States of welfare or states of workfare? Welfare state restructuring in 16 capitalist democracies, 1985–2002

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English

Did welfare states change radically from welfare towards workfare, or was such a shift absent and was welfare state change regime-specific instead? This article assesses this question for 16 advanced capitalist democracies for the period 1985–2002, using an innovative method: fuzzy-set ideal type analysis. This study shows that the mainstream welfare state literature's prediction of no radical and regime-specific change holds for most countries. The regulation literature's prediction of radical change from welfare towards workfare is supported fully only in Ireland and moderately in Denmark. Furthermore, other interesting patterns are revealed in six countries.

Français

Les états-providence ont-ils changé radicalement et sont-ils passés du bien-être au « workfare»,[1] ou bien ce changement n'a-t-il pas eu lieu ou serait-ce plutôt que le changement de l'état-providence a été spécifique au régime ? Cet article étudie cette question dans 16 démocraties capitalistes avancées au cours de la période de 1985 à 2002 en utilisant une méthode innovatrice : l'analyse du type idéal dans l'ensemble flou. Cette étude montre que, la prédiction des publications dominantes de l'état-providence qu'il n'y aura aucun changement radical ni spécifique au régime est valable pour la plupart des pays. La prédiction des publications de réglementations selon laquelle il y aura un changement radical du bien-être au « workfare » n'est soutenue pleinement qu'en Irlande et modérément au Danemark. En outre il apparaît d'autres tendances intéressantes dans six pays.

[1]Obligation pour les bénéficiaires d'allocations chômage de fournir un travail en échange

Español

¿El estado de bienestar social cambió radicalmente de bienestar social a trabajo social? o ¿tal cambio fue ausente y el cambio de estado de bienestar social fue más bien régimen específico? Este artículo evalúa esta pregunta en 16 democracias capitalistas avanzadas en el periodo de 1958 a 2002, usando un método innovador: un análisis de tipo ideal de conjunto difuso. Este estudio muestra que la corriente principal de la predicción de estudios del estado de bienestar social de un cambio no radical y de régimen específico se mantiene para la mayoría de los países. La regulación de predicción de estudios de cambio radical de bienestar social a trabajo social es apoyada de lleno sólo en Irlanda y de forma moderada en Dinamarca. Además, es interesante que otros modelos se revelan en seis países.

Changes in the welfare state have interested scholars from different research traditions for some decades now. In the 1980s and (early) 1990s, theories from various intellectual backgrounds arrived at the same prediction. Challenges and pressures on the welfare state would necessarily bring about major structural revisions and would produce the definitive crisis and breakdown of the welfare state. However, in spite of potentially disruptive changes such as ageing populations, the post-industrialisation of labour markets, and pressures from globalisation, the welfare state proved resilient (van Kersbergen, 2003). The theoretical arguments for the endurance of the welfare state and the related empirical findings differ across – at least – two literatures.

First, there is the 'mainstream' welfare state literature for which the work of Gøsta Esping-Andersen and Paul Pierson are good examples. Pierson (1996) explains in his classic article that the presence of welfare state resilience – and the absence of radical change – stems theoretically from two major status quo forces. First, from the institutional mechanisms such as path-dependency and veto points that work against change. Second, from the broad (electoral) support for core social programmes and the consequent political unpopularity of cutbacks. Empirical studies, both large-n and case studies corroborated this literature's propositions (Esping-Andersen, 1996; Scharpf and Schmidt, 2000; Huber and Stephens, 2001; Pierson, 2001; Castles, 2004). Furthermore, the mainstream welfare state literature found that the changes that took place depend on the type of welfare state regime a country belongs to (liberal, conservative or social democratic, see Esping-Andersen, 1990, 1999; for reviews of the literature see Huber and Stephens, 2001; Green-Pedersen and Haverland, 2002; Myles and Quadagno, 2002; van Kersbergen, 2002; Starke, 2006). That is, this literature predicts that changes are regime-specific, whereby a regime is defined as a cluster of countries with a distinct political and policy configuration that produces a trajectory that is difficult to abandon (Pierson, 2001: 428–31).

The proposition on welfare state change is fundamentally different in the second literature. This regulation approach to political economy argues that, because of especially economic but also political and social pressures, there has been a crisis in the so-called Keynesian welfare state (KWS). This resulted in the replacement of the KWS by a so-called Schumpeterian workfare regime (SWR) (Jessop, 1999, 2002; Torfing, 1999; Peck and Theodore, 2000, 2001; Peck, 2001). Both the KWS and SWR are seen as regulatory structures for managing the capital–labour relationship. The KWS's aim is full employment and the generalisation of mass-consumption and mass-production, resulting in a large social security programme. The SWR's goal is the stimulation of innovation and flexibility and the subordination of social policy to the demands put forward by the new 'post-industrialist' system such as the necessity to improve competitiveness. The SWR is (almost) the exact opposite of the KWS, which makes a shift from KWS to SWR a radical change.

These two literatures' findings and theoretical predictions on how much the welfare state actually has changed are thus clashing. The mainstream welfare state literature maintains that radical change, that is a shift from KWS to SWR, is absent and that changes are regime-specific. The regulation literature, contrarily, holds that a radical change from KWS towards SWR is taking place irrespective of the type of welfare state.[1] This puzzle of competing findings is a difficult one to solve

because the level of analysis of the two approaches differs. The regulation approach assesses change in the (welfare) state on four 'scales':

(1) the broad field of economic policy;
(2) the broad field of social policy;
(3) the scale of deciding economic and social policy; and
(4) the weight of the mechanism to maintain capitalist profitability (Jessop, 1999: 349–50).

The mainstream welfare state research's focus is much narrower. There is, however, one area of overlap between the two approaches and that is *social policy*. It is on this category that the regulation theorists hypothesise the presence of a welfare–workfare shift. Somewhat different from common usage, the regulation literature defines *welfare* as the generalisation of norms of mass-consumption beyond male workers and the promotion of mass-production that is favourable to the Fordist growth dynamic, and *workfare* as the subordination of social policy to the demands of labour market flexibility and the competitiveness of business (Jessop, 1999, 2002; Torfing, 1999; Peck and Theodore, 2000, 2001; Peck, 2001). In mainstream accounts, *welfare* policies are usually defined as the basic measures to protect people against the 'evil' of the market and *workfare* policies as supply-side social policies that aim for greater labour market flexibility and lower public social expenditures (see Kildal, 2001: 3; Gray, 2004: 160–1).

In this article, I test systematically and simultaneously the hypotheses of the mainstream welfare state and regulation literature for 16 advanced capitalist democracies over the period 1985–2002.[2] I use an innovative method, fuzzy-set ideal type analysis, which builds on fuzzy-set theory (Ragin, 2000) and until now only has been employed by Kvist (1999, 2003, 2006). This method allows for the simultaneous assessment of quantitative and qualitative changes and is therefore particularly apt for solving the puzzle of the extent and shape of welfare state change outlined above.[3]

The article is structured as follows. Section two introduces fuzzy-set theory and fuzzy-set ideal type analysis. Section three identifies the ideal types and conceptualises the sets. Section four presents the sets' operationalisation. Section five assesses whether the changes in social policy have been radical, that is from welfare towards workfare, or regime-specific. Section six concludes that the fuzzy-set ideal type substantiates the mainstream welfare state literature's prediction of no radical change and regime-specific change for most countries. The regulation literature's prediction of radical change from welfare towards workfare is supported fully only in Ireland and moderately in Denmark. In addition, other interesting patterns are revealed in six countries.

Fuzzy-set theory and fuzzy-set ideal type analysis

A fuzzy-set should be seen as 'a fine-grained, continuous measure that has been carefully calibrated using substantive and theoretical knowledge relevant to set membership' (Ragin, 2000: 7). Fuzzy-set theory originates from Artificial

Intelligence (Zadeh, 1965) and is applied in different fields (see Cioffi-Revilla, 1981; Sanjian, 1988; Casario and Dadkhah, 1998). Ragin (2000) put fuzzy-set theory firmly on the agenda of the social sciences (for recent applications see Pennings, 2003, 2004; Koenig-Archibugi, 2004; Badredine, 2005; Veugelers and Magnan, 2005; Schneider and Wagemann, 2006). But what is fuzzy-set theory?

An important feature of fuzzy-set theory is that cases' membership in different sets of concepts can vary: anything between full and no membership is possible. The researcher establishes two qualitative breakpoints, 1 and 0, to determine when a case is, respectively, 'fully in' or 'fully out' of a set. A replacement rate of 90% or more might, for example, be considered to be fully generous and a replacement rate of less than 20% fully not-generous. The variation above 90% and below 20% is then meaningless since logically it makes no sense to differentiate between 'fully generous' and 'more than fully generous'. Fuzzy-set theory thus challenges the assumption implicit in a lot of conventional work that all variation is meaningful (Ragin, 2000: 163).

Fuzzy-set ideal type analysis is ideal type analysis that makes use of fuzzy-set theory. An ideal type in the Weberian sense refers 'to the construction of certain elements of reality into a logically precise conception' (Gerth and Wright Mills, 1970: 59). It is an analytical construct that cannot be found anywhere in reality, which can be used as a yardstick to establish the extent to which real empirical phenomena are similar to or different from some predefined measure (Weber, 1949). The sets that constitute the ideal type come from concepts. The possible combinations of the sets shape the so-called multi-dimensional property space (Barton, 1955). With k being the number of aspects or sets, there are 2^k possible combinations in this property space: the ideal-typical locations or ideal types. Combining a configurational view of cases, which arrives from qualitative case-oriented research in which different aspects (sets) of cases are viewed holistically, with fuzzy-set theory allows for the investigation of the property space. Precisely, it reveals which corner, or ideal type, a case belongs to and what its degree of membership is to the possible combinations (Kvist, 2003: 16–19).

Identifying the ideal types and conceptualising the sets

To test the radical change and regime-specific change claims we need 'workfare' and 'welfare' ideal types because a shift from welfare towards workfare is a radical change and a shift within a welfare regime is a regime-specific change. This section discusses, first, three concepts that are linked to both workfare and welfare and, second, the sets that constitute the ideal types.

Identifying concepts that relate to both workfare and welfare is no easy task as there is substantial conceptual confusion around the term workfare (Lødemel and Trickey, 2001; Peck, 2001: 16; Barbier, 2004: 49–51). The regulation literature usually adopts a broad definition of workfare like the subordination of social policy to the demands of labour market flexibility and to the competitiveness of business (Torfing, 1999: 8; Jessop, 2002: 258). Instead of a programme, so the regulation theorists argue, workfare has become 'the institutional codification of work-oriented welfare reform' (Peck, 2001: 342). In mainstream welfare state accounts, on the

contrary, workfare is seen as a programme. More specifically, this literature usually defines workfare as mandatory supply-side social policies that aim for higher labour force participation, greater labour market flexibility and lower public social expenditures (Kildal, 2001: 3; Gray, 2004: 160–1).

The common denominator in these literatures is the emphasis on three principles:

(1) the obligation to work;
(2) the objective of maximal labour participation; and
(3) minimal income protection.

Changes in the obligation to work show up in expenditures on activation. These expenditures are reflected in the use of active labour market programmes (ALMP), that is public employment services and administration, labour market training, youth measures, subsidised employment and measures for disabled people (OECD, 2001: 22). Often, though not always, participants in ALMP are forced to work. Three categories reveal changes in labour participation. First, spending on activation because one of the primary goals of ALMP is to increase labour participation. Second, the level of generosity because lower generosity can provide an incentive to take on a job instead of staying on welfare – for example via lowering the 'poverty trap' – and can consequently increase labour participation. Finally, the level of employment protection, that is the regulations concerning hiring and firing, especially regular procedural inconveniences, difficulty of dismissal, and notice and severance pay (OECD, 1999: 50), because higher levels of employment protection increase employers' costs and consequently reduce labour participation (OECD, 2004). Changes in minimal income protection show up, first, in spending on activation because higher levels of spending on ALMP mean *ceteris paribus* a drop in spending on income protection provisions such as unemployment benefits, and second, in the level of generosity because lower generosity denotes *ceteris paribus* a decline in the importance of income protection provisions.

The concepts activation, generosity and protection thus relate to workfare. In addition, they are linked to the characteristics of the welfare regimes (see, for example, Esping-Andersen, 1996; Huber and Stephens, 2001). The liberal welfare regime is epitomised by residual social policy that only covers the most basic risks (low generosity), by low levels of activation, and by strongly deregulated labour markets (low protection). The conservative welfare regime is characterised by relatively generous income protection schemes (relatively high generosity), by relatively low levels of activation, and by strongly regulated labour markets (high protection). The social democratic regime, finally, is characterised by a very generous social policy (high generosity), by high levels of activation, and by relatively strongly regulated labour markets (high protection). Whether a case belongs to the liberal, conservative or social democratic welfare ideal type thus depends on the extent of activation, generosity, and protection. The ideal type *liberal welfare* has low activation ($\sim$A), low generosity ($\sim$G), and low protection ($\sim$P); *conservative welfare* has low activation as well ($\sim$A) but high generosity (G) and protection (P); *social democratic welfare* has high activation (A), generosity (G) and protection (P).

Since activation corresponds to all three characteristics of workfare (the obligation to work, maximal labour participation, and minimal income protection), a case

should be in the set of activation (A) to fall into the category of ideal-typical *workfare*. In addition, a case should be in the set of low protection (~P) because higher employment protection negatively affects the flexibility of the labour market and influences firms' aptitude to cope with the rapidly changing economic environment. Given the importance of firms' competitiveness in a workfare regime, a shift towards workfare is impossible or at least very difficult under high levels of protection. To be classed as ideal-typical workfare, a case can have either a high or a low level of generosity. In everyday usage, workfare is associated with lower public expenditures (Jessop, 2002: 251). This, however, does not necessarily imply lower generosity if this aspect is measured by net replacement rates, as in this article, because public expenditures comprise many categories. Therefore, I construct two workfare ideal types: a lean one with low generosity (~G) and a generous one with high generosity (G).

Table 1 depicts the property space that is constructed from the three aspects. Of the eight possible combinations, five are considered theoretically relevant: generous workfare, lean workfare, liberal welfare, conservative welfare, and social democratic welfare. Table 1 also displays the three 'atheoretical' ideal types.

Table 1: Property space for shifts in welfare and workfare

Ideal type	Activation (A)	Generosity (G)	Protection (P)	Model
Generous workfare	A (high)	G (high)	~ P (weak)	(A*G*~P)
Lean workfare	A (high)	~ G (low)	~ P (weak)	(A*~G*~P)
Liberal welfare	~ A (low)	~ G (low)	~ P (weak)	(~A*~G*~P)
Conservative welfare	~ A (low)	G (high)	P (strong)	(~A*G*P)
Social democratic welfare	A (high)	G (high)	P (strong)	(A*G*P)
	A (high)	~ G (low)	P (strong)	(A*~G*P)
	~ A (low)	~ G (low)	P (strong)	(~A*~G*P)
	~ A (low)	G (high)	~ P (weak)	(~A*G*~P)

Operationalising the fuzzy-sets

The sets activation, generosity and protection are identified as necessary for assessing the radical change and regime-specific change claims. How can these sets be operationalised? The first step is deciding on the type of fuzzy-set: continuous or with a limited number of values (see Ragin et al, 2006). Because limited value fuzzy-sets, per definition, only allow for a limited number of fuzzy membership scores, analyses across country and/or time cannot be very precise. To assess better the radical change and regime-specific change claims, and because the data allow it, this article uses continuous fuzzy-sets (Ragin, 2000: 158–60; for applications see Casario and Dadkhah, 1998; Koenig-Archibugi, 2004).

The second, important and difficult, step is selecting and justifying the fuzzy-sets' qualitative breakpoints. The researcher should always offer an explicit rationale for these breakpoints, including for the so-called crossover point that is placed at .5.

The latter is the point where there is maximum ambiguity as to whether a case is 'more in' or 'more out' of a set. Whereas traditional quantitative variables are calibrated according to sample means and standard deviations, fuzzy-sets are calibrated according to theoretical and substantive knowledge (Ragin, 2000: 169). In continuous fuzzy-sets, the crossover point is less important than in limited value fuzzy-sets. This is because in continuous sets, the upper and lower limits that the researcher establishes, that is where he or she assigns the fuzzy-scores 1 and 0, should be justifiable as the point of maximum ambiguity (Ragin et al, 2006). The crossover point's lesser importance is an advantage because substantively there is a difference between deciding when a case is 'fully in' (1) or 'fully out' (0) of a set and when it is 'neither in nor out' of a set (.5).[4]

The third and final step is the exact operationalisation of each set. The extent of activation, the first set, is operationalised as active spending per person unemployed relative to gross domestic product (GDP) per person employed. This active spending per unemployed is measured as total spending on ALMP as a percentage of GDP ×100 divided by the standardised unemployment rate. This is a better measure of ALMP effort than the frequently used ALMP spending as a percentage of GDP because the spending on labour market programmes increases usually with the level of unemployment (OECD, 2003: 193–4; see also Armingeon, 2005). Active spending per unemployed indicates the percentage of GDP that is spent on ALMP per 1% standardised unemployment. The first qualitative breakpoint 0, fully out of the set of activation, is set at ≤5. The rationale is that if a country spends less than .05% of GDP per 1% standardised unemployment, its intention to activate is so low that it should be classified as fully out of the set of activation. The second qualitative breakpoint 1, fully in the set of activation, is set at ≥25. The rationale is that if a country spends more than .25% of GDP per 1% standardised unemployment, its dedication to activate is thus so high that the country should be classified as fully in the set of activation. The fuzzy-scores in between 0 and 1 are calculated using the fs/qca software (www.fsqca.com). First, all raw data below or above the qualitative breakpoints, that is ≤5 and ≥25, are recoded as follows (see Ragin et al, 2006): lowest through 5, new value 5; 25 through highest, new value 25. The new minimum and maximum are 5 and 25. Then, the fuzzy-set is computed by taking these transformed raw data and subtracting the lower limit (here: 5) from each score and then dividing the result by the [upper limit minus the lower limit], here: 25–5=20. In formula: fuzzy-set score = [transformed raw data–lower limit]/[upper limit–lower limit].

Still, for a 'truly' active orientation, ALMP expenditures as a share of total labour market expenditures should be high as well (OECD, 2003: 193–4). Based on substantive knowledge of the cases, active spending as a share of total spending is considered high if it exceeds 34. For countries that were in the set of activation (that is, received a fuzzy-score >.5) but that scored low on the total spending variable, the fuzzy membership score for activation is placed at .5 (the point of maximum ambiguity). This was only the case for Denmark in 1985 and 1995, and for the Netherlands in 1995.

The extent of generosity, the second set, is measured by an index of the net replacement rates of unemployment insurance (UI) benefits and sick pay (OECD, 2004: 117). The net replacement rate is the after-tax benefit of a single, fully insured

40-year-old individual earning average production worker (APW) wage divided by after tax wage of fully insured employed APW (Scruggs, 2004). Using this definition to measure generosity has two drawbacks. First, the social security system works differently for various socioeconomic groups, making the APW often not an adequate representation of generosity. Second, the development of net rates is at least partially determined by factors outside the social security system such as the tax system (Green-Pedersen, 2004). Using gross replacement rates would lessen the second disadvantage but would generate an even bigger problem because of the large discrepancies in these rates. Since most countries used in this article have individualised UI and sick pay schemes, the net replacement rate for a single APW is a valid empirical indicator. The incorporation of both UI and sick pay replacement rates in the index is theoretically driven: both affect job-seeking behaviour. Because individuals have probably more influence over their state of employment than over their state of health, the effect of the UI replacement rate on job-seeking behaviour is likely stronger. Therefore, the UI rate is weighted double, resulting in the following generosity index: [UI replacement rate×2] + sick pay rate divided by 3.

   In accordance with Kvist (2003: 11), the first qualitative breakpoint 0, fully out the set of generosity, is set below 20% since national income studies show that individuals cannot maintain any attained standard of living if their income is reduced to a fifth. The second qualitative breakpoint 1, fully in the set of generosity, is put at 90% or higher, again in accordance with Kvist. The reasoning behind this is that in most countries there are tax allowances for job-related expenses and ALMP participants often are allowed to earn something extra before their unemployment benefit is lowered. In Denmark, for example, both the tax-exempt earnings and the tax allowances amount to about 10% of the APW, which makes a net replacement rate of 90% fully generous (Kvist, 2003). The fuzzy-scores in between 0 and 1 are calculated similarly as the activation scores.

   Employment protection, the third and final set, is measured by an index of the strictness of employment protection legislation for temporary as well as for regular employment. The index is based on 14 items of employment protection legislation and ranges from 0 to 6 with a higher score indicating stronger protection. The index reflects principally the legislative rules but incorporates some aspects of contractual provisions and judicial practices as well (OECD, 1999: Annex 2B, 2004: Annex 2.A1). The first qualitative breakpoint 0, fully out of the set protection, is set at $\leq.5$. The rationale is that a score of .5 on the index can be interpreted as a high score on one of the 14 indicators only – although the actual scoring procedure is more complex. This means that it is very easy and/or cheap to fire employees, so the country should be classified as fully out of the set protection. The second qualitative breakpoint 1, fully in the set of protection, is put at ≥ 3.0. The reasoning is similar. If a country scores 3 or higher on the index, indicating that it received a high score on at least half of the 14 indicators, this means that it is hard and/or expensive – though not impossible – for firms to fire employees. Therefore, such a country should be classified as fully in the set protection. The fuzzy-scores in between 0 and 1 are calculated similarly as the activation scores.

Radical change or regime-specific change?

How to go from the concepts and ideal types to fuzzy-set ideal type *analysis*? The first step is to establish the cases' membership of each set.[5] The next step is to calculate the cases' membership of the ideal types by means of principles from fuzzy-set theory (Ragin, 2000: 171–80). Several principles are particularly useful for ideal type analysis. Perhaps most central is the *minimum principle*, also called logical *and* or intersection and written as '×'. This principle states that a case's membership to an ideal type is the minimum value of the involved sets' scores. For example, a case scoring .2 on activation (A) and .6 on generosity (G) has .2 membership of the ideal type A×G. Due to the minimum principle, and different from standard quantitative techniques, the outcome – that is a case's membership of an ideal type – is determined by the weakest link. Intuitively, this approach might seem plainly wrong. Logically, however, it is correct. Both a case scoring low on A (.2) and high on G (.8) and a case scoring low (.2) on A as well as G correspond hardly to the ideal type (A×G). Actually, the two situations are equivalent in fuzzy-set ideal type analysis. In a conventional quantitative approach, however, they vary because the averages and standard deviations differ. Another useful fuzzy-set principle is *negation*, which is 1 minus membership in set X_i, algebraically: $\sim X_i = 1 - X_i$. For example, a case scoring .2 on activation (A), scores .8 on not-activation ($\sim$A).

The third and final step is to assess the quantitative and qualitative changes, which fuzzy-set ideal type analysis can do simultaneously. This feature gives the approach an advantage over conventional techniques such as regression analysis and cases studies in which such assessment is more difficult – at least. This is particularly useful for studying welfare state change as a full account of such change should take into account both quantitative changes such as cutbacks in people's entitlements (Swank, 2002; Korpi and Palme, 2003) and qualitative or institutional changes (Esping-Andersen, 1990; Pierson, 1996, 2001). In this article, a quantitative change is a change in a case's membership of an ideal type over time, for example when Germany shifts from .8 to .5 membership of conservative welfare. This is *regime-specific change* too because membership remains of the same ideal type. Qualitative change is when a case's membership shifts from one ideal type to another, for example when Denmark shifts from having .8 membership of social democratic welfare to .7 membership of liberal welfare. *Radical change*, then, is a subset of qualitative change and occurs if a case shifts from having membership of one of the welfare ideal types to one of the workfare ideal types (or vice versa) – for example, if Ireland shifts from .6 membership of liberal welfare to .7 membership of lean workfare.

Table 2 shows the countries' fuzzy membership scores in the five theoretically relevant ideal types in 1985, 1995 and 2002.[6] Scores in bold designate membership of a particular ideal type (fuzzy membership >.5). Table 3 sums up the changes in the periods 1985–95, 1995–2002 and 1985–2002. The last period is especially important because both the regulation and mainstream welfare state literature concur that this study's countries were welfare states in 1985. In 2002, however, this was still the case according to the mainstream scholars while the regulation theorists maintain that these welfare states had by then transformed into workfare regimes.

Table 2: Fuzzy membership scores for shifts in welfare and workfare

Country	Model	1985	1995	2002
UK	Lean workfare	.08	.02	.11
	Generous workfare	.08	.02	0
	Social democratic welfare	.04	.02	0
	Conservative welfare	.04	.03	0
	Liberal welfare	**.91**	**.96**	**.89**
Ireland	Lean workfare	.19	.41	**.76**
	Generous workfare	.19	.24	.13
	Social democratic welfare	.16	.16	.13
	Conservative welfare	.16	.16	0
	Liberal welfare	**.59**	**.59**	0
US	Lean workfare	0	0	0
	Generous workfare	0	0	0
	Social democratic welfare	0	0	0
	Conservative welfare	0	0	0
	Liberal welfare	**.68**	**.73**	**.73**
Canada	Lean workfare	.05	.04	.04
	Generous workfare	.05	.04	.04
	Social democratic welfare	.05	.04	.04
	Conservative welfare	.12	.12	.12
	Liberal welfare	.34	.37	.43
Australia	Lean workfare	.10	.26	.10
	Generous workfare	.01	.14	.10
	Social democratic welfare	.01	.14	.10
	Conservative welfare	.12	.14	.10
	Liberal welfare	**.84**	**.72**	**.72**
New Zealand[a]	Lean workfare	**.75**	.33	.27
	Generous workfare	.25	.14	.09
	Social democratic welfare	0	.14	.09
	Conservative welfare	0	.14	.09
	Liberal welfare	.19	**.67**	**.60**
Austria	Lean workfare	.06	.25	.38
	Generous workfare	.06	.25	.38
	Social democratic welfare	.06	.25	.38
	Conservative welfare	**.63**	**.63**	**.56**
	Liberal welfare	.32	.32	.39
Belgium	Lean workfare	0	.24	.25
	Generous workfare	0	.32	.32
	Social democratic welfare	.33	.49	**.66**
	Conservative welfare	**.67**	**.51**	.34
	Liberal welfare	0	.24	.25
France	Lean workfare	.07	0	0
	Generous workfare	.07	0	0
	Social democratic welfare	.07	.31	.43
	Conservative welfare	**.69**	**.70**	**.56**
	Liberal welfare	.12	0	0

... contd/

Country	Model	1985	1995	2002
Germany	Lean workfare	0	.20	.28
	Generous workfare	0	.20	.32
	Social democratic welfare	.17	**.57**	.44
	Conservative welfare	**.79**	.44	**.56**
	Liberal welfare	0	.20	.28
Netherlands	Lean workfare	.07	.23	.17
	Generous workfare	.12	.36	.36
	Social democratic welfare	.24	**.50**	**.64**
	Conservative welfare	**.76**	**.50**	0
	Liberal Welfare	.07	.23	0
Switzerland	Lean workfare	.20	.20	.22
	Generous workfare	**.70**	.46	**.65**
	Social democratic welfare	.24	.24	.24
	Conservative welfare	.24	.24	.24
	Liberal welfare	.20	.20	.22
Denmark	Lean workfare	.23	.36	.44
	Generous workfare	.28	**.50**	**.56**
	Social democratic welfare	**.50**	.36	.36
	Conservative welfare	**.50**	.36	0
	Liberal welfare	.23	.36	0
Finland	Lean workfare	.26	.24	.31
	Generous workfare	.28	.24	.31
	Social democratic welfare	**.64**	.24	.31
	Conservative welfare	.36	**.64**	**.60**
	Liberal welfare	.26	.31	.40
Norway	Lean workfare	.04	.12	.16
	Generous workfare	.04	.12	.16
	Social democratic welfare	**.83**	**.82**	**.81**
	Conservative welfare	.10	0	.13
	Liberal welfare	.04	0	.13
Sweden	Lean workfare	0	.11	.25
	Generous workfare	0	.32	.32
	Social democratic welfare	**.92**	**.68**	**.68**
	Conservative welfare	0	0	0
	Liberal welfare	0	0	0

Notes: Due to data availability, employment protection is measured over late 1980s, late 1990s and 2003.

[a] There are no protection data for New Zealand over late 1980s, so late 1990s data is used.

Sources: Data on activation: Armingeon (2005, OECD Labour Market Statistics);[7] data on generosity: Scruggs (2004); data on protection: OECD (1999, 2004).

Table 3: Summary of changes 1985–95, 1995–2002 and 1985–2002

	Change 1985–95	Change 1995–2002	Change 1985–2002
UK	Regime-specific	Regime-specific	Regime-specific
Ireland	None	Radical	Radical
US	Regime-specific	None	Regime-specific
Canada	Regime-specific	Regime-specific	Regime-specific
Australia	Regime-specific	None	Regime-specific
New Zealand	Radical	Regime-specific	Radical
Austria	None	Regime-specific	Regime-specific
Belgium	Regime-specific	Qualitative	Qualitative
France	Regime-specific	Regime-specific	Regime-specific
Germany	Qualitative	Qualitative	Regime-specific
Netherlands	Regime-specific	Qualitative	Regime-specific
Switzerland	Radical	Radical	Regime-specific
Denmark	Radical	Regime-specific	Radical
Finland	Qualitative	Regime-specific	Qualitative
Norway	Regime-specific	Regime-specific	Regime-specific
Sweden	Regime-specific	None	Regime-specific

Note: **Radical change** is a shift from one of the welfare or atheoretical ideal types to one of the workfare ideal types, or vice versa; **qualitative change** is a shift from membership to one of the welfare ideal types to another; **regime-specific change** is a shift to lower or higher membership within an ideal type.

The findings in Tables 2 and 3 provide mixed evidence for the two literatures' predictions on the extent and shape of welfare state change. There is only one country, Ireland, which fits clearly the 'radical change from welfare towards workfare' hypothesis of the regulation literature. The majority of countries match the 'absence of radical change and the presence of regime-specific change' hypothesis of the mainstream welfare state literature. Still there are countries for which neither of the literatures' predictions holds in one or more periods.

When we inspect the findings in more detail, we find that radical change is present in four countries in one or more periods. The exact changes hardly support the regulation theorists' hypothesis, however. In fact, only Ireland supports the prediction as it shifted from membership of ideal-typical liberal welfare to lean workfare after 1995. This shift, caused by higher active spending per unemployed, fits uneasily with the literature on Irish welfare state changes. Daly (2005: 152), for example, found no significant welfare reform in Ireland. However, she also argued that the Irish social insurance payments are comparatively low and that income assistance is usually means-tested. These latter features match the low income protection characteristic of workfare.

There was also radical change in New Zealand but from ideal-typical lean workfare in 1985 to liberal welfare after 1995. Thus, instead of a welfare–workfare shift, New Zealand displayed a workfare–welfare shift. Also the Swiss radical change fails to uphold the regulation hypothesis as this country had membership of generous

workfare already in 1985. Between 1985 and 1995, active spending per unemployed dropped, resulting in membership of an 'atheoretical' ideal type ($\sim$A$_\times$G$_\times\sim$P). Between 1995 and 2002, active spending per unemployed increased, yielding membership of generous workfare again. This means that over the period 1985–2002, Switzerland displayed regime-specific change. Denmark, finally, supports the welfare–workfare hypothesis moderately. Due to high spending per unemployed but low active spending in total labour market spending, this country received a score of .5 on activation in 1985 and 1995. Consequently, Denmark was neither in nor out of both conservative and social democratic welfare in 1985. Between 1985 and 1995, there was a radical change towards neither in nor out generous workfare and an 'atheoretical' ideal type ($\sim$A$_\times$G$_\times\sim$P) produced by relaxed employment protection. By 2002, Denmark had membership of generous workfare. This shift towards workfare is in harmony with the literature on Danish welfare state changes. Lean employment protection and generous social security have long been features of the Danish welfare state and activation was added from 1994 onwards (Benner and Bundgaard, 2000).

The findings of the fuzzy-set ideal type analysis corroborate better the mainstream welfare state researchers' hypothesis of no radical change and regime-specific changes than the regulation theorists' prediction. All liberal countries save Ireland and New Zealand displayed no change or regime-specific change. The membership of ideal-typical liberal welfare was highest in the UK (around .9), the American membership increased somewhat between 1985 and 1995, and both Canadian and Australian membership decreased whereby the latter stabilised after 1995. In Austria and France, membership of conservative welfare was (almost) stable between 1985 and 1995 and decreased (somewhat) between 1995 and 2002. In Norway, membership of social democratic welfare was high (around .8) and stable. In Sweden, on the contrary, membership was very high in 1985 (.92) but dropped substantially between 1985 and 1995 due to relaxed employment protection.

This leaves us with four countries that displayed neither radical change nor regime-specific or no change. Belgium shifted from membership of conservative welfare to social democratic welfare between 1995 and 2002 because of increased active spending per unemployed. Germany displayed the same change between 1995 and 2002. For both countries, membership of social democratic welfare is in dissonance with the literature (Esping-Andersen, 1999: 81–6). In the Netherlands, there was a shift from ideal-typical conservative welfare to social democratic welfare between 1985 and 2002, with membership of both these ideal types being neither fully in nor out in 1995 due to active spending per unemployed. These changes match the literature on Dutch welfare changes (Hemerijck et al, 2000: 218–30). Finally, because of lower active spending per unemployed, Finland shifted from membership of social democratic welfare to conservative welfare between 1985 and 1995. This change is not in accordance with the literature on the Finnish welfare state (Kiander, 2005).

In sum, the fuzzy-set ideal type substantiates the mainstream welfare state literature's prediction of no radical change and regime-specific change for most countries (the UK and the US, Australia, Austria, Canada, France, Norway, Sweden). The regulation literature's prediction of radical change from welfare towards workfare is supported fully in Ireland only and moderately in Denmark. Still,

there are six countries (Belgium, Finland, Germany, the Netherlands, New Zealand and   Switzerland) that support in at least one period neither of the hypotheses.

Conclusion

The extent and shape of welfare state change remains a prominent question in at least two literatures. The mainstream welfare state literature holds that because of institutional and political mechanisms working against reform, there is no radical but only regime-specific welfare state change. The regulation theorists, on the contrary, argue that because of economic, social and political pressures there is a radical change from 'welfare' towards 'workfare' that takes place irrespective of the type of welfare state.

The findings reported in this article based on fuzzy-set ideal type analysis hardly supported the regulation literature's prediction. A radical welfare–workfare change took place fully only in Ireland and moderately in Denmark. The results corroborated better the mainstream welfare state literature's hypothesis. Most countries displayed no change or regime-specific change. Furthermore, neither proposition was correct in at least one period for six countries.

This article's conclusions, as well as its methodological approach, should interest regulation theorists and welfare state researchers for a number of reasons. First, the article contributes to the regulation literature by testing systematically this literature's controversial (sub-) hypothesis of a welfare–workfare shift. The regulation theorists have not done this themselves and do consider it important (see Jessop, 2002: 249).

Second, this article advances a prominent debate in the literature on welfare state retrenchment or restructuring about the dependent variable, which concerns what should be measured empirically and how this should be done (see Green-Pedersen, 2004). One of the problems identified in this literature is that comparative research is only possible if a one-dimensional view of change is adopted, that is if retrenchment is conceptualised as cutbacks in people's entitlements. If welfare state change is conceptualised more realistically as multidimensional (Pierson, 2001), that is as institutional change, traditional techniques do not allow for systematic research. As this article demonstrates, fuzzy-set ideal type analysis takes the multidimensionality of welfare state change explicitly into account by allowing for the simultaneous assessment of quantitative and qualitative differences within countries, across countries and over time. This would be very difficult, if not impossible, with conventional approaches such as regression analysis and case studies. Consequently, this article contributes both methodologically and theoretically to the debate on the dependent variable problem and the related discussion about the nature of changes in welfare states.

Third and finally, fuzzy-set ideal type analysis' ability to simultaneously and systematically study quantitative and qualitative differences over time within and across a relatively large numbers of cases makes this approach not only useful for comparative welfare state research but also of worth to other fields of comparative politics and comparative policy analysis.

Let me end this article by mentioning one caveat. The lack of evidence for a welfare–workfare shift in most countries depended on the definition of workfare

used. If, for example, every country with a workfare programme would have been classified as a workfare regime, the number of such regimes would have been substantially higher. Then the Netherlands (subsidised jobs ['*Melkertbanen*'] in the late 1990s), the UK ('New Deal' in 1998), Australia ('Jobseekers' Allowance' in the early 1990s), Finland ('labour market support' scheme in 1994), Sweden ('activation guarantee' in 2000), Norway ('work approach' ['*arbeitslinjen*'] in the late 1980s), and Germany ('*Hilfe zur Arbeit*' in the late 1990s, '*Job-AQTIVAct*' in 2002, '*Hartz IV*' reforms in 2005) all would have been workfare regimes (see Kildal, 2001: 7–13; Lødemel and Trickey, 2001; Gray, 2004: 167–81).

However, a workfare programme does not make a workfare regime. Equating workfare programmes with workfare regimes undermines the whole notion of Keynesian welfare states and Schumpeterian workfare regimes as regulatory structures that manage the capital–labour relationship. A country with a workfare programme can just as well be a welfare state with a workfare programme as a workfare regime. This raises all kind of interesting issues that indicate that the regulation theorists and the mainstream welfare state researchers should talk to each other more regularly and base their discussions on sound theoretical propositions and solid empirical evidence. This article attempted to do exactly this.

Acknowledgements

Notes

[1] Although the regulation theorists maintain that there are different types of workfare regimes and that the paths towards workfare differ (Torfing, 1999; Peck, 2001: 75–6; Jessop, 2002: 260–7), the KWS–SWR shift is expected to take place irrespective of the welfare state regime. Jessop's (2002) neoliberal, neocorporatist, neostatist, and neocommunitarian SWRs, for example, are all *workfare* regimes so that a shift from welfare towards workfare indicates that all types of welfare states transform into workfare regimes.

[2] The countries are: the UK, Ireland, the US, Canada, Australia, New Zealand, Austria, Belgium, France, Germany, the Netherlands, Switzerland, Denmark, Finland, Norway and Sweden. These countries have been chosen because the focus in the literature on shifts from welfare towards workfare is on these countries (and not, for example, the Southern European countries).

[3] Although the conceptual territories of the welfare state scholars and the regulation theorists differ substantially, they share a focus on social policy. Assessing the extent and shape of welfare state change on exactly this area therefore reduces substantially the potential contestability of this article's analysis.

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