1 Introduction

1.1 Welfare states and European integration

Since the 1980s, many welfare state reforms have taken place in European countries. The progressing European integration may have been one of the factors that triggered or influenced these welfare state reforms. Although social convergence has been an objective since the Treaty of Rome in 1957, it was only in 1997 and 2000 that the European Council adopted labour market and social policies, respectively. Consequently, it was not before then that European integration became a relevant factor in the comparative welfare state literature and that social and labour market policies entered the Europeanisation literature as interesting policy areas. However, in both strands of the literature, it is still unclear to what extent European integration influences welfare state policies, whether European integration has contributed to the convergence of welfare state policies, and how it may explain the variation in welfare state reforms across European countries.

European integration may have a number of effects on national social and labour market policies. These effects follow from two types of European integration, namely negative and positive integration, which is a conventional dichotomy in the European integration literature. Negative integration refers to ‘measures increasing market integration by eliminating national restraints on trade and distortions of competition’, whereas positive integration refers to ‘common European policies to shape the conditions under which markets operate’ (Scharpf, 1996: 15; Tinbergen, 1965: 96-100).

The process of negative integration gained momentum with the adoption of the Single European Act in 1986, putting forward a schedule to complete the internal market. Many regulations were adopted in order to create a Single Market by 1993, in which people, goods, services and money could move freely across the borders of the EU’s member states. In contrast, the positive integration with regard to welfare state policies has taken place at different speeds. Although convergence of social standards is an important and explicit goal of the EU, it was not until 1997 that a major step was taken to achieve this goal by formulating welfare state policies at the EU level. In 1997, The European Employment Strategy (EES) was adopted at the Amsterdam Summit and further operationalised at the Luxembourg Summit later that year. This strategy is aimed at improving labour market performances in terms of lower unemployment and higher employment levels. The launch of the EES was based
on two motivations (Pochet, 2005). On the one hand, the EES was intended to enhance a process of converging labour market policies to smoothen the functioning of the Economic and Monetary Union. A more flexible European labour market and more similar labour market conditions across the member states provide a more univocal base for monetary policy. On the other hand, the EES was considered as a social counterbalance for the progressing economic integration.

Inspired by and based on the governance principles of the Broad Economic Policy Guidelines of the EMU, the EES consists of a set of legally non-binding means of governance, such as guidelines, targets, benchmarks and recommendations. The EES is a form of ‘soft law’. Instead of exerting traditional regulation based on institutional compliance, as is the case with ‘hard law’ such as directives, this new mode of governance is intended to influence national welfare states by relying on mechanisms as policy learning and peer pressure. At the Lisbon Summit in 2000, the instruments of the EES were formalised as a more general governance means, which was called the Open Method of Coordination (OMC). From this moment onwards, the OMC has also been applied to other policy areas such as social inclusion, pensions, health care, and care for the elderly. In sum, since 1997 the OMC has been the primary EU policy tool that is supposed to influence domestic welfare state policies in the EU member states.

In this study, the influence of positive and negative European integration on domestic welfare state reforms will be examined. A first question that will be analysed is whether European welfare state policies have actually converged. It is a topic of scholarly debate whether welfare state reforms have contributed to more similar social protection systems across the advanced capitalist societies (Pierson, 2001; Hvinden, 2004; Montanari, 2001). Due to the path-dependent character of welfare state institutions, the possibilities for welfare state reform are limited and therefore few convergence could be expected (Pierson, 2000). However, it has been well documented that despite high levels of path dependence, major welfare state reforms have actually taken place (i.e. Kuipers, 2006; Marier, 2008). The convergence analyses also contribute to a broader empirical and methodological debate on the precise degree and form of welfare state reforms (see Vis, 2010). Furthermore, if welfare state policies have converged, should this be attributed to the impact of European integration, or to domestic or global dynamics?

With respect to positive European integration, the impact of the OMC on national social and labour market policies has been analysed in many studies (i.e. De la Porte and Pochet, 2002; Zeitlin and Pochet, 2005; Kvist and Saari, 2007a). These studies have inductively identified a number of mechanisms through which the OMC influences the national policy-making, such as policy learning and external pressure. Nonetheless, the results in the OMC literature are rather inconclusive with regard to the question whether and how this new means of governance has influenced domestic welfare state reforms and how
to explain the variation in the impact of European integration across countries and over time.

Another characteristic of the OMC literature is that the possible influence of negative integration on national policies seems to be forgotten. This is remarkable, because the OMC has been regarded as a social counterbalance against the economic character of European integration, and because in the early days of the single market the influence of negative integration on social policies has received considerable attention in the welfare state literature (Pierson and Leibfried, 1995; Scharpf, 1999). Generally, economic integration could have two effects on national welfare states. First, increased competition among firms could lead to policy competition among governments, in which they reduce non-wage costs in order to attract mobile production factors, resulting in lower levels of social protection (Scharpf, 1999; Sinn, 2002). Second, social protection systems may become more generous in order to compensate the increased risks on the labour market (Rodrik, 1998). The results of empirical analyses on the impact of economic integration in the current literature are mixed, which is probably due to difficulty of disentangling both effects and to a lack of data. Furthermore, due to the fact that negative European integration and globalisation are both forms of international economic integration, it is a methodological challenge to separate these effects empirically.

In sum, there is still a number of theoretical, empirical and methodological questions with respect to the impact of European integration on welfare states in the convergence, comparative political economy and Europeanisation literature. This study tries to contribute to the formulation of answers to these questions. In addition to the scientific relevance, analysing the domestic influence of European integration has also policy and societal relevance. In June 2010, the European Council adopted the European 2020 strategy. Following up on the Lisbon goals for 2010 and reacting to the world’s most severe recession since the 1930s, the European Commission has put forward a strategy for ‘smart, sustainable and inclusive growth’ (EC, 2010). Again, the Commission has put forward the OMC as governance means for the achievement of this strategy. Insight in the functioning of the OMC may contribute to improving its effectiveness.

1.2 RESEARCH QUESTIONS

The aim of this study is to provide insight into whether and how social and labour market policy reforms in the member states of the European Union are influenced by European integration. The study attempts to identify to what extent welfare state policies have converged over time and to explain the patterns of differences and similarities in policy reforms. In sum, the research questions of this study are as follows:
Main question:

What is the influence of European integration on national social and labour market policies across European Union member states and what factors can explain differences in the extent to which member states have changed their policies accordingly?

Subsequent questions:

1. To what extent have national social and labour market policies in European Union member states converged?
2. What is the influence of European Union policy initiatives and European economic integration on reforms of national social and labour market policies?

To answer the research questions satisfactorily, the study consists of two parts. In the first part, that is guided by the first sub-question, it will be examined whether the occurred reforms have resulted in patterns of welfare state convergence across the EU, or whether European welfare states show continuing diversity. For that reason, convergence tests on several policy areas will be employed. The second part of the study addresses the explanation of the variation in policy reforms, guided by the second sub-question. Using econometric methods, the relative importance of different European factors, stemming from both negative and positive European integration, from globalisation, and from national factors will be assessed.

This dissertation is a collection of refereed journal articles, published in Journal of Common Market Studies (Chapter 2), Journal of European Integration (Chapter 3 and Chapter 4) and European Union Politics (Chapter 5) and of a paper that is under review (Chapter 6). The remaining sections of this introductory chapter will outline how these articles together provide answers to the research questions.

1.3 Theoretical focus

To understand the influence of European integration on domestic welfare state policies, this dissertation draws from different strands of literature. The convergence analyses are embedded in the convergence literature. With respect to welfare state convergence, the study mainly focuses on the convergence of policies, but also the convergence of welfare state regimes and the convergence of policy outcomes such as poverty rates will be taken into account. Policy convergence can be conceptualized as a tendency of policies to become more alike over time (Bennett, 1991). As in most convergence studies, the units of analysis in the convergence analyses of this study are countries, but they
could also be municipalities, regions, or other jurisdictions. Convergence has occurred when the variation across countries is smaller at the end than at the beginning of a period. This implies that the concept of convergence does not require that policies have become completely identical, although this could be the end result of a convergence trend. In other words, convergence is a dynamic concept that refers to a change in the degree of variation or similarity instead of a static situation of either similarity or variation.

Convergence of welfare state policies across European countries requires that welfare state reforms result in more similar policies. An important reason to expect more similar policies is the influence of European integration on these domestic reforms. The interaction between the EU-level and the member states has been studied in two bodies of literature, namely the literature that deals with European integration and the literature that is concerned with Europeanisation. The European integration literature is focused on the development of policies and institutions at the EU-level, thus on the progression of further European integration (Vink and Graziano, 2007). In the field of welfare state policies, this strand includes for example studies on why and how member states have decided to develop social policy initiatives at the EU-level such as the OMC (i.e. De la Porte, 2011). Subsequently, Europeanisation can be generally conceptualized as the impact of European integration on member states (Green Cowles et al., 2001; Radaelli, 2003; Börzel and Risse, 2003), or more specifically, as the influence of EU-level policies on the domestic policymaking. To put it differently, while the bottom-up process is the central object of study in the European integration literature, the Europeanisation literature is focussed on the top-down effect of the EU on the member states.

Since member states are obliged to implement EU regulations, most of the theoretical work in the Europeanisation literature on the domestic impact of positive European integration aims to explain the cross-national variation in the implementation of EU-policies. Due to the legally non-binding character of the OMC, in contrast, theories on the impact of the OMC also account for the question whether the OMC influences member states at all. In this study, three non-judicial compliance mechanisms through which the OMC could influence the domestic policy-making of the EU member states will be examined. First, the policy goals and targets of the OMC may have a normative influence on the member states. The performances of the countries with respect to these policy goals may cause external pressure on governments to change domestic policies. Second, the OMC can influence the domestic policymaking through cognitive mechanisms of policy diffusion. The exchange of information and solutions for policy problems by policy makers, facilitated by the OMC, may trigger or influence policy reforms. Third, the OMC can influence the domestic policy-making by providing constraints and opportunities in the policy-making arena. In this regard, actors such as politicians and social partners could use the OMC strategically and selectively in domestic decision making processes. In the analysis on the influence of the OMC, the OMC is embedded in a more
general theoretical approach to welfare state reform, including political, institutional and macro-economic variables. Since these variables are less usual in the Europeanisation literature but more common in the comparative political economy literature on welfare state reform, this study connects the Europeanisation literature explicitly to the political economy literature.

For the theoretical approach to the impact of negative European integration, the study builds on the political economy literature regarding international economic integration. As outlined above, international economic integration can trigger two opposing effects on welfare states. First, the reduction of restrictions on international flows of goods and capital, and the increased trade and capital mobility can lead to increased strategic behaviour of governments. In order to increase employment and economic growth, governments aim to attract firms by reducing non-wage costs and so social protection levels, resulting in policy competition among governments. This proposition is known as the efficiency hypothesis or as a ‘social race to the bottom’.

Although international economic integration may enhance a country’s economic growth, it may also damage the labour market position of some individuals. In this respect, a second effect of international economic integration on welfare states may be that governments expand social protection systems in order to compensate the increased economic uncertainty of people. International trade and foreign investments make the demand for labour more volatile, which leads to a higher demand for social insurance. This proposition is known as the “compensation hypothesis”. A synthesis of the efficiency and the compensation hypothesis suggests that economic integration leads to a situation in which governments face an increased demand for social protection, while they are simultaneously competing with other governments to reduce non-wage costs. In the globalisation literature, scholars have referred to this situation as the ‘globalisation dilemma’ (Rodrik, 1997). The resulting level of social protection reflects the decision of the government in this dilemma and empirical studies measure the net effect of economic integration on welfare states. To isolate the effect of policy competition, earlier research focused on the funding of welfare states. International economic integration may lead to lower taxes on corporate profits and social security and payroll taxes (Swank, 1998; Slemrod, 2004; Devereux et al, 2008). However, little efforts have been made to isolate the impact of international economic integration on the demand for social insurance to test the compensation hypothesis. In order to isolate the relationship between economic integration and the demand for social security, this study focuses on private social security. The voluntary purchase of private social security arrangements provides a direct indication of the demand for social security. Other than in the case of public social security, political mechanisms are not expected to interfere in the relationship between economic integration and the demand for voluntary private social insurance.

As a private variant of the compensation hypothesis, it will be argued that international economic integration leads to an increased demand for private
social insurance. In contrast, the theoretical influence of European economic integration on the demand for social security is on beforehand less univocal. The reduction of trade barriers within the EU has increased the trade volumes among EU countries. Hence, it could be expected that also European economic integration leads to higher economic insecurity and increases the demand for social protection. However, intra-EU trade is mainly intra-industry trade. In line with the Heckscher-Ohlin and the Stolper-Samuelson theorems, it could be expected that intra-industry trade leads to smaller economic adjustments than inter-industry trade and so to less economic insecurity for employees. Therefore, trade with other European countries may lead to relatively less insecurity for people on European labour markets than trade with low-wage countries. In other words, it could also be expected that trade among EU countries leads to a relatively lower demand for social protection than trade in general.

In addition to economic integration, other factors that will be taken into account to explain the variation in the participation in private social insurance plans across countries are the generosity of public welfare state arrangements and policy changes which open up the markets for providers of private social insurance schemes.

1.4 EMPIRICAL APPROACH

European integration may influence several types of national welfare state policies and also the generosity of a country’s social protection system as a whole. Therefore, the study starts with analysing trends of convergence for a broad range of welfare state programmes, such as old age programmes, incapacity-related benefits and family programmes.

Subsequently, the study focuses on a specific policy area, labour market policies, in order to trace the impact of EU policies more directly. As discussed above, the OMC has been used for the coordination of several welfare state policy areas, including for instance employment, social inclusion and pensions. Although all the OMCs are based on the same type of legally non-binding governance instruments such as guidelines, benchmarks, recommendations and peer review programmes, the precise institutionalisation of the OMCs varies. Thus, the toolkit of the EES differs from that of the social inclusion OMC, and the governance processes of the social inclusion OMC differ from those of the pensions OMC (Zeitlin, 2005: 21). For instance, the European Commission and the Council are authorised to issue recommendations to Member States on their progression regarding the implementation of the EES and the Broad Economic Policy Guidelines, but they are not in the case of other OMCs. Furthermore, while in most other OMCs only common objectives are formulated, the EES and the Broad Economic Policy Guidelines also provide detailed guidelines for the realisation of the policy agendas. Another example is that
the EES has fixed employment rate targets, whereas in the case of the social inclusion OMC the member states are invoked to formulate national targets for poverty reduction. Among the different OMCs on social and employment policies, the EES is regarded as the one that is strongest institutionalised (Armstrong and Kilpatrick, 2006). This makes the EES a most-likely case for examining domestic influence. If the OMC influences domestic policy reforms, this influence is most likely to be found in the case of the EES. Therefore, the study examines the link between the EES and national labour market policies.

With the adoption of the EES in 1997, labour market policies were in fact the first welfare state policies coordinated at the European level. Basically, the rationale of the EES is that member states should make their domestic labour market policies more activating in order to reduce unemployment and to increase employment. As a result, national labour market policies should converge towards common EU objectives. Several indicators will be used to analyse whether and how member states have reformed their labour market policies.

Whereas the largest part of the study is focused on public welfare state policies, one part of the study is devoted to analysing the cross-national variation in private social security. This type of social security consists of social insurances which are provided by private institutions. From a theoretical and methodological perspective, the investigation of private social security might contribute to a better understanding of the influence of international economic integration on welfare states, as has been discussed above. In addition, analysing private social protection is also interesting from a purely empirical point of view. Given that private arrangements have gained increased importance in a number of western welfare states, the scholarly attention for the developments in private social security has remained surprisingly limited.

The study covers western EU countries and a number of other advanced industrialist countries from the beginning of the 1980s to halfway the 2000s, which is common in the comparative political economy and the Europeanisation literature. This time span covers the period before and after the launch of the EU-level policy initiatives, allowing us to compare the developments across the different periods in order to trace the impact of these policies. In addition, many welfare state reforms have taken place during these years. With respect to the sample of countries, the member states which entered the EU after 2004 are firmly underrepresented in the current literature. With respect to the quantitative methods oriented political economy literature, this is due to the limited availability of quantitative data. However, also in the case study oriented literature on the Europeanisation of welfare state policies the interest in newly-acceded member states has been confined. As a result, little is known about the impact of European integration on welfare state reforms in these countries and whether the existing theories and empirical findings also hold for this country-group. In addition, a pressing question is also whether the accession of the new member states to the EU has led to convergence between
the old and new member states. Therefore, in one part of the current study, the welfare state developments in the member states which have entered the EU in 2004 are investigated too.

1.5 METHODOLOGICAL APPROACH

In the comparative political economy literature, there is a lively debate going on about the type of research design that should be used to examine and explain the variation in welfare state reforms across countries (i.e. Shalev, 2007; Rothstein, 2007; Swank, 2007). A first point of disagreement is about the detection of causality. Proponents of a small-N approach are mainly focussed on the causes of an effect, and on tracing causal relationships with an in-depth analysis of a small number of cases, typically countries. In contrast, proponents of a large-N approach analyse a relatively large number of cases, for instance with regression analysis, in order to generalise the results, and they are more focused on the effects of a cause. Both types of research have benefits and drawbacks, and they contribute each in their own way to solving different parts of the theoretical and empirical puzzles. Hence, it is cross-fertilisation that may bring welfare state research further.

The existing literature concerning the Europeanisation of welfare states consists almost entirely of small-N studies. To gain insight in the functioning of the relatively new means of governance, scholars have investigated the impact of the OMC on domestic policies in case studies, typically including one to three countries. Based on process tracing, causal mechanisms through which the OMC influences national policy reforms, such as mutual learning and external pressure, have been identified inductively. The current study relies on a large-N approach in order to examine whether the EU has influenced domestic policies, what mechanisms are more or less important, and how to explain the variation in the impact of European integration. In this regard, a large-N approach makes it feasible to test whether the findings of the case studies can be generalised across EU countries.

In the first part of the study, convergence analyses are employed to analyse whether European integration may have contributed to the convergence of welfare state policies across EU countries. In an ideal research design, one would have a “large number of European Unions” with variation in the degree of internal convergence on the one hand, and with different scopes of negative and positive integration on the other, to capture the links between European integration and convergence. Facing the reality of only one EU, the study first relies on controls for global and domestic factors to assess whether trends of convergence are EU-specific. In the second part of the study, pooled time series cross-section regression analyses will be employed to investigate the links between positive and negative integration and the cross-country and temporal
variation in welfare state programmes, while controlling for other factors of policy change as much as possible.

In addition, the large-N approach of this study aims to address the selection biases in the OMC literature. Apart from the issue of the underrepresentation of the new member states as discussed above, also among the old member states there seems to be a selection bias against some countries, such as Portugal, Ireland, Luxembourg and Greece. De la Porte (2010) has inventoried the country-coverage in the case study literature, and found that Denmark, Finland and Sweden were included in 23 studies, Germany in 20 studies, France and the United Kingdom were also very well covered, and Belgium, Italy, the Netherlands, Poland and Spain were included in five to seven studies. This skewed distribution of cases is problematic, since it may influence the state of knowledge regarding the domestic impact of the OMC (Van Vliet, 2008). For instance, it is well documented that the impact of the EES has been limited in Sweden, because the pre-existing policies already met the objectives and targets of the EES (i.e. Jacobsson, 2005). A disproportional contribution of the results of case studies on Sweden could therefore lead to a bias in the more general conclusions concerning the impact of the OMC, which might have been different if for example more southern member states had been selected.

In sum, given the fact that almost all existing research on the impact of European integration on welfare states relies on a small-N design and is focused on a select group of countries, the large-N approach of the current study is at least complementary to the existing literature.

A second issue of debate in the welfare state literature is the selection of the measures to compare welfare states with. This is known as the ‘dependent variable problem’ (Clasen and Siegel, 2007). In the current study, several social expenditure measures for the variants of the dependent variable will be used. These measures make it possible to compare welfare states across a relatively large number of countries and over a considerable period of time. The use of social expenditure measures in international comparisons has been criticised, since they do not reflect all qualitative characteristics of welfare state policies (Siegel, 2007; De Deken and Kittel, 2007). First, a technical difficulty with the use of expenditure measures may be that changes in public expenditures not only reflect discretionary adjustments, the policy changes we are interested

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1 Although this overview actually refers to studies on the Social OMC rather than to research on the EES in particular, the representation of countries in the research on the EES seems quite similar. A simple reason for this is that many case studies (i.e. Zeitlin and Pochet, 2005; Heidenreich and Zeitling, 2009) take both the Social OMC and the EES into account.

2 In Chapter 5, it will be discussed that for certain variables, Sweden could be regarded as an outlier. Following the logic that outliers are interesting cases for in-depth studies, this might justify the attention for Sweden in the case-study literature. However, since this justification has actually not been given in the case studies, it is unlikely that Sweden is overrepresented because it has been regarded as an outlier.
in, but also non-discretionary dynamics, driven by cyclical and demographic trends. However, the non-discretionary part of the expenditure can be addressed with control variables on the right-hand side of the equations, or with direct corrections to the spending measure itself.

More importantly, given the research question and the theoretical approach of the current study, social expenditure indicators are accurate measures for the dependent variable to capture trends at a higher abstraction level. In the case of the EES for instance, governments have committed themselves to make labour market policies more activating. However, due to the character of the EES, countries are explicitly allowed to make those policy reforms that fit their domestic situation, in terms of pre-existing policies and labour market conditions, best. Thus, labour market policies varied across countries before the introduction of the EES and, different from a case of harmonisation of regulation, they will continue to vary after the introduction of the EES. Countries can use different labour market policy instruments that are aimed at activation and they can choose different configurations of large numbers of policy instruments. To map the different configurations of policy instruments for which governments have opted, and to assess whether policies are converged, a range of non-expenditure indicators will be analysed. Subsequently, to analyse to what extent these different policy configurations, consisting of large numbers of policy instruments, are more activating, a more abstract measure of expenditure on active labour market policies can give a good indication of the general emphasis governments put on activation. In other words, a higher abstraction level is needed to see the forest through the trees.

1.6 OUTLINE AND MAIN FINDINGS

The first three chapters of the dissertation, Chapter 2, Chapter 3 and Chapter 4, are focussed on assessing to what extent welfare state policies and expenditures have converged across the EU, and on analysing whether patterns of convergence are EU-specific or not. Trends and patterns which are specific for EU member states may indicate an impact of European integration. The remainder of the study, Chapter 5 and Chapter 6, examines the factors that may explain these patterns of similarities and differences across countries and over time. Here, Chapter 5 is related to positive integration, while Chapter 6 focuses on negative integration.

Chapter 2, *Patterns of Welfare State Indicators in the EU: Is There Convergence?*, co-authored with Koen Caminada and Kees Goudswaard, deals with the evolution of welfare states over longer periods (1980-2003). First, it is discussed why and how European integration, and also a legally non-binding EU governance means as the OMC, can be expected to lead to convergence of social policies across EU Member States. Subsequently, the chapter provides a review of the existing body of literature on convergence of European welfare states.
It appears that indicators used in earlier research are difficult to compare across countries, due to various problems such as differences in the tax treatment of social benefits. The empirical part of this chapter aims to correct for most of these problems, by using a variety of indicators. Several convergence tests are employed for welfare state indicators at the macro level, for measures of social programmes including for instance old age, disability, unemployment and active labour market policies, and for individual level indicators, such as minimum social assistance levels. Also poverty rates are included, to examine the development of social cohesion in the EU. The results indicate rather strong convergence of public social expenditure in EU countries, corrected for cyclical and demographic factors. However, when other factors, such as the impact of the tax system and private arrangements, are taken into account, the picture becomes less clear cut. This offers a starting point for the more detailed research, tracing the different influences of European integration, in the successive chapters.

Chapter 3, *European Social Model: No Convergence From the East*, co-authored with Juraj Draxler, focuses on welfare state changes and convergence in Central and East European countries, and addresses the selection bias against new member states of the EU in both the convergence literature and the OMC literature. The convergence analyses employed in this part of the study include 25 EU countries, both old (15) and new (10) member states. Focussing in particular on West and East European countries, the results indicate that social protection levels have not converged between these two country groups in the period 2000-2006. This leads to the subsequent question whether only generosity levels differ between West and East European countries, or whether welfare states differ more fundamentally. A cluster analysis illustrates that not only social protection levels, but also policy configurations differ across east and west. An interesting finding with respect to the older member states is that not only social protection levels and individual policy programmes have converged, as will be shown in Chapter 2 and Chapter 4, but that there has also been convergence in the configurations of several types of welfare state policies.

In Chapter 4, *Divergence within Convergence: Europeanisation of Social and Labour Market Policies*, the convergence analyses are focussed on the specific period in which the EES and the OMC were adopted. The analysis starts with another measure to correct social expenditures at the macro level for cyclical and demographic factors than in Chapter 2, indicating that the results presented in Chapter 2 are robust for the use of an alternative indicator. Then, the study zooms in at labour market policies, because if the EES is effective, its influence will be most directly visible in this policy area. A number of indicators is included for total expenditure on active labour market policies, and for specific programmes such as employment services, labour market training, youth programmes and subsidised employment. Furthermore, the study includes a number of policy measures such as the level, duration and
qualifying conditions of unemployment benefits, availability requirements and benefit sanctions. The results indicate that most EU member states have made shifts towards more activating national labour market policies, which might have been influenced by the EES. Two other interesting findings emerge. First, the results show that within this focus on activation, the member states have opted for different configurations of labour market policy instruments, which is actually in line with the subsidiarity principle of the EES. Second, some countries reformed their labour market policies more than others. The analysis presented in the next chapter is focussed on the explanation of this variation.

Chapter 5, Europeanisation and the Political Economy of Active Labour Market Policies, co-authored with Ferry Koster, aims at explaining the variation in effort devoted to ALMPs across countries and over time. Chapter 2 and Chapter 4 indicate that policy changes in member states have resulted in an EU-specific trend of convergence towards more ALMPs. In this chapter, the study proceeds with testing the impact of the EES on national labour market policy reforms, using pooled time series cross-section regression analysis. Building on the existing case-study literature, new indicators are proposed and investigated, to analyse the variation in the impact of the EES across countries and over time. In line with the findings of the convergence analyses carried out in the foregoing chapters, the results presented in this chapter suggest that the EES has contributed to increased emphasis on activation in national labour market policies.

In Chapter 6, Private Social Security and International Economic Integration, the impact of international economic integration on welfare states is examined. A review of the large body of existing literature on this topic illustrates that evidence has been found that economic integration may lead to both retrenchments and expansions of public social protection. This ambiguity is troublesome, and it is due to the largely indirect relationship between economic integration and public social protection reforms. This relationship is indirect because it is implied that economic integration influences the behaviour of voters, which eventually results in policy changes. Instead, the impact of economic integration could be analysed more directly by focussing on private social security, where political mechanisms are not expected to interfere. Hence, this chapter analyses the cross-country and longitudinal variation in the participation in private social security plans, relying on pooled time series cross-section regression analysis. Rather than tracing the direct impact of European integration on European welfare states, this chapter relates to international economic integration more generally. However, among other indicators of international economic integration, also an indicator is included to measure the impact of European economic integration explicitly. The findings of the study lend support for the fiercely debated hypothesis in the political economy literature that international economic integration triggers expansion of welfare state arrangements through an increased demand for social protection.
In Chapter 7, Conclusions: Main Findings, Implications and Outlook, the dissertation ends with a summary of the main results, and with a discussion of their implications for the scholarship of the Europeanisation of welfare states.