

some factors that were determined to be less significant (for instance, regime type) would have been significant if the analysis had not assumed regional clusters *a priori*. Performing separate regressions for each region may have concealed some important variables that, while they did not vary substantially within the region, would have more significantly explained the countries' welfare state outcomes. For example, perhaps regime type would appear significant if a regression analysis was performed for all countries together (not divided by region), the way Przeworski et al. (2000) did to study the relationship between democracy and development.

As Haggard and Kaufman clearly outlined, the regions do show divergence in their patterns on average, but it would also be meaningful to test whether the grouping by region is the one that shows the greatest divergence in welfare state outcomes. If we consider the countries – Mexico, Costa Rica, the Philippines, and Thailand – regime type could also be a meaningful way of grouping these countries that would differ from their regional grouping. These questions, rather than challenging the findings of the book, suggest another dimension that should be investigated to develop a deeper understanding of the nature of the diversity of welfare state outcomes. Giving greater relative predominance to the non-regional characteristics of countries could be very informative for evaluating alternative explanations, including testing standard explanations for the development of welfare commitments. The comparisons in this research took place on two levels: between regions and within regions. Cross-regional comparisons could also be very informative, not only to determine whether other possible variables are significant, but also to understand how the variables already found to be significant interact in different contexts. Given that this book is the first research to undertake the challenging task of comparing welfare

states across these regions, it is also very informative for possible future comparisons.

The in-depth comparative investigation into the welfare states in developing and former-communist countries provided in *Development, Democracy, and Welfare States* is unprecedented. This book will likely be the point of departure for most future work on welfare states in any of these regions. It is a thorough investigation of many potentially important factors that influence welfare-state formation. By doing so, it addresses so many relevant questions that extend far beyond the scope of a single book. The conclusion of the book, in addition to presenting the significant findings of this initial investigation, could be read as a research agenda for students of welfare-state (re)formation in Latin America, East Asia, and Eastern Europe. In particular, the conclusion highlights the importance of further research on the impact of international influence on welfare-state (re)formation in these regions, the role of actors in relation to the significant influence of historical legacies, and the distribution of preferences in electoral systems and their importance for welfare state outcomes.

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#### **Asghar Zaidi: *The Well-Being of Older People in Ageing Societies***

Aldershot and Vienna 2008: Ashgate and European Centre for Social Welfare Policy and Research, 318 pp.

*The Well-Being of Older People in Ageing Societies* deals with the well-being of older people defined as individuals above the enti-

tlement age to old age pensions in Great Britain and in the Netherlands in the 1990s. The author is Dr Asghar Zaidi, currently a senior researcher at the OECD, and director of research on leave from the European Centre for Social Welfare Policy and Research in Vienna, which edits the series in which this book appeared. The book contains nine chapters, two of which are co-authored with Jane Falkingham, Katherine Rake, and Klaas de Vos. Its empirical findings present a multi-dimensional approach to measuring well-being, a dynamic view of the income experience at old age, and an internationally comparative perspective. The book can be read in parts, with each of the four empirical chapters understandable on its own merit. Four introductory chapters provide a broad overview of measurement aspects, methodological issues, and the contextual dimension of well-being.

Well-being is conceptualised from a multi-dimensional perspective that essentially includes economic well-being and health. This multi-dimensional viewpoint is taken after a very readable review of the analytical traditions about individual well-being that are mostly rooted in welfare economics. There are numerous interesting findings in this book, a fact which highlights its broad nature and comprehensive approach. Most importantly, the book shows the considerable amount of income mobility that occurs at old age and that may be triggered by events, such as retirement, changes in family composition, and changing living arrangements. Here, the book contradicts the conventional wisdom that portrays old age as a relatively static stage in economic life. Furthermore, Zaidi points to puzzling results at various stages of his analysis concerning differences between men and women that may be due to differential mortality rates. He finds British women over the age of 75 to be more deprived in terms of health and income than men of comparable background. This could be due to the fact that living

men are healthier than their peer women because the less healthy men have already died. In addition, the author analyses institutional differences in the dynamics of income mobility, looking at the Netherlands and Great Britain separately. He demonstrates that, for example, the indexing rules of the basic state pension schemes impact directly on the ways in which pensioners need to resort to other sources of income. Perhaps the author could have used his comparative results in order to put forward a more general framework that includes concrete expectations for other countries in future research.

This book comes at a good time. Many advanced welfare states have old and ageing populations. Thus, understanding the dynamics around the well-being of a substantial and growing proportion of the populace is vital to policy-makers. Zaidi (p. 30) even identifies a gap between a still low level of understanding of the needs and resources at old age and the rising need for policy-makers to implement appropriate policy solutions. To me, the well-being of older people is a political valence issue, i.e. it is a political issue in which only one direction of policy development is defensible in the competition for votes, namely, the direction of trying to achieve a higher level of well-being of older people. Therefore, the well-being of retirees is not a contested issue in the electoral competition; rather, the maximisation of their well-being is put forward equally by all parties and candidates. Given this context, 'hard' social science findings on what constitutes the well-being of older people and on what determines its level find open ears among many politicians and bureaucrats.

The well-being of older people is now high on the research agenda of international institutions. The European Commission and other organisations are currently funding the second wave of the Survey of Health, Ageing, and Retirement in Europe, which covers many of the themes of this

book. This new data set covering eleven countries allows researchers to expand on the internationally comparative dimension that Zaidi tackled with only two countries. The author suggests that such comparative analyses help policy-makers to detect and use the 'best practice' policies with regard to the improvement of the conditions at old age. Disagreeing with him, I think that the international analysis is less helpful in that regard because the institutional conditions for older people are highly path-dependent and context-dependent at any given point in time. Policy regimes once in place create unforeseen direct consequences in the short and long run and impact on the workings of other institutional structures and rules. Political adaptation strategies aimed at introducing elements from another system are likely to yield very different results in new contexts because the implementation itself may be influenced by the institutions in place before the change and by the dynamics of the institutions in adjacent policy domains. Rather, I am of the opinion that international analysis helps us better to understand the influence of institutions in affecting individuals – simply because more welfare state systems mean more variation on this institutional dimension.

This monograph is a very good example of secondary analysis of a wealth of surveys from Great Britain and the Netherlands. The book is full of helpful tables and figures with univariate, bivariate, to multivariate results. Skilfully, the author conducts the regression techniques mostly with discrete variables and – in some cases – with random-effects models. However, the presentation of the results could have been better. First, many of the tables are not graphically laid out in an easily accessible way with many superfluous auxiliary lines. Second, some of the regression tables indicate the same kind of information in multiple ways, thus overwhelming the reader. For example, point estimates of co-

efficients and standard errors already contain all the information that is given again by  $z$ -/ $p$ -statistics and by confidence intervals. Third and most importantly, basically all the regression results, especially those with discrete dependent variables, could have been presented in a graphical format.

When I started reading the book, I expected it to be either written in a style accessible to policy-makers with no background in the social sciences or in a style accessible mainly to social scientists with a greater emphasis on technical issues. Unfortunately, the style and layout of the book send somewhat confusing messages about the target audience. Some of the explanations are technical, such as the mathematical formulae that are used when explaining the approach to well-being (Chapter 2). Readers with easy access to such a language are probably also more familiar with the statistical techniques employed in this book. Thus, it seems that the book is targeted at an audience with a background in economics. At the same time, the author gives very elaborate explanations of the regression techniques in lengthy chapter appendices that are at the level of an introductory textbook. Here, it seems that readers with no statistical background should be able to read the book, which clashes with the technical explanations in Chapter 2. Whereas the main findings of the book are not obfuscated by this ambivalence, Zaidi could have shortened this quite lengthy book (almost 320 pages) by targeting it to the needs of one audience alone. Given the high topicality of the book, a text with little technical background required and all technicalities stored in a web appendix would probably have been best. Also, the index of the book does not do justice to the sophisticated and manifold results of the analysis because it is rather short and unimaginative. Readers trying to use the book as a reference will find it difficult to be guided by the few entries to the sections relevant to their interests.

In sum, I can recommend this book to everybody interested in the ways in which the economic and health conditions of older people in advanced European welfare states were shaped at the end of the last millennium. It is helpful for disentangling a highly relevant theoretical discussion of what constitutes 'well-being' and for presenting a rich variety of empirical results that can inform social science research or policy work. The length and amount of ground covered in the book will make it difficult for readers to take home just one message from it, but will allow them to use it for various purposes.

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**David Rueda: *Social Democracy Inside Out. Partisanship and Labor Market Policy in Industrialized Democracies***  
Oxford 2007: Oxford University Press, 247 pp.

This is an interesting and insightful book that systematically links the literature on partisan policy preferences with that of comparative political economy and institutional outcomes. More specifically, Rueda argues that the existence of a labour market cleavage between 'insiders' and 'outsiders' has determined governmental policy throughout the post-war era. Workers with permanent contracts, typically unionised, prime-aged males, are considered 'insiders', while workers that are unemployed or hold 'atypical' jobs characterised by low levels of protection and pay and weak employment rights are seen as 'outsiders'. According to Rueda, the political Left sees insiders as their core clientele and thus favours the expansion/defence of employment protection legislation (EPL) to protect these workers' jobs and privileges during the welfare state's 'golden age' and post

oil-crises years, respectively. The Right, in turn, generally favours a loosening of EPL, not only because they represent the interests of the middle and upper classes, that is, the owners of capital and employers, but also because a loosening of EPL makes labour markets more dynamic, which may offer outsiders better chances to (re-)integrate into the regular labour market. Through these assumptions, Rueda explicitly challenges the Varieties of Capitalism literature that postulates that political parties in coordinated market economies (CMEs) – in contrast to political parties in liberal market economies (LMEs) – generally have an interest in keeping those institutions intact that promote long job tenures and the acquisition of high skills by workers, such as stringent EPL (Hall and Soskice 2001).

Perhaps more interesting, Rueda also argues that *neither* political grouping has an incentive to promote the expansion of either active or passive labour market policy (ALMP and PLMP). The Right objects to overly generous ALMP and PLMP spending on the grounds of costs. In turn, the Left is sensitive to insiders' concerns that associate ALMP with an increase in the supply of labour and thus pressures to keep wages low, and PLMP with increases in taxation or insurance contributions. Thus the only condition under which the Left can expand both ALMP and PLMP is when they need to compensate a retrenchment in EPL. This means that Rueda's counter-intuitive argument on the limited commitment of the Left to supporting the expansion of the welfare state and active measures to the clientele of outsiders is clearly at odds with both the partisanship and the 'power resources' literatures. While proponents of the former typically argue that Left parties seek social equity and mobility, among other things through the promotion of industrial, educational, and active labour market policy [e.g. Boix 1998], the latter argues that the combination of strong Left parties and organised labour result in