

The Complicated State of Welfare: Examining Divided Social Protection Systems in Advanced Democracies

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Abstract

Most advanced democratic countries employ a divided social system in that both the public and private sectors help finance their various welfare programs. Although there is a large body of research concerning public social spending, scant research has been done regarding private social spending. The primary goal of this literature review is to discuss the conventional understandings concerning the determinants of public welfare spending in advanced democracies. Additionally, this review will also illustrate the ways in which the literature on public welfare both succeeds and fails to provide theoretical explanations for why countries opt to provide welfare services through indirect, private means.

Keywords: Welfare, Inequality, Privatization, Subsidies, Globalization

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Introduction

There is no shortage of academic research that attempts to examine the welfare state and its myriad aspects. One of the most widely studied questions in the welfare state literature concerns explaining the various determinants of changing levels of social spending. In other words, scholars are interested in explaining what causes increases and decreases in welfare spending. But what often goes without saying in the social spending literature is that scholars are only considering direct *public* social spending in their analyses, while every advanced country also employs indirect *private* social spending, otherwise known as private welfare (Alber 2010; Farnsworth 2013a). By marginalizing the role of private social expenditures, the existing welfare literature excludes a significant—and increasingly prominent—element of most countries’ social systems, leading to incomplete understandings of the modern welfare state. Moreover, including private social spending in studies of the welfare state is essential because it is becoming “increasingly impossible to understand and explain the shape and delivery of contemporary social policy unless we consider the role of business” (Farnsworth 2006).

This review addresses this gap in research by examining the welfare state literature, with a particular emphasis on research concerning the factors that influence how countries choose to finance their welfare programs, given that every modern welfare state is paid for both via public *and* private means.

1 Concepts & Terminology

This section briefly explains a few essential concepts and terms that will be referred to throughout the rest of the review. First and foremost, the current review uses the definition of social expenditures provided by *Society at a Glance 2019: OECD Social Indicators*, wherein said expenditures are classified as public “when general government controls the financial flows. Sickness benefits financed by compulsory contributions to social insurance funds are considered public, whereas sickness benefits paid directly by employers to their employees are classified as private” (OECD 2019, pg. 104). For additional clarification, the following terms are used interchangeably to describe the same things: welfare, social spending, and social protection.

Table 1 presents data on how much certain OECD countries spend on welfare, broken down by the type of spending: public, private, and total.

Table 1: Cross-National Levels of Social Spending

Country	Percent of GDP (2017)			Public Rank	Private Rank	Total Rank
	Public	Private	Total			
France	31.5	3.6	35.1	1	8	1
Finland	29.6	1.3	31.0	2	10	2
Sweden	26.0	3.8	29.8	3	6	5
Germany	25.4	3.6	29.0	4	7	6
Norway	25.2	2.6	27.8	5	9	8
United Kingdom	20.5	6.4	26.9	6	5	9
United States	18.4	12.5	30.9	7	2	3
Canada	18.0	7.1	25.1	8	4	10
Switzerland	17.0	11.8	28.9	9	3	7
Netherlands	16.6	13.5	30.1	10	1	4

Data Source(s): OECD Social Protection Database

Similarly, the next set of terms are *also* used interchangeably: tax break, tax expenditure, and indirect social expenditures.

Due to how several welfare studies use “social spending” and “redistribution” interchangeably (Holland & Schneider 2017; Lupu & Pontusson 2011; Thewissen & Vliet 2019), it is also important to note that not all forms of social spending are designed to be vehicles for economic redistribution, even though most forms of social spending “also carry redistributive outcomes” (Golden & Min 2013), which helps explain why some scholars use “social spending” and “redistribution” interchangeably in the first place. It is essential to remember that welfare (social spending) is not perfectly analogous to economic redistribution but is instead *closely related* to it and *can* produce redistributive outcomes of some kind. So although social spending and redistribution may be closely related, the differences in their stated policy goals have sweeping implications for every type of research in this area, which will be seen in the coming discussions of different welfare studies and their respective findings.

2 Theories of Redistributive Politics

There are several specific political and socioeconomic phenomena that welfare state scholars have routinely examined as potential determinants of social spending. The following items are by no means meant to represent the totality of what scholars have tested for their effects on

welfare states, only a set of particular things which appear to be the most commonly studied in the literature:

- 1) Political Partisanship (Allan & Scruggs 2004; Iversen & Stephens 2008; Potrafke 2011)
- 2) Economic Globalization (Garrett & Mitchell 2001; Iversen & Cusack 2000; Korpi & Palme 2003; Potrafke 2009)
- 3) Income Inequality (Kenworthy & Pontusson 2005; Lupu & Pontusson 2011; Moene & Wallerstein 2001)

2.1 Accountability vs. Responsiveness

Welfare scholars have offered a variety of theories designed to explain the ways in which the above items do (or do not) affect the welfare state. According to Golden & Min (2013), virtually all theories associated with social spending fall into two categories: theories of democratic accountability or government responsiveness. Democratic accountability theories are premised on the idea that elected politicians attempt to retain their position by targeting important constituent groups with social benefits. In contrast, theories of government responsiveness consider social policy as “responsiveness to the median voter” (Golden & Min 2013, pg. 73), implying that the policy preference of the median-income voter in a given electorate is what determines policy. There are two fundamental assumptions of any proposed theory of political/democratic accountability:

- 1) “The ability of voters to hold political representatives accountable for government performance” (Golden & Min 2013, pg. 74).
- 2) “The goal of politicians in allocating resources is exquisitely electoral, highly partisan, and ultimately a function of attempts at political survival” (Golden & Min 2013, pg. 74).

On the other hand, theories of government responsiveness “investigate the benefits to voters rather than the electoral returns to politicians from allocations. They ask if the allocations that occur are welfare maximizing, equitable, or, to put it more concretely, preferred by the median voter” (Golden & Min 2013, pg. 74). In other words, theories of policy responsiveness ask “whether allocations reflect the interests of voters, particularly the median voter. Loosely speaking, we might say that the latter approach asks whether different classes of citizens receive their ‘fair share’ of allocations from government” (Golden & Min 2013, pg. 87).

3 Determinants of Welfare & Redistribution

3.1 Partisanship

Another disagreement in the literature concerns whether welfare states are under serious threat of being significantly rolled back or done away with entirely. In arguing that the welfare state is not under serious threat, Pierson concludes that “the fundamental structure of social policy remains comparatively stable” (Pierson 1994, pg. 182). That said, Pierson does not mean to imply that the modern welfare state has coasted along from its post-World War II origins until today. Instead, most welfare states, in response to the global economic restructuring of the 1970s, have undergone what he calls “retrenchment,” which refers to “policy changes that either cut social expenditure, restructure welfare state programs to conform more closely to the residual welfare state model, or alter the political environment in ways that enhance the probability of such outcomes in the future” (Pierson 1994, pg. 17). Pierson produced subsequent research suggesting that, because “retrenchment is not simply the mirror image of welfare state expansion,” political partisanship theories of the welfare state “should no longer be expected to have much applicability” (Pierson 1996, pg. 151). But despite Pierson’s claims, the “evidence that partisanship matters is quite overwhelming; different types of governments (e.g., backed by social democrats versus Christian democrats or conservatives) redistribute markedly different amounts” (Iversen & Goplerud 2018, pg. 298).

Allan & Scruggs (2004) suggests that, contrary to the widely held view that political partisanship no longer affects welfare policy, there has been far more welfare retrenchment in the last two decades than then-recent studies had found. Moreover, they also find evidence showing that “traditional partisanship continues to have a considerable effect on welfare state entitlements in the era of retrenchment” (Allan & Scruggs 2004, pg. 496). These results are bolstered and expanded on by Korpi & Palme (2003), wherein the authors find evidence to suggest that “partisan politics remains significant for retrenchment,” but go beyond Allan & Scruggs (2004) by demonstrating that partisanship retains its significance even after the authors “take account of contextual indicators, such as constitutional veto points, economic factors, and globalization” (Korpi & Palme 2003, pg. 425).

3.2 Inequality

Welfare studies, especially those testing theories of government responsiveness, often rely on the median-voter theories of redistributive taxation proposed by Romer (1975), Roberts (1977), and Meltzer & Richard (1981). In this sense, theories of. The standard model of redistributive taxation was first proposed by Romer, whereby he concluded that:

Majority voting on the tax parameters does not necessarily lead to the adoption of a progressive tax function and may lead to marginal tax rates considerably below those which would be chosen under a Rawlsian maximum criterion (Romer 1975, pg. 183).

Roberts later presented a formal model, which stated that if the median income of a given electorate was less than the mean income, “majority voting will lead to the tax schedule with the highest marginal tax rate being adopted” (Roberts 1977, pg. 332). Meltzer expanded on both of the earlier models by positing that while economic growth can lead to rising inequality, it can also lead voters to demand greater levels of economic redistribution (Meltzer & Richard 1981, pg. 925). So the question remains: Does income inequality lead to increased political support for welfare spending?

In their article that tests the effect of *structures* of inequality on both welfare spending and redistribution respectively, Lupu & Pontusson (2011) argues that the Romer-Meltzer-Roberts (RMR) model “does not provide an adequate explanation of variation in the extent of government redistribution across OECD countries,” and that its limitations can be “attributed to its assumptions about either the demand for or supply of redistribution (or both)” (pg. 317). Further, the RMR model suffers from the unavoidable problem that all formal models face in that it is forced to make assumptions that may arguably not correspond to reality. For example, one of the critical assumptions of the RMR model is that voters are perfectly aware of how a social policy affects them personally, which is what allows them to form the correct preference toward said policy and conduct themselves accordingly in the narrow context of electoral politics. The RMR model also assumes that voters primarily factor their material self-interest into their policy preferences towards social spending and redistribution, excluding the possibility that outside factors could potentially attenuate or possibly even invert their preferences.

Moreover, Moene & Wallerstein (2003) argues that before the RMR model can be expected to explain the politics of social insurance, “the model must be modified to include risk” (Moene & Wallerstein 2003, pg. 490). Otherwise, the RMR completely fails to explain the “differences in the relationship between income inequality and social-insurance spending across policy areas”

(Moene & Wallerstein 2003, pg. 509), thus complementing the earlier point about how social spending and economic redistribution are, in fact, different things. Moene & Wallerstein (2003), therefore, demonstrates how distinguishing welfare from redistribution in empirical analyses can lead to radically different outcomes, reinforcing the methodological need for scholars to separate welfare from redistribution in their research, lest they obscure the reality of their findings.

Subsequent empirical research has produced mixed results concerning the explanatory power of the RMR model, but it has yet to be entirely discarded from the broader welfare literature. Illustrating a particular shortcoming of the RMR model, Erikson (2015) makes the keen observation that there is an apparent contradiction in the US regarding the relationship between welfare and inequality. Although more people would “gain than lose from economic redistribution or increased economic mobility,” few signs indicate that American politicians are seriously addressing the high degree of income inequality and general reduction in economic mobility in the US (Erikson 2015, pg. 12). Quoting Erikson:

Economists’ formal models of the electoral process (e.g., Meltzer & Richards 1981) predict that the median voter would vote for the greatest amount of redistribution when the division of pretax wealth is at its most unequal. So what, if anything, has gone “wrong” with American politics? (Erikson 2015, pg. 12).

In contrast to the apparent contradiction in the US concerning the non-influence of inequality on welfare spending and redistribution, some studies have found that redistribution and social spending in other advanced OECD countries increased in direct response to rising inequality, potentially implying that the US is the outlier in this area. The results from Kenworthy & Pontusson (2005) show that the “Nordic and continental European states” tend to be much more responsive to increased income inequality compared to “their American and British counterparts” (Kenworthy & Pontusson 2005, pg. 462). In fact, welfare spending and income redistribution increased “in proportion to the degree of increase in inequality” (Kenworthy & Pontusson 2005, pg. 449).

3.3 Globalization

The conventional wisdom concerning the relationship between globalization and welfare spending—otherwise known as the “compensation hypothesis”—is as follows: As a national economy globalizes, certain types of jobs are lost due to overseas competition, resulting in several economic “losers,” for lack of a better word. Those who lend their support to

the compensation hypothesis “argue that globalization leads to welfare state expansion, as governments strive to compensate potential globalization losers for the risks associated with increased international competition and volatility” (Walter 2010, pg. 403). Moreover, the compensation hypothesis is premised on two key assumptions, wherein one assumption is demand-side and the other a supply-side one:

On the demand side, it holds that globalization increases voters’ demand for social protection. On the supply side, governments satisfy this demand by supplying a more generous welfare state (Walter 2010, pg. 403).

Existing research testing the validity of the compensation hypothesis has produced mixed results. While on the one hand, there are studies that suggest that countries increase welfare spending in response to increased demand from those who were negatively impacted by intensified globalization (Iversen & Cusack 2000; Walter 2010). On the other hand, one article found that “as increasing amounts of the domestic economy become exposed to international competition, additional pressure will be placed on policy makers to lower business costs through tax reductions in order to improve international price competitiveness,” which can make it more difficult for governments to raise the necessary revenue to pay for new social spending (Swank 1998, pg. 691). Further complicating matters, Garrett & Mitchell (2001) presents evidence that:

Globalization has not induced a pervasive race to the bottom in welfare state regimes. Nor have governments responded to market integration by increasing their welfare state effort across the board (Garrett & Mitchell 2001, pg. 176).

To reiterate an earlier point, the theory that globalization causes states to increase their welfare spending and redistributive efforts is not a consensus view. Future study is required on this topic, given the particular salience of globalization and worsening job prospects in advanced countries.

4 Private Welfare Politics

A somewhat nascent area of the welfare literature has begun to theorize that the US welfare effort has not matched those of Europe because of the dual nature of its welfare state. In other words, studies show that the US has not been increasing its welfare, nor its redistribution efforts would likely reach different conclusions after incorporating the *private* side of the American welfare state into their analyses. But the US is not the only country that employs both public

and private welfare policies. In fact, every OECD member country uses both types of welfare, wherein “private social expenditure amounted to 3.2 percent [of GDP] in 2009 on average across the OECD (for countries for which data are available), up from 2.3 percent in 1991” (Adema, Fron, & Ladaique 2014, pg. 7). The official manual for the *OECD Social Protection Database* provides the following definition for “Tax Breaks for Social Purposes” (TBSPs), otherwise known as private social spending:

Those reductions, exemptions, deductions or postponements of taxes, which: a) perform the same policy function as transfer payments which, if they existed, would be classified as social expenditures; or b) are aimed at stimulating private provision of benefits (Adema, Fron, & Ladaique 2011, pg. 29).

As stated in the Introduction to this review, the existing welfare state literature, on the whole, tends to ignore the fact that virtually all developed countries finance their various social expenditures using both public and private means. To the extent that scholars *have* studied private welfare, almost all of the research has been limited to the US (Ellis & Faricy 2011; Faricy 2015; Hacker 2016; Hacker & Pierson 2004; Howard 1997). In recent years there has been an uptick of welfare scholars conducting analyses of private welfare in countries beyond the US (Busemeyer & Iversen 2020; Farnsworth 2013b; Goudswaard & Caminada 2010). As mentioned earlier, the list of additional countries is almost entirely confined to those who are members of the OECD, primarily due to data-limitation issues. Nevertheless, including private welfare spending in welfare studies is vitally important because “policy-makers have to be concerned about the social sustainability of welfare systems, and for that it is necessary to develop the knowledge base on the redistributive nature of private social benefit arrangements” (Adema, Fron, & Ladaique 2014, pg. 23). In other words, the existing literature so far cannot determine whether private welfare increases or decreases income inequality, despite the fact that all advanced countries will be forced to grapple with their welfare state financing schemes in response to employment changes and aging populations. Put simply, “the demographic outlook is expected to exert upward pressure on social spending trends” (Adema, Fron, & Ladaique 2014, pg. 23).

4.1 Private Welfare in the United States

The United States spends more on private welfare than any other OECD country, depending on how private welfare is measured. In raw dollars, the US unequivocally spends the most on

private welfare. But as a percentage of GDP, for example, the Netherlands “spends the most.” What explains why the US spends so much on *private* instead of *public* welfare? Scholars have attempted to answer this question using an array of theoretical and methodological approaches.

Christopher G. Faricy has published multiple studies and one book examining private welfare in the US, producing an array of insights into this manifestation of American exceptionalism. Faricy (2015) emphasizes the role of partisanship in shaping how the US social system is paid for, whereby Democratic control of government is associated with greater *public* spending and Republican control is associated with greater *private* spending. Empirical analyses indicate that Democrats increase social spending via direct public spending, whereas Republicans do so via indirect tax expenditures. So when it comes to social spending in the US, the critical distinction between Democrats and Republicans is not that the former prefers to raise spending and the latter prefers to cut spending, but rather that *both* parties attempt to increase spending in different ways to direct benefits towards their favored constituencies. In other words, the two major parties in the US “narrowly target” welfare to specific groups of people due to both electoral and ideological reasons, differing only in the *type* of welfare employed. For example, “wealthier professionals in large corporations” are the largest beneficiaries of private social spending, considering that they are the ones best situated to benefit from tax breaks/credits and are one of the primary constituencies of the Republican party. (Faricy 2015, pg. 9).

Republicans increasing private welfare *and* targeting said increases to their constituents is entirely consistent with Golden & Min (2013)’s description of theories of government accountability, as previously discussed. Therefore, the theories created to explain the politics of *public* social spending appear also to help explain those of *private* social spending. The dual explanatory power of theories of government accountability poses new and important questions for future research (see Section 5).

Faricy demonstrates how private social spending contributes to widening income inequality in the US, given that wealthier individuals can reduce their overall tax burden by taking advantage of social tax expenditures, which they have more opportunities to do than non-wealthy people. Figure 1 illustrates the distribution of the total amount of income tax expenditures used to pay for social programs in the US for the year 2019, which equaled 1 trillion dollars. Figure 2

And to clarify, all references to “welfare spending” and “social spending” are meant to align with the following definition taken from Faricy’s book: “Social policy is defined as any government effort to deliver economic security to citizens through the protection against income loss and the guarantee of a minimum standard of living” (Faricy 2015, pg. 3).

shows that the top 1-percent of income earners in the US “received” approximately 20% of all tax expenditures, equaling roughly \$200 billion, which is more than any other single quintile group. The incredibly unequal distribution of tax expenditures in the US demonstrates the precise mechanism by which private welfare can lead to greater income inequality, which takes on greater significance because, according to Faricy, the political choice between public and private welfare is “essentially a choice about altering the balance between public and private power in society” (Faricy 2015, pg. 14).

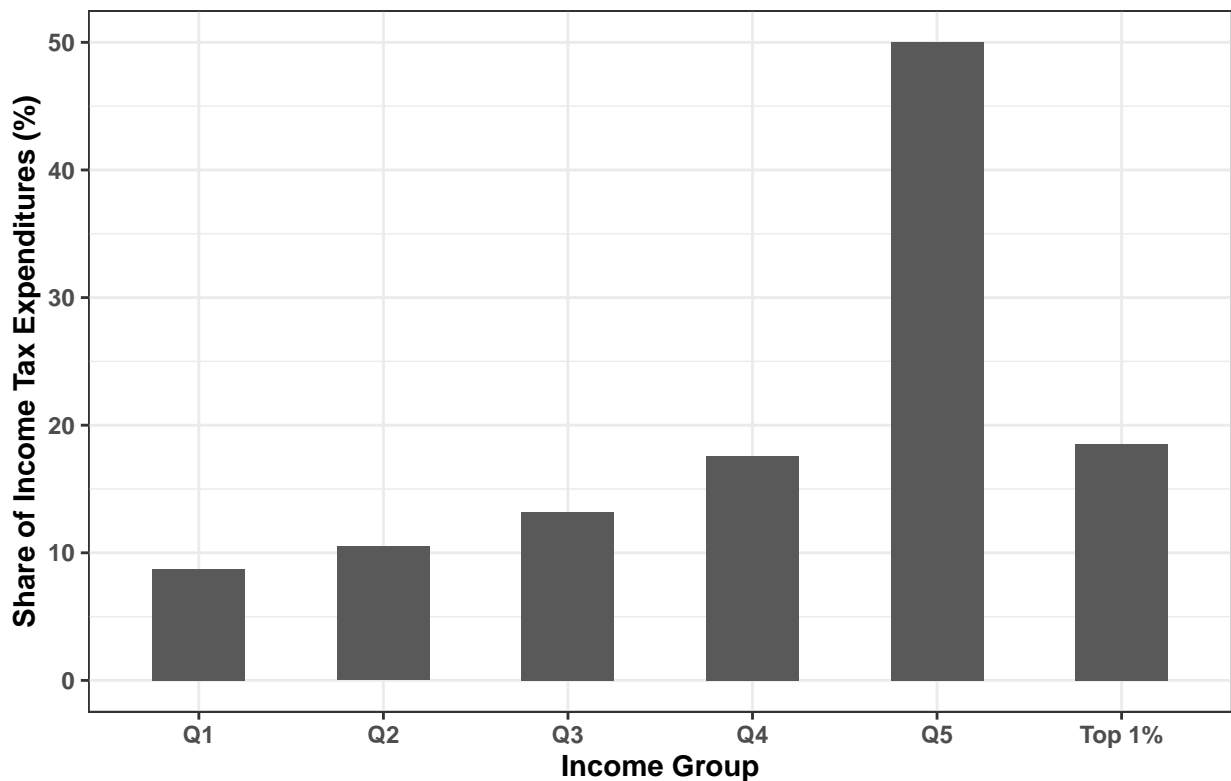
Additionally, Faricy’s finding that political parties targeting private welfare benefits to particular groups of people is similar to the formal model of redistribution politics found in Persson & Tabellini (2002), which helps illustrate the theoretical basis for how and why private welfare can increase as a result of external pressures:

When redistribution can be narrowly targeted toward specific groups, economic policy confers concentrated benefits to a few, with the costs dispersed among many (Persson & Tabellini 2002, pg. 191).

With private welfare standing in for “redistribution,” and given the evidence provided by Faricy that private welfare tends to be targeted toward “specific groups” of people, the costs that are “dispersed among the many” in this scenario refer to the loss of social goods provision instead of providing tax breaks to those able to claim them, who, as noted in Faricy (2015), are usually “wealthier professionals in large corporations” are the largest beneficiaries of private social spending. Moreover, the mere existence of private social spending in the overall American welfare state means that “the conventional story about retrenchment appears to be only half-right,” (Hacker & Pierson 2004, pg. 256) given that omitting or ignoring private social spending necessarily reduces the explanatory power of theories of retrenchment literally by half since all welfare states are divided systems of both private and public spending.

4.2 **Private Welfare Around the World**

And although Faricy’s study is limited to the US, his results concerning the regressive redistributive effect of left-right partisanship in the context of social policy find support in some cross-national studies of public welfare spending. Figure 2 illustrates this point by plotting private social spending (as a percentage of GDP) and the national income share held by the top 1-percent of income earners from 1980 to 2020 for Germany, France, Canada, Norway, Great Britain, and the US. Further, after conducting analyses of opinion survey data from 20



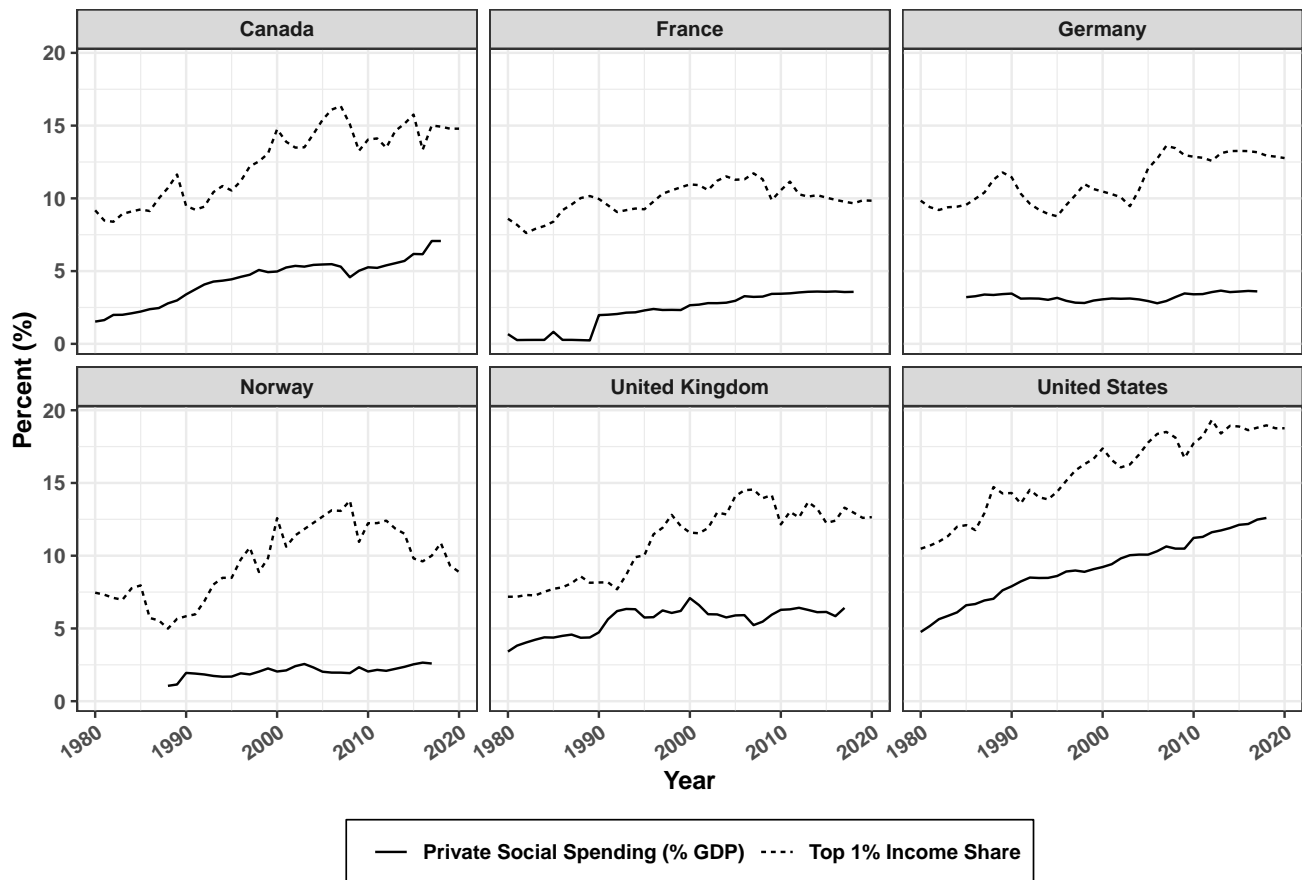
Data source(s): Congressional Budget Office (2019)

Figure 1: Share of Income Tax Expenditures (%)

OECD countries, Bussemeyer & Iversen (2020) finds results showing “that the broad cross-class support for the universalistic welfare state that is implied by this scholarship can break down in the transition to a world with viable and high-quality private alternatives” (Bussemeyer & Iversen 2020, pg. 672). This implies that the presence of private welfare programs alongside public ones radically changes the political calculus of people concerning their attitude towards *overall* welfare spending. Therefore, the widespread exclusion of private welfare from existing welfare studies, especially those that employ theories of policy responsiveness, means that the conclusions drawn from all such existing studies are necessarily incomplete.

Meyer & Bridgen (2012) finds evidence that supports Faricy’s claim after conducting a case study of the United Kingdom, wherein the authors found that certain forms of private welfare relate to the amount of social control private firms have over their employees. Retirement pension reforms proposed by a Labour government led the three largest corporate lobbying groups in Britain to effectively set aside their respective economic interests and join together to prevent the government from further regulating their private pension schemes. The three groups essentially conducted a cost-benefit analysis, concluding that it was better to have their

role in providing pensions to their employees reduced to preempt further government regulation.



Data source(s): OECD Social Protection Database & World Inequality Database

Figure 2: Private Welfare Spending vs. Income Inequality

This study is of particular interest because it expands on an idea first discussed in Mares (2003), wherein her results show that not all forms of welfare provision are equally attractive to all private firms. Instead, there are distinct interests between businesses that come about by them being in different sectors and based on their respective skill formations. For example, insurance agencies will have different economic preferences and motivations than law firms, which were both parties to the inter-sectoral compromises examined in Meyer & Bridgen (2012). So, while sector-based interests do exist, private firms appear to be able to settle their differences when a proposed government policy would otherwise negatively impact them all if they do not work together, without implying that each party will benefit equally from achieving the desired policy outcome. Taken together, these two articles provide evidence to suggest that, in the words of Mares, “future research—examining either the historical development of policies of social protection or the recent politics of welfare state adjustment—can no longer be premised

on the assumption of business opposition toward social insurance” (Mares 2003, pg. 257).

5 Areas for Future Research

The most apparent area for welfare scholars to conduct future research is comparative examinations of private welfare. This is not to say that no one has already studied private welfare spending in other countries beyond the US, merely that there is an extreme dearth of research on the topic that, for epistemological reasons, needs to be expanded upon. The welfare literature would greatly benefit from its various scholars re-examining the most widely accepted theories concerning *public* social spending and seeing how they do or do not apply to *private* social spending.

It may very well be the case that, yes, most of the accepted theories concerning what was previously considered the totality of the welfare state also apply to the actual welfare state, i.e., a welfare state comprised of both public and private means of providing social protection. That said, it is by no means a given that such theories will seamlessly map onto the private welfare state, so it is imperative for the broader welfare literature to conduct a thorough re-examination of its most seminal works, especially those that claim to explain something about the welfare state in its entirety, rather than just the public side of it. Any welfare studies that claim to explain anything about the welfare state while only analyzing the welfare state’s public side and thereby omitting the presence of private social spending are imprecise at best and wholly inaccurate at worst.

In addition to re-examining the prominent theories of public welfare to see how well they map onto private welfare, Pieper (2018) raises an interesting question that future welfare research could benefit from attempting to answer: Do welfare industries become powerful actors in welfare state politics? “Welfare industries,” in this case, refers to “firms that produce, provide, or distribute social goods and services such as hospital chains, nursing homes, health and life insurers and banks, and so on” (Pieper 2018, pg. 5). Exploring the potential political influence exerted by private firms that exist to provide social goods of one kind or another may lead scholars to a better understanding of the dynamics of welfare spending and income redistribution, whereby the presence of private welfare radically alters the landscape that previous theories and models based themselves on.

Assuming the necessary data is available, welfare scholars could also analyze the potential relationship between private welfare spending and income inequality in OECD countries, similar to how Faricy (2015) did for the US. Given that income inequality has increased in every OECD country, despite some countries having comparatively more generous and redistributive welfare states than others, the question remains as to why such welfare states have failed to full curtail rising inequality. Private welfare spending may explain this phenomenon, hence why it is a ripe topic for future study.

6 Conclusion

Most advanced democratic countries employ a “divided social system” in that both the public and private sectors help finance their various welfare programs. This literature has shown that although there is a large body of research concerning public social spending, scant research has been done regarding *private* social spending. While there is ample existing research that attempts to explain what causes welfare spending to increase or decrease, there is a disparity in the number of articles that consider public social spending as well as private in their analyses. As a result, despite having established an array of theories explaining changes in public welfare spending, the welfare literature does not yet have a similar amount of popular and accepted theories concerning the entire welfare state, i.e., a welfare state that consists of both public and private social spending.

Although most of the research on private welfare has, up until now, been limited to examining the US, more scholars are beginning to recognize the existence of private welfare and include it in their research. Including private welfare in future studies will necessarily lead to better, more accurate understandings of the welfare state in its entirety. Thus, welfare state research appears to be moving in a direction that will begin including private welfare to a degree hitherto unrealized, which will no doubt redound to the benefit of the entire welfare state literature.

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