'The Good, the Bad, and the Ugly'

Esping-Andersen's regime typology and the religious roots of the western welfare state[1]

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1. Esping-Andersen and Sergio Leone

The most influential contribution to the comparative welfare state research literature of the last two decades certainly has been Gösta Esping-Andersen's 1990 book "The Three Worlds of Welfare Captalism". I think it is not unfair to label the typology of OECD-welfare states as developed in the book as essentially 'sergio-leonesque'. Although Esping-Andersen always attempts to base his comparative assessment of welfare state regimes on quantitative analysis and although he is explicitly committed to the standards of "comparative empirical research" (1990: 3), the study can hardly camouflage the strong normative loading of its distinction between Social Democratic, liberal und conservative welfare state regimes. According to this perspective the Social democratic regime plays the role of the good regime since it liberalizes citizens from market dependency via generous welfare entitlements (it 'de-commodifies' labour): "Social rights push back the frontiers of capitalist power" (1990: 16). The liberal regime, in contrast, fills the part of the bad regime since it leaves the market as the prime institution of the distribution of income and life chances more or less untouched. Liberal welfare states offer at best marginal corrections of market outcomes in case of proven need (means testing): Here the "state encourages the market" and the de-commodifying effect of welfare entitlements "is minimized" (1990: 26 and 27). The continental-conservative regime, however, is neither truly good, nor truly bad, but simply 'ugly'. It is an ugly regime since it is an 'undecided regime'. On the one hand it shares with the Social Democratic regime the conviction that more than marginal market corrections are necessary to secure social peace and equality. Yet, on the other hand, when it comes to welfare state intervention, the conservative regime – according to Esping-Andersen - adheres to the wrong principles. Instead of following the Social Democratic regime by making

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citizen status the only precondition for welfare entitlements and by rendering these entitlements generous enough to break market dependency for broad segments of the labor force, conservative regimes rather preserve social inequality and limit the re-distributive and therefore liberalizing potential of the welfare state through their anachronistic emphasis on status-maintenance, paternalism, and patriarchic social order.[2]

Yet, Esping-Andersen's category of the conservative-continental welfare state regime type is – as I'm going to argue in this paper – ugly in another, namely in an analytical sense. Mainly three reasons can be listed that support this claim. *First*, the conservative regime type essentially is a residual category. Within the same category we find as diverse welfare states as, for instance, the German and the Portugese. In the case of the conservative regime type within-variation is much broader than in the case of Esping-Andersen's two other regime types (Alber 2001). However, since quite some time it has been convincingly argued that at least the Southern-European welfare state represents an own, distinct type with quite distinct features (cf. Ferrera 1996, 1997, MIRE 1997). Re-analyzing Esping-Andersen's data with the help of cluster analysis has supported this claim (Wagschal/ Obinger 1998).

Second, what is striking in the case of the conservative regime cluster is its lack of geographical fit especially in comparison with the geographically much more coherent two other clusters, the Nordic social democratic and the Western anglo-saxon liberal regimes. We don't have to put it as pointedly as Peter Baldwin who remarked that in Esping-Andersen's account "proximity to Stockholm" is the main factor "determining the generosity of social benefits in any given country" (Baldwin 1997: 95). But it is true that especially the European continent harbors some peculiar geographical outliers, with a surprisingly Scandinavian Netherlands and with liberal Switzerland suddenly being located right at the US-American coast.

Third and most importantly, Esping-Andersen frequently points - if somehow vaguely - to the influence of Catholic social doctrine on the development and design of the continental welfare state (1990: 4, 17, 40, 60-61 and passim). Yet he abstains from analyzing in more detail exactly those European countries of the "dark heartland [...] of religious practice" (Martin 1978a: 271), in which the social importance of religion is most pronounced, a region stretching from Northern Italy with Switzerland as its centre to the Netherlands and Great Britain (ibid.: 271-272). Exactly in this 'religious heartland' political Catholicism has led to the formation of Christian Democratic parties (Italy, Austria, Switzerland, Netherlands, Belgium, Germany; Kalyvas 1996: 3), yet in Switzerland and the Netherlands we also observe the formation of protestant parties and in

[2] Whoever thinks that this is too stark a caricature should take a look at the caricature which the original offers. Whereas the Social Democratic Regime transforms "market dependence" in "individual independence", the conservative regime only substitutes one dependency with the other, it trades market dependency for "dependence on family, morality, or authority" (Esping-Andersen 1990: 47).

Switzerland, the Netherlands and Great Britain we see the important impact of reformed and free-church Protestantism. The pronounced anti-welfare state stance of reformed Protestantism, however, is completely ignored in Esping-Andersen's study. On the other hand, in some of the allegedly 'Catholic' regimes Christian Democracy never emerged as a political party (Spain, Portugal, France), or early welfare state legislation had an explicitly anti-clerical motivation (Italy, France, Belgium).

In the following section I will argue that many of the empirical and theoretical contradictions of Esping-Andersen's regime typology can be avoided if we account for the as of yet almost completely ignored role of Protestantism in western welfare state development (see however Heidenheimer 1983). Yet, in order to do so, I claim, we have to distinguish between the two main currents of Protestantism – state Lutheranism on the one hand and reformed Protestantism and the free-church currents of Protestantism on the other hand. The existing studies in the field have, if they considered religion at all, focused exclusively on Catholicism – thereby implicitely assuming that the main analytical dividing line runs between Catholicism and Protestantism. As I argue in this paper, negative findings with respect to the influence of Protestantism on western welfare state development are largely granted to the fact that studies have failed to account for the fundamental differences between Lutheran and reformed Protestantism. Yet, once we draw this distinction we have two critical dimensions of variation at hand - variation between Catholicism and Protestantism and variation within Protestantism. I claim that once we locate western welfare states along these two dimensions we can solve most of the analytical and empirical problems that are haunting the conventional 'three-worlds-of-welfare' perspective and most of the problems vanish that arise if we want to match country cases with regime types.[3]

My argument comes in three steps. In the following paragraph I will first sketch out the as of yet largely ignored influence of reformed Protestantism's social doctrine on the development of the western welfare state (Section 2). In the following two sections I will then present comparative data for the formative period of the welfare state (1880-1930; Section 3) as well as for its period of consolidation and crisis (from 1960 until 1990; Section 4). The data supports the claim that reformed and free-church Protestantism had a persistent impact on welfare state development in those countries in which reformed Protestantism represented a significant religious current.. I conclude with some reflections on the current regime typologies informing comparative welfare state research.

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[3] Most of these problems vanish because we now can avoid to discuss whether country x belongs to regime type y or z. Instead denominational affiliations can be treated as "variables, which may be present to a greater or lesser degree in any case" (Goodin et al. 1999: 13, Fn. 35; my emphasis).

2. The Welfare State and reformed Protestantism

If we take the religious composition of the population as our – admittedly rough – first proxy indicating the relative social and cultural influence of different denominations, we move in Europe along the South/ North axis from the Catholic to the mixed-denominational to the purely Protestant countries. This would already suggest – as has been frequently proposed in the literature – to distinguish between the Southern welfare state model and the corporatistic-continental one (vgl. MIRE 1997). Moving along the East/ West axis allows us to differentiate *within* the group of countries with a religiously mixed or with a hegemonic protestant population between those countries in which a Lutheran state church dominates (e.g. Sweden, Germany) and – the further West we go - those countries in which the free, reformed, nonconformist, dissenting currents of Protestantism played an influential role (e.g. Switzerland, Netherlands, Great Britain, finally the US, Australia and New Zealand; cf. Heidenheimer 1983). My main argument is that critical differences between Esping-Andersen's liberal and conservative model can be attributed to the different impact of reformed Prostestantism, whereas the important differences between the southern, continental and northern model of 'social capitalism' must be attributed to the differing roles of protestant and catholic social doctrine (respectively, of the political parties attachted to these doctrines)

This general claim is, I argue, supported by the fact that once we control for the impact of reformed Protestantism, we can explain much of the institutional and historical peculiarities of the Dutch, the British and Swiss cases, which all have proven highly resistant to any easy categorization within Esping-Andersen's conventional 'three welfare state regimes'-typology. Initially Esping-Andersen himself counted the Netherlands among the social-democratic regimes (1990: 52, 74 Table 3.3, 87). Yet, the Dutch 'employment regime' which - according to his own theory - should stand in close connection with the welfare state regime, exemplifies of course the classical continental 'welfare without work'-case (cf. Visser/ Hemerijck 1997). This then has later led Esping-Andersen to characterize the Dutch employment regime as being typical for "conservative Continental welfare states" (Esping-Andersen 1996: 84). Today, it seems, he would want to characterize the Dutch welfare state in general as being 'conservative' (Esping-Andersen 1999: 77, Fn. 7), yet he hastens to add: "Among the Continental European countries, only the Netherlands deviates markedly from the corporatist mould" (ibid.: 82). Given this ambiguity in Esping-Andersen's own account, the confusion in the wider literature is anything but surprising. In accordance with the 'early' Esping-Andersen, Goodin et al. (1999) treat the Netherlands also as a prototype of the social democratic regime. Yet, they admit the serious difficulties of this classification (1999: 11-12). In contrast, Kersbergen (1995: 56), Castles/ Mitchell (1993: 123, Table 3.7), Visser/ Hemerijck (1997: 127), Scharpf/ Schmidt (2000) and Huber/ Stephens (2001) all label the Netherlands as a continental/ conservative/ catholic regime. In a detailed comparison, however, Jens Alber (1998) has recently shown that the Dutch welfare state deviates

in critical respects from the two classical conservative German and Austrian welfare states (1998: 57, 10). The Dutch old age pension, based on citizen status without a link to occupational status and financed through general contributions (not by payroll taxes) has no parallel in Austria or Germany. The same holds true for ther Dutch company-based or company-group based sickness, unemployment and pension insurance schemes, mainly financed out of employers' contributions, which find no correspondence in other continental welfare states. Alber summarizes: "With respect to welfare state structures Austria and Germany can thus be called birds of a feather but the Netherlands stand clearly apart as a different kind" (Alber 1998: 57). In the light of this dispute it is somewhat surprising that Kersbergen claims "mainstream welfare state typologies *consistently* place Germany, Italy and the Netherlands in the group of conservative welfare state regimes" (Kersbergen 1995: 56; my emphasis).

With respect to the classification of the UK already Esping-Andersen himself remains undecided (1990: 87, 74, Table 3.3). The British welfare state shares universalistic features with the social-democratic regimes (see the NHS, but also the national pension insurance), yet social protection schemes are rather residual in character and leave much room for private arrangements. This would suggest filing the UK rather under 'liberal regime'. The addition of an income- and contribution-based 'second tier', which would have also been attractive for the middle-class, happened in Britain – compared to the Scandinavian countries - very late and was then quickly annulled by Margaret Thatcher (Hinrichs 2000). Also the Swiss case sits uneasily with Esping-Andersen's typology. He himself counts Switzerland among the liberal regimes, Scharpf/ Schmidt (2000) and Huber/ Stephens (2001) however count the Switzerland among the 'Christian-democratic welfare states'. Finally Obinger describes Switzerland as a "dominantly liberal-conservative, with social-democratic elements enriched mixed type" (Obinger 1998: 18; my translation) – in other words, something from everything.

It is not by chance, I hold, that exactly in the Netherlands, Switzerland and the Britain reformed Protestantism had a discernible influence. This suggests that there might be a neglected dimension that has influenced the process of state and welfare state development in Europe and that Protestantism, in contrast to the received wisdom in the literature (Kersbergen 1995; Huber/ Ragin/ Stephens 1993; Esping-Andersen 1990; Lagner 1998), *has* contributed in a substantial and distinct way to the development of the welfare state in Europe (and furthermore, in North-America and the Antipodes), even if its contribution was often rather indirect and 'negative'. If we describe reformed Protestantism's contribution to western welfare state development as 'negative' this refers first of all to the strongly anti-étatist position of the protestant free churches and other reformed currents of Protestantism (Dissenters, Calvinists, Baptists etc.). Their emphasis on self help, autonomy of the holy local congregation, strict state/ church separation (with a church that was conceived to be de-centralized, local, democratic, congregationalist instead of episcopal in character), of individual asceticism and prudentia transported a strict anti-

state program (often reinforced by traumatic experiences of religious persecution) that - in multiple ways – had a retarding effect on welfare state development. This applies for all countries in which reformed Protestantism was influential, either because a significant minority belonged to this denomination, and/ or because reformed Protestantism possessed a formative impact on the culture of these societies due to the first settler cohorts of 'Dissent'-immigrants (Martin 1978a: 237). The retarding influence of reformed Protestantism can be easily exemplified with the Dutch orthodox-calvinist Anti-Revolutionary Party (ARP). The ARP's Calvinism had a radical anti-state attitude. Its main aim was the sovereignty in one's own circle (*'souvereiniteit in eigen kring'*), in which the state "cannot intervene and cannot command on the basis of its own power" (the Calvinist priest and charismatic leader of the ARP, Abraham Kuyper, quoted from Kersbergen 1995: 60). As a consequence the ARP frequently voted "against social legislation and as a government party failed to develop social policy" (ibid.; cf. also Kossmann 1978: 496-497; de Swaan 1988: 210-216; Cox 1993; Fix 2001: 113-116). This was important given the fact that the ARP as an electorally successful party participated in each and every Dutch government between 1901 and the German occupation in 1940 with only two minor interruptions (1905-1908 and 1913-1918). Already before the turn of the century the Calvinists had been in government as part of a coalition with the Catholics. The ARP thus played a critical role in Dutch politics throughout the entire period from the late 19th century until the 1960s. Not surprising then is the fact that the Dutch welfare state is a clear laggard among western welfare states once we account for the already high level of economic development in the Netherlands in the late 19th and early 20th century (see below, section 3).[4]

A similar point can be made with respect to the British case. Non-conformism had been first influential in the Liberal Party, and subsequently achieved prominence in the Labour party and its social policy program (Parry 1986). Non-conformism's "emphasis on individual freedom and value encouraged an accent on self-improvement and … laisser faire attitudes which were far from compatible with an interventionist approach to welfare" (Catterall 1993: 683). Early British social legislation was influenced by the Liberals sweeping victory in the 1906 elections, and this victory was not least caused by "Nonconformist religious revivalism buoyed up by opposition to the 1902 Education Act" (Powell 1992: 33). According to its self-description the new social liberalism so prominent among the left-liberal circles in Britain around the turn of the century was "practical Christianity" (Freeden 1978: 50-51), combining state welfare with an emphasis on personal responsibility and individual initiative (Freeden 1978). The Protestant Ethic of selfdiscipline, merit, and personal responsibility for the improvement of one's own lot oriented also the British working class movement (MacLeod 1984; Pelling 1965). British skilled workers

[4] The Dutch welfare state is according to my knowledge the only welfare state in which one can be freed from compulsory insurance if one thinks that the notion of social risk is in contradiction with the notion of God's absolute providence (Bieber/ Henzel 1998: 138). The strong emphasis of God's providence has of course always been a distinguishing feature of Calvinism.

emphasized prudence and foresight in planning for the future, thrift, and discipline, and this was more than a simple emulation of bourgeois values and attitudes. Finally, workers' stress of self-responsibility intermingled with more material interest in upholding and protecting workers' voluntary organizations of mutual self-help, like the friendly societies (de Swaan 1988: 192-197). This ideological and institutional heritage then had a long lasting, restrictive influence on British welfare state development where universal minimum standards were established to complement the existing voluntary schemes. Even the often praised 'path-breaking' Beveridge reforms after WW II have been described as "no more than the administrative completion of the moral programme of British nineteenth-century nonconformism" (Milward 1992: 43).

Compare this to the Swiss case: Qualified workers with a strongly developed occupational ethos emphasize professional status and group solidarity, a crucial element in this was the religiously influenced opinion that voluntary collective self-help should have the right of way before any state help sets in (Luebbert 1991: 49). Moreover, in Switzerland the reformed Conservative Party, later also the Calvinist *Evangelische Volkspartei*, at several points of time organized successful referenda against central government's social legislation (Gruner 1977). Thus, it is not Swiss federalism alone which should be held responsible for the laggard status of the Swiss welfare state. There is also ample evidence showing that the roots of the US-american progressive movement lay in New England's free-church Protestantism (Thomas 1983; Spann 1989), a reform movement which fiercely attacked 'machine politics', in particular the political clientelism widespread in the practice to award veteran pensions to loyal party followers. This protest effectively retarded national social legislation until the New Deal (Skocpol 1992, 2000). Very similar Protestant ideas about a "Christian capitalism that combined equal opportunity with Christian benevolence" (Thomas 1983: 13) have been influential in New Zealand and Australia. The working class movement here was less inspired by Karl Marx than by Christian Utopians like Henry George or Edward Bellamy with their reform visions of the 'single tax', land and urban reform, teetotalism, universal school education etc. (cf. Clark 1976; Castles 1985). The fact that progressive personal income taxes play a major role in welfare state financing in these countries (in contrast to social insurance contributions in the continental welfare states) points to this ideological background. The Fabians and their variant of Christian socialism have been particularly influential in Australia (Matthews 1993). Generally, the 'liberal' emphasis on individual responsibility should not be mistaken for pure market liberalism. Often individual responsibility was understood in moral, not in economic terms. For instance, in New Zealand social assistance was refused in case of divorce and in Scandinavian countries alcohol abuse disentitled for welfare benefits.

In contrast, in countries in which a Lutheran state church dominated, in the Scandinavian countries,[5] not much stood in the way of the government taking over responsibility for the welfare of its citizens. Lutheran Protestantism did not daim supremacy over the nation state like the Catholic Church did in southern Europe – which gave rise to fierce conflicts between clericals and anti-clericals once these societies switchted from dynastic to democratic rule.[6] Nor did Lutheran Protestantism – like the free churches and reformed sects did – want to assign to the local congregations as small 'Sondergesellschaften' (as nations within the nation) maximum autonomy with full responsibility for the welfare of their members (see Blückert 2000). Put very pointedly: if the Church of England has been called the Tory Party at prayer, we might describe the Swedish Lutheran church as the nation at prayer, as "the public agency for moral and religious nurture" ([Gustafsson, 2003 #2277]: 54) with its central gospel: 'Pray, pay and obey'. Where "identification between church and state" was "total" (ibid.: 51) there was not much reason to protest against the central state taking over responsibility in the welfare arena. In fact, the notion of separate spheres between church and state was not very well developed: priests were civil servants, whoever converted to Catholicism could be exiled as late as 1858, it was only in the late 1920s that parishes had to give up their monopoly in education, and it was only in 1952 (!) that the Swedish state by law granted full religious freedom. "Nobody was henceforth forced to belong to the Church of Sweden against his or her own free will" ([Gustafsson, 2003 #2277]: 55; [Petersson, 1994 #2305]: 196) – but even then almost 99 % of the population remained members of the Church of Sweden. From this it is more than evident that Protestantism Swedish (or Scandinavian) style was very different from Anglo-American Protestantism where religious liberty was the prime goal of the first cohorts of Dissent-immigrants combined with passionate resistance against any state involvement in private religious affairs. It is therefore not at all astounding that studies that lump these two fundamentally different strands together under the simple label 'Protestantism' can not find much evidence for a discernible religious influence on welfare state development.

True, the close relation between state and state church did provoke protest by a free church movement in Sweden, as it did in Britain. In Norway a similar conflict line was blurred by the overlap with a centre/ periphery conflict between the urban Danish elite and the Norwegian rural population (Rokkan 1967). Here, a genuine protestant Christian Democratic party formed (*Kristelig Folkeparti*), but only comparatively late, in the 1930s. In Sweden protestant revivalism became manifest in a strong temperance movement that exerted a significant influence on the

[5] The Scandinavian countries are countries "largely without Protestant dissent" (Martin 1978a: 237). Norway is the exception, though the Norwegian reformed sects remain small. Dissent, however, became politically influential through the formation of the protestant Christian People's Party in 1933 (Kristelig Folkeparti, KRF; see Narud/ Strøm 2000: 159-160). It is interesting to see that among the Scandinavian countries Norway certainly was a welfare state late-comer (see ILO, various years).

[6] „The attraction of the nation to the Protestant majority churches depended on a long tradition of isolation in absolute dynastic states with no universal (ecclasiastical) political power as a sparring partner and corrigendum" (Blückert 2000: 137).

liberal and Social Democratic party as did British nonconformism on the liberal and the Labour party. This may to some extent explain the similarities between both welfare states up to the 1950s. Yet the historical evidence suggests that Swedish free churches remained less influential than their British counterparts, and a comparison of the conflicts over the 'disestablishment' of the church and over church control of the school system in Britain and Sweden makes it clear that similar conflicts were waged with quite different intensity. On the other hand it should also be stressed that Britain with its Anglican state church cannot count as an example of the purely 'liberal' model even if we take into account the stronger role of British disestablished churches.

Although Lutheranism dominated also in Germany, the constellation was very different due to the Reich's substantial catholic minority (Manow 2000, 2001).[7] Germany shared this constellation with a country like the Netherlands (whereas it differed with respect to the importance of reformed Protestantism) and it also shared the central strategy to handle religious conflict or other social cleavages *via* the welfare state. The welfare state was used to consolidate and stabilize political and religious camps and to resolve conflict through consociational techniques of 'amicable agreement' and parity representation. The different pillars or Lager all formed their own welfare organizations which gained privileged status in the field of welfare provision and which became stabilized and subsidized through 'corporatistic' welfare state programs (for Germany see Sachsse/ Tennstedt 1992: 166-185, 1998). Conflicts over education like the Dutch *school strijd* found a solution which became also dominant in the field of charity and welfare. The state subsidized religious schools and social services and charity provided by the churches was financed by the new welfare state programs. As a consequence, today a large third sector is responsible for much of the welfare provision in these continental welfare states.

The influence of religion had at least two dimensions (institutional and cultural) and we are well advised to take both into account. On the one hand religious cleavages not only refracted the formation of societal interests along class lines, but also constituted a conflict line in its own right, especially in all questions regarding the 'division of labor' between state and church in the field of welfare services. On the other hand we should be aware of the fact that religion played and still plays an extremely important role in being often the most prominent element in the national "vocabulatory of legitimation" (Martin 1978a: 242). Take for example the US-American case, where religious pluralism prevented the church(es) from taking sides in the capital/ labor conflict. The consequence was that the public debates could be cast in profoundly religious terms, which in the US-american context with its influence of the Protestant sects and free churches meant deeply individualistic terms (Martin 1978a: ibid.). The consequences are well known: Individual self-help and local charity had the right of way, the state – if at all - could only play the role of sponsor and supporter of the 'liberté subsidiée' in the area of welfare. Yet,

[7] In 1910 the German population was to 61.2 % Protestant, and 36.7 % Catholic (in 1925 64.1 to 32.4 %, after the second World War the ratio changed to 50.5 to 45.8 % due to the loss of the Eastern states).

addressees of this 'state help for self-help' were mainly voluntary organizations in the US, whereas it were churches in continental Europe – a crucial distinction as the Dutch case exemplifies. The system of state subsidized welfare provision through third parties mostly of religious pedigree led in a religiously mixed country like the Netherland to the "consolidated competition between rival religious and secular oligopolies" (Heidenheimer 1983: 15; Martin 1978a: 240). The consequence was strong welfare state growth after 1960 - which was also meant to compensate *materially* for the pillars' loss of *social* cohesion. But the dual structure between state subsidized, group-specific voluntary programs and universal, citizen-based state provision of social protection could also have a longlasting restrictive impact on overall social spending. Switzerland and the UK would be cases in point. In Switzerland a competitive overbidding for more generous social protection between the *Lager* was prevented by federalism, in Great Britain there were no different religious camps that would compete with the labor movement for higher social protection standards.

In contrast, workers in southern Europe - when they fought against the ancient regime - always also fought against the clericals. The supra-national Catholic Church had been closely attached to the international dynasties ruling absolutist Europe, which automatically brought the church in conflict with the new republican nation state. Therefore it is not surprising that liberal parties in these southern countries introduced the new social programs often against the explicit will of the Catholic Church (for Italy cf. Sellin 1971). In fact, much of the new social legislation quite openly had anti-clerical motives. This already warns against the general assumption that Catholic social doctrine was dominant in the development of the southern or continental welfare state. Where Catholicism played a role, it was a more indirect and partially refracted role. For instance, it was only later that Christian Democratic parties like the Italian Democratia Cristiana used the welfare state as a clientelist resource in their efforts to mobilize voters (Lynch 2004). But this was rather a means to become more independent from the official church hierarchy, while the Christian Democratic parties themselves were the rather un-intended outcome of the church's fight against liberalism (Kalyvas 1996).

Quite similar starting conditions could set off quite distinct national developments, as the brief comparison between the Netherlands, Switzerland and the UK above showed. Nevertheless, closer inspection reveals many common features and structural similarities of the welfare state in countries with an influence of reformed Protestantism. These common features, I claim, are evidence of their common religious roots (cf. section 3 and 4). And although social Protestantism – in contrast to Catholic social doctrine – did not develop a strong *positive* legitimation for social policy intervention, this must not lead to the conclusion that Protestantism can be ignored as an explanatory variable in the analysis of welfare state development (cf. Kersbergen 1995: 254-255, endnote 1). Of course I do not propose to explain western welfare state development exclusively in religious terms. Important variables like strength of the labor movement, level of

industrialization, constitutional features etc. all remain important. Yet, as I will show in the following sections, the influence of the churches, of parties with a religious leaning and of the different social doctrines crucially influenced welfare state development in the western world and in critical respects altered, modified, and refracted the influence of the conventional explanatory variables like working class strength, level of economic development, strength of non-majoritarian institutions etc. .

In the following sections I present a first test of my argument in two steps. One central implication of the argument relates to the question of timing of welfare state development. My argument would pass a first test if indeed all the countries with a discernible influence of reformed Protestantism have been welfare laggards. This is what I show in Section 3. In Section 4 I will then ask if we can observe a sustained influence of Protestantism that reaches beyond the early formative years of welfare state development.

3. Has reformed Protestantism delayed welfare state development?

The argument as presented above suggests that the welfare state in nations in which reformed Protestantism was of more than marginal importance developed relatively late. In contrast, where a Lutheran state church dominated, we expect that the central state took over responsibility for the 'labor question' rather at an early point of time. In other words, the argument predicts that European countries like Switzerland, Netherlands or Great Britian plus the US, Canada and Australia/ NZL should be found among the late welfare states, whereas countries like Germany and Sweden with their dominance of a Lutheran national church rather should be expected to have taken a pioneering role in welfare state developments.

Relative 'earliness' or 'lateness' can be understood in two ways – in a chronological or in an economic sense. Chronological time can be measured as the date of first social legislation,[8] economic time can be measured, for instance, as GDP per capita at the time of first social legislation. Countries then can be late in one, two or in no dimensions (see Figure 1, cf. Wagschal 2000: 49): they can be later than the average in a chronological sense (quadrant I.) and / or later than the average in an economic sense (quadrants II. and III.) or they can be late in none of these two dimensions (quadrant IV.). Switzerland, Canada and the United States are clear welfare state laggards since they are late in both dimensions. Our other reformed protestant countries like

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[8] In accordance with the literature I take the introduction of first major compulsory social programs as an indicator, neglecting state funding of voluntary private programs (cf. Schmidt 1998: 180).

New Zealand, Great Britain, and the Netherlands are 'early' in a chronological sense of the word (Australia is a borderline case), *yet without exception all of them are late in an economic sense.*

(Figure 1)

A more precise picture emerges if we do not restrict our analysis by looking only at the introduction of the *first* social program. 'Time' becomes a less arbitrary indicator if we look at all major social programs – old age-, accident-, health- and finally unemployment insurance. The relative economic timing of social legislation can then be measured in two ways, either as the GDP per capita at the time of introduction of each of these social protection programs averaged over all four dates, or as the level of economic development at the 'average' (hypothetical) introduction year calculated as the mean of the different years of major social legislation. With respect to the group of welfare state laggards both procedures lead to almost identical results (Table 1), whereas the composition of the groups of early and 'normal' welfare states varies a bit more depending on which of the two ways of calculation are used.

(here Table 1)

The cluster of late welfare states is apparently quite stable and comprises all those countries that already qualified as 'late' in our first analysis which was restricted only to the introduction of the *first* major social protection program (with Belgium being a borderline case; see above Figure 1; quadrant II. and III.). Needless to say, the Commonwealth-countries Australia, New Zealand and Canada and also the USA share with our European countries UK, Netherlands and Switzerland a substantial influence of reformed Protestantism (Mol 1972; Barrett 1982)[9]. The data therefore quite clearly confirms a pattern of a delayed "westward spread of the welfare state" which Arnold Heidenheimer had explained with religious factors already in 1983.

This pattern is confirmed if we substitute per-capita GDP with other variables measuring economic development like share of first sector employment or degree of urbanization at the

[9] One objection to my argument might be that all these countries were and are also immigration countries and that there exists a clear trade-off between political participatory rights and social entitlements: "The simple rule governing the interaction of social benefits and political citizenship is that the wider the scope of welfare, the less encompassing social citizenship can be; the more open membership in the political community, the more restricted access to social measures must be" (Baldwin 1997: 111). Hence, the common laggard status of their welfare states might be rather due to immigration, not due to Protestantism. Yet, to the extent that their welfare state development (and welfare state structures) is (are) similar this should point to a common Protestant background given that Australia and New Zealand were much more successful in the restriction of immigration whereas the UK, Netherlands and Switzerland were emigration, not immigration countries. However, a successful regulation of immigration certainly was a decisive background condition for the development of the 'radical' antipodian welfare state variant in Australia and New Zealand with minimum wage legislation, compulsory arbitration and a protectionist consensus (Castles 1985: 56-60, 1996).

moment of first major social legislation (cf. Alber/ Flora 1981; Alber 1982). Switzerland could be expected to be an outlier with respect to urbanization, given that much of Switzerland's early industrialization took place in rural areas[10] – but apart from the Swiss case table 2 and 3 confirm that we have to include Switzerland, the UK and the Netherlands among the group of welfare laggards (Table 2 and 3; for similar results see Flora/ Alber 1981 and Alber 1982; Obinger/ Wagschal 2000 do not include Britain and the Netherlands in their group of late welfare states, which then of course renders their explanation for relative welfare state timing highly problematic).

(here Table 2)

(here Table 3)

Still an alternative way of proceeding would be to look at the coverage rate of the new social insurance programs with respect to those dependently employed outside of agriculture. One could well argue that legislation itself does not provide us with enough information about the 'real' impact of the new welfare state and that we, instead, have to aks how relevant and encompassing the new social insurance schemes were in terms of coverage. Table 4 compares welfare state coverage rates for workers (in the 2nd and 3rd sector) for four groups of countries – the Nordic (Norway, Sweden, Finland and Denmark), the continental (Belgium, Austria and Germany), the southern (Italy and France)[11] and the – for lack of a better name - 'belated-protestant' welfare states (Netherlands, Switzerland and the UK) at five points of time (1890, 1900, 1910, 1920, 1930). Again we can confirm the previous findings that the Netherlands, Switzerland and Great Britain clearly belong to the group of Europe's 'late' welfare states.

(here Table 4)

A further – rough – confirmation is provided by a simple OLS regression. The literature provides us with some standard explanations for the timing of welfare state development. Most prominent among the factors that are said to be responsible for an early take off of the welfare state are the strength of the labour movement and the authoritarian character of the state in the last quarter of the 19th century (cf. Alber 1982). To test for these factors I took as my independent variables union density before 1913 (Stephens 1979: 115), left vote before 1918 (Bartolini 2000) and the 'authoritarian legacy' index of Huber/ Ragin/ Stephens (1993). My dependent variable is the level of economic development at the moment of the first introduction of a major social protection

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[10] Swiss industrialization was concentrated in the small-enterprise semi-artisanal sector (printing and clocks, later machine tools) "Rural property ownership was especially widespread and most industry was found adjacent to hydroelectric power in rural valleys" (Luebbert 1991. 48). Compared to France, for instance, Switzerland was much less urbanized, yet much more industrialized at the turn of the century.

[11] The result does not change substantially if we classify France as a continental-conservative welfare state.

program (Schmidt 1998: 180). Including a dummy for those countries in which more than 15 % of the population were member of a reformed protestant church around 1900 (Mol 1972) renders all other three variables insignificant, while the dummy has a high and robust explanatory power (see Table 5).

(here Table 5)

But what if we take a look at the postwar period? Can we detect an influence of Protestantism that reaches beyond the early formative period of welfare state development?

4. Social Democracy, Christian Democracy – and social Protestantism?

Apart form the substantial delay in welfare state formation can we detect institutional similarities of the free-protestant welfare state type? Does developmental delay translate into specific dynamics of subsequent welfare state expansion after 1945? Given the diverging developmental postwar paths of, say, the Dutch and Swiss welfare state, we may harbour doubt about being able to identify common features among our group of 'reformed protestant' regimes. Difficulties are already indicated by the fact that these states today are even often seen to belong to entirely different regime types (see above). Yet, given what we know about the importance of historical sequencing (cf. Pierson 1999; Kamens 1976) we should also expect long-term consequences of the subtantial differences in the timing of welfare state development. And in fact the literature frequently refers to these sequence effects. A simple example for 'policy preemption' has been described by Abram de Swaan as the "law of arresting advance" (de Swaan 1988: 157): If the state takes over social responsibility rather late, private arrangements are already in place. Once these private, voluntary arrangements come into crisis, the state intervenes – but in a specific, restrained way: not by entirely substituting, but by stronger regulating and subsidizing given arrangements as well as by providing for complemetary protection with additional schemes build around the existing arrangements. This usually means that welfare state provision comes in the form of universal basic protection built around group specific programs, because "where the voluntary collectivization of [welfare] provision had preceded very far and mutual societies or unions had built up extensive institutional networks of their own, they tended to resist any takeover by the state and to oppose compulsory arrangements" (de Swaan 1988: 157).

Union run friendly socities are a good example. As Jens Alber has shown, countries with an early development of unions are those countries in which compulsory social insurance came rather late (Alber 1982: 145-146, Table 17). Yet, it was the Protestant countries in which workers organized themselves at a relatively early point of time. This sequence then leads to a dualism between

private, group specific insurance schemes with a varying degree of public regulation and imposed obligation on the one side and a comparatively basic state provision of social protection on the other side (cf. Esping-Andersen 1990: 24-25). This dualism equally characterizes the Swiss, Dutch and the British welfare states. It were also these unions that tried to defend their own schemes of voluntary self-help that at the same time fought for state intervention to increase security at the workplace. This explains why the UK and Switzerland were laggards with respect to social protection programs, but forerunners in the field of work safety regulations.

The long-term effects of the institutional decisions during the formative period of welfare state development become clearer if we take a look at specific welfare state programs, for instance old age insurance. Here we can observe some striking similarities between the Netherlands, Great Britain and Switzerland which these countries share with our other 'belated protestant' welfare states. One common feature is that all countries in this group put a much stronger emphasis on fully funding public pensions whereas all other mature welfare states follow the pay-as-you-go mode of pension financing. Furthermore we can observe that the reformed protestant countries have established a dual pattern of old-age protection which combines a basic, universal, tax-financed public scheme with a second private pillar (see Table 6). True, the US-American Social Security follows classical 'Bismarckian' insurance principles, yet low income ceilings force broad segments of the labor force to complement Social Security entitlements with private/ company pensions. Complementary schemes come in the form of company pensions in Switzerland, the UK and the USA, whereas they are organized on the level of the industry sector in the Netherlands. Despite these institutional differences similarities predominate.[12]

(here Table 6)

With respect to the postwar development we can observe that in all these countries an income-related second tier as a complement to the basic protection scheme was introduced only relatively late (Hinrichs 2000: 356-366). Karl Hinrichs in his study of pension reforms identified five 'late comers' in this respect - among them the Netherlands, Australia, Great Britain and Switzerland plus New Zealand which did not introduce an income related second tier at all. Moreover, if a second tier was introduced, it was introduced in a specific way. Whereas the Swedish ATP pensions followed Bismarckian principles, in our group of countries governments regulated, subsidized and made obligatory existing private or company pensions. Furthermore, delay can be observed not only with respect to the introduction of first welfare programs but also with respect to their subsequent expansion. This had important consequences for the response of these

[12] In my view there is not much justification to count Dutch company pensions as public pension expenditures and Swiss company pensions as private (see Esping-Andersen 1990: 81, 87). The difference is that the Durch Labour minister can declare membership in a sector fund as obligatory for a company since 1965, whereas his or her Swiss counterpart has this right 'only' since 1982.

countries to the times of austerity after 1973/74 (Hinrichs 2000) given that entitlements recently granted are usually easier to cut than mature, well entrenched entitlements (Pierson 1994).

Another and very different welfare state sector which underlines the impact of religion is child-care and family policy. It is beyond dispute that this is an important welfare state sector given that a child care infrastructure via its impact on female labor force participation has a profound influence on the political economy of the OECD-countries, with consequences for the employment structure (part-time/ full-time, industry vs. service employment), the overall employment rate, and profound consequences for the productive use of human-capital investments. As the low-fertility equilibrium of the continental welfare states show this feature of the western welfare state has also substantial feedback effects on the long-term fiscal sustainability of welfare states themselves ([Esping-Andersen, 1999 #2303]: 67-70). Yet, once we investigate into the 'women-friendliness' (Hernes) of welfare states the traditional welfare state typology seems to be of not much help. If, as it is claimed by Esping-Andersen, "the social democratic regime's policy of emancipation addresses both the market and the traditional family" (Esping-Andersen 1990: 28) we should expect high female labor force participation in combination with encompassing child care provision in all countries that saw an impact of the Left similar to that in the Scandinavian countries, e.g. in Austria or Australia. The data, however, does not support this expectation. Moreover, Esping-Andersen's claim that "day care, and similar family services, are conspicuously underdeveloped" in conservative-continental welfare states (1990: 27) is clearly contradicted by the French, Belgian and to some extent the Italian case (Morgan 2002, 2003, 2004). These are countries expected to have patronizing conservative-catholic welfare states with a dominance of a traditional familialistic ideology and the male-breadwinner role model as the regulative idea of the labour market. Yet, in France, Belgium and – less strongly – in Italy child care has been 'de-familialized' as strongly or even stronger, as in the Scandinavian welfare states, and labor force participation of mothers is high (see Table 7). At the same time these 'catholic outliers' were not strongholds of a feminist movement, not to speak of strong unions (whereas the claim that the labor movement always was in favor of a high female labour force is historically untenable).

The feminist welfare state literature, in turn, which rightly criticized Esping-Andersen's 1990 contribution as largely 'gender blind' has not yet come up with a plausible alternative explanation for why some welfare states are much more women friendly than others (Lewis 1992; Orloff 1993; Lewis/ Ostner 1994; Sainsbury 1994, 1996). Only recently Kimberly Morgan has presented a highly convincing account of the French, Belgium and Italian 'exceptionalism' [Morgan, 2002 #2272; Morgan, 2003 #2273], 2004) and her argument is supported by Birgit Fix's comparison of family policy in Belgium, Netherlands, Germany and Austria ([Fix, 2001 #2299]). Both authors agree in that church/ state conflicts over education are central for the understanding of the strong role that the French, Belgian and Italian state plays in child care and early education and

for the strong role that the 'third sector' plays in child care service provision in the Netherlands and Belgium. The varying importance of mostly religious third sector organizations in the provision of care for the elderly has been interpreted along similar lines (Alber 1995).

(here Table 7)

Still another welfare state sector in which the church/ state relation was of great importance is social assistance. Here the fact that it is the catholic countries of Europe's south in which national social assistance schemes either up to the present day have not been introduced at all (Portugal, Spain, Italy, Greece) or have been introduced extremely late (France; cf. Matsaganis et al. 2003; cf. Kahl 2004) again suggests that religion in general and the role of state/ church relations in particular are of importance for the institutional setup of today's welfare state.The largly varying size of the third sector may be mentioned in this respect too (Evers/ Laville 2004).

As a further test of the more long-term institutional effects of the – religiously influenced – timing of welfare state development we finally may switch again from an institutional perspective towards a comparative-quantitative analysis by asking: is there a measurable influence of 'reformed Protestantism' on aggregate indicators of welfare state activity like 'total social expenditure'? Table 8 reports the results of a pooled analysis in which social expenditure (as a share of GDP) in 19 OECD-countries from 1962 to 1989 figures as the dependent variable.[13] The independent variables comprise the 'usual suspects' of the comparative welfare state literature like cabinet share of left and Christian Democratic parties, the unemployment rate, the dependency ratio (population share of those under age 14 or over age 65), GDP per capita, union density and importance of non-majoritarian institutions (cf. Huber/ Ragin/ Stephens 1993). A dummy controls for the influence of reformed Protestantism in those countries in which more than 15 % of the population were of a reformed protestant denomination in 1960 (or close to 1960, depending on data availability; Mol 1972; Barrett 1982). We cannot measure the partisan-political influence of reformed and free-church Protestantism directly, because religious parties of this leaning formed only in a few countries (New Zealand, Switzerland, Norway, Netherlands). Therefore we cannot simply measure the relative vote-, seat-, or cabinet shares of Protestant parties. Moreover, as I have argued above, reformed Protestantism in many countries exerted a

[13] I used the welfare state data set of Huber/ Ragin/ Stephens (1997). To account for serial autocorrelation in the residuals I applied an error-correction model (accounting for AR (1) dynamics in the errors; cf. the ρ-value in Table 8). I calculated panel-corrected standard errors to account for heteroscedasticity in the errors (Beck/ Katz 1995; a more detailed justification for the method applied isprovided in Plümper/ Troeger/ Manow 2004). I tested for structural breaks but the coefficients forProtestantism did not change much across the period of expansion (≈ 1960-1973), stagnation (≈ 1974-1981), and contraction (≈ 1981-1990). The same is true for the coefficients of the Left- and Christian democracy-variables. In other words, it is justified to estimate one coefficient for the entire panel-period 1962-1989.

profound influence on the programmatic stance of left and liberal parties. It would, therefore, be too restrictive to solely focus on explicitely/ programmatically Protestant parties.

(here Table 8)

Table 8 provides confirmation as regards the explanatory strength of the standard variables - the only exceptions being the role of non-majoritarian institutions and the impact of the dependency ratio. Striking, however, is the strongly negative, robust coefficient on the Protestantism-dummy. Remarkable is also that the inclusion of the dummy renders the variable 'cabinet share of Christian Democratic parties' insignificant – even though the Netherlands with its generous and encompassing welfare state figures here among the free-protestant countries and even though the period covered by the panel excludes the first postwar decade. The panel therefore rather discriminates *against* a hypothesis which predicts a delayed welfare state development in the countries with a significant influence of reformed Protestantism.[14] It is against this background that the results in Table 8 might lead one to suggest that a considerable part of the influence on welfare state development previously ascribed to Christian Democracy might have been falsely attributed. The same might be true for the variable 'non-majoritarian institutions' given that federalism, a second chamber and strong and active constitutional courts are highly collinear with the reformed Protestantism variable. How much 'Protestantism' explains away the variation previously ascribed to 'Christian Democracy' or federalism remains an open question. Yet, in my view one conclusion clearly follows from the above analysis: the literature's neglect of the impact of Protestantism on modern welfare state development cannot be defended.

5. Social Protestantism as a neglected variable in the comparative literature on the welfare state

The preceding sections have presented empirical evidence supporting the claim that 'religion' accounts for a substantial part of the institutional variation between western welfare states. Fierce church/ state conflicts over questions of responsibility in education, charity and welfare provision, the influence of Catholic and Protestant parties or, respectively, the absence of any opposition against the state overtaking responsibility in the new domain of social protection combined in shaping the institutional design and the program features of western welfare states in crucial respects. In so far as previous studies have attempted to account for religious factors they have, however, focused exclusively on the critical role of Catholicism, Catholic social

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[14] Since we have no complete time series reaching back to the 1950s we cannot extend our analysis further backwards. Yet, all we know about the expenditure profiles of our country group (Switzerland, Netherlande, Great Britain, USA, Canada, New Zealand and Australia) between 1950 and 1960 is that expenditures were clearly below the OECD-average. On average these countries spent 6.9 % of GDP as social expenditures in 1950 compared to 8.7 % in the rest of the OECD (ILO 1954).

doctrine and Christian Democracy (Wilensky 1981; Esping-Andersen 1990; Boswell 1993; Castles 1994; Kersbergen 1995). Here I have argued that it is necessary to also analyze the impact of 'social Protestantism' on western welfare states. This impact has been substantial both with regard to the delayed 'take off' of the welfare state in countries in which reformed Protestantism was of some importance as well as with respect to the further institutional development of these 'belated' welfare states. Common features like the dominance of the fully funding method of pension financing, the dualism between basic flat-rate but universal entitlements in pension insurance combined with private arrangements point to the common roots of the 'belated Protestant' welfare states.

Why has this Protestant heritage, as of yet, been largely ignored in the literature? In my view especially two causes have to be mentioned in this respect:

- First, a frequent misleading assumption in the literature is that each plea for a strict separation between state and society automatically indicates a secularized neoliberal orientation. But not each and every instance in which the central state abstains from intervening into society should be interpreted as a hailing to free-market principles. Not Adam Smith or John St. Mill, but Calvin and Zwingli were the central intellectual reference points in 'liberal' Switzerland.[15] Closely related is the widespread perception that the "dominant pattern" in the relation between political parties and religion is the "tight association between religion and the Right" (Berger 1982: 1). This ignores the Protestant roots of radical liberalism. Andre Gould identified three core elements of historical liberalism: the fight for parliamentary democracy, the desire to create and expand markets, and the opposition against the states' administration of religious affairs ([Gould, 1999 #2081]: 3-4; cf. Madeley 1982). It is therefore false to equate liberalism only with the second, the economic goal. To restrict the role of the state to provide society only with "pure human necessities" (Troeltsch 1912 [1994]: 954, freely translated) was a doctrine that had primarily religious, not economic reasons in the countries of reformed Protestantism. Charity and caring, in contrast, were seen to fall into the responsibility of the parish or congregation, whereas it fell into the individual responsibility to avoid dependence on welfare in the first place. Individual thrift, self-discipline, the fight against idleness and drinking were the central elements in this 'liberal' program – with often not so liberal moral overtoners and a high degree of expected conformism. Of course we can label this as 'liberal', yet we should keep in mind that this kind of liberalism (with its often harsh moral consequences) was and is deeply rooted in reformed Protestantism. This at

15 Of course, the Scottish (market-)liberalism itself had Protestant roots – and was influential for religious mobilization in other countries. For instance, the calvinist "Anti-School Law League" in the Netherlands was consciously designed after the british "Anti-Corn Law League", itself a movement "with much dissenting support" (Martin 1978: 187; Daalder 1966: 200).

least can explain the the specific geographic pattern of dispersion of this variant of liberalism.

- Secondly, also misleading is the assumption that Protestantism could not have had a discernible influence on the development of the welfare state given that it was dogmatically fragmented and organizationally weak and - in contrast to political Catholicism - formed political parties only under exceptional circumstances (Switzerland, Netherlands, Norway; New Zealand).[16] True, reformed Protestantism had an anti-etatist and therefore an anti-welfare state program, yet this must not lead to the conclusion that we can afford to neglect the role of Protestantism in modern welfare state development. Such a judgement is often based on a comparison between Catholicism and Protestantism that fails to account for the profound differences *within* Protestantism (cf. Castles 1994). Yet, if we want to investigate the role of religion in welfare state development, it is critical to differentiate between Lutheran and reformed currents of Protestantism.

What does this all mean for Esping-Andersen's welfare state typology? The work of Stein Rokkan has shown that one cleavage of central importance in Europe is of religious character (Flora et al. 1999). This cleavage dimension should be taken seriously, and should not be treated as a kind of side aspect ('Nebenwiderspruch') of the labor/ capital conflict. I think it is false to explain modern welfare state development *exlusively* with workers' mobilization and to account for the role of religion only insofar as workers organized also along denominational lines, i.e. where political Catholicism successfully mobilized Catholic worker to vote for Christian Democratic parties and to join Christian unions. As has already been argued by Jens Alber, the religious cleavage dimension is central for the understanding of those social programs that *do not* touch directly upon the labor/ capital conflict like caring for children or the elderly (Alber 1995). As I argued in this paper, there is ample evidence that the religious cleavage dimension was also critical for how the capitalist conflict was pacified by means of the welfare state. Especially if we account for the crucial differences between Lutheran and reformed Protestantism can we solve many of the empirical and theoretical problems of Esping-Andersen's approach. In particular we can better distinguish between the southern and the continental, as well as between the conservative and the liberal welfare state regimes.

16 In 1917 the Protestant Political Association was founded in New Zealand with already 200.00 members in 1919 (Richardson 1992: 218-219). The association's program emphasized the fight against "rum, Romanism and rebellion" (ibid.: 218). See also the example of the Norwegian *Kristelig Folkeparti*. We also have to mention the *Evangelische Volkspartei* in Switzerland, which ran between 1919 and 1987 in 19 Bundesrat-Elections. Of course also the Swiss *Freisinn* has always been strongly influenced by reformed Protestantism. Kalyvas's claim that Protestant parties were only founded in the Netherlands is wrong (1996: 3, Fn. 6).

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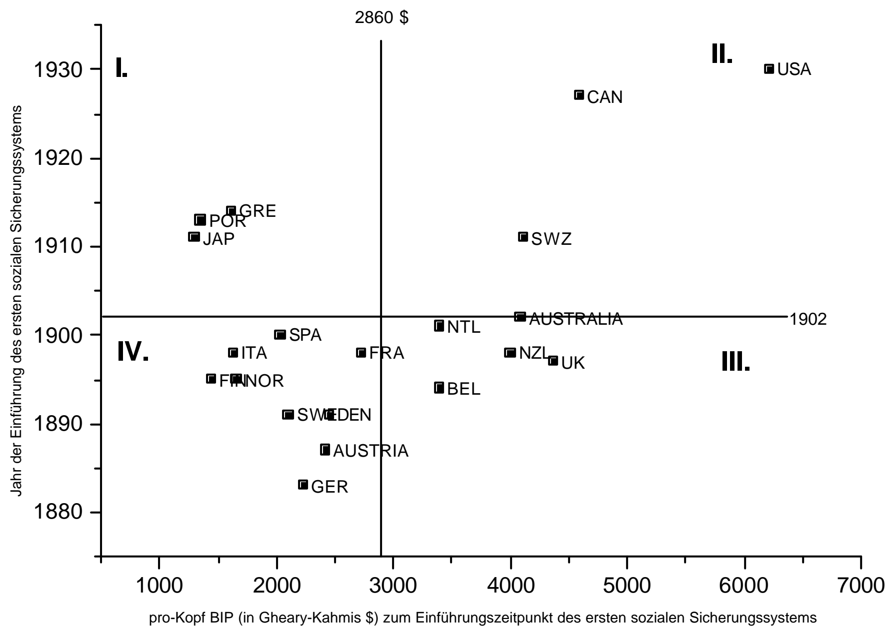
Figure 1: Level of economic development at the time of the introduction of the first major social protetion program (20 OECD countries)



Sources: Schmidt (1998: 180) and Maddison (1995: 194-201), cf. Wagschal (2000: 49).

Table 1: Rank order according to level of economic development at the moment of introduction of accident-, sickness-, old age- and unemployment-insurance as well as family support (1. lowest, 21. highest level)

Average per capita GDP in the 'introduction years' of the welfare state	**Per capita GDP in the average 'introduction year'**
1. Greece (10077 $)	1. Portugal (1.780 $)
Mean - 1 Standard Deviation (10.783 $)	2. Norway (2.079 $)
2. Spain (10812 $)	*Mean - 1 Standard Deviation (2.188 $)*
3. Portugal (13204 $)	3. Finland (2.476 $)
4. Norway (13278 $)	4. Greece (2.526 $)
5. Italy (13421 $)	5. Spain (2.525 $)
6. Austria (13386)	6. Sweden (2.584 $)
7. Ireland 13540)	7. Italy (2.703 $)
8. France (16850)	8. Japan (2.709 $)
9. Finland (16951)	9. Ireland (2.800 $)
10. Germany (17031)	10. France (3.217 $)
11. Japan (17075)	11. Austria (3.312 $)
12. Denmark (11763)	12. Germany (3.416 $)
13. Sweden (17885)	13. Denmark (3.417 $)
14. Belgium (19490)	*Mean (3.836 $)*
Mean (20958 $)	**14. Belgium (3.887 $)**
15. Netherlands (21750)	**15. Netherlands (4.324 $)**
16. New Zealand (25274)	**16. UK (5.032 $)**
17. UK (25277)	**17. Australia (5.095 $)**
18. Australia (29464)	*Mean + 1 Standard Deviation (5.483 $)*
Mean + 1 Standard Deviation (31134 $)	**18. New Zealand (5.670 $)**
19. USA (35955)	**19. Switzerland (6.026 §)**
20. Switzerland (43816)	**20. USA (7.018 $)**
21. Canada (47829)	**21. Canada (7.929 $)**

Source: own calculations based on Schmidt (1998: 180 Table 5) and Maddison (1995: 194-201, Table D-1a and D-1b).

Table 2: Rank order, level of economic development at the the moment of the first introduction of a major sodal insurance program for 12 West-European countries (share of 1st sector employment of total employment; Rank 1: highest share, Rank 12. lowest share)[17]

1.	Finland
2.	Italy
3.	Austria
4.	Denmark
5.	Sweden
6.	France
7.	Norway
8.	Germany
9.	**UK**
10.	**Switzerland**
11.	**Netherlands**
12.	**Belgium**
Sources: Own calculations, based on Flora (1983 and 1983a).	

[17] Some of the data had to be estimated, since I could not find precise information on agricultural employment for all points in time.

Table 3: Rank order, level of urbanization at the moment of the introduction of the first major social insurance program for 13 West-European countries (share of population living in cities with more than 100.000 inhabitants; Rank 1: lowest share, Rank 13. highest share)

1.	France
2.	Finland
3.	Norway
4.	Sweden
5.	Switzerland
6.	Belgium
7.	Italy
8.	Germany
9.	Ireland
10.	Denmark
11.	Austria
12.	**Netherlands**
13.	**UK**

Source: Own calculations based on Flora (1983 and 1983a).

Table 4: Coverage of social insurance schemes as a % of those not employed in agriculture, 1890-1930

	1890	**1900**	**1910**	**1920**	**1930**
Nordic Welfare States (Nor, Dnk, Fin, Swe)	0	10.1	22	54	63,4
Continental Welfare States (Austria, Bel, Ger)	17,2	29,6	40,3	46,7	64,9
Southern Welfare States (Ita, Fra)	1.5	9.7	12.2	39.9	52.6
‚belated-protestant' Welfare States (Swz, Ntl, GB)	1.5	5.8	8.4	35.8	57.6

Source: Flora (1983, 1983a), own calculations.

Table 5: Determinants of the relative timing of welfare state development in 16 countries (OLS-regression)

Dependent variable: level of economic development at the moment of the introduction of the first major social protection program	Model 1 Non standardized coefficients (standard error)	Model 2 Non standardized coefficients (standard error)
Union density (1913/14)	-12.06 (35.91)	
Left vote share (before 1918)		-25.96 (24.8)
'authoritarian legacy'	-139.42 (306.49)	-40.55 (250.27)
Reformed Protestantism	2102.3*** (602.3)	1417.69** (546.154)
adj. R^2	0.64	0.58
Sources: economic development Schmidt (1998: 180); union density Stephens (1979: 115); left vote share Bartolini (2000); 'authoritarian legacy' Huber/ Ragin/ Stephens (1997); reformed Protestantism Barrett (1982).		

Table 6: Pension insurance in the OECD, share of GDP and importance of the ‚second pillar'

	'1st Pillar' Public Pension	'2nd Pillar' Company Pensions
	Expenditures in % of GDP (1995)	**Assets as % of GDP (1993)**
Australia	2.6	45
Canada	5.2	25
Netherlands	6	85
New Zealand	5.9	k.A.
Switzerland	6.7	70
UK	4.5	82
USA	4.1	72
ø	**5**	**63.1**
Austria	8.8	k.A.
Belgium	10.4	10
France	10.6	3
Germany	11.1	6
Italy	13.3	4
Spain	10	2
Ø	**10.7**	**5**
Denmark	6.8	21
Finland	11.5	0.5
Sweden	11.8	16
ø	**10.0**	**12.5**

Source: Disney (2000)

Table 7: Child Care and Female Labour Force Paricipation Rates in Western Europe in the 1990s

	Percentage of Children < 3 years in public Child Care	**Percentage of Children 3 <, < 6 in public Child Care**	**Female Labor Force Participation of Mothers, married/ cohabiting**	**Female Labor Force Participation of Mothers, lone mothers**
Austria	6	80 (part time)	46	58
Belgium	**30**	**95**	**61**	**68**
Denmark	48	83	84	69
Finland			70	65
France	**34**	**99**	**68**	**82**
Germany	2	78 (part time)	41	40
Ireland	2	55 (part time)	32	23
Italy	**6**	**91**	**41**	**69**
Netherlands	10	71 (part time)	52	40
Norway	23	61	77	61
Portugal	12	48	55	50
Spain	2	84 (part time)		
Sweden	40	83	80	70
United Kingdom	2	60 (part time)	62	41

Source: Morgan 2003: 265, 267, Tables 1, 2, and 5

Table 8: Social Expenditures as a Share of GDP, 19 OECD countries 1962-1989

Dependent Variable: Social Expenditures as a share of GDP	Model 1 non standardized coefficients (standard error)	Model 2 Non standardized coefficients (standard errors)
Share of population 65 above and below 14 years.	0.1243 (0.1441)	0.1862 (0.1582)
Unemployment	0.5276 (0.0848)***	0.5357 (0.0857)***
Union density	0.0734 (0.0261)***	0.0718 (0.0277)***
Per capita GDP	0.0005 (0.0001)***	0.0007 (0.0001)***
Non-majoritarian institutions	-0.2586 (0.2378)	-0.0380 (0.2570)
Cabinet share, left parties	0.3269 (0.0808)***	0.2648 (0.0854)***
Cabinet share, Christian Democracit parties	0.2448 (0.1175)**	0.1721 (0.1297)
Reformed Protestantism		-4.658 (1.201)***
R^2	0.26	0.26
Prob > c^2	0.000	0.000
r	0.91	0.92
NObs	481	481

Remarks: Combined cross section and time series analysis with OLS, no constant, Panel-Corrected Standard Errors and correction for serial autocorrelation in the residuals. ** $p < 0.05$; *** $p < 0.01$. Source: Own calculations based on Huber/ Ragin/ Stephens (1997).