August 2014

Categorization as the Final Answer to the (European) Globalization and Welfare State Discourse

Ali Reza Mokarram

UNIVERSITY OF TWENTE

Foreword

This thesis is the product of over six months of labour. These six months have not gone by without incidents since life has a funny way of timing the worst possible things at the moments you least expect, and are least prepared for, them. However, following the philosophy of stoicism which dates back to the cynic philosophy and lifestyle of Diogenes of Sinope, the unavoidable had become reality and escaping it was not an option, nor was it desired as a realist. As a result, my dedication has been thoroughly tested during this period. However, with the help of Dr. M.R.R. Ossewaarde, who has been there as a tutor, a colleague, but also a friend, I have managed to finalize a report which, without doubt, would not have been here in this format if it weren't for his input and faith in my abilities. Knowing very well that my appreciation falls short of your efforts, I thank you for your time, your knowledge and your wits. Moreover, I would like to thank the family Mokarram and Brem who both suffered considerable setbacks during this period. However, this has not dissuaded them from supporting and inspiring me. I wish you all best.

- **Love is stronger** -

Abstract

During the last decades scholars have sought to answer a critical question in both the scholarly and political world; what is the relation between globalization and the welfare state? This question is crucial for our understanding of what the role of the welfare state is in the new world order and in what direction the welfare state is moving. With this knowledge the welfare state can be steered into a preferred direction, a more civil and humane direction. During the last decades significant improvements have been made on the theory and methodology front in understanding this relation, yet no final answer could be given. Proponents of opposing hypothesis have failed to provide a coherent answer on either the theoretical or the empirical front. As a result, policy makers have been unable to extract any valid knowledge on the basis of which policies can be created to mitigate the forces of globalization. By applying a state-of-the-art methodology and a fundamentally new approach in understanding this relationship, this thesis has been able to give a final answer in the globalization and welfare state discourse. This answer serves a twofold goal. On the one hand it finalizes the current scholarly debate, whilst at the same time providing a workable conclusion for policy makers tasked with the crucial job of making the new world order a humane one.

Table of Contents

1. Introduction

For decades the ESM (European Social Model) was a product of a bipolar world, with the influence of, on the one hand, the American styled Keynesian model and on the other hand the state-centered Communist model (Giddens, 2006). However, following the 1970's stagflation crisis, the Keynesian notions of the state against the market and decommodification were no longer valid. The new world order (Cerny, 1995) increasingly pressurizes the welfare state to cooperate with the market for the provision of social welfare (Shou, 2010). The influence of both the American and Communist social models was brought to a standstill following intensified globalizing pressures (Giddens, 2006). This development raised an important question "what is the role of welfare state in a globalized economy?" (Shou, 2010, p7). At the core of this question lies the urgent need to restructure and improve the welfare state to enable it to withstand the forces of the globalized world. This question is particularly urgent in a European context where the ESM is "a fundamental part of what Europe stands for" (Giddens, 2006: 14). A collapse of this system would endanger the coherence and existence of the European Union. The latter is already unsettled at the wake of the credit crunch.

Policy makers will have to restructure the welfare state institution in order to ensure its survival in a globalized world order. This process, however, requires an in depth understanding of the effects of globalization on the welfare state and its context. The globalization and welfare state discourse has sought to produce this knowledge, but has been unable to come to terms on what the effect of globalization is on the welfare state. On the one hand, proponents of the "efficiency hypothesis" argue that globalization results in increased budget pressures due to trade liberalization and a tendency towards efficiency (Dreher et al, 2008a; Rodrik, 1997). This process ultimately leads to the retrenchment of the welfare state and the creation of a competition state (Cerny, 1995). On the other hand, proponents of the "compensation hypothesis" argue that the welfare state expands rather than contracts in order to compensate and protect its citizens which have come under pressure of globalizing forces (Garret & Mitchell, 2001; Swank, 2002; Cameron, 1978; Katzenstein, 1985; Ruggie, 1982). The theoretical attempts to unravel the relation between globalization and the welfare state have resulted in a dialectic. Subsequently, although the dialectic has produced new insights and significant scholarly knowledge, it has not produced a workable conclusion for policy makers. As a result, scholars have opted to use statistical means to find empirical evidence in order to overcome the deadlock between the efficiency and compensation hypothesis.

Rather than resolving the dialectic, the findings of the empirical studies just fuelled the ambiguity and inconclusiveness of the relation. The reason for this has been the different and opposing results of the empirical studies. On the one, hand there are scholars who have found a significant negative relation between globalization and the welfare state (Rudra, 2002; Swank, 2001; Garret & Mitchell, 1999; Cerny, 1994; Strange, 1996; Ohmae, 1995; Pfaller et al, 1991; Drache, 1996). The findings of these studies support the efficiency hypothesis. Conversely, a second strand of literature has concluded that there is a significant positive relation between globalization and the welfare state (Garett, 1998; Rodrik, 1996: 1997; Castles, 2001; Hicks & Swank, 1992; Vaubel, 1999; Dreher, 2003; Cameron, 1978). The findings of these studies support the compensation hypothesis. An additional complication arose when a third strand of literature broke this dialectic, arguing that globalization has a curvilinear effect on the welfare state (Iversen & Cusack, 2000; Huber & Stephens, 2001; Rodrik, 1997; Seeleib-Kaiser, 2001). A third theoretical argument was formulated on the basis of this empirical finding. Scholars like Bretschger and Hettich (2002), Brady et al (2005) and Adelantado and Cuevas (2006) started arguing that globalization can have both expanding and contracting effects on the welfare state. Shou calls this a "move to the middle" (2010: 2). Finally, there are scholars who found no significant relation between globalization and the welfare state (Pierson, 1996; Dreher, 2006; Swank, 2002; Atkinson, 2002; Bairoch, 1996; Fligstein, 2001; Hirst & Thompson, 1996; Wade, 1996; Wilensky, 2002). Neither the theoretical arguments, nor the empirical studies then have provided a conclusive argument regarding the relation between globalization and the welfare state. Why have the empirical findings been so contradicting?

This thesis argues that the prior empirical studies have been contradicting because they lacked the methodological refinement to highlight the more implicit elements of the relation between globalization and the welfare state. Two simplifications in particular have led to invalid and contradicting conclusions. First of al, prior studies e.g. Iversen and Cusack (2000), Garett (1998), Rodrik (1996: 1997), Rudra (2002) and Brady et al (2005) have either treated globalization as a singular process or have left it unmeasured altogether. Conversely, this thesis argues that globalization is a complex concept that refers to a variety of socio-political, economic, environmental and cultural processes. This complexity is best reflected by the work of Al-Rodhan and Stoudmann (2006) who created an overview of the various definitions of the concept globalization. To this end, more recent studies such as Dreher (2003; 2005) and Meinhard and Potrafke (2011) have improved upon this shortcoming by distinguishing between social, political and economic globalization. In similar vein, the second simplification in the globalization and welfare state discourse is regarding the concept: welfare state. This paper argues that the welfare state is not one crude all-encompassing construct, but the result of complex, delicate and context dependent decision

making over the course of years (Esping-Andersen, 1990). To highlight this complexity, scholars like Adelantado and Cuevas (2006) make a distinction between four different welfare state models. Also, the study of Leibrecht et al (2010) has made a distinction between both a threefold typology of globalization and a distinction between Eastern and Western European welfare state models. The methodological shortcomings of prior literature, then, have been overcome by more recent studies. However, these studies too have produced the same pattern of irregular and contradicting outcomes. The efforts of the globalization and welfare state discourse, then, continue to fall short to what is asked of them.

All in all then, this thesis identifies two critical shortcomings in the (current) literature regarding the relation between globalization and the welfare state. First of all, the literature fails to provide policy makers with context specific evidence and knowledge on the relation between globalization and the welfare state. The claims thus far have been simplified, inconsistent and, from a political perspective, ambiguous. As a result, it has been impossible for policy makers to implement precise and effective policies to ensure the functioning of the welfare state institution in the new world order. Secondly, this thesis argues that the inconsistent outcomes are caused due to the considerable methodological weaknesses of prior studies. The reason for this is that these methodologies have sought to over-simplify the relation between globalization and the welfare state at either the variable or indicator level. With regard to the former, prior literature has failed to distinguish between inherently different categories of either, or both, globalization and the welfare state. This thesis argues that a distinction between both different globalizing forces and different welfare state models yields the necessary knowledge to produce the relevant knowledge for both policy makers and the globalization and welfare state discourse. There has been a single study which has made a distinction between categories of both globalization and the welfare state. However, the study by Leibrecht et al (2010) had three significant shortcoming. First of all, the study only focused on European welfare state models. This thesis objects to such an approach because the European Union has a particular history of socio-economic and political integration (Korpi, 2003; Adelantado & Cuevas, 2006). This specific European context may skew the data and make it impossible to generalize the findings to non-European welfare models. Secondly, the globalization and welfare state discourse is an interconnected global discourse, narrowing it down to any singular region would fail to grasp the essence of the process. Finally, Leibrecht et al (2010) focus on a single indicator; social expenditure, to reflect the welfare state's ability to provide social welfare. This thesis criticizes this approach because although the indicator tells us how much a state has spent on social welfare, it does not tell us how this expenditure was distributed amongst the population.

Having summarized the current shortcomings of the globalization and welfare state discourse, this thesis seeks to contribute to the discourse by overcoming these shortcomings. This will be done in a twofold way. First of all, this thesis seeks to apply a state-of-the-art methodology in order to unravel the relation between globalization and the welfare. Based on the respective literature, this thesis will, following e.g. Esping-Andersen (1990), create a typology of the welfare state, whilst at the same time, following Dreher (2003), create a typology of globalization using the KOF index. The reasoning behind creating typologies is that both globalization and the welfare state are complex concepts that know many facets. By distinguishing between inherently different categories of these concepts, these facets can be dismantled and measured. Subsequently, this thesis hypothesizes that different globalizing forces influence the welfare state in a different way. At the same time, different welfare state models are expected to react differently to globalization. Such a typology has been applied in the past, see for example the study by Leibrecht et al (2010). However, this thesis will go beyond a European context and, moreover, introduce indicators which reflect the welfare state's ability to redistribute social welfare to reduce poverty an income inequality through taxes and transfers.

The second contribution of this thesis is that it does not seek to apply yet another methodology to universally claim either a positive, negative, curvilinear or non-existent relation between globalization and the welfare state. On the contrary, this thesis seeks to provide evidence that the relation is *imitative*. Imitative is a key concept introduced by this paper which, much like positive and negative, is used to describe a relationship between concepts. However, where a relation is often depicted as either positive or negative, significant or insignificant, imitative refers to all of these states at the same time even though prima facie they seem mutually exclusive. The logic behind claiming an imitative relation between globalization and the welfare state is based on the knowledge that both globalization and the welfare state can be categorized into inherently different categories (Dreher, 2003; 2005; 2008; Leibrecht et al, 2010; Meinhard & Potrafke, 2011; Esping-Andersen, 1990; Arts & Gelissen, 2002; Adelantado & Cuevas, 2006). These categories are expected to intercorrelate differently to one and other due to their inherent and contextual differences. As a result, some of these relations can be positive, whilst others are negative or even insignificant, the relation is thus imitative. The significance, strength and direction of the relation depends on the specific welfare state model and force of globalization a scholar or civil servant is interested in.

The significance of this thesis is its fulfilment of a twofold tasks. First of all, this thesis will make the globalization and welfare state discourse tangible for civil servants. This will be done by providing a context specific answer for the effects of different globalizing forces on particular welfare state models.

Secondly, this thesis seeks to finalize the current debate in the globalization and welfare state discourse. The current debate revolves around mutually exclusive claims which have led to a theoretical and empirical stalemate. This debate is finalized by claiming that prior conclusions can all be supported by depicting it as imitative. Subsequently, the start of a new discussion is formulated by this thesis. A debate on which factors are the most relevant to distinguish between in order to produce the most realistic and generalizable outcome for the relation between globalization and the welfare state. To this end, the more the methodologies develop, the more valuable the findings will be for policy makers and those in need of social welfare in a new world order. This thesis has started by distinguishing between the two most significant variables; globalization and the welfare state.

To conclude then, this thesis aims at concluding the current debate in the globalization and welfare state discourse. At the same time it seeks to formulate a workable conclusion for civil servants. To this end, supporting any of the existing literature would just add to the inconclusiveness, ambiguity and uncertainty of the relation. Conversely, by answering the research question: *to what extent can the relation between different globalizing forces and different welfare state models be regarded as imitative?* This thesis seeks formulate a final and usable answer to the relation between globalization and the welfare state. In this context, different welfare state models refers to the theoretically and methodologically distinct groups of welfare states as highlighted by the welfare state literature. Different globalizing forces refers to the different categories of globalization. These categories influence and depend on each other, yet they have different effects and are measured in a different way. Finally, imitative refers to the empirical conclusion that the relation between the dependent and independent variable can take any possible conclusion, depending on the specific categories of the variables.

The remainder of this paper is structured around answering the research question. First of all, the next chapter will scrutinize the globalization and welfare state theory in order to produce a typology of both the dependent and independent variables. The second chapter entails the methodological steps and considerations of this paper in answering the research question. To this end it seeks to highlight the units of analysis, the indicators for measuring both dependent and independent variables and give information on the source and composition of the data on the indicators. The third chapter will use the findings in the first chapter and follow the steps in the second chapter in order to create an overview of the significance, direction and strength of the relation between different globalizing forces and different welfare state models. The final chapter will conclude the findings, answer the research question, discuss the strengths and weaknesses of this paper and give considerations for future research.

2. Categories of Globalization and the Welfare State

This chapter seeks to analyse the literature on globalization and the welfare state. By doing so, it seeks to identify different typologies of both globalization and the welfare state. These typologies help distinguish between theoretically distinct attributes of both concepts. By using these categories as the dependent and independent variables, a more detailed and generalizable analysis can be conducted. To this end, this chapter is divided into four section. The first section seeks to define and create a typology of the concept welfare state. Here, an overview will be given of the different articles and studies which have categorized different welfare state typologies. The second section seeks to define and conceptualize globalization. The former will be done by giving an overview of the development of the concept, whereas the latter will be done by categorizing globalization into a threefold distinct processes that together shape the globalization discourse; political, economic and social. The third section summarizes the theoretical arguments which have been formulated with regard to the relation between the two concepts. The final section summarizes this chapter and highlights the key findings.

2.1 A Typology of the Welfare State

This section seeks to fulfil a twofold goals, the definition and conceptualisation of the welfare state. With regard to the latter, the goal of this section is to provide for a theoretical overview of the different welfare state typologies. These typologies will be used to distinguish between inherently different types of welfare states. The welfare state models found in this section will be used to distinguish between different categories of the dependent variable for the analysis. These models are expected to react differently to the pressures of globalization.

Starting with the definition of the welfare state, Von Kempski (1972: retrieved from Arts & Gelissen, 2002) argues that the general concept of the welfare state reflects a certain class of democratic industrial capitalist societies characterised by functions such as; social citizenship, the legal provision of extensive welfare and the fact that the state, alongside the market and family, provides for social welfare. In line with the definition by Kempski, Esping-Andersen too focusses on the institutional arrangements and rules that make up a welfare state. He defines the welfare state as:

> "… the institutional arrangements, rules and understandings that guide and shape concurrent social policy decisions, expenditure developments, problem definitions, and even the respond-and-demand structure of citizens and welfare consumers. The existence of policy regime reflects the circumstance that short term policies, reforms, debates, and decision-making take place within frameworks of historical institutionalization that differ qualitatively between countries" (Esping-Andersen, 1990: 80)

Conversely, a broader definition comes from Baldwin (1990), who argues that the welfare state seeks to redistribute resources in such a way that each of its citizens, independent of their risk and ill-fortune, is dealt with as an equal.

Where few disagreements exist with regard to what a welfare state is and what its key functions are, considerable disagreement can be found in its typology. Starting with arguably the most influential typology, Esping-Andersen (1990) argues that several historical and political processes have resolved in a threefold welfare state typology. Esping-Andersen came to his threefold typology based on a threefold variables; decommodification, stratification and the role of the family, the state and the church in providing social welfare. As a result, the first ideal-type is the *Liberal* welfare state. The Liberal welfare state is characterised by (1) its minimization of de-commodification, (2) the modest provision of social-insurance, (3) the provision of minimum income only for the lowest class, (4) state's encouragement of private welfare provisions and (5) the dualism between those dependent on the state and those dependent on the market. The second ideal-type is the *Conservative* welfare state. The Conservative welfare state is characterised by its (1) small role played by the private sector, (2) centrality of family and church in providing for welfare and (3) the state is only involved when the church and family can no longer provide for welfare. The third type of welfare state regime is the *Social Democratic* welfare state, which is based on (1) the principle of universalism and decommodification, (2) the absence of dualism between the market and state commodification, (3) the pre-emptively provision of support for families in order to provide social welfare for those in need and (4) the market is required to have (near to) full employment in order to finance this system.

After Esping-Andersen's pioneering work, considerable praises and criticisms filled the scholarly literature. The critics of Esping-Andersen can be categorized into two groups, the first of which argue that Esping-Andersen has made theoretical, methodological and/or calculation errors. To this end, Abrahamson (1999), Kautto (2002) and Bambra (2005a; b) argue that Esping-Andersen is too much focussed on social benefits in terms of money, overlooking aspects such as e.g. voluntary aid. Secondly, Bambra (2006) argues that errors in the calculations of Esping-Andersen have resulted in the misclassification of Japan, the UK and Ireland. Thirdly, Papadopoulos (1999) argues that Esping-Andersen's theoretical assumptions and a-priori choice have influenced his methodology, leading to the inevitable distinction amongst three welfare state typologies. Fourthly, Bambra (2006) questions the validity of Esping-Andersen's typology after its initial formulation due to his finding of shifts among the ranking of these countries. Esping-Andersen (1996) has criticized this argument, arguing that there was,

is and will always be a shift amongst welfare states. However these changes are not significant enough to require an adjustment of his typology. Finally, scholars argue that there is a methodological lack of consideration of the gender dimension (Lewis, 1992; Orloff, 1993; Sainsbury 1994: 1996: 1999; Bambra, 2004; O'Connor, 1993; O'Connor et al, 1999). At the core of this critique is the argument that there is a difference amongst welfare states with regard to the sexual division of labour and the role of women in society. However, the gender dimension critique has been challenged by scholars like Gornick and Jacobs (1998), who found a significant difference amongst the three welfare state models with regard to gender differentials. Similarly, Trifiletti (1999) shows that there is a significant correlation between the level of decommodification and whether the state treats women as mothers or as workers. These findings support that although Esping-Andersen may not have been explicit about this dimension, he has, by nature of the selection of his variables, included it in his typology.

The second group of critics does not only criticize Esping-Andersen's typology, but moreover argue that a welfare state typology as such is superfluous and does not yield any significant knowledge. To this end, Baldwin argues that a typology of welfare states has no additional explanatory powers; "typologyzing (…) is the lowest form of intellectual endeavor, parallel to the works of bean-counters" (1996: 29). See also Abrahamson (1999). Similarly, Kasza (2002) argues that welfare policies are not a singular process, but an accumulative work of different governments and different forms of governance. The involvement of different forms of governance and the influence of foreign social policy models result in policies that are more problem-solving oriented than following any particular ideology (Kasza, 2002). Conversely, Klant (1984) argues that ideal-type-based typologies can have a significant value if they are a means to a goal. To this end, scholars like Kangas (1994), Ragin (1994), Shalev (1996) and Wildeboer Schut et al (2001) have shown, that the welfare state typologies are a means of grasping reality. Similarly, this paper is using these typologies to distinguish between the reactions of theoretically and empirically distinct dependent variables on the effects of different globalizing forces. As a result, it can be concluded that these typologies are a means to a goal. However, the question remains whether Esping-Andersen's original typology is still valid and whether or not you can go beyond his threefold typology.

On the basis of the critique delivered by the first group of scholars, alternative methodologies have been formulated to distinguish between welfare state models. These additional methodologies have resulted in the addition of a fourfold welfare models to the existing threefold by Esping-Andersen. These models are referred to as the; *Mediterranean, Antipodean, Post-Communist* and *Confucian* welfare state models. The most pronounced contribution has been made by the Antipodean and Confucian welfare state model, since both exclusively refer to non-European welfare state regimes. Conversely, the threefold

typology by Esping-Andersen and the additional Mediterranean and Post-Communist welfare state models refer to welfare state models that can mostly be found in Europe. These welfare states are geographically distinguishable in a northern model (Social Democratic), a southern model (Mediterranean), an eastern model (Post-Communist), a western model (Liberal) and a central model (Conservative). This does not only show the diversity of the ESM, but is moreover an important feature which could potentially mean the survival of the ESM in a globalized world. Different welfare state models can e.g. use an OMC (Open Method of Coordination) like structure in order to share knowledge and information on initiatives that have proven to work for other MS (Member States).

Starting with the *Mediterranean* welfare state regime, its lack of social welfare rights and lack of an articulated minimum standard of income vis-à-vis the Esping-Andersen typology have been the central argument for scholars to treat it as a distinct welfare state model (Leibfried, 1992; Ferrara, 1996; Bonoli, 1997; Trifiletti, 1999). Conversely, Katrougalos (1996) argues that the Mediterranean countries are not a category in their own right, but rather an underdeveloped version of the Corporatist model. The second model is the *Antipodean* welfare state model. This welfare state model is regarded as different to Esping-Andersen's original threefold typology because it does not concentrate on a liberal-type redistribution to the poor, nor the social democratic type of universalism or even the conservative model which is hierarchical and solidaristic (Castles & Mitchell, 1993; Kangas, 1994; Castles, 1998). Thirdly the *Post-Communist* welfare state model is categorized as independent because; (1) their history of full employment, (2) the broader sets of social provisions, (3) the key role for state-owned enterprises and (4) the universalistic nature of welfare provision (Bohle & Greskovits, 2007; Inglot, 2008; Schubert et al, 2009; Fuchs & Offe, 2008; Cook, 2013; Myant & Drahokoupil, 2011; Orenstein, 2008). Esping-Andersen (1996) opposes such a claim, arguing that the welfare states in Central and Eastern Europe cannot be distinguished as an additional welfare state model, because these countries are in a transition phase to becoming liberal welfare states. Conversely to both Esping-Andersen and his critics, Fuchs and Offe (2008) argue that the CEE countries do not follow a particular path towards any of the existing welfare state typologies. However, neither do they portray a significantly different attribute through which can be characterised as a new welfare regime model. See also Kovacs (2006), Haggard and Kaufman (2008) and Cerami & Vanhuysse (2009). The reason for the inability to define them under a group is because, as Rys (2001) argues, these states also differ too much from one and other. The final welfare state model is the *Confucian* welfare state regime. Scholars like Jones (1993) and Kwon (1997) argue that the Confucian welfare is different to the already established welfare state models because of, first of all, their significant difference in the level of social direction and stimulation. Secondly, these countries have a

very limited conception of human rights. Thirdly, because of their solidarity without equality and their conservative corporatist system. Finally, because they have no western style worker participation in the welfare state organization.

To conclude then, in order to simplify reality, the original threefold typology established by Esping-Andersen (1990) have been a breakthrough in the welfare state literature. However, using additional indicators and more complex and context dependent methodologies, scholars such as Trifiletti (1999), Castles (1998), Cook (2013) and Kwon (1997) have been able to distinguish between four additional welfare state typologies. There is to date a discussion on whether or not the additional welfare state models are justified or not. The reason for this discussion is the fact that no two welfare states are alike, by focussing on ever more specific attributes, one can find increasingly more categories of welfare states. The question is; where does one draw the line? This thesis will not partake in this discussion since it is not interested in reassuring the theoretical validity of any of the welfare state models. This thesis uses these theoretical constructs to distinguish between inherently different categories of the welfare state. To this end, these seven models will be used to represent the different categories of the dependent variable. The assumption is that due to their theoretical differences, as highlighted by the scholars in this section, these models will react differently to globalizing forces, unfolding the more implicit and under-studied attributes of the relation between globalization and the welfare state.

2.2 A Typology of Globalization

This section seeks to fulfil a twofold goals, the defining and conceptualizing of the concept globalization. With regard to the former, this section will give an overview of the different and conflicting definitions of globalization. With regard to the latter, the conceptualization of globalization will be done with special interest to the three most significant aspects which shape the concept; social, political and economic. These categories of globalization will be used in the remainder of this thesis to distinguish between different categories of the independent variables. This thesis hypothesizes different globalizing forces to influence the welfare state differently.

Globalization is arguably one of, if not the most complex, influential and disagreed upon concept of the modern age. Therefore, in order to understand the process of globalization, one must first consider what the *Global* is. The global is referred to in two different ways in the literature, the first of which refers to the global as the space of the human species, social foundations and everyday life (Lefebvre, 1991). In similar lines, Shaw (2000) argues that it is the common worldwide consciousness of humanity and the framework for all social relationships. Conversely, Yeung (2002) argues that the global scale is an

independent material to which not only social constructions, but also natural phenomena, climate change and sea-level fluctuations belong. This global space can be reached or used through the process of *globalism.* Keohane and Nye (2000) define globalism as a state of the world in which different continents of the world are interconnected. This interconnectedness occurs through flows of goods, information, capital, ideas and influences. Subsequently, an increase of this interdependency is known as *Globalization* and a decrease is known as *De-Globalization* (Keohane & Nye, 2000). Kettl (2000) refers to the process of de-globalization as *Devolution*. However, in most scholarly research, globalism is referred to as globalization. Subsequently, although this paper is, strictly speaking, interested in the process of globalism, it will refer to it in the remainder of this paper as globalization in order to avoid confusion and contradiction with the greater part of the scholarly literature.

One of the very first scholars to attempt and define globalization was Wallerstein (1974), who argued that globalization represents the triumph of the capitalist world economy. More recently, Giddens (2002) has referred to globalization as a disassociation between space and time. An alternative definition is provided by Harvey (1989) and Mittelman (1996) who argue that globalization is the compression of space and time. Moreover, Habermas (1999) argues that globalization is the transformation of the international (with clear borders between states) to the transnational (without clear borders), making the state increasingly interdependent in global matters. Conversely, where e.g. Habermas implies a submissive position of the nation states vis-à-vis the process of globalisation, Arts and Tatenhove (2004) argue that globalization is a means that can be used in order to control societies. Along the same lines, Sassen (2000) argues that there is a pro-active role that needs to be played by the state and other actors in order to facilitate globalization. This can be done by e.g. financing technology for; faster transport, better infrastructures and improved communication methods. Alternatively, authors like Szeman focus on the social aspect by arguing that "globalization is the moment of mass migration, multiculturalism and cosmopolitanism" (2003: 94). To conclude then, the variety of definitions of globalization reflect its complexity, but also the fact that it is an umbrella term that is used to, as the IMF argues correctly, refer to both socio-economic as well as political and cultural dimensions (2000).

This final conclusion leaves us with the knowledge that globalization is not a singular process, but an aggregation of different processes which, when taken together, are referred to as globalization. Globalization can thus be categorized into inherently different processes. Subsequently, although there are numerous categories of globalization, including *Military* and *Environmental* (Keohane & Nye, 2000), it is S*ocial*, *Political* and *Economic* globalization which are most interesting for this paper. The reason for

this is that scholars have argued these three processes to be the most significant and influential driving forces behind globalization (Aman, 2000; Veseth, 1998; Kettl, 2000; Keohane, 2001; Dreher, 2003; Cerny, 1997 and Keohane & Nye, 2000). As a result, the availability of data and the theoretical validity is much higher. Starting with economic globalization, the concept is defined by Dreher (2003) as the long distance flows of goods, capital, services, information and the perceptions that accompany the exchanges between these markets. See also Yeung (2002). Veseth (1998) argues that economic globalization is the only form of globalization that is truly global. No nation state can (completely) insulate its finances from the world economy (Kettl, 2000). This conceptualisation opposes the definition by Sassen (2000) and Arts and Tatenhove (2004), who imply a central and powerful role of the state.

Secondly, political globalization is defined by Dreher (2003) as the diffusion of government policies. Similarly, Keohane & Nye (2000). The state shifts from a mode of *Government* to one of *Governance* (Aman, 2001). This transition is, amongst others, the consequence of a shift in the control of the pools of: human, capital and technological resources, from being managed by the state to being managed by the state, multinational corporations and NGO's (Veseth, 1998). The additional players who hold the power and control the pool of resources are referred to by Sklair (2002) as the *Transnational Capitalist Class* (TCC). The TCC consists of those who own transnational corporations, are globalized bureaucrats and politicians, globalizing professionals in the technology industry, professionals or owners of merchandise and media outlets or a combination of these (Sklair, 2002). Finally, globalization is seen by scholars as a cause of social change (Giddens, 2002; Waters, 1995; Hay & Marsh, 2000). Social globalization is defined by Dreher (2003) as the spread of ideas, information, images and people. Guillianotti and Robertson (2007) call this process *Transnationalism,* and argue that it can result in a *Cosmopolitan* entity. The latter can either refer to "an ethos of world citizenship" (Ossewaarde, 2007: 1), or it can become *Glocalized,* in which case it refers to the "Process of sociocultural heterogenization" (Ritzer, 2003; 2004 as retrieved from Guillianotti & Robertson, 2007: 169). Finally, some scholars argue that globalization has meant the death of the social (Giddens, 1991; Robertson & Chirico, 1985; Lash, 2002; and Baudrillard, 1983), whereas others argue that globalization enables a wider range of cultural goods and social arrangements to be used by others (Nussbaum, 1996, Kateb, 1999; Delanty, 2000).

To conclude then, globalization is an elusive concept with a variety of traits, both positive and negative, expanding and contracting, direct and indirect. The definitions and conceptualizations of globalization show the versatility of the concept and how it has penetrated all dimension of everyday life. This section has highlighted the existence of the concept and distinguished between three distinct processes of globalization. These three processes reflect the core areas of influence of globalization; social, political

and economic. Subsequently, these threefold processes will be used as the different categories of the independent variable of this thesis. Due to their inherent differences, the different globalizing forces are hypothesized to have different effects on the welfare state. The next section will give an overview of prior arguments and theories on the relation between globalization and the welfare state.

2.3 The typologies Revisited

This section takes the concept globalization and welfare state and highlights the theoretical claims that have been made with regard to the relation between them. The goal is to highlight what these arguments entail, what the major controversies are and, subsequently, reflect on the possible reasons for the existence of these controversies. Moreover, the literature used in this section will be used as a point of reference for the findings of this thesis.

The relation between globalization and the welfare state revolves around a highly debated dialectic. On the one hand, proponents of the "*efficiency hypothesis*" argue that globalization results in increased budget pressures due to trade liberalization and a tendency towards efficiency (Dreher et al, 2008a; Cerny, 1995; Rodrik, 1997)."if Nike can produce shoes in Malaysia at comparable quality to those in Oregon, but at one-tenth of the cost, jobs will be lost in the US unless American wages and benefits are cut" (Garret & Mitchell, 2001: 150). This development ultimately leads to the retrenchment of welfare states worldwide in a global race to the bottom. There are two possible explanations, or a combination thereof, for these developments. First of all, globalization creates a competition with winners and losers (O'Brien & Leichenko, 2000; Castells, 1996). Afraid of becoming the losers of globalization, welfare states increasingly pursue neo-liberal based regulatory reforms in order to become more competitive (Aman, 2001; Guillianotti & Robertson, 2007). As a result, the welfare state becomes a *Competition State* (Cerny, 1997). "Rather than attempt to take certain economic activities out of the market… the competition state has pursued increased marketization in order to make economic activities… more competitive." (Cerny, 1997: 259). See also Dunleavy (1994). Alternatively, the welfare state retrenchment is caused due to the adverse effects of globalization on the nation state's ability to produce (social) policies (Smadja, 2000; Vaseth, 1998). A welfare state may be willing to compensate citizens against the forces of globalization, however "global market developments in recent years have made it impossible for governments to expand the welfare state to meet rising citizen demands" (Ruggie, 2001 as retrieved from Garret & Mitchell, 2001: 152). Conversely, proponents of the "compensation hypothesis" argue that the welfare state expands, rather than contracts, because it is able to compensate and protect its citizens which have come under pressure of globalizing forces (Garret & Mitchell, 2001; Cameron, 1978; Katzenstein, 1985; Ruggie, 1982). The increased inequality and economic insecurity are expected to lead

to increased support of the welfare state in, at least, the short run (Garret & Mitchell, 2001). How is it possible that two conflicting claims are made regarding a singular relation? In order to answer this question, we have to understand the underlying and fundamental logic of both hypotheses.

Two fundamental difference in logic can be derived from the definition of globalization by the two opposing sides of the dialectic. First of all, central to the arguments of the efficiency hypothesis is the effects of globalization on the economic considerations of the (welfare) state. The focus is implicitly based on the effects of economic globalization on the welfare state. Similarly, Garret and Mitchell (2001) criticize the efficiency hypothesis for its focus on only the economic aspect of globalization, neglecting the political tendency for compensation. On the other hand, the compensation hypothesis only focusses on the political dimension of globalization, arguing that there is a tendency towards compensation. However, what about Ruggie's (2001) argument that the government is unable to compensate its citizens due to the forces of globalization? This brings us to the second fundamental difference. The proponents of the efficiency hypothesis imply a submissive and powerless position of the nation/welfare state vis-à-vis the globalizing pressures. This follows the logic of the definitions by Giddens (2002), Harvey (1989), Mittelman (1996) and Habermas (2004). Conversely, the proponents of the compensation hypothesis believe that a central role is played by politics which is able to control globalization through a framework of policies. This implies a strong and capable government which can use globalization to control societies (Arts & Tatenhove, 2004), or facilitate globalization through policies (Sassen, 2000). A critical difference in the definition of globalization, then, has meant a continuous arguments of scholars on both sides. The reason for this, as Wittgenstein (1953) would argue, is the complex nature of a concept which should not have been used in a discussion in the first place.

In addition to the established dialectic in the globalization and welfare state discourse, two additional theoretical arguments have been put forward. First of all, critics like Hirst and Thompson (1996) argue that although globalization does exist, its influence and trend has been overstated, the economic activity is becoming international not global. At the same time, Rosenberg argues that globalization is wrongly used by scholars who have "raised their sights beyond any purely descriptive role for the concept" (2000: 2-3), criticizing the entire globalization and welfare state discourse. Moreover, Ehrenfeld (2005) argues that there is an environmental limit to the process of globalization. The reason for this is the irreversible trend of the exhaustion of limited resources such as (cheap) energy. Subsequently, globalization can only go so far before it can no longer environmentally and/or geographically sustain itself (Ehrenfeld, 2005; Yeung, 2002). The final strand of literature is distinguished by this thesis as the proponents of the "*Curvilinear*" hypothesis. These scholars argue that globalization has both an expanding and contracting

effects on the welfare state (Bretschger & Hettich, 2002; Brady et al, 2005; Adelantado and Cuevas 2006). The argument here is that the relation is complex and knows many facets. As a result, the different attributes of both concepts may correlate conversely to each other.

The conclusion by the curvilinear hypothesis is similar to the assumptions of this paper. However, rather than abstract claims, this thesis seeks to make the knowledge more tangible by highlighting which specific attributes of globalization correlates positively or negatively to a specific welfare state models. These attributes, or categories, will be based on the typologies of globalization and the welfare state which have been highlighted in this chapter. Subsequently, figure 1 summarizes the relation between the different categories of the dependent and independent variable which this thesis seeks analyse.

Figure 1: Schematic representation of the relation between different globalizing forces and different welfare state models

The function of these typologies is to enable this thesis to distinguish between inherently different categories of both the dependent and independent variable. As a result, a more detailed relation between globalization and the welfare state can be established. This in turn allows this thesis to provide for context specific knowledge for policy makers.

To conclude then, this section has highlighted the opposing scholarly arguments regarding the relation between globalization and the welfare state. In essence, the dialectic of the discourse is fourfold. On the one hand there are scholars who argue that the welfare state shrinks, whilst others argue that the welfare state expands. Alternatively there are scholars who argue that both of these arguments are correct, whereas the final strand of literature argues that there is no relation between the two concepts. So what is the relation between globalization and the welfare state? The only thing that is certain is the idea that all of these arguments follow a certain logic. These logics contradict each other because they are based on conflicting definitions of either or both globalization and the welfare state. To this end, the dialectic remains unresolved because these opposing strands of literature are, in essence, talking about different concepts. A state-of-the-art empirical analysis is required in order to solve this deadlock.

2.4 Conclusion

To conclude then, this chapter has sought to create an overview of both the globalization and welfare state literature. The central goal was to go beyond the definitions and seek to establish a typology of these concepts. With regard to globalization, the findings have shown that the concept is rather elusive. Attempts to a narrow definition of the concept have been found invalid, and due to the changing nature of the concept, in need of constant revision. Conversely, the more abstract definitions highlight the broad set of processes to which globalization can refer. To this end, similarly to Dreher (2003), this thesis makes a distinction between three globalizing forces; social, political and economic. This distinction is to a great extent based on the arguments of the efficiency and compensation hypothesis. The former, arguing from an economic globalization perspective, theorizes that globalization results in the retrenchment of the welfare state. Conversely, the latter argues from a political globalization perspective that globalization has an expanding effect on the welfare state. By distinguishing between these globalizing forces, this thesis can measure the autonomous influence of these types of globalization on the welfare state. Finally, the arguments of the curvilinear hypothesis supports this thesis' assumption that different globalizing forces influence the welfare state in a different way.

With regard to the welfare state, the findings of this section have concluded that the welfare state is a context dependent institution. However, in order to simplify and understand the complex reality, a typology has been established. Esping-Andersen (1990) started this development with his three states of welfare capitalism. Subsequently, although 4 additional models were introduced after his original typology, the existence of the Liberal, Conservative and Social-Democratic welfare state models have been supported by a large majority of the scholars. It goes without saying that Europe is home to welfare states representing five of these models. Moreover, models such as the Social Democratic and

Mediterranean are by definition European only. Since these models differ significantly different from one and other, it is hypothesized that they react differently to globalizing forces. Subsequently, this thesis seeks to highlight the relation between different categories of globalization and different welfare state models. The typologies of both globalization and the welfare state that have been established in this chapter will be used to differentiate between different dependent and independent variables, as highlighted in figure 1. The subsequent methodological steps regarding the operationalization of these variables will be highlighted and compared to that of other scholars in the next chapter.

3. Method of Analysis

This chapter seeks to fulfil a threefold goals. First of all, it seeks to highlight the units of analysis for whom the different dependent and independent variables will be measured. This will be done in the first section. These units will be selected on the basis of their theoretical validity, their representativeness and the availability of data for them. The second section will commence with the operationalization of the threefold independent and the sevenfold dependent variables. This will be done by highlighting the different indicators measuring each variable. Moreover, the source, the range and the availability of data will be highlighted for the indicators. The third section will highlight the method of aggregating, calculating and analysing the data. The final section will summarize the findings of this chapter. However, first of all, the research design of this thesis will be shortly described.

The applied research design of this thesis is longitudinal. This design is chosen because it is an observational study; i.e. it seeks to establish the relation between different variables on the basis of measurements over a longer period of time. The benefits of this design is that, besides being the most appropriate method, it is the most effective and accurate way of measuring changes over time. Alternatively, a (quasi) experimental design is impossible to conduct because this thesis is unable to establish a treatment or control group. On the other hand, a more descriptive study would, first of all, be littered with problems of ambiguity and, secondly, be relatively invalid due to the lack of statistical measures and controls. The same research design has been applied by prior studies such as Brady et al (2005), Dreher (2005) and Adelantado and Cuevas (2006). However, where the essence of the design is similar, the remainder of the methodologies differ significantly. To this end, after highlighting the specific methodological considerations of this thesis, the methodology will be compared to that of prior studies.

3.1 Units of Analysis

This section seeks to identify the units that are going to be scrutinized in order to assess the relationship between globalization and the welfare state. Because this thesis distinguishes between different welfare models, these units will be aggregated in cohorts. Subsequently, the relation between these different welfare models and globalizing forces will be measured. As a result, these units have to fulfil three conditions for which they are going to be tested in this section. First of all, there has to be a theoretical foundation for a welfare state to be used. Secondly, the selected units must be considered to be the most representative examples of a particular welfare state model. This is necessary in order to ensure a clear distinction between the different models. Thirdly, sufficient data needs to be available for these welfare states with regard to the indicators measuring the dependent and independent variable.

The theoretical foundation for the units of analysis is provided for by the theoretical framework. The literature study of this thesis, as summarized in table 1 in the appendix, has resulted in the selection of 39 potential welfare states as units of analysis. The second condition for selecting the units of analysis is their representativeness of a particular welfare model. This task proved especially challenging considering the fact that different scholars have classified the same welfare state in different models. An example is the Netherlands which has been categorized into four different welfare state models. The straightforward solution was to categorize welfare states into particular models on the basis of where most scholars have done so. This can be done using table 2 in the appendix, which has summarized the amount of times a welfare state has been categorized as a particular welfare model. However, this approach proved invalid because not every welfare model is equally studied by scholars. An example is the difference between the Conservative and Mediterranean welfare models. Based on table 1, the former has been studied 31 times, whereas the latter only 7. As a result, countries like Italy, which have been categorized as both Conservative and Mediterranean, are biased towards being categorized as Conservative because more studies have been conducted on this particular model. To overcome this problem, a relative measure is provide by table 3. This table is based on the calculation: X/Y, with Y being the number of studies that have been conducted on a particular welfare model and X being the amount of times a particular welfare state has been categorized into this model. The results show that relatively seen, Italy is best categorized into the Mediterranean rather than the Conservative model.

In order to ensure a significant difference amongst the different cohorts and exclude welfare states whose model is uncertain, two thresholds are set in place. The primary threshold is that at least 50% of the scholars writing on a particular welfare state model have to have categorized a particular welfare state as an example of it, in order for it to be regarded as a prime example. Applying the primary threshold to table 3 brings forth the following findings, first of all, 24 of the 39 welfare states can be classified into one of the seven welfare models without complications. These countries include, for example, the US, Sweden and Portugal. Secondly, 13 of the 39 welfare states fail to fulfill this criteria. These countries include Slovakia, Luxembourg and Israel. Finally, 2 welfare states, Australia and Germany, fulfil this criteria in more than one welfare state model. For both countries the highest value will be decisive in their categorization. Subsequently, Australia will be categorized as an Antipodean welfare model and Germany as a Conservative welfare model. However, only applying a relative threshold proves beneficial for countries categorized in less studied welfare models. An example is Korea, to which only 2 references were made. However, because both came from articles studying the existence of a Confucian welfare model, the relative percentage was 100%. Conversely, countries like

Belgium have been categorized 13 times as a Conservative welfare state model, however this is only 42% of the total. To balance this out, the secondary condition applies an absolute threshold of 10 references. Subsequently, welfare states which have been categorized in a specific model ten or more times will also be included as a unit of analysis. The second condition is based on table 2 and can only be fulfilled by the 13 welfare states which have not been able to fulfil the primary condition. The reasoning behind this is that although the relative value of these welfare states is not significant enough, the mere fact that more than ten scholarly articles have proclaimed this welfare state to be part of a particular welfare model is an argument in its own right. As a result of this secondary condition, three countries which were first discarded; Belgium, the Netherlands and Ireland are now also included as units of analysis. Table 4 summarizes the units of analysis per cohort. Note that some models have considerably less units in them, this endangers the validity of their findings due to the relatively limited access to data.

Table 4: The Units of Analysis per Welfare State Model

Welfare state model	Liberal	Conservative	Social-Democratic	Mediterranean	Antipodean	Post-Communist	Confucian
Units of analysis	CAN GBR IRL USA	AUT BEL FRA GER NLD	DNK FIN NOR SWE	ESP GRC ITA PRT	AUS NZL	CZE EST HUN LVA POL RUS SVN	JPN KOR

This section has fulfilled the first step in the methodology of this thesis by providing for a list of units of analysis. By applying a relative and absolute threshold, the selection procedure has ensured that the different welfare models are both theoretically and methodologically as different as possible. These models have been established because it is expected that they react differently to globalizing forces. However, the final condition, which is the availability of data for the units, still needs to be fulfilled by the units summarized in table 4. To this end, the next section, which will highlight the indicators and datasets measuring both the dependent and independent variable, will provide the necessary insights.

3.2 Data Collection

This section seeks to present the indicators, the datasets, their sources and their range. This has implication for the selection of the units of analysis, because popular statistical providers do not always have data on each indicator for every country. As a result, it may be possible that some welfare state models will be excluded due to a lack of data. However, first of all, the indicators need to be established for the dependent and independent variables.

3.2.1 Independent Variable

Starting with the indicators for the independent variables, these will be based on the KOF index. The KOF index is used for a twofold reason; first of all, the index makes a distinction between social, political and economic globalization. Such a distinction is central to this paper's argument and assumptions. Secondly, the KOF index provides for a significant amount of data on all of the selected units of analysis. When measuring globalization, there really is no substitute for the KOF index. A possibility is to aggregate the data yourself, however this has three drawbacks. First of all, it requires an extraordinary amount of time to gather the data on all indicators. Alternatively, reducing the amount of indicators would also reduce the validity of the findings. Secondly, the data on all indicators are not equally accessible for the same countries that the KOF provides. Finally, establishing the relative values of the indicators for each variable requires methodological considerations beyond this thesis' scope.

The KOF index was originally developed by Dreher (2003) and refined in the more recent work of Dreher et al (2008b). The indicators for the KOF index include, for economic integration, amongst others; FDI (Foreign Direct Investments) as a percentage of GDP, trade (as a percentage of GDP), taxes on trade and hidden import barriers. The indicators measuring social globalization include, amongst others, tourism, foreign population (as percentage of total population), internet users (per 1000 persons) and number of McDonalds restaurants (per capita). Finally, the indicators measuring political globalization include, amongst others, the number of embassies and the amount of international treaties. Table 5 in the appendix highlights the remaining indicators for each force of globalization and their relative weight.

The KOF index is an open accessible index which can be found at: http://globalization.kof.ethz.ch/. At the "Query Index", a selection can be made of the categories of globalization, the units of analysis and the data range in years. An example of a dataset is given in table 6 in the appendix. Some technical specifications of the dataset that has been extracted for the purpose of this thesis are; first of all, that it ranges from 1970 to 2011. Secondly, it has 9.1% missing data. Table 7 in the appendix portrays the spread of the missing data on the indicators across different welfare models. However, little can be done about the missing data. The only option is to take into consideration that the findings with regard to models with high percentages of missing data will be relatively crude. Another shortcoming of the KOF index is its emphasis on the social dimension. This is contrary to popular belief on the importance of the political dimension when analyzing the effects of globalization on the welfare state, since it is believed to be politics that formulates the economic and legal framework in which globalization can thrive (Brady et al, 2005). However, since this paper is more interested in the sub-processes, rather than globalization as such, this emphasis has no further implications for this thesis.

3.2.2 Dependent Variable

The indicators selected for the dependent variable seek to reflect the welfare state's ability to provide social welfare. The data for these indicators are derived from the datasets provided by the OECD. The reason for this is twofold, first of all, the data provided by the OECD covers almost all of the units of analysis, with the exception of Latvia and Hungary. As a result, the countries will be excluded from the analysis. Secondly, using the OECD datasets gives the advantage of having data on different indicators which have been gathered and measured using the same methodology. Conversely, national authorities sometimes define and measure the same indicator in a different way. Not accounting for these alternative methodologies seriously threatens the internal validity of a study. These problems, then, are limited when using the OECD database. As a result, three indicators have been derived from the OECD database for measuring the dependent variable. All three indicators can be found in the OECD database: http://stats.oecd.org/Index.aspx?DataSetCode=MON20123_2. The database allows for a selection of the range of years and countries to be made for each indicator. See for example table 8 in the appendix.

The first indicator is the net total social expenditure as a percentage of GDP. This indicator has a long tradition of being used in the analysis of globalization and the welfare state. The benefits of using this indicator is, first of all, that it gives a relative image of social expenditure per unit of analysis, independent of the size of the economy. Secondly, the indicator does not discriminate amongst welfare state models, because it includes social expenditure from the public and private sector, as well as family and the church. Some technical aspects regarding the dataset that this thesis is going to use is, first of all, that the dataset includes all units of analysis except for Greece and Russia. Secondly, the data ranges from 1993 to 2009. Thirdly, almost 25% of the data is lacking, especially for the units in the Post-Communist welfare model.

However, this thesis goes beyond measuring the relative social expenditure of a welfare state. This is done by introducing two new indicators which measure the welfare state's ability to redistribute the social expenditure using taxes and transfers. To this end, the second indicator for the dependent variable is created by calculating the difference between the poverty rate before and the poverty rate after taxes and transfers. As a result, this indicator effectively shows the percentage of people which the welfare state is able to, through the redistribution of resources, keep out of poverty. Alternatively, measuring "poverty" as such does not represent much of the welfare state's effectiveness in fighting it; some countries just have an inherently high level of poverty. The dataset that has been extracted from the OECD database on this indicator ranges between 2004 and 2010. Secondly, he 60, rather than the 50% poverty line is chosen because the European, and more generally the OECD, countries often apply a 60%

poverty line. Finally, 26.5% of the data is missing. It should be considered that the OECD provides for a larger range than 2004-2010. However, increasing the range by four years, increases the amount of missing data to 44.8%, significantly decreasing the validity. As a result, this thesis has opted for the shorter, yet more valid, dataset range. The third indicator measuring the dependent variable is created by calculating the difference in the GINI index on disposable income before and after taxes and transfers. As a result, this indicator shows the welfare state's ability to combat income inequality through taxes and transfers. The dataset that has been subtracted from the OECD database on this indicator ranges between 2004 and 2010. Secondly, similar to the previous indicator, the dataset provides for data on all units. Finally, 24.9% of the data is missing. The missing data on each indicator is summarized in table 7 in the appendix.

3.2.3 Control Variables

In addition to the indicators measuring the dependent and independent variable, a threefold control variables will be accounted for during the analysis. These control variables are selected because they are expected to influence either or both globalization and the welfare state. Subsequently, by accounting for these variables the spuriousness of the relation is reduced, increasing the validity of the findings. Finally, the data on all control variables are acquired from the same OECD dataset.

The first control variable is the relative proportion of pensioners vis-à-vis the working population. The pensioner's age is set at 65+ whereas the working age population is set at 15-64. These ages have been taken based on averages for the European Union. This variable has been included because although the ageing of citizens is not caused by globalization, it does increase welfare expenditures. The dataset ranges between 1970 and 2011. Moreover, the dataset on this variable has less than 0.1% missing data. The second control variable is the GDP of a country. Because the social expenditure indicator is measured as a percentage of the GDP, a decline of the social expenditure indicator could be caused by either globalizing forces, or the fact that the GDP has risen. By accounting for this variable, the influence of changes to the GDP on the social expenditure can be taken out of the equation. The dataset ranges between 1990 and 2011, and has approximately 0.2% missing data entries. The final control variable is the level of unemployment. This variable is included because a rise in unemployment often means a rise of social expenditure. However, unemployment is not necessarily caused by globalizing pressures. By accounting for this variable, the influences of unemployment of non-global origin will be excluded. The OECD data set on this indicator ranges between 1989 and 2011 and has 7.5% missing data.

To conclude then, this paper follows the measurements of the KOF index in gathering data on economic, political and social globalization as the independent variables. These indicators are highlighted in table 5 in the appendix. The effects of these globalizing forces on the different welfare state models are measured using a threefold indicators. These indicators are theorized to reflect the welfare state's ability to provide social welfare. However, conversely to e.g. Leibrecht et al (2010), this thesis does not only measure the amount of social expenditure spent by the welfare state, but also measures how this expenditure was spread amongst different groups within the population in order to reduce income inequality and poverty. Moreover, this paper has added a threefold control variables that seek to cancel out potential spuriousness caused by these variables. Whether or not these control variables are valid, and can thus be used, will be tested in the next chapter. The method for doing so will be explained in the next section.

3.3 Analysis and Interpretation

This section will highlight the method of aggregating and analysing the data. This twofold task will be fulfilled by a threefold steps. First of all, the aggregation of the data for the right units under the right cohort will be highlighted. This step is necessary in order to prepare the data to be analysed using SPSS. Secondly, the method for conducting the preparatory analysis will be highlighted. These tests will help to establish whether the control variables are valid and whether the envisioned method of analysis can be applied. Thirdly, the process of conducting the selected testing method will be highlighted. The central goal here is to highlight the method of analysing and assessing the outcomes of the analysis.

A partial correlation analysis is selected to analyse the relationship between different globalizing forces and different welfare state models. The reason for this is that a partial correlation test enables this thesis to test the relation between different dependent and independent variables whilst accounting for a third explanatory, or confounding, variable. As a result of controlling for this third variable, a more valid relation between globalization and the welfare state can be concluded. An alternative testing method would have been a multivariate analysis. This method analyses the aggregated effect of different globalizing forces on the welfare state models. However, this does not enable this paper to differentiate between the individual influences of each globalizing force on the different welfare state models. Alternatively a bivariate correlation can be used. However, a bivariate analysis is relatively crude and spurious since there is no option to control for third variables.

Two steps need to be taken in order to be able to conduct the partial correlation analysis. The first step is the aggregation of the data for each unit of analysis into groups of welfare state models. This will be

done following a twofold step. First of all, the data on the different indicators for each welfare state are aggregated into one document. This has been done in table 9 in the appendix. The goal here is to ensure that, although different indicators have different ranges of data, the measurements for the same years are outlined on the horizontal axis. This enables SPSS to create a scatterplot between different indicators in order to assess the strength, direction and significance of the relation. The second step is to aggregate all these welfare states into the right cohorts. This will be done by aligning the data on the individual welfare states on the vertical scale. This is done in an alphabetical order following table 4, with the exception of the countries Latvia and Hungary which have been excluded due to a lack of data. The result can be seen in table 10 in the appendix.

After completing this process, some control tests must be conducted in order to ensure the validity of the control variables and the selected testing method. The first control test is a bivariate correlation test used to establish whether or not the control variables do indeed what is expected of them; correlate significantly with either or both the dependent and independent variables. The bivariate analysis is the most used and basic instrument of acquiring knowledge on the potential correlation between two variables. By plotting a graph with one variable on the horizontal axis and the other on the vertical axis (scatterplot), the extent to which these variables can predict each other can be measured. The second control test is a bivariate correlation analysis for the different globalizing forces and different welfare models. If the welfare state models and globalizing forces do not correlate using a bivariate correlation analysis, there is no reason to test for a correlation using a stricter method of analysis. When both tests are passed, a partial correlation analysis can be conducted. The outcomes of this analysis will be analysed following two steps. First of all, an assessment will be made of the significance of the relations. This significance is portrayed by SPSS using a two-tailed significance test with the outcomes ranging between 0 and 1. relationships below 0.05 are considered significant. Secondly, the strength and direction of the correlation will be assessed. This is portrayed using the correlation coefficient known as Pierson's R. This coefficient ranges from -1 (a perfect negative relation) to +1 (a perfect positive relation), with 0 being no relation at all. For both analysis, a focus will be on establishing similarities and differences amongst the correlations between different globalizing forces and welfare models.

To conclude then, this section has described a threefold tasks. First of all, the method of aggregating the data on the different units of analysis into different models has been highlighted. Secondly, the execution of the control tests as been highlighted. The fulfilment of these control tests is required in order to be able to validly conduct a partial correlation analysis. Finally, the method of assessing the

outcomes of the partial correlation analysis has been highlighted. To this end, the focus will be on highlighting the significance, strength and direction of the relation between different globalizing forces and different welfare state models. Moreover, special attention will be given to the differences amongst the relations between the different categories of globalization and the welfare state. This thesis has hypothesized that due to the inherent differences of these two concepts, they are likely to intercorrelate differently to one and other.

3.4 Methods Revisited

This section seeks to give an overview of the more recent methodologies that have been applied to unravel the relation between globalization and the welfare state. Subsequently, these methodologies will be compared to the considerations of this thesis. The focus is on comparing the methodologies with regard to three aspects, the differences in: variables, indicators and units of analysis.

On the variable level, studies by e.g. Brady et al (2005) and Shou (2010) have made no distinction between different globalizing forces and different welfare state models. These studies have sought to simplify the relation between globalization and the welfare state to an extent that the findings have critical shortcomings with regard to their external validity. Conversely, Dreher (2005) and Meinhard and Potrafke (2011) have made a distinction between social, political and economic globalization. Similar to this thesis, both studies use the KOF index to measure the same variables and indicators. However, a significant difference to these two studies is that they both fail to distinguish between different welfare state models. As a result, their units of analysis are aggregated into one group, representing the variable 'welfare state'. There is a serious threat to not distinguishing between different welfare state models. To this end, "Galton's problem" (Jahn, 2006) poses that it may not be the independent variable that causes the dependent variable to behave in a certain way, but the interaction between the different units of analysis. In other words, welfare states from the same model may copy each other in solving problems. By aggregating welfare states in a model and distinguishing between inherently different ones, the risk of Glaton's problem can be mitigated.

On the other hand scholars like, Adelantado and Cuevas (2006) only make a distinction between different welfare models. Although this methodology mitigates Galton's problem, it fails to encompass the complexity of the variable globalization. Another difference with the methodology of this thesis is the number of welfare state models which have been categorized. To this end, Adelantado and Cuevas (2006) focus on the welfare models; Liberal, Conservative, Social Democratic and Mediterranean. Moreover, only European welfare states are used as units of analysis. Conversely, this thesis

distinguishes between a threefold additional models on a global scale; i.e. using non-European welfare models as well. The reason for this is that the relation between globalization and the welfare state is on a global scale. Subsequently, when narrowing it down to a European context, it becomes impossible to validly generalize the findings to a global context again. In other words, the conclusions by this study are only valid for Europe. The reason for this is the particular European socio-economic and political context (Korpi, 2003; Adelantado & Cuevas, 2006). A similar shortcoming is found for the study by Leibrecht et al (2010), who explicitly focus on the European welfare models. However, their study does also distinguish between globalizing forces. As a result, its methodology has the closest link to this thesis'. However, not only does this thesis criticize Leibrecht et al' (2010) use of a European context and the use of European welfare states as units of analysis, but it also criticizes the use of a single indicator to reflect the welfare state. To this end, where Leibrecht et al (2010) only use social expenditure to measure the variable welfare state, this thesis adds two additional indicators which measure the extent to which the social expenditure is distributed through taxes and transfers in order to reduce poverty and income inequality.

To conclude then, the majority of the methodologies of prior research have simplified the relation between globalization and the welfare state at the variable level. This has been done by distinguishing between either one, or even none, of the categories of the dependent and independent variable. Conversely, studies that have applied a relatively complex methodology, see for example Leibfried et al (2010), have done so whilst having simplified at the indicator level. Building upon the shortcomings of these studies, this thesis has produced the most complex methodology thus far.

3.5 Conclusion

This chapter has sought to highlight the methodological steps and considerations of this thesis in analyzing the relationship between different globalizing forces and different welfare state models (see figure 1). The former has been categorized into three distinct processes, whereas a sevenfold typology represents the latter. The threefold independent variables will be measured using the indicators of the KOF index as shown in table 5 in the appendix. On the other hand, the sevenfold dependent variables will be measured using a threefold indicators which seek to represent the welfare state's ability to provide and redistribute social welfare. The data on these indicators are acquired from the OECD dataset. Additionally, a threefold control variables will be used to account for any spuriousness in the relation between the former two.

Secondly, this thesis has established an absolute and relative threshold in order to select the units of analysis and create the most isolated models. These findings have been summarized in table 4. However,

the lack of data has become a significant threat to the validity of this thesis. As a result, Latvia and Hungary have had to be excluded as units of analysis. Table 7 summarizes the missing data for each welfare state model. The table shows that especially the Post-Communist welfare model suffers greatly from a lack of data. This is especially true when looking at the missing data on the threefold globalizing forces. With regard to the data on the threefold control variables and the three indicators measuring the dependent variable, the table shows that not only the Post-Communist welfare model, but moreover the Antipodean and Confucian model suffer greatly from a lack of data. Since there are no alternative datasets that effectively provide the same information as the OECD dataset does, this invalidity cannot be resolved. Instead the lack of data is taken into consideration during the analysis.

Finally, this chapter has shown that a trend can be found amongst the methodologies of prior studies. Over the course of years, scholars have increasingly adapted their methodologies to reflect the complexity of the world by distinguishing between either or both globalization and the welfare state. Standing on the shoulder of giants, this thesis has contributed by creating two revolutionary indicators to measure the welfare state's ability to provide social welfare. This contribution however, is modest in comparison to the claim that this thesis seeks to support with this methodology. Rather than seeking to support any of the existing conclusions, this thesis argues that the relation between globalization and the welfare state is imitative. The next chapter will execute the methodological steps highlighted in this chapter in, finally, unraveling the actual relation between globalization and the welfare state.

4. The Globalization and Welfare State Relation Reassessed

The goal of this chapter is to create an overview of the relationship between different globalizing forces and the different welfare state models. A partial correlation test will be used to analyze this relationship. However, a partial correlation analysis requires two conditions to be fulfilled. First of all, there must already be a significant relation between the dependent and independent variable following a bivariate analysis. Secondly, the control variables must be valid, meaning that they must have a significant relationship with either or both the dependent and independent variables. To this end, the first section will conduct these two control tests in order to ensure that the necessary conditions to conduct a partial correlation analysis are met. The second and third section summarize and interpret the outcomes of the partial correlation analysis for the different welfare state models. The second section will do this for the Esping-Andersen typology, whereas the third section will do it for the fourfold additional welfare state models. The pre-final section will summarize and compare the findings in the second and third section. Here the similarities and differences amongst the welfare states' reactions to globalization will be analyzed. Moreover, a comparison will be made to the findings and methodologies of prior literature. The final section will summarize the findings of this chapter and conclude the twofold hypothesis.

4.1 Validating the Testing Methods

This section seeks to fulfil a threefold tasks. First of all, the validity of the control variables will be tested using a bivariate correlation to measure whether or not they correlate with the dependent and/or independent variable. Secondly, a bivariate analysis will be used to establish whether the different dependent and independent variables correlate significantly. Both of these tests function as a prerequisite to the partial correlation tests that will be conducted in the next sections. Finally, this section seeks to highlight whether or not the different welfare models differ from one and other. Where these categories are theoretically argued to be different, this section seeks to highlight whether or not there is also empirical ground to distinguish between them.

Starting with the analysis of the control variables, a sevenfold tests are required to create an overview of the relation between the control variables and both dependent and independent variables. These tests are highlighted in table 11 in the appendix. Table 12 below summarizes the outcomes on the significance of the relations. The correlation between a control variable and a welfare model are regarded as significant if 2 out of 3 correlations with either the dependent or independent variable are significant. The remaining findings in table 11 have no further analytical value for this thesis.

Table 12: Significance of the relation between the control variables and the (in)dependent variables

Welfare state model	Indicators	Type of Globalization		
		Pension	Unemployment	GDP
Liberal	Social Globalization			**
	Economic Globalization		**	**
	Political Globalization	**	**	
	Social Expenditure	**		**
	Poverty			**
	GINI			*
Conservative	Social Globalization	**	**	**
	Economic Globalization		**	**
	Political Globalization			**
	Social Expenditure	**	**	**
	Poverty	**	**	**
	GINI	**	**	
Social Democratic	Social Globalization	**	**	**
	Economic Globalization	**		
	Political Globalization	**		**
	Social Expenditure	**	**	
	Poverty		*	
	GINI		**	**
Mediterranean	Social Globalization	**		
	Economic Globalization	**		*
	Political Globalization	**	*	**
	Social Expenditure	**		
	Poverty			
	GINI	**		
Antipodean	Social Globalization	**	*	**
	Economic Globalization	**	**	**
	Political Globalization	**		**
	Social Expenditure	*		**
	Poverty			
	GINI			
Post-Communist	Social Globalization	**		**
	Economic Globalization	**		**
	Political Globalization			
	Social Expenditure			
	Poverty			**
	GINI			**
Confucian	Social Globalization	**	**	
	Economic Globalization	*		**
	Political Globalization	**	**	**
	Social Expenditure	**		*
	Poverty	**	**	**
	GINI	**	**	**

**Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed).

Based on the findings of table 12, it can be concluded that the control variables have a significant relation with a large majority of the globalization variables and the indicators measuring the welfare state's ability to provide social welfare. Conversely, there are also relations that are not significant. First of all, the variable 'unemployment' shows no significant relation to the Post-Communist and the Mediterranean welfare model. Similarly, the 'pension' variable shows no significant relation to the Liberal welfare state model. Subsequently, there is no ground for including these control variables when conducting those specific partial correlation analysis. However, there are some pro's and con's to excluding specific control variables from specific partial correlation analysis. A reason to exclude these control variables is because they do not significantly correlate to either the dependent or independent variable. Conversely, a reason to include these variables is that otherwise the remaining partial correlation analysis will be conducted using a relatively more strict analysis, since they have to account for all three control variables. This thesis opts for the exclusion of specific control variables where they are deemed invalid. The reason for this is that including unnecessary variables creates internal invalidity. Conversely, the alternative is excluding both pension and unemployment as control variables for all models. This would similarly have severe consequences for the internal and external validity.

The second condition for the use of the partial correlation analysis is for the dependent and independent variables to correlate significantly. The outcomes for the individual bivariate correlation analysis for the dependent and independent variables can be found in table 13 in the appendix. Table 14 below summarizes these findings. On the basis of the findings in table 14 it can be concluded that although models like the Mediterranean show alarmingly little significance to globalizing pressures, all of the relations are significant. Moreover, this thesis argues that the relation between globalization and the welfare state is imitative. This includes the expectation that the relations may also be insignificant for particular welfare models. To conclude, there is sufficient statistical grounds to conduct the partial correlation analysis.

Table 14: Bivariate significance between different globalizing forces and different welfare state models

Welfare state model	Indicators	Type of Globalization		
		Social	Economic	Political
Liberal	Social Exp.		**	**
	Poverty		**	
	GINI index		**	*
Conservative	Social Exp.		**	
	Poverty	*	**	
	GINI index			

Social Democratic	Social Exp.			**
	Poverty	**		
	GINI index	*		
Mediterranean	Social Exp.			*
	Poverty			
	GINI index			*
Antipodean	Social Exp.	**	**	**
	Poverty			
	GINI index			
Post-Communist	Social Exp.			
	Poverty	**		*
	GINI index	**	**	
Confucian	Social Exp.	*	*	**
	Poverty	**	**	
	GINI index	**	**	

**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).

The final analysis of this section seeks to establish whether or not the theoretical arguments that the welfare models are inherently different can be empirically supported. This is be done by comparing them in terms of the threefold globalizing forces and the three indicators which reflect the welfare state. Figure 2 shows the development of social globalization in each welfare state model.

Figure 2: Development of social globalization for seven welfare state models

On the basis of figure 2, it can be concluded that the different welfare state models have a significantly different level of social globalization. This conclusion is based on a twofold findings. First of all, some welfare state models just have inherently different levels of globalization. An example is the difference between the Conservative and Confucian welfare models. Secondly, this conclusion can be drawn by comparing the developments of these models. An example is the difference amongst the Liberal and Social Democratic welfare model. These two models have a similar starting point at 1970 and end point at 2011. However, the developments for the Liberal and Social Democratic between especially 1974 and 1984 differ significantly. When one model showed a steep increase, the other started leveling out and vice versa. Another example is the difference between the Antipodean and Post-Communist welfare models. A similar conclusion can be drawn for figures 3 to 7 in the appendix, which highlight the same information for the additional globalizing forces and the indicators; social expenditure, poverty and GINI. This leads to the conclusion that there is indeed empirical support for the distinction between these welfare models.

To conclude then, this section has sought to establish whether or not the two necessary conditions for executing a partial correlation analysis could be met. These conditions were, first of all, the validity of the control variables and, secondly, the significance of the bivariate correlation between different globalizing forces and different welfare state models. With regard to the former, the findings were largely as theorized; the bivariate analysis showed a significant correlation between most control variables and either the dependent or independent variable. However, due to the lack of statistical support, three partial correlation analysis will be executed whilst controlling for two, rather than three, control variables. These three analysis are for the Liberal, Mediterranean and Antipodean welfare state models. The second condition for using a partial correlation analysis was a significant bivariate relationship between the dependent and independent variables. To this end, the findings showed that each independent variable had at least one significant correlation to one, or more, indicators of the dependent variable. Although welfare state models such as the Mediterranean showed particularly little significant relations, they too will be included in the analysis. The reason for this is this thesis' argument that the effects of globalization differs per welfare state model. As a result, welfare state models may also not react to globalizing forces and thus not correlate to it. The final finding of this section has been an empirical justification for the theoretical distinction between the different welfare models which scholars like Trifiletti (1999), Castles (1998) and Kwon (1997). All in all then, as a result of the findings of this section, the next section can validly conduct the partial correlation analysis to unravel the relation between different globalizing forces and the threefold welfare state typology by Esping-Andersen (1990).

4.2 Results for Esping-Andersen's Typologies

This section seeks to highlight the strength, direction and significance of the correlation between different globalizing forces and the Liberal, Conservative and Social Democratic welfare models by conducting a series of partial correlation analysis. The focus will, first of all, be on establishing what the relations between the threefold globalizing forces and the threefold welfare state models are. Secondly, the outcomes of the analysis will be compared to the established theories. To this end, this thesis claims a radical new conclusion for the relation between globalization and the welfare state. Finally, this thesis seeks to find evidence for the two hypothesis; that different globalizing forces influence the welfare state in a different way and, that different welfare state models react differently to globalizing forces.

4.2.1 The Liberal Model

This section is going to highlight the relation between different globalizing forces and the Liberal welfare state model. The Liberal welfare state model comprises of the aggregated data on Canada, Great Britain, Ireland and the USA. The findings of the analysis account for the effects of the level of unemployment and the GDP, whereas the third control variable; the level of pensioners vis-à-vis the working population, is excluded due to a lack of empirical support. Finally, it should be considered that the analysis is conducted using a relatively low df (Degrees of Freedom) rate of 6. Subsequently, although the data has quite a number of missing inputs, the partial correlation analysis only had to calculate a hypothesized input for 6 missing entries. Conversely, having a relatively high df would make it statistically easier to find a significant correlation. The findings of the partial correlation analysis are summarized in table 15. Here, the significance, strength and direction of the relation between the Liberal welfare state's ability to provide social welfare and social, economic and political globalization is highlighted.

Table 15: The relation between different globalizing forces and the Liberal welfare state model

Control Variables			SOC.G	ECO.G	POL.G
UNEM & GDP	SOC.EX	Correlation	,560	-,914	,909
		Significance (2-tailed)	,149	,001	,002
		df	6	6	6
	POV	Correlation	-,598	,521	-,442
		Significance (2-tailed)	,117	,186	,272
		df	6	6	6
	GINI	Correlation	-,702	,590	-,523
		Significance (2-tailed)	,052	,124	,184
		df	6	6	6

The findings of table 15 show a significant relation between the social expenditure indicator and economic and political globalization. As a result, two conclusions can be drawn. First of all, globalization has no influence on the Liberal welfare state's ability to redistribute social expenditure in order to reduce poverty and social exclusion. This development is welcome since a significant negative relation would have meant a reduced ability and thus unwanted consequences for those in need of social welfare. The second conclusion is that the social expenditure of the Liberal welfare state model is affected by globalizing forces. More specifically, political globalization has a positive effect on the total amount of expenditure as a percentage of the GDP. This is in line with the argument of scholars like Shou (2010) and Dreher (2005), supporting the compensation hypothesis. Conversely, more economic integration into the world economy reduces the social expenditure of the liberal welfare state model. This is in line with the findings by Aman (2001) and Guillianotti and Robertson (2007) supporting the efficiency hypothesis. What then is the relation between globalization and the Liberal welfare state model?

Although two significant correlations have been found, the majority of the relations (7/9) have been insignificant. On the whole then, this thesis is unable to conclude a significant relation between the Liberal welfare state model and the globalizing forces. This conclusion supports the findings of Pierson (1996), Dreher (2006), Swank (2002), Atkinson (2002), Bairoch (1996), Fligstein (2001), Hirst and Thompson (1996), Wade (1996) and Wilensky (2002). It seems, then, that the relation between globalization and the welfare state is exaggerated (Hirst and Thompson, 1996). However, due to the two significant relations found, a complete non-existence of the relation is, similarly, difficult to claim.

4.2.2 The Conservative Model

This section is going to highlight the relation between different globalizing forces and the Conservative welfare state model. The Conservative welfare state model comprises of the aggregated data on Austria, Belgium, France, Germany and the Netherlands. The findings account for all three control variables; GDP, unemployment and level of pensioners vis-à-vis the working population. Finally, the analysis is based on a relatively low df rate of 7, this means that SPSS only had to calculate the outcome for 7 missing data entries. The results of the partial correlation analysis are summarized in table 16 in the appendix.

The findings show multiple significant correlations. First of all, there is a significant relation between social globalization and the Conservative welfare model. Secondly, a significant relation has been found between economic globalization and the Conservative welfare model. Finally, a significant relation has been found between political globalization and the poverty indicator. These relations lead to a twofold conclusion. First of all, globalization has no influence on the social expenditure of the Conservative

welfare state model. In practice this conclusions means that the social welfare expenditure as a percentage of the GDP for the Conservative welfare state model is left unharmed by to globalizing pressured. The welfare state is still willing and able to spend social expenditure independent of a changing context. This conclusion is opposite to that of the Liberal welfare state model, where only the social expenditure indicator correlated significantly to the globalizing forces. The second conclusion that can be made is that the Conservative welfare state's ability to redistribute the social expenditure is influenced by globalizing forces. This is especially true for the relation to social and economic globalization. More specifically, social globalization has a significant positive effect on the Conservative welfare state's ability and willingness to provide social welfare. This finding supports the conclusion by, amongst other, Shou (2010) and Dreher (2005), supporting the compensation hypothesis. Similarly, Meinhard and Potrafke conclude that: "globalization has had a positive influence on government sector size around the world. Social globalization has had an especially strong effect." (2011: 20). Conversely, economic globalization has a significant negative effect on the Conservative welfare state's ability to provide social welfare. This conclusion is in line with the competition state argument of e.g. Cerny (1997) and the conclusion of the empirical research by Rudra (2002), Swank (2001), Garret and Mitchell (1999), Cerny (1994), Strange (1996), Ohmae (1995), Pfaller et al (1991) and Drache (1996). Finally, it can also be argued that increased political globalization leads to an increased ability of the Conservative welfare model to reduce poverty by means of taxes and transfers.

To conclude, the Conservative welfare state model has a significant correlation for five out of the nine relations. As a result, the relation between the Conservative welfare state model and globalization is considered as significant. This conclusion not only opposes the findings for the previous model, it moreover refutes the argument that the effects of globalization are exaggerated (Hirst & Thompson, 1996), the argument that only economic globalization is truly global (Veseth, 1998) and the argument that there is no relation between globalization and the welfare state (Pierson, 1996; Dreher, 2006; Swank, 2002). Moreover, the findings for this model have been both positive and negative, supporting the proponents of the curvilinear hypothesis e.g Bretschger and Hettich (2002), Brady et al (2005) and Adelantado and Cuevas (2006). However, what about the findings for political globalization? Because political globalization only significantly correlates to the poverty indicator, its overall relation to the Conservative model is regarded as insignificant. The overall relation between globalization and the Conservative model, then, is neither positive or negative, and thus curvilinear. No, the relation between different globalizing forces and the Conservative welfare model can be regarded as imitative. Depending on the globalization force of interest, the relation can be either positive, negative or non-existent.

4.2.3 The Social Democratic Model

This section seeks to highlight the relation between different globalizing forces and the Social Democratic welfare model. This model comprises of the aggregated data on Denmark, Finland, Norway and Sweden. The findings account for all three control variables; GDP, unemployment and level of pensioners vis-à-vis the working population. Finally, the analysis is based on a very low df rate of 1. The results of the partial correlation analysis are summarized in table 17 in the appendix.

The findings with regard to the Social Democratic welfare model are twofold. First of all, the analysis shows that globalization has no influence on the Social Democratic model's ability to provide and redistribute social welfare. This supports the conclusions by Pierson (1996), Dreher (2006), Swank (2002), Atkinson (2002), Bairoch (1996), Fligstein (2001), Hirst and Thompson (1996), Wade (1996) and Wilensky (2002). This finding is positive since it highlights that this welfare state model is able to function without repercussions from globalizing forces. The second finding is the remarkable trend in the direction of the relations. To this end, although insignificant, the poverty and GINI indicator correlate negatively to all three globalizing forces, whereas the social expenditure indicator correlates positively to them. This finding is remarkable because it opposes the assumption of this thesis that different globalizing forces influence the welfare state in a different way. Conversely, the findings for the Social democratic welfare state model indicates that there is no difference amongst the globalizing forces. However, because the findings are insignificant, this conclusions cannot be made validly and remains a thought experiment.

To conclude then, the threefold partial correlation analysis in this section have found that both the Liberal and Social Democratic welfare state model do not significantly correlate to globalization. However, there is an exception for the social expenditure indicator of the Liberal welfare state model. This is welcome news since it refutes the possibility that there is a global race to the bottom as a result of globalizing pressures. Conversely, the findings for the Conservative welfare state model support an imitative relation to globalization. The reason for this is the positive relation to social globalization, the negative relation to economic globalization and the absence of a relation to political globalization. These findings support this thesis' argument that depending on the specific globalizing force(s) and specific welfare state model(s) of interest, the relation can be positive, negative, curvilinear and non-existing. Moreover, the findings support the hypothesis that different globalizing forces influence the welfare state differently, and that different models react differently to globalization. To this end, an important role as to the difference amongst these models is expected to have been played by national political decision making. A similar conclusion has been drawn by Brady et al (2005). An in depth comparison is made in the concluding section of this chapter to uncover whether or not this claim is valid.

4.3 Results for Additional Welfare State Typologies

This section continues the partial correlation analysis for the relation between different globalizing forces and the Mediterranean, Antipodean, Post-Communist and Confucian welfare models. Where the approach will remain the same, the question is whether these welfare state models will continue the established trend by the welfare state models of the previous section, or whether they will give alternative and surprising findings.

4.3.1 The Mediterranean Model

This section will highlight the relation between different globalizing forces and the Mediterranean welfare state model. The Mediterranean welfare state model comprises of the aggregate data on Spain, Greece, Italy and Portugal. The partial correlation analysis for the Mediterranean welfare state model will be conducted without accounting for the unemployment variable. The reason for this is a lack of empirical grounds to include this control variable. The analysis is based on a low df of 3, this means that SPSS only had to calculate the outcome for 3 missing data entries. The findings for the Mediterranean welfare state model have been summarized in table 18 in the appendix.

Two significant correlations can be derived from the analysis. First of all, a negative relation between social globalization and the poverty indicator. As a result, it can be concluded that in an increase in social globalization has a negative effect on the Mediterranean welfare model's ability to reduce poverty through taxes and transfers. This finding supports the efficiency hypothesis (Dreher et al, 2008a; Cerny, 1995; Rodrik 1997), whilst opposing the claim by Meinhard and Potrafke (2011) who have argued that especially social globalization has a positive relation to the welfare state. Why does this thesis come to a different result as Meinhard and Potrafke (2011)? A possible explanation may lay in the specific context of the Mediterranean model. To this end, this welfare model consists of exclusively South-European welfare states. Moreover, when looking at the indicators for social globalization (see table 5 in the appendix) one indicator in particular stands out: "foreign population". This indicator measures the percentage of foreign population as part of total population. What we know about the Southern-European welfare states is that they are regarded by migrants as a gateway to Europe. This may, to some extent, explain the rapid increase of social globalization for this welfare state model (see figure 2). Two possible conclusions, then, exist on the basis of this evidence. On the one hand, it is possible that despite the best efforts of these welfare states, they have been unable to reduce the poverty of both their population and the (ir)regular immigrants through taxes and transfers. On the other hand, it may be possible that these welfare state models have deliberately reduced the effectiveness of their policies in order to dissuade migrants from coming and/or staying. For more reading search for "Fortress Europe".

In a particular context then, social globalization can, conversely to what Meinhard and Potrafke (2011) claim, indeed have a negative relation to the welfare state's ability to reduce poverty.

The second significant relation the analysis has highlighted is a positive relation between political globalization and the GINI index. As a result, it can be argued that in the case of the Mediterranean welfare model, an increase of political globalization will result in an increased ability to reduce the income inequality through taxes and transfers. The reason for this may be a European funds which is a political initiative aimed at mitigating the costs endured by the south-east European welfare states as a result of migration. This arguments is fully in line with proponents of the compensation hypothesis Garret and Mitchell (2001), Swank (2002), Cameron (1978), Katzenstein (1985) and Ruggie (1982).

To conclude then, with the exception of two significant findings, the majority of the relations between different globalizing forces and the Mediterranean welfare state model have been found to be insignificant. As a result, this thesis concludes that on the whole, the Mediterranean welfare model is not correlated to globalization. This conclusion supports the findings of Pierson (1996), Dreher (2006), Swank (2002), Atkinson (2002), Bairoch (1996), Fligstein (2001), Hirst and Thompson (1996), Wade (1996) and Wilensky (2002). However, due to the two significant relations found, a complete non-existence of the relation is difficult to claim.

4.3.2 The Antipodean Model

This section seeks to highlight the relation between different globalizing forces and the Antipodean model. The testing of the relationship between the Antipodean welfare state model and different forces of globalization suffered from a major setback due to the lack of data. To this end, when seeking to conduct the analysis, SPSS gave the error message: "not enough cases remain for partial correlation. No correlations are produced". A partial correlation was only possible for the different globalising forces and the social exclusion indicator. The findings are summarized in table 19 below.

Table 19: The relation between different globalizing forces and the Antipodean welfare state model

Control Variables			SOC.G	ECO.G	POL.G
PENS & UNEM & GDP	SOC.EX	Correlation	,347	-,536	,172
		Significance (2-tailed)	,269	,073	,594
		df	10	10	10

In order to ensure some insights, albeit relatively narrow, this thesis has decided to use the relatively less strict outcomes of the bivariate analysis to find the correlation between different globalizing forces and

the Antipodean welfare state model. The Antipodean welfare state model comprises of the aggregated data on New Zealand and Australia. Because the method of analysis is bivariate, neither the control variables are used, nor does the analysis have a df rate. The findings are summarized in table 20 below.

Table 20: The bivariate relation between different globalizing forces and the Antipodean welfare state model

		SOC.G	ECO.G	POL.G
SOC.EX	Pearson Correlation	,778[**]	-,741[**]	,838[**]
	Sig. (2-tailed)	,001	,002	,000
	N	15	15	15
POV	Pearson Correlation	,557	-,685	,534
	Sig. (2-tailed)	,329	,202	,354
	N	5	5	5
GINI	Pearson Correlation	,509	-,528	,411
	Sig. (2-tailed)	,381	,360	,492
	N	5	5	5

Before analysing the findings for table 20, it is noteworthy to consider the differences between the outcomes of the bivariate and partial correlation analysis. The differences between them are, first of all, that the outcomes of the bivariate analysis in table 20 show a threefold significant relations for the same relations for which the partial correlation analysis in table 19 shows no significant relation. Due to this difference, no valid conclusion can, or will, be made with regard to the significance of the relation. Conversely, the direction of the relation between the two types of analysis in table 19 and 20 are the same. As a result, an indication of the direction of these relationships can be formulated.

The direction of the relationships between the Antipodean welfare state model are similar to that of the Conservative welfare state model; a positive relation with social and political globalization, whilst the relation with economic globalization is negative. The positive relations support the compensation hypothesis of Garret and Mitchell (2001), Swank (2002), Cameron (1978), Katzenstein (1985) and Ruggie (1982), whereas the negative relation supports the efficiency hypothesis of Dreher et al (2008), Cerny (1995) and Rodrik (1997). However, the mutually exclusive nature of these two hypothesis provide grounds to refute both of them and argue in favour of the proponents of the curvilinear hypothesis (Bretschger & Hettich, 2002; Brady et al, 2005; Adelantado & Cuevas, 2006). The fact that the findings for the direction on the relation between different globalizing forces and both the Conservative and Antipodean welfare state model are similar has two implications. First of all, it challenges this thesis' argument and assumption that different welfare state models react differently to globalizing forces.

Secondly, this finding challenges the arguments by scholars such as Castless & Mitchell (1993), Korpi & Palmer (1998), Obinger & Wagschal (1998) and Gal (2004), who argue that the Antipodean welfare state model is different to the threefold typology by Esping-Andersen. Conversely, the finding of this thesis suggests that there is reason to believe that there are considerable similarities between the Antipodean and Conservative welfare state models based on their shared responses to globalizing forces. However, it should be noted that the findings challenge rather than refute these two arguments because, although the directions of the correlations are the same, the strength and significance are very different.

To conclude then, due to unforeseen problems, the partial correlation analysis for the Antipodean welfare model could not be conducted. As a result, nothing can be said about the significance of the relationship. However, because the findings for the direction of the relation were similar across the bivariate and partial correlation analysis, some careful considerations could be made. The findings have shown that the direction of the Antipodean model's relation to globalization were identical to that of the Conservative model. If this finding were to be validated using a partial correlation analysis, it would oppose the hypothesis of this paper that different welfare state models react differently to globalization.

4.3.3 The Post-Communist Model

This section seeks to highlight the relation between different globalizing forces and the Post-Communist welfare state model. The findings for the Post-Communist welfare state model are based on the aggregate data on the Czech Republic, Estonia, Poland, Russia and Slovenia. The findings account for the control variables; GDP and the relative amount of pensioners vis-à-vis the working population. The control variable unemployment excluded. Finally, the analysis is based on a low df rate of 3. The results of the partial correlation analysis can be found in table 21 in the appendix.

The findings of table 21 highlight that there are no significant correlations between the Post-Communist welfare state model and the threefold globalizing forces. This conclusion supports the argument by scholars such as Pierson (1996), Dreher (2006), Swank (2002), Atkinson (2002), Bairoch (1996), Fligstein (2001), Hirst and Thompson (1996), Wade (1996) and Wilensky (2002). The reason for this may lie in the particular history of these countries, in particular the developments of social and political globalization are significantly different to any other model (see figure 2 and 4 in the appendix). The inherently low level of social globalization is likely to have been caused by the cold war and the iron curtain. This is supported by the sudden and tremendous increase in social globalization post-1989/1990 when the war ended and the wall was demolished. For political globalization, this development is different. Here the level is relatively high prior to 1986, but it falls sharply before increasingly significantly after 1991. A

similar development, yet less extreme, can be seen amongst all other European welfare models (see figure 4 in the appendix). A possible explanation could be the Chernobyl nuclear disaster in 1986 which affected all European welfare models. As a result of this meltdown, European welfare models, and especially the Post-Communist model, reverted from international activities in order to focus in national health and safety issues. This is supported by figure 4 in the appendix which shows a revitalization of political globalization amongst all European models after 1989, with the exception of the Post-Communist model remained dormant until 1991. To come back to the question why the Post-Communist model is insignificantly correlated to globalization, two solutions are possible. First of all, the Post-Communist model did not exist until the 1990's. The data gather prior to this data is arguably for a 'Communist' welfare model. However, when conducting a partial correlation analysis with data ranging between 1991 and 2011, similarly no significant correlation can be found (see table 22 in the appendix). As a result, although the argument is correct, the conclusion cannot explain the insignificant relation between globalization and the Post-Communist welfare model. Subsequently, this thesis argues that the social policies of the Post-Communist welfare state model are not dictated by globalizing forces, but dominated by power politics. These political pressures originated from European and American pressures to create a (neo)liberal and free market society.

To conclude then, the Post-Communist welfare state model is the fifth welfare state model which does not correlate significantly to globalizing forces. This thesis argues that the reason for this insignificance lies in the fact that the social policies in this model have been strongly influenced by power politics. This supports the argument of Brady et al (2005), who have highlighted the central role of politics in the relation between globalization and the welfare state. The variable politics, for which this thesis has not accounted due to its complexity, may have been the cause of the spurious relation between different globalizing forces and the Post-Communist welfare model. Moreover, the findings have suggested that welfare states are not fixed constructs, but shifting institutions, capable of adapting to their ever changing environments by altering key features. A similar argument has also been made by Bambra (2006). This can be clearly seen from the shift of the Communist model to a Post-Communist model.

4.3.4 The Confucian Model

This section seeks to highlight the relation between different globalizing findings and the Confucian welfare model. The Confucian model posed yet another major challenge to the analysis of this thesis. To this end, the findings, as highlighted in table 23 in the appendix, all gave an outcome of "0". The reason for this anomaly is likely to have been the limited data for this model. However, an independent partial correlation could be executed for this welfare mode. The difference of this analysis to the other partial

correlation analysis is that it one does not account for the interaction amongst the indicators. The Confucian welfare state comprises of the aggregated data on Japan and Korea. The findings account for the control variables; GDP, unemployment and the amount of pensioners vis-à-vis the working population. Finally, the relatively high df rate for the social expenditure indicator means that the findings for this indicator are rather crude. Table 24 below summarizes the findings for the individual partial correlation analysis.

Table 24: The individual partial correlation between different globalizing forces and the Confucian welfare state model

Control Variables			SOC.G	ECO.G	POL.G
PENS & UNEM & GDP	SOC.EX	Correlation	,563	,129	-,187
		Significance (2-tailed)	,057	,689	,561
		df	10	10	10
	POV	Correlation	-,324	,882	,544
		Significance (2-tailed)	,676	,118	,456
		df	2	2	2
	GINI	Correlation	-,168	,872	,421
		Significance (2-tailed)	,832	,128	,579
		df	2	2	2

Similar to all other welfare models, with the exception of the Conservative model, the findings for the Confucian welfare model are insignificant. Therefore, the conclusion rests that there is no relation between different globalizing forces and this welfare model. As a result, the findings for the Confucian welfare model too support the argument by scholars such as Pierson (1996), Dreher (2006), Swank (2002), Atkinson (2002), Bairoch (1996), Fligstein (2001), Hirst and Thompson (1996), Wade (1996) and Wilensky (2002), who argue that there is no relation between globalization and the welfare state. In practice this finding is not ill-bearing, because it highlights the resilience of the Confucian welfare state model in decoupling itself from globalizing pressures and provide social welfare.

To conclude then, the partial correlation analysis for the fourfold additional welfare state typologies proved to be much more complex than the Esping-Andersen typology. The reason for this was that the regular partial correlation analysis was not possible for the Antipodean and Confucian welfare models. However, both the regular and alternative analysis showed the same result; an insignificant correlation to the threefold globalizing forces. Conversely, because this thesis distinguishes between categories of both globalization and the welfare state, some significant correlations could be highlighted. This thesis argues that the minor differences amongst the fourfold welfare state models can be attributed to their

(historic) contexts and thus the inherent differences amongst the models. Moreover, the central role of politics, as highlighted by Brady et al (2005), was clearly visible for e.g. the Post-Communist welfare model. The next section seeks to put all seven welfare models next to each other and compare the findings with regard to them.

4.3 The Globalization and Welfare State Discourse Revisited

This section seeks to fulfill a twofold goals. First of all, it seeks to compare the findings for the different analysis that have been conducted in the previous two sections. These findings will be compared on two accounts. On the one hand, the difference in significance amongst these relations will be highlighted and debated, whilst on the other hand, the strength and direction of the different correlations will be compared. The second goal of this section is to find an explanation for the different and opposing conclusions that prior literature has found with regard to the relation between globalization and the welfare state. This is done by highlighting the impact of the differences in the methodological approach on the findings of a study.

Starting with the former, the analysis in this section will be based on the aggregated partial and bivariate correlation analysis of the previous sections. First of all, with regard to the difference in significance, table 25 in the appendix shows that almost 15% of the analyzed relationships are significant. This is far from satisfactory evidence to conclude a significant relationship between globalization and the welfare state. However, by distinguishing between different globalizing forces and different welfare state models, this thesis has been able to further refine this percentage. As a result, it can be established that of the 15% significant relations, approximately 56% belong to the relation between globalization and the Conservative welfare state model. Similarly, almost 56% of the relations between the Conservative welfare state model and the globalizing forces were significant. As a result, it can be concluded that there is a significant relation between the Conservative welfare model and globalization. Conversely, the remaining welfare state models showed an insignificant relation to globalization, with the exception of a few specific significant correlations between globalizing forces and indicators of the Liberal and Mediterranean welfare models. The different welfare state models, then, do to some extent, differ with regard to the significance of their relation to globalization. This validates the importance of distinguishing between different welfare state models when analyzing the relation between globalization and the welfare state. What remains uncertain is to how and why the Conservative welfare state model, rather than any other model, has a significant relation.

This thesis argues that this difference has to do with the characteristics of the Conservative welfare state model. The most distinct characteristic of the Conservative welfare model is the limited role of the state and private sector in providing social welfare. Where possible, the provision of social welfare will be done by the church and family in the Conservative welfare state model (Esping-Andersen, 1990). To this end, this thesis argues that the both the church and the family are changing under globalizing pressures. With regard to the church, Bruce sums up resent developments in the west as "...individualism, diversity and egalitarianism in the context of liberal democracy undermine the authority of religious beliefs." "...religion diminishes in social significance, becomes increasingly privatized, and loses personal salience except where it finds work to do other than relating individuals to the supernatural." (2002: 30). Globalization, as led by science and scientific developments, has led to increased secularization. Subsequently, less individuals become or remain part of a religious community. As a result, the government has to take on the provision of social welfare for a group which used to be provided for by the church. At the same, the societal shift from a *Gemeinschaft* to a *Gesellschaft* (Tönnies, 2012) can be seen amongst families and communities. The former society, which is characterized by strong social bonds and included the provision of social welfare to those in need within the community, is replaced by the latter society where there these bonds become either contractual or fade away as such. Subsequently, the provision of welfare is thus increasingly shifted upon the welfare state. This dual process can explain why the data shows a significant correlation between globalization and the Conservative welfare model. To this end, increased globalization has led to increased secularization and disassociation amongst citizens. As a result, these institutions can no longer provide welfare, forcing the welfare state to, with the growing globalization, increasingly provide social welfare. This conclusions implies that politics does not have a powerful role in managing globalization and its influence on the welfare state. This contradicts with the claim by Brady et al (2005) who conclude a central role of politics in managing globalizing forces.

Not only does the significance of the relation to globalizing forces differ amongst the welfare state models, but also the strength and direction of the correlation. By aggregating the outcomes for Pearson's R for each indicator measuring the welfare, the strength and direction of each globalizing force on a particular welfare state model can be highlighted (see table 26 in the appendix). As a result, the sevenfold welfare models can be spatially assigned on a threefold axis of the globalizing forces, effectively making a 3D figure. Subsequently, a spatial comparison of the differences amongst the sevenfold models can be found in figure 8 below.

Figure 8: Spatial representation of the different relation between globalizing forces and welfare state models

The findings in figure 8 allow for a twofold conclusion to be made. First of all, it shows that no two welfare state models are spatially assigned to the same place. This confirms this thesis' hypothesis that different welfare state models react differently to globalizing forces. At the same time, no two globalizing forces influence the welfare states in the same way, this can be seen from e.g. the Liberal welfare state model, which, albeit insignificant, has a strong negative correlation to social globalization, a weak negative correlation to political globalization and a weak positive relation to economic globalization. This confirms this thesis' hypothesis that different globalizing forces influence the welfare state differently. As a result, the first conclusion that can be drawn is that it is significantly important to distinguish between different globalizing forces and different welfare state models when analyzing the relation between globalization and the welfare state. Secondly, it can be concluded that although there has been doubt in the scholarly literature as to whether the additional welfare state models are different to the existing threefold typology, the findings in figure 8 supports that these models do indeed differ from the original threefold typology. However, this thesis argues that scholars such as Trifiletti (1999), Castles (1998), Cook (2013) and Kwon (1997) have been so busy distinguishing their typology from Esping-Andersen's, that they have not considered the difference to other welfare state typologies. This

can be seen in figure 8 which shows that the additional welfare state typologies are relatively closer to one and other vis-à-vis the Liberal, Conservative and Social Democratic models.

The final comparison that this section seeks to make is between the methodologies of prior studies and that of this thesis. By applying the methodology of previous researches to conduct an analysis using the data of this thesis, the findings of these methodologies can be compared vis-à-vis the findings of this thesis without the difference in data and the selection of indicators influencing it. To this end, the findings by scholars such as Brady et al (2005) and Shou (2010), who have made no distinction between globalizing forces and welfare state models, is summarized in table 27 in the appendix. The table shows a very weak and insignificant positive relation between globalization and the welfare state. Secondly, the findings by scholars such as Dreher (2005) and Meinhard and Potrafke (2011), who only distinguish between different globalizing forces, is summarized in table 28 in the appendix. The table shows a weak to very weak positive relation between the welfare state and different globalizing forces. The two relations that are significant are dismissed due to 41 degrees of freedom. Finally, the findings by scholars such as Adelantado and Cuevas (2006), who make a distinction between different welfare state models, is shown in table 29 in the appendix. The table shows both a positive and negative relations between welfare state models and globalizing forces. The three significant relations that have been found yielded a degrees of freedom of at least 20, and will thus be dismissed. To conclude then, none of the findings of these threefold methodologies have supported a significant relation between globalization and the welfare state. The most sophisticated outcome was that for the final analysis which gave both a positive and negative correlation outcomes. The conclusion that can be drawn from this is that the difference in methodological approaches, especially with regard to the categorizations of the dependent and independent variable, significantly influences the outcomes of a study. The more complex the categorization, the more complex the findings. By distinguishing between both globalizing forces and welfare models, this thesis has been able to find the most comprehensive conclusion for the relation between the two.

This section has sought to compare the findings of the sevenfold partial correlation analysis that have been conducted in the prior sections. To this end, three conclusions can be made. First of all, this thesis has found that with regard to the significance of the relation, 6 out of 7 welfare state models showed no significant relation to globalization. Only the Conservative welfare model correlated significantly to the globalizing forces. This is likely to have been caused due to the inherent characteristics of this model. Secondly, the findings regarding the strength and direction of the partial correlation analysis have shown

that no two welfare state models have the same reaction to globalizing forces. This supports this thesis'
arguments that it is important to distinguish between different globalizing forces and welfare state
models in order to acquire a more in depth relation between the two. At the same time it supports the
existence of all seven typologies, even though the threefold typologies of Esping-Andersen (1990) have
been most convincing. Finally, the comparison of the different methodologies and their findings led to
the conclusion that an analysis based on a more complex methodology is best able to reflect the complex
reality of the relation between globalization and the welfare state. At the same time, the different and
opposing claims in the past can be explained to have been the results of key methodological differences.

4.4 Conclusion

This chapter has sought to execute the necessary methodological steps in order to create an overview of
the correlation between different globalizing forces and different welfare models. These findings, which
have been summarized in table 25 in the appendix and figure 8, will help answer the research question.
With regard of the significance of the correlations, the findings have shown that there is no relation
between globalization and the welfare state. 6 out of 7 welfare models did not significantly correlate to
globalization. This conclusion supports the arguments of scholars like Pierson (1996), Dreher (2006),
Swank (2002), Atkinson (2002), Bairoch (1996), Fligstein (2001), Hirst and Thompson (1996), Wade
(1996) and Wilensky (2002). However, the methodology of this paper has sought to highlight the more
implicit relations between globalization and the welfare state. This has been done by distinguishing
between inherently different categories of the two. As a result, first of all, several specific relations were
found to be significant. See for example the relation between the social expenditure indicator of the
Liberal welfare model and economic and political globalization. Secondly, and more importantly, a
significant relation has been found for the Conservative welfare model and social and economic
globalization. As a result of these additional findings, is it still valid to conclude that the relation is non-
existent? Can any of the conclusions by prior studies explain the findings in table 25 and figure 8? These
questions will be answered in the concluding chapter.

With regard to the strength and direction of the correlations, these findings have been summarized in
figure 8. The findings of this figure, in combination with that of table 25 in the appendix, enable us to
answer the twofold hypothesis of this thesis. First of all, the hypothesis that different globalizing forces
influence the welfare state differently, can be confirmed. Globalization is indeed not a singular process,
nor does it have a singular effect on the welfare state. Globalization can have different and opposing
influences on the welfare state, depending on the specific category of globalization. To this end, this
thesis has found that social, political and economic globalization influence the welfare state in a different

way. As a result, the categorization between socio-economic and political globalization by scholars like Dreher (2003; 2005) and Meinhard and Potrafke (2011) can be supported by this thesis. The second hypothesis of this thesis was that different welfare state models react differently to globalization. This thesis has found that this hypothesis can also be confirmed. Due to their (historic) contextual differences, welfare states react differently to globalization, see figure 8. An example is the Post-Communist welfare state model whose relation to globalization is likely to be highly undermined due to the internal and external political pressures as a result of historic events such as the nuclear meltdown in Chernobyl and the collapse of the iron curtain. At the same time, the significant correlation of the Conservative welfare model to globalizing forces may have been caused due to its inherent characteristics. Increased globalization has meant that the family and church were no longer able or willing to provide social welfare. As a result, the Conservator model had to do so. However, alternative methodologies are required in order to validate these claims. To this end, the next chapter seeks to answer the research question, highlight its implications and shortcomings, as well as formulate improvements for future research.

5. Conclusion

This thesis started out with the research question: *to what extent can the relation between different globalizing forces and different welfare state models be regarded as imitative*? The aim of this paper was to terminate the current debate in the globalization and welfare state discourse, which revolved around mutually exclusive universal claims, and make the findings more tangible for policy makers. During the last decades, proponents of the efficiency, compensation and curvilinear hypothesis, as well as those who deny a relation between globalization and the welfare state, have struggled to convince each other both theoretically and empirically. As a result, policy makers have not been able to extract coherent knowledge on the basis of which policies can be made to ensure the functioning of the welfare state in the new world order. Which conclusion is the right one? Is this conclusion also valid for your specific welfare state and its context? The answer to these questions can finally be given by this thesis.

The methodology of this thesis has been formulated around the twofold tasks of concluding, and the making practical of, the globalization and welfare state discourse. In order to do so, the methodology of this thesis has been formulated to reflect the complex reality of the relation between globalization and the welfare state by distinguishing between different categories of both concepts. This too has been a contribution of this thesis to the existing literature. The categorization of the welfare state is based on the argument that there are significant differences amongst these institutions' context, especially with regard to their problems, their ability to solve these problems, their cultural heritage and the role of the state, church and family (Esping-Andersen, 1990). As a result, a sevenfold typology of the welfare state has been established. Similarly, a distinction is made between different globalizing forces which are expected to influence the welfare state differently. As a result, following Dreher's (2003) KOF index, a threefold categories are used to reflect the most significant globalizing forces.

The findings of this thesis have been summarized in table 25 and visualized in figure 8. Three findings in particular have enabled this thesis to answer its research question. First of all, this thesis has found that the large majority of the welfare state models studied by this thesis do not significantly correlate to any of the globalizing forces. Conversely, the Conservative welfare state model correlates significantly to both social and economic globalization. The relation to the former is positive, whereas the relation to the latter is negative. Secondly, the findings have shown that particular indicators of the Mediterranean and Liberal models correlate significantly to particular globalizing forces. See for example the correlation between the Liberal welfare model's social expenditure and political and economic globalization. Finally, figure 8 has shown that no two relations between different globalizing forces and different welfare state models are the same. The strength and direction of all the relations differ to one and other.

As a result of these findings, this thesis concludes, similarly to Brady et al, that "different facets of globalization have different effects, in different directions" (2005: 43), breaking with the mainstream literature that the relation between globalization and the welfare state should be depicted as either positive, negative or non-existent. However, where Brady et al conclude that they find evidence to support all conclusions found in the past, this thesis rejects such a conclusion and links the findings to a new concept; imitative. Imitative is a descriptive concept used to describe a particular relation between two concepts. As a concept it is very similar to 'ambiguous'. Conversely, where ambiguous is used to describe that the various inconsistent findings do not make any sense, imitative is used where these inconsistent outcomes do portray a logical explanation. This thesis argues that depending on the welfare state(s) you seek to analyse and the force(s) of globalization you are interested in, the outcome can be positive, negative, curvilinear, significant, insignificant and everything in between. By distinguishing between different globalizing forces and different welfare state models, this thesis has been able to highlight which globalizing force(s) correlate significantly to the different welfare state models and in which direction. So to what extent can the relation between different globalizing forces and different welfare state models be described as imitative?

This thesis concludes that the relation between globalization can the welfare state can to a great extent be described as imitative. The reason for this is that even though the majority of the relations found were insignificant, the matter of the fact is that none of the conclusions drawn by prior literature can be used to describe the relations found by this thesis. The reason for this is that the findings of this thesis could neither support the compensation hypothesis, nor the efficiency hypothesis. The most common correlation found was that the relation is insignificant, supporting scholars like Pierson (1996), Dreher (2006), Swank (2002), Atkinson (2002), Bairoch (1996), Fligstein (2001), Hirst and Thompson (1996), Wade (1996) and Wilensky (2002). However, this strand of literature cannot explain the significant curvilinear findings for the Conservative welfare state model, nor the significant findings for indicators of the Liberal and Mediterranean model. Conversely, claiming a curvilinear hypothesis is similarly invalid because the majority of the findings are insignificant. As a result, the only valid conclusion is that the relation between globalization and the welfare state depends on the specific categories of both concepts. In other words, the relation is imitative. Moreover, it should be considered that the concept imitative is based on much more than a description. It is based on a mindset, an acknowledgement of the fact that the world, and especially the globalization and welfare state discourse, is too complex to be described with a singular universal claim. Finally, it should be considered that the analysis of this thesis has ran across a consistent lack of data. This has been especially true for the Antipodean and Confucian

welfare models, for which an adjusted method of analysis had to be applied. A possibility exists that more significant relations may have been found if it weren't for the lack of data. Nevertheless, this thesis has been able to conclude an imitative relationship. However, where does this conclusion leave us?

This thesis argues that, first of all, it can be said that the effects of globalization on the welfare state is exaggerated (Hirst and Thompson, 1996). Where prior literature expected either a worldwide race to the bottom due to increased competition amongst these competition states (Cerny, 1997), or an expansion of the welfare state (Garret & Mitchell, 2001) for the unlimited inclusion of the other, this thesis finds three alternatives for which politics, similarly to the argument of Brady et al (2005), plays a significant role. To this end, first of all, a welfare model may have to react to globalizing pressures, because the institutional framework requires it to. This thesis argues that this has been the case for the Conservative welfare model. The inherent attribute of this model is that social welfare is provided by the family and the church. However, this thesis argues that increased globalization has led to secularization and a shift to a more individualistic society. As a result, both the church and families contribute less in providing social welfare, forcing the Conservative model to do so. In the second case, political decisions of a higher level may, in the short run, overrule the effects of globalization on the welfare state. This thesis argues that this has been the case for the Post-Communist welfare model which, after the cold war, was pressurized by Western nations to develop a liberal and free market society. As a result, the relation of this model to globalization is made spurious through the influence of politics. A third way exists in which welfare state politics may influence the effects of globalization. Here the effects of globalization are deliberately sought to be nullified through regulations. This thesis argues that this is the case for the Social Democratic welfare state model, which is praised for its universal provision of social welfare (Korhonen et al, 2011). By not giving in to the pressures of becoming a competition state, the findings of this model have shown to be extraordinarily insignificant. Central to these different scenarios is the ability and willingness of governments to manage and/or mitigate the forces of globalization.

This thesis then had set out to finalize the current discussion in the globalization and welfare state discourse, whilst at the same time providing a workable conclusion for policy makers. Subsequently, the findings of this thesis have a fourfold implications for the globalization and welfare state discourse, and a threefold implications for policy makers. Starting with the latter, the findings of this thesis, as summarized in table 25 in the appendix, provide for a context dependent and workable conclusion for policy makers in especially the Liberal, Conservative and Mediterranean welfare state models. These findings may help reflect upon previously implemented policies, whilst at the same time allowing for considerations for future policies. Secondly, this thesis argues that the insignificant relations between

globalization and the welfare state is desirable. Putting things in perspective, although the effects of globalization may have been positive, an insignificant relation does exclude the threat of a worldwide race to the bottom. Finally, this thesis argues that policy makers should not overthink the impacts of globalization on the welfare state. The reason for this is that globalization as such is not the actual process influencing the welfare state. The changing of the world triggers certain developments which can be attributed to globalization. Neo-liberalism is one of these developments. Because it moves and spreads alongside globalization, many mistake its effects for that of globalization. Similarly, in the case of the Conservative welfare state model, this thesis has highlighted the effects of secularization and the shift from a gemeinschaft to a gesellschaft on the welfare state. The reason for this is that globalization is merely a theoretical construct developed to grasp the changing world. Globalization creates a framework in which these processes can thrive and spread. Similarly, the cause of a sinking boat is not the water surrounding it, but e.g. an iceberg in the water. The water then is simply a framework that enables these two objects to come into contact with one and other. Subsequently, the captains should worry about the iceberg rather than the water. Similar, policy makers cannot and should not (entirely) mitigate the forces of globalization. Instead they should be focused on processes such as neo-liberalism and secularization which use globalization to spread.

The findings of this thesis moreover have an implication with regard to the globalization and welfare state discourse. First of all, there are implications regarding the process of typologyzing. To this end, Baldwin (1996), Abrahamson (1999) and Kasza (2002) argued that typologizing is the lowest form of intellectual endeavour and yields little to no knowledge. Conversely, this thesis supports the argument by Klant (1984) by arguing that the typologies used in this thesis have not been a means in themselves, but a means to represent reality and understand how welfare models react to different forces of globalization. Secondly, there are implications regarding the findings by prior research. The findings and conclusion of this thesis discards all prior conclusions and argues that these are no longer valid for a twofold reason. First of all, these findings have been inconclusive and mutually exclusive. Secondly, as a result, these conclusions are of no practical use for policy makers. The third implication is regarding the definition of globalization. To this end, this thesis argues, in line with the argument by Rosenberg (2000), that globalization should be defined as: 'an interpretation of the changing world'. The logic behind this rather abstract definition is that it refers to both globalization and de-globalization (Keohane & Nye, 2000), global and local changes (Ritzer, 2003), and it includes the difference between the process of the changing world, or globalism, *an sich* and our subjective interpretation of what we experience, and relate to as "globalization".

The final implication is regarding the dialectic between proponents of the efficiency and compensation hypothesis. This thesis argues that this dialect is based on a different definition of the concept globalization. On the one hand, proponents of the efficiency hypothesis include neo-liberal pressures as an attribute of globalization, focusing on the economic dimension (Garret & Mitchell, 2001). Conversely, the proponents of the compensation hypothesis exclude this attribute, focusing on the political dimension (Garret & Mitchell, 2001). Similarly, this thesis argues that when the proponents of the efficiency hypothesis argue that the welfare state retrenches, it is not globalization, but the effects of neo-liberalism they are referring to. This neo-liberalism is not enforced by globalization, nor its categories and indicators. Neo-liberalist reforms are enforced from within the welfare state by what Leslie sklair (2002) calls the TCC. Globalization then, functions as a means through which the TCC exert their power and which they use as an excuse to push for neo-liberal based reforms. Similarly, Shou concludes that "the fundamental change of welfare systems in these countries was a social choice made by major social groups who sought the opportunities brought about by globalization" (2010: 218). This once more highlights the importance of politics in the relation between globalization and the welfare state (Brady et al, 2005). However, current methodologies, including that of this thesis, have paid little to no attention on the relation between neo-liberal sentiments and globalization. As a result, this thesis argues that future methodologies should be formulated to include a measure for neo-liberal political sentiments as a control variable. Subsequently, the effects of globalization can be measured directly without interference from the third variable 'neo-liberalism'.

In order to gain further and better knowledge on the relation between globalization and the welfare state, and thus improve the ability of policy makers to protect the welfare state, further research is required. The process of creating typologies is expected to remain crucial in understanding the realtion between globalization and the welfare state. Future research can help to enhance the summary of findings in table 2, especially with regard to the findings for the Antipodean and Confucian welfare models. In order to do so however, first of all, the significant lack of data needs to be overcome. A major consequence of this has been the incomplete analysis for the Antipodean and Confucian welfare models. To reduce the threat of insufficient data on the internal validity, future research needs to acquire more data. This can be done by, for example, looking at the national data authorities for data on relevant indicators. This thesis has been unable to do this because of a lack in research time and means to do this for the 28 welfare states that have been analysed. A more exhaustive research with more time and/or researchers is required to try and acquire more information from national authorities and institutions.

However, it should be considered that there is a possibility that national authorities define and conceptualize the same indicator in a different way, e.g. the age of pensioners and working population.

Finally, future research should radically reconsider the operationalization of the dependent variable welfare state. To this end, this thesis has operationalized globalization using the measurements and data of the KOF index. The KOF index measures each category of globalization in a different way. This makes sense because each category of globalization is different. You can't e.g. measure social globalization by looking at the foreign direct investments. Similarly, this thesis has highlighted that every welfare state model, due to its inherent differences, is focused on providing welfare in a different way. Nevertheless, the different welfare state models have been measured using the same indicators. The reason for this has been a lack of research time. The fact that the author comes from a welfare state within the Conservative model may have prejudiced the methodology towards one that especially highlights the specific focus of this particular model. This may have resulted in the significant findings for the Conservative model. Subsequently, because of the similarity to the Mediterranean and Liberal welfare models, some significant findings have been found here too. As a result, this paper urges future research to include different indicators for measuring different welfare state models in order to do so however, a more in depth understanding of the different models are required. A combination of theoretical and empirical knowledge is required to establish context specific indicators to measure different welfare state models. This should be done by including both quantitative and qualitative indicators. The reason for the latter is that welfare models such as the Confucian are not interested in the economic value of the amount of welfare provided. For example, how would one measure, in monetary terms, a home cooked meal for a homeless person? In order to account for these differences, a context specific measurement of the welfare state's ability to provide social welfare is required. However, not all models require completely different variables, because there may be overlapping attributes; e.g the majority of models do focus on social expenditure.

This thesis, then, has formulated a small initial step in the right direction for the globalization and welfare state discourse. This step, however, has meant a giant leap towards a radically new way of analysing and understanding the relation between globalization and the welfare state. This radical break has proven necessary in order to overcome the theoretical and empirical deadlock which has dominated the discourse prior to this thesis. Moreover, this it has meant that for the first time, valid and context dependent information could be given to policy makers around the world. It is up to future research to continue to specify and improve upon the knowledge created by this thesis.

6. References

Abrahamson, P. (1999). *The welfare modelling business*. Social Policy & Administration, 33(4), 394-415.

Acemoglu, D., & Yared, P. (2010). *Political limits to globalization* (No. w15694). National Bureau of Economic Research.

Adelantado, J., & Cuevas, E. C. (2006). *Globalization and the welfare state: the same strategies for similar problems?* Journal of European Social Policy, 16(4), 374-386.

Adelantado, J., & Cuevas, E. C. (2006). G*lobalization and the welfare state: the same strategies for similar problems?* Journal of European Social Policy, 16(4), 374-386.

Alesina, A., & Wacziarg, R. (1998). *Openness, country size and the government*. Journal of Public Economics 69, 305–322.

Al-Rodhan, N. R., & Stoudmann, G. (2006). *Definitions of globalization: A comprehensive overview and a proposed definition*. Program on the Geopolitical Implications of Globalization and Transnational Security, 6.

Aman Jr, A. C. (2000). *Limits of Globalization and the Future of Administrative Law: From Government to Governance*. The. Ind. J. Global Legal Stud., 8, 379.

Arts, B., & Van Tatenhove, J. (2004). *Policy and power: A conceptual framework between the 'old'and 'new'policy idioms*. Policy sciences, 37(3-4), 339-356.

Arts, W., & Gelissen, J. (2002). *Three worlds of welfare capitalism or more?* A state-of-the-art report. Journal of European social policy, 12(2), 137-158.

Atkinson, A. B. (2002). *Globalization and the European Welfare State at the Opening and the Closing of the Twentieth Century.* Europe and Globalization. New York: Palgrave-MacMillan, 249-273.

Bairoch, P. (1996). *States against markets: The limits of globalization*.

Baldwin, P. (1990). *The politics of social solidarity: class bases of the European welfare state, 1875-1975*. Cambridge University Press.

Baldwin, P. (1996). *Can we define a European welfare state model*. Comparative welfare systems: the Scandinavian model in a period of change.* 29-44.

Bambra, C. (2004). *The worlds of welfare: illusory and gender blind?* Social Policy and Society, 3(3), 201-211.

Bambra, C. (2005A). *Worlds of welfare and the health care discrepancy*. Social Policy and Society, 4(1), 31-41.

Bambra, C. (2005B). *Cash Versus Services:'Worlds of Welfare' and the Decommodification of Cash Benefits and Health Care Services.* Journal of social policy, 34(2), 195-213.

Bambra, C. (2006). *Research Note: Decommodification and the worlds of welfare revisited*. Journal of European Social Policy, 16(1), 73-80.

Bambra, C. (2007). *Going beyond The three worlds of welfare capitalism: regime theory and public health research.* Journal of epidemiology and community health, 61(12), 1098-1102.

Baudrillard, J. (1983). *In the Shadow of the Silent Majorities... or the End of the Social and Other Essays*. Trans. Paul Foss, Paul Patton and John Johnston. New York: Semiotext (e).

Beck, U. (2002). *The cosmopolitan society and its enemies*. Theory, culture & society, 19(1-2), 17-44.

Beck, N., & Katz, J. N. (1996). Nuis*ance vs. substance: Specifying and estimating time-series-cross-section models.* Political analysis, 6(1), 1-36.

Bohle, D., & Greskovits, B. (2007). Neoliberalism, embedded neoliberalism and neocorporatism: Towards transnational capitalism in Central-Eastern Europe. West European Politics, 30(3), 443-466.

Bonoli, G. (1997). *Classifying welfare states: a two-dimension approach.* Journal of social policy, 26(3), 351-372.

Boswell, T. & Chase-Dunn, C. (1999). *The Spiral of Capitalism and Socialism*. Boulder: Lynne Rienner.

Brady, D., Beckfield, J., & Seeleib-Kaiser, M. (2005). E*conomic globalization and the welfare state in affluent democracies, 1975–2001.* American Sociological Review, 70(6), 921-948.

Brenner, N. (2002). *Cities and the Geographies of Actually Existing Neoliberalism*. Blackwell.

Bretscher, L., & Hettich, F. (2002). *Globalisation, capital mobility and tax competition: theory and evidence for OECD countries.* European Journal of Political Economy 18:695-716

Bruce, S. (2002). *God is dead: Secularization in the West*. Oxford: Blackwell.

Cameron, D. R. (1978). *The expansion of the public economy: A comparative analysis.* The American Political Science Review, 1243-1261.

Castells, M. (1996). *The Information Age, Volume I: The Rise of Network Society*. Oxford: Blackwell.

Castles, F. G. (1998). *Comparative public policy: Patterns of post-war transformation*. Cheltenham: Edward Elgar.

Castles, F. G. (2001). *On the political economy of recent public sector development*. Journal of European Social Policy, 11(3), 195-211.

Castles, F. G., & Mitchell, D. (1993). *Worlds of welfare and families of nations. Families of nations: Patterns of public policy in western democracies*.

Cerami, A., & Vanhuysse, P. (2009). *Post-communist welfare pathways*. Palgrave Macmillan.

Cerny, P. G. (1994). *The dynamics of financial globalization: Technology, market structure, and policy response.* Policy Sciences, 27(4), 319-342.

Cerny, P. G. (1995). *Globalization and the changing logic of collective action.* International organization, 49(4), 595-625.

Cerny, P. G. (1997). Paradoxes of the competition state: the dynamics of political globalization. Government and opposition, 32(2), 251-274.

Cohen, J. L. (2004). *Whose sovereignty? Empire versus international law.* Ethics & International Affairs, 18(3), 1-24.

Cook, L. J. (2013). *Post-communist welfare states: reform politics in Russia and Eastern Europe.* Cornell University Press.

Cox, R. W. (1992). *Global perestroika.* Socialist register, 28(28).

Cox, R. W. (1997). *A perspective on globalization.* Lynne Reinner.

Cusack, T.R., (1997). *Partisan politics and public finance: changes in public spending in the industrialized democracies 1955–1989.* Public Choice 80, 157–172.

Deacon, B. (1993). *Developments in East European social policy.* New perspectives on the welfare state in Europe, 2, 177-197.

Deacon, B. (2000). *Eastern European welfare states: the impact of the politics of globalization.* Journal of European Social Policy, 10(2), 146-161.

Delanty, G. (2000). *Citizenship in a global age: Society, Culture. Politics.*

Drache, D. (1996). *From Keynes to K-Mart: Competitiveness in a corporate age.* States against markets: The limits of globalization, 31-61.

Dreher, A. (2003). *Does globalization affect growth. Evidence from a new index of globalization.* Forthcoming in Applied Economics.

Dreher, A. (2006). *The influence of globalization on taxes and social policy: An empirical analysis for OECD countries.* European Journal of Political Economy, 22(1), 179-201.

Dreher, A, Sturm, J & Ursprung, H W (2008a) *The impact of globalization on the composition of government expenditures: Evidence from panel data.* Public Choice 134:263-292

Dreher, A., Gaston, N., & Martens, P. (2008b). *Measuring Globalisation. Gauging its Consequences.* Springer, New York.

Dunleavy, P. (1994). *The globalization of public services production: can government be 'best in world'?* Public Policy and Administration, 9(2), 36-64.

Esping-Andersen, G. (1990) *The Three Worlds of Welfare Capitalism*. Oxford: Polity Press.

Esping-Andersen, G. (1990). *The three worlds of welfare capitalism*. Cambridge: Polity press. (Vol. 6)

Esping-Andersen, G. (Ed.). (1996). *Welfare states in transition: national adaptations in global economies*. Sage.

Evans, P. (1997). *The eclipse of the state? Reflections on stateness in an era of globalization*. World politics, 50(01), 62-87.

Ferguson, H. *&* Mansbach, W. (2012). *Globalization: The Return of Borders to a Borderless World*. Abingdon: Routledge.

Ferrera, M. (1996). *The 'Southern model' of welfare in social Europe*. Journal of European social policy, 6(1), 17-37.

Fligstein, N. (1999). *Is globalization the cause of the crises of welfare states*?

Fligstein, N. (2001). *The architecture of markets: An economic sociology of twenty-first-century capitalist societies.* Princeton University Press.

Fuchs, S., & Offe, C. (2008). *Welfare state formation in the enlarged European Union: patterns of reform in the post-communist new member states.*

Garland, D. (1996). *The Limits of the Sovereign State Strategies of Crime Control in Contemporary Society.* British journal of criminology, 36(4).

Garrett, G. (1998). *Partisan politics in the global economy*. Cambridge University Press.

Garrett, G., & Mitchell, D. (1999). *Globalization and the welfare state*. Unpublished Paper, Yale University.

Garrett, G., & Mitchell, D. (2001). *Globalization, government spending and taxation in the OECD.* European Journal of Political Research, 39(2), 145-177.

Genschel, P., & Seelkopf, L. (2012). *Did the Competition State Rise? Globalization, International Tax Competition, and National Welfare.* SSRN Electronic Journal, 1-18.

Giddens, A. (1991). *Modernity and self-identity: self and identity in the late modern age*. Cambridge: Polity.

Giddens, A. (2002). *Runaway world: How globalisation is reshaping our lives*. Profile Books.

Giddens, A., Diamond, P., & Liddle, R. (Eds.). (2006). *Global Europe, Social Europe.* Polity.

Gill, S. (1995). *Globalization, market civilization, and disciplinary neoliberalism*. Globalization, Critical Concepts in Sociology, 2, 256-281.

Gilpin, R. (2000). *The Challenge of Global Capitalism: The Global Economy in the 21st Century*.

Gilpin, R., & Gilpin, J. M. (1987). *The political economy of international relations*. Princeton University Press. (Vol. 8)

Giulianotti, R., & Robertson, R. (2007). *Recovering the social: Globalization, football and transnationalism*. Global Networks, 7(2), 166-186.

Gornick, J. C., & Jacobs, J. A. (1998). *Gender, the welfare state, and public employment: A comparative study of seven industrialized countries*. American Sociological Review, 688-710.

Gray, J. (1998). False dawn: *The delusions of global capitalism*. The New Press.

Greider, W. (1998). *One world, ready or not: The manic logic of global capitalism*. Simon and Schuster.

Grunberg, I. (1998). *Double jeopardy: Globalization, liberalization and the fiscal squeeze*. World Development, 26(4), 591-605.

Guidry, J. A., Kennedy, M. D., & Zald, M. N. (2000). *Globalizations and social movements: Culture, power, and the transnational public sphere*. Globalizations and social movements. 1-34.

Guillén, M. F. (2001). *Is globalization civilizing, destructive or feeble? A critique of five key debates in the social science literature*. Annual review of sociology, 235-260.

Habermas, J. (1999). *The European Nation-State and the Pressures of Globalization*. Blätter für Deutsche und international Politic.

Habermas, J. (2001). *The postnational constellation*. Cambridge, MA: MIT Press.

Haggard, S., & Kaufman, R. R. (2008). De*velopment, Democracy, and Welfare States: Latin America, East Asia, and Eastern Europe.* Princeton University Press.

Harvey, D. (1989). *The condition of postmodernity*. Oxford: Blackwell (Vol. 14).

Harvey, D. (1995). *Globalization in Question*. Rethinking Marxism 8.

Hay, C., & Marsh, D. (Eds.). (2000). *Demystifying globalization*. Macmillan Press.

Held, D., McGrew, A., Goldblatt, D. & Perraton, J. (1999). *Global Transformations*. Palo Alto, CA. Stanford University Press.

Hicks, A. M., & Swank, D. H. (1992). *Politics, Institutions, and Welfare Spending in Industrialized Democracies, 1960–82*. American Political Science Review, 86(03), 658-674.

Hien, J. (2014). *Competing Ideas: The religious foundations of the German and Italian welfare states*. University of Milan.

Huber, E., & Stephens, J. D. (2001). De*velopment and crisis of the welfare state: Parties and policies in global markets*. University of Chicago Press.

Inglot, T. (2008). *Welfare States in East Central Europe*. Cambridge: Cambridge University Press.

Iversen, T., & Cusack, T. R. (2000). *The causes of welfare state expansion: deindustrialization or globalization?* World politics, 52(03), 313-349.

Jahn, D. (2006). *Globalization as 'Galton's problem': The missing link in the analysis of diffusion patterns in welfare state development*. International Organization, 60(2), 401-431.

Jessop, B. (2002). *Liberalism, Neoliberalism, and Urban Governance: A State Theoretical Perspective*. Blackwell.

Jones, C. (1993). *The pacific challenge. New perspectives on the welfare state in Europe*. 198-217.

Kangas, O. (1994). *The politics of social security: on regressions, qualitative comparisons, and cluster analysis.* The comparative political economy of the welfare state. 346-364.

Kasza, G. J. (2002). *The Illusion of Welfare 'Regimes'*. Journal of Social Policy, 31(2), 271-287.

Kateb, G. (1999). *Can cultures be judged? Two defenses of cultural pluralism in Isaiah Berlin's work.* Social Research New-York. 66(4), 1009-1038.

Katrougalos, G. S. (1996). *The south European welfare model: the Greek welfare state, in search of an identity.* Journal of European Social Policy, 6(1), 39-60.

Katzenstein, Peter. 1985. *Small States in World Markets: Industrial Policy in Europe*. Ithaca NY: Cornell University Press.

Kautto, M. (2002). *Investing in services in West European welfare states*. Journal of European Social Policy, 12(1), 53-65.

Keck, M. E., & Sikkink, K. (1998). *Activists beyond borders: Advocacy networks in international politics*. Ithaca, NY: Cornell University Press (Vol. 35).

Kempski von, J. (1972). *Zur Logik der Ordungsbegriffe, besonders in den Sozialwissenschaften*. Tübingen: J. C. B. Mohr. 115-38.

Keohane, R. O. (2001, March). *Governance in a partially globalized world*. In American Political Science Association (Vol. 95, No. 01, pp. 1-13). Cambridge University Press.

Keohane, R. O., & Nye Jr, J. S. (2000). *Globalization: What's new? What's not? (And so what?*). Foreign policy. 104-119.

Kersbergen, K. (2000). *The declining resistance of welfare states to change?* Survival of the European welfare state, 19-36.

Kettl, D. F. (2000). *The transformation of governance: Globalization, devolution, and the role of government.* Public Administration Review, 60(6), 488-497.

Kittel, B., & Winner, H. (2005). *How reliable is pooled analysis in political economy? The globalization-welfare state nexus revisited.* European Journal of Political Research 44, 269–293.

Klant, J. J. (1984). *The rules of the game: the logical structure of economic theories*. CUP Archive.

Kobrin, S. J. (1997). *The architecture of globalization: State sovereignty in a networked global economy. Governments, Globalization and International Business*. Oxford University Press, London etc.

Korpi, W. (2003). *Welfare-state regress in Western Europe: politics, institutions, globalization, and Europeanization.* Annual Review of Sociology, 589-609.

Kuhnle, S. (Ed.). (2000). *Survival of the European welfare state*. Routledge.

Kwon, H. J. (1997). Beyo*nd European welfare regimes: comparative perspectives on East Asian welfare systems.* Journal of social policy, 26(4), 467-484.

Lash, S. (2002). *Critique of information*. Sage.

Lefebvre, H. (1991). *The production of space*. Oxford: Blackwell (Vol. 30).

Leibfried, S. (1992) '*Towards a European welfare state*? On Integrating Poverty Regimes into the European Community', in Z. Ferge and J. E. Kolberg (eds) Social Policy in a Changing Europe. Frankfurt am Main: Campus Verlag.

Leibrecht, M., Klien, M., & Onaran, Ö. (2011). *Globalization, welfare regimes and social protection expenditures in Western and Eastern European countries*. Public choice, 148(3-4), 569-594.

Lewis, J. (1992). *Gender and the development of welfare regimes*. Journal of European social policy, 2(3), 159-173.

Mäntyranta, T., Korhonen, A., Karppinen-Lehtonen, P., Lagercrantz, H., Lybeck, M., & Simic, N. (2011). *What Role Will the Nordic Welfare Model Play in Globalization*: *Conference Report*.

Meyer, J. W., Boli, J., Thomas, G. M., & Ramirez, F. O. (1997). *World society and the nation-state*. American Journal of sociology. 103(1), 144-181.

Mittelman, J. H. (Ed.). (1996). *Globalization: critical reflections*. Boulder, CO: Lynne Rienner (Vol. 9).

Myant, M., & Drahokoupil, J. (2011). Trans*ition Economies: Political Economy in Russia, Eastern Europe, and Central Asia*. John Wiley and Sons.

Nussbaum, M. C. (1996). *For love of country: Debating the limits of patriotism* J. Cohen (Ed.). Boston: Beacon Press. (p. 2).

O'Brien, K. L., & Leichenko, R. M. (2000). *Double exposure: assessing the impacts of climate change within the context of economic globalization*. Global environmental change, 10(3), 221-232.

O'connor, J. S. (1993). *Gender, class and citizenship in the comparative analysis of welfare state regimes: theoretical and methodological issues*. British journal of Sociology, 501-518.

O'Connor, J. S., Orloff, A. S., & Shaver, S. (1999). *States, markets, families: Gender, liberalism and social policy in Australia, Canada, Great Britain and the United States*. Cambridge: Cambridge University Press.

Ōmae, K. (1995). *The end of the nation state: The rise of regional economies*. Simon and Schuster.

Orenstein, M. A. (2008). *Postcommunist welfare states*. Journal of Democracy, 19(4), 80-94.

Orloff, A. S. (1993). *Gender and the social rights of citizenship: The comparative analysis of gender relations and welfare states.* American sociological review, 303-328.

Ossewaarde, M. (2007). *Cosmopolitanism and the Society of Strangers*. Current Sociology, 55(3), 367-388.

Papadopoulos, T. N. (1999). *Welfare support for the unemployed: a comparative analysis of social policy responses to unemployment in twelve European Union member-states*. (Doctoral dissertation, University of York).

Pfaller, A., Gough, I., & Therborn, G. (Eds.). (1991). *Can the welfare state compete? A comparative study of five advanced capitalist countries.* Macmillan Pub Limited.

Pierson, P. (1994). *Dismantling the welfare state? Reagan, Thatcher and the politics of retrenchment*. Cambridge University Press.

Pierson, P. (1996). *The new politics of the welfare state*. World politics, 48, 143-179.

Poulantzas, N. A. (1975). *Classes in contemporary capitalism*. London. (pp. 16-24)

Ragin, C. (1994). *A qualitative comparative analysis of pension systems*. The comparative political economy of the welfare state, 320-45.

Riain, S. O. (2000). *States and Markets in an Era of Globalization*. Annual review of sociology, 26(1), 187-213.

Ritzer, G. (2003). *Rethinking globalization: Glocalization/grobalization and something/nothing*. Sociological theory, 21(3), 193-209.

Ritzer, G. (2004). *The globalization of nothing*. Pine Forge Press.

Robertson, R., & Chirico, J. (1985). *Humanity, globalization, and worldwide religious resurgence: A theoretical exploration.* Sociology of Religion, 46(3), 219-242.

Rodrik, D. (1996). *Why do more open economies have bigger governments*?. National Bureau of Economic Research. (No. w5537)

Rodrik, D. (1997). *Has globalization gone too far?* California Management Review, 39(3).

Rosenberg, J. (2000). *The Follies of Globalisation*. London: Verso.

Rudra, N. (2002). *Globalization and the decline of the welfare state in less-developed countries*. International Organization, 56(2), 411-445.

Ruggie, J. G. (1982). *International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order*. International Organization 36:379-415.

Ruggie, J. G. (1995). *At home abroad, abroad at home: international liberalisation and domestic stability in the new world economy.* Millennium-Journal of International Studies, 24(3), 507-526.

Rys, V. (2001). *Transition countries of central Europe entering the European Union: Some social protection issues.* International Social Security Review, 54(2-3), 177-189.

Sainsbury, D. (1996). *Gender, equality and welfare states*. Cambridge University Press.

Sainsbury, D. (Ed.). (1994). *Gendering welfare states* (Vol. 35). Sage.

Sainsbury, D. (Ed.). (1999). *Gender and welfare state regimes*. Oxford University Press.

Sakamoto, Y. (1994). *Global transformation: challenges to the state system*. United Nations Univ.

Sassen, S. (2000). *Spatialities and Temporalities of the Global: Elements for a Theorization*. Public Culture, 12(1).

Scharpf, F. W. (2002). *Globalization and the Welfare State: Constraints, Challenges, and Vulnerabilities*. Social Security in the Global Village, 8, 85.

Schubert, K., Hegelich, S., & Bazant, U. (Eds.). (2009). *Handbook of European Welfare Systems*. Routledge.

Seeleib-Kaiser, M. (2001). Glob*alisierung und Sozialpolitik: ein Vergleich der Diskurse und Wohlfahrtssysteme in Deutschland, Japan und den USA* Campus Verlag (Vol. 12).

Shalev, M. (1996). *The privatization of social policy? Occupational welfare and the welfare state in America, Scandinavia, and Japan*. Palgrave MacMillan.

Shaw, M. (2000). *Theory of the global state: Globality as an unfinished revolution*. Cambridge University Press (Vol. 73).

Shou, H. (2010). *Race to the bottom or move to the middle? Globalization and welfare regime transformation in the developing world*. University of Illinois at Urbana-Champaign.

Sklair, L. (2002). *Democracy and the transnational capitalist class*. The ANNALS of the American Academy of Political and Social Science, 581(1), 144-157.

Smadja, C. (2000). *Time to Learn from Seattle*. Newsweek International, 17.

Spruyt, H. (1994). *The sovereign state and its competitors*. Princeton. Princeton University Press.

Staff, I. M. F. (2000). *Globalization: Threat or Opportunity*? April, 12, 2000.

Standing, G. (1999). *Global Labour Flexibility*. London. MacMillan.

Strange, S. (1996). *The retreat of the state: The diffusion of power in the world economy*. Cambridge university press.

Strange, S. (1997). *Casino Capitalism*. Manchester, U.K. Manchester University Press.

Stryker, R. (1998). *Globalization and the Welfare St*ate. International Journal of Sociology and Social Policy 18.

Swank, D. (2001). *Mobile capital, democratic institutions, and the public economy in advanced industrial societies.* Journal of Comparative Policy Analysis, 3(2), 133-162.

Swank, D. (2002). *Global capital, political institutions, and policy change in developed welfare states*. Cambridge University Press.

Swyngedouw, E. (1992). *The Mammon quest. 'Glocalisation', interspatial competition and the monetary order: the construction of new scales*. 39-68.

Sykes, R., & Alcock, P. (1998). *Developments in European social policy*: *convergence and diversity*. Policy Pr.

Szeman, I. (2003). *Culture and Globalization, or, the Humanities in Ruins*. CR: The New Centennial Review, 3(2), 91-115.

Thompson, G., & Hirst, P. (1996). *Globalization in question*. Blackwell, Londres.

Tilly, C. (1992). *Coercion, capital, and European states, AD 990-1992*. Oxford: Blackwell.

Tönnies, F. (2012). *Gemeinschaft und gesellschaft*. VS Verlag für Sozialwissenschaften (27-58).

Trifiletti, R. (1999). *Southern European welfare regimes and the worsening position of women*. Journal of European social policy, 9(1), 49-64.

Trimble, P. R. (1997). *Globalization, International Institutions, and the Erosion of National Sovereignty and Democracy.*

Vaubel, R. (1999). *Internationaler Politischer Wettbewerb: Eine europäische Wettbewerbsaufsicht für Regierungen und die empirische Evidenz*. Jahrbuch für Neue Politische Ökonomie, 19.

Vernon, R. (1971). *Sovereignty at Bay: the multinational spread of US enterprises*. The International Executive, 13(4), 1-3.

Vernon, R. (1998). *In the hurricane's eye: the troubled prospects of multinational enterprises*. Harvard Univ. Press, Cambridge, MA.

Veseth, M. (1998). *Selling globalization: the myth of the global economy*. Boulder, CO: Lynne Rienner Publishers.

Wade, R. (1996). *Globalization and its limits: reports of the death of the national economy are greatly exaggerated.* National diversity and global capitalism, 60-88.

Wallerstein, I. (1974). *The Modern World System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*. New York: Academic Press.

Waters, M. (1995). *Globalization: Key Ideas*. London, Routledge

Wheeler, N. J. (2000). *Saving Strangers: Humanitarian Intervention in International Society: Humanitarian Intervention in International Society*. Oxford University Press.

Wildeboer Schut, J. M., Vrooman, J. C., & De Beer, P. T. (2001). *On worlds of welfare: institutions and their effects in eleven welfare states.* The Hague: Social and Cultural Planning Office.

Wilensky, H. L. (2002). *Rich democracies: Political economy, public policy, and performance*. University of California Press.

Yeung, H. W. C. (2002). Th*e Limits to Globalization Theory: A Geographic Perspective on Global Economic Change*. Economic Geography, 78(3), 285-305.

7. Appendix

Table 1: Overview of the welfare state models and subsequent categorization of welfare states

	Welfare state model						
	Liberal	Conservative	Social-Democratic	Mediterranean	Antipodean	Post-Communist	Confucian
Esping-Andersen (1990)	AUS CAN GBR IRL NZL USA	CHE FIN FRA GER ITA JPN	AUT BEL DNK NLD NOR SWE				
Leibfried (1992)	AUS GBR NZL USA	AUT GER	DNK FIN NOR SWE	ESP FRA GRC ITA PRT			
Castless & Mitchell (1993)	CHE IRL JPN USA	GER ITA NLD	BEL DNK NOR SWE		AUS GBR NZL		
Siaroff (1994)	AUS CAN GBR NZL USA	AUT BEL FRA GER LUX NLD	DNK FIN NOR SWE	CHE ESP GRC IRL ITA JPN PRT			
Kangas (1994)	USA CAN	AUT GER ITA JPN NLD	DNK FIN NOR SWE		AUS GBR IRL NZL		
Ragin (1994)	AUS CAN CHE USA	AUT BEL FIN FRA ITA	DNK NOR SWE				
Ferrera (1996)	GBR IRL	AUT BEL CHE FRA GER LUX NLD	DNK FIN NOR SWE	ESP GRC ITA PRT			
Shalev (1996)	CAN CHE JPN USA	AUT BEL FRA IRL ITA	DNK FIN NOR SWE				
Bonoli (1997)	GBR IRL	BEL FRA GER LUX NLD	DNK FIN NOR SWE	CHE ESP GRC ITA PRT			

Kwon (1997)						JPN KOR
Svallfors	USA	GER	NOR		AUS	
Korpi & Palme (1998)	CAN CHE DNK GBR NLD NZL IRL USA	AUT BEL FRA GER ITA JPN	FIN NOR SWE		AUS	
Obinger & Wagschal (1998)	CAN CHE JPN USA	FRA ITA AUT	DNK NOR SWE		AUS NZL	
Pitzurello (1999)	CAN GBR IRL USA	CHE GER NLD	BEL DNK NOR SWE	AUT FIN FRA ITA JPN	AUS NZL	
Wildeboer Schut et al (2001)	AUS CAN GBR USA	BEL FRA GER	DNK NOR SWE			
Navarro & Shi (2001)	CAN GBR IRL USA	BEL CHE NLD FRA GER ITA	AUT DNK FIN NOR SWE	ESP GRC PRT		
Andreß & Heien (2001)	USA	GER(W)	NOR			GER(E)
Goodin (2001)	AUS CAN CHE GBR KPN NOR NZL USA	AUT BEL FRA GER IRL ITA	DNK FIN SWE			
Kautto (2002)		AUT BEL NLD ITA	FIN GBR GER NOR SWE	ESP GRC IRL PRT		
Saint-Arnaud & Bernard (2003)	AUS CAN GBR IRL ISL NZL USA	AUT BEL FRA GER NLD	DNK FIN NOR SWE	ESP GRC ITA PRT		
Gal (2004)	GBR USA	FRA GER	DNK SWE	ESP GRC	AUS	
Bambra (2005)	AUS JPN	AUT BEL	FIN NOR	CHE GER		

	USA	CAN	SWE	NLD			
	GBR IRL NZL	DNK FRA ITA					
Kaariainen & Lehtonen (2006)	AUS CAN GBR NZL USA	AUT CHE FRA GER (W)	DNK FIN NOR	CYP ESP ITA		CZE GER(E) HUN LVA POL RUS SVN	
Scruggs & Allan (2006)	AUS GBR ITA JPN USA	AUT CAN FIN FRA GER	BEL CHE DNK NLD NOR SWE				
Bambra, (2006)	AUS GBR JPN NZL USA	CAN DNK GER IRL ITA NLD	AUT BEL CHE FIN FRA NOR SWE				
Fenger (2007)	GBR NZL USA	AUT BEL ESP FRA GER GRC ITA NLD	DNK FIN NOR SWE			BLR EST LTU LVA RUS UKR BGR CZE HRV HUN POL SVK	
Menahem (2008)	AUS CAN GBR ISR IRL RUS USA	AUT BEL CHE FRA GER LUX SVN	DNK FIN NLD NOR SWE	ESP GRC ITA			
Eikemo et al (2008)	GBR IRL	AUT BEL CHE FRA GER LUX NLD	DNK FIN NOR SWE	ESP GRC ITA PRT		CZE EST HUN POL SVK SVN	
Schroder (2009)	AUS CAN GBR IRL NZL USA	AUT BEL ESP FRA GER ITA PRT	DNK FIN NOR SWE				
	AUS CAN	IRL NLD	DNK FIN	ESP GRC			JPN KOR

	GBR USA	BEL NOR GER FRA	SWE	ITA PRT			
Ferragina & Seeleib- Kaiser (2011)	AUS CAN GBR IRL NZL USA	AUT BEL FRA GER ITA	DNK FIN NOR SWE				

Table 2: Number of scholarly works categorizing a particular welfare state into a particular welfare state model

Country	Liberal	Conservative	Social-Democratic	Mediterranean	Antipodean	Post-Communist	Confucian
AUS	15				7		
AUT		19	3	1			
BEL		13	5				
BGR						1	
BLR						1	
CAN	17	3					
CHE	6	8	2	3			
CZE						3	
CYP				1			
DNK	1	2	24				
ESP		2		12			
EST						2	
FIN		3	20	1			
FRA		22	1	2			
GBR	22		1		2		
GER		25	1	1		2	
GRC		1		11			
HRV						1	
HUN						3	
IRL	13	4		2	1		
ISL	1						
ISR	1						
ITA	1	15		9			
JPN	6	3		2			2
KOR							2
LTU						1	
LUX		5					
LVA						2	
NLD	1	13	3	1			
NOR	1	1	27				
NZL	12				4		
POL						3	
PRT		1		9			

RUS	1				2	
UKR					1	
USA	26					
SVK					1	
SVN		2			2	
SWE			27			

Table 3: Percentage of scholars categorizing a particular welfare state into a particular welfare state model

Country	Liberal	Conservative	Social-Democratic	Mediterranean	Antipodean	Post-Communist	Confucian
AUS	50%				100%		
AUT		61.3%	9.7%	7.1%			
BEL		41.9%	16.1%				
BGR						25%	
BLR						25%	
CAN	65.7%	9.7%					
CHE	20%	25.8%	6.4%	21.4%			
CZE						75%	
CYP				7.1%			
DNK	33.3%	6.4%	77.4%				
ESP		6.4%		85.7%			
EST						50%	
FIN		9.7%	64.5%	7.1%			
FRA		71%	3.2%	14.3%			
GBR	71%		3.2%		28.6%		
GER		80.6%	3.2%	7.1%		50%	
GRC		3.2%		78.6%			
HRV						25%	
HUN						75%	
IRL	41.9%	12.9%		14.3%	14.3%		
ISL	3.2%						
ISR	3.2%						
ITA	3.2%	48.4%		64.3%			
JPN	19.4%	9.7%		14.3%			100%
KOR							100%
LTU						25%	
LUX		16.1%					
LVA						50%	
NLD	3.2%	41.9%	9.7%	7.1%			
NOR	3.2%	3.2%	87.1%				
NZL	38.7%				57.1%		
POL						75%	
PRT		3.2%		64.3%			
RUS	3.2%					50%	
UKR						25%	

USA	83.9%					
SVK					25%	
SVN	6.4%				50%	
SWE		87.1%				

Table 5: Variables, indicators and their relative weight in the KOF index of Globalization

Indices and Variables	Weights
A. **Economic Globalization**	**[36%]**
i) Actual Flows	(50%)
Trade (percent of GDP)	(21%)
Foreign Direct Investment, stocks (percent of GDP)	(27%)
Portfolio Investment (percent of GDP)	(24%)
Income Payments to Foreign Nationals (percent of GDP)	(27%)
ii) Restrictions	(50%)
Hidden Import Barriers	(24%)
Mean Tariff Rate	(28%)
Taxes on International Trade (percent of current revenue)	(26%)
Capital Account Restrictions	(22%)
B. **Social Globalization**	**[38%]**
i) Data on Personal Contact	(33%)
Telephone Traffic	(25%)
Transfers (percent of GDP)	(4%)
International Tourism	(26%)
Foreign Population (percent of total population)	(21%)
International letters (per capita)	(24%)
ii) Data on Information Flows	(35%)
Internet Users (per 1000 people)	(36%)
Television (per 1000 people)	(37%)
Trade in Newspapers (percent of GDP)	(27%)
iii) Data on Cultural Proximity	(32%)
Number of McDonald's Restaurants (per capita)	(45%)
Number of Ikea (per capita)	(45%)
Trade in books (percent of GDP)	(10%)
C. **Political Globalization**	**[26%]**
Embassies in Country	(25%)
Membership in International Organizations	(28%)
Participation in U.N. Security Council Missions	(22%)
International Treaties	(25%)

Table 6: Dataset for Economic Globalization

	Liberal					Conservative			
	CAN	GBR	IRL	USA		AUT	BEL	FRA	GER
1970	63.62	43.56	78.3	47.24		48.69	75.82	43.41	44.61
1971	63.8	43.4	78.09	47.24		48.72	75.57	43.41	44.49
1972	63.5	48.01	77.66	47.24		48.58	75.57	43.41	44.49
1973	64.96	49.86	78.41	47.75		49.1	76.43	43.62	44.61
1974	65.68	52.28	80.02	48.27		50.87	77.18	44.37	45.58
1975	65.16	51.11	78.88	48.03		50.55	76.06	43.84	44.82
1976	64.54	55	81.39	48.59		51.39	76.72	44.47	45.35
1977	65.83	58.31	82.34	49.11		51.94	76.76	45	45.83
1978	68.26	59.55	83.82	49.94		52.66	76.51	45.58	45.39
1979	69.79	62.98	84.41	50.9		54.2	77.41	47.17	46.27
1980	69.9	63.76	84.85	52.4		56.69	77.41	48.73	47.43
1981	70.64	64.89	85.3	52.84		60.02	79.62	52.22	50.16
1982	69.56	65.21	85.31	53.51		59.99	81.05	53.31	50.59
1983	69.4	65.63	85.91	53.23		58.27	82.37	53.17	50.12
1984	70.57	67.16	87.1	54.06		60.3	83.49	54.59	51.1
1985	70.66	67.66	87.55	54.6		62.83	85.5	54.76	53.33
1986	70.77	66.84	86.91	55.69		63.31	85.65	53.91	52.92
1987	71.24	67.15	86.96	56.09		63.67	85.38	53.7	53.14
1988	71.38	66.94	87.58	57.03		65.56	86.35	54.97	53.39
1989	71.28	67.95	88.01	58.26		69.57	87.64	57.73	55.01
1990	71.4	68.14	87.45	57.69		70.94	87.36	59.71	55.93
1991	71.07	67.49	88.7	57.63		72.14	87.58	62.54	56.8
1992	71.2	66.83	89.39	56.78		70.17	87.61	63.97	56
1993	72.9	68.41	90.41	57.18		71.1	88.17	65.25	56.03
1994	74.08	68.37	91.4	58.13		73.29	88.44	61.27	56.9
1995	76.48	69.09	92.53	59.85		75.44	88.43	63.17	57.47
1996	77.28	70.39	93.5	60.79		77.15	89.38	64.08	58.96
1997	79.2	71.52	93.8	62.42		80.95	91.33	67.01	62.54
1998	81.27	72.69	95.88	63.25		82.81	92.74	69.46	65.41
1999	83.25	74.07	95.67	64.31		85.06	93.36	69.94	67.42
2000	84.27	76.56	97.09	64.71		88.1	94.63	72.89	71.82
2001	82.75	74.53	96.76	62.49		87.45	93.98	69.66	69.98
2002	80.54	73.96	95.59	59.59		87.35	93.53	70.79	70.66
2003	80.44	74.73	95.48	60.98		87.75	92.82	70.56	71.27
2004	80.94	72.76	95.81	62.56		88.32	92.83	72.92	70.31
2005	78.99	73.4	95.72	62.3		87.75	91.81	72.25	69.69
2006	77.93	72.87	93.48	64.29		87.32	90.68	72.53	69.96
2007	78.87	72.43	94.21	65.45		88.76	91.17	73.33	70.41

Table 7: Spread of the missing data for each welfare state model per variable or indicator

	Welfare state model						
	Liberal	Conservative	Social-Democratic	Mediterranean	Antipodean	Post-Communist	Confucian
Variables							
SOC-G	0%	0%	0%	0%	0%	40.5%	0%
ECO-G	0%	0%	0%	0%	0%	40.5%	0%
POL-G	0%	0%	0%	0%	0%	40.5%	0%
SO-EX	11.1%	11.1%	5.6%	37%	16.7%	41.7%	16.7%
POV	17.9%	14.3%	35.7%	10.7%	64.3%	14.3%	50%
GINI	17.9%	20%	35.7%	10.7%	64.3%	14.3%	50%
PENS	0%	0%	0%	0%	0%	0.5%	0%
UNEM	0%	5.2%	0%	10.9%	0%	29.3%	0%
GDP	0%	0.8%	0%	5.2%	0%	17.5%	0%

Table 8: Dataset on difference in poverty level pre- and post-taxes & transfers

	Liberal					Conservative			
	CAN	GBR	IRL	USA		AUT	BEL	FRA	GER
2004	0.111	0.167	0.145			0.182	0.184		0.208
2005	0.107	0.166	0.167	0.072		0.193	0.165	0.247	
2006	0.106	0.158	0.167			0.211	0.169		
2007	0.104	0.155	0.205			0.195	0.166		
2008	0.101	0.167	0.269	0.073		0.204	0.169	0.241	0.206
2009	0.110	0.177	0.318			0.204	0.176	0.253	0.203
2010	0.108	0.182		0.087		0.198	0.178	0.252	0.203

Table 9: Sample of the structured data on all (control) variables and indicators of Canada

Years	SOC.G.	ECO.G.	POL.G.	SOC.EX	POV	GINI	GDP	UNEM	PENS
1990	82.8	71.4	84.9				9.95263E+11	8.2	6.02926
1991	83.03	71.07	90.91				9.74161E+11	10.3	5.922032
1992	84.11	71.2	92.65				9.82484E+11	11.2	5.834069
1993	84.64	72.9	93.67				1.0081E+12	11.4	5.759365
1994	85.73	74.08	94.2				1.05401E+12	10.4	5.706361
1995	86.7	76.48	94.48	20.904			1.08287E+12	9.5	5.649109
1996	87.38	77.28	93.82				1.10106E+12	9.6	5.599989
1997	88.26	79.2	94.08	19.838			1.14789E+12	9.1	5.545347
1998	89.6	81.27	93.03				1.1954E+12	8.3	5.495027
1999	89.99	83.25	93.25	19.261			1.25513E+12	7.6	5.463951
2000	90.41	84.27	94				1.31943E+12	6.8	5.436978
2001	90.36	82.75	94	20.313			1.34171E+12	7.2	5.415805
2002	90.16	80.54	93.81				1.3793E+12	7.7	5.394811
2003	90.13	80.44	93.59	20.584			1.40586E+12	7.6	5.35873
2004	90.17	80.94	93.48		0.111	0.121	1.44999E+12	7.2	5.322916
2005	90.2	78.99	94.24	20.573	0.107	0.119	1.49585E+12	6.8	5.290905
2006	90.17	77.93	93.9		0.106	0.118	1.53507E+12	6.3	5.225533
2007	89.78	78.87	93.43	20.901	0.104	0.117	1.5659E+12	6	5.161848
2008	89.66	78.59	93.9		0.101	0.117	1.58431E+12	6.1	5.080862
2009	89.42	77.47	93.9	23.274	0.110	0.124	1.54135E+12	8.3	4.99337
2010	89.18	77.68	93.9		0.108	0.127	1.59336E+12	8	4.900781
2011	88.91	76.11	94.12				1.63364E+12	7.5	4.789078

Table 10: Sample of the structured data on the variables and indicators for the Liberal welfare model

	Years	SOC.G.	ECO.G.	POL.G.	SOC.EX	POV	GINI
Canada	2005	90.2	78.99	94.24	20.573	0.107	0.119
	2006	90.17	77.93	93.9		0.106	0.118
	2007	89.78	78.87	93.43	20.901	0.104	0.117
	2008	89.66	78.59	93.9		0.101	0.117
	2009	89.42	77.47	93.9	23.274	0.110	0.124
	2010	89.18	77.68	93.9		0.108	0.127
UK	2005	87.81	73.4	95.86	23.981	0.166	0.168
	2006	87.16	72.87	96.41		0.158	0.164
	2007	87.35	72.43	96.41	23.229	0.155	0.163
	2008	87.06	71.55	96.19		0.167	0.166
	2009	86.64	71.81	96.19	27.597	0.177	0.174
	2010	86.13	72.89	95.92		0.182	0.182
Ireland	2005	78.36	95.72	88.08	15.548	0.167	0.189
	2006	79.01	93.48	87.59		0.167	0.197
	2007	77.85	94.21	89.63	16.336	0.205	0.211
	2008	78.14	93.33	88.14		0.269	0.244
	2009	92.31	93.87	90.41	23.245	0.318	0.260
	2010	91.73	94.96	89.97			

Table 11: The bivariate correlation between the control variables and the (in)dependent variables

		Liberal		
		PENS	UNEM	GDP
SOC.G	Pearson Correlation	-,017	-,194	-,293**
	Sig. (2-tailed)	,823	,064	,006
ECO.G	Pearson Correlation	,070	,296**	-,738**
	Sig. (2-tailed)	,370	,004	,000
POL.G	Pearson Correlation	-,368**	-,481**	,134
	Sig. (2-tailed)	,000	,000	,214
SOC.EX	Pearson Correlation	-,610**	,021	,596**
	Sig. (2-tailed)	,000	,911	,000
POV	Pearson Correlation	,282	,237	-,542**
	Sig. (2-tailed)	,192	,275	,008
GINI	Pearson Correlation	,393	,073	-,520*
	Sig. (2-tailed)	,064	,739	,011

Table 11 Continued

		Conservative			Social Democratic		
		PENS	UNEM	GDP	PENS	UNEM	GDP
SOC.G	Pearson Correlation	-,406**	-,432**	-,434**	-,755**	-,282**	,395**
	Sig. (2-tailed)	,000	,000	,000	,000	,006	,000
ECO.G	Pearson Correlation	-,008	-,529**	-,799**	-,627**	,138	,133
	Sig. (2-tailed)	,905	,000	,000	,000	,190	,215
POL.G	Pearson Correlation	-,078	-,014	-,360**	-,676**	,204	,474**
	Sig. (2-tailed)	,263	,888	,000	,000	,051	,000
SOC.EX	Pearson Correlation	-,590**	,667**	,701**	-,681**	,440**	,259
	Sig. (2-tailed)	,000	,000	,000	,000	,009	,139
POV	Pearson Correlation	-,528**	,497**	,592**	-,131	,517*	-,423
	Sig. (2-tailed)	,004	,007	,001	,604	,028	,080
GINI	Pearson Correlation	-,755**	,570**	,107	-,229	,654**	-,729**
	Sig. (2-tailed)	,000	,002	,588	,361	,003	,001

Table 11 Continued

		Mediterranean			Antipodean		
		PENS	UNEM	GDP	PENS	UNEM	GDP
SOC.G	Pearson Correlation	-,840**	,214	,160	-,665**	-,319*	,849**
	Sig. (2-tailed)	,000	,054	,148	,000	,031	,000
ECO.G	Pearson Correlation	-,804**	-,073	-,253*	-,917**	-,645**	-,442**
	Sig. (2-tailed)	,000	,515	,021	,000	,000	,003
POL.G	Pearson Correlation	-,759**	,229*	,480**	-,517**	-,183	,886**
	Sig. (2-tailed)	,000	,039	,000	,000	,222	,000
SOC.EX	Pearson Correlation	-,637**	-,023	-,091	-,626*	,424	,796**
	Sig. (2-tailed)	,006	,932	,729	,012	,115	,000
POV	Pearson Correlation	-,106	,232	-,183	-,173	,605	,486
	Sig. (2-tailed)	,613	,264	,381	,781	,280	,407
GINI	Pearson Correlation	-,707**	,097	,126	,029	,617	,390
	Sig. (2-tailed)	,000	,645	,549	,963	,267	,517

Table 11 Continued

		Post-Communist			Confucian		
		PENS	UNEM	GDP	PENS	UNEM	GDP
SOC.G	Pearson Correlation	-,778**	-,101	-,372**	-,761**	,594**	,194
	Sig. (2-tailed)	,000	,423	,000	,000	,000	,208
ECO.G	Pearson Correlation	-,843**	-,157	-,536**	-,256*	,251	,932**
	Sig. (2-tailed)	,000	,212	,000	,019	,093	,000
POL.G	Pearson Correlation	-,067	,217	,134	-,869**	,520**	,418**
	Sig. (2-tailed)	,457	,082	,211	,000	,000	,005
SOC.EX	Pearson Correlation	,096	-,417	,551	-,966**	,469	-,601*
	Sig. (2-tailed)	,807	,264	,124	,000	,078	,018
POV	Pearson Correlation	,163	,175	-,507**	-,987**	,906**	-,967**
	Sig. (2-tailed)	,389	,373	,004	,000	,005	,000
GINI	Pearson Correlation	-,055	,011	-,756**	-,992**	,889**	-,976**
	Sig. (2-tailed)	,774	,954	,000	,000	,007	,000

Table 13: Bivariate relation between dependent and independent variable

		Liberal			Conservative		
		SOC.G	ECO.G	POL.G	SOC.G	ECO.G	POL.G
SOC.EX	Pearson Correlation	,244	-,828**	,702**	-,298	-,658**	-,071
	Sig. (2-tailed)	,178	,000	,000	,062	,000	,665
	N	32	32	32	40	40	40
POV	Pearson Correlation	,012	,597**	-,279	-,435*	-,777**	,348
	Sig. (2-tailed)	,956	,003	,197	,021	,000	,070
	N	23	23	23	28	28	28
GINI	Pearson Correlation	-,213	,681**	-,442*	,019	-,301	,346
	Sig. (2-tailed)	,330	,000	,035	,922	,119	,071
	N	23	23	23	28	28	28

Table 13 Continued

		Social Democratic			Mediterranean		
		SOC.G	ECO.G	POL.G	SOC.G	ECO.G	POL.G
SOC.EX	Pearson Correlation	-,040	,324	,711**	,086	-,075	,513*
	Sig. (2-tailed)	,823	,061	,000	,742	,774	,035
	N	34	34	34	17	17	17
POV	Pearson Correlation	-,750**	-,195	-,341	,010	,138	-,188
	Sig. (2-tailed)	,000	,438	,166	,962	,510	,369
	N	18	18	18	25	25	25
GINI	Pearson Correlation	-,503*	,224	-,219	-,364	-,361	,466*
	Sig. (2-tailed)	,033	,372	,384	,073	,076	,019
	N	18	18	18	25	25	25

Table 13 Continued

		Antipodean			Post-Communist		
		SOC.G	ECO.G	POL.G	SOC.G	ECO.G	POL.G
SOC.EX	Pearson Correlation	,778**	-,741**	,838**	,566	,077	,071
	Sig. (2-tailed)	,001	,002	,000	,112	,845	,855
	N	15	15	15	9	9	9
POV	Pearson Correlation	,557	-,685	,534	,754**	,354	,419*
	Sig. (2-tailed)	,329	,202	,354	,000	,055	,021
	N	5	5	5	30	30	30
GINI	Pearson Correlation	,509	-,528	,411	,610**	,471**	,248
	Sig. (2-tailed)	,381	,360	,492	,000	,009	,186
	N	5	5	5	30	30	30

Table 13 Continued

		Confucian		
		SOC.G	ECO.G	POL.G
SOC.EX	Pearson Correlation	,617[*]	-,521[*]	,655[**]
	Sig. (2-tailed)	,014	,046	,008
	N	15	15	15
POV	Pearson Correlation	,978[**]	-,969[**]	,058
	Sig. (2-tailed)	,000	,000	,902
	N	7	7	7
GINI	Pearson Correlation	,990[**]	-,979[**]	,037
	Sig. (2-tailed)	,000	,000	,937
	N	7	7	7

Figure 3: Development of economic globalization for different welfare state models

Figure 4: Development of political globalization for different welfare state models

Figure 5: Development of social expenditure for different welfare state models

Figure 6: Development of the GINI index for different welfare state models

Figure 7: Development of poverty for different welfare state models

Table 16: The relation between different globalizing forces and the Conservative welfare state model

Control Variables			SOC.G	ECO.G	POL.G
PENS & UNEM & GDP	SOC.EX	Correlation	,458	-,494	,644
		Significance (2-tailed)	,215	,176	,061
		df	7	7	7
	POV	Correlation	,744	-,908	,783
		Significance (2-tailed)	,022	,001	,012
		df	7	7	7
	GINI	Correlation	,672	-,887	,503
		Significance (2-tailed)	,047	,001	,167
		df	7	7	7

Table 17: The Relation Between Different Globalizing Forces and the Social Democratic Welfare State Model

Control Variables			SOC.G	ECO.G	POL.G
PENS & UNEM & GDP	SOC.EX	Correlation	,652	,209	,334
		Significance (2-tailed)	,548	,866	,783
		df	1	1	1
	POV	Correlation	-,959	-,707	-,793
		Significance (2-tailed)	,182	,500	,417
		df	1	1	1
	GINI	Correlation	-,726	-,308	-,430
		Significance (2-tailed)	,483	,800	,717
		df	1	1	1

Table 18: The relation between different globalizing forces and the Mediterranean welfare state model

Control Variables			SOC.G	ECO.G	POL.G
PENS & GDP	SOC.EX	Correlation	-,551	-,443	,489
		Significance (2-tailed)	,366	,455	,403
		df	3	3	3
	POV	Correlation	-,921	-,851	-,218
		Significance (2-tailed)	,026	,093	,725
		df	3	3	3
	GINI	Correlation	,316	,301	,881
		Significance (2-tailed)	,604	,622	,048
		df	3	3	3

Table 21: The partial correlation between different globalizing forces and the Post-Communist welfare state model

Control Variables			SOC.G	ECO.G	POL.G
PENS & GDP	SOC.EX	Correlation	,661	-,652	,441
		Significance (2-tailed)	,225	,233	,457
		df	3	3	3
	POV	Correlation	-,514	-,437	-,541
		Significance (2-tailed)	,376	,462	,346
		df	3	3	3
	GINI	Correlation	-,574	-,229	-,648
		Significance (2-tailed)	,312	,711	,237
		df	3	3	3

Table 22: The partial correlation analysis between different globalizing forces and the post-1990 Post-Communist model

Control Variables			SOC.G	ECO.G	POL.G
PENS & GDP	SOC.EX	Correlation	,661	-,652	,441
		Significance (2-tailed)	,225	,233	,457
		df	3	3	3
	POV	Correlation	-,514	-,437	-,541
		Significance (2-tailed)	,376	,462	,346
		df	3	3	3
	GINI	Correlation	-,574	-,229	-,648
		Significance (2-tailed)	,312	,711	,237
		df	3	3	3

Table 23: The partial correlation between different globalizing forces and the Confucian welfare state model

Control Variables			SOC.G	ECO.G	POL.G
PENS & UNEM & GDP	SOC.EX	Correlation	.	.	.
		Significance (2-tailed)	.	.	.
		df	0	0	0
	POV	Correlation	.	.	.
		Significance (2-tailed)	.	.	.
		df	0	0	0
	GINI	Correlation	.	.	.
		Significance (2-tailed)	.	.	.
		df	0	0	0

Table 25: Summary of the relation between different globalizing forces and different welfare state models

Welfare state model		Partial			Bivariate		
		SOC.G	ECO.G	POL.G	SOC.G	ECO.G	POL.G
Liberal	SOC.EX	,560	-,914**	,909*	,244	-,828**	,702**
	POV	-,598	,521	-,442	,012	,597**	-,279
	GINI	-,702-	,590	-,523	-,213	,681**	-,442*
Conservative	SOC.EX	,458	-,494	,644-	-,298-	-,658**	-,071
	POV	,744*	-,908**	,783*	-,435*	-,777**	,348-
	GINI	,672*	-,887**	,503	,019	-,301	,346-
Social Democratic	SOC.EX	,652	,209	,334	-,040	,324-	,711**
	POV	-,959	-,707	-,793	-,750**	-,195	-,341
	GINI	-,726	-,308	-,430	-,503*	,224	-,219
Mediterranean	SOC.EX	-,551	-,443	,489	,086	-,075	,513*
	POV	-,921*	-,851	-,218	,010	,138	-,188
	GINI	,316	,301	,881*	-,364-	-,361-	,466*
Antipodean[#]	SOC.EX	,347	-,536-	,172	,778**	-,741**	,838**
	POV				,557	-,685	,534
	GINI				,509	-,528	,411
Post-Communist	SOC.EX	,661	-,652	,441	,566	,077	,071
	POV	-,514	-,437	-,541	,754**	,354-	,419*
	GINI	-,574	-,229	-,648	,610**	,471**	,248
Confucian[#]	SOC.EX	,563-	,129	-,187	,617*	-,521*	,655**
	POV	-,324	,882	,544	,978**	-,969**	,058
	GINI	-,168	,872	,421	,990**	-,979**	,037

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
-. Correlation is very close to significant.
#. Correlation for which a combination of individual partial and bivariate correlations were used.

Table 26: Strength and direction of the correlation between different globalizing forces and different welfare state models

	SOC.G	ECO.G	POL.G
Liberal	-1.742	1.822	-0.704
Conservative	1.874	-2.289	1.930
Social Democratic	-0.979	-0.806	-0.889
Mediterranean	0.384	0.335	0.949
Antipodean[*]	0.347	-0.536	0.172
Post-Communist	-0.038	-1.861	0.658
Confucian	0.071	1.883	0.778

* Insufficient data (lacks 2 indicators)

Table 27: Partial correlation between globalization and the welfare state

Control Variables			GLOB
PENS & UNEM & GDP	SOC.EX	Correlation	,197
		Significance (2-tailed)	,206
		df	41
	POV	Correlation	,213
		Significance (2-tailed)	,170
		df	41
	GINI	Correlation	,271
		Significance (2-tailed)	,079
		df	41

Table 28: Relation between different globalizing forces and the welfare state

Control Variables			SOC.G	ECO.G	POL.G
PENS & UNEM & GDP	SOC.EX	Correlation	,484	-,192	,496
		Significance (2-tailed)	,001	,218	,001
		df	41	41	41
	POV	Correlation	,214	,166	,023
		Significance (2-tailed)	,169	,287	,884
		df	41	41	41
	GINI	Correlation	,153	,281	,027
		Significance (2-tailed)	,328	,068	,865
		df	41	41	41

Table 29: Relation between globalization and different welfare state models

			Liberal	Conservative	Social Democratic	Mediterranean	Antipodean	Post-Communist	Confucian
Globalization	SOC.EX	Correlation	,197	-,017	,350	-,217	-,051	-,421	,466
		Significance (2-tailed)	,206	,966	,772	,456	,875	,405	,127
		df	41	7	1	12	10	4	10
	POV	Correlation	,213	-,359	-,803	,150		-,496	,873
		Significance (2-tailed)	,170	,343	,406	,505		,012	,127
		df	41	7	1	20		23	2
	GINI	Correlation	,271	-,561	-,445	,532		-,509	,898
		Significance (2-tailed)	,079	,116	,707	,011		,009	,102
		df	41	7	1	20		23	2