Chapter 2
Revisiting van Kersbergen's contrast of Christian democratic vs. social democratic social policy 25 years later

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Quantitative literature on welfare state generosity

The quantitative debate of the past five decades about determinants of welfare state development has been carried out between proponents of three different theoretical approaches, the 'logic of industrialism', 'state-centric', and 'political class struggle', or Power Resources Theory (PRT) approaches. More recently, feminist scholars have made important contributions to the debate, moving from early critiques of the welfare state as reinforcing patriarchy to more nuanced assessments of the differential effects of different welfare state regimes on the status of women and of the role of women as actors in welfare state development. One core hypothesis from PRT is that left-wing governments should have a strong effect on welfare state generosity, particularly welfare state redistribution. The contrasting (or complementary) argument is that Christian democratic governments (also) have a strong effect on welfare state generosity. We draw our control variables from the competing explanations found in the literature. We begin with a brief exposition of the logic of industrialism, state-centric, and the feminist contributions as well as several other hypotheses about welfare state expansion and retrenchment that do not lend themselves to easy classification.

According to the logic of industrialism explanation, both the growth of the welfare state and cross-national differences in 'welfare state effort' are by-products of economic development and its demographic and social organizational consequences (Wilensky, 1975; Pampel and Williamson, 1989). This suggests that GDP per capita and demography should be important causes of welfare state variation. Those insisting on a state-centric approach have focused on the policy-making role of bureaucrats, who are assumed to be rela-

tively autonomous from social forces, on the capacity of the state apparatus to implement welfare state programs, on the effects of state structure (e.g., federalism), and on the influence of past policy on new social policy initiatives (Heclo, 1974; Orloff, 1993; Weir et al., 1988; Skocpol, 1988; Immergut, 1992).

The contributions to the welfare state literature from a feminist perspective have mostly focused on the consequences of the welfare state for women's material position and for gender relations more broadly. Since the mid-nineties, there has been a proliferation of work on the role of women's movements in shaping the welfare state (e.g. see Jenson and Mahon, 1993; Lewis, 1994; O'Connor, Orloff and Shaver, 1999; Atchison and Down, 2009). Virtually all of these studies confirm that women, acting as independent women's movements, within established political parties, particularly leftist parties, and within state agencies, have been important actors promoting what Hernes (1987) calls women-friendly policies but that they were only successful when they had allies.

Another line of argument in the literature about the expansion of welfare states and cross-national differences in aggregate size of the very same cannot really be classified as belonging to any theoretical schools as it focuses on one causal dynamic and is compatible to various degrees with the logic of industrialism and the power resources approach. It holds that economic openness causes domestic vulnerability to external fluctuations and, thus, provides the incentive for the establishment of social safety nets for those affected by such external trends or cycles (Cameron, 1978; Katzenstein, 1985). Since smaller countries tend to be more open to international trade than larger ones, they are more likely to develop comprehensive systems of social protection as compensation for the victims of industrial adjustment. Recent contributions to the retrenchment literature turn this thesis on its head as they argue that increasing openness of financial as well as goods markets leads to cuts in the generosity of social policy, particularly in the most advanced welfare states.

Hypotheses
Dependent variables
Our policy variables are generosity of welfare state benefits, generosity of work and family reconciliation policy, and human capital

spending. Welfare state generosity is operationalized using an index of sickness, unemployment, and pension benefits taken from Scruggs and Tafoya's (2022) Comparative Welfare Entitlements Project. Work and family benefits is an additive index of daycare spending and parental leave, with both variables normalized so that they are equally weighted in the index. Parental leave benefits come from Gauthier's (2011) Comparative Family Policy Database and our own coding from country sources for 2011-2019, and they are operationalized as the average replacement rate of parental leave benefits in the first year. Human capital spending is spending on daycare, public education at all levels, and active labor market policy as a percentage of GDP.

Independent variables

Partisan government: Based on van Kersbergen's work as well as our own (Huber, Ragin and Stephens 1993, Huber and Stephens forthcoming), we expect a long-term left-wing government to have a strong effect on all three of our policy measures (Table 1). In Huber and Stephens (2001), we argued that the dominant parties in government in a given country over the long run – left-wing parties, Christian democratic parties, and secular center and right-wing parties – determined which of Esping-Andersen's (1990) three worlds a country ended up in, and we presented both quantitative and comparative case study evidence to support that view.[1]

Regarding Christian democratic governments, we expect positive effects on welfare state generosity, no effect on work and family benefits, and negative effects on human capital spending. We expect negative effects because daycare is much less developed in continental (often Christian democratic governed) countries compared with the Nordic model due to the dominance of the male breadwinner model in the former. Led by coalitions of social democratic and agrarian/center parties, the Nordic countries universalized and de-tracked secondary education and later greatly expanded access to public tertiary education. By contrast, Christian democratic governments pushed back social democratic and union demands for

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1   Our 2001 book, like Esping-Andersen's (1990) book, did not include Greece, Portugal, or Spain. Thus, the fourth type does not appear there.

expanded and de-tracked secondary and expanded public tertiary education (Österman, 2017).

Other political variables: Our expectations for women in parliament are clear; a strong positive association with all three policy indicators, but especially parental leave and human capital investment. However, it is trickier to interpret causally because it is highly correlated with left-wing governments (r = .78). Historically, left-wing governments promoted gender egalitarian policies and all left-wing parties (social democratic, green, and left socialist) instituted quotas for women in party affairs, including parliamentary representation. As we have argued in earlier works (Huber and Stephens 2000, 2001), this initiated a feedback loop in which women, particularly politically activated women, increased their support for the left and demanded more gender egalitarian policies, like work and family reconciliation policies, and greater incorporation into policy-making, including parity in representation in parliament and in the cabinet. Disentangling this feedback loop in quantitative analysis is simply not possible.

State institutions: The state-centric approach to welfare state development argues that political institutional variables affect variations in welfare generosity. We measure this with the three variables veto points, proportional representation, and voter turnout. Our hypotheses on their effects are the same as for redistribution. Our original finding on veto points – namely that they retarded welfare state development – was on data that primarily covered the period of welfare state expansion (Huber, Ragin and Stephens, 1993). Later research, primarily case studies, indicated that opponents of welfare state cutbacks could use constitutional structure veto points to retard retrenchment. Thus, we adopt a non-directional hypothesis for veto points. Building on Iversen and Soskice (2006), we expect a positive effect of proportional representation on social policy generosity. We also expect a positive effect of voter turnout on policy generosity.

Globalization: We expect all the globalization variables, except trade openness, to have a negative effect on social policy generosity as they strengthen the hand of capital in negotiations with governments and labor. There are competing hypotheses about the effect of trade openness: The conventional race to the bottom hypothesis

Table 1: Variables and hypotheses

	Social policy generosity	Work and family benefits	Human capital spending
Dependent variables			
Social policy generosity — Index of generosity of sickness pay leave, unemployment benefits and pensions			
Work and family benefits — Additive index of daycare spending and parental leave			
Human capital spending — Public spending on education, daycare and active labor market policies as a percentage of GDP			
Independent variables			
Partisan government			
Left government — Seats of leftist parties as proportion of the seats of all governing parties, cumulative from 1945 to date of observation	+	+	+
Christian democratic government — Seats of Christian democratic parties as proportion of the seats of all governing parties, cumulative from 1945 to date of observation	+	+/-	-
Control variables			
Other political variables			
Women in parliament — Percent of members of the lower house of national parliament who are women	+	+	+
Veto points — Additive index of presidentialism, strong bicameralism, federalism and regular use of referenda	+/-	+/-	+/-
Proportional representation — o = single member district, 1 = mixed, 2 = proportional representation	+	+	+
Voter turnout — Votes cast in the most recent election as a percentage of registered voters	+	+	+

Globalization				
Capital market openness	An index of capital controls in which high values mean few or no controls on cross-border capital movement	-	-	-
Third world imports	Manufacturing imports from developing countries as a percentage of GCP	-	-	-
Trade openness	Sum of exports and imports as a percentage of GDP	+/-	+/-	+/-
Outward FDI	Outward direct investment flows as a percentage of GDP	-	-	-
Immigration	International migrant stock as a percentage of the population	-	-	-
Long-term economic change				
Technological change	Ten-year average change in total factor productivity	+		+
Employment in dynamic services	Employment in dynamic services as a percentage of the working age population	+		+
Social risks				
Unemployment rate	Unemployed persons as a percentage of the civilian labor force	+/-		+/-
Children in single-mother households	Children living in single-mother households as a percentage of total children		+	
Aged percent	Percentage of the population over 65	+	+	
Other control variables				
Military spending	Military spending as percentage of GDP	-	-	-
GDP per capital	GDP per capita in households	+	+	+

All variables except employment in dynamic services (Hope and Martelli, 2019) are available in Brady, Huber and Stephens (2021).

is counterposed by Katzenstein's (1985) 'compensation' hypothesis, which contends that in very open economies, such as the small countries of Northern Europe, labor is compensated for the vagaries of rapid change by generous social policy.

Long-term economic change, social risks: We hypothesize that long-term technological change will create a demand for human capital investment because it creates demand for more skilled and educated workers. We do not expect it to affect the other two policy variables. We also expect the effects of social risks to be specific to the three dependent variables. We hypothesize that greater proportions of children in single mother families will increase demand for generous parental leave. Arguably, unemployment will affect unemployment insurance generosity, but it is unclear what direction this might take. For instance, in the mid-1970s, Switzerland moved from virtually no unemployment to very modest levels of unemployment. The government responded by replacing an almost non-existent system in 1974 with one with benefits at the 90th percentile on Scruggs' unemployment generosity index. On the other hand, governments in Denmark, Netherlands, Finland, and Sweden responded to sustained periods of high unemployment with cuts in unemployment insurance generosity.

Other controls: Past quantitative studies of welfare state development have included level of affluence, measured by GDP per capita, as an operationalization of logic of industrialism theory (Wilensky, 1975; Pampel and Williamson, 1989). We measure national economic affluence as GDP per capita. Following many quantitative studies of variations in welfare generosity (e.g. see Hicks, 1999; Huo, Nelson and Stephens, 2008), we control for military spending. The measurement of these variables and data sources are summarized in Table 1.

Statistical estimation

Hicks (1994) notes that 'errors for regression equations estimated from pooled data using OLS [ordinary least squares regression] procedures tend to be (1) temporally autoregressive, (2) cross-sectionally heteroskedastic, and (3) cross-sectionally correlated as well as (4) conceal unit and period effects and (5) reflect some causal heterogeneity across space, time, or both' (p.172). We follow Beck and Katz's (1996) recommended procedure, using panel-corrected stan-

dard errors, corrections for first-order auto-regressiveness, and imposition of a common rho for all cross-sections. Since there is some trend in our data, we do not include a lagged dependent variable as recommended by Beck and Katz (1996) because in this situation the lagged dependent variable inappropriately suppresses the power of other independent variables, as Achen (2000) has shown.[2] Beck and Katz (2004: 16-17) have shown that correcting for first-order auto-regressiveness actually does include a lagged dependent variable on the right-hand side of the equation (known as Prais-Winsten estimations). Thus, as our results show, it does deal with the problem of serial correlation but without suppressing the power of other independent variables.

Results

Table 2 displays our analysis of the causes of variation in generosity of the welfare state measured by our three dependent variables. First, we enter the two partisan government variables alone (Models 1, 3, and 5) and then add the control variables (Models 2, 4, and 6). As expected, left-wing governments are highly significant in both models for all three dependent variables. By contrast, as we hypothesized, Christian democratic governments have a strong effect on welfare state generosity but not on the other two dependent variables. The addition of controls in models 2, 4, and 6 does not change the pattern across the two government partisanship variables. Thus, the van Kersbergen argument is confirmed with our updated and improved data.

The contrast between Christian democratic governments and left-wing governments is made starker if one includes union density and female percent of parliamentary seats. Indeed, in the PRT-inspired quantitative analyses, union density is often used as alternative or supplement to left-wing governments. Left-wing government and female percent of parliamentary seats are highly correlated (r = .78). This is not to imply that female parliamentary representation is somehow spurious or even that the explained overlap in variation should be assigned to left-wing governments. Rather, we argue that

2   In this data, the lagged dependent variable explains 98% of the variation in the dependent variable.

Table 2. Determinants of generosity of social policy, work and family policy, and human capital spending

	Social policy generosity		Work and family policy		Human capital spending		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Left government	.239 ***	.249 ***	.103 ***	.078 ***	.104 ***	.032 **	0.59 ***
Christian democratic goverment	.172 ***	.134 ***	.010	.014 *	-0.12	-.002	-.002
Union density		.015		.018 ***		.041 ***	.037 ***
Women in parliament		.021		.012 **		.031 ***	.032 ***
Veto points		.246		-.182 **		.032	.021
Proportional representation		.823 ***		.091		.099	.129
Voter turnout		-.043 ^		-.018 ^		-.012	-.011
Capital market openness		-.056		.062		.437 ^	.453 ^
Third world imports		-.109		.027		-.196 **	-.034
Trade openness		.030 ***		-.008 ***		.009 *	.002
Outward FDI		-.004		.000		-.003	-.004
Immigration		-.250 ***		-.043 **		.015	.029 ^

Technological change						-23.898 ^	-22.015 ^
Employment in dynamic services						.175 ***	
Unemployment rate		-.039					
Children in single-mother households				.006			
Aged percent		.185 **					
Military spending (% GDP)		.371 ^			.346 ^		.332 ^
GDP per capita		.006			.006	-.025	-.019 ^
Constant	25.323 ***	24.175 ***	-1.560 ***	-.543	4.562 ***	2.224 **	2.944 ***
R2	.49 ***	.80 ***	.08 ***	.26 ***	.43 ***	.71 ***	.63 ***
Observations	934	797	780	664	697	370	596

* significant at .05; ** significant at .01; *** significant at .001; ^ significant opposite hypothesized direction.

the two are so closely causally entwined that it is not possible to statistically separate the effects of the two.[3]

At the time of publication of van Kersbergen's 1995 book, social investment was not on the radar of comparative welfare state scholars. Our results show that partisan differences on human capital spending are the largest of any of our three dependent variables. They are even more striking if one includes the difference in the other two variables tapping the PRT complex, union density, and women in parliament.

Discussion

The strong role of partisanship in shaping the welfare state helps explain the geographic clustering of the regimes with the social democratic regimes developing in the social democratic dominated Nordic countries, the Christian democratic/conservative regimes developing in the continental European countries, and liberal regimes developing in the secular center and right governed Anglo-American countries. In Huber and Stephens (forthcoming), we show that government redistribution and disposable income distribution closely follow this regime typology and we argue that variations in long-term partisan government are the primary reason why.

In Huber and Stephens (forthcoming), we explore whether the dynamics of expansion of social rights differed in the earlier and the later period. We compared the periods before and after 1990 for generosity of social insurance and generosity of work and family reconciliation policy, and before and after 1996 for human capital spending, because of the scarcity of observations for human capital spending before 1990. The politics of social rights expansion remained remarkably stable across periods for all three social rights.

As we noted, the academic debate and policy focus on social investment post-dated the publication of van Kersbergen's 1995 book by a decade, so it is not surprising that the subject is not discussed in the book. In fact, at that point in time, the growth of the knowledge economy was in its earliest stages: In 1990, few people had access to the internet and few people had laptops and cell phones. Yet the

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3   See Huber and Stephens (2000) for further analysis and discussion of the historical interrelationship between women's political mobilization and left-wing governments.

lead of the Nordic countries on all three components of our measure of human capital spending already existed in 1995. It is tempting to attribute this to the foresightedness of Nordic policy makers, but in fact, they had additional reasons for pursuing these policies. In the case of active labor market policies, it was a complement to solidaristic wage policies. In the case of universal and de-tracked secondary school (and later opening up of higher education), the social democratic and agrarian parties passed these policies to open up educational opportunities to the sons and daughters of workers and farmers. And finally, the primary aim of the initial expansion of early childhood education was gender equality in the labor market and household. These policy goals were not shared by Christian democratic parties.

In sum, van Kersbergen's insights into the ideology and political project of Christian democratic parties help us understand policy choices of these parties that came on the agenda after the publication of his book. The traditional emphasis on the male breadwinner model and childcare in the family retarded work/family conciliation policies and public expenditures on human capital, from early childhood education and care to tertiary education. There has no doubt been some reorientation towards stronger work/family conciliation policies in major Christian democratic parties, but this reorientation has not erased the long-standing differences to social democratic parties.

As mentioned above, the results for the period since 1990 or 1996 have been remarkably similar to the results for the earlier period. Given the marked decline in the vote share of social democratic and Christian democratic parties in some countries, one might wonder why the partisan effects we find are still there. There are at least three reasons for the continuing impact of left-wing and religious parties.

First, our measure includes all left-wing parties, not just social democratic parties, just as it includes all religious parties, not just the Catholic Christian democratic parties. Our measure of left-wing cabinet share declines from an average of 41% in the 1990s, to 38% in the period 2000-2007, 33% during the crisis (2008-2012), and 30% in the post-crisis period (2013-2017). The religious cabinet share declines from 13% in the 1990s to 11% in the period 2000-2007, then increases to 14% during the crisis, and declines again to 9% in the

post-crisis period. These changes are not of a magnitude that we would expect to make a major difference in the influence of these parties on social policy. Obviously, these are averages across all our countries, so their electoral strength and influence on policy in individual countries may well have weakened much more than these average figures suggest.

Second, as many scholars have argued, policy legacies make cutbacks politically very difficult, which strengthens the position of the left and of religious parties in defending welfare state programs. Third, most new challenger parties on the right have embraced a position of 'welfare state for citizens', and they have neither pushed major cuts in welfare state generosity nor put up major oppositions to social policy initiatives by the left or religious parties that benefit citizens.

Nevertheless, we cannot expect the partisan imprint on policies to remain as clear in the future. Established parties in general have been losing vote shares, which has required more frequent coalition government formation across ideological lines. Thus, ambitious policy innovation in the development of the welfare state as part of the political project of any party is likely to stay off the agenda.

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