

**Social Stratification and Welfare Regimes for the 21<sup>st</sup> Century: Revisiting the  
“Three Worlds of Welfare Capitalism”**

by

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## **Abstract**

In the last decade, much of the literature surrounding the political economy of welfare states in Western Europe and other advanced industrial democracies has relied extensively on the welfare state typology developed by Gøsta Esping-Andersen in his seminal book, *The Three Worlds of Welfare Capitalism*. Since that time, there has been much debate about whether and to what degree the features of welfare policies highlighted in this work have changed in the last twenty-five years. While scholars have used this data as a framework, the substance of the framework itself—the underlying indicators of benefit generosity and stratification-- has largely escaped criticism due to the absence of data that permit any. Yet such knowledge is essential to understand fully the welfare states of Europe and other industrial countries in the 21<sup>st</sup> century. Work updating Esping-Andersen's decommodification index has recently been completed (Scruggs and Allan 2006). This paper examines the status of the “social stratification” index, replicating and updating through the 1990s the indicators used for (circa) 1980 by Esping-Andersen. Given the fact that some scholars of social policy regard the stratification index as a more important indicator of the worlds of welfare, these results will be of great interest to political economists and social policy scholars.

## Introduction

In the decade and a half since its publication, Gøsta Esping-Andersen's *The Three Worlds of Welfare Capitalism* (1990) has loomed large over the comparative analysis of the welfare states of Western Europe and other advanced capitalist economies. Its seminal status is evidenced by the extent to which it continues to be cited in articles on comparative welfare states, and it remains required reading for most (graduate) students of comparative political economy and social policy. The primary reason for the enduring popularity of this study is that it grouped advanced democracies into a threefold classification of welfare regimes based on the nature of the public-private mix in the provision of welfare. Such typologies are argued to have three advantages: they are parsimonious; they cluster countries in a manner that allows researchers to examine the underlying logic of each regime type; and they facilitate in the development and testing of new hypotheses.

What also made the methodology of *Three Worlds* innovative was that – in contrast to many studies that have focused on either classifying welfare states largely on the basis of governmental expenditures on social policy, or that focused on programmatic features at the expense of systematic comparison of a large number of cases – it employed a systematic empirical comparison of the programmatic aspects of national welfare regimes. In other words, evidence of regimes was independently confirmed in statistical data.

While the three-fold classification of welfare regimes has been called into question for a variety of reasons (Room 2000; Castles and Mitchell 1993; Ferrara 1997; Orloff 1993; Hicks and Kenworthy 2003; Gal 2004; Wincott 2001), it has nevertheless been embraced by literally hundreds of studies in comparative social policy and comparative political economy. In some ways, this popularity is surprising, given the fact that that the empirical data that forms the basis of the regimes classification comes from a single year, 1980. Indeed, in a later work, Esping-Andersen, while ultimately defending the continued relevance of his *Three Worlds* typology, concedes that

Typologies are problematic because parsimony is bought at the expense of nuance, *but especially because they are inherently static*. They provide a snapshot of the world at one point in time and do not easily capture mutations or the birth of new species. Any

typology of welfare regimes remains valid only as long as history stands still. (1999: 73; emphasis added.)

In our recent work we have focused on one of the two “defining dimensions” of the analytical focus on the “public-private mix”: namely, the degree to which national welfare regimes decommodify labor. In replicating, revising and updating the decommodification index, we have been able to examine, *over time*, both the changing nature of the partisan determinants of such programmatic outcomes, and the relationship between welfare outcomes and inequality (Allan and Scruggs, 2004; Scruggs and Allan 2006, forthcoming). Perhaps more importantly, our replication and revision of the original scores indicates limited support for the conventional three worlds construction.

A complete re-assessment of the empirical underpinnings of welfare regimes must explore the other dimension of welfare regimes highlighted in *Three Worlds*: the extent to which welfare states can be seen as “[systems] of social stratification” (Esping-Andersen 1990: 55).

This dimension of welfare regimes, to our knowledge, has received relatively little critical attention. Shalev (forthcoming) recently analyzed much of the original stratification data and found more concrete evidence of clustering consistent with the conventional approach. However, his analysis relied completely on the values of key variables provided in the book. However, as far as we are aware, there has been no attempt to replicate the data or methodology, even though much of it is derived from sources that have been seldom used in subsequent (or previous) studies. In this paper, we attempt to address this lacuna by replicating and updating the main indices of social stratification. Combined with earlier work, we hope to provide a more complete re-assessment of the empirical support for the original three worlds regime classification on the basis of both of its “defining dimensions.”<sup>1</sup>

The rest of the paper proceeds as follows: We begin with a discussion of the concept of social stratification as one of the defining features of welfare regimes, before

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<sup>1</sup> (Perhaps brazenly) we view our approach as fundamental to the validity of the typology, because it examines the “foundational evidence” for the original argument. It is thus not an argument that the explanation is “incomplete,” but that it is simply inconsistent on its own empirical terms.

reexamining the indicators of stratification associated with each of the three worlds of welfare. We then present the replication dataset, and discuss the extent to which there has been change over time. Then, using updated decommodification data, we examine the degree to which these two dimensions correspond with one another and with the results presented in *Three Worlds*. Finally, we discuss the implications of our findings for the comparative analysis of social policy in Western Europe and beyond.

### **Social Stratification**

Much scholarship on the welfare state has focused on its expansion and later retrenchment in advanced capitalist democracies, measured to a large degree on the basis of social expenditures. This focus resulted in a relative underemphasis on how social policy structured society. Political economists and (especially Marxist) state theorists have, of course, long recognized social policy's propensity to order social relations. But Esping-Andersen's attention to these facts sought to show that welfare programs of similar "sizes" (in terms of commitments), could produce very different outcomes overall:

[Welfare] states may be equally large or comprehensive, but with entirely different effects on social structure. One may cultivate hierarchy and status, another dualisms, and a third universalism. Each case will produce its own unique fabric of social solidarity. (Esping-Andersen 1990: 58.)

Identifying distinct welfare state "logics," then, based on distinctive imperatives relating to social stratification, exposes an additional dimension with which one can classify welfare states beyond "effort" or "generosity." Before discussing the indicators employed in *Three Worlds* to classify welfare states according to their approach to social stratification, it is worth briefly recalling the central underlying principles associated with each world of welfare.

#### *Conservative Social Stratification*

Social policy in conservative welfare regimes has as a primary goal of preserving traditional status differences in society. Faced with the potential for instability introduced by the emergence of modern capitalism – which simultaneously produced class dualisms while eroding traditional occupational hierarchies – social policy becomes a way to

reinforce a “natural” social order. Thus, while conservative welfare regimes have historically been associated with significant levels of social expenditure, the contents of social policy may reinforce an existing order. Such “conservative” welfare states have been associated historically with a strong state, a significant role for religion in society, and an “old-style” corporatist economic order. It is not coincidental, then, that early welfare state developers – in Bismarckian Germany, for example – helped to reinforce the central role of the state, and that Christian democratic welfare policies emphasized “traditional” roles regarding social structure and familialism.

### *Liberal Social Stratification*

While conservative social policy can be seen as attempting to preserve traditional patterns of social stratification, liberal welfare regimes seek the opposite. Classical liberals reasoned that traditional social patterns constrain individual freedoms, and that a free market afforded individuals the ability to realize their potential without the fetters imposed by pre-existing social hierarchies of church and state alike. In its efforts, classical liberalism required, in Polanyi’s (1944) terms, that economic welfare be liberated from social institutions and become dependent wholly on the market.

As Polanyi pointed out too, however, the liberal state was far from passive when it came to using public policy in seeking to bring about this state of affairs. In social policy this approach tended to manifest itself in programs that, far from commodifying individuals, instead encourage more extensive interaction with the market for the purposes of income maintenance and insurance against risks posed by illness and especially old age. In terms of the relative emphasis on public versus private remedies to social risks, then, liberal welfare regimes have a marked tendency to favor the latter approach.<sup>2</sup>

### *Socialist/Social Democratic Social Stratification*

The third welfare regime is the social democratic model. Like their conservative and liberal counterparts, “socialist reformism was always pursued with distinct

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<sup>2</sup> Of course, such attempts to dispense with earlier forms of stratification had the unintended effect of creating new social dualisms resulting from the stigmatizing nature of income-tested social assistance. Such regimes have, over time, become associated with higher levels of income inequality.

stratification outcomes in mind. For labor movements, it was the construction of solidarity that mattered” (Esping-Andersen 1990: 65). Working class unity was a primary desire, although this in itself necessitated broad strategies to overcome issues and policies that divided the class. Moreover, if this unity was to be achieved through democratic governance, working class parties recognized that policies aimed at achieving this unity would have to have a wider, cross-class appeal if they were to carry the support of electoral majorities that were unlikely to be formed solely on the basis of working class votes.

The desire for social solidarity coupled with the need to attract sufficient electoral support led democratic socialists to pursue policies that emphasized universalism in a broad sense—across class lines—linking state policies to social citizenship. Nowhere were the principles of socialist stratification more apparent, perhaps, than in the concept of the Swedish “people’s home” first invoked by SAP leader Per Albin Hansson in the late 1920s:

In a good home there prevails equality, thoughtfulness, cooperation, helpfulness. As applied to the larger peoples’ and citizens’ home this implies *a breaking down of all social and economic barriers which now divide citizens* between the privileged and the forgotten, the rulers and the dependent, the rich and poor, the satiated and the utterly destitute, the plunderers and the plundered. (Quoted in Hecló and Madsen 1987: 157; emphasis added.)

In contrast to conservative welfare regimes, therefore, that sought to preserve social differentials, and the liberal regimes that sought to subordinate traditional social structures to the imperatives of the market, socialist welfare policy sought broader equality through non-market mechanisms.

### **Measuring Social Stratification**

Reflecting the different stratification goals found in each “world of welfare,” *Three Worlds* provides three separate indices of stratification—conservative, liberal and socialist—with the expectation that welfare states scoring highly on one dimension,

would be unlikely to score highly on the other dimensions.<sup>3</sup> The component measures comprising each index are as follows:

Conservative Social Stratification Two indicators reflect the stratification goals of preserving existing status differences and the privileged position of the state in conservative welfare regimes. The corporatism variable records the segmentation of public pension programs based upon major occupational categories. The second measure, etatism, measures the level of pension expenditure to government employees as a percentage of gross domestic product.

Liberal Social Stratification The three measures of liberal social stratification all reflect the extent to which market solutions are emphasized in social policy. The first indicator measures the relative importance of “normal” means-tested poor relief as a share of overall public social expenditures. (The problematic meaning of normal is discussed below.) In the area of pensions, the ratio of private pensions to all pensions measures the public-private mix. Similarly, private health spending as a share of total health expenditure attempts to do the same in the area of health care.

Socialist Social Stratification. Finally, two measures are employed to capture the stratification goals of socialist welfare regimes. On the one hand, universalism is measured by the average portion of the workforce eligible for benefits in three social insurance programs: unemployment, sickness, and old-age pensions. The benefit equality measure is based on the ratio of basic benefit to maximum allowable benefit averaged over the same three programs.

### *Data Sources*

The sources used to create the original stratification index are listed in the notes to Table 3.1 of *Three Worlds*. Though the source for each indicator is ultimately uncertain (because the sources are not specifically matched to indicators in the footnotes), we are reasonably confident that we match them correctly. The SSIB data are not publicly available, but our Comparative Welfare Entitlements Data (CWED) are based on

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<sup>3</sup> For a more complete discussion of the indices of stratification employed here and in the book, see Esping-Andersen 1990: 69-78.

concepts that are identical to them (Scruggs and Allan 2006).<sup>4</sup> Table 1 contains a description of the indicators and the sources based on our re-examination.<sup>5</sup> The source for a stratification index for recent years is also included in Table 1. Though the sources are slightly different in some cases, we check to ensure that there is comparability with the 1980 information.

*TABLE 1 ABOUT HERE*

*Scoring Method*

The appendix to Chapter 3 of *The Three Worlds* (hereafter referred to as “the appendix”) states that the scoring method used to construct the stratification indices is basically the same as the one used to construct the decommodification index. That is, countries with a score more than a standard deviation above the 18-country mean are given maximum points (i.e., 4 for stratification variables), scores within a standard deviation of the mean values receive the middle score (i.e., 2) and scores more than a standard deviation below the mean are given minimum scores (i.e., 0). This scoring is “rough,” so there is presumably room for marginal cases to be scored higher or lower than their strict standard deviation allows.

In elaborating the details for each individual variable, the scoring method advanced is, in fact, pretty inconsistently employed. The last two columns of Table 1 provide the *actual* cut points used to create the original stratification index in standard deviation terms. A perfect correspondence with the stated scoring method would be -1, 1 in all rows. The more either absolute value differs from 1 (higher or lower) the larger the deviation from the method.

The stratification index in *The Three Worlds* shows considerable evidence of clustering. No country scores “strongly” on more than one stratification index. Moreover, a country that scores high on one index tends to scores low on the other two indices. Of

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<sup>4</sup> The data set is publicly available online at: <http://sp.uconn.edu/~scruggs/wp.htm>

<sup>5</sup> Of course, we were not able to examine the “SSIB data files” – the Social Citizenship Indicators Project from the Sweden Institute of Social Research-- because these data are still not publicly available. However, it is our understanding that this dataset only contains information on the two indicators of socialist stratification.

course, the “ideal” positioning of countries on the indices – strong on one, low on others is not always found. Denmark achieves the maximum score for socialism – not unexpected, of course – but perhaps more surprising is its “medium” score on the liberalism index. This is due to the high score that Denmark receives for its above average share of private pensions. Even an “average” score on this measure would have dropped Denmark to the “low” liberalism group for 1980.

There is something of an inconsistency in how countries are grouped into different categories among the three indices. Recall that for the two indices composed from two variables – conservatism and socialism – overall summary scores may range between 0 and 8. In the conservative index, only countries with a “perfect” score of 8 are considered “strong,” but in the socialism index, a score of 6 or better places a country in the top grouping. If both indices adopt the conservative scoring metric, then Finland would place as a “medium” conservative *and* socialist regime. Conversely, adopting the socialist metric in both indices would place Finland among the strong grouping for both indices.<sup>6</sup>

### **Replicating and Updating the Stratification Indices**

The social stratification indices continues to have relevance for any scholar employing the “Three Worlds” typology, but the fact that the indices are based on a “snapshot of the world at one point in time” in 1980 raises the obvious question of whether the typology retains any consistency over time. It is to this question that we now turn.

#### *Conservatism*

Corporatism. Recall the corporatism measure is based on the number of occupationally distinct public pension programs in existence. Programmatic information regarding old-age pension programs are drawn from the U.S. Social Security Administration’s *Social*

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<sup>6</sup> Moreover, if we were to extend the conservative index’s practice of reserving the “strong” designation only for countries with a maximum score across the three indices, Australia and Japan would drop down a group on the liberalism scale.

*Security Programs Throughout the World* publications (more recently available online only). This is the same source used in the original study. Since these were published biennially in odd years, we use the 1981 edition. Our results and the originals are shown in Table 2.

*TABLE 2 ABOUT HERE*

As Table 2 shows, the corporatism measure displays a considerable deal of stability over time. The correlation between the original and replication data is very strong (0.96). If we start the series with our 1981 replication data, only six countries exhibit change over time. Only two countries – Italy and Japan – see dramatic change (an increase/decrease of greater than 1 program). While Japan has gradually reduced the degree of corporatism exhibited in its pension schemes over time, Italy's change has been more recent. According to the most recent *social Security Program Throughout the World* edition, pension reforms taking effect in the early 21<sup>st</sup> century reduced the number of distinct schemes from 11 to 3. Largely as a result of these particular changes, the mean number of distinct programs declined from 4 in 1980/1981 to 3.17 in 2004.

In assigning scores to each country based on its number of distinct pension schemes, Esping-Andersen employed the following rules that we duplicate here for continuity: a country with two or fewer distinct schemes is given a score of 0; a score of 2 is given if the number of schemes is greater than 2 and less than or equal to 5; and finally, a score of 4 is given to countries with more than 5 distinctive pension schemes. The scores are also shown in Table 2.

Using the scoring metric described above, only three countries have different scores in 2004 compared to 1981. The dramatic changes in Italy and Japan reduce their scores from the maximum of 4 to 2. But Germany also sees its score reduced by the same amount, even though the number of separate programs in 2004 was only one fewer than in 1981. This highlights the fact that the scoring metric does not always distinguish between dramatic and marginal change.

Etatism. Data on pensions expenditure on government employees has been more difficult to update consistently. The primary source used by in *Three Worlds* was the International Labour Organization's (ILO) *Cost of Social Security* series, which was based on a survey

conducted by the ILO among member countries. Unfortunately, the ILO changed its survey instrument in the mid-1990s, and no longer collect data on public employees' pensions specifically. (In fact, the entire data collection program has since ceased altogether due to lack of funds.) Our data currently only extends through the early 1990s.

*TABLE 3 ABOUT HERE*

Table 3 shows the share of pension expenditures devoted to public employees. Our replication data for 1980 and 1981, based on the ILO series, correlates strongly with results reported in *Three Worlds* (0.86 and 0.87, respectively).<sup>7</sup> When one considers that we are using the same source, however, this result is not as strong as it might be. Over time, the picture is one of relative continuity over time.

In scoring the etatism data, we have again (for now), employed the same metric outlined in *The Three Worlds*. When the share of expenditures on government employees is 1 percent of GDP or less, the score assigned is zero. Between 1 and 2.1 percent (inclusive), a score of 2 is assigned, while the maximum score of 4 is assigned to expenditures greater than 2.1 percent. The scores in the original data as well as the most recent available year are also shown in Table 3.

Comparing both ends of the time series (1981 and the most recent available data point in the early 1990s), only five have changed their score. Australia and Norway have increased their etatism score over the period, while more notably, Germany's score – one of the strong etatist regimes historically – declined. According to our data drawn from the ILO, Germany's public employee pension expenditure declined from 2.7 percent of GDP in 1980 to 1.6 percent in 1993. Similarly, in 1981 Finland scored highly on the etatism measure, but declined by the end of the time period covered. This change reflects the

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<sup>7</sup> There are several important limitations of using aggregate public-sector pension spending as an indication of the favorable treatment of state employees. First, spending is a function of the size of the public sector workforce. For the same level of per capita generosity, a country with twice as much (past) public employment would need to spend twice as much on pensions. Second, in some countries (and periods) public sector pensions are wholly separated from the rest of the public pension system, while in others, public employees are integrated into the general pension system, with the "public sector pension" serving as a supplement. For instance, prior to the 1980s, US federal employees did not pay or collect Social Security. Following reforms that integrate them into that system, these employees receive benefits from Social Security. Statistically, this shows up as decreased "public sector pension" spending, though the generosity of the entire system to the government employee may be completely the same.

decision taken around 1984 to fold the Finnish government employees' pension program into the general pension scheme.

### *Conservative Stratification Index*

The lack of data on the Etatism variable from the early 1990s onwards means that the attempt to update the conservatism index remains somewhat incomplete. Nevertheless, we can draw some preliminary conclusions about conservative stratification at least into the early 1990s. The conservative stratification index for 1980 and later years is shown in Table 4.

#### *TABLE 4 ABOUT HERE*

Comparing scores for 1980, five countries are in different groups. Finland and Belgium trade places between the “strong” and “medium” groups, while Ireland and the United States switch places between the “medium” and “low” groups. Finally, Sweden moves from the “low” to “medium” group.

The Belgian placement discrepancy appears to be based upon mis-scoring in the original study. Belgium should score 2 on Corporatism and 4 on Etatism, for a total of 6, not 8. Similarly, the difference in the placement of the US is partially the result of an apparent scoring error. The remaining two point difference is likely based on a difference in our classifications of distinct programs. We count 3 programs based on the SSA's distinction between special programs for railroad employees, federal employees, and state & local employees. If we were to treat all government employees as a single group (and thus only have 2 distinct programs), then the USA would receive an overall score of 2 and it would remain in the “low” grouping of countries.

Ireland's movement from the medium to low group demonstrates how a small difference in data is associated with a large change in country classification. Our data from the ILO for 1981 (2.1%) puts it just *below* the cut-point for a score of 2. Thus, a difference of 0.1 percentage point difference explains the difference between Ireland's placement in the original and replication measures.

Finland moves from the “medium” to the “strong” conservatism grouping, owing to the higher score it is assigned on the corporatism measure: we find evidence of more occupationally distinct pension programs. In a similar vein, the evidence of higher spending on public employee pensions in Sweden raises its etatism score in the replication data.

Updating the Conservative Stratification Index. Overall fourteen countries are in the same cluster for the last data point as they are for 1981. There is remarkable stability among countries that have not traditionally been associated with conservative social stratification goals. The countries that score “low” on conservative stratification in 1981 are the same countries that score “low” in later years, when they are joined by Sweden.

Three countries, however, start out as “Strong” conservative regimes, but drop out of the top group in subsequent years. Italy’s etatism and corporatism scores decline over time suggesting that its regime is not as “conservative” as it was in 1980. Germany also declines on both measures over the entire period. Finally, by the later period, Finland returns to the “medium” category based on the changes to the Etatism score discussed above.

### *Liberalism*

Private Health Spending Our data on private health spending as a percentage of total health spending is drawn from OECD health data compiled in the Comparative Welfare States Data Set (Huber et al. 2004). Similar OECD data appears to be the primary source in *Three Worlds*. The degree of correlation between the two sets of figures is strong (0.91).

### *TABLE 5 ABOUT HERE*

Comparing the two series in 1980, in four cases (Ireland, Italy, Netherlands, and Norway) our figures are considerably higher (by more than 5 percentage points). The most extreme case is Norway where the difference is almost 14 percentage points. In two cases our replication data report lower levels of private spending, by a margin of around 6-7 percentage points.

In looking at trends since 1980, the updated data series show significant evidence of an increased role for private health spending. Ten countries show increases of greater than 5 percentage points between 1980 and 2000, with two countries (Belgium and New Zealand) reporting double digit percentage point increases. In contrast, only two countries report *declines* of more than 5 percentage points. Overall, the average level of private health spending rose from around 23.6% in 1980 to 27.4% in 2000.

In assigning scores to the countries on the basis of private health spending, we employ two methods. The first uses the original scoring metric. The results are shown in Table 5. Private health spending that amounts to less than 10 percent of overall health spending is given a score of 0; between 10 and 20 percent is scored as 2, while private spending levels greater than 20 percent are given a score of 4. There are only three substantial scoring changes. Further evidence of an increasing role for private health spending is shown in the changes in average scores over time, which increase from 3 in 1980 to 3.6 by 2000.

Our second approach to scoring private health spending for the liberalism index employs the method suggested, but not actually used, in *Three Worlds*. We assign a score of 0 to any value greater than 1SD below the mean, 4 to any value greater than 1SD above the mean, and 2 to all scores within  $\pm 1$  SD of the mean.<sup>8</sup> The scores devised from this approach are also shown in Table 5. As one might expect, this approach produces numerous discrepancies between our scores and those used in the original liberalism stratification index. Overall, half, 9 of 18, countries have different scores in the replication compared with the original approach.

Means-tested Poor Relief. Replicating means-tested poor relief proved to be somewhat problematic. The original series, ILO's *Cost of Social Security* series, ends in the mid 1990s, so we cannot extend the series to the 21<sup>st</sup> century, but we do have data for 1980.

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<sup>8</sup> Though this is the method that proclaimed at the start of the Appendix to Chapter 3, *no* cutpoints were actually based on this rule. For private health spending the cut point for obtaining a high score is actually below the mean! (All other measures at least span the mean.)

The first two columns of Table 6 report the means-tested relief figures in *Three Worlds* and those we obtained directly from the ILO source. The correlation is very low (.32), with very large discrepancies in the Nordic countries and UK.

*TABLE 6 ABOUT HERE*

The appendix of the book alludes to the problems in differentiating programs that are nominally income-tested, but not based on the poor relief model, citing, for example, rental subsidies. While it is clearly the case that the level of detail, and items covered in the ILO source vary from country to country, and it is also likely that much means-testing in Nordic countries is not in the poor relief tradition, the explanations underlying these decisions is (and has remained) very thin.

For instance compare results for Denmark and the United States. Based on the ILO category of “public assistance and assimilated schemes,” the two countries spend a similarly large amount on social assistance. Looking more closely at categories, the majority of social assistance spending in this category is allocated to nursing homes and home health care services, and not to rental subsidies, and all of this spending is removed from the social assistance category in computing the original Danish value of 1%. Meanwhile, for example, the figure from the ILO used for the United States, includes federal spending on nursing homes, which represent a large portion of Medicaid payments. It is also not clear from the tables whether means-tested supplements to basic pensions are counted as social assistance. Means-tested pensions in the United State are so counted. The argument here is not about the legitimacy of what is or is not counted as “normal means-tested benefits” (to use a term from the book). It relates to whether the same criteria for including or excluding certain types of spending are applied in a consistent way or whether they are applied in a way results systematically bias results.

As might be expected, generating stratification scores based on these measures was also less than straightforward. The scores are shown in the second half of Table 6. Applying the cutpoints used in the book produces many inconsistencies, but this is hardly surprising given the large change in the mean. To provide a more reasonable range of cutpoints, we scored our version of the ILO statistics based on the same *normalized* cutpoints used in *Three Worlds*. That is, the cutpoints for our ILO data in 1980 are 5.8

and 13.3, -.6 and .4 standard deviations, respectively, from the mean of 10.33. The respective figures for the most recent year are 4.8 and 13.5.

Private Pensions. Unfortunately, we have not yet obtained data that would allow us to replicate the private-public mix in pension spending for 1980 (or since). In computing the Liberal Stratification Index, then, we assume that the values provided in *Three Worlds* are correct and identical over time.

### *Liberalism Stratification Index*

Table 7 provides estimates of the liberal stratification index for 1980 and the most recent data available, based on two different scoring rubrics for private health spending. We include the original index for comparative purposes. The difference in our scoring rubrics lies in how we generate cutpoints for the private health spending indicator. Column 1, uses the private health spending scores in column used in the book, in column 2, we used the standard deviation cutpoints.

#### *TABLE 7 ABOUT HERE*

When comparing the *Three World* scores with our replication scores on the overall Liberalism index, it is quite apparent that scoring choices greatly impact the overall scoring of countries. Out of the 18 countries for which we have replication data, only two of them (New Zealand and the United States) display consistency in overall scores between Esping-Andersen's original scores, and our two sets of replication scores. The degree of correlation between the original scores and our replication scores are reasonably high at around .80. It is worth noting, however, that this correlation means that 35% of the variation in our replication is "unexplained."

The largest shifts occur for Denmark, which displays high liberalism in our replication data, Italy, which displays low liberalism. Norway and Sweden also move in a liberal direction from "low" to "moderate." Several other countries go up or down two points, but these changes can be regarded as minor. The changes for the Nordic countries are driven by their comparatively high means-tested spending.

Updating the Liberalism Stratification Index. When we compare the average Liberalism replication score with the average updated score for 2000, there is not a lot of evidence of change overall, particularly if we use the more appropriate second scoring method (columns 4-5) with most countries remaining within a point of their score for the early 1980s. Italy's liberalism increases dramatically and Sweden's decreases. Denmark's score declines somewhat in 2000.

### *Socialism*

The socialist stratification index in *Three Worlds* was comprised of two measures. The first, "universalism," is computed as the average portion of the labor force covered by unemployment insurance, sickness insurance, and public pensions. The second, "benefit equality", is the average standard-to-maximum benefit ratio for the unemployment, sickness and public pension programs.<sup>9</sup> The underlying data for both of these indicators was from the Social Citizenship Indicators Project.<sup>10</sup> The Comparative Welfare Entitlements Dataset contains the relevant information for replication of the socialism index.<sup>11</sup> Table 8 provides the raw data from last two columns in Table 3.1 of *Three Worlds* and our estimates of the same variables from CWED data for 1980 and 2002. Our results suggest, on these criteria, some radically different results regarding which countries score high for their "socialist" welfare programs principles.

### *TABLE 8 ABOUT HERE*

Universalism With respect to universalism, the CWED data suggest that social insurance programs in 1980 covered a larger share of the population than suggested in *Three Worlds*. In only ten cases is our estimate of a country's average coverage within 10% of

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<sup>9</sup> We interpreted standard benefit to mean the net of tax benefit for the single APW worker, as this is consistent with the benefit concepts used in *Three Worlds* for the decommodification index, and no sign suggests deviating from those concepts here.

<sup>10</sup> Though a number of papers using the SCIP data have been published in prominent journals requiring access to underlying data, and the origins of the dataset according to the Preface of *Three Worlds* started a generation ago, the dataset has never been made publicly available. We discuss this further at the end of the paper.

<sup>11</sup> CWED is, in fact, an effort to measure what the SCIP purports to measure. Though we can ultimately only guess at the values of some of the variables in that dataset, comparison with published tables and averages suggests that our results are at least basically consistent with that data. (Whether that data now resembles what was reported in *Three Worlds*, is, however, impossible to ascertain with much certainty.)

what was provided in the book. However, the overall variation in our data is only slightly higher, and our results are closely correlated the results in *Three Worlds* ( $r=.93$ ).

Our coverage estimates are much higher (>20%) in three countries: the UK, Italy, France and Belgium. The results given for the UK in *Three Worlds* seem usually low given the number of people paying National Insurance contributions, which is our main source for coverage. We are not aware of any large numbers of national insurance *payers* who are not thereby considered qualified for benefits. Coverage figures for Italy, France and Belgium are prone to some considerable errors, as they are not always directly reported. It is possible that estimates for these categories in *Three Worlds* are from Flora (1986). We used national sources for Belgium, which appear to be higher. For France, we use national sources for unemployment, and the number of *salarie* and *non-salarie* covered by *assurance maladie* in official social security statistics. This also appears to result higher coverage estimates than is in Flora's study. In both of these cases, and in Italy, our estimates may also be higher due to our attempts to include those covered by other's (presumably spouses) pensions, such as survivors or those in receipt of "couples" supplements.

Our estimates of universalism are noticeably lower only in Australia and Canada. In the former case, the difference may be due to the fact that we used the portion of those above retirement age (65) actually in receipt of a pension. (Benefits were not means-tested for those over 70 in Australia until 1991.) This difference has little effect on the overall results. In Canada, our results are based on statistics from Canadian sources on employment insurance coverage (which also counts for sickness insurance). It is not clear what the data source is in *Three Worlds*.

If we compare the contemporary situation to 1980, the evidence suggests that coverage has tended to increase slightly.<sup>12</sup> The distribution remains pretty similar across the two periods. Though the summary statistics suggest some divergence, this is a bit deceptive. Universalism declines noticeably in only two countries Australia and Switzerland, and increases considerably in one, Ireland. Australia's decline is due to the

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<sup>12</sup> We use 2002 here because it is the last year for which we have information.

fact that fewer retirees rely on its means-tested pension.<sup>13</sup> In Switzerland, the decline is a result of what appears to be a liberalization of sickness insurance system, and what appears to be a decline in the number of people enrolling in plans that provide sickness cash benefits. (Technically, enrolling for cash benefits has always been voluntary, but many sickness plans, which are compulsory, included them.) In Ireland, the sharp increase in economic prosperity seems to be associated with a much more universal welfare state (if relatively meager in terms of benefit levels).

Benefit Equality Benefit equality is determined by taking the average of the ratio of standard to maximum (post-tax) benefits for unemployment, sickness and pension insurance. Our results suggest much more equality in many countries and less variability than suggested in the *Three Worlds*. Our estimates are within 10% of those reported in *Three Worlds* in less than one-third of the countries (5). The largest discrepancies for individual countries are concentrated among the countries ultimately classified as “liberal” in *Three Worlds*, in particular, for Canada, the United Kingdom and the United States.

The discrepancy between our result for the United States and Esping-Andersen’s (63% vs. 22%) is the most dramatic. The United States has no sickness program, so how it figures into the computations is not obvious. We chose to make the ratio 0, the minimum possible ratio.<sup>14</sup> However, standard and maximum benefits are much closer to unity in the other two programs. Our ratio for social security benefits is based on a benefit calculator developed by the Social Security Administration that calculates the precise benefit amount for a precise earnings history. (We used the APW wage history and a wage history at the annual wage ceiling.) For unemployment insurance, individual state programs, as a rule, cap benefits at about 50% of the average wage, making the standard unemployment benefit and maximum unemployment benefit basically identical.

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<sup>13</sup> Arguably, the Australian score should be zero in 2002 following the elimination of the guaranteed minimum to those over 70.

<sup>14</sup> The United States does, in fact, have sickness programs in a few states, including New York and New Jersey. These have a structure more or less identical to unemployment insurance. However, because the total workforce in these states is a fraction of the national total, we go along with the treatment of the US as having no program.

Even an ungenerous accounting of the US unemployment system would make the maximum benefit about two times the standard, and make its equality score .54 (still far more than .22).<sup>15</sup>

Canada's equality scores in *Three Worlds* are also inexplicably low. Unlike the United States, Canada has a sickness benefit program. The program is integrated into the unemployment insurance system, so the equality ratios for the two programs should be identical. The Canadian Department of Human Resources and Skills Development provides a detailed on-line history of the employment insurance program, which provides the maximum insurable earnings (which are consistent with what is reported in *Social Security Programs Throughout the World*). For 1980, this amount, C\$290 per week, is below the APW wage, meaning that the standard and maximum benefits are identical, and the benefit ratio equals unity. The standard-maximum pension ratios are also basically identical, due to the fact that the pension contribution ceiling was below the APW wage for most of the program's history to 1980 (and only just above that for years from 1980 to 2002).

Finally, our equality score for the UK is also much higher than the score provided in *Three Worlds*. The UK's earnings related benefits for sickness and unemployment insurance both had contribution/benefit ceilings that were below the APW wage. Thus, the standard to maximum benefit ratio is unity for both programs. The earnings-related pension system instituted in the late 1970s did have a benefit ceiling above the standard wage, but the program was still new in 1980. A person with maximum contributions through 1979 would have little more public pension income than an APW worker would be entitled to.

If we compare changes in the equality ratio over time, we observe a noticeable *decline* between 1980 and 2002. Half of the eighteen countries experience a decline in the benefit ratio. Perhaps the most dramatic changes are in Finland, where all three programs eliminated a maximum benefit ceiling, meaning that there was no maximum

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<sup>15</sup> One could argue that the difference in average wage between the best and worst-paying states would constitute the difference between standard and maximum benefits. (That wage difference is about double in 1980 —\$382 per week in Michigan and \$193 per week in North Carolina.) The problem is that where the standard benefit is high (low), the maximum is also high (low). While we would agree that state-to-state variations make the system less equal, it is not possible to justify such a low score.

benefit, and the equality score is zero.<sup>16</sup> In Norway, benefits become much more equal. Benefit equality declines noticeably in Austria, France, Italy and the Netherlands, and also in Switzerland, the UK and the United States.

### *Socialist Stratification Index*

As with the conservative and liberal stratification indices, the socialist stratification index is based on a transformation of ratio scores into an ordinal scores (0, 2 or 4). As with the other indices, the criteria by which this conversion takes place does not appear to be the one proclaimed in the appendix of *Three Worlds*. Rather than dividing low, middle, and high scores based on a standard deviation above and below the mean—which appears to be the procedure used for the decommodification index (Scruggs and Allan 2006)—the cut point for a low universalism (benefit equality) score is  $-.6$  ( $-.5$ ) standard deviations, while the cut point for the high score is  $.7$  ( $.7$ ). We constructed our index based on the *standardized* cut points, as we did above for means-tested benefits. Table 9 presents our index for 1980, 2002, and, for comparative purposes, the index provided in Table 3.2 in *Three Worlds*.

### TABLE 9 ABOUT HERE

These results seriously challenge the idea that the countries conventionally described as “social democratic” score high on this index while other countries score low. The UK is the only country scoring maximum points on the socialism index. Canada, described as a classic case of welfare state liberalism, scores quite high on the socialist stratification index. While these two results alone might call into question the empirical underpinnings of the three worlds schema, some conventionally “socialist” countries score low on the socialism index. Finland scored “high” on the index in *Three Worlds* but scores “low” on this dimension in our replication; Norway also scored “high” in the original, scores “moderate” in our replication. If we also include the fact that the

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<sup>16</sup> The elimination of the maximum in the labor market programs is a bit deceptive. (It is essentially a way to balance a social insurance budget with a progressive payroll tax.) The marginal replacement rate for high earnings is very small compared to the marginal replacement rate for low to average earnings (though the marginal tax rate is not). Thus, while the overall benefit *amount* is unlimited, the replacement *rate* declines to a (low) percentage.

Netherlands, a “high” socialism case in both our results and those in *Three Worlds*, has a very ambiguous status, we find that most of the countries scoring “high” on the socialist stratification index are *not* traditionally thought of as social democracies.

If we look at the results for 2002, we find some similarly discordant results. While Canada falls from the “high” classification to the “middle,” and Norway rises to the “high” category, Ireland joins the UK with the highest score. Both of these conventionally liberal countries outperform all of the social democratic ones on this dimension. Finland continues to perform poorly on this stratification index.

## Discussion

When we place our replicated stratification scores together, as we do in Table 10, we see some noticeable differences between our indices and those in the *Three Worlds*. Most significantly, there is less evidence of clustering in different “worlds” that was found in Esping-Andersen’s study, where a country scoring high on one index tended to score lower on other indices. In our replicated indices, we find more evidence of liberalism *and* conservatism among the traditionally social democratic countries, while more “liberal” countries (Canada and, to a lesser extent, the UK) also score very highly on the socialism index. Similarly, conservative Austria also places higher on our socialism index compared to the *Three Worlds* index.

### TABLE 10 ABOUT HERE

Moreover, if our results are combined with the results of our replication of the decommodification index (Scruggs and Allan 2006), there would appear to be precious little empirical support for the *Three Worlds* typology. Table 11 shows the correspondence between countries based on our replicated decommodification and social stratification scores. Although “strong” conservative countries have medium levels of decommodification based on their rankings—consistent with previous expectations—there is clearly less evidence of a relationship between decommodification and liberal and socialist social stratification. What are we to make of these discordant results?

### TABLE 11 ABOUT HERE

One inference is that our results are flawed, and that the original results are consistent with the conventional categories. This is certainly not impossible. In response however, we would make the following points.

We have tried to follow procedures outlined in the creation of the original, we have documented what we have done and how, and how what we have done is consistently applied. We have also documented quite a number of situations (in this paper and in our previous one on decommodification) of various errors that tended to systematically affect scores in a particular direction and to exaggerate variation across groups and minimize it within groups. Our point is not to suggest some type of intentional bias. Instead, it may be an object lesson in the need for on independent replication that is all too common in social science, even in a cases like this one where “objective” data were widely available.

We certainly invite others to scrutinize our work. We have few illusions that our efforts are not without some errors or that they too might hinge on some critical choices that we have not recognized. But our being wrong does not necessarily make the conventional wisdom right. If the conventional wisdom is right, we welcome an analysis that will demonstrate that.

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**Table 1: Dimensions of Welfare State Stratification**

<b>Welfare Regime</b>	<b>Indicator</b>	<b>Original Source</b>	<b>Current Source</b>	<b>2000 source</b>	<b>Definition</b>		
<b>Conservative</b>	<i>Corporatism</i>	SSA, 1981	SSA, 1981	SSA 2002	Number of occupationally distinct public pension schemes (major programs only)	-1	0.3
	<i>Etatism</i>	ILO, 1981	ILO, 1981	ILO ??	Expenditure on pensions to government employees as percentage of GDP	-0.7	0.5
<b>Liberalism</b>	<i>Means-tested poor relief</i>	ILO, 1981	ILO, 1981	??	Measured as a percentage of total public social expenditure	-0.6	0.4
	<i>Private Pensions</i>	Esping-Andersen, 1987	Esping-Andersen, 1987	??	Measured as a percentage of total pensions	-0.3	0.2
	<i>Private health spending</i>	OECD, 1985	HRS 2000	HRS 2004	Measured as a percentage of total health spending	-0.9	-0.1
<b>Socialism</b>	<i>Average universalism</i>	SSIB	CWED	CWED	Coverage for sickness, unemployment, and take-up of old-age insurance programs	-0.6	0.7
	<i>Average benefit equality</i>	SSIB	CWED	CWED	Average differential between basic and maximum benefits (post-tax) for sickness, unemployment and old-age insurance programs	-0.5	0.7

SSA= US Social Security Administration, *Social Security Programs Throughout the World*

ILO= International Labor Organization, *Costs of Social Security*

Esping-Andersen, 1987

OECD= OECD, *Measuring Healthcare, 1960-1983*

CWED= Scruggs, Comparative Welfare Entitlements Dataset

HRS= Huber et al., Comparative Welfare State Data Set

**Table 2: Welfare State Corporatism**

	Number of occupationally distinct public pension schemes			Stratification Scoring (all use EA cutpoints)		
	<u>EA</u>	<u>1981</u>	<u>2004 (latest)</u>	<u>EA</u>	<u>1981</u>	<u>2004(latest)</u>
Australia	1	1	1	0	0	0
Austria	7	7	7	4	4	4
Belgium	5	5	5	2	2	2
Canada	2	1	1	0	0	0
Denmark	2	1	1	0	0	0
Finland	4	6	7	2	4	4
France	10	9	9	4	4	4
Germany	6	6	5	4	4	2
Ireland	1	1	1	0	0	0
Italy	12	12	3	4	4	2
Japan	7	7	3	4	4	2
Netherlands	3	1	1	2	0	0
New Zealand	1	2	1	0	0	0
Norway	4	6	6	2	4	4
Sweden	2	2	1	0	0	0
Switzerland	1	1	1	0	0	0
UK	1	1	1	0	0	0
USA	2	3	3	2	2	2
mean	3.94	4.00	3.17			
sd	3.30	3.36	2.66			

source: SSA, various years

**Table 3: Etatism**

	Expenditure on pensions to govt employees as a % of GDP)				Stratification Scoring (all use EA cutpoints)			
	<u>EA</u>	<u>1980</u>	<u>Latest</u>	<u>(year)</u>	<u>EA</u>	<u>1980</u>	<u>Latest</u>	
Australia	0.7	0.8	1.2	1992	0	0	2	
Austria	3.8	4.1	4.3	1993	4	4	4	
Belgium	3	3.3	3.5	1991	4	4	4	
Canada	0.2	0.2	0.5	1994	0	0	0	
Denmark	1.1	1.1	1.2	1993	2	2	2	
Finland*	2.5	2.4	0	1991	4	4	0	
France	3.1	2.8	2.8	1990	4	4	4	
Germany	2.2	2.7	1.6	1993	4	4	2	
Ireland	2.2	2.1	1.9	1993	4	2	2	
Italy	2.2	2.2	1.8	1989	4	4	2	
Japan	0.9	1.4	2.1	1994	0	2	2	
Netherland	1.8	3.2	3.9	1993	2	4	4	
New Zeala	0.8	0.8	1.0	1992	0	0	0	
Norway	0.9	0.9	1.3	1992	0	0	2	
Sweden	1	2.6	0	1989	0	4	0	
Switzerlanc	1	0.8	0.6	1993	0	0	0	
UK	2	1.4	1.8	1994	2	2	2	
USA	1.5	1.5	1.7	1991	2	2	2	
mean	1.7	1.9	1.7					
<b>sd</b>	1.0	1.1	1.2					

\* As of 1984, Finland's civil servant pension program was folded into the genral program

**Table 4: Summary Scores for the Conservative Stratification Index**

	<u>EA</u>		<u>1981</u>		<u>Latest</u>	
<b>Strong</b>	Austria	8	Austria	8	Austria	8
	Belgium <sup>a</sup>	8	France	8	France	8
	France	8	Germany	8		
	Germany	8	Italy	8		
	Italy	8	<i>Finland</i>	8		
<b>Medium</b>	Finland	6	<i>Belgium</i>	6	Belgium	6
	Ireland	4	Japan	6	Norway	6
	Japan	4	Netherlands	4	<u>Finland</u>	4
	Netherlands	4	Norway	4	<u>Germany</u>	4
	Norway	4	<i>Sweden</i>	4	<u>Italy</u>	4
			<i>USA</i>	4	Japan	4
					Netherlands	4
					USA	4
<b>Low</b>	Canada	2	<i>Ireland</i>	2	Ireland	2
	Denmark	2	Denmark	2	Denmark	2
	New Zealand	2	UK	2	Australia	2
	Australia	0	Canada	0	UK	2
	Sweden	0	New Zealand	0	Canada	0
	Switzerland	0	Australia	0	New Zealand	0
	United Kingdom	0	Switzerland	0	Switzerland	0
	United States <sup>a</sup>	0			<u>Sweden</u>	0

a: Belgium and USA scores as shown in EA 1990, Table 3.3. Based on EA's own scoring method, Belgium should in fact be 6, while the USA should have a score of 2.

Countries in *italics* denote a difference in categorization between EA and our 1981 replication data. Countries underlined denote a change over time between our 1981 data and later years.

**Table 5: Private Health Spending**

	Private Spending as a % of Total Health Spending			Stratification Score (Three Worlds Method)			Standard deviation cutpoints	
	<u>EA</u>	<u>1980</u>	<u>2000</u>	<u>EA</u>	<u>1980</u>	<u>2000</u>	<u>1980</u>	<u>2000</u>
	Australia	36	37.0	31.1	4	4	4	4
Austria	36	31.2	30.6	4	4	4	2	2
Belgium	13	16.6	27.9	2	2	4	2	2
Canada	26	24.4	29.1	4	4	4	2	2
Denmark	15	12.2	17.5	2	2	2	2	0
Finland	21	21.0	24.9	4	4	4	2	2
France	28	21.2	24.2	4	4	4	2	2
Germany	20	21.3	25.0	2	4	4	2	2
Ireland	6	18.5	26.7	0	2	4	2	2
Italy	12	19.5	26.6	2	2	4	2	2
Japan	28	28.7	22.3	4	4	4	2	2
Netherlands	22	30.6	36.6	4	4	4	2	4
New Zealand	18	12.0	22.0	2	2	4	2	2
Norway	1	14.9	14.8	0	2	2	2	0
Sweden	7	7.5	15.0	0	0	2	0	0
Switzerland	35	38.7	44.4	4	4	4	4	4
United Kingdom	10	10.6	19.1	2	2	2	0	2
United States	57	58.5	55.8	4	4	4	4	4
<i>Mean</i>	21.7	23.6	27.4	2.7	3.0	3.6	2.1	2.0
<i>Standard Deviation</i>	13.7	12.5	10.2					

Source: Huber et al. data/OECD

**Table 6: Means-tested Poor Relief as % of Total Social Expenditure**

	<i>EA</i>	<i>1980</i>	<i>latest</i>		<i>EA</i>	<i>ILO1980</i>	<i>most recent</i>
Australia	3.3	4.2	2	1989	2	0	0
Austria	2.8	3.1	3.4	1993	0	0	0
Belgium	4.5	3	5.3	1991	2	0	0
Canada	15.6	18.3	18.6	1995	4	4	4
Denmark	1	24.2	28.6	1989	0	4	4
Finland	1.9	13	36	1989	0	2	4
France	11.2	15.8	10.5	1989	4	4	2
Germany	4.9	4.1	6.2	1990	2	0	2
Ireland	5.9	2.5	3.3	1990	2	0	0
Italy	9.3	3.4	6.2	1989	4	0	2
Japan	7	11.9	7.2	1990	2	2	2
Netherlands	6.9	6.2	2.8	1989	2	2	0
New Zealand	2.3	1.9 ..			0	0	0
Norway	2.1	8.8	18.1	1989	0	2	4
Sweden	1.1	16.8	1.0	1989	0	4	0
Switzerland	8.8	8.4	9.5	1989	4	2	2
United Kingdom	1	15.7	22.5	1989	0	4	4
United States	18.2	24.7	23.2	1989	4	4	4
mean	5.99	10.33	12.02				
stdev	5.03	7.51	10.51				
low cutpoint		5.8	5.7				
high cutpoint		13.3	16.2				

Sources:

OECD (2004), Social Expenditure Database (SOCX, [www.oecd.org/els/social/expenditure](http://www.oecd.org/els/social/expenditure))

EA 1990

ILO, *Cost of Social Security*

**Table 7: Liberal Stratification Index**

		1	2		3	4		5
			<i>Health Spending (3 World's method)</i>			<i>Health Spending by Standard deviation</i>		
		<i>EA</i>	1980	2000		1980	2000	
<b>Strong</b>	Canada	12	Canada	12	12	United States	12	12
	Switzerland	12	United States	12	12	Canada	10	10
	United States	12	Japan	10	10	Switzerland	10	10
	Australia	10	Switzerland	10	10	Denmark	10	8
	Japan	10	Denmark	10	10			
<b>Medium</b>	France	8	Australia	8	8	Australia	8	6
	Netherlands	8	France	8	6	Japan	8	8
	Denmark	6	Netherlands	8	6	France	6	4
	Germany	6	United Kingdom	8	8	Netherlands	6	6
	Italy	6	Germany	6	8	United Kingdom	6	8
	United Kingdom	6	Finland	6	8			
<b>Low</b>						Germany	4	6
	Austria	4	Austria	4	4	Finland	4	6
	Belgium	4	Ireland	4	6	Ireland	4	4
	Finland	4	Norway	4	6	Norway	4	4
	New Zealand	2	Sweden	4	2	Sweden	4	0
	Ireland	2	Italy	2	6	Italy	2	4
	Norway	0	Belgium	2	4	Austria	2	2
	Sweden	0	New Zealand	2	4	Belgium	2	2
						New Zealand	2	2

**Table 8: Universalism and Benefit equality scores**

	<i>Universalism (1)</i>			<i>Benefit Equality (2)</i>		
	EA	1980/1	2002	EA	1980/1	2002
Australia	0.33	0.28	0.22	1.00	1.00	1.00
Austria	0.72	0.81	0.79	0.52	0.79	0.70
Belgium	0.67	0.86	0.89	0.79	0.89	0.94
Canada	0.93	0.85	0.85	0.48	1.00	0.98
Denmark	0.87	0.86	0.94	0.99	1.00	1.00
Finland	0.87	0.87	0.91	0.72	0.67	0.00
France	0.7	0.84	0.85	0.55	0.69	0.57
Germany	0.72	0.83	0.86	0.56	0.75	0.75
Ireland	0.6	0.71	0.99	0.77	0.88	1.00
Italy	0.59	0.71	0.71	0.52	0.33	0.26
Japan	0.63	0.65	0.69	0.32	0.61	0.63
Netherlands	0.87	0.95	0.98	0.57	0.90	0.84
New Zealand	0.33	0.33	0.33	1.00	1.00	1.00
Norway	0.95	0.98	0.95	0.69	0.65	0.86
Sweden	0.9	0.91	0.93	0.82	0.83	0.87
Switzerland	0.96	0.97	0.7	0.48	0.56	0.51
UK	0.76	0.91	0.9	0.64	0.99	0.94
US	0.54	0.59	0.6	0.22	0.63	0.58
Mean	0.72	0.77	0.78	0.65	0.79	0.75
SD	0.193	0.201	0.22	0.22	0.19	0.28

(1) Average labor force coverage for unemployment, sickness and pension insurance

(2) Ratio of APW to maximum net benefit, averaged over unemployment, sickness and pension programs

Source: CWED

**Table 9: Socialist Stratification Scores**

	<u>EA</u>	<u>1980/1</u>	<u>2002</u>
<b>UK</b>	4	8	6
<b>Canada</b>	4	6	4
Denmark	8	6	8
Netherlands	6	6	6
Sweden	8	6	6
Australia	4	4	4
Austria	2	4	2
Belgium	4	4	4
Germany	4	4	4
Ireland	2	4	8
New Zealand	4	4	4
Norway*	6	4	6
Switzerland	4	4	2
Finland	6	2	2
France	2	2	2
Italy	0	2	2
Japan	2	0	4
US	0	0	0

\* Norway is mistakenly scored 8 in the *Three Worlds* Table

Source: see text

**Table 10: Regime Clustering based on Replicated Social Stratification indices (1980/1)**

	<b>Conservatism</b>		<b>Liberalism</b>			<b>Socialism</b>		
		<i>Score</i>		<i>Score<sup>a</sup></i>			<i>Score</i>	
<b>Strong</b>	Austria	8	Canada	12	United States	12	<b>UK</b>	<b>8</b>
	France	8	United States	12	Canada	10	<b>Canada</b>	<b>6</b>
	Germany	8	Japan	10	Switzerland	10	Denmark	6
	Italy	8	Switzerland	10	<b>Denmark</b>	<b>10</b>	Netherlands	6
	<b>Finland</b>	<b>8</b>	<b>Denmark</b>	<b>10</b>			Sweden	6
<b>Medium</b>	<u>Belgium</u>	<u>6</u>	<u>Australia</u>	<u>8</u>	<u>Australia</u>	<u>8</u>	Australia	4
	Japan	6	France	8	<u>Japan</u>	<u>8</u>	<b>Austria</b>	<b>4</b>
	Netherlands	4	Netherlands	8	France	6	Belgium	4
	Norway	4	United Kingdom	8	Netherlands	6	Germany	4
	<b>Sweden</b>	<b>4</b>	Germany	6	United Kingdom	6	<b>Ireland</b>	<b>4</b>
	<b>USA</b>	<b>4</b>	<b>Finland</b>	<b>6</b>			New Zealand	4
							<u>Norway</u>	<u>4</u>
						Switzerland	4	
<b>Low</b>	<u>Ireland</u>	<u>2</u>	Austria	4	<u>Germany</u>	<u>4</u>	<u>Finland</u>	<u>2</u>
	Denmark	2	Ireland	4	Finland	4	France	2
	UK	2	Norway	4	Ireland	4	Italy	2
	Canada	0	Sweden	4	Norway	4	Japan	0
	New Zealand	0	<u>Italy</u>	<u>2</u>	Sweden	4	USA	0
	Australia	0	Belgium	2	<u>Italy</u>	<u>2</u>		
	Switzerland	0	New Zealand	2	Austria	2		
					Belgium	2		
				New Zealand	2			

a: Based on health spending by *Three Worlds* scoring method.

b: Based on health spending by standard deviation scoring method.

Countries in **BOLD** indicate a *higher* placement compared to EA's indices.

Countries UNDERLINED indicate a *lower* placement compared to EA's indices.

Sources: see text and previous tables.

**Table 11: Replicated Decommodification and Social Stratification Indices**

<b>Country</b>	<b>Decommodification</b>			
	<b>Rank<sup>a</sup></b>	<b>Conservatism</b>	<b>Liberalism</b>	<b>Socialism</b>
Sweden	1	Medium	Low/Low	<b>Strong</b>
Norway	2	Medium	Low/Low	Medium
Denmark	3	Low	<b>Strong/Strong</b>	<b>Strong</b>
Belgium	4	Medium	Low/Low	Medium
Switzerland	5	Low	<b>Strong/Strong</b>	Medium
Netherlands	6	Medium	Medium/Medium	<b>Strong</b>
Germany	7	<b>Strong</b>	Medium/Low	Medium
Finland	8	<b>Strong</b>	Medium/Low	Low
France	9	<b>Strong</b>	Medium/Medium	Low
Austria	10	<b>Strong</b>	Low/Low	Medium
Canada	11	Low	<b>Strong/Strong</b>	Strong
New Zealand	12	Low	Low/Low	Medium
United Kingdom	13	Low	Medium/Medium	<b>Strong</b>
Ireland	14	Low	Low/Low	Medium
Italy	15	<b>Strong</b>	Low/Low	Low
Australia	16	Low	Medium/Medium	Medium
Japan	17	Medium	<b>Strong/Medium</b>	Low
USA	18	Medium	<b>Strong/Strong</b>	Low

a: Replicated decommodification rank is from our replicated scores in Scruggs and Allan 2006, Table 4 (p.68).