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A sound analysis and comparison of welfare states requires a clear understanding of both the origins and characteristics a welfare state. However, the two dominant approaches for explaining these origins are inadequate; a third attempt, based on the class mobilization theory, is also unsatisfactory. In addition, the practice of defining welfare states solely based on their level of social expenditures is misdirected. By shifting the focus from expenditures to social citizenship, and modifying the class mobilization approach to account for coalition structures and institutional legacies, a more interactive and accurate model of welfare states can be formed. This model allows welfare states to be viewed not as linearly distributed systems (advocating more or less welfare spending), but rather as consisting of specific regime type clusters.

DOMINANT EXPLANATIONS OF THE WELFARE STATE

Although their answers differ, political economists since the nineteenth century have sought to identify the sources of welfare state development and the division of responsibilities between the market and the state for achieving social welfare. Classical liberals distrusted the state, arguing that the market is the best means for reducing inequality and class divisions. They feared that democracy, in the form of universal suffrage, might politicize divisions, contradict markets, create inefficiencies, and eventually lead to socialism. Nineteenth century conservatives (for example the German historical school) favored patriarchal neoabsolutism, rather than an unfettered market, as the best means to promote capitalism while containing class struggles. Marxists trusted neither the market nor the state to guarantee equality.

Two types of models have come to dominate explanations of why welfare states came into being. Systemic or structuralist theory focuses on functional requirements for the reproduction of society and the economy as the source of the welfare state. For example, the theory's "logic of industrialism" variant argues that industrialization makes the development of social policy both necessary - in order to replace collapsing pre-industrial modes of social reproduction (a function that the market cannot adequately perform alone because not everyone is able to participate in it) - and possible - due to the accompanying growth of a rational and efficient bureaucracy. However, this thesis does not adequately explain why social policy only emerged long after traditional communities were mostly destroyed. It can only provide an essentially liberal response, arguing that a certain level of development and surplus had to be achieved before social policy could be adopted, otherwise such policies would have been a drag on the economy.

The institutional alignment theory arose in response to the classical liberals' promotion of a laissez-faire state based on separating the economy from social and political institutions. Karl Polanyi and others argue that this separation would destroy human society and that the economy must instead be embedded in social communities. Social policy is thus essential for the survival of society. The democratic-institutionalist approach argues more specifically that democratic institutions are necessary for the welfare state to emerge and that in such a system majority groups - whether farmers, capitalists, or wage earners - will pursue socially managed distribution to compensate for market weaknesses and inequality. The problem with this argument is that the actual development of welfare states has not been as closely linked to democracy as the theory suggests. In some states social policies were actually implemented in an effort to suppress demands for democratization (for example France under Napoleon II and Germany under Bismarck), while welfare state development was slowest in states where democracy arrived early (for example the United States, Australia, and Switzerland).

The class mobilization thesis offers an alternative explanation for the welfare state that is based on the social democratic political economy. It emphasizes the role of social classes as the main agents of change via parliamentarism, and the balance of class power as the key determinant of outcomes. This theory argues that the social policies of the welfare state do more than just alleviate the current ills of the economic system. By providing social rights, income security, and other benefits, these states create a social wage that becomes a source of power. This frees wage earners from the competition and stratification inherent in the market system that limit their capacity for collective mobilization, thus shifting the balance of power between classes.

This social democratic model of parliamentary class mobilization as a means for creating equality and justice has become a leading hypothesis in the current debate about the foundations of the welfare state. However, this thesis also faces several objections, the most important of which concerns its "linear view of power", i.e., the implication that "a numerical increase in votes, unionization, or parliamentary seats will translate into more welfare statism." [101] Socialist parties rarely, if ever, achieve an outright parliamentary majority. Additionally, the role and size of the working classes began to decline exactly at the historical moment in which modern welfare states were consolidated, so mobilization of these groups cannot independently explain the origins of welfarist social policies.

Overcoming these weaknesses of the class mobilization thesis requires shifting from a monocausal to a multicausal model of welfare state development. The most promising approach still begins with class mobilization, but also looks at class-political coalition structures and at the institutional legacy of past regimes. The origins of the welfare state edifice can then be found not only in the working class movement, but also in its success in forming alliances with farmers' organizations; social democracy in the long-run is often sustained by new alliances between workers and white collar strata. Other aspects of the past institutional legacy that may be important include the prevalence of political or denominational fragmentation in unions, the nature of the rural economy, and the strength of conservative forces - including their ability to capture rural classes and prevent rural class alliances with working classes. In addition to overcoming the working class minority problem, the coalitions thesis helps to explain why

countries with similar levels of labor mobilization can still produce very different policy outcomes.

A RESPECIFICATION OF THE WELFARE STATE

In addition to reassessing the origins of the welfare state, it is also necessary to reevaluate its definition. The standard assumption that a state's commitment to welfare is adequately reflected by its level of social expenditure is at best misleading. This linear approach implies that all spending counts equally and that more spending generates more welfare; this ignores non-linear interactions between power, democracy, and welfare. For instance, when a state such as Austria directs a large share of its welfare expenditures toward benefits for privileged civil servants, or when states support tax privileges for middle classes, the impacts and implications of these welfare measures are clearly different than those for comparable expenditures aimed at maintaining full employment or assisting the poor and working classes.

A more nuanced definition of the welfare state begins with T.H. Marshall's proposition that the core idea centers on social citizenship, the key principles of which are: 1) a set of social rights that decommodifies the status of individuals with respect to the market; and 2) a system of social stratification in which the status of individuals as citizens competes with or replaces class status. Decommodification of an individual means granting him or her means of welfare other than those provided by the market. It can be measured by the degree to which distribution is independent of market mechanisms. The minimalist definition of a decommodifying welfare state is one in which citizens can freely opt out of work for reasons such as health, education, or family obligations when "they deem it necessary for participating adequately in the social community." [107]

Not all forms of social assistance or insurance, including many means-tested programs and those requiring long worker contribution periods for eligibility, necessarily bring about decommodification. Social assistance that focuses on minimal, needs-tested benefits has minor decommodifying effects and may in fact strengthen the market. Compulsory state social insurance systems may offer much greater entitlements, but here again decommodification may not be substantial since eligibility is often based on prior contributions. Even those states offering basic, equal benefits to everyone may not be as decommodifying as they appear since they usually cannot provide benefits at a sufficient level to provide a real alternative to work. Neither can it be assumed that welfare states automatically create more egalitarian societies or enhance social mobility; each state creates its own system of stratification. Means-tested social assistance systems are specifically designed to stigmatize assistance and sharply separate the "poor" from wage earners. Social insurance models explicitly reflect a form of status politics, by creating different benefit programs for different class and status groups. Even universalistic benefits arrangements, which initially promote status equality, can eventually disintegrate into dualistic systems as growing working class prosperity and a rising new middle class lead to increasing numbers of better-off individuals who supplement low levels of universal benefits with privately purchased services.

REGIME CLUSTERS

These different approaches to rights and stratification reflect qualitatively different relations among the market, the family, and the state and can be clustered into regime types which run contrary to the more common assumption of linear distribution of states (with respect to power distribution, level of welfare, etc.). One cluster encompasses "liberal" welfare states - especially the United States, Canada and Australia - that focus on means-tested assistance and modest universal transfers or social insurance plans. In this cluster overall social reform is severely limited, receipt of benefits is stigmatized, decommodification is minimal, and a dualistic stratification system is generated in which there is relative equality among poor recipients of state benefits and market-determined welfare among the better-off.

The second cluster includes states such as Austria, France, Germany, and Italy, in which the acceptance of social rights prevails over the liberal obsession with market mechanisms. However, these rights remain tied to class and status in a corporatist welfare system of social insurance, yielding negligible redistributive effects. Also, these states frequently displace the market as a welfare provider and reduce private insurance and job-related benefits to a minimum. Since they are often committed to the preservation of traditional family values, family support services, such as day-care may, be underdeveloped.

The third and smallest cluster includes the highly decommodifying social democratic states in which the principle of universalism, rather than dualism or corporatism, dominates. Norway and Sweden are the most notable examples. Equality at a high standard for all is promoted, rather than minimal standards of equality for the poor as espoused by other states. This generates essentially universal solidarity in support of the state. These states are grounded in the guarantee of the right to work and the right to income protection both as a matter of principle and because full employment is essential for ensuring the universal provision of benefits. They typically provide more benefits to families, and do so preemptively, rather than waiting until the family's capacity for self-provision is completely exhausted.

Of course, none of these states is a pure example of its cluster type. The U.S. social security system is compulsory and has significant redistributive effects, the Swedish unemployment insurance is essentially voluntarist, and European corporatist regimes have been influenced by both liberalism and social democratic ideas. However, classification by regime types still reveals much more about welfare states than does the traditional linear approach.