The bigger the worse? A comparative study of the welfare state and employment commitment

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Abstract

This article investigates how welfare generosity and active labour market policies relate to employment commitment. As social policy is increasingly directed towards stimulating employment in broader sections of society, this article particularly studies employment commitment among groups with traditionally weaker bonds to the labour market. This is also theoretically interesting because the employment commitment in these groups may be more affected by the welfare context than is the employment commitment of the core work force. A welfare scepticism view predicts that disincentive effects and norm erosion will lead to lower employment commitment in more generous and activating welfare states, while a welfare resources perspective holds the opposite view. Using multilevel data for individuals in 18 European countries, the article finds increasing employment commitment as social spending gets more generous and activating. This was also evident for weaker groups in the labour market, although the effect was less pronounced in some groups.

Keywords

active labour market policies, employment commitment, welfare generosity, welfare state, work motivation

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Introduction

Demographic and economic change has placed employment high on the political agenda and ways to stimulate employment in groups who have traditionally had weaker ties to the labour market are in demand (Liebig, 2009; OECD, 2003). The design of the welfare state and its effect on people's propensity to work, including attitudes towards work and benefit receipt, have a prominent place in this discussion, both as part of the problem and as part of the solution.

Many scholars and commentators fear that generous social benefits threaten the sustainability of the welfare state due to work norm erosion, disincentives to work and dependency cultures (e.g. Heinemann, 2008; Rege et al., 2009). This view is supported by a number of studies (e.g. Kahn, 2003; Lindbeck and Nyberg, 2006; Nickell, 1997). On the other hand, comprehensive welfare provision is increasingly seen as a productive force in society (Bonoli, 2012), that stimulates employment commitment (Esser, 2005) and supports the individual's participation in society and the labour market, particularly among disadvantaged groups (van der Wel et al., 2011).

Current comparative knowledge on welfare states and work-related attitudes is equivocal and depends on the aspect of work attitude chosen, as well as the analytical design used. This article adds to the strand of research studying employment commitment and contributes to this field of research in several ways. Empirically, this article includes more recent data and data from a larger number of European countries. Theoretically, the article expands on previous research by using a social expenditure-based approach to operationalizing 'welfare state' and analyses two dimensions of welfare provision, welfare generosity and active labour market policies (ALMPs). Another theoretical contribution of the article is that it compares employment motivation in specific sub-sections: ethnic minorities, people in poor health, the low skilled, the non-employed and women, across countries. The analyses of the association between employment commitment in these groups and welfare generosity and ALMPs, respectively, allow a more refined theoretical interpretation, including the discussion of dependency cultures and gender specific work norms.

Employment commitment

This study uses the concept 'employment commitment' to refer to the non-financial and non-job specific motivation to work, similar to previous studies (e.g. Hult, 2008; Hyggen, 2008; Nordenmark, 1999). Such a definition departs from related concepts such as 'job involvement' and 'organizational commitment' by its ambition to capture the social and psychological benefits of working (Morrow and McElroy, 1986), as well as people's ethical dispositions to do so (Halvorsen, 1999: 181).

The reason why employment commitment in this article is divorced from its economic and job specific attributes, a division that may seem unrealistic, is the underlying theoretical aim of grasping the relationship between welfare state design and people's fundamental inclination to work. People do not only value work for its material rewards, the so-called 'manifest function'. People are also 'motivated by a concern to make use of their abilities' (Gallie, 2007: 279) and the opportunities to achieve personal goals,

self-respect, time structure, etc. associated with paid work (see Jahoda, 1982), often referred to as the 'latent functions' of work. Furthermore, social rewards, such as appreciation, social network and social support, can be added to the list of potential non-monetary factors that may influence employment commitment. Finally, motivation to work may be spurred by social norms regulating employment and welfare behaviour. Social norms may influence employment commitment either as an internalized duty towards society ('work ethic'), or as avoidance from social sanctions that follow from violating the work norm.

Employment commitment and the welfare state

The issue of how welfare states affect norms and values related to work is a matter of much debate. In particular, contrasting views can be found between what may be labelled the 'welfare-sceptical perspective' and a 'welfare resources perspective' on the other side. In this article, the welfare state dimensions of interest are welfare generosity, defined as the level of social protection offered to those who are not working and the degree to which active labour market policies are pursued, i.e. the effort made by the welfare state to support employment by increasing skills, motivation and abilities among people outside the labour market.

The welfare resources perspective, originating in social policy literature (Midgley, 1999) and the Nordic standard of living tradition (Fritzell and Lundberg, 2007), is concerned with how collective resources and services stimulate and enable social participation. There are several ways in which welfare state generosity and activating social policies may be associated with higher employment commitment. First, previous employment experience is an important determinant of employment commitment (e.g. Halvorsen, 2011). Employment rates are high in generous and activating welfare states, particularly among disadvantaged groups (van der Wel et al., 2011). Therefore, employment commitment may also be higher because more people have positive experiences from working life. The pursuit of employment stimulating policies and more specifically ALMPs may play a crucial part in this effect, as more people are exposed to employment or work-like settings and receive valuable training that may have a favourable long-term effect on labour market attachment (e.g. Meadows, 2006; Sage, 2013). Second, welfare states that provide generous benefits to the non-employed, to the sick and disabled and to families and which actively invest in increasing skills and motivation among unemployed citizens may induce reciprocal relations between individuals and the state, to which individuals feel obliged. A third possible mechanism suggests that a high level of decommodification that weakens the link between work and income emphasizes the non-monetary properties of work, i.e. that employment commitment may be enhanced by the relative disconnectedness of work from the tyranny of necessity. Following these lines of thought, Esser speculates that 'at the macro level, countries could be argued to gravitate towards either "work-oriented" or "money-oriented" value systems' (Esser, 2005: 22).

The predictions of the welfare scepticism approach are the opposite of those of the welfare resources perspective (e.g. Heinemann, 2008; Lindbeck and Nyberg, 2006). A basic assumption is that if individuals can obtain sufficient levels of well-being (economic, social and psychological) from living off public benefits, compared to being

employed, they would prefer the former. When a 'critical mass' of individuals receive public benefits rather than engaging in paid work, the norms regulating work and benefit behaviour will weaken, setting off a self-reinforcing process towards the 'self-destruction' of the welfare state (Heinemann, 2008). The more people are recipients of benefits, the less stigmatizing and costly in terms of social sanctions it is to apply for benefits (e.g. Heinemann, 2008: 240). Accordingly, as a consequence there will be spill-over effects from benefit recipients to other people, between generations (Lindbeck and Nyberg, 2006), as well as at the company level and locally (Lindbeck et al., 2008; Rege et al., 2009), which in the end will undermine employment commitment and lead to the emergence of 'dependency cultures' (Murray, 1984).

Similarly to Algan and Cahuc (2009), Michau (2009) argues that a high work ethic is a precondition for a generous welfare state. Once established, however, the generous welfare state will undermine its own normative base through parents' adjustment of parenting style in anticipation of an enduring generous welfare state, making them less likely to teach their children to work hard. According to Michau (2009) and Lindbeck and Nyberg (2006), the drop in work ethic will only occur with a time lag of a generation after the introduction of generous benefits.

Also, ALMPs, within this view, run the risk of being counterproductive. Because participation in ALMPs is time consuming, ALMPs may keep participants from employment opportunities (lock-in effects) (Røed and Raaum, 2006), which potentially lead to prolonged benefit use, further discouragement and socialization into a 'culture of dependency'. On the other hand, welfare sceptics are less sceptical towards ALMPs because they might counter disincentive effects of generous benefits by reducing the value of leisure time among benefit recipients.

Group specific effects

From both theoretical perspectives, it seems probable that various social categories are affected differently by welfare arrangements. From the welfare resources perspective, the employment commitment of groups who typically have weaker labour market attachment may be higher in more generous and activating welfare states simply because these groups more often have gained positive experiences in work and work training programmes compared to the same groups in countries with less inclusive labour markets (van der Wel et al., 2011).

From the welfare scepticism viewpoint, the opposite is expected. As individuals with weaker labour market attachment are likely to have lower gains from employment, both in terms of money and non-pecuniary rewards, they are more liable to respond to the disincentives to work inherent in generous public benefits (van den Noord et al., 2006). Also, they are more likely to be embedded in social relations and reference groups (family, other unemployed, ethnic groups) where the work norm is less strong, i.e. dependency cultures. This notion is closely related to the 'underclass' discussion of the 1990s, which has recently gained new momentum during the current economic crisis (Shildrick et al., 2012). Further, it may also be deduced from this perspective that ALMPs serve better to socialize individuals into such dependency cultures than they do in encouraging and enabling employment because of lock-in effects (Røed and Raaum, 2006).

Identification of dependency cultures is, however, beyond the scope of this article. Nevertheless, insofar as one might expect dependency cultures to affect the average attitudes towards work, or the difference between employed and non-employed groups, the findings of this study may have relevance also to this debate.

Previous empirical research

A number of previous studies have investigated how employment commitment varies across groups traditionally more marginal in the labour market. Svallfors et al. (2001) found that lower socioeconomic classes were less committed to work. The study also found significantly weaker employment commitment in the unemployed compared to those in employment, contrary to Halvorsen (1999). This finding is consistent with the hypothesis that employment commitment is a determinant of unemployment. However, in a longitudinal study of the unemployed, Nordenmark (1999) did not find evidence supporting a stable lack of motivation in this group. Rather, those unemployed who became employed experienced increased non-financial employment commitment. Also, a longitudinal study by Hyggen (2008) found no evidence that the receipt of benefits among unemployed people exerted any influence on their level of work commitment. Hence, no clear causal direction can be inferred from the existing literature.

Contrary to expectations, a general finding is that women have stronger non-financial work motivation than men. For instance, Svallfors et al. (2001) found this pattern in the Scandinavian countries. They also found that cohabitation or the presence of children did not influence employment commitment. In Hult's (2008) comparison of employment commitment in Sweden and the UK, women in both countries exhibited higher employment commitment than men. These results contradict arguments made for instance by Hakim (1996), to the effect that women in general are less committed to employment than men.

Studies of employment commitment among immigrants or ethnic minorities or among people reporting poor health are rare, despite the fact that employment participation and motivation in these groups are often debated and addressed in social policy discussions (Liebig, 2009; OECD, 2003). Halvorsen (2011) found that disability benefit claimants were 40 per cent less likely to have high employment commitment compared to those who were employed. Thomas (1998), studying transition rates out of unemployment in the UK, found that cultural attitudes – including employment commitment – could not explain excess unemployment among non-whites.

Previous comparisons of multiple countries are also scarce and studies of group specific effects even more so. Therefore, studies using both employment commitment and related dimensions of work-related attitudes are included in this section. Hult and Svallfors (2002), using data from six Western countries, found that the associations between class – or whether respondents worked part-time or full-time – and employment commitment did not vary systematically across production regimes. Esser (2005: 81), however, found higher employment commitment and greater social inequalities in employment commitment in countries with higher welfare generosity, using institutional data on replacement rates, i.e. the share of income that one can expect to receive in benefits in case of need. However, these socioeconomic differences could only be found in men. The study also suggested that unemployed people had higher employment

commitment in more generous welfare state contexts. Esser (2005: 115) also investigated the related attitude dimension 'Work is a duty towards society' in relation to unemployment insurance design. People in countries with higher replacement rates were more likely to agree with this statement, controlling for relevant individual level variables. This was also true for the contribution period, i.e. the number of weeks of employment required to be eligible for unemployment benefit. However, longer eligibility periods in the unemployment benefit were associated with lower levels of agreement. Esser (2009), using more recent data from the International Social Survey Programme 2005, again finds a lower level of employment commitment in less generous welfare states, as well as no significant decline in employment commitment in more generous welfare states.

Heinemann (2008), who used data on 31 OECD countries in the World Value Survey (WVS), found that in countries that increased their social expenditures, benefit morale decreased. Benefit morale was measured by a binary variable indicating whether respondents agreed that you could 'never be justified claiming government benefit to which you are not entitled' (Heinemann, 2008: 243). Heinemann also concluded that younger birth cohorts had lower benefit morale. Another study replicated this finding, using various time-lags for the social expenditure variable instead of computing differences (Halla et al., 2010). The study, however, did not find lower levels of benefit morale among younger cohorts, contrary to Heinemann (2008) and Lindbeck and Nyberg (2006).

A recent study by Corneo (2012) also used WVS to reinvestigate Lindbeck and Nyberg's (2006) findings. The article did not find a robust association between increases in social expenditure and parents' work ethic, measured by their inclination to teach their children to 'work hard', although as a general pattern, work ethic was lower in high spending countries.

Using three rounds of the WVS collected between 1980 and 2000, Michau (2009) argued that he was able to separate age, cohort and time trend effects. In accordance with Heinemann (2008) and Lindbeck and Nyberg (2006), he found that more recent birth cohorts were less likely to answer that it is 'never justified' to claim government benefits to which one is not entitled, concluding that the 'work ethic' has indeed declined across generations.

Another study using data from the WVS studied 'intrinsic work goals' (Turunen, 2011). Intrinsic work goals were understood as the benefits associated with the work activity in itself, such as the opportunity to make use of one's skills, doing something interesting, etc. The study found that the social democratic welfare state regime, represented by Sweden and Finland, had higher scores on intrinsic work goals than Germany, Great Britain and Spain.

Hult and Edlund (2008) studied the prevalence of low employment commitment in different retirement cultures. They found losses in employment commitment at ages 43–54 in early exit cultures (Denmark and Germany) and no losses in late exit cultures (Norway and Sweden).

Data and methods

The article uses data from the European Social Survey (ESS, 2010), version 1.0, obtained through the Norwegian Social Science Data Services. For the analyses, 17–18 European

countries out of 20 included in the data-set were selected (see Table 1). The country selection was further restricted by the availability of country level data provided by Eurostat. The target response rate for ESS (2010) was 70 per cent, while the actual response rate was as low as 30.5 per cent for Germany, 47.1 per cent for France and 49.2 per cent for Hungary. For all the other countries the response rate varied between 51 per cent (Sweden) and 70.3 per cent (Poland). The analyses are unable to adjust for non-response in the national data-sets. Yet, over- or under-representation of persons of certain types of address or household was corrected for using *Design Weight* (Dweight) available in the ESS (2010) survey, before comparing the outcome of the dependent variable in descriptive analyses. When comparing, the available *Population Size Weight* (Pweight) was used in order to adjust data to each country's population size. The age group 25–59 years was included in the analyses.

Individual level variables

Measuring employment commitment

The best way to tap such attitudes is by constructing an index based on several statements the respondent is asked to agree or disagree with (e.g. Hyggen, 2008; Svallfors et al., 2001). However, only one or two relevant single-item measurements formulated as statements are included in the available surveys. The following statement, where people are asked what they would do if the purely financial incentive to work were removed, was selected for the purpose of the present analyses: *I would enjoy having a paid job even if I did not need the money* (ESS, 2010). Possible responses were 'Strongly agree', 'Agree', 'Neither agree nor disagree', 'Disagree', 'Disagree strongly' and 'Don't know'. Those who answered 'Strongly agree' or 'Agree' were given the value one on a binary variable and the rest were coded zero, except for those who answered 'Don't know', who were set as missing. The reliability of the measure is high; the mean scores for Norway in the International Social Survey Programme 2005 survey and the ESS (2010) survey (different samples) were almost identical.

Individual level independent variables

A number of individual level independent variables were included. Age was measured by a continuous variable and centred on its mean value. An indicator variable, Gender, takes the value one for males and zero for females. Ethnic minority was measured by a question asking respondents whether they considered themselves as belonging to a 'minority ethnic group', with one indicating 'Yes' and zero 'No'. Education was measured by number of years of education completed. Extremely high values, i.e. >26, were excluded and the variable was centred on the median value, 13. This choice of education variable, rather than using the standard ISCED coding, was due to very low frequencies in some countries in the primary education group. The variable Not employed takes the value one for responses not indicating paid employment, or community/military service in the reference period (last seven days) and zero otherwise. Health was measured by global self-rated health (SRH), where the responses 'Bad' and 'Very bad' were given the value one,

Table 1. Frequency distribution of dependent and independent variables by country (25–59 years). Weighted (Pweight and Dweight).

	Employment commitment % strongly agree/agree	Job-satisfaction % high (score 8–10)[1]	Not employed %	Years of education (mean)	Age (mean)	Gender % male	Health % bad/very bad	Ethnic minority %	Children in household %
Czech Rep. (CZ)	22.6	39.7	22.7	13	41.9	50.4	6.6	2.7	59.2
Slovenia (SI)	36.2	56.2	28.6	12.7	42.9	47.3	5.6	2.7	63.5
Estonia (EE)	47	50.2	24.8	13.6	42.6	42.5	6.4	12.6	59.3
Spain (ES)	47.9	59.1	31.5	13.9	41.6	50.1	6.4	3.1	54.9
Portugal (PT)	48.3	39.6	35	8.7	43.8	40	6.8	1.7	61.4
Poland (PL)	51.1	50.8	28.3	13.5	41.9	50	6.5	0.6	64.7
Hungary (HU)	54	53.1	27.9	13.4	42.2	46.1	8.9	4.5	58.9
Finland (FI)	54.9	71.4	21.8	14.7	42.7	51.5	5.1	1.4	48.1
France (FR)	54.9	56.9	21.8	13.5	43.6	46.6	5.5	5.7	62.4
United Kingdom (UK)	58.6	53.6	27.3	13.9	42.9	44.4	6.8	9.7	57.2
Sweden (SE)	61.9	61.3	14.5	14	42.7	47.2	3.8	3.8	54.9
Belgium (BE)	64.7	68	23.4	13.5	42.7	46.3	2.4	4.8	59.8
Bulgaria (BG)	66.1	43	37.9	12	44.2	44.1	5.5	22.8	65.3
Switzerland (CH)	69.3	74.9	18.9	11.9	43.4	51.1	3.6	8.3	56.3
Germany (DE)	69.9	60.1	25.3	14.1	43.2	48.3	9.6	5.2	51.2
Denmark (DK)	74.1	76.1	19.8	14.6	44	51.3	5.8	2.7	56.9
Netherlands (NL)	76	65.5	26.5	14.1	44	43.1	4.3	6.3	62.9
Norway (NO)	78.7	70.5	16.9	14.6	42.5	52.8	4.3	5.3	57.7
Total	57.2	57.7	25.8	13.2	42.9	47.3	6.0	6.1	58.5
N=	19331	14295	19285	19180	19316	19318	19309	19182	19317

[1] Among those who are working

while the responses 'Fair', 'Good' and 'Very good' were assigned the value zero. The reason for this coding rather than including 'Fair' in the bad health category was to increase measurement validity. However, both ways of coding the variable yielded similar conclusions. The independent variables living with children or with a partner were dichotomized.

Previous studies have shown that job characteristics are strongly related to job orientation; the better quality the jobs, the more intrinsically oriented to work the workers (Gallie, 2007). Because this article attempts to study employment commitment in a broader sense, controlling for the influence of specific job experiences seems beneficial. To do this without dismissing the non-employed respondents, a special procedure was necessary. Job satisfaction was measured by the question 'How satisfied are you in your main job?' with responses ranging from zero (lowest) to 10 (highest). The scale was dichotomized to indicate above average job satisfaction. In order to be able to control the analyses for job satisfaction and at the same time include the non-employed population, all non-employed individuals (of whom none were actually asked the question) were given the value zero on job satisfaction. By simultaneously identifying non-employed individuals with the indicator Not employed in the regression analysis, job satisfaction is measuring the change in the logged odds associated with being more than averagely satisfied with work compared to those who are employed and less than averagely satisfied with work. Similarly, the Not-employed coefficient gives the change in the logged odds of not being employed compared to those who are employed and who are less than averagely satisfied with work, i.e. *not* compared to all employed respondents, which would be the normal interpretation. Consequently, the coefficient for non-employed should be interpreted with caution.

Contextual variables

Contextual variables were collected from Eurostat (2011). Generosity was measured by means of the Eurostat 'spr_expend' data base. Social expenditure data on selected categories (unemployment, housing and social exclusion, sickness and disability, and family and children) measured in purchasing power parities per capita were summarized and averaged across five years (2005–9) and then divided by the share of the population in working age in each country who were not employed (using Eurostat employment data from the Labour Force Surveys, average for the same period).

The reason for using power purchasing parities per capita rather than the conventional per cent of GDP-based expenditure measure is to avoid cross-country differences in GDP influencing our measure. Otherwise, countries with similarly generous welfare provision but very different GDPs would misleadingly be ordered differently. The reason for the latter procedure, i.e. to divide the measure by the size of the non-employed population in each country, is to ensure that cross-country variation in the number of people receiving benefits and services is taken into account as far as possible. Otherwise, a less generous welfare state with a very large unemployment problem could be ranked higher than a more generous welfare state with a very small unemployment problem. See Gilbert (2009) for a critique of conventional approaches to using expenditure data.

Similarly to Generosity, spending on ALMP (Eurostat categories 2–7) was measured in purchasing power parities per capita, averaged across five years and divided by the relative size of the non-employed population in each country. The selected categories included job rotation and job sharing, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives and out-of-work income maintenance and support, while spending on labour market services (also administrative) and early retirement were excluded. Because ALMP spending in the Eurostat's lmp_exp-summ data base is only measured as a per cent of GDP, purchasing power parities were obtained by taking the relevant per cent off each country's GDP per capita measured in purchasing power parities, also provided by Eurostat. Data on ALMP were not available for Switzerland.

In this way, policy measures were obtained that are specific in the sense that they contain only spending within relevant categories and accurate in the sense that they are expressing GDP independent figures and are corrected for differences in 'need' in different countries.

Analyses and presentation

The analyses were conducted using weighted cross-tabulations and scatter plots and by means of logistic multilevel random intercept models (Rabe-Hesketh and Skrondal, 2005). Differential effects for different social categories were estimated using cross-level interaction terms between individual level group indicators and the two country-level variables of interest. The effects of Generosity and ALMP on employment commitment are reported as maximum effects, i.e. the difference in employment commitment between the highest and lowest observed values on Generosity and ALMP; and as discrete changes, i.e. the change in employment commitment associated with an increase of one standard deviation on Generosity and ALMP respectively. The purpose of this is to evaluate the strength of these associations as compared to individual level effects. In addition, predicted slopes for different social categories are graphically displayed in order to evaluate the results not only in terms of disparities, but also by taking into account the *combined effect* of individual coefficients and the overall effects of the policy variables, as well as the group specific effect of the policy variables. The number of level two variables that could be included is severely limited because of the small number of units at this level (17–18). Hence, no control variables at level two are included in the reported findings. However, models controlling for GDP did not change the results significantly; although main effects were reduced, all cross-level interactions largely maintained both their p-values and coefficients. Also, GDP was not statistically significant in any models and was therefore excluded from analyses.

Results

Descriptive statistics

Table 1 shows that the highest score for employment commitment was found in Norway. Apart from Norway and Denmark, the other two Nordic countries, Sweden and Finland,
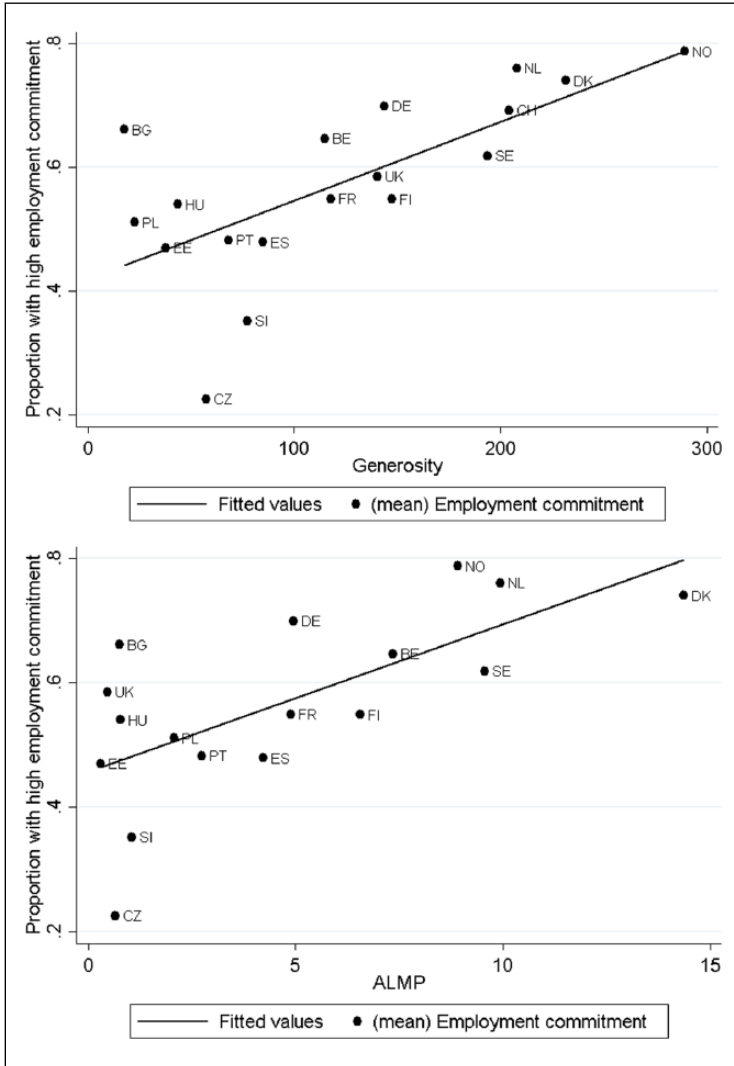
Figure 1. Associations between Generosity and Employment commitment (18 countries) and ALMP and Employment commitment (17 countries). Weighted data.

are ranked much lower. Lowest scores (and ranking) were found among former socialist countries, with the exception of Hungary and to a certain extent Poland. Spain, Portugal and France had low scores and ranking, while Germany, Belgium, Switzerland and the Netherlands had rather high scores (and ranking).

Figure 1 demonstrates that average employment commitment was higher in more generous and activating welfare states. Also, for both variables, there is a cluster consisting of the Scandinavian countries and the Netherlands (and Switzerland in the Generosity

Table 2. Logistic multilevel regression models of employment commitment, base model (Model1), individual predictors (Model 2), Model 2 plus Generosity (Model 3), Model 2 plus ALMP (Model 4).[1]

N_i	Model 1	Model 2	Model 3	Model 4
N_j	19081	18594	18594	17744
	18	18	18	17
Individual-level variables				
Age (centred)		−0.008 (0.000)	−0.008 (0.000)	−0.008 (0.000)
Gender (Female=0)		−0.153 (0.000)	−0.154 (0.000)	−0.137 (0.000)
Minority		−0.272 (0.000)	−0.269 (0.000)	−0.272 (0.000)
Living with children		0.037 (0.287)	0.038 (0.282)	0.046 (0.200)
Living with partner		0.049 (0.200)	0.048 (0.201)	0.035 (0.371)
Education in years (centred)		0.052 (0.000)	0.051 (0.000)	0.052 (0.000)
Job satisfaction (0=<mean)		0.586 (0.000)	0.584 (0.000)	0.586 (0.000)
Not employed		0.271 (0.000)	0.271 (0.000)	0.275 (0.000)
Poor SRH		0.012 (0.865)	0.011 (0.868)	0.025 (0.719)
Contextual variables				
Generosity			0.005 (0.001)	
ALMP				0.088 (0.002)
Constant	0.318	0.021	−0.569	−0.423
Contextual variance estimates[2]				
Variance (ψ)	0.379	0.350	0.221	0.224
Intracl. corr. (S.E.)	0.103 (0.032)	0.096 (0.030)	0.063 (0.021)	0.064 (0.021)

[1]Source: European Social Survey, Round 5 (2010).
[2]All numbers from models with 17 countries included.

plot) which were high spenders on social policies and at the same time had a high average degree of employment commitment in their populations. The middle values were dominated by continental European countries plus Finland, while the lower values on both independent variables were dominated by eastern and southern European countries. Great Britain, having an average level of employment commitment, was placed in the middle range on the Generosity variable, but was found at the lower end of the ALMP variable. Both policy variables are highly correlated with employment commitment (r=0 .68 and 0.69) and with each other (r=0.84).

Findings from multilevel regression

Table 2 shows the results from multilevel regression analyses. Model 1 is an empty model including only the constant term and serves as a baseline for assessment of cross-country variation. In Model 2, all individual level predictors are included. Less than 7 per cent of the intraclass correlation, ρ, is explained by individual level factors (i.e. the differential of ρ_1-ρ_2 divided by ρ_1). Males and those who identified with an ethnic minority

had lower employment commitment compared to females and those who were not members of an ethnic minority respectively. Poor self-rated health status (SRH) was not associated with employment commitment. The variable Not employed is subject to a special interpretation, as explained in the previous section. The coefficient for Not employed indicates higher employment commitment among non-employed individuals compared to employed respondents who were less satisfied with their job. Interestingly, if Job satisfaction is omitted from the analysis there is no longer a significant difference between employed and non-employed individuals, indicating that the quality of the job was more important to employment commitment than just having any job. The non-employed seemed to occupy an intermediate position between workers who were satisfied and workers who were dissatisfied. Education is very strongly related to higher work involvement.

Including the country level variable Generosity in Model 3 explained 35 per cent of the remaining cross-country variation in employment commitment observed in Model 2. The analysis shows that while holding all individual level variables constant, people living in welfare states with more generous social welfare provision had a stronger orientation towards work than people living within less generous welfare states. The maximum effect of Generosity, i.e. the difference between the most generous and the least generous welfare state in our sample, was 0.33 (expressed in predicted probabilities). This effect was stronger than any individual level effect. For instance, the strongest individual level effect, the maximum effect of education (0 years of education versus 26), was 0.30. The maximum effect may of course be sensitive to extreme values. The change in employment commitment, again in predicted probabilities, associated with an increase of one standard deviation on the Generosity variable, the discrete change, was 0.09. The size of the standard deviation approximates the difference between for instance The Netherlands and Great Britain, or between Norway and Switzerland (see Figure 1).

Model 4, in which the Generosity variable has been exchanged with the ALMP measure, shows similar results. Compared to Model 2, the model explains 0.34 per cent of the remaining cross-country variation in Model 2. The maximum effect of ALMP was of equal strength as for Generosity, i.e. 0.30, and so was the discrete change (0.09). A model including both Generosity and ALMP rendered coefficients for both variables statistically insignificant, and approximately halved their strength. As the two measures are strongly correlated, Pearson r being 0.84, collinearity is very likely to affect the estimated standard errors.

To test whether the effects of Generosity and ALMP may be different for different social categories, a number of cross-level interaction terms were fitted and included in the models one at a time. The findings are displayed in Table 3, excluding the coefficients for the individual level variables. Those who felt they belonged to an ethnic minority and those who did not were equally affected by different levels of generosity and spending on ALMP, as indicated by the insignificant coefficients for the interaction terms with Minority. Men in more generous welfare states were slightly less committed to work than women in these countries, but no such effect was found for ALMP. The results further show increasing differences in employment commitment between those who had poor health and those who did not, with higher spending on ALMP and welfare generosity. The cross-level interaction term between Not employed and Generosity is negative,

Table 3. Associations between employment commitment and interaction terms for Generosity (N_i=18415, N_j=18) and ALMP (N_i=17571, N_j=17) with social categories. Based on Models 3–4 in Table 2. Multilevel regression.[1]

	Minority	Education	SRH	Not employed	Gender
Generosity	0.005 (0.001)	0.005 (0.001)	0.005 (0.000)	0.005 (0.000)	0.005 (0.000)
*Minority	>0.001 (0.957)				
*Education		>−0.001 (0.129)			
*SRH			−0.003 (0.002)		
*Not employed				−0.001 (0.078)	
*Male					−0.001 (0.033)
-2LL	23292.876	23290.57	23283.204**	23289.786*	23288.318**
ALMP	0.088 (0.002)	0.089 (0.002)	0.091 (0.001)	0.089 (0.002)	0.090 (0.002)
*Minority	>0.001 (0.981)				
*Education		−0.002 (0.059)			
*SRH			−0.053 (0.003)		
*Not employed				−0.007 (0.465)	
*Male					−0.004 (0.612)
-2LL²	22257.32	22253.748*	22248.874**	22256.786	22257.062

[1]Source: European Social Survey, Round 5 (2010).
[2]Compared to a model containing all variables except the interaction terms with -2LL=23292.88 (Generosity) and -2LL=2257.32 (ALMP). Statistical significance of chi-square statistics indicated by *(p<0.1), and **(p<0.01).

indicating increasing inequalities with higher generosity, and has borderline statistical significance (p=0.078). This interaction term was not significant in the ALMP analysis. It should be remembered, however, that the Not employed variable indicates non-employment versus *employed individuals with less than average job-satisfaction*, as explained above. If job satisfaction is removed from this model, both interactions with Not employed become statistically significant. To check the association between the policy variables and the employment commitment in the non-employed group more carefully, models 3 and 4 were run on a sample excluding all employed respondents. The results from these analyses supported the main results. The effect of education does not seem to vary significantly between countries with different levels of generosity, but the coefficient is near-significant in the ALMP analysis. The p-value in the Generosity analysis for the interaction with education was 0.129.

A sensitivity analysis estimated the results of all models using *linear* multilevel analysis, using the original variable. The results were mostly similar, but some deviation should be reported. There were no changes in direction or levels of significance in the ALMP analyses. In the Generosity analyses, however, the interaction terms for Not employed and Gender became clearly statistically insignificant in the linear regression, and the interaction term with education became highly statistically significant.

The way employment commitment varied across various groups traditionally more peripheral to the labour market at different levels of social spending is displayed in Figure 2, including only the categories for which the coefficients approached or reached statistical significance, i.e. for educational level, SRH status, gender and the non-employed. The predictions uniformly show that all these groups had higher employment commitment in countries that spent more money on ALMP and had higher levels of welfare generosity.

Discussion

This study adds to the young field of research investigating the association between welfare state arrangements and attitudes towards work. The article contributes in particular by using refined and needs-adjusted social expenditure data to measure welfare generosity and ALMP and by studying whether the associations between these welfare state dimensions and employment commitment varied across groups more peripheral to the labour market. This study's results indicate that welfare generosity is associated with higher non-financial and non-job specific motivation to work. This is in line with previous comparative articles on employment commitment (Esser, 2005, 2009) and also corroborates the findings in Turunen (2011), which studied intrinsic work motivation. ALMPs relate to employment commitment in much the same way as welfare generosity, suggesting that such policies are not detrimental to employment commitment at an aggregate level or among the non-employed, for instance via lock-in effects or dependency cultures. This is in accordance with a review by Meadows (2006) emphasizing the possible beneficial long term effects of such programmes. However, as ALMP and Generosity were very strongly correlated, no conclusion regarding their independent effects can be drawn from this study. Further, in all groups investigated that traditionally have a weaker labour market attachment, i.e. people in poor health, women, ethnic
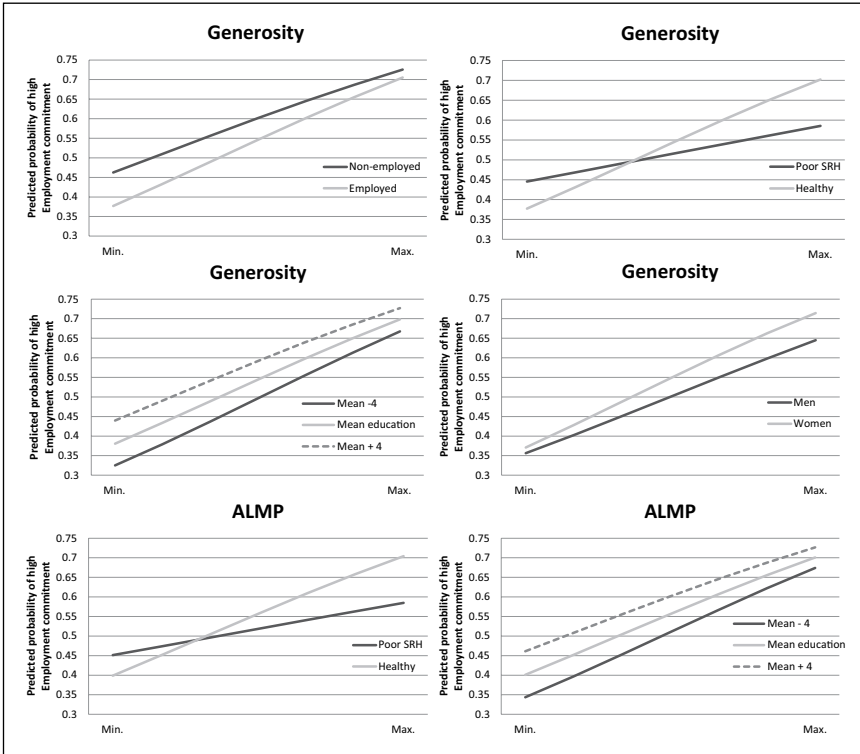
Figure 2. Predicted probabilities of high Employment commitment for different social categories with rising levels of Generosity and ALMP. Predictions are based on models in Table 3 for a typical case (a person with average education and age, and zero on all other individual level variables).

minorities, the non-employed and those with shorter education, employment commitment was higher if they lived in a more generous and activating welfare state.

Social inequalities in employment commitment were not necessarily smaller in bigger welfare states. Inequalities increased between ill and healthy respondents as welfare states became more generous and activating, which may suggest an increasing normative divide by health in bigger welfare states. One cannot exclude the possibility that this may have been an undesired effect of generous health-related benefits available to the sick in some welfare states. In Figure 2, the relative position of the ill and the healthy appears to be reversed at low levels of social expenditure. A closer look at each country reveals that employment commitment was somewhat higher among individuals reporting poor health in three countries: Belgium, Hungary and Slovenia. However, in none of these countries was the difference statistically significant. Hence, this pattern probably does not have any substantial meaning.

On the other hand, the results also showed *decreasing* educational inequalities with higher spending on ALMP and higher welfare generosity, contrary to the expectations of

the welfare scepticism approach and in particular the disincentive model. Furthermore, the analyses do not support the hypotheses that ethnic minorities may be particularly prone to be embedded in cultures of dependency (Thomas, 1998). Similarly, there was no uniform indication that non-employed people were increasingly different from the rest of the population at higher levels of social spending, as would also be expected if dependency cultures were more widespread in more generous welfare contexts (Heinemann, 2008: 238). Regarding women's employment commitment, there was not much support for the welfare scepticism perspective: if anything women were even more committed to work than men at higher levels of welfare generosity. Consequently, the article does not support the notion that women's employment commitment would be weakened by the pressure towards employment in 'bigger' welfare states (Hakim, 1996). Several individual level studies also question the extent of dependency cultures (Halvorsen, 1999; Hyggen, 2008; Shildrick et al., 2012) and the employment gains of strong work incentives (Barr et al., 2010) inherent in the welfare scepticism approach.

As with previous comparative studies of employment commitment, this study departs from studies using measures of benefit morale and parents' inclination to teach their children to work hard. These studies mostly conclude in favour of the welfare scepticism perspective, e.g. claiming that benefit morale declines when social expenditure increases (Halla et al., 2010; Heinemann, 2008) and that parents living in more generous welfare states do not care as much to instil work norms in their children (Lindbeck and Nyberg, 2006). This finding, however, was not corroborated by Corneo (2012). Michau (2009) also found that benefit morale was lower in younger birth cohorts in countries that had a more generous unemployment insurance system. Taken together, these conclusions have very different policy implications from those that follow from the studies of employment commitment. This intriguing division in conclusions from the two types of studies may be caused by design dissimilarities: the benefit morale articles are studying normative change following increases in social expenditure rather than cross-sectional levels. Also, it is not unlikely that benefit morale and employment commitment are measuring different social phenomena. Future comparative studies of employment commitment should try to overcome some of these design dissimilarities, particularly by studying the dynamics of the relationship between welfare state arrangements and attitudes towards work.

Two main criticisms can be raised against the present study based on its cross-sectional design. First, the causal direction assumed by theory (e.g. Heinemann, 2008), that the welfare state affects social norms, may be reversed: different social norms or 'civic virtue' in different countries may have affected the type of welfare arrangements introduced (Algan and Cahuc, 2009). In a society with a strong work ethic, the moral hazard risk of introducing generous benefits may be smaller than in a country with a weaker work ethic. However, as Heinemann (2008) and Halla et al. (2010) show, benefit morale, the outcome studied in all three studies, is not stable over time at the population level and is related to social expenditure at previous points in time. Thus, it seems reasonable to assume that the causation between welfare arrangements and social norms runs in both directions.

Second, the present study is not able to detect change or stability in employment commitment over time, such as the reproduction or self-destruction of the normative foundation of generous welfare states. Even if the social spending data used in this study were

computed as five-year averages, it could be argued that work norm erosion within gener-
ous welfare states only happens over a longer time-span (Halla et al., 2010; Heinemann,
2008; Lindbeck and Nyberg, 2006) and thus is not captured properly in the way 'welfare'
was operationalized here. This claim, however, is not supported by available evidence.
Esser (2005), using a measure of employment commitment very similar to this article,
reported similar findings for welfare *regimes*, which may represent more durable social
structures than social spending data. Also, Esser (2009) found a statistically significant
increase in employment commitment in Norway between 1989 and 2005, while observ-
ing a *decrease* in the UK, despite the latter country having the less norm eroding welfare
state, seen from a welfare scepticism perspective.

This article concludes that there are few signs that groups with traditionally weaker
bonds to the labour market are less motivated to work if they live in generous and activat-
ing welfare states. The notion that big welfare states are associated with widespread
cultures of dependency, or other adverse consequences of poor short term incentives to
work, receives little support. On the contrary, employment commitment was much higher
in all the studied groups in bigger welfare states and social differences were mostly
smaller or did not vary across welfare states. Hence, this study's findings support the
welfare resources perspective over the welfare scepticism perspective.

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