The Type of Welfare State and Its Determinants: A Political Economy Approach.

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Ⅰ. Introduction

Since World War Ⅱ, we have witnessed a dramatic expansion of the welfare expenditure within advanced capitalist countries. By 1975, the share of gross national product devoted to welfare programs has risen to the levels of more than 10 percent in all advanced capitalist countries, whereas in 1950, only Germany and France had surpassed this level (Kohl, 1981:316). In the wake of this post war development of the "welfare state," a large number of cross-national studies on the welfare state have emerged. The basic thrust of these studies has been consistently directed to the question of what factors have caused the expansion of welfare expenditure in advanced capitalist countries (eg Cutright, 1965; Aaron, 1967; Wilensky, 1976, 1981; Hewitt, 1977; Scase, 1977; Therborn et al., 1978; Cameron, 1978; Stephens, 1979; Korpi, 1980; Hicks et al., 1986).

For the focus of the previous researches has been total welfare expenditure, they have tended to subsume all forms of welfare expenditure within a single broad composite dimension "welfare state effort." In his study, for example, Stephens(1979) uses the percentage of GNP devoted to

non-military public spending as his indicator of welfare state effort and thus indiscriminately groups together different forms of welfare expenditure to arrive at a summary indicator of welfare state effort. While this sort of the studies has contributed considerably to understanding the causes of the variations in welfare expenditure within advanced capitalist countries, they tend to ignore the "institutional"variations in the provision of social welfare, which was long ago recognized by Titmuss (1974) and has been reconceptualized as one of important dimensions in the welfare state development (Korpi, 1978, 1980; Esping-Andersen, 1985(A), 1985(B), 1987).

Here our aim is not to explain again the factors that determine the "size" of welfare expenditure, but to examine the factors that are presumed to determine the institutional variations in the provision of social welfare within advanced capitalist countries. Therefore, the focus of this paper is directed upon not how much but through what structures they spend their resources assigned to welfare programs in advanced capitalist countries. The specific question to be examined here is why some countries such as the United States have depended more heavily upon the "marginal" type of welfare programs for the provision of social welfare and less upon the "institutional" type of welfare programs than other countries such as Sweden. Four explanations on this difference - the power of the Left, the level of welfare spending, the age of welfare system and corporatism - will be presented here and their validity will be weighed by using the cross-national test of 17 developed capitalist countries.

Ⅱ. Theory and Hypotheses

The types of welfare programs can be differentiated on the basis of their distinct characteristics. This scheme was first made by a professor of social work, Richard Titmuss, in his posthumously published lecture notes, Social Policy(1974), and has been further developed by Korpi(1980, 1989) and Esping-Andersen(1985, 1987). This typology of welfare programs provides a theoretical conception of the ways in which the welfare programs are defferentiated on the basis of their distinct characteristics. Under this typology, there are in general two kinds of welfare programs: institutional and marginal.

First of all, the institutional welfare programs are universalistic measure, that is, directed towards large sectors of the population, while the marginal welfare programs are directed towards subgroups of the population with specific needs. Secondly, the institutional welfare programs put a greater emphasis on achieving a normal or average standard of living, whereas the marginal welfare programs are expected to provide for a minimum standard of living.

Table 1:Comparison of Two Types of Welfare Programs.

	Institutional	Marginal
Proportions of population affected	large	small
Importance of preventing needs	great	little
Contribution by its recipients	yes	no
Standard of benefits provided	normal	minimum

Thirdly, the institutional type of welfare programs is financed largely and at least in part by the contributions of its beneficiaries, while the recipient's contribution to financing the marginal type of welfare programs is non-existent. Finally, the institutional welfare programs are intended to prevent needs from arising, whereas the marginal welfare programs are limited to alleviating needs which have already become manifest. Table 1 outlines a comparison of the characteristics in two types of welfare programs.

Looking at the data on- the expenditure for welfare programs disaggregated on the basis of the institutional-marginal dichotomy, we can notice that the inter-country variation in the dependence on the institutional or marginal type of welfare programs is significant. Table 2 provides a breakdown of welfare expenditure on the basis of the institutional-marginal dichotomy in selected countries. As table 2 shows, the share of the welfare expenditure on institutional welfare programs ranges from 77.7 percent in Canada to 96.9 in Sweden. The divergence in the share of the expenditure on welfare programs is more apparent. It ranges from a low of 3 percent in Sweden to 22. 3 percent in Canada.

Table 2:Breakdown of the welfare expenditure on institutional and marginal welfare programs in selected countries

Countries	Institutional	Marginal
Sweden	96.9	3.1
Netherlands	88.3	11.7
Australia	81.3	18.7
Canada	77.7	22.3
United States	84.1	15.9
Belgium	94.4	5.6

Source:this table is constructed by Esping-Anderson's method (1985:249).[1] The data used here are drawn from OECD, Public Expenditure on Income Maintenance Programmes, table 2 , p. 20

As has been shown, the inter-country variation in the types of welfare programs within advanced capitalist countries is manifested, when they are differentiated on the basis of the institutional-marginal dichotomy. Needless to say, this inter-country divergence is a function of a number of factors. Some are of a political nature and are beyond the realm of a purely economic investigation. Others may stem from economic natures. In order to find out what factors cause the inter-country variance in their relience on institutional or marginal type of welfare programs within developed capitalist countries and to determine what factor among them is most important, in the following sections, we will construct the specific hypotheses and test them empirically by using a multiple regression technique.

2. Hypotheses

Four explanations on the institutional variation in the provision of social welfare can be advanced. The first sees socialist party and working class-the power of the Left-as the principal advocates of institutional welfare programs. The second assumes the close link between the high level of welfare expenditure and the instiutional welfare programs. Here the key factor is economic. The third is incrementalism. It suggests that the development of institutional type of welfare programs is a function of the age of the welfare system, and the welfare system matures into institutionaliz-ation as it becomes older. The fourth posits that corporatism leads to institutionalizing welfare programs. In the following pages, these four positions will be elaborated and made as the specific hypotheses to be tested later.

As might be hinted earlier, it is not too much to say that in comparison with the marginal type of welfare programs, the institutional type is a more "advanced" form of welfare programs in many ways. As Korpi points out (1980:304; 1983:192), in the long run the institutional type of welfare programs has more redistributive effects than the marginal type by providing for normal standards of living and income compensation through universal programs. Moreover, since institutional type of welfare programs is available to citizens in terms of largely universal criteria such as age, it does not impose upon the recipients the ubiquitous stigma surrounding marginal type of welfare progr-ams, such as means-tested assistance.

Due to the fact that the marginal type of welfare programs is available to citizens on the basis of needs, it entails a degrading examination of all one's personal circumstances so as to prove to some local official that there are no viable means of support from other sources (Heidenheimer et al., 1983:213). In the institutional type of welfare programs, however, degrading investigations into

a family's means are unnecessary, not only because its eligibility is based upon a "certain" criteria such as age or unemployment, but also because beneficiaries had earned the right to support by virtue of past contributions.

For the stigmas surrounding the marginal type of welfare programs, it can be expected that socialist party and working class, which the previous studies(Stephens, 1979; Korpi, 1980) suggest to be the principle actors behind the expansion of welfare state, are generally inimical to the mar-ginal type of welfare programs and favor the institutional type of welfare programs, which does not involve the degrading effects on the recipients (Esping-Adersen, 1985:147).

Aside from these humantarian and altruistic concerns, moreover, it is further argued that for political reasons, socialist party and working class favor the institutional type of welfare programs and attempt to institutionalize as more welfare programs as possible. As Esping-Anderson points out(1985, 1987), the key goal of the Left politics is to create their electoral constituency beyond themselves within other classes. They should be able to forge political coalition with other classes, that is, they have to create.a wider base of social democratic solidarity. The ultimate instrument of social democratic class formation is state policy. In case of welfare programs, the Left must see to it that the benefits of welfare programs must be distributed in such a way to cancel out status differentials and to avoid situations in which welfare programs breed discontent between those who pay and those who receive.

Therefore, it is imperative for social democratic class formation that welfare programs be univ-ersal, generous and attrcative, i.e., institutionalized, for such programs help create a large, if no universal, electoral constituency whose welfare is wedded to a social democratic state. Otherwise, there will be incentives for the better-off or other classes to seek private market solutions, and this exit opportunity destroys the basis for broad solidarity. For these reasons, it is argued that socialist party and working class favor the instiutionalized welfare programs and work toward instiutionaliz ing welfare programs. Then, the first two hypotheses to be tested in this study can be drawn as follows:

H1: The countries with stronger socialist party are to depend more upon the institutionalized programs in the provision of social welfare than the countries with weaker socialist party.

H2: The countries with stronger working class are to depend more upon institutionalized welfare programs in the provision of social welfare than the countries with weaker working class.

Although the second position on the institutional variation in the provision of social welfare is neither theoretically developed nor explicitly argued, it is a very plausible argument and thus pre-

sented here as a counter explanation on the institutional variation in the provision of social welfare within developed capitalist countries. It posits that since the institutional type of welfare programs covers a larger sector of population and is designed to provide a higher level of benefit than the marginal type of welfare programs, it is more costly to finance than the marginal type of welfare programs. Therefore, it can be expected that the countries with a higher level of welfare expenditure are more likely to institutionalize their welfare programs than the countries with a lower level of welfare expenditure. From this, we construct our third hypothesis to be tested in this paper:

H3: The countries with a higher level of welfare expenditure are to depend more upon the institutionalized programs in the provision of social welfares than the countries with a lower level of welfare expenditure.

In the third position, the timing of first adoption of welfare program can be considered to be related to the divergence in the types of welfare programs. In his cross-national analysis, Pryor(1968) finds that the experience of welfare system is the most important predictor of welfare expenditure. He argues that the countries with a longer experience of welfare system tend to allocate a larger proportion of national income to welfare programs. The reason is, according to Pryor, that as the welfare system matures, more covered people inevitably reach retirement age; the mass of citizens press for higher benefits and expanded coverage for themselves and their relatives; bureaucrats entrench and cultivate budget, personnel and clientele; and finally, information spreads, encouraging claims and reinforcing the demand for more welfare coverage(Young, 1986:4).

This logic underlying the expansion of welfare expenditure can be applied to the expansion of institutionalized programs in developed capitalist countries. It can be expected that as welfare system matures, the covered people and its bureaucrats attempt to institutionalize the welfare programs, which were not before, not only because institutionalized welfare programs provide a better quality of benefits, but also because they tend to foster routinization and regularity in the welfare system, which the bureaucrats always try to facilitate. From this, we can construct our fourth hypothesis:

H4: The countries with a longer experience of welfare system are to depend more upon institutionalized programs in the provision of social welfare than the countries with a shorter experience of welfare system.

Theory of corporatism suggests that strongly organized and centralized groups of labor and capital

interact with the government to come to a consensus on social and economic policy, and the peak bargains struck by these associations reflect a blurring of the distinction between public and private (Stephens, 1979). It indicates a possibility that allocations of budget are made rationally on the basis of a total view of the public interest. Thus, budget is not always construed in such a way as to reflect only sectional interest of those who happen to be most influential. Rather, budget is compromised by the continuous bargainings among highly centralized and most important interest groups in society in such a way as to reflect the objectives they commonly share.

Ⅲ. Research Design

1. The Sample of Countries

The sample in this study consists of 17 advanced capitalist countries, which combine a capitalistic economic system with political democracy. The choice of countries included in this study has been determined by both practical and theoretical considerations. The practical consideration is that due to the lack of statistical data, especially disaggregated data which this study employs, underdeveloped countries are excluded from the sample. Moreover, we decide to limit our sample to advanced capitalist countries not because of necessity but for theoretical reasons. As Stephens(19 79:90) argues, it seems clear that limiting our sample to these 17 countries has the advantage that the variables measured are much more strictly comparable than lumping together democratic and authoritarian developed and underdeveloped countries. The countries chosen in this study are:
   Sweden, Norway, Denmark, Finland, Austria, Belgium, Netherlands, New Zealand, Australia, Ireland, Canada, Switzerland, United Kingdom, United States, West Germany, Italy, France.
   As might be noticed, Japan is excluded from the sample, even though she is an advanced capto our fifth hypothesis to be tested in this study:

H5: The countries with a higher level of corporate bargaining are to depend more upon the instiutionalized programs in the provision of social welfare than the countries with a lower level of corporate bargaining.

We have constructed five hypotheses to be tested in this study. In the next section we will

subject them to a multiple regression analysis in order to find out what factors causes the instiutional variation in the provision of social welfare withir developed capitalist countries and which factor among them is most important.

Since institutional welfare programs are universalistic measures and directed towards a larger section of population, we can expect most households to benefit from these programs in one way or another, and thus, the expansion of institutional welfare programs can be beneficial to the interests of labor and capital alike. The outcome of corporate bargaining among labor, capital and state is more likely to be the expansion of the institutional welfare programs than that of the marginal welfare programs, which benefit only a small section of population. Therefore, it can be expected that corporate bargaining facilitates the expansion of the institutional welfare programs. This leads italist country, because she does not share a Western European cultural and historical heritage, which all of our sample countries commonly share. In the previous studies, moreover, Japan has been found as a consistently deviant case in terms of the causes and patterning of voting behavior, labor movement ideology, level of labor organization, and party configuration, to name a few points (Stephens, 1979:90). Therefore, the exclusion of Japan from the sample may preempt a possible statistical distortion caused by a deviant case.

2. Operationalization and Measurement

The operational measures of our thirteen variables and data sources are presented in table 3.

Since the ways to operationalize and measure some variables cannot be clearly known by looking at table 3, we will provide a detailed explanation on how they are operationalized and measured. First of all, as the earlier studies suggest, there are various ways to measure the strength of socialist party. The most commonly used measures are the percentage of vote received by socialist party and the number of years of rule by socialist party. Of two different measures, in this study, we choose the number of years of rule by socialist party as the measure of strength of socialist party. The reason is that although the percentage of vote received by socialist party well reflects a political "support" or "political sympathies" for the left (Stephens, 1979:91), it does not necessarily indicate "effective political power" of socialist party.

For example, even when socialist party receives 49% of vote, unless it forms a coalition government, it alone cannot seize the political power in government, and thus, 49% of political support from voters is not automatically translated into its effective political power. On the other hand, the

Table 3:Operational Measures of Variables and Data Source

Variables	Indicators	Data Source
Strength of Working Class	percentage of labor organized in union in 1970	Stephens(1979)
Strength of Socialist Party	number of years of rule by socialist party from 1945 to 1970	Stephens(1979)
Level of Corporate Bargaiaing	Stephens' index of corporatism	Stephens(1979)
Extent of instituti- tionalization of welfare programs	% of total welfare expenditure allocated to institu- . tional welfare programs in 1972	Public Expendi- ture on Income Maintenance Programs, OECD, 1976
Level of welfare expenditure	% of GNP represented by welfare expenditure in 1972	Public Expendi- ture on Income Maintenance Programs, OECD, 1976
Experience of Welfare System	Age of pension system up to 1972[2]	Young (1986)

number of years of socialist rule indicates left party dominance in the government, and thus it well reflects the political power of socialist party. For this reason, we rather choose the number of years of socialist party rule as the measure of socialist party strength in this study. A score of one was given for each year of rule by socialist parties from 1945 to 1970.

Regarding the strength of working class, it is operationalized and measured by the percentage of labor force organized in union. As Stephens(1979:7) points out, the working class cannot derive its power from ownership, as the capitalists do, since working class lacks in ownership. Rather, its strength vis-a-vis the capitalists depends upon how well working class acts collectively. Thus, it can be said that labor organization, through which the working class acts together, is a source of its power. For this reason, the appropriate measure of the strength of working class is the percentage of the labour force organized in union. Its data are also dervied from Stephens(1979:119).

In an attempt to operationalize and measure the level of corporate bargaining, we simply employ Stephens' rank-order index, which aggregate several indicators of bargaining centralization. He divides advanced capitalist countries, that is our sample, into three groups based upon degrees of economic centralization and representational monopoly of labor and employer organizations. These groups are categorized to indicate "strong," "medium" and "weak" corporatist nations. Then, they are coded(3), (2) and (1) respectively (Maioni, 1986:3).

The method we use here in categorizing welfare programs as institutional type is same as Esping-Anderson's (1985:249). All expenditures on income maintenance programs ninus that on means-tested programs are regarded as those for institutional welfare programs. Included as the institutional programs are old-age pensions, sickness cash benefits, unemployment benefits and child allowances programs. Thus, the proportion of welfare expenditure allocated to institutional welfare programs is the sum of the percentage of welfare expenditure represented by each of those programs.

3. Method

We employs a multiple regression technique in this study, which allows us to not only test the hypotheses but also assess the relative importance of independent variables. Although a multiple regression technique has been most widely used in the studies on the welfare state, and has been considered to be adequate to the purpose of the study of this kind(Lewis-Beck, 1977), there are some difficulties and pitfalls associated with this technique. The major problems that arise from using a multiple regression technique are not in any sense intrinsically related to the particular subject under investigation, but rather general problems that emerge from the use of this techniques in the context of a "small number" of the cases in the sample.

Because of a small number of cases(17) in this study, first of all, a given coefficient is more likely to be found insignificant. In multiple regression, the number of degrees of freedom, that determines which t-distribution is appropriate, decreases as the number of independent variables included in equation increases. When the number of degrees of freedom is smaller, extreme values of "t" are more likely to be obtained, and thus it will be harder to get significant relationship between dependent and independent variables(Lewis-Beck, 1980:52). One strategy to avoid this pitfall is to bring more cases into the sample. However, as it was already suggested, the total of advanced capitalist countries that can be appropriately compared in this study is 17. Therefore, this option is out of question.

Other possible strategy to avoid this pitfall is to simply ignore significance testing. This option has a theoretical justification. As Castles (1982:36) argues, the normal function of significance testing is inappropriate and unnecessary in the context of a total population like in this study, since there is no possibility of sampling error. Although we fully agree to the basic assumption of such an option, however, we believe that significance testing should be done, becuase it is a customary and useful means of eliminating from consideration findings so weak that they might easily have occurred even if values had been randomly assigned to cases or so unstable that they might be expected to change dramatically even if a few additional cases were added to the sample. As such, significance testing would be necessary in some ways,[3] and thus readers take general note of significance statistics.

Then our chosen strategy to avoid the pitfall described above is that we will not enter more than three independent variables in the regressions. This strategy not only increses the possibility of obtaining significant relationship(for it does not decease the number of degrees of freedom too low), but also, more importantly, allows us to avoid another pitfall associated with analysis of cross-national data of a small number of cases. As the previous studis have pointed out(Stephens, 1979 :98; Castle, 1982:12; Unsitalo, 1984:405), the small number of cases to be compared makes it impossible to separate out the effects of variables because very few cases fall into deviant cells. For these reasons, we will not enter more than three independent variables in the regressions. The regression equation models to be performed in this study are following:

Model 1: $INST = a + (WEL)b_1 + (AOW)b_2 + (SOS)b_3$

Where INST=The proportion of welfare expenditure allocated to institutional welfare programs,

WEL=Level of welfare spending,

AOW=Age of Welfare system,

SOS=The strength of socialist party.

Model 2: $INST = a + (WEL)b_1 + (AOW)b_2 + (SWC)b_3$

Where INST=The proportion of welfare expenditure allocated to institutional welfare programs,

SWC=The strength of working class,

WEL=Level of welfare speanding,

AOW=Age of welfare system.

Model 3: $INST = a + (WEL)b_1 + (AOW)b_2 + (COR)b_3$

Where INST=The proportion of welfare expenditure allocated to institutional welfare programs,

COR=Level of corporate bargaining,

WEL=Level of welfare expenditure,

AOW=Age of welfare system.

It should be pointed out that we do not enter independent variables - strength of soicalist party and strength of working class - in the same regression, because we suspect that multicollinearity problem exists(their correlation coefficient is 0.79). Conventionally, when coefficient is less than 0.8, it is assumed that multicollinearity is not a problem. However, this method to detect·a multicollinearity is not satisfactory, for multicollinearity can exist without any of the correlation coefficients being very large(Lewis-Beck, 1980:60). Moreover, the correlation coefficient of 0.79 between strength of socialist party andstrength of working class is not far from 0.8 enough to lead us to say for sure that there is no multicollinearity problem.

Therefore, we run the "tolerance test," which is more satisfactory method to detect multicollinearity problem, sicne it takes into account the relationship of an independent vairable with all the other independent variables(Lewis-Beck, 1980:60; Norusis, 1983:165). We found that the tolerances of strength of socialist party and strength working class, when they together enter in the same regression, are 0.28 and 0.36 respectively. For their tolerances are far from 1, we conclude that multicollinearity problem occurs when they together enter in the same regression. For this reason, we do not enter them in the same regression in this study.

Ⅳ. Findings

The result of the first regression (when strength of socialist party, age of welfare system and level of welfare spending are the independent variables) is presented in table 4. As was shown in table 4, three independent variables account for 38% of the variance in the proportion of welfare expenditure allocated to institutional welfare programs(R^2=0.38).

Although R^2 is relatively low, it is still an encouraging result, considering that only three independent variables are entered in the regression. However, this result of low R^2 clearly tells that the inter-country variance in the proportion of the welfare expenditure given to institutional programs is induced not only by these three variables, bur also by other factors. As a matter of fact, there remains other important factors related to the expenditure on institutional welfare programs, such

Table 4:The Result of the First Regression Model Proportion of Welfare Expenditure Given To Institutional Programs As Dependent Variable

Independent Variables	Beta	Significance Level
Strength of Socialist Party	0.55	0.05
Age of Welfare System	0.13	n.s.*
Level of Welfare Spending	0.09	n.s.*
R^2=0.38 N=17	*=Not Significant at 0.1	

as the strength of working class, which are not(or cannot be, due to multicollinearity problem) included in this regression. A more thorough theoretical specification of other factor possibly related to the expenditure on institutional welfare programs seems to be needed.

To test our hypotheses 1, 3 and 4, let us look at each independent variable's distinct contribution to the total variation. As regards hypothesis 1(the stronger socialist party, the more dependent on institutional welfare programs), the relationship between strength of socialist party and the proportion of welfare expenditure allocated to institutional programs is not only in the direction that hypothesis 1 predicts, but also its Beta coefficient is 0.55 at the 0.05 significance level. Among three independent variables, moreover, it is the most important predictor of the welfare expenditure on institutional programs. Therefore, it can be concluded that hypothesis 1 is confirmed. This result demonstrates that when socialist party is in power, it allocates a larger proportion of a given welfare expenditure to institutional programs, which render better qualities of welfare services to its citizens.

We predict that the countries with a higher level of welfare expenditure would be more depen-dent upon welfare expenditure to institutional programs than those with a lower level of welfare expenditure (hypothesis 3), for without much resource earmarked for welfare programs, it can be hardly expected to support institutional welfare programs, which are more costly to finance than marginal welfare programs. On the contrary to our expectation, it is found that the relationship between level of welfare spending and the proportion of welfare expenditure given to institutional programs is insignificant at the 0.1 level. Moreover, its Beta value is negligible (0.09).

With regard to hypothesis 4(the longer experience of welfare system, the larger proportion of welfare expenditure on institutional welfare programs), we find that the relationship between the experience of welfare system and the proportion of welfare expenditure allocated to institutional programs is not significant at the 0.1 level, and its Beta value is very small (0.13). From these findings, it can be conluded that hypotheses 3 and 4 are rejected.

Table 5:The Result of the Second Regression Model The Proportion of Welfare Expenditure Given To Institutional Programs As Dependent Variable

Independent Variables	Beta	Significance Level
Strength of Working Class	0.56	0.05
Age of Welfare System	0.03	n.s.*
Level of Welfare Spending	0.18	n.s.*
R=0.42 N=17	*=Not Significant at 0.1	

When the strength of socialist party is replaced by the strength of working class in the above regression to test hypothesis 2, it is found that R^2 rises moderately from 0.38 to 0.42, which means that the strength of working class with other two independent variables accounts for 42% of the variance in the welfare expenditure on institutional programs. As shown in table 6, we also find that the strength of working class is the most important determinant of welfare expenditure on institutional programs (its Beta value is 0.56 at the 0.05 significance level). From this result, we can conclude that hypothesis 2 is confirmed.

The second regression model shows a little more predictive capability than the first regression model. This may imply that the strength of working class is more, though a little, important determinant predictor of welfare expenditure on institutional programs than that of socialist party. However, we should keep in mind that, besides the fact that they are highly correlated, theoretically, the impact of strength of working class on the expansion of institutional welfare programs may be exerted through socialist party. As Stephens(1979:99) points out, stronger working class is associated with greater socialist hegemony which leads to greater electoral success of the left and thus longer socialist rule(our indicator of strength of socialist party), and once the socialist party is in power they routinely makes union organization easier, which in turn makes working class stronger. Therefore, we cannot say that which one of strength of working class and socialist party is more important in affecting the expansion of institutional welfare programs, because they themselves are interactive.

In attempting to test hypothesis 5, the strength of working class is replaced by level of corporate bargaining in the above regression. When this is done, as shown in table 6, R^2 drops to 0.27, which indicates that level of corporate bargaining with other two independent variables accounts for 27 % of the variance in the proportion of welfare expenditure given to institutional welfare programs. The regression model with level of corporate bargaining shows the lowest predictive capability.

In hypothesis 5, we predict that higher levels of corporate bargaining will lead to a larger alloc-

Table 6: The Result of the Third Regression Model The Proportion of Welfare Expenditure Given To Institutional Programs As Dependent Variable

Independent Variables	Beta	Significance Level
Corporate Bargaining	0.46	n.s.[*]
Age of Welfare System	0.18	n.s.[*]
Level of Welfare	0.07	n.s.[*]
$R^2=0.27$ N=17	[*]=Not Significant at 0.1	

ation of welfare expenditure to institutional welfare programs. Although its Beta value(0.46) is the highest among the independent variables in the regression, it is found that the relationship between level of corporate bargaining and the proportion of welfare expenditure given to institutional prog-rams is not significant at the 0.1 level. Thus, we can conclude that hypothesis 5 is falsified.

V. Conclusion

The purpose of this study is to account for the inter-country variation in the types of weflare programs. This study first highlights that there is a clear variation in the types of welfare programs in advanced capitalist countries, when it is differentiated on the basis of the institutional-marginal dichotomy. We find that the countries with stonger socialist party and working class tend to depend more upon the institutionalized programs in the provision of social welfare. This confirms the pos-ition held by Esping-Andersen and Korpi. The countries with the stronger Left institutionalize more their welfare instruments, since by doing so, the Left can not only build the social democratic class formation and widen its electoral constituency whose welfare is wedded to a social democratic state. but also such programs do not involve ubiquitious stigmas imposed upon the recipients by the marginal type of welfare programs.

On the contrary, it has been found that the experience of welfare system, level of welfare spe-nding and corporatism are not related to the inter-country variation in the types of welfare prog-rams. Our findings suggest that collective bargaiaing, the experience of welfare system and finan-cial resource per se are not factors which lead the countries to institutionalize more welfare progr-ams. Rather, the political power of the Left is behind the expansion of institutional welfare progr-ams.

The previous studies(Castles, 1978; Stephens, 1979; Korpi, 1980) found that the countries with stronger socialist party and working class exhibited more welfare state effort, that is, they allocate a larger portion of national resource to welfare programs. When we combine the findings of the previous studies with those of this study, it can be said that the countries with the stronger Left are more "Welfare State" than those with weaker Left not only in that the formers allocate more national resources to welfare programs than the latters, but also more importantly, as this study shows, in that the formers redistribute the given welfare goods to their citizens through better types of welfare programs. It can be also said that the variations in the types of welfare programs displayed by advanced capitalist countries are determined dominantly by political factors. In sum, politics matters not only to the size of welfare state but also the type of welfare state.

Notes

1. Esping-Andersen's public assistance is same as means-tested assistance used here. He calculates the extent of marginalization(the reverse of institutionalization) of welfare programs as "public assistance as a percent of total social security spending." We follow this method and use it here in the measurement.

2. Young calculates age of the welfare system as the number of years since the first compulsory pension law was passed as of 1977(Young, 1986:45). Since the data on dependent variables in this study are about 1972. we calculate age of the welfare system as the number of years since that time but as of 1972. we deduct 5 from Young's data on age of the welfare system.

3. For example, Blalock(1979) argues that the significance test in the context of the entire population can be used as a. test of postulated causal relationships against what he calls "chance-processes alternative. "For a more detailed treatment of this matter, refei to pages 241-243 in Blalock's Social Statistics(1976).

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<圖文抄錄>

福祉國家 類型의 決定要因 分析:
政治經濟學的 考察

金興植

혼히 福祉國家라고 일컬어지는 現 先進諸國에서는 상당수준의 公共支出이 복지정책 분야에 투입되고 있으나 그 規模는 각 나라마다 현저하게 相異하다. 그동안 많은 西歐學者들은 왜 복지지출 규모가 나라마다 차이가 나는가를 說明하고자 하는 노력을 集中하여 왔는 바, 이러한 硏究는 比較政策學에 있어서 主流를 이루어 왔다. 이같은 연구는 복지지출이 왜 增加하며 國家에 따라 왜 차이가 나는가에 관한 우리의 이해를 增進시켰으나 福祉國家의 質的 類型을 決定짓는 環境的 變數를 抽出하는데는 아무런 도움을 주지 못하였다. 즉 旣存의 硏究로는 주어진 福祉財政을 가지고 왜 美國같은 나라는 最低福祉政策(Marginal Welfare Policy)을 통하여 복지행정을 수행하는 반면, 스웨덴같은 나라는 制度的 福祉政策(Institutionalized Welfare Policy)을 根幹으로 國民福祉向上을 圖謀하려 하는가에 관하여는 전혀 說明을 할 수 없다는 것이다.

따라서 本 硏究는 旣存의 硏究들이 福祉支出規模의 決定要因을 찾고자 하는 노력에 치중한 나머지 그동안 看過해 왔던 福祉國家의 質的 類型을 決定하는 要因을 밝히려는데 그 目的을 두었다. 이를 위하여 本 硏究는 17개 先進諸國을 標本으로 政治經濟學에서 提示된 네 가지 假說─(1) 社會民主 또는 勞動組合勢力 모델(the Power of th Left), (2) 組合主義說(Corporatism) (3) 福祉財政 決定說 (the Level of Welfare Spending) (4) 福祉體系 年齡說(the Age of Welfare System)─ 에 대하여 多重回歸分析(Multiple Regression Analysis)을 적용함으로써 福祉國家類型의 決定要因을 추출하였다. 本 硏究의 結果는 社會民主勢力과 勞組活動이 强力한 나라일수록 制度的 福祉政策을 根幹으로 하는 福祉國家로 發展한다는 것으로 要約될 수 있다.