
Routledge Handbook of the Welfare State

Second Edition

Edited by Bent Greve

Second edition published 2019
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

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First edition published by Routledge 2012

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

Names: Greve, Bent, editor.

Title: Routledge handbook of the welfare state/edited by Bent Greve.

Description: Second edition. | Abingdon, Oxon; New York, NY: Routledge, 2018.

Identifiers: LCCN 2018004646 | ISBN 9781138631649 (hardcover) |

ISBN 9781315207049 (ebook)

Subjects: LCSH: Public welfare. | Welfare state.

Classification: LCC HV31.R766 2018 | DDC 330.12/6-dc23

LC record available at <https://lccn.loc.gov/2018004646>

ISBN: 978-1-138-63164-9 (hbk)

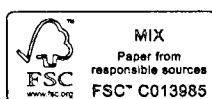
ISBN: 978-1-315-20704-9 (ebk)

Typeset in Bembo

by Wearset Ltd, Boldon, Tyne and Wear

Ruhr-Universität Bochum Fakultät für Sozialwissenschaft - Bibliothek -	
W4-597	2019/12

HT0934130 ✓



Printed in the United Kingdom
by Henry Ling Limited

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What is a welfare state?

Johanna Kuhlmann

Introduction: the welfare state as an empirical reality, but a highly contested theoretical concept¹

It is undeniable that today all developed countries provide some form of welfare. Although welfare states are the subject of social, political, economic and academic discussion, it is striking that the question how to define a welfare state has always been and still is subject to debate (Briggs, 1961; Hill, 2013), and that scholars have repeatedly criticised this debate as not significantly moving forward (Titmuss, 1987; Wincott, 2001). It is against this background that – although there have been calls for unequivocal definitions (Veit-Wilson, 2000) – this chapter does not aim to arrive at a definite definition of the term “welfare state”, but approaches the question “What is a welfare state?” in four (partly interrelated) steps. First, it summarises the difficulties of defining the term “welfare state”. Second, it gives a brief overview of the general development trajectories of “established welfare states” (Castles *et al.*, 2010b). Third, it reviews and systematises different conceptualisations of the welfare state. Fourth, it traces dominant trends and patterns in welfare state theorising. Finally, the chapter refrains from a conclusive definition of the welfare state, and argues for a dynamic definition according to the context.

What is welfare? What is a state? And what is a welfare state? Why the term “welfare state” is so difficult to define

Defining the term “welfare state” comes with a number of difficulties.² The first and probably most striking difficulty is the huge empirical diversity of welfare states (Castles *et al.*, 2010b; Schubert *et al.*, 2016), which makes it extremely difficult to identify a common denominator of the term. What is more, the welfare state is dealt with in different disciplines (Overbye, 2010), implying different knowledge interests and theoretical perspectives. It has also been shown that the meaning of the term “welfare state” can change over time (Petersen and Petersen, 2013). But even in a non-diachronic perspective, the term welfare state stands alongside terms in other languages (such as *état providence* in France, *verzorgingsstaat* in the Netherlands and *Sozialstaat* in Germany). This also implies differences in meanings (Kaufmann, 2000), which may be more than just slight. In Germany, for example, the term *Sozialstaat* is preferred to the term

Wohlfahrtsstaat (which is a literal translation of “welfare state”) because the latter refers to an encompassing level of state intervention (as in the Scandinavian model) deemed rather inappropriate in German public discourse, while the term *Sozialstaat* is strongly linked to the German model of social market economy (Petersen and Petersen, 2013; Kaufmann, 1997, p. 21, 2000, p. 310). Another difficulty is the fact that “welfare state” is a composite term, and defining “welfare” and “state” is a highly ambitious and contested task in itself (see e.g. Greve (2008) for the term “welfare” and Levy *et al.* (2015) for the term “state”).³

Garland considers the “welfare state” as being a “misnomer” (Garland, 2016, p. 3) for several reasons. First, welfare states not only provide welfare but also have many more tasks, ranging from entitling social rights and operating social insurances (in a narrow understanding of the term), to regulating economic activity (in a broader understanding of the term) (Garland, 2016, p. 3). Second, although the “state” is often taken for granted when talking about the provision of welfare, it is not the only institutional arrangement through which welfare is provided. Even if the state finances or legislates welfare services, it does not necessarily produce and deliver them (Garland, 2016, p. 4). Thus, besides the state, non-state actors such as private businesses, free social welfare associations and families also play an important role (Barr, 1987; Schubert *et al.*, 2009). In addition, governance levels other than the state (such as municipalities “below” and the European Union “beyond” the state) and international organisations (such as the OECD) may also play a crucial role with regard to both the content of welfare policy and welfare governance. Third, while the term “welfare state” often refers to the state as a whole, it is important to keep in mind that “welfare” describes only one particular area of (a generally much broader) state activity (Garland, 2016, p. 4).

Defining a welfare state proves also to be an ambitious task, as the term is used both as an analytical concept and a political slogan (Alber, 1988; Wincott, 2001). Especially (but not exclusively) the use of the term welfare state as a political slogan can contain quite different ideas and concepts (Béland, 2011; Pierson and Leimgruber, 2010). While being regarded as a fundamental political and societal achievement in many European countries following the Second World War, the concept of welfare states can be (or become) highly contested in other countries.⁴ Also, if the term is used as an analytical concept, it can still contain very different concepts and underlying theoretical frameworks (see below).

Given these conceptual challenges, some scholars have suggested different (and supposedly more adequate) terms for describing the welfare state, such as “welfare capitalism” (Esping-Andersen, 1990), “social state” (Garland, 2016), “social protection system” (Béland, 2011) or “welfare system” (Schubert *et al.*, 2009). However, these definitions also come with their own pitfalls. When working with the term “welfare state”, it is therefore crucial to explain precisely what the definition of the welfare state (or similar terms) entails – and sometimes what it does not.

Before moving on to the question of how the term “welfare state” has been defined, the following section describes the historical development of welfare states, since definitions of the concept can only be understood in relation to the empirical phenomena to which they refer.

Welfare state trajectories: a brief historical overview

Most articles that aim to give an overview on welfare state development focus implicitly or explicitly on (particularly Western) European and English-speaking welfare states that are sometimes classified as “established welfare states” (Castles *et al.*, 2010b). Yet, “emerging welfare states” (Castles *et al.*, 2010b), indicating Eastern European countries, Asian countries and Latin American countries, also have a specific kind of welfare state, with some welfare state structures – as in the case of Latin America – even preceding welfare state development in many OECD

countries (Arts and Gelissen, 2010, p. 578). That being said, this chapter focuses primarily on the theoretical discussion accompanying the so-called “established welfare states”.

For a long time, societies have had a certain system of welfare provision, organised in different contexts such as the family, the church or the local community, and as much driven by Christian values and humanity as by the view that supporting the poor was an important precondition for a stable and peaceful societal coexistence (Garland, 2016, pp. 15–18). The “Poor Law”, introduced in 1601 by Queen Elisabeth I in England, is often conceived of as an important predecessor of the modern welfare state. It created a national system for supporting the needy. While it was administered on a local level, the national government gradually extended its responsibilities (Garland, 2016, p. 19; Kuhnle and Sander, 2010, p. 63).

Thus, although some forms of welfare arrangements have been in place for a long time, the origins of the welfare state as it is known today may be traced back to the late nineteenth century. The formation of the modern nation state and industrialisation were focal points for encompassing changes in the social, political and economic sphere which resulted in the establishment of highly diverse welfare state structures in different national settings (Castles *et al.*, 2010a, pp. 3–4; Flora and Heidenheimer, 1995, pp. 22–23). The “rise” of the welfare state is, however, particularly connected to the twentieth century, when welfare as a social right (Marshall, 1950) came to be a genuine function of governmental activity in Western countries (Esping-Andersen, 1990, p. 1; Morel *et al.*, 2012, p. 1). As Garland points out: “The new welfare states varied, of course. [...] But viewed cross-nationally, we glimpse in these stories the presence of large-scale historical processes that were reshaping social, political, and economic landscapes all across the developed world” (Garland, 2016, pp. 27–28).

Since their formation, welfare states have undergone different development stages. The so-called “Golden Age” following the Second World War generally implied welfare state expansion, fuelled by economic growth, the rationale to prevent war and defeat the Eastern bloc’s welfare systems in the context of the Cold War, and taking place “against the backdrop of relatively closed economies” (Castles *et al.*, 2010a, p. 8). Welfare provision in this traditional welfare state focused on the (primarily monetary) compensation of the so-called “old social risks” (Bonoli, 2005), constituted by unemployment, old age, sickness, disability, and giving birth to and raising children (Vandenbroucke and Vleminckx, 2011, p. 452).

However, the oil crisis in 1973 as well as stagflation set a new context for welfare state development, which was now dominated by welfare state restructuring (Castles *et al.*, 2010a, p. 9). This restructuring was particularly brought forward by retrenchment, although there have been instances of expansion, now often in other areas of the welfare state. In addition, other exogenous and endogenous factors have put established welfare state arrangements to the test, among which the increasing integration of national market economies, the tertiarisation of employment, demographic changes and changes in traditional family structures stand out (Castles *et al.*, 2010a, pp. 12–13). They create “new social risks”, such as “reconciling work and family life”, “single parenthood”, “having a frail relative”, “possessing low or obsolete skills” and “insufficient social security coverage” (Bonoli, 2005, pp. 433–435), and challenge both the content and structure of traditional welfare state arrangements. Since 2007, the global financial crisis has been another challenge for welfare state development (Farnsworth and Irving, 2011; van Hooren *et al.*, 2014; van Kersbergen *et al.*, 2014). On the one hand, it constitutes new pressure for national welfare states, while on the other hand, it intensifies and accelerates existing structural problems (Kuhlmann *et al.*, 2016, p. 4). Future development of welfare states may be shaped by these and other challenges, such as increasing forced migration.

As this brief overview shows, welfare states are by no means fixed institutional arrangements, but are continuously being confronted with different challenges to which they have to adapt in

order to prevent institutional drift (Streeck and Thelen, 2005). Thus, it comes as no surprise that analytical approaches and concepts of the welfare state are also relatively dynamic.

Against all odds: definitions of the term “welfare” state and a systematisation of different conceptions

Despite the rich empirical variation of welfare states and conceptual difficulties, existing definitions of the term “welfare state” share some common ground. Welfare states imply “a specific mode of exercising government power and a specific set of conceptions, institutions, and techniques with which to do so” (Garland, 2016, p. 6). The complex terrain of welfare state definitions can be generally mapped by distinguishing two different but complementary concepts of the welfare state. This differentiation may, for example, be found in Esping-Andersen’s seminal book *The Three Worlds of Welfare Capitalism* (1990), where Esping-Andersen distinguishes a narrow and a broad definition of the welfare state, considering himself to be an advocate of the broad welfare state definition (for distinctions of welfare state concepts, see also Alber, 1988; Garland, 2016).

The narrow definition of the welfare state focuses on the “traditional terrain of social amelioration” (Esping-Andersen, 1990, p. 1), which refers primarily to “income transfer and social services” (ibid.). However, to which policy sectors the welfare state’s activity in this narrow definition refers is highly controversial, can differ widely between national settings and also depends on the researcher’s theoretical perspective. While most scholars would generally agree on the fact that labour market policy, old-age pensions, healthcare, long-term care, disability, social assistance, family policy and housing are central policies of the welfare state (Greve, 2013; Castles *et al.*, 2010b), there is less agreement about other areas, such as education (Busemeyer and Nikolai, 2010). Some areas are also perceived as core welfare state areas in one national setting, but not in another.⁵

In contrast to this narrow definition, the broad definition of the welfare state not only encompasses the different policies for “social amelioration”, but also focuses on the welfare state’s influence on the political economy as a whole. This concept of the welfare state especially takes into account the welfare state’s intervention into the overall macro-economic activity, wages and employment policies (Esping-Andersen, 1990; Alber, 1988). It is this understanding of the welfare state that is also often labelled “Keynesian welfare state” or “welfare capitalism” (Esping-Andersen, 1990).

In the literature, many different definitions of the welfare state can be found which may be classified on the continuum between the narrow and the broad understanding. A recent example of a relatively narrow understanding of the welfare state as a source of social amelioration is from van Kersbergen and Vis (2014), who describe welfare states as “enhancing the welfare of vulnerable groups of people in a society and offering or facilitating social protection for all” (van Kersbergen and Vis, 2014, p. 78; Barr, 1987). An older example of a relatively broad definition of the welfare state (which is also able to capture the elements of the narrow welfare state definition) is Briggs’ well-known (1961) definition. Although Briggs focuses on the welfare state from a historical perspective and refers primarily to the British discussion, his definition may still be considered as one of the seminal contributions when it comes to defining the welfare state (Pierson *et al.*, 2014). The definition also incorporates some of the reflections on the welfare state mentioned above:

A “welfare state” is a state in which *organized power is deliberately used* (through politics and administration) in an effort to *modify the play of market forces in at least three directions* – first, by guaranteeing individuals and families a *minimum income* irrespective of the market value

of their work or their property; second, by *narrowing the extent of insecurity* by enabling individuals and families to meet certain “*social contingencies*” (for example, sickness, old age and unemployment) which lead otherwise to individual and family crises; and third, by ensuring that *all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services.*

(Briggs, 1961, p. 228, *emphasis added*)

Briggs’ explanation of his definition is also highly instructive (Briggs, 1961, pp. 228–231). While the first and second directions that he mentions refer to “social amelioration”, Briggs’ third direction “brings in the idea of the ‘optimum’ rather than [...] the ‘minimum’” (Briggs, 1961, p. 228), indicating a very encompassing understanding of the welfare state as an institution that aims to achieve a high level of equality for its citizens. By mentioning “market forces”, Briggs refers to the modern political economy, thus embedding his understanding of the welfare state in the broader definition; by mentioning “social contingencies” (such as unemployment), he refers to the welfare state as a (by-) product of industrialisation, thus conceptualising the welfare state as an institution that evolved in the nineteenth century; by referring to “organized power”, he brings in the state as a central actor; and by referring to a “certain agreed range of social services”, he points to the provisional character of welfare state arrangements, highlighting what has already been pointed out: namely that welfare states have never been “fixed” institutional arrangements, but are subject to ongoing (both incremental and transformative) change.

Changing welfare: changing understandings of the welfare state? Trends and patterns in welfare state analysis

The dynamic of welfare state development and the variety of definitions are also reflected in theoretical approaches that analyse welfare states. Indeed, it is quite challenging to map factors that explain how and why welfare states came into being and how and why they change, as “there is hardly a variable which has not been regarded as influential in this respect” (Castles *et al.*, 2010a, p. 5). According to Flora and Heidenheimer (1995), the rise of European welfare states may be conceptualised in at least two (complementary) ways: From a political sociology perspective, referring initially to Max Weber, the rise of welfare states occurs with the formation of modern nation states, including not only mass democracy as a new form of rule, but also a “structural transformation of the state, [...] its legitimacy and its functions” (Flora and Heidenheimer, 1995, p. 23). In contrast, a political economy perspective, referring initially to Karl Marx, understands the welfare state as an answer to societal problems and conflicts resulting from the capitalist mode of production. Against this background, Flora and Heidenheimer emphasize that welfare states are not only a (basically European) product of the sketched phenomena of democratisation and industrialisation, but are also “a far more general phenomenon of modernization” (Flora and Heidenheimer, 1995, p. 23).

Castles and colleagues (2010a, p. 5) state that theories of the welfare state have mainly been developed inductively. In fact, which theoretical concepts and frameworks scholars use in order to analyse welfare state development depends, first and foremost, on the concrete empirical phenomena that welfare state scholars aim to explain. Therefore, one way of systematising theoretical frameworks for welfare state research is to view welfare state development from a historical perspective and to analyse how scholars have theoretically dealt with the empirical phenomena they were observing.

According to Castles *et al.* (2010a, p. 5), modern theories of the welfare state have been formulated since the 1950s. Going hand in hand with the “Golden Age” of the welfare state, these

theories have focused primarily on welfare state expansion (Castles *et al.*, 2010a, p. 5). Myles' and Quadagno's (2002) encompassing review of 25 years of comparative welfare state research points to the 1970s as the beginning of modern welfare state analysis. They find that up until the early 1990s, comparative welfare state research had primarily analysed different developmental pathways of welfare states, focusing on welfare state expansion that generally characterised welfare state development up until the oil crisis. This general topic was dealt with in different strands of theorising. A functionalist perspective to welfare state development was adopted by industrialisation theorists (Wilensky, 1975), who explained welfare state expansion with an increasing demand for social spending which resulted from industrialisation, as well as by neo-Marxists (Offe, 1972), who saw welfare state expansion primarily as a means for capital accumulation. Since the late 1970s, however, "politics matter" became the prevalent theoretical assumption. Institutional approaches (Skocpol, 1992) and (historical) studies analysing the influence of different actors' power resources on welfare state development became highly popular (Korpi, 1983; Baldwin, 1990).

In the research strand of power resource theory, Esping-Andersen's (1990) analysis of different welfare regimes has become one of the most influential works in comparative welfare state research (see also Chapters 11 and 27). With regard to the level of de-commodification and the level of stratification of welfare states, Esping-Andersen distinguished three ideal-types of welfare regimes: The liberal welfare state (for which the USA is an example), the corporatist welfare state (for which Germany is an example), and the social-democratic welfare state (for which Sweden is an example). (For expansions and critiques of this typology, see Arts and Gelissen, 2010.)

Since the late 1980s, however, the focus of welfare state scholars has shifted. Apart from different trajectories of welfare state expansion, the analysis of welfare state retrenchment in a context of "permanent austerity" (Pierson, 2002) became prominent, reflecting developments in many Western welfare states following the oil crisis (see Starke (2006) for an extensive review).⁶ Although the concept of retrenchment is often used in order to analyse cutbacks in entitlements, Pierson has argued for a wider definition of retrenchment that encompasses "(1) significant increases in reliance on means-tested benefits; (2) major transfers of responsibility to the private sector; and (3) dramatic changes in benefit and eligibility rules that signal a qualitative reform of a particular program" (Pierson, 1996, p. 157).

The late 1990s brought about an additional shift in emphasis by welfare state scholars. Against the background of new challenges faced by welfare states, such as the rise of new social risks (Bonoli, 2005), the notion of the "new welfare state" became particularly popular (Esping-Andersen *et al.*, 2002; Taylor-Gooby, 2004; Bonoli and Natali, 2012), which is contrasted with the "traditional welfare state", in particular of the Golden Age. In order to capture these empirically observed welfare state changes analytically, scholars have introduced new theoretical concepts, among which the concept of "social investment" (which also describes a political strategy: see Nolan, 2013) has become particularly prominent. It conceptualises the welfare state as an active promoter of social amelioration by adapting policies:

that both invest in human capital development (early childhood education and care, education and lifelong training) and that help to make efficient use of human capital (through policies supporting women's and lone parents' employment, through active labour market policies, but also through specific forms of labour market regulation and social protection institutions that promote flexible security), while fostering greater social inclusion (notably by facilitating access to the labour market for groups that have traditionally been excluded).

(Morel *et al.*, 2012, p. 2)

Although the reactions of many welfare states to the financial crisis since 2007 have shown that retrenchment remains a crucial theoretical concept for welfare state analysis (Borosch *et al.*, 2016), the social investment concept is of continuing popularity. It points to a reinterpretation of the traditional way in which “social amelioration in a society” and the role of welfare state arrangements within the political economy have been conceptualised, from primarily compensating old social risks that have already materialised, to anticipating (and possibly preventing) the materialisation of old and new social risks. This is accompanied by a reinterpretation of the question of which policy sectors are considered as being part of the “new” welfare state (with policy sectors such as family policy and education policy becoming more popular than in the “traditional welfare state”). As a consequence, different paradigms and new instruments are supplementing or even replacing traditional paradigms and instruments in the “new” welfare state that stress prevention (instead of compensation) (see Chapter 5), highlight the role of social services (over cash transfers), invest in human capital development, and demand a more active role of potential welfare recipients (Borosch *et al.*, 2016; Klenk, 2015).

Conclusion: the welfare state as a dynamic concept

Welfare state scholars have been struggling with the term “welfare state” for decades, and have developed a variety of definitions and theoretical approaches in order to capture the extraordinary empirical diversity of welfare states. Against this background, this chapter likewise did not aim to develop a clear definition of “the” welfare state. In contrast, against the background of the many difficulties that arise with defining the term, the chapter shed light on general welfare state trajectories, different ways of defining the term and dominant theoretical approaches (mirroring empirical welfare state developments).

Moreover, the chapter has shown that it is indeed possible to identify some very general characteristics that the term “welfare state” usually incorporates. However, by juxtaposing development trajectories of welfare states and analytical concepts, it has demonstrated that conceptualisations of the welfare state are inevitably products of their particular time and context, and of the way in which knowledge about welfare states is observed, accumulated and structured by scholars (Berger and Luckmann, 1966). As both future empirical and theoretical developments are likely to further challenge our present conceptualisations, a “definite” understanding of the welfare state is, therefore, neither realistic nor desirable.

Notes

- 1 I would like to thank Sonja Blum and Klaus Schubert for their helpful comments on a previous version of this chapter.
- 2 See also the related discussion on the “dependent variable problem” in comparative welfare state analysis (Green-Pedersen, 2004; Clasen and Siegel, 2007).
- 3 This becomes especially obvious when looking at the USA where the state has always been a disputed concept.
- 4 A classic example is Thatcher’s and Reagan’s attempt of “dismantling the welfare state” (Pierson, 1994). More recent examples are the Dutch King Willem Alexander declaring the end of the welfare state in 2013 (van Gerven, 2016), and the Orbán government in Hungary aiming to build up a “workfare society” in 2012 (Lakner and Tausz, 2016).
- 5 While housing, for example, has always been a core welfare policy in Great Britain, it is traditionally not regarded as a central part of welfare policy in Germany.
- 6 This is not to deny that some welfare state scholars have also analysed welfare state retrenchment and restructuring before the 1990s (Myles and Quadagno, 2002, p. 41).

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