

Book Review: Three Worlds of Welfare Capitalism

Xingnuo Yu

University of Leeds

1. INTRODUCTION

This book aims to provide a proper understanding of the differentiation between the various types of states that emerged in the wave of capitalist transformation, and to explain the factors that influenced the formation of the welfare state, showing the intertwined relationship between state institutions and the economy. Drawing on a deep and masterful understanding of the capitalist welfare state, Esping-Andersen sets out a paradigm for the comparative study of social welfare. The author places commodification and de-commodification at the heart of the book's theoretical framework, using a series of perspectives that blend conceptual history, economics and political science to distinguish between three types of welfare state: liberalism, corporatist and social democratic. Liberalism is still in the form of government and market, and the distribution of social welfare is dominated by the market. Because of the emphasis on personal responsibility and the realization of personal values, avoiding citizens' over-reliance on the government, and stipulating that more people should be self-reliant for their own welfare, the government has clear regulations on the limits of the recipients, and the radiation of the state welfare policy can only cover a part of the people. These systems weaken public welfare, curb the trend of de-commodification, and are more polarized, with the United States, Canada, and Australia as typical representatives. Corporatist, as exemplified by Germany, Austria, and France, does not exclude the market, but the market is marginalized and the state only needs to fill the vacant part of the market. They require the welfare system to obey the needs of commercialization of human resources, link work and welfare, and solidify the family system. Social democratic, emphasizes that the welfare system should guarantee the rights of individuals and society to develop, is state-driven, rarely examines the eligibility of welfare recipients, and aims to raise the standard of living of all people to a uniform level from which both the working and middle classes can benefit, promoting class integration and weakening the degree of commodification, countries such as Norway and Sweden have been classified in this category.

2. CORE CONCEPTS

The types of classification that Esping-Andersen has shaped are rooted in history. The author highlights the conservative roots of the welfare system, as in the case of the Bismarckian model of social security, where the collective resources of the working class are mobilized through democratic means (ScienceDirect website, para.4). It is a reflection of the development of the value form of social labor, the inability of the old system to adapt to the emerging capitalism, the tendency of capitalization of the factors of production that drives the commodification of manpower, and the situation of the working class became worse, they were dependent on the market, the uncertainty of the market did not guarantee the life of the working class, and their right to live independently of the market was easily ignored. Therefore, the author considers that de-commodification is the goal of workers' collective association, and in de-commodification as defined by socialism, the inevitability of work is untied from the people, and the rights of the people are maximised and institutionalised (Gøsta Esping-Andersen, 1989, p.32). Ultimately, class entrenchment will be broken down, defining the social rights of workers and facilitating the birth of the welfare state, so that commodification degree is a powerful tool for analysing national welfare systems.

3. DEFECT ANALYSIS

The quantitative analysis carried out by the Esping-Andersen in classifying the types of 18 countries was mainly based on a Western capitalist starting point for the classification of welfare states to which they belonged, which led to a strong degree of liberalism in Japan. However, subsequent scholars have also recognised that East Asian countries have taken different paths in their historical development from Western welfare states and that Japan tends to have special or unique characteristics. The study by Martin Powell et al. demonstrates the views of the following scholars: Lee and Ku used factor and cluster analysis to classify 20 countries into three main clusters and two minor clusters, with France, Germany, and Japan being classified as corporatist welfare systems, Japan's system features are the most prominent and has 'pro-corporatist' characteristics (Lee and Ku, 2007, cited in Martin Powell et al. 2020, p.98). Ninomiya argued that although the Japanese welfare system has liberal features, it is more of a conservative model (Ninomiya, 2002, cited in Martin Powell et al. 2020, p.98). Besides, with the changing times change, the system is also progressing, just as the third pillar of the Japanese pension system is now rapidly emerging, with the state giving huge tax concessions to companies and individuals, and private pensions are growing more rapidly and are no longer bound to the fundamental role of the first pillar. In the book Pension Security Module, Japan is classified as strongly etatist and corporatist (Gøsta Esping-Andersen, 1990, p.52). Therefore, the results of the study are open to discussion when applying statistical models of western welfare states to determine the welfare patterns in Japan.

In his book, Esping-Andersen selects three countries, Germany, Sweden and the United States, as examples to analyse the employment situation, the post-war policy system and institutional arrangements. He also acknowledges that he has sampled

three nations that he already knows to be divergent in terms of aggregate and structural employment trends (Gøsta Esping-Andersen, 1990, p.112). His choice of direction is overly purposeful and anxious to prove the results, so the rationale for the classification is open to question.

Esping-Andersen argues that the share of the elderly population in the distribution of state welfare expenditure has a strong influence on its change and that total pension expenditure is correlated with the number of elderly people. However in Denmark, for example, Danish welfare expenditure is 37.9% of total GDP, and in 2021, the elderly population in Denmark is 20.10% of the total population, a rise of 7.8% compared to 1970 (Trading Economics website, 2022). Whether the state's finances can be sustained under the pressure of an ageing population and how the public can be pacified. At the same time, with the influx of refugees and new immigrants, the sustainability of such security also faces a financial burden. The refugee crisis, for example, came to Denmark the first Sunday of September 2015, with the situation spiraling out of control and chaos, and during the peak of the 'crisis' in November 2015, Danish police estimated that between 7,500 and 11,000 people were crossing into Denmark from Germany each week (Jørgensen, 2016, cited in Dalia Abdelhady et al. 2020, p.70). The questions of how the welfare state should persist and whether the impetus of the welfare system for social change is time-sensitive are worth pondering.

4. CONCLUSION

There has been constant controversy over this book, with the formation and types of welfare states at the center of the debate. But this does not prevent it from becoming a classic work on global social policy. It does not limit the theory to a boring theoretical framework; he realizes that indicators are time-limited, and in discussing the impact of the welfare system on post-industrial society, he constructs a developed future with a more fleshed-out analysis. The welfare system is changing with the times, and his prediction of the future of each country may not be correct, but its macro analysis and cross-sectional comparative perspective deserves further study and allows us to examine the institutional progress of the state more efficiently and objectively. It provides a theoretical foundation for the future development of the welfare state, a constant source of inspiration for contemporary scholars to study welfare systems, and a fruitful addition to the ocean of knowledge in comparative studies.

REFERENCES

- [1] Dalia, A., Martin, J. and Nina, G. 2020. Refugees and the violence of welfare bureaucracies in Northern Europe. Manchester: Manchester University Press.
- [2] Esping-Andersen, G. 2016. The Three Worlds of Welfare Capitalism. [Online]. undefined. Cambridge: Polity. [Accessed: October 23, 2022]. Available from: https://leeds.primo.exlibrisgroup.com/permalink/44LEE_INST/13rlbcs/alma991015659089705181 .
- [3] Powell, M., Kim, K.T. and Kim, S.W. 2020. The puzzle of Japan's welfare capitalism: a review of the welfare regimes approach. *Journal of international and comparative social policy*. 36(1), p.98.
- [4] ScienceDirect (no date) Industrial democracy. [Online]. [Accessed: 25 October 2022]. Available from: <https://www.sciencedirect.com/topics/computer-science/industrial-democracy>
- [5] Trading Economics. 2022. Denmark - Proportion of population aged 65 and over. [Online]. [Accessed: 28 October 2022]. Available from: <https://tradingeconomics.com/denmark/proportion-of-population-aged-65-over-eurostat-data.html>