

THE OXFORD HANDBOOK OF

THE
WELFARE STATE

OXFORD
UNIVERSITY PRESS

Great Clarendon Street, Oxford, OX2 6DP,
United Kingdom

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First Edition published in 2010
Second Edition published in 2021

Impression: 1

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Published in the United States of America by Oxford University Press
198 Madison Avenue, New York, NY 10016, United States of America

British Library Cataloguing in Publication Data
Data available

Library of Congress Control Number: 2021931011

ISBN 978-0-19-882838-9

DOI: 10.1093/oxfordhb/9780198828389.001.0001

Printed in Great Britain by
Bell & Bain Ltd., Glasgow

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2021 A 14838

CHAPTER 39

EDUCATION

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INTRODUCTION

In the previous edition of this handbook, we noted that scholarship in comparative welfare state research had largely neglected the important policy field of education (see also Busemeyer and Trampusch 2011; Jakobi et al. 2010; Iversen and Stephens 2008; Gift and Wibbels 2014). However, much has changed since then, within a relatively short period of time. As this chapter will demonstrate, recent years have witnessed a wealth of new work on the political and institutional connections between education and other parts of the welfare state.

On the one hand, much of this work has shown that education should be considered as part and parcel of encompassing welfare state regimes (Busemeyer 2015) in the sense that both education and other social policies are influenced by similar politico-economic forces and determinants (Iversen and Stephens 2008). Similar to our previous analysis in the first edition of this handbook, many scholars have since taken up the quest of identifying country groupings to ascertain whether education systems cluster in ways similar to welfare state regimes (Busemeyer 2015; Garritzmann 2016; Mosher 2015; West and Nikolai 2013; Willemse and de Beer 2012). The work by Gingrich (2011), among others, has shown that the politics of education reform are deeply intertwined with reforms in other parts of the welfare state, in her case: health and elderly care policies.

On the other hand, Harold Wilensky's (1975) original verdict that 'education is special' remains true to some extent. In important ways, the political dynamics associated with education reform are different from other parts of the welfare state. For instance, in contrast to other social policies, proposals to increase public investments on education are much less contested across the class divide (Busemeyer 2015; chapter 5). Furthermore, as also argued by Wilensky (1975), education may contribute less to

reducing socio-economic inequality than other kinds of social policies, in particular redistributive transfers. Scholarship on the link between educational institutions and socio-economic inequality provides mixed findings in the sense that the overall association between these two factors is rather loose (Huber and Stephens 2014; Solga 2014). However, specific governance features of the education system—in particular, the public–private division of labour in education financing and the importance of vocational education and training (VET) relative to academic general education at the upper secondary level—have important consequences for socio-economic inequality (Busemeyer 2015; chapter 4 in this volume).

In this chapter, more specifically, we discuss the relationship between education and social policy from a comparative and historical perspective. In the next section, we reflect shortly on the role of education in the welfare state. In the following, more empirical section, we address the following questions: How can we make sense of the large diversity of education systems? Which institutional and political forces shaped their development? And where was education seen as an integral part of the welfare state rather than a separate sphere of policymaking and why? In answering these questions, we apply the analytical perspective of regime theory by identifying distinct education regimes or worlds of 'human capital formation' (Iversen and Stephens 2008) that are loosely based on Esping-Andersen's (1990) typology of welfare state regimes and its counterparts in scholarship on education (see above). In the closing section, we provide some thoughts on future avenues of research.

THE ROLE OF EDUCATION IN THE WELFARE STATE

Education plays a central role in today's service-oriented knowledge economies. Access to different kinds of education has always had significant impact on educational career, life chances and employment trajectories, but the association between educational background and labour market success is likely to get much more direct as the forces of skill-biased technological change continue to increase the individuals' wage premium related to educational investments (Goldin and Katz 2008). The education system plays an ambivalent role in shaping life chances and employment trajectories: on the one hand, ensuring equal access to education, addressing educational inequalities, and promoting access for disadvantaged groups can be an effective instrument to mitigate inequalities in later stages of the life cycle. This logic also motivates the recent turn towards the social investment model as a rising paradigm of welfare policymaking (see chapter 11 in this volume, on this issue). On the other hand, the education system is itself a continued source of stratification (similar to what Esping-Andersen (1990) had argued for the welfare state as a whole). By reinforcing intergenerational educational and other inequalities, the education system can transmit pre-existing dispositions and inequalities from

one generation to the next. Thus, education may be an effective and politically legitimate policy instrument to mitigate inequalities in the long term, but in the short term, and depending on the particular governance characteristics of education systems, it can also become a source of stratification by itself.

Furthermore, Wilensky's (1975) above-mentioned verdict points to important differences between education and social policies. First, social insurance and similar welfare state policies need an encompassing infrastructure, often at the national level, that defines the boundaries of solidarity and redistribution. In contrast, education can be provided in a much more decentralized fashion because it does not require the pooling of social risks at a large scale in order to mitigate inequalities. Second, to a larger extent than other social policies, investments in education entail private benefits. Certainly, investments in education also create public benefits: a higher level of general education enhances productivity and the economic well-being of a society and can also be an important social policy instrument for promoting equality of opportunity and reducing social inequality (Allmendinger and Leibfried 2003; Huber and Stephens 2014; Solga 2014). However, education is a basic element in the creation of individual human capital (Becker 1993), thereby affecting individual pay-offs and employment opportunities in labour markets. Thus, if public investments are concentrated on sectors of the education system which primarily benefit the offspring of the middle and upper social strata (i.e. higher education or, to some extent, early childhood education and care), expanding educational investments might be less effective in reducing inequality compared to traditional social transfers (Ansell 2010; Garritzmann 2016; Pavolini and Van Lancker 2018). Third and, perhaps, most importantly, education indirectly and prospectively affects the primary distribution of incomes in the labour market, rather than compensating income inequalities *ex post* in the manner of most social insurance policies. To Wilensky (1975), this difference between education and other social policies is related to the different principles of social justice that the two kinds of policies serve, i.e. 'equality of opportunities' versus 'equality of outcomes'. Arguably, however, with the advent of the 'knowledge' economy and the enhanced importance of human capital, this picture seems increasingly incomplete. Given the strong relationship between educational achievements and family background, policy intervention in the field of education is a much more important determinant of equality than is implied by Wilensky (Busemeyer 2015; Huber and Stephens 2014; Solga 2014).

This makes the relationship between education and other welfare state policies worth investigating. We can identify three main accounts in the literature. First, education and social insurance policies may be seen as functionally equivalent. In the words of Arnold Heidenheimer (1973, 1981), differences in emphasis put on education relative to compensatory social policies might simply reflect 'alternative strategies pursued by emerging welfare states', i.e. the amelioration of social inequalities by different means. From this perspective, the relative timing of macro-social processes (industrialization, democratization), as well as cultural and political factors, determined whether a country followed the 'education' (e.g. the United States) or the 'social insurance' (many European countries) route.

A second account of the relationship between education and other social policies sees education and social policy as complementary, rather than as substitutes. For T. H. Marshall, the right to education is an important element in the catalogue of social rights:

The right to education is a genuine social right of citizenship, because the aim of education during childhood is to shape the future adult. Fundamentally it should be regarded, not as the right of the child to go to school, but as the right of the adult citizen to have been educated.

(Marshall 1964: 81–82)

While Heidenheimer identifies a functional equivalence of education and welfare state regimes, Marshall emphasizes the fact that the full realization of the social rights of citizenship necessarily entails the universal provision of a right to education (i.e. a right to being educated), in addition to other social rights.

Finally, the recent debate on the 'social investment state' (Giddens 1998) and 'activation' policies (see chapter 11 in this volume) implies a third perspective on the relationship between education and other social policies. From this perspective, economic and social change, together with the fiscal constraints they produce, necessitate the re-drawing of boundaries between 'active' and 'passive' social policies. Viewing education as a *social* investment is seen as a way out of the key dilemma that policymakers face in a globalized knowledge economy. In an era when fiscal constraints seem to prevent the realization of universal rights of social citizenship that Marshall promoted, the notions of social investment and 'activation' go along with a new conception of social rights in which participation in labour markets is the prime motivation and goal.

As will become clear in the later parts of this chapter, these three accounts of the relationship between education and social policy are useful heuristic tools to describe changes over time, as well as differences across countries. In the following section, we provide an overview of the variety of education regimes in advanced industrialized democracies. In the subsequent section, we offer an analytical framework locating the political and institutional foundations of diverse development paths that helps make sense of the observed variation of education regimes.

THE VARIETY OF EDUCATION REGIMES

Organisation for Economic Co-operation and Development (OECD) data on education spending and related measures reveal relatively robust patterns that mirror conventional groupings into welfare state regimes (Esping-Andersen 1990; Iversen and Stephens 2008). Since the publication of the first edition of this handbook, a number of studies have confirmed our initial hunch that worlds of human capital formation roughly correspond to different worlds of welfare capitalism (Busemeyer 2015; Garritzmann 2016; Mosher 2015; West and Nikolai 2013; Willemse and de Beer 2012). Further below, we

discuss in greater detail the main characteristics of education regimes in the different country clusters. Before that, we present some quantitative data on major differences across countries, focusing on education spending.

As a starting point, we look at relativities of education vis-à-vis social spending. Figure 39.1 depicts the relationship between public social and education spending in OECD countries. In general, the figure reveals a positive association, i.e. higher public social spending is associated with higher education spending, indicating that Marshall's notion of a complementary relationship between the two is at least partly adequate.

However, by looking at the distance of countries or country groups from the regression line, we find a significant degree of variation in the extent to which countries prioritize education or social spending. For instance, there is a group of countries (Germany, Greece, Spain, Italy, but also Austria, Sweden, France, Belgium, and Finland) which exhibits far lower levels of education spending than one might expect on the basis of their (relatively high) levels of social spending. Other countries such as Ireland, Chile, Estonia, Korea, Latvia, Canada, Israel, and Iceland, on the other hand, lie clearly below the regression line, indicating the relatively greater importance of education relative to social policy in these countries. The Scandinavian countries exhibit high levels of social and education spending in general, but the figure shows quite different combinations of education and social spending, potentially pointing at increasing heterogeneity within this group of countries. Compared to the analogous figure in the previous edition of this handbook, the new version displays a larger degree of heterogeneity and less of an association between education and social spending. This finding hints at the fact that, in spite of the forces of globalization, countries continue to pursue their own trajectories

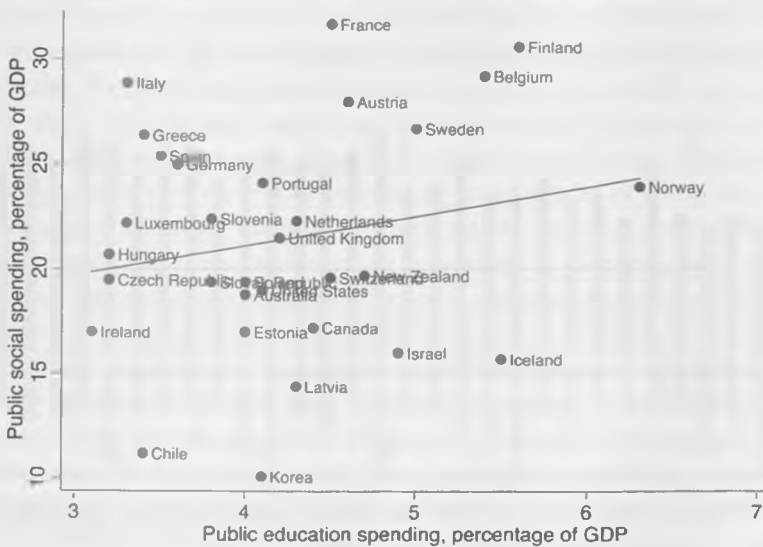


FIGURE 39.1 The relationship between public education and social spending by % GDP, 2015
Sources: OECD 2018: 267; OECD Social Expenditure Database (<http://www.oecd.org/Social/Expenditure.Htm>).

when it comes to defining the core characteristics of the education and welfare state regimes.

In Figure 39.2, data on private and public education spending (as percentages of gross domestic product (GDP)) are presented. Several things can be seen from this graph. First, there is substantial variation in public education spending among OECD countries, with the Scandinavian countries spending the most, followed by Belgium, Israel, New Zealand, Austria, and France. Most other continental European and Southern European countries (i.e. Germany, Italy, and the Netherlands) can be found in the lower middle field. Eastern European countries are spread all over the scale, with the Baltic states being more keen on investing in education relative to the Visegrad countries.

Second, the degree of cross-country variation in private education spending is even higher than the degree of variation in public education spending. Private spending on education includes expenditures from private household sources via tuition fees (for schools and universities) and also subsidies for private institutions from public sources. In some countries (e.g. the Scandinavian countries, but also Ireland, Greece, and Austria), almost all education funding comes from public sources. In contrast, private spending on education (as a percentage of GDP) is particularly high in Chile, Korea, Japan, the United States, Canada and, increasingly so, in the United Kingdom. Cross-country differences in private education spending are primarily driven by varying financing arrangements in the higher education sector (Garritzmann 2016; Wolf and Zohlnhöfer 2009) as private tuition fees paid by households make up the bulk of private spending on education. As shown by Busemeyer (2015), the division of labour between public and private sources of education funding has important implications for social inequality, with higher levels of private financing being correlated with higher levels of inequality.

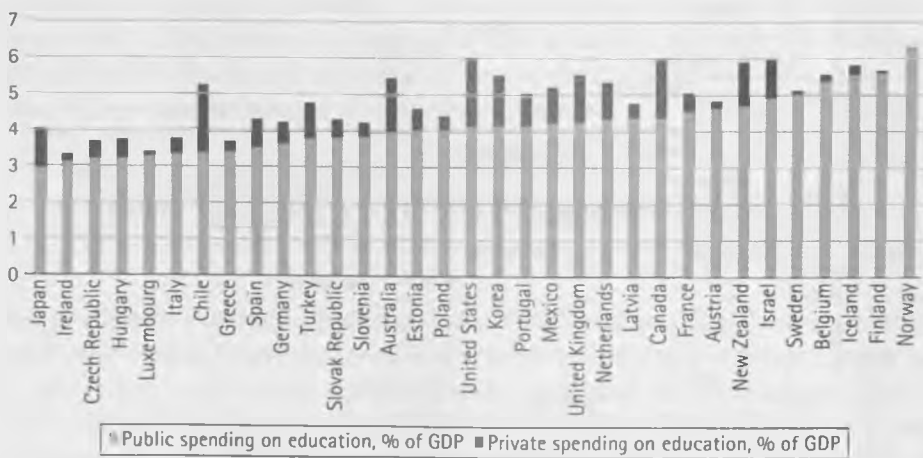


FIGURE 39.2 Variation of spending on education, 2015

Source: OECD 2018: 267.

Note: no data for private spending for Switzerland.

Based on the broad literature on skill regimes (Busemeyer 2015; Iversen and Stephens 2008; West and Nikolai 2013), we present the following distinct education regimes. In contrast to the previous version of this chapter we no longer include just the 'old' OECD member states, but also emerging welfare states in Eastern Europe, Latin America, and Asia.

Northern Europe

The first point to note is the existence of a broadly defined group of Northern European countries, which group into three quite distinct subgroups.

The Scandinavian Countries

Within the Northern European grouping, Denmark, Finland, Norway, and Sweden have a quite distinct profile. The most important characteristics of this group are high levels of public education spending, low levels of private spending, and a high percentage of the population with at least upper secondary education. These are also countries which perform comparatively well (with the partial exception of Sweden) in international comparisons of educational attainment, and exhibit an egalitarian distribution of competencies (Allmendinger and Leibfried 2003: 70). They are also strongly committed to vocational training, which is largely provided in vocational schools, with the exception of Denmark, which retains a strong apprenticeship system.

The concept of a comprehensive education system is the foundation of what has been called the 'Nordic Model in Education' (Telhaug et al. 2006). Historically, the Scandinavian countries started out with segmented education systems quite similar to those that still prevail in countries like Germany. Starting in Sweden and Norway in the late 1950s, however, the formerly elitist education systems were transformed into universal, comprehensive, and non-discriminatory regimes, in which access to higher education was opened up and vocational training was fully integrated into the general schooling system (Busemeyer 2009; Erikson and Jonsson 1996). Thus, by the early 1980s, Sweden came very close to a citizenship-based model of comprehensive education (Telhaug et al. 2006), the goal of which was to establish a national education system offering similar access and learning conditions to all pupils, levelling out differences in educational achievements due to socio-economic background or geographical residence to the greatest extent possible. However, since the 1980s, the education systems of these countries has undergone significant changes. For example, Sweden significantly deregulated its education system in the 1990s by introducing competition and expanding the role of private, albeit publicly funded schools (*friskolar*) (West and Nikolai 2017). In the 2000s, Sweden has experienced a declining performance in the Programme for International Student Assessment (PISA) studies. Critics have explained this with the introduction of market-based reforms in schools and especially the introduction of private schools (Alexiadou et al. 2019). As in the Anglo-Saxon countries, choice and competition are becoming more important and are challenging the comprehensive school model of the Scandinavian countries.

The German-Speaking Countries

Germany and Austria form a separate subgroup in the broader Northern European group, with some similarities to the Scandinavian grouping, but other quite distinct characteristics. Switzerland is similar to Germany and Austria in many aspects, in particular in its emphasis on vocational training as an alternative to academic higher education. In a manner similar to the Scandinavian countries, German-speaking countries are characterized by a low share of private spending on primary, secondary, and tertiary education, by above-average levels in the share of the population with at least upper secondary education, and a strong emphasis on vocational training. In contrast to the Scandinavian countries (with the partial exception of Denmark), vocational training is provided in the form of dual-apprenticeship training, combining practical training in firms with theoretical training in vocational schools. As a consequence, private spending on primary, secondary, and non-tertiary post-secondary education is above average in Germany because spending of firms on apprenticeship training is counted as private education expenditure (Heidenheimer 1996; Schmidt 2002). Another significant difference between Germany and Austria, on the one hand, and the Scandinavian countries, on the other, is that levels of public education spending on primary and secondary, as well as on tertiary education, are significantly lower in the German-speaking countries.

In terms of educational institutions, the German-speaking countries have remained committed to a segmented secondary school system, which channels pupils onto different educational tracks (vocational or academic) at an early stage in their education career, with limited possibilities to 'change tracks' later on. To a certain extent, the segmented school system and firm-based vocational training are functionally dependent on each other. In a 'differentiated' skill regime (Busemeyer 2009), the firms' willingness to invest in training hinges on the assurance that graduate apprentices remain with the training firm and do not wander off to higher education instead.

Segmented school systems produce and replicate educational inequalities across generations, which is why recent reforms have tried to expand access and enhance educational mobility. In Austria, the introduction of the *Berufsreifeprüfung*, combining vocational qualifications with academic studies, as well as the generally higher emphasis put on school-based vocational education, result in easier transitions of students, apprentices, and pupils across educational sectors. Reforms in Germany, however, remain more incremental, although most of the *Länder* (eleven from sixteen *Länder*) have transformed their three-track system into a less segmented two-track set-up.

Continental European Countries

The continental European countries of France, the Netherlands, Belgium, and, to some extent, Ireland constitute a final Northern subgroup, related to the Scandinavian and Germanic subgroups. The characteristics of this subgroup are

medium-to-somewhat-above-average levels of public spending on primary and secondary education, but little in the way of private spending. Public spending on tertiary education is low or average and private spending is also low. This is also the reason why Ireland fits into this group, rather than the Anglo-Saxon group of countries, which are characterized by high levels of private spending. Moreover, the share of the population with at least upper secondary education is below average, and it is this factor which distinguishes these countries from the German-speaking nations and puts the latter closer to the Scandinavian countries.

One particular element that these countries have in common is a strong heritage of Catholicism (with the partial exception of the Netherlands). The importance of religious schooling in these countries is well known, although it does not show up in above-average levels of private spending, as non-state education institutions receive generous public subsidies (Verger et al. 2016). In Belgium, Ireland, and the Netherlands, the majority of pupils, primarily at the lower education levels, are enrolled in non-state institutions run by religious authorities (i.e. mostly the Catholic Church, except in the Netherlands). The share of pupils in non-state, i.e. government-dependent private schools in France is lower than in the other countries (between 15 and 30 per cent, depending on the level of education; OECD 2018), but still significant.

East European Countries

The East European countries share the experience of socialist education systems with comprehensive schools, polytechnic education influenced by the Soviet model, a school-based VET, and a strong state-centred model of higher education (e.g. the Czech Republic, Estonia, Hungary, Latvia, Poland, the Slovak Republic, and Slovenia) (Kogan et al. 2008). After the fall of the iron curtain and the collapse of the communist systems, the education systems were transformed into stratified school systems, which track, up to the present day, students from an early age into programmes of different types and intensity. In the majority of the East European countries, the *Gymnasium* was restored. The Marxist doctrine in the curricula and at all levels in the education system was removed. After 1990, private schools, run by churches or other private associations, were allowed to be established, but, up to the present, the private school landscape plays a marginal role in the East European countries. VET, which was, until the 1990s, mainly school-based, was supplemented by a dual system during the economic transformation in the 1990s. In contrast to schools, the higher education system has experienced a huge expansion of private tertiary institutions. Furthermore, most of the East European countries introduced tuition fees and promoted deregulation and a strong orientation of higher education governance models towards the market-based variety (Dobbins 2011). Thus, whereas the East European countries followed the continental European trajectory in developing their school systems, the higher education systems are more similar to the Anglo-Saxon way. Relative to existing levels of social spending, expenditures for public and private education are low in Eastern Europe. In the PISA assessment studies,

the East European countries fare particularly well. Among the European countries, Estonia has the least low performers and the Estonian students have achieved remarkably good results.

Mediterranean Countries

The Mediterranean countries (Italy, Spain, and Portugal) form a distinct cluster of their own. These countries are characterized by low levels of public and private spending—especially on tertiary education. The shares of the population with at least an upper secondary or tertiary degree lie well below the OECD average. Related to this, their positioning in rankings of educational performance is in the lower half, although variation of competencies within these countries seems to be less pronounced—as is argued by Allmendinger and Leibfried (2003: 70) for the case of Spain. These countries have many obvious cultural and historical commonalities: late industrialization, a late and interrupted course of democratic development, and a Catholic tradition if anything stronger and more conservative than in continental Europe. The Mediterranean countries also have a strong tradition of Catholicism, but in these countries, the separation between state and church is more pronounced than in the continental European countries discussed above, resulting in less direct subsidization of religious schools by the state. In exchange for generous public subsidies, religious (i.e. ‘free’) schools are required to follow national standards and criteria in terms of the curriculum and examination standards in many areas (Verger et al. 2016).

The English-Speaking Countries (Plus Japan and Chile)

Canada, the United States, Australia, New Zealand, and the United Kingdom (but not Ireland!) represent another rather homogeneous group. Its characteristics are medium levels of public spending, but high levels of private spending, associated with a low public share in education financing. This finding mirrors the importance of private social spending in the English-speaking countries (see chapter 49 in this volume). The share of the population with tertiary education is high (especially in the United States, Canada, and Australia) and variance in student performance is low, albeit higher than in the Scandinavian countries.

Japan also falls into this group, if only because the US occupation transferred important characteristics of the US education system (such as the comprehensive high school) to Japan in the wake of the Second World War. In comparison to the English-speaking countries, Japan exhibits very low levels of public education spending. With its strong market-orientation in school and higher education politics, Chile also belongs to the group of Anglo-Saxon-orientated education systems. Choice and competition are distinct features in the Chilean education system, which lead to a huge expansion of private schools and high tuition fees (Alarcón 2017; Verger et al. 2016). The private

education expenditures are almost the same as in Australia, the United Kingdom, or the United States.

The United States stands slightly apart from the other English-speaking countries. Until the advent of the Second World War, the United States occupied a pioneering position in the expansion of mass primary and secondary education (Heidenheimer 1981), when the UK education system was still elitist in nature. Over time, other countries caught up: in 1960, Canada and New Zealand exhibited levels of tertiary enrolment similar to the United States, followed shortly afterwards by the Scandinavian countries (Castles 1998: 179). In overcoming its elitist heritage, the UK education system became more similar to that of its cousins, although it retains some peculiarities, such as the public funding of formally independent higher education institutions and a stronger emphasis on vocational training than in the other English-speaking countries.

THE HISTORICAL AND POLITICAL FOUNDATIONS OF EDUCATION SYSTEMS

In this section, we present and discuss a short framework of analysis aimed at making sense of the observed variation of education regimes. We focus on four factors that are prominently discussed in the literature shaping the developmental trajectories of the education system: the historical foundations of political struggles in the late nineteenth and early twentieth centuries; the religious heritage; the balance of power between organized interests and political parties; and, finally, political institutions, in particular the distribution of policymaking authority across different levels of government.

Historical Foundations

The historical foundations of education systems in the late nineteenth and early twentieth centuries have been important in shaping the later trajectories of education systems (Ansell and Lindvall 2013). Towards the end of the nineteenth century, industrialization increased the demand for more educated workers in Western countries. However, early democratization fuelled the demand for education instead of social insurance policies. In the Bismarckian welfare state, the provision of social insurance was a tool in the hands of the ruling elite to protract democratization and stifle the rising power of labour. In contrast, early democratization in the United States promoted the expansion of educational opportunities precisely because, in line with Marshall, education was seen as an important component of citizenship. Competition between local, state, private, and religious educational institutions in a context of a weak public bureaucracy contributed to the early expansion of education in the United States (Heidenheimer 1973, 1981). Where bureaucratization preceded democratization (e.g. Germany), education

was used to systematize and restrict access to bureaucratic elites. Although Prussia was the first country to introduce compulsory schooling, educational expansion was protracted by a powerful bureaucratic elite restricting access to higher levels of education. In the cases of Portugal and Spain, late democratization delayed the onset of educational expansion well into the second half of the twentieth century. The nineteenth century was also crucial for the enforcement of a public education system and the formation of national education systems occurred in those countries where the processes of state formation were most intensive (Green 2013).

Religious Heritage

The outcome of the state–church conflict over education significantly affected the overall commitment to education in relation to other social policies, as well as the public–private division of labour (Wolf and Zohlhöfer 2009). Generally speaking, Protestant countries (predominantly Scandinavia, North America) exhibit higher levels of total spending on education than countries with a Catholic heritage. However, the division of labour between the public and the private sphere varies in accordance with the type of Protestantism prevailing (see chapter 21 in this volume). Lutheran Protestantism (Scandinavia) goes along with a predominance of the public sphere in education, while Reformed Protestantism is associated with a strong role for private initiative (the United States, Canada). Most continental European countries have a strong heritage of Catholicism (France, Belgium, Italy, Spain, Portugal), which slowed down the expansion of educational opportunities in comparison to the expansion of the welfare state (Castles 1998).

In part, this distinction is founded on ideological differences between Protestant denominations, as well as between Catholicism and Protestantism. However, it can be speculated that the relative power position of religious institutions played a decisive role, shaping the severity of the state–church conflict over education and the structure of political cleavages (de Swaan 1988; Manow and van Kersbergen 2009; chapter 21 in this volume). In the Scandinavian setting, the Lutheran church could pursue a ‘maximalist’ strategy (de Swaan 1988), employing the public school system to promote religious education. The Catholic Church, however, wanted to maintain the independence of religious education from the public school system, which generally meant that participation rates and spending had to catch up with other countries after the Second World War (Castles 1998). In the United States, Reformed Protestantism and religious pluralism led to a strong separation between public and private providers of education (i.e. the state and the churches). Because no single denomination had a dominating position, but all remained committed to religious and general education, religious pluralism fuelled the expansion of secondary and higher education (Heidenheimer 1981). According to Ansell and Lindvall (2013), liberal and social democratic governments are associated with secularization. But in countries with established churches (such as in

England, Germany, or the Netherlands), states adopted some form of subsidization of private schools and were less likely to have secularized education systems.

The Balance of Power between Organized Interests and Political Parties

Power-resource theory—and its close cousin, party-different theory—is a very influential school of thought in comparative welfare state research. The political power of the left versus the right has had a strong influence on the relative importance of education vis-à-vis other social policies, the size of the public education system relative to private alternatives, and to the distribution of resources across different sectors of the education system.

Historically, the position of the left (social democratic parties and trade unions) had an impact on the relative importance of education vis-à-vis social insurance policies. In the United States, unions regarded public welfare measures as potential competitors to their own bargains with employers, and favoured the expansion of education instead. In contrast to the United States, where labour unions were active supporters of post-primary education, their counterparts in Europe did not become interested in education until the 1930s (Heidenheimer 1973). Participation in the self-governance of social insurance institutions became an important power resource for unions in Bismarckian welfare states, and in countries like Germany, labour unions concentrated more on vocational education and the social protection of skilled workers. As a consequence, education and social policy have been less well integrated with each other in Bismarckian welfare states compared to other welfare state models (Allmendinger and Leibfried 2003). More recent research on the role of organized interests in the politics of education reform has started to explore the role of teacher unions (Dobbins 2014; Finger 2018; Moe and Wiborg 2017), which are generally regarded as a powerful force supporting the current status quo.

The literature has also produced a number of important findings regarding the influence of political parties in education. In the period following the Second World War, the government participation of leftist parties spurred the expansion of educational opportunities (Busemeyer 2015; Schmidt 2007), as well as the welfare state in general, which is in line with Marshall's notion on the progressive development of social citizenship. The long reign of social democrats in the Scandinavian countries was a crucial factor in the shaping of the comprehensive school system (Wiborg 2009). The literature is still undecided, however, on the question of whether social democrats in government were more interested in expanding opportunities in higher education or general and vocational education (Ansell 2008, 2010; Boix 1998; Busemeyer 2009). Ansell (2008) argues that social democrats initially opposed the expansion of higher education because upper income classes benefit from this form of education to a greater extent than lower income classes (see also Jensen (2011), as well as Rauh et al. (2011) for a similar argument). In

contrast, Busemeyer (2009) finds that government participation of social democrats is positively associated with increases in higher education spending because leftist parties cater to new voter groups in the middle class. Garritzmann (2016) adds to this literature by showing that social democratic parties have also been keen on expanding student subsidy schemes, promoting access to higher education for their supporters in the working classes, but adamantly opposed to increasing tuition fees (Kauder and Potrafke 2013). In line with these findings, Busemeyer (2015) finds particularly stark partisan differences regarding the public–private division of labour in education financing, where social democratic government is associated with stronger reliance on public sources of funding, whereas conservative or liberal governments tends to go along with higher levels of private spending on education.

Political Institutions

A central finding of the welfare state literature (Obinger et al. 2005) is that the extensive decentralization of power to lower levels of government has slowed down the expansion of welfare states. Federalism and fiscal decentralization can also be seen as playing a major role in education policymaking (Archer 1989). Lower levels of government generally play a greater role in the provision of education than is the case of other public policies. Hence, in the case of education, political conflicts about education reform are often intertwined with debates about the distribution of policymaking authority across different levels of government. As argued by Archer (1989), the prevailing level of centralization shapes the politics of education reform. In centralized systems such as France, education reformers are forced to pursue their agenda via the national arena of policymaking. In contrast, decentralized systems, such as the United States, are flexible enough to allow local innovation and variation. However, this implies that, from a systems perspective, it is more difficult to implement and pursue comprehensive and encompassing reforms in decentralized compared to centralized systems.

Over the past decades, many OECD countries have undergone a process of decentralization in the provision of education (Gingrich 2011). Often regarded as part and parcel of an encompassing trend towards liberalization and privatization of education, many decentralization reforms were also motivated by growing demands from the population for a more differentiated and localized approach in the provision and administration of education (Klitgaard 2008). Furthermore, a stronger role for the local level in education often went along with strengthening accountability mechanisms on the national level; for example, by introducing quantitative, test-based assessment procedures and associated output-orientated steering modes (Ravitch 2010; see also Hartong and Förschler 2019). Thus, an initial wave of decentralization and deregulation has, in many countries, been followed by a second wave of re-regulation and *de facto* centralization by establishing national-level assessment and accountability systems. From a welfare state perspective, there are increasing concerns that decentralization and privatization might, in the long term, contribute to perpetuating and aggravating existing inequalities, in

particular in connection with residential segregation via the housing market (Gingrich and Ansell 2014).

CONCLUSION

Our chapter has reflected on resonances between the development of social and education policies across the OECD region. We find that conventional theses about the role of the relative timing of macro-social processes and the balance of power between business and labour have similar effects in both spheres. However, some factors, such as the state–church conflict, seem to be more important in the case of education, while others (decentralization and federalism) seem likely to affect the development of education in ways rather different from social policy.

How scholarship views the linkage between the spheres differs between clusters: in the English-speaking and Scandinavian countries, education and social policy are viewed as related parts of wider strategies of societal intervention; however, in the states of continental Europe, the study and practice of education and social policy are more separated (Allmendinger and Leibfried 2003; Heidenheimer 1981). However, the notion of the ‘social investment state’ (Giddens 1998; Hemerijck 2017), which has percolated from its English-speaking origins into a wider European and European Union discourse may begin to change this. Other education policy fields, such as early childhood education, lifelong learning, and further training, have clearly become more important and attracted more attention. The adoption of the United Nations Convention on the Rights of Persons with Disabilities in 2006 intensified an ongoing debate for opening up the education systems to various groups of disabled or special-needs students. In this context, T. H. Marshall’s demand for the right to education as an important element in the catalogue of social rights is an ongoing challenge for education systems. The continuous privatization of schools and higher education, in turn, provokes debates about the role of the state in providing education and the influence of choice and competition for educational inequality (for schools, see Koinzer et al. 2017; Verger et al. 2016).

The privatization of education, together with activation policies undertaken in the spirit of the ‘social investment state’, have often become discredited as fig leaves for welfare state retrenchment. Such strategies are perceived as weakening the decommodification of traditional social insurance policies, while strengthening the commodification of education. In the worst case, the social right to having been educated is incrementally transformed into a duty to stay educated in order to be able flexibly to meet the demands of changing economies and labour markets. Thus, future research in social policy needs to clarify the relationships between educational investment, educational institutions, inequality, and the distribution of life chances in different welfare state and education regimes.

A further topic for future research is the need to explore in greater depth the common political and historical foundations of welfare state and education regimes. Within the

confines of this chapter, we have explored the historical and contemporary variation of education regimes and presented an explanatory framework that may assist in understanding and explaining the observed variation. Clearly, this is only a first step. Future research should try to clarify the contribution of partisan and institutional factors to the historical and contemporary development of education regimes. In this, the analytical perspective should be broadened beyond the 'usual' suspects and include non-OECD countries—in particular, countries in Latin America, Africa, and Asia. The large literature on the linkages between education and welfare still focus on OECD countries, as well the Western hemisphere and neglects the developments in other world regions.

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