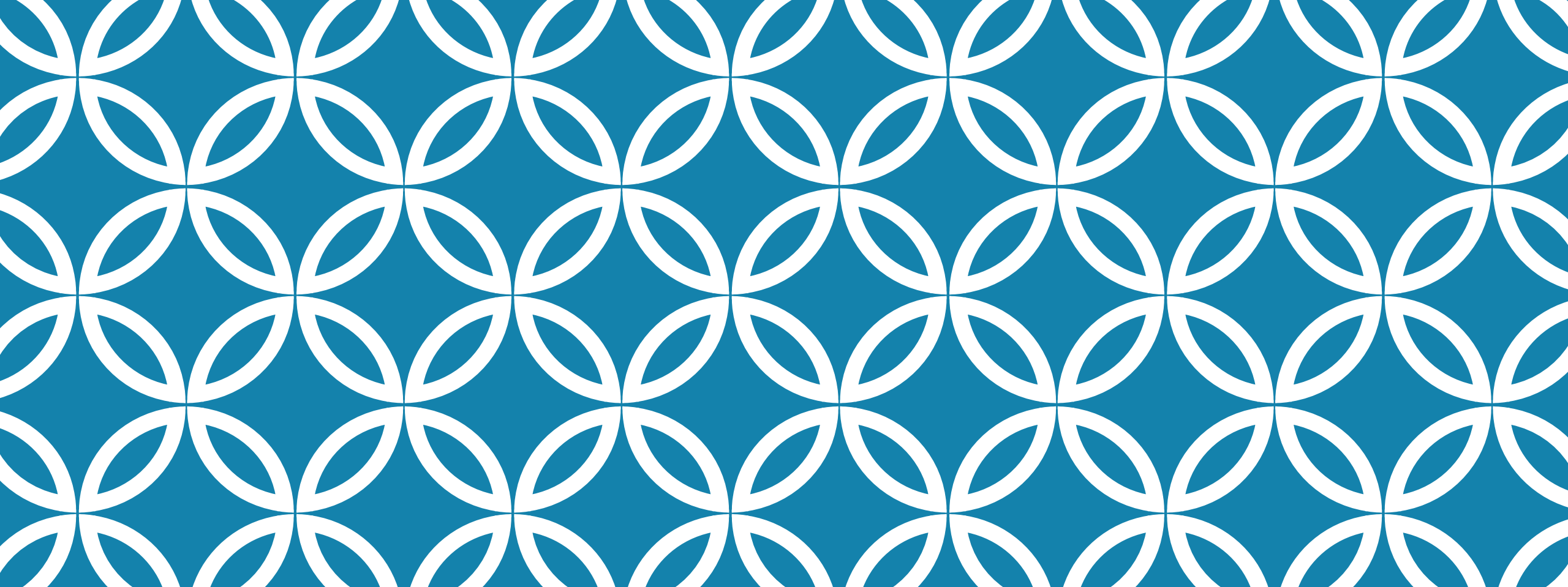


**WESTERN WELFARE STATES:
RESULT OF POWER RESSOURCES AND PARTY DIFFERENCES**





PARTIES AND MINIMUM INCOME BENEFITS

The effects of partisan politics
on the level of minimum income
benefits in times of permanent
austerity

HYPOTHESES: EXPECTED CHANGE OF MINIMUM INCOME BENEFITS

Hypothesis		Direction of coefficient
Partisan effect	Left parties	++
	Right parties	--
Trade union effect	Right parties x strong trade unions	-
Immigration effect	Left parties x high immigration rates	+
	Right parties x high immigration rates	---

++: strong positive change; +: positive change; -: negative change; --: strong negative change; ---: very strong negative change

DATA AND METHOD



27 OECD Countries from 1990 – 2009

DV: Minimum Income Benefit Replacement Rates (MIB RR)

Independent Variables

Cabinet Share

Trade union density

Net Migration Rate

Control Variables

Static Model in levels to capture long-run effects:

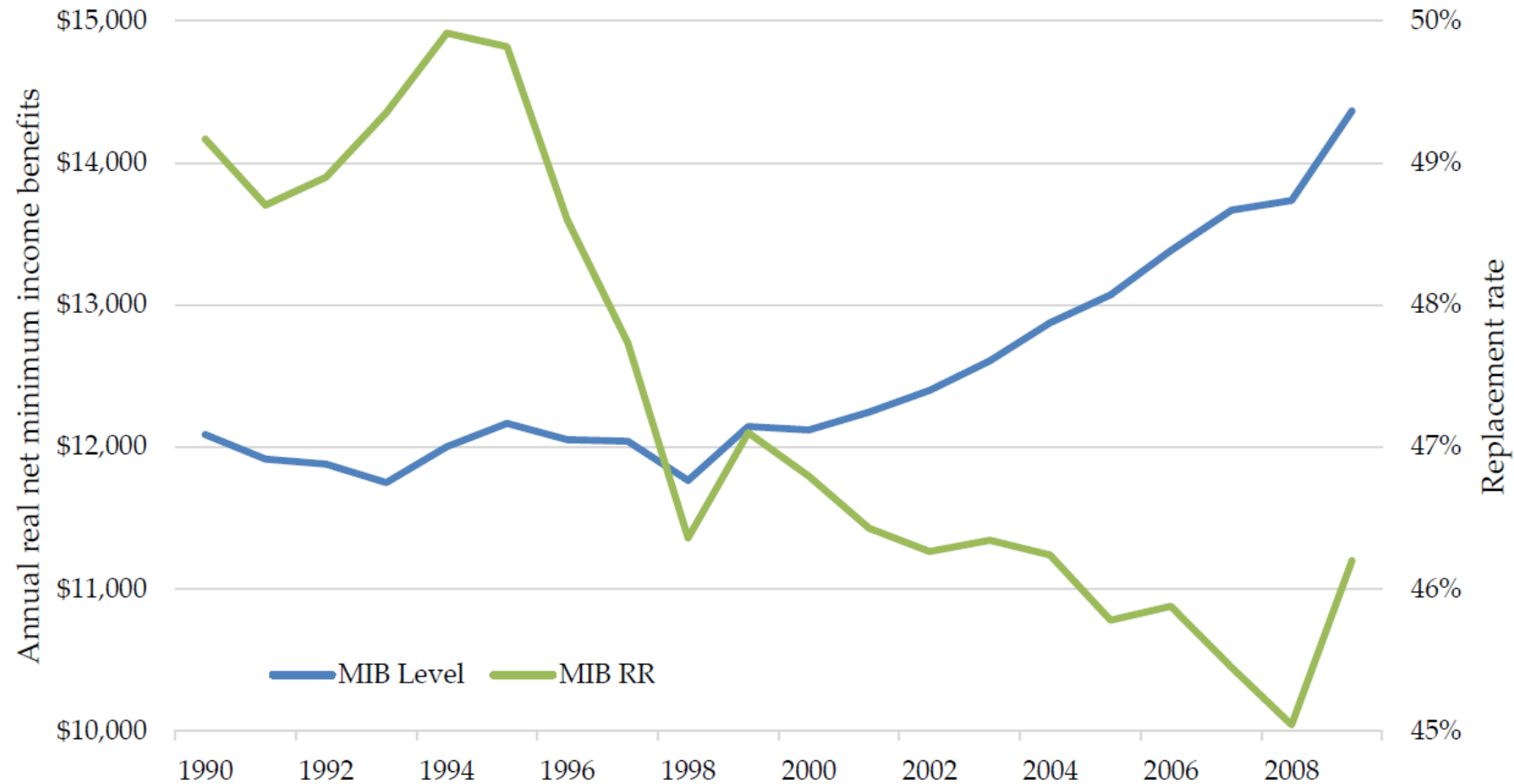
OLS with PCSE, Prais-Winsten correction for AR(1)

KEY FINDINGS: HYPOTHESES

Hypothesis		Direction of coefficient
Partisan effect	Left parties	++
	Right parties	--
Trade union effect	Right parties x strong trade unions	-
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REPLACEMENT RATES DECLINE EVEN WHEN ABSOLUTE AMOUNTS INCREASE

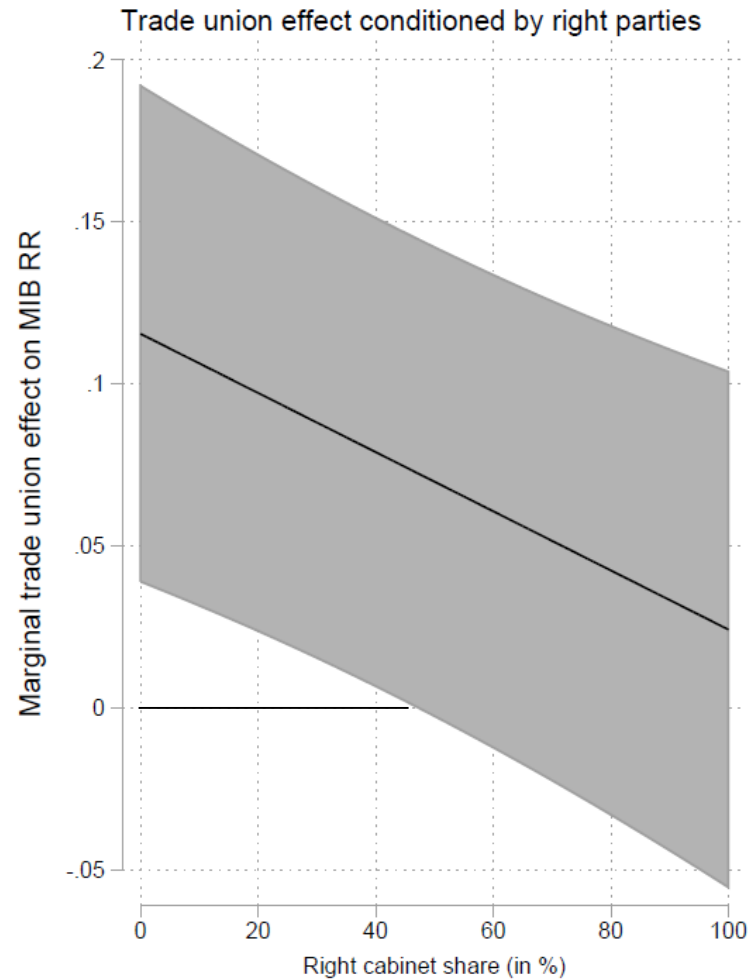


Source: own depiction based on Wang / Van Vliet 2016

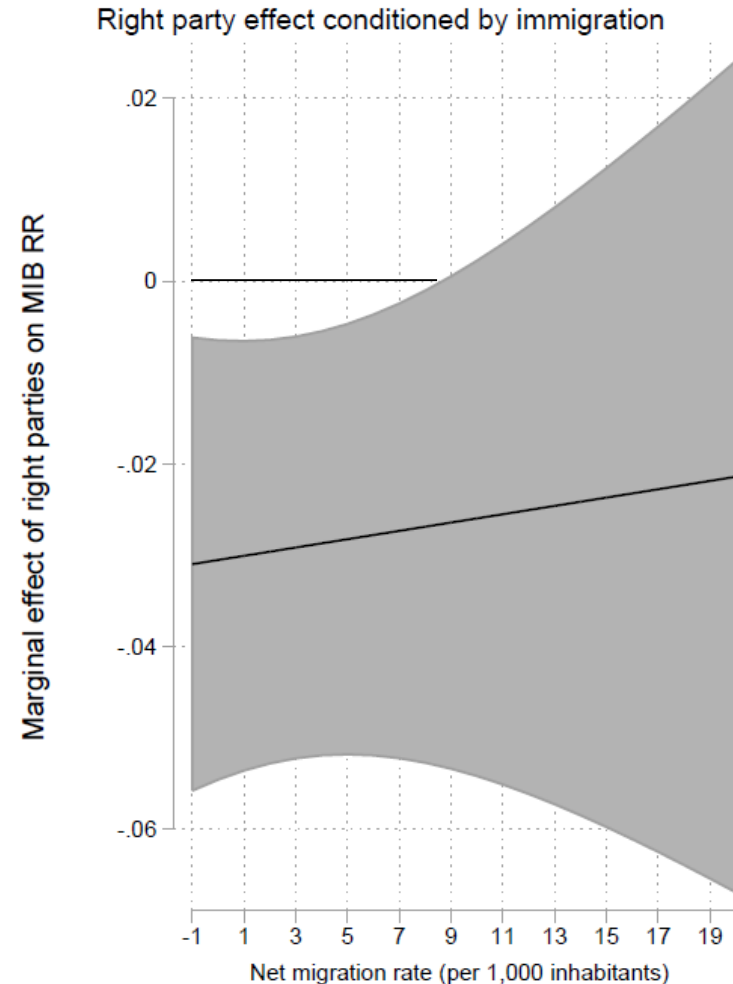
RESULTS: PARTISAN EFFECT ON MIB RR

	Pooled	Country FE	Year FE
Right cabinet share	-0.0288	-0.0102	0.00104
Left cabinet share	-0.0251	-0.00405	0.0069
Net migration rate	-0.0441	-0.0368	
Trade union density	0.0754	0.311	0.238
Observations	283	313	470
Countries	18	22	27
	p<0.01	p<0.05	p<0.10

RESULT: POSITIVE TRADE UNION EFFECT, CONSTRAINED BY RIGHT PARTIES



RESULT: THE HIGHER IMMIGRATION, THE WEAKER IS THE RIGHT PARTY EFFECT



EXPLANATION: WELFARE CHAUVINISM BY RIGHT (EXTREMIST) PARTIES

Heinz-Christian Strache
June 1 · 🌐

Mehr Geld für Österreicher, weniger für Ausländer. Das ist die neue Mindestsicherung! 👍

Mindestsicherung

ALT	Rumäne, seit 4 Jahren in Österreich	NEU
863 Euro		<u>0 Euro</u>
	Asylberechtigt, geringe Deutschkenntnisse	
863 Euro		<u>563 Euro</u>
	Österreichische Alleinerzieherin mit zwei Kindern	
1.174 Euro		<u>1.383 Euro</u>

 FREIHEITLICHEBAUERNSCHAFT

👍👎👤 897 53 Comments 774 Shares

👍 Like ➦ Share

CONCLUSION: TIMES OF PERMANENT AUSTERITY

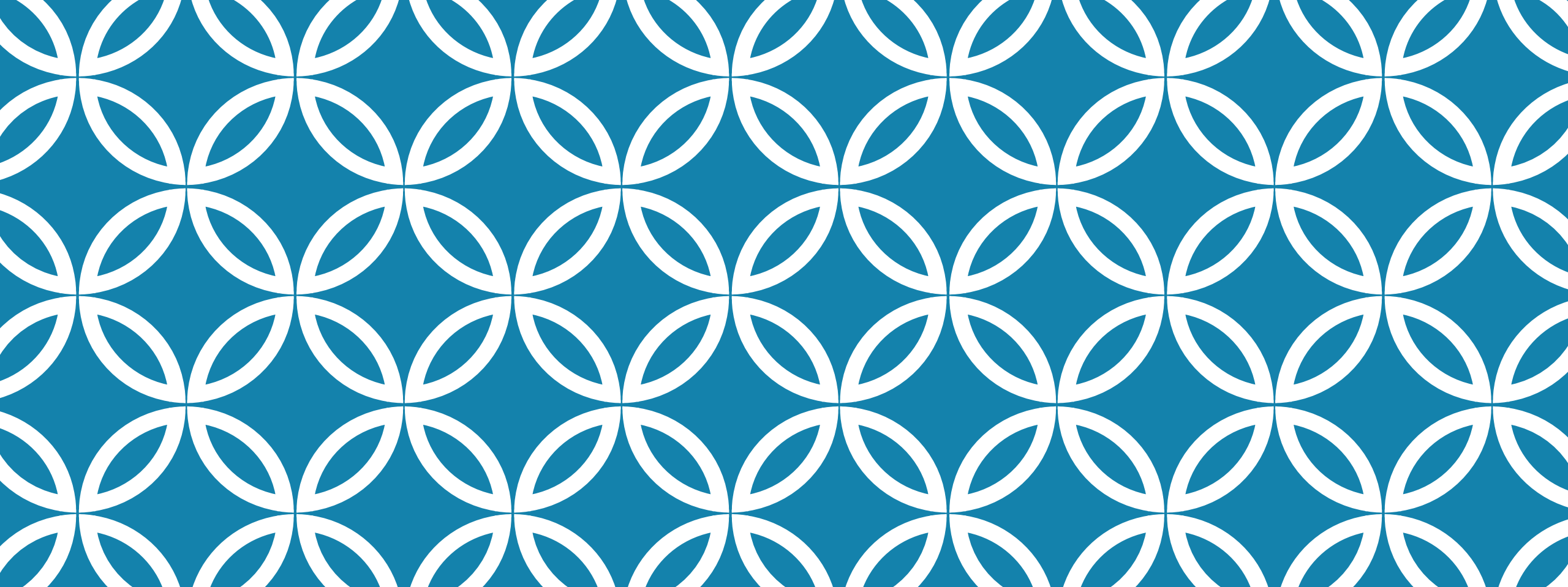
Left parties are likely to cut minimum income benefits

Right parties enact welfare chauvinist policies and claim credit

Trade Unions: Glimmer of hope?



Thank you
for your attention



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