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Great Recession, Great Regression? The Welfare State in the 21st Century?

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Great Recession, Great Regression?

The Welfare State in the 21st Century[1]

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Abstract

Has the welfare state undergone significant retrenchment in the aftermath of the 2007-2008 crackdown? In the literature, two contrasting views can be found. Some commentators argue that expansions that would otherwise be observed during crises have been suffocated due to the imperative of austerity. Other more optimistic assessments see social investment (SI) policies as having been experimented with in various places, alongside widespread retrenchment. In this paper, using an OECD database for 35 countries, we check these assessments by examining aggregate figures such as the evolution – over the 2007-2013 period – of social spending and its composition, the participation of social spending in public expenditure, the tax burden and tax composition, and welfare state effectiveness. We document expansion in the OECD area alongside stable performance. However, important challenges persist.

Key words: Welfare state; Social expenditure; Taxation; Inequality; Poverty
JEL classifications: H53; I31; I32.

Introduction

In the context of the Great Recession starting in the 2007-2008 downturn, the question of whether the welfare state has undergone significant retrenchment lingers. While neither the events following the Great Depression of the 1920s-1930s nor those of the economic downturn of the 1970s confirmed fears of a regression of social spending,[4] the widespread expectation was that this time around, given the nature of the current crisis and the typical austerity-oriented policy management that has been in place everywhere, things would play out differently, and OECD countries would finally see a major reduction in their welfare

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[4] See Pierson (2006).

states. The financial crisis would represent a decisive – in fact, a fatal – stress test of the welfare state.

Tracking retrenchment may be tricky, as one needs to pay attention to different things, including the aims of the reforms, the means for achieving them, and new governance schemes. Aims such as cost containment explicitly envisage reducing public spending in the short term; others, such as cutbacks in entitlements, may also respond to more complex concerns (viz. the financial sustainability of social funds in an aging society) and may or may not imply less spending, either now or in the future. These targets can be reached via different means or policy reforms. Some of them openly aim at some sort of cutback, such as parametric or even paradigmatic reforms of pension systems, while others do so in less visible ways, such as delays in benefit adjustment to inflation or stricter monitoring of existing rules. Additionally, cost containment pursued through the latter actions may change rules *de facto* (and have a long-term impact), for instance, by discouraging the take-up of long devalued benefits or services (consider the desertion of the middle classes from universal public schools in many countries). Finally, changes in the governance of social programs, with an enhanced role given to private actors, may imply the introduction of principles that are alien to public service. Such an introduction may include making it difficult for the claimant of a social benefit to obtain what the law says is his or her right by, for instance, deploying unfriendly staff at the point of service delivery, raising digital barriers to information and applications, or providing facilities overlooked by security personnel – all of which are seemingly moved by the attainment of productivity targets, ingrained in the “mixed” delivery of social services.

While most of these changes have been introduced everywhere, the extent to which this means the quick (or slow) death of the welfare state remains unclear. Most commentators agree that retrenchment is here to stay and that economic crises, which usually open (or are expected to open) a “window of opportunity” for welfare state experimentalism, are in fact suffocating the welfare state under the imperative of austerity. At best, more optimistic assessments (Kersbergen, Vis and Hemerijck, 2014) observe sparse attempts at experimenting with social investment (SI) initiatives, alongside a more consistent retrenchment being implemented everywhere. However, while this might challenge the narrative that “retrenchment is the only game in town” (idem), it leaves two “games” for us to pay attention to: retrenchment and SI.

In this paper, we want to check these assessments by examining the story that aggregate figures tell: the evolution – over the 2007-2013 period – of social spending and its composition, the participation of social spending in public expenditure, the tax burden and tax composition, and welfare state effectiveness in terms of decreasing poverty rates and inequality indices. Based on the plethora of reports of retrenchment-oriented social policy reforms, which actually began in the 1980s but intensified after the recent crisis, we would expect a shrinking of welfare state spending and funding – a race to the bottom – as well as a reduced capacity for doing what we expect from the welfare state. However, our investigation ultimately disconfirms these expectations, as we document unflinching expansion in the OECD area alongside stable performance when measured in terms of the abovementioned indicators.

In trying to address the seeming paradox of consistent reports of cutback reforms in parallel with expansionary welfare states, we offer the hypothesis (for future investigation) of an “expansionary retrenchment”. People are living longer; labor markets and families are increasingly undependable; welfare demand has been expanding at an appreciable pace, while unregulated commodification is in full swing. In turn, public protection and provision have not been in short supply. Quite to the contrary, in crude figures, welfare state effort has been greater than ever. Our examination of the figures suggests that the challenge is evident in the results of this effort, which, though still positive, have lagged when confronted with the advance of market poverty and inequality. Growing social needs have not been equivalently matched by public support; in some cases, this may imply recalibration of expenditures among groups of social risks. Although it falls beyond the scope of this paper, we point to the need for a reconceptualization of the welfare state – yes, yet another one.

In the next section, we briefly review the recent literature reporting welfare state retrenchment following the 2007-2008 crisis and present the strategy that we followed to investigate our central questions. In the following sections, we detail the answers that we reached for the following questions: [1] was spending negatively affected? [2] Were the 10 hallmark programs of the welfare state significantly diminished? [3] Do changes in spending signal any important reversal in welfare state priorities? [4] Is funding shrinking or becoming less progressive? [5] Is the welfare state becoming less effective? In the final section, we summarize the results and speculate on the challenges ahead.

1. Related literature and research strategy

Since the 1980s, many commentators have dedicated themselves to investigating the nature of welfare state reforms following the economic downturn of the mid-1970s. For example, in Pierson (2006), we find a summary of policy changes undertaken over the 1980s and 1990s, for which a verdict of restructuring or *recommodification* of the welfare state seemed cogent: tougher eligibility criteria, a reduction in the real value of benefits and the duration thereof, conditions attached to benefits, the reversal of universalism in some programs and countries, the introduction of copayments in services, and privatization. However, while confirming the occurrence of cutbacks, contrasting assessments concluded that they had affected the "old" cash-based compensatory welfare state; in turn, new areas of social policy were opening as a *functional adaptation* of the welfare state to the "new social risks" of aging societies and increasingly fluid family arrangements and labor markets, and these policy areas included care services and active labor market policies (ALMP) (Nullmeier and Kauffman, 2010). Ultimately, it could not be said that public responsibility was shrinking. In contrast, others saw in the introduction of private elements in welfare provision a *transformative* welfare state in the making, as public responsibility was retained (under the guise of public financing and regulation), while the spirit of service, as opposed to the spirit of profit making, continued to prevail (Seeleib-Kaiser, 2008). Regardless, a significant recommodification in the main social security (SS) programs was not clearly detected (Starke, Obinger and Castles, 2008; Allan and Scruggs, 2004; for a divergent assessment, see Korpi and Palme, 2007). Finally, during consecutive periods between 1980 and 2006, other contributions reported an expanding social state increasingly more involved with social services provision (Castles, 2004; Starke, Obinger and Castles, 2008; Arts and Gelissen, 2010). To paraphrase an important contribution of the period (Esping-Andersen et al., 2002), the "new welfare state" that we needed in the aftermath of the 1970s downturn and the fiscal crisis was one involved with the economic participation of citizens, which, according to most of those assessments, was precisely the welfare state that was emerging in the XXIst century.

However, in the US, Lehman Bros. crashed in 2007, exposing in its aftermath the strong interconnection of domestic and international financial institutions. The downturn also revealed the ability of the latter to contaminate the real economy at the global level by shrinking credit and markets and to drag down domestic fiscal spaces with it. The crisis, which started as American, had a European follow-up with the euro crisis and ended up destabilizing emergent economies that were highly dependent on the markets of developed countries. With the Great Recession of 2008-2009 came austerity or “fiscal consolidation”, and the welfare state became vulnerable to attacks and further reforms.

There has been some literature on the impact of the recent crisis on European welfare states. Kersbergen, Vis and Hemerijck (2014) summarize most of the contributions up to 2013, converging on the verdict of retrenchment. However, they qualified this consensus. Examining the cases of four European countries – Great Britain, Germany, Denmark, and the Netherlands – the authors noted that while all of them undertook cutbacks after the 2007-2008 crisis, “retrenchment was not the only game in town”. Along with retrenchment, governments implemented innovations, such as service-oriented reforms of a social investment (SI) nature, especially between 2010 and 2012. Less optimistic are the assessments of these changes in OECD countries by Wulfgramm, Bieber and Leibfried (2016) and Starke, Wulfgramm and Obinger (2016). Critics of the SI turn (see Morel, Palier and Palme, 2012), which they equate with a nonsolidaristic supply-side orientation of social policy, they see education and family policies crowding out social protection (p. 13); thus, advances in the latter should count as retrenchment. A related stream of criticism consists of evaluations of the kinds of SI that have been implemented in the post-crisis period, which in the observed cases seemed to have leaned more towards a work-first approach rather than a capability-enhancing approach (Greve, 2012; Bengtsson, De la Porte and Jacobsson, 2017; Bothfeld and Rouault, 2015). In those evaluations, the very innovation represented by SI has been contaminated by cost containment and the retraction of entitlements.

Therefore, distinct from the abovementioned assessments of the aftermath of the 1980s economic downturn, which were more mixed, current narratives on the recent post-crisis period, despite their contrasting take on SI, seem to converge on the retrenchment hypothesis, and in many cases, the evidence provided seems compelling. However, does the evidence match with the evolution of aggregate figures, the classical indicators of welfare state development, such as spending, funding, and effectiveness? Recent assessments have focused on (important) details (e.g., specific programs and rules) and selected countries but overlooked the big picture, where reality also dwells. Are these aspects congruent? Arguably, a comprehensive perspective would have to take stock of both. Additionally, in view of the growing interest in SI, it seems timely to investigate whether the evolution of those indicators endorses the hypotheses of SI expansion and of the crowding out of social protection by SI policies in the post-crisis period.

To check the compatibility of the recent reports with the aggregate figures, we used the OECD statistics database, which contains information on 35 countries, over the period from 2007 to 2013 (the last year available for most countries), and we selected the following variables: social spending as a percentage of GDP, disaggregated social spending on 11 items (old age, survivors, incapacity, health, family, active labor market policies (ALMP), unemployment, social housing, other areas, education and early childhood education and care (ECEC)); the tax burden, tax composition (direct and indirect taxes, social security contributions (SSC) by employers and employees), and marginal tax rates (individual and corporate income, indirect, employer SS, employee SS tax rates); and market poverty, post-fisc poverty, market inequality, post-fisc inequality and the corresponding welfare state efforts. As mentioned, these variables were selected with a view to addressing the following questions: Was spending negatively affected? Were the 10 hallmark programs of the welfare state significantly diminished? Do changes in spending signal any important shift in welfare state priorities, e.g., towards SI? Is funding shrinking or becoming less progressive? Is the welfare state becoming less effective?

While our attention was directed to the OECD average, we also disaggregated the data to track heterogeneity by separating the 35 countries into 6 groups, following as closely as possible the usual classification in the welfare state literature: the three Esping-Andersen (1990) mature welfare regimes (Liberal, Conservative, Social Democrat (SD)), the Asian countries (Korea and Japan), the less developed (LD) countries in terms of the Human Development Index (HDI) (subdivided into the South- and East-Europeans[5], and the remaining non-Europeans), and the group with the remaining countries, under the heading of

[5] The literature usually groups the South-European, or the Mediterranean countries, and the East-European countries, or the ex-communist countries, as two distinct clusters. For reference, see Castles et al. (2010).

“Others”[6]. We also investigated selected countries that are representative of the three abovementioned welfare regimes: Denmark and Sweden (SD), Germany and France (Conservative), and the US and the UK (Liberal). For these countries, in addition to spending-funding-effectiveness dynamics, we tracked changes in the coverage, replacement rates, duration, and qualification period of public pensions, sickness insurance and unemployment insurance in the post-crisis period.

2. Post-crisis evolution of social expenditure in the OECD area

Welfare states reached the year 2013, the last year in our series, absorbing approximately one-quarter of the GDP of developed countries (see Table 1). This outgrowth might be dubbed as the ‘Polanyian’ counterpart to the large social risks inherent in market societies, including the new ones posed by the economic, societal, and demographic changes of the past three decades. The figure hides substantial variation though, ranging from slightly over one fifth in the ‘liberal’ regime countries to little less than one third in the robust ‘social democratic’ Nordic cluster.

Far beyond its representation as a substantial chunk of the domestic wealth of mature developed economies, the welfare state is a state form that has disseminated to other regions, such as Asia and Eastern Europe, and to countries in Latin America, following changes in state-led capitalist development processes therein. In fact, a kind of convergence is detectable in a preliminary assessment of the data, where latecomers LDNon-Europeans and Asians have outpaced the average growth rhythm of the OECD area (Table 1).

Three of the ten principal areas lead public social expenditure everywhere and have for a long time: old age, health and education (Table 1). The kinds of risks covered and the numbers involved (of people and resources) explain most of this outcome. Nevertheless, other areas also attract attention, both in relative and absolute terms, insofar as they express

[6] The clusters are composed of the following countries: liberal (US, UK, Australia, Canada and N. Zealand), conservative (Austria, Belgium, France, Germany and the Netherlands), Social Democrat (Denmark, Sweden, Norway, Finland and Iceland), LDEuropean (the South Europeans: Italy, Spain, Greece, and Portugal, and the Eastern Europeans: Estonia, Slovenia, Poland, Slovakia, Hungary, Latvia, and the Czech Republic), LDNon-European countries (Chile, Mexico and Turkey), Asian (Korea and Japan) and Others (Ireland, Israel, Luxembourg, and Switzerland).

welfare state responsiveness to short-term business-cycle related risks, for instance, unemployment and income poverty, and long-term ones, including the financial sustainability of the welfare state structure in aging societies. Among the former responses are automatic stabilizers such as unemployment benefits or social assistance; the latter include social investment policies. Beyond the focus on one set of policies over the other, complementarities between short-term and long-term policies are also of interest and help to reveal different styles of welfare state intervention. To illustrate, countries in the social democrat cluster attach similar relative importance to social assistance (short-term) and active labor market policies (long-term), suggesting the exploration of complementarities. By contrast, the liberal cluster typically concentrates on social assistance with hardly any attention to active labor market policies (Table 1).

These stylized facts have been explored in depth elsewhere, and our data merely provide updated confirmation (see, for example, Esping-Andersen, 1999; Castles et al., 2010, Kerstenetzky, 2012;2017; Taylor-Gooby, Leruth and Chung, 2017; Hemerijck, 2017). However, less attention has been given to the questions we propose to sort out in this paper, which refer to recent changes in the central pillars of the welfare state structure in the aftermath of the Great Recession and in reaction to it. To what extent is a verdict of retrenchment satisfying? Therefore, in this section, we examine social expenditure figures to address the following more specific questions: was spending negatively affected? Were the 10 hallmark programs of the welfare state significantly diminished? Do changes in spending signal any important reversal in welfare state priorities? Note that our (widely used) social expenditure variable – social expenditure as a percentage of GDP – combines the usual OECD indicator of public social expenditure with public spending on education. However, despite using this variable, our results generally remain valid even if other social expenditure measures, such as real social expenditure or per head expenditure, are used.[7]

[7] In fact, to test whether the findings would have changed had per head and per recipient figures of aggregated and disaggregated social spending been computed instead, we calculated these figures and present them in the Appendix. Ultimately, the per head and per recipient results generally corroborate our main findings in terms of % of GDP. See Tables A1 and A2. The same is true of the real public social expenditure, which is not shown here. We also calculated the same indicators for selected countries but do not show the tables here. These calculations may be obtained from the authors. We refer to these other measures when there is a notable discrepancy, i.e., the variation in social spending as a % of the GDP trends in a different direction than the variation in real public social expenditure. However, we must warn the reader that the use of per recipient figures is not very accurate due to methodological reasons of the OECD base that we explain in the Appendix.

Spending: total and main programs

A preliminary assessment of the figures shows that, on average, social expenditure expanded from 2007 to 2013, though not in a homogeneous manner (the red line in Figure 1).

On average, the immediate post-crisis period (2008-2009) was one of expansion. Commentators relate this behavior to policy makers taking a business-as-usual view of the crisis, thus setting free existing automatic stabilizers. Additionally, we must take into account the GDP contraction in 2009 in the OECD area; nevertheless, the per head amount actually increased in 2009[8]. However, the subsequent period (2010-2011) was not a period of expansion, as the financial crisis was reinforced by the euro crisis, and most countries somewhat reduced their social spending. The final subperiod 2012-2013 saw recuperation, though; thus, from one extreme to the other, there was frank expansion – and 2013 was roughly as good as 2009 (see the red line in Figure 1).

[Figure 1]

The picture of expansion is essentially the same for all country groups, with the qualification that in the Liberal cluster, expansion occurred only from 2007 to 2009[9]. For half of the groups, 2013 was not as good as 2009,[10] notably so for the EEC and the Liberal countries. However, again, even in this case, 2013 was ahead of 2007; thus, the contraction did not translate into a shrinking of the welfare state.

While the story is one of an overall expansion of resources devoted to social spending in the OECD area, more surprisingly, for most groups, the crisis period witnessed an expansion that slightly superseded that which took place between the decade of the 1980s (a

[8] The per head amount for the OECD area was 6,906.0 in 2007 and 7,562.2 in 2009, in constant PPP US dollars.
[9] In terms of per head real public social spending, the expansion occurred in every year during this period.
[10] In terms of per head real public social spending, for only one group – the LD European countries – 2013 was not as good as 2009.

bad decade) and the immediate pre-crisis period (2000-2006; a good period). On average, the expansion from 2007 to 2013 was 3.7 percentage points (pp), while that between 1980 and 2000-2006 was 3.15 pp.[11] Incidentally, commentators remark that in many countries, public support for welfare state expansion was stronger in the current crisis than during the economic downturns in the 1970s and 1980s, as this time the welfare state was not perceived as the trigger of the crisis (Vis, Kersbergen and Hylands, 2010). In particular, this period was a time of frank expansion for the SD cluster, the countries of which were already the leaders, challenging, in a way, the expectations of reaching a ceiling, which have haunted the history of large welfare states – and an eventful time for the LDNon-Europeans, especially Chile.

The data (Figure 2), which, for comparison, include the decades of the 1980s and the 1990s and the 2000-2006 period, show a peculiar "ratchet mechanism" guiding the long-term evolution of welfare state expenditure, with some fluctuation but a clear upward trend. The present crisis did not detract from this dynamic. As one might have expected, automatic stabilizers responded counter-cyclically in the worst of the crisis, but other factors, including population aging, seem to have driven expenditures upward in the post-crisis period, an issue we shall turn to in the concluding section. To see this more clearly, we included the growth rates of both the real GDP and real public social expenditure in Figure 1, represented respectively by the green and blue lines. In the year 2009, the growth of the real public social expenditure more than compensated the negative growth of the real GDP, and only in one year (2011) was it clearly below the latter, starting to pick up from 2012.

[Figure 2]

Shifting our attention to the 10 main policy areas (Table 1), we find that all of them have experienced increases from 2007 to 2013; thus, for the most part, the ranking remained unchanged. Old age, where pensions are by far the most important item, leads the group with the largest expansion, reaching 29% of public social spending in 2013. Interestingly,

[11] The per head real public social spending annual variation was 2.34% in the former period and 1.96% in the more recent period.

education[12] became less important, while ECEC became slightly more prominent. Other policy areas that increased their prominence include unemployment and ALMP.

Picking out each area and country-group, we find that old age (7.6% of GDP in 2013) was a policy area that expanded substantially in every group of countries. The catch up of the LDNon-Europeans and the equivalent expansion of the SD cluster, already a big spender, are noteworthy. Additionally, as one might expect, the leader in the mature welfare states is the Conservative cluster, but the South-European group, a heavily pension-biased welfare state, is ahead in both absolute figures and variation in the period. Notably, in comparison with the peak year of 2009, old age and, to a lesser extent, other areas and ECEC (within "family") are the only policy areas for which the final year of 2013 was an even better year.

Turning to health (6.1% of GDP in 2013), we find that this was also an area that witnessed an increase in the 2007-2013 period, while the intermediate 2010-2011 period was one of retraction.[13] Again, the leading spender is the Conservative group, with France ahead. Education (4.3% of GDP in 2013) has undergone a similar evolution, with a slight increase in the OECD and with 2009 being the peak year for the most part. The leading spender remains the SD cluster.

Incapacity (2.2%), family (2.1%), and unemployment (.99%) exhibited analogous evolutions: expenditures increased in all groups over the 2007-2013 period,[14] with small reductions between 2010 and 2011 and recuperation in 2013 but 2009 remaining the peak year. For incapacity and family, the leaders are the SDs, and for unemployment, South-Europeans and Conservatives lead by far.

Within family, we tracked ECEC expenditures (.72%), an area that has been attracting increasing attention due to its alleged multifunctional properties, including facilitating women's economic participation, gender equality, and child development (Starke, Wulfgramm and Obinger, 2016; Hemerijck, 2017; Hemerijck, 2018). Moreover, it is considered the hallmark of the SI approach (see Morel, Palier and Palme, 2012; Hemerijck, 2017). The aggregate figures indicate that ECEC has expanded in almost every group (the

[12] As in Figure 1, from this point on, to maintain consistency with the other areas of social policy, we also use OECD statistics for education.

[13] In terms of per head real social public expenditure, this is especially true for the SD, LDEuropeans and Others.

[14] In terms of per head real social public expenditure, the exception is the rubric "incapacity" in the SD and Others groups of countries.

only exception being the LD countries)[15] and roughly every year. Asian expansion and the incontestable leadership of the SDs are particularly notable. The expansion of the SDs in this area, in particular, resulted in an ECEC figure that amounts to double the OECD average.

In addition to ECEC, ALMP (.54%) have been highlighted as a feature of the SI perspective. The evolution of magnitudes shows a slight average growth, which, however, hides shrinking in the Liberal and Conservative clusters. The SDs, by far the leading spenders, invested even more during the crisis, while the Asians, still at a modest level, accelerated their spending during this period. From the SI perspective, the growth in ECEC appears clearer than that in ALMP, which remains mostly an SD fixture.

Finally, other areas (.53%), which group a myriad of cash benefits and services related to social assistance programs not included under the heading of the main rubrics, vary greatly from country to country. Regardless, they should be more important in less institutionalized welfare states. On average, this policy area has also expanded in every year in the period under consideration (2013 was the peak year).[16] In addition, while we would expect these programs to be more in force in the Liberal cluster, the fact is that they were not: not only are they not the leaders, but they have also experienced declines in these areas. Surprisingly, the SDs led, with .85% of GDP, part of which (albeit a small part) being increasingly devoted to immigrants. The study of specific countries, however, helps to sort out the seeming puzzle: the declines in the Liberal cluster are related to the increasingly stringent rules and cuts governing targeted-to-the-poor programs, while the interplay between compensatory and capacitating policies typical of social democrat welfare states is behind the expansion of both policy areas.

Therefore, from the aggregate figures and the total and main policy areas, it is not clear at all that major adjustments in social expenditures in the OECD countries during and following the Great Recession have been made. Different policies responding to different risks became more prominent, such as old age (remarkably), unemployment, ECEC and ALMP. The spending side of the welfare state seems to have firmly stood its ground.

[15] There is no exception if the expenditure is measured in terms of the per head real social public expenditure.
[16] If the indicator is the per head real social public expenditure, the Asian group was the only exception between 2007 and 2009, while the LD countries and the group of Others were the only exceptions between 2009 and 2013.

[Table 1]

Any priority changes?

In trying more closely to investigate the occurrence of shifting strategies, for example, from the "old welfare state" to the new SI state, we focused on two policy groups, "passive" and "active". In the group of passive policies, featuring compensatory benefits for income loss, we included old age, survivors, and incapacity. In the active group, i.e., policies aimed at increasing economic participation, we initially included not only the typical ALMP and ECEC areas but also unemployment since unemployment policies increasingly comprise an active component, for instance, by conditioning the receipt of the benefit on participation in training or job search.

What emerges from the data is that both passive and active policies have increased their share in public social expenditure; thus, there is no tradeoff thus far (see Table 2). While the active group, still at only 8.2% of GDP in 2013, increased its participation by 1.3 pp, the passive group did so by 1.8 pp. The overwhelming prominence of the latter in social spending is kept in place: it represented 40.9% of the total in 2013.

Regarding the active group, while SI advanced somewhat during the crisis, unemployment benefits are the policy that explains most of this advancement, and "active unemployment" (i.e., unemployment benefits coupled with training or job search assistance) is only part of the growth of this item. In a recent account, active unemployment was shown to have become less of an upskilling nature (a "high road" to SI), leaning more towards income compensation and workfare (a somewhat "low road" to SI) (Bengtsson, De la Porte and Jacobsson, 2017) – our own figure for ALMP *per unemployed* showed contraction during the crisis, although we do not have the *per recipient* figure for this rubric (see Table A.2). Moreover, if we base our account of active policies on a stricter definition, comprising only spending on ECEC and ALMP or on ALMP and family, the variation, though still positive, would be even smaller than that based on the broader definition. Thus, the perspective from spending figures does not endorse the hypothesis of a substantial change in the welfare state towards activation in the post-crisis period, although SI rubrics visibly expanded.

[Table 2]

In summary, neither expenditure retrenchment nor SI seem to have characterized the changes in social policy following the Great Recession with regard to the spending variables. While policy areas with a social investment nature increased in importance, old age, with a positive average variation of 1.4 pp of GDP, led the expansion, so that “coping” seems to have been the preferred strategy in response to the demographic challenge of aging societies. However, a closer examination of the clusters uncovers some interesting moves.

First, while Conservatives continue to concentrate most of their spending on passive policies and Liberals continue to stand out as leaner among mature welfare states in most respects, the SDs and the Asians are where real action is taking place.

Active policies of an SI nature (ALMP and ECEC) stand out as an enhanced SD bet, but the Asians are following suit, especially in the ECEC area. Additionally, regarding the SDs, an outstanding feature is their deployment of a strategy of risk protection diversification. In fact, the SDs have the smallest variation among the participation of rubrics in total social spending compared with all the other groups. In terms of priorities, they lead in passive policy areas, such as incapacity and “other areas”, as well as active areas, such as family, ECEC, and ALMP. This result seems to confirm SD SI as distinctive because it provides “bridges” (a mix of social security and activation) instead of “springboards”, let alone “nets” (Morel, Palier and Palme, 2012) – the latter two being more oriented towards crowding out social protection. Arguably, their move towards SI seems to have been motivated by the realization that compensatory social policies need to be backed by capacitating policies[17].

Finally, while South Europeans basically enlarged their already strongly pensions-biased social state, despite the largest positive variation in social expenditure as a whole

[17] We thank Anton Hemerijck for the remark. In fact, the Nordic countries are among the countries with the highest employment rates. See Figures A.2 and A.3.

among all groups, the catch up of Asians and LDNon-Europeans displayed symmetrical moves. In fact, while the latter were driven by the classic repertoire, relying almost exclusively on passive policies, the former clearly engaged in social investment.

Examining specific countries within groups

We turn now to an examination of the classic welfare regimes from within. Although the differences in social spending roughly confirm the three worlds of welfare regimes (Iceland slightly lowers the SD average, hiding the SD's leadership), a look inside the clusters might detect divergent moves induced by the current crisis. Therefore, we selected six countries, two in each group, i.e., the Liberals (US and UK), the SDs (Denmark and Sweden), and the Conservatives (France and Germany) (Table 3). Implicit concerns to be double-checked include whether Sweden is becoming less "Nordic" and whether the UK is moving closer to the US, as well as a frozen Bismarckian Germany (distinct from an active France).

Starting with total social expenditure, all 6 countries expanded from 2007 and 2013 but, again, not in a homogeneous manner. While the period 2007-2009/10 was one of expansion and 2011 was one of decline,[18] 2012-2013 was a period of growth for most of the countries -- with the exceptions of both the US and the UK.[19] The picture clearly shows an inflection point in 2010 in the UK and in 2011 in the US[20]. While the US basically drew on their usual policies and programs to confront the crisis, the most important countercyclical response being the contingent extension of unemployment benefits (see Daguerre, 2011), the case of the UK stands out for the deliberate changes undertaken. In fact, after substantial increases in social expenditure under the New Labor in 2008 and 2009, the UK embarked on contractionary liberalization soon after the Conservative government inauguration in 2010. The sea change in social policy - indeed, the self-declared purpose of following the American lead towards a lean social state - was remarked by a number of commentators (Jensen et al., 2018; Taylor-Gooby, Leruth and Chung, 2017; Taylor-Gooby, 2016; Hood and Oakley,

[18] The year 2011 was not a year of decline for France, Denmark and Sweden if the expenditure measure is the per head real social public expenditure.
[19] Again, the picture changes slightly if per head real social public expenditure is taken into account, with even the US increasing its spending, while the UK and Denmark decreased theirs during this period.
[20] In the case of the US, family, ALMP, housing assistance, unemployment, and other areas were the areas most affected. For the UK, those areas were incapacity, health, ALMP, unemployment, and other areas.

2014; Taylor-Gooby, 2013; Hills, 2011; Vis, Kersbergen and Hylands, 2010). In addition, as pointed out by Taylor-Gooby (2016), the new Conservative government advanced a divisive social policy aiming to protect pensions to the detriment of benefits to people of working age (the partially employed, the unemployed, the working poor), while tapping into and reinforcing widespread perceptions of poverty as a problem of idleness (Taylor-Gooby 2013).

Other directions were chosen by the countries analyzed here.

Denmark (4.5 pp) and France (3.5 pp) led the expansion and displayed the greatest spending.[21] The Danish case does not reflect a perception of un-deservingness of the unemployed, as public support for extended programs geared to them was high (Jensen et al. 2018). Liberal reforms were adopted already in the 1990s, such as ‘make work pay’ and flexibilization of the labor market (Hemerijck, 2013; Kvist and Greeve, 2011). However, these were framed as integral to the notion that labor market inclusion is ‘the best way to prevent poverty and social marginalization’ and that state support is needed for economic participation, e.g., through family, active labor market policies, and education (Goul Andersen, Schoyen and Hvinden, 2017). France, a pension-oriented social state (35% of public social expenditure in 2013), had also undergone liberal reforms including a private sector pension reform in the 1990s (Leruth, 2017). However, during and after the Great Recession, both right- and left-wing governments implemented neo-Keynesian reforms that enhanced the role of the state in their corporatist welfare arrangement (idem). The end result was countercyclical spending to protect low incomes during the crisis as well as growing expenditure on pensions, after attempts to increase the minimum age in the public sector met with strong public opposition (Leruth, 2017). France also engaged in family policies, especially through tax incentives and financial aid to families with small children (Askenazy and Palier, 2018). Sweden had also embarked on liberalization reforms already in the 1990s but, in keeping with Denmark, continued the longtime emphasis on social investment policies and thus was relatively shielded against the social fallout of the Great Recession (Goul Andersen, Schoyen and Hvinden, 2017; Foster and Kreicbergs, 2014). During the crisis, public consumption kept growing, along with investments in research, education, and

[21] In terms of the per head real social public expenditure, the leading variations occurred in France and the US, though Denmark and Sweden displayed the greatest level in 2013.

infrastructure (Goul Andersen, Schoyen and Hvinden, 2017). The 2013 figure for social expenditure was larger than the one in 2007 and, although not bigger than that in 2009, picked up again in 2012 and 2013 after two years of decline.[22] For Germany, the 2013 expenditure, although bigger than that in 2007, was smaller than that in 2010, which in this case reflects the continued deceleration of the countercyclical response to the crisis; thus, no expansion occurred between 2011 and 2012. The initial responses in 2009 and 2010 mainly consisted of measures of demand management, such as cuts in taxes and contributions and increased public spending and investment, in addition to a 'short-term work scheme' that protected labor market insiders (Heuer and Mau, 2017). After 2010, the country returned to austerity, ending the fiscal stimulus and announcing cuts for the period 2011-2014. Similar to the other countries, deeper reforms had already occurred in the 1990s and the initial years of the 2000s in the form of the remarkable labor market 'Hartz reforms', which radically changed labor market policies in Germany (idem). While these reforms pointed in the direction of liberalization and away from old-style corporatism, decisive experimentation with social investment (education, family policy and ALMP per unemployed) suggests a paradigm change in the German social state (cf. Heuer and Mau, 2017; Ferragina and Seeleib-Keiser, 2014).

In summary, the social states in the US and the UK shrunk in the aftermath of the crisis, whereas Germany's stagnated, Sweden's increased slightly, and Denmark's and France's, already the leading spenders, expanded vigorously.

Much of the abovementioned moves are detected in changes in specific policy rubrics in the period under analysis. For education and ECEC taken together, Denmark had the greatest increase and leads with 7.4% of GDP. With the exception of the US, every other country inside this group selection experienced increases. ECEC alone continues to be mainly Nordic, with Swedish leadership, followed closely by Denmark and both expanding in this timeframe. Other notable increases are in France, which is closely approaching the Danish level, and in Germany. The US continues to be the laggard and to fall further behind, and the UK, despite twice the spending of the US, most of it happening under the New Labor government up to 2010, did not move in this period. Thus, concerning ECEC, the US is the

[22] The year 2013 was the peak year if the expenditure measure is the per head real social pubic expenditure.

isolated outlier in the group selection, and notably France, followed by Germany, converged with Nordic spending levels over the crisis period.

[Table 3]

Again, in policy areas such as old age, health, and family, all 6 countries increased their spending,[23] and Denmark and France led within their respective clusters[24], while the UK was ahead of the US in most areas. In regard to family policies, the UK stands out not only compared with the US but also more generally within the 6-country selection, being even somewhat ahead of the big spenders Denmark and Sweden. Expanding family policies, especially for low-income families, had been a hallmark of New Labor's "third way" version of social investment (Morel, Palier and Palme, 2012). Additionally, France has been spending substantially in the family area, emphasizing, as already noted, childcare-related cash benefits (Askenazy and Palier, 2018; Frémeaux and Piketty, 2013), thus moving in a distinct direction compared with the service-heavy Nordic social states. Similarly, in Germany, commentators see a paradigm shift towards the Nordic model in the recent change in family policies towards defamiliarization[25] (Ferragina and Seeleib-Kaiser, 2014). The US, on the other hand, does not seem to have followed suit, with no maternal or parental paid leaves for childcare to date (idem). In regard to other areas, where cash benefits for categories of vulnerable people are the leading expenditure, it is noteworthy that only in the UK did this rubric decline from 2007 to 2013. Symmetrically, the expansion in Denmark up to 2013, which was already the leader in this area, led to almost doubling of the 2007 figure. These figures lend support to the previous analysis of the distinct strategies, socially divisive or cohesive, followed by the two countries in response to the Great Recession.

Regarding unemployment-related spending, the US, the UK and, especially, France saw increases, but Germany and Sweden underwent decreases, though Germany remains the

[23] Note that only for family, the US and Denmark decreased their per head real social public expenditure.

[24] However, Sweden, Denmark and Germany decreased the per recipient indicator of old age spending, while the other countries increased it.

[25] See Esping-Andersen (1999) for an introduction of the concept of defamiliarization in the welfare state literature. This is a dimension of the welfare state that signals the extent to which an individual's welfare is independent from family reciprocities due to the availability of social care and other forms of public support for families.

leader. This result partly reflects different evolutions of the unemployment rates. While France witnessed an almost continuous rise up to 2013, reaching just below 10%, Germany, by contrast, saw a declining rate after 2009, to a level just above 5%, the lowest level in the 6-country selection. More tellingly, only Denmark and Sweden, which were already the largest spenders in ALMP in this order, increased their investment further. The picture changes somewhat when ALMP *per unemployed* is considered: Germany appears to have shifted between 2007 and 2013, increasing its spending by 35.2%, while France did the exact opposite. The US remains the isolated outlier in this policy area, while France, the second highest spender, behind the Nordic countries (but with half their spending), declined somewhat. The same happened with the UK. In terms of levels, the Liberals were far behind, and the Nordic countries found themselves isolated at the top within the European group. This situation was replicated with respect to variations as well. An interesting aspect uncovered by the data was the change in approach in Germany during the crisis timespan, as revealed by the augmented per unemployed ALMP measure.

In terms of passive versus active policies, the passive group increased its weight only in the US, the UK and France, where it reached the highest proportion, 44.3% of total social spending, and the highest positive variation. Regarding the active group, the ALMP + ECEC + unemployment triad increased its participation in the leader Sweden (because of ALMP and ECEC), the US (exclusively because of unemployment), and France (mainly because of unemployment). Both ALMP and ECEC, the hardcore active policies, increased in importance only in the Nordic countries, with Denmark being the leader. Again, as noted, the perspective on Germany changes if ALMP spending per unemployed is considered.

Overall, the spending variables for the 6-country selection did not entirely confirm expectations such as [1] convergence to the liberal US within the Liberal cluster – an immovable US contrasted with a more active UK, especially in active policies, where increases in family diverged from decreases in the US, but only until 2010, not thereafter; [2] regarding family policy, a frozen Germany – quite the opposite occurred, although France leads, Germany responded to the crisis by moving closer, triggering an important shift in family and labor market policies; and [3] Sweden's departure from the SD cluster – this did not at all occur; in spite of Danish leadership, Sweden increased its spending and is well aligned with Danish priorities in both active policies and the risk protection diversification strategy. Finally, a closer look at France is in order, as its spending overtook that of Denmark.[26] France continues to rely mostly on classic contributory policies, such as old age, which incidentally had the highest variation in an already high rubric, and survivors (but also health and unemployment, with the highest unemployment level and upward variation in the 6-country selection), while the Danish lead in all the remaining areas, especially education, incapacity, ALMP and family, in keeping with their tradition of covering the greatest number of risks, regardless of contributions. An additional perusal would note, in the French case, the emphasis on compensatory policies coupled with a weak labor market (the lowest level of employment in the selection) and, in the Danish case, a policy mix that supports a strong labor market (the highest employment rate in the selection).

We complemented this information with information from a different database, the Comparative Welfare Entitlements Dataset (CWED2).[27] We focused on changes in 10 major indicators of the coverage, duration, replacement rates and qualification requirement for pensions, unemployment and sickness for those 6 countries over the 2007-2011 period[28]. The picture that emerges is one of diverging patterns within the groups, with Denmark, France and the UK having more expansions than contractions (for Denmark, 5 versus 2; for France, three versus one; for the UK, 4 versus 2) and the opposite happening with Sweden, Germany and the US (respectively, 6 contractions and zero expansions; 4 contractions and 1 expansion; and 4 contractions and 2 expansions) (Figure 3).

In summary, we track retrenchment in entitlements, but the more important changes had already started back in the 1980s and 1990s (as supported by the literature and previous periods documented in the CWED2), and the recent variations were generally small (an important exception was the duration in the unemployment insurance in Denmark, from 4 to 2 years). All countries except Sweden have planned long-term increases in the minimum age eligibility for public pensions. In the ranking of generosity, Denmark is first (sickness coverage, minimum pension replacement rate; pensions coverage and unemployment insurance duration), France is second (unemployment insurance replacement rate,

[26] If the measure is the per head real social public expenditure, Denmark's expenditure is superior to that of France, but France's expenditure variation is greater than Denmark's.
[27] See Scruggs, Jahn and Kuitto (2018).
[28] In the Appendix, we show the changes in all 22 indicators in the database. Ultimately, Denmark (18), France (12), Germany (12) and the UK (17) either maintained or expanded most of their entitlements, while Sweden (9) and the US (7) did so in less than half of the indicators.

unemployment coverage and unemployment insurance duration, the same as Denmark), and Sweden (sickness qualification requirement, sickness benefit duration) and Germany are third (sickness replacement rate, standard pension replacement rate). Nevertheless, in the Danish case, risk protection diversification stands out, while France's generosity seems mostly attached to the risk of unemployment. Bearing the regime features in mind, we encounter no surprises thus far.

[Table 4]

[Figure 3]

3. Funding

Given the expansion in expenditures, how have welfare states been funded? Has taxation become less progressive? These are the questions we address in this section, first by examining clusters and then by investigating selected countries.

The broad picture

Additional funding was needed to back the expansion in the expenditures. In fact, more real resources were targeted to social spending.

One way to obtain additional funding is by increasing the participation of social expenditures in general government expenditures. In fact, this increase happened at the level of the OECD area and in almost every cluster or group that we investigated (the EEC is the only exception) – following a trend that dates back to the 1990s. From 2007 to 2013, public social expenditure climbed from 56.6% to 58.5% of total government expenditures – surpassing the 50% mark proposed by Goran Therborn (Therborn, 1983) as being distinctive of true *welfare* states. In 2013, the variation among country groups was not substantial: it ranged from 51.2% in the East-Europeans to 63% in the South-Europeans, and in 4 out of 6 groups it varied from 53.1% to 59.7%. The bottom line seems to be that above all else, whether as a result of deliberate choices or inertia or a combination of both, contemporary states are becoming increasingly social states (Table 5). Again, expenditures seem to have been rising both counter and pro-cyclically.

An examination of the six selected countries shows essentially the same pattern being reinforced in the post-crisis era, with every country except Germany making more room for the social state within the general government expenditures (Table 5). Another source of funding is taxation. Distinct from social expenditures, for which the most recent observed data in the OECD database are for 2013, for taxation, we have good information up to 2016. The figures document that from 2007 to 2016, there was a slight growth in the tax burden, from 33.7 to 34.5% of GDP; that growth translated into effectively enlarged real resources from 2010 on.[29] The largest increase was in the Conservative and the LD countries, with a rise of 2.3 pp, while the Liberals and the SDs in 2016 witnessed relatively small decreases, respectively. SDs and Conservatives led with the greatest tax burden, 41.7% of GDP.

Therefore, to translate this dynamic into the common jargon of the welfare state and development literature, the figures *prima facie* do not support the hypothesis of a "race to the bottom", as in the so-called efficiency thesis, according to which domestic redistribution would be hindered by globalization (for a discussion, see Seelkopf and Lierse, 2016). Not even a "growth to limits"[30] is observed, given the further advances of the SDs – not to mention the "catch up" of the LD countries.

Arguably, however, the challenge of sustaining increased social spending might be met by less progressivity; thus, the hypothesis of tax competition, according to which nation states would engage in tax cuts on mobile capital and tax hikes on "poorer sections of society" (Tax Justice Network, 2014, apud Seelkopf and Lierse, 2016) to compensate, should not be discarded. Accordingly, an investigation into the composition of the tax burden is imperative. Such an investigation involves tracking moves from direct to indirect taxes, from corporations to people, and from employers to employees. Moves in the marginal rates related to these different positions should also be sought.

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[29] Real tax revenue statistics show a slight reduction in 2008 and 2009, but a strong recuperation starting in 2010, so that the level in 2012 was already superior to that in 2007.

[30] This expression was famously coined by Peter Flora in his seminal 1986-1987 work on the western welfare states to mean a process of full-blown consolidation attained by the biggest European welfare states already in the 1970s.

However, the results obtained from the data show that direct taxes continue to be more important than indirect taxes (the LD countries, which mostly and increasingly rely on indirect taxes, are an exception), though their weight decreased (from 34.8% to 32.1%), while that of indirect taxes (somewhat) and SSC (more significantly) saw the largest increases following the crisis. Ultimately, funding, though still progressive, became less direct than it used to be, as more of it came from indirect taxes and contributions. This result holds true for most groups (Table 7).

In terms of the ranking of tax categories, the tax composition remains the same as that noted in the previous literature on welfare state regimes or mature welfare states (see, for instance, Kerstenetzky, 2012; 2017; Castles et al., 2010); thus, crisis management did not change this aspect. Thus, with regard to the share of direct taxes in the tax burden, the Liberals are the leaders (44.1%), alongside the SDs as coleaders (43%); with regard to the share of indirect taxes, the SDs are the leaders (31.1%); and with regard to the share of SSC, the Conservatives are the leaders (34.6%).

In addition, a closer look at the evolution of these taxes shows that while both employers and employees are now contributing more to SS and that employers continue to bear the greatest burden, the proportion has changed somewhat, as the variation has affected employees more than employers. In fact, the extra 1.5 pp contribution of SS to the tax burden mostly came from employees (1.0 pp). For direct taxes, there was a shift from corporate to personal taxes. Indeed, while the latter barely gained more prominence (from 23.7% to 23.8%), the former experienced a more important reduction (from 11.2% to 8.3%).

These changes partly reflect changes in the marginal tax rates (they also partly reflect what is happening in the tax base): in fact, personal income and indirect tax rates climbed, while corporate rates declined. Regarding the rates of contributions to SS, their growth affected employers and employees to different extents.[31]

Overall, although the relative shift from direct to indirect taxes and to SSC – and within the latter, from employers to employees – suggests less progressive funding, its magnitude has not been sufficient to reverse the progressivity of taxation. Additionally, with regard to the move from corporate to personal direct taxes, it is not obvious what the direction was in terms of incidence, whether progressive or not. It is true that corporations are paying

[31] Data on tax rates are not shown here but may be obtained from the authors.

a lesser share of the funding of the social state, but the progressivity of personal income taxes increased; thus, as persons, those who receive dividends are having to contribute more. Therefore, the taxation story that our figures tell also seems to be one of "coping", with marginal regressive changes being implemented to match the challenge of increasing spending.[32]

[Table 5]

[Table 6]

[Table 7]

Changes in taxation in selected countries

Turning to our country selection, we can see more variation. First, only France and Germany expanded their tax burden, and substantially so – thus, taxation has become more important as a source of funding[33] (Table 6).

The UK maintained its level of taxation; thus, it may have counted more on the relative expansion of social expenditure within the general public expenditure than on extra taxation to fund its increases in the former (this extra weight reached 3.5 pp of general expenditure) (Table 5).

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[32] Of course, for lack of data, the analysis does not take into account tax evasion through tax havens, corporate tax avoidance, and other tax strategies undertaken by corporations and individuals to avoid taxation.

[33] In the case of France, commentators point out that the increased tax burden has become less progressive – a move, however, that preceded the post-crisis period. See Bozio et al. (2012); Cazenave et al. (2012); Frémeaux and Piketty (2013).

Denmark and Sweden, alongside the US, retracted somewhat[34]; again, for them, the enhanced share of social spending in total public spending was key to welfare state expansion. In the case of the US, the additional share of public social spending amounted to as much as 2.8 pp, more than compensating for the decline in the tax burden, to finance 2.5 pp of GDP of additional social expenditure between 2007 and 2013 (Tables 5 and 6).

In the Nordic group, Denmark, with the greatest tax burden (45.9%), is ahead of Sweden, while in the Liberal group, the UK (33.2) is well ahead of the US, and in the Conservative group, France (45.3%, moving closer to Denmark) is well ahead of Germany. This ranking has not changed in the post-crisis era. However, the German and, in particular, the French expansions, both mainly backed by the expansion of SSC, with a diminishing share of employer contributions, are notable (Table 8). In the Conservative group, increases in employee marginal rates happened in France (though the employer rate is still twice that of the employee rate) but not in Germany (though the employee rate is slightly above that of the employer rate), where the expansion in SSC was probably due to an enhanced contribution base.

Following the OECD average, most of the countries in our selection increased both their SSC and their individual income tax rates while decreasing their corporate tax rates. Notably, the highest corporate rate is in the US (40%; almost the same as the individual income tax rate, 39.6%), while the lowest such rates are in Denmark and Sweden (22%; but the individual tax rates amount to 56.4% and 57.1, respectively). Regarding indirect taxes, they have climbed as a proportion of the tax burden only in the UK (which decreased the share of direct taxes) and Sweden (which instead decreased both SSC and direct taxes).

Interestingly, direct taxes became more prominent in the US (48.8%), Germany (31.9%) and Denmark (62.5%) and less so in the other countries; thus, they became more prominent precisely in the countries where they already stood out, considering the regimes to which they belong (Table 8). Regarding direct taxes, the high level of Denmark (and the

[34] While Sweden abolished the wealth tax in 2007, the US cut taxes in 2009 to deal with increasing poverty; tax credits, such as the making work pay tax credits, are notable. See Daguerre (2011) and Freeman, Swedenborg and Topel (2010).

low level of the UK) somewhat mitigates the widespread notion that SDs rely less on direct taxes than do Liberals (Castles et al., 2010)[35].

A crude estimation in terms of tax incidence, with an exclusive focus on the shares of direct and indirect taxes, suggests neutral moves in the US, France and Sweden, regressive moves in the UK, and progressive moves in Germany and Denmark. As an aside, high tax burdens may hide very different compositions: France and Sweden illustrate this point. Therefore, while France relied more on indirect taxes than on direct taxes, the opposite was true for Sweden. Sweden also has much higher marginal individual income tax rates and lower corporate, employer and, in particular, employee rates than France has. Additionally, the Nordic country has a higher indirect tax rate. In this respect, the major importance of SSC for the funding of France's social state (37.0%) – as opposed to direct taxes, which are the major tax rubric in Sweden (35.7%) – confirms France's classification under the Conservative welfare state heading.

In summary, the story told by specific countries does not differ much from the story told by the average: taxation has not shrunk (it has actually increased in Germany and France), progressivity still seems in place (a regressive move was detected only in the UK), and the country-specific tax mix still justifies the inclusion of countries in the classical welfare state clusters (in particular, no shift was detected towards the lean Liberal group).

[Table 8]

4. Effectiveness

In this section, we track the redistributive impact of the welfare state, first, in terms of its contribution to declines in poverty rates and reductions in inequality indices. Our simple and widely used indicators for poverty and inequality are the proportion of the population living

[35] It is true that the SDs Sweden and Denmark also rely much less on property taxes than do the US and the UK, both Liberals. However, if we add direct taxes to property taxes as a % of GDP for the four countries, then we continue to see the SDs ahead of the Liberals in terms of the contribution of *prima facie* progressive taxes (direct taxes plus property taxes) to redistribution. The figures are 30.3% of GDP for Denmark, 16.9% for Sweden, 16.3% for the UK and 15.3% for the US. An important caveat is that in Liberal countries, property taxes are not progressive; however, in SD countries, they are.

on 50% of the median income or less and the Gini index, respectively. We also document welfare state redistributive effort in each case as the difference between market and post-fisc poverty (the unit is the percentage of population) and that between market and post-fisc inequality (the unit is Gini pp). We proceed by investigating the OECD average, the group averages and the averages of the selected countries, as defined.

Poverty and inequality

A brief overview of Tables 9 and 10 gives a sense of levels and rankings. Among mature welfare states, Liberal and Social Democrat countries are placed in opposite poles from greater to lesser levels of both post-fisc poverty and inequality, respectively, while Conservatives occupy an intermediary position. LD non-European countries display an even less favorable performance than the Liberal cluster does, but among the LD Europeans, the former communist EEC perform similarly to the Conservatives, while the South-Europeans are closer to the Liberals. Unsurprisingly, while variation among groups is relatively small as far as *market* poverty and inequality are concerned, in terms of *post-fisc* indicators and thus welfare state redistribution muscle, the variation turns out to be substantial: taking the year 2010 as an illustration, poverty rates and Gini indices ranged from 19.8% to 7.2% and from .44 to .26, respectively.[36]

Turning to the aftermath of the crisis, a common reality in the OECD area was the increase in market poverty, even with the GDP recovery after 2009; thus, prosperity was not shared and even coexisted with further exclusion (Table 9). From 2007 to 2012, the most recent year with complete information, poverty increased 4 pp to almost one-third of the population. In this respect, only the Liberal cluster did not worsen. Our country selection, however, shows both the US and the UK experiencing hikes in market poverty, alongside France (the highest level), Germany, and Denmark (the lowest level). Sweden was the only positive exception.

[36] In Piketty's (2020) analysis, in contrast, variation between market income inequalities is greater than variation between post-fisc income inequalities. This is so by construction, as market income in his analysis includes traditional (and sizable) welfare state transfers such as pensions and unemployment insurance net of contributions. Furthermore, his indicator of inequality is not the Gini index but the ratio between the income shares of the 10 percent highest incomes and the 50 percent lowest incomes.

When government taxes and transfers are taken into account, the picture changes, as fiscal redistribution continues to substantially reduce poverty, showing a reduction of 18.5 pp from the brutal figure of 30% to 11.5% of the population. However, even post-fisc poverty increased. This happened in every group except the SDs; in this group, post-fisc poverty, which was already the lowest, further declined in 2012.

Thus, ultimately, while welfare state redistribution effort increased in the post-crisis era on average and in all groups except the Liberal cluster, where it declined, this increase was generally not sufficient to outweigh the variation in market poverty, again with the exception of the SDs.

The analysis of individual countries reveals a couple of nuances (Table 9). Distinct from the Liberal cluster as a whole, post-fisc poverty declined in the US and the UK. However, following the evolution in the Conservative cluster, post-fisc poverty increased in France and Germany as well as in Social Democrat Sweden, while it declined somewhat in Denmark. In the case of France and Germany, a substantially increased effort was unable to deliver a declining poverty rate; in the case of Sweden, the worse situation was entirely due to a smaller redistribution effort, as market-poverty decreased there. The increased effort paid off only in the US, the UK, and Denmark.

Turning to inequality, we find that its evolution, as measured by the Gini index, was similar to that of poverty, especially with regard to market inequality (Table 10). Thus, market inequality increased from 2007 to 2011/2012, underlining the regressive feature of the post-crisis period. This increase happened in every country group except the SDs. The picture provided by our country selection is essentially the same, with every country becoming more unequal in this period and, in terms of levels, with the UK remaining ahead of the US, Sweden remaining ahead of Denmark, and France being on equal footing with Germany. As expected, Liberals continued to be the leaders in market inequality, while SDs remained the laggards in this respect.

Post-fisc inequality stabilized on average, although not in all groups or countries, with decreases in the Conservatives and the SDs. The lowest level, a Gini of .24 in 2013, is in the SDs. Again, as in the case of poverty, welfare state redistribution effort increased substantially, from .15 to .20 Gini points. At the country level, post-fisc inequality increased in the US, France, and Sweden, declined in Germany and maintained its status quo in

Denmark (still the least unequal). In other words, it increased in the countries that were already more unequal than their peers in the Liberal, Conservative or Social Democrat clusters. Regarding welfare state effort, it climbed in all countries except Sweden, where it remained the same. Incidentally, in the aftermath of the crisis, Sweden ended up with a greater poverty rate (remarkably so) as well as a more unequal income distribution, and a smaller or frozen redistribution effort was to blame. With the greatest effort, Germany is followed by France, Denmark, and the UK (again, until 2010). The US remained the laggard in this respect (Table 10).

In summary, welfare state extra effort in the post-crisis tried to keep pace with the evolution of market poverty and inequality and barely succeeded. Of course, were it not for this extra effort, these indicators would be far larger and more appalling than they ultimately are. The SDs continued to be able to rein in market-led poverty and concentration but, again, only with increased effort. On the other hand, the Liberals, despite experiencing the greatest increases in market poverty and inequality, did not raise their redistributive level; thus, the post-fisc indicators continued to rise. Although the country-level analysis shows that this was not quite true for post-fisc poverty, where both the US and the UK (up to 2010) saw declines, a different trend was detected for post-fisc inequality.

[Table 9]

[Table 10]

Discussion and conclusion

The sole analysis of the aggregate OECD (and the KPMG and CWED2) data does not allow us to speak of retrenchment: aggregated and disaggregated expenditures and public funding continued to rise in the post-crisis period, keeping the hallmark programs of the welfare state in place. New areas saw a modest increment, the most important being the increment in ECEC, but not to a magnitude that challenges the traditional spending priorities of welfare states with respect to passive policies. Therefore, yes, SI social spending witnessed an increase but not by crowding out traditional social protection. Quite to the contrary, even in countries or regions, such as the Nordic and Asian countries, that made the SI turn more aggressively, social protection does not seem to have diminished in tandem. This finding seems to lend support to the view that compensating and capacitating welfare spending may be complementary – more resources can be drawn towards compensatory policies when the levels and quality of economic participation are high. Substantial improvement was also observed in the LDNon-European countries in the OECD area.

At the microlevel of specific countries, signals of retrenchment, such as a less social-democratic Sweden, a frozen conservative Germany or an Americanized UK (perhaps after 2010), were not clearly observed, either in the evolution of social spending or in changes in entitlements. In fact, changes in entitlements to social protection had already started back in the 1980s and 1990s, and the current changes were comparatively mild; up to 2011, Denmark, France and the UK actually had more expansions than contractions. The SDs continue to be the beacon for progressive social policy, maintaining their double universalism: providing protection against the greatest number of social risks to the greatest number of people. In particular aspects, e.g., family and labor market policy, countries such as Korea and Germany are following the Nordic lead.

Most of the advances were financed by making more room for social expenditures in general government expenditures, but tax burdens also responded to the increased welfare demands. Curiously, the microlevel analysis revealed that expanding the share of social spending was the strategy adopted by both large ("growth to limits"?) and small ("minimum states"?) general taxation-financed welfare states – the intermediary countries France and Germany, which heavily rely on contributions, were the only countries that increased their tax burden.

However, changes in tax composition signal a couple of regressive moves, especially the relative increase in indirect taxes and SSC and the relative decrease in direct taxation (although with increased marginal tax rates). Corporations are contributing less to financing the social state; they were relieved via less participation in SSC and lower marginal rates on their direct taxes. However, again, specific countries diverge, as progressive moves were detected in Germany and Denmark; thus, the hypothesis of tax competition was only partially confirmed.

Finally, welfare state effectiveness was reinforced in the post-crisis period by an increased redistribution effort, which, nonetheless, was barely able to compensate for the enhanced rates of market inequality but could not compensate for the increased rates of market poverty. The SDs continue to deliver the best results, with shrinking post-fisc poverty and inequality – but in Sweden, both indicators rose (lesser welfare state effort), while in Denmark, they barely moved (greater welfare state effort).

How to make sense of expansion in an era when retrenchment should be more likely? Was it the "new politics" of Paul Pierson (1996), in which entrenched constituencies in democratic arenas keep blocking major (visible) backlashes while cost-containment strategies and retrenchment of entitlements retreat to below the aggregate expenditure radar? While we cannot give a definite answer to these questions here, our data lend support to competing explanations, as evidence for business-cycle, life-cycle, the new politics, and social investment-related policies was detected. In other words, expansion was in part automatic (unemployment and social assistance benefits, everywhere), in part Pierson-like (democratic blockage of unfavorable visible changes: e.g., France and the UK), in part demography-driven (aging: pensions expanding everywhere), in part experimentalism-driven (many countries, with social investment). The evidence, as mentioned, is the increased prominence of old age, unemployment, ECEC and ALMP as shares of social expenditure. Moreover, the hypothesis of an "expansionist retrenchment", where needs advance ahead of provision and require expenditure recalibration, should not be discarded.

However, we must express a couple of concerns. In general, measuring welfare state performance is much more complex than what (direct) tax-and-transfer redistribution can possibly convey. A comprehensive approach would have to gauge the impact of indirect taxes and foregone costs (due to the public provision of social services) on the distribution of the final income of households. Moreover, welfare state redistribution has important predistribution effects (Esping-Andersen and Myles, 2009) and at different time periods. For example, public pensions and paid leaves impact people's decisions in relation to economic participation; service provision, such as education and ECEC, affects people's capabilities and earning prospects; furthermore, public education spending and taxation levels affect education premiums via attitudinal responses (Weisstanner and Armingeon, 2018). Adding tax expenditures, as in fiscal and occupational forms of welfare, makes performance assessment even more complex, not to mention that other wellbeing measures beyond income could be used. These caveats notwithstanding, the redistribution information remains meaningful as a synthetic and easily available starting point to observe the evolution of the prime function of welfare states, viz. their capacity to directly compensate for market poverty and inequality.

That said, the issue with the retraction of entitlements is that some of the unfavorable distributive consequences will play out in the future only; thus, in this respect, a verdict is still forthcoming. Moreover, the relatively ineffective performance of the welfare state, when contrasted with its extra effort[37], highlights the forces that contribute to deteriorating social indicators; these forces appear to be beyond the purview of the "redistributive" social state. On the one hand, market poverty and inequality have been on the rise; all the while starting in the 1990s, countries in the OECD area have deregulated their labor markets (while enlarging their welfare states). Together with rising in-work poverty, many countries are facing the issue of a shrinking middle class as a consequence of labor market precarization (Kenworthy, 2014). Thus, upfront pre-distribution, not least in the form of labor market reregulation, should draw the attention of all those concerned with those outcomes. On the other hand, the revenue side of the redistributive social state does not seem to be adequately addressing the post-1980s surge in top incomes (Piketty, 2014). Quite the opposite, some changes in taxation in the post-crisis period have been regressive, with countries such as France and Sweden having cut or altogether abolished their wealth taxes.

The case of the SDs helps us see the cogency of a reconceptualization of the welfare state. The Danish welfare state, which continues to exhibit the best performance, had to make a greater expenditure effort to stabilize its poverty and inequality rates. While much social progress is yet to come from countries adopting social-democratic SI, the Danish case seems to suggest that even high-road SI strategies might need extra help eventually from regulated labor markets and, in particular, more progressive taxation (Sweden's tax system has become less progressive in the post-crisis period). While we now know that reining in financialization

[37] Again, as explained in Section 2, this measure, much more often than not, refers not only to shares of GDP but also to real spending. See footnote #4.

helps convergence, labor market reregulation and progressive taxation are also key (Tridico, 2017) – and, being directly related to the distribution function of the state, should come under the purview of the social state.

List of Abbreviations and Acronyms

ALMP	Active Labor Market Policies
CWED2	Comparative Welfare Entitlements Dataset2
ECEC	Early Childhood Education and Care
EEC	Eastern European Countries
GDP	Gross Domestic Product
HDI	Human Development Index
LD countries	Less Developed Countries
LDEuropeans	Less Developed European Countries
LDNon-Europeans	Less Developed Non-European Countries
OECD	*Organisation for Economic* Co-operation and Development
OECD SOCR	*Organisation for Economic* Co-operation and Development Social Benefit Recipients Database
OECD SOCX	*Organisation for Economic Co-operation and Development Social Expenditure Database*
OECD Stats	OECD Statistics
PPP	*Purchasing Power Parity*
SD	Social Democrat
SI	Social Investment
SS	Social Security
SSC	Social Security Contributions
UK	United Kingdom
US	United States

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Appendix

Table A.1. Public social spending tendency – % of GDP and per head** – OECD (2007/2013)

Branches	2007	2013	Tendency	Branches	2007	2013	Tendency
Public Social Expenditure (%GDP)[1]	23.00	26.03	↗	ALMP (%GDP)	0.49	0.54	↗
Public Social Expenditure (Per Head)*	6,906.0	8,115.4	↗	ALMP (Per Head)	170.9	196.3	↗
Old Age (%GDP)	6.21	7.63	↗	Unemployment (%GDP)	0.73	0.99	↗
Old Age (Per Head)	2,265.2	2,796.6	↗	Unemployment (Per Head)	264.4	375.0	↗
Survivors (%GDP)	1.04	1.08	↗	Housing (%GDP)	0.43	0.44	↗
Survivors (Per Head)	337.8	335.5	↘	Housing (Per Head)	115.2	137.4	↗
Incapacity (%GDP)	2.08	2.21	↗	Other social policy areas (%GDP)	0.47	0.53	↗
Incapacity (Per Head)	805.0	869.0	↗	Other social policy areas (Per Head)	175.0	215.9	↗
Health (%GDP)	5.38	6.11	↗	ECEC (%GDP)	0.57	0.72	↗
Health (Per Head)	2,028.2	2,301.5	↗	ECEC (Per Head)	200.9	273.1	↗
Family (%GDP)	1.94	2.17	↗	Education (%GDP)[1]	4.22	4.33	↗
Family (Per Head)	765.7	850.7	↗	Education (Per student)[2]	20,036.6	22,947.0	↗

Source: OECD SOCX (public social expenditure except education). OECD Education at a Glance (education). Own elaboration.

Note: [1]The data for the year 2007 concern the year 2008 because for 2007, information on education is not available.

Note: [2]Education (per student) takes into account public and private spending.

Note: * It does not consider spending on education.

Note: **At constant prices (2010) and constant PPPs (2010) in US dollars.

Table A.2. Public social spending tendency – % of GDP and per recipient – OECD (2007/2013)

Branches	2007	2013	Tendency	Branches	2007	2013	Tendency
Public Social Expenditure (%GDP)[1]	23.00	26.03	↗	ALMP (%GDP)	0.49	0.54	↗
Public Social Expenditure (Per Head)*	6,906.0	8,115.4	↗	ALMP (Per Unemployed)	6,996.6	5,620.3	↘
Old Age (%GDP)	6.21	7.63	↗	Unemployment (%GDP)	0.73	0.99	↗
Old Age (Per Recipient)	14,405.4	15,473.1	↗	Unemployment (Per Recipient)	15,335	17,823	↗
Old Age (%GDP)	6.21	7.63	↗	Unemployment (%GDP)	0.73	0.99	↗
Old Age (Per Aged 65+)	14,874.0	16,862.0	↗	Unemployment (Per Unemployed)	9,825.5	9,560.6	↘
Survivors (%GDP)	1.04	1.08	↗	Other social policy areas (%GDP)	0.47	0.53	↗
Survivors (Per Recipient)	80,617.0	108,477.9	↗	Other social policy areas (Per Recipient)	16,556.5	15,675.0	↘
Incapacity (%GDP)	2.08	2.21	↗	Education (%GDP)[1]	4.22	4.33	↗
Incapacity (Per Recipient)	16,308.3	18,441.0	↗	Education (Per student)[2]	20,036.6	22,947.0	↗
Family (%GDP)	1.94	2.17	↗				
Family (Per Recipient)	101,701	123,006	↗				

Source: OECD SOCX (public social expenditure except education). OECD Education at a Glance (education). OECD SOCR (unemployed, aged 65+ and number of recipients). Own elaboration.

Note: [1] The data for the year 2007 concern the year 2008 because for 2007, information on education is not available.

Note: [2]Education (per student) takes into account public and private spending.

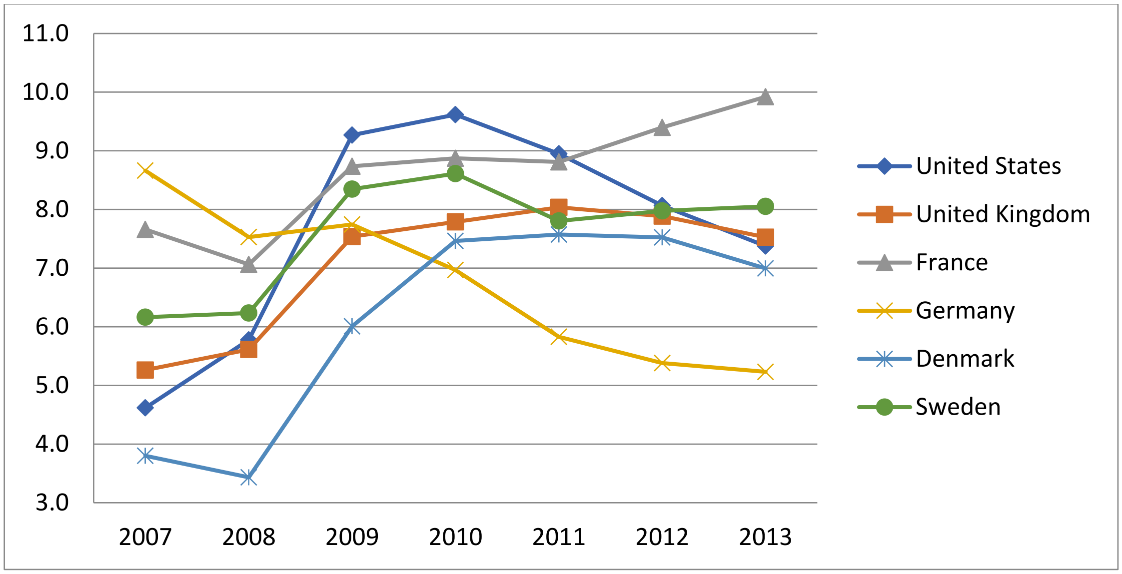
Note: * It does not consider spending on education.

Note: **At constant prices (2010) and constant PPPs (2010) in US dollars.

Note: The recipients are the number of benefit recipients calculated at a certain point in time or as the average over the year. Only income replacement benefits are considered. These are adjusted for double counting (e.g., for recipients in more than one program, the main program at the branch level and across branches is taken into account). This explains the elevated per recipient figures for survivors and family. For this period (2007-2013), the database is available for the following branches: old age, survivors, incapacity, family, unemployment, other social policy areas, and in work. However, the in-work data are not available for a significant number of countries.

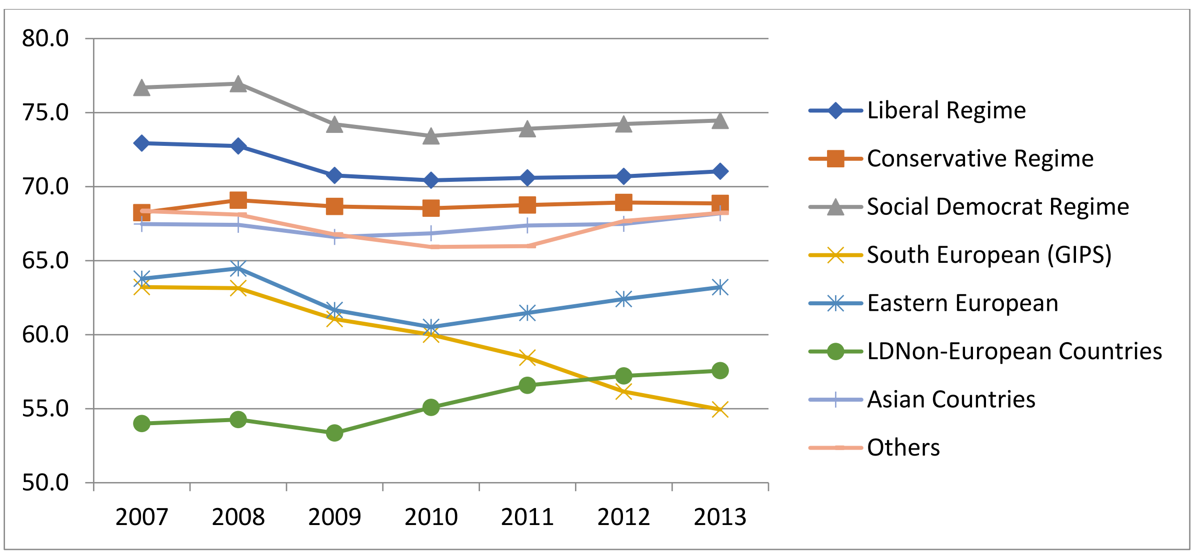
Comments: Certainly, ALMP was not a bet in the OECD area. However, in addition to the SDs and Korea, the growing interest of Germany in this area calls for attention – it witnessed a 35.2% expansion in real terms per unemployed from 2007 to 2013. For “other social policy areas”, where social assistance dominates, the decrease is mostly due to LDEuropeans countries and the group of “Others”.

Figure A.1. Unemployment rate as % of labor force, selected OECD countries 2007 – 2013



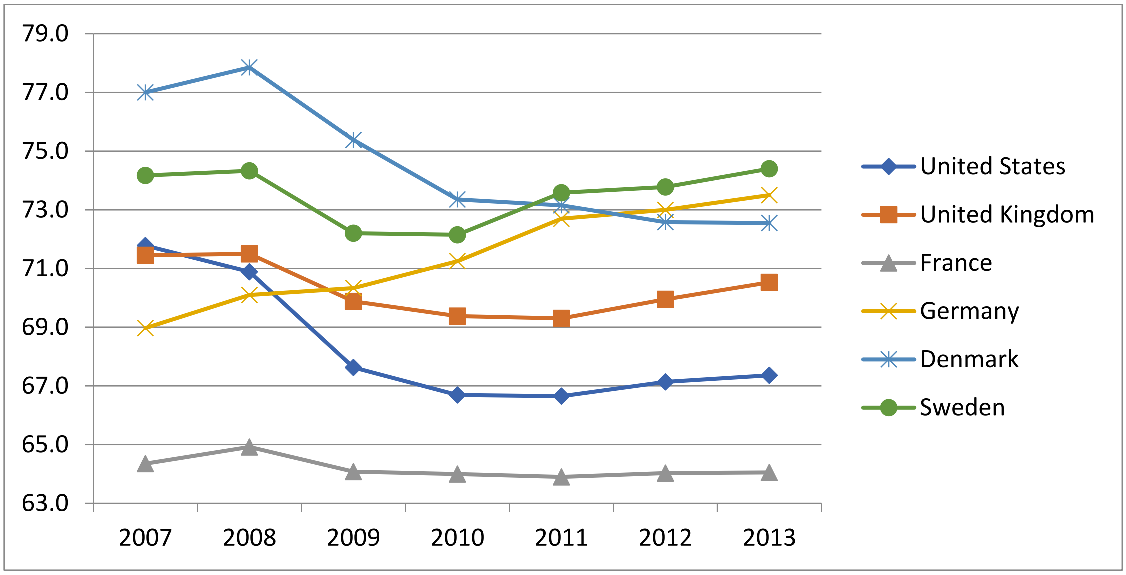
Source: OECD. Own elaboration.

Figure A.2. Employment rate, % of working age population, OECD 2007-2013



Source: Labor: Labor market statistics (OECD). Own elaboration.

Figure A.3. Employment rate as % of working age population, selected OECD countries 2007-2013



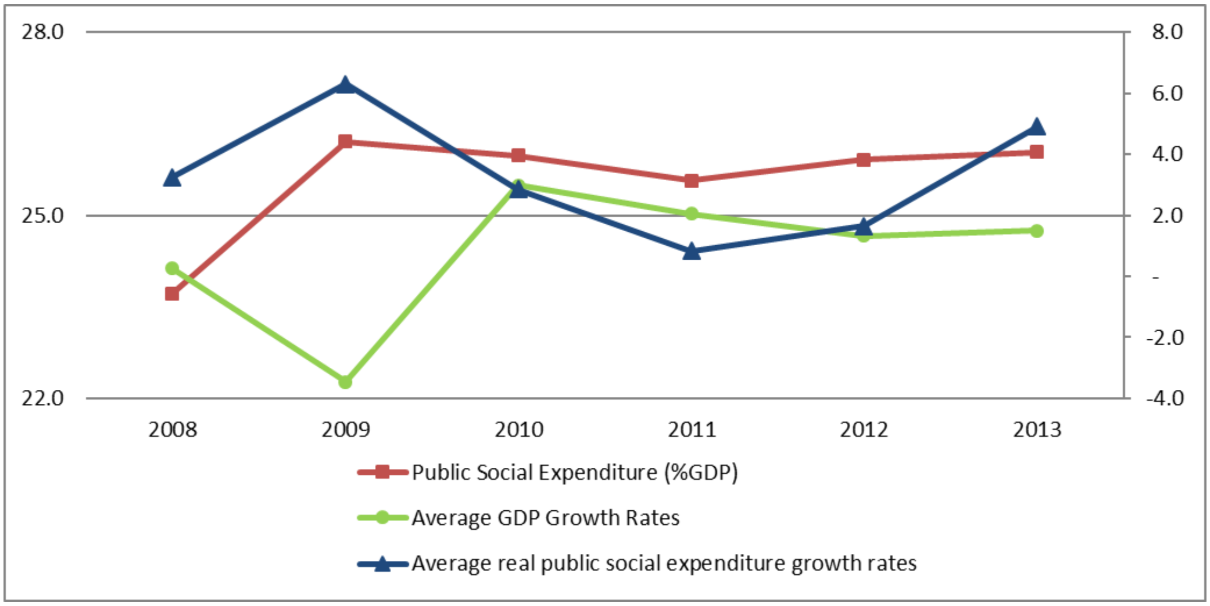
Source: Labor: Labor market statistics (OECD). Own elaboration.

Table A.3. Total number of expansions, retrenchments, and maintenances in entitlements, selected OECD countries 2007/2011

Country/Entitlements Tendency	Sickness/Pensions/Unemployment				
	Expansions	Retrenchments	Equal	Not determined	Total
Denmark	9	2	9	2	22
France	5	9	7	1	22
Germany	3	6	9	4	22
Sweden	0	11	9	2	22
United Kingdom	6	5	11	0	22
United States	2	9	5	6	22

Source: Comparative Welfare Entitlements Dataset (CWED2). Own elaboration. Note: For details, refer to CWED2.

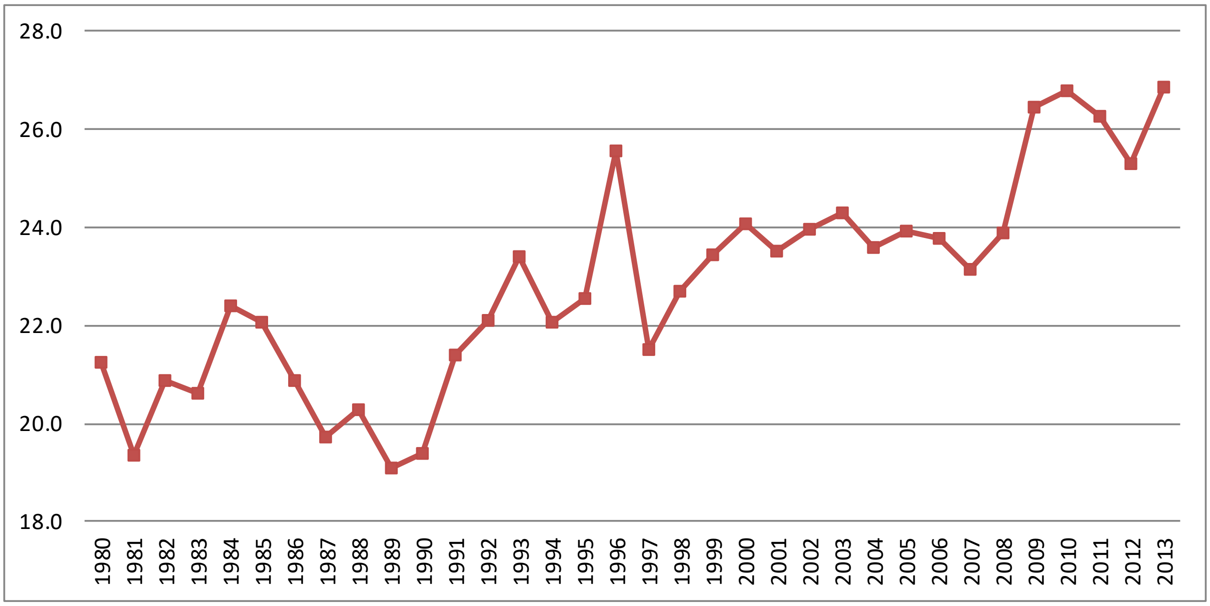
Figure 1. Public social expenditure (%GDP), average GDP growth rates, and average public social expenditure growth rates – OECD (2008-2013)



Source: OECD SOCX (social policy areas except education). OECD Education at a Glance (education). OECD Stats (GDP growth rates). Own elaboration.

Note: Public social expenditure is plotted on the left axis, while the GDP and public social expenditure real growth rates are plotted on the right axis.

Figure 2. Public social expenditure (%GDP) – OECD (1980-2013)



Source: OECD SOCX (social policy areas except education). The World Bank (education). Own elaboration.

Note: Here, we use the World Bank database because it has series for education going back to 1980.

Table 1. Public social expenditure by policy area – OECD, regimes, and country groups (2007/2009/2013)

OECD						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Old Age	6.2	7.2	7.6	26.5	27.1	29.0
Health	5.4	6.1	6.1	24.0	24.2	24.1
Education[1]	4.2	4.5	4.3	20.6	18.4	17.7
Incapacity	2.1	2.3	2.2	8.5	8.4	8.4
Family	1.9	2.3	2.2	8.4	8.7	8.7
Survivors	1.0	1.1	1.1	4.0	3.8	3.4
Unemployment	0.7	1.1	1.0	2.7	4.0	3.5
ECEC	0.6	0.7	0.7	2.4	2.6	2.8
ALMP	0.5	0.6	0.5	1.7	1.9	1.9
Other Areas	0.5	0.5	0.5	2.1	2.1	2.1
Housing	0.4	0.5	0.4	1.6	1.8	1.5
Total**	23.0	26.2	26.0	100	100	100

Liberal Regime						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Health	6.5	7.3	7.2	29.5	30.2	30.9
Old Age	4.6	5.0	5.3	20.9	20.6	22.6
Education[1]	4.4	4.7	4.2	22.3	20.3	19.0
Family	2.1	2.4	2.2	9.4	9.7	9.4
Incapacity	1.7	1.9	1.9	7.9	7.8	7.9
Other Areas	0.9	0.8	0.8	3.5	3.4	3.5
ECEC	0.6	0.7	0.7	2.5	2.6	2.8
Housing	0.6	0.7	0.6	2.4	2.7	2.6
Survivors	0.3	0.4	0.4	1.4	1.3	1.2
Unemployment	0.3	0.6	0.5	1.5	2.7	2.1
ALMP	0.3	0.3	0.2	1.2	1.3	0.9
Total**	21.7	24.1	23.3	100	100	100

Conservative Regime						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Old Age	8.3	9.2	9.6	28.1	28.5	29.8
Health	6.9	7.7	7.8	24.1	24.4	24.7
Education[1]	4.4	4.9	4.6	16.0	15.1	14.5
Family	2.3	2.5	2.4	7.9	7.7	7.4
Incapacity	2.1	2.3	2.4	7.5	7.4	7.7
Survivors	1.5	1.6	1.5	5.1	4.9	4.6
Unemployment	1.5	1.8	1.7	5.2	5.7	5.3
ALMP	0.8	0.9	0.8	2.9	3.0	2.4
ECEC	0.6	0.7	0.8	2.1	2.2	2.4
Other Areas	0.5	0.6	0.7	1.8	1.9	2.2
Housing	0.4	0.5	0.4	1.4	1.4	1.4
Total**	28.8	31.9	31.8	100	100	100

Social Democrat Regime*						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Old Age	6.6	7.5	8.2	23.4	23.8	25.8
Education[1]	5.5	5.9	5.7	22.2	19.9	19.2
Health	5.4	6.1	6.0	20.0	20.2	19.9
Incapacity	3.8	4.1	3.9	13.7	13.5	12.7
Family	3.1	3.5	3.4	11.6	11.7	11.6
ECEC	1.2	1.3	1.4	4.4	4.5	5.0
ALMP	0.9	1.0	1.2	2.5	2.4	2.9
Unemployment	0.6	1.1	0.9	2.2	4.0	3.0
Other Areas	0.6	0.7	0.9	2.1	2.4	2.8
Survivors	0.5	0.6	0.5	1.1	1.1	0.9
Housing	0.4	0.5	0.5	1.5	1.8	1.7
Total**	27.5	31.1	31.1	100	101	101

LD OECD Countries*						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Old Age	6.5	7.8	8.5	30.6	31.8	35.1
Health	4.6	5.3	5.2	22.7	22.8	21.9
Education[1]	3.7	4.0	3.8	20.6	17.8	16.8
Incapacity	1.7	1.9	1.7	7.2	7.1	7.2
Family	1.4	1.7	1.5	7.1	7.6	7.3
Survivors	1.3	1.4	1.4	5.4	5.2	5.1
Unemployment	0.7	1.1	1.0	2.3	3.7	3.2
Housing	0.5	0.6	0.3	1.9	2.2	1.1
ECEC	0.4	0.4	0.4	2.0	2.0	1.8
ALMP	0.3	0.4	0.4	1.3	1.5	1.5
Other Areas	0.3	0.3	0.2	1.4	1.3	1.1
Total**	21.0	24.5	24.0	101	101	100

South European (GIPS)						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Old Age	9.2	10.4	11.8	35.7	35.5	38.4
Health	6.0	6.9	6.3	23.4	23.7	20.9
Education[1]	3.8	4.2	3.8	14.2	13.0	12.6
Survivors	1.9	2.1	2.3	7.5	7.3	7.6
Incapacity	1.7	1.8	2.1	6.8	6.2	6.7
Family	1.2	1.5	1.3	4.6	5.0	4.3
Unemployment	1.1	1.7	2.1	4.3	5.7	7.0
ALMP	0.5	0.6	0.5	1.8	1.9	1.7
ECEC	0.4	0.5	0.5	1.7	1.6	1.5
Housing	0.3	0.3	0.1	0.9	0.8	0.2
Other Areas	0.3	0.3	0.2	1.0	1.0	0.7
Total**	25.9	29.7	30.6	100	100	100

Eastern European						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Old Age	6.6	8.1	8.1	31.1	33.0	35.6
Health	4.5	5.2	4.9	21.8	21.4	21.6
Education[1]	3.9	4.1	3.7	20.3	16.9	16.5
Incapacity	2.0	2.3	2.0	9.3	9.4	8.7
Family	1.8	2.2	2.1	8.7	9.0	9.0
Survivors	1.1	1.2	0.9	4.1	4.0	3.2
Housing	0.5	0.4	0.2	0.7	0.6	0.6
Unemployment	0.4	0.8	0.5	1.8	3.4	2.2
ECEC	0.4	0.4	0.4	1.6	1.7	1.8
ALMP	0.3	0.3	0.3	1.1	1.4	1.5
Other Areas	0.2	0.2	0.3	1.1	0.9	1.1
Total**	21.3	24.9	23.1	100	100	100

LDNon-European Countries*						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Education¹	3.2	3.6	3.8	29.7	26.1	24.1
Old Age	2.9	3.6	4.6	22.8	23.8	28.4
Health	2.9	3.5	3.7	23.8	24.7	24.2
Housing	0.8	1.1	0.8	7.3	8.9	6.2
Family	0.8	1.0	0.8	6.7	7.7	6.5
Survivors	0.7	0.7	1.1	5.7	4.9	6.8
Incapacity	0.5	0.6	0.5	2.7	2.9	3.6
ECEC	0.4	0.4	0.3	3.1	3.2	2.3
Other Areas	0.3	0.4	0.3	2.8	2.8	1.9
ALMP	0.2	0.2	0.2	0.9	0.9	1.6
Unemployment	-	0.2	0.1	0.4	0.8	0.6
Total**	12.3	15.0	15.9	103	104	104

Asian Countries						
Areas	% GDP			% Public Social Expenditure		
	2007	2009	2013	2007	2009	2013
Old Age	5.1	6.1	6.5	27.4	28.1	28.6
Health	4.7	5.4	5.8	29.4	29.0	28.8
Education¹	3.3	3.5	3.7	24.0	21.9	21.7
Survivors	0.8	0.8	0.8	4.1	3.9	3.5
Incapacity	0.7	0.8	0.8	4.8	4.6	4.2
Family	0.6	0.8	1.2	3.9	4.7	6.5
Other Areas	0.5	0.4	0.4	3.8	3.0	2.6
ECEC	0.3	0.5	0.6	2.1	3.1	3.9
Unemployment	0.2	0.4	0.2	1.6	2.2	1.4
ALMP	0.1	0.4	0.3	0.7	2.4	2.0
Housing	-	-	0.1	0.3	0.4	0.5
Total**	16.0	18.7	19.9	100	100	100

Source: OECD SOCX (social policy areas except education). OECD Education at a Glance (education). Own elaboration.

Note: ¹Education data are not available for 2007. The data displayed in the first column are for 2008. For the indicator of education as % of public social expenditure, the education statistics for 2007 are considered equal to those for 2008.

Note: *For the LDNon-European countries, the total public social expenditure exceeds 100%, as we have excluded "zero" data for Turkey regarding housing and ALMP. The same is true for the SD regime with regard to 2009 and 2013, as we have excluded "zero" data for Denmark regarding unemployment.

Note: ** To avoid double counting, the total amount does not consider ECEC, as ECEC is already included in Family.

Table 2. Expenditure in passive (old age, survivors, incapacity) and active (ALMP, ECEC, unemployment) policies as % of public social expenditure – OECD, regimes, and country groups (2007-2013)

			Passive Policies				
Countries/Years	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Liberal Regime	30.2	30.2	29.7	29.6	30.5	31.2	31.7
Conservative Regime	40.7	41.3	40.8	41.1	41.7	42.0	42.2
Social Democrat Regime	38.2	38.6	38.3	37.9	38.6	39.1	39.5
South European (GIPS)	50.0	50.2	49.1	50.3	51.4	53.3	52.7
Eastern European	44.5	45.5	46.4	47.2	47.7	48.5	47.5
LDNon-European Countries	31.3	31.9	31.6	32.3	31.6	39.0	38.8
LD OECD Countries	43.3	43.9	44.0	44.9	45.3	48.5	47.4
Asian Countries	36.4	37.4	36.6	35.7	35.5	36.5	36.4
Others	35.9	35.5	35.5	35.7	36.4	36.9	36.8
OECD	39.1	39.5	39.3	39.6	40.1	41.5	40.9
			Active Policies				
Countries/Years	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Liberal Regime	5.2	5.6	6.7	6.7	6.2	5.9	5.8
Conservative Regime	10.1	9.9	10.9	11.0	10.4	10.3	10.1
Social Democrat Regime	9.1	9.1	11.0	11.5	11.1	11.1	10.9
South European (GIPS)	7.8	7.9	9.2	9.2	9.3	9.4	10.2
Eastern European	4.4	4.8	6.5	6.3	5.4	5.2	5.5
LDNon-European Countries	4.4	4.9	4.9	4.9	4.6	4.3	4.5
LD OECD Countries	5.6	5.9	7.2	7.1	6.6	6.3	6.6
Asian Countries	4.5	5.9	7.7	6.7	6.5	6.9	7.4
Others	7.2	7.5	9.0	10.0	9.4	9.6	10.2
OECD	6.9	7.1	8.5	8.6	8.1	8.0	8.2

Source: OECD SOCX (social policy areas except education). OECD Education at a Glance (education). Own elaboration.

Table 3. Public social expenditure as % of GDP – selected OECD countries (2007-2013)

Countries/Years	2007	2008	2009	2010	2011	2012	2013
United States	20.5	21.2	23.3	24.0	23.6	23.2	23.0
United Kingdom*	19.5	20.9	23.0	22.8	22.4	22.5	21.9
France	32.6	32.8	35.4	35.4	35.1	35.6	36.1
Germany**	27.7	27.8	-	29.8	28.5	28.3	28.5
Denmark	30.5	30.9	34.5	35.2	34.7	34.9	35.0
Sweden	30.6	30.7	33.1	31.5	30.9	31.9	32.5

Source: OECD SOCX (social policy areas except education). OECD Education at a Glance (education). Note: Education data are not available for 2007. The data displayed in the first column are based on the education statistics for 2008.

Note: *The data for the UK do not consider education because for this country, this information is not available from 2007 to 2011. Education spending as % of the GDP for 2012 and 2013 amounts to 4.6 and 4.9, respectively. Therefore, for these two years, public social expenditure (considering education) amounts to 27.1 (2012) and 26.8 (2013).

Note: **The data for Germany are not displayed in 2009 because for this year, education data are not available.

Table 4. Expenditure by social policy area – selected OECD countries (2007/2009/2013)

US				
Areas	% GDP		% Public Social Expenditure	
	2007	2013	2007	2013
Health	7.0	8.0	33.7	34.9
Old Age	5.1	6.3	24.8	27.3
Education[1]	4.6	4.2	23.1	18.2
Incapacity	1.2	1.4	5.8	6.2
Family	0.7	0.7	3.4	3.0
Survivors	0.7	0.7	3.3	3.0
Other Areas	0.5	0.9	2.6	3.9
ECEC	0.4	0.4	1.8	1.5
Housing	0.3	0.3	1.3	1.2
Unemployment	0.3	0.4	1.2	1.9
ALMP	0.1	0.1	0.6	0.5
Total*	20.5	23.0	100	100

UK				
Areas	% GDP		% Public Social Expenditure	
	2007	2013	2007	2013
Health	6.5	7.1	26.3	26.7
Old Age	5.7	6.5	23.3	24.4
Family	3.2	3.8	13.1	14.2
Incapacity	1.8	2.0	7.5	7.4
Housing	1.1	1.4	4.4	5.4
ECEC	0.8	0.8	3.1	2.8
Other Areas	0.5	0.4	1.9	1.4
ALMP	0.3	0.2	1.2	0.8
Unemployment	0.2	0.3	0.9	1.2
Survivors	0.1	-	0.5	0.2
Education[1]	-	4.9	20.9	18.3
Total*	19.5	26.7	100	100

France				
Areas	% GDP		% Public Social Expenditure	
	2007	2013	2007	2013
Old Age	10.7	12.6	32.7	34.8
Health	7.9	8.6	24.1	23.9
Education[1]	4.6	4.6	14.5	12.7
Family	2.8	2.9	8.6	8.1
Survivors	1.6	1.7	4.9	4.7
Incapacity	1.6	1.7	4.8	4.8
Unemployment	1.3	1.6	4.0	4.5
ECEC	1.1	1.3	3.2	3.5
ALMP	0.9	0.9	2.8	2.4
Housing	0.7	0.8	2.3	2.3
Other Areas	0.5	0.7	1.4	1.9
Total*	32.6	36.1	100	100

Germany				
Areas	% GDP		% Public Social Expenditure	
	2007	2013	2007	2013
Old Age	8.3	8.2	29.8	28.9
Health	7.2	7.9	26.0	27.9
Education[1]	3.6	3.7	13.1	13.0
Survivors	2.0	1.9	7.4	6.7
Incapacity	1.8	2.1	6.5	7.2
Family	1.8	2.2	6.5	7.6
Unemployment	1.3	1.0	4.8	3.6
ALMP	0.8	0.7	3.0	2.3
Housing	0.6	0.6	2.3	2.1
ECEC	0.4	0.6	1.3	2.0
Other Areas	0.1	0.2	0.5	0.6
Total*	27.7	28.5	100	100

Denmark				
Areas	% GDP		% Public Social Expenditure	
	2007	2013	2007	2013
Old Age	8.4	10.1	27.4	28.9
Health	5.8	6.7	18.8	19.1
Education[1]	5.6	6.0	18.7	17.1
Incapacity	4.6	4.7	14.9	13.5
Family	3.6	3.7	11.6	10.4
ALMP	1.3	1.8	4.1	5.2
ECEC	1.2	1.4	4.0	3.9
Other Areas	0.7	1.3	2.3	3.8
Housing	0.6	0.7	2.1	2.0
Survivors	-	-	0.1	0.1
Unemployment	-	-	-	-
Total*	30.5	35.0	100	100

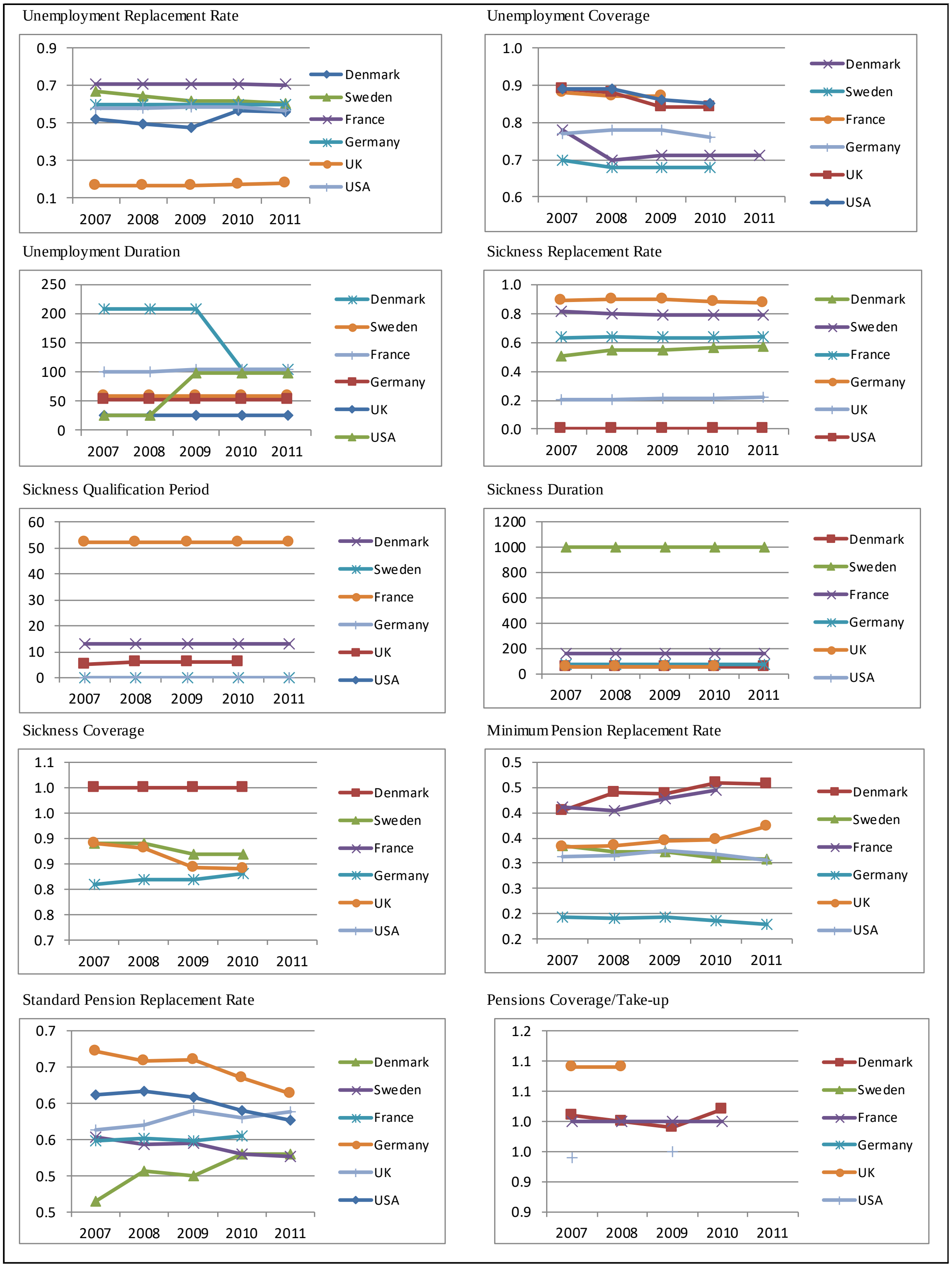
Sweden				
Areas	% GDP		% Public Social Expenditure	
	2007	2013	2007	2013
Old Age	8.5	9.6	27.5	29.4
Health	6.0	6.6	19.5	20.1
Education[1]	5.1	5.2	17.1	15.8
Incapacity	4.7	4.3	15.4	13.1
Family	3.2	3.6	10.4	11.2
ECEC	1.3	1.6	4.3	5.0
ALMP	1.0	1.4	3.2	4.2
Unemployment	0.6	0.5	2.1	1.4
Other Areas	0.6	0.7	1.8	2.2
Survivors	0.5	0.4	1.7	1.2
Housing	0.4	0.5	1.5	1.4
Total*	30.6	32.5	100	100

Source: OECD SOCX (social policy areas except education). OECD Education at a Glance (education). Own elaboration.

Note: [1]Education data for 2007 are not available; the data displayed in the first column are for 2008. Additionally, for the indicator of education as % of public social expenditure, the education statistics for 2007 are considered equal to those for 2008.

Note: *To avoid double counting, the total amount does not consider ECEC, as ECEC is already included in family.

Figure 3. Unemployment, sickness and pension entitlement indicators – selected OECD countries (2007-2011)



Source: Comparative Welfare Entitlements Dataset (CWED2). Own elaboration.

Note: Data were not displayed for countries whose data were not available.

Table 5. Public social expenditure as % of total general government expenditures – OECD, regimes, country groups, and selected OECD countries (2007-2013)

Countries/Years	2007	2008	2009	2010	2011	2012	2013
OECD	56.6	55.2	56.4	56.1	56.9	57.9	58.5
Liberal Regime	58.9	57.3	58.1	56.5	57.5	58.7	59.7
				Selected Countries			
United States	56.1	54.6	55.5	55.9	56.1	57.2	58.9
United Kingdom	56.4	54.9	56.9	57.3	58.0	58.5	60.0
Conservative Regime	61.7	60.8	60.8	61.2	61.4	61.5	62.4
				Selected Countries			
France	62.6	61.9	62.3	62.8	62.8	62.7	63.2
Germany	64.7	63.8	64.7	63.1	63.7	63.7	64.0
Social Democrat Regime	59.8	56.3	58.6	58.4	59.1	59.1	59.7
				Selected Countries			
Denmark	61.9	61.2	60.8	61.7	61.0	59.8	61.9
Sweden	61.9	61.0	62.3	61.5	61.1	61.7	62.2
South European (GIPS)	58.0	57.4	58.3	58.8	60.0	60.0	63.0
Eastern European	52.3	51.6	53.3	53.9	53.4	52.9	51.2
LDNon-European Countries	46.1	41.3	43.9	44.7	46.3	-	-
LD OECD Countries	53.1	51.8	53.4	54.0	54.3	55.5	55.2
Asian Countries	47.9	47.1	47.9	50.9	50.8	51.3	52.4
Others	59.2	59.1	59.8	55.5	59.0	60.7	61.1

Source: OECD SOCX (social policy areas except education and general government expenditures). OECD Education at a Glance (education). Own elaboration.

Table 6. Tax revenue as % of GDP – OECD, regimes, country groups, and selected OECD countries (2007-2016)

Countries/Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OECD	33.7	33.0	32.3	32.5	32.8	33.3	33.6	33.9	34.0	34.5
Liberal Regime	31.1	30.0	28.5	28.5	28.9	29.4	29.5	29.8	30.4	30.7
			Selected Countries							
United States	26.7	25.7	23.0	23.5	23.9	24.1	25.7	25.9	26.2	26.0
United Kingdom	33.2	32.6	31.6	32.6	33.5	32.8	32.6	32.2	32.5	33.2
Conservative Regime	39.4	39.8	39.3	39.4	39.8	40.6	41.3	41.5	41.6	41.7
			Selected Countries							
France	42.4	42.2	41.3	42.0	43.2	44.3	45.2	45.3	45.2	45.3
Germany	34.9	35.4	36.1	35.0	35.7	36.4	36.8	36.8	37.1	37.6
Social Democrat Regime	42.8	41.3	40.6	40.8	41.2	41.5	41.6	42.5	41.6	41.7
			Selected Countries							
Denmark	46.4	44.8	45.0	44.8	44.8	45.5	45.9	48.6	45.9	45.9
Sweden	45.0	44.0	44.1	43.2	42.5	42.6	42.9	42.6	43.3	44.1
South European (GIPS)	35.3	34.1	33.1	33.9	34.8	35.9	36.7	36.8	37.0	37.3
Eastern European	33.4	33.1	32.9	32.5	32.3	32.8	33.0	33.2	33.8	34.5
LDNon-European Countries	19.5	19.2	17.9	19.3	20.1	19.8	19.7	19.5	20.6	21.0
LD OECD Countries	31.0	30.4	29.8	30.1	30.4	30.9	31.2	31.3	31.9	32.4
Asian Countries	26.2	26.0	24.9	25.0	25.8	26.5	26.6	27.4	28.0	26.3
Others	31.7	30.9	30.6	30.4	30.6	30.7	31.0	31.0	29.7	29.8

Source: OECD Stats. Own elaboration.

Table 7. Tax revenue as % of total taxation – OECD, regimes and country groups (2007/2009/2013/2016)

OECD				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	34.9	32.3	32.6	32.1
Social Security Contributions	25.3	27.2	26.7	26.8
Taxes on Payroll and Workforce	2.3	2.5	2.7	2.7
Taxes on Property	5.4	5.4	5.4	5.4
Indirect Taxes	30.9	31.3	31.4	31.8
Others	1.3	1.3	1.1	1.2

Liberal Regime				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	47.4	43.3	44.1	44.1
Social Security Contributions	17.1	18.7	17.6	18.2
Taxes on Payroll and Workforce	3.1	3.3	3.3	1.9
Taxes on Property	8.9	9.9	9.3	9.6
Indirect Taxes	23.5	24.8	25.6	26.0
Others	-	0.1	0.1	0.1

Conservative Regime				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	29.0	27.0	28.0	28.4
Social Security Contributions	33.7	35.3	35.2	34.7
Taxes on Payroll and Workforce	4.4	4.9	5.0	5.0
Taxes on Property	4.6	4.4	4.6	4.9
Indirect Taxes	26.9	27.0	26.0	26.0
Others	1.5	1.5	1.1	1.0

Social Democrat Regime				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	45.9	44.4	44.0	43.0
Social Security Contributions	16.3	17.1	17.0	17.7
Taxes on Payroll and Workforce	2.1	3.1	4.0	3.9
Taxes on Property	3.5	3.6	3.8	3.6
Indirect Taxes	31.9	31.1	30.4	31.2
Others	0.2	0.7	0.9	0.6

South European (GIPS)				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	29.2	28.3	28.7	28.1
Social Security Contributions	30.2	32.8	29.9	29.9
Taxes on Payroll and Workforce	-	-	-	-
Taxes on Property	5.5	5.6	6.3	6.1
Indirect Taxes	31.9	30.3	32.4	34.5
Others	3.3	2.9	2.7	1.4

Eastern European				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	24.1	21.8	20.5	20.9
Social Security Contributions	35.2	37.8	37.4	36.3
Taxes on Payroll and Workforce	1.6	0.7	0.8	0.8
Taxes on Property	2.0	2.0	2.4	2.2
Indirect Taxes	36.8	37.4	38.6	36.9
Others	0.3	0.4	0.4	2.8

LDNon-European Countries				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	35.3	30.2	32.0	27.1
Social Security Contributions	14.3	16.1	16.5	17.8
Taxes on Payroll and Workforce	1.9	2.0	2.3	-
Taxes on Property	3.6	3.7	3.5	4.9
Indirect Taxes	42.8	46.1	43.9	48.6
Others	2.1	1.9	1.7	1.6

Asian Countries				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	34.0	29.0	30.8	31.2
Social Security Contributions	28.6	32.1	33.6	26.2
Taxes on Payroll and Workforce	0.2	0.2	0.3	0.3
Taxes on Property	10.9	10.9	9.6	11.6
Indirect Taxes	24.6	25.4	24.1	28.1
Others	1.7	2.4	1.6	2.6

Source: OECD Stats. Own elaboration.

Table 8. Tax revenue as % of total taxation – selected OECD countries (2007/2009/2013/2016)

US				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	48.3	40.3	47.1	48.8
Social Security Contributions	23.5	27.2	24.1	24.0
Taxes on Payroll and Workforce	-	-	-	-
Taxes on Property	11.4	14.1	11.3	10.2
Indirect Taxes	16.8	18.4	17.5	17.0
Others	-	-	-	-

UK				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	39.8	38.6	35.6	35.7
Social Security Contributions	18.3	19.7	18.7	18.9
Taxes on Payroll and Workforce	-	-	-	-
Taxes on Property	12.5	12.2	12.3	12.6
Indirect Taxes	29.0	29.1	32.9	32.2
Others	-	-	-	-

France				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	23.9	20.7	24.5	23.5
Social Security Contributions	37.1	39.4	37.0	37.0
Taxes on Payroll and Workforce	2.8	3.2	3.5	3.4
Taxes on Property	7.9	8.0	8.4	9.1
Indirect Taxes	24.9	25.2	24.0	24.5
Others	3.3	3.4	2.4	2.4

Germany				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	31.2	28.9	30.8	31.9
Social Security Contributions	36.6	38.6	37.8	37.7
Taxes on Payroll and Workforce	-	-	-	-
Taxes on Property	2.5	2.3	2.5	2.8
Indirect Taxes	29.3	29.8	28.5	27.1
Others	-	-	-	-

Denmark				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	60.1	61.3	62.7	62.5
Social Security Contributions	0.2	0.1	0.2	0.1
Taxes on Payroll and Workforce	0.5	0.5	0.7	0.6
Taxes on Property	3.9	4.0	3.9	4.0
Indirect Taxes	34.9	33.6	32.2	32.3
Others	-	-	-	-

Sweden				
Taxes and Contributions/Years	**2007**	**2009**	**2013**	**2016**
Direct Taxes	38.7	35.2	34.6	35.7
Social Security Contributions	26.2	24.6	23.3	22.8
Taxes on Payroll and Workforce	5.6	8.5	10.6	10.6
Taxes on Property	2.4	2.4	2.5	2.4
Indirect Taxes	26.6	28.9	28.6	28.2
Others	0.1	0.1	0.1	0.1

Source: OECD Stats. Own elaboration.

Table 9. Market and post-fisc (between parentheses) poverty rates – OECD, regimes, country groups, and selected OECD countries (2007-2012)

Countries/Years	2007	2008	2009	2010	2011	2012
OECD	26.3 (10.2)	27.3 (11.1)	28.3 (11.0)	29.2 (11.2)	28.3 (11.2)	30.1 (11.5)
Liberal Regime	27.3 (13.4)	26.5 (13.1)	27.3 (12.7)	28.4 (13.4)	25.9 (12.9)	27.2 (15.6)
Selected Countries						
United States	- (17.6)	27 (17.3)	24.7 (16.5)	28.4 (17.4)	28.4 (17.1)	28.3 (17.4)
United Kingdom	30.7 (11.3)	31.3 (10.9)	31.3 (9.9)	31.9 (10.0)	-	-
Conservative Regime	27.1 (7.8)	29.8 (8.0)	30.6 (8.5)	31.1 (8.4)	33.5 (8.6)	29.4 (8.7)
Selected Countries						
France	- (7.2)	32.6 (7.2)	34.0 (7.5)	34.7 (7.9)	35.0 (8.0)	-
Germany	- (8.4)	32.1 (8.5)	32.1 (9.5)	32.3 (8.8)	32.9 (8.7)	-
Social Democrat Regime	22.6 (6.8)	23.7 (7.4)	25.7 (7.3)	26.0 (7.2)	25.7 (7.4)	26.7 (6.4)
Selected Countries						
Denmark	22.1 (6.1)	22.0 (6.6)	23.3 (6.4)	24.4 (6.0)	24.7 (6.0)	-
Sweden	-	26.5 (8.4)	28.0 (8.7)	27.8 (9.1)	26.5 (9.7)	-
South European (GIPS)	29.4 (13.6)	29.8 (12.2)	30.6 (12.3)	31.5 (12.9)	33.6 (13.3)	35.6 (13.7)
Eastern European	27.0 (10.0)	27.2 (10.8)	30.0 (9.4)	30.4 (10.1)	29.8 (9.9)	29.8 (10.0)
LDNon-European Countries	- (17.0)	- (20.9)	23.6 (18.9)	22.4 (19.8)	22.4 (18.5)	27.4 (21.4)
LD OECD Countries	27.3 (11.2)	28.0 (12.2)	29.5 (11.7)	29.9 (12.6)	29.5 (12.4)	31.3 (12.0)
Asian Countries	16.4 (14.8)	16.8 (15.2)	24.6 (15.7)	17.3 (14.9)	17.3 (15.2)	24.7 (15.4)
Others	31.6 (8.4)	32.4 (12.4)	28.9 (11.8)	34.4 (12.4)	28.8 (12.2)	36.9 (8.3)

Source: OECD Stats. Own elaboration.

Table 10. Market and post-fisc (between parentheses) Gini inequality – OECD, regimes, country groups, and selected OECD countries (2007-2013)

Countries/Years	2007	2008	2009	2010	2011	2012	2013
OECD	.45 (.30)	.46 (.31)	.47 (.31)	.47 (.31)	.47 (.31)	.48 (.31)	.50 (.30)
Liberal Regime	.47 (.35)	.47 (.34)	.48 (.34)	.48 (.34)	.47 (.34)	.48 (.36)	-
			Selected Countries				
United States	- (.38)	.49 (.38)	.50 (.38)	.50 (.38)	.51 (.39)	.51 (.39)	-
United Kingdom	.50 (.34)	.51 (.34)	.52 (.35)	.52 (.34)	-	-	-
Conservative Regime	.45 (.29)	.47 (.28)	.47 (.28)	.48 (.28)	.50 (.29)	.46 (.27)	.49 (.26)
			Selected Countries				
France	- (.29)	.48 (.29)	.49 (.29)	.51 (.30)	.51 (.31)	-	-
Germany	- (.30)	.49 (.29)	.49 (.29)	.49 (.29)	.51 (.29)	-	-
Social Democrat Regime	.42 (.27)	.42 (.26)	.43 (.26)	.43 (.26)	.43 (.26)	.44 (.26)	.39 (.24)
			Selected Countries				
Denmark	.41 (.25)	.41 (.24)	.41 (.24)	.43 (.25)	.43 (.25)	-	-
Sweden	-	.43 (.26)	.44 (.27)	.44 (.27)	.44 (.27)	-	-
South European (GIPS)	.53 (.36)	.51 (.34)	.51 (.33)	.52 (.33)	.53 (.33)	.54 (.34)	.55 (.34)
Eastern European	.46 (.29)	.45 (.29)	.47 (.29)	.47 (.29)	.47 (.29)	.47 (.29)	.48 (.30)
LDNon-European Countries	- (.41)	- (.48)	.54 (.46)	.48 (.44)	.50 (.46)	- (.48)	-
LD OECD Countries	.47 (.31)	.47 (.32)	.49 (.33)	.49 (.33)	.49 (.33)	.49 (.32)	.50 (.31)
Asian Countries	.34 (.31)	.34 (.31)	.42 (.33)	.34 (.31)	.34 (.31)	.41 (.32)	-
Others	.49 (.29)	.51 (.32)	.48 (.32)	.52 (.31)	.47 (.31)	.54 (.30)	.53 (.29)

Source: OECD Stats. Own elaboration.