

Do Capitalist Welfare States Still Consist of "The Good, the Bad and the Ugly?"

Revisiting Esping-Andersen's "Three Worlds" Studying
Welfare Regimes of the 21st Century.

Abstract

This thesis aims to reproduce the study Esping-Andersen conducted in the seminal work “The Three Worlds of Welfare Capitalism” (1990) in a 21st century context. The study conducted in “Three Worlds” discovered that welfare states tended to cluster around three welfare-state regimes: social democratic, conservative and liberal. The purpose is to see whether the studied countries have changed during the first decade of the new millennium and whether the three-folded typology is still valid.

The study conducted departs from the theoretical concepts de-commodification and stratification, which according to Esping-Andersen, defines a welfare-state regime. The concepts are studied in a quantitative comparative analysis of eighteen OECD countries, of the years 2000 and 2010 to see whether there are any changes during the 21st century.

The study discovers that there are still evidence of a clustering around the three ideal-types social democratic, conservative and liberal welfare-state regimes. In comparison to Esping-Andersen’s study, there is even a greater coherence between the concepts de-commodification and stratification, where more countries in 2000 adheres to the same typology on both axis than in the original study, and even more in 2010.

Key words: Esping-Andersen, welfare states, welfare-state regimes, de-commodification, stratification, reproduction

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1 Introduction

The welfare state represents a structure of a modern society. Every country that has experienced economic growth tends to develop a welfare state, no matter what political climate or ideology that is the country's basis. Welfare states do however vary between countries to a large degree in how the welfare state is structured and which effects it has got on the society (Wilensky 1975, p.86). Today, the reformation of the welfare state is on the agenda, where its development is highly demanded (Pierson 2007, p.1). The reformation is stated as crucial in a time of globalization, changing need of the population, demographic changes etc. (Schwartz 2001). The welfare state has undergone enormous transformations since the beginning of the 20th century of what can almost be called revolutionary (Hecló 1974, p.2). The welfare state experienced the largest economic growth during the postwar period. However, the story of the welfare state is not just a success story and the first economical strain occurred during the 1970's where cuts were made, and has continued so over the past decades in periods (Hacker 2006, p.385). One of the most prominent ideas in welfare state cuts is privatization. Privatization has been seen as the driving force of eroding the welfare state (Hacker 2006, p.396). In addition, there is a prevailing debate on the ideological climate, that liberal ideas have taken over the past century's social democratic concept of what a welfare state should be, leading to the dismantling or retrenchment of the welfare state – debating the being of the welfare state. There are claims that there has been a political climate change in the world, leaning towards the conservative ideology, compared with the earlier social democratic welfare state model (cf. Pierson 1996/2006, p.348). While some consider the welfare state as in a crisis, others argue that the policy framework of the western welfare states is considered as consistent due to path dependency or the power resources (cf. Pierson 2000).

The welfare state as a phenomenon is debated both in its development, current status and form. In 1990, Gösta Esping-Andersen released his work "The Three Worlds of Welfare Capitalism" that illustrated that there are three types of welfare states in the capitalist world: social democratic, liberal and conservative welfare-state regimes. What Esping-Andersen did that was so unique was to illustrate that the empirical world of welfare states was actually clustering into these different theoretical typologies and not acknowledging welfare states as unique cases. This work launched a debate that lasted for a decade or even more on whether there are ideal-typical welfare states and whether they cluster together or not. "Three Worlds" was heavily criticized, but also acclaimed as it offered an analytical tool in welfare state research that is used even today, and is now considered a modern classic (Arts and Gelissen 2002, pp.138-139).

Even though “Three Worlds” was released in 1990, and the study was based on 1980’s data, the three-folded typology is still used today. Therefore, there is need to see whether these typologies are still valid in a 21st century context. Moreover, some researcher consider the modern welfare state as in a crisis, needing to meet the challenges of a globalized world (cf. Schwartz 2001), while others consider the welfare state a stable phenomenon in a modern state (cf. Pierson 2000). Therefore, it is interesting to investigate if the welfare state in the beginning of the 21st century is in a state of development or whether it stands to last.

This thesis is thus two-folded in its purpose: to investigate welfare state changes during the first decade of the 21st century, and to test the theory developed by Esping-Andersen in “Three Worlds”. Therefore, the relevance of the study is also two-folded. First, as the typology of three welfare-state regimes is used today as an analytical tool, even though it might be outdated, it is important to replicate the study and see whether welfare states still tend to cluster accordingly. Second, as the present and future state of welfare states is so debated, it is interesting to investigate whether there has been a change in the de-commodification and stratification level at the studied countries during the first decade of the 21st century. As there has been many reproductions on “Three Worlds”; of which most was conducted on the same year (study conducted 1990, on 1980’s data), there is no need to test the theory on its own merits during that period of time. However, there are fewer reproduction studies that have been conducted during the 21st century, even less that compares the development over time, and even so less that combine a study of both concepts stratification and de-commodification. Therefore, the relevance of the study lies in all the above: its theory testing, the comparison between year 2000 and 2010 and lastly, that both defining concepts of a welfare-state regime are studied together. The relevance and focus of the study is mostly theoretical, and it offers an empirical insight in welfare state development for eighteen OECD countries.

The three-folded welfare-state typology developed by Esping-Andersen, is sometimes (spitefully) referred to as representing welfare’s “The Good, the Bad and the Ugly”, from the 1960’s Clint Eastwood movie. Which label that belongs to which regime is for the reader to decide, but the question arises: Do welfare-state regimes still consist of ‘the Good, the Bad and the Ugly? Can welfare states today really be categorized into the three welfare-state regimes that were discovered thirty years ago?

1.1 Purpose and Research Question

The purpose of this thesis is to reproduce the study conducted by Esping-Andersen in his seminal work “Three Worlds of Welfare Capitalism” (1990) in order to see whether there are still three clusters of welfare-state regimes in the capitalist countries or whether the welfare regime climate has shifted since the 1980’s (data in “Three Worlds” was from 1980). Esping-Andersen developed a

definition of how welfare states are structured with the concepts de-commodification and stratification. This definition of a welfare-state regime is used in this study as an indicator of how welfare states have developed during the 21st century and thus whether there still is a three-folded welfare-state regime clustering. The first two questions will be answered with the result, while the third question is a matter of discussion in the final chapter. The research questions for this study reads:

- Today, is there still a cluster of three welfare-state regimes in the 18 studied countries?
- How, and in what respect have the welfare states internal structure changed over the last decade, using Esping-Andersen's definition of a welfare-state regime?
- Does the result support or falsify the three-folded typology, in a 21st century context?

1.2 Method and Material

To investigate welfare state development in the 21st century, and compare with the findings Esping-Andersen made in “Three Worlds of Welfare Capitalism” (from now on referred to as “Three Worlds”) in 1990 on 1980's data, this study will be conducted as a replication. Therefore, the studied countries are identical, the method and scoring metric as well. However, not all data that Esping-Andersen used is available, additional sources and thus operationalization will be used.

The method used is quantitative in the respect that it is based on aggregated country data for the theoretical concepts described by Esping-Andersen: de-commodification and stratification. De-commodification refers to the life standards provided by the welfare state for unemployed workers or workers outside the market, while stratification refers to which extent a welfare state redistribute assets between the societal strata (described in detail in chapter 2). Based on how the countries perform on the two welfare-state dimensions, they are categorized as belonging to either a socialist, liberal or conservative welfare-state regime. The data that is used for de-commodification is gathered from the *Comparative Welfare Entitlements Dataset* (CWED2, Scruggs et.al., 2013). The data for stratification is gathered from the OECD databases and “*Social Security Programs throughout the World*” (Social Security Administration, USA).

In order to see whether welfare-state regimes have shifted during the beginning of the 21st century, the study consists of a comparison between two time periods: year 2000 and 2010. This thesis will thus be designed as a cross-temporal comparative welfare research study, using the definition of a welfare-state regime made by Esping-Andersen in “The Three Worlds of Welfare Capitalism”, using the same countries, with an operationalization that differs to some extent.

1.3 Disposition

This thesis will be introduced in this chapter (Chapter 1), to be followed by the theoretical framework, where previous research and Esping-Andersen's "Three Worlds" is presented (Chapter 2). After the theoretical framework, the methodological approach and discussions of doing a replica will be presented (Chapter 3). In chapter 4, the results of the de-commodification, stratification and the combined analysis is presented, followed by a discussion on the replication results (Chapter 5). Chapter 6 offers the executive summary, while tables and the variable oversight are found in the Appendix.

2 Welfare States and Welfare-State Regimes

This chapter provides the theoretical framework which is used in this study. To do so, previous welfare state research is firstly presented, followed by a section on how to define the welfare state, to finally be followed by the theory used in this study: Esping-Andersen's "Three Worlds of Welfare Capitalism" (1990). "Three Worlds" is a seminal work in comparative welfare state research that today is used as an analytical tool, while it still is a subject for debate. Due to the huge reactions this book created, the final section serves as a short literature review on the debate that followed "Three Worlds".

2.1 Welfare State Research

Welfare state research is extensive, both in range of material but also in its variety of theoretical frameworks, resulting in a theoretically fragmented literature (Hicks 1999, p.16). Welfare state research focused during most part of the 20th century on welfare state origins and development, to nowadays focus more on welfare state retrenchment and the challenges the welfare state meet today.

One of the first research fields on welfare state development focused on industrialism as the cause of welfare state growth, where "[...] *industrialization creates new demands for public spending as systems of social support based on kinship and the patrimonial traditions of agrarian societies are eroded*" (Myles & Quadagno 2002, p.36). Kerr et al. claims that it is industrialism, not capitalism, which has given rise to the new welfare state, but also to labor market problems. Primarily, industrialism and its new technology require high skilled labor, which in turn requires an educational system to meet the needs of industry, which is to be provided by government. Thus, the inherent nature of industrialism demands an equivalent change in the societal structure leading to the development of the welfare state (Kerr et al. 1960, p.239).

During the 1970's the "power resource theory", formalized by Walter Korpi, became dominant, focusing on political parties and class-related factors in welfare state growth as causes for the emergence of different welfare states (Myles & Quadagno 2002, p.37-38). The power resource model is sprung from a Marxist-Leninist theory of structural change as a result of class struggle, coming from the unequal distribution of power resources in society (Korpi 1983/2006, p.76). As the power resource distribution in society formed the welfare state, it also helps with its upholding (Lindbom 2011, p.21). The power resource theory can be seen

as response to the earlier dominant pluralist theory of an equally distributed power resource in society, and that change has come about due to organizations and groups acting on behalf of their collective interests. Power resources are described by Korpi as: “[...] *characteristics which provide actors – individuals and collectives – with the ability to punish or reward other actors*” (Korpi 1983/2006, p.76). Recent studies within the field of power resources have come to focus more on a population’s policy preferences and how nation states’ ideological legacies creates ideal-typical welfare regimes (Brooks & Manza 2006, p.817). The ideal typical welfare regimes were described by Gösta Esping-Andersen in 1990 where he attempts to categorize different western welfare states. He outlines a theory on how the development of welfare states in different countries is a result of their different political traditions and furthermore, how the degree of mobilization of workers, and thus the class-struggle between workers and elites, has influenced the formation of the welfare state. In countries such as the Scandinavian, where worker mobilization and social democratic party influence was greater than in the southern European, the welfare state is more extensive and generous (Esping-Andersen 1990).

Approaching the closing of the 20th century, the focus of welfare state research was set on the crisis of the welfare state, which coincided with the fiscal crisis of the nation states during the 1990’s, demanding cut-backs in the welfare state spending. However, the first crisis of the welfare state started in the 1970’s where welfare states for the first time ceased to grow (Pierson 2007, p.143). The crisis of the welfare state also overlapped with an increased challenge of the primacy of the social democratic welfare state model, contesting whether a welfare state is the only way to reach social equity, where market based welfare was seen as the other solution. Also, there were ideas of the welfare state’s expiration date that rose both from neo-Marxists and the New Right (ibid). In addition, there was a paradigm shift in macroeconomics from the earlier so praised Keynesian model, which was highly related with the social democratic welfare state model, leaving room for the ideas of monetarism and supply-side economics (Hay 2001, p.204). The paradigm shift was a direct effect of the economic recession of the 1970’s and resulted in a fundamental critique on the welfare state (Offe 1982, p.67).

At the turn into the new millennium, the welfare state appeared to have survived the crisis and research focus shifted towards the policy changes that occurred during the crisis (Palier 2003/2006, p.359). Contrary to what was thought, the policy analysis stated that the welfare state crisis did *not* result in a change in policy frameworks to the extent researchers thought and that it still represented the postwar welfare state model, contradicting the withdrawal of the welfare state (Hacker 2006, p.396). Equally, Pierson concludes in “*Dismantling the Welfare State*” (1994) that the Reagan and Thatcher administrations, which were seen as strong reformist of the welfare state in USA and Great Britain respectively, only changed the social programs to a limited level. Although there was retrenchment, as some social programs were cut more than others, e.g. housing programs and unemployment benefits (Pierson 1994, pp.4-5).

The dominating theoretical field in explaining welfare state persistence during its period of crisis is “path dependence”. Besides the power resource theory, the

theory of path dependence was also one of the most dominant in explaining welfare state trends in recent research (Brooks & Manza 2006, p.817). The theoretical field rejects the notion of an extensive welfare state retrenchment as political institutions are highly path dependent. As the founder of the theoretical concept, Pierson describes welfare state persistence as sprung from the difficulty of changing a political trajectory; the further one steps down a political pathway, the harder it gets to change to another policy; where the cost of exit is too high (Pierson 2000, p.252). Established institutions are thus difficult to change as individuals and organizations adapt their behavior to the institution (North in Pierson 2000, p.256). The reason given for the persistence of the welfare state is thus the expectations set on a nation's welfare provision, making it difficult to shift policy areas even though the political will might be there (Hacker 2006, p.396).

The reform of the welfare state is a current theme in welfare state research but also a matter on the political agenda as it is stated that the welfare state cannot survive in its present state (Pierson 2007, p.1). As the welfare state seems to be quite consistent in the contemporary society, the research today has thus moved towards trying to explain how the welfare state can survive and adapt to its future challenges. In the current research there is a consistent view of "then" and "now"; illustrating a breaking point of the welfare state (cf. Hay 2001, p.201). Today, the welfare state is seen as meeting an outer challenge and its survival is dependent upon how these challenges are met. Schwartz sums up the challenges in what he call the "usual suspects"; globalization, demographic change and domestic politics (Schwartz 2001, pp.17-20).

2.2 Defining the Welfare State

When investigating a phenomenon such as the welfare state, it is important to define the concept. The most common way to define a welfare state is through its expenditures, as a percentage of a nation's GDP, and in relation to other countries level of spending. Yet, this is not a satisfying definition since it does not say anything of what a welfare state actually is and is consequently "theoretically epiphenomenal". It also assumes that "all spending counts equally" no matter on what the money is spent on, may it be civil servant wages or social security (Esping-Andersen 1990, p.19). Therefore, alternative definitions are desirable. The minimum definition of a welfare state can be stated as the responsibility of a state to secure a minimum level of welfare towards its citizens. Though, what a minimum level of welfare actually means could be debated (Esping-Andersen 1990, pp.18-19). Correspondingly, Briggs define the welfare state as: "*A welfare state is a state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of market forces in at least three directions [...] guaranteeing individuals and families a minimum income [...] social contingencies [...] and social services*" (Briggs, 1961/2006, p.16). Wilensky and Lebeaux concurs with the notion that the essence of the welfare

state is “[...] *government protected minimum standards of income, nutrition, health, housing, and education for every citizen, assured to him as a political right, not as charity*” - and that both critics and welfare state enthusiasts can agree upon this remark (Wilensky & Lebeaux 1975:xii). Moreover, they recognize the two features that define public policy: redistribution of income and equality of opportunity of the young (ibid), which can be compared with Esping-Andersen’s (1990) definition of the state: the state as a system of stratification and de-commodification of workers which is used in this study (see below).

The typologies and theoretical background to Esping-Andersen’s study was influenced by two giants in welfare state research: Marshall and Titmuss (Arts & Gelissen 2002, p.138). Marshall describes “social citizenship” as the main concept of a welfare state. Citizenship is in turn divided into three parts: the civil, political and social. The civil part denotes the individual’s right to liberty and freedom of speech, thought and property, the political part denotes the right to participate in the exercise of political power, while the social part refers to the right to lead a civilized life according to the social standards of society. Thus, the three parts of citizenship is provided by the government through institutions such as the law, educational system and social services (Marshall 1950/2006, p.30).

One of the most influential research contributions to the field of welfare states and one of the first to use typologies in the field is Titmuss. In his “Essays on the Welfare State” (1958) Titmuss divides the welfare state into either residual or insitutional. Residual states are the welfare states that only provide welfare when the family or market fails to do so, while the institutional welfare states are universal, covering the entire population (Titmuss in Esping-Andersen 1990, p.20).

2.3 Theoretical Framework: Welfare-state Regimes

“The Three Worlds of Welfare Capitalism” (1990) by Esping-Andersen is one of the most influential writings on welfare states, representing a scholarly field that seeks to investigate the historical origins of why welfare states are so different in both spending and social policy. In “The Three Worlds of Welfare Capitalism”, Esping-Andersen “re-specifies the welfare state” using the concept of welfare-state *regimes*. In this sense he avoids what he calls a narrow concept: “[...] *the concept of the welfare state is too narrowly associated with the conventional social-amelioration policies*” (1990, p.2). But also, as he continues: “...contemporary advanced countries cluster not only in terms of how their traditional social-welfare policies are constructed, but also in terms of how these influence employment and general social structure” (ibid.). Thus, when talking of a welfare-state regime instead of a welfare state, it broadens the concept when taking to account that the nation state’s legal and organizational features and the welfare state are interwoven (ibid). This is in much line with how Hacker describes the welfares state, where he denotes that a major part of what welfare states are today is within the field of social policy. The welfare state is however

not just one major political institution, it is also shaped according to the structure of the nation state, leading it to be a good basis of analysis of government decision-making (Hacker 2006, p.386).

Esping-Andersen describes the three pillars of welfare provision in his development of a theoretical framework: the market, the family and government. Different welfare regimes emphasize different pillars and it is the interaction of these pillars that define different welfare-state regimes. Where a social democratic welfare regime emphasizes welfare provided by the government, a liberal stresses the importance of the market, while the conservative focuses on family provision (Esping-Andersen 2002, pp.11-13). However, there are no pure ideal typical welfare states, but all states have an inherent mixture of welfare provision systems (Esping-Andersen 1990, p.49). One reason for the mixed welfare state systems is that welfare state construction was dependent on coalition building (ibid., p.30).

In “Three Worlds of Welfare Capitalism” Esping-Andersen made an empirical inquiry of sixteen capitalist countries in order to establish a typology consisting of the different welfare states. The study showed a pattern of three clusters of welfare states; which were named social democratic, liberal and conservative welfare states due to the ideological background of the states. States that were considered as Social democratic are: Denmark, Finland, Netherlands, Norway and Sweden, whereas the liberal states are: Australia, Canada, Japan, Switzerland and the United States, the conservative states are: Austria, Belgium, France, Germany and Italy. States that showed ambiguous results were: Ireland, New Zealand and United Kingdom.

Esping-Andersen stresses the importance of defining the state structure in order to find out the nature of welfare states (1990, p.20). In “The Three Worlds” welfare-state regimes are defined as a combination of the two concepts *de-commodification* and *stratification*. As stated above, “Three Worlds” is belonging to the field of power resource theory, which derives from a Marxist way of looking at the welfare state, which is worth noting and is visible in the way welfare state regimes are defined. De-commodification and stratification will be described in detail in the following two sections.

2.3.1 De-commodification

De-commodification is a term sprung from the workers position in society. Industrialism and capitalism brought about a change in the labor market, where workers now were seen as commodities and “[...] *their survival was contingent upon the sale of their labor power*” (Esping-Andersen 1990, p.21).

In opposition to the market, the state is considered as the “de-commodifier” as it introduces social rights and lets individuals lead their lives without relying entirely on the market (ibid., pp.21-22). The definition of de-commodification is: “[...] *that citizens can freely, and without potential loss of job, income, or general welfare, opt out of work when they themselves consider it necessary*” (ibid., p.23). Though, the concept de-commodification is not a method of liberating workers

from market dependence, but a way of measuring to which degree workers can lead a decent life off the market and still have access to welfare (ibid., p.37). Esping-Andersen describes (inspired by Polanyi, 1994) the evolution of the welfare state as a reaction to and the mobilization of the working class against the commodification of workers. The workers could not participate in a collective action, such as demonstrations, without a certain level of de-commodification (ibid., p.37).

The liberal welfare states share the characteristic of having means-tested social benefits in a larger extent than other states (Esping-Andersen 1990, p.26). Means-tested benefits are a selective social policy which is oriented only towards those who have economic needs, excluding the middle-class, as opposed to the universal benefit system (Rothstein 2010, pp.30-32). The benefit system of a liberal state is based on the idea that benefits should not change an individual's incentives to work, i.e. preferring work over benefits, thus leading to a modest compensation level. By only guaranteeing a minimum level of benefits, liberal welfare states only secure a minimum level of de-commodification (Esping-Andersen 1990, p.26-27). The archetypical liberal welfare states are Australia, Canada and the United States.

In the second cluster of welfare states, one can find countries such as Austria, France, Germany and Italy. These are labeled the conservative welfare states, which are made up by corporatist and etatist countries (ibid., p.27). Etatism focuses on state primacy (ibid, p.59) while the corporatist welfare states “[...] springs from the tradition of the estates, guilds, monopolies, and corporations that organized social and economic life in the medieval city economy” and still influences society in these welfare-state regimes (ibid, p.60). The corporatist welfare states demonstrate a system where the market is not seen as the provider of welfare, as in the liberal states, but the family. In addition, the corporatist welfare states are structurally influenced by the Church which is evident in the pursuit for family provided welfare. The corporatist countries shows little or no redistributive effects as it ascribes social rights to class and aims to preserve the traditional family and societal strata. This is evident in the welfare provision system where welfare only takes over where the family no longer can provide, e.g. benefits favors mothers and day-care is underdeveloped (ibid., p.27). The corporatist welfare states still ensure a certain level of de-commodification as there are benefits to those in need. Although, due to the way the system is built, where benefits are based on contributions of those in the labor force, market dependence is still prevalent, although not as much as in the liberal welfare states (ibid., p.22).

The third welfare-regime cluster represents the countries with the highest level of de-commodification. The countries found in this cluster typically consist of the Scandinavian or north European countries. This cluster of welfare-state regimes is called the social democratic, due to the long tradition of social democratic rule during the 20th century and thus during the development of the welfare state. What distinguishes the social democratic regime cluster from the liberal and the corporatist is the universal benefit system. The universal benefit system not only benefits low-income earners, but also the middle-class. Moreover, benefits are set

to secure a certain living standard, not only as to meet the minimum need, with benefits adjusted to the accustomed earnings. The social democratic model isolates workers from market dependence to a certain extent, leading all citizens to be dependent on the model and thus feel obliged to pay (ibid., pp.27-28).

2.3.2 Stratification

The other defining concept of a welfare-state regime is stratification. The concept stratification refers to the welfare state as a “system of stratification”, which in turn refers to the redistributive characteristics of the welfare state. The welfare state is seen as an actor, intervening in the ordering of social relations and inequality (Esping-Andersen, 1990, p.23). Stratification is described as the core of the welfare state, something that has always been and always will be no matter which additional social policy services that may be provided. Different welfare systems affects the stratification of society in different ways, either to a more egalitarian level, or by cementing class-structures (ibid., p.55). The welfare state has different means of stratifying, but the most well-known is income redistribution. Today, social transfers play the biggest role in income redistribution where it yesterday was the tax system. Despite that almost all welfare states have a system of income redistribution, the outcome varies significantly: where the redistributive effect in the Scandinavian countries is great, it is much smaller in countries such as Germany and France. Why different welfare states creates different redistributive outcomes is however largely left unexplained (ibid., p.56). The welfare state affects the societal stratification in more ways than just income redistribution: social policy such as the educational system and social services affects in a great deal, especially for women (ibid., p.58).

There are three measures for welfare-state regime stratification: conservative, liberal and social democratic. For the conservative welfare-state regimes, the traditional societal class model is a prevalent idea, but also the rejection of capitalism. Which leaves conservatism between the market based ideology of liberalism and the social democratic wish for social leveling (ibid., p.58). Esping-Andersen distinguishes between two branches of conservatism: corporatism and etatism. Corporatism is described as a response to industrialism and its effects: social fragmentation and individualization. In modern societies, corporatism is described as “...built around occupational groupings seeking to uphold traditionally recognized status distinctions and use these as the organizational nexus for society and economy” (ibid., p.60). Corporatism was mostly influential in the continental European nations, as a response to the Church’s strong position (ibid., p.61). Etatism, on the other hand, focuses on the primacy of the state. Esping-Andersen illustrates etatism with Bismarck’s wish to tie workers directly to the state with social benefits, instead of tying workers to the guilds, as in the corporatist model. Today, etatism can be traced in two areas of welfare state stratification, where one is giving generous welfare provision to civil servants, giving state servants an elevated position in society, as in countries such as

Austria, Germany and France. The other area where etatism can be noted today is the relatively generous poor-relief or income protection, based on the idea of *noblesse oblige* (ibid., pp.59-60).

The liberal response to the conservative ideas of etatism was the opposite. The state and the stratified society were seen as something that had gotten in the way of market emancipation, and in extension, individual liberty. Social policy were to be replaced by the market in order to achieve social leveling, not to eliminate aid, but to have a less active state (ibid., pp.61-62). Today, liberalism does accept income-tested social benefits, although it is associated with social stigma to be a social assistance beneficiary. Due to the core liberal idea of the smallest state possible, benefits are usually means-tested and modest, given only to those that are genuinely poor, creating the stigma. The liberal welfare-state system is based on the notion that those who are entrepreneurial and self-reliant should be rewarded. Social insurances exists, but they are privately held and paid for (ibid., pp.62-64).

The socialist movement started as a response both to conservative and liberal reforms. The most important notion of socialism was to change the societal stratification and achieve social leveling. The primary target was to change the means-tested poor laws since they created a stigma within the proletariat and that beneficiaries were disenfranchised (ibid., p.65). The social democratic idea of universal benefit system as a prolongation of democratic rights was most evident in the Scandinavian countries and particularly in the Swedish “People’s home” (ibid., p.67). The universal benefit system came to include even the middle-class in order to “preserve the solidarity of a universalistic welfare state” (ibid., p.69). A universal benefit system denotes a system where social aid is for everyone. This picture is somewhat simplified, although benefits are universal in general, and more general than the means-tested system where only a limited group qualifies for benefits (cf. Rothstein 2010, p.30ff). Moreover, the socialist movement focused on the concept of solidarity and in extension, one of its most distinctive features: centralized bargaining through trade unions (ibid., p.66).

2.4 Literature review: reactions on “Three Worlds”

“Three Worlds of Welfare Capitalism” (Esping-Andersen 1990) got widespread attention when it was released due to the welfare-state regime clustering it illustrated. What was new, besides the clustering, was how welfare states, or welfare-state regimes, were defined: on a de-commodification and a stratification axis. There were strong reactions to “Three Worlds”, critique and praises, where the following decade (or more) of welfare state research was a response to and followed in its footsteps trying to test the theoretical and methodological bearings of this study (cf. Edwards 2003, pp.3-5). Arts and Gelissen refers to the critique as constructive or negative: the constructive criticism acknowledges the typology although not as an exhaustive nor exclusive one, while the negative is more hostile, referring to shortcomings in method and theory (2002, p.138). “Three

Worlds” also inspired others to engage in categorizing welfare states according to ideal-types, e.g. Leibfried 1992, Castles & Mitchell 1993, Siaroff 1994, Ferrera 1996. As there were such reactions to “Three Worlds”, there is a vast range of research conducted, and it is thus close to impossible to get a full literature overview, in this forum at least. However, this section will provide a brief literature review on the debate, due to the vast range of material, departing from the four most occurring debates: the feminist rejection of Esping-Andersen’s typologies, the methodological debate and whether there are only three ideal-types.

The research tradition that has been the most critical towards the “The Three Worlds” is feminist scholars (Edwards 2003, p.2). According to Hacker, gender has long been a neglected study area within the field of social policy. This is stated as rather surprising when considering that women are main beneficiaries of family assistant programs, but also that social policy changes often are largely influenced by female reform leaders (Hacker 2006, p.389). The criticism is mostly based on the fact that the analysis by Esping-Andersen totally misses vital parts within the field of social policy when constructing his analysis. The gender based critique against “Three Worlds” is connected with the concept of de-commodification and family provision in welfare (Arts & Gelissen 2002). Shortly after “Three Worlds” was released, there was demand that the concept of welfare state regimes needed to incorporate both paid and unpaid domestic work in order to capture the full extent to which a welfare state is de-commodifying (Lewis 1992, Orloff 1993). When incorporating gender into the analysis, the clustering of countries emerges in a totally different manner (Edwards 2003, p.6). There was such a large extent of gender based arguments that Esping-Andersen felt the need to revise his arguments (1999). He states that de-commodification as used in “Three Worlds” is a concept that does derive from paid work and that women increasingly are becoming part of the welfare state de-commodification as more are entering the labor force. However, there are still a large portion of men and women that are “pre-commodified” and relying on family provision. Esping-Andersen thus re-conceptualizes de-commodification to “de-familialization”, although he in “Social Foundations of Postindustrial Economies” examines and illustrates that the variations for these two concepts are the same within welfare states (1999, p.45).

The methodological debate covers almost all aspects of the study in “Three Worlds” are the reproductions and thus opinions are many. There has been some critique that the de-commodification index is predesigned as it only intended to show high/medium/low scorers that are social democratic/conservative/liberal and even if there were a fourth or fifth regime type, the study would not show it (Bambra 2006). The scoring metric for the de-commodification index (see following chapter for details on the scoring) is said to be overstating the importance of replacement rates, as their score is doubled within the index (Bambra 2006). Esping-Andersen explains this methodological choice as a deliberate way to emphasize the importance of replacement rates in relation to work-welfare choices and in relation to the other variables (Esping-Andersen 1990, p.54).

Moreover, the scores for the three investigated social insurances are weighted with respective insurance coverage rates. Bambra criticizes this methodological choice as it gives coverage rates a too important role in the de-commodification index, favoring countries with a high coverage rate and low de-commodification scores and disfavoring countries with high scores and a low coverage rates (2006). Esping-Andersen explains the choice of weighting the de-commodification scores with the coverage rates as: “*A program may very well offer luxurious benefits and liberal conditions, but if it addresses solely a small clientele, it has obviously a limited capacity to de-commodify*” (1990, p.49).

The third most occurring methodological critique is the choice of giving Australia a coverage rate of 50% as the country’s social security system is means-testing. The critique lies mainly in that the share of 50 % is arbitrarily chosen and that it affects Australia’s de-commodification index negatively, leaving it with a lower score than it should have had otherwise (Bambra 2006, Scruggs and Allan 2006). Australia is stated as to have the largest means-tested public benefit system, with an inclusive approach, leaving the majority of the population with social protection, relying more on income redistribution than social protection. Also, New Zealand’s welfare state is based on a similar model. Therefore the conclusion is drawn that the Antipodes should have its own typology (Castles in Arts & Gelissen 2002, p.146). Esping-Andersen meets the critique with stating that Australia and New Zealand may have social programs with origins that resembles to a social democratic welfare *state*. But as the social programs are means-tested and welfare than relies to a certain extent on market provision, the liberal welfare-state regime is still the most appropriate one for the Antipodes (Esping-Andersen 1999, p.89). However, he does not address the “negative” scoring of Australian and New Zealand’s coverage rates.

Another debate about changing the three worlds of welfare capitalism, to four, is regarding the Mediterranean countries. In “Three Worlds” there was only one Mediterranean country included, Italy. This has given rise to criticism as the Mediterranean countries are assumed share similar welfare state features. By not including Spain, Greece and Portugal, the Mediterranean features are disregarded, and thus another typology, clumping Italy and the other Mediterranean countries into a subgroup to the continental corporatist type. Esping-Andersen mentions these shared features by the Mediterranean countries in “Three Worlds”, the catholic and familialistic background, but develops this exclusion of these countries no further in “Three Worlds” (Arts & Gelissen 2002). However, this critique is addressed by Esping-Andersen in “Social Foundations of Postindustrial Societies” (1999), where Leibfried’s (1992) adjusted typology is discussed. Esping-Andersen does discard the notion that there should be a separate Mediterranean regime type due to the fact that the difference lies mainly in social assistance and that different social assistance does not qualify for a new idel-typical regime type (1999, p.90).

This section has shortly addressed the most common criticisms against “Three Worlds”. There is no doubt that the critique has got merits. The heaviest critique lies on the construction of a three folded typology and the study it is predesigned to fit the typology. Esping-Andersen argues against this as the typology is derived

from political theory, with the classical triad “conservative, liberal and social democratic”, as the basis of the analysis: representing the ideologies from which welfare states emerged (Esping-Andersen 1999, p.74). Moreover, the study is conducted for welfare-state *regimes* and not welfare *states*, where regimes denote the way “*welfare production is allocated between state, market, and households*” (Esping-Andersen 1999, p.73) and thus represents an ideal-type and not a “real type” (Ferragina & Seeleib-Kaiser 2011, p.584).

Ferragina & Seeleib-Kaiser concluded in their meta-study on “Three Worlds” reproductions that the typologies are quite robust (reproductions conducted on the same period of time as “Three Worlds”). They are considered as robust as all countries belongs to the same typology in 50 percent (or more) of the cases. Moreover, Austria, Denmark, France, Germany, Norway, Sweden and USA are considered as “pure cases” as they almost consistently belong to the same cluster. Sweden and USA are the countries that are social democratic respectively liberal in *every* analysis (Ferragina & Seeleib-Kaiser 2011).

Kasza on the other hand argues that there is an illusion in contemporary welfare state research that welfare regimes do exist and that: “[...] *few national welfare systems are likely to exhibit the internal consistency necessary to validate the regime concept, and that policy-specific comparisons may be a more promising avenue for comparative research*” (Kasza 2002). It is thus a question on whether one accepts the theoretical basis for analyzing the empirical world of welfare-state regimes or not and whether ideal-types are accepted.

Research today has somewhat accepted that there are different welfare regimes, though focusing more on programmatic regimes, e.g. pension regimes, or welfare regimes at the local level. The three folded typology today represents a strong analytical tool (Rice 2013, p.94). The typology thus still stands even though the vast range of reproduction and critique. “Three Worlds” is now considered a modern classic, or at least a seminal work in welfare state research. Whether one accepts the typology as a true picture of “the worlds of welfare capitalism” or not, it is still a useful analytical tool in comparative welfare research.

3 Methodological approach

The purpose of this thesis is to investigate the current welfare state regimes in 18 capitalist countries, following the study by Esping-Andersen in “The Three Worlds of Welfare Capitalism” (1990). In order to answer the research questions, the definition of a welfare regime made by Esping-Andersen will be used, consisting of the two dimensions de-commodification and stratification. Moreover, the methodology used by Esping-Andersen will be used. However, the same variables and data used in 1980-1990 are difficult to gather for the 21st century as the databases used are no longer available or variables have stopped being produced, which means that there will be a discrepancy between this study and the previous worth noting. This study aims to use variables as close as possible to Esping-Andersen’s in order to be able to compare the findings with his results. The studied countries will be the same as in “The Three Worlds” (1990).

Besides from reproducing the study in “The Three Worlds” once, I will choose two years in the first decade of the 21st century: 2000 and 2010. The reason for choosing two years is to be able to use the first year as a comparison for the second and whether the countries have shifted cluster and/or positions on a scale, or whether the clusters are fixed. In extension, to see whether the welfare states have changed their inter-relational position and thus whether this possibly could illustrate an interesting change in the western welfare states.

This thesis will thus be designed as a cross-temporal comparative welfare research study, using the definition of a welfare state made by Esping-Andersen in “The Three Worlds of Welfare Capitalism” and using the same countries as in “The Three Worlds”, although with a different operationalization as the same data is difficult to gather from all countries.

3.1 Research Design

3.1.1 Theoretical Approach

A study can either be theory testing or theory developing (George & Bennett 2005, p.73). The problem with a theory testing study is when a theory does not explain the chosen cases, does it then depend on the inherent structure of the theory or the lack of applicability on the specific case (cf. George & Bennett 2005, pp.115-116)? Moreover, theory testing is problematic as existing theories usually lack clarity and consistency which makes testing difficult as it seldom

could be done in the same way twice (George & Bennett 2005, p.182). In this study, testing will be as close as possible as the original although one cannot exclude the fact that there are discrepancies as the data is collected differently with respect to “Three Worlds”. To avoid a bias, this study aims to have an operationalization similar to those made by Esping-Andersen (1990) as is where the methodological chain differs between this study and his. However, it is important to notice the problems that might arise when aiming to compare two different studies if operationalization is diverge to a great extent. When reproducing a study that is not a total reproduction as it is in this case, it is important to be clear with what might be expected of the results and where the studies’ methodology differs. This study and Esping-Andersen’s “Three Worlds” differs in operationalization to some extent in de-commodification and to a greater extent in stratification, this will however be explained in detail below.

By choosing a comparative approach on a plurality of cases, Esping-Andersen seeks to illustrate that there are more than one type of welfare state, or the concept used by him, *welfare-state regime* (Esping-Andersen 1990, p.3). A comparative research design is one that resembles a scientific experiment in the fact that it uses a controlled comparison to draw conclusions on causality (George & Bennett 2005, p.151). However, when aiming to develop a theory on clusters of welfare states, within-case analysis can be used in cross-case comparison without aiming to draw causal conclusions, being an alternative to controlled comparisons. Within-case analysis thus “*establishes the value of the independent and dependent variables in the case at hand, and then compares the observed value of the dependent variable with that predicted by the theory, given the observed independent variable*” in order to establish a possible causal relationship (ibid., p.179). Within-case analysis can be combined with a typological theory in order to make cross-case comparisons (ibid., p.234), as is done by Esping-Andersen (1990) and reproduced in this study. George and Bennett define a typological theory as:

[...] a theory that specifies independent variables, delineates them into the categories for which the researcher will measure the cases and their outcomes, and provides not only *hypotheses* on how these variables operate individually, but also contingent generalizations on how and under what conditions they behave in specified conjunctions or configurations to produce effects on specified dependent variables. (2005, p.235).

This definition of a typological theory is consistent with the investigation med in “The Three Worlds”, but also in this study as I test the theory of the three welfare state clusters (dependent variable) which are measured as the level of de-commodification and stratification (independent variables).

3.1.2 Case selection

When research is theory testing, the choice of cases is a central feature in any study's success; whether they represent crucial, most-likely or least-likely cases (George & Bennett 2005, p.75). The chosen cases for this study are the same countries as Esping-Andersen included in "The Three Worlds of Welfare Capitalism" (1990). He never fully explains the choice of cases more than describing them as "capitalist" welfare states (1990). However, it is quite clear that the chosen countries are representing a typical case of developed (capitalist) nations with a developed welfare state.

The reason for choosing the same cases in this study as in "Three Worlds" is to have a research design as close as possible to the original, to be able to see whether the clustering that Esping-Andersen found is the same today as it was twenty years ago. Therefore, the case selection in the present study represents most-likely cases in order to validate or reject the theory developed by Esping-Andersen in a contemporary context. If a study is designed as using most-likely cases and still does not validate the theory, it is seen as crucial evidence in weakening the theory (George & Bennett 2005, p.121), which in this case is used in order to see whether the theory is *still* valid.

The countries used in Esping-Andersen's study, which will also be studied by me are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom and the United States.

3.1.3 Material

Measuring de-commodification and stratification exactly as Esping-Andersen did is difficult, as it always is when reproducing a study, but also since the operationalization is too specific for databases and close to impossible to find the same sources as used in "Three Worlds", mostly due to a lack of explaining which sources are used to which variables. The problem with finding data that corresponds to the one used in "Three Worlds", which other researchers have noted (Scruggs & Allan 2006; 2008), is that Esping-Andersen states the sources but not which report that are used or a clear definition of the variables, which leaves the replicating researcher in a difficult situation. Moreover, some of the reports that are referred to are not publicly available. Therefore, different data sources will be used in this study to complete each other.

The difficulty of validating such a landmark study such as "Three Worlds" inspired Scruggs et al. to create a dataset consisting of variables that are not available elsewhere. Thus the Comparative Welfare Entitlement Dataset (CWED) was created. CWED consist of less aggregated data on three social insurance programs: sickness, unemployment and pensions. CWED2 is the newest edition and is a dataset that contains information about the structure and generosity of social insurance benefits in 33 countries around the world, starting in the postwar period. The dataset is in part inspired Esping-Andersen's "Three Worlds"

(CWED2 Codebook) as the variables in the dataset are meant measure de-commodification. Moreover, CWED was founded as a complement to the OECD database, measuring less aggregated data. The reason for choosing to work with the CWED dataset and not others is that it consist of variables utterly close to those used by Esping-Andersen, and that these variables are not available in any other dataset.

The alternative to using CWED2 would be a thorough investigation of each country's pension, unemployment and sickness benefit system, income- and tax system etc. The problem with conducting such a study is the difficulty to know 18 countries benefit- and tax systems in detail good enough to compare them and not miss any details in the different countries redistribution system. By using a dataset that allows variables that are close to those in "Three Worlds" minimizes measurement error as it is designed for comparison between countries. The Comparative Welfares Entitlements Dataset (CWED2) contains variables that are comparable to those used by Esping-Andersen, although there is a slight variation.

What to be noted is that Scruggs and Allan, co-founders (et al.) of CWED, made a replication of Esping-Andersen's "Three Worlds", of the two dimensions de-commodification (2006) and stratification (2008) using CWED data in the former, both on the original year of 1980 and regarding stratification, time series to 2002. The de-commodification study was designed as first replicating "Three Worlds" as close as possible (trying to overcome the difficulty of data collecting with regards of the same variables as Esping-Andersen) and later suggesting an alternative "benefit generosity index" as a measure of de-commodification. The benefit generosity index differs mainly in the respect of attaining insurance coverage, which the authors argue is erroneous to leave out when comparing social insurance programs (Scruggs & Allan 2006). The stratification study was designed replicating "Three Worlds as originating from the year 1980 and with a time series to the year 2002 (Scruggs & Allan 2008). The main findings of these studies were an inconsistency in the scoring method conducted in "Three Worlds" and not such a clear clustering as in the original study. However, what Scruggs and Allan do not do is compare the findings between the two articles and thus stratification and de-commodification within and between the 18 countries, which is done in this study. Also, there is a lack of comparison of how and which variables that have shifted within the two defining dimensions of a welfare state regime as they only intent to test "Three Worlds" and not analyze the findings of welfare state clustering. It is mainly in these respects that the study I am conducting differs from the one conducted by Scruggs and Allan as both are aiming to replicate "Three Worlds", using CWED data as empirics for the de-commodification index. I do however intend to replicate "Three Worlds" and not use the suggested "benefit generosity index" (Scruggs & Allan 2006) as I aim to reproduce "Three Worlds" and the regimes described there. If using the suggested benefit index, the operationalization is further from the one in "Three Worlds" than what would be desired. Though, it is important to note the similarities between this study and the ones carried out by Scruggs and Allan (2006, 2008), although differing in the chosen time period and analytical purpose.

When measuring de-commodification, the CWED2 dataset is used and when measuring stratification, different sources, both databases and reports, are used such as CWED2, OECD Statistics and *Social Security Programs throughout the World* (Social Security Administration, USA). These sources are used as they first and foremost provide the sought-after variables, secondly as they such as “Social Security Programs throughout the World” represent the source used in “Three Worlds”, and thirdly as present reliable data that allows for country comparisons. The variables used are presented in next section. Which sources that adheres to which variable is found in Appendix, Variable Oversight.

3.2 Theoretical Framework Operationalized

As described in the previous chapter, Esping-Andersen defines a welfare-state regime as a combination of the two concepts: de-commodification and stratification (1990). In order to measure these concepts, Esping-Andersen develops a framework for this purpose, which is described below. The theoretical framework in this study is the same as in “Three Worlds” although the operationalization differs to some extent as other variables, but mostly other sources, had to be used. The operationalization used in this study will be explained in this section, firstly by describing Esping-Andersen’s take on de-commodification and stratification, to later describe how this study is different.

Esping-Andersen (1990) divides the first theoretical concept, de-commodification, into three parts of the social security system: pensions, sickness and unemployment. Stratification is divided as to measure the level of liberalism, conservatism and socialism within each country. The focus of the study lies on social security systems, which have come to be a critique as a delimitation of the generalizability of the “Three Worlds”, if social security can be considered as a proxy for the entire welfare state. Esping-Andersen meets this critique by stating that “Three Worlds” indeed is focusing on the relation between the state and market and thus is income related. However, as the concept regime focus on the private-public mix, it is thus what is intended (Esping-Andersen 1999, p.73ff).

Esping-Andersen (1990) measures the level de-commodification within each country for pensions, sickness and unemployment insurance similarly. Pension measures consist of minimum pension benefits, standard pension benefits, contribution period and the individual’s share of pension financing. The level of de-commodification for sickness and unemployment insurances are measured as the benefit replacement rate, qualification period for benefit, waiting days before benefits are paid and duration of benefit. In table 3.2.1 the operationalization Esping-Andersen made is described, with the operationalization made in this study on the right hand side (for detailed information about the variables, see variable oversight in Appendix, or CWED Codebook).

As can be noted in table 3.2.1, there is a strong similarity between the frameworks, but they differ to a small extent, which different databases always do. The only real difference between this study’s framework and Esping-

Andersen’s might lie in the measuring of pension benefits; where Esping-Andersen uses minimum and standard pension benefits for a standard production worker earning average wages, CWED2 has got a variable for minimum and standard pension *replacement rates* computed from a (fictional) worker’s average production wage. As the explanation in “Three Worlds” is not as explicit as wanted for an absolute replication, it is difficult to know what is meant by minimum and standard pensions (cf. Esping-Andersen 1990, p.54). In CWED2 the minimum pension is interpreted as the pension “[...] *that is payable to someone above the standard retirement age*”. The standard pension is interpreted as the “[...] *accrued public pension due to a worker who: (a) is fully insured [...]; (b) earned APW wages¹ in each year of their working life*” (Scruggs & Allan 2006, p.58). As it is said, there might be no difference between the original variable and the one used in this study, the problem is that there is no way to know how big the difference is as Esping-Andersen does not describe it fully.

Table 3.2.1 De-commodification variables

	Original variables	Reproduction variables
Pension	Minimum pension benefits for a standard production worker earning average wages. The replacement rate here (as elsewhere) is the ratio of the benefits to normal worker earnings in that year, both benefits and earnings, net of taxes.	Minimum pension replacement rate for a single production worker.
	Standard pension benefits of a normal worker, calculated as above.	Standard pension replacement rate for a single production worker.
	Contribution period, measured as numbers of years of contributions (or employment) required to qualify for a standard pension (scored inversely).	“Standard” number of years of pension insurance to be considered fully covered.
	Individual’s share of pension financing.	The ratio of employee pension contributions to employer and employee pension contributions.
Sickness and Unemployment Insurance	Benefit replacement rates (net) for a standard worker during the first 26 weeks of illness/unemployment.	Replacement rate for a single production worker.
	Number of weeks of employment required prior to qualification.	Qualification period: Weeks of insurance needed to qualify for benefit.
	Number of waiting days before benefits are paid.	Waiting days: Days one must wait to start receiving benefit after becoming unemployed/sick.
	Number of weeks in which a benefit can be maintained	Duration: Weeks of benefit entitlement excluding times of means-tested assistance or long-term disability/invalidity pensions.

(Esping-Andersen 1990, p.54)

(CWED Codebook)

As in any dataset there are a few missing values, which in this case regards the coverage rates. To solve this problem, coverage rates to the closest year where data is available are used. However, in a few cases there was no, or very old data

¹ Average Production Worker Wage (APWW), see Appendix, variable oversight or CWED Codebook for definition.

available for coverage rates. Normally in a quantitative study, missing values are not devastating for the study, but in this case where each value is given a score that is used for comparison, and there can be no missing scores. Therefore, a growth rate for earlier replacement rates was computed and thus a trend estimated coverage rate. Growth rates for Austria, Germany and Sweden 2010 were computed from earlier pension coverage rates, as rates were available until 2003. However, pension coverage rates are quite stable for all countries during the studied period; it would be quite safe to assume a small or no change at all in pension take-up rates. But in order to follow the pension coverage trend, growth rates were computed. Although the result was almost identical to the base year as growth rates were very low. Italy's unemployment insurance coverage rate was not covered for after 1980. Estimating a growth trend due to 1980's data and even earlier, would not be accurate or justifiable. Therefore, a growth rate for Italy's *sickness* insurance was used in order to compute the coverage rate for the *unemployment* insurance for year 2000 and 2010, with 1980's unemployment insurance coverage as a base year. The sickness insurance was used as a trend estimator as the unemployment and sickness insurance, in my opinion, tended to co-vary within the studied countries during the studied period, more than the pension coverage. This is a weakness in the results for Italy's de-commodification index worth noting (for more information see Variable Oversight in Appendix).

The scoring method used to illustrate the de-commodification clustering in "Three Worlds" is also used in this study. The scoring is designed for each country, for each of the three social security systems: pension unemployment and sickness benefits; consisting of the variables described in this section. All variables are scored 1-3 depending on their relation to the mean; countries with a de-commodification index-score one standard deviation above the mean are labeled the number 3, and more than one standard deviation below the mean as 1. The countries that scored 2, are thus the medium "de-commodifying" countries, and are those that are less than one standard deviation above and less than one standard deviation below the mean. The mean is computed after deleting outliers. After each variable has got a score, the added score for each insurance is computed. Then, the insurance scores are weighted by the insurance coverage. Lastly, the weighted score are combined into one de-commodification index (Esping-Andersen 1990, p.54).

There is however one exception, as the pension system in Australia is means-testing, Esping-Andersen chooses to score the variable "contribution period" as 0 and the pension index-score is weighted by 0.5 representing the take-up rate. Moreover, replacement rates are multiplied by two for all countries and social programs as to reflect "the singular importance of replacement rates for people's welfare work choices" (Esping-Andersen 1990, p.54). Treating means-tested systems as weighted with 0.5 and replacement rates multiplied with two is not particularly explained in "Three Worlds" besides that "*This "negative" scoring reflects the fact that means-tested are highly conditional in terms of offering rights*" (Esping-Andersen 1990, p.54). Scruggs and Allan describe it as a "penalty" for Australia for using a system with means-tested benefits. Moreover, they state that this scoring affects Australia's position within the welfare state

clusters to a great extent, especially since the actual coverage rate is above one half of the population. Scruggs and Allan solves this problem through using the actual take-up rates instead of weighting means-tested systems with 0.5 (2006, pp.64-65). I will however choose to use the same scoring method as Esping-Andersen. The reason for choosing the same scoring methods is the same as stated earlier; in order to have a methodology as close as possible to the one in “Three Worlds” and thus compare whether the clusters illustrated in 1990 are still valid. It would surely give a result different from the one in “Three Worlds” if choosing to deviate from the methodological path Esping-Andersen used (when not necessary). Though, it is not only the cluster scoring of 1-3 that will be reported in the results, but also the de-commodification index-scores. By presenting both scores, the hope is to give a transparent result.

Stratification is the other defining dimension of a welfare state according to Esping-Andersen, and the framework presented by him and the used in this study is presented in table 3.2.2, with the scoring metric to the right. Stratification is measured through three different indexes: a conservative, liberal and socialist. The conservative index is measured as to the degree of corporatism (number of occupationally distinct public pension schemes) and degree of etatism (compensation to government employees as a percentage of total expenditure). The liberal index measures the number of means-tested benefit systems, private pension expenditure and private health expenditure. Lastly, the socialist index measures average benefit universalism (average coverage of sickness-, unemployment insurances and pensions) and benefit equality (the ratio of minimum to standard pension benefits). The idea for having three different indexes is to illustrate how countries that belong to a certain cluster scores high in that cluster, and then scores low on the other two indexes. However, as Esping-Andersen describes it, there are no ideal-types in the real world, but hybrids, and the task is to find patterns for clustering more than fixed ones (Esping-Andersen 1990, pp.73-75). The stratification framework used in this study varies to a greater extent to the one in “Three Worlds” than the one for de-commodification, although the degree is not extensive. The difference lies with the variables for etatism, means-tested poor-relief and benefit equality – besides using different sources than the original (sources belonging to each variable are found in the Variable Oversight, Appendix).

The first variable that measures conservatism, “number of occupationally distinct public pension schemes”, is computed the same way as in “Three Worlds”, using the same source: *Social Security Systems throughout the World* (SSA). The data gathered by Esping-Andersen (1990) and later by Scruggs and Allan (2008) from the SSA publication is however open for interpretation as none of them really explains how they define “number of occupationally distinct public pension schemes: major schemes only”. As the earliest publication available online is from 2002, it is this year’s data that will be used in the study, which is the one used by Scruggs and Allan (2008). Therefore, the study by Esping-Andersen and Scruggs & Allan is used as a comparison when computing the variable. Within each publication of *Social Security Programs throughout the World*, there is a country summary. Within each country summary, there is a

section on “Old age, disability and survivor” which covers national pension schemes.

Table 3.2.2 Stratification variables

	Original variables	Reproduction variables	Scoring
Conservative	Degree of corporatism: Measured as number of occupationally distinct public pension schemes.	Degree of corporatism: Measured as number of occupationally distinct public pension schemes.	Nations with less than, or equal to, 2 separate occupationally distinct pension programs have been given the score of 0; nations between 2 and 5 (inclusive) have been given a score of 2; and nations with more than 5 are scored 4.
	Degree of etatism: Measured as expenditure on pensions to government employees as % of GDP; reflects the degree to which the civil service is granted special welfare privileges.	Degree of etatism: government expenditure on general government employees, as a % of GDP.	Where the share is less ore equal to 1% the core 0 is given, between 1-2.1% a score of 2, 2.2% and above, score 4.
Liberal	Means-tested poor-relief as a % of total public social expenditure.	Number of means-tested social security programs.	Less than 3 % a score of 0, 3-8% a score of 2, more than 8% a score of 4.
	Private pensions as a % of total pensions.	Private pension expenditure as a % of total pension expenditure.	If the share is less than 10% a score of 0, 10-15% a score of 2, more than 16% a score of 4.
	Private health spending as a % of total.	Private health spending as a % of total health expenditure.	If the share is less than 10% a score of 0, 10-20% a score of 2, more than 21% a score of 4.
Socialist	Average universalism: average for sickness, unemployment and pensions. Universalism measures the percentage of the relevant population (labor force 16-65 years old) covered under respective programs.	Average universalism: average for sickness, unemployment and pensions.	Less than 60% covered is considered as low and equals a score of 0, 61-85% a score of 2, and coverage above 85% a score of 4. Australia and New Zealand are means-testing a score of 0.
	Average benefit equality, benefit differentials: based on what a standard worker will receive as a standard benefit and what the maximum benefit is. (Esping-Andersen 1990, pp.70-72)	Pension benefit equality: ratio based on what a standard worker will receive as a minimum pension and what the standard benefit is. (CWED Codebook)	If standard benefits are less than 55% of maximum benefits - a score of 0 (reflecting high differentials), 55-80% a score of 2, and above 80% a score of 4. (Esping-Andersen 1990, pp.77-78)

If differences between original variable and the one used in this study, it is marked in bold. NB! Sources differ between original variable and this study, see Appendix for details.

Scoring metric in this study is identical to the one designed by Esping-Andersen and described in this column. It is identical except for “Degree of etatism” and “Number of Means-Tested social security systems” as this variable differs from the original variable. The scoring metric for de-commodification is used here instead: one standard deviation above the mean is scored 4, within one standard deviation from the means is scored 2, one standard deviation below the mean, 0.

Within this headline there is a section that describes the coverage; and this is where the “number of occupationally distinct pension schemes” are found. The

number of schemes is counted as one, unless exceptions – such as the French special pension systems for those with an occupation within the sectors of agriculture, mining, public employees etc., which are counted as one individually distinct pension scheme (SSA Europe 2002, p.78). Regarding “major schemes only”: schemes that are considered as a part of an entire pension scheme are disregarded, e.g. the premium pension scheme in Sweden which is integrated in the universal pension system and thus only represent a smaller scheme covered by the same qualifying rules as the universal system (SSA Europe 2002, p.195). The exclusion of “smaller schemes” may seem arbitrary, but is the only way to approach the corporatist variable and make it similar to the one in “Three Worlds”. However, the interpretation of this variable is consistent within this study and the two years that are up for comparison, and hopefully will the detailed the description at least increases the transparency and allow for reproduction.

The difficulty of finding data comparable to “Three Worlds” is mostly evident when it comes to measuring the degree of etatism and means-tested benefits as the sources used in “Three Worlds”, i.e. “*The Cost of Social Security*” (ILO) have stopped producing the two used variables: expenditure on pensions to government employees as percentage of GDP and means-tested poor-relief as a percentage of total public social expenditure. To solve the problem with the etatism variable, data regarding government expenditure on government employees are used, instead of the share of government employees’ pensions. Esping-Andersen argues that pensions is the most important of the welfare state transfers and thus the best indicator of how a nation chooses to allocate their resources (1990, pp.79-80). However, since data for pensions regarding government employees are not available in the searched databases, without looking into each country individually, there will be a slight difference in this variable as it is “the compensation to general government employees” in relation to GDP, that is used instead (OECD, “Government at a Glance 2013”). By only using “compensation” instead of pension, information could be missed, but as the variable still measures the degree to which the nations chooses to allocate resources to government employees, it is sufficiently close to the original variable. Notable with this variable is that it could measure the size of the public sector more than etatism, but that might be a critique to the original variable as well, as the higher pension expenditure, the greater the public sector.

The first liberal variable, and the other variable that is difficult to investigate, as Esping-Andersen’s source ILO has stopped producing it, is “means-tested poor relief as a percentage of the total public social expenditures”. Besides ILO there are no evident databases that estimate the level of means-tested benefits in a comparative manner. The only way to estimate the impact of means-testing is to investigate each country individually. However, this would be an essay in itself as it takes thorough knowledge of each individual country’s social security system to be able to draw any conclusions and thus present them for comparison. Nonetheless, there will be a variable that measures means-tested benefits, although it is set out to be a count of the number of means-tested systems within each country, covering the fields of sickness, maternity, old age, invalidity, survivors, family, allowances, work injury, unemployment (eight in total). This

variable is thus intentionally constructed in a similar manner to the corporatist variable which measures the number of occupationally distinct public pension schemes, as this one measures the number of means-tested public social security systems. There is a notable difference between the variable that I have computed and the one in “Three Worlds”, where the original variable measures how much of the public funds that are put into means-tested poor relief programs and thus measures the systems importance within a country to a greater extent. However, counting the occurrence of means-tested systems illustrates which countries that uses them and to what extent within the eight parts of social security described above. Therefore, the variable used in this study differs from the original, but still measures the level means-tested systems within a country, and thus etatism.

As there are two variables used in this study that are quite different from the one in “There Worlds”, the same scoring cannot be applied. Instead a similar scoring to the de-commodification index is used, where the mean and standard deviation is computed; 0 if one standard deviation below the mean, 2 if one standard deviation within the mean, and 4 if one standard deviation above the mean. This metric is used as it is applied in another part in the study, but also as it is a more neutral measure than to estimate what would be considered as “etatist” and “liberal” regarding number of means-tested social security systems.

The second and third liberal indicators: “private pension expenditure” and “private health expenditure” are retrieved from OECD Pension Indicators and the OECD Reports *Health at a Glance* (2001, 2011). The variables are almost the same as used in “Three Worlds” and differ only to the extent that the data is retrieved from different sources.

The final two variables measuring stratification are the social democratic ones: universalism and benefit equality, where both are found in CWED2. Esping-Andersen measures the “average universalism” within the three social programs: pensions, unemployment and sickness. In CWED2 there is a variable that measures the coverage on each of the three social programs in each country, measuring the percentage of the covered population. The three coverage-variables will be combined to see the average coverage of these three insurances. The other socialist variable, benefit equality, is meant to measure the benefit differentials, “based on what a standard worker will receive as a standard benefit and what the maximum benefit is”. As CWED2 only has got variables for the minimum and standard pension benefits and not the standard replacement rate for both sickness and unemployment, it is only the *pension benefit equality* that will be measured in this study, and is thus a difference between “Three Worlds”. However, as Esping-Andersen claims, pensions is the most important transfer system within the welfare state as it accounts for more than 10% of GDP in most nations, and well illustrates the link between market and state; work and leisure, earned income and redistribution (1990, pp.79-80), the leap to only use pension benefits while measuring benefit equality should not be too great, though it is a difference worth noting. The scoring metric described by Esping-Andersen is used on this variable even though there is a slight difference.

4 Exploring Welfare-State Regimes for the 21st Century

In this chapter the results of the study will be presented. The presentation will be structured as to investigate the two dimensions of a welfare-state regime separately, first to describe the results for de-commodification and second, stratification. The focus of the analysis lies on the change in de-commodification and stratification that has occurred during the first decade of the 21st century. Also, the results will be compared to the findings in Esping-Andersen's "Three Worlds" (1990), however, as the analytical models differ to some extent, care must be taken not to overstate comparisons with the previous study's results. Lastly, the two dimensions de-commodification and stratification will be compared for each year individually to see whether there is a correspondence between the results for the two dimensions.

4.1 De-commodification

The first defining dimension of a welfare-state regime is de-commodification. De-commodification is defined as the level of independence a worker can get outside the market, and thus which living standards that could be expected, provided by the state. Esping-Andersen chooses to investigate the level of de-commodification out of the three social security programs: sickness, unemployment and pension – which is also done in this study. The highest level of de-commodification indicates a social democratic welfare-state regime, a modest level a conservative and a low level of de-commodification a liberal.

In order to measure the level of de-commodification, the operationalization of the theoretical framework described in section 3.2 is used. The data that is analyzed is presented in Appendix, table 8.2.1.1 for year 2000 and table 8.2.1.4 for year 2010. The mean value and standard deviation was computed for each of the variables, with deleted extreme values. Then each value, for each country, was given the score 1-3 depending on the distance to the mean: 1 was given if the value was more than one standard deviation below the mean, 2 if the value lies within one standard deviation below and above the mean and 3 if the value lies above one standard deviation of the mean. For the variables that indicate qualification period, waiting days and employee funding, scoring is inverted as a lower value indicates a higher level of de-commodification and not the opposite. In some cases there are values very close to the cutting point, thus indicating the score could be either or, but this author chose to be strict to the scoring rules.

However, scores that are close to the cutting points are marked in bold to illustrate which countries could possibly belong to another group (see Appendix, tables: de-commodification for exact scoring).

After the de-commodification scores are given, the additive score for each individual social insurance is computed and then weighted with the insurances coverage rates (coverage rates are presented in Appendix, tables 8.2.1.2, 8.2.1.5). The weighted de-commodification scores are added up, representing the de-commodification index, which is the basis for analyzing welfare regime clusters. The de-commodification index and thus clustering is presented in table 4.1.1 below.

Table. 4.1.1 Ranking order of de-commodification (2000)

Esping-Andersen (1980)			De-commodification ranking (2000)		
1	Sweden	39,1	1	Netherlands	37,23
2	Norway	38,3	2	Norway	36,28
3	Denmark	38,1	3	Switzerland	35,48
4	Netherlands	32,4	4	Denmark	34,83
5	Belgium	32,4	5	Sweden	32,6
6	Austria	31,1	6	Germany	32,2
7	Switzerland	29,8	7	France	30,7
8	Finland	29,2	8	Finland	30,4
9	Germany	27,7	9	Belgium	29,6
10	France	27,5	10	Austria	29,03
11	Japan	27,1	11	UK	27,44
12	Italy	24,1	12	Canada	26,57
13	UK	23,4	13	Italy	26,35
14	Ireland	23,3	14	Ireland	25,93
15	Canada	22	15	Japan	24,29
16	New Zealand	17,1	16	New Zealand	20,9
17	USA	13,8	17	USA	20,36
18	Australia	13	18	Australia	15,5
	Mean	27,2			
	St.d.	7,7			

The result shows a similar pattern to the one found by Esping-Andersen in 1990 (on 1980's data). There are northern European countries found at the top of the scale: Netherlands, Norway, Switzerland, Denmark, Sweden and Germany.

Norway, Sweden and Denmark are countries that usually counts as social democratic countries and was so labeled by Esping-Andersen. Netherlands was considered a social democratic country in "Three Worlds" thus leaving a corresponding result. Netherlands is in 2000 also the top de-commodifying country. Switzerland and Germany has moved up on the de-commodification scale as they earlier have been considered as conservative. Esping-Andersen even uses Germany as an example of the ideal-type conservative state, alongside Sweden as the core social democratic and USA as the liberal (cf. 1990, pp.191ff), which is worth noting as Germany now is found in the group that is considered social democratic.

The group of more modest leveled de-commodifiers is more diversified. In a year 2000 context the “conservative” group consists of France, Finland, Belgium, Austria, United Kingdom and Canada. France and Finland are the only two countries that are still conservative compared to “Three Worlds”. Austria and Belgium both have received a lower scoring in relation to the others and moved down from the social democratic group to conservative. Canada and United Kingdom has moved from the opposite direction, from the liberal group to a higher de-commodification level in the conservative cluster.

The lowest level of de-commodification is found in Italy, Ireland, Japan, New Zealand, USA and Australia. In this group, it is only Italy and Japan that has shifted positions from the conservative to what is considered a more liberal level of de-commodification.

The conclusions that could be drawn from the results from year 2000 is that there is still a pattern along the de-commodification level, although the ideological basis of Esping-Andersen’s ideal-types are not as evident as in 1980, eg. as conservative countries such as Switzerland and Germany now are considered social democratic, while Japan and Italy are considered as liberal. Other important conclusions is that Netherlands now offers the highest level of de-commodification, and has pushed Sweden of its throne, as Sweden has been considered “the archetypical social democratic country” due to its social democratic political tradition but also due to the consistent highest score when examining de-commodification (Ferragina & Seeleib-Kaiser 2011). Moreover, New Zealand, USA and Australia are still at the bottom of the scale as the least de-commodifying countries. What also can be noted is the level of de-commodification between this analysis and Esping-Andersen’s; levels of de-commodification have increased in all countries but the social democratic, where the level has decreased (accept for Japan where de-commodification has decreased and the Netherlands where there has been an increase). However, as the change is based on two different studies one cannot be too sure that there has been such a shift. Comparing exact de-commodification score are not methodologically defensible, although inter-relational positioning can be to a greater extent.

To compare whether there has been a shift in de-commodification during the first decade of the 21st century, the same analysis has been conducted for the year 2010. Moreover, in table 4.1.2, a column is added to illustrate the differences in de-commodification between 2000 and 2010. It is important to emphasize the difference in level of de-commodification and not only the ranking, as the ranking depends on the inter-relational position and is based on the notion that there are three welfare-state regimes clusters while the level of de-commodification takes into account whether there has been a change within the country. It is possible to compare the de-commodification level between 2000 and 2010 as the conduct is identical, but caution is to be had if comparing the index to Esping-Andersen’s analysis. Then it is preferable to compare the inter-relational ranking as this is less independent to scoring differences.

Table 4.1.2. Ranking order of de-commodification, total

	Esping-Andersen De-comm. (1980)		De-comm. ranking (2000)		De-comm. ranking (2010)		Change 00-10		
1	Sweden	39,1	1	Netherlands	37,23	1	Norway	38,46	+2,18
2	Norway	38,3	2	Norway	36,28	2	Netherlands	37,17	-0,06
3	Denmark	38,1	3	Switzerland	35,48	3	Belgium	33,6	+4,14
4	Netherlands	32,4	4	Denmark	34,83	4	Switzerland	32,76	-2,72
5	Belgium	32,4	5	Sweden	32,6	5	Ireland	32,42	+6,49
6	Austria	31,1	6	Germany	32,2	6	Denmark	30,76	-4,07
7	Switzerland	29,8	7	France	30,7	7	France	30,7	0
8	Finland	29,2	8	Finland	30,4	8	Japan	30,64	+6,35
9	Germany	27,7	9	Belgium	29,6	9	Sweden	30,24	-2,36
10	France	27,5	10	Austria	29,03	10	Finland	29,14	-1,26
11	Japan	27,1	11	UK	27,44	11	Austria	28,46	-0,57
12	Italy	24,1	12	Canada	26,57	12	Germany	26,29	-5,91
13	UK	23,4	13	Italy	26,35	13	Canada	24,72	-1,85
14	Ireland	23,3	14	Ireland	25,93	14	Italy	24,678	-1,672
15	Canada	22	15	Japan	24,29	15	UK	24,59	-2,85
16	New Zealand	17,1	16	New Zealand	20,9	16	New Zealand	21,5	+0,6
17	USA	13,8	17	USA	20,36	17	USA	20,75	+0,39
18	Australia	13	18	Australia	15,5	18	Australia	15,5	0
	Mean	27,2							
	St.d.	7,7							

The 2010 analysis shows that Norway is now the top de-commodifying country, followed by the Netherlands. Norway's index increase reflects an increase in the minimum pension replacement rate, placing it at the top of the de-commodification scale (see Appendix, tables 8.2.1.1, 8.2.1.4). Other countries that illustrate high levels of de-commodification are Belgium, Switzerland, Ireland and Denmark. From the analysis of the year 2000 it is thus Belgium and Ireland that has increased both their level of de-commodification and ranking, and they are the newcomers in this group. Especially Ireland has increased its level of de-commodification significantly during the past decade, moving from the liberal group in both Esping-Andersen's analysis and the analysis conducted for the year 2000, to being the fifth most de-commodifying country. The reason for this drastic change for Ireland is an increase in sickness- and standard pension replacement rates and an increase in coverage rates, while Belgium has increased both minimum and standard pension replacement rates. Denmark on the other hand is still holding a high level of de-commodification in relation to the other countries, but has decreased its actual index level by as much as Belgium has increased. The change for Denmark lies in a large drop of unemployment insurance coverage, but also depends on the scoring for the minimum pension replacement rate where the rate remains the same but the mean and standard deviation differs from 2000 to 2010 (see appendix table 8.2.1.1, 8.2.1.4).

Moving on to the countries with a more modest level of de-commodification, one can find France, Japan, Sweden, Finland, Austria and Germany. The countries that remain in this category since year 2000 are France, Finland and Austria of which had none or a minor change in actual de-commodification level and ranking. The newcomers are thus Japan, Sweden and Germany. Japan has

experienced a large increase in de-commodification that has resulted in its moving up to the conservative group, while Germany has experienced an equal drop in de-commodification and is moving down in ranking. The steep increase in Japan's de-commodification level mainly reflects the high increase in pension coverage, while Germany's decrease reflects a lowering of sickness- and standard pension replacement rates and a general decrease of insurance coverage rates (see Appendix, tables 8.2.1.2, 8.2.1.5). Sweden on the other hand has certainly left its position as the most de-commodifying country, representing the ninth country in this count. However, the actual decrease in de-commodification is not too large in comparison to 2000, and the level of de-commodification in 2010 is almost the same as for Denmark, France and Japan. However, there has been an evident change in Sweden's insurance coverage rates, where coverage has decreased during the investigated decade, which is mirrored in the de-commodification index (see Appendix tables 8.2.1.2, 8.2.1.5).

The group with the lowest level of de-commodification is represented by Canada, Italy, United Kingdom, New Zealand, USA and Australia. New Zealand, USA and Australia remains consistently in the bottom three, for the year 2000, 2010 and in Esping-Andersen's study leaving them to be the most consistent group of them all. Canada and UK have both experienced a decrease in their level of de-commodification, changing from a modest level of de-commodification to a lower one in relation to other countries; UK's decrease depends on a longer qualification period for unemployment insurance and pension, while Canada's change depends on a longer qualification period for pensions and a scoring difference between 2000 and 2010 regarding sickness insurance duration. However, the changes for UK and Canada are minor in between 2000-2010. The categorization of Canada and UK as liberal, or low de-commodifiers is more in line with Esping-Andersen's study than it is similar to the one conducted for year 2000. Italy has continued to decrease its level of de-commodification, although a minor decrease, moving further down the de-commodification ranking, being the fourth least de-commodifying country.

To sum up the findings of the de-commodification analysis between year 2000 and 2010: it is firstly evident that the level of de-commodification varies within and between countries as no cluster is fixed over the investigated period. However, what is evident is that countries *do* vary along a de-commodification axis and might cluster over time, as a decade might be a small window of time to fix actual clusters if in a transition period, and if fixed clusters exist. Nonetheless, the most consistent groups of countries were those that clustered at the bottom or the top of the de-commodification index, it was the "modest leveled" group that was the most diverse one. Australia, New Zealand, USA and Italy resided consistently at the bottom, while Norway, Denmark, Switzerland and the Netherlands resided at the top. The surprises was the steep increase in de-commodification by Japan and Ireland, the large decrease in de-commodification for Denmark and Germany, and the large decrease in ranking for Sweden and Italy.

4.2 Stratification

The second dimension of a welfare-state regime is stratification, or the welfare state as a *system* of stratification. The level of stratification is measured through three indexes; conservative, liberal and socialist. The conservative index is measured as to the degree of corporatism (number of occupationally distinct public pension schemes) and degree of etatism (compensation to government employees as a percentage of total expenditure). The liberal index measures the number of means-tested benefit systems, private pension expenditure and private health expenditure. Lastly, the socialist index measures average benefit universalism (average coverage of sickness-, unemployment insurances and pensions) and benefit equality (the ratio of minimum to standard pension benefits). Depending on how well countries perform within the indexes, they are given a score on each variable where 4 represent a high level of conservatism/liberalism/socialism, 2 for a medium level and 0 for a low level. Exact scoring metrics are described in section 3.2 and follows the directions described in “Three Worlds” (Esping-Andersen 1990, pp.77-78).

The two variables that differs from “Three Worlds”, due to a lack of data, are scored using the same metric as when scoring the de-commodification variables; if values are one standard deviation or more below the mean, score is 0, and if values are one standard deviation or more above the mean, score is 4. The variables for where this metric is used are “compensation to government employees” and “means-tested benefit system” in the conservative and liberal index respectively. The idea for this scoring is to illustrate how countries that belong to a certain cluster scores high in that cluster, and then scores low on the other two indexes. However, as Esping-Andersen describes it, there are no ideal-types in the real world, but hybrids, and the task is to find patterns for clustering more than fixed ones (Esping-Andersen 1990, pp.73-75-

Table 4.2.1 thus illustrates the clustering of countries with a high, medium or low scoring on each index during year 2000. The division of high, medium and low follows how the result is presented in “Three Worlds”, here illustrated in the right hand columns. The values of the liberal index are greater than the other indexes as it consist of three variables instead of two, which makes comparing values between the indexes futile. However, comparing the indexes based on ranking, or values within indexes between 2000 and 2010 is possible.

Table 4.2.1. Stratification (2000)
Stratification (2000)

Esping-Andersen (1980)

Stratification (2000)					Esping-Andersen (1980)						
Conservative	Liberal	Socialism			Conservative	Liberal	Socialist				
Austria	6	Australia	12	Denmark	8	Austria	8	Canada	12	Denmark	8
Finland	6	New Zealand	12	Ireland	8	Belgium	8	Switzerland	12	Norway	8
France	6	Canada	10	Netherlands	8	France	8	United States	12	Sweden	8
Norway	6	Netherlands	10	Switzerland	8	Germany	8	Australia	10	Finland	6
		USA	10	Belgium	6	Italy	8	Japan	10	Netherlands	6
Belgium	4			Canada	6						
Denmark	4	UK	8	France	6	Finland	6	France	8	Australia	4
Germany	4	Switzerland	8	Norway	6	Ireland	4	Netherlands	8	Belgium	4
Italy	4	Denmark	8	Sweden	6	Japan	4	Denmark	6	Canada	4
Japan	4	Belgium	6			Netherlands	4	Germany	6	Germany	4
Netherlands	4	Finland	6	Australia	4	Norway	4	Italy	6	New Zealand	4
Sweden	4	Italy	6	Austria	4			UK	6	Switzerland	4
USA	4	Norway	6	Finland	4	Canada	2			UK	4
				Germany	4	Denmark	2	Austria	4		
Australia	2	France	4	Japan	4	New Zealand	2	Belgium	4	Austria	2
Canada	2	Germany	4	New Zealand	4	Australia	0	Finland	4	France	2
Ireland	2	Ireland	4	UK	4	Sweden	0	Ireland	2	Ireland	2
New Zealand	2	Japan	2	USA	4	Switzerland	0	New Zealand	2	Japan	2
UK	2	Sweden	2			UK	0	Norway	0	Italy	0
Switzerland	0	Austria	0	Italy	2	USA	0	Sweden	0	USA	0

As for year 2000, no countries score “high” on the conservative index, if “high” is considered as the score eight, as in Esping-Andersen’s study. But if one considers both six and eight as “high” as is done with the socialist index, four countries qualify as conservative: Austria, Finland, France and Norway. Those that score “high” on the liberal index are Australia, New Zealand, Canada, Netherlands and USA. Countries that score “high” on the socialist index are Denmark, Ireland, Netherlands, Switzerland, Belgium, Canada, France, Norway and Sweden. As stated and according to the theory, countries that tend to score “high” on one of the indexes either score “medium” or “low” on the other indexes, as they ought to adhere to one category of welfare state regimes. This notion seems quite consistent for the result in the analysis as most welfare states tended to adhere to one of the welfare-state regimes. However, Germany, Italy and Japan do not score “high” on either of the indexes, making this group of countries unable to be categorized in accordance with the theory. Notable is that data is missing for Japan for one of the variables on the liberal index, resulting in a lower score than it might be otherwise. But, as Japan scores zero and two on the existing liberal variables, and four is maximum, the missing variable would still not place Japan in the group that scores “high” on the liberal index. This is also the case for Japan for year 2010. Another question at issue is that some countries have scored “high” on multiple indexes: Canada (liberal/socialist), France (conservative/socialist), Netherlands (liberal/socialist) and Norway (conservative/socialist); either indicating hybrid regimes (cf. Esping-Andersen 1990, pp.73-75) or a fault with the three-folded typology. Moreover, the countries that perform “high” on the indexes for year 2000 are not identical with the ones in “Three Worlds”, but there is a similarity between the two results; those that tend to score “high” in 2000 generally scored “high” in 1980

In table 4.3.1, the results from year 2000 is presented, with de-commodification on the left-side columns and stratification to the right. The results do co-vary between the two dimensions to a great extent. Eleven countries, and thus more than half of the studied countries, adhere to the same typology on a de-commodification and stratification axis: Australia (liberal), Austria (conservative), Denmark (socialist), Finland (conservative), France (conservative), Netherlands (socialist), New Zealand (liberal), Norway (socialist), Sweden (socialist), Switzerland (socialist) and USA (liberal).

Table 4.3.1 Country clustering (2000)

De-commodification 2000			Stratification 2000		
Conservative	Liberal	Socialist	Conservative	Liberal	Socialist
	Australia			Australia	
Austria			Austria		
Belgium					Belgium
Canada				Canada	Canada
		Denmark			Denmark
Finland			Finland		
France			France		France
		Germany			
	Ireland				Ireland
	Italy				
	Japan				
		Netherlands		Netherlands	Netherlands
	New Zealand			New Zealand	
		Norway	Norway		Norway
		Sweden			Sweden
		Switzerland			Switzerland
UK					
	USA			USA	

Countries that are missing from this table do so because they either score “medium” or “low” on the stratification index, not qualifying within any welfare-state regime.

There are however countries that are left un-categorized for two reasons: adhering to different typologies regarding de-commodification and stratification (Belgium, Canada, Ireland) or having too low scores on the indexes measuring stratification which left them without a categorization on the stratification analysis (Germany, Italy, Japan, UK). Belgium’s score on the de-commodification index shares an equal distance to the socialist group as to the liberal, leaving it quite stable as a conservative country if following the three-folded typology. Regarding stratification, it scores medium on the conservative on the margin on the number of occupationally distinct pension schemes as it has got five and not six, which would qualify for a higher score. By combining Belgium’s conservative position on the de-commodification index and stratification scoring indicates that Belgium could be categorized as a conservative country, although as it is not evident here, it is left with different answers on the two dimensions.

Canada on the other hand has got a stable position as scoring “high” on the liberal stratification index. The socialist scoring is a close cut as one of the variables (benefit universalism) is scored high on the margin. Moreover, regarding the de-commodification score, Canada is only 0.2 index points away from the country that scores highest in the liberal group. This might be an indication that Canada adheres to the liberal typology and not conservative, as it does in 2010. This problem might lie in the structuring of the de-commodification typology: that

In “Three Worlds” there are ten countries that can be categorized in the same regime type both on de-commodification and stratification: Australia (liberal), Canada (liberal), Denmark (socialist), France (conservative), Germany (conservative), Italy (conservative), Netherlands (socialist), Norway (socialist), Sweden (socialist) and USA (liberal). Concluding, there are thus five countries that qualify under different typologies: Austria, Belgium, Finland, Japan and Switzerland.

The results from “Three Worlds” reminds of the one for year 2000 in that there are approximately ten countries that can be categorized, five that qualify under different typologies and three that have too low stratification scores. However, to which typology each country belongs to varies over time. The countries that remains the same in 2000 compared to 1980 are: Australia (liberal), Denmark (socialist), France (conservative), Netherlands (socialist), Norway (socialist), Sweden (socialist) and USA (liberal). When comparing the countries that belonged to the same typology for 20 years, it is only Sweden that has left its previous typology when moving into the 21st century, to year 2010.

Table 4.3.3 Country Clustering (2010)

De-commodification 2010			Stratification 2010		
Conservative	Liberal	Socialist	Conservative	Liberal	Socialist
	Australia			Australia	
Austria			Austria		
		Belgium			Belgium
	Canada			Canada	Canada
		Denmark			Denmark
Finland			Finland		
France			France		France
	Germany				
		Ireland			Ireland
	Italy				
Japan					
		Netherlands	Netherlands	Netherlands	Netherlands
	New Zealand			New Zealand	
		Norway	Norway		Norway
Sweden					
		Switzerland			Switzerland
	UK				UK
	USA			USA	

Countries that are missing from this table do so because they either score “medium” or “low” on the stratification index, not qualifying within any welfare-state regime.

Table 4.3.3 illustrates the de-commodification and stratification for year 2010. Visible is that, there are thirteen countries that can be categorized into one and the same typology: Australia (liberal), Austria (conservative), Belgium (socialist) Canada (liberal), Denmark (socialist), Finland (conservative), France (conservative), Ireland (socialist), Netherlands (socialist), New Zealand (liberal), Norway (socialist), Switzerland (socialist) and USA (liberal). When comparing with year 2000 there are a slight difference as Belgium and Ireland now can be categorized as socialist, while Canada can be categorized as liberal.

On the other hand, Sweden has moved away from the socialist typology it belonged to in Esping-Andersen’s study and in 2000: the de-commodification level has decreased into a medium level while the socialist stratification index has

decreased, leaving Sweden without categorization on the stratification axis. Regarding de-commodification, it is the coverage rates that have decreased significantly in Sweden while the other variables remain unchanged. The decrease in coverage rates also is mirrored in the socialist stratification index, where it is the average coverage rates that represent one of the measures, leading to an index decrease. Other countries that have too low scores on the stratification index are Germany, Italy and Japan – the same as in 2000.

The only country in 2010 that qualifies under different typologies on both dimensions is United Kingdom. Compared to 2000, United Kingdom has moved from a conservative level of de-commodification to a liberal, while the stratification analysis reveals the country as a socialist welfare-state regime. The results for United Kingdom thus stand ambiguous.

When combining the de-commodification and stratification analysis conducted in this study, there is an evident pattern of countries clustering within the same typology on both a de-commodification and stratification axis in one year and over time. There is however question marks as some countries tend never to be defined within a stratification index, some countries qualifies under multiple stratification indexes and the question of whether de-commodification should be regarded relationally between countries. In the next chapter, there will be a discussion regarding the methodology, the replication results and reflections on whether these results support the three-folded welfare-state typology.

5 Are There Still “Three Worlds of Welfare Capitalism”?

The previous sections has presented the theoretical background of the seminal work “Three Worlds of Welfare Capitalism” (Esping-Andersen 1990), the methodological discussion of doing a reproduction in a 21st century context and the results. This section is intended as a discussion of the study conducted in this thesis, in order to discuss whether one could draw some general conclusions.

Firstly, it is important to note the methodological impact on the results. The coverage rates do play a big role in the analysis, both for the de-commodification and stratification analysis. As de-commodification scores are weighted with coverage rates it favors countries with a high coverage rate and low de-commodification scores, while disfavoring countries with high scores and a low coverage rates (cf. Bamba 2006). But as Esping-Andersen contrasts it, countries with high replacement rate but low percentage of the population covered, should not be considered as high de-commodifiers (1990, p.49). However, Australia (and New Zealand) is scored with a 50 % coverage rate instead of its actual 100 percent (see Appendix for coverage rates). Esping-Andersen chooses this scoring metric as Australia and New Zealand’s social security programs are means-tested. If Australia and New Zealand would not have this negative scoring, they would be at the top of the de-commodification scale instead of at the bottom. However, when one look at section 4.3 where both de-commodification and stratification clustering are compared, both Australia and New Zealand are considered as coherent liberal welfare states, belonging to this grouping on both axis and both of the studied years. Therefore, the negative scoring might place them in the cluster that they belong. But, as coverage rates impact on the socialist index as well, a removal of the negative scoring would place New Zealand and Australia as both high de-commodifiers and socialist stratifiers. The cases of Australia and New Zealand well illustrates the impact of the methodology on the results and it would need a further analysis to see whether the negative scoring place these countries truthfully as liberal countries or as social democratic.

Besides the evident impact of coverage rates, the overall methodology, and thus the result, is very sensitive to alteration. In more than one case, especially regarding de-commodification scores, there are countries very close to the cutting points of two different scores. In this analysis, I chose to strictly use the cutting points, while others (e.g. Scruggs and Allan 2006) thought it better to include the country when close to a cutting point as they considered it closer to that range than the other. It could even be a matter of rounding off wrongly, leaving the country in a different position. Nonetheless, it is difficult to see as a researcher

why a country should be labeled as one score when it is only a 0.02 difference to another score and when the scoring has got such an impact on the result.

It is especially difficult to see why Esping-Andersen chooses no cutting points for the final de-commodification index when cutting points otherwise are used during the entire analysis. In the stratification analysis he offers an explanation why countries are labeled as belonging to a certain cluster: if they score high on one index and medium and low on the others, they belong to that cluster. But when it comes to the de-commodification analysis, countries are ranked according to the de-commodification index and divided into three groups with six countries in each. What is well in “Three Worlds” is that the clustering matches his theoretical typology almost perfectly. But when conducting a reproduction today, can one really rely on the fact that the cutting points are decided due to the number of countries and not on their actual positioning? There is no problem with the ranking of the de-commodification index as the countries inter-relational position is interesting and illustrates well how countries change over time. However, by only allowing for an analysis based on the countries inter-relational positioning and not on how they are performing in absolute numbers is problematic. There is no obvious cutting point when a country is considered as a high/medium/low de-commodifier, but if such metric were to be used, it would facilitate for cross-temporal comparative research when clustering does not depend on the count of six countries in each cluster.

Regarding the results then, if one accepts the methodological and theoretical bearings of “Three Worlds”, hence this replication study, there is surprisingly an even greater coherence of clustering in this study than the one in “Three Worlds”. This argument is based on section 4.3 where the combined de-commodification and stratification clustering is presented for year 2000, 2010 and Esping-Andersen’s 1980’s analysis. In “Three Worlds” there are ten out of eighteen countries that can be stated as belonging to the same cluster in both the de-commodification and stratification analysis, whereas it in the replication study for year 2000 are eleven countries and in 2010 thirteen countries. Bearing in mind that Esping-Andersen’s study and the replication results in this study are based on different databases and that result can vary due to this fact, it seems as if the regime clustering is becoming clearer over time. At least, the crystallization is visible when comparing the replication results for year 2000 and 2010.

Besides the fact that the clustering is more evident today, there are other interesting results regarding different countries positions, e.g. Sweden’s move from an archetypical social democratic country, Italy’s constant decrease in de-commodification ranking and Ireland’s dramatic de-commodification increase. Most notably is that Sweden’s position as the archetypical social democratic country has changed in the 2010 analysis. In all previous reproductions Sweden and USA were the only countries that consistently, in every analysis, belonged to the same cluster (cf. Ferragina & Seeleib-Kaiser 2011). USA still is considered as liberal in both 2000 and 2010 and Sweden in 2000 still is considered as social democratic on both dimensions. In 2010 on the other hand, Sweden has reduced its de-commodification index to a medium level and has got too low scores to belong to any stratification index. Another example of a country that illustrates

ambiguous results is Netherlands, which in 2010 score high on *all* stratification indexes, but as it score high on the de-commodification index is categorized as social democratic. Esping-Andersen calls Netherlands the “Janus-headed” welfare state as it de-commodifies highly when regarding income maintenance but still is characterized by a family oriented welfare state (1999, pp.87-88). In the reproduction analysis in this study, Netherlands thus scores high on all stratification indexes leaving it with three welfare-state regimes faces instead of two.

In contrast with the Netherlands, there are countries that fail to qualify as belonging to any stratification index. As I can see it, there are five possible explanations to why countries fails to be categorized under any of the stratification indexes:; 1.The countries are in a transitioning phase: developing from one regime type to another, 2.The variables in the stratification indexes are too few, not measuring the variation to a full extent, 3.Hybrids: the countries represents a mixture of different welfare-state regimes, 4.There is an additional welfare-state regime, making the typology not exhaustive nor exclusive, 5.As the theory does not explain all cases, it is falsified. From this study, it is impossible to say whether which one of these possible outcomes explains the uncategorized countries. However, Esping-Andersen and others do recognize hybrid regimes in the “real world” that does not fit into the ideal-typical categories. In Sweden’s case, it is possible to say that the country is in a transitioning phase as there is evident that something has changed both on a de-commodification and stratification level. As there are only two to three variables measuring each stratification index, there is a possibility that the indexes do not cover the full ideological variation, thus leaving countries uncategorized. A few additional variables might be preferable, and is a suggestion for further research. As there are countries that fails to be categorized on a stratification axis, on cannot deny the fact that there might be additional typologies, although it might as well be the case of hybrids as an incorrect typology. The last possible explanation, that the uncategorized countries falsify the theory is difficult to see as the investigation finds strong evidence that welfare state *do* cluster according to the ideal types, although there still are some unexplained cases. Therefore, the theory testing that this study set out to do, provide for evidence that the typology is still relevant in a 21st century context. However, as welfare states that earlier were considered as belonging to one cluster, now belongs to another, the ideological labeling of each cluster is debatable. Nonetheless, the fact that welfare states *do* cluster according to the concepts stratification and de-commodification is evident. To answer question, yes – capitalist welfare states still consist of “the Good, the Bad and the Ugly” in the 21st century, and actually even more so than in the 1980’s.

5.1 Future research

In the previous section, there have already been a few suggestions for further research: developing the stratification index to incorporate more variables and to

develop an indicator for the de-commodification index when a country is considered as social democratic/conservative/liberal. Moreover, it would be interesting to look into the individual cases to see what has inspired the rapid changes: the de-commodification decreasing countries; Denmark, Germany and Sweden, and the de-commodification increasing; Belgium, Ireland and Japan. Also, it would be interesting and perhaps theoretically fruitful to investigate the countries that fail to be categorized, in order to see whether there might be additional ideal-types that the theory fails to discover. Another interesting future research project would be to incorporate countries outside the “capitalist” countries as there may be other welfare-state regimes outside the OECD area.

6 Executive Summary

This thesis departs from a seminal work in comparative welfare state research: “The Three Worlds of Welfare Capitalism” by Gösta Esping-Andersen (1990). In “The Three Worlds of Welfare Capitalism”, Esping-Andersen illustrated that there are three ideal-types of welfare states in the capitalist world: social democratic, liberal and conservative welfare-state regimes. What Esping-Andersen did that was so unique was to illustrate that the empirical world of welfare states was actually clustering into these different theoretical typologies and not acknowledging welfare states as unique cases. The purpose of this thesis is to reproduce the study conducted by Esping-Andersen in his seminal work in order to see whether there are still three clusters of welfare-state regimes in the capitalist countries or whether the welfare regime climate has shifted since the 1980’s (data in “Three Worlds” was from 1980). The research questions for this study reads:

- Today, is there still a cluster of three welfare-state regimes in the 18 studied countries?
- How, and in what respect have the welfare states internal structure changed over the last decade, using Esping-Andersen’s definition of a welfare-state regime?
- Does the result support or falsify the three-folded typology, in a 21st century context?

Esping-Andersen developed a definition of how welfare states are structured with the concepts de-commodification and stratification. This definition of a welfare-state regime is used in this study as an indicator of how welfare states have developed during the 21st century and thus whether there still is a three-folded welfare-state regime clustering. In “The Three Worlds of Welfare Capitalism”, Esping-Andersen “re-specifies the welfare state” using the concept of welfare-state *regimes*. In this sense he avoids what he calls a narrow concept: “[...] *the concept of the welfare state is too narrowly associated with the conventional social-amelioration policies*” (1990, p.2).

The welfare-state regimes are defined as a combination of de-commodification and stratification. De-commodification is a term sprung from the workers position in society. Industrialism and capitalism brought about a change in the labor market, where workers now were seen as commodities and “[...] *their survival was contingent upon the sale of their labor power*” (Esping-Andersen 1990, p.21). In opposition to the market, the state is considered as the “de-commodifier” as it introduces social rights and lets individuals lead their lives without relying entirely on the market (ibid., pp.21-22). Stratification on the other hand refers to

the welfare state as a “system of stratification”, which in turn refers to the redistributive characteristics of the welfare state. Different welfare systems affect the stratification of society in different ways, either to a more egalitarian level, or by cementing class-structures (Esping-Andersen 1990, p.55). There are three measures for welfare-state regime stratification: conservative, liberal and social democratic. For the conservative welfare-state regimes, the traditional societal class model is a prevalent idea, but also the rejection of capitalism. Liberal stratification sees the state and the stratified society were as something that had gotten in the way of market emancipation, and in extension, individual liberty, which is the focus. The most important notion of socialism was to change the societal stratification and achieve social leveling.

To investigate welfare state development in the 21st century, and compare with the findings Esping-Andersen made in “Three Worlds of Welfare Capitalism” this study will be conducted as a replication. Therefore, the studied countries are identical, the method and scoring metric as well. However, not all data that Esping-Andersen used is available, additional sources and thus operationalization will be used. The studied countries consist of 18 OECD members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom and the United States. This thesis will thus be designed as a cross-temporal comparative welfare research study, using the definition of a welfare-state regime made by Esping-Andersen in “The Three Worlds of Welfare Capitalism”, using the same countries, with an operationalization that differs to some extent. In order to see whether welfare-state regimes have shifted during the beginning of the 21st century, the study consists of a comparison between two time periods: year 2000 and 2010. The data that is used for de-commodification is gathered from the *Comparative Welfare Entitlements Dataset* (CWED2, Scruggs et.al., 2013). The data for stratification is gathered from the OECD databases and “*Social Security Programs throughout the World*” (Social Security Administration, USA).

De-commodification is measured for pension, sickness- and unemployment insurances. The variables that measure the de-commodification level for these insurances are replacement rates, insurance duration, qualification for insurance and waiting days before benefits are paid. The scoring is designed for each country, for each of the three social security systems: pension unemployment and sickness benefits; consisting of the described variables. All variables are scored 1-3 depending on their relation to the mean; countries with a de-commodification index-score one standard deviation above the mean are labeled the number 3, and more than one standard deviation below the mean as 1. The countries that scored 2, are thus the medium “de-commodifying” countries, and are those that are less than one standard deviation above and less than one standard deviation below the mean. The mean is computed after deleting outliers. After each variable has got a score, the added score for each insurance is computed. Then, the insurance scores are weighted by the insurance coverage. Lastly, the weighted score are combined into one de-commodification index and countries are ranked accordingly. High

scores indicate a social democratic welfare-state regime, medium score a conservative, low scores a liberal.

Stratification is measured according to three indexes: conservatism, liberalism and socialism. The conservative index is measured as to the degree of corporatism (number of occupationally distinct public pension schemes) and degree of etatism (compensation to government employees as a percentage of total expenditure). The liberal index measures the number of means-tested benefit systems, private pension expenditure and private health expenditure. Lastly, the socialist index measures average benefit universalism (average coverage of sickness-, unemployment insurances and pensions) and benefit equality (the ratio of minimum to standard pension benefits). The idea for having three different indexes is to illustrate how countries that belong to a certain cluster scores high in that cluster, and then scores low on the other two indexes. Each variable for each index is given the score 0, 2 or 4 depending on how they qualify (see section 3.2 for details). There are two used in this study that are quite different from the one in “Three Worlds”, and then the same scoring cannot be applied. Instead a similar scoring to the de-commodification index is used, where the mean and standard deviation is computed; 0 if one standard deviation below the mean, 2 if one standard deviation within the mean, and 4 if one standard deviation above the mean.

The results for de-commodification and stratification are presented separately for each year. There are northern European countries found at the top of the de-commodification scale in 2000: Netherlands, Norway, Switzerland, Denmark, Sweden and Germany. The “conservative” group consists of France, Finland, Belgium, Austria, United Kingdom and Canada. While liberal group consists Italy, Ireland, Japan, New Zealand, USA and Australia.

In 2010 Norway is now the top de-commodifying country, followed by the Netherlands. Other countries that illustrate high levels of de-commodification are Belgium, Switzerland, Ireland and Denmark. Moving on to the countries with a more modest level of de-commodification, one can find France, Japan, Sweden, Finland, Austria and Germany. The countries that remain in this category since year 2000 are France, Finland and Austria of which had none or a minor change in actual de-commodification level and ranking. The newcomers are thus Japan, Sweden and Germany. The group with the lowest level of de-commodification is represented by Canada, Italy, United Kingdom, New Zealand, USA and Australia. New Zealand, USA and Australia remains consistently in the bottom three, for the year 2000, 2010 and in Esping-Andersen’s study leaving them to be the most consistent group of them all.

Regarding the stratification analysis for year 2000, four countries qualify as conservative: Austria, Finland, France and Norway. Those that score “high” on the liberal index are Australia, New Zealand, Canada, Netherlands and USA. Countries that score “high” on the socialist index are Denmark, Ireland, Netherlands, Switzerland, Belgium, Canada, France, Norway and Sweden. However, Germany, Italy and Japan do not score “high” on either of the indexes, making this group of countries unable to be categorized in accordance with the theory.

The stratification analysis for year 2010 shows an almost identical clustering at the top of each index if compared with the analysis for year 2000. The countries that are considered as conservative are: Finland, Norway, Austria, France and Netherlands. The liberal index consists of the same countries as in 2000: Australia, Canada, Netherlands, New Zealand and USA. The only difference is that New Zealand has reduced its score by one step, mirroring a drop in private health expenditure. The socialist index does also remind of the one from 2000, with Denmark, Ireland, Netherlands, Switzerland, Belgium, Canada, France, Norway and United Kingdom at the top. Also for year 2010, there are some countries that are failing to be categorized according to the theory. Germany, Italy and Japan are still scoring only “medium” or “low” on all of the indexes. The difference is that Sweden now adheres to this group of “low-scorers”. Moreover, Canada, France, Netherlands and Norway still score “high” on two indexes with the difference that Netherlands in 2010 score “high” on three indexes instead of two.

In the last part of the analysis, de-commodification and stratification for each year are analyzed separately in order to see whether there are clusters and whether they are fixed or fluent over time. In 2000 there are eleven countries that adheres to the same typology on a de-commodification and stratification axis: Australia (liberal), Austria (conservative), Denmark (socialist), Finland (conservative), France (conservative), Netherlands (socialist), New Zealand (liberal), Norway (socialist), Sweden (socialist), Switzerland (socialist) and USA (liberal).

In “Three Worlds” there are ten countries that can be categorized in the same regime type both on de-commodification and stratification: Australia (liberal), Canada (liberal), Denmark (socialist), France (conservative), Germany (conservative), Italy (conservative), Netherlands (socialist), Norway (socialist), Sweden (socialist) and USA (liberal). Concluding, there are thus five countries that qualify under different typologies: Austria, Belgium, Finland, Japan and Switzerland.

The results from “Three Worlds” reminds of the one for year 2000. However, to which typology each country belongs to varies over time. The seven countries that remains the same in 2000 compared to 1980 and they are: Australia (liberal), Denmark (socialist), France (conservative), Netherlands (socialist), Norway (socialist), Sweden (socialist) and USA (liberal). When comparing the countries that belonged to the same typology for 20 years, it is only Sweden that has left its previous typology when moving into the 21st century, to year 2010.

There are thirteen countries that can be categorized into one and the same typology in 2010: Australia (liberal), Austria (conservative), Belgium (socialist), Canada (liberal), Denmark (socialist), Finland (conservative), France (conservative), Ireland (socialist), Netherlands (socialist), New Zealand (liberal), Norway (socialist), Switzerland (socialist) and USA (liberal). When comparing with year 2000 there are a slight difference as Belgium and Ireland now can be categorized as socialist, while Canada can be categorized as liberal.

Conclusion: The theory testing that this study set out to do, provide for evidence that the typology is still relevant in a 21st century context. The results illustrate an even more consistent clustering than in “Three Worlds”. However, as

welfare states that earlier were considered as belonging to one cluster, now belongs to another, the ideological background of each cluster is debatable. Nonetheless, the fact that welfare states *do* cluster according to the concepts stratification and de-commodification is evident.

7 References

7.1 Literature

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8 Appendix

8.1 Variable Oversight

Table 8.1 Variable Oversight

Variable	Description	Year	Source
Country	Country name	2000, 2010	CWED2
Year	Year (2000, 2010)	2000, 2010	CWED2
APWW	Average production worker wage: calculated for a fictive manufacturing worker who is 40 years old and has worked for 20 years. Including all cash transfers from general government. Using the same definition as OECD's "take-home pay". The basis for calculating replacement rates.	CWED2	
US100	Unemployment insurance replacement rate, single worker (100%). Replacement rates are calculated for a fictive average production worker in the manufacturing sector who is 40 years old and has been working for 20 years. Assumptions: 1. Unemployed for 6 months, 2. 20 years of insurance, 3. Blue Collar worker, 4. Involuntary unemployment., 5. Full time worker, 6. Full time benefit.	2000, 2010	CWED2
UEQUAL	Unemployment insurance qualification period: Weeks of insurance needed to qualify for benefit. Period corresponds to insurance period necessary to receive benefit accruing to the fictional worker described above.	2000, 2010	CWED2
UEDUR	Unemployment insurance duration: Weeks of benefit entitlement excluding time series of means-tested assistance.	2000, 2010	CWED2
UEWAIT	Unemployment insurance waiting days: Days one must wait to start receiving benefits after becoming	2000, 2010	CWED2

	unemployed.		
UECOV	Unemployment insurance coverage: percentage of the labor force insured for unemployment risk, NOT the percentage of currently unemployed or currently receiving benefits.	2000, 2010. Data missing for Belgium, France and Switzerland in 2010, using 2009 data instead. For Italy, last data was from 1980. Growth rates were computed to calculate a coverage rate.[1] Japan 2008 instead of 2010.	CWED2
SS100	Sickness insurance replacement rate, single worker (100%). Replacement rates are calculated for a fictive average production worker in the manufacturing sector who is 40 years old and has been working for 20 years. Sickness insurance type is assumed to be involuntary common cold/flu.	2000, 2010	CWED2
SICKQUAL	Sickness insurance qualification period: Weeks of insurance needed to qualify for benefit. Period corresponds to insurance period necessary to receive benefit accruing to the fictional worker described above.	2000, 2010	CWED2
SICKDUR	Sickness insurance duration: Weeks of benefit entitlement excluding times of means-tested assistance or long-term disability/invalidity pensions.	2000, 2010	CWED2
SICKWAIT	Sickness insurance waiting days: Days one must wait to start receiving benefits after becoming sick.	2000, 2010	CWED2
SICKCOV	Sickness insurance coverage: percentage of the labor force insured for sickness risk, NOT the percentage of currently sick or currently receiving benefits.	2000, 2010. Data missing for Belgium, Ireland and Netherlands in 2010, using 2009 instead. France 2006 instead of 2010. Japan 2007 instead of 2010.	CWED2
MPS100	Minimum pension replacement rate, single worker (100%). Calculated as if worker retires when 65 years old (or the legal retirement age) and do not qualify for an earnings related pension.	2000, 2010	CWED2
SPS100	Standard pension replacement rate, single worker (100%). Calculated as if worker retires when 65 years old (or the legal retirement age), based on average production worker wage (APWW), working from age 20.	2000, 2010	CWED2
PQUAL	“Standard” number of years of pension insurance to be fully covered.	2000, 2010	CWED2
PFUND	The ratio of employee contributions to employer and employee pension contributions.	2000, 2010. Data was missing for Ireland 2000, therefore data for 1999 was	CWED2

		used.	
PENCOV	Coverage/Pension take-up rate: Portion of those above official retirement age who are in receipt of a public pension.	2000, 2010. Data missing for Italy, Netherlands and USA 2010, using 2009 instead. Japan 2007 instead of 2010. UK 2008 instead of 2010. Latest value for Austria, Germany and Sweden was 2003, growth rates computed with earlier values, calculating coverage rates for 2010.	CWED2
Corporatism	Degree of corporatism: measured as the number of occupationally distinct public pension schemes.	2002, 2010 for Europe and Asia. 2003, 2011 for the Americas.	"Social Security Systems Throughout the World" (SSA)
Etatism	Compensation to government employees: share of expenditure to general government employees, percentage of GDP	2000, 2010. Data missing for Australia and New Zealand, using data for 2001 and 2011 instead.	OECD "National Accounts at a glance"
Means-test	Number of means-tested social security programs. Calculated on whether a social security system is considered as means-testing or not. Based on ILO's gathering of data. Variable: "Means-tested conditions for benefits". Total numbers of systems are 8: sickness, maternity, old age, invalidity, survivors, family allowances, work injury and unemployment.	2003, 2010	ILO, Social Security Database.
PrivPen	Share of private pension expenditure to total pension expenditure (public and private), %.	2000, 2009. Data is missing for Japan and Ireland on both years! Both Norway and Switzerland is missing data for 2010, using 2008 instead. Data missing for Denmark 2000, using 2001 instead. Finland, France, Italy, Norway and Sweden are missing data for year 2000. Growth rates are computed with later values creating a trend estimated value. Calculated the same way as UECOV.	OECD Pension indicators
PrivHealth	Share of private health expenditure to total health expenditure (public and private), %.	2001, 2011. Data missing for Netherlands for both years, values are trend estimated.	OECD "Coverage for Health Care" in Health at a Glance.
Universalism	Average benefit universalism: average for sickness, unemployment insurance and pensions. Universalism measures the percentage of the relevant population (labor force) covered under the respective programs. Thus the average of: UECOV, SICKCOV, PENCOV.	2000, 2010 (see each variable description for details)	CWED2
BenEq	Pension benefit equality: Ratio of what a standard worker will receive as a minimum pension replacement rate in	2000, 2010.	CWED2

relation to the standard pension replacement rate (MPS100/SPS100), %.

Comments: Growth rate for Italy's sickness insurance was used in order to compute the coverage rate for the unemployment insurance for year 2000 and 2010 from 1980's coverage rates, as 1980 was last data recorded. The sickness insurance was used when computing average growth rate as the trend with these two insurances are similar in movement in the other countries. Growth rates are thusly computed: ((growth rate today – growth rate yesterday) / growth rate yesterday) / number of years).

Growth rates for Austria, Germany and Sweden were computed from earlier pension coverage rates, as rates were available until 2003. However, pension coverage rates are quite stable for all countries during the period, assuming a small or no change at all in pension take-up rates. But in order not to follow the pension coverage trend, growth rates were computed. Although the result was almost identical to the base year as growth rates were low.

There is no data for France before 2009 therefore the value of 0.4 from 2009 represents the 2000 value as there are no values to estimate a trend. 0.4 % is a quite low figure, and as the share of private pensions has increased in all countries during the investigated period, it is somewhat safe to assume that values would not be higher than 0.4 and there is almost no room for it to be any lower. Therefore, 0.4 seems like the best estimate for France in 2000.

8.2 Tables

8.2.1 Tables: De-commodification

Table 8.2.1.1 De-commodification data (2000)

Country	Sickness				Unemployment				Pension			
	Replacement rate (%)	Qualifying period (weeks)	Waiting (days)	Duration limit (weeks)	Replacement rate (%)	Qualifying period (weeks)	Waiting (days)	Duration (weeks)	Minimum replacement rate (%)	Standard replacement rate (%)	Qualifying period (years)	Employee funding (%)
Australia	27,5 (1)	0 (3)	7 (1)	999 (3)	27,5 (1)	0 (3)	7 (2)	999 (3)	30,9 (2)	30,9 (1)	0 (3)	0 (3)
Austria	72,2 (2)	780 (1)	3 (2)	60 (2)	54,7 (2)	312 (1)	0 (3)	39 (2)	48,5 (3)	84,6 (3)	45 (1)	45 (2)
Belgium	84,9 (2)	26 (1)	1 (2)	52 (2)	62,9 (2)	78 (2)	0 (3)	999 (3)	40,7 (2)	69,5 (2)	35 (2)	46 (2)
Canada	37,6 (2)	15 (1)	14 (1)	15 (2)	59,8 (2)	45 (2)	14 (1)	38 (2)	41,9 (2)	53,1 (2)	29 (3)	50 (2)
Denmark	60,7 (2)	13 (1)	0 (3)	52 (2)	60,8 (2)	52 (2)	0 (3)	208 (3)	45,2 (3)	52,1 (2)	35 (2)	33 (2)
Finland	74,4 (2)	0 (3)	7 (1)	50 (2)	58,4 (2)	43 (2)	7 (2)	100 (2)	31,5 (2)	62,1 (2)	40 (2)	19 (3)
France	62,4 (2)	52 (1)	3 (2)	156 (3)	70,1 (2)	61 (2)	7 (2)	39 (2)	43 (2)	57,1 (2)	37,5 (2)	40 (2)
Germany	89,5 (3)	0 (3)	0 (3)	78 (2)	60 (2)	104 (1)	0 (3)	52 (2)	18 (1)	73,3 (3)	45 (1)	50 (2)
Ireland	27,6 (1)	260 (1)	3 (2)	999 (3)	27,7 (1)	39 (2)	3 (2)	65 (2)	31,8 (2)	35,8 (1)	19 (3)	31 (3)
Italy	76,1 (2)	0 (3)	3 (2)	26 (2)	41,6 (2)	104 (1)	0 (3)	26 (2)	29,4 (2)	88,4 (3)	40 (2)	27 (3)
Japan	60,7 (2)	0 (3)	3 (2)	26 (2)	62,9 (2)	1040 (1)	7 (2)	30 (2)	22,7 (1)	51,6 (2)	38 (2)	50 (2)
Netherlands	80 (2)	0 (3)	0 (3)	52 (2)	78,5 (3)	1040 (1)	0 (3)	104 (3)	47,9 (3)	47,9 (2)	0 (3)	100 (1)
New Zealand	26,3 (1)	0 (3)	7 (1)	999 (3)	26,3 (1)	0 (3)	7 (2)	999 (3)	39,8 (2)	39,8 (1)	0 (3)	0 (3)
Norway	100 (3)	2 (2)	0 (3)	52 (2)	65,9 (2)	4 (3)	3 (2)	156 (3)	43,9 (2)	60,7 (2)	32 (2)	36 (2)
Sweden	80,8 (2)	0 (3)	1 (2)	999 (3)	67 (2)	52 (2)	5 (2)	60 (2)	36,2 (2)	62,2 (2)	30 (2)	41 (2)
Switzerland	100 (3)	1040 (1)	0 (3)	26 (2)	72,1 (3)	78 (2)	5 (2)	104 (3)	34,3 (2)	41,3 (2)	45 (1)	50 (2)
UK	22 (1)	5 (2)	3 (2)	52 (2)	19 (1)	10 (3)	3 (2)	26 (2)	27,8 (2)	53,3 (2)	39 (2)	50 (2)
USA	0 (.)	0 (.)	0 (.)	0 (.)	57,8 (2)	20 (2)	7 (2)	26 (2)	33,4 (2)	56,1 (2)	35 (2)	50 (2)
Mean	60,15	4,36	2,41	49,79	56,12	46	4,17	61,79	35,94	56,66	36,30	41,20
St.d.	29,637	8,006	2,551	36,787	15,9	34,949	3,869	39,678	8,577	15,479	6,979	9,987
Cutting points	30/89	0/12,4	0/5	13/87	40/72	11/86	1/8	22/101	27,3/44,5	41,2/72	29,3/43	31,2/51

Inverted scoring as a higher qualification period represents a lower level of de-commodification. This is also done with variables indicating waiting days and employee funding.

De-commodification scores 1-3 within parenthesis, where 3 represent the highest level of de-commodification. Numbers in bold indicate a close cut between different de-commodification scores.

Although a few states have got sick pay programs, there are no national in United States, resulting in no de-commodification scores regarding sickness insurances (CWED Codebook, p.113).

Table 8.2.1.2 Insurance coverage rates (2000)

Country	Sickness Insurance Coverage (%)	Unemployment Insurance Coverage (%)	Pension Take-up Rate (%)
Australia	50 (100)	50 (100)	50 (65,4)
Austria	82	86	87
Belgium	98	85	101
Canada	79	82	99
Denmark	99	83	101
Finland	100	74	100
France	100	87	100
Germany	90	86	100
Ireland	101	101	98
Italy	64	44,6	99
Japan	58	59	126
Netherlands	89	89	107
New Zealand	50 (100)	50 (100)	95
Norway	100	92	102
Sweden	95	86	105
Switzerland	100	96	100
UK	88	88	104
USA	0	92	93
Mean	84,88	79,48	98,17
St.d.	18,262	16,891	14,267

Australian and New Zealand coverage rates are set at 50 % due to the scoring in "Three Worlds". Actual coverage rates are within parenthesis.

Table 8.2.1.3 De-commodification Scores (2000)

Country	Sickness	Unemployment	Pension	De-commodification index
Australia	4,5	5	6	15,5
Austria	7,38	8,6	13,05	29,03
Belgium	8,82	10,2	10,44	29,46
Canada	6,32	7,38	12,87	26,57
Denmark	9,9	10,79	14,14	34,83
Finland	10	7,4	13	30,4
France	10	8,7	12	30,7
Germany	12,6	8,6	11	32,2
Ireland	7,07	8,08	10,78	25,93
Italy	7,04	4,46	14,85	26,35
Japan	6,38	5,31	12,6	24,29
Netherlands	10,68	11,57	14,98	37,23
New Zealand	4,5	5	11,94	20,9
Norway	13	11,04	12,24	36,28
Sweden	11,4	8,6	12,6	32,6
Switzerland	12	12,48	11	35,48
UK	7,04	7,92	12,48	27,44
USA	0	9,2	11,16	20,36

Table 8.2.1.4 De-commodification data (2010)

Country	Sickness			Unemployment					Pension			
	Replacement rate (%)	Qualifying period (weeks)	Waiting (days)	Duration Limit (weeks)	Replacement rate (%)	Qualifying period (weeks)	Waiting (days)	Duration (weeks)	Minimum replacement rate (%)	Standard replacement rate (%)	Qualifying period (years)	Employee funding (%)
Australia	22,8 (1)	0 (3)	7 (1)	999 (3)	27,5 (1)	0 (3)	7 (2)	999 (3)	34,6 (2)	34,6 (1)	0 (3)	0 (3)
Austria	88,2 (2)	780 (1)	3 (2)	62 (2)	55 (2)	312 (1)	0 (3)	39 (2)	49,6 (3)	82,9 (3)	45 (1)	45 (2)
Belgium	83 (2)	26 (1)	1 (2)	52 (2)	67,3 (2)	78 (2)	0 (3)	999 (3)	52,7 (3)	76 (3)	35 (2)	46 (2)
Canada	36,5 (2)	15 (1)	14 (1)	15 (1)	55,8 (2)	45 (2)	14 (1)	42 (2)	40,1 (2)	54,5 (2)	37 (2)	50 (2)
Denmark	56,4 (2)	13 (1)	0 (3)	52 (2)	56,4 (2)	52 (2)	0 (3)	104 (3)	45,8 (2)	53,1 (2)	40 (2)	33 (2)
Finland	71,4 (2)	0 (3)	10 (1)	50 (2)	56,5 (2)	34 (2)	7 (2)	100 (3)	27 (1)	68,3 (2)	40 (2)	21 (3)
France	63,7 (2)	52 (1)	3 (2)	156 (3)	70,8 (2)	104 (1)	7 (2)	104 (3)	44,5 (2)	55,6 (2)	40,5 (2)	40 (2)
Germany	87,9 (2)	0 (3)	0 (3)	78 (2)	60 (2)	104 (1)	0 (3)	52 (2)	18,5 (1)	63,5 (2)	45 (1)	50 (2)
Ireland	36,3 (2)	260 (1)	3 (2)	104 (3)	39,4 (1)	260 (1)	3 (2)	52 (2)	46,6 (2)	48,9 (2)	29 (3)	34 (2)
Italy	76,6 (2)	0 (3)	3 (2)	26 (2)	55 (2)	104 (1)	0 (3)	35 (1)	28,7 (2)	84 (3)	40 (2)	27 (3)
Japan	68,5 (2)	0 (3)	3 (2)	26 (2)	57,7 (2)	1040 (1)	7 (2)	21 (1)	23,4 (1)	53,3 (2)	40 (2)	50 (2)
Netherlands	85,9 (2)	0 (3)	0 (3)	104 (3)	83 (3)	1040 (1)	0 (3)	90 (2)	51,8 (3)	51,8 (2)	0 (3)	100 (1)
New Zealand	24,5 (1)	0 (3)	7 (1)	999 (3)	24,5 (1)	0 (3)	7 (2)	999 (3)	40,2 (2)	39,8 (1)	0 (3)	0 (3)
Norway	100 (3)	4 (2)	0 (3)	52 (2)	66,8 (2)	4 (3)	3 (2)	104 (3)	52,6 (3)	67,9 (2)	40 (2)	36 (2)
Sweden	79,4 (2)	0 (3)	1 (2)	999 (3)	61,7 (2)	52 (2)	7 (2)	60 (2)	31,1 (2)	53,3 (2)	30 (3)	41 (2)
Switzerland	100 (3)	1040 (1)	0 (3)	26 (2)	72,6 (3)	52 (2)	5 (2)	80 (2)	33,2 (2)	38,6 (1)	45 (1)	50 (2)
UK	21,4 (1)	6 (2)	3 (2)	52 (2)	17,2 (1)	12 (2)	3 (2)	26 (1)	34,7 (2)	58,1 (2)	45 (1)	50 (2)
USA	0 (.)	0 (.)	0 (.)	0 (.)	58,7 (2)	20 (2)	7 (2)	99 (3)	31,7 (2)	59,1 (2)	35 (2)	50 (2)
Mean	61,25	4,57	2,13	57	56,71	47,21	4,28	67,20	38,16	57,96	39,10	41,53
St.d.	30,365	7,998	2,335	40,294	15,594	38,407	3,923	31,221	10,499	13,971	5,128	9,478
Cutting points	31/91,6	0/12,6	0/4,5	17/97	41/72,3	9/87	0/8	36/98	27,7/48,6	44/72	34/44	32/51

Inverted scoring as a higher qualification period represents a lower level of de-commodification. This is also done with variables indicating waiting days and employee funding.

De-commodification scores 1-3, where 3 represent the highest level of de-commodification.

Numbers in bold indicate a close cut between different de-commodification scores.

Although a few states have got sick pay programs, there are no national in United States, resulting in no de-commodification scores regarding sickness insurances (CWED Codebook, p.113).

Table 8.2.1.5 Insurance coverage rates (2010)

Country	Sickness Insurance Coverage (%)	Unemployment Insurance Coverage (%)	Pension Take-up Rate (%)
Australia	50 (100)	50 (100)	50 (72)
Austria	84	86	82
Belgium	100	86	102
Canada	78	82	99
Denmark	100	71	102
Finland	100	74	100
France	100	87	100
Germany	83	76	97
Ireland	102	102	116
Italy	69	48,2	85
Japan	60	63	190
Netherlands	87	86	111
New Zealand	50 (100)	50 (100)	100
Norway	100	92	103
Sweden	87	68	100
Switzerland	100	98	100
UK	84	84	109
USA	0	85	95
Mean	84,35	77,12	102,28

St.d.	17,723	16,055	26,083
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Australian and New Zealand coverage rates are set at 50 % due to the scoring in “Three Worlds”. Actual coverage rates are within parenthesis.

Table 8.2.1.6 De-commodification Scores (2010)

Country	Sickness	Unemployment	Pension	De-commodification index
Australia	4,5	5	6	15,5
Austria	7,56	8,6	12,3	28,46
Belgium	9	10,32	14,28	33,6
Canada	5,46	7,38	11,88	24,72
Denmark	10	8,52	12,24	30,76
Finland	10	8,14	11	29,14
France	10	8,7	12	30,7
Germany	9,96	7,6	8,73	26,29
Ireland	10,2	7,14	15,08	32,42
Italy	7,59	4,338	12,75	24,678
Japan	6,6	5,04	19	30,64
Netherlands	11,31	10,32	15,54	37,17
New Zealand	4,5	5	12	21,5
Norway	13	11,04	14,42	38,46
Sweden	10,44	6,8	13	30,24
Switzerland	12	11,76	9	32,76
UK	6,72	5,88	11,99	24,59
USA	0	9,35	11,4	20,75

8.2.2 Tables: Stratification

Table 8.2.2.1 Stratification data (2000)

Country	Number of Pension Schemes	Compensation to Gov. Employees (%)	Means-tested benefit systems	Private pension expenditure (%)	Private Health Expenditure (%)	Average Benefit Universalism (%)	Pension Benefit Equality (%)
Australia	1 (0)	9,3 (2)	5 (4)	54 (4)	33,8 (4)	50 (0)	100 (4)
Austria	7 (4)	11 (2)	0 (0)	1,4 (0)	24,4 (4)	85 (2)	57 (2)
Belgium	5 (2)	11,5 (2)	0 (0)	13,3 (2)	25,4 (4)	95 (4)	59 (2)
Canada	1 (0)	11,3 (2)	1 (2)	33,2 (4)	26,9 (4)	87 (4)	79 (2)
Denmark	1 (0)	17,1 (4)	2 (2)	36,7 (4)	16,1 (2)	94 (4)	87 (4)
Finland	8 (4)	13,1 (2)	1 (2)	3,8 (0)	28,7 (4)	91 (4)	51 (0)
France	9 (4)	13,3 (2)	2 (2)	2,5 (0)	20,6 (2)	96 (4)	75 (2)
Germany	5 (2)	8,3 (2)	1 (2)	1,1 (0)	20,4 (2)	92 (4)	25 (0)
Ireland	1 (0)	8,4 (2)	0 (0)	. (.)	24,9 (4)	100 (4)	89 (4)
Italy	3 (2)	10,4 (2)	2 (2)	1,5 (0)	27,5 (4)	69 (2)	33 (0)
Japan	8 (4)	6,43 (0)	0 (0)	. (.)	19,2 (2)	81 (4)	44 (0)
Netherlands	5 (2)	9,5 (2)	1 (2)	37,3 (4)	36,9 (4)	95 (4)	100 (4)
New Zealand	1 (0)	8,5 (2)	6 (4)	30,4 (4)	22 (4)	65 (0)	100 (4)
Norway	7 (4)	12,4 (2)	0 (0)	18,4 (4)	17,5 (2)	98 (4)	72 (2)
Sweden	1 (0)	15,2 (4)	0 (0)	9,7 (0)	15,1 (2)	95 (4)	58 (2)
Switzerland	2 (0)	7,6 (0)	0 (0)	41,7 (4)	44,6 (4)	99 (4)	83 (4)
UK	1 (0)	9,6 (2)	0 (0)	35,2 (4)	21,2 (4)	93 (4)	52 (0)
USA	5 (2)	9,5 (2)	1 (2)	34,6 (4)	57 (4)	62 (2)	60 (2)
Mean	3,94	10,6906	0,94	22,1750	25,0118	85,94	67,97
St.d.	2,94	2,73949	1,298	17,55682	7,73934	14,678	22,837
Cutting points		8/13,4	0/2				

Table 8.2.2.2 Stratification data (2010)

Country	Number of Pension Schemes	Compensation to Gov. Employees (%)	Means-tested benefit systems	Private pension expenditure (%)	Private Health Expenditure (%)	Average Benefit Universalism (%)	Pension Benefit Equality (%)
Australia	1 (0)	9,7 (2)	3 (4)	57 (4)	31,5 (4)	50 (0)	100 (4)
Austria	7 (4)	9,7 (2)	1 (2)	1,5 (0)	23,8 (4)	84 (2)	60 (2)
Belgium	5 (2)	12,5 (2)	0 (0)	24,5 (4)	24,4 (4)	96 (4)	69 (2)
Canada	1 (0)	12,8 (2)	1 (2)	36,9 (4)	28,9 (4)	86 (4)	74 (2)
Denmark	1 (0)	19 (4)	1 (2)	41,1 (4)	14,9 (2)	91 (4)	86 (4)
Finland	6 (4)	14,5 (4)	2 (4)	6,3 (0)	25,5 (4)	91 (4)	40 (0)
France	7 (4)	13,4 (2)	2 (4)	2,5 (0)	23 (4)	96 (4)	80 (2)
Germany	6 (4)	7,8 (0)	0 (0)	2,4 (0)	23,2 (4)	85 (2)	29 (0)
Ireland	1 (0)	12,2 (2)	0 (0)	. (.)	30,5 (4)	107 (4)	95 (4)
Italy	4 (2)	11,1 (2)	1 (2)	1,4 (0)	20,4 (2)	67 (2)	34 (0)
Japan	3 (2)	6,1 (0)	0 (0)	. (.)	19,5 (2)	104 (4)	44 (0)
Netherlands	6 (4)	10,1 (2)	1 (2)	43,3 (4)	40,8 (4)	95 (4)	100 (4)
New Zealand	1 (0)	10,3 (2)	6 (4)	29,3 (4)	16,8 (2)	67 (0)	101 (4)
Norway	6 (4)	13,6 (4)	1 (2)	26,3 (4)	14,5 (2)	98 (4)	77 (2)
Sweden	1 (0)	14,5 (4)	0 (0)	13,9 (2)	18,9 (2)	85 (2)	58 (2)
Switzerland	2 (0)	7,8 (0)	0 (0)	45,8 (4)	34,7 (4)	99 (4)	86 (4)
UK	1 (0)	11,4 (2)	0 (0)	33,9 (4)	16,8 (2)	92 (4)	60 (2)
USA	5 (2)	10,9 (2)	1 (2)	29,7 (4)	51,8 (4)	60 (0)	54 (0)
Mean	3,56	11,0824	0,82	24,7375	24,0059	86,36	69,29
St.d.	2,431	2,41331	0,883	18,09622	7,32841	15,625	23,337
Cutting points		8,7/13,5	0/1,7				