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Reflections on the Methodology of Comparative Type Construction: Three Worlds or Real Worlds?

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Abstract

This article uses the opportunity that arises with the publication of Goodin et al.'s *The Real Worlds of Welfare Capitalism* to discuss proper and improper ways of constructing welfare state typologies. I argue that Esping-Andersen's original conceptualization of *The Three Worlds of Welfare Capitalism* represented a major advance in our understanding of the varieties of welfare state activity in modern society, because it was based on a systematic analysis of data from a wide range of countries and, therefore, permitted the further cumulation of knowledge through subsequent attempts at empirical refutation and extension. In principle, Goodin et al.'s use of socio-economic panel data to establish how far Esping-Andersen's types correspond to real welfare outcomes is one such extension. However, although *The Real Worlds of Welfare Capitalism* demonstrates the value of using panel data to get closer to real outcomes, and although it tells us much of interest about the Dutch, German and American cases it analyses, its conclusion that these three countries are properly representative of different worlds of welfare is seriously flawed. I argue that this is a consequence of the study's failure to comprehend important methodological requirements of type construction and of comparative research more generally.

1 Introduction

In this article, I discuss two major studies that seek to identify significant differences in the ways in which different nations have structured their systems of social security to provide social protection for their citizens and the likely consequences in terms of poverty, inequality, social integration and economic efficiency that follow from such differences. The first is the account by Gøsta Esping-Andersen of *The Three Worlds of Welfare Capitalism* published in 1990, which seeks to establish the correlates of three distinct types of welfare state regime to be found in contemporary capitalist societies. The second is a study by Robert E. Goodin, Bruce Headey, Ruud Muffels and Henk-Jan Dirven, called *The Real Worlds of Welfare Capitalism*, which promises to provide an assessment of what "life is 'really like'" (Goodin et al. 1999: vii) in each of these welfare state regimes.

Although this article focuses largely on two particular contributions to the literature on welfare state types, it should not be seen as a review. In the case of Esping-Andersen a review would be an act of supererogation. His typology has, by now, achieved 'classic' status and has been discussed and elaborated in literally hundreds of books and scholarly papers. The book by Goodin and his colleagues, although only published in the latter part of 1999, has already received considerable scholarly attention. It was given major coverage and a favourable reception in the *New York Review* (Solow 2000) and seems likely to be reviewed widely in journals across a variety of disciplines (see already, Stephens 2000: 964-66; Tomlinson 2000; Walker 2001: 80-82). Scholars with an interest in the development of modern welfare states will already have a view on Esping-Andersen's contribution to the literature. Those yet to come across the arguments of *The Real Worlds of Welfare Capitalism* will not have to wait long before encountering them.

Rather than the general expository and critical purposes of a review, my aims are exclusively methodological. Rather than discussing what these studies tell us about the character of the welfare state in the various countries they analyse, my concern is with the evidence by which they seek to establish their conclusions. I focus on these two studies because the methodological contrasts between them provide us with an important lesson about the does and don'ts of comparative type construction and, indeed, about the does and don'ts of comparative research in the social sciences generally. In summary, my argument is that Esping-Andersen's classification of welfare regimes furthers our knowledge, because it transcends the ideal type formulations and casual empiricism of earlier welfare state studies by virtue of its systematic analysis of data capturing an extremely wide range of cross-national variation in social policy instruments and outcomes. In contrast, I argue that, despite offering a genuine prospect of new insights into the nature of social policy outcomes, Goodin et al.'s work fails in its avowed intention of identifying *The Real Worlds of Welfare Capitalism*, precisely because it does not – and, in the present state of knowledge, cannot – deploy data with anything like the same range of cross-national variation. Hence, from the standpoint of comparative analysis and comparative type construction, this latest study represents a return to, rather than an advance on, the casual empiricism of earlier research in this field.

2 From ideal types to systematic empirical analysis

There is nothing new in the identification of models of welfare provision (see Abrahamson 1999). Richard Titmuss's early classification of 'residual', 'industrial achievement-performance' and 'institutional redistributive' types of social policy was derived from "the ideas of economists, philosophers,

political scientists and sociologists" (Titmuss 1974: 30-31). A simplified variant of this classification is found in Wilensky and Lebeaux's (1958: 138-40) distinction between 'residual' and 'institutional' conceptions of social welfare, with the former identified as an approach that sees welfare only as a back-stop to the working of the market and the family, and the latter as an approach that sees state intervention as the first line of defence against a wide range of threats to individual well-being. In a somewhat more comparative mode, Rimlinger (1971) distinguishes between the 'patriarchal' or conservative nature of social security development in Germany, the 'liberal' distaste for income guarantees of the American system and the 'collectivism' of social provision in Soviet Russia. Another explicitly comparatively derived typology comes from Furniss and Tilton (1977: 18-20), who see the United States as the model of a 'positive state' seeking to "protect holders of property from the difficulties of unregulated markets", Britain as an exemplar of the 'social security state' offering "a guaranteed national minimum" and Sweden as the foremost instance of a 'social welfare state' promoting "equality and solidarity".

These models – and others like them – are best regarded as analogous to Weberian 'ideal types'. Such types locate sets of characteristics likely to occur in conjunction, with the basis of that expectation resting either on preliminary theorizing or on a generally quite restricted inspection of actual cases. However, given this limited range of empirical or idealized referents, such exercises in type construction rarely provide a sufficient basis for the elaboration of testable hypotheses. Ultimately, that means we are given no compelling reasons to prefer one set of distinctions to another, explaining why such typologies come and go in the literature and why they often adopt quite contrary usages (for Rimlinger 'social security' is the essence of Continental Western European development; for Furniss and Tilton, on the other hand, it captures the distinctiveness of the British welfare state model). To move beyond ideal types means extending the analysis to establish how far attributions of common characteristics can be identified in a much wider universe of cases. Indeed, as Weber himself pointed out, classificatory analysis and model specification are simply initial stages in the research process, serving only "as a harbor until one has learned to navigate safely in the vast sea of empirical facts" (Weber 1949: 104). The achievement of Esping-Andersen's 'three worlds' typology, identifying 'liberal' (substantially, the countries of the English-speaking world), 'conservative/corporatist' (Continental Western Europe) and 'social democratic' (Scandinavian) welfare state regimes, is precisely that it represents a genuine effort to embark on such a voyage of empirical discovery.

Methodologically, what distinguishes *The Three Worlds of Welfare Capitalism* from earlier studies is the extent of the empirical research on which it rests, utilizing three major cross-national databases collected over a period of eight

years (see Esping-Andersen 1990: ix-x). These provide systematic information concerning social policy and labour market attributes in some 18 nations: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States. Reliance on these databases make it possible for Esping-Andersen to elaborate measures of benefit replacement, years of social security contributions and benefit take-up rates. These measures are, in turn, used as a basis for constructing composite indices of the 'decommodifying' impact of age-pensions, sickness and unemployment benefits in all 18 countries for the focus year of 1980, with decommodification denoting the extent to which welfare state programmes make it possible for individuals to subsist without labour market income (ibid: 21-23). Use of the databases also allow Esping-Andersen to elaborate indices of the social stratification effects of social policy provision based on measures of the corporatism, etatism, means-testing, universalism and equality of benefit provision, as well as of the extent of private provision in pensions and health-care spending, once again for all 18 countries circa 1980 (ibid: 70-71). This huge investment in data gathering and data elaboration makes it possible for Esping-Andersen to assign all these national cases to particular welfare state types on the basis of empirically demonstrated clusterings of what he argues are the most theoretically relevant attributes of welfare provision in advanced capitalist societies.

The result is a set of propositions about western welfare states that go beyond earlier ideal type studies in being open to empirical refutation and extension. In the years since Esping-Andersen's study, attempts have been made to do both. Castles and Mitchell (1993) have suggested that Esping-Andersen's scores on both decommodification and stratification indices are influenced by idiosyncratic decisions about the significance of means-tests in some English-speaking nations. They go on to argue for a fourth world of welfare capitalism to be created by sub-dividing the liberal type to produce a new 'radical' world of welfare, including countries like Australia, Britain and New Zealand, with policy-settings which have traditionally been more equalizing than those of other liberal welfare states. Other scholars have argued that Esping-Andersen's 18 cases exclude a variety of countries constituting distinctive worlds of welfare. Liebfried (1993) and Ferrera (1996) identify a Southern European regime type, while both Esping-Andersen (1993) and Castles (1995) argue that the countries of this region can be assimilated to the conservative/corporatist type found in Continental Western Europe. Jones (1993) has suggested that Japan may be a founder member of an emergent East Asian Confucian welfare state type, to which Esping-Andersen has responded that Japanese experience is best regarded as a hybrid of the liberal and conservative/corporatist types (Esping-Andersen 1997). There has also been

some discussion of the possibility of a distinctive East European type of social provision (Deacon 1993).

Another interesting and obvious avenue for the further development of the Esping-Andersen typology has been to attempt to make it time-specific by asking whether country clusters have changed in the period since Esping-Andersen's 1980 baseline data were collected. A general survey of changing country clusters across a wide range of policy areas is to be found in Castles (1998). There has also been some discussion of the extent to which, and in respect of which policies, the Nordic countries continue to exemplify a distinctive social democratic approach to welfare (see Kosonen 1993; Kautto et al. 2001). Finally, there have been criticisms of the regime typology because of its failure to illuminate certain aspects of social policy development and attempts to identify alternative regime clusters that do illuminate policy variation in such areas. This line of argument has been developed furthest by feminist scholars, who have taken Esping-Andersen to task for simply assuming that a typology developed around 'breadwinner' models of social provision could in equal measure account for variation in the way in which different social policy systems treat women (Lewis 1992; O'Connor 1996; O'Connor, Orloff & Shaver 1999). Family policy has been identified as the most conspicuous arena in which gender differentiation requires the elaboration of new typologies (Anttonen and Sipilä 1996; Gornick, Meyers & Ross 1997). Esping-Andersen (1999) has conceded some parts of this argument in his latest book. What this whole body of literature has in common is that it takes the empirical specificity of the regime model as its starting point. Indeed, the most important mark of the success of the 'Three Worlds' typology is the richness, complexity and vitality of the conceptual and empirical debate it has generated. This debate shows few signs of abating with the passing of time.

3 A further extension of the typology?

The Real Worlds of Welfare Capitalism purports to offer a further extension of the 'Three Worlds' typology, seeking to establish the extent to which different welfare state regimes produce different welfare outcomes. The outcomes considered are wide-ranging, including the achievement of welfare goals relating to economic efficiency, poverty reduction, social equality, social integration, social cohesion and personal autonomy (Goodin et al. 1999: 22). The research strategy is to examine data for three countries supposedly representative of Esping-Andersen's three regime types: the United States (liberal), Germany (conservative) and the Netherlands (social democratic). The focus is on a ten-year period beginning in the mid-1980s ending in the

mid-1990s. Important innovations include the use of data from socio-economic household panel studies and a major data processing exercise designed to make national panels for each of the three countries comparable in measurement terms.

The validity of the analysis offered in *The Real Worlds of Welfare Capitalism* rests on the appropriateness of three claims, which are substantially methodological in character. The first is that the use of data from panel studies represents a major advance on existing data sources, partly because it introduces the concept of change over time into the analysis and partly because it pertains to the individual life experience of many thousands of respondents (Goodin et al. 1999: 3-4). The second is a claim implicit in the very design of the study that the use of panel data from these three nations allows us to make generalizations concerning sources of variation in policy outcomes in a wider sample of advanced welfare states. The third is that these three countries are, in some sense, genuinely representative of diverse worlds of welfare or welfare state regimes (Goodin et al. 1999: 14-16).

The first of these claims is not contested here. The authors take panel data seriously and present findings that offer us a better understanding of the changing experience of individuals and households over time. A study of how individuals move into and out of poverty, establishing the extent of fluctuation in income levels pre- and post-tax and identifying changing patterns of labour force affiliation does, indeed, provide a more nuanced and interesting account of the dynamics of poverty, the distribution of life chances and the nature of social exclusion than does an account based on simple incidence measures at a single point in time. However, it is important to note that, for the present, the richness of panel data comes at a cost. Although many nations are now embarking on studies of this kind, there are only a very limited number of studies presently available. Indeed, it would be more than somewhat fortuitous if the countries chosen for analysis in *The Real Worlds of Welfare Capitalism* were truly representative of Esping-Andersen's regime types, since, according to Goodin et al., they are simultaneously exhaustive of useable panel data.

Of course, there is nothing particularly novel in the claim that socio-economic panel studies are a source of extremely valuable information on welfare relevant issues. The national studies from which the authors obtained their data were explicitly devised and expensively funded over long periods to produce an understanding of social processes going beyond mere social statics. Nevertheless, it is a considerable advance to have processed data from studies undertaken in different countries and under different auspices in such a way as to permit the identification of what appear to be substantial differences in national welfare outcomes. Indeed, even if, for reasons argued below, the study does not achieve its stated aim of extending the welfare regime typology, it is quite possible that it will achieve its own, deserved, classic status as the first

study that made a serious attempt to utilize panel data on welfare outcomes in a comparative way. However, if the goal is to assess how regimes impact on outcomes, the vital question is whether the authors can move beyond the particularities of the revealed differences between these three countries and provide us with an analysis of the extent to which variations in welfare state types account for relativities in the achievement of social and economic welfare goals. That is where the other two claims become critical and where what is weak in Goodin et al.'s publication becomes far more apparent. In what follows, I discuss the validity of these claims and seek to demonstrate that they are neither methodologically nor empirically sustainable.

4 Generalizing from too few cases

The standard formulation of the basic methodological difficulty of comparative outcomes research in advanced nations is that we have too many theories and not enough cases (see discussions in Przeworski 1987; King et al. 1994). With cases as few as those involved in comparisons of the 20 or so OECD nations, the constant risk is that omitted instances will refute generalizations made on the basis of a smaller sample, while the smallness of the sample itself restricts the number of independent variables (theories) that can be analysed simultaneously. I have already pointed out that the great achievement of Esping-Andersen's typology is that it can be shown to apply to as many as 18 cases, but have also noted that the absence of certain countries from his analysis is one of the reasons why scholars have proposed extensions to his typology.

At first glance, it appears that Goodin and his colleagues have neatly got around this problem with an analysis based on the many thousands of individual cases reported in these three national panels over periods of ten years. This is, however, quite illusory, with the rich and compelling analysis of the panel data for individual nations serving to obscure that, *in terms of the logic of cross-national analysis*, the study compares just three cases: Germany, the Netherlands and the United States. Counting the separate instances from which aggregate findings for individual countries are derived as separate pieces of information is no more legitimate in the case of panel data than it would be if we were to propose counting the individual expenditures that make up aggregates of national spending or the individual incomes that make up a poverty head count as separate instances. Indeed, the only legitimate way in which *The Real Worlds of Welfare Capitalism* could use its plethora of individual cases to enhance its analytic scope as a comparative study would be if data from all three panels were pooled in a single sample. The authors do not seek to make such a move precisely because their ultimate aim is to show that nations

and, hence, regime types differ. The result, as Goodin and his colleagues actually admit, is that conclusions of the kind that the Netherlands (representative of the social democratic world) performs better than the United States and Germany (representative of the other worlds) amount to no more than a rank-ordering of aggregated findings for three cases at a number of different time-points (Goodin et al. 1999: 87).

Clearly, for the reasons stated above, rank-orderings of this kind do not provide a particularly satisfactory statistical or logical basis for comparative analysis. However, this does not seem to be the authors' view. On the basis of such evidence, they are quite prepared to conclude that the "social democratic welfare regime is 'the best of all possible worlds'" in respect of all welfare-related goals (Goodin et al. 1999: 260). While stated with a normative veneer, this is actually an empirical generalization based on the superiority of the Netherlands to Germany and the United States on all the welfare state outcome dimensions identified and analysed in the study. Essentially, this argument only makes sense if the authors truly believe that they have adequately demonstrated that the institutional arrangements characteristic of social democratic regimes do, in some real sense, cause, or at least contribute to, these superior outcomes. But, if that is the case, they should also be ready to conclude that their conclusions are as fragile as they possibly could be, since any instance of a fourth country contradicting their ordering of regime types is potentially destructive of their findings on any given dimension of welfare outcomes.

We can only speculate as to the reasons why the authors pay so little attention to the inherent fragility of their findings. One possibility is that the absence of comparable panel studies beyond those featuring in the book may have had the unintended consequence of minimizing concern about potentially falsifying instances. In respect of much of the analysis, there are simply no other cases available. On the other hand, the authors do not seem to see the three-country comparisons as only a 'second best' strategy, which can be abandoned when more data is available. In analysing productivity and per capita growth as indicators of economic efficiency, the only data analysed are those for the study's three core countries and then only for the ten-year period for which panel data are also available. However, these are matters for which OECD data are routinely available for more than 20 countries over almost four decades (see OECD, *Historical Statistics*, various years). Only a belief that a three country comparison was somehow a 'first best' strategy of comparison could justify its use in preference to the readily available comparative data in this area.

This wider dataset provides one test that *The Real Worlds of Welfare Capitalism* egregiously fails. In many instances, over the post-war period, non-social democratic regimes have been at the forefront in productivity and per

capita growth terms (Japan, for much of the period, and Ireland, the United States and Australia today). By the same token, there have been instances where social democratic regimes have performed very badly in such terms (in the early 1980s, the Netherlands itself and, in the 1990s, and still more conspicuously, Sweden and Finland). In fact, there have been many econometrically sophisticated studies of the relationship between welfare state development and economic efficiency in the post-war period with quite diverse and contradictory findings (see Castles & Dowrick 1990). The one thing, however, which all have had in common is that they base their conclusions on the experience of more than three countries and a span of more than ten years. To have access to relevant data, and to refrain from using it, is the cardinal sin of comparative as of all others forms of research.

5 Studying the exception as the rule

The most important reason why the authors are not unduly concerned by their lack of cases for cross-national analysis is almost certainly their belief that the cases they do deploy somehow stand as proxies for – or are representative of – wider groupings of nations which are substantially similar in virtue, belonging to common regime types. Obviously, if we could demonstrate that all liberal welfare states are likely to have outcomes akin to those of the United States, that all conservative/corporatist welfare states are like Germany and all social democratic states are like the Netherlands, we would have much better reasons for asserting connections between varying institutional designs for the welfare state and the relative achievement of welfare goals. Clearly, the fact that panel data are only available for the three core nations in the study rules out the only unequivocal technique of establishing such correspondences. In its absence, Goodin et al. offer us an account based partly on the authority of Esping-Andersen's original typology and partly on an attempted demonstration that each core country's policy history and policy programmes have features in common with one or other of the regime types (Goodin et al. 1999: 11–12, chapter 4).

There are several difficulties in such an approach. A key problem, noticed in several reviews of *The Real Worlds of Welfare Capitalism* (for example, Solow 2000; Walker 2001) is that the Netherlands fits the bill as a typical social democratic welfare state far less well than Germany serves as an exemplar of the conservative/corporatist regime type or the USA of the liberal regime type. In fairness, the authors discuss this matter quite frankly and at length, identifying a variety of ways – including culture, political history, labour force composition and the balance between transfers and state-provided services – in which the Netherlands differs from the Scandinavian nations seen by Esping-Andersen as conforming most closely to the social democratic model. However, they insist that the Netherlands' exemplar status is justified by that country's similarity to Scandinavia in respect of the most vital characteristic of all, the size of the welfare state, arguing that "at least in respect of the tax-transfer side of social policy,

the Netherlands clearly qualifies as social democratic..." (Goodin et al. 1999: 12. See also Goodin & Smitsman 2000). The question is whether this constitutes sufficient grounds for a subsequent, and only rarely qualified, identity of Dutch policy outcomes and social democratic regime practice throughout the remainder of the study.

Such a position would only really be defensible if we had strong evidence that 'the tax-transfer side of social policy' was all that mattered for the kind of policy outcomes identified in the panel studies. In fact, we have every reason to suppose that key areas in which the authors concede that the Netherlands differs from the Scandinavian model – including a lack of commitment to active labour market policy, much lower public employment, far weaker female labour force participation and a far less developed social services state – are likely to be extremely relevant in accounting for differential rates of poverty, varying degrees of economic inequality and differing patterns of social exclusion. To give but one example: in the early 1980s, the Netherlands had one of the worst unemployment records in the OECD, while Sweden, Norway and Finland had amongst the best. The implication of the analysis offered by *The Real Worlds of Welfare Capitalism* is that such differences can be safely ignored. Yet, we know very well from myriad studies that unemployment impacts strongly on a wide range of social policy outcomes and, indeed, the latest evidence from that bastion of social democracy, Sweden, is that, when unemployment rose sharply in that country in the early to mid-1990s, "financial vulnerability rose in every group except the very oldest" (Palme et al. 2000).

A further difficulty with the position taken by the authors is that, even if typicality could be established at any one point in time, there is little reason to suppose that such a correspondence would be long lasting. This is, of course, a difficulty that applies to all exemplar nations and not just the Netherlands. Goodin et al. are at great pains to demonstrate that outcomes for individuals and households change over time. Indeed, that is their main reason for arguing that panel data are superior to cross-sectional data as a guide to real policy outcomes. Strangely, however, they tend to underplay the extent to which the socio-economic, historical and institutional parameters of policy outcomes also change. Patterns of productivity growth and per capita economic growth of certain countries have changed quite radically in recent decades. In the period under review, the United States went from low productivity growth and high unemployment to rapid growth and low unemployment. The Netherlands has made a similar transition. Epochal historical events may also be sufficient to impact on welfare state trajectories. Slap bang in the middle of the German panel, the Berlin wall fell and West Germany had to assimilate its former lands to the East. West German data is rightly used throughout, but do the authors really believe that the experience of coping with the financial stresses caused by massive unemployment in the East made that nation's

experience typical of other countries in the corporatist world during that period?

There have also been changes in the institutional characteristics of welfare states in the period under discussion here. The 1980s and 1990s have been decades of major programmatic reform in many European countries (see Ferrera & Rhodes 2000; Kuhnle 2000; Leibfried 2000). In some instances, these reforms have been of a nature and extent strongly indicative of movement away from historic institutional patterns. Interestingly, one of the countries in which such movement has occurred most obviously is the Netherlands. In precisely the period upon which *The Real Worlds of Welfare Capitalism* focuses, the Netherlands was undergoing what Visser and Hemerijck (1997) describe as 'a Dutch miracle'. Part of that miracle was strictly economic. Growth rates improved markedly, unemployment declined and female labour force participation burgeoned. But, much else that happened in the period was a consequence of purposive institutional redesign. In particular, traditional corporatist structures were reinvigorated and welfare institutions substantially reshaped, with major reductions in entitlements in some areas, the partial introduction of means-testing for some programmes, and a complete privatization of the administrative structure of social provision.

Some commentators have seen the thrust of these reforms as a partial move from a model based on 'welfare without work', essentially the logic of Esping-Andersen's conservative/corporatist regime, to a more activity-based model of the social democratic type (Hemerijck, Manow & Van Kersbergen 2000: 117-19). However, if the shift was towards a Scandinavian pattern in some respects, by other measures the direction of change looks more Anglo-Saxon and liberal in character. Higher economic growth and reduced welfare expenditure combined to contribute to an overall decline in the size of the public sector on a scale only matched by Ireland during the same period. In 1980 – the Esping-Andersen base year – the Netherlands did, indeed, look like Scandinavia: general government total outlays were 55.8 per cent of GDP in the Netherlands, 60.1 per cent in Sweden and 56.2 per cent in Denmark. By contrast, in 1998, the figure for the Netherlands was 43.3 per cent, while Sweden recorded 56.6 per cent and Denmark 55.5 per cent. By this particular measure, the Netherlands has become more akin to the United Kingdom in recent years (1980: 43.0 per cent and 1998: 40.1 per cent) than it has to Scandinavia (all data from OECD, *Economic Outlook*, various years). Data on aggregate social expenditure tell a rather similar story. In 1997, total social expenditure in the Netherlands was 25.4 per cent of GDP, representing a decline in Dutch spending levels of around 5.3 percentage points of GDP since the mid-1980s. The 1997 level of social spending in the United Kingdom was 21.6 per cent of GDP. By contrast, the average 1997 spending level in Denmark, Finland and Sweden was 31.0 per cent of GDP, up by more

than three percentage points since the mid-1980s (all data from OECD social expenditure database, CD Rom, 2001).

The object of these latter remarks is in no way to make judgements about Goodin et al.'s argument that the Netherlands performed better in respect of many welfare goals than either Germany or the United States in the period between the mid-1980s and the mid-1990s. Rather, the point being made is that the Netherlands – and, doubtlessly, Germany and the United States as well – changed radically in this period. If the Netherlands was a representative social democratic regime in 1980, it may well not have been subsequently. Equally, if it was representative in the decade starting in the mid-1980s, as Goodin et al. assert, it seems unlikely that this was the case in 1980 and it may well not be so now. The point is that, without having access to a substantial range of information about the Netherlands and the Scandinavian countries throughout the period, we have no real means of knowing. This information is not provided in *The Real Worlds of Welfare Capitalism*.

What we do know is two things. First, the experience of the Netherlands was exceptional in many ways from the late 1980s onwards. That, of course, is what the attribution of a 'miracle' is all about. Second, in economic terms at least, Dutch economic performance across a wide range of dimensions improved markedly during this period. By our normal understandings of the dynamics of social policy, we would expect such improvement to be associated with superior outcomes in such areas as social exclusion and poverty, although perhaps not in the areas of economic and social inequality. So the story of welfare performance in the Netherlands cannot be read as a vindication of the social democratic model of the welfare state, because that would be to identify the exception as the rule, and that is no less problematical in methodological terms than the attempt to derive valid empirical generalisations about cross-national variance from a very limited number of cases.

6 Summary

The methodological critique we have offered here is intended to be exemplary as much as substantive. The point is not just that the methodology employed by *The Real Worlds of Welfare Capitalism* is not of a kind that would justify its conclusions, but rather that this is always likely to be the case where typologies are advanced or elaborated on the basis of insufficient information concerning the full range of cross-national variation. This is an extraordinarily common phenomenon in comparative analysis and applies wherever findings derived from the study of one or more cases are generalized beyond the scope of their applicability. Unless scholars take extreme care, this is the almost inevitable consequence of a case-study or ideal-type approach to type construction. The

methodological point is the simple one that we cannot know whether a case is typical of others until we have examined all the cases in question. It is revealing that in a recent article, in which Goodin himself sets out to classify the range of variation in 18 contemporary welfare states (Goodin 2001), he abandons the view that the Netherlands is an instance of a social democratic welfare regime and classifies it instead as the only instance of a 'post-productivist welfare regime'. Esping-Andersen's contribution to the welfare state literature has transcended these inherent limitations of casual empiricism by providing us with a map of reality that identifies significant similarities within the range of variation encompassed by the majority of modern welfare states. Without covering all or, at least, most of the relevant terrain, such maps will inevitably be partial, inaccurate and misleading. If it is true that the Owl of Minerva flies only at dusk, it is no less true that we can only offer classificatory wisdom concerning worlds of experience that have been previously observed and analysed.

The methodological difficulties in stem not so much from an unselfconscious and unwarranted extrapolation from case studies research, as from an attempt to utilize a hugely valuable data source in a somewhat premature fashion. The effect and the logic is, however, the same. Panel data will ultimately bring a completely new dimension to social policy research and, undoubtedly, the ultimate aim should be to use such data in ways that add to our understanding of cross-national variation in policy outcomes. Goodin and his colleagues are to be congratulated in taking the first steps along a path, which should eventually allow us to use the findings of panel studies from many countries as a basis for cross-national analysis. However, in *The Real Worlds of Welfare Capitalism* they have attempted to run before they could walk. The methodological preconditions for using such data in extending welfare state typologies are, as yet, unsatisfied. Three cases are not enough and particular cases cannot be interpreted as somehow typical of other unknown cases.

For that reason, *The Real Worlds of Welfare Capitalism* does not live up to its promise of telling us what "life is 'really like'" in different welfare regimes. At most, it tells us about what life was like in Germany, the Netherlands and the USA in the ten years covered by these panel surveys. Clearly, the proper way forward is to generate more cases by presenting more panel data for more countries. An exemplar of the proper way forward might be the Luxembourg Incomes Study, which, having introduced a path-breaking technique for making national studies of income inequality more cross-nationally commensurable, saw the immediate task as one of increasing the range of countries sampled rather than immediately using its findings for explanatory purposes. A similar strategy would be no less appropriate in this instance.

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Regulating Prostitution as Sex Work: the Pioneer Case of the Netherlands

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Abstract

The Netherlands has become one of the first nations to allow brothels and to recognize prostitution as sex work. In this analysis the role of the national women's policy agency and its links to the women's movement with respect to the new prostitution policy are assessed by looking at the policy aims and the effectiveness with which the issue has been framed and gendered in new ways. Three major parliamentary debates on prostitution and the resulting trafficking of women are analysed for the discourses employed. These discourses are the traditional moral discourse, and those concerning sexual domination and sex work. It emerges that the policy agency adopted and promoted movement goals such as the repeal of the brothel ban and higher penalties for traffickers of women. Its framing, that distinguishes between voluntary and forced prostitution and defines the first as sex work, has become the basis for the new legislation. In this way new images of gender have arisen, allowing for a modern emancipated sex worker alongside the traditional image of the exploited victim. It remains to be seen in how far the new legislation will improve the position of prostitutes or lead to new forms of control.

1 Introduction

"It is a revolutionary proposal, definitely so when we look at it from an international point of view", a member of the Dutch First Chamber remarked during the recent parliamentary debates on the repeal of the ban on brothels.¹ The member, Bob van Schijndel, of the Green Left party, had been involved as an Amsterdam city councillor in the eighties in attempts to improve the position of prostitutes and clean up the prostitution scene in town. The First Chamber passed the bill in October 1999, which removed prostitution from the Penal Code except in cases of forced prostitution, paving the way for its further regulation as a sexual service, as a form of work.² The move was