

THE OXFORD HANDBOOK OF

---

THE WELFARE  
STATE

---

*Edited by*

FRANCIS G. CASTLES

STEPHAN LEIBFRIED

JANE LEWIS

HERBERT OBINGER

*and*

CHRISTOPHER PIERSON

OXFORD  
UNIVERSITY PRESS

Research Centre  
home for the  
*Wissenschaft* (Ger-  
searchers from  
-  
g dimensions:  
and the courts;  
the facilitation  
welfare dimen-  
sion for another  
perspective view of

## CHAPTER 35

---

# THE SOCIAL RIGHTS OF CITIZENSHIP

---

JOHN D. STEPHENS

### INTRODUCTION

---

IN the literature on comparative welfare states, the dominant conception of the welfare state has been that it represents a transfer of allocation of goods and services from market determination to political determination. T. H. Marshall's formulation in his 1950 essay has undoubtedly been the most influential conceptualization of the welfare state. There he outlines three stages of the development of citizenship; civic, political, and social. Based on Marshall's conception, contemporary welfare state scholars generally view the best measure of the level of welfare state development historically and differences in welfare generosity across countries to be the degree to which welfare states substitute transfer payments and public services as 'social rights of citizenship' for income and services to be allocated by the market.

Marshall's conception was that social rights were citizenship rights exactly like (not simply analogous to) civil and political rights of citizenship, such as the right to vote or the right to assemble. Seemingly to be like political citizenship rights, social rights would have to be based on citizenship alone and accrue to all citizens equally. In fact, Marshall did not make this argument, and though contemporary scholars debate whether means- or income-tested benefits are 'social rights', they all consider earnings-related benefits to be social rights. These earnings-related benefits are not equal and they are not literally citizenship rights because they are usually contingent on a record of contribution.

Gendering the conception of social rights further muddies the picture. Precisely in the same way that feminists criticized the view that decommodification was inadequate as a master concept for the degree of welfare state generosity because for many women the goal was to be 'commodified' in the first place, that is, to enter the labour force (Orloff 1993b), it is arguable that the concept of social rights of citizenship should include the notion that all citizens should have the right to work, or even satisfying work. Such a conception of social rights would consider the activation policies that have been so commonplace across advanced welfare states in the past decade and a half to be an advance of social rights, whereas a more traditional conception might consider them to be 're-commodification' and to represent welfare regress.

I begin this chapter with a discussion of how Marshall and contemporary researchers have defined the social rights of citizenship. The second section reviews existing measures of social rights. The discussion of measurement issues necessarily revisits the previous section on the definition of social rights because how scholars measure social rights often clarifies how they define social rights. The final section examines the determinants of social rights and the impact of social rights on governmental redistribution, poverty reduction, employment, and gender equality.

## SOCIAL RIGHTS DEFINED

---

Scholars often cite classic texts on the basis of secondary accounts of the classic and in the process the arguments of the classic are simplified and distorted. This has clearly been the case in the treatment of T. H. Marshall's 1950 essay *Social Class and Citizenship*. The strong contrast that Marshall (1964b: 15) did make between the Poor Law tradition in which recipients lost citizenship rights upon internment in the workhouse and modern social policy has led many scholars (e.g. Korpi 1989: 314) to regard means-tested benefits as not being social rights. Marshall's analysis which views social rights of the twentieth century as direct extensions of political rights of the nineteenth century has led some to view social benefits that are not based on citizenship with more or less equal benefits for all not to be true social rights. In fact, a close reading of Marshall (e.g. 1964b: 29-30, 32) reveals that he did not mean to exclude either means tested benefits or income- or contribution-related benefits. He cast his net very broadly (1964b: 8):

By social element [of citizenship] I mean the whole range from the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilized being according to the standards prevailing in the society.

As one can see, Marshall means much more than access to public transfers and publicly provided services. Rather he means to extend the concept to the right to active participation in society. This is the reason for his extensive discussion of public education, which is often not even considered part of the modern welfare state since it predated the Bismarckian sickness insurance law of 1883, which is widely considered to be the first piece of modern social legislation. The defining feature of the social rights of citizenship is that they entail a claim for public transfers, goods, and services 'which is not proportionate to the market value of the claimant' (Marshall 1964b: 28). This is the basis for his most often quoted assertion that 'in the twentieth century, citizenship and the capitalist class system have been at war' (Marshall 1964b: 18).

In fact most contemporary welfare state research on the social rights of citizenship does not spend very much time on the question of defining social rights. After a few brief comments on Marshall, they turn to the measurement of social rights and then in most cases to examining the determinants of social rights.<sup>1</sup> In the comparative social policy literature, Esping-Andersen (1990), Orloff (1993b), and Room (2000) stand out for their lengthy discussions of social citizenship and its twin concept decommodification.

Esping-Andersen (1990: 21) begins his discussion with the explicit statement that 'social rights . . . granted on the basis of citizenship . . . entail a decommodification of the status of individuals *vis-à-vis* the market'. He goes on to offer two different definitions of decommodification, which imply different operationalizations. Initially (1990: 23), he states that, in decommodifying welfare states, 'citizens can freely, and without potential loss of job, income, or general welfare, opt out of work when they consider it necessary'. Later (1990: 37), arguing that decommodification was not absolute but a matter of degree, he defines decommodification as 'the degree to which individuals, or families, can uphold a socially acceptable standard of living independent of market participation'. Both of these definitions are consistent with Marshall's notion of citizenship replacing the market as a distributive mechanism. Though not contradictory, they are not the same and would not be measured in the same way. The first assumes the person has a job (he/she is commodified) and can exit employment without income loss, thus high income replacement rates in transfer programmes would appear to be the *sine qua non* of decommodification. Generally, high income replacement rates are the product of earnings and contribution related transfer programmes and thus are not strictly speaking a right of *citizenship*. Nevertheless, they do substitute political allocation for market allocation, so they are consistent with Marshall's concept, and Marshall himself is explicit that such social insurance systems should be included as social rights. The second definition does not imply employment and thus would be measured by the benefits

<sup>1</sup> The most explicit discussion of the definition of social rights by a scholar of comparative social policy is Janoski (1998). However, this book is not a work on comparative social policy but rather on political theory, a field in which the topic of citizenship, including social citizenship, is frequently addressed.

provided on the basis of citizenship rather than employment or past social insurance contributions. To be consistent with this definition, transfers or services would have to be provided equally to each citizen or family or on the basis of need (e.g. larger families receive higher child allowances).

As we will see in the next section, Esping-Andersen's (1990) measure of de-commodification taps the first of these two dimensions, which, since it assumes the person has a job, is gender biased, as Orloff (1993*b*) among others has pointed out. Orloff (1993*b*) argues that, for women, access to paid work (that is, the right to be commodified in the first place) is a fundamental social right. In addition, gendering the study of social rights would entail examining the extent to which the welfare state takes over some of the caring functions of the family (what Esping-Andersen (1999) in a later work calls de-familialization), the treatment of unpaid work, women's capacity to maintain autonomous households, and the extent to which citizenship (and not employment) is the basis for welfare state claims. I will discuss how some of these gendered dimensions have been and might be measured in the next section. Suffice it to note here that had Esping-Andersen also attempted to measure the second of his two definitions, it would have forced him directly to address Orloff's point about citizenship as a basis for welfare state claims.

Room (2000) argues that Esping-Andersen's conceptualization of de-commodification as a fundamental cure for working class alienation in capitalism is insufficient because he only partially captures Marx and Polanyi's critique of the capitalist market society as labour commodifier. Marx argues that the commodification of labour results in working class alienation, not only because this limits workers' access to sustenance and consumption by making them reliant on selling labour, but also because commodification takes out the self-creation or self-development potential in work. Room suggests that Esping-Andersen pays sufficient attention to the consumption side, but not to the self-development side of labour commodification. In his reply to Room, Esping-Andersen (2000) acknowledges that human self-development is increasingly integrated with labour market participation and that this activation-based approach is also a key strategy in coping with emerging new social risks. Furthermore, he implies that this activation-based strategy of social protection cannot be effectively captured through the concept of de-commodification.

Pulling Orloff's and Room's intervention and Esping-Andersen's reply together, one sees a common thread, namely that the conception of the social rights of citizenship should include a right to satisfying work and human self development and not just a 'a modicum of economic welfare and security'. Thus, social rights should include the whole range of public human capital investment policies from early childhood education to higher education, adult education, active labour market policy, and health care as well as work and family reconciliation policies such as public day care and maternity and parental leave.

Before moving on to measurement, it is necessary to address the issue of whether means-tested benefits can confer citizenship rights. It is commonplace in the comparative social policy literature to contrast modern welfare state legislation to legislation in the poor law tradition which involves means tests and is discretionary

on the part of the authorities, and thus is not a 'social right'. However, in his writings on Antipodean transfer systems, Castles has questioned the assumption that income or means testing automatically indicates that no social right is granted by the legislation in question. He points out that (1) only well-to-do citizens are targeted out of the system, and (2) the authorities have very little discretionary latitude on whom to include and exclude from benefits. Thus, most citizens of these countries expect that they will receive a pension as a social right upon retirement. Similarly, the recent pension legislation of the Bachelet government in Chile guarantees a minimum pension to all Chileans of retirement age in the bottom 60 per cent of the income distribution. It is highly likely that these pensions will be considered a 'right' by the affected population. Similarly conditional cash transfers, such as Brazil's *Bolsa Familia*, should be considered a social right provided that the benefit is triggered more or less automatically by an income test and does provide authorities with much discretionary latitude.<sup>2</sup>

## THE MEASUREMENT OF SOCIAL RIGHTS

Early quantitative analyses of cross-national variation in 'welfare state effort' followed the pioneering work of Wilensky (1975) and operationalized welfare state generosity as social spending (variously defined) as a percentage of GDP (see e.g. Stephens 1979; Korpi 1983; Hicks and Swank 1984). From the outset, these researchers recognized that this was at best a proxy for what they were really interested in, which was welfare state redistribution or, following Marshall, some notion of social rights. Expenditure is pushed up by growth of the recipient populations; the aged and the unemployed, but also those on work injury insurance, early pensions, and in labour market programmes. Quantitative studies attempted to control for this by entering the proportions of the population aged and unemployed in the analysis as independent variables. Unfortunately, it was not possible to control for the other recipient populations. Even if it were possible, expenditure measures could not tap the different structuring of social expenditure in different countries.

The solution that gradually emerged in the field of comparative social policy was to measure social rights directly. An early attempt in this direction was Day's (1978) measure of pension rights. Myles (1984; see also DeVinney 1984) brought Day's work into the mainstream of comparative social policy research by setting it in a theoretical frame and carrying out a multivariate analysis of the determinants of his revised version of Day's index for fifteen OECD countries. Myles's index of pension quality scored each country's pension system on a 1-10 scale on eight items. Three items

<sup>2</sup> Inclusion of investments in education and income-tested benefits as social rights is consistent with Marshall's conception. His 1950 essay contains discussions of both matters.

measured the pension level, a quasi-replacement rate at different levels of income. The remaining five dimensions measured cost of living adjustments, means testing, coverage, retirement age flexibility, and degree of retirement test.

These early social rights measures concerned one programme at one point in time. In 1981, Korpi and Esping-Andersen undertook a much more ambitious research project, which later became known as the Social Citizenship Indicators Programme (SCIP),<sup>3</sup> the building of a dataset on social rights in five different welfare state programmes in eighteen OECD countries measured in roughly five year intervals from 1930 on. The countries are the universe of advanced capitalist democracies with populations over one million which have been continuously democratic since World War II: Australia, Austria, Belgium, Canada, Denmark, Finland, France, West Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, and the United States. This same set of countries is included in virtually all of the quantitative analyses of comparative social policy and comparative political economy of advanced capitalist democracies (e.g. see Hicks 1999, Huber and Stephens 2001a; Swank 2002; Iversen 2005).

The programmes covered in SCIP are unemployment insurance, sickpay, disability insurance, pensions, and family benefits. For unemployment insurance, sickpay, and disability, SCIP collected data on replacement rates for an 'average production worker' in several categories of family types, coverage, waiting days, duration of benefits, and qualifying conditions. For pensions, SCIP collected data on replacement rates for different categories of family types and income levels, qualifying conditions, source of funding, and coverage. These data were put in the public domain in 2007 and are available at <https://dspace.it.su.se/dspace/handle/10102/7> (Korpi and Palme 2007). The SCIP data on family benefits, which are not yet in the public domain, include data on child allowances, tax credits, and tax deductions, and a number of programme characteristics such as whether the mother or the father received the child allowance and whether the benefits were universal or employment based (Wennemo 1994). The first publication from the SCIP data was Korpi's 1989 *American Sociological Review* article on sick pay, which was followed by dissertation monographs on four of the five programmes: pensions (Palme 1990), sickpay (Kangas 1991), family benefits (Wennemo 1994), and unemployment (Carroll 1999) and by numerous journal articles and conference papers.

A 1980 cross-section of the SCIP data was the primary basis for Esping-Andersen's analysis in *The Three Worlds of Welfare Capitalism* (1990). The SCIP data were used to operationalize his master concept of de-commodification, both dimensions of his measure of welfare state socialism and one of the two dimensions of his measure of welfare liberalism. The overall de-commodification index is the sum of the sub-indices for pensions, sick pay, and unemployment insurance. The de-commodification score for pensions is calculated from four dimensions: (1) minimum benefit level, (2) standard benefit level, (3) the length of the contribution period, and (4) the

<sup>3</sup> The original title of the project was *Svensk Socialpolitik i Internationell Belysning*.

individual's share of pension financing. The decommodification scores for unemployment and sickness insurance are based on (1) benefit levels, (2) number of weeks of employment needed to qualify for benefits, (3) number of waiting days before receiving the benefit after becoming unemployed or sick, and (4) the number of weeks for which the benefit can be maintained. As I noted previously, the measure operationalizes the first of Esping-Andersen's two definitions of decommodification and thus assumes employment.

Though publications from SCIP began appearing in 1989, the data were not put in the public domain until almost twenty years later. This delay created an incentive for researchers to try to replicate the SCIP data collection, which was very laborious given the state of technology in the 1980s and early 1990s. The development of the internet and other advances in information technology changed the terrain radically and allowed a single scholar, Lyle Scruggs (2004), and a research assistant supported by a National Science Foundation grant to replicate the most important of the SCIP measures for three programmes; unemployment insurance, sick pay, and pensions on an annual basis for the period 1971–2002. The team began work on the data collection in 2001 and placed the data in the public domain in December 2004. The Comparative Welfare Entitlements Dataset (CWED) can be accessed at <http://sp.uconn.edu/~scruggs/wp.htm>.

*The OECD Jobs Study (1994a)* made sweeping claims that 'labor market rigidities' accounted for the high and persistent unemployment in Europe as compared to the United States on the basis of sparse empirical evidence. To its credit, over the next ten years, the organization conducted a massive effort to collect data relevant to the claims of the 1994 study. While most of these data were measures of employment and public expenditure, the OECD did collect measures of social rights in two welfare state arenas, unemployment insurance and employment protection laws (EPL). The unemployment insurance data are gross replacement rates in a number of different family types at two different income levels and three different durations, first year, second and third year, and fourth and fifth year. The data are biannual beginning in 1961 and are updated on a regular basis. The drawback is that they measure gross benefits, so if the benefits are taxed, they do not reflect the actual benefit to the unemployed worker. Bradley and Stephens (2007) have calculated a net replacement rate for a bout of unemployment one year long from CWED. The OECD one year gross and the CWED net replacement rate series are highly correlated (.85), so the OECD data may be useful, if a longer time series or different durations than are available in CWED data are needed. The OECD's (2004a) overall measure of EPL summarizes a number of sub-indices measuring the difficulty of layoff (notice, severance pay, etc.) and regulations restricting the use of temporary work. The data are annual and are available from 1985.

It is striking that all of the social rights measures discussed so far except the SCIP family policy measures (which are not in the public domain) share with Esping-Andersen's decommodification index that they are focused on the rights accorded an employed worker and thus are vulnerable to the criticism of such measures levelled by Orloff and Room. In the area of work and family reconciliation policies, Gornick



et al. (1998) have developed a number of measures of social rights for most of the usual eighteen advanced capitalist democracies at one cross-section in the mid-1990s and this work has been greatly extended and updated by Gornick and Meyers (2003). Gauthier and Bortnik (2001) have assembled a pooled times-series dataset on parental leave and benefits with annual data from 1970 to 1999.<sup>4</sup> These can be accessed at <http://www.soci.ucalgary.ca/FYPP/>.

There are clear lacunae in the social rights data available to date. One is absence of pooled time-series data on gendered aspects of social policy, such as the work and family reconciliation policies covered in Gornick and Meyers (2003). The second is the striking absence of data on public services, given that arguably the most distinctive difference between the Nordic welfare states and the continental European welfare states is the public provision of a broad range of health, education, and welfare services in the Nordic countries. Third, the only data available on activation policies are data on spending on active labour market policies. Putting these three points together and returning to the critiques of Orloff and Room, we can observe that the available data on social rights (particularly, the pooled time-series data) almost completely neglect the right to satisfying work and human self-development. Thus, a very large part of what the welfare states do as measured by the volume of expenditure on education, health care, and social services is not tapped by the existing measures of social rights.

How do the social rights data available change our understanding of variations in welfare state generosity across countries and through time as compared to the public expenditure and employment data that have been used in most comparative welfare state studies? While Esping-Andersen's (1990) main argument for measuring welfare state effort with measures of social rights instead of social expenditure was that social rights and not expenditure was what comparative social policy scholars were actually interested in, he also criticizes social expenditure measures for being incapable of tapping the multidimensional nature of welfare state regimes. In truth, this apparent incapability was an artifact of the fact that all but a few analyses of welfare state effort to that point in time only employed one measure, mostly the ILO measure of social benefit expenditure which Wilensky used in his 1975 study. Using various measures of public expenditure on different programmes and employment, one can construct a multidimensional picture of welfare state regimes and their development through time which shows that while both continental European and Nordic welfare states are generous, continental European welfare states are transfer intensive while Nordic welfare states are service intensive and invest more in human capital and activation policies (Huber and Stephens 2001a; Iversen and Stephens 2008).

Nevertheless, there is no question that the social rights data now in the public domain allow the researcher to construct a much more nuanced description of the social policy regimes of different countries and their variation through time. Note

<sup>4</sup> Parental leave was later added to the SCIP data base (Ferrarini 2003). The SCIP parental leave data are considerably more detailed than the Gauthier and Bortnik data and allows the researcher to distinguish different types of family support.

that these data have not been in the public domain for a very long time and, in my view, it will be years before the community of comparative social policy scholars fully absorbs the information that is available in these data. Let me illustrate a few of the novel facts that emerge from examining the SCIP data for average replacement rates in three programmes for several different time points, a very small if crucial portion of the total data available from the sources outlined above (see Table 35.1). First, though social expenditure data show that the continental Christian democratic welfare states spend a greater proportion of GDP on transfer programmes than social democratic welfare states, this is not due to the fact that the transfer programmes are more generous, as one can see from the table. Rather expenditure is high because the recipient populations, the unemployed, the retired, and the disabled are large, partly as results of labour-shedding policies in the 1980s and 1990s, which placed many able bodied people under retirement age in early pensions or 'disability' pensions. Second, the 'three worlds of welfare capitalism' are not detectable in 1950. They were created in the post-war period. Third, while social expenditure data do not reveal a clear picture of welfare state retrenchment, it is very clear from the social rights data. One can see by comparing the peak year with 1995, the last year in the SCIP data now available, that retrenchment is pervasive. However, it does not lead to convergence. On the contrary, the cutbacks in sickpay and unemployment replacement rates are much more dramatic in the liberal welfare states, making these welfare states even more distinctively stingy.

As I pointed out above, the SCIP data that have been put in the public domain and the CWED tap social transfers aimed at the 'old social risks' faced by the average production worker in a male breadwinner family. Table 35.2 presents some data on services and gendered policies. Only the parental leave data are a true measure of social rights and only those data are available through time (Gauthier and Bortnik 2001). These parental leave data follow a different pattern from that shown in the old social risk data in Table 35.1. The Nordic countries are not distinctive until the mid-1980s and become much more clearly so by the late 1990s. Data on day care spending indicate that one would find the same thing for day care as the Nordic countries spent an average of 1.6 per cent of GDP on day care in the 1990s compared to 0.3 per cent of GDP in the other two regime types. If one had data on work and family reconciliation policies for several time points since 1970, such as the Gornick and Meyers data for the early 2000s in the first column of the table, one would certainly find a pattern of increasing Nordic distinctiveness. With regard to retrenchment of these work and family reconciliation policies, the patterns shown in the parental leave data indicate that cutbacks are much less common than in the case of the transfer programmes in Table 35.1, as only five countries experienced any cuts at all and only in Sweden, where the number of weeks of full pay fell from 57.6 to 40 in the late 1990s as a result of cuts in the replacement rate from 90 per cent to 67 per cent, were the cutbacks dramatic. Despite the cuts, Sweden still had the second most generous system in 1999.

We know even less about the cross-national differences and changes through time in the social rights to public services as no one has attempted to measure them in a

Table 35.1 Average replacement rates by welfare state regime (1950, 1995)

	Unemployment insurance			Sickpay			Pensions			
	1950	Peak	Peak year	1950	Peak	Peak year	1950	Peak	Peak year	
	1950	Peak	Peak year	1950	Peak	Peak year	1950	Peak	Peak year	
<b>Social Democratic Welfare States</b>										
Denmark	46.0	81.9	1975	7.2	78.8	1980	40.8	66.9	1985	62.2
Finland	5.0	76.1	1970	0.0	96.5	1990	86.1	29.4	1985	75.1
Norway	28.5	73.5	1975	37.5	100.0	1995	100.0	19.9	1990	70.4
Sweden	42.1	84.1	1990	18.9	90.1	1990	77.0	26.9	1985	81.6
Mean	30.4	78.9		15.9	91.4		80.1	29.3		72.3
<b>Christian Democratic Welfare States</b>										
Austria	47.4	67.5	1985	63.4	100.0	1985	95.4	59.6	1995	76.9
Belgium	42.5	77.1	1980	66.1	91.9	1975	82.6	36.4	1975	52.9
France	8.0	64.9	1985	44.1	55.7	1975	49.2	35.9	1980	68.0
Germany	40.6	79.2	1980	61.2	100.0	1995	100.0	37.7	1975	50.8
Italy	27.2	35.9	1960	60.3	83.4	1995	83.4	18.5	1990	72.5
Netherlands	41.8	83.2	1980	70.0	84.7	1975	70.0	51.7	1980	59.7
Switzerland	49.4	75.0	1995	31.8	77.4	1975	56.0	14.8	1975	43.2
Mean	36.7	69.0		58.1	84.7		76.7	36.4		60.6
<b>Liberal Welfare States</b>										
Australia	18.7	48.4	1975	18.7	48.4	1975	38.2	36.9	1995	46.1
Canada	37.7	69.6	1975	0.0	62.1	1975	49.5	30.3	1995	54.5
Ireland	36.1	72.1	1985	28.6	70.7	1984	31.1	32.3	1985	48.5
New Zealand	49.7	62.7	1985	49.7	70.5	1985	36.5	49.6	1985	50.5
UK	31.4	63.4	1975	31.5	63.4	1975	20.3	28.2	1985	57.9
USA	40.3	59.8	1975	0.0	0.0	1995	0.0	39.0	1980	65.5
Mean	35.7	62.7		38.8	52.5		29.3	36.1		53.8
Japan	67.3	72.6	1990	68.2	73.8	1995	73.8	18.6	1990	67.1
Grand Mean	36.7	69.3		54.2	74.9		61.5	33.7		61.3

Source: Korpi and Palme, 2007.

Table 35.2 (Quasi-) social rights indicators of services and gendered policies (1970, 1985, 1999)

	Work & family reconciliation index	Parental leave—weeks of full pay			Skill acquisition index	Civilian government employment
		1970	1985	1999		
<b>Social Democratic Welfare States</b>						
Denmark	94	12.3	21.6	30.0	3.47	21
Finland	74	3.5	34.4	36.4	0.55	13
Norway	80	3.8	18.0	42.0	1.77	22
Sweden	89	16.6	27.7	40.0	1.52	22
Mean	84	9.1	25.4	37.1	1.83	19.5
<b>Christian Democratic Welfare States</b>						
Austria		12.0	16.0	16.0	0.27	13
Belgium	73	8.4	11.1	11.6	0.27	9
France	66	7.0	14.4	16.0	0.16	14
Germany	55	14.0	14.0	14.0	-0.13	8
Italy		13.6	17.2	17.2	0.03	8
Netherlands	65	12.0	12.0	16.0	0.47	6
Switzerland		0.0	0.0	0.0	-0.03	9
Mean	65	9.6	12.1	13.0	0.15	9.6
<b>Liberal Welfare States</b>						
Australia		0.0	0.0	0.0	-0.86	10
Canada	36	10.0	9.0	8.3	0.39	14
Ireland		4.1	9.8	9.8	-0.61	7
New Zealand		0.0	0.0	0.0	0.26	
UK	45	6.5	6.1	7.9	-0.29	9
USA	24	0.0	0.0	0.0	-0.42	10
Mean	35	3.4	4.2	4.3	-0.25	10.0
Japan		7.2	7.2	8.4	-0.92	6
Grand Mean	64	7.3	12.1	15.2	0.33	11.8

Sources: Gornick and Meyers 2003; Gauthier and Bortnik 2001; Nelson 2008; Huber et al. 2004.

systematic way. I include two measures of public service effort in Table 35.2, civilian government employment as a percentage of the working age population and Nelson's (2008) index of skill acquisition. The skills acquisition index attempts to measure the degree to which education and training systems provide broad access to basic and higher education as well as life long learning. It is constructed from numerous measures for states' financial investment in education as well as measures for the structure of educational institutions and formal regulation of firm-based training policies. As one can see, there is a marked difference between the social democratic regime and the other two regime types on these two measures.

Source: Korpi and Palme 2007.

UN	31.4	63.4	1975	31.5	63.4	1975	20.3	28.2	60.8	1985	57.9
USA	40.3	23.4	1975	0.0	47.0	1995	0.0	39.0	66.6	1980	65.5
Mean	35.7	38.8	1975	21.4	52.5	1995	29.3	36.1	59.1	1990	53.8
Japan	67.3	72.6	1990	68.2	73.8	1995	73.8	18.6	74.2	1990	67.1
Grand Mean	36.7	54.2	1990	37.1	74.9	1995	61.5	33.7	69.1	1990	61.3

Public health spending as a percentage of total health spending indicates that Nordic distinctiveness in health care emerged already by 1970. In terms of investment in human capital, data on spending on active labour market policy, higher education, and education at all levels show that a distinctive Nordic pattern of high spending did not emerge until the 1990s (Iversen and Stephens 2008). While Sweden was a pioneer in active labour market policy and in overall educational spending, Canada (8.5 per cent of GDP) and the United States (7.4 per cent) equalled or exceeded Sweden in education spending in 1970.

In his exchange with Room, Esping-Andersen notes that employment protection legislation, which clearly can be seen as a decommodifying social right, does not follow the same pattern as his measures of transfer payment decommodification as the continental European countries, and especially the Mediterranean countries, have stricter EPL than the Nordic countries. He also notes that EPL is somewhat of a zero sum game as stricter EPL makes it harder for outsiders, generally women and youth, to get jobs. Thus, if we consider the right to (satisfying) work to be a social right, extending some people's social rights can actually detract from those of others, something not envisioned in the Marshallian conception of social rights.

In the preceding paragraphs, I have noted that while one can see the same ordering of regimes in the 'old social rights' transfers shown in Table 35.1 that Esping-Andersen found for his decommodification index, one finds a different ordering for EPL, gendered social policies, and public health, education, and welfare services. Moreover, as originally noted by Palme (1990, also see Carroll 1999), the various components of Esping-Andersen's original measure (e.g. coverage, replacement rate, duration, qualifying conditions) do not co-vary that strongly, which suggests that one should analyse the determinants and effects of the components separately.

## THE DETERMINANTS AND OUTCOMES OF VARIATIONS IN SOCIAL RIGHTS

---

Myles's (1984) cross-sectional analysis and Korpi's (1989) pooled time-series analysis of determinants of social rights measures appeared to confirm straightforwardly the early power resources theory claims based on analyses of cross-national data on social spending (e.g. Stephens 1979; Korpi 1983), that measures of working class power, left government, and/or union strength were the best predictors of welfare state effort. Subsequent analyses present a more nuanced view (e.g. Esping-Andersen 1990; Palme 1990; Kangas 1991; Carroll 1999): consistent with the observation above that the various components of social rights were not that highly correlated, the determinants of social rights in these studies varied depending on what dimensions of social rights one measured. Esping-Andersen (1990) made the case for the

existence of 'three worlds of welfare capitalism' by showing that different measures had different determinants. The core of Esping-Andersen's explanation is political: the dominance of social democracy, Christian democracy, and secular centre and right parties explained whether a country ended up in the social democratic, conservative, or liberal world.

Esping-Andersen's analysis is cross-sectional and given that there are more hypothesized determinants in the comparative welfare state literature than there are countries in such a cross-sectional analysis, one would have hoped that his arguments would have been tested in pooled time-series analysis. Unfortunately, no one has attempted to do this. Moreover, examining the results of existing pooled data analyses of the determinants of social rights does not yield a clear picture. Working with pooled data presents a number of methodological and measurement problems which are still being debated in political science and sociology. Chief among these are choice of levels or change as the dependent variable; inclusion of unit dummies or its equivalent, fixed effects; inclusion of a lagged dependent variable; and corrections for auto-regression.

My co-authors and I have carved out a clear position on these issues (Huber and Stephens 2001a; Huber et al. 2008; Huo et al. 2008): We use levels of the dependent variable, no unit dummies, no lagged dependent variables, and first order auto-regressive corrections (Prais Winsten regressions).<sup>5</sup> My co-authors and I have carried extensive analyses of the social rights data available from CWED and the OECD, some of it published (Huo et al. 2008) and some as yet unpublished.<sup>6</sup> The dependent variables are the various measures of social rights and the independent variables are Christian democratic government, social democratic government, and ten control variables operationalizing various other hypothesized determinants of welfare state effort. The results of these analyses for the partisanship variables are summarized in Table 35.3. The first four measures are Scruggs and Allan's (2006a) replication of Esping-Andersen's decommodification measures with the CWED data. As one would expect from Esping-Andersen's analysis, social democratic government and Christian democratic government are very strongly related to the overall index and the pension index. However, the political determinants of unemployment and sickpay decommodification are different and it is perhaps most surprising that social democratic government is not related to unemployment decommodification.<sup>7</sup> From the OECD data on unemployment replacement rates one can see that part of the reason for this is that social democracy and Christian democracy have different effects depending on the duration of benefits.

As I have noted, the SCIP and CWED social rights data on replacement rates show that retrenchment has been pervasive but only deep in some of the liberal

<sup>5</sup> See the cited publications for justifications of these methodological decisions.

<sup>6</sup> I have not systematically replicated these analyses on the SCIP data, but given the very high correlations between the SCIP data and Scruggs data on sick pay and unemployment insurance, I do not expect any differences on these measures. Differences on pension rights which are only moderately correlated in the two datasets are possible.

<sup>7</sup> This is consistent with Carroll's (1999) finding using SCIP data.

Table 35.3 Results of regression on social rights measures

	Left government	Christian Democratic government
Overall decommodification	+++	++
Pension decommodification	++	+++
Sickpay decommodification	+++	0
Unemployment decommodification	0	+
EPL	0	+++
Unemployment replacement rate (4th-5th year) <sup>a</sup>	0	+
Unemployment replacement rate (1st year) <sup>a</sup>	+	0
Parental Leave (weeks of full pay)	+	+

Notes: Level of significance: +++ = .001, ++ = .01, + = .05

<sup>a</sup> Workers with two thirds of median wage.

welfare states. With regard to the causes of retrenchment, the dominant view of welfare state retrenchment has been that demographic and economic factors have pushed partisanship aside as the main cause of welfare state change (P. Pierson 2001a). Social rights data have challenged this view as both Korpi and Palme (2003) and Allan and Scruggs (2004) have shown that left government does retard welfare state retrenchment.

More complete data on social rights would certainly considerably nuance the picture of pervasive retrenchment. We have already seen that the parental leave data do not show the same pattern as one sees in Table 35.1. I contend that the pattern shown in the parental leave data would be replicated by social rights data on a number of other policies which also tap the movement from addressing old social risks to new social risks, from passive welfare states to active welfare states. Other work and family reconciliation policies, such as day care; active labour market policies; basic, higher and continuing education would almost certainly show a general pattern of expansion with the Nordic countries in the lead. By contrast, EPL, the quintessential old welfare state policy aimed at protecting labour market insiders, shows a general pattern of decline, especially with regard to restrictions on temporary work.

Perhaps because the data have only been in the public domain for a few years, there are relatively few multivariate analyses of the impact of measures of social rights on other outcomes of interest to comparative welfare state researchers, such as poverty and redistribution.<sup>8</sup> Scruggs (2006, 2008) has examined the impact of his measures of social rights on absolute and relative poverty among various population groups and on government redistribution and poverty reduction. Controlling for a number of other possible determinants of the dependent variable, Scruggs finds the

<sup>8</sup> There are many studies by SCIP researchers which show bivariate relationships between SCIP measures and inequality and poverty (e.g. Korpi and Palme 1998; Ferrarini 2003).

social rights measures have a significant and large impact on all of these welfare state outcomes. My co-authors and I have examined the impact of the social rights measures on overall employment levels and women's employment (Bradley and Stephens 2007; Huo et al. 2008; Nelson and Stephens 2008). We find that high short-term unemployment replacement rates, sickpay generosity, and parental leave (the social democratic pattern shown in Table 35.3) have positive effects on both employment variables, while high long-term unemployment replacement rates and high EPL (the Christian democratic pattern) have a negative impact on both variables.

government

ew of welfare  
have pushed  
001a). Social  
) and Allan  
welfare state

nuance the  
tal leave data  
t the pattern  
ts data on a  
ng old social  
states. Other  
bour market  
inly show a  
By contrast,  
bour market  
strictions on

a few years,  
f social rights  
ers, such as  
mpact of his  
is population  
trolling for a  
iggs finds the

etween SCIP