

ESPING ANDERSON'S 3 MODELS OF WELFARE – AN EVALUATION IN DEPTH.



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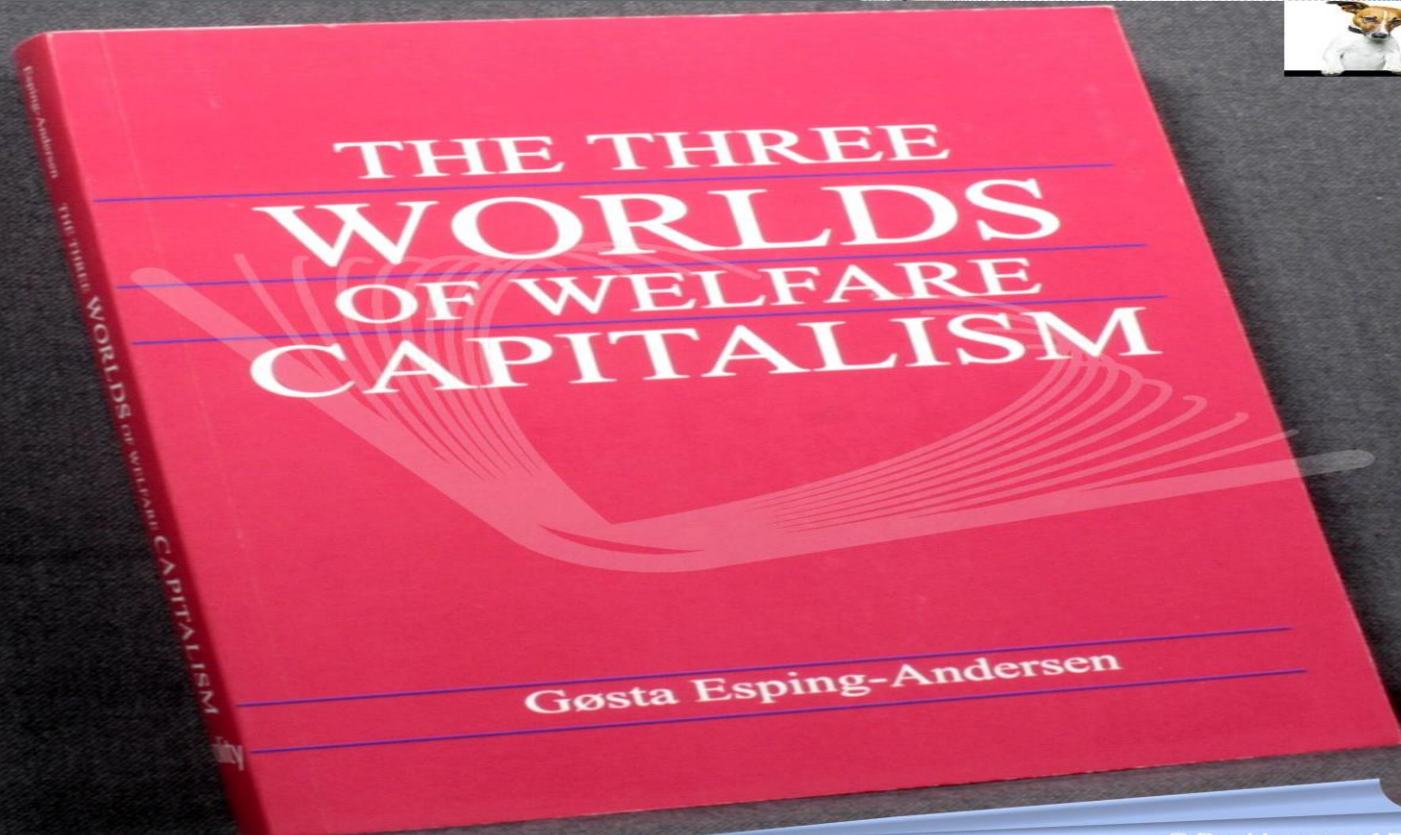
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THE THREE WORLDS OF WELFARE CAPITALISM

GOSTA ESPING ANDERSEN

Hande Taneer



INTRODUCTION

ESPING ANDERSON & HIS THEORY:

Danish sociologist **Esping-Andersen (b. 1947)** developed theories based on Marshall's criticisms, highlighting diverse paths, societies take to citizenship and rights. He assessed welfare systems based on 'decommodification,' indicating their independence from market economics.

Let's observe whether this theory is being supported or disputed and evaluate how it relates to or diverges from the current welfare states in various countries.



THE THREE WORLDS OF WELFARE CAPITALISM

GØSTA ESPING-ANDERSEN

September 24th, 2014

Conservative/
Corporatist

Liberal

Social Democratic/
Scandinavian

The Liberal Welfare State Model

Esping Anderson(1990) remarks in the liberal welfare state model, welfare provision is minimal and residual, this model entails minimal state intervention with excessive marketization, however this is argued upon by **Polanyi (2001)** by emphasizing that excessive marketization tends to "disembed" the economy from social relations, transforming labor, along with money and land, into "fictitious commodities."

According to **Esping Anderson (1990)** their Characteristics include;

- **Flexible Labour Market, Income inequality & Job insecurity:**

Supporting this **Kelton (2015)** remarks countries following liberal system are characterized by flexible labor markets with minimal regulation and this flexibility can potentially result in heightened income inequality and job insecurity.

- **Means tested benefits, Social In-equalities & lack of social protection.**

In support to this, **Dukelow & Kennet (2018)** remarks in liberal welfare states, social spending is typically lower than in other models, relying heavily on means-tested aid with the aim of assisting the most vulnerable, however, the liberal welfare state exacerbates social inequalities and lack of social protection.





Let us see how far the welfare system in UK and USA are based on liberal system, how they are made into policies, how they are practiced and the report.

Liberal

Australia

Canada

Ireland

New Zealand

UK

USA

POLICIES

Major Mean tested policies in US;

(Federal Laws & Legislations , USA gov, 2024)

- Temporary Aid to Needy Families (TANF),
- The Localism Act 2011 allows local councils to give preference for social housing to employed individuals.
- Responsibility and Work Opportunity Act (1996)

Major Mean tested policies in UK

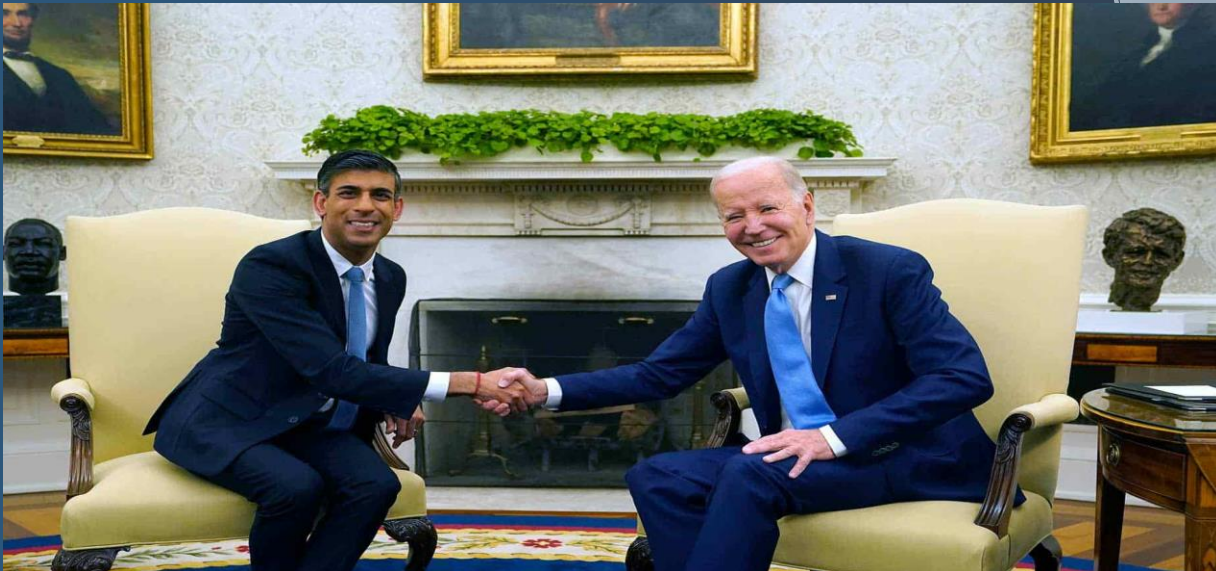
(Welfare Reform act, 2012 - UK Legislation)

Part 1 Universal credit

Part 2 Working-age benefits

Part 3 Other benefit changes [Housing benefit, state pension etc]

Part 4 Personal independence payment

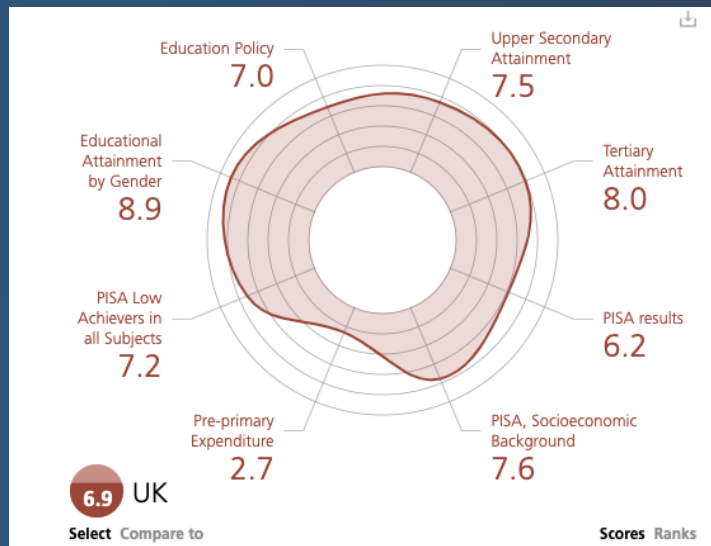


POLICIES INTO PRACTICE

Education (Non-Means tested Policies)

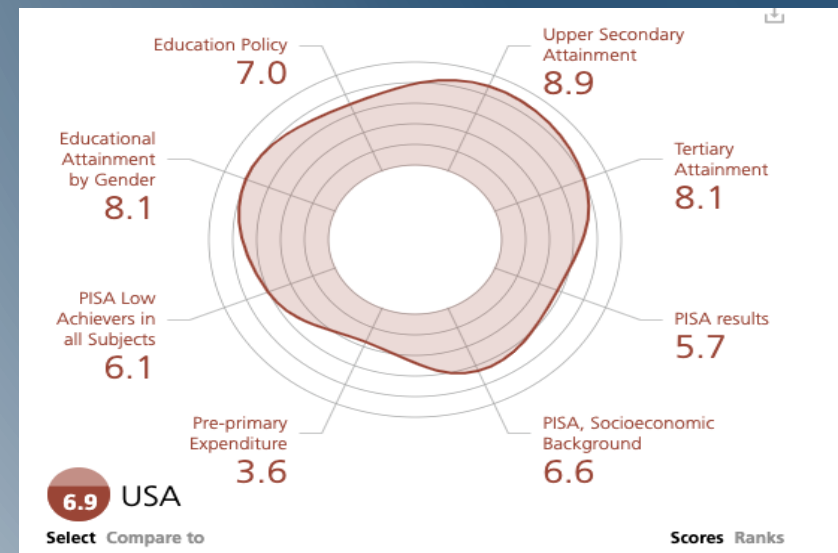
United Kingdom

In the UK, the Early Years Foundation Stage (EYFS) framework sets standards for the care, learning, and development of children from birth to five years old preparing them for school and future learning. (GOV.UK, 2024)



United States of America

- The US Educate America Act of 1994,
- The No Child Left Behind Act of 2001,
- The Common Core State Standards have collectively pressured public schools to improve student performance. (Department of Education, USA, 2024)

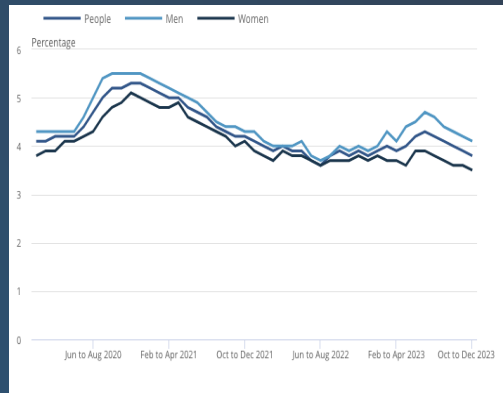
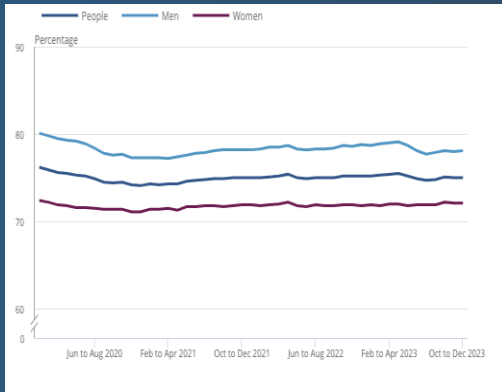


POLICY INTO PRACTICE

EMPLOYMENT - LIBERAL WELFARE STATE MODEL

United Kingdom

The Office for National Statistics census (2024) depicts in the graph below, the decline in unemployment from the previous quarter, reaching the same rate as it was a year ago, and the employment rate remains below estimates, from a year ago, however, has increased from a low in the previous quarter.



United States of America

The U.S. Bureau of Labor Statistics (2024) reports as shown in the graph below, that total nonfarm payroll employment rose by 175,000 in April, with the unemployment rate remaining nearly unchanged at 3.9 percent, and employment gains were seen in health care, social assistance, and transportation and warehousing.

Chart 1. Unemployment rate, seasonally adjusted, April 2022 – April 2024

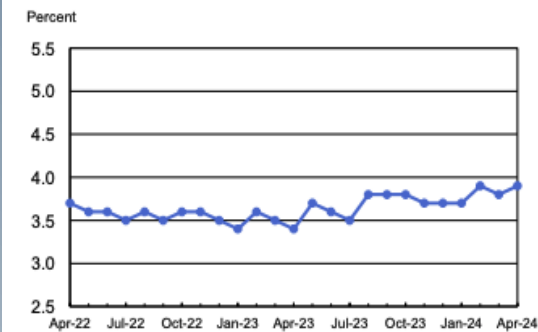
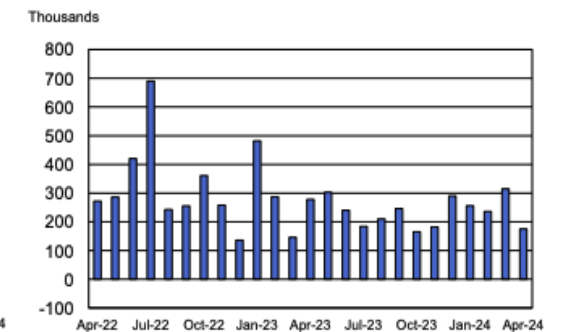


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, April 2022 – April 2024



The Conservative Welfare State Model

According to **Esping-Anderson (1990)** the Conservative Welfare state model constituted the following features;

- **Decommodification**
- **Position-based Access**
- **Non-Universal Benefits &**
- **Maintenance of Social Stability and Loyalty**

Esping-Anderson (1990) remarks the conservative welfare state model emphasizes traditional family values and encourages the role of the family and the market in welfare provision; however, **Martin Seeleib-Kaiser (2016)** argues that recent reforms have shifted countries like Germany and France away from the conservative model by reducing the state's role in ensuring living standards, expanding family policies like parental leave and childcare, and adopting a more liberal welfare approach focused on market solutions and individual responsibility.





Now let us watch the welfare policies framed and followed in France and Germany and understand

- if they are conservative-corporatist system / not?
- how they have been reformed/ transformed?
- what does their practical report imply?

Conservative
Austria
Belgium
France
Germany
Italy
Japan
Netherlands
Switzerland

POLICIES

UNEMPLOYMENT

- The French government established strategies to alleviate unemployment, by encouraging the unemployed to participate in additional training or internships that fetched them job opportunities, thereby maintaining social stability. (Bandelow & Hornung, 2019)
- Similarly In 2014, the German Federal Government implemented several measures and introduced two special programs to tackle long-term unemployment within the legal framework of the Basic Security Benefits for Jobseekers (Book II of the German Social Code) (Govt Report Wellbeing in Germany, 2014).

FAMILY

- The Federal Constitutional Court, Germany in 1995 declared increased family allowances and tax deductions associated with the number of children in the household.
- Similarly in France, benefits and tax breaks were granted according to the rank and age of the children in the family.
- Both France & Germany designed their '**extended care leave programs**' with the aim of combating unemployment. which was known as **Allocation Parentale d'Education, APE in France, and Erziehungsgeld in Germany** (Fagnani, 2007)



HEALTH CARE

In Germany:

- Preventive Health Care Act (2015) -
- **Care Provision Strengthening Act** (Versorgungsstärkungsgesetz) 2015
- **The Hospital Structures Act** (Krankenhausstrukturgesetz) ensured easy access to quality Medicare.

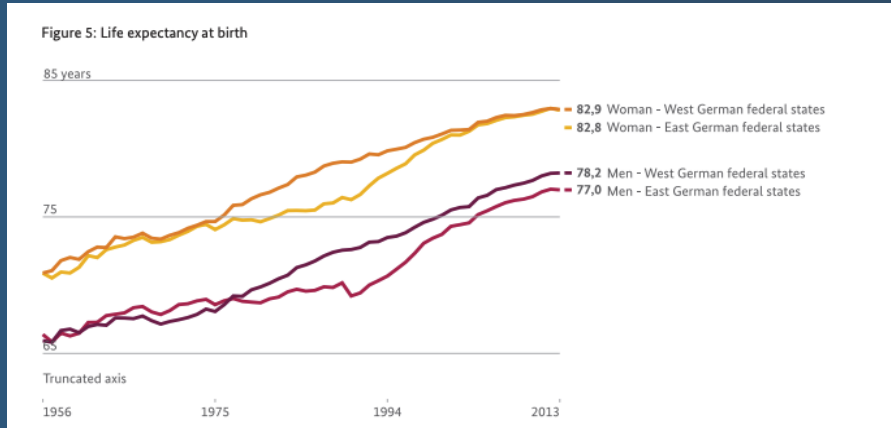
(Govt Report Wellbeing in Germany, 2014).

In France:

French Government implemented effective measures to retain nurses in primary care by providing attractive benefits, thereby ensuring people get rapid medical assistance.(OECD, 2023)

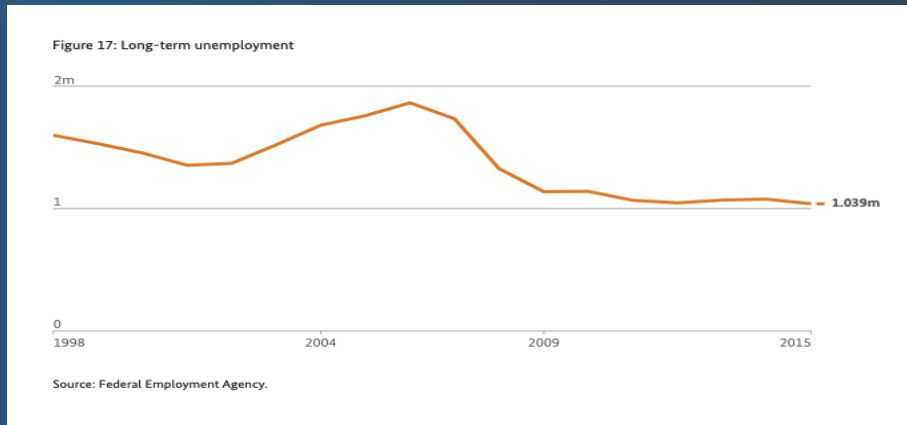
POLICIES INTO PRACTICE AND THE OUTCOME

Health (Germany)



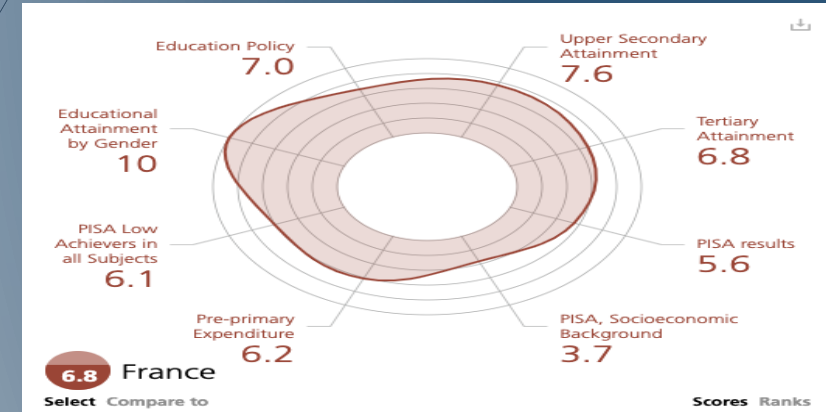
Germany's high life expectancy rate as a result of their accessible and quality medical care. (Govt Report Wellbeing in Germany, 2014).

Unemployment (Germany)



The Reduction in long term unemployment in Germany due to the infinite number of job opportunities created with a budget of £770 million in funding. (Govt Report Wellbeing in Germany, 2014).

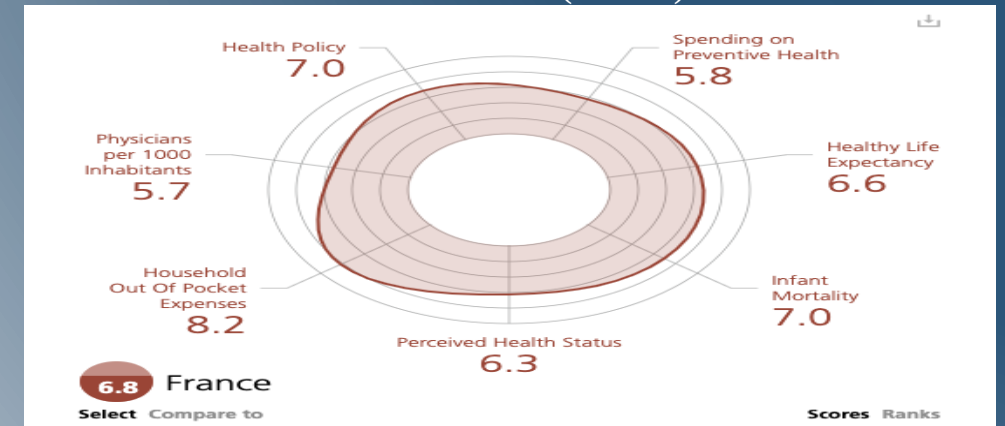
Education (France)



(Sustainable Governance Indicators, 2024)

OECD(2015) reports increased efficiency in spending within the education system ensuring sufficient resource allocation was made, thereby obtaining the following result in 2022.

Health (France)



Healthy life expectancy attained a score of 6.6/10
(Sustainable Governance Indicators, 2024)



The Social Democratic Welfare State Model:

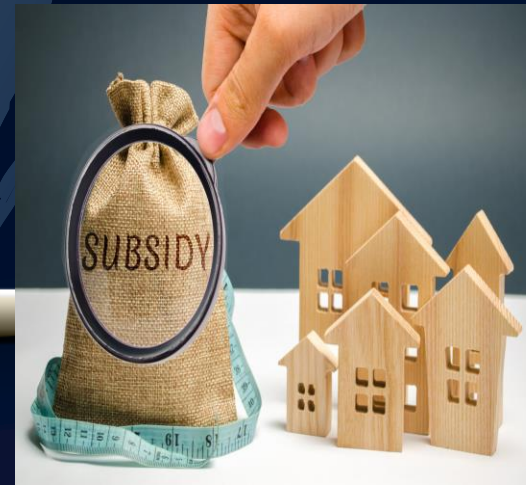
Lin and Nguyen (2021) remark with the rise of social inequalities and uneven development caused by the marketization and commodification of labor, addressing the need for de-commodification has become a pressing societal issue that demands attention.

Hence Esping-Anderson (1990) comments the social democratic welfare state model seeks to reduce these social inequalities through extensive state intervention and redistribution of resources,

AIM : Inequality reduction (Esping Anderson, 1990)

FEATURES: Decommodified, State Subsidization & Universal Benefits

Supporting this, Serjersted, (2011) comments since the 1970s, Sweden has led efforts to address gender equality in its labor market, with the Law on Equal Opportunities Act of 1979 ensuring equal treatment; Norway is notable for being the first nation, starting in 2003, to mandate gender equality on the boards of directors of publicly traded companies, therefore, both countries aim to reduce inequality having the social democratic approach.



Let us see how far the welfare system in Norway & Sweden are based on Social Democratic system, how they are made into policies, how practiced and the practical report.



POLICIES

	NORWAY	SWEDEN
GENDER EQUALITY (Allegati, 2023)	Challenges traditional gender roles in both private and public spheres.	Swedish laws support gender equality following the Law on Equal Opportunities Act of 1979.
HEALTH SERVICES (Allegati, 2023)	Healthcare policies emphasize patient rights to medical care with no inequality.	Every citizen is entitled to access healthcare services without regards to their socio-economic status.
FAMILY POLICIES (Greve et al., 2020)	The duration for parents to stay home with sick children was doubled after covid.	Parental insurance included coverage for caring for a child when their school was closed during covid.



REPORT ON POLICIES INTO PRACTICE

Government's contribution towards employment in Welfare field (Sivesind, 2017)

Norway

Table 2.6 Paid full-time equivalent employment in the nonprofit sector in the welfare field in Norway 2006–2013

Type of service	2006	2013	Change 2006–2013
Education	8,177	10,609	29.7 %
Primary and secondary education	4,395	6,031	37.2 %
Higher education	1,736	2,136	23.0 %
Other education	2,046	2,442	19.4 %
Health	7,642	9,122	19.4 %
Hospitals, rehabilitation, mental health care and other health services	7,642	9,122	19.4 %
Social Services	23,198	29,881	28.8 %
Nursing homes ^a	4,765	5,543	16.3 %
Day care for children	12,161	14,724	21.1 %
Child and juvenile welfare	1,000	1,045	4.5 %
Substance abuse treatment	2,012	2,244	11.5 %
Other social services including emergency and relief	3,260	6,325	94.0 %
Total welfare employment	39,017	49,612	27.2 %
<i>Nonprofit share of welfare employment^b</i>	<i>7.4 %</i>	<i>7.8 %</i>	

Sweden

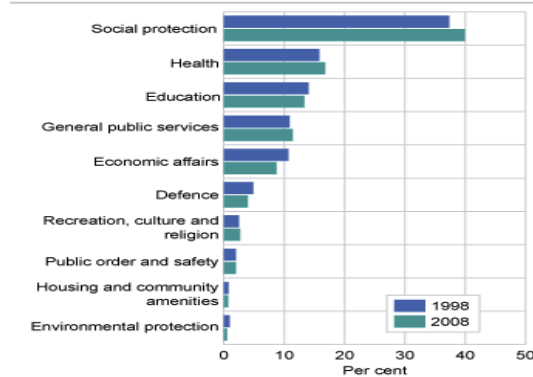
Table 2.4 Shares of paid employees in the nonprofit, for-profit, and public sectors within education, health, and social services in Sweden 2007–2013

Service area	2007		2013	
	Employment	%	Employment	%
Education (SNI 85)				
Nonprofit	22,284	4.9	24,660	5.1
For-profit	42,754	9.5	68,175	14.2
Public sector	385,757	85.6	388,547	80.7
Total	450,795	100.0	481,382	100.0
Health (SNI 86)				
Nonprofit	3,768	1.2	2,485	0.8
For-profit	46,168	14.8	56,456	18.7
Public sector	262,770	84.0	242,411	80.4
Total	312,706	100.0	301,352	100.0
Social services (SNI 87–88)				
Nonprofit	12,173	3.1	12,006	2.7
For-profit	58,691	14.8	111,788	25.0
Public sector	324,985	82.1	323,884	72.3
Total	395,849	100.0	447,678	100.0
Welfare field in total				
Nonprofit	38,225	3.3	39,151	3.2
For-profit	147,613	12.7	236,419	19.2
Public sector	973,512	84.0	954,842	77.6
Total	1,159,350	100.0	1,230,412	100.0

Overall Welfare in various fields (Hunkar, 2009)
NORWAY

Norway - Government Expenditures in 2008

General government expenditure, by sector as a percentage of total costs, 1998 and 2008



Govt Ideas on Welfare in Sweden (Kuisma, 2017)

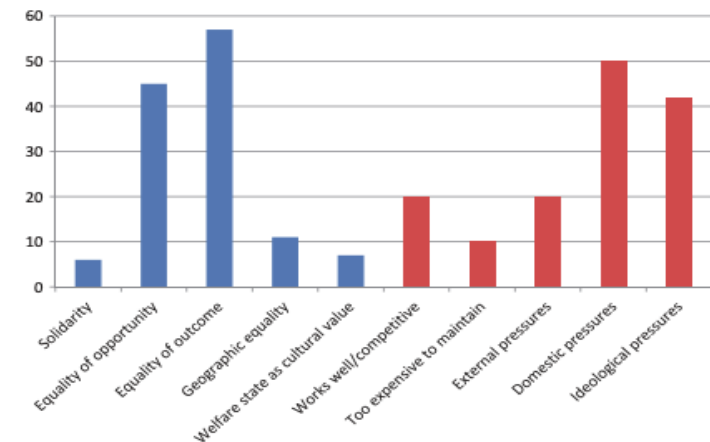


Figure 2. Ideas on welfare in Sweden.

conclusion

While Esping-Andersen's Three Worlds of Welfare Capitalism framework offers analytical value, the contemporary welfare systems tend to blend diverse approaches in response to evolving societal demands and global issues, thereby emphasizing inclusivity, social protection, and resilience, and necessitating ongoing reforms for their relevance and effectiveness.

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THANK YOU
