

# Three Types of Welfare Regimes

Which is Fairest?



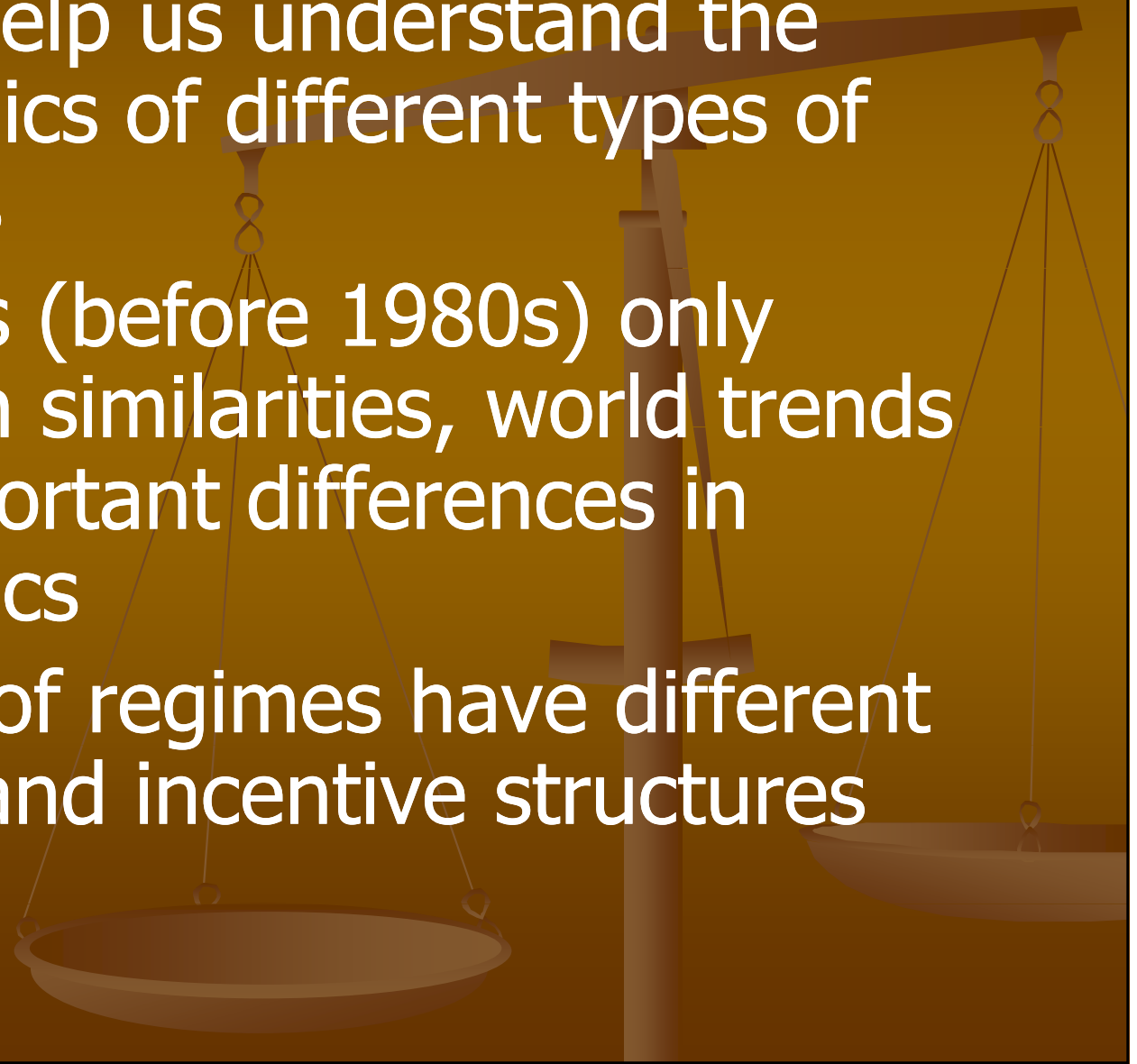
# Esping-Andersen: Three Worlds of Welfare Capitalism

- Divides western countries into 3 groups: Liberal, Social Democratic, conservative-“corporatist”
- Measures them in terms of degree of “decommodification”



# Why Typologies?

- Ideal-types to help us understand the different dynamics of different types of welfare regimes
- Previous studies (before 1980s) only concentrated on similarities, world trends and missed important differences in national dynamics
- Different types of regimes have different types of logics and incentive structures

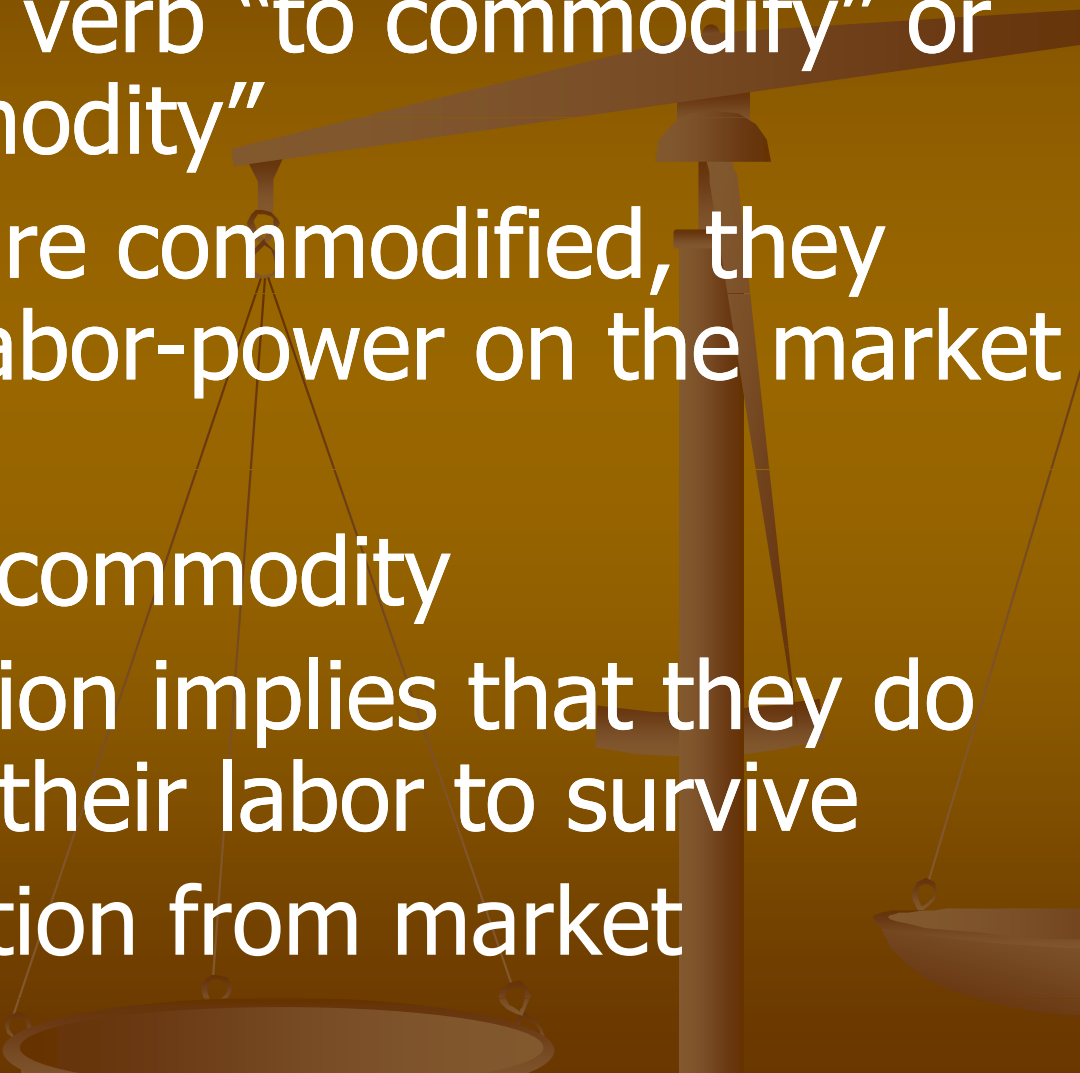


# Outline

- Define “decommodification”
- Explain the 3 types of welfare regimes (social democratic, liberal, conservative)
- Why different countries have different regime types
- Main criticisms

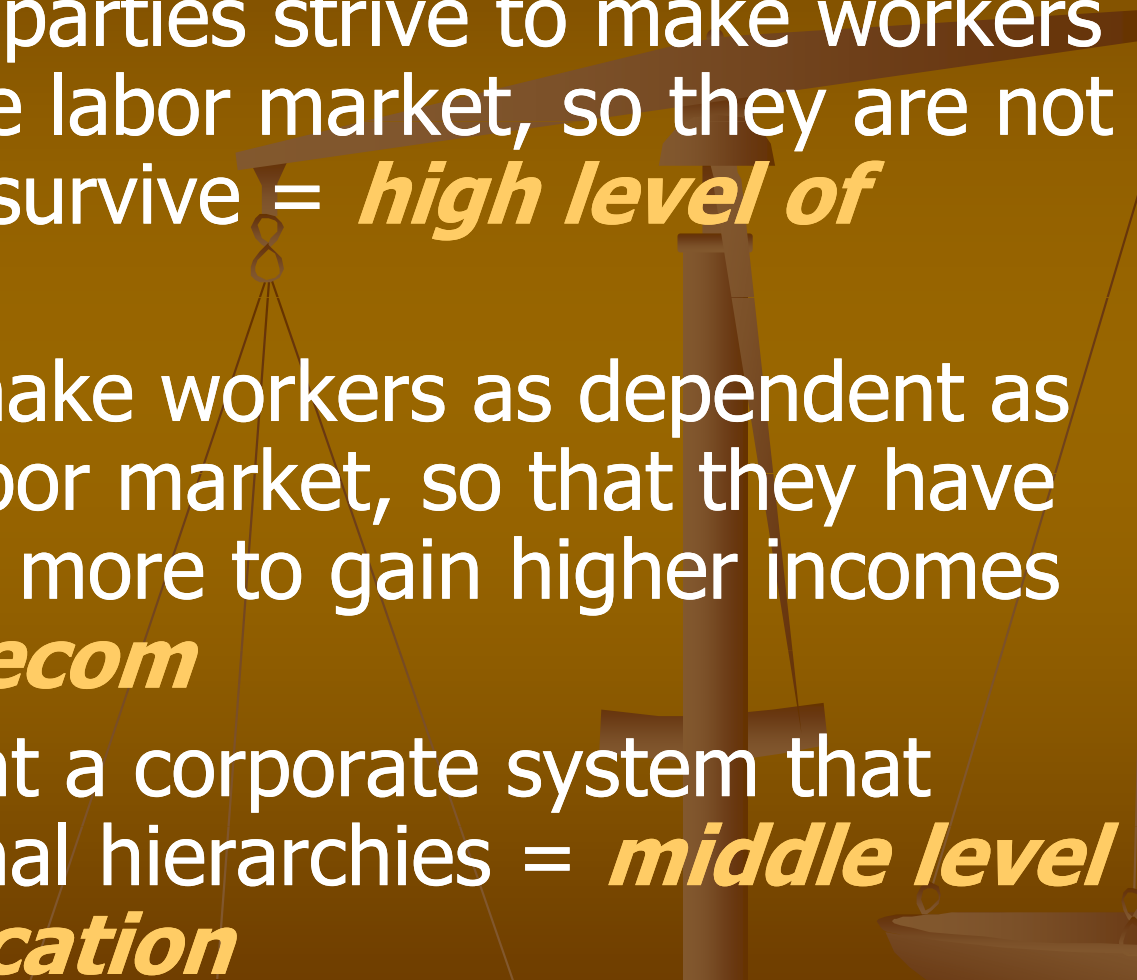


# Decommodification

- Comes from the verb “to commodify” or the noun “commodity”
  - When workers are commodified, they must sell their labor-power on the market to survive
  - They become a commodity
  - Decommodification implies that they do not have to sell their labor to survive
  - is the emancipation from market dependency
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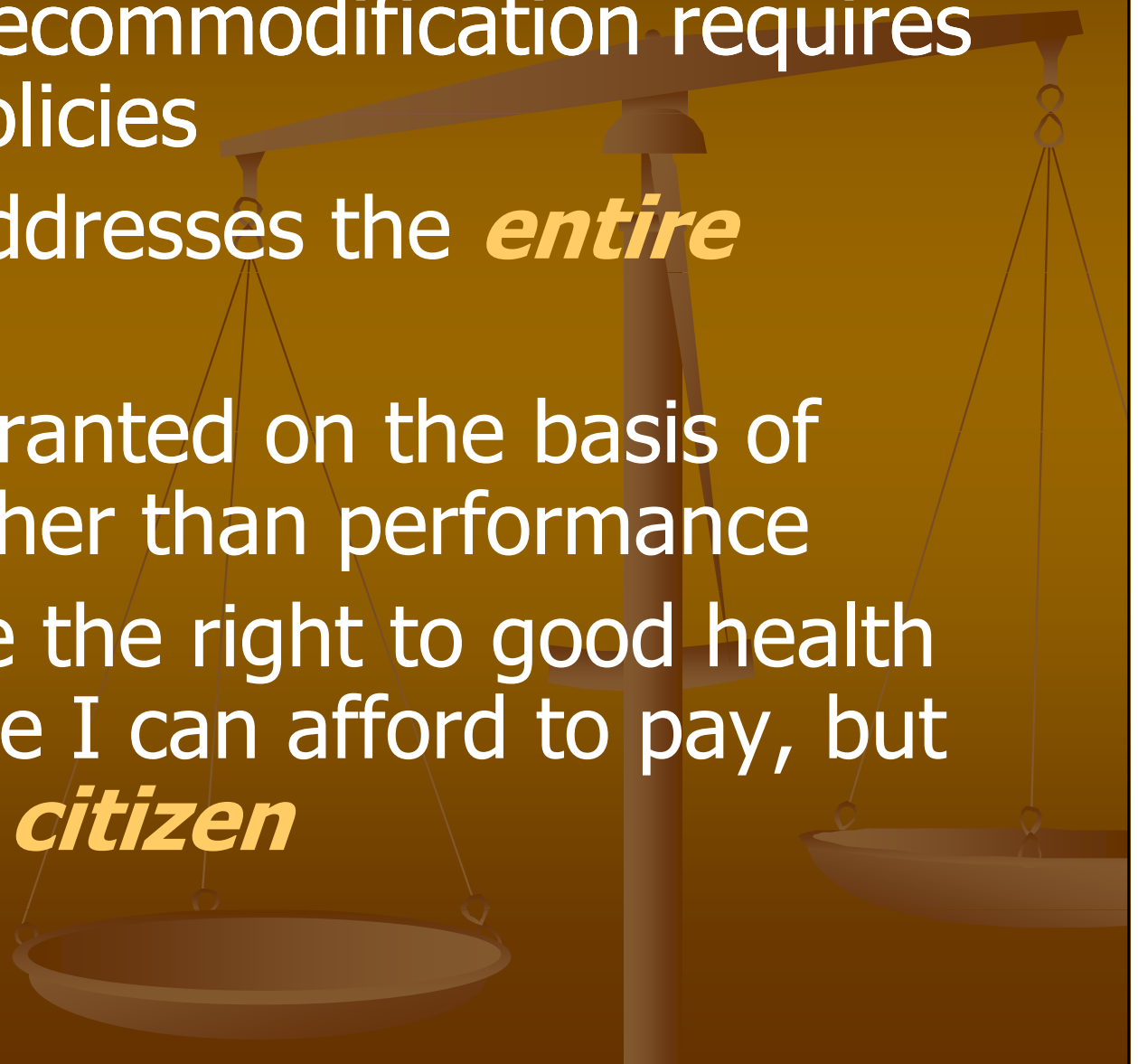
# THE Goal

## (According to E-A)

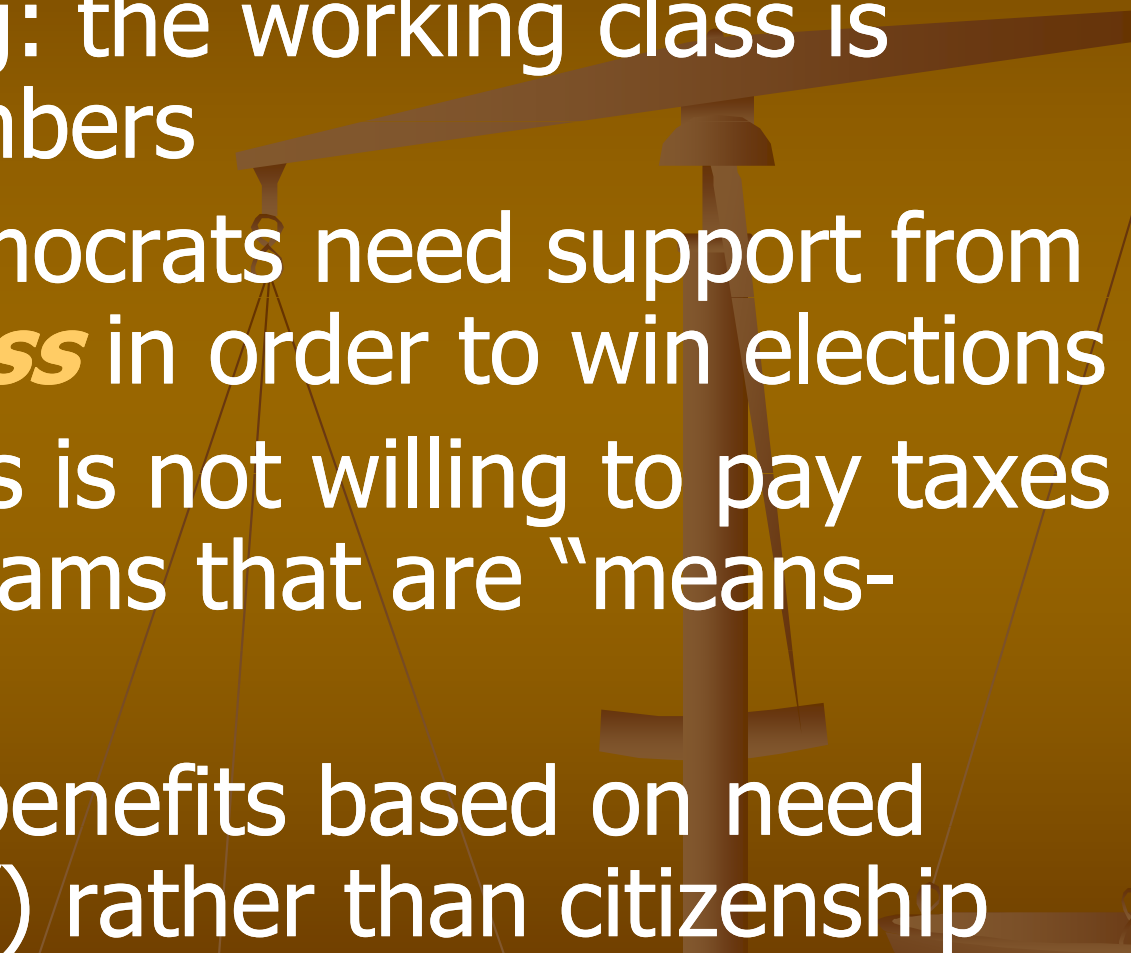
- Social Democratic parties strive to make workers independent of the labor market, so they are not forced to work to survive = ***high level of decom.***
  - Liberals want to make workers as dependent as possible on the labor market, so that they have incentives to work more to gain higher incomes = ***low level of decom***
  - Conservatives want a corporate system that preserves traditional hierarchies = ***middle level of decommodification***
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# Social Democratic policy

- High levels of decommodification requires *universalist* policies
- Universalism: addresses the *entire population*
- *social rights* granted on the basis of *citizenship* rather than performance
- Example: I have the right to good health care not because I can afford to pay, but because I am a *citizen*

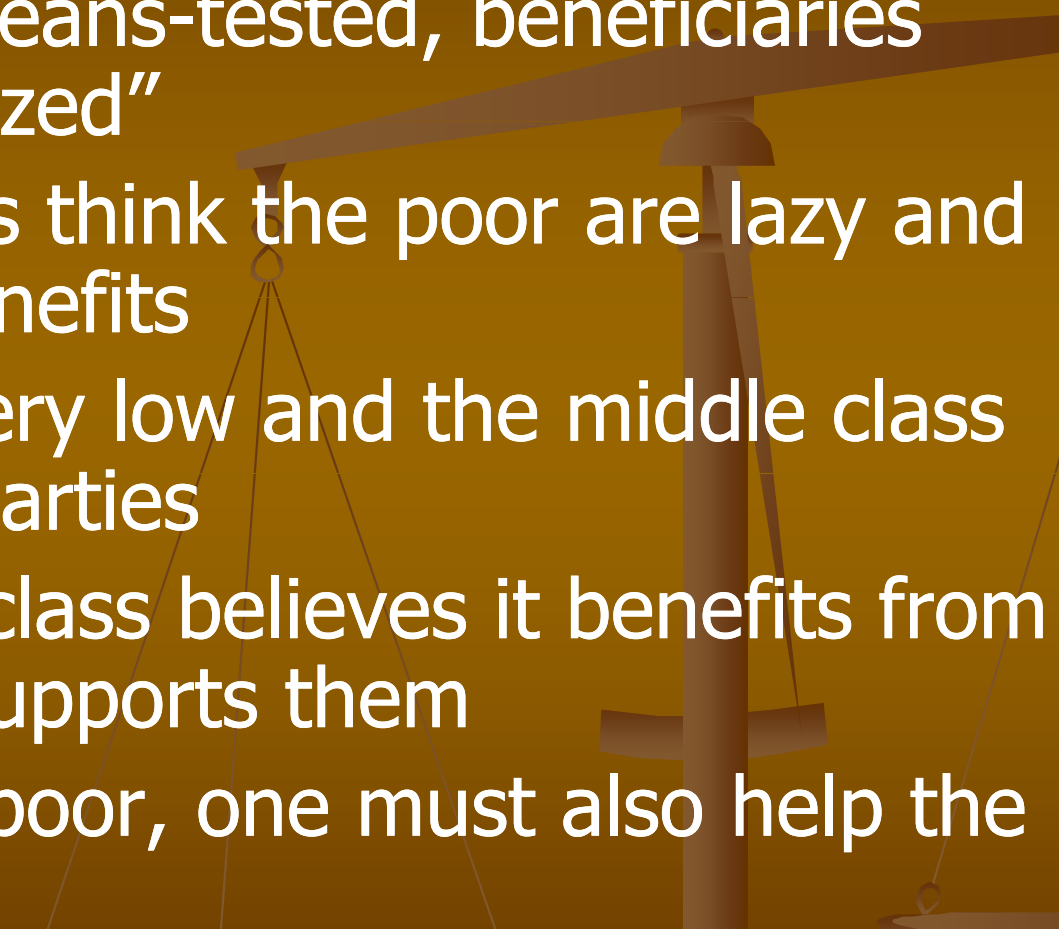


# Social Democratic Political Strategy

- Marx was wrong: the working class is declining in numbers
  - Thus, social democrats need support from the *middle class* in order to win elections
  - The middle class is not willing to pay taxes to finance programs that are “means-tested”
  - Means-tested=benefits based on need (must be “poor”) rather than citizenship
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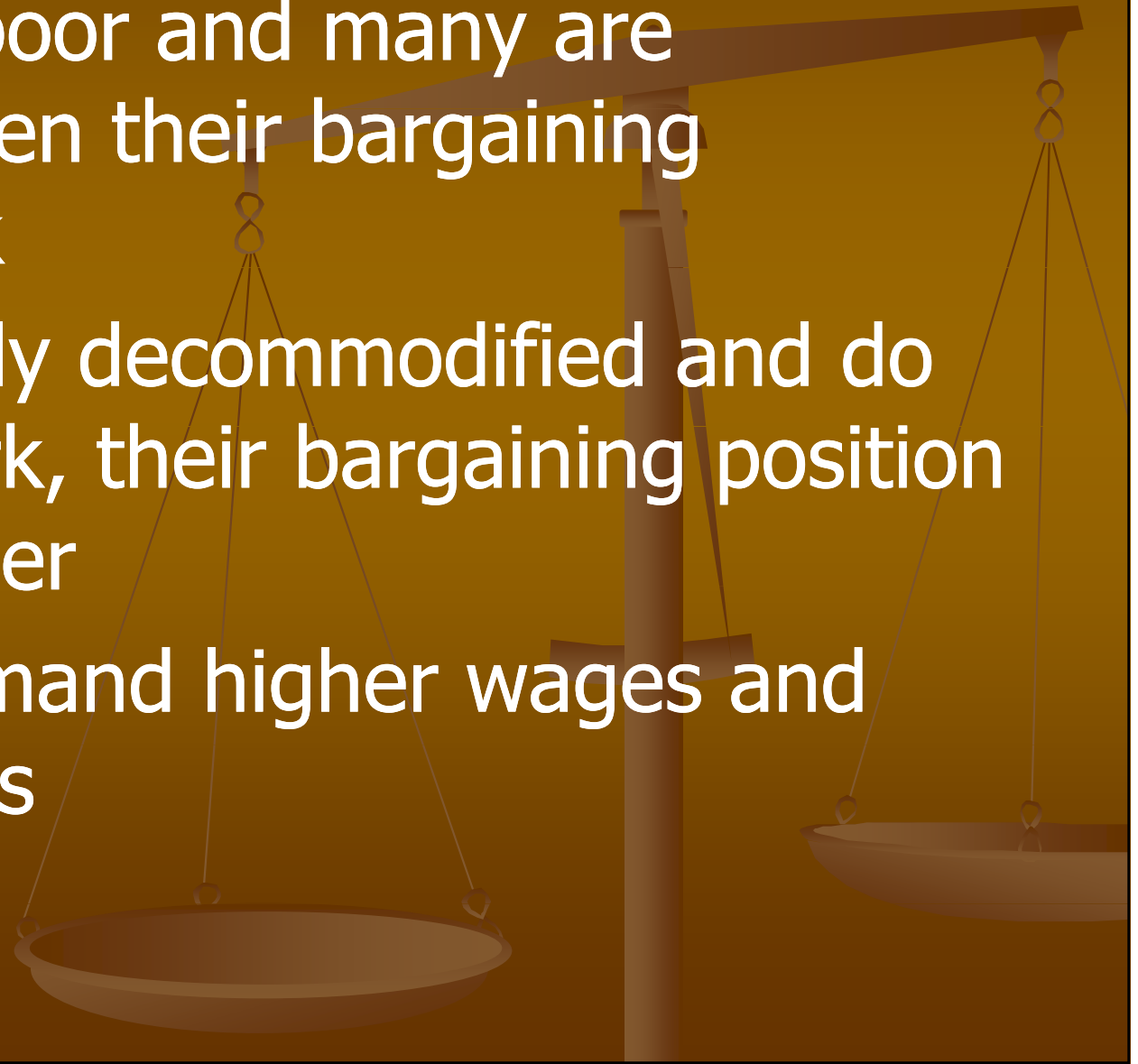


# Universalism Builds Political Support

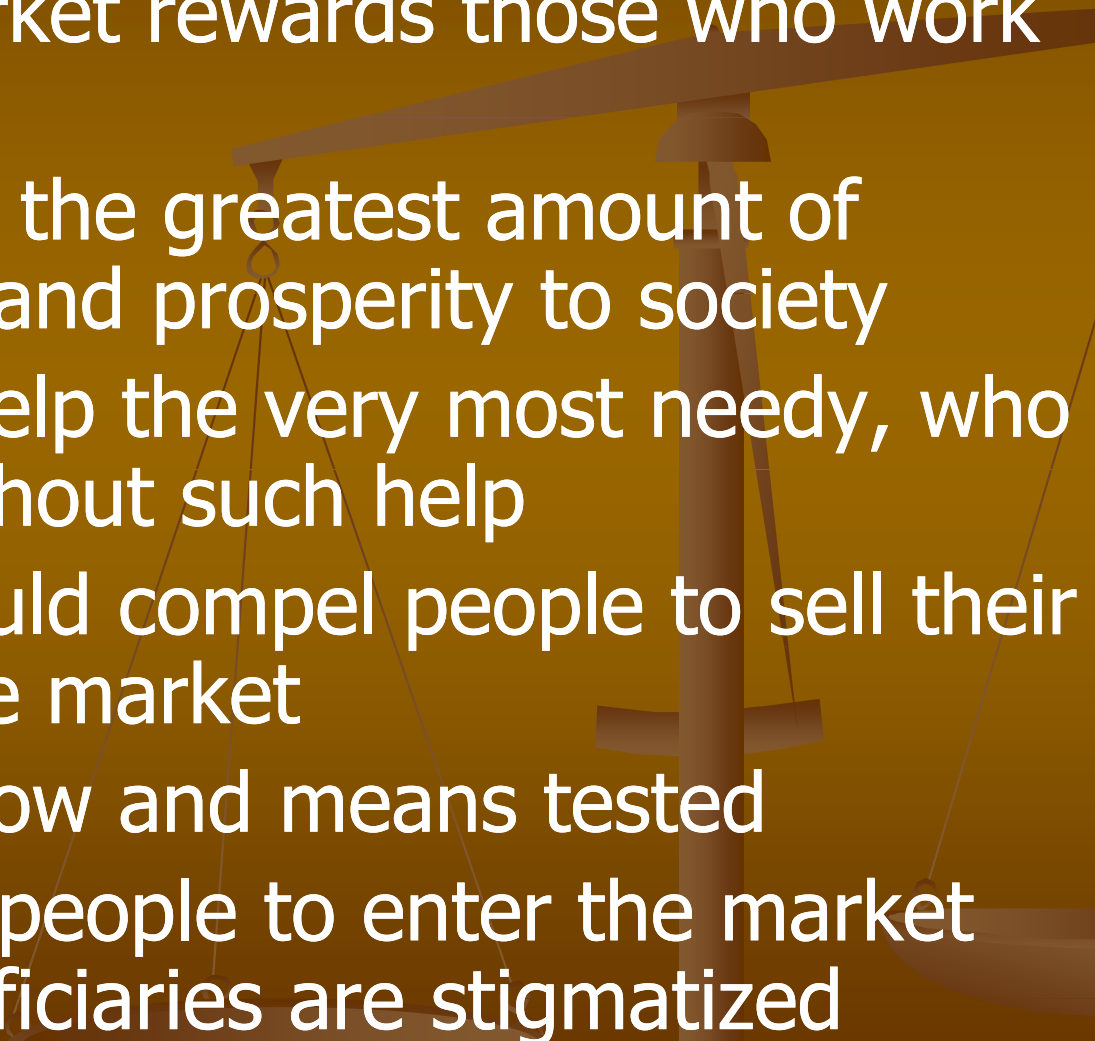
- If programs are means-tested, beneficiaries becomes “stigmatized”
  - Middle-class voters think the poor are lazy and do not deserve benefits
  - Thus, levels are very low and the middle class votes for rightist parties
  - When the middle class believes it benefits from social policies, it supports them
  - Thus, to help the poor, one must also help the middle-class!
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# Decommodification and Working Class Strength

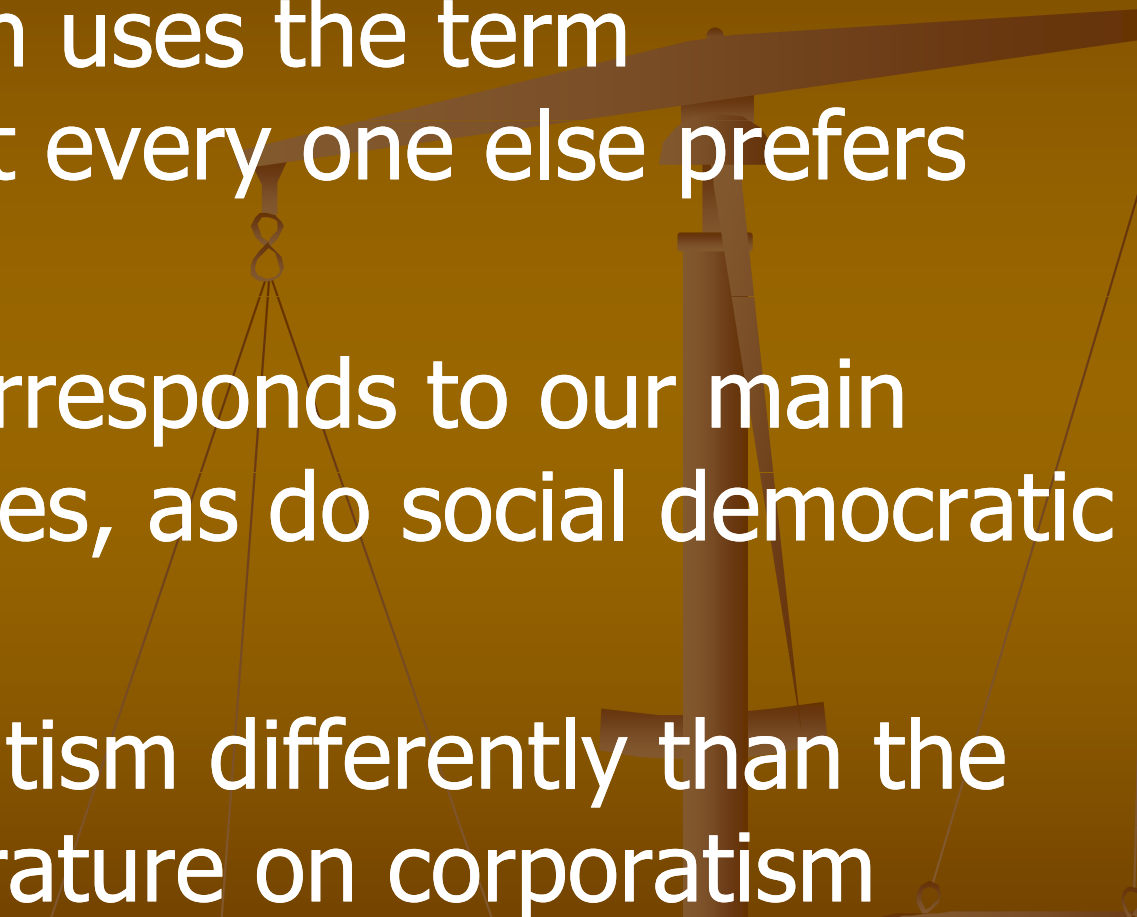
- If workers are poor and many are unemployed, then their bargaining position is weak
- If they are highly decommodified and do not have to work, their bargaining position becomes stronger
- So they can demand higher wages and better conditions



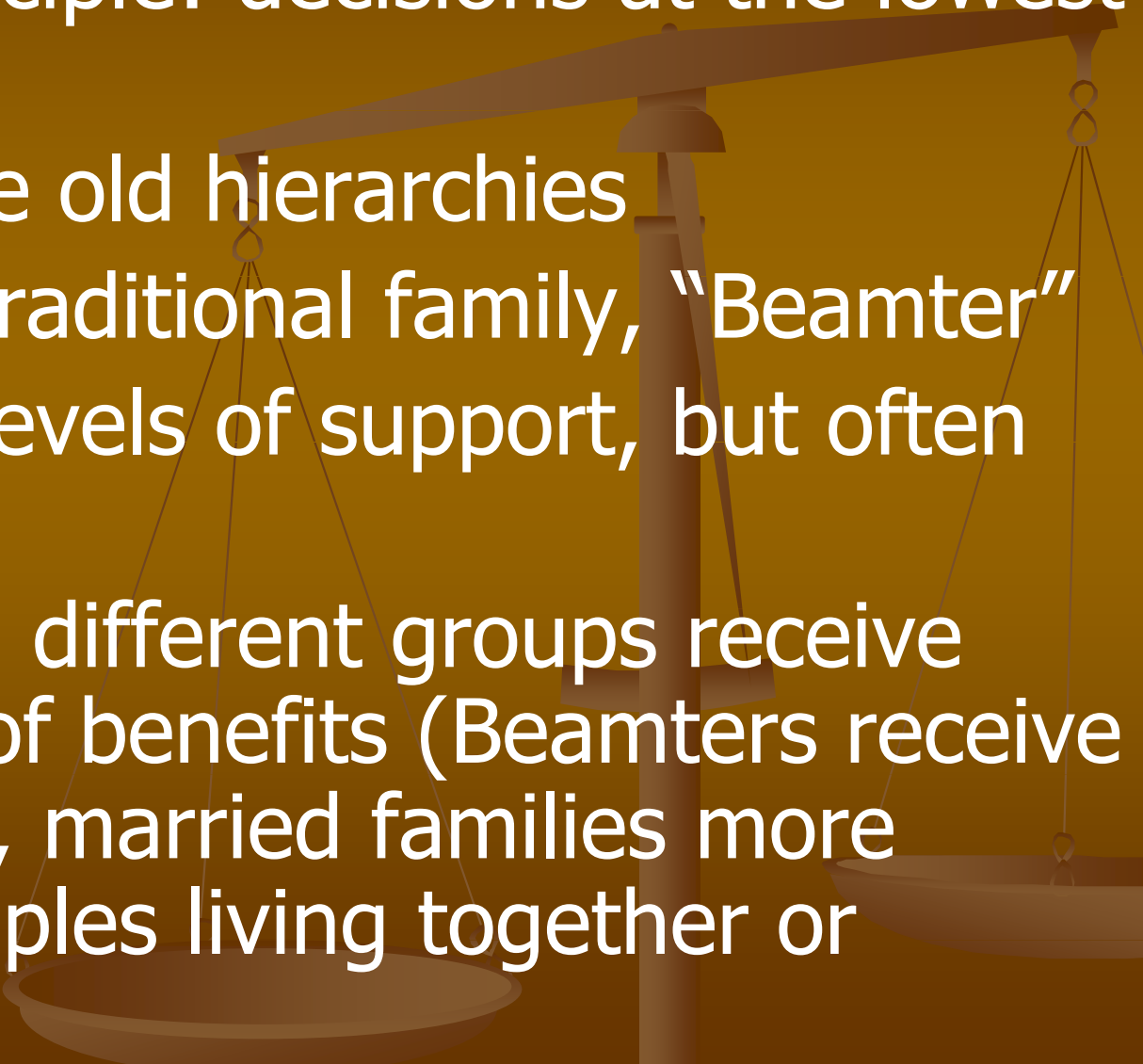
# Liberalism

- Belief that the market rewards those who work hardest
  - The market brings the greatest amount of personal freedom and prosperity to society
  - One should only help the very most needy, who cannot survive without such help
  - Social policies should compel people to sell their labor power on the market
  - Benefits are very low and means tested
  - Low both to force people to enter the market and because beneficiaries are stigmatized
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# Conservative-Corporatist

- Esping-Andersen uses the term “corporatist” but every one else prefers “conservative”
  - Conservative corresponds to our main political ideologies, as do social democratic and liberal
  - He uses corporatism differently than the mainstream literature on corporatism
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# Characteristics of Conservative Policies

- Subsidiarity principle: decisions at the lowest possible level
  - Tries to preserve old hierarchies
  - Support to the traditional family, “Beamter”
  - Relatively high levels of support, but often paternalistic
  - Not universalist: different groups receive different levels of benefits (Beamters receive higher pensions, married families more money than couples living together or divorced, etc.)
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# Summary



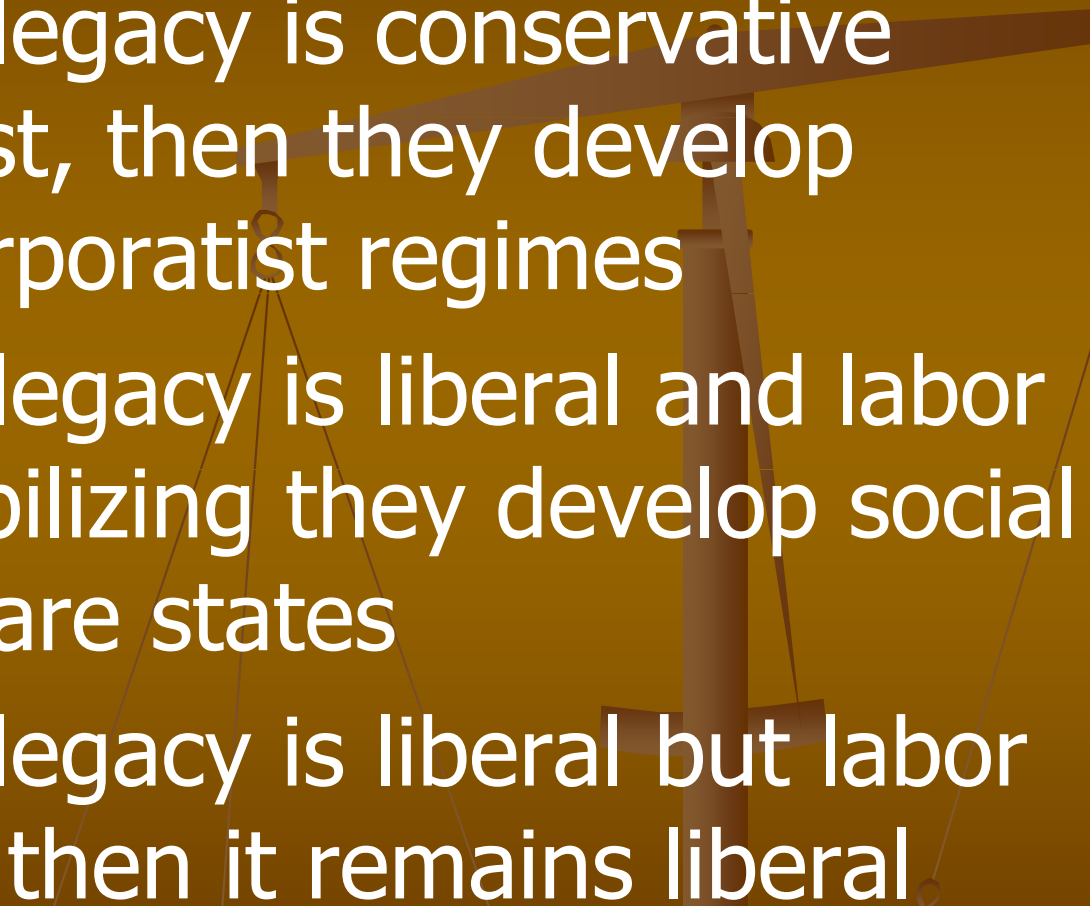
- Social Democratic: high levels of decommodification, universalist policies
- Liberals: low levels of decommodification, means-tested policies
- Conservatives: medium levels of decommodification, want to preserve traditional hierarchies
- Which countries belong to each group?

# The Question of Efficiency



- Which type increases labor market participation the most?
- Which type makes it easier to switch jobs?
- Which type is the most efficient in eliminating poverty?
- Which do better in integrating immigrants and minorities?
- Affirmative action (EA), country of immigrants (me)

# Reason for Development of Different Regime Types

- If the historical legacy is conservative catholic or etatist, then they develop conservative-corporatist regimes
  - If the historical legacy is liberal and labor succeeds in mobilizing they develop social democratic welfare states
  - If the historical legacy is liberal but labor fails to mobilize then it remains liberal
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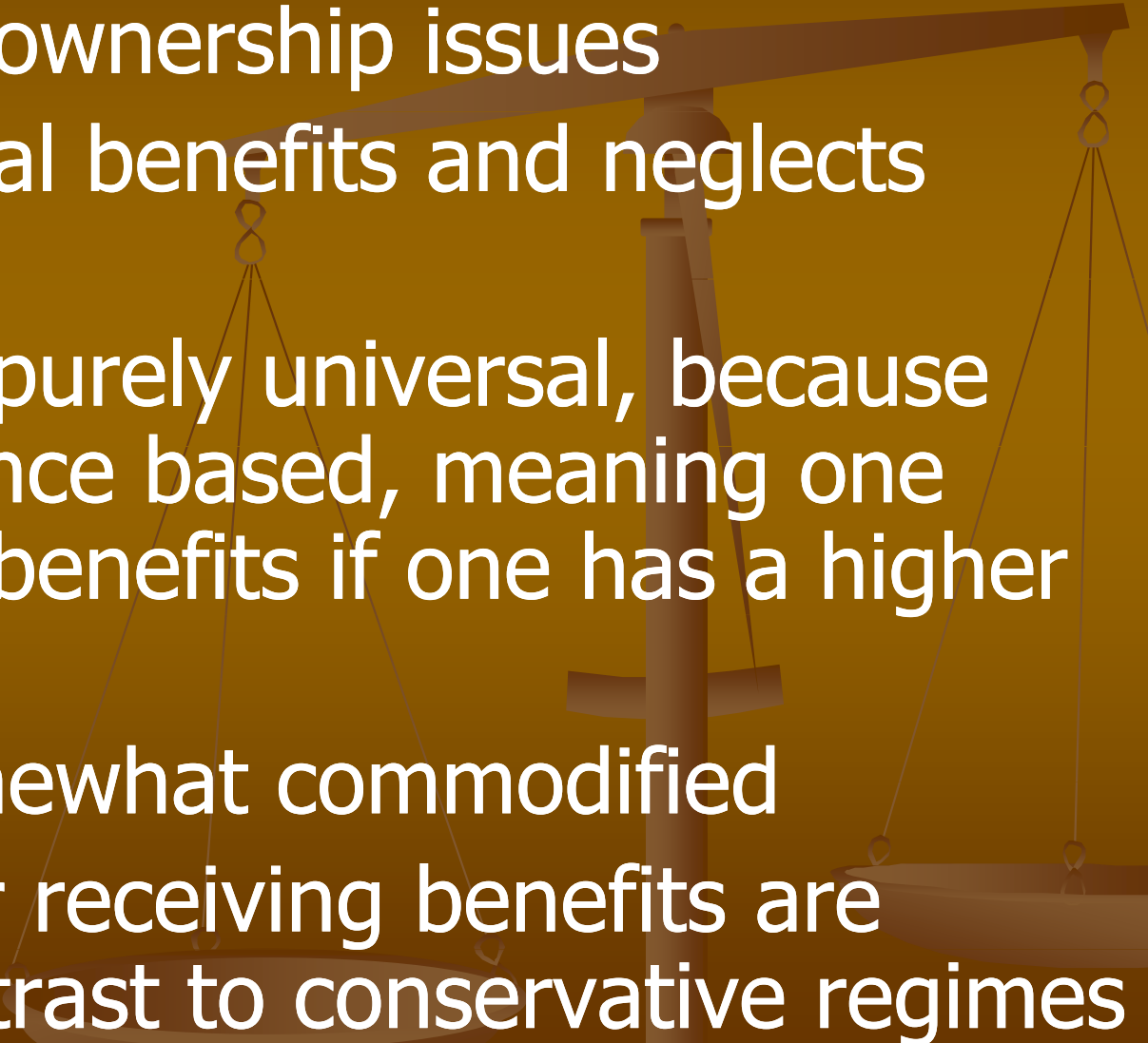


# Criticisms of Esping-Andersen

- The Latin Bin
- “Radically liberal” (UK, Australia) and “truly liberal” (USA)
- Is the goal of social democratic parties really decommmodification?
- Are social democratic policies really “universalist”?



# What are socialist goals?

- EA neglects Power relationships, workplace democracy and ownership issues
  - Focused on social benefits and neglects social services
  - Policies are not purely universal, because most are insurance based, meaning one receives higher benefits if one has a higher income
  - Thus one is somewhat commodified
  - But the rules for receiving benefits are universal in contrast to conservative regimes
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# Feminist Criticisms

- The goal for western feminists has been to *commodify* women
  - Women have struggled for the right to join the labor market and have equal chances as men
  - EA neglects the unpaid labor done at the home
  - Without domestic labor, we cannot have a labor market (somebody must have children, raise them, make meals, clean the house, etc.)
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