## **CONTENTS**

Lis Ab	List of Figures List of Tables Abbreviations	
140	tes on Contributors	xviii
1.	Introduction Fritz W. Scharpf and Vivien A. Schmidt	1
2.	Restructuring the British Welfare State: Between Domestic Constraints and Global Imperatives  Martin Rhodes	19
3.	Internationalization and Two Liberal Welfare States: Australia and New Zealand  Herman Schwartz	69
4.	Switzerland: Adjustment Politics within Institutional Constraints Giuliano Bonoli and André Mach	131
5.	How Small Countries Negotiate Change: Twenty-Five Years of Policy Adjustment in Austria, the Netherlands, and Belgium Anton Hemerijck, Brigitte Unger, and Jelle Visser	175
6.	Adjusting Badly: The German Welfare State, Structural Change, and the Open Economy  Philip Manow and Eric Seils	264
7.	France: Directing Adjustment?  Jonah D. Levy	308
8.	Italy: Rescue from Without?  Maurizio Ferrera and Elisabetta Gualmini	351
9.	Sweden and Denmark: Defending the Welfare State  Mats Rapper and Torben Bundgaged Vad	399

Contents

10. A Fine Balance: Women's Labor Market Participation in International Comparison Mary Daly	467
11. Any Way Out of 'Exit from Work'? Reversing the Entrenched Pathways of Early Retirement Bernhard Ebbinghaus	511
12. After Liberalization: Public Interest Services and Employment in the Utilities  *Adrienne Héritier and Susanne K. Schmidt*	554
13. Adjusting National Tax Policy to Economic Internationalization: Strategies and Outcomes Steffen Ganghof	597
Index	647

## LIST OF FIGURES

Austra	alia and New Zealand	
3.1	Trade and invisible balances, 1970–1995	85
3.2	Real long-term interest rates, net of US interest rate,	05
	1970–1995	90
3.3	Fiscal deficits, 1970–1997	91
3.4	Unemployment rates, OECD definition, 1970–1996	92
3.5	Consumer price inflation, 1970–1998	93
3.6	Public sector employment to population, 1970–1997	95
3.7	Employment to population rate, 1970–1998	97
3.8	Business sector employment as percentage of population, 1970–1997	97
3.9	Social expenditures as a percentage of GDP, 1980–1997	100
3.10	1 0	103
Switze	erland	
4.1	Employment and unemployment rates in Switzerland	
	compared to OECD average, 1975–1995	139
4.2	Foreign workers by type of permit, 1960–1996	140
4.3	Sectoral composition of employment in Switzerland, 1970–1990	144
4.4	Government revenues, expenditures and deficit (or surplus), 1980–1995	152
4.5	Switzerland's tax structure, 1970–1996	162
Austri	a, Belgium, and the Netherlands	
5.1	Annual real growth, 1970–1998	178
5.2	Annual unemployment rates as a percentage of the labor	
	force, 1970–1997	180
5.3	Employment as a percentage of the working age population (15–65), 1970–1997	181
5.4	Annual percentage change of consumer prices, 1970–1997	183
5.5	Index of unit labor costs, in real terms, relative to 1990 (= 100), 1970–1997	183
Germa	rua.	
6.1	Employment in agriculture, industry, and services, 1970–1990	276
0.1	Employment in agriculture, including, und box vices, 1970 1990	2,0

xii	List of Figures	
6.2	Early retirement and labor force participation, 1979–1990	282
6.3	Social insurance contribution rates, 1970–1998	292
6.4	Early retirement and labor force participation in East	
	Germany, 1992–1996	294
6.5	Early retirement and labor force participation in West	
	Germany, 1992–1996	295
6.6	Private services in the OECD and West Germany, 1980–1993	297
6.7	Tax wedge and social assistance in Germany, 1970–1998	299
Franc	re	
7.1	Social expenditure as a share of GDP, Christian	
	Democratic welfare states, 1981	311
7.2	Labor force participation rates, males, aged 55-64,	
	1974–1995	327
T. 1		
Italy	Crear	
8.1	Gross public debt as a share of GDP, 1970–1997	366
8.2	Public deficits as a share of GDP, 1970–1997	367
8.3 8.4	Foreign direct investment outward stock, 1985–1995	369
0.4	Employment/population rates, exposed, sheltered, and	252
8.5	public sectors, 1980–1994	373
8.6	Employment/population rate in various sectors, 1980–1994  Total Center Northern and Southern are allowed at the sectors of the	374
0.0	Total, Center-Northern, and Southern unemployment rates, 1980–1995	375
8.7	Youth unemployment rate in Italy (pop. aged 15–24),	373
	compared to OECD average, 1980–1995	376
8.8	Total taxation and total outlays of government in Italy,	370
	total taxation in OECD–18, 1970–1995	377
8.9	Old age and survivors' benefits as part of total social	377
	expenditure, 1993	377
8.10	Old age and survivors' benefits as part of total social	377
	expenditure, 1996	378
8.11	Pension expenditure projections, 1995–2045	387
Swada	n and Denmark	
9.1	Inflation, 1970–1996	414
9.2	Hourly earnings in manufacturing, 1973–1995	414
9.3	Total employment rate, 1970–1996	415
9.4	Employment rate, exposed sectors, 1970–1996	415
9.5	Social expenditures as a share of GDP, 1980–1996	434 424
9.6	Growth rates of real GDP, 1970–1996	424
9.7	Employment rate, public sector, 1970–1994	416

	List of Figures	xiii
Wome	en's Labor Market Participation	
10.1	Male and female labor force participation rates, 1996	470
10.2	Female labor force participation rates, 1970, 1980, 1990, 1996	473
10.3	Proportion of women's employment that is part-time 1970,	
	1980, 1990, 1996	475
10.4	Female economic activity rate by age group in EU, 1996	477
10.5	Part-time employment (as percentage of all employment)	
	and the female employment rate, 1996	480
10.6	The service sector and female employment rates, 1996	482
10.7	The public employment and female employment rates, 1996	484
10.8	Expenditure on services for elderly and disabled people as	
	percentage of GDP and the activity rate of women aged 50	
	and over in 1996	494
10.9	Female labor profiles in a cross-national context on the	
	basis of the continuity and extent of labor force participation	500
Evit f	rom Work	
	Male employment rates, aged 55–59, 1965–1995	516
	Male employment rates, aged 55–59, 1965–1995	516
	Male employment rates, aged 60–64, 1965–1995	517
	Male employment rates, aged 60–64, 1965–1995	517
11.3	Multiple pathways to early exit from work	525
	Interest Services	
12.1	Employment in telecommunications services (overview A)	574
12.2	Employment in telecommunications services (overview B)	575
12.3	Employment in telecommunications services (OECD-Data)	577
12.4	Employment in telecommunications services (ITU-Data)	578
12.5	Employment at postal operators	585
12.6	Employment in railways	588
Tax C	'ompetition	
13.1	An extended framework for analyzing national tax policy	
	adjustment	600
13.2	Average tax ratios of 18 OECD countries in 1970, 1975,	
	1980, 1985, 1990, and 1996 (intervening years are not	
	covered)	625
13.3	Average tax mix of 18 OECD countries, 1970–1996	626
13.4	Average total government outlays, total tax receipts, and	
	public deficits in 16 OECD countries, 1970–1997	636

## LIST OF TABLES

State institutional structures, c. 1970 Trade structure, various indicators, 1961–1997 Inward foreign direct investment, c. 1980 'Golden age' formal welfare states, 1970s Australia—utilities employment, 1985–1995 Export growth, annual percentage change, 1981–1993  zerland Imports and exports, 1980–1996 (million CHF) Swiss foreign direct investment (stock) by region and	72 74 75 81 117 124
Trade structure, various indicators, 1961–1997 Inward foreign direct investment, c. 1980 'Golden age' formal welfare states, 1970s Australia—utilities employment, 1985–1995 Export growth, annual percentage change, 1981–1993  zerland Imports and exports, 1980–1996 (million CHF) Swiss foreign direct investment (stock) by region and	75 81 117 124
Inward foreign direct investment, c.1980 'Golden age' formal welfare states, 1970s Australia—utilities employment, 1985–1995 Export growth, annual percentage change, 1981–1993  zerland Imports and exports, 1980–1996 (million CHF) Swiss foreign direct investment (stock) by region and	81 117 124
'Golden age' formal welfare states, 1970s Australia—utilities employment, 1985–1995 Export growth, annual percentage change, 1981–1993  zerland Imports and exports, 1980–1996 (million CHF) Swiss foreign direct investment (stock) by region and	81 117 124
Australia—utilities employment, 1985–1995 Export growth, annual percentage change, 1981–1993  zerland Imports and exports, 1980–1996 (million CHF) Swiss foreign direct investment (stock) by region and	117 124
Export growth, annual percentage change, 1981–1993  zerland Imports and exports, 1980–1996 (million CHF) Swiss foreign direct investment (stock) by region and	
Imports and exports, 1980–1996 (million CHF) Swiss foreign direct investment (stock) by region and	148
Swiss foreign direct investment (stock) by region and	148
Swiss foreign direct investment (stock) by region and	
· , ,	
employed persons, 1990–1996	148
Employment by sector, 1991–1996 (thousands)	151
Receipts, outlays, and balance of the unemployment	
insurance fund, 1988–1997 (million CHF)	153
Beneficiaries (thousands), receipts, outlays, and balance	
of the disability insurance fund, 1988–1996 (million CHF)	153
ria, Belgium, and the Netherlands	
Austria, Belgium, and the Netherlands compared, 1994	177
Output, employment, labor force, and unemployment.	
1970–1996	179
Some characteristics of labor relations in the mid-1990s	181
Labor's share in the national income, 1960–1997	185
Electoral results of Social Democrats and Christian Democrats.	
1975–1999	191
Average annual growth of real (gross) wages and	
productivity (%)	235
nany	
Unit labor costs by sector in East Germany, 1991–1997	
(70, west Germany = $100\%$ )	286
ce	
Beveridgean features	313
	employed persons, 1990–1996 Employment by sector, 1991–1996 (thousands) Receipts, outlays, and balance of the unemployment insurance fund, 1988–1997 (million CHF) Beneficiaries (thousands), receipts, outlays, and balance

List of Tables	xv
Italy	
8.1 Social policy reforms, 1950–1980	354
8.2 Labor policies, 1950–1980: A summary	356
8.3 Employment and imports: Sectoral trends	372
• •	
Sweden and Denmark	115
9.1 Tax reforms for Sweden and Denmark in the 1980s and 1990s	445
Women's Labor Market Participation	
10.1 Childcare provision and maternity and parental leave policies	
in the early to mid-1990s	488
10.2 Classification of countries on the basis of the degree to which public policies offer a degree of choice to mothers about	
employment and the proportion of mothers employed in the	
early 1990s	490
10.3 Public and private mandatory expenditures on services for the	
elderly and disabled persons as percentage of GDP in 1995, the	
proportion of elderly people in residential care or in receipt of	
home help services in 1990/1991 and the activity rate of	400
women aged 50 years and over in 1996	493
10.4 Personal income taxation provisions as of the early 1990s	496
10.5 Orientation of income tax system and labor force	497
participation rates of married women, 1996	497
Exit from Work	
11.1 Labor force participation of older men, 1989 (%)	519
11.2 Generosity (1995) and older recipients (1990) of disability	505
benefits	537
11.3 Typology of exit patterns and early retirement regimes	545
Public Interest Services	
12.1 Great Britain: Accessibility and quality of services after	
liberalization	569
12.2 Germany: Service performance	570
12.3 France: Service performance	571
12.4 User spending France, Great Britain, Germany, 1996	571
Tax Competition	
13.1 Average effective corporate tax rates, 1979–1994	608
13.2 Statutory corporate tax rates in 18 OECD countries, (%)	(10
1986 and 1998	612
13.3 Taxes on interest from bank deposits, 1980 and 1996	618

37 T T4	
x v i	

## List of Tables

13.4	Percentage of tax receipts from relatively 'immobile' tax	
	bases in total tax receipts and GDP, 1985 and 1996	627
13.5	Percentage of tax receipts from relatively 'mobile' tax bases	
	in total tax receipts and GDP	628
13.6	Average/implicit tax rates on capital/other factors of	
	production and labor, 1975–1995	629
13.7	Percentage of total government outlays, total tax revenues,	
	and public deficits in GDP, 1970–1997	637