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how welfare regimes influence public support

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Published in:
Comparative Political Studies

DOI (link to publication from Publisher):
[10.1177/0010414006295234](https://doi.org/10.1177/0010414006295234)

Publication date:
2008

Document Version
Early version, also known as pre-print

[Link to publication from Aalborg University](#)

Citation for published version (APA):
Larsen, C. A. (2008). The institutional logic of welfare attitudes: how welfare regimes influence public support. *Comparative Political Studies*, 41(2), 145-168. <https://doi.org/10.1177/0010414006295234>

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The institutional logic of welfare attitudes: How welfare regimes influence public support

Keywords: Welfare regime, deservingness, public support, micro-foundation, welfare policy

Forthcoming: *Comparative Political Studies* (2008) vol. 41(4)

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Abstract:

Why are people who live in liberal welfare regimes so reluctant to support welfare policy? And why are people who live in social democratic welfare regimes so keen to support welfare policy? The article seeks to give an institutional account of these cross-national differences. Previous attempts to link institutions and welfare attitudes have not been convincing. The empirical studies have had large difficulties in finding the expected effects from regime dependent differences in self-interest, class-interest, and egalitarian values. This article develops a new theoretical macro-micro link by combining the literature on deservingness criteria and the welfare regime theory. The basic idea is that three regime characteristics 1) the degree of universalism in welfare policy, 2) the differences in economic resources between 'the bottom' and 'the majority', and 3) the degree of job opportunities have profound impact on the public deservingness discussion and thereby on public support for welfare policy.

Introduction

A number of theoretical explanations have been given to the empirical finding that the electorate in some countries are in favour of welfare policy while the electorate in other countries are much more reluctant. Primarily based on the American experience a number of recent studies have emphasised the importance of the degree of ethnic homogeneity (e.g. Freeman, 1986; Glazer, 1998; Goodhart, 2004; Alsina & Glaeser, 2004). Another tradition explains cross-national differences in support for welfare policy with differences in egalitarian values in different cultures (e.g. Lipset, 1996; Graubard, 1986). As we are sceptical about these two popular explanations, the article will try to advance the third major position; namely that cross-national differences in attitudes towards welfare policy (partly) can be explained by cross-national differences in the institutional structure of the different welfare regimes.

This latter line of reasoning is prevalent within the comparative welfare state literature, which often taken Esping-Andersen's famous distinction between liberal, conservative and social democratic welfare regimes as point of departure (Esping-Andersen, 1990). The prime examples of these three ideal types are respectively the US, Germany and Sweden. Within this tradition it is a prevailing idea that the institutional structure at one point in time has a large impact on institutions and welfare policies at a later point in time. This path-dependency is partly caused by a feedback mechanism through the electorate. In Esping-Andersen's words 'each case will produce its own unique fabric of social solidarity' (1990, p. 58). The idea is even more prominent in Pierson's pioneering work on 'the new politics of the welfare state' (2001). Within his work and in the following bulk of studies on 'the new politics' it is claimed that the conflict between political leaders wanting to change the welfare state and a reluctant electorate is one of the most salient in contemporary Western politics. It is also claimed that the degree of resistance from the electorate is highly influenced by the institutional structures of the welfare state. Naturally, the welfare regime theory is not without its critics; especially the existence of more than three regimes has been discussed. However, following Esping-Andersen re-examination of the regime theory (2000) we will continue to operate with three ideal types.

A number of studies have tried to test the institutional line of reasoning by analysing survey questions primarily made available by the International Social Survey Program (ISSP). At first glance the findings from these studies point in different directions. Some find evidence for a regime pattern, especially if they restrict the analysis to the countries that come closest to Esping-Andersen's ideal types (Evans, 1996; Svallfors, 1997, Heien & Hofäcker, 1999; Andress & Heien, 2001). Other report that they do not find the expected pattern (Bean & Papadakis, 1998; Gelissen, 2000; Arts & Gelissen, 2001). However, a closer review of the previous studies reveals that the discrepancy to a large extent is caused by differences in the items used as dependent variables. The items that measure attitudes towards policies that primarily concern poor and unemployed actually seem to follow a regime pattern.¹ Thus, in terms of support for welfare policy in the 'narrow' or 'American' meaning we have indication of a pattern with low support in the liberal regimes, moderate support in the conservative regimes, and high support in the social democratic regimes.

Nevertheless, one thing is to find the expected regime pattern in public attitudes, another thing is to explain how this pattern comes about. In this latter respect none of the previous empirical studies have been very successful. With (often implicit) reference to the power resource theory (Korpi, 1983) scholars have looked for different class effects. Especially the position of the middle class – believed to form a 'welfare coalition' with the working class in the social democratic regimes and to form an 'anti-welfare coalition' with the upper class in the liberal regimes – has been emphasised. But the empirical studies do not find such a class effect. Actually class differences seem to be very similar in the different regimes (e.g. Evans, 1996; Svallfors, 1997). Scholars have also looked for effects from short-term self-interest; especially with reference to the rational choice argument about concentrated versus dispersed costs. Pierson (2001) e.g. point to the fact that the 'welfare clientele' (those who receive benefits plus public employees) is very big in the social democratic regime, moderate in the conservative regimes and low in the liberal regimes and use this as an explanation for differences in public support. In most studies there is a positive effect from being unemployed (e.g. Svallfors, 1997; Gelissen, 2000; Andress & Heien, 2001) but otherwise it has been difficult to find the expected self-interest effects. These 'disappointing' findings for the institutional line of reasoning often lead scholars to emphasise the importance of 'culture' or 'dominant welfare state ideology' (e.g. Andress & Heien, 2001; Blekesaune & Quadagno, 2003). However, this culture explanation remains a residual explanation, which is underspecified. In 1998 Korpi & Palme – being the prime defenders of the power resource theory – rightly argue that *'the empirical testing of the macro-micro-links among institutions and the formation of interest and coalitions provides a major challenge for social scientists'* (1998, p. 682).

In our opinion this "dead end" of the institutional line of reasoning is caused by the fact that the grand theories of welfare state development (and thereby also the previous empirical studies guided by these theories) have a rather 'mechanical' perception of the electorate. It is assumed that the welfare attitudes of individuals can be directly deduced from long-term class-interests (the power resource theory), short-term self-interest (the 'new politics theory'), or internalised values and norms (the culture theory). These 'mechanical'

positions stands in sharp contrast to modern election research, where it is broadly recognised that voter's stand on concrete policy issues cannot directly be deduced from their self-interest, class-interest, or internalised values and norms (e.g. Merrill & Grofman, 1999).

In an attempt to rescue the institutional line of reasoning the aim of this article is to establish a new theory that explains how characteristics of the three welfare regimes influence attitudes towards welfare policies that concern the living conditions of poor and unemployed; call it a theoretical construction of the missing link between welfare regimes and attitudes or a specification of the intervening variables. At an overall level we will try to operate with a more reflexive 'political man', who's policy attitudes are open to different perceptions of reality. Such a position fits nicely with studies that have shown that attitudes towards concrete policy proposals are highly dependent on the framing of the political issues (e.g. Gamson & Modigliani, 1987; Kinder & Sanders, 1996; Nelson, Clawson & Oxley, 1997; Kangas, 1997). The overall idea is that the institutional structure of the different welfare regimes influences or – using another terminology - frames the way the public perceives the poor and unemployed. Thus, the political preferences of individuals are not exogenous, as in rational choice theory, but highly influenced by the institutional structures (see e.g. March & Olsen, 1984, 1989).

At a more concrete level we base our line of reasoning on a combination of the welfare regime theory and the literature on deservingness criteria, which for some strange reasons have lived rather separate lives. In the first section we briefly introduce some of the main arguments within the deservingness literature and describe the lack of effort to link this literature to institutional reasoning. We also present a figure of our theoretical reasoning. In the following three sections we describe how three different regime characteristics are likely to influence the public perceptions of poor and unemployed and thereby the judgement of deservingness and the support for concrete welfare policies. We discuss the impact from the degree of universalism/selectivism, the differences in economic resources between 'the bottom' and 'the majority', and the degree of job opportunities. This add up to the overall expectation (which without much discussion is taken for granted in previous empirical studies) that support for welfare policy is low in liberal regimes, moderate in conservative regimes, and high in social democratic regimes; at least when we speak about welfare policy in the narrow sense. In the following three sections we try to verify our line of reasoning using the World Values Study from 1990. The analysis shows that welfare regimes do influence public perception of poor and unemployed, which further influence support for welfare policy. In the last section we summarize the main argument and discuss the two competing theories.

The five deservingness criteria and public support for welfare policy

Our understanding of public support for welfare policies takes its point of departure in the literature on deservingness. The main effort of this tradition has been to pinpoint which criteria the public uses to judge whether a person or a group deserves help. In that regard, the studies conducted by Fegin (1972), Feather (1974), Cook (1979), De Swaan (1988), Will (1993) and Van Oorschot (2000) are extremely helpful to our purpose. The literature on

deservingness seems capable of explaining the pattern of public support for social policy that Coughlin found in his pioneering cross-national study (1980). He found what he calls ‘a universal dimension of support’ because the ranking of the deserving groups followed the same line in all the countries included in his study. The public was most in favour of support for old people, followed by support for sick and disabled, needy families with children and unemployed. The group given least support were people on social assistance. Petterson (1995), Van Oorschot (2000; 2005), Van Oorschot & Arts (2005) and others have confirmed this ranking. If we follow the review in Van Oorschot (2000), we arrive at the following five deservingness criteria:

- 1) Control (the less in control of neediness, the higher degree of deservingness).
- 2) Need (the greater level of need, the higher degree of deservingness).
- 3) Identity (the higher degree of group belonging, the higher degree of deservingness).
- 4) Attitude (the more grateful, docile and compliant, the higher degree of deservingness).
- 5) Reciprocity (the higher previous or future payback, the higher degree of deservingness).

Both Van Oorschot’s empirical findings on the Dutch case (2000) and the previous studies show that the issue of control is especially important. Thus, the key to explain modest support for unemployed is the perception that they are much more in control of their situation than disabled, sick and pensioners. In De Swaan’s (1988) historical study of the modern welfare state, he labelled the criterion ‘disability’. In Cook’s (1979) study of Americans’ views on supporting the poor, she labels the criterion ‘locus of responsibility’. Finally, Will (1993) also found that the most important deservingness criterion was the degree to which the problems facing poor families were beyond the immediate control of the individuals. Naturally, the level of need also plays a part, but within the Anglo-Saxon poverty tradition ‘need’ is more or less taken for granted, as welfare policy is all about support for those in need. The application of the need criterion is more difficult in social democratic regimes where everybody are entitled and in conservative regimes where those who have paid contributions are entitled. We will return to this question below.

The identity criterion refers to the importance of feeling a shared identity with the groups who are to be supported. Using the label of proximity, De Swann argues that the boundary of the area can be defined by kinship relations, by place of residence, or more generally, by the boundaries of a certain identity group, like ‘our family’, ‘our town’, ‘our church’ or ‘our people’. The question of identity has been given strong attention in recent primarily American studies that investigate the link between ethnic divides and public welfare attitudes (e.g. Gilens, 2001; Alsina & Glaeser, 2004; see also Quadagno, 1994). These studies, however, do not explicitly relate to the deservingness literature and they do not apprehend the institutional embeddedness of this identity discussion (see below).

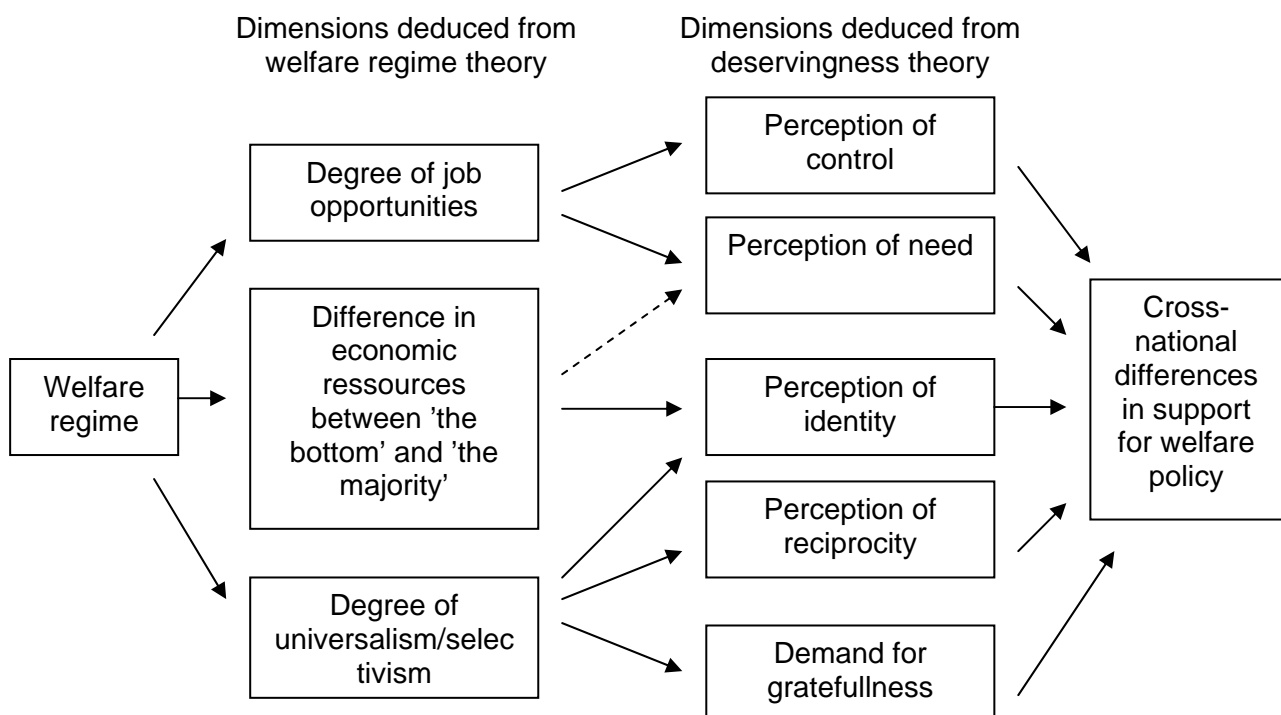
The attitude criteria refer to the ways recipients respond to public support. De Swann uses the term ‘docility’ to highlight that poor who hide their misery and ask for nothing are seen as more deserving than those who make impudent demands. Cook uses the terms ‘gratefulness’ and ‘pleasantness’. Finally, the attitude criteria can be linked to a more general

criterion of reciprocity, e.g. such behaviour as ‘the smile of thanks’, but also in a modern context actively looking for a job, willingness to participate in re-insertion programmes. Oorschot furthermore argues that needy who at the moment are unable to reciprocate might fulfil this criterion if they have contributed to ‘us’ in the past or are likely to do so in the future.

Thus, the large support for public assistance to the old found by Couglin and others might be explained by the perception that 1) they are not in control of their neediness, 2) they belong to ‘us’, 3) they are often grateful, docile and compliant, and 4) they have contributed to ‘us’ during their working age. At the other extreme, the low support for the group on social assistance is caused by the perception that 1) they could get a job if they wanted, i.e. they are in control of their neediness, 2) they do not fully belong to ‘us’, 3) they are often ungrateful, and 4) they have often not contributed much to ‘us’ in the past. It is more difficult to see how the old and people on social assistance differ in terms of need.

The task in the following is to theorise how the regime context influences the ability of poor and unemployed to fulfil these seemingly universal deservingness criteria. Figure 1 presents the main causal reasoning, which will be elaborated in the following sections.

Figure 1. *The theoretical link between welfare regime and cross-national differences in welfare attitudes*



The link between degree of universalism and fulfilment of deservingness criteria

According to Esping-Andersen (1990, 2000) the three welfare regimes are distinguished by differences both in terms of welfare state, labour market, and family structures. But it is especially on the state dimension that we can find theoretical inspiration from previous studies. Within welfare *state* literature it is a classic thesis that systems dominated by universal benefits and services (the ideal type policy of the social democratic welfare regime) and systems dominated by a selective benefits and services (the ideal type policy of the liberal welfare regime) generate quite different public discussions and perceptions of recipients. The typical coverage of the incidence of long-term unemployment in liberal and social democratic welfare regimes is quite different. If we take USA, the country closest to the liberal ideal type, the unemployed is covered by a short period with unemployment benefits and after that those in need, i.e. those not having private savings or insurances, are covered by selective benefits and services such as Medicaid, TANF, food stamps, general assistance etc. In contrast unemployed in Sweden, the country closest to the social democratic ideal type, are covered by a long period with unemployment benefits combined with a large number of citizenship-based services and benefits such as general healthcare, child allowance, basic old age pension, housing allowances etc. Means-tested social assistance is available to those who have not qualified for unemployment benefits but it only plays a minor role.

Following Rothstein (1998), the first step of the argument is simply to point to the fact that a selective policy that aims to provide ‘the needy’ with economic resources must determine 1) who is needy, and 2) how much they need. Therefore ‘*the public discussion of social policy in a selective system often becomes a question of what the well-adjusted majority should do about the less well-adjusted, in varying degrees, socially marginalized minority*’ (Rothstein, 1998, p.158). The general fairness of the policy is also open to challenge as the majority might start asking ‘*a) where the line between the needy and the non-needy should be drawn, and b) whether the needy themselves are not to blame for their predicament*’ (Rothstein, 1998, p.159). Relating this argument to the deservingness criteria presented in the previous section, one could say that a system dominated by selective welfare policies opens discussions of ‘need’ and ‘control’, see Table 1. The identity dimension of deservingness is also influenced by this logic connected to selective policy as ‘*the very act of separating out the needy almost always stamps them as socially inferior, as “others” with other types of social characteristics and needs*’ (Rothstein, 1998, p. 158).

Furthermore, it is obvious that the boundaries between ‘them’ and ‘us’ generated by selective welfare policy highlight who benefits from the welfare state (i.e. those who pay little or no tax and receive targeted benefits) and who loses on the welfare state (i.e. those who pay tax but do not receive any benefits). Thus, the reciprocity of the system will be perceived as being very low, which increases the importance of grateful, docile and compliant attitudes among those who receive the targeted benefits or services. Finally, this logic of selective welfare policy tends to generate vicious circles or even self-fulfilling prophecies because the ‘needy’, exactly because they are labelled as not being ‘ordinary’ people, alter their behaviour. It creates a further division between ‘them’ and ‘us’ and probably makes it more difficult to find grateful, docile and compliant attitudes among recipients.

Table 1. *The effects from respectively selective and universal social policy on different dimensions of deservingness*

| Dimensions of deservingness | A welfare state dominated by selective benefits and services | A welfare state dominated by universal benefits and services |
|-----------------------------|--|---|
| Need | Open the discussion of whether recipients are in need | Close the discussion of whether recipients are in need |
| Control | Open the discussion of whether recipients are to be blamed | Close the discussion of whether recipients are to be blamed |
| Identity | Define the recipients as a special group distinguished from the well-adjusted majority | Define the recipients as equal citizens who belong to a national ‘us’ |
| Reciprocity | Highlight the boundary between those who give and those who receive | Blur the boundary between those who give and those who receive |
| Attitude | Open the discussion of whether recipients receive benefits and services with a grateful, docile and compliant attitude | Close the discussion of whether recipients receive benefits and services with a grateful, docile and compliant attitude |

The logic of a system dominated by universal welfare policy is in all aspects contrary to the logic within a system dominated by selective policies. In the Scandinavian systems of ‘Rolls Royce universalism’ no line needs to be drawn between the needy and the non-needy. Thus, the discussion of need and to what extent the poor and unemployed are in control of their neediness becomes more or less irrelevant. As Rothstein argues, *‘welfare policy does not, therefore, turn into a question of what should be done about “the poor” and “the maladjusted,” but rather a question of what constitutes general fairness in respect to the relation between citizens and the state. The question becomes not “how shall we solve their problem?” but rather “how shall we solve our common problem (healthcare, education, pensions, etc.)?’* (Rothstein, 1998, p. 160). Instead of defining a line between ‘them’ and ‘us’, the universal benefits and services actually help define everybody within the nation state as belonging to one group. The vicious cycle of selective welfare policy is replaced by a positive circle.

The reciprocity discussion is also suppressed in the social democratic regimes. For the majority of citizens it is not an easy task to calculate whether one is net-winner or net-loser, even though welfare states dominated by universal policy have been shown to be the most redistributive nation states in the OECD area. If the cost-benefit analysis is done at the individual level in a given year, the calculation could be manageable. The market value of the universal benefits and services received in that year should be subtracted the amount paid in VAT, income tax and different duties. But the calculation is complicated and it becomes even

more complicated if the cost-benefit analysis is done at the household level and within a lifetime perspective. In that case, the amount of VAT, income tax, duties etc. paid by the family over a lifetime should be subtracted the value of free education for the children, the old-age pension of one's partner, the likely use of free hospitals, the likely use of unemployment benefits etc. The most likely end result is that an ordinary citizen does not start to calculate at all.³ So, the point is that the programmatic structure but also the very size of the ideal type social democratic regime (see also Korpi & Palme, 1998) blur the boundary between net-winners and net-losers, which restrain the reciprocity discussion. Finally, as the institutional logic of universalism suppresses the discussion of need, control, identity and reciprocity, the attitudes among recipients of benefits and services also become more or less irrelevant. Nobody expects citizens – including the poor and the unemployed – to be grateful because they receive a basic old-age pension, have access to free hospital treatment, heavily subsidised childcare etc. Following this line of reasoning we have theoretical reasons to believe that due to institutional mechanisms the poor and unemployed in the liberal regimes will be asked to fulfil much harder deservingness criteria than the poor and unemployed in the social democratic regimes. Thereby we have established the first part of the institutional explanation for high support for welfare policy in the social democratic regimes and low support in the liberal regimes.⁴

The link between degree of generosity and fulfilment of the need criterion

The degree of generosity and the degree of universalism/selectivism of the welfare regimes are often not distinguished clearly from each other – probably because they often go together. However, we argue that the degree of generosity has an independent effect on the identity discussion. It is a classic thesis that pursuing a welfare policy that allows recipients to continue an 'ordinary' life style reduces the risk of stigmatising (otherwise) poor and unemployed citizens. The basic argument is that reduced differences in economic resources between 'the majority' and 'the bottom' of society generates more similar living styles, which as a consequences makes it easier for 'the bottom' to fulfil the identity criterion. In the Social democratic regimes unemployed use the same childcare facilities, schools, hospitals, nursing homes etc. as the more well-off citizens. The generosity of the welfare states also allow unemployed to live in ordinary neighbourhoods. Thereby we have a self-reinforcing feedback mechanism where policies that generate good living conditions among the potential poor produce public support for 'more of the same'. And the other way around; if those at 'the bottom' of society is not provided descent economic resources they are forced to have a way of living that is quite different from the way of living of the majority. Thereby it becomes harder to fulfil the identity criterion and we have a 'negative' feedback mechanism on public opinion. It is quite symptomatic that the largest discussions about dependency culture took place in liberal regimes, which provide the least generous benefits and services (Murray, 1984 for the US; Dean & Taylor-Gooby, 1992 for the UK). To put it boldly one can argue that the lack of identification with the black in USA is not only a matter of black being black. It is also a matter of black being poor.

In terms of poverty risk a number of empirical studies have demonstrated that the risk tend to be highest in the liberal regimes, in-between in the conservative regimes, and lowest in the social democratic regimes. If we take the countries closest to the ideal types we find the expected pattern. Measured by Gini-coefficients based on OECD data from the mid-1990s the disposal income distribution was most equal in Sweden (23.0), less equal in Germany (28.2), and most unequal in USA (34.4)(Förster & Parson, 2002, p. 38). If we take the percentage of the total populations that have an income below 50 percent of the median (equivalence) income we see the same pattern. In Sweden 6.6 percent fell below this threshold in the mid-1990, in Germany the share was 8.2 percent, and in USA the share was 17.8 percent (LIS, 2005). These conventional figures for the whole population also include poverty among children and elderly. If we use figures that narrowly measure the poverty risk among the group of able-bodied persons in the working age, which is our main concern, the pattern is even clearer. Relative poverty rates among the unemployed can e.g. be calculated from the European Household Panel Study and the results are convincing even though the extreme cases of Sweden and USA are not included. In Denmark, another social democratic regime, only 8.1 percent of the unemployed fell below the relative poverty threshold of 50 percent of the mean income. In the Germany case the share was 26.8 percent and in Great Britain the share was 48.5 percent (Galli, Jacobs & Paugam, 2000, p. 51).

Thus, on a one-dimensional scale the difference in economic resources between ‘the bottom’ and ‘the majority’ is high in the ideal type liberal regime, medium in the ideal type conservative regime, and low in the ideal type social democratic regime. Thus, we can expect an effect, which should make it most difficult to fulfil the identity criterion in the liberal regimes and easiest in the social democratic regimes.⁶ This is the second part of our institutional argument.

The link between degree of job opportunities and fulfilment of the control criterion

It is not only the generosity and the character of the welfare policy in the different welfare regime that influence the deservingness discussion. The labour market structures in the different regimes are also likely to have a profound impact. Esping-Andersen and a number of ‘institutional economists’ have shown that the programmatic structure of the welfare state is interwoven with the labour market. In his 1990 book, Esping-Andersen described how welfare policy creates important structures that influence how workers through early retirement can exit from the work force, how workers can claim paid absence from work, and how especially women can enter the work force (Esping-Andersen 1990, p. 144-61). However, his main interest was how these institutional regime differences have influenced the transformation from industrial to post-industrial economies (Esping-Andersen, 1990, 1996, 2000). The pressure on the industrial production structure comes from external factors such as increased economic integration and new technologies and from internal factors such as the women’s desire to participate in the work force.

The most discussed indication of these pressures is the high rates of unemployment that haunted most Western welfare states during the 1980s and 1990s. Very generally speaking the

situation is that the social democratic regimes have followed a trajectory where new jobs were generated in the public sector. It boosted employment considerably, created opportunities for women, and prevented declining wages in service jobs. At the same time, an active labour market policy was designed to train manual workers for new post-industrial jobs. The liberal regimes followed a neo-liberal trajectory where new service jobs are created in the private sector. It also boosted employment and created opportunities for women, but at the same time inequality increased and a large group of working poor was established. Finally, conservative regimes followed a labour reduction route. It did not boost employment in the service sector. Instead the male 'insider' breadwinner was protected against the risk of unemployment through strict job protection and early retirement schemes (Esping-Andersen, 1996).

Now the point is that these different employment trajectories influence the public perception of poor and unemployed. Especially the degree to which poor and unemployed groups are believed to be in control of their neediness is influenced by the level of unemployment. Therefore the poor and unemployed in the conservative regimes are seen as less in control of their neediness than the poor and unemployed in the social democratic and liberal regimes where job growth respectively in the public and private sector generated job opportunities. Recent empirical studies strongly support such an impact from labour market structures. Using Eurobarometer surveys Gallie & Paugam found a clear connection between level of unemployment in European countries and the perception that poverty was caused by laziness among unemployed (2002, p. 21). Using the World Value Study the same finding is reached by Larsen (2006). Blekesaune and Quadagno (2003), using the ISSP role of government module, also found a strong connection between level of unemployment and support for welfare policy (see also Earley & Matheson, 1999).

However, it is not only the level of unemployment that matters. The differences in wage setting mechanisms in each regime are also likely to have an impact. Poor and unemployed are perceived to be more in control of unemployment in countries where individuals are able to negotiate the wages themselves. This is possible in liberal regimes, where the importance of unions always has been limited and further undermined by the neo-liberal employment strategy during the 1980s and the 1990s. To put it boldly, this institutional setting facilitate the perception that everybody can get a job in the private service sector if they only are willing to reduce their wage demands. This is not possible in social democratic and conservative regimes, where the unions still have considerable influence on wage setting – especially in blue-collar sectors. So poor and unemployed cannot escape unemployment by lowering their wage demands. Finally, the degree of job protection for the 'insiders' (Lindbeck & Snower, 1988), which is very high in the conservative regimes, also contribute to the perception of poor and unemployed being out of control. Therefore it is no surprise that Larsen (2005, p. 62) finds that the share answering 'that most poor people have very little chance of escaping poverty' is highest in two conservative regimes (Germany, 83 percent; Spain, 73 percent).

Alesina & Glaeser (2004) have rightly argued that the American perception of poor having good chances of escaping poverty does not coincide with the facts. Referring to Gottschalk & Spolaore (2002), who compare USA and German, and Checchi, Ichino &

Rustichini (1999), who compare USA and Italy, reality seems to be that the poor are more ‘trapped’ in USA than in Germany and Italy. In USA, 60 pct. of the bottom quintile in 1984 were still in this quintile in 1993 compared to 43 pct. in Germany. In USA, 25 pct. of the fathers in the bottom quartile have children who also are in this quartile. In Italy, the share is 21 pct. To explain this paradox, Alesina & Glaeser refer to different ideologies (p. 76) and later to a general negative perception of poor caused by racial divides (133-183). In contrast, we point at regime-dependent labour market structures as a more straightforward explanation. Job growth in the private service sector and the ability of individuals to negotiate the salary might not on average increase the chance of moving out of the lowest quintile but the possibilities of getting a job gives the public the impression that each individual has a decent chance.

Thus, based on the argument of structural differences in service sector expansion, wage setting mechanisms and job protection, we would expect the labour markets to facilitate perceptions of little control of neediness among poor and unemployed in conservative regimes, medium control of neediness in social democratic regimes, and high control of neediness in liberal regimes. This is the third part of our institutional argument.

Empirical testing

Above we have established a new theoretical link between welfare regimes and public attitudes. The three relevant regimes dimensions were the degree of selectivism, difference in economic resources between ‘the bottom’ and ‘majority’, and the degree of job opportunities. The ideal type liberal welfare regimes had high scores on all three dimensions and therefore poor and unemployed have difficulties in meeting the deservingness criteria. The ideal type social democratic welfare regime had low scores on the two former dimensions and a medium score on the job opportunity dimension. Therefore the poor and unemployed can easier fulfil the deservingness criteria. Finally, the ideal type conservative welfare regime had medium scores on the two former dimensions and a low score on the job opportunity dimension. Therefore we expect that the perceptions of the poor and unemployed in conservative regimes fall in-between the perceptions found in the liberal and social democratic regimes.

Now the question is whether we can find empirical evidence for this new line of reasoning. The link between welfare regimes (typically measured by dummy variables) and support for welfare policy (in the narrow sense, measured by the ISSP-items) is well established, see above. The task is to test the soundness of the suggested intervening variables. In order to verify our theory we would need comparative data on the dimensions deduced from the deservingness literature, i.e. the question of control, need, identity, reciprocity, and gratefulness, see Figure 1. Unfortunately such comparative data are simply not available. Therefore we will test our argument by using a proxy found in the World Value Study from 1990 (not available in the 1999 wave). The data cover the three countries closest to the ideal type and other 13 countries of relevance. Thereby we end up with 16 countries and 25.679 respondents in the data set.

The respondents were asked ‘Why there is people in this country who live in need’ and given the four following possibilities; 1) because they have been unlucky, 2)

because of laziness and lack of will power, 3) because there is much injustice in our society, 4) it's an inevitable part of modern progress. In our opinion people who 'choose' to explain poverty with 'laziness and lack of will power' indicate that poor and unemployed are perceived to be in control of their neediness, i.e. they could get a job if they wanted. In the other cases the poor and unemployed can hardly be seen as being in control. However, the proxy also 'taps' parts of the identity dimension. Explaining poverty with 'laziness and lack of will power' also denotes that the poor culturally distinct from 'the majority', which share a common work ethic.

Now the first question is whether we can find a connection between welfare regimes and this proxy. The second question is whether we can find a connection between this proxy and public support for welfare policy. We should expect both of these connections if perceptions of control and identity are the intervening variables between welfare regimes and cross-national differences in public support.

The link between welfare regimes and fulfilment of deservingness criteria

If we only consider the three countries closest to Esping-Andersen's ideal types the expected pattern emerges. In USA 39 per cent explain poverty with laziness and will power while the share is only 16 per cent in Sweden. With 23 per cent Germany (West) comes in between as expected. However, we are also able to show that the expected pattern is present when the more deviant cases are included. The 16 available countries are grouped following Esping-Andersen (1990, 2000). USA, Canada, Great Britain and Ireland make up the liberal cluster. Sweden, Norway, Denmark, Finland, and the somewhat deviant case, the Netherlands, make up the social democratic cluster. Finally, Germany (West), France, Belgium, Austria, Spain, Portugal and Italy make up the conservative cluster.

Using a simple OLS model it is estimated that belonging to the social democratic cluster reduce the share answering 'laziness and lack of will power' with 13.4 percentage point, see table 2 model I. The liberal cluster is used a reference category. It is also estimated that belonging to the conservative cluster reduce the share answering 'laziness' with 5.0 percentage point. Thus, as expected we find a strong effect from living in a social democratic regime and a medium effect from living in a conservative regime. The former is even highly significant with only 16 cases. The latter effect is significant at 0.25 levels. However, the overall regime effect would clearly be significant if we had included regime belonging as an ordinal variable. The explained variation in model I is 43 percent.

Naturally, not all the cases follow the pattern neatly – then the two dummy variables would explain 100 percent of the variation. However, some of the deviant cases can be explained by the fact that they differ on the job opportunity dimension. That holds for Austria, which in contrast to the other conservative regimes experienced low unemployment rates throughout the 1980s and 1990s. Thus, it comes as no surprise that a large share in Austria (37 per cent) answer that poverty is caused by 'laziness'. It also holds for Ireland, which until the 1990s experienced some of the highest unemployment levels in Europe. Thus, it is no surprise that fewer than expected (from the regime belonging) explain poverty with laziness (21 per cent). This argument is formalised in model II, see Table 2. Here we have

included level of unemployment (OEDE standardised) as a separate variable. It is estimated that one percentage point increase in unemployment reduces the share answering ‘laziness’ with 0.8 percentage point. The effect is significant at a 0.10 level (which is acceptable taken the number of cases into account). Furthermore, the impact from the original regime dummies increase, as expected (from 13.4 to 16.6 in social democratic case and from 5.0 to 5.8 in the conservative case), and the explained variation increases significantly (from 43 to 54 per cent). These estimates clearly support our argument.

Table 2. *Prediction of proportion answering in poverty caused by ‘laziness and lack of will power’ based on degree of regime belonging, level of unemployment, and ethnic fractionalisation (OLS). World Value Study 1990*

| Model: | I | II | IV |
|---|-------|-------|-------|
| Belonging to social democratic regime (dummy) | | | |
| Beta coefficient unstandardised | -13.4 | -16.6 | -14.0 |
| Sig. | 0.01 | 0.03 | 0.02 |
| Belonging to conservative regime (dummy) | | | |
| Beta coefficient | -5.0 | -5.8 | -4.4 |
| Sig. | 0.25 | 0.16 | 0.30 |
| Level of unemployment | | | |
| Beta coefficient | | -0.8 | -0.89 |
| Sig. | | 0.10 | 0.09 |
| Ethnic fractionalisation | | | |
| Beta coefficient | | | 10.3 |
| Sig. | | | 0.27 |
| R ² | 0.43 | 0.54 | 0.59 |
| N | 16 | 16 | 16 |

One could naturally still pose the question whether the regime dummies only ‘taps’ the dimensions we have discussed above. The residual culture explanation is not seen as a strong competitor, as it does not deliver a better suggestion for the intervening variables. The heterogeneity explanation offers more competition. Following Alsina & Glaser (2004) the argument would be that the so-called ethnic fractionalisation is low in the social democratic regimes and high in the liberal regimes. Thus, the fulfilment of the identity criteria could have more to do with ethnic divides than the institutional structure of the welfare regimes. In order to control for this objection we have included Alsina & Glaser’s ethnic fractionalisation measure in model III. Their figures are based on information from Encyclopedia Britannica and they calculate the probability of two randomly selected individuals belonging to different ethnic groups (Alsina et. al, 2003). The increase in the share answering ‘laziness’ is estimated to be 10.3 percentage points if one goes from a totally homogeneous society (the probability of selecting two people belonging to different ethnic groups is zero) to a totally heterogeneity

society (the probability of the selecting two people belonging to different ethnic groups is one). In the real world the cross-national differences are much more modest. Measured by the standardised beta-coefficient (not shown) ethnic fractionalisation is the weakest of the variables included in model III. Furthermore, the effects from the regime dummies are not seriously reduced (from 16.6 to 14.0 on social democratic dummy; from 5.8 to 4.4 on the conservative dummy). One could add more control variables but the limited number of cases makes further elaboration more or less impossible. However, the analyses we can make support the argument that welfare regimes influence the perception of poor and unemployed.

The link between deservingness and support for welfare policy

The second task is to test whether the deservingness judgements measured by our proxy are linked to support for welfare policy. Unfortunately, the latter questions were measured in the ISSP surveys and not in the World Value Survey. However, for 8 countries we can correlate the share answering 'laziness and lack of will power' with support for welfare policy at the aggregated level. For public support we use an additive index of the three ISSP items (attitude to 'redistribution', 'provide jobs to all', and 'provide basic income') from the social inequality module used in the previously studies that confirm a regime pattern. The result is a strong correlation (0.69) at the aggregated level; the larger the share answering 'laziness and lack of will power' the lower support for welfare policy (Larsen, 2006, p. 90)

At the individual level it is possible to test the correlation between deservingness perceptions and support for welfare policy on less fragile data. In a national (Danish) sample we have measured two deservingness dimension and public support for social assistance. The perceived degree of control was measured by the question 'How do you believe the opportunities are for recipients of social assistance to get into the Danish labour market?' The perceived degree of shared identity between 'the bottom' and 'the majority' was measured by the question 'How do you believe the work ethic, i.e. the desire and willingness to work, is among claimants of social assistance as compared to work ethic among employed?' In both cases we found a strong connection between these deservingness dimensions and public support for social assistance (Larsen, 2006 p. 123-38). Thus, the national data confirm that the dimensions discussed above are highly relevant in order to explain variations in attitudes towards welfare policy. Further analyses show that these connections remain strong and significant when political orientation is taken into account. Thus, the measured perceptions are not a simple reflection of basic egalitarian and anti-egalitarian values (Larsen, 2006, p. 134-35).

Conclusion and discussion

This article has been an endeavour to rescue the institutional explanation of cross-national differences in support for welfare policy. The combination of welfare regime theory and the deservingness literature allowed us to specify the link between the macro-level of welfare regimes and the micro-level of public attitudes. This combination also allowed us to operate with a 'political man' where the formation of attitudes was less 'mechanical' and more open to perceptions of reality. To put it heroically it has been an attempt to provide the grand

theories of welfare state development with a better micro-foundation. It is clear that more empirically research need to be done in this field. But using the World Value Survey from 1990 we were able to verify a connection between welfare regimes and perceptions of poor and unemployed. We were also able to verify the presence of a strong connection between perception of control and identity and support for welfare policy.

The article has also been an attempt to establish a competing theory to the homogeneity explanation and the culture explanation. The homogeneity explanation basically claims that low support in liberal for welfare policy primarily has to do with the presence of ethnic heterogeneity. The argument is primarily inferred from the American experience. The claim is that the presence of Indians and the import of slaves simply gave and continue to give fundamentally different preconditions for the welfare discussion in USA. This idea is widespread among American scholars and supported by studies that show a strong correlation between attitudes towards the race issue and the welfare issue (e.g. Quadagno, 1994; Gilens, 2000). Moreover, this explanation gains more and more influence as recent European discussions about immigration sometimes also link-up with the welfare discussions. From their study of ethnic fractionalization Alesina & Glaeser (2004) infer that eventually increased ethnic heterogeneity will lower the Europeans' passion for welfare policy (for similar argument see also Freeman, 1986; Glazer, 1998; Goodhart, 2004). However, simply by turning the argument around one becomes more uneasy about the argument, i.e. to claim that higher support for welfare policy in the European countries is caused by ethnic homogeneity. Naturally, the USA has had a large minority with a black skin but the European history is also filled with clashes between different ethnic groups. The building of nation states had a homogenising effect on the one hand; a process that have not been given the same time in previous colonies. However, this long process of turning inhabitants of a given area into national citizens also established new and persistent divides between the majority and ethnic minorities who wanted their own nation state or wanted to belong to another nation state (e.g. Bommes & Geddes, 2000). Furthermore, a number of empirical studies have contested the link between homogeneity and support for welfare policy (e.g. Banting & Will Kymlicka, forthcoming; Taylor-Gooby, 2005). Finally, Alesina & Glaeser (2004) and others may argue that the degree of ethnic homogeneity was crucial for establishing different kinds of welfare institutions but still they need to take into account that once welfare institutions are established they get an impact on their own. It is this institutional feedback on public support that has been theorised in the article.

The second popular explanation of cross-national differences in support for welfare policy is the 'culture thesis'. It basically claims that lower support in USA and other liberal regimes is caused by a 'passion for freedom over inequality'. The argument is inline with Lipset's thesis of an American exceptionalism (e.g. 1996); and the other way around the 'culture thesis' claims that the high support in the social democratic regimes is caused by a 'passion for equality' (Graubard, 1986). This explanation is widespread among Europeans; probably because, from a European perspective, it reproduces the 'nice' idea about a social responsible Europe and a social irresponsible USA. However, the argument contradicts one of the very first and strongest impressions Europeans got after crossing the Atlantic. Coming

from France Tocqueville described in detail, and was indeed somewhat worried about, the ‘passion for equality’ that prevailed in USA. Naturally, it was first of all a call for equality of opportunities and naturally much has happened in Europe since then. But the overall impression is that the liberal regimes are rooted in quite egalitarian cultures. The comparative studies that try to measure justice beliefs or level of egalitarianism do not find a distinct liberal anti-egalitarian culture (see Larsen, 2000, p. 34-43). Larsen (2006, p. 40) actually shows that measured in terms of perception of just wage differences (which probably is the most valid and reliable cross-national measure we can establish) the most anti-egalitarian attitudes are found in the conservative welfare regimes and not in USA or the other liberal welfare state regimes (as Tocqueville would predict if he was still alive). What distinguishes Americans and others who live in liberal welfare state regimes is not a general anti-egalitarian attitude. Instead we find a specific anti-egalitarian attitude towards ‘the bottom’, which (partly) can be given an institutional explanation.

Finally, our institutional line of reasoning gives a new perspective on the future public support for welfare policy. The prospect is that future support will not only depend on the future configuration of class-interests, self-interests, ethnic homogeneity, or shift in egalitarian values. It will also depend on the institutions in place. Within this perspective the increased use of selective welfare policies, increased levels of inequality, and increased deregulation of labour markets, are indeed worrying developments for those could want to uphold public support for welfare policy in the long-run.

Notes

¹ The studies that find a regime pattern primarily use the ISSP items that measure whether it should be a public responsibility to ‘provide job for all’, ‘provide everyone a guaranteed basic income’, and ‘reduce income differences’. See Larsen 2006, p. 25-44, for a further discussion.

³ This argument is in line with Goul Andersen’s findings on the Danish case. He shows that even if we delimit the analyses to the group of private employees without own or family experience of unemployment, there is no majority against the welfare policy in general. He also shows that support for increased public expenditures in a given area is not higher among employees working in this area (Goul Andersen, forthcoming).

⁴ Now the question is how this reasoning applies to the welfare policy conducted by the ideal type conservative regime. In terms of expected support for welfare policy, the previous empirical studies simply put – without much further discussion - the conservative regimes in between the ‘extreme’ liberal and social democratic welfare regimes. On a scale between universalism and selectivism is fair to place the conservative regimes in between but a number of more substantial argument can be made (see Larsen 2006, p. 45-64).

⁶ However, one also could argue that if the pursued welfare policy – following whatever principle – manages to provide (potentially) poor and unemployed groups with good life conditions one should expect the public to make tougher judgements about the fulfilment of the need criterion. Therefore figure 1 includes a dotted arrow to the need criterion. Thus, we probably have a ‘second order’ feedback process on deservingness that restrain what above seemed to be self-reinforcing ‘first order’ feedback processes. Nevertheless, in order to explain the regime pattern in public support for welfare policy it is fair to assume that the first order ‘identity effect’ is more relevant than the second order ‘need effect’.

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Acknowledgement:

A previous version of this paper has been presented at the *Network for European Social Policy Analysis* (ESPAnet) annual conference, Fribourg, Making social policy in the post-industrial age, September 2005, and at the *International Sociological Association* RC19 conference, Chicago, Re-theorizing welfare States: Restructuring States, Restructuring Analysis, September 2005. I am grateful for the useful comments received on these two occasions. I am also grateful to Professor Jørgen Goul Andersen who delivered inputs throughout the process.