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Policy convergence across welfare regimes: the case of disability policies

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Policy convergence across welfare regimes: the case of disability policies

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Abstract

Drawing on the analysis in MS9, this paper summarises the policy relevant lessons on what drives and hinders institutional change in services for people with disabilities in EU Member States, and offers some recommendations on how such changes may be facilitated. The focus is mainly on the implications of the reform capacity of various welfare regime types.

Contribution to the Project

This paper contributes to the project by identifying policy lessons for facilitating institutional change in response to globalisation. In particular, it will present recommendations for diversifying policy advice by welfare regime type in policies related to the labour market integration of disabled workers.

Keywords:

Challenges for welfare system, Good governance, Institutional reforms, Labour markets, Multi-level governance, Policy options, Political economy of policy reform, Social development, Social innovation, Welfare reform, Welfare state

Jel codes:

D78, H75, I38

Policy convergence across welfare regimes: the case of disability policies

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Abstract

Welfare regimes may differ considerably in their ability to respond to external shocks and Continental regimes are often assumed to have particularly weak reform capacity. However, some recent empirical evidence has challenged the supposed inability of the Continental regime to undertake employment friendly reforms. This paper contributes to the understanding of this recent phenomenon by examining policy change regarding the activation of people with disabilities. Drawing on a dataset developed by OECD (2003, 2010) and Scharle and Váradi (2013), the paper identifies policy relevant lessons on what drives and hinders institutional change in disability policies, and offers some recommendations on how such changes may be facilitated. The main finding is that regime types do converge in terms of overall policy direction but continue to differ in the particular choice of policy tools.

1. Introduction

In this paper, we try to shed new light on what determines the adoption of reforms in disability policy in OECD countries, with a special attention on the effects of regime type. The main contribution of the paper is first that it focuses on a policy area that has been subject to significant reforms but so far received less attention by scholars of welfare reform (a notable exception is Prinz and Tompson 2009). Second, we undertake a quantitative analysis of a relatively detailed description of policy measures and changes in time, which allows us to identify some more intricate effects

¹ The authors gratefully acknowledge generous help received from Christopher Prinz in interpreting the coding system used in this paper and providing us the detailed scores underlying the indicators published in OECD (2010). We are also indebted to him and Peter McGill for useful comments to an earlier version of this paper. All errors remain ours.

than earlier analyses based on highly aggregated indicators of welfare policy. At the same time, we can surpass the limited validity of comparative case studies of a few countries by examining patterns of policy change over 17 years in 21 countries.

The next two sections briefly review the existing literature on welfare regime types and their reform capacity and explain the relevance of disability policies for studying barriers to welfare reform. Section 4 describes the dataset used in our analysis. Sections 5 to 7 present findings on the variation in the evolution of disability policies across countries and welfare regime types, while the last section concludes with a summary and some policy recommendations.

2. Welfare regime types and their reform capacity

There is no consensus in the vast and growing literature on welfare regime typologies over the dimensions or the exact grouping of welfare states. The categorisation of Southern European countries (Ferrera 1996, Gal 2010, Ferragina and Seeleib-Kaiser 2011, Powell and Barrientos 2011, Minas et al. 2014) and more recently, of Eastern European post-socialist welfare states have been particularly contested (e.g. Maydell et al. 2006, Cerami 2006, Fenger 2007, Inglot 2008, Stambolieva, 2011). The debate about „missing“ types received new impetus with the enlargement of the EU, especially with the accession of Central and Eastern European countries in 2004 and 2007. However, most studies agree on the claim that, beyond individual institutions and actors, regime type affects policy change.²

Esping-Andersen's (1990) welfare state categories have been used by several studies to explain cross-country variation in welfare policy (Palier 2010), employment policy (Häusermann and Palier 2008) or early retirement arrangements (Ebbinghaus 2006).

² Many have challenged the three types (Conservative-Corporatist, Liberal, and Social-Democratic) proposed by Esping-Andersen (1990) based on the main producer of welfare. For example, Bonoli (1997) argued for a two dimensional system that would consider the level of welfare spending and the main financing mechanism (insurance as opposed to taxation). However, Fenger (2007) notes that most critiques of the Esping-Andersen-typology arrive at a similar outcome, even if they started off from another direction.

Closest to our work, Prinz and Tompson (2009) considers regime type as an important factor that may explain slower reforms in disability policy in some countries as opposed to faster development in others.

Pierson (2001) argues that the agenda of each regime is dominated by a particular type of welfare and labour market reform: in Liberal regimes, reform is based on re-commodification;³ in Social Democratic regimes, it is based on cost-containment; while in Continental regimes, reform is based on the adjustment of social programmes to new risks and needs (recalibration). Häusermann and Palier (2008) review the features of the three regime types (using Esping-Andersen's typology) that may determine their capacity to introduce activation reforms, which by and large applies to our approach to recent trends in disability policies as well. Importantly, they distinguish two sources of the influence of regime types: first, the fact that the same external shock may have different impacts on the economy depending on the existing structure of institutions (c.f. Huber et al., 1999; Kitschelt et al., 1999; Scharpf and Schmidt, 2000; Pierson, 2001) and second, that the features of a given regime may hinder or support the government in making the necessary steps in response to a shock (Ferrera 2003, Hemerijck 2011).

The Continental regime is often assumed to have a marked disadvantage in introducing employment-friendly welfare reforms. First, the external shock of globalisation and the changing nature of labour markets proved more of a challenge to their insurance based welfare institutions than to either the Liberal or the Social-Democratic regime (Scharpf and Schmidt, 2000). Continental welfare states have tended to give priority to wage equality and budgetary stability over full employment, which resulted in low employment levels compared to Nordic or Liberal states. Further, social security being mostly provided through insurance schemes, low labour market participation will undermine the stability of the welfare system

³ De-commodification is about placing something outside market transactions, or more broadly, 'the extent to which individuals and families can maintain a normal and socially acceptable standard of living regardless of their market performance' (Esping-Andersen 1987: 86).

(Häusermann and Palier 2008). At the same time, declining employment, increased labour market volatility and fragmented work histories lead to a decline in the coverage of insurance based benefits (especially for new risk groups, such as the atypically employed, young families, single mothers, etc.) and increase income inequality. Being dominated by cash transfers (as opposed to services), the Continental system does not lend itself easily to the introduction of activation measures, and the early response of Continental states to use early retirement and disability pensions to reduce labour supply only intensified this problem (Esping-Andersen 1996).

Second, some distinctive features of the Continental regime, such as the strength of unions (organised by branch of industry rather than occupation), have made it particularly difficult to introduce activation measures. This is in line with the earlier argument of Esping-Andersen (1996: 2), that, being based on contribution financing, Continental welfare states are “frozen” institutional regimes as their insurance systems create liabilities and vested interests, which makes major change risky and highly unlikely from both an electoral and an institutionalist perspective (Pierson 1996, 2001). Insurance systems contribute to preserving the status quo by reinforcing the influence of the beneficiaries of existing schemes (Bonoli and Palier, 2000; Pierson, 2001). Similarly, Ebbinghaus and Hassel (2000) argue that although Bismarckian self-administration may allow the social partners to play an important role in implementing welfare reforms, they are likely to create obstacles as they defend their vested interests and block changes in the status quo. Even when open to negotiating reforms, the social partners may pursue narrow self-interests and externalise the costs of their actions onto outsiders or the general public. Unilateral government action without the social partners’ consent often meets resistance, potentially leading to large-scale mobilization against reforms. Trade unions have indeed remained important political and social actors in most Continental European countries, and potentially responsible for blocking systemic adjustments (Scarborough 2000). In addition, activation and employment-friendly policies often target outsiders and new

risk groups, which are particularly marginalized in Continental welfare states (Clegg 2007).

Despite the strong arguments for inertia, there is mounting evidence since the end of the 1990s of significant and at times successful government efforts to reform Continental welfare regimes (see, for example, Palier 2002; Bleses and Seeleib-Kaiser 2004; Clasen 2005; Streeck and Thelen 2005; Palier and Martin 2007, Palier 2010, Dingeldey 2011, Hemerijck 2012). Beside tightening access and reducing the generosity of pensions and unemployment benefits (Schludi, 2005; Clasen and Clegg, 2006, Clasen and Clegg 2011), most Continental welfare states have introduced or strengthened active labour market programmes, flexicurity for atypical workers and day care services for children or the elderly to support working women (Hemerijck et al. 2000; Rhodes 2001; Gornick and Meyers 2003; Bleses and Seeleib-Kaiser 2004; Leitner et al. 2004; Clasen 2005, Hemerijck and Eichhorst 2010; Clasen and Clegg 2011).

Explanations for this unexpected "reformability" may range from the sheer size of the problem caused by changing labour markets, to the ideational leadership of governments (Kitschelt and Streeck, 2003; Stiller, 2007), pressure from the EU (Ferrera and Gualmini, 2000) or internal structural changes within welfare politics. For example, Häusermann (2007) documents important changes in the traditional coalitions of actors, and splits within labour unions and political parties with regard to insider/outsider status, skill levels and welfare preferences. Outsiders, lobbying for an expansion of active labour market policies may join forces with employers (and politicians) who want to reduce employment protection (Rhodes 2001). The patterns of the new conflict structures and especially the role of unions is, however, not yet fully documented and understood (cf. Häusermann and Palier 2008 or Jensen 2011).

Tax-financed Liberal regimes may not face such strong structural impediments to reform but have been found to lag behind Social-Democratic regimes until the mid-1990s. Pierson (2001) shows that right-wing governments in the US and the UK had been unable to implement radical retrenchment even in the favourable political

conditions of economic crisis, strong voter support and weak unions. The emergence of the 'third way' policies⁴ of New Labour in the UK however has transformed the scene, making the UK an example of employment-friendly welfare reforms.

By contrast, the existing welfare regime literature expected Social Democratic (Nordic) regimes to have little difficulty in responding to the globalisation challenge. Except for the transitory shock of the macroeconomic (and in some cases fiscal) crisis of the early 1990s, Social Democratic regimes saw little need for reform as they already had a system that ensured high employment by elaborate activation policies (and also by a large public sector) and proved sufficiently flexible to cater for the new risk groups as well. The high level of activation has also ensured the sustainability of an extensive tax-financed welfare system (Häusermann and Palier 2008).

3. The relevance of disability policy for studying regime-specific reform capacity

Disability policy constitutes an under-studied, yet important area of welfare reform, given the growing number of people on disability benefit (outnumbering the unemployed in most countries) and the risk of social exclusion that tends to be deeper and more permanent than in the case of the unemployed. It is also a policy area fraught with the difficulty of designing complex measures and implementing them in a context of a varied set of (and often strongly opposing) stake-holders. The adequate response to a rise in disability claims includes preventive measures, financial and administrative incentives (e.g. replacement rate and entitlement conditions of sickness and disability benefits) to curtail access to benefits as well as rehabilitation services to help labour market reintegration. These elements are intended to increase labour supply incentives while maintaining incomes, and may be supplemented by further measures to increase labour demand, reduce employer discrimination and encourage preventive investments (OECD 2010).

⁴ The core idea is that the state should enable citizens to care for themselves, rather than caring for them, which implies heavy public investment in services that support labour market reintegration (Lister 2004).

The success of this policy mix requires not only the correct calculation of monetary incentives and the careful design of screening procedures, behavioural conditions and services, but also the proper implementation of these. In most welfare regimes this is the more difficult part as it usually implies a change in the attitudes of the staff in welfare institutions delivering the provisions (Prinz and Tompson 2009).

While most of these features also characterise unemployment policies, disability issues also have a strong human rights dimension, which creates potential for building a pro-reform alliance by engaging the general public as well as the growing NGO sector that promotes equal rights and social integration and may also lobby for the expansion of funding for their services.⁵

4. Dataset of disability policies

The analysis is based on a detailed dataset that documents changes in disability policies in 21 OECD countries between 1990 and 2013. The core of the data comes from two earlier OECD studies that described disability policies in 28 OECD countries in 2007, and policy developments between 1990 and 2007 in a subsample of 23 countries (OECD 2003, 2010).⁶ Using the same methodology, we extended this core dataset to cover the post crisis years for three Nordic countries (Finland, Norway and Sweden) and four post-socialist member states of the European Union (the Czech Republic, Hungary, Poland, Slovakia, and Slovenia). For the latter, we also collected the data for 1990-2006, which had not been included in the original OECD dataset (except for Poland). In a few cases we made minor corrections to the original scoring

⁵ Though we do not exploit it in this paper, studying the variety of stakeholders and allies shaping disability policies has the potential of contributing to the current debate over the importance of newly emerging cleavages and coalitions that could make passing reforms easier.

⁶ These include the EU-15 (except Greece), Poland, Norway, Switzerland, as well as Australia, Canada, Korea, Mexico, New Zealand, and the USA.

by the OECD. The scores for the main composite indicators are presented in Appendix A.⁷

The ensuing analysis is based on data for the countries where we had information for at least the years between 1990 and 2007, excluding Korea, Mexico, Canada and the USA that all belong to the same subtype within the Liberal regime. This leaves us with 21 countries including the EU-15 (except France, Italy and Greece), the Visegrad 4, Slovenia, Norway, Switzerland, as well as Australia and New Zealand.

For each country and year, the dataset includes ten indicators that each describe a particular aspect of monetary compensation available to people with disabilities, such as benefit coverage, conditions of access and monitoring. It also includes ten indicators that describe integration measures, such as quota systems, the availability and comprehensiveness of vocational rehabilitation or employment incentives in the benefit system. Each indicator is measured on a scale of 0 to 5. For compensation indicators, 5 denotes the most generous and least employment friendly, while for integration indicators, it denotes the most developed and comprehensive measures. To ease interpretation, in the regression analysis we rescale compensation scores so that for both indicators (and their subindicators) an increase in value signifies movement towards more employment friendly policies. Appendix A1 includes a detailed description of the indicators and the scores for the 21 countries.

To describe the welfare system of these countries, we use a typology proposed by the OECD, based on a detailed analysis of disability policies as observed in 2007 (OECD 2010). It is important to stress that this typology may not apply to the overall welfare system of any given country and may also change in time.⁸ The categories are

⁷ The scoring primarily reflect legal provisions, in some cases also taking account of actual practice. The OECD scoring exercise relied on a survey and consultations with local experts. Our scores are based on desk-stop research of on-line sources (mainly national legislation), which was checked for reliability by local experts (Scharle and Váradi 2013, 2015). The detailed scores on the sub indicators are available from the authors upon request.

⁸ In his original typology, Esping-Andersen (1990) sorted Switzerland into the Liberal group and Germany into the Corporatist (Christian Democratic) regime, and left out Ireland, New Zealand and the United Kingdom as not clearly classifiable. Some alternative typologies however (notably

summarised in Table 1 below. We restrict the analysis to subtypes that include European countries, and therefore exclude the subtype Liberal B.

Table 1. Regime-types and sub-types based on disability policies in 2007

Corporatist (Continental)	Social-democratic	Liberal
A) Austria, Belgium, Hungary	A) Denmark, Netherlands, Switzerland	A) Australia, New Zealand, United Kingdom
B) France, Greece, Luxembourg, Poland	B) Finland, Sweden, Norway, Germany	B) Canada, Japan, Korea, United States
C) Czech and Slovak Republic, Slovenia,* Ireland, Italy, Portugal, Spain		

Source: OECD (2010: 88). Note: *Slovenia was not included in the OECD study, but was added on the basis of comparing their policies in 2007 along the same dimensions as in the original clustering exercise.

5. Regime types converge on disability policies

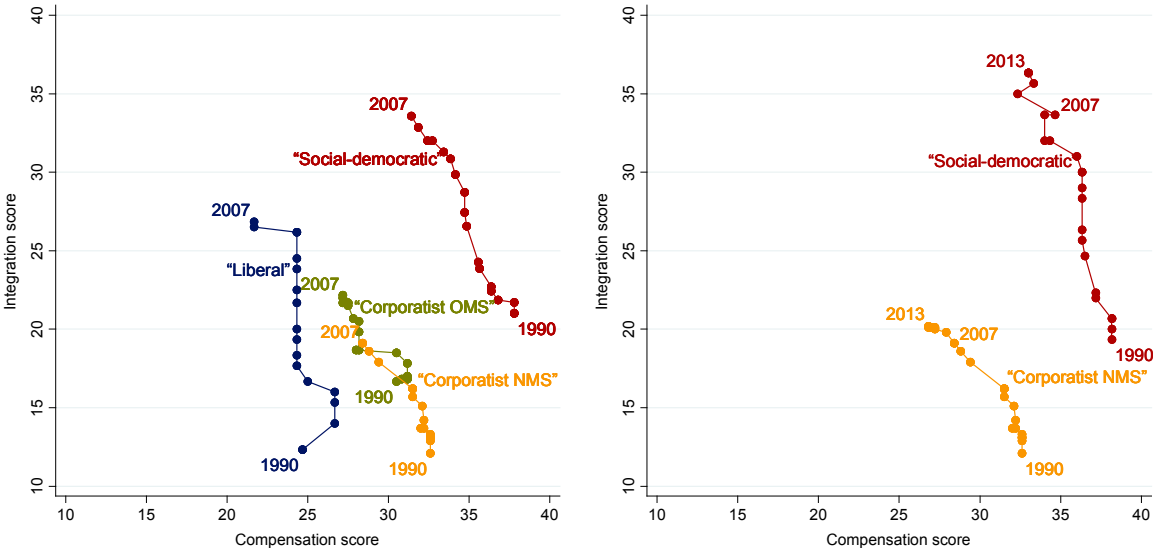
Our first goal was to revisit the claim in OECD (2010) that there was a uniform trend across welfare regime types in OECD countries in disability policies towards less generous compensation and more support for labour market integration between 1990 and 2007. We sought to test the robustness of this finding in two directions: first, to check if it holds for the post-socialist New Member States of the EU, and, second, if it holds for the years following the financial crisis of 2008-2009 as well. Figure 1 below presents the evolution of disability policies in the three main regime types defined above. The left panel covers the years between 1990 and 2007, where data for the Liberal and the Social Democratic regimes are the same as presented by OECD (2010), while the Corporatist regime includes four additional countries: the Czech Republic, Hungary, Slovakia, and Slovenia. The right panel covers only the

Kautto 2002 that considers service provision as well as cash transfers) also group Germany together with the Nordic countries and Ireland with Southern countries.

eight countries that we have data for the post-crisis period as well: these include three Nordic countries and the Visegrad 5, that all belong to the Corporatist regime. Plotting overall scores in the two main dimensions of compensation (horizontal) and integration (vertical axis) policies, progress towards employment friendly policies is measured as movement towards the top left corner of the figure.

The left panel confirms that, despite their somewhat different institutional past and weaker reform capacities, the post-socialist states follow a similar pattern of policy development as other mature welfare systems belonging to the same regime type.⁹

Figure 1 Development of disability policy by regime type for 1990-2007 and 1990-2013



Source: Authors' calculations based on data described in Section 4. OMS=Old EU Member States, NMS=post- socialist New Member States (Visegrad 4 and Slovenia).

The right panel suggests that the crisis may have put some pressure on governments to slow down or temporarily reverse reforms in compensation policies (as reflected by the slight rightward move in the Nordic countries), but this seems a small diversion from the overall trend of progress.

⁹ Scharle and Váradi (2015) show that this holds for each country, not only for their average performance. See also country level data presented in Table A2a. in the Appendix.

6. Some patterns and drivers apply to all regimes

Our second goal was to identify drivers of change in disability policy as measured by year-on-year movement in the two composite indicator scores, one for compensation policy (x) and one for integration policy (y). We ask the following questions:

1. Is there a *plateau* effect? Does it get harder to implement further reforms once a certain level is achieved?
2. Are there general trends in the intensity of policy change that can be explained by different time-spans, especially by the global crisis of 2008-2009 that had a general effect on welfare spending?
3. Do the conditions of EU-accession have a separable effect?
4. Does the policy window that opens up after elections explain any of the change?
5. Is there a pattern as to whether governments supported by leftist or rightist political parties were in power at the time of the change?
6. And lastly, after controlling for a host of other features, do welfare regime types retain any explanatory power?

The answers are presented in Table 2, which shows the results of a logistic regression of the discrete variable of whether there was a positive change over the previous year in the value of the individual disability policy score for a given country in a given year.¹⁰ We exclude observations where the score is at the maximum.¹¹ We examine changes on the full pooled sample and in the two policy categories separately: compensation (x) and integration (y), splitting the latter into two sub-categories. The two subcategories of integration measures are created on the basis of their fiscal consequences: the first group includes policies that are likely to incur significant public expenditure while the

¹⁰ As already noted above, we reversed the scaling of compensation scores so that for both indicators (and their subindicators) an increase in value signifies improvement, i.e. movement towards employment friendly policies. In the regression analysis we ignored the few instances where we recorded a decrease in the score attained in a particular policy area.

¹¹ There are 69 such observations for compensation and 257 (of which 147 are observed in Denmark, Norway or Sweden) for integration measures.

second includes those that are not costly for the government or may even generate savings.¹²

The independent variables (all defined as indicator variables or dummies) include the score for the year preceding the policy change; the period of the global downturn of 2008-2009 and for the four-year periods before and one after that; the year of EU-accession (if within the sample period); dummies for one and two years after the EU-accession; the policy window following general elections; the ideological orientation of the largest party supporting the government (taken from the DPI database) and regime-type.¹³

The results presented in Table 2 are based on regressions on the total sample, in which data for the post-crisis years are only available for eight countries. To check the robustness of these results, we ran the same regressions on two restricted samples: one that contained only the eight countries we had data for all the years and one that contained only the years up to 2007. The results for these estimates are presented in Appendix B.

The results are mostly in line with earlier research using more aggregated measures of welfare change. First, we find some evidence of a *plateau* effect: the likelihood of policy change drops significantly above score 2, in both compensation and integration policies, and is especially low at score 4. Costly integration measures seem particularly difficult to develop. This suggests that successive improvements in a particular policy area might yield a decreasing (perceived) marginal payoff and/or an increasing marginal political cost.

¹² There are five (y4-8) sub-indicators that relate to expensive policies and five (y1-3, y9, y10) that cost little or may even generate savings.

¹³ The original data included a few missing values, which we recoded as follows: Cz in 1991-92: Centre, in 2007-2012: Right-wing; Sk in 1991-92 and 1999-2002: Centre, in 2003-2006: Right-wing; Pl in 2008-12: Right-wing; Ch in 2004-12: Right-wing.

Table 2. Determinants of disability policy change (* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$; st. errors in brackets)

	Both XsYs	X	Ya (costly)	Yb
Indicator score (reference category: 0 point)				
t-1 = 1 point	0.108 (0.193)	-0.052 (0.295)	-0.427 (0.386)	0.909 (0.437)**
t-1 = 2 point	-0.255 (0.191)	-0.771 (0.345)**	-1.046 (0.352)***	0.285 (0.412)
t-1 = 3 point	-0.922 (0.248)***	-0.913 (0.386)**	-2.176 (0.547)***	-0.628 (0.507)
t-1 = 4 point	-1.165 (0.297)***	-1.578 (0.572)***	-3.259 (0.822)***	-0.389 (0.506)
Period (reference category: 1995-99)				
1990-94	-0.834 (0.255)***	-1.993 (0.543)***	-0.814 (0.455)*	-0.301 (0.413)
2000-03	-0.056 (0.201)	-0.573 (0.378)	0.127 (0.350)	0.421 (0.354)
2004-07	0.116 (0.179)	-0.110 (0.294)	0.119 (0.364)	0.680 (0.370)*
2008-09	1.003 (0.289)***	1.065 (0.449)**	1.501 (0.543)***	0.844 (0.692)
2010-13	-0.667 (0.483)	-0.262 (0.655)	-0.925 (1.082)	-0.662 (1.055)
1st year of EU membership	1.322 (0.288)***	2.287 (0.403)***	0.060 (0.754)	1.155 (0.598)*
2nd year of EU membership	1.361 (0.319)***	1.614 (0.612)***	2.059 (0.506)***	
3rd year of EU membership	0.203 (0.476)	1.050 (0.654)	-0.656 (1.032)	-0.193 (1.041)
Election Cycle (reference category: election year)				
1 year after the election	-0.298 (0.194)	-0.072 (0.386)	-0.503 (0.311)	-0.394 (0.350)
2 years after the election	0.069 (0.177)	0.879 (0.316)***	-0.554 (0.337)	-0.253 (0.328)
3 or 4 years after the election	-0.148 (0.205)	0.609 (0.368)*	-1.338 (0.470)***	0.025 (0.335)
Largest Government Party Orientation (reference category: Left-wing)				
Centre	-0.069 (0.169)	0.994 (0.295)***	-0.657 (0.350)*	-0.611 (0.300)**
Right-wing	0.310 (0.205)	0.934 (0.350)***	0.137 (0.383)	-0.075 (0.402)
Welfare regime (reference category : Social-democratic A model (CH, DK, NL))				
Social-dem. B (DE, FI, NO, SE)	-0.607 (0.237)**	-1.329 (0.435)***	0.270 (0.462)	-0.310 (0.407)
Liberal A (AU, GB, NZ)	-0.288 (0.243)	-0.714 (0.461)	-1.229 (0.533)**	0.352 (0.382)

Corporatist A (AT, BE, HU)	-0.886 (0.262)***	-0.999 (0.421)**	-0.022 (0.460)	-2.281 (0.793)***
Corporatist B (FR, LU, PL)	-0.698 (0.272)**	-0.616 (0.428)	-0.860 (0.585)	-1.175 (0.548)**
Corporatist C (CZ, ES, IE, PT, SK, SI)	-1.250 (0.223)***	-1.579 (0.387)***	-1.319 (0.421)***	-1.238 (0.402)***
Constant	-2.479 (0.286)***	-3.317 (0.472)***	-1.135 (0.525)**	-2.612 (0.552)***
<i>N</i>	7,635	3,903	1,878	1,815

The effect of the crisis years is positive: reforms were more likely to occur in 2008 and 2009 than in the reference period of 1995-1999 or in any other period in the sample. The effect is particularly large in the case of compensation policy. This seems to suggest that a crisis situation may in some cases generate support for much needed and long overdue reforms, considering that changes in compensation policy would typically require welfare cuts and thus entail significant electoral risks for any incumbent government (Pierson, 1996; Allan and Scruggs, 2004; Buti, Turrini, Van den Noord and Biroli, 2010, Galasso 2014).

Earlier analyses of EU transposition have tended to find significant lags for the EU-15 (Mastenbroek, 2003; Kaeding, 2008; Börzel et al., 2010) in contrast to strong positive effects in post-socialist new Member States (e.g. Schimmelfennig and Sedelmeier 2004, Sedelmeier 2008). In particular, an in-depth case study of Scharle and Váradi (2015) found that the recommendations and requirements before EU accession had a powerful effect upon disability policy change in several of the Visegrad countries. This insight is borne out by our numbers: the accession year dummy has a highly significant positive effect on compensation policy change and a positive but less significant effect on integration policy change. This seems to call in question the hypothesis in Prinz and Tompson (2009) that “hard” mechanisms of policy transfer, like conditionality “...are not relevant to the evolution of sickness-disability in the OECD”(p. 43).

Contrary to our expectation based on the public policy literature (e.g. Howlett et al 2009, Parsons 2001) we find no convincing support for the effects of a political cycle

on disability policy change. Three coefficients out of nine are significant at all, and only two at a 1%-level, suggesting that compensation policy is more likely to be tightened two years after elections than in an election year while costly integration policy measures are most likely to be taken in election years. Though it is tempting to build explanations on this observation (e.g. the presence of a lengthy policy formulation and consultation process that takes two years to bear fruit), given the lack of significance for the other coefficients, we would be wary of making too much of this.

Leftist governments have been shown to be less prone to undertaking welfare retrenchment reforms (c.f. Schmidt, 2010 or Jensen and Seeberg 2014), and this is likely to apply to the tightening of compensation policies as well. Indeed we find that governments led by a left-leaning government are significantly less likely to undertake reforms that curb access or reduce the generosity of cash benefits for people with disabilities. A somewhat puzzling result is that centrist governments are less likely to promote reforms for labour market integration. Further, we see no indication that left-wing political parties would have less interest in promoting ALMPs, as argued by Rueda (2007).¹⁴

Last, we turn to whether, controlling for all of the explanatory variables above, we can still trace an effect of the regime types upon policy change patterns. Concentrating on the pooled model (column 1), we can observe that the baseline "Social-Democratic A" type is significantly (at 1%) more likely to undertake policy change than either the "Corporatist A" or the "Corporatist C" regime, and, albeit at a significance level of only 5%, it can also be told apart from the "Social-Democratic B" and "Corporatist B" group of countries. The only non-significant dummy is the one for the three Liberal countries. This finding lends support to the old argument that Corporatist regimes are indeed slower to adjust to external shocks. However, when considering compensation and integration policies separately, we find that some

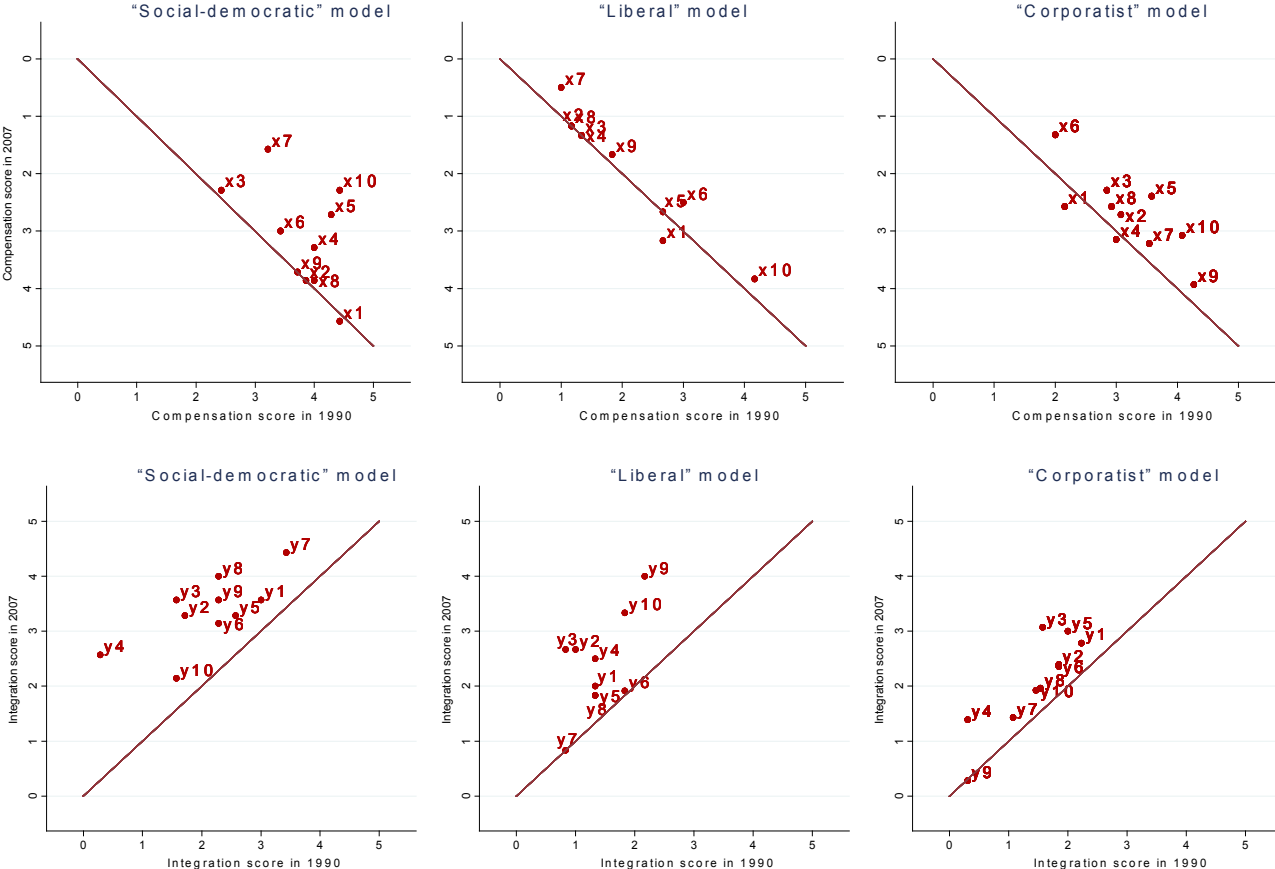
¹⁴ The argument is that left-wing parties increasingly see their electoral core as labour market insiders, not the outsiders that allegedly most benefit from ALMP programmes.

Corporatist regimes may outperform Liberal ones. In particular, the Corporatist Group A and B are more likely to invest in costly integration measures than the three Liberal countries in our sample.

7. Some patterns in the choice of policy tools are regime specific

In this section we explore patterns in the particular tools that countries choose when adjusting the provision of monetary compensation and in promoting the labour market integration of disabled workers. We expect to be able to detect some degree of path dependence of regime types at this level of analysis, more than we found when considering the overall direction of policy change in the previous two sections. First, we consider the three main regime types and compare changes between 1990 and 2007 in ten sub-areas of compensation and integration policy respectively. The data are presented in Figure 2 below.

Figure 2. Change in compensation score and integration policies by main regime type, 1990 to 2007



The figures plot the initial score observed in 1990 against the score achieved by 2007 in each policy area, which are numbered from x1 to x10 for compensation measures and y1 to y10 for integration measures. The original scale of the OECD indicator system is reversed for compensation policies, to simplify the interpretation of the figures. Thus, for both compensation and integration policies, points on the 45% line correspond to no change, and points above the 45 % line signal progress in the sense that policies converged towards employment friendly policies recommended by the OECD. For example, the point marked x6 in the top right corner of the figure signals a move of the average score of around 2 to just over 1 between 1990 and 2007 in the Corporatist group of countries. In our coding system this means a cautious tightening of medical assessment criteria, whereby the role of evaluating disability pension claims is transferred from a single insurance doctor to a team of experts.

The data in Figure 2 indicate some improvement in both compensation and integration policies in all regimes, but with considerable variation in the magnitude and pattern of change. Countries within the Social-Democratic regime¹⁵ appear to have made most progress in both dimensions (despite their already advanced initial position), Corporatist regimes tended to make more changes in compensation as opposed to integration policies, while Liberal regimes focused more on integration, given that their compensation policies had been already rather parsimonious in 1990.

As a next step, we compared change in the subscores across the more detailed categorisation of welfare regimes proposed by the OECD (2010) study, as outlined in Table 1 above. The outcomes are presented in Appendix C. This exercise has yielded two main findings. First, it showed that there is relatively little deviation in the specific measures from the overall character of compensation and integration policies. Conservative and Social Democratic regimes are relatively more generous in most aspects of benefit provision than Liberal regimes, while Social Democratic regimes are more advanced in most aspects of integration policy compared to the other two

¹⁵ The largest advances are observed in the Netherlands in both dimensions, while Denmark and Switzerland come second in compensation policies and Finland and Norway in integration policies.

regime types. Second, beside a few universally applied measures, there are some distinct patterns in the particular measures that countries used to advance compensation and integration policies.

In compensation policies, we identified one measure, the tightening of sickness absence monitoring (x10) that was applied in all regime types. Another measure, limiting the permanence of benefit payments (x5) was also used in most regime types, except for the Liberal ones, that already had a strict policy in place in 1990. The wide spread use of these two measures may be explained by the fact that both can be easily introduced without harming those already receiving some benefit, and can be justified as necessary for targeting help to those in genuine need, while reducing fraud in the system.

As for integration policies, two measures were applied universally across all regimes types: employer obligations (e.g. regarding sick employees or the hiring of disabled workers, y3) and the expansion of personalised rehabilitation services (y4). Fragmented institutions of benefit administration and service provision (y2) were to some extent integrated (as a means to supporting activation) in all regime types except for the Corporatist A subgroup including Austria, Belgium and Hungary, where the initial position was already relatively favourable (though not yet close to full integration). Lastly, the timing of vocational rehabilitation (y8) was brought forward in most regimes (except in the Corporatist group C that includes most Eastern and Southern European states), to ensure early action and prevent a permanent withdrawal from the labour market.

Otherwise regime types tend to diverge in most aspects of policy. Social Democratic regimes (both subgroups) tightened vocational assessment criteria for disability pensions (x7) and linked the early timing of rehabilitation with making it compulsory and widely available (ensured by adequate funding and investment in service capacities). Liberal regimes (including Australia, New Zealand and the UK) made few changes in compensation as initial rules were already rather stringent. All these

changes aimed at further targeting and limiting access to disability benefits by the tightening of medical assessment (x6) and vocational assessment criteria (x7) as well as of sickness absence monitoring (already mentioned above). As opposed to Social Democratic countries, integration policies in the Liberal regimes focused on reducing inconsistencies in the coverage of disability programmes (y1), and monetary incentives to increase the labour supply of benefit recipients (by allowing clients to suspend benefit receipt for several months, y9; or to earn an income above their pre-disability level without losing their benefit, y10).

The sub-groups within the Corporatist type seem to vary considerably in their reform capacity, though less in the particular measures that they apply. While Group A (Austria, Belgium and Hungary) hardly changed their compensation systems until 2007, the other two subgroups tightened access to full benefits by increasing the disability threshold (x3) and introduced stricter procedures in medical assessment (x6). Reforms were especially bold in Group B (including Greece, France, Luxembourg and Poland). In their integration policies, Corporatist regimes seem to lag behind both Social Democratic and Liberal states. They relied on fewer measures and with more caution. Apart from efforts to reduce inconsistencies in the coverage of disability programmes (y1), they also relied on wage subsidies to employers in the open labour market (y5).

The differences across regime types and sub-types seem to point to some path dependence and regime-specific factors shaping reforms in disability policies. The strong focus on making rehabilitation compulsory while further investing in personalised reintegration services builds on the long tradition of publicly supplied welfare services and activation in the Social Democratic regimes. The further tightening of benefit access combined with labour supply incentives for benefit recipients, with much less reliance on incentives for employers is consistent with a tradition of market-friendly interventions and low (or non-existent) minimum wages of Liberal regimes. By contrast, the popularity of wage subsidies in Corporatist regimes may reflect the need to win the support of employers in a system where

social partners have a strong influence on government policy and where high minimum wages and labour taxation increases the risk of hiring potentially low-productivity disabled workers.

8. Summary and recommendations

We have shown first that the convergence in disability policy identified by an earlier OECD study applies to some of the New Member States as well and that the recent crisis may have slowed but did not reverse this trend. Second, we identified some universal factors that drive reforms in disability policy, while regime type also plays some role. In particular, we show that the existing institutional and political context of welfare regimes influences the choice of measures they apply to steer their systems towards a more employment friendly structure.

A number of policy lessons can be drawn. First, we find that achieving change gets increasingly difficult in both compensation and integration policies, but this applies especially to costly integration measures. To the extent that this is explained by uncertainty about the long term benefits of such measures, cost-benefit analyses may help reduce this constraint. As was the case with the recent expansion of childcare services (e.g. in the UK, see Turgeon 2010), by quantifying long term gains, empirical research can help generate support among political constituencies otherwise not in favour of welfare state expansion.

Second, we found Corporatist countries to lag behind in reforming integration policies, but with considerable within-group variation. The dataset documenting policy changes in detailed sub-indicators can be used to identify opportunities for policy learning and transfer within regime types that share a common institutional framework. For example, the Austrian and Belgian examples may inspire other Corporatist countries in developing those integration measures that require considerable public investment. There are similar opportunities for mutual learning within subgroups of the Corporatist family. For example, Slovenia and the Czech

Republic may both benefit from exchanging their experiences of promoting timely and comprehensive vocational rehabilitation (which seems more advanced in Slovenia) and of improving work incentives for disability benefit recipients (where the Czech Republic has taken lead).

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Appendix A

Table A1.a. Coding for the OECD indicator of legislation on disability policies: compensation

<i>DIMENSION</i>	<i>5 points</i>	<i>4 points</i>	<i>3 points</i>	<i>2 points</i>	<i>1 point</i>	<i>0 points</i>
X. Compensation						
X1. Population coverage	Total population (residents)	Some of those out of the labour force (e.g. congenital)	Labour force plus means-tested non-contrib. scheme	Labour force with voluntary self-insurance	Labour force	Employees
X2. Minimum required disability or work incapacity level	0-25%	26-40%	41-55%	56-70%	71-85%	86-100%
X3. Disability or work incapacity level for full benefit	< 50%	50-61%	62-73%	74-85%	86-99%	100%
X4. Maximum disability benefit payment level	RR > = 75%, reasonable minimum	RR > = 75%, minimum not specified	75 > RR > = 50%, reasonable minimum	75 > RR > = 50%, minimum not specified	RR < 50%, reasonable minimum	RR < 50%, minimum not specified
X5. Permanence of benefit payments	Strictly permanent	De facto permanent	Self-reported review only	Regulated review procedure	Strictly temporary, Unless fully (= 100%) disabled	Strictly temporary In all cases
X6. Medical assessment criteria	Treating doctor exclusively	Treating doctor predominantly	Insurance doctor predominantly	Insurance doctor exclusively	Team of experts in the insurance	Insurance team and two-step procedure
X7. Vocational assessment criteria	Strict own or usual occupation assessment	Reference is made to one's previous earnings	Own-occupation assessment for partial benefits	Current labour market conditions are taken into account	All jobs available taken into account leniently applied	All jobs available Taken into account, strictly applied
X8. Sickness benefit payment level	RR = 100% also for long-term sickness absence	RR = 100% (short-term) > = 75% (long-term) Sickness absence	RR > = 75% (short-term) > = 50% (long-term) sickness absence	75 > RR > = 50% for any type of sickness absence	RR > = 50% (short-term) < 50% (long-term) sickness absence	RR < 50% also for short-term Sickness absence
X9. Sickness benefit payment duration	One year or more, short or no wage payment period	One year or more, significant wage payment period	Six-twelve months, short or no wage payment period	Six-twelve months, significant wage payment period	Less than six months, short or no wage payment period	Less than six months, significant wage payment period
X10. Sickness absence monitoring	Lenient sickness certificate requirements	Sickness certificate and occupational health service with risk prevention	Frequent sickness certificates	Strict follow-up steps with early intervention and risk profiling, but no sanctions	Strict controls of Sickness certificate with own assessment of illness if necessary	Strict follow-up steps with early intervention and risk profiling, including sanctions

Note:RR = replacement rate.

**Table A1.b Coding of the OECD indicator of legislation on disability policies:
integration**

<i>DIMENSION</i>	<i>5 points</i>	<i>4 points</i>	<i>3 points</i>	<i>2 points</i>	<i>1 point</i>	<i>0 points</i>
Y. Integration						
Y1. Consistency across supports In coverage rules	All programmes accessible	Minor discrepancy, flexible mixture	Minor discrepancy, restricted mixture	Major discrepancy, flexible mixture	Major discrepancy, restricted mixture	Strong differences ineligibility
Y2. Complexity of the benefits and supports systems	Same agency for assessment for all programmes	One agency for integration, benefits coordinated	Same agency for benefits and vocational rehabilitation	One agency for integration, benefits not coordinated	Different agencies for most programmes	Different agencies for all kinds of assessments
Y3. Employer obligations for their Employees and new hires	Major obligations towards employees and new applicants	Major obligations towards employees, less for applicants	Some obligations towards employees and new applicants	Some obligations towards employees, none for applicants	No obligations at all, but dismissal protection	No obligations of any kind
Y4. Supported employment Programmes	Strong programme, permanent option	Strong programme, only time- limited	Intermediary, Also permanent	Intermediary, only time- limited	Very limited programme	Not existent
Y5. Subsidised employment programmes	Strong and flexible programme, with a permanent option	Strong and flexible programme, but time- limited	Intermediary, either permanent or flexible	Intermediary, neither permanent nor flexible	Very limited programme	Not existent
Y6. Sheltered employment programmes	Strong focus, with significant transition rates	Strong focus, but largely permanent employment	Intermediary focus, with some "new" attempts	Intermediary focus, "traditional" programme	Very limited programme	Not existent
Y7. Comprehensiveness of vocational rehabilitation	Compulsory rehabilitation with large spending	Compulsory rehabilitation with low spending	Intermediary view, relatively large spending	Intermediary view, relatively low spending	Voluntary rehabilitation with large spending	Voluntary rehabilitation with low spending
Y8. Timing of vocational rehabilitation	In theory and practice any time (e.g. still at work)	In theory any time, In practice not really early	Early intervention increasingly encouraged	Generally de facto relatively late intervention	After long-term sickness or for disability recipients	Only for disability benefit recipients
Y9. Disability benefit suspension option	Two years or more	At least one but less than two years	More than three but less than 12 months	Up to three months	Some, but not for disability benefits	None
Y10. Work incentives for beneficiaries	Permanent in- work benefit provided	Benefit continued for a considerable (trial) period	Income beyond pre-disability level allowed	Income up to pre-disability level, also partial benefit	Income up to pre-disability level, no partial benefit	Some additional income allowed

Note:RR = replacement rate.

Table A2.a. Indicator scores based on legislation affecting disabled employment (compensation)

WM: C – Corporatist, L – Liberal, SD – Social-democratic; A, B, C subgroups

WM ⁺		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
C-A	Austria	26	26	28	28	28	28	25	25	25	25	24	24	24	24	24	24	24	.	.	.	.	.	.
C-A	Belgium	26	26	26	26	26	26	26	26	26	26	25	25	25	25	25	25	25	.	.	.	.	.	.
C-A	Hungary	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	27	27	27	27	27	25	25	25	25	22.5	21.5	21.5	20.5	19.5	19.5
C-B	Luxemburg	39	39	39	39	39	39	39	32	32	32	32	30	30	30	28	28	28	.	.	.	.	.	.
C-B	Poland	30	30	30	30	30	30	31	31	32	29	29	29	29	28	25	25	25	25	25	25	25	25	25
C-C	Czech R	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	31.5	31.5	31.5	31.5	31.5
C-C	Spain	34	36	36	36	36	36	35	27	27	27	27	27	27	27	27	27	27	.	.	.	.	.	.
C-C	Ireland	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	.	.	.	.	.	.
C-C	Portugal	32	32	32	32	32	32	32	32	33	33	33	33	33	33	33	33	33	.	.	.	.	.	.
C-C	Slovakia	35.5	35.5	35.5	35.5	35.5	32.5	32.5	32.5	32.5	32.5	32.5	32.5	32.5	25	25	25	25	25	25	25	25	25	25
C-C	Slovenia	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	33	33	33	33	33	33	33	33
L-A	Australia	23	23	29	29	29	29	29	29	29	29	29	29	29	29	29	21	21	.	.	.	.	.	.
L-A	UK	24	24	24	24	24	21	21	21	21	21	21	21	21	21	21	21	21	.	.	.	.	.	.
L-A	New Zealand	27	27	27	27	27	25	23	23	23	23	23	23	23	23	23	23	23	.	.	.	.	.	.
SD-A	Switzerland	39	39	39	39	39	39	39	39	39	39	39	39	39	37	37	37	32	.	.	.	.	.	.
SD-A	Denmark	36	36	36	36	36	36	36	36	32	31	31	31	29	29	28	28	28	.	.	.	.	.	.
SD-A	Netherlands	39	39	39	32	32	32	29	29	28	28	28	26	26	28	28	24	24	.	.	.	.	.	.
SD-B	Germany	36	36	36	36	36	36	36	36	36	36	32	32	32	32	32	32	32	.	.	.	.	.	.
SD-B	Finland	35	35	35	35	35	35	33	33	33	33	33	33	33	33	32	32	32	32	32	32	32	32	32
SD-B	Norway	41	41	41	41	38	38	38	38	38	38	38	38	38	33	33	33	35	35	35	34	34	34	34
SD-B	Sweden	38.5	38.5	38.5	38.5	38.5	38.5	38.5	38	38	38	38	38	37	37	37	37	37	30	33	33	33	33	33

Source: OECD calculations based on a scoring system outlined in OECD (2003, 2010), except for Norway, Finland and Poland from 2008 to 2013, for Sweden from 2009 to 2013 and for Slovenia, Hungary, Slovakia and the Czech Republic (or Czechoslovakia) from 1990 to 2013, which are the authors scores based on the same scoring system. Notes: ⁺ WM denotes the welfare model in the OECD typology, where C=corporatist, SD= Social-Democratic, L=Liberal and A-B denote subtypes within.

Table A2.b. Indicator scores based on legislation affecting disabled employment (integration)

WM: C – Corporatist, L – Liberal, SD – Social-democratic; A, B, C subgroups

WM ⁺		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
C-A	Austria	20	20	20	20	20	20	24	24	24	28	28	28	28	28	28	30	30	.	.	.	.	.	.
C-A	Belgium	20	20	20	20	20	23	23	24	24	24	24	24	24	24	24	24	24	.	.	.	.	.	.
C-A	Hungary	17.5	17.5	17.5	17.5	18.5	18.5	18.5	19	19	19	19	19	19	19	20	20	20	23.5	23.5	24	24	24	24
C-B	Luxemburg	16	17	17	17	17	17	17	17	17	17	17	22	23	23	23	23	24	.	.	.	.	.	.
C-B	Poland	9	12	12	12	12	12	12	13	17	17	19	19	19	19	19	19	19	19	19	19	19	19	19.5
C-C	Czech R	11	12	12	12	12	12.5	12.5	12.5	12.5	14.5	15	15	15	18	18	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
C-C	Ireland	12	12	12	12	12	12	12	12	12	14	17	17	17	17	17	17	17	.	.	.	.	.	.
C-C	Portugal	13	13	13	13	13	13	13	13	13	14	16	16	16	16	16	16	16	.	.	.	.	.	.
C-C	Slovakia	11	11	11	11	11	12.5	12.5	13.5	14	14	14	14	14	14	19.5	19.5	19.5	19.5	19.5	20	20	20	20
C-C	Slovenia	12	12	13	13	13	13	13	13	13	14	14	14	14	14	16.5	18.5	18.5	18.5	19	19	19	19	19
C-C	Spain	19	19	19	19	20	22	22	22	22	22	22	22	22	22	22	22	22	.	.	.	.	.	.
L-A	Australia New	11	11	16	20	20	21	21	21	24	24	26	26	27	28	28	28	28	.	.	.	.	.	.
L-A	Zealand	12	12	12	12	14	14	17	17	17	17	17.5	17.5	17.5	20.5	20.5	20.5	20.5	.	.	.	.	.	.
L-A	UK	14	14	14	14	14	15	15	17	17	19	24	28	29	30	30	31	32	.	.	.	.	.	.
SD-A	Denmark	29	29	32	32	32	32	32	32	35	35	36	36	36	36	36	36	37	.	.	.	.	.	.
SD-A	Netherlands	15	13	13	14	14	14	14	14	25	25	27	34	34	34	34	35	35	.	.	.	.	.	.
SD-A	Switzerland	20	20	20	20	20	21	21	21	21	21	21	21	21	23	23	23	27	.	.	.	.	.	.
SD-B	Finland	14	14	14	14	14	15	21	21	21	26	26	26	29	32	32	32	32	32	32	32	32	32	32
SD-B	Germany	25	25	25	25	25	25	26	26	26	26	35	35	35	35	35	35	35	.	.	.	.	.	.
SD-B	Norway	23	23	23	23	27	27	28	31	31	32	33	33	33	33	33	37	37	37	37	39	39	39	39
SD-B	Sweden	21	23	25	25	25	25	25	25	27	27	31	31	31	31	31	32	32	36	38	38	38	38	38

Source: OECD calculations based on a scoring system outlined in OECD (2003, 2010), except for Norway, Finland and Poland from 2008 to 2013, for Sweden from 2009 to 2013 and for Slovenia, Hungary, Slovakia and the Czech Republic (or Czechoslovakia) from 1990 to 2013, which are the authors scores based on the same scoring system. Notes: ⁺ WM denotes the welfare model in the OECD typology, where C=corporatist, SD= Social-Democratic, L=Liberal and A-B denote subtypes within.

Appendix B

Table B1. Determinants of disability policy change for the years between 1990 and 2007

(logit regression) * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$ Standard errors in parentheses

<i>Dep. Var.</i> = change in the score	Both XsYs	X	Ya	Yb
Indicator score (reference category: 0 point)				
t-1 = 1 point	0.064 (0.199)	-0.126 (0.314)	-0.494 (0.384)	0.975 (0.459)**
t-1 = 2 point	-0.275 (0.201)	-0.663 (0.371)*	-1.166 (0.372)***	0.357 (0.431)
t-1 = 3 point	-1.025 (0.272)***	-1.102 (0.439)**	-2.046 (0.566)***	-0.683 (0.541)
t-1 = 4 point	-1.289 (0.326)***	-1.761 (0.643)***	-2.924 (0.785)***	-0.537 (0.546)
Period (reference category: 1995-99)				
1990-94	-0.861 (0.256)***	-2.038 (0.544)***	-0.891 (0.457)*	-0.325 (0.417)
2000-03	-0.053 (0.201)	-0.560 (0.381)	0.134 (0.349)	0.435 (0.357)
2004-07	0.102 (0.182)	-0.156 (0.312)	0.023 (0.366)	0.717 (0.376)*
First year of EU membership	1.347 (0.291)***	2.369 (0.411)***	0.157 (0.796)	1.142 (0.600)*
Second year	1.393 (0.320)***	1.712 (0.632)***	2.154 (0.499)***	
Third year of EU membership	0.250 (0.475)	1.081 (0.671)	-0.518 (1.016)	-0.188 (1.039)
Election Cycle (reference category: election year)				
1 year after the election	-0.341 (0.199)*	-0.185 (0.400)	-0.585 (0.317)*	-0.325 (0.356)
2 years after the election	-0.066 (0.190)	0.756 (0.329)**	-0.775 (0.392)**	-0.258 (0.339)
3 or 4 years after the election	-0.213 (0.213)	0.473 (0.385)	-1.212 (0.456)***	-0.080 (0.349)
Largest Government Party Orientation (reference category: Left-wing)				
Centre	-0.052 (0.181)	1.127 (0.325)***	-0.427 (0.364)	-0.682 (0.310)**
Right-wing	0.449 (0.214)**	0.985 (0.361)***	0.298 (0.394)	0.058 (0.418)
Welfare regime (reference category: Social-democratic A model (Ch, Dk, NI))				
Social-dem. B (DE, FI, NO, SE)	-0.608 (0.243)**	-1.354 (0.473)***	0.291 (0.464)	-0.359 (0.418)
Liberal A model (AU, GB, NZ)	-0.277 (0.244)	-0.719 (0.465)	-1.176 (0.531)**	0.350 (0.385)

Corporatist A model (AT, BE, HU)	-1.302 (0.316)***	-1.603 (0.542)***	-0.297 (0.508)	-2.876 (1.062)***
Corporatist B model (FR, LU, PL)	-0.633 (0.281)**	-0.301 (0.436)	-0.702 (0.584)	-1.236 (0.570)**
Corporatist C (CZ, ES, IE, PT, SK, SI)	-1.236 (0.228)***	-1.480 (0.391)***	-1.235 (0.422)***	-1.282 (0.409)***
Constant	-2.386 (0.291)***	-3.255 (0.488)***	-1.108 (0.532)**	-2.602 (0.576)***
<i>N</i>	6,887	3,522	1,683	1,643

Table B2. Determinants of disability policy change in Nordic and Central European countries 1990-2013 (restricted logit regression for Norway, Finland Sweden, the Czech Republic, Hungary, Poland, Slovakia and Slovenia) * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$
Standard errors in parentheses

<i>Dep. Var.</i> = change in the score	Both XsYs	X	Ya	Yb
Indicator score (reference category: 0 point)				
t-1 = 1 point	0.548 (0.283)*	0.349 (0.449)	0.569 (0.595)	1.493 (0.640)**
t-1 = 2 point	-0.132 (0.286)	-0.904 (0.507)*	-1.111 (0.527)**	0.603 (0.623)
t-1 = 3 point	-0.317 (0.342)	0.008 (0.535)	-2.714 (0.840)***	0.243 (0.671)
t-1 = 4 point	-0.968 (0.509)*	-1.063 (0.863)		0.197 (0.824)
Period (reference category: 1995-99)				
1990-94	-0.416 (0.384)	-2.045 (1.256)	-0.584 (0.686)	-0.084 (0.564)
2000-03	-0.810 (0.428)*	-1.755 (1.126)	-0.461 (0.661)	-0.718 (0.710)
2004-07	0.362 (0.265)	0.342 (0.467)	0.891 (0.513)*	0.522 (0.560)
2008-09	0.815 (0.344)**	0.805 (0.581)	1.961 (0.709)***	0.282 (0.750)
2010-13	-0.852 (0.517)*	-0.539 (0.704)	-0.611 (1.240)	-1.196 (1.094)
First year of EU membership	1.167 (0.301)***	1.738 (0.495)***	-0.059 (0.678)	0.903 (0.627)
Second year	0.915 (0.377)**	0.904 (0.765)	1.627 (0.641)**	
Third year of EU membership	0.044 (0.497)	0.730 (0.761)	-0.781 (1.073)	-0.580 (1.040)
Election Cycle (reference category: election year)				
1 year after the election	0.328 (0.295)	0.558 (0.700)	0.254 (0.468)	0.186 (0.526)
2 years after the election	0.467 (0.270)*	1.557 (0.561)***	-0.377 (0.472)	0.094 (0.543)
3 or 4 years after the election	-0.122	0.834	-1.441	0.079

	(0.341)	(0.719)	(0.715)**	(0.565)
Largest Government Party Orientation (reference category: Left-wing)				
Centre	0.005 (0.299)	0.994 (0.560)*	-0.499 (0.667)	-0.539 (0.606)
Right-wing	0.207 (0.261)	0.934 (0.423)**	0.117 (0.489)	-0.307 (0.517)
Welfare regime (reference category : Social-democratic B model (NO, SE, FI))				
Corporatist A model (HU)	-0.024 (0.339)	1.039 (0.640)	-0.268 (0.556)	-2.221 (1.146)*
Corporatist B model (PL)	-0.255 (0.365)	0.410 (0.641)	-1.521 (0.791)*	-0.940 (0.673)
Corporatist C model (CZ, SK, SI)	-0.495 (0.227)**	-0.250 (0.406)	-1.802 (0.455)***	-0.771 (0.455)*
Constant	-3.521 (0.402)***	-5.196 (0.670)***	-1.270 (0.740)*	-3.090 (0.779)***
<i>N</i>	3,368	1,711	746	771

Appendix C

Figure C.1.a Score change in compensation policy by regime type and sub-indicator

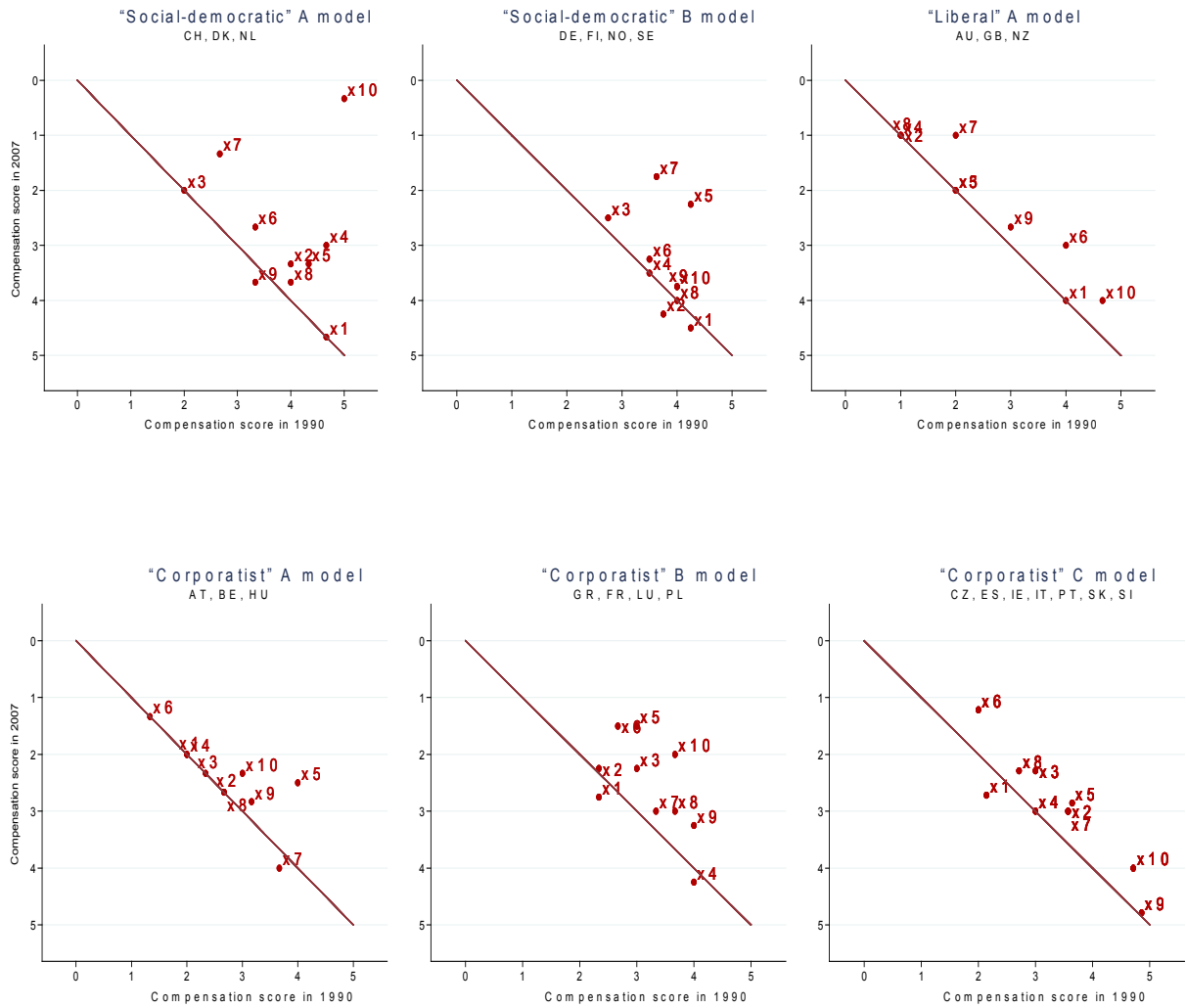
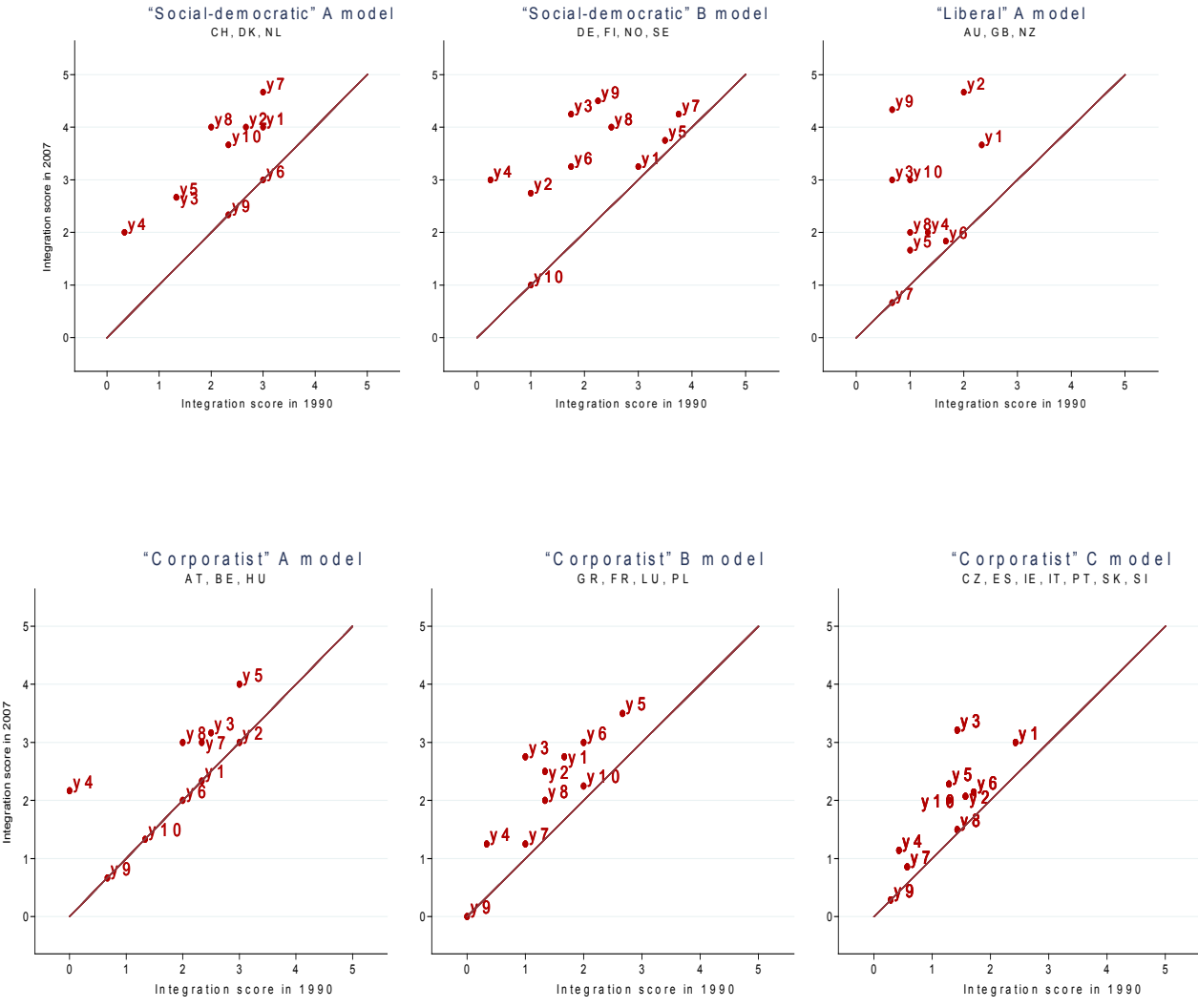


Figure C.1b. Score change in integration policy by regime type and sub-indicator





Project Information

Welfare, Wealth and Work for Europe

A European research consortium is working on the analytical foundations for a socio-ecological transition

Abstract

Europe needs change. The financial crisis has exposed long-neglected deficiencies in the present growth path, most visibly in the areas of unemployment and public debt. At the same time, Europe has to cope with new challenges, ranging from globalisation and demographic shifts to new technologies and ecological challenges. Under the title of Welfare, Wealth and Work for Europe – WWWforEurope – a European research consortium is laying the analytical foundation for a new development strategy that will enable a socio-ecological transition to high levels of employment, social inclusion, gender equity and environmental sustainability. The four-year research project within the 7th Framework Programme funded by the European Commission was launched in April 2012. The consortium brings together researchers from 34 scientific institutions in 12 European countries and is coordinated by the Austrian Institute of Economic Research (WIFO). The project coordinator is Karl Aiginger, director of WIFO.

For details on WWWforEurope see: www.foreurope.eu

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