

*Abstract for the 2010 ESPAnet Conference, Budapest 2-4 September 2010*

Social Policy and the Global Crisis: Consequences and Responses

Policy Stream 7: Economic Crisis and Social Policy Reactions in the Past and the Present

## **CRISIS RESPONSE POLICIES OF WELFARE STATES: PATH DEPENDENT OR CONVERGENT?**

**Stefan Thewissen, Utrecht University**

Utrecht School of Governance

Rijnlaan 44bis

3522 BP Utrecht, the Netherlands

S.H.Thewissen@students.uu.nl

+31 6 8184 1634

**Heejung Chung, Tilburg University**

Department of Sociology

PO Box 90153

5000 LE Tilburg, the Netherlands

H.Chung@uvt.nl

+31 13 466 8390

### **Abstract** (240 words)

The current worldwide financial and economic turmoil forced many governments into adopting temporary crisis management policies. Initially, most European states confined themselves to implementing policies to uphold their financial sectors and institutions. Soon, however, this was complemented with social and unemployment policies. This paper seeks to understand the policy choices of European governments in reaction to external shocks, especially in relation to labour market and social policies. It could be expected that, since the problems faced in each country were essentially equal, the responses would likewise be similar. However, according to the rivalling path dependence theory, we should expect different policies responses, based on different institutional legacies. To examine this hypothesis, we compare the short-term reactionary policies of three different welfare regime ideal types of Esping-Andersen's typology, namely, the UK, Germany, and Sweden. For our analysis, we use comparable data from various European data sources, such as EIRO, European Commission's joint employment reports, as well as national sources. Our preliminary outcome suggests that although all three countries share the initial focus on financial viability, they are remarkably different in their reactions in social and unemployment policies. In addition, these differences can be understood by the different institutional legacies of these three countries. This provides support for the path dependence theory, and suggests that Esping-Andersen's typology is – at least for the classic examples of the UK, Germany, and Sweden – applicable in describing their principal differences in the current crisis response policies.