

Scharle, Ágota; Váradi, Balázs

Working Paper

Identifying barriers to institutional change in disability services

WWWforEurope Working Paper, No. 41

Provided in Cooperation with:

WWWforEurope - WelfareWealthWork, Wien

Suggested Citation: Scharle, Ágota; Váradi, Balázs (2013) : Identifying barriers to institutional change in disability services, WWWforEurope Working Paper, No. 41, WWWforEurope, Vienna

This Version is available at:

<https://hdl.handle.net/10419/125697>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



Identifying barriers to institutional change in disability services

Working Paper no 41

Authors: Ágota Scharle, Balázs Váradi (Budapest Institute)

September 2013

Authors: Ágota Scharle, Balázs Váradi (Budapest Institute)

Reviewed by: Flip Maas (Maas Consulting),
Pieter Vanhuyse (European Centre for Social Welfare Policy and Research)

Identifying barriers to institutional change in disability services

Work Package 102

MS9 "Research paper on the results of task 102.2"

Working Paper no 41

This paper can be downloaded from www.foreurope.eu

Please respect that this report was produced by the named authors within the WWWforEurope project and has to be cited accordingly



THEME SSH.2011.1.2-1

*Socio-economic Sciences and Humanities Europe
moving towards a new path of economic growth
and social development - Collaborative project*

Identifying barriers to institutional change in disability services

Ágota Scharle, Balázs Váradi (Budapest Institute)

Contribution to the Project

This paper contributes to the project by identifying some barriers to the adaptation of welfare states to globalisation. Our method is comparing three country case studies: Finland, Sweden and Norway. In particular, it focuses on what actor-based, political-institutional and general factors have affected the speed of change in disability policy in those Social Democratic European welfare regimes.

Keywords: Academic research, 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: I38, D78, H75

Identifying barriers to institutional change in disability services

2013-09-24

Abstract

In a comparative framework, the paper uses a recently observed shift away from cash transfers and towards the provision of rehabilitation services to identify barriers to welfare policy reform. The analysis relies on the assumption that some European welfare regimes have a similar initial structure but may differ in their speed of adaptation to the challenges posed by external shocks. A detailed comparison of fast moving and slow moving countries allows us to identify some of the barriers to change. Throughout the analysis, we focus on provisions for people with disabilities, where the above shift has been observed, and with much variation across member states. Comparing policy developments in Finland, Norway, and Sweden in the past twenty years we identify fiscal constraints, historical commitment to equal rights, policy making capacity, and centralisation as important drivers of change. While some of these factors are beyond the control of policy makers, some can be strengthened by governments wishing to improve the long term performance of the welfare system.

1 Introduction³

European welfare systems have changed considerably over the past two decades and a growing body of theoretical and empirical work has been devoted to explaining the drivers and constraints to change. So far, no widely accepted models have emerged that would provide a clear and empirically testable description of the mechanisms that generate adaptation in welfare regimes. In fact, there is an ongoing debate even over the interpretation of what constitutes change and adaptation in general and in particular, in welfare systems. However, the rather pragmatic need for understanding barriers to change has not diminished or even strengthened over the past decades, as politicians struggle to tackle the welfare consequences of population ageing, new social risks, and economic crises.

This paper aims to contribute to the existing literature by identifying barriers to institutional change in European welfare systems within the Social-democratic welfare regime, and focusing on rehabilitation services for the disabled. The restricted focus allows us to identify not only some of the factors that may contribute to change but also the mechanisms leading to change. This approach however does not tell us which of these factors are sufficient or even, which are necessary for reform to occur.

The next section of the paper outlines the research strategy in more detail. Section 3 provides a summary of the existing literature, section 4 describes cross country variation in the provision of rehabilitation services, pointing to a convergence of policies in the OECD.

¹ Budapest Institute for Policy Analysis

² Budapest Institute for Policy Analysis and Eötvös Loránd University

³ The authors gratefully acknowledge helpful comments received from participants of two seminars held in the WWWforEurope projects, Flip Maas and Pieter Vanhuysse and competent research assistance by Flóra Samu.

Section 5 explains the selection of cases for further study, while section 6 presents two comparative cases that we use to identify barriers to change. Section 7 concludes.

2 Why focus on disability services

Our general approach follows earlier work interpreting changes in welfare regimes as path-dependent adaptation to exogenous pressures (e.g. Pierson 2000, Swank 2001, Esping-Andersen et al 2002, Palier 2010). We compare economies responding to a similar external shock and identify the factors that may have determined the speed of adaptation in their welfare systems. We focus on disability services as a particular area of welfare policy that is relevant to most developed economies and where there is wide consensus over the right choice of measures.

The common shock affecting most European countries in this policy area was manifested in the sudden rise of disability benefit expenditure in the 1970s and/or 1990s (Duncan and Woods 1987, Lonsdale 1993, OECD 2003). There is mounting evidence that the rise in disability benefit claims (or in some countries, the duration of benefit receipt) was itself a response to changes in the labour market and in welfare systems, rather than a symptom of demographic processes or developments in healthcare systems. The underlying cause was a decline and structural shift in labour demand, and a subsequent rise in long term unemployment, which led to a rise in unemployment benefit expenditures. This could generate an incentive for claiming disability benefits via two channels: directly, if governments eased eligibility criteria in order to reduce labour supply or indirectly, by reducing the value of alternatives, if governments responded by tightening access to, or cutting the level of unemployment benefits. Kohli et al (1991) claim that in the Netherlands, Sweden and Germany, incapacity benefits became an institutionalised way in which older workers can withdraw from the labour market as an alternative to unemployment. Vanhuyse (2004) and Scharle (2007) show how a similar process unfolded in Hungary and Poland in the 1990s.

The rise in disability benefit receipt duly raises concerns when it is coupled with a permanent decline in labour force participation, since a large share of the working age population permanently leaving the labour market will reduce tax revenues and increase transfer expenditure. This underlying mechanism goes back to the classic problem of welfare systems: cash benefits for the active age population should alleviate poverty without discouraging labour supply.

Economic theory offers no clear cut solution to this problem, but there is growing evidence that a carefully calibrated combination of cash benefits, active labour market programmes and behavioural conditions can successfully curb growing inactivity without sacrificing income maintenance. The details of the appropriate mix of policies have been tested and refined over the past decades by a large body of empirical research and policy analysis and are now part of the standard labour market policy toolkit advocated by the EU and the OECD (EC 2010, EC 2013, OECD 2010). As we show in section 4, there is indeed remarkable convergence across developed countries in their relevant labour market policies, however, with considerable variation in the speed of change.

As we argue in the next section, there is no comprehensive and generally accepted theory of reforming welfare regimes, which is most probably in part explained by the difficulty of developing such a theory. The task is made difficult if not impossible by several

complications, of which we list only the three that seem the hardest. First, the outcome variable of such an explanatory model would be change, which is difficult to define and measure in an objective manner (sometimes referred to as the dependent variable problem).⁴ Second, potential explanatory variables are too numerous and often interrelated, so that disentangling their effects would require a large number of observations. Third, systematic data collections on welfare reforms have started only very recently so that research is constrained by a trade-off between width or depth in the data available for empirical analysis.

Limiting our analysis to rehabilitation services for the disabled serves to reduce the above mentioned difficulty of the task in two dimensions:

- 1) focusing on a specific reform agenda where the goals and the tools are both clear and by and large universally applicable in developed economies,
- 2) comparing cases with broadly similar welfare regimes.

The first limitation makes it easier to define the outcomes of the adaptation process in a way that is comparable across countries, while the second limitation reduces the number of explanatory variables.

Admittedly, this approach entails certain limitations in its potential results. First, due to the peculiarities of disability provisions, some or most of our conclusions may not apply to other areas of reform. Such features include the heterogeneity of the target group, the involvement of several policy areas (healthcare, education, pensions, employment and social policy), which also increase the number of stakeholders affected, the relative strength of organised interest groups, and that the necessary reforms require not only the careful calibration of incentives (as e.g. in the case of pension rules) but also a change of attitudes on the part of institutions implementing the newly introduced services (Prinz and Thompson 2009). A further caveat applies if the most important barrier in fact lies in the regime type, which we abstract away from by comparing cases *within* types. However, this seems less of a concern knowing that there is considerable variation in the speed of adaptation within regime types and also some recent evidence on significant reform attempts in Continental regimes, which had been identified as most resistant to change in early comparative studies (e.g. Esping-Andersen 1996).

3 Possible explanations in existing research

What variables can explain the variation in the direction, extent and speed of structural changes in public policy in general? As we already mentioned above, there does not seem to be a generally accepted theoretical answer to this question. As Høj et al (2006) put it: „there is neither a well-established model of the political economy of structural reform, nor an extensive empirical literature on this topic” (p. 5), or, in Häusermann’s (2010) words: „... the literature on welfare state change also remains somewhat inconclusive, because different studies focus on different explanations and drivers of change.” (p. 14). To sidestep a huge and largely inconclusive and even contradictory literature, one may adopt the following strategies.

⁴ Consider responses to Hall’s (1993) proposal to distinguish between first, second and third order change and the later proliferation of related notions, e.g. institutional change, paradigmatic change, etc.

The first strategy is to single out a few plausible explanatory variables, build a convincing model showing how those could affect policy change or the lack thereof, and test it on a dataset of countries using either regression or event history analysis. Such variables could range from the power of interest groups (Olson 1982, Alesina and Drazen 1991; Alesina et al. 2006), the political ideology of the party or parties in government (Tepe and Vanhuysse 2012) or the presence of an economic crisis (Alesina and Drazen 1991; Fernandez and Rodrik 1991) to pre-existing welfare arrangements and institutional rigidities (Boeri et al 2012, Tepe and Vanhuysse 2012).

The other strategy is to compile detailed narrative case studies of individual policy changes and try to inductively find the explanations for the launching and success (or failure) of these changes, as done for example by Thompson (2009).

As Mätzke (2009) argues with respect to the study of policy history, both approaches entail some methodological risks. Rigorous, model-based quantitative studies can be misleading, even when they yield significant results, unless we can control for all of the possible or, less ambitiously, the plausible alternative explanations, which is rarely the case. In case studies it is even more likely that, unless we start out with a list of potential explanations, we miss out on important factors that remain in the background.

We choose the second strategy and attempt to minimise the above risk by starting out with a comprehensive list of potential explanatory factors, and aim for depth instead of width as far as the many and often hard-to-measure dependent and independent variables are concerned. There is no commonly accepted and complete inventory of factors that may possibly explain variations in the way and speed in which policy outcomes react to external shocks. To generate such a list, we take two shortcuts:

- (1) we concentrate not on all potential explanations for structural policy change as such, but restrict our attention to
 - a. policy changes in social welfare (especially employment) policy and policies affecting the working age population only,
 - b. explanations for the occurrence, extent and speed, not so much the direction of those policy changes;
 - c. liberal democratic regimes in which the rule of law applies,
 - d. in the last 60 years.
- (2) We refrain from considering the universe of *all* possible explanations and try to identify the set of *plausible* explanations that have been already advanced and supported by some kind of empirical proof.

A further challenge is to tell apart explanations that affect policy as it appears on the books: in decrees and acts of legislatures, from ones that affect outcomes by modifying the success of implementation as well.

The study we rely most on below is Thompson's (2009) wide-ranging and insightful inductive collection on the political economy of reform, comprising twenty case studies.

In what follows, we strive to identify factors that slow down, speed up or sidetrack the connection that leads from a secular change in technology and global division of labour to adequate policy outcomes that represent successful adaptation to such external shocks. The

level of globalization (proxied by trade or capital openness) has already been suggested to explain policy change. For example it has been suggested that globalization rearranges the influence of interest groups by making it easier for capital to exit and so giving investors a better bargaining position against labour, to contributing to accelerating technological change. But, as Myles and Quadagno (2002) put it, „finding a causal chain from increased globalization to diminished welfare states in the rich democracies has proven difficult, and, where the casual link has been found, the effect is often not the one expected.”

We group the explanatory variables into three categories: actor-based, political-institutional and general structural. A more traditional, chronological survey of explanations is given by Myles and Quadagno (2002).

3.1. Actor-based explanations

The ideas and interests of citizens' and their groups (including organized elites) or external actors such as the EU Commission with respect to the putative policy change can and do explain social welfare policy change. This allows for changing values, perceptions and preferences to have an effect on social policy. What is considered “normal,” the prevailing public opinion on who should be socially excluded, what constitutes family, what is fair, what is assumed to be the role of the family and of the state can affect policy change (Pfau and Effinger 2005, Brooks and Manza 2006). Public opinion can provide foundations to policy discourses, like Margaret Thatcher successfully appealing to the Victorian values of her electorate when reforming the social welfare system (Schmidt 2001, 2002). This also implies that policy changes that compensate at least some of the losers (e.g. exempting employees with acquired rights from labour code changes) have a greater chance for success (Tompson 2009).

But we must be careful: even the old insight (e.g. Korpi 1983, Bonoli 2010) that left wing parties support the expansion of the welfare state need not carry over to all contexts: when analysing the causes of retrenchment policies in continental Europe, Palier (2010) finds that partisan politics did not matter, Tompson (2009) allows for the “Nixon goes to China” effect, under which right wing parties are more credible and therefore more successful in passing “left wing” reforms and vice versa, and Häusermann (2010) stresses that both in the Christian Democratic and the Nordic countries center-right parties also formed coalitions with left-wing parties in expanding the welfare state.

Some mechanisms of support by actors may introduce a status quo bias against change. If those who stand to lose are more concentrated and more certain of their loss than the more uncertain and diffuse group of those whose welfare is to increase, that alone builds a powerful barrier to policy change (Tompson 2009).

Let us stress that, if citizens are at least to some extent sociotropic, their behaviour depends not only on narrow interests, but on beliefs of what they think is desirable and right in general, referred to as „paradigms,” (Palier 2010) or „ideation” (Häusermann 2010, Bonoli 2010). Tompson (2009) even suggests that policy regimes can turn ripe for reform by erosion that involves „the widely shared conception that the policies and institutions in place are failing” and citizens becoming aware of the social and budgetary costs of the status quo (p. 46-47).

Recently, Vis (2010, 2011) and Tepe and Vanhuysee (2012) have attempted to apply prospect theory, a behavioural economics description of the different ways people react to the risks associated with ‘winning’ and ‘losing’ from a certain status quo (Kahneman and Tversky 1979) to explain welfare reform.

In as much as this holds, generating credible information about the effects of the planned change and relaying it to the citizenry or changing their expectations can be of importance (Tompson 2009).

3.2 Political-institutional explanations

Actors’ preferences affect policies by way of the political process. This may take the form of strikes and demonstrations, interest groups bargaining with the government, or turning out to vote for or against the political parties implementing change (Galasso and Profeta 2002 enumerate studies finding voter turnout to affect social security spending). Therefore, even if we think it is the preferences of the citizens that determine policy, it happens through political institutions. That is, the institutions of interest mediation will affect “policy responsiveness” (Brooks and Manza 2006).

In that case, a host of political-institutional arrangements will also matter, such as those concerning the electoral system, the ease, necessity or tradition of forming a coalition government, the strength of the opposition, the devolution of state functions to levels of governance (including federal versus unitary models), de facto „veto points” given to various actors, or the political framework for industrial relations. Features determining whether a broad consensus is necessary for change are underlined as particularly important (Galasso and Profeta 2002; Häusermann 2010; Myles and Quadagno 2002; Palier 2010; Tompson 2009). Huber and Stephens (2000) refer to the school stressing these factors as adherents of the „power resources” approach.

These institutions will also affect crucial political party choices, for example, whether parties risk asking for an electoral mandate for a policy change before election. That, in turn, as Tompson (2009) finds, affects the chances for success.

Political institutions can have a direct effect on welfare policy changes as well, beyond how they shape the way in which the citizen’s will is channelled into collective actions. Building on the theory of the political business cycle advanced by Nordhaus (1975), Tepe and Vanhuysee (2012) suggest that the length of the electoral cycle will matter if, the timing of policy change within the electoral cycle is important. Also, if institutions affect the discount rate of politicians, that, in turn, may affect the willingness to launch welfare policy changes (Tompson 2009). More generally, the level of trust and credibility garnered by political institutions – and actors within them, such as the government or political parties – can be crucial, too (Keefer & Khemani 2003, Rothstein et al 2012). This might affect outcomes not just by having an impact upon regulation but also by having an independent effect upon the success of the implementation of the new rules.

The quality of the bureaucracy: its administrative capacity to articulate goals (Rubaii-Barrett and Wise 2008) and find and elaborate policy solutions may also matter (Prinz 2010; Cseres-Gergely and Galasi 2012 discuss the Hungarian case). Less ostensibly, bureaucratic institutions are often in charge of implementation as well, thus they can affect not just the

passage of regulatory changes, but the speed and extent with which they are implemented – or with which they erode (called “internal policy conversion” by Hacker 2004). Huber and Stephens (2000) refer to the approach stressing these factors as „state centric.”

The fact that institutions matter can be rephrased in an optimistic way as well: sometimes, as Tompson (2009) finds, creating a new public sector body alone can help make a hard-to-pass reform happen.

The legal tradition of the country has also been shown to possibly matter (Botero et al 2004). The legal system can affect the implementation of policies too (e.g. how easily, with what chance of success and expected payoff can someone sue if he or she is shortchanged by institutions mandated to carry out policies?).

Moreover, path dependency theories „assume that early social policy developments set nations on distinct trajectories that, once adopted, are difficult to reverse” (Brooks and Manza 2006, p. 817). This has been demonstrated to be relevant for the formation of social policies as well (Ebbinghaus 2006; Häusermann 2010; Palier 2010). Hauserman (2010) and Mettler and Soss (2004) discuss policy feedback: new policies generate not just new institutions implementing them, but new constituencies supported by them, which, in turn, affect what new policies are adopted. Actors and institutions reinforce each other and clusters of countries emerge with similar welfare regimes. These have been shown to contribute to explaining social policy change as well. Esping-Andersen’s (1990) welfare state categories have been used by many studies such as Palier (2010) to explain policy response in continental Europe as different from either Scandinavian or Anglo-Saxon countries and by Ebbinghaus (2006) to explain early retirement arrangements in Europe, Japan and the USA. Although Esping-Andersen’s is the most widely used categorization, it is not the only one (e.g. Ebbinghaus 2006 used another division of countries when discussing different management-labour bargaining traditions). The general claim though that there are clusters of countries with similar welfare regimes and that, beyond individual institutions and actors, regime type affects policy change remains universally accepted by the literature.

3.3 General structural explanations

Beside global technological and economic change itself, a number of other structural variables have been proposed to explain welfare reform.

From the very beginning of welfare state research, two groups of explanatory variables have been shown to be correlated with proxies of social welfare policies, even though the actual causal relationship is elusive and endogeneity is in both cases hard to exclude: the average age, or more generally, demographic variables (Browning 1975) and per capita GDP (the so-called Wagner’s Law), and, more generally, proxies of the level of economic development and income distribution in the country (Galasso and Profeta 2002 summarize the many quantitative studies where those variables matter). Huber and Stephens (2000) refer to the school of authors stressing these two factors as following the „logic of industrialism.”

Economic development is correlated with spending on welfare as a long-run trend, but, more importantly for us, cyclical economic downturns have been shown to trigger policy responses. This can happen in several ways: fiscal austerity might cause the government to cut back on spending or phase out tax breaks; rising unemployment can increase public demand for more

generous transfers, or the perception that economic crisis necessitates policy change might help break out of a political-institutional trap. It can also make reform harder (cf. Alesina and Drazen 1991; Fernandez and Rodrik 1991, Tompson 2009). On the other hand, Tompson (2009) finds that, once announced, the business cycle does not affect the likelihood of the adoption of policy change. Effects can be differential, too: Tepe and Vanhuysse (2012) find that mounting unemployment and population aging may make medium-sized pension reforms more likely but large ones less so.

Table 1 below summarises the main sets of plausible explanations (a more detailed version of which has been relegated to Table A1 in the appendix.) that we consider in the ensuing analysis.

Table 1. Potential explanatory mechanisms and their expected effect

<i>Sets of explanatory variables</i>	<i>Expected direction on OECD-recommended disability policy changes</i>	<i>Does it also affect the success of implementation?</i>
<i>Actor based: ideas, values and interests of citizens, organised elites and external actors and communication targeted at them</i>	More inclusive attitudes, interests aligned with activation and effective communication help change	(Lack of) trust in implementing agencies could
<i>Political-institutional: institutions of interest mediation, length of the policy window, path dependence, the quality of bureaucracy, etc.</i>	Multiple mechanisms pointing in different directions	The quality of the bureaucracy charged with implementation and interest conflicts between different agencies and levels of government could
<i>General structural: demography, GDP, fiscal crises</i>	Multiple mechanisms pointing in different directions, but, with the exception of economic downturns, slow to change	

4 Cross country variation in employment policies and outcomes for the disabled

The adequate response to a rise in disability claims has three main elements: the calibration of the replacement rate and entitlement conditions of disability benefits, the design of behavioural conditions and sanctions and lastly, the provision of rehabilitation services. 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).

The success of this policy mix requires not only the correct calculation of monetary incentives (based mainly on the difference between potential earnings and out of work transfers), 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 staff in welfare institutions delivering the provisions (Prinz and Thompson 2009). Attitudes and interests may compromise the effectiveness of all elements of the policy mix, but this risk is perhaps greatest in the screening of disability claims.⁵ The implementation of disability reform is further complicated by the fact that it requires the cooperation of several administrative and policy making bodies: ministries, pension and health insurance funds, healthcare institutions, training providers and the public employment service. It may be blocked by the providers of ineffective services or interest groups and it may also fail if there are insufficient resources to build expert capacities for providing high quality services.

Existing empirical evidence suggests that personalised services rather than large scale uniform programmes are more effective. Reliable evidence however is relatively scarce in Europe, especially compared to the US, where rehabilitation programmes were started much earlier and the demand for rigorous impact assessments has been stronger (Van Lin 2002, OECD 2010).⁶ There is also some evidence from studies in the US that the combination of (relatively expensive) personalised services and sanctions is cost-effective as opposed to sheltered employment (Cimera 2008, Kregel and Dean 2002).

The OECD has recently conducted a review of policies for integrating disabled workers in OECD member states. The report on their findings presents evidence of a convergence towards activation policies and away from generous cash transfers. However, they also note that actual practice lags behind: in most countries, the tightening of benefits and the introduction of new activation tools have not yet led to a significant shift in spending nor to a significant improvement of the labour market integration of disabled persons (OECD 2010).

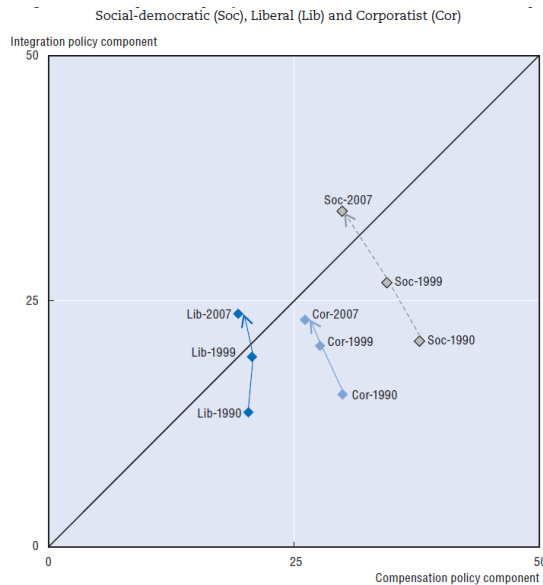
Importantly, the OECD review found similar tendencies in disability policies across welfare regime types (OECD 2010, see Figure 1 below). Constructing two composite indicators for measuring the dominance of policies that encourage labour market integration on the one hand and generosity of cash benefits on the other hand, they find a definite shift towards to former between 1990 and 2007. Although Social Democratic regimes (covering the Nordic states, Germany and the Netherlands in their typology) move faster than Liberal (Anglo-Saxon countries except Ireland, Japan and Korea) and especially Corporatist (Continental Europe and Ireland) regimes, changes over the past decades point in the same direction.⁷

⁵ Ideally, disability benefits should be granted to all who genuinely need them, and denied of all who do not. Both aims are subject to error (referred to as exclusion and inclusion error respectively), and both errors imply welfare losses. However, the denial of deserving benefit claims tends to raise more concern for those making the decision, in terms of potential legal consequences and moral considerations as well. They are therefore more likely to err on the side of leniency.

⁶ Most of the disability policies recommended by the OECD originate from the US, where rehabilitation programmes were introduced very early and have also been subject to sophisticated impact evaluations. For an early review of such studies see e.g. Berkowitz 1988.

⁷ The typology is based on clustering OECD countries on detailed indicators describing their disability policies at the start of the period observed.

Figure 1. Convergence of disability policies in the OECD 1990-2007



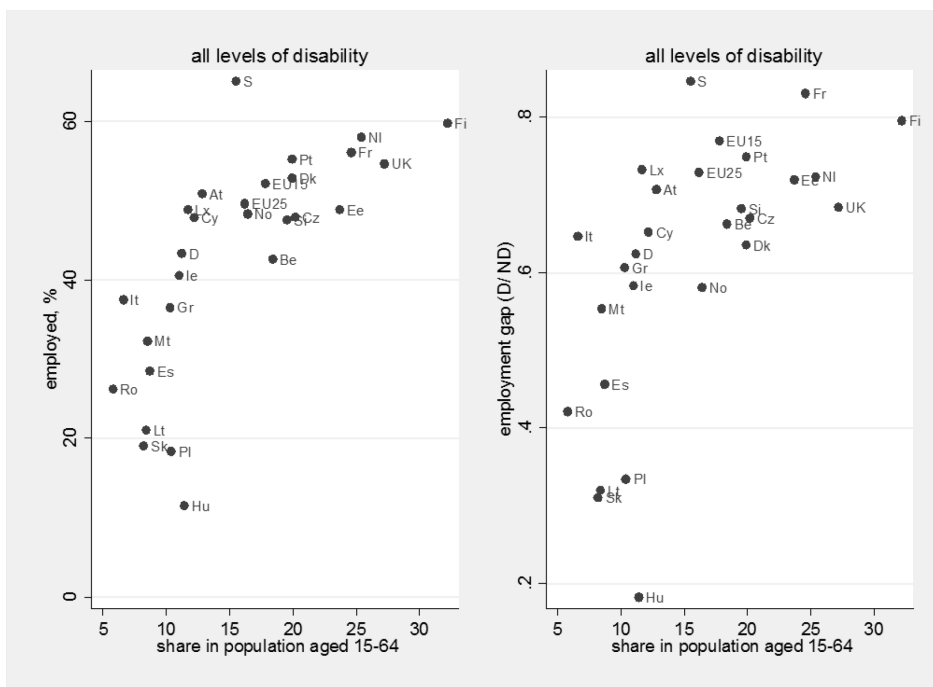
Source: OECD (2010). Note: The *Integration policy component* is a composite indicator of legal provisions to enhance labour market integration and access to rehabilitation services, the *Compensation policy component* is an indicator of access to and level of cash transfers. Both indicators are an unweighted sum of ten sub-components which rank countries in various aspect of policy (the sub indicators are presented in tables A2a-b in the Appendix. For a more detailed explanation see OECD 2010:85). A high score means more generosity (in compensation) and more activation (in integration) respectively.

While the speed of policy convergence is apparently related to regime type, there is considerable variation within regimes, suggesting that the adaptation process is influenced by several other factors as well. To illustrate this, we compare the scores on the above mentioned two OECD indicators between and within welfare models. Based on these, the overall change is about twice as large for Social Democratic as for Corporatist models, but, for example, the difference between the Swedish and the Finnish scores (both within the Social Democratic model) is almost as large (Figure 3). Or, the change appears to have been larger in Poland (belonging to the Corporatist model) than in Sweden.

In terms of outcomes, trends are less clear, for two main reasons. First, as already noted, the clear shift in policy goals and regulations has not fully translated into implementation in the field. This implies that their impact on labour market outcomes will be limited (OECD 2010). Second, labour market outcomes are difficult to compare in time and especially across countries. Evaluating change over time within a single country is complicated by the errors in measuring the level of disability, which is related to access to disability benefits and social norms as well, both of which may change over time. Kreider and Pepper (2007) report convincing evidence based on two US population surveys including self-reported disability that nonworkers overreport their disabilities. Cross country comparisons are fraught with the same problem and are further complicated by the differences in defining disability. Banks et al (2004) suggest that differences in self-reported disability across countries are influenced by differences in disability thresholds (e.g. over 50% of the difference between US and the Netherlands is due to that).

To illustrate the point, consider variation in the employment rate of the disabled population in the 2002 ad-hoc module of the European Labour Force Survey, which is based on a harmonised questionnaire and collection method. Given that health outcomes are relatively close within Europe (or vary mainly with the level of income, cf. OECD 2012), one would expect relatively little cross country variation in the incidence of disability within the working age population and no definite correlation between the incidence of disability and the employment rate of the disabled. The LFS data refute both these expectations: we find the incidence of disability to vary between 5.8% in Romania and 32.2% in Finland and the employment rate of disabled persons to increase with the incidence of disability, whether it is measured in absolute terms or relative to the employment rate of the non-disabled population (Figure 2).

Figure 2 Employment and incidence of disability in Europe 2002



Source: Own calculations using data from the EU LFS ad-hoc module of 2002 (Eurostat), except for Poland and Sweden, where we used data provided by the respective national statistical offices.

The problematic comparison of employment levels implies that the results of welfare reforms affecting the disabled population cannot be easily evaluated on the basis on improvements in the employment rate, especially if the reform entailed a redefinition of disability levels and/or a tightening of how existing definitions are applied in practice.

5. Selecting cases for further analysis

We rely on the typology of OECD (2010) to select countries for further analysis. Since our interest lies in European developments, we focus on Social Democratic and Corporatist regimes (the Liberal model in this typology includes only the UK from Europe). The main criterion for selecting the countries is that they should differ substantially *within* their welfare

regime group in terms of changes in legislation (as measured by the two indicators in Figure 1), policy implementation (as measured by public expenditure) and outcomes (as measured by the change in employment). While admittedly crude, the latter measure is intended to serve as an indicator of the depth and success of the reforms. Table 2 below presents a summary of within-group variation based on the country level data given in the Appendix.

Table 2 Variation in the magnitude of change in legislation, implementation and impact within welfare types

		legislation	implementation (spending)	impact (employment)
Corporatist	A) Austria, Belgium, Hungary	medium	small	small (NI)
	B) France, Poland	small	(ND)	small (NI)
	C) Czech, Slovak Republic, Ireland, Italy, Portugal, Spain	medium	small (NI)	(ND) large
Social- democratic	A) Denmark, Netherlands, Switzerland	large	large	small (NI)
	B) Finland, Sweden, Norway, Germany	medium	medium	large

Source: authors' judgement based on data presented in Tables A3-5 in the Appendix. NI= no improvement, ND= no comparable time series available.

There appears to be more variation in legislative changes within the Social Democratic cluster. The differences in legislative change are largest between Denmark, the Netherlands and Switzerland, but this group appears to vary little in terms of outcomes: none of the three countries managed to reduce the disability employment gap. While the significant reforms in Denmark and especially in the Netherlands would make the analysis of this group potentially fruitful (cf. Andersen 2011, Van Oorschot 2010), the case is less clear when considering the impact dimension, as apparently these reforms have not yet translated into an improvement in employment outcomes (see Table A5 in the Appendix). In the Corporatist cluster, the three Southern countries Italy, Portugal and Spain exhibit some variation in terms of policy change and also markedly different outcomes in disabled employment.⁸ However, none of these countries achieved a reduction in spending on cash transfers, which suggests that improved employment outcomes in this group may have been a result of factors outside rehabilitation policies.

In the ensuing analysis we therefore focus on the clearest case of the Social Democratic subgroup, which shows considerable variation in all the three phases of the policy making process. This includes Germany and three Nordic countries: Finland, Norway, and Sweden. In line with our analytical strategy, we exclude Germany to minimise variation that may come from path dependence and political tradition.

Sweden moved very little in the compensation indicator between 1990 and 2007, and less than the other Nordic states in the integration indicator of legislative changes.⁹ In terms of

⁸ Italy and Spain exhibit considerable improvement in the employment gap, while Portugal shows a decline.

⁹ OECD (2010) only presents the detailed scores for 2007, but the scores were calculated for all years between 1990 and 2007, which the OECD kindly disclosed to us. The other subgroup of the Social Democratic model

public spending, however, the shift from cash transfers towards in kind provisions (including services) appears to be largest in Sweden, somewhat smaller in Finland, while Norwegian spending moved in the opposite direction in the past twenty years. In terms of employment outcomes, all the Nordic countries have high relative employment rates of between 50 to 70%, but, except for Sweden, showed no further improvement during the past 20 years, or even declined as in the case of Finland (Table A5).

6. Explaining disability policy developments in Finland, Norway and Sweden

Once we have confirmed (or adjusted) our initial labels for slow and fast moving countries, we can turn to exploring the reform process and identifying any features within the process or in its context that differ between the selected countries. Again, we must note that this strategy may fail to identify the true importance of those variables that do not vary considerably within the two groups.

In 1990, the three Nordic countries started out with rather similar disability policies, except that benefit legislation was considerably less generous in Finland, especially on sick leave. Benefit eligibility rules covered the total population in all three countries and this characteristic has been retained until the present. All three countries have a complex benefit system but with important differences in their administration. In Sweden, there is one agency for integration, but benefits are not co-ordinated, in Finland and Norway most programmes have their own, separate agency responsible for administration. Work incentives for beneficiaries tended to be weak and, regarding rehabilitation services, no supported employment programmes existed in 1990.

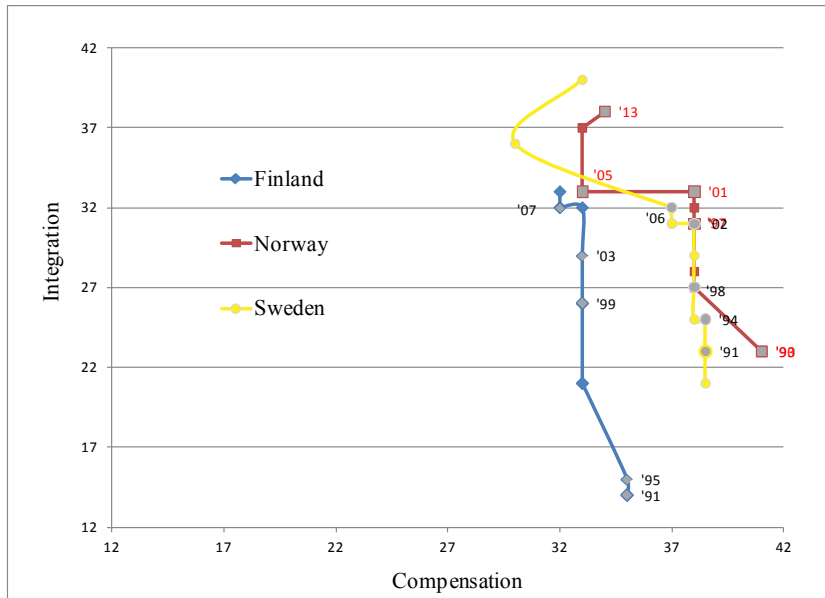
An important difference at the start is that the medical assessment of disability was done predominantly by the local general practitioner in Norway while it was done by the insurance doctor in Finland and Sweden.

6.1. Disability policy developments in the past twenty years

Legislative changes in Finland, Norway and Sweden have in almost all cases followed the direction prescribed by OECD recommendations: reducing the generosity of cash benefits and strengthening services and incentives for labour market participation. The year-on-year moves show remarkable similarity in Sweden and Norway, with the Norwegian legislation following Sweden with a lag until 1996 and taking the lead until 2008 (see Figure 3.). Finland starts from a more advantageous position as regards the generosity of cash transfers in 1990, but significant reforms to encourage labour market integration only start in 1996. By 2004, after a “short decade” of reforms, Finland converges to Norwegian policies and no significant changes occur thereafter.

includes Denmark, the Netherlands and Switzerland, where the Netherlands is the one making most progress and the scores for the other two are roughly similar and comparable to Sweden as regards the integration indicator.

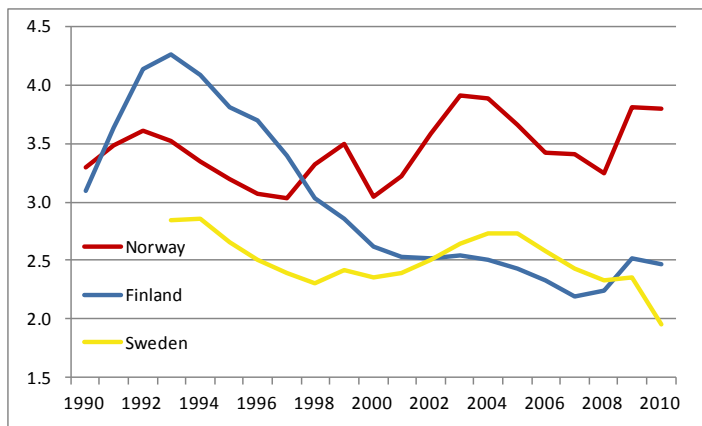
Figure 3. Legislative changes in disability policy in Finland, Norway and Sweden, 1990-2013



Source: OECD for 1990-2007, and 2008 for Sweden, authors' calculation for 2013. Grey marks and dates denote election years (printed in red for Norway). No data are available for the years between 2009-2012 (i.e. for election years for Norway in 2009, Sweden in 2010, Finland in 2011).

Implementation and outcomes are more difficult to trace as there are no data available that are fully comparable across years and countries. As already noted above, spending on cash transfers tended to increase, though with intermittent cuts, in Norway, while it declined in Sweden, and especially in Finland. This decline was most dramatic between 1995 and 2001, when Finland cut spending on cash transfers by an annual 4% on average in real terms. Reductions continued at a more modest pace until 2007 and spending started to rise at the start of the global financial crisis in 2008 (Figure 4). Sweden did not need such severe cuts as the level of spending was never too high, at least for Scandinavian standards.¹⁰

Figure 4 Spending on disability cash transfers, % of GDP



¹⁰ Danish spending increased slowly from around 2% in 1990 to 3% by 2005 and then rose to 3.3% at the beginning of the global financial crisis. Most other EU Member States tend to spend below 2% of their GDP on disability pensions.

Source: Eurostat online database

Spending on rehabilitation services is difficult to compare across countries. If disabled job seekers have access to standard programmes for the unemployed (e.g. training, mentoring or wage subsidies), there may be no data available on their participation and hence statistics on spending on rehabilitation may underestimate total expenses promoting labour market integration.¹¹ According to Eurostat, rehabilitation spending started from a low level (0.1% of GDP) in Sweden and showed a modest increase during the past twenty years, while it was higher but more or less stable in Finland (around 0.3 %) and in Norway (0.5%).

Employment outcomes seem to have diverged. The Finnish reforms in the 1990s did not reduce the disability employment gap, which even worsened towards the late 2000s. The steady shift from cash transfers to labour market programmes yielded a slight decrease and then a modest improvement in Sweden, while there was no change at all in Norway.

Two questions seem to emerge from the above description. First, what explains the poor implementation and poor outcome of Norwegian legislative reforms compared to Swedish performance? Second, what factors may explain the delay in Finnish reforms in the early 1990s, and the slow-down in reform initiatives since the mid 2000s? We return to answering these two questions after a brief outline of the policy changes in the three countries.

6.2 A brief chronology of policy developments

Concentrating solely on Finland, Norway and Sweden considerably narrows down the set of variables that we may potentially find to affect policy change. We will not be able to identify factors, however important, unless they vary substantially across the three countries.

Using the list compiled above in section 4 and Table A1 in the Appendix, let us check off the factors in which the three Nordic countries show no significant variation at all.

As far as *actor based* explanations are concerned, the fact that all three countries signed the UN convention on rights of person with disability in 2007¹² attests to at the very least a broad minimum level of support for the rights of the disabled in all of them. Kuhnle (2000) and Nygård (2006) identify highly stable patterns of support for state provided welfare, too, in all three countries, and, in line with that, they stress that the backdrop to changes in all three is a political consensus in the sense that no major political actor in any of the three countries suggests that the state should withdraw from central spheres of social security.

As far as *political-institutional* explanations are concerned, the professional quality of the civil service and research capacity it can rely on is fairly high in all three countries, whether we use the “index of professionalism” measure of *The Quality of Government* survey, the presence of high quality detailed statistics of the disabled or the existence of quantitative impact assessments.¹³

¹¹ To complicate matters, Norwegian statistics include disabled job seekers in general ALMP programmes until 2004, and exclude them afterwards.

¹² Source: <http://www.un.org/disabilities/countries.asp?id=166>

¹³ See <http://www.qog.pol.gu.se/>

Finally, as far as *general structural* explanations go, in terms of GDP per capita, all three are rich countries; in none of the three was there a strong increase in the age dependency ratio in the last two decades and their economies exhibited a similar level of openness to trade (exports/GDP in the 40-50% range in 2010), which can also serve as a rough proxy of the uniformly high level of globalization in all the three countries.

6.3. Norway versus Sweden: fiscal squeeze and local autonomy

Both Norway and Sweden have been characterised by high welfare spending, based on strong commitment by parties and support from the public. Partisan support for the expansion of the welfare system has tended to increase in Norway while it declined somewhat in Sweden (Nygård 2006). Governments have been committed to social inclusion in both countries, though Swedish governments exhibit slightly more specific dedication to disability policies, as we show in the next sub-section. To illustrate this slight difference: while both countries established ombudspersons for the monitoring of discriminative practices, the Norwegian institution evolved from an ombudsman for women's rights, while the Swedish one was established from the beginning to oversee the implementation of the UN's disability convention of 1993 (UN 1993).

Disability policies are very similar in the two countries in 1990, and follow more or less the same paths in the last twenty years, at least in terms of legislative developments. The implementation and outcome of these policy changes are however markedly different.

Two factors emerge from a systematic review of potential explanations for the implementation gap in Norway: the lack of fiscal constraints and the relative strength and autonomy of local actors in implementing sickness and disability policy.

First, Norway enjoyed unprecedentedly high growth for most the period following the mid 1980s, and was largely shielded from the recent global crisis as well, to a large extent owing to the wise exploitation of the country's oil resources discovered in the early 1970s (Larsen 2006). By contrast, Sweden went through a painful fiscal consolidation in the early 1990s and experienced critical periods in the beginning and end of the 2000s as well (see Calmfors et al 2012 for an overview). While the fiscal squeeze created a strong impetus for cutting welfare expenses in all these cases, the first one appeared especially important as it also evoked a strong political commitment to reforming the welfare system. The debates over how this should be done, combined with the consensual political culture, built up political support and empirical evidence for removing labour supply disincentives and strengthening activation in employment policies and in sickness and disability policies as well (Alestalo et al 2009).

Second, the centralisation of administering sickness and disability policies shows important differences between Norway and Sweden. The latter entered the 1990s with a more centralised administration in sickness insurance and employment services, while the Norwegian system has allowed more autonomy for local actors. With little financial pressure at either the local or the central level of government, local actors in Norway had little motivation to implement centrally designed measures to tighten access to sickness and disability policies, given that any potential savings on disability benefits would go to the central budget, while the political costs were to be paid at the local level. The case is particularly clear in the evaluation of disability benefit claims, which had been traditionally delegated to local general practitioners in Norway, with weak monitoring and incentives to

apply centrally determined initiatives to tighten benefit access. As already noted above, the Swedish system delegated this role to local branches of the National Insurance Agency (OECD 2006). The autonomy of the municipalities has also been stronger in the implementation of active labour market policies in Norway, which may have slowed down the development of integration policies. Local support for traditional and locally rooted but relatively ineffective sheltered workshops may have slowed down the extension of individualised supported employment services that give a preference to placement in the open labour market (OECD 2013). Sweden also seems to have made more effort to monitor policy implementation at the local level. Although both countries established a separate institution for monitoring disability policy (Norway set up Dokumentasjonssenteret in 2005 and Sweden set up Handisam in 2006), the mandate of the Swedish agency extends to collecting data from local municipalities while the Norwegian one was merged into the office of the Equality and Anti-Discrimination Ombudsman in 2008 and is consequently more focused on individual cases of discrimination.¹⁴

To summarise, local autonomy in controlling benefit access combined with the lack of strong financial pressures appear to explain the continued high inflow into disability benefits and the low take-up of rehabilitation services (which are otherwise well developed) in Norway. This in turn explains the failure to increase the employment rate for disabled jobseekers.

6.4. Finland versus Sweden: administrative capacity and commitment

For the whole of the 1990-2013 period, in terms of legislative changes, both countries chalked up a remarkable improvement of integration policies and a more modest but marked improvement in their compensation policies is also observable in both. Timing, however, seems to have been quite different: The lion's share of improvement in Finland was due to two early efforts in 1995-1996 and 1999, but relatively little changed since. In contrast, Sweden has exhibited policy improvements that are smaller but more frequent and that have even speeded up in the new millennium.

In the wake of the economic crisis of the early nineties that affected both countries, the pressure to change was more acute in Finland, where a larger portion of the GDP was spent on disability cash transfers than in Sweden (cf. Fig. 4. and Hytti 2008). As that pressure started to wane from 1993 on, and especially after the 1995-1996 reform, though, the Finnish policy agenda veered away from disability policy back to what was also identified by the IMF as the main issue: unemployment and especially pension policies (MSAH 2008, Kangas and Saloniemi 2013). The EU Commission concurred: up until 2011 its country-specific recommendations stressed pensions and unemployment benefits, not disability policies as the foremost concern for Finland (EC 1999-2013). Given that in Finland the main driver behind the changes seems to have been the government, and it concentrated on pension reforms and reforming the social security agencies for most of the next decade, little was done until welfare issues were broached again on the eve of the 2003 general elections. Following *Towards a Society for All* (1995), the next strategic policy documents were published with a considerable lag: the *National action plan to reduce health inequalities* and *A Strong Basis*

¹⁴ Sources: <http://www.nsd.uib.no/polsys/data/en/forvaltning/enhet/38616> and www.handisam.se

*for Inclusion and Equality: Finland's Disability Policy Programme*¹⁵ target the 2008-2011 and the 2010–2015 periods respectively (MSAH 2008).

In Sweden the stimuli for change seem to have come as much from outside of government and the Riksdag as from inside them: as already mentioned above, an ombudsman especially dedicated to the disabled population was appointed to oversee the issue as early as in 1994. A well organized and vocal umbrella organization representing the disabled (the Swedish Disability Federation was established in 1942, while the Finnish Disability forum was set up only in 1999), as well as vocal but consensus-minded trade unions and employers' organizations also actively participated in keeping the issue on the agenda and hammering out proposals, as did the EU Commission that stressed sickness and disability policy as a concern for Sweden in 2003 and 2007.

Another signal that disability was continuously kept on the policy agenda in Sweden is that, unlike Finland, it not just signed, but also promptly ratified the UN convention of 2006 on rights of persons with disabilities.

In Sweden, political debates tended to go into more detail and had more grounding in research evidence. An impressive series of strategic policy documents (*The report of the Lindbeck Commission* in 1993, *Agenda 22* in 1996, *From Patient to Citizen: A National Action Plan for Disability Policy* in 2000, a *Strategy for Implementation of the Disability Policy* in 2011), more evenly paced than the equivalent papers in Finland, drawn up with active extra-governmental participation and with matching monitoring reports at the end of the targeted periods have kept governments on topic and on track. Swedish policy makers (ranked slightly better and trusted more by the public than their Finnish peers) could also work with more research evidence, covering a longer period on the impact of cash transfers or services than their Finnish counterparts (Nekby 2008).

In summary, the better administrative capacities and stronger commitment of Swedish governments appear to explain their sustained effort in adapting disability policies, as well as their somewhat better performance in improving the disabled employment rate.

7. Conclusion

The paper outlined a strategy for identifying barriers to institutional change, focusing on the shift away from cash transfers to households to the provision of social services and from large, one-size-fits-all programmes to personalised rehabilitation services. We showed that European welfare regimes that have a similar initial structure do differ in their speed of adaptation to the challenges posed by external shocks to the labour market.

We focused on three countries with a Social Democratic welfare regime that show considerable variation in terms of changes in disability policies, public expenditure and outcomes. This allowed us to control for several contextual variables that may also influence the speed of adaptation and focus on a manageable number of variables that differ within welfare regimes.

Comparing policy developments in Finland, Norway and Sweden in the past twenty years, we identify fiscal constraints, historical commitment to equal rights, policy making capacity, and

¹⁵ Cf. http://www.vane.to/images/stories/vampo2012/vampo2012_english.pdf

centralisation as important drivers of change. While some of these factors are, at least in the short run, beyond the control of policy makers, some can be strengthened by governments wishing to promote the long term performance of the welfare system.

In particular, governments can strengthen the capacity of public administration to commission and communicate empirical evidence supporting the case for reform, to design adequate policy changes and to monitor the implementation of these changes at the local level. Setting up more or less independent agencies to monitor policy implementation at the central and local levels can also help in strengthening the reform commitment of governments and defend their case in the face of opposition from social partners or other actors. Lastly, it would be difficult to argue for the reduction of local autonomy as the local delivery of welfare provisions is likely to increase the quality of such provisions. However, governments may experiment with well designed financial incentives and monitoring to reduce the implementation gap.

References

- Alesina, A. and A. Drazen (1991) Why are Stabilizations Delayed?, *American Economic Review* 81, pp. 1170-1188.
- Alesina, Alberto & Silvia Ardagna & Francesco Trebbi (2006) "Who adjusts and when? On the political economy of reforms," Harvard Institute of Economic Research Working Papers 2108, Harvard - Institute of Economic Research.
- Alestalo, Alberto, Matti, Hort, Sven E.O., and Kuhnle, Stein (2009) The Nordic model: conditions, origins, outcomes, lessons, Hertie School of Governance working papers No. 41, June 2009.
- Andersen, Jorgen Goul (2011) Activation of the social and labour market policies in the Nordic countries, 1990-2010, CCWS working paper No. 2011-71.
- Banks, J., Kapteyn, A., Smith, J. P and van Soest, A. (2004) International Comparisons of Work Disability, IZA Discussion Paper 1118, April 2004.
- Berkowitz, M (ed.) (1988) Measuring the efficiency of public programs. Costs and benefits in rehabilitation. Philadelphia: Temple University Press.
- Boeri, T., Conde-Ruiz, J. I. and Galasso, V. (2012) The Political Economy Of Flexicurity. *Journal of the European Economic Association*, European Economic Association, vol. 10(4), pages 684-715, 08.
- Bonoli, G. (2010) The political economy of active labour market policy. Reconciling Work and Welfare in Europe. RECOWE.
- Botero, J., S. Djankov, R. La Porta, F. Lopez-de-Silanes, and A. Shleifer (2004) The Regulation of Labor. *Quarterly Journal of Economics* 119: 1339-1382.
- Brooks, C. and Manza, J. (2006) Why Do Welfare States Persist? *Journal of Politics* 68/4
- Calmfors, Lars, Giancarlo Corsetti, John Hassler, Gilles Saint-Paul, Hans-Werner Sinn, Jan-Egbert Sturm, Ákos Valentinyi and Xavier Vives (2012) "Chapter 4: The Swedish Model", EEAG Report on the European Economy 2012, 2012, 99-114.
- Cimera, R. E. (2008) The cost trends of supported employment versus sheltered employment. *Journal of Vocational Rehabilitation*, 28(1), 15-20.

Cseres-Gergely, Zs. and Galasi, P. (2012) The information base of policy making, impact assessment. Chapter 3.2 in Károly Fazekas and Ágota Scharle (eds) *From Pensions to Public Works: Hungarian Employment Policy from 1990 to 2010*, BI, Budapest 2012.

Duncan and Woods (1987) *Social Security Disability Programs: An international perspective*. New York: Rehabilitation International.

Ebbinghaus, R. (2006) *Reforming Early Retirement in Europe, Japan and the USA*. Oxford University Press, Oxford 2006.

EC (1999-2013) European Commission Country-specific recommendations
http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm
and <http://register.consilium.europa.eu/>.

EC (2010) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. *European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe*, COM/2010/0636 final.

EC (2013) Commission Staff Working Document Follow-up on the implementation by the Member States of the 2008 European Commission recommendation on active inclusion of people excluded from the labour market - Towards a social investment approach, Brussels, 20.2.2013 SWD(2013) 39 final.

Esping-Andersen, Gøsta (1990) *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press & Princeton: Princeton University Press, 1990.

Esping-Andersen, Gøsta (1996) "After the Golden Age? Welfare State Dilemmas in a Global Economy", in: Gøsta Esping-Andersen (ed.), *Welfare States in Transition. National Adaptations in Global Economies*. London: Sage, 1-31.

Esping-Andersen, Gøsta, Gallie, Duncan, Hemerijck, Anton & Myles, John (2002) *Why We Need a New Welfare State*. Oxford: Oxford University Press.

Fernandez, Raquel and Dani Rodrik (1991) Resistance to Reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty. *American Economic Review* Vol. 81, No. 5 (Dec., 1991), pp. 1146-1155.

Galasso, V. and Profeta, P. (2002) The political economy of social security: a survey. *European Journal of Political Economy*, vol. 18(1), pp. 1-29, March.

Hacker, J. S. (2004) Privatizing Risk without Privatizing the Welfare State: The Hidden Politics of Social Policy Retrenchment in the United States. *American Political Science Review*, Vol. 98, No. 2 (May, 2004), pp. 243-260.

Häusermann, S. (2010) *The politics of welfare state reform in continental Europe: modernization in hard times*. Cambridge University Press, Cambridge.

Huber, E. and Stephens, J. (2000) Partisan Governance Women's Employment and the Social Democratic Service State. *American Sociological Review* 65:323-42.

Høj, J. et al. (2006) "The Political Economy of Structural Reform: Empirical Evidence from OECD Countries", OECD Economics Department Working Papers, No. 501, OECD, Paris.

Hytti, Helka (2008) *Disability policies and employment – Finland compared with the other Nordic Countries*. Kela, Social Security and Health Research: Working Papers 62/2008.

Kahneman, D. And Tversky, A. (1979) Prospect Theory: An Analysis of Decision under Risk. *Econometrica*, 47(2), pp. 263-291, March 1979

- Kangas, Olli and Saloniemi, Antti (2013): Historical making, present and future challenges for the Nordic welfare state model in Finland. NordMod 2030. Sub-report 6 (draft).
- Kosonen, Pekka (1998): Nordic models of economic and social governance: from stability to growing tensions. in: R. O'Donnell and J Larragy (eds) Negotiated economic and social governance and European integration. Social Sciences COST A7, pp 20-49. Brussels: European Commission.
- Keefer, P. and Khemani, S. (2004) Why do the poor receive poor services? *Economic and Political Weekly* February 28, 2004.
- Kohli, Martin, Rein, Martin, Guillemard, Anne-Marie and Gunsteren, Herman (1991) Time for retirement, Cambridge University Press.
- Korpi, W. (1983) The Democratic Class Struggle. London: Routledge and Kegan.
- Kregel, J. And Dean, D. (2002) "Sheltered vs. Supported Employment: A Direct Comparison of Long-Term Earnings Outcomes for Individuals with Cognitive Disabilities" in J. Kregel, D. Dean and P. Wehman (eds) Achievements and Challenges in Employment Services for People with Disabilities: The Longitudinal Impact of Workplace Supports Monograph, Richmond, VA: Virginia Commonwealth University.
- Kreider, B. and Pepper, J.V. (2007) Disability and Employment: Reevaluating the Evidence in Light of Reporting Errors, *Journal of the American Statistical Association*, June 2007, 102(478) pp. 432-441.
- Kuhnle, Stein (2000): The Nordic welfare state in a European context: dealing with new economic and ideological challenges in the 1990s. *European Review* 8:03 July 2000, pp. 379-398.
- Larsen, Erling Røed (2006) Escaping the Resource Curse and the Dutch Disease? When and Why Norway Caught Up with and Forged Ahead of Its Neighbors, *American Journal of Economics and Sociology*, Volume 65, Issue 3, pp. 605–640, July 2006.
- Lonsdale, S. (1993) Invalidity benefit. An international comparison. United Kingdom Department of Social Security <http://research.dwp.gov.uk/asd/asd5/ihr/ih001.pdf>
- Mätzke, M (2009) Welfare Policies and Welfare States: Generalization in the Comparative Study of Policy History. *Journal of Policy History* Volume 21, Number 3, 2009 pp. 308-329
- Mettler, S. and Soss, J. (2004) The Consequences of Public Policy for Democratic Citizenship: Bridging Policy Studies and Mass Politics. *Perspectives on Politics* Vol. 2, No. 1, Mar., 2004.
- MSAH (2008) The OECD thematic review on reforming sickness and disability policies to improve work incentives. Country Note: Finland, Ministry of Social Affairs and Health memorandum, Finland.
- Myles, J. and J. Quadagno (2002) 'Political Theories of the Welfare State', *Social Service Review*, 76, March, 34–57.
- Nekby, Lena (2008) Active labor market programs for the integration of youths and immigrants into the labor market. The Nordic experience. *Macroeconomía del Desarrollo*, Serie 73, Santiago, Chile, November 2008.
- Nordhaus, W. (1975) 'The Political Business Cycle', *Review of Economic Studies*, 42(2): 169–90.
- Nygård, M. (2006) Welfare-Ideological Change in Scandinavia: A Comparative Analysis of Partisan Welfare State Positions in Four Nordic Countries, 1970–2003. *Scandinavian Political Studies*, 29: 356–385.
- OECD (2003) Transforming Disability into Ability. Policies to promote work and income security for disabled people. OECD, Paris.

- OECD (2010) *Sickness, Disability and Work: Breaking the Barriers: A Synthesis of Findings across OECD Countries*, OECD, Paris.
- OECD (2012) *Health at a Glance Europe 2012*. OECD Paris.
- OECD (2013) *Mental Health and Work: Norway*, OECD Paris.
- Olson, M. (1982) *The rise and decline of nations*. New Haven, CT: Yale University Press.
- Palier, Bruno (2010) Ordering change: Understanding the ‘Bismarckian’ Welfare Reform Trajectory, in: Palier (2010) (ed.) *A Long Goodbye to Bismarck? The Politics of Welfare Reform in Continental Europe*. Amsterdam University Press, Amsterdam.
- Pfau-Effinger, Birgit (2005) Culture and Welfare State Policies: Reflections on a Complex Interrelation, *Journal of Social Policy*, 34, 1: 1-18.
- Pierson, Paul (2000) Increasing Returns, Path Dependence, and the Study of Politics, *American Political Science Review*, vol. 94(2), pp. 251-6.
- Prinz, C. (2010) Sickness, Disability and Work: “Lessons from Reforms and Lack of Change across the OECD Countries” In M. Kautto and J. Bach-Othman (eds.) *Disability and employment– lessons from reforms*, Finnish Centre for Pensions, Reports 2010:4.
- Prinz, C. and D. Tompson (2009), “Sickness and Disability Programmes: What is Driving Policy Convergence?”, *International Social Security Review*, Vol. 62, No. 4, pp. 41-6.
- Rothstein, B., Samanni, M., and Teorell J. (2012) Explaining the welfare state: power resources vs. the Quality of Government. *European Political Science Review*, 4, pp 1-28.
- Rubaii-Barrett, N. and Wise, L. R. (2008) Diversity Accessibility and E-Government: An Empirical Analysis of State Practices. *Journal of Disability Policy Studies* 19, 52-64.
- Scharle, Ágota (2007) Labour market explanations for the rising incidence of disability claims, in Cseres-Gergely, Fazekas and Scharle (eds) *The Hungarian Labour Market*. Institute of Economics, HAS, Budapest.
- Schmidt, Vivien A. (2001) The Politics of Adjustment in France and Britain: When Does Discourse Matter? *Journal of European Public Policy*, 8, 247–64.
- Schmidt, Vivien A. (2002) Does Discourse Matter in the Politics of Welfare State Adjustment? *Comparative Political Studies*, 35:2, 168–93.
- Swank, Duane (2001) Political Institutions and Welfare State Restructuring: The Impact of Institutions on Social Policy Change in Developed Democracies, pp. 197-237 in Paul Pierson, (ed.): *The New Politics of the Welfare State*. Oxford University Press, Oxford.
- Tepe, Markus & Vanhuyse Pieter (2010) 'Who Cuts Back and When? The Politics of Delays in Social Expenditure Cutbacks, 1980- 2005,' *West European Politics*, Vol. 33, No. 6, pp. 1214-1240.
- Tepe, M. and Vanhuyse, P. (2012) Accelerating Smaller Cutbacks to Delay Larger Ones? in: Vanhuyse, Pieter & Goerres, Achim (eds) (2012), *Ageing Populations in Postindustrial Democracies*, Abingdon: Routledge/ECPR European Political Science Series, pp. 127-144.
- Tompson, William (2009) *The Political Economy of Reform. Lessons from pensions, product markets and labour markets in ten countries*, OECD, Paris.
- UN (1993) *The Standard Rules on the Equalization of Opportunities for Persons with Disabilities*. 1993, United Nations, New York.
- Vanhuyse, P. (2004) The pensioner booms in post-communist Hungary and Poland: political sociology perspectives. *International Journal of Sociology and Social Policy*, Vol. 24. No. 1–2. pp. 86–102.

Van Lin, M, Prins, R., és de Kok, J. (2002) Active Labour Market Programmes for People with Disabilities: Facts and figures on use and impact. EIM 2002.

Van Oorschot, W. (2010) “Disability benefit reforms in the Netherlands 1980-2006, Re-trenchment and reconstruction” In M. Kautto and J. Bach-Othman (eds.) Disability and employment– lessons from reforms, Finnish Centre for Pensions, Reports 2010:4.

Vis, B. (2010) The Politics of Risk-Taking. Amsterdam: Amsterdam University Press.

Vis, B. (2011) Prospect Theory and Political Decision Making. Political Studies Review, 9: 334–343.
doi: 10.1111/j.1478-9302.2011.00238.x

Annex

Table A1. Potential explanatory variables and their expected effect

<i>Explanatory variable</i>	<i>Expected direction on OECD-recommended policy changes</i>	<i>Does it also affect the success of implementation?</i>	<i>Relevant earlier work (re disability policies)</i>
<i>Actor based</i>			
ideas, values and interest of			
citizens	more inclusive attitudes, interests aligned with activation help change	Yes, (lack of) trust in general could	Schur and Adya (2012), Schur and Kruse (2000)
organised elites			
external actors (EU)			Cerami (2010)
effective communication (of goals and measures)	helps change	Yes, if also addressed at those who matter in implementation	Tompson (2009), OECD (2010)
<i>Political-institutional</i>			
institutions of interest mediation	Important, tied to welfare regime type, but the direction is hard to predict	Interest conflicts between agencies or levels of government charged with implementation and actors in charge of regulation could	corporatist structures (Bengtsson 2000) consensual culture (OECD 2010) barriers to voting (Schur and Adya)
reform window	Can help change		
path dependence	Can hinder change		
trust in politicians	makes it easier to make stakeholders accept change		
quality of bureaucracy	below a certain level might result in misguided policy (or botched or ineffectual implementation)	Yes, the bureaucracy is usually implementing change, too	Tompson (2009), OECD (2010), Prinz (2010)
<i>General structural</i>			
resources (GDP, EU funds)	lack of resources has an ambiguous effect: it could make the government want to save more on monetary compensation but spend less on costly measures of integration		
demographic change	a growing proportion of old age people could make the issue directly and indirectly (through higher retirement age) more important		

<i>Explanatory variable</i>	<i>Expected direction on OECD-recommended policy changes</i>	<i>Does it also affect the success of implementation?</i>	<i>Relevant earlier work (re disability policies)</i>
economic/fiscal crises	a short run pressure to curb compensation increases		Tompson (2009), OECD (2010)
globalisation, technological change	multiple effects, the direction is hard to predict		Scharle (2007)

*Especially compared to other policy areas where the affected population has no pressure groups.

Table A2.a. Composing 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 A2.b. Composing 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 A3a Change in legislation affecting disabled employmentWM⁺: C – Corporatist, L – Liberal, SD – Socialdemocratic; A, B, C subgroups

WM ⁺		compensation			integration		
		1990	1998	2007	1990	1998	2007
C-B	Greece			25			16
C-C	Portugal	32	33	33	13	13	16
C-C	Ireland	26	26	26	12	12	17
C-C	Italy			26			18
C-C	Czech R*	29		26	23		21
C-C	Slovakia*	29		26	23		21
C-B	Poland	30	32	25	9	18	22
C-C	Spain	34	27	27	19	22	22
C-A	Belgium	26	26	25	20	24	24
C-B	France*	27	27	25	15	20	26
SD-A	Switzerland	39	39	32	20	21	27
C-A	Hungary			28			28
C-A	Austria	26	25	24	20	24	30
L-A	UK	24	21	21	13	16	32
SD-B	Finland	35	33	32	14	21	32
SD-B	Sweden	38.5	38	37	21	27	32
SD-A	Netherlands	39	28	24	15	23	35
SD-B	Germany	36	36	32	25	26	35
SD-A	Denmark	36	32	28	29	34	37
SD-B	Norway	41	38	33	23	28	37

Source: OECD calculations based on a scoring system outlined in OECD (2010), except for Slovakia and the Czech Republic (i.e. Czechoslovakia) in 1990, which are the authors scores based on the same system. For France, the figures relate to legislation in 1985 and 2000 (instead of 1990 and 1998). 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 A3b. Variation in legislative changes within Corporatist and Social-Democratic welfare regimes in Europe

		Compensation	Integration	Total
Corporatist	A) Austria, Belgium, Hungary	0.71	4.24	4.30
	B) France, Poland	2.12	1.41	1.94
	C) Czech, Slovak Republic Ireland, Italy, Portugal, Spain	3.13	3.21	1.82
Social-democratic	A) Denmark, Netherlands, Switzerland	4.36	7.23	8.34
	B) Finland, Sweden, Norway, Germany	2.94	3.59	3.73

Source: authors' calculations based on data in Table A2a. Standard deviations calculated for change in the compensation and integration indicator and in the vector of both indicators measuring the total "distance" of the starting point in 1990 and the position achieved by 2007.

Table A4. Government spending on cash transfers and rehabilitation for disabled persons, % of GDP

	cash transfers				rehabilitation			
	1990	1998	2007	2010	1990	1998	2007	2010
Austria	2.21	2.32	1.72	1.71	0.00	0.02	0.02	0.02
Belgium	:	1.38	1.41	1.64	:	0.02	0.02	0.03
Cyprus	:	:	0.54	0.61	:	0.01		
Czech R	:	1.19	1.35	1.38	:		0.01	0.02
Denmark*	2.01	2.25	2.92	3.33	0.17	0.13	0.14	0.18
Estonia*	:	1.04	0.96	1.61	:	0.01	0.03	0.05
Finland	3.10	3.03	2.19	2.47	0.25	0.27	0.29	0.32
France	1.27	1.20	1.30	1.37	:	:	0.19	0.21
Germany	1.49	1.62	1.46	1.53	0.17	0.20	0.22	0.23
Greece	:	0.88	1.06	1.18	:	0.11	0.09	0.10
Hungary*	:	1.70	1.82	1.61	:	0.00	0.09	0.04
Iceland	0.88	1.47	2.08	2.67	0.30	0.38	0.20	0.21
Ireland	:	0.67	0.86	1.17	:	0.03	0.07	0.11
Italy	1.63	1.40	1.46	1.61	0.02	0.03	0.01	0.01
Latvia	:	0.99	0.52	1.07	:	0.03	0.03	0.02
Lithuania	:	0.70	1.21	1.57	:	0.07	0.02	0.03
Luxembourg	2.41	2.34	1.47	1.45	0.00	0.00	0.00	0.00
Malta	:	0.76	0.83	0.64	:	0.08	0.12	0.11
Netherlands	4.72	2.88	2.04	2.03	0.16	0.21	0.37	0.44
Norway**	3.30	3.32	3.40	3.80	0.39	0.55	(0.5)	(0.5)

Poland	:	:	1.60	1.35	:	0.03	0.03	0.02
Portugal	:	2.18	2.12	1.94	:	0.03	0.07	0.08
Slovakia	:	1.09	1.06	1.27	:			0.00
Slovenia	:	1.76	1.48	1.53	:	0.05		0.06
Spain	1.44	1.47	1.33	1.51	0.04	0.07	0.15	0.12
Sweden*	2.84	2.31	2.43	1.96	0.11	0.14	0.15	0.16
Switzerland	1.26	2.01	2.20	2.01	:			
United Kingdom	1.69	2.22	2.11	2.36	:			

Note: includes disability pensions below retirement age. Source: Eurostat online database (Esspros)

* The earliest figures are for 1993 for Sweden, 1991 for Germany, 1999 for Estonia and Hungary. The latest figure for rehabilitation spending in Denmark is for 2009. ** No comparable data available for Norway after 2000. Official statistics are also difficult to compare across years due to a change in the reporting system in 2004. The number of participants in vocational rehabilitations programmes is stable between 1996-2003 and shows no clear trend afterwards. Hence, we assume that spending did not change much after 1998.

Table A5. Employment rate of the disabled and non-disabled population

	Disabled (D)			Not disabled (ND)			Disability employment gap (D/ND)		
	Mid-1990s	2000s	Late-2000s	Mid-1990s	2000s	Late-2000s	Mid-1990s	2000s	Late-2000s
Austria	48.9	48.7	43.9	74.8	76.7	70.8	0.65	0.63	0.62
Belgium	38.6	43.9	36.3	67.5	70.6	71.5	0.57	0.62	0.51
Canada	..	43.8	46.9	..	76.9	79.0		0.57	0.59
Czech Republic	..	..	35.0	..	..	73.1		..	0.48
Denmark	55.7	50.1	52.3	79.1	81.6	81.6	0.70	0.61	0.64
Estonia			55.8			82.2			0.68
Finland	48.4	54.4	43.5	69.7	77.3	76.8	0.69	0.70	0.57
France	45.9	49.1	45.8	68.5	70.0	71.8	0.67	0.70	0.64
Germany	52.4	60.4	50.4	74.0	77.2	73.7	0.71	0.78	0.68
Greece	35.0	31.7	34.2	62.5	65.0	67.0	0.56	0.49	0.51
Hungary	..	..	31.7	..	..	71.3		..	0.44
Iceland	..	..	61.3	..	..	86.4			0.71
Ireland	25.7	33.6	32.9	60.0	71.5	72.7	0.43	0.47	0.45
Italy	34.9	32.8	40.7	58.3	59.1	63.7	0.60	0.55	0.64
Luxembourg	..	49.7	50.4	..	71.7	71.3		0.69	0.71
Netherlands	40.2	48.5	44.5	65.5	74.8	80.5	0.61	0.65	0.55
Norway	..	47.1	44.7	..	86.0	83.4		0.55	0.54
Poland	24.8	21.0	17.6	70.7	66.7	62.1	0.35	0.31	0.28

Portugal	50.2	51.8	47.9	75.7	79.3	75.4	0.66	0.65	0.63
Slovakia	..	..	41.1	..	..	74.0		..	0.56
Slovenia			41.3			69.7			0.59
Spain	27.0	25.5	35.7	56.3	63.0	71.1	0.48	0.41	0.50
Sweden	54.6	53.6	62.3	77.7	80.1	83.9	0.70	0.67	0.74
Switzerland	..		54.9	..		85.5			0.64
United Kingdom	38.0	42.1	45.3	81.2	80.9	81.4	0.47	0.52	0.56

Source: OECD 2010:51 Figure 2.1.

Based on EU-SILC 2007 (wave 4) and ECHP 1995 (Wave 2), except: Denmark: LFS 2005 and 1995; Finland: ECHP 1996; Netherlands: LFS 2006 and 1995; Norway: LFS 2005; Poland: LFS 2004 and 1996; Sweden: ECHP 1997; Switzerland: LFS 2008; United Kingdom: LFS 2006 and 1998;



The research leading to these results has received funding from the European Community's Seventh Framework Programme FP7/2007-2013 under grant agreement n° 290647.

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 33 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

Contact for information

Kristin Smeral

WWWforEurope – Project Management Office
WIFO – Austrian Institute of Economic Research
Arsenal, Objekt 20
1030 Vienna
wwwforeurope-office@wifo.ac.at
T: +43 1 7982601 332

Domenico Rossetti di Valdalbero

DG Research and Innovation
European Commission
Domenico.Rossetti-di-Valdalbero@ec.europa.eu

Partners

	Austrian Institute of Economic Research	WIFO	Austria
	Budapest Institute	Budapest Institute	Hungary
	Nice Sophia Antipolis University	UNS	France
	Ecologic Institute	Ecologic	Germany
	University of Applied Sciences Jena	EAH Jena	Germany
	Free University of Bozen/Bolzano	FUB	Italy
	Institute for Financial and Regional Analyses	GEFRA	Germany
	Goethe University Frankfurt	GUF	Germany
	ICLEI - Local Governments for Sustainability	ICLEI	Germany
	Institute of Economic Research Slovak Academy of Sciences	IER SAVBA	Slovakia
	Kiel Institute for the World Economy	IfW	Germany
	Institute of World Economics, RCERS, HAS	KRTK MTA	Hungary
	KU Leuven	KUL	Belgium
	Mendel University in Brno	MUAF	Czech Republic
	Austrian Institute for Regional Studies and Spatial Planning	OIR	Austria
	Policy Network	policy network	United Kingdom
	Ratio	Ratio	Sweden
	University of Surrey	SURREY	United Kingdom
	Vienna University of Technology	TU WIEN	Austria
	Universitat Autònoma de Barcelona	UAB	Spain
	Humboldt-Universität zu Berlin	UBER	Germany
	University of Economics in Bratislava	UEB	Slovakia
	Hasselt University	UHASSELT	Belgium
	Alpen-Adria-Universität Klagenfurt	UNI-KLU	Austria
	University of Dundee	UNIVDUN	United Kingdom
	Università Politecnica delle Marche	UNIVPM	Italy
	University of Birmingham	UOB	United Kingdom
	University of Pannonia	UP	Hungary
	Utrecht University	UU	Netherlands
	Vienna University of Economics and Business	WU	Austria
	Centre for European Economic Research	ZEW	Germany
	Coventry University	COVUNI	United Kingdom
	Ivory Tower	IVO	Sweden