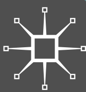

WORK AND WELFARE IN EUROPE

The Dynamics of Welfare Markets

Private Pensions and Domestic/Care Services in Europe

Edited by
Clémence Ledoux · Karen Shire
Franca van Hooren

OPEN ACCESS

palgrave
macmillan

Work and Welfare in Europe

Series Editors
Ana Guillén Rodriguez
University of Oviedo
Oviedo, Spain

Daniel Clegg
University of Edinburgh
Edinburgh, UK

Nathalie Morel
Sciences Po
Paris, France

Welfare reform in Europe faces an uncertain future. This series provides the essential data and analysis that scholars need to understand and debate current developments in work and welfare and to evaluate future trajectories of care-work, poverty, activation policies, retirement and work-life balance' - Professor Peter Taylor-Gooby, University of Kent, UK.

More information about this series at
http://www.palgrave.com/gp/series/14386

Clémence Ledoux • Karen Shire
Franca van Hooren
Editors

The Dynamics of Welfare Markets

Private Pensions and Domestic/Care Services in Europe

palgrave
macmillan

Editors
Clémence Ledoux
University of Nantes
Nantes, France

Karen Shire
University of Duisburg-Essen
Duisburg, Germany

Franca van Hooren
University of Amsterdam
Amsterdam, The Netherlands

Work and Welfare in Europe
ISBN 978-3-030-56622-7 ISBN 978-3-030-56623-4 (eBook)
https://doi.org/10.1007/978-3-030-56623-4

© The Editor(s) (if applicable) and The Author(s), under exclusive licence to Springer Nature Switzerland AG 2021 , corrected publication 2021
Chapter 1 is licensed under the terms of the Creative Commons Attribution 4.0 International License (http://creativecommons.org/licenses/by/4.0/). For further details see licence information in the chapter.
This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.
The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.
The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, expressed or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG.
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Acknowledgements

This volume brings together a group of sociologists, political scientists, and jurists from nine countries, most of whom met several times as members of a study group at the Hanse-Wissenschaftskolleg—Institute for Advanced Study (HWK) in Delmenhorst, Germany, between 2016 and 2018. We would like to extend our thanks to the HWK for giving us the time for in-depth discussions in a tremendously beautiful and relaxing environment. The meetings at the HWK allowed us to think beyond our own disciplinary boundaries and extend our national scientific frontiers. We are particularly grateful to Susanne Fuchs and Wolfgang Stenzel at the HWK for their encouragement and trust, and Christina Thiel, who supported the organisation of the workshops with great patience.

The editors of this volume would also like to express our deepest gratitude to all the participants in these workshops, who gave us the energy to begin this book project, continued to engage with us in the analysis of the *dynamics* of welfare markets through several drafts of the manuscripts, and inspired us in their efforts to complete this volume. You have made the editing of this book a pleasant process! We are indebted to Patrick Aspers, University of St. Gallen, who shared his theories of markets with us and helped us to formulate the concept of welfare markets we employ in this volume. We also thank Karin Gottschall, University of Bremen, with whom we discussed many of the concepts and approaches presented

in this book both at and outside of the HWK workshops. We also thank Gabrielle Meagher, Macquarie University, for reading much of the final manuscript at short notice and providing valuable feedback. Some of us also joined the World Congress of the International Sociological Association and the International Conference of Europeanists of the Council for European Studies over the life course of the HWK study group. These meetings allowed us to jointly improve our understanding of the dynamics of welfare markets and to receive valuable comments from international scholars.

Research does not happen without institutional resources and funding. We would like to thank the productive research environment provided to us by our home institutions: the research laboratory *Droit et Changement Social* (DCS) and the *Centre Nantais de Sociologie* (CENS) at the University of Nantes, the Political Science Department at the University of Amsterdam, the Netherlands Institute for Advanced Studies in Amsterdam, and the Essen College for Gender Research at the University of Duisburg-Essen. Further support was given to us by the French National Research Agency (Research Project PROFAM, ANR-17-CE26-0019), allowing us to fund support staff, which was of great assistance in producing the final manuscript.

Since English is not the mother tongue of all the contributors to this book, we are especially grateful for the help we received from colleagues who are able to express themselves in the language of Shakespeare: Eric Marlow, Juliette Rogers, and Joanne Walker. Katia Barragan from DCS corrected the reference formats and Eric Marlow followed us through all the steps of editing and compiling of files into a final manuscript. They both saved us precious time!

Lastly, we are grateful to the editors of the Work and Welfare series at Palgrave Macmillan, especially to Denis Bouget, who supported our book project from its inception to the end, taking the time to read every chapter carefully, providing detailed comments, which much improved the final manuscript. Many thanks to the editorial team at Palgrave, Sharla Plant and Poppy Hull, whose guidance and patience kept us moving forward as we and our contributors struggled to complete this volume from home offices, and in a world shaken by the Covid-19 pandemic.

Contents

Part I Mapping the Dynamics of Welfare Markets 1

1 Introduction: From the Emergence to the Dynamics of Welfare Markets 3
Clémence Ledoux, Karen Shire, and Franca van Hooren

2 Changing States, Changing Citizens, Changing Politics? 51
Jane Gingrich

3 The European Union and Multi-Level Contention over Welfare Marketization 79
Amandine Crespy

Part II (Re)constructing Welfare Markets 103

4 Welfare Markets and Home-Based Domestic/Care Services: Market Dynamics and Mechanisms in Two Different Institutional Contexts—Spain and Sweden 105
Zenia Hellgren and Barbara Hobson

5 The Failure of a Welfare Market: State-Subsidized Private Pensions Between Economic Developments and Media Discourses 133
Frank Nullmeier

6 The Role of Evidence and Commissions in the Dynamics of German and Swedish Pension Markets 163
Stephan Köppe

Part III The Dynamics on the User Side 189

7 'Disorientation' in a Capricious Welfare Market: The Case of the German Pension System 191
Ingo Bode and Ralf Lüth

8 Being Dependent and an Employer: The Realities of Private Individual Employment for Dependent Elderly People in France 217
Eve Meuret-Campfort

9 The Political Dynamics of Welfare Markets: The Emergence of Consumer Organisations in the Field of Social Policy 241
Florian Blank

Part IV The Dynamics of Firms and Employers 265

10 The Politics of the Segmentation and De-segmentation of the French Market for Private Retirement Accounts 267
Marek Naczyk

11 The Development of Occupational Pension Markets in the European Union and in Lithuania: Regulation and Challenges 293
Audrius Bitinas

12 Becoming an Organised Actor in a Welfare Market: Employers in the French In-Home Domestic/Care Services Sector 319
Clémence Ledoux, Rafael Encinas de Muñagorri, and Virginie Guiraudon

Part V The Dynamics on the Labour Side 345

13 Informalisation of Work and Workers' Voice in Welfare Markets for In-Home Domestic/Care Services in Germany 347
Birgit Apitzsch and Karen Shire

14 Trade Unions and Welfare Markets: Comparing Dynamics in Three Domestic/Care Markets in the Netherlands 373
Franca van Hooren

15 Workers on Welfare Markets and the Appropriation of Their Rights: The Case of *Mothers' Assistants* in France Since 1977 401
Marie Cartier

Correction to: Introduction: From the Emergence to the Dynamics of Welfare Markets C1
Clémence Ledoux, Karen Shire, and Franca van Hooren

Index 425

Editors and Contributors

Editors

Clémence Ledoux (PhD, 2011, Sciences Po Paris) is Assistant Professor of Political Science at the University of Nantes, France and former fellow of the Hanse-Wissenschaftskolleg (HWK) in Delmenhorst (Germany). Her work concentrates on the dynamics of the home-based service sector in France and Germany. In 2015, she co-published with Virginie Guiraudon, "The politics of tax exemptions for home services: beyond sociodemographic explanations", in Clément Carbonnier and Nathalie Morel (eds.), *The political economy of domestic service in Europe*, Palgrave, London; she recently authored "De la régulation politique des mondes de l'état Providence à celle des mondes professionnels. Le cas du *care* et des services domestiques" in the *Revue Française de Science Politique*, 2018.

Karen Shire (PhD, 1990, University of Wisconsin-Madison) is Professor of Sociology and Japanese Society at the University of Duisburg-Essen (Germany), where she also directs the Essen College for Gender Research. She is a member of the faculty of the International Max Planck Research School on the Social and Political Constitution of the Economy and former fellow of the Hanse-Wissenschaftskolleg (HWK) in Delmenhorst

(Germany). Her recent publications include Family Supports and Insecure Work: The Politics of Household Service Employment in Conservative Welfare Regimes (*Social Politics,* 2015) and The Origins and Transformation of Conservative Gender Regimes in Germany and Japan (with K. Nemoto, 2020, *Social Politics*).

Franca van Hooren (PhD, European University Institute) is an Assistant Professor at the Political Science Department of the University of Amsterdam, the Netherlands, and former fellow at the Netherlands Institute of Advanced Studies. Her work concentrates on care/domestic work policies, trade unions mobilisations and intersectionality in a comparative perspective. Her dissertation work was about the growing role of migrants in social care in Europe and she co-authored several articles and a monograph on the impact of economic crisis on the welfare state. Her recent publications include Intersecting Social Divisions and the Politics of Differentiation: Understanding Exclusionary Domestic Work Policy in the Netherlands (2018, *Social Politics*) and co-author of The Governmentalization of the Trade Union and the Potential of Union-Based Resistance: The Case of Undocumented Migrant Domestic Workers in the Netherlands (2018 *Social & Legal Studies*) (www.franvavanhooren.info).

Contributors

Birgit Apitzsch is senior researcher at the Sociological Research Institute (SOFI) at the University of Göttingen, Germany. Her areas of research are the sociology of work, organizations and labour markets, industrial relations, institutional theory and the sociology of law. Recent research centres on the consequences of informalized and non-standard employment with a focus on regulation and institutional change and on the sociology of professions and service work.

Audrius Bitinas is researcher at the Faculty of Law at Vilnius University, Lithuania. His scientific research interests include social security and

labour law, European Union and international social law, the development of public management and welfare states analysis.

Florian Blank is senior researcher at the Institute of Economic and Social Research (WSI) at the Hans-Böckler-Foundation, Düsseldorf, Germany. His work focuses on social policy, especially systems of social insurance in Germany and Austria. He has written on the development of the German welfare state, occupational welfare, and welfare markets.

Ingo Bode is Professor of Social Policy, Society and Organization at the Institute of Social Work and Social Welfare at the University of Kassel, Germany. His areas of work include the analysis of marketization in social welfare provision, evolving organizational settings in social care and healthcare sectors, and developments in the public management of contemporary welfare states, including from a comparative perspective.

Marie Cartier is Professor of Sociology at the University of Nantes (France) and head of the research unit *Centre Nantais de Sociologie* (CENS). She adopts an ethnographic and historical approach to studying low-paid jobs in the service sector. Her research emphasizes the role of legal regulation on the condition of the working class. Together with Y. Siblot, I. Coutant, and O. Masclet, she recently authored *The Little-Middles' France: A suburban housing development in greater Paris* (Berghan, 2016).

Amandine Crespy is Associate Professor of Political Science and European Studies at the Free University of Brussels (ULB), Belgium, and visiting professor at the College of Europe (Bruges). Her research deals with the politicization of EU integration and socio-economic policies. She has authored *Welfare Markets in Europe* (Palgrave, 2016), *L'Europe sociale. Acteurs, politiques, débats* (Presses de l'Université de Bruxelles 2019) and she is the co-editor of *Governance and Politics in the Post-crisis European Union* (CUP, 2019).

Rafael Encinas de Muñagorri is Professor of Private Law, Laureate of the National *Agrégation* for University Professorship of Private Law and

Criminal Sciences, and former visiting research fellow at Harvard University (1998). He is Director of the research unit Law and Social Change (DCS) at the University of Nantes, France. He has recently authored papers on labour law reforms in Europe and on transnational social dumping.

Jane Gingrich is Associate Professor of Comparative Political Economy at the University of Oxford, United Kingdom. She has written on contemporary restructuring of the welfare state, market-oriented reforms in state services, and the politics of institutional change. She authored *Making Markets in the Welfare State: The politics of varying market reforms,* Cambridge University Press (2011) and is undertaking an European Research Council-funded project on the politics of education.

Virginie Guiraudon is *Centre National de la Recherche Scientifique* (*CNRS*) Director of Research at Sciences Po Paris, France, and recipient of the 2013 Mattei Dogan prize in European Political Sociology. Her research focuses on comparative policy processes in the context of EU integration. Her research on migration-related policies has long intersected with scholarship on the transformations of the welfare state. Together with C. Martin, she recently co-authored "Drivers for Change" in B. Greve (ed.) *The Routledge Handbook of the Welfare State* (2018).

Zenia Hellgren is Doctor of Sociology from Stockholm University, senior researcher and currently Marie Curie Research Fellow at GRITIM-UPF/Pompeu Fabra University, Spain. In her research, she focuses mainly on the situation of immigrants and ethnic minorities in terms of inclusion/exclusion, precarious work, discrimination, and opportunities. Her works have been published in numerous academic journals and edited volumes (https://www.upf.edu/web/zenia-hellgren).

Barbara Hobson is Emeritus Professor of Sociology at Stockholm University, Sweden, and was research fellow at the Institute for Advanced Study in Berlin, Germany from 2017 to 2018. She has written numerous books and articles on gender, work, family, citizenship, and diversity in welfare states. Her research concerns the reconfiguration of states, mar-

kets, and families/households in welfare states. She is the founder and editor emerita of *Social Politics* (Oxford University Press).

Stephan Köppe is Assistant Professor of Social Policy at the University College Dublin, Ireland, co-director of the Master of Public Policy and fellow at the Geary Institute for Public Policy. His work focuses on the politics, inequalities, and business interests in private welfare schemes. He has written on private pensions, schools, intergenerational transfers, and housing wealth and teaches comparative social policy, public policy, and mixed methods.

Clémence Ledoux is Assistant Professor of Political Science at the University of Nantes, France. She is a former fellow of the Hanse-Wissenschaftskolleg (HWK) in Delmenhorst, Germany. Her work concentrates on the dynamics of the home-based service sector in Europe and, more recently, on the role of employers' organisations and street-level bureaucrats in the structuring of this sector.

Ralf Lüth is doctoral researcher at the Institute of Social Work and Social Welfare at the University of Kassel, Germany, and lectures on social policy. Focusing on the effects of welfare state institutions on individual standards of living, he is preparing a PhD on the non-take-up of means-tested benefits in contemporary Germany.

Eve Meuret-Campfort is *CNRS* Researcher at the Center for Sociological and Political Research in Paris (CRESPPA), France. Her work focuses on the sociology of labour and activism in female occupations (clothing industry, childcare centres, and domestic elderly care). She also contributed to a collective research project on the history of feminism in the 1970s, especially regarding its relations with working-class women.

Marek Naczyk is Associate Professor of Comparative Social Policy at University of Oxford, United Kingdom. His research is at the crossroads of social policy, comparative political economy, and international political economy. He is a graduate of Sciences Po Paris and received his PhD in politics from the University of Oxford. His recent work is published in

the *British Journal of Industrial Relations* and the *Journal of European Public Policy.*

Frank Nullmeier is Full Professor of Political Science at the University of Bremen, Germany. He is Head of the Theoretical and Normative Foundations Department at the SOCIUM Research Centre on Inequality and Social Policy. His fields of research include social policy analysis, welfare state theory, and issues of political legitimation. He is co-editor of *The Oxford Handbook of Transformations of the State* (2015).

Karen Shire is Chair for Comparative Sociology and Japanese Society and director of the Essener College for Gender Research, University of Duisburg-Essen, Germany, and a faculty member of the International Max Planck Research School on the Social and Political Constitution of the Economy in Cologne, Germany. She researches the transformation of employment, new social risks, labour markets, and complex inequalities in inter-regional comparisons of Europe and East Asia.

Franca van Hooren is Assistant Professor of Political Science at the Political Science Department at the University of Amsterdam, the Netherlands. She is former fellow of the Netherlands Institute for Advanced Studies. Her work concentrates on care/domestic work policies, trade unions mobilisations and intersectionality in a comparative perspective.

List of Figures

Fig. 2.1	Secondary education in 2010	53
Fig. 2.2	Configurations of public and private financing in health, 2010	54
Fig. 2.3	Fiscal welfare across the OECD	55
Fig. 2.4	Over time developments in fiscal welfare	56
Fig. 2.5	States, citizens, and producers	58
Fig. 4.1	Proportion of natives and immigrant women working in the care/domestic sector in Spain and Sweden	109
Fig. 4.2	Increase in the number of Swedish companies in the cleaning sector 2003–2016	112
Fig. 5.1	Growth in the Number of Riester pension plans (2000–2018)	138
Fig. 5.2	Policy discourse, expert arenas, and the general public	146
Fig. 5.3	Development of positive and negative statements about Riester pension plans from 2005 to 2016	147
Fig. 5.4	Arguments supporting Riester pension plans (Die Welt, SZ) from 2005 to 2016	148
Fig. 5.5	High versus low return statements (Die Welt, SZ) from 2005 to 2016	149
Fig. 5.6	Three types of criticism (Die Welt, SZ) from 2005 to 2016	150
Fig. 5.7	Distribution of all positive statements from 2005 to 2016 (Die Welt, SZ)	151

Fig. 5.8 Distribution of all negative statements from 2005 to 2016 (Die Welt, SZ) 152
Fig. 7.1 Knowledge and planning concerning future retirement provision 203
Fig. 7.2 Anxiousness regarding personal standard of living, percentages 206
Fig. 14.1 Number of children receiving childcare subsidy by type of care in the Netherlands, 2007–2017 378
Fig. 14.2 Employees in childcare in the Netherlands, 2003–2019 380
Fig. 14.3 Members and membership rate of biggest trade union in childcare in the Netherlands 385
Fig. 14.4 Members and membership rate of biggest trade union in long-term care (home-based and residential) in the Netherlands 386

List of Tables

Table 1.1	Policy instruments structuring welfare markets	10
Table 1.2	The outcomes of welfare markets	16
Table 3.1	EU liberalization directives in welfare sectors	83
Table 5.1	Development of the number of Riester pension plans (in thousands)	137
Table 5.2	Reforms of the German Riester pension 2004–2018	142
Table 6.1	Reforms of the German Riester pension	171
Table 6.2	Swedish pension market in 2000	175
Table 6.3	Reforms of the Swedish premium pension	176
Table 6.4	Pension commissions in Germany and Sweden	182
Table 6.5	Swedish government commissions with a mandate for the premium pension annually, 2000–2018	183
Table 7.1	Sources of expected retirement income	204
Table 7.2	Expected substitution rates	205
Table 7.3	Anxiousness regarding personal standard of living—multivariate regression	206
Table 7.4	Trust in institutions—multivariate regression	207
Table 9.1	Overview of parliamentary election periods (*Wahlperiode*) 1990–2017	250
Table 9.2	Invitations to consumer associations by the Committee for Labour and Social Affairs: 1990–2017	253

Table 9.3 Invitations to consumer associations by the Committee for Health, 1990–2017 254
Table 9.4 Legislation on long-term care insurance: selection of acts based on Steffen (2019) 256
Table 10.1 Main types of fully funded schemes 274
Table 12.1 Policy instruments for home services welfare markets in France, in 2020 323
Table 12.2 Employers' organisations in in-home domestic/care services in France, in 2020 327
Table 12.3 The Dynamics of the welfare market structure for in-home domestic/care work in France 341
Table 13.1 Size of the childcare labour force by type of facility, 2006–2019 352
Table 13.2 Estimated size of the informal and formal care labour force by type of care service (2005–2017) 355
Table 13.3 Shares of work force in public, non-profit, and private long-term care service enterprises (2005–2017) 357
Table 13.4 Mini jobs in private households, numbers, shares of women and migrants 358
Table 14.1 FNV union membership in October 2015 384

Part I

Mapping the Dynamics of Welfare Markets

1

Introduction: From the Emergence to the Dynamics of Welfare Markets

Clémence Ledoux, Karen Shire, and Franca van Hooren

1.1 Introduction

Since the 1980s, ideologies orienting welfare reforms in many European countries support replacing state provision with market-based and private provision of welfare (Taylor-Gooby 1998). Despite over 30 years of

The original version of this chapter was revised. The correction to this chapter can be found at https://doi.org/10.1007/978-3-030-56623-4_16

C. Ledoux (✉)
University of Nantes, Nantes, France
e-mail: clemence.ledoux@univ-nantes.fr

K. Shire
University of Duisburg-Essen, Duisburg, Germany
e-mail: karen.shire@uni-due.de

F. van Hooren
University of Amsterdam, Amsterdam, The Netherlands
e-mail: f.j.vanhooren@uva.nl

© The Author(s) 2021, corrected publication 2021
C. Ledoux et al. (eds.), *The Dynamics of Welfare Markets*, Work and Welfare in Europe,
https://doi.org/10.1007/978-3-030-56623-4_1

such reforms, welfare states have far from disappeared. Instead, the role of the state and the nature of welfare policies have changed. Welfare states have developed competition, separated the functions of providing and funding welfare goods and services (Le Grand 1991), created and subsidized the development of markets, and imbued them with welfare goals (Nullmeier 2001; Bode 2008; Gingrich 2011; Köppe 2015; Pieper 2018), examples of which range from the development of school vouchers (Köppe 2015) to cash for eldercare schemes (Ungerson and Yeandle 2007; Da Roit and Le Bihan 2010; Ranci and Pavolini 2013), tax incentives for the payment of household services (Carbonnier and Morel 2015), housing support (Pollard 2011), and private pensions (Hacker 2004; Ebbinghaus 2011). With the establishment of market mechanisms within public policies, social policies, ironically, use these to protect against market risks (Köppe 2015), and contrary to Esping-Andersen's original claims, social politics no longer appear *against* markets (Esping-Andersen 1985), but instead *with* markets (Leibfried and Obinger 2000; Pieper 2018). The concept of welfare markets, rather than being an oxymoron, has been adopted to characterize these transformations and to go beyond the opposition between market/non-market spheres in the analysis of the different interpenetrations between market mechanisms and welfare states (Bode 2008; Gingrich 2011). The contributors to this volume agree on a definition of welfare markets as politically shaped, regulated, and state-supported markets, which provide social goods and services through the competitive activities of non-state actors.

We begin to build a conceptual basis for studying the dynamic development of welfare markets by drawing on research in the sociology of markets and political economy focused on the emergence of market structures generally (Beckert 2009; Aspers 2011; Ahrne et al. 2015), and adapting these perspectives to the specific dimensions shaping *welfare* markets. From these perspectives, market making is a dynamic process, involving not only top-down policies and rules, but also changes in normative understandings of the meaning of what is exchanged, and agreements on how markets work. The aim of this book is to examine these dynamics, in relation to how European welfare markets have developed since the 1990s. We do so from an explicitly actor-centred perspective, focusing not only on the state and private sector (including profit and non-profit organizations), domains of action which are in part already well covered in the

welfare market literature, but also on the perspectives of consumers, users,[1] and, where applicable, workers delivering services exchanged in welfare markets. Though in all cases, new policies are highly significant events in the creation of welfare markets, a central thesis of the contributions to this book is that welfare markets develop not only out of state policies, but are also significantly shaped by the practices of welfare recipients, who are often transformed into consumers of private goods and services, and by workers and their employers in the emerging welfare service industries.

The contributions in this volume aim at filling the gap in understanding welfare market *dynamics* through an action-centred approach to welfare *marketization* as a process of institutional change. Following Mahoney and Thelen (2010), we emphasize how the way in which state policies are implemented and interpreted by actors involved in the market exchange of welfare contributes to layering welfare markets onto existing welfare institutions, or to displacing earlier forms of state or other types of welfare provision. The analysis of the dynamics of welfare markets focuses on continental and Scandinavian European countries, which began to legislate welfare market instruments in the 1990s, later than most countries classified as liberal-market welfare states. Two cases of welfare markets comprise the empirical focus: private pensions and home-based domestic/care work (see below for an elaboration of our choice of cases). The analysis covers multiple levels of European and national polities and markets, and the impact of cross-national differences in welfare states on market dynamics, covering countries often classified as conservative or familial welfare states, as well as social-democratic, and Eastern European welfare states. The breadth of country cases and types of welfare states contributes to analysing regional differences in welfare market dynamics.

This introductory chapter begins with an interrogation of the nature of markets in general (Sect. 1.2) before analysing the specificities of welfare markets (Sect. 1.3), the instruments which structure them (Sect. 1.4), and their outcomes (Sect. 1.5). We then discuss the theoretical significance of new sets of actors, and their agency for the dynamics of welfare markets (Sect. 1.6), the two fields of private pensions and home-based domestic/care services (Sect. 1.7) and finish with the contributions of each of the chapters (Sect. 1.8) and the knowledge generated by this volume for understanding the dynamics of welfare markets outside of the traditionally liberal-market welfare states (Sect. 1.9).

1.2 Definition of Markets

Markets have been defined very differently across economics and the social sciences. We draw on the new sociology of markets, which defines a market as a social interaction which produces "a social structure for the exchange of rights in which offers are evaluated and priced, and compete with one another, which is shorthand for the fact that actors – individuals and firms – compete with one another via offers" (Aspers 2011, p. 4). This definition highlights the competitive nature of market exchanges, thus defining markets as present, in the words of Max Weber, "wherever there is competition, even if only unilateral, for opportunities of exchange among a plurality of potential parties" (Weber 1978, p. 635). Market exchanges may involve individual or organized actors and are distinguished further by their voluntary nature. Market exchanges can "transcend the boundaries of neighbourhood, kinship, or tribe" and give the possibility for people who did not know each other before to buy and sell goods or services (Weber 1978, p. 637). Herein lies the source of uncertainties in market exchanges, which must be solved in order to establish a stable market order (Beckert 2009; François 2008; Aspers 2011). As Beckert (2009) argues, the competitive and voluntary nature of markets presents market actors with coordination problems, which actors eventually seek to solve through embedding exchanges in (non-market) macro-structures. These structures include formal and informal institutions which take the form of rules, norms, and shared understandings of what a market is about and how it works (see also Fligstein 2001; Aspers 2011).

Market uncertainties are not solved in a day, if ever. Aspers introduces a dynamic concept of markets, differentiating between ways in which markets are created, and stages through which they develop, possibly ending in a consolidated market, but also possibly failing (Aspers 2011; Ahrne et al. 2015). In the market theory of Fligstein (2001), markets are established through political struggles between market actors, who eventually align their interests and develop shared cultural understandings about the market. The development of a market culture is also central to Aspers' dynamic theory of markets, as he sees the establishment of a market culture as the development of a common understanding about what the market is about, and how things are done in a specific market (Aspers

2011). The sociology of markets also points to the need for shared understandings about what is commodified, that is, about which objects can be legitimately produced for sale (Engels 2009). Once objects are produced for sale, a number of issues remain in determining their value, a process rendering them comparable to other objects and exchange currencies (Beckert 2009; Engels 2009).

Welfare markets do not arise spontaneously but are organized, and almost by definition, state-organized and publicly governed. From a sociological perspective, which always sees markets as embedded in macrostructures and institutions (in the form of rules, norms, and shared understandings), the *public* governance of welfare markets is not unusual. Shifting the focus of research to the dynamics of markets does, however, raise the question of how welfare markets, once initiated through state policies, develop through the agency of market actors.

In the next section, we focus on the specificities of the market exchange of welfare and begin to outline the specific goals of this volume in studying the dynamics of welfare markets.

1.3 Welfare Markets

Welfare markets have introduced "competitive spheres in the institutional provision of social welfare" (Bode 2008). Over the last 30 years, European welfare states have turned increasingly to market mechanisms for the provision of welfare. Local, national, and/or European political authorities contributed to different policy instruments to generate competition, and to create and regulate these markets (Bode 2008; Gingrich 2011; Köppe 2015; Crespy 2016; Crespy, Chap. 3; Bitinas, Chap. 11). Previous research pointed to the emergence of quasi-markets (Le Grand 1991), where the state becomes "a funder, purchasing services from a variety of private, voluntary and public providers, all operating in competition with one another" (Le Grand 1991, p. 1257). Our conceptualization of welfare markets overlaps partly with Le Grand's understanding of quasi-markets, but there are also key differences. By defining welfare markets as politically shaped, regulated, and state-supported markets, which provide social goods and services through the competitive activities of non-state

actors, we exclude those forms of quasi-markets that consist only of competition of the new public management type, within and between state organizations. Instead, our focus is on markets involving non-state and private actors. Contrary to the quasi-markets concept, welfare markets include markets in which the state is not the purchaser of welfare goods or services, but instead subsidizes non-state market actors in order to give them the possibility to exchange welfare services or goods.

We follow an open definition of what constitutes social goods and services, which can be identified as such either by the functions they perform or by the fact that they are considered as such by the actors involved. In both cases, social goods and services are concerned with the social security of individuals and the social reproduction of society.

As politically shaped and regulated markets providing social goods and services, welfare markets are closely related to the welfare state and its different public policy instruments. In certain cases, welfare markets have been added as an additional layer onto more traditional policies, such as the introduction of a private pension scheme next to statutory public pensions. In other cases, welfare markets have replaced existing public provisions, or developed parallel to familial activities, as has often been the case with welfare markets for care services.

Studies of welfare markets in sociology and political economy have been very prolific in analysing the emergence of market structures and the rapid and 'external shocks' affecting markets, for example, economic crises. Existing work on welfare markets has underlined how institutions of the welfare state have played a central role in reorienting citizens to the market for protections that had traditionally been provided by families or social policies. Several studies have underlined the coherence between welfare state regimes and welfare market regimes (Köppe 2015). The role of agency in the rise of welfare markets has also received attention in some studies (Gingrich 2011; Meagher and Goodwin 2015; Crespy 2016; Pieper 2018), as have the cultural dimensions of welfare markets (Bode 2008).

Yet, few studies have systematically analysed how welfare markets develop once created, and/or the consequences of different developments for the actual provision of welfare. In this volume, we focus on what *happens after* states initiate welfare markets. Aspers' phase model of market

development (2011) distinguishes between an initial period of organized introduction of a market and the contraction of a market around a specific set of actors supplying and demanding a good or service defining a specific market and sharing the rules, normative orientations, and understandings of what the market is about and how exchanges are conducted. We argue that an actor-centred focus which includes non-state as well as state actors is key to understanding how welfare markets grow and operate, who gains market access, uncovering the informal as well as formal dimensions of rules governing exchanges, their monitoring, and the sanctioning of misuses. Subsequent and reactive responses of states to re-regulate or alter welfare markets are also part of this focus.

To analyse welfare market dynamics, we first need a set of shared conceptual tools to characterize welfare market institutions and outcomes. The subsequent sections of this chapter describe these tools, used in all contributions in the book, and preview the kinds of dynamics, which can be associated with various institutional set-ups. The shared conceptualizations used throughout the book render the dynamics of highly diverse welfare markets, most of which emerged in the 1990s, and in the subsequent three decades have undergone considerable reform, intelligible and comparable.

1.4 Policy Instruments Structuring Welfare Markets

In his classic welfare regime typology, Esping-Andersen (1990) distinguished between three providers of welfare: the state, the family and the market. When welfare is provided by the state, the state directly provides insurance benefits (such as pensions benefits) or services (such as care services). There is no competition among providers, because the state is the provider. In the two other alternatives, the state is in principle not involved, since welfare is provided either by the family, meaning that families provide income security or care, or by the market, meaning that individuals have to purchase care services or insurance benefits on the market.[2]

According to the definition we use in this volume, a market becomes a *welfare* market when the state is involved in initiating, regulating, financing, and/or communicating (about) a market where the goods and services exchanged are defined by the actors or researchers as *welfare* goods and services. As such, it can be seen as something in-between 'pure' state or market provision of welfare.

With the policy instruments of welfare markets, we refer to the way in which the state organizes welfare markets. We distinguish three key sets of instruments (see Table 1.1 below). First, instruments that regulate the financing of the consumption or production of welfare goods and

Table 1.1 Policy instruments structuring welfare markets

Type of policy instrument	Main options	Explanation
Financial	Demand side: client receives cash allowance	The state finances clients to enable them to purchase welfare goods or services on the market
	Demand side: client receives fiscal benefits (e.g. tax break)	The state creates tax incentives to encourage clients to purchase welfare goods and services on the market
	Supply side: private provider or welfare workers involved in the production of welfare goods/services are subsidized	The state subsidizes the price of services by private providers and/or the wages of welfare workers
Regulatory	Coordinating exchange	These instruments help to make sure welfare goods and services are paid to the seller and provided to the buyer
	Standards	These instruments help to define and evaluate the quality and limit the cost of the welfare goods and services produced
Informational	Communication campaigns, or platforms, administrative agencies	These instruments help to develop a welfare market culture and to legitimize the commodification of welfare goods and services

services; second, policy instruments that aim to secure the exchange and guarantee minimum quality standards, for example, through certification; and third, policy instruments used to communicate information about welfare markets.

1.4.1 Financial Instruments

The financial instruments of welfare markets either remove the state from the provision of welfare goods and services or introduce private provision in addition to, or competing with, state provision. The aim of financial instruments is to stimulate the development of a market for benefits or services. Among the various ways in which states can finance welfare markets, a key distinction is the choice to support either the demand side or the supply side of the market. Both instruments often "blur the lines between public and private" (Gingrich, Chap. 2).

When states finance the supply side, that is, by subsiding organizations or the costs of service workers, private providers either compete with each other for public orders or receive funding based on the number of clients they serve. To comply with European Union competition law, such competition is often organized through public tenders. The financing of welfare providers requires the development of financial expertise among both public officials and the participating providers. States can also finance labour costs directly, by subsidizing wages or reducing social contribution obligations of employers.

States can finance the demand side by directly subsidizing welfare clients, through cash transfers or tax breaks/credits, with the aim of enabling them to purchase welfare services or goods. A cash allowance means clients receive a cash transfer with which they can purchase a service. In this case, they can easily trace a relation between an outcome (their use of a welfare service or good) and some governmental action. The goods and services that are purchased can vary from a place in a child care centre or home care provided by a care assistant to participation in a voluntary pension scheme. Cash allowances have become prevalent across the home-based services sector (Evers et al. 1994; Ungerson and Yeandle 2007; Da Roit and Le Bihan 2010; Ranci and Pavolini 2013), for