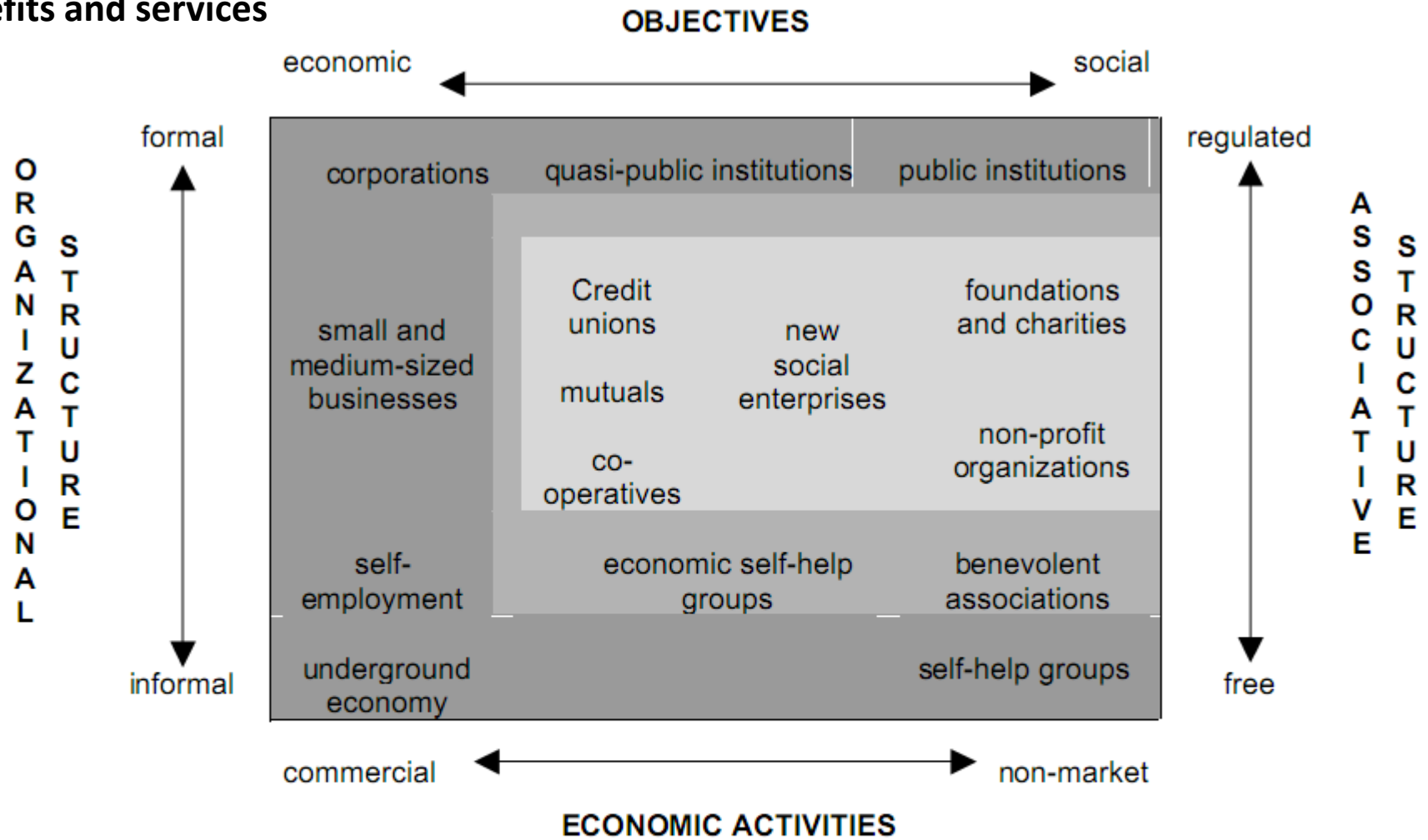
Welfare mix / mixed economy of welfare



Mixed economy of welfare – example of caregiving



Possible providers of social benefits and services



Legend:

	unequivocal components of the social economy
	uncertain components (case by case analysis)
	not part of the social economy

W. A. Ninacs, *A Review of the Theory and Practice of Social Economy*, p. 7

Esping-Andersen's typology

	Liberal	Social-democratic	Conservative
<i>Role of:</i> Family Market State	Marginal Central Marginal	Marginal Marginal Central	Central Marginal Subsidiary
<i>Welfare state</i> Dominant mode of solidarity Dominant locus of solidarity Degree of de-commodification	Individual Market Minimal	Universal State Maximum	Kinship Corporatism Etatism Family High (for breadwinner)
<i>Dominant mode of social risks management</i> Welfare state Labour market regulation Degree of de-familialization	Residual Little High (non-familialist)	Universal Moderate High (non-familialist)	Social insurance Strong Minimal (familialist)
<i>Examples</i>	USA	Sweden	Germany, Italy

Esping-Andersen's typology

<i>Type of Regime</i>	<i>Proto-typical Countries</i>	<i>Philosophical Basis</i>	<i>Degree to Which Labor is Decommodified</i>	<i>Entitlement Based On</i>	<i>Type of Public/Private Mix</i>
Liberal	Australia Canada United States	Classical Liberalism	Low	Need	Market dominated/ residualist
Corporatist	Austria France Germany	Conservative Social Policy	Moderate	Contribution	State Dominated/ Occupational Related
Social Democratic	Denmark Sweden Holland	Socialism/ Marxism	High	Citizenship	State Dominated/ Universal

Construction of de-commodification index

Measures of the degree to which social rights ‘permit people to make their living standards independent of pure market forces’

Pensions	Unemployment	Sickness
(1) Minimum pension benefits for a standard production worker earning average wages.	(1) Pre-taxation benefit replacement rates for a standard worker during the first 26 weeks of unemployment.	(1) Pre-taxation benefit replacement rates for a standard worker during the first 26 weeks of sickness.
(2) Standard pension benefits for a normal worker.	(2) Number of weeks employment prior to qualification for benefit.	(2) Number of weeks employment prior to qualification for benefit.
(3) Contribution period required for a minimum pension.*	(3) Number of waiting days before benefits are paid.	(3) Number of waiting days before benefits are paid.
(4) Individual's share of pension financing.	(4) Usual number of weeks in which benefit can be maintained.	(4) Number of weeks in which benefit can be maintained.
(5) Percentage of the (relevant) population covered by the program.	(5) Percentage of the (relevant) population covered by the program.	(5) Percentage of the (relevant) population covered by the program.

Measurement of defamilisation

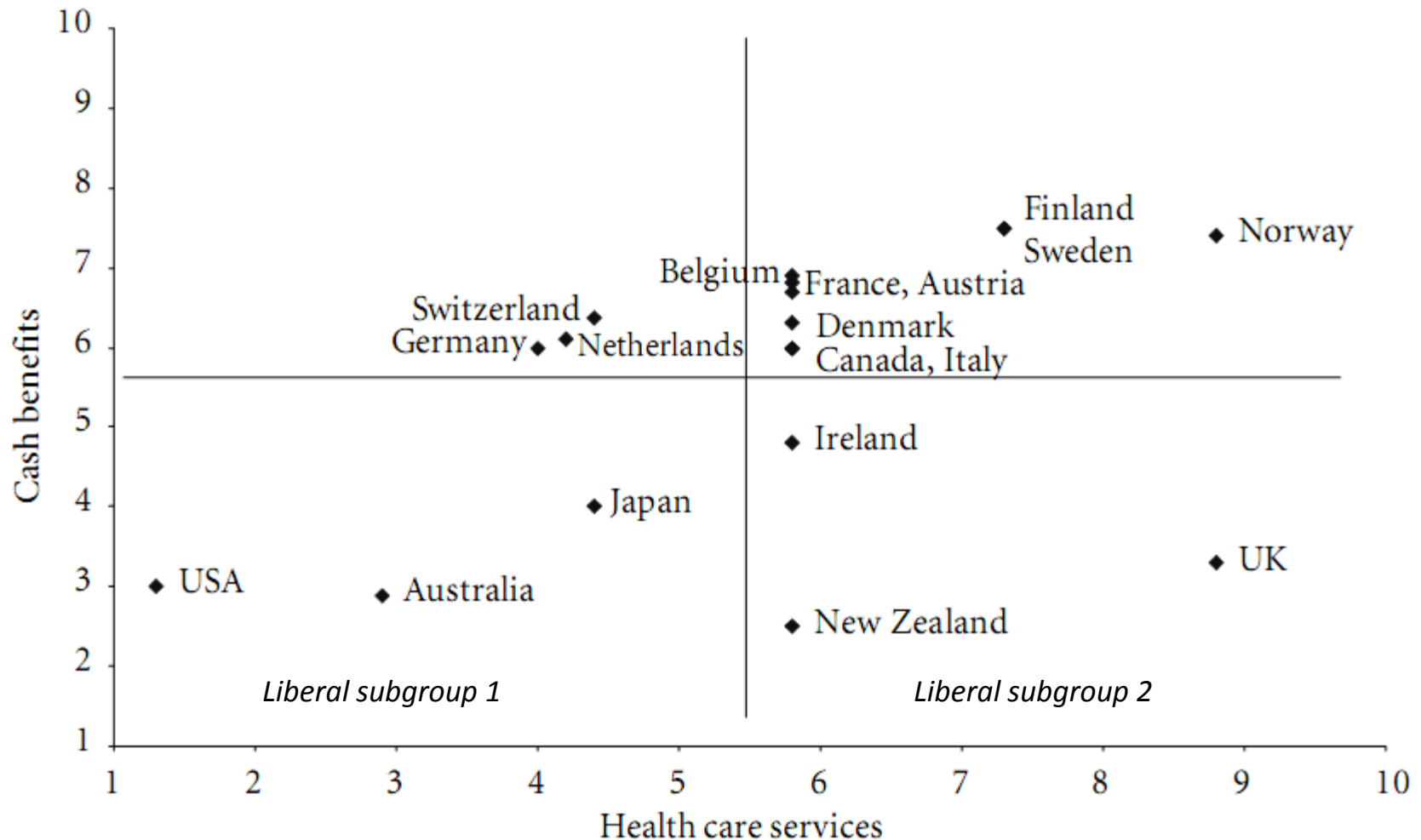
	Relative female economic activity rate for persons aged 15–64 ^a 2003	Maternity leave compensation for duration covered (per cent of normal wages) 2004	Compensated maternity leave duration (number of weeks) 2004	Average female wage (per cent of male average wage) ^h 2003
Australia	15	0	0	89 ⁱ
Austria	17 ⁱ	100	16	60 ^k
Belgium	16	75 ^b	15	81 ^l
Canada	12 ⁱ	55 ^c	18	ⁱ
Denmark	9	90 ^d	18	87 ⁱ
Finland	6	70	21	83 ⁱ
France	14	100 ^d	16	78 ⁱ
Germany	16	100	14	74
Greece	23 ⁱ	100	17	82 ^m
Ireland	21 ⁱ	70	18	69
Italy	25	80	22	ⁱ
Japan	26	60	14	60
Netherlands	17	100	16	78 ⁿ
New Zealand	15	100 ^d	14	80
Norway	8	100 ^e	52	88
Portugal	15	100	17	64 ^l
Spain	24	100	16	ⁱ
Sweden	4	80 ^f	69	91
Switzerland	18	80	14	69 ^l
UK	16	50 ^g	26	79
USA	14	0	0	ⁱ

^a Calculated as the difference between the female and male labour participation rate. For example, if the male participation rate was 78.9 per cent and the female participation rate was 76.4 per cent, then the relative female labour participation rate would be (-)2.5 per cent.

Many critiques of the three worlds of welfare capitalism

- It has been criticised for being or having:
 - too centred on Scandinavian debates;
 - ignoring the development of feminism...;
 - not being well-adapted to encompass the postmodern development of industrial society;
 - being ill-adapted to understand the differences between welfare states in the politics of retrenchment;
 - not paying sufficient attention to the political differences between consensus and majoritarian regimes;
 - methodological defects (arbitrary cut-off points, weaknesses of multiple regression statistical method, flawed indicators);
 - not being valid for different programs of the welfare state (e.g. housing);
 - ignoring services (e.g. health care, social care, education);
 - simplifying and exaggerating distinction between universal vs means-tested benefits.

What would happen when we add health services?



Other typologies of the welfare state / social policy models / regimes

Titmuss (Titmuss, 1974)	<u>Residual Welfare Model</u> a) Market and family provision b) Social welfare institutions as last resort c) Temporary assistance	<u>Industrial Achievement-Performance</u> a) Significant role for social welfare institutions b) Social need-merit, work performance and productivity	<u>Institutional Redistributive</u> a) Major integrated institutions of society, providing universalist services on needs basis c) Social equality and redistribution
Furniss and Tilton (Furniss and Tilton, 1977)	Positive State a) Government-business collaboration for economic growth b) Social insurance on actuarial principles c) Ensures work discipline	Social security State a) Government-business collaboration for growth b) Full employment-public employment as last resort c) Guaranteed minimum as a right	Social Welfare State a) Full employment, govt-union cooperation b) Solidaristic wage policy c) Social policy aims-equality, redistribution of income
Mishra (Mishra, 1981)	Residual a) Minimal state responsibility b) Limited range, mainly means-tested services, low benefits, covering a minority of the population c) Low % of GDP spent on services d) Coercive orientation of service-clients low status e) Primary role for non-statutory agencies in welfare		Institutional a) Extensive range of services, to majority of population, citizenship basis b) Acceptance of State responsibility for meeting needs c) Medium level of benefits d) Medium % of GDP spent on services e) Secondary role for non-statutory agencies in welfare

Other typologies of the welfare state / social policy models / regimes

Castles and Mitchell (Castles and Mitchell, 1991)	<p>Liberal</p> <ul style="list-style-type: none"> a) Low benefits and benefit equality b) Political dominance of right c) Low trade union density d) Ireland, Japan, Switzerland, USA, 	<p>Conservative</p> <ul style="list-style-type: none"> a) High social expenditure and low benefit equality b) Low trade union density c) Germany, Italy, Netherlands, France, Austria 	<p>Non-Right Hegemony</p> <ul style="list-style-type: none"> a) High benefit levels and high equality b) High trade union density c) Political dominance by left parties d) Belgium, Denmark, Norway, Sweden 	<p>Radical</p> <ul style="list-style-type: none"> a) Low benefit levels - high degree of equality b) High trade union density c) Political dominance by parties of the right d) Australia, NZ, UK, Canada, and Finland.
Leibfried (2000)	<p>Anglo-Saxon</p> <ul style="list-style-type: none"> a) Residual welfare b) Welfare as last resort c) Welfare as work enforcing mechanism 	<p>Bismark Countries</p> <ul style="list-style-type: none"> a) Subsidised exit from labour market b) Economic development priority c) Substitutes right to social security for right to work 	<p>Scandinavian</p> <ul style="list-style-type: none"> a) Right to work b) Universalism c) State is employer of first resort d) Subsidised entry to exit from labour market 	<p>Latin Rim</p> <ul style="list-style-type: none"> a) Rudimentary welfare state b) Focus-entry to labour market, residualism c) Welfare associated with religion
Huber and Stephens (Huber and Stephens, 2001)	<p>Liberal</p> <ul style="list-style-type: none"> a) Partial program coverage b) Income or needs testing c) Moderate to low replacement rates d) Few public services e) Passive family and labour market policy 	<p>Christian Democratic</p> <ul style="list-style-type: none"> a) Fragmentation of entitlements-mainly employment-based b) Emphasis on transfers c) Moderate/ high replacement rates d) Private or third sector delivery f) Passive LMP 	<p>Social Democratic</p> <ul style="list-style-type: none"> a) Universalistic b) Comprehensive c) Citizenship based d) High income replacement rates e) High levels of publicly delivered services f) Gender equality g) Active LMP 	<p>Wage Earner</p> <ul style="list-style-type: none"> a) Partial program coverage b) Income testing but with high income limits c) Moderate to low replacement rates d) Few publicly delivered services e) Passive LMP

Number of countries, measures, methodologies, results

Author	Measures	Welfare state regimes			
Esping-Andersen (1990) ¹³	18 countries <ul style="list-style-type: none"> • Decommodification • Social stratification • Private-public mix 	Liberal Australia Canada Ireland New Zealand UK USA	Conservative Finland France Germany Japan Italy Switzerland	Social Democratic Austria Belgium The Netherlands Denmark Norway Sweden	
Leibfried (1992) ¹⁹	15 countries <ul style="list-style-type: none"> • Characteristics • Rights • Basic income 	Anglo-Saxon Australia New Zealand UK USA	Bismarck Austria Germany	Scandinavian Denmark Finland Norway Sweden	Latin rim France Greece Italy Portugal Spain
Castles and Mitchell (1993) ²²	14 countries <ul style="list-style-type: none"> • Aggregate welfare expenditure • Benefit equality 	Liberal Ireland Japan Switzerland USA	Conservative Germany Italy The Netherlands	Non-right hegemony Belgium Denmark Norway Sweden	Radical Australia New Zealand UK
Kangas (1994) ³⁹	15 countries <ul style="list-style-type: none"> • Cluster analysis of decommodification 	Liberal Canada USA	Conservative Austria Germany Italy Japan The Netherlands	Social democratic Denmark Finland Norway Sweden	Radical Australia Ireland New Zealand UK
Ragin (1994) ⁴⁰	18 countries <ul style="list-style-type: none"> • BOOLEAN comparative analysis of pensions decommodification 	Liberal Australia Canada Switzerland USA	Corporatist Austria Belgium Finland France Italy	Social democratic Denmark Sweden Norway	Undefined Germany Ireland Japan The Netherlands New Zealand UK
Ferrera (1996) ¹⁸	15 countries <ul style="list-style-type: none"> • Coverage • Replacement rates • Poverty rates 	Anglo-Saxon Ireland UK	Bismarck Austria Belgium France Germany Luxembourg The Netherlands Switzerland	Scandinavian Denmark Finland Norway Sweden	Southern Greece Italy Portugal Spain
Bonoli (1997) ¹⁷	16 countries <ul style="list-style-type: none"> • Social expenditure as % GDP • Social expenditure financed via contributions 	British Ireland UK	Continental Belgium France Germany Luxembourg The Netherlands	Nordic Denmark Finland Norway Sweden	Southern Greece Italy Portugal Spain Switzerland

Number of countries, measures, methodologies, results cont.

Author	Measures	Welfare state regimes				
Korpi and Palme (1998) ³²	18 countries • Social expenditure as % GDP • Luxembourg income study • Institutional characteristics	Basic security Canada Denmark Ireland The Netherlands New Zealand Switzerland UK USA	Corporatist Austria Belgium France Germany Italy Japan	Encompassing Finland Norway Sweden		Targeted Australia
Pitzurello (1999) ⁴¹	18 countries • Cluster analysis of decommodification	Liberal Canada Ireland UK USA	Conservative Germany The Netherlands Switzerland	Social Democratic Belgium Denmark Norway Sweden	Conservative-Bismarckian Austria Finland France Italy Japan	Radical Australia New Zealand
Navarro and Shi (2001) ⁴	18 countries • Political tradition	Liberal-Anglo Saxon Canada Ireland UK USA	Christian Democrat Belgium The Netherlands Germany France Italy Switzerland	Social Democratic Sweden Norway Denmark Finland Austria	Ex-fascist Spain Greece Portugal	
Kautto (2002) ³⁰	15 countries • Expenditure on services and social transfers		Transfer approach Belgium The Netherlands Austria Italy	Service approach Sweden Norway Finland Germany UK	Low approach Ireland Greece Portugal Spain	
Bambra (2005) ^{25, 27}	18 countries • Healthcare services and decommodification	Liberal Australia Japan USA	Conservative Austria Belgium Canada Denmark France Italy	Social Democratic Finland Norway Sweden	Conservative subgroup Germany Switzerland The Netherlands	Liberal Subgroup Ireland UK New Zealand

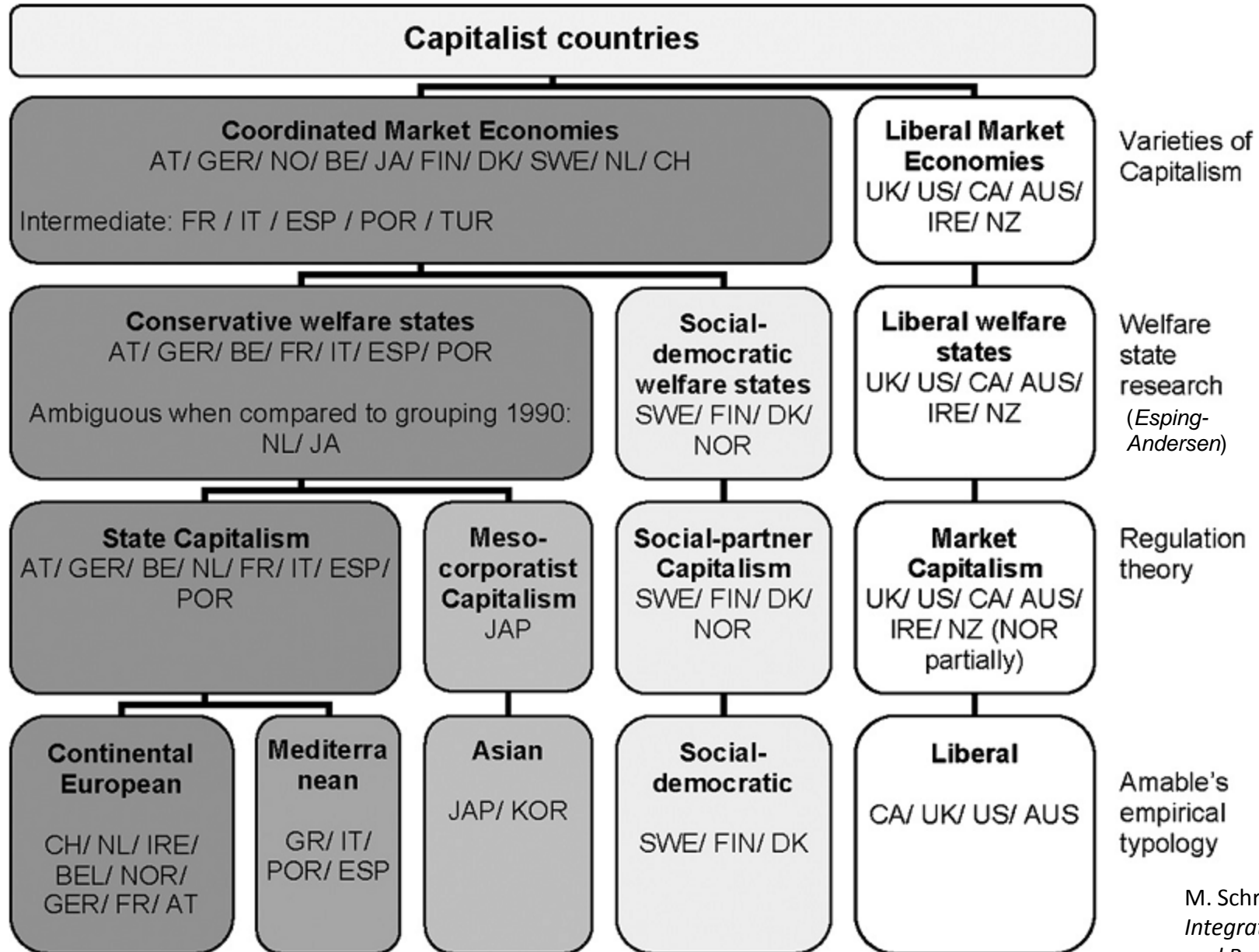
Evaluative comparisons of welfare regimes

	Never poor	Transient poor	Recurrent poor	Persistent poor	Total
Social democratic	77.7	10.6	6.1	5.6	100
Denmark	77.4	13.2	6.0	3.5	100
The Netherlands	77.9	9.6	6.1	6.4	100
Corporatist	70.7	11.0	8.0	10.3	100
Germany	73.4	11.1	7.7	7.8	100
Belgium	63.9	13.4	10.8	11.9	100
France	68.4	10.4	7.9	13.3	100
Liberal	61.6	13.2	11.0	14.2	100
Ireland	63.8	10.7	10.6	14.9	100
UK	61.4	13.4	11.1	14.1	100
Residual	60.8	13.1	13.0	13.1	100
Italy	62.1	12.6	12.3	13.2	100
Greece	58.5	13.9	12.4	15.2	100
Spain	60.0	13.5	15.1	11.4	100
Portugal	58.8	13.7	9.5	18.1	100
Europe	66.2	12.0	10.1	11.7	100

Panel data 1994-1998

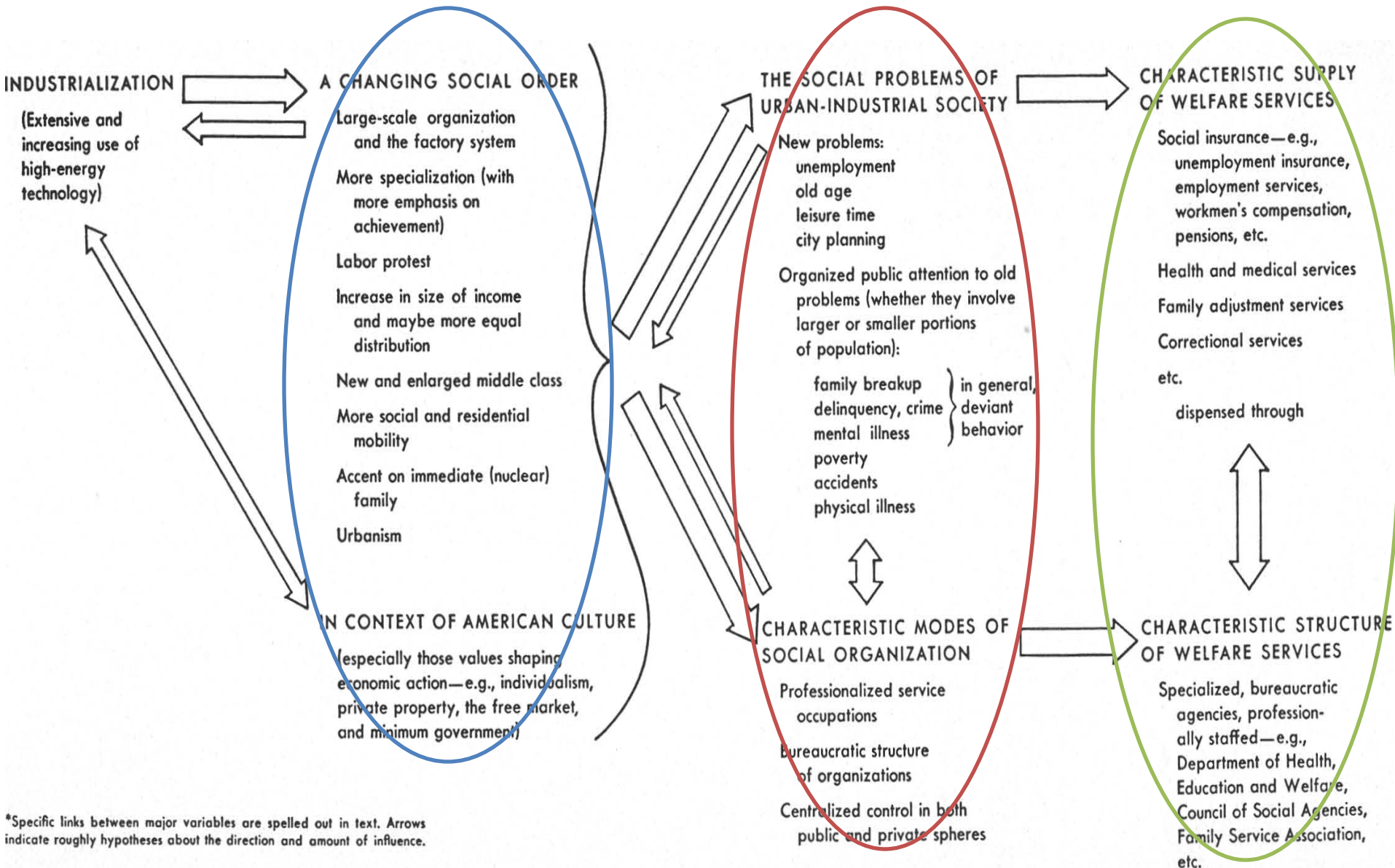
D. Fourage, R. Layte, *Welfare Regimes and Poverty Dynamics*, 2005

Varieties of capitalism and welfare state regimes



Theories and explanations of the welfare state

Impact of industrialization on social welfare (Wilensky)



*Specific links between major variables are spelled out in text. Arrows indicate roughly hypotheses about the direction and amount of influence.

Social order and culture

A CHANGING SOCIAL ORDER

Large-scale organization
and the factory system

More specialization (with
more emphasis on
achievement)

Labor protest

Increase in size of income
and maybe more equal
distribution

New and enlarged middle class

More social and residential
mobility

Accent on immediate (nuclear)
family

Urbanism

IN CONTEXT OF AMERICAN CULTURE

(especially those values shaping
economic action—e.g., individualism,
private property, the free market,
and minimum government)

Social problems and social organization

THE SOCIAL PROBLEMS OF URBAN-INDUSTRIAL SOCIETY

New problems:

- unemployment
- old age
- leisure time
- city planning

Organized public attention to old problems (whether they involve larger or smaller portions of population):

- family breakup
- delinquency, crime
- mental illness
- poverty
- accidents
- physical illness

} in general, deviant behavior

CHARACTERISTIC MODES OF SOCIAL ORGANIZATION

Professionalized service occupations

Bureaucratic structure of organizations

Centralized control in both public and private spheres

Types and organization of welfare services

CHARACTERISTIC SUPPLY OF WELFARE SERVICES

Social insurance—e.g.,
unemployment insurance,
employment services,
workmen's compensation,
pensions, etc.

Health and medical services

Family adjustment services

Correctional services

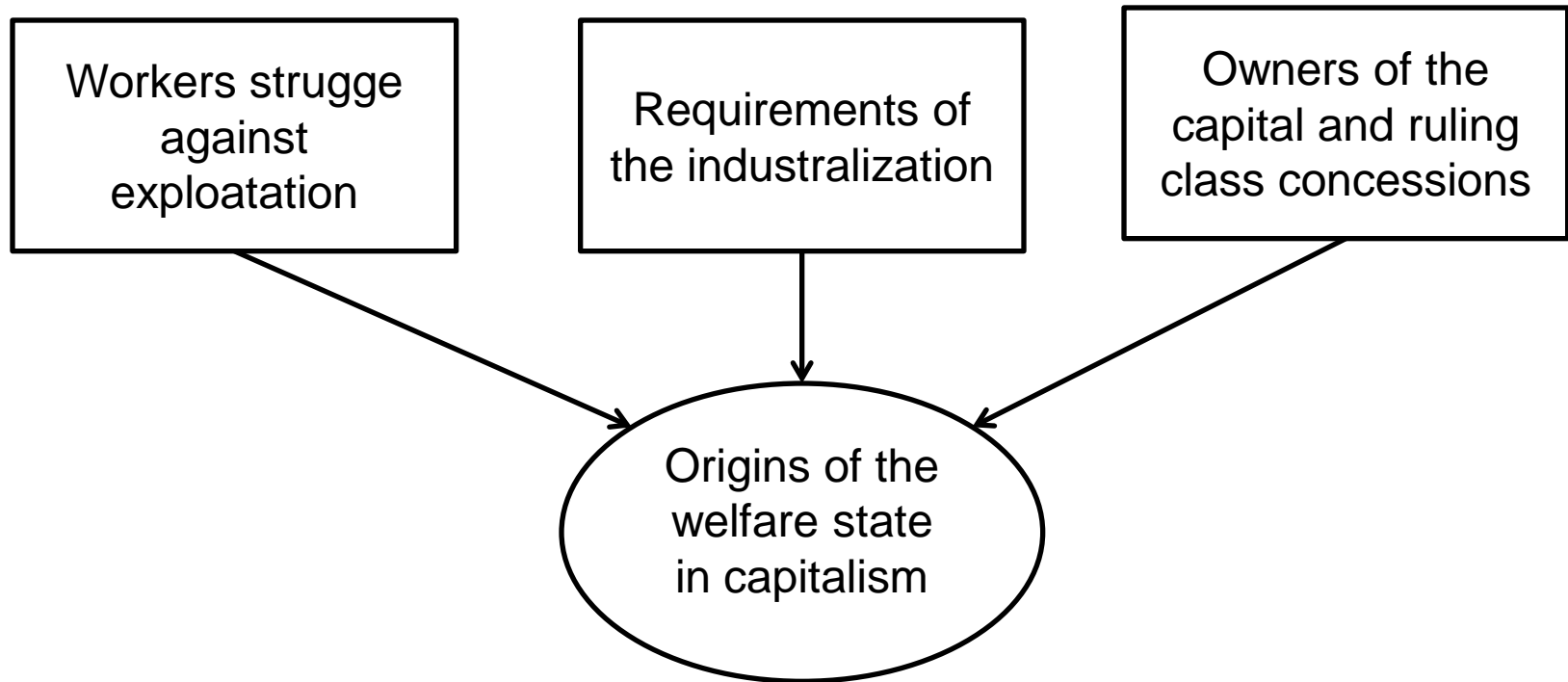
etc.

dispensed through

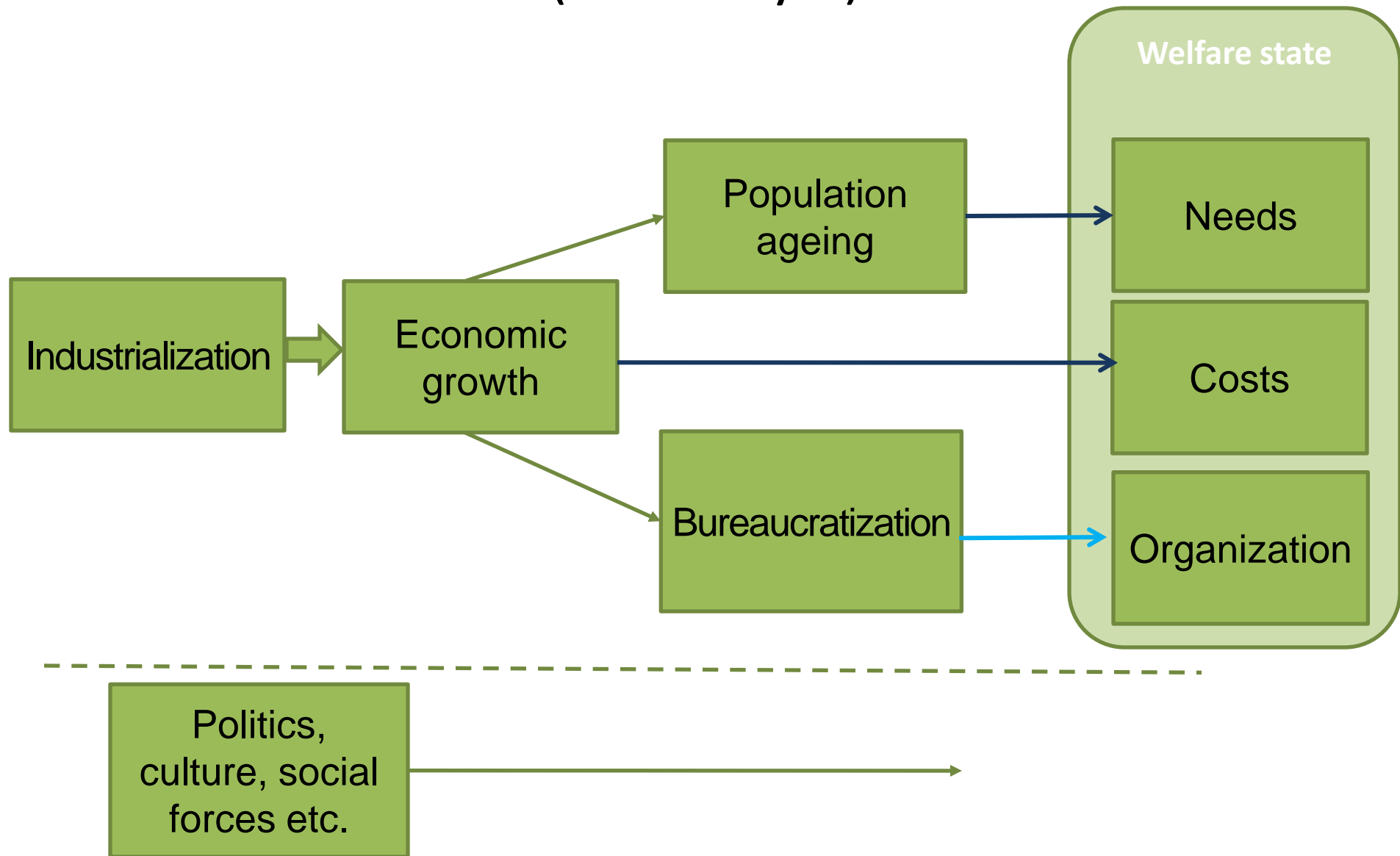
CHARACTERISTIC STRUCTURE OF WELFARE SERVICES

Specialized, bureaucratic
agencies, profession-
ally staffed—e.g.,
Department of Health,
Education and Welfare,
Council of Social Agencies,
Family Service Association,
etc.

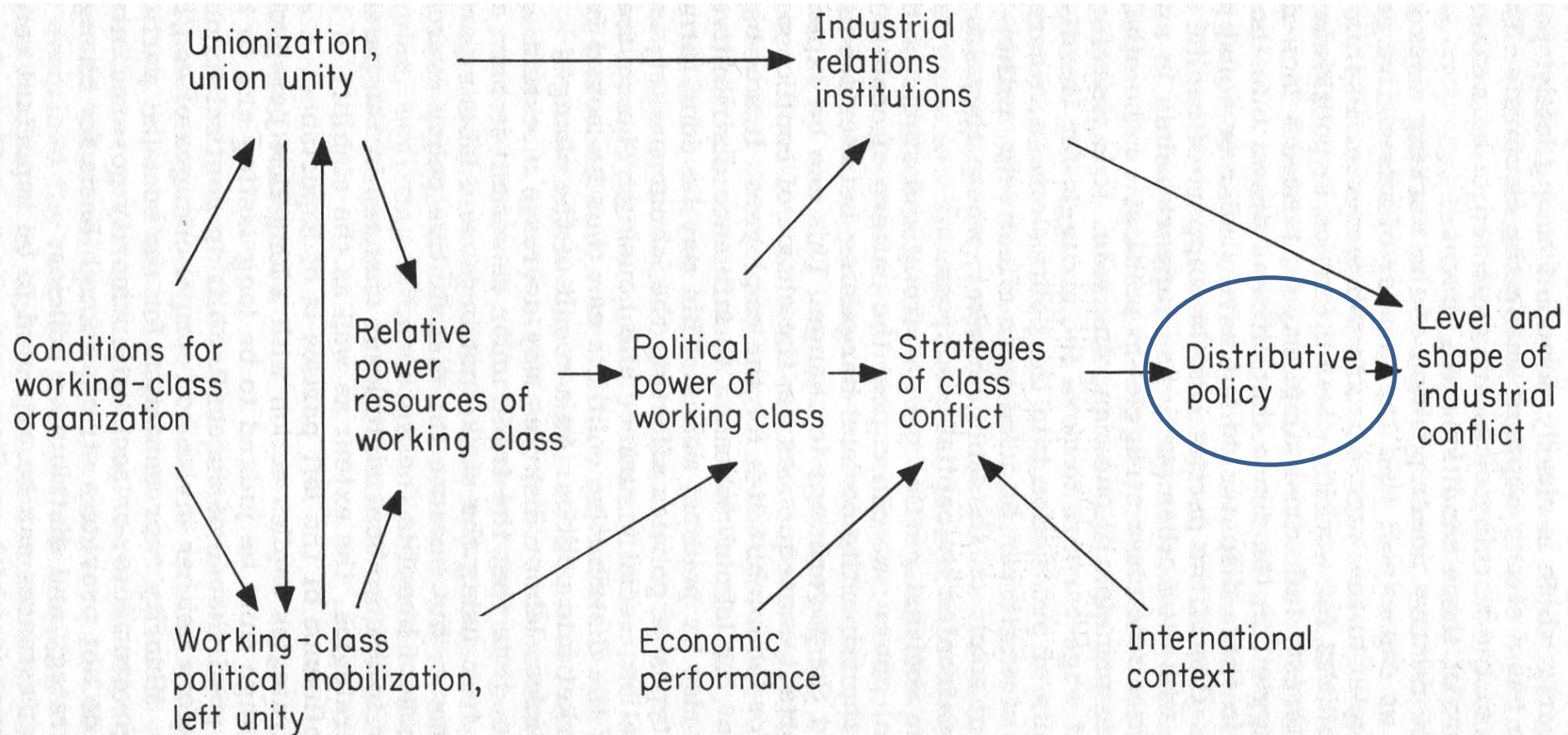
Neomarxist theory of the welfare state origins



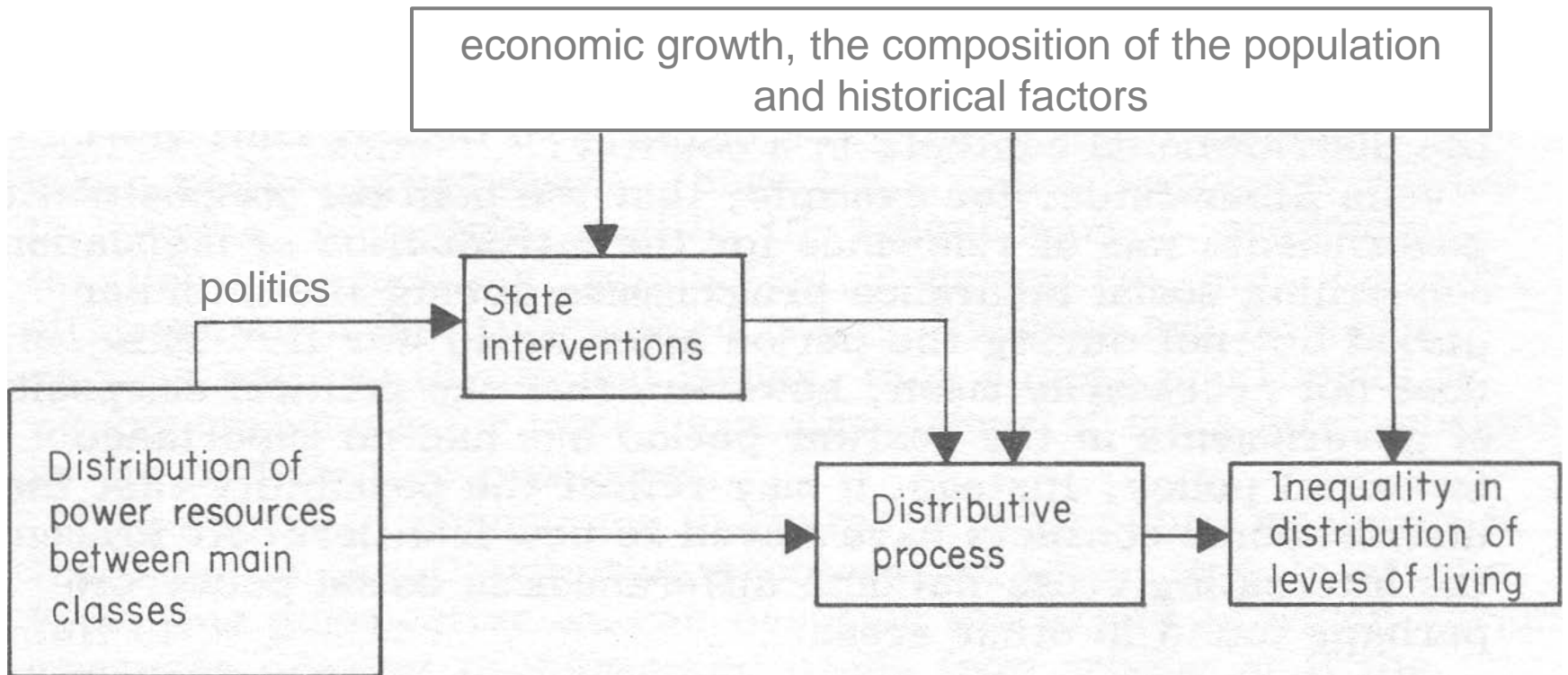
Impact of economic growth and its correlates (Wilensky 2)



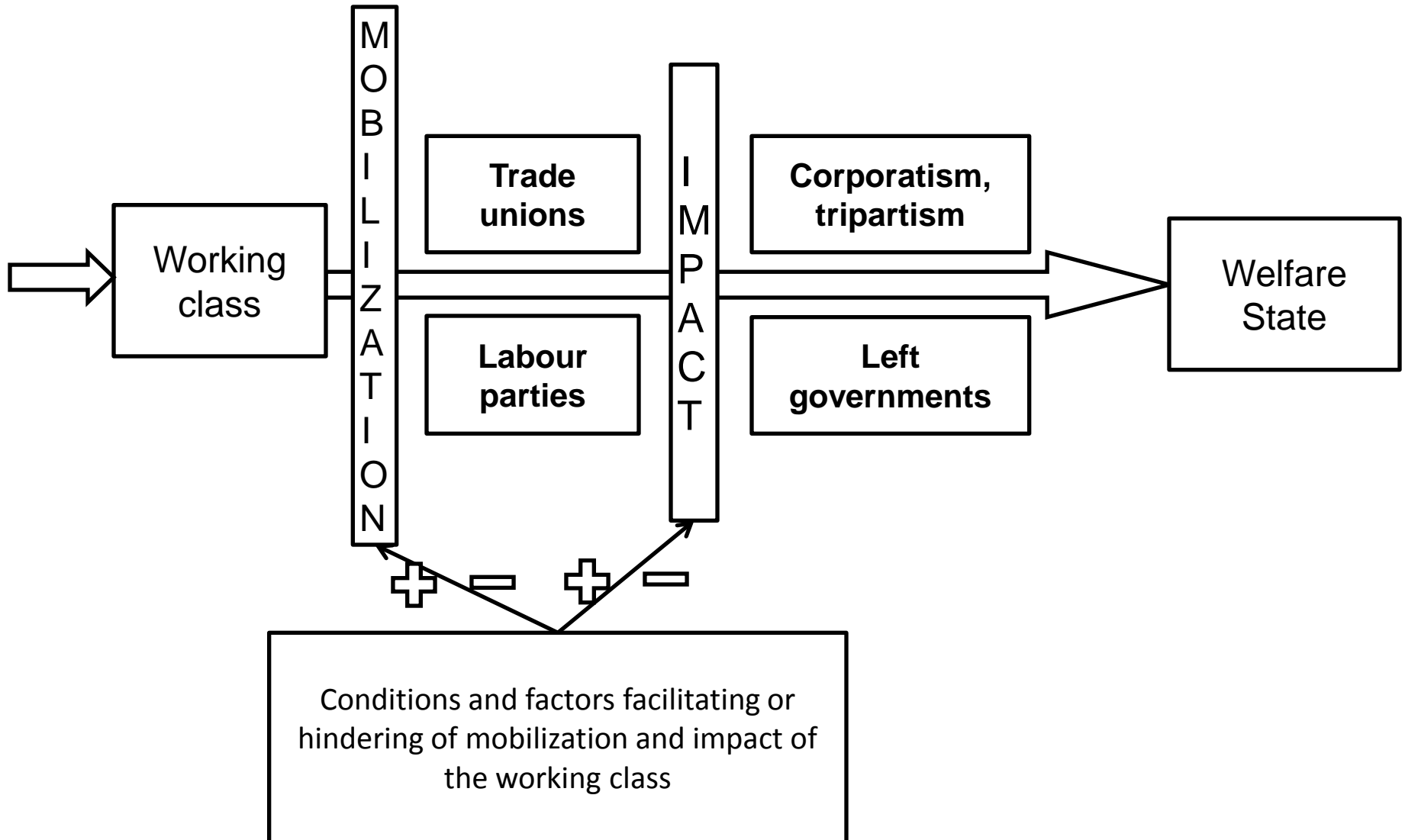
Industrial conflict and its impact on distributive policy



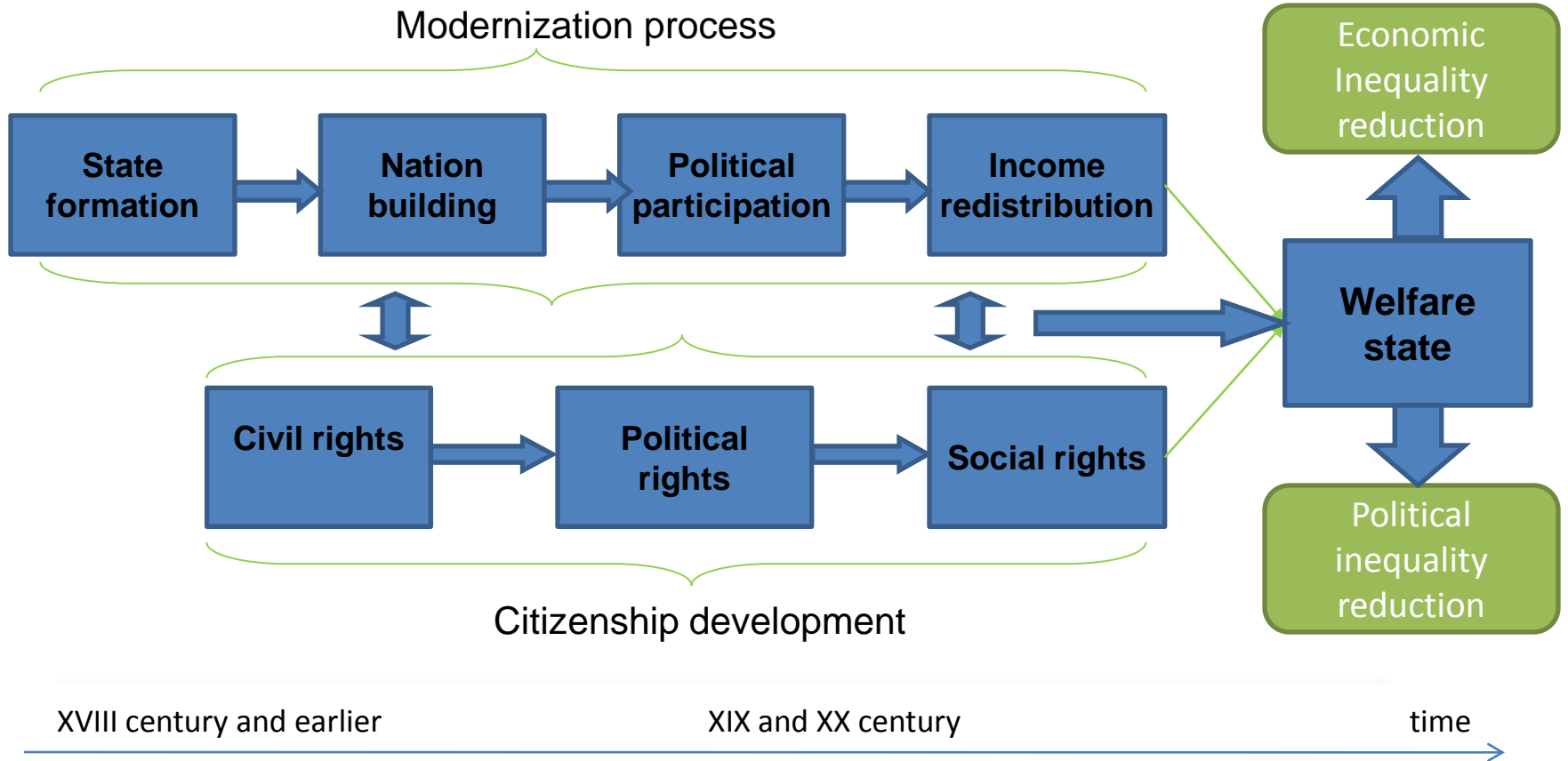
Power resources theory



Power resources theory cont.

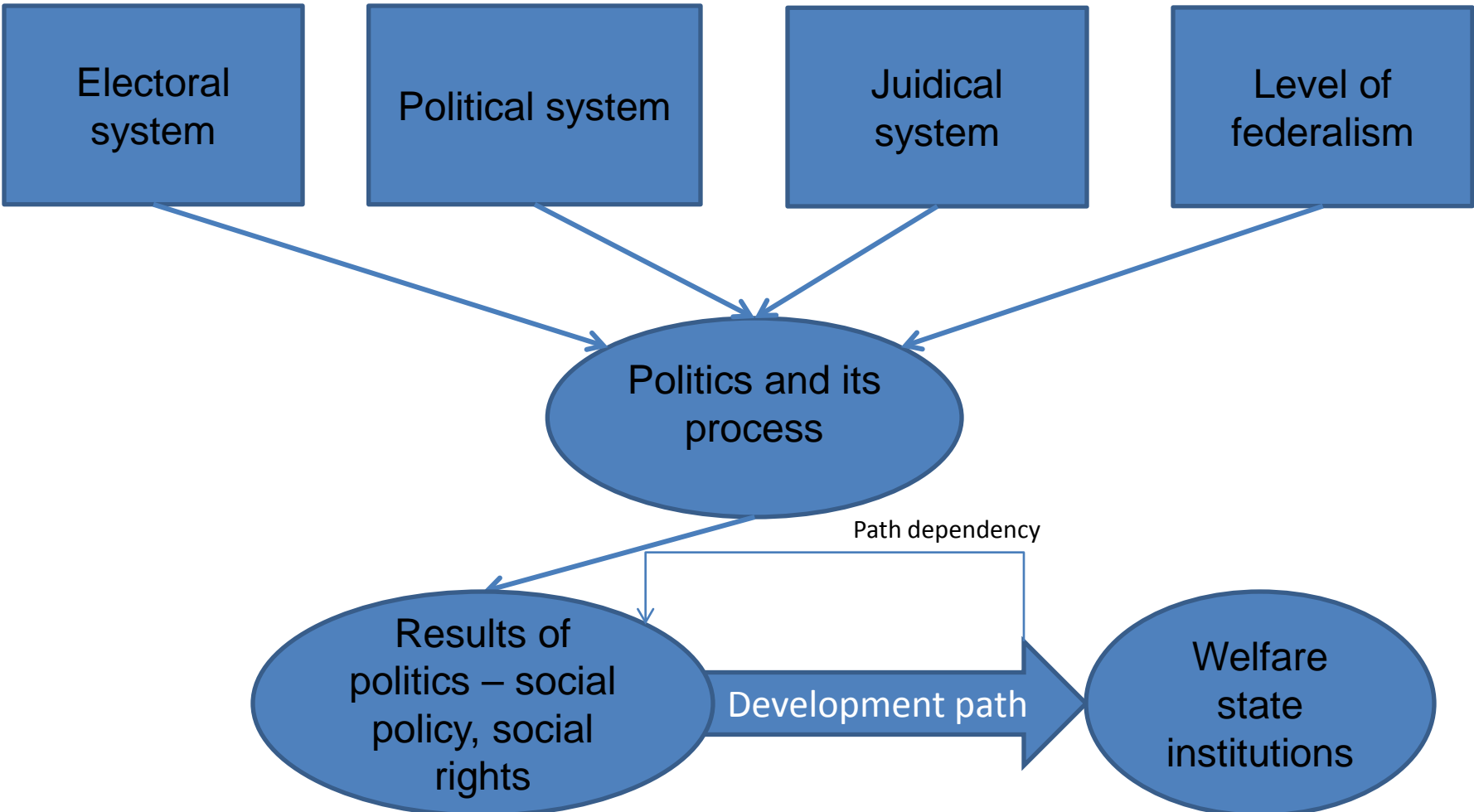


Stein Rokkan and T. H. Marshall

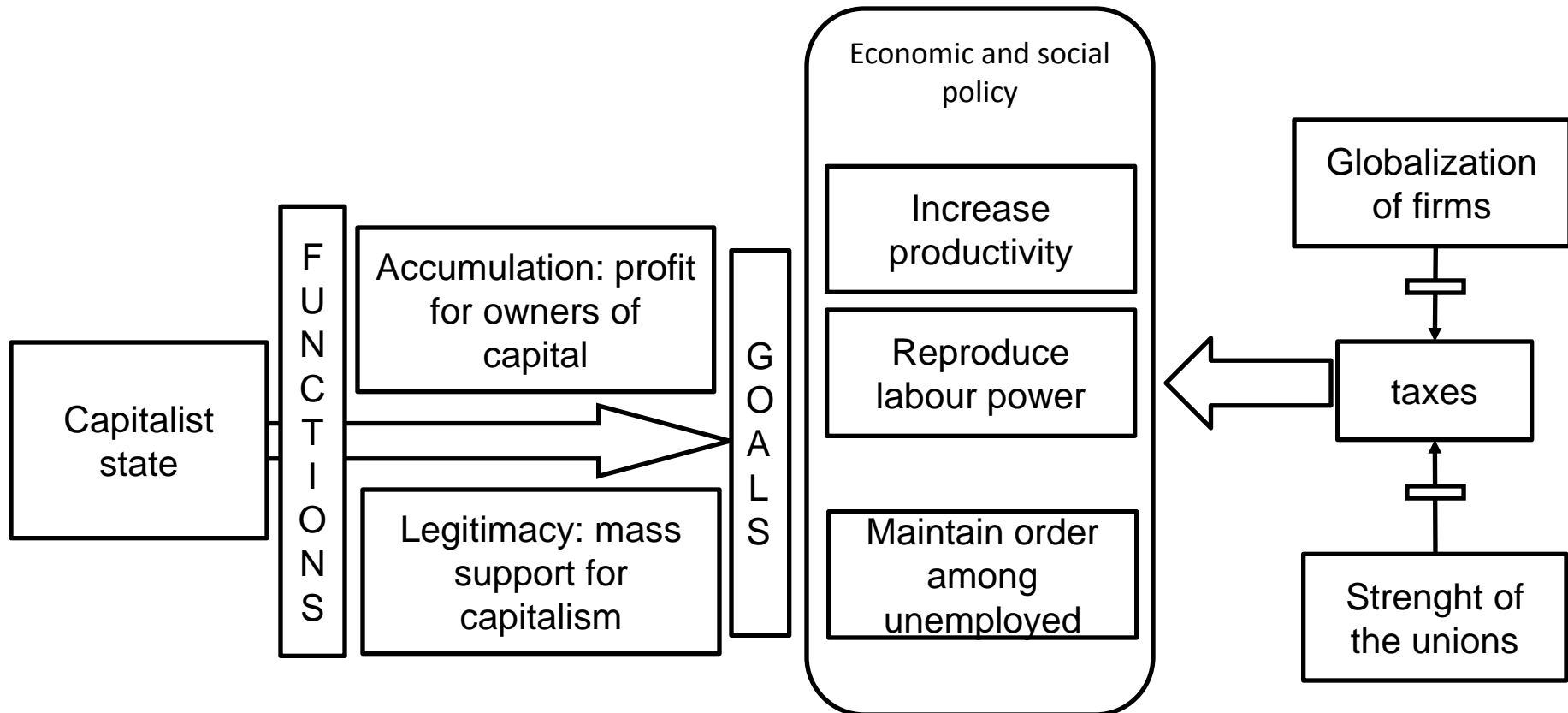


Institutionalism

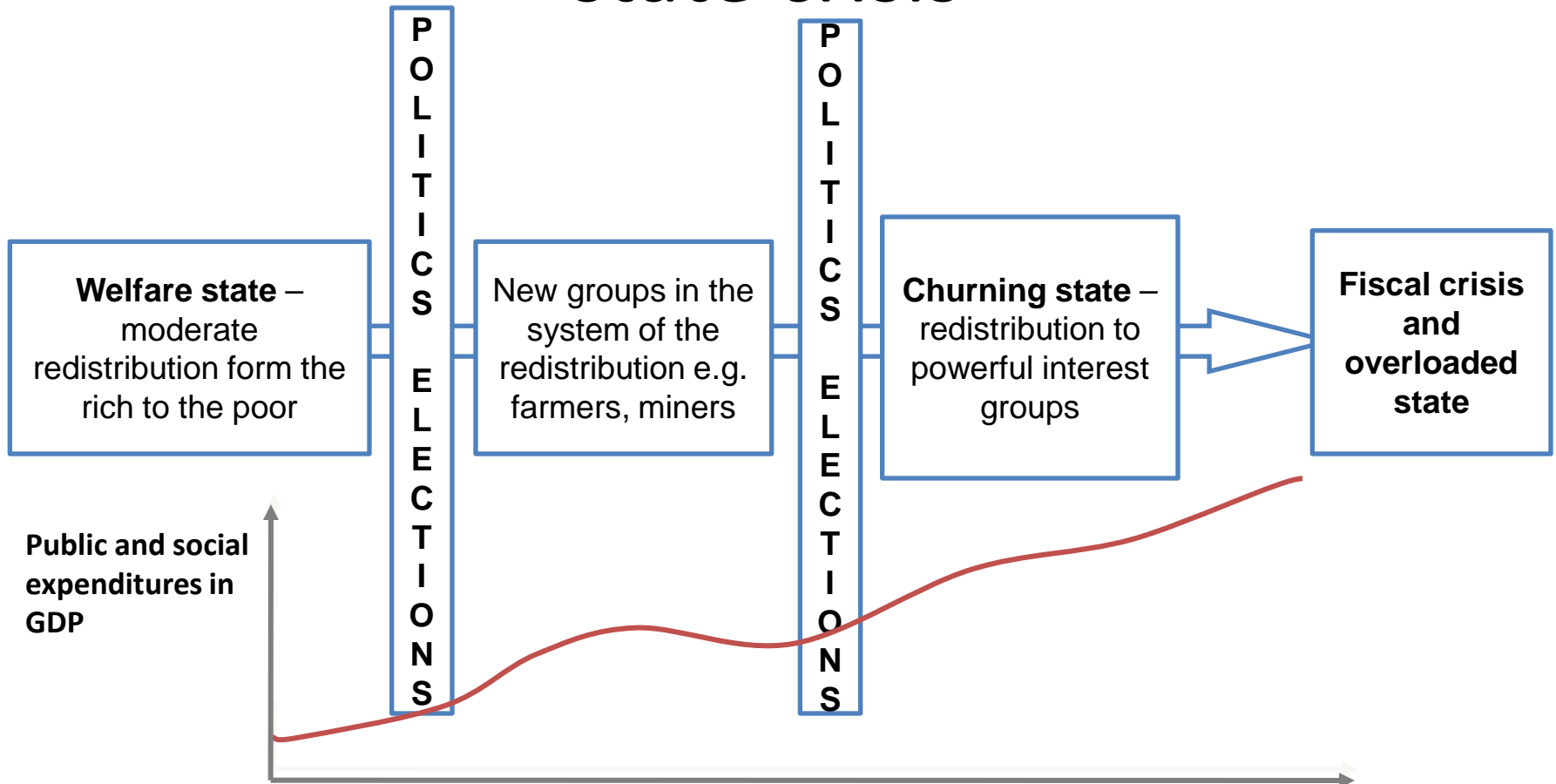
Rules of the game in the state – institutions, civil and political rights



Neomarxist theory of the fiscal crisis of the late capitalism



Conservative theory of the welfare state crisis



Keynesian National Welfare State

Keynesian

Full employment

Demand management

Infrastructure to support mass production and consumption

National

Relative primacy of national scale

Economic and social policy-making with local as well as central delivery

Welfare

Collective bargaining

State help to generalize norms of mass consumption
Expansion of welfare rights

State

Market and state form a 'mixed economy'

State is expected to compensate for market failures

Schumpeterian Postnational Workfare Regime

Schumpeterian

Focuses on innovation,
competitiveness in open
economies,
Supply side to promote
Knowledge based economies

Postnational

Relativization of scales,
Competition to establish
a new primary scale,
but continued role
of national states

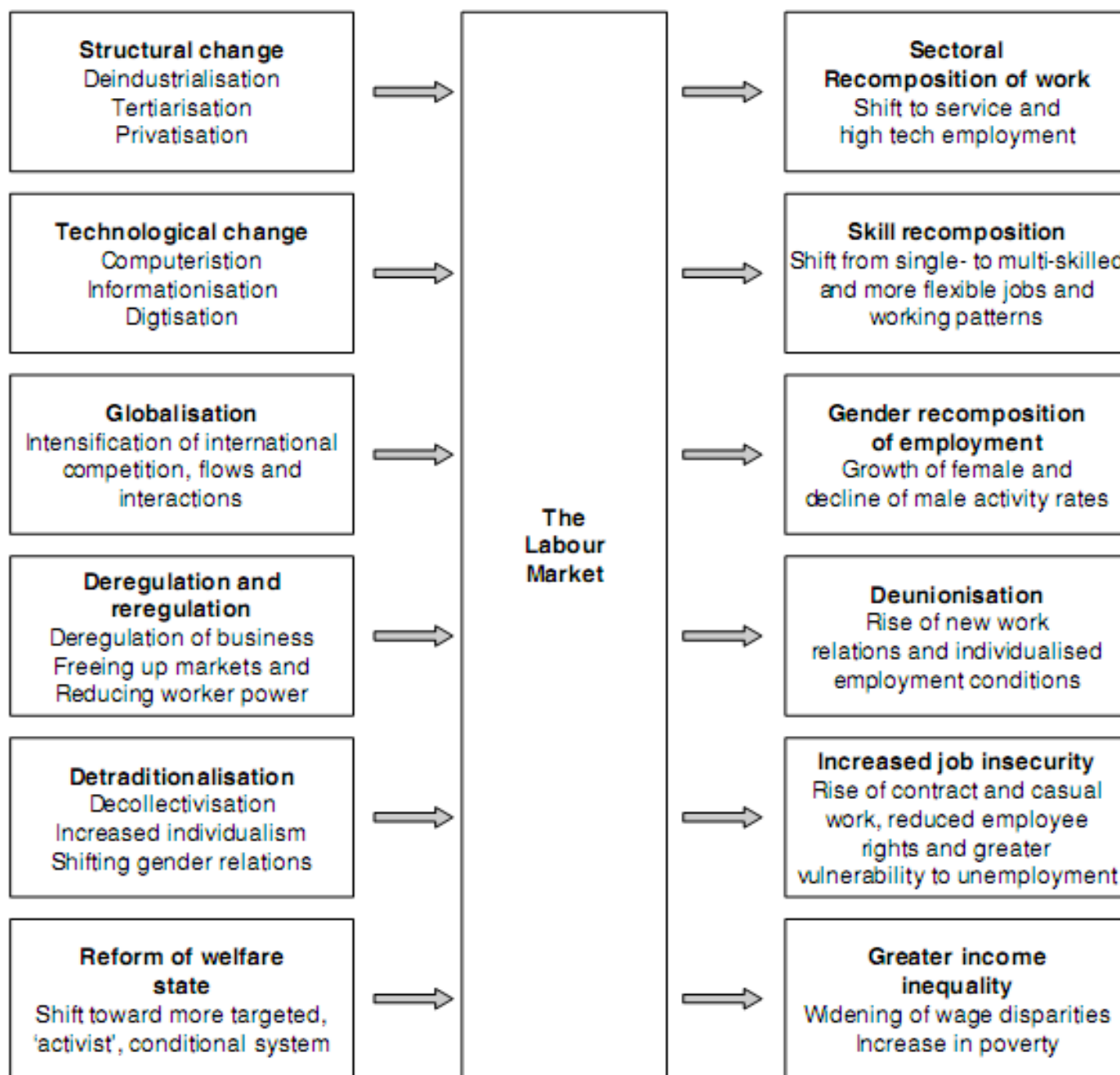
Workfare

Subordinates social policy
to an expanded notion of
economic policy, downward
pressure on the 'social wage',
Attack on welfare rights

Regime

Increased role of
self-organizing governance
to correct both for
market and state failures

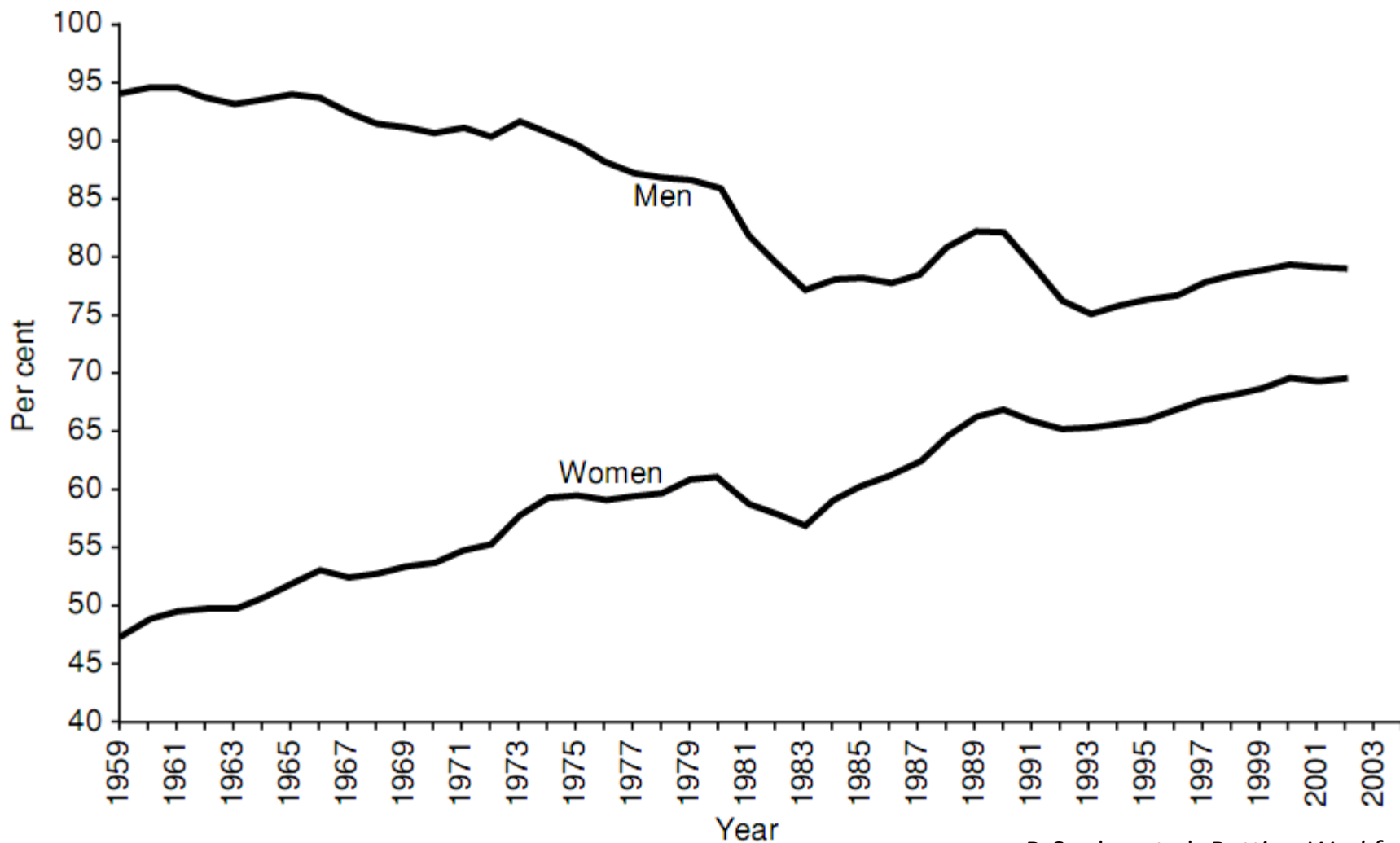
Labour Market Transformations



Some of the key forces of change and their labour market impacts.

P. Sunley et al.
*Putting Workfare
in Place*, p. 27

Employment rates of men and women in UK



Fordism and Postfordism

FORDISM

Mass production of standardized products

National economy and full employment

Keynesian economics and corporatism

Male breadwinner family with uninterruptible career

Welfare state

POST FORDISM

Flexible production of individualized products

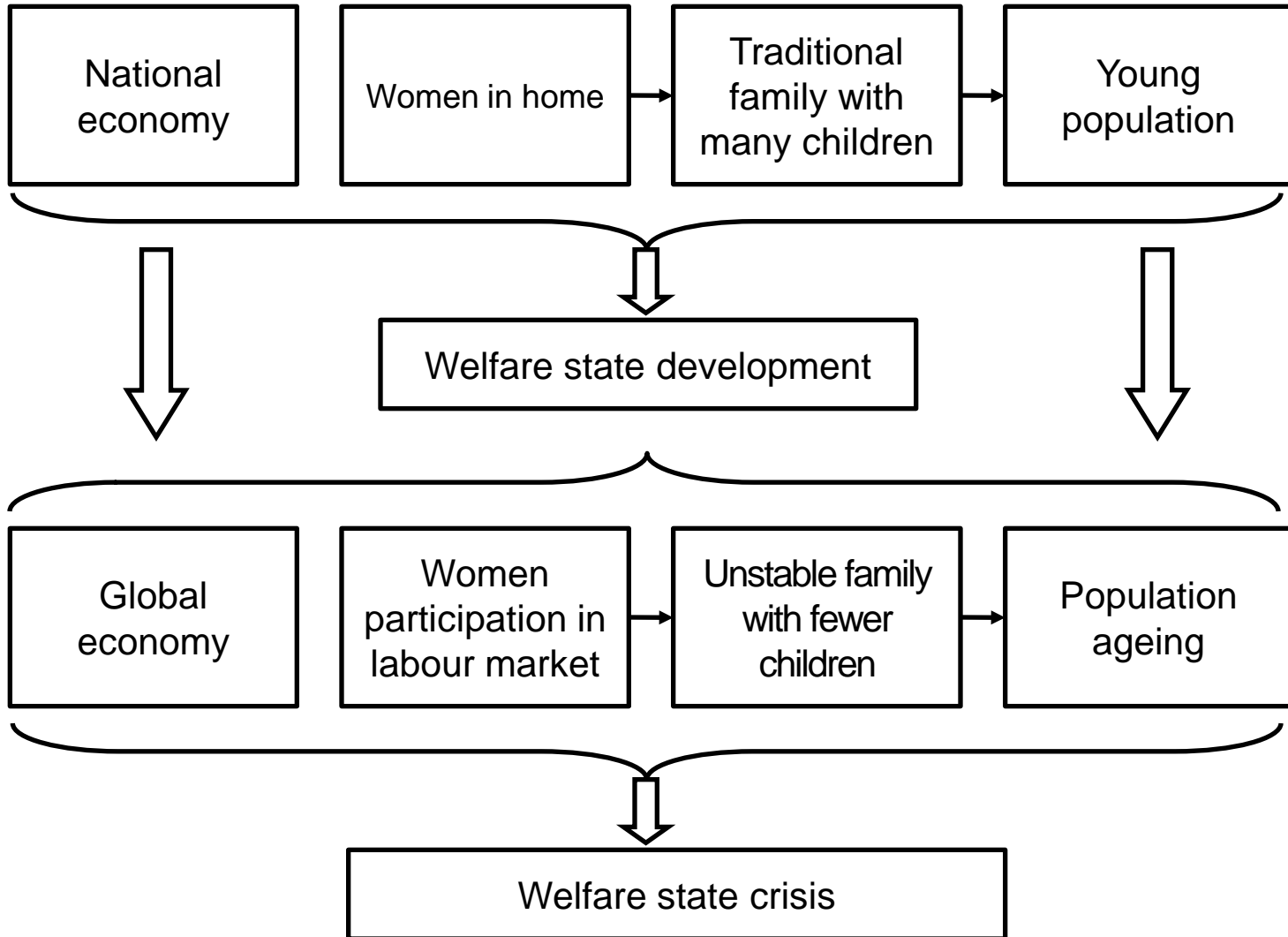
Global economy, international competitiveness

Monetarism and supply side economics

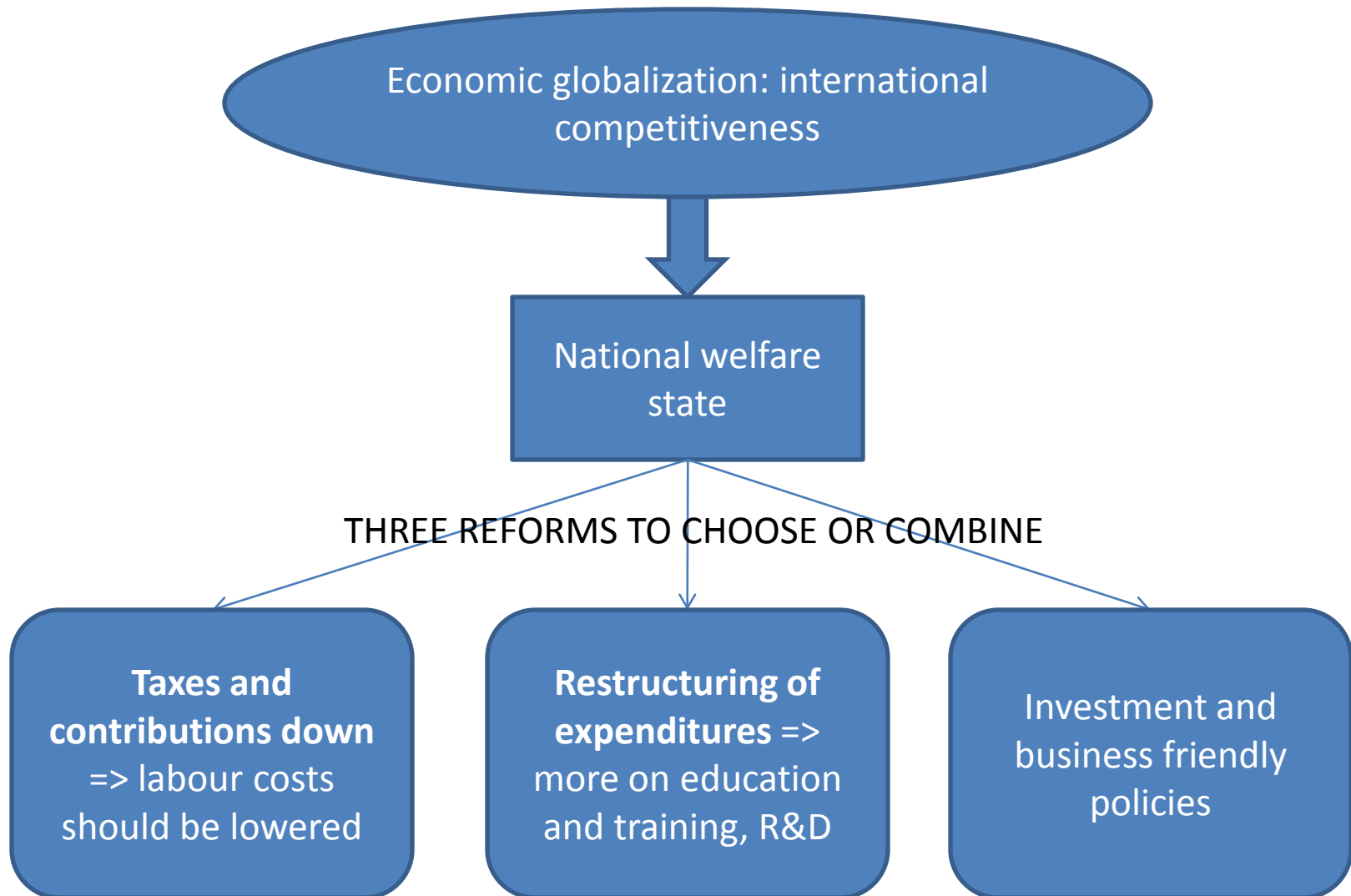
Rise in women employment, careers more frequently interrupted

Reforms of the welfare state

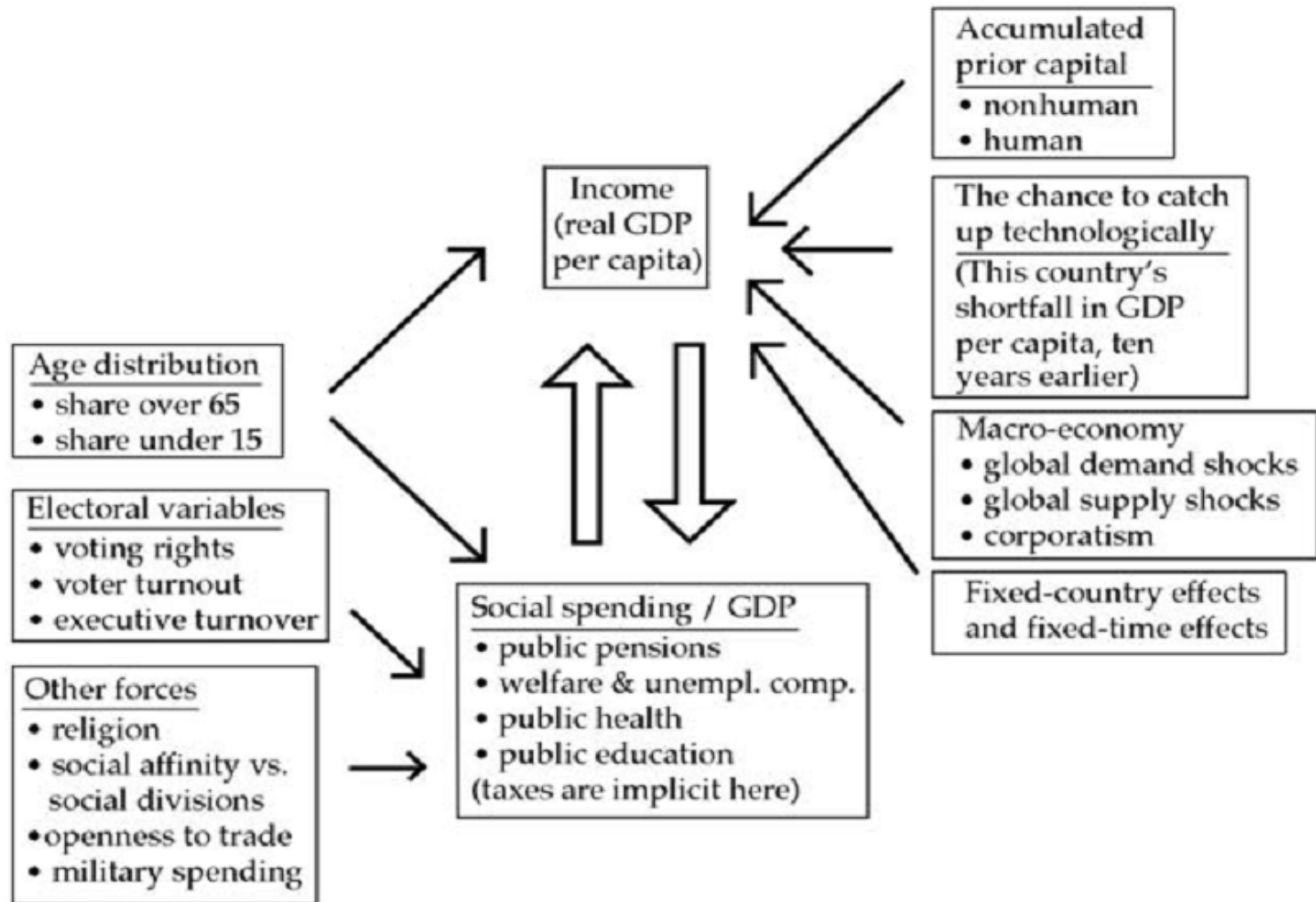
Four Shocks



Impact of globalization

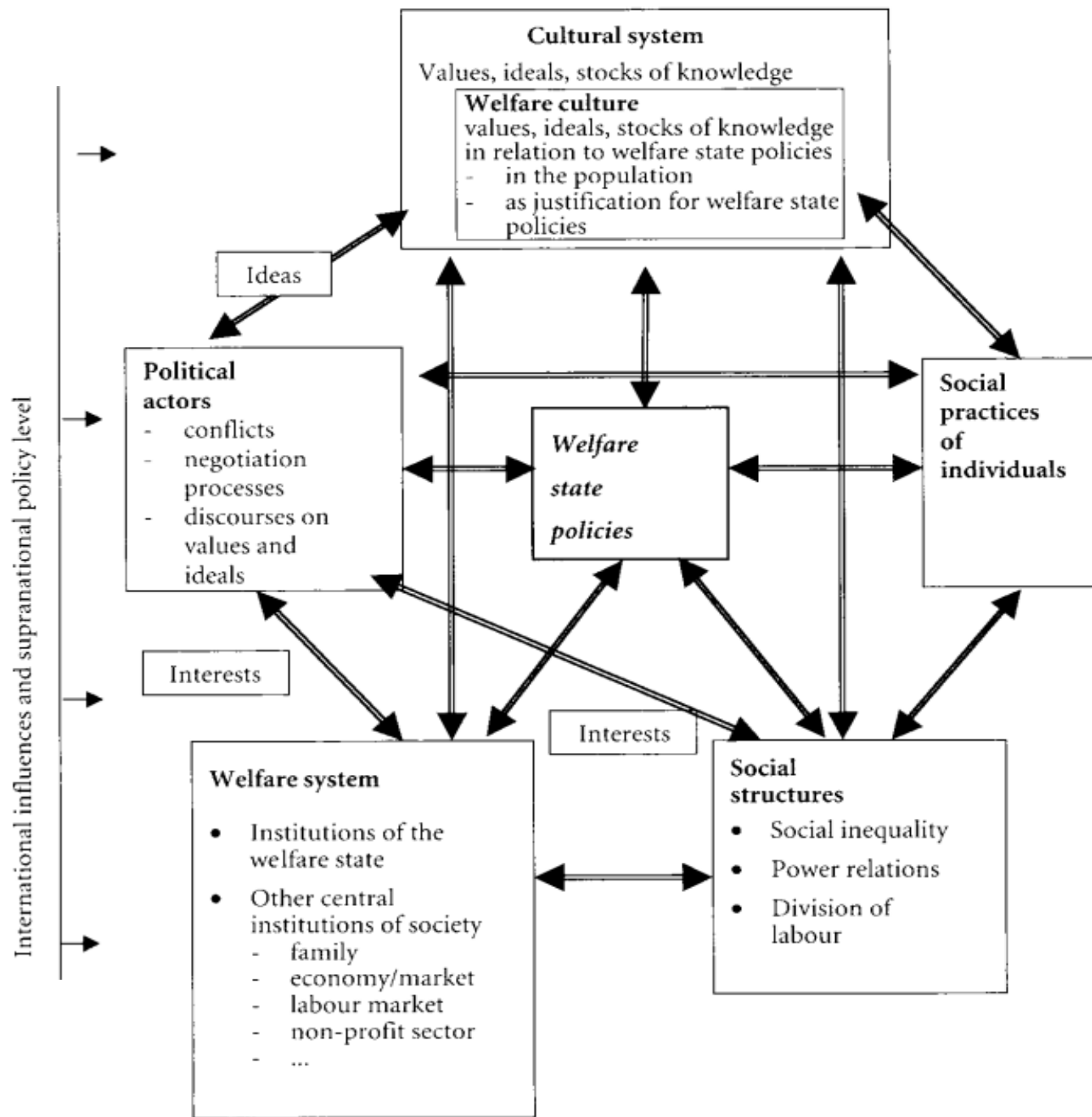


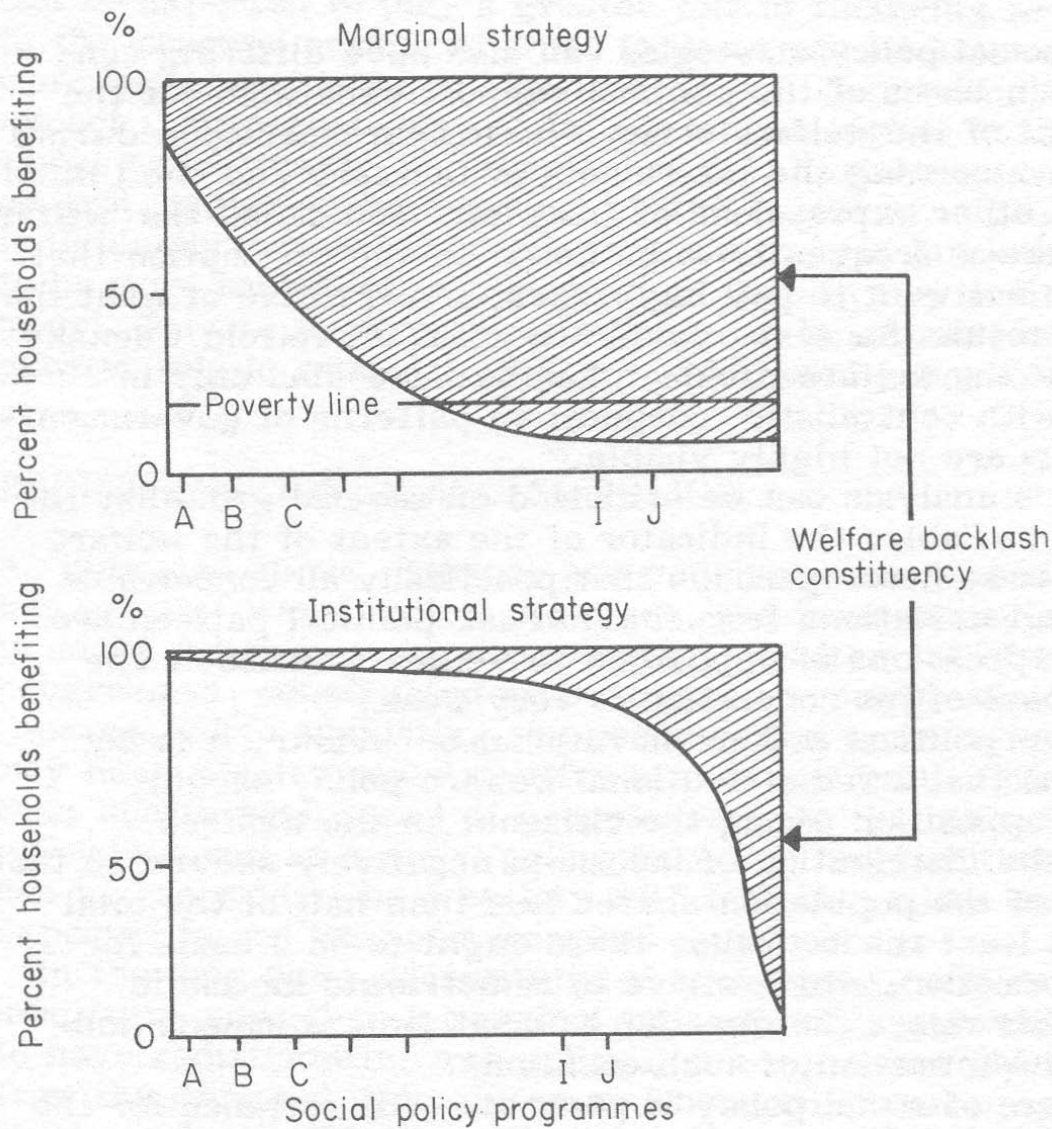
Theory of the welfare state impact on GDP



(Also included in all cases:
the value of the dependent
variable itself, in earlier years)

Theory with emphasis on cultural factors





An institutional type of social policy, where universal programmes tend to dominate, benefits most households in one way or another. Thus an institutional type of policy leaves a much smaller constituency for a potential welfare backlash

Figure 9.3 Size of welfare backlash constituencies created by marginal and institutional social policy strategies: (a) marginal, (b) institutional