

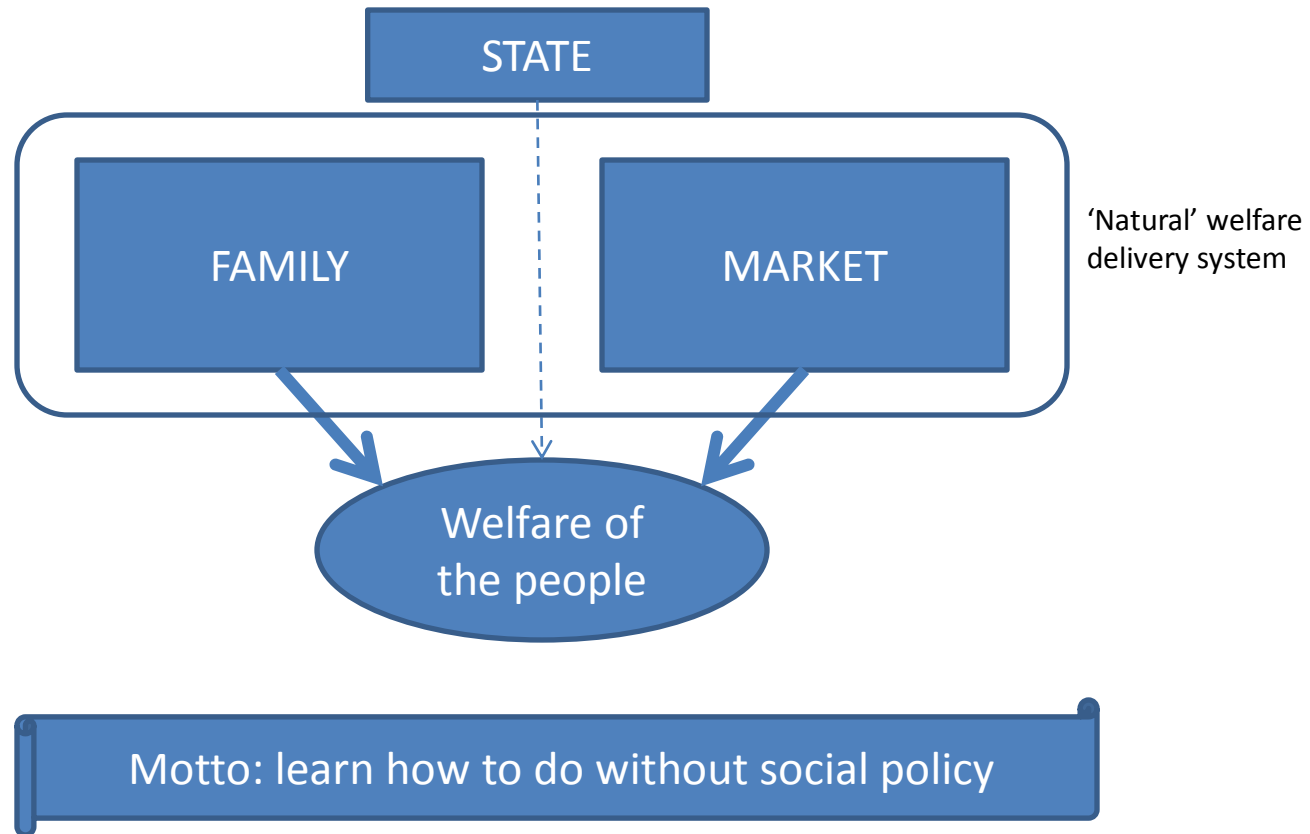
Introduction to the Welfare State

Models, Typologies, Theories

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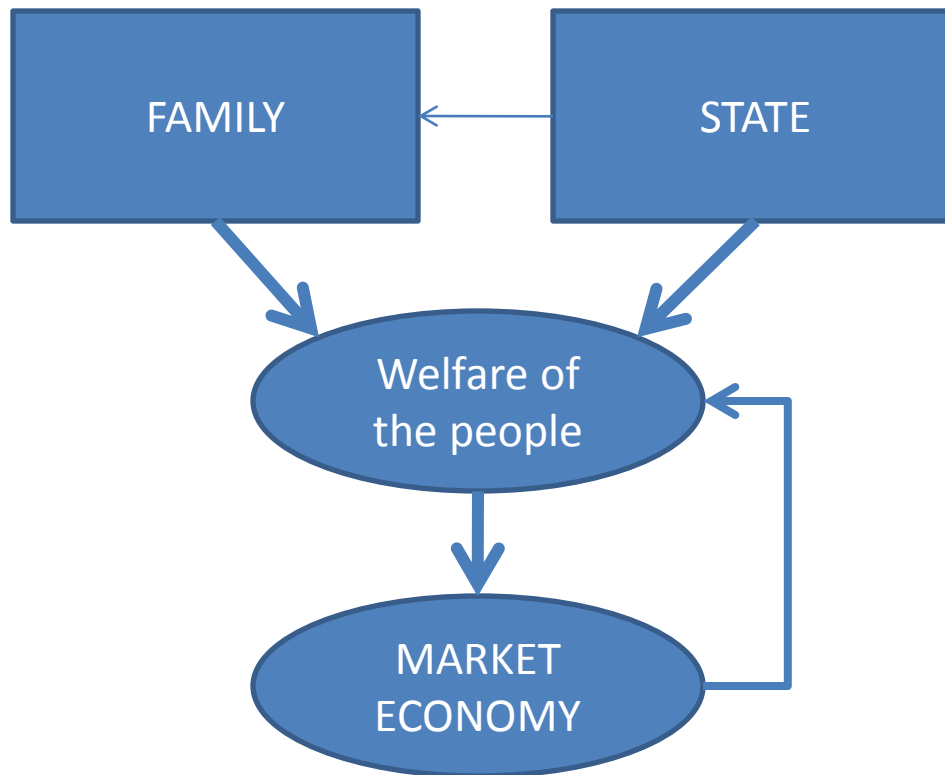
Three models of social policy (Titmuss)

The Residual Welfare Model



Three models of social policy (Titmuss)

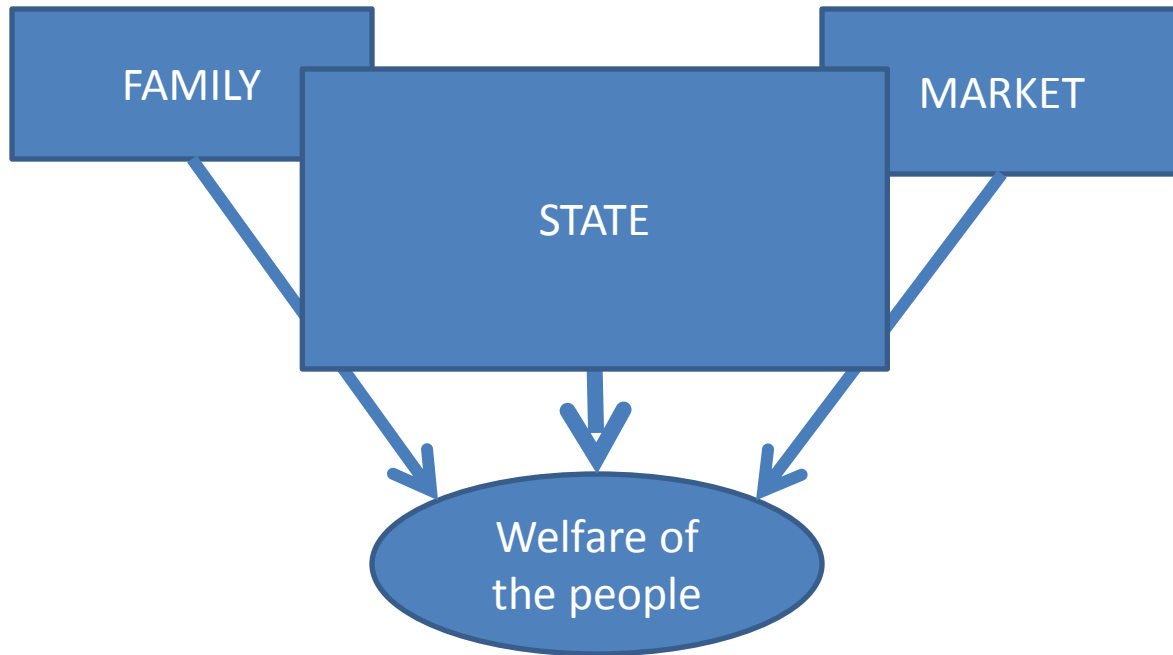
The Industrial Achievement-
Performance Model



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

Three models of social policy (Titmuss)

The Institutional
Redistributive Model

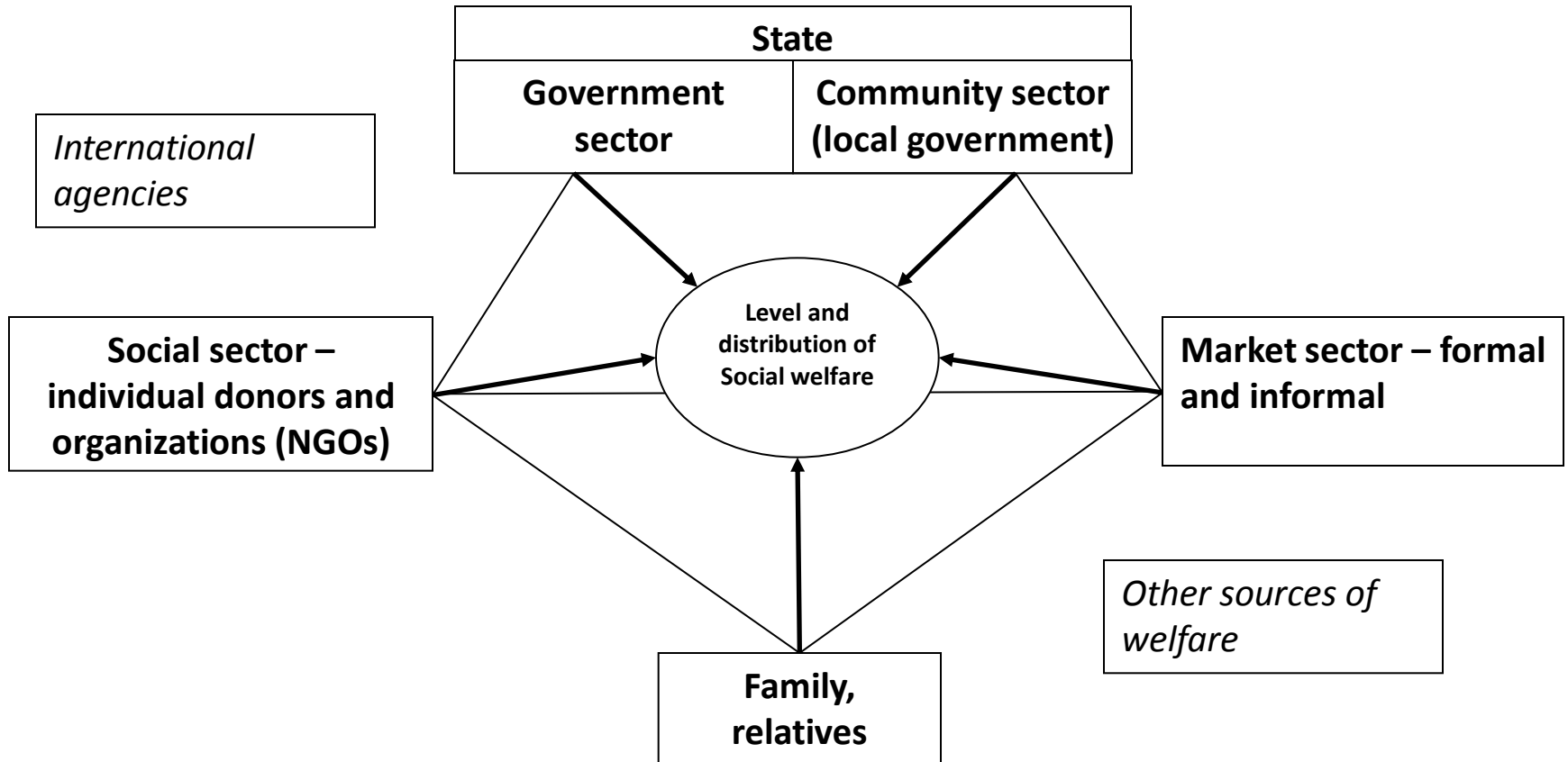


Motto: we can't live without social policy!

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



Esping-Andersen's typology of the welfare capitalism

	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

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.

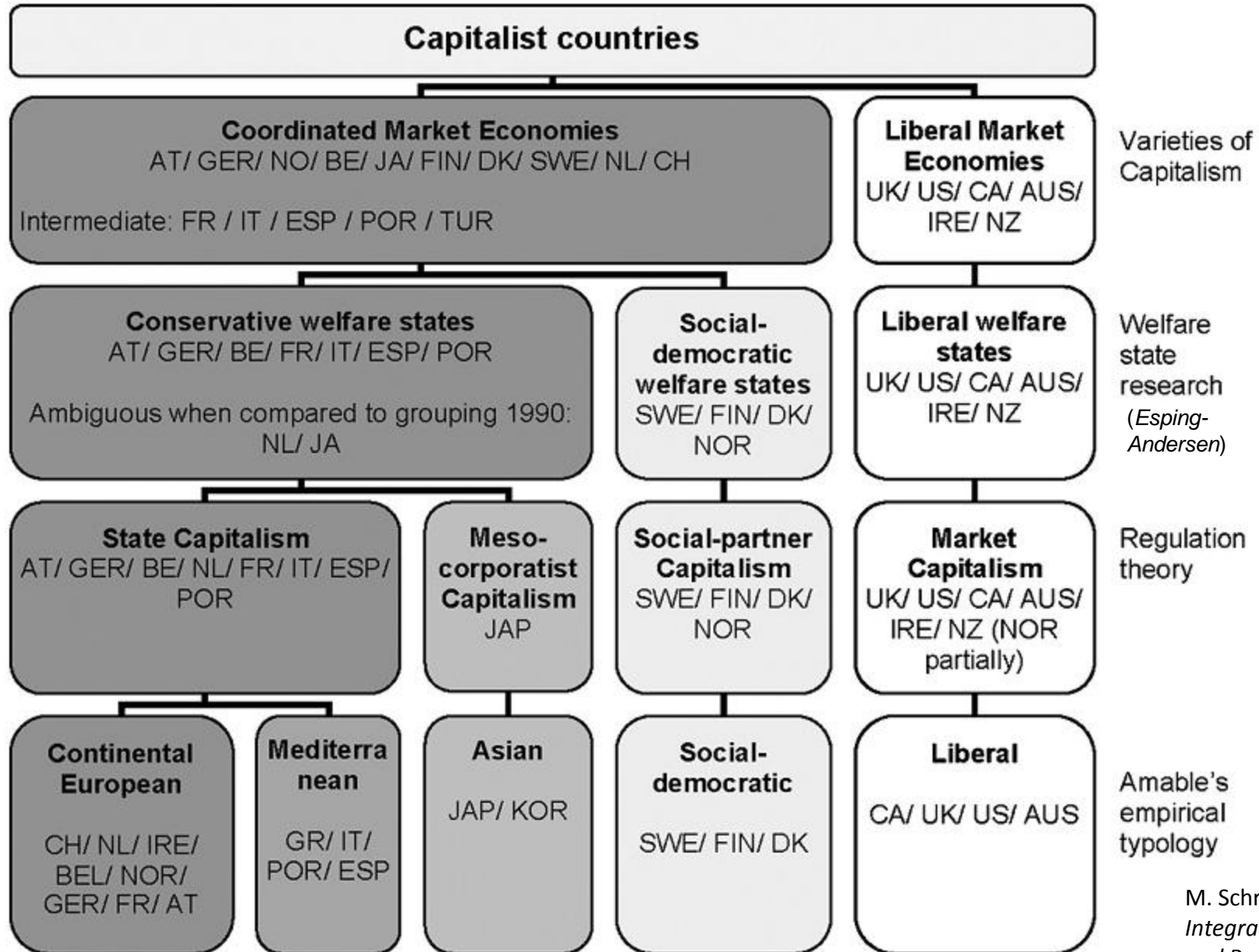
Other typologies of the welfare state / social policy models / regimes

<p>Titmuss (Titmuss, 1974)</p>	<p><u>Residual Welfare Model</u></p> <ul style="list-style-type: none"> a) Market and family provision b) Social welfare institutions as last resort c) Temporary assistance 	<p><u>Industrial Achievement-Performance</u></p> <ul style="list-style-type: none"> a) Significant role for social welfare institutions b) Social need-merit, work performance and productivity 	<p><u>Institutional Redistributive</u></p> <ul style="list-style-type: none"> a) Major integrated institutions of society, providing universalist services on needs basis c) Social equality and redistribution
<p>Furniss and Tilton (Furniss and Tilton, 1977)</p>	<p>Positive State</p> <ul style="list-style-type: none"> a) Government-business collaboration for economic growth b) Social insurance on actuarial principles c) Ensures work discipline 	<p>Social security State</p> <ul style="list-style-type: none"> a) Government-business collaboration for growth b) Full employment-public employment as last resort c) Guaranteed minimum as a right 	<p>Social Welfare State</p> <ul style="list-style-type: none"> a) Full employment, govt-union cooperation b) Solidaristic wage policy c) Social policy aims-equality, redistribution of income
<p>Mishra (Mishra, 1981)</p>	<p>Residual</p> <ul style="list-style-type: none"> 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 		<p>Institutional</p> <ul style="list-style-type: none"> 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

Varieties of capitalism and welfare state regimes

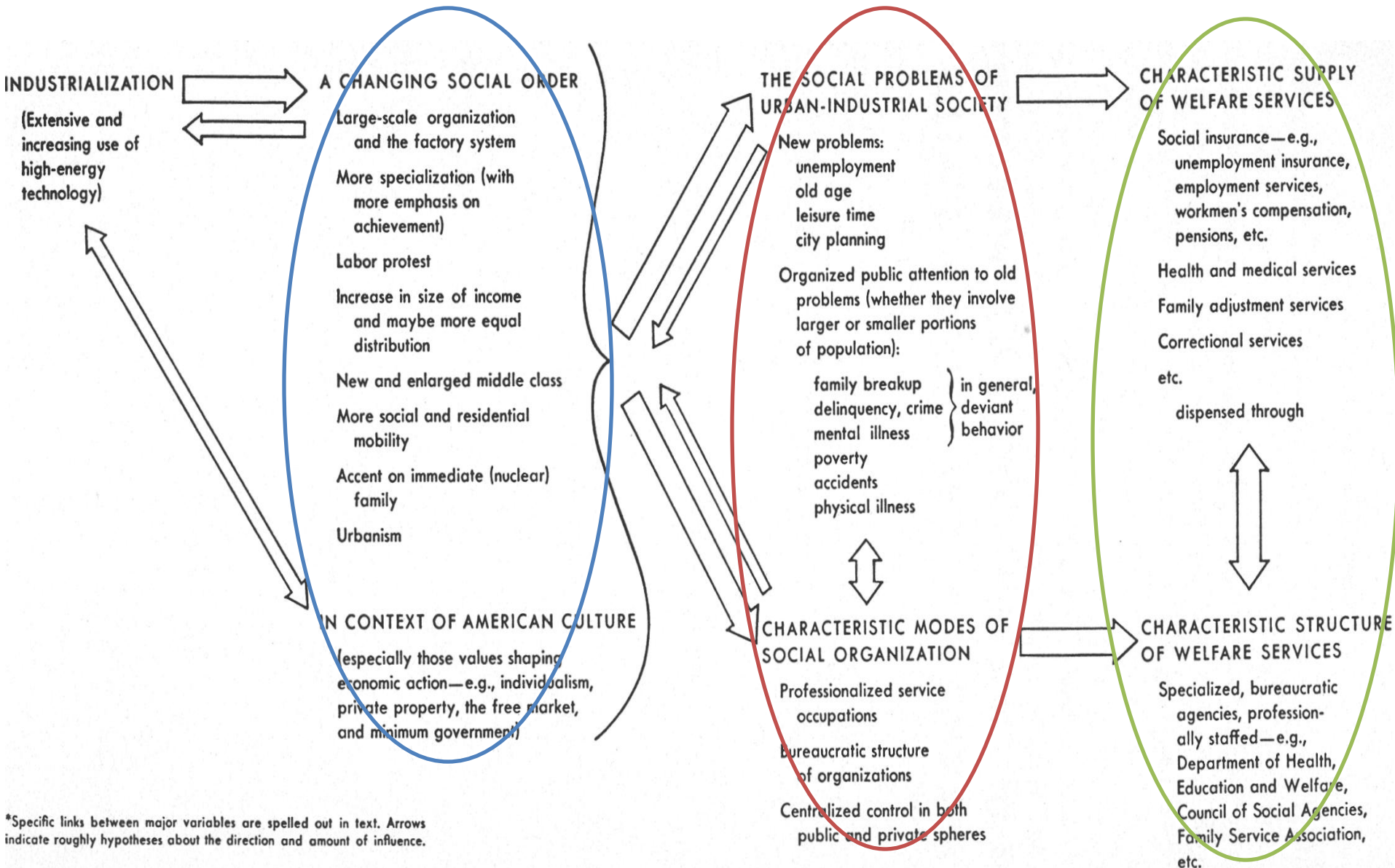


Theories and explanations of the welfare state

Theses on the Welfare State

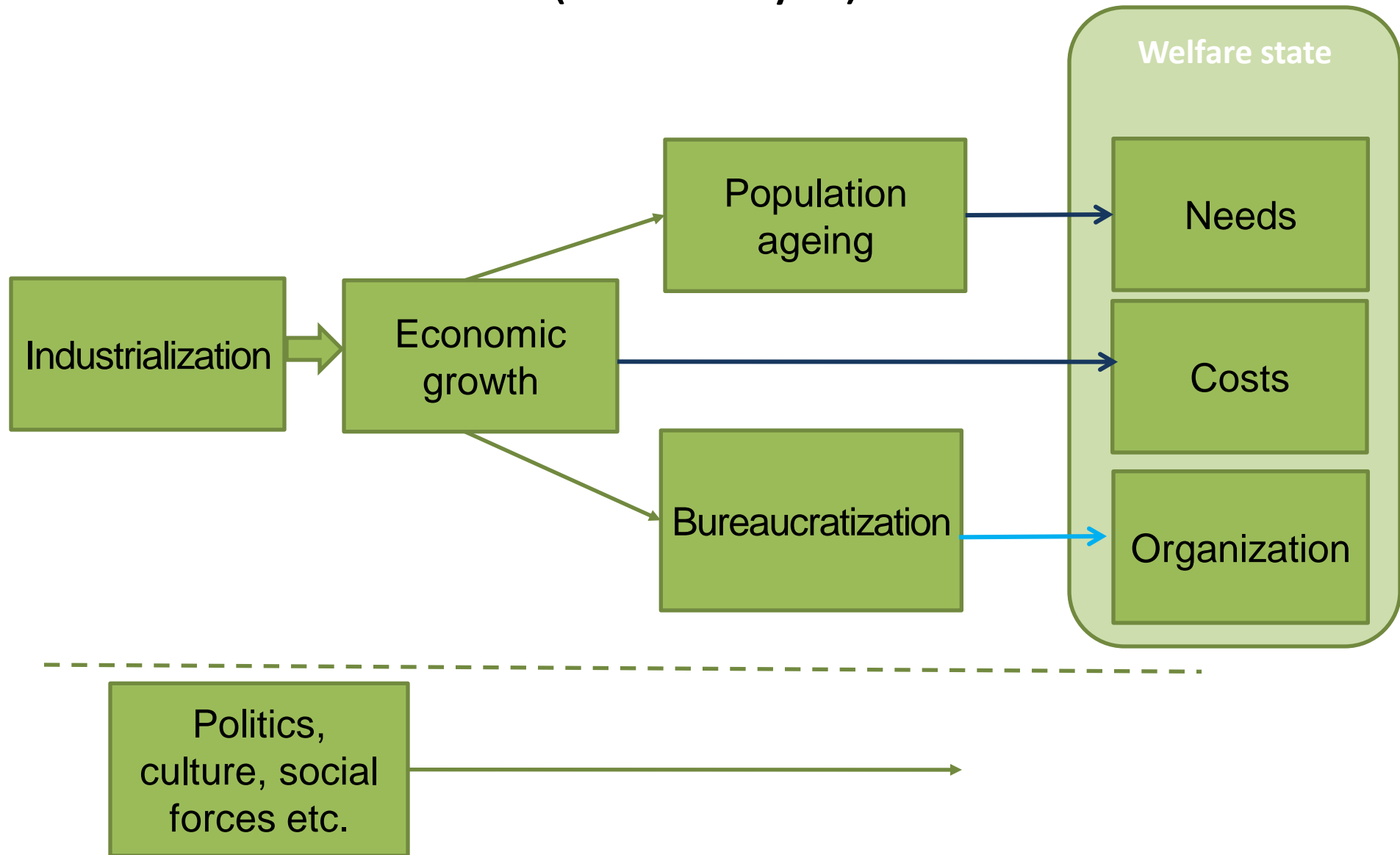
- The welfare state emerges as part of the 'logic of industrialisation'.
- The welfare state develops in response to the needs of advanced capitalism.
- The welfare state is a product of modernisation of societies.
- The welfare state is shaped by struggles over politics and social class.
- Welfare states are shaped by the social organisation of production.
- The welfare state is determined by the structure and interests of the state or polity.

Impact of industrialization on social welfare (Wilensky)

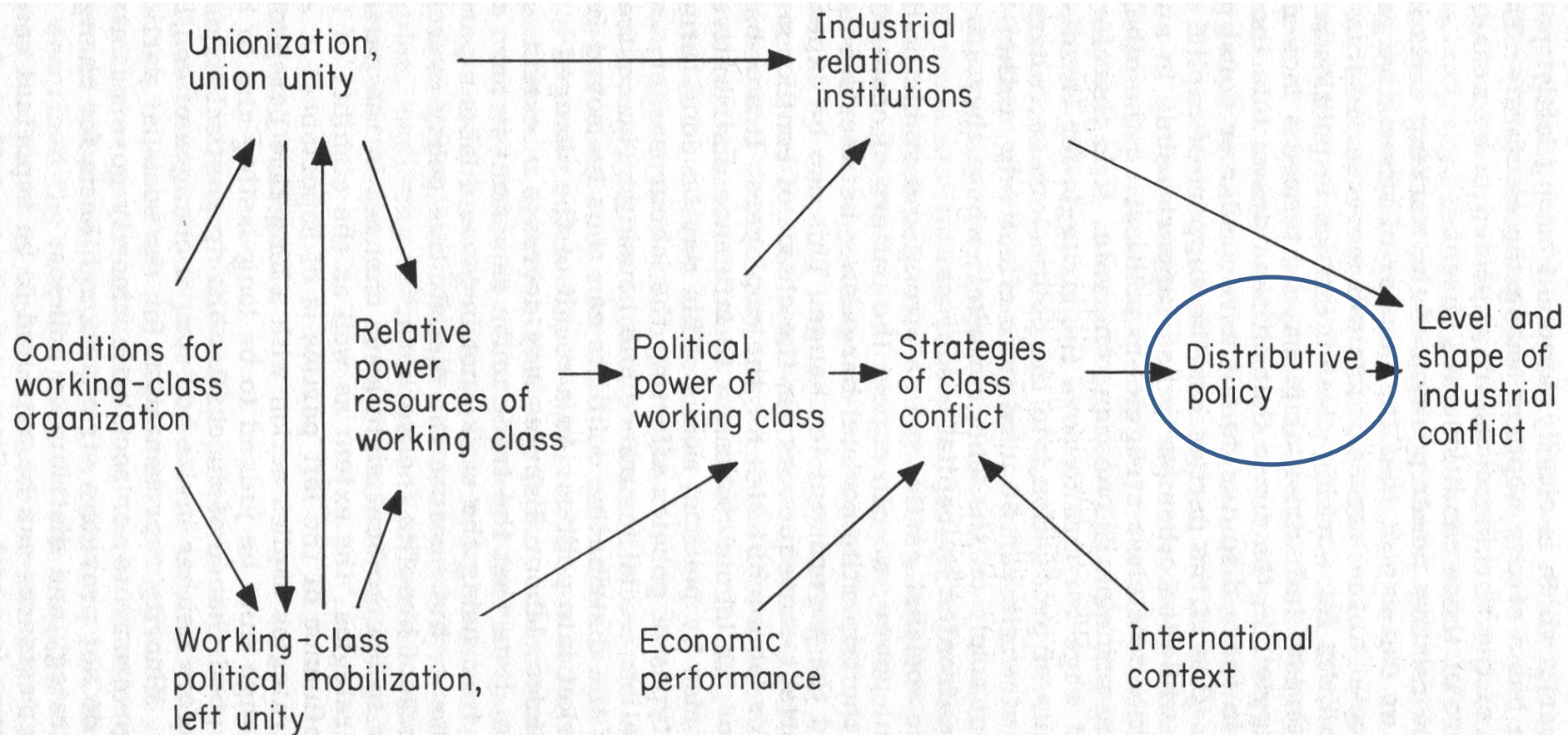


*Specific links between major variables are spelled out in text. Arrows indicate roughly hypotheses about the direction and amount of influence.

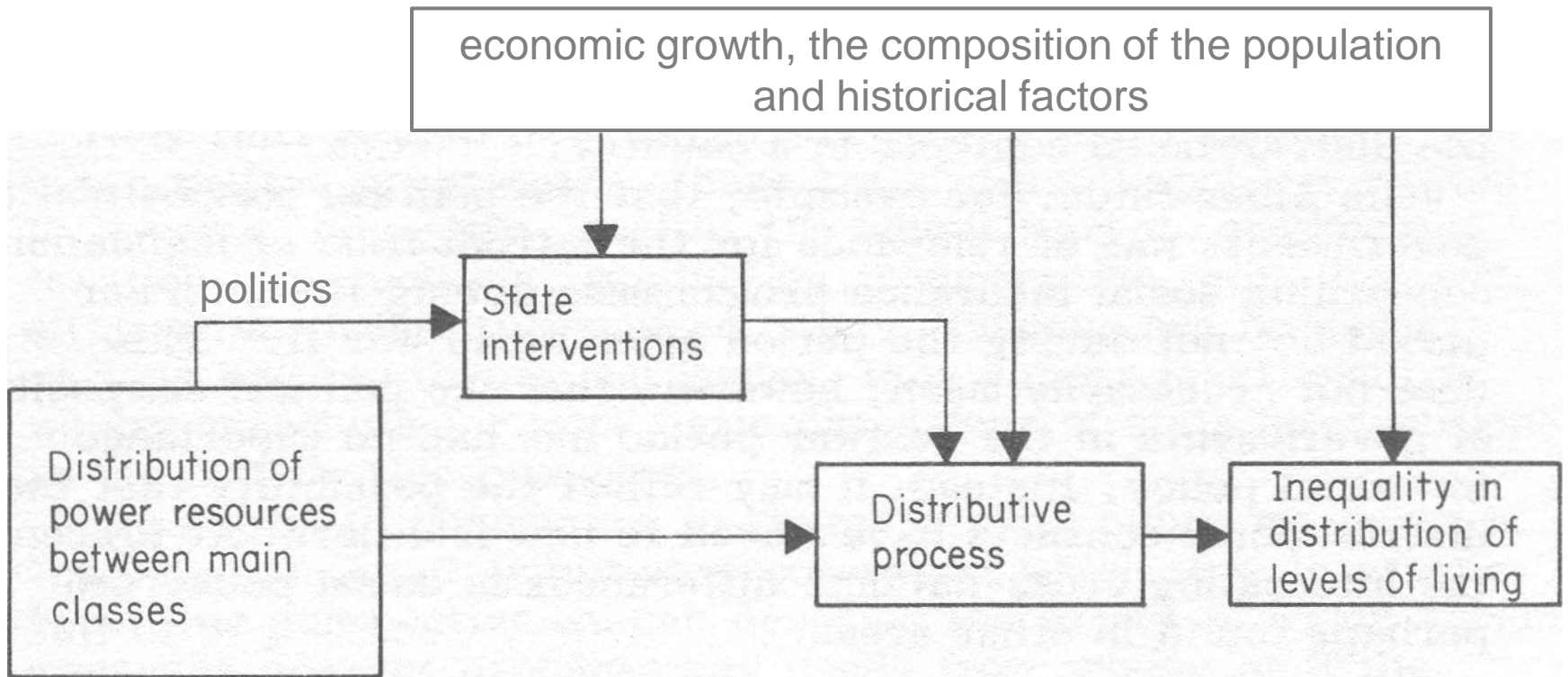
Impact of economic growth and its correlates (Wilensky 2)



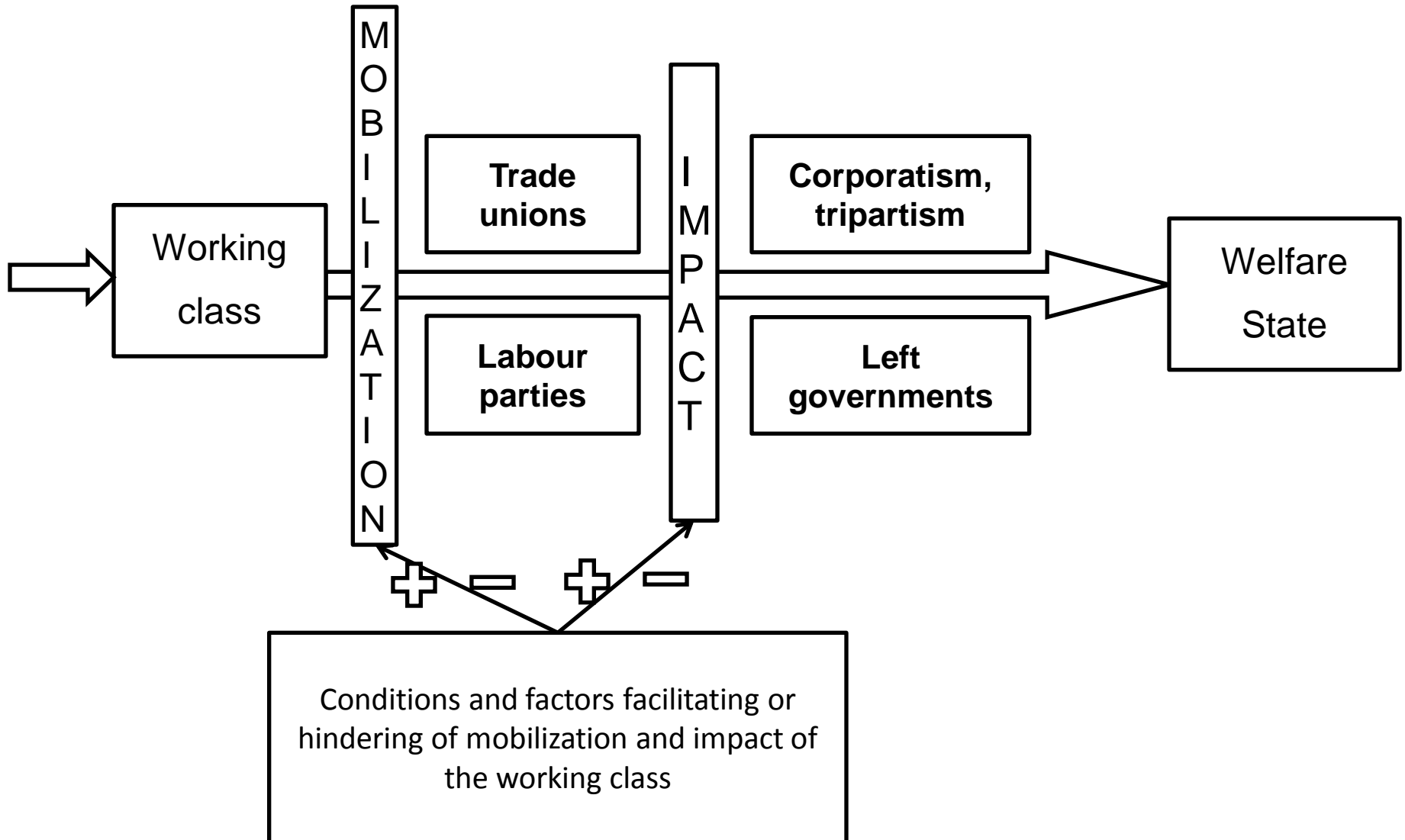
Industrial conflict and its impact on distributive policy



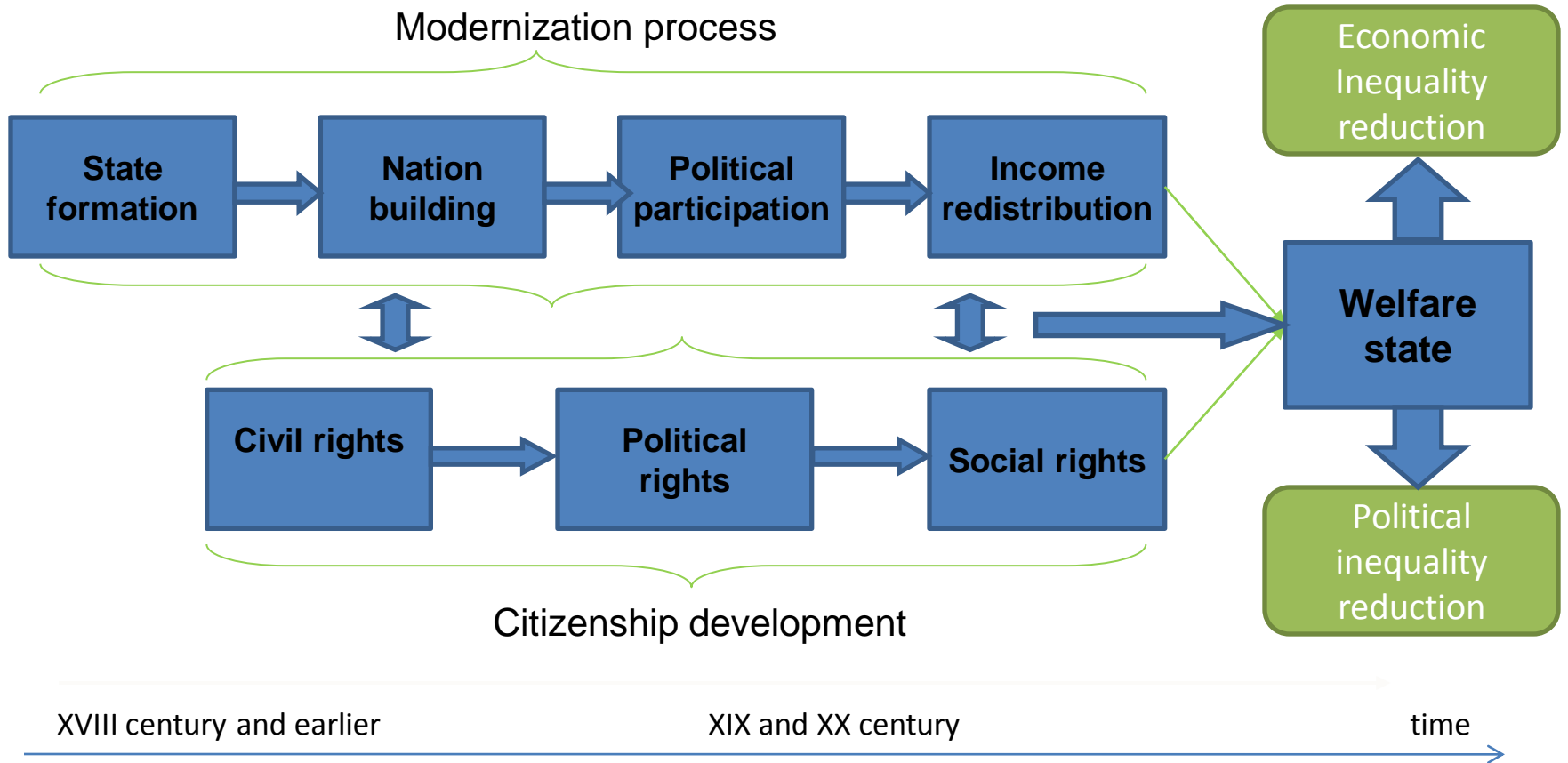
Power resources theory



Power resources theory cont.

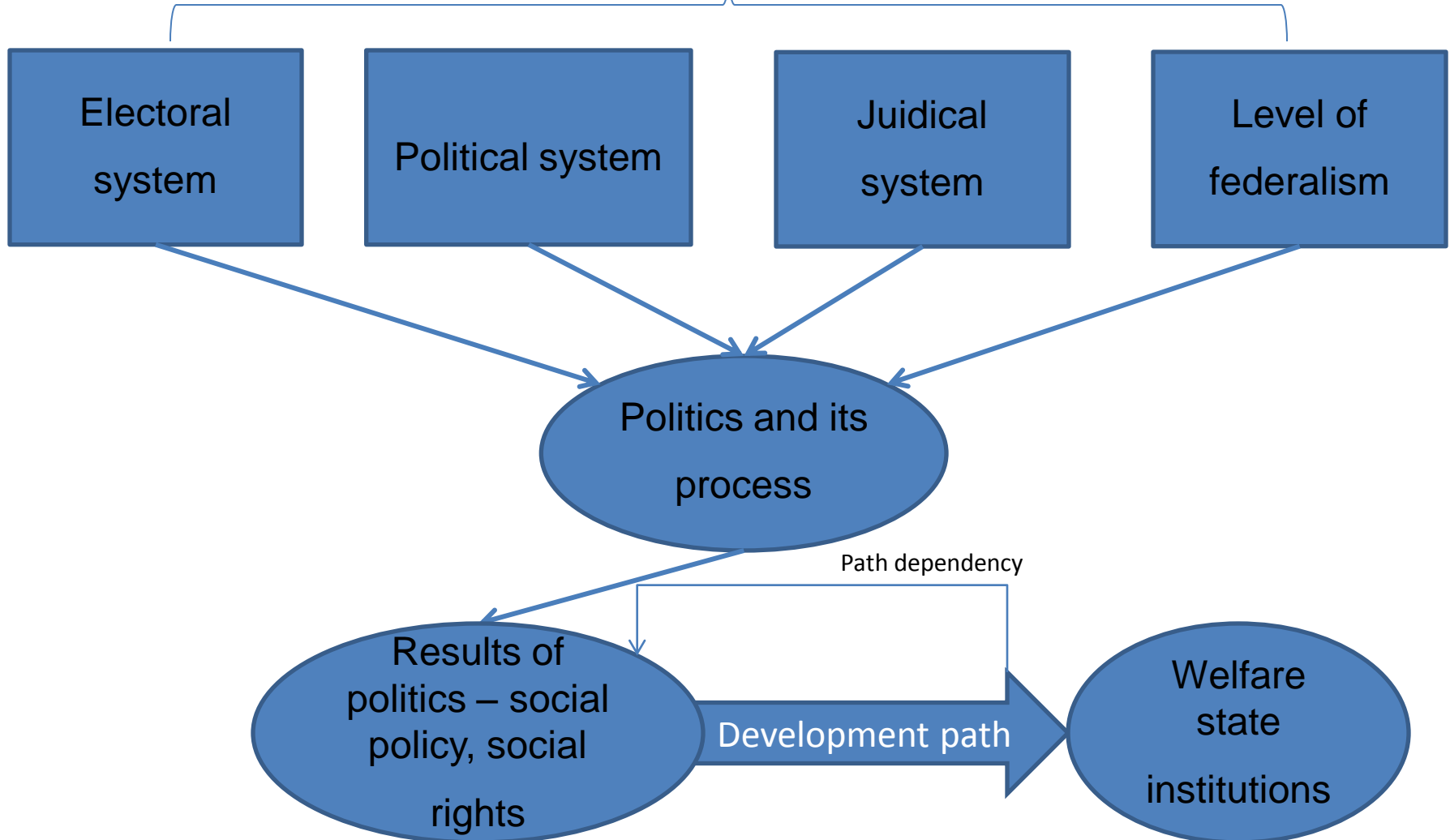


Stein Rokkan and T. H. Marshall

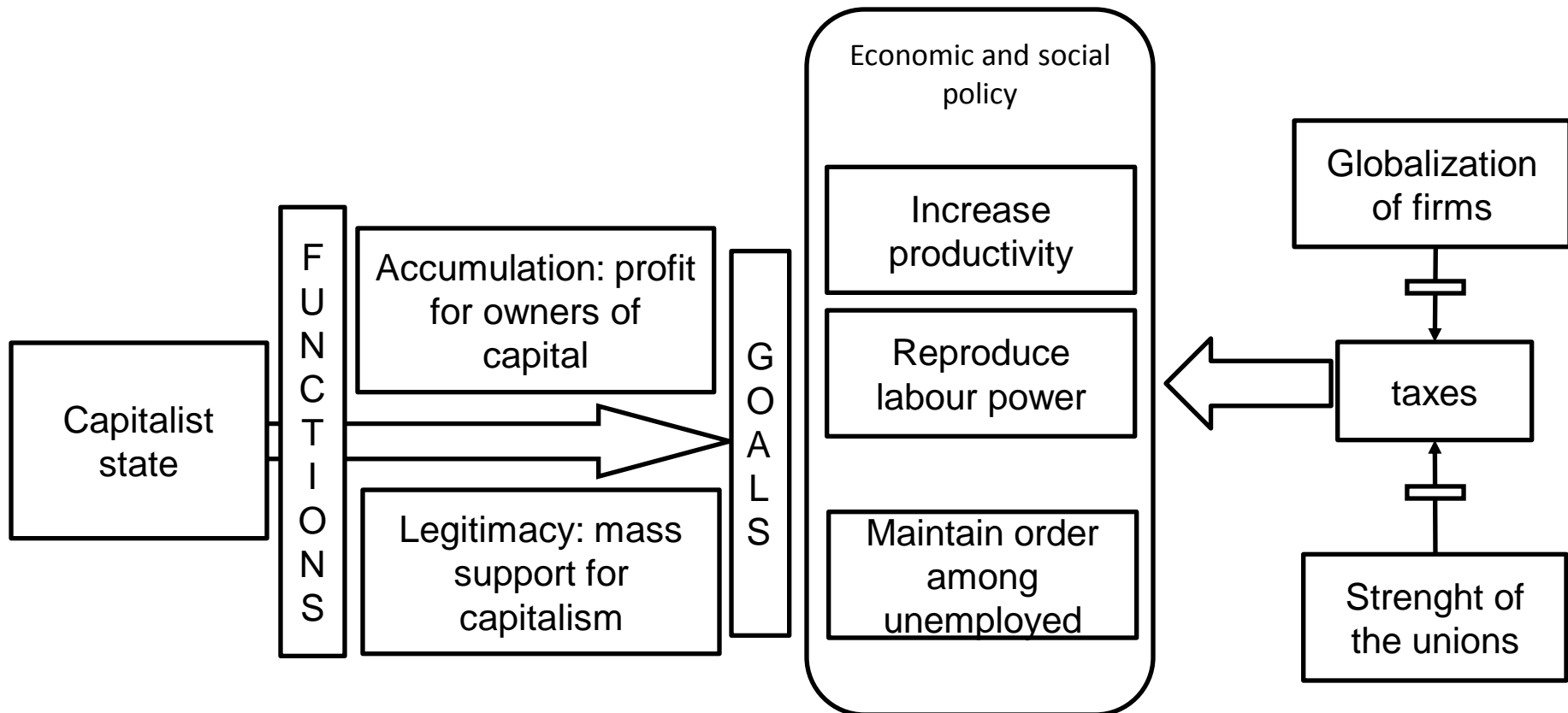


Institutionalism

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



Neomarxist theory of the fiscal crisis of the late capitalism



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

Fordism and Postfordism

FORDISM

Mass production of standardized products

National economy and full employment

Keynesian economics and corporatism

Male breadwinner family with uninterrupted career



Welfare state

POST FORDISM

Flexible production of individualized products

Global economy, international competitiveness

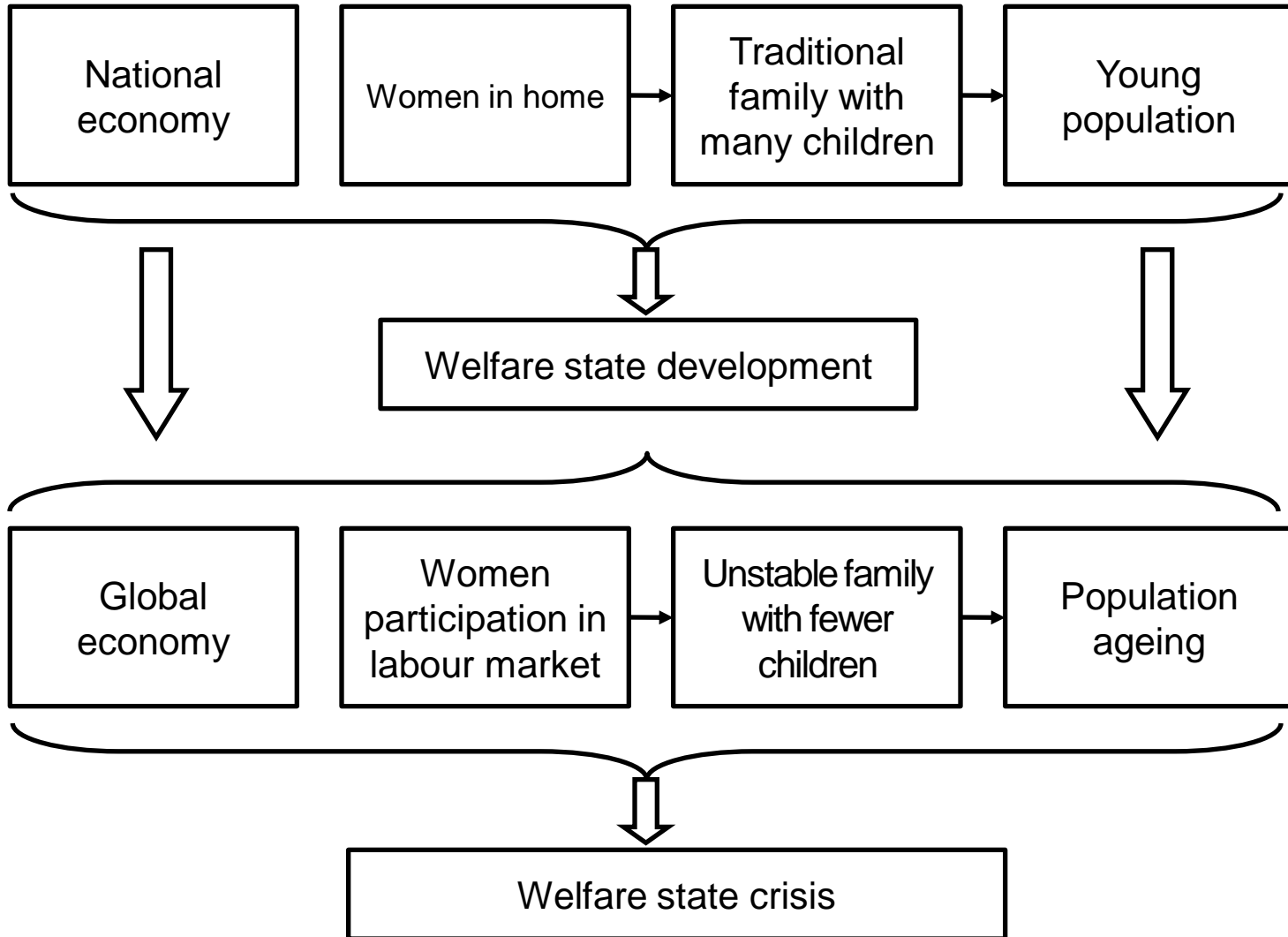
Monetarism and supply side economics

Rise in women employment, careers more frequently interrupted

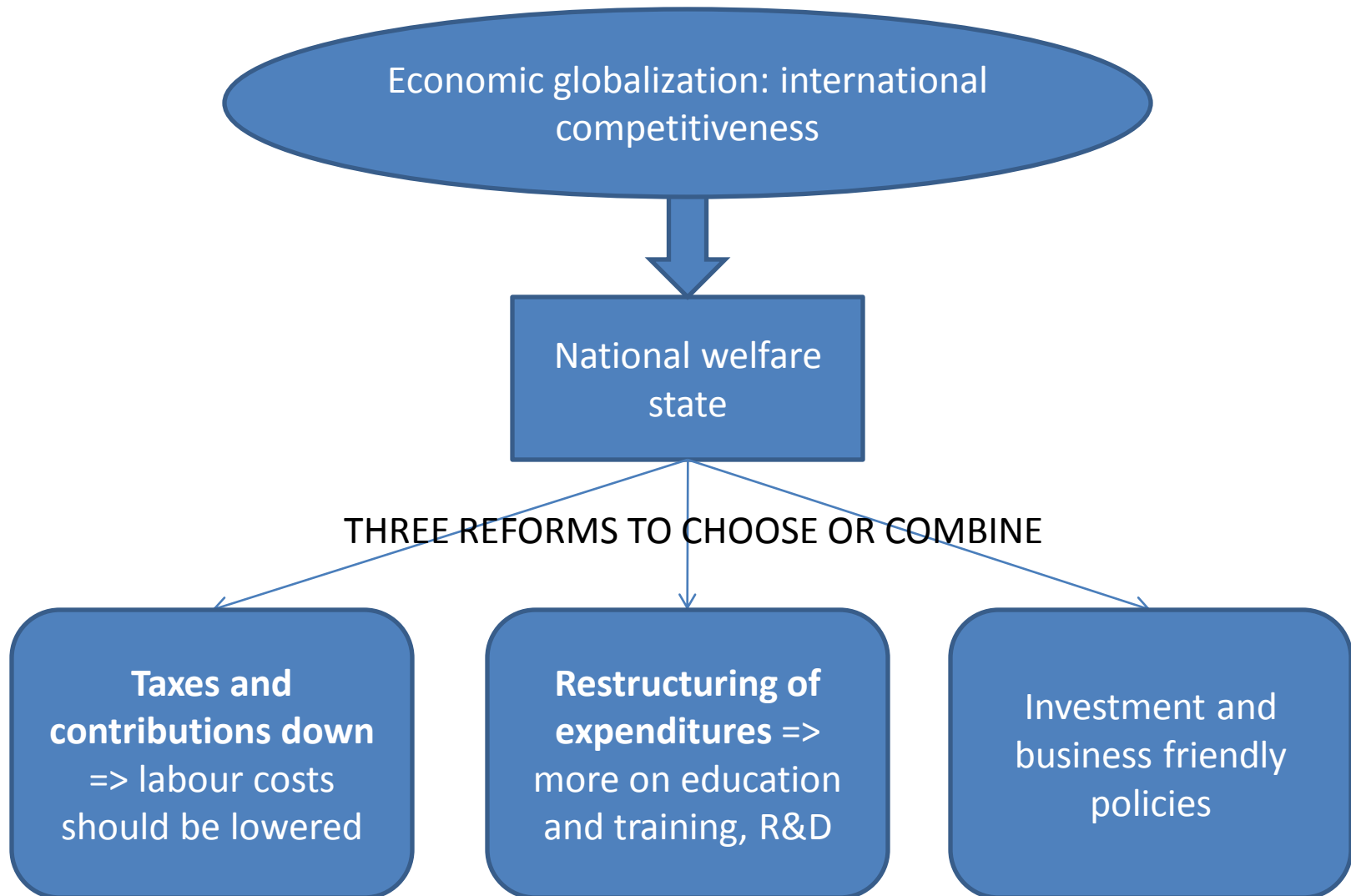


Reforms of the welfare state

Four Shocks



Impact of globalization



	Keynesian paradigm	Neoliberal paradigm	Social investment perspective
Diagnosis on unemployment	Unemployment and slow growth due to insufficient demand	Unemployment and inflation due to constrained supply because of labour market rigidities (excessively high labour costs, too much labour regulation, social benefits acting as work disincentives)	Unemployment linked to lack of adequate skills to fill today's jobs and to create the jobs of tomorrow.
Social policy and the economy	Positive economic role of social policy: development of social insurances to prop up demand and stimulate growth	Negative economic role of public social expenditure: the welfare state as a cost and as the cause of slow growth and inflation	Positive economic role of new forms of social policy: social policies that invest in human capital to increase employability and employment levels; to support labour market fluidity (flex-security); to prepare for the 'knowledge-based' economy Social policy as a precondition for economic growth and job creation
Key values and principles	<ul style="list-style-type: none"> • Social equality • Jobs for all (men) • Decommodification 	<ul style="list-style-type: none"> • Individual responsibility • Any jobs • Activation 	<ul style="list-style-type: none"> • Social inclusion • Quality jobs • Capabilities approach: <p>Equality of opportunity; 'Prepare rather than repair'</p>
Key norms for public action	<ul style="list-style-type: none"> • Big state • Central economic planning • Welfare state development 	<ul style="list-style-type: none"> • Lean state • Deregulation • Dismantling of the welfare state 	<ul style="list-style-type: none"> • Empowering state • Investment • Recasting of the welfare state
Key instruments	<ul style="list-style-type: none"> • Policies to support demand • Development of social insurance schemes for income maintenance • Development of the public sector • Unemployment compensation 	<ul style="list-style-type: none"> • Monetarist economic policies to fight inflation • Deregulation of the labour market • Privatisation of social and health services, development of capitalisation to finance pension schemes • Activation and workfare 	<ul style="list-style-type: none"> • Human capital investment policies to increase competitiveness and job creation • Development of social services and policies to support the labour market: early childhood education and care; higher education and life-long training; active labour market policies; policies to support women's employment • Flex-security