
The International Labor Organization and the welfare state: institutional effects on national welfare spending, 1960–80

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Conventional accounts of the welfare state focus almost entirely on events and actors at or below the national level. While a powerful simplifying assumption, the notion that national policies are disconnected from each other seems increasingly implausible. This article seeks to widen the search for processes underlying modern welfare states to include the articulation and legitimation of policy within the international arena.

We focus on the impact of the International Labor Organization (ILO) on the expansion of the modern welfare state. In so doing, we explore the interaction between ideologies and institutions at national and international levels. Our larger aim is to advance arguments about the institutional generation of public policy through a closer specification of their organizational location.

Theoretical background

The construction of the modern welfare state is of great theoretical interest to social scientists. Three lines of argument dominate the literature. Many argue that the power and organization of groups interested in welfare explain the size of welfare programs: major constituencies include organized labor, the middle class, and the elderly.¹ A second line of argument points to the systemic

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1. For arguments concerning organized labor, see Francis G. Castles and R. D. McKinlay "Public Welfare Provision and the Sheer Futility of a Sociological Approach to Politics," *British Journal of Political Science* 9 (April 1979), pp. 157–72; John D. Stephens, *The Transition from Capitalism to Socialism* (Atlantic Highlands, N.J.: Humanities Press, 1980); Gosta Esping-Andersen, *Politics Against Markets: The Social Democratic Road to Power* (Princeton, N.J.:

needs of national societies, interpreted as the structural consequences of industrialization or the contradictions of late capitalism.² And a third line of argument points to the interests and capacity of the state, the agent of welfare expansion.³

While differing over the substantive processes involved, these perspectives agree that the sources of welfare activity can be found within national boundaries. Put more strongly, it is believed that the rise of welfare programs in different nation-states constitutes disconnected, independent processes. We disagree. This article presents an argument for broadening the frame of reference to include the way internationally generated models resonate within national arenas.

We begin by noting that policymaking involves the social construction of identity, purpose, and appropriate form. National public policy is not a simple product of socioeconomic structure or the size and coherence of interest groups any more than geopolitical objectives are fully determined by the distribution of capabilities. A close analysis of policymaking requires explicit consideration of the set of cognitively available choices and the discourse that frames discussion. In a highly uncertain world, taken-for-granted models and compelling lines of argument help actors identify and legitimate their interests.

While most work locates these processes within societies and states,

Princeton University Press, 1985); and Walter Korpi, "Power, Politics, and State Autonomy in the Development of Social Citizenship: Social Rights During Sickness in Eighteen OECD Countries Since 1930," *American Sociological Review* 54 (June 1989), pp. 309–28. For a discussion emphasizing the middle class, see Peter Baldwin, *The Politics of Social Solidarity: Class Bases of the European Welfare State, 1875–1975* (Cambridge: Cambridge University Press, 1990). Finally, for an argument that focuses on the elderly, see Fred C. Pampel and John B. Williamson, "Welfare Spending in Advanced Industrial Democracies, 1950–1980," *American Journal of Sociology* 93 (May 1988), pp. 1424–56.

2. Examples of arguments stressing the structural consequences of industrialization include Clark Kerr's works *Labor and Management in Industrial Society* (Garden City, N.Y.: Doubleday Anchor, 1964) and *The Future of Industrial Societies: Convergence or Continuing Diversity?* (Cambridge, Mass.: Harvard University Press, 1983). The seminal empirical analysis of welfare expenditures, flowing mainly from this tradition, is Harold L. Wilensky, *The Welfare State and Equality: Structural and Ideological Roots of Public Expenditure* (Berkeley: University of California Press, 1975). For a more historical discussion, see Peter Flora and Jens Alber, "Modernization, Democratization, and the Development of Welfare States in Western Europe," in Peter Flora and J.A. Heidenhammer, eds., *The Development of Welfare States in Europe and America* (New Brunswick, N.J.: Transaction, 1981), pp. 37–80. For Marxist formulations, see James O'Connor, *The Fiscal Crisis of the State* (New York: St. Martin's Press, 1973); and the essays collected in Claus Offe, ed., *Contradictions of the Welfare State* (Cambridge, Mass.: MIT Press, 1984).

3. Foundational analyses of this type include Hugh Heclio, *Modern Social Politics in Britain and Sweden* (New Haven, Conn.: Yale University Press, 1974); Ann S. Orloff and Theda Skocpol, "Why Not Equal Protection? Explaining the Politics of Public Social Spending in Britain, 1900–1911, and the United States, 1880s–1920," *American Sociological Review* 49 (December 1984), pp. 726–50; Margaret Weir and Theda Skocpol, "State Structures and the Possibilities for 'Keynesian' Responses to the Great Depression in Sweden, Britain, and the United States," in Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985), pp. 107–68.

substantial literatures in both sociology and political science argue that they also occur in the international community. Two lines of inquiry, institutional analysis within sociology and work on regimes within international relations, seem particularly useful here. Both approaches share a theoretical focus on how understandings, interpretations, and models undergird action. Institutional and regime analyses offer different methodological strategies that this article seeks to combine.

In sociology, an institutional account emphasizes the way cultural understandings and models shape behavior.⁴ Of particular relevance to international relations, work by John Meyer and associates views state structures and policies as informed by a Western cultural project aimed at the rationalization of the social world and the expansion of the competencies and rights of the individual.⁵

Sociological institutionalism is not much concerned with the microconstruction of cultural models by formal organizations and arrangements. (This perhaps makes "institutionalism" a misnomer; the institutions of concern are the codified cultural constructions, not the organizations that mirror them.) It instead focuses on outcomes: conventionally, a mapping of institutional constructions at the national level. The concern is to explore whether states act as if they are strongly penetrated by a common theory of progress and value.⁶

4. This work is sometimes referred to as the "new" institutionalism to distinguish it from "old" institutionalism of Talcott Parsons and Philip Selznick. The new institutionalism grew out of the study of formal organizations; see the papers collected in Walter W. Powell and Paul J. DiMaggio, eds., *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991).

5. For a programmatic statement, see John W. Meyer, John Boli, and George M. Thomas, "Ontology and Rationalization in the Western Cultural Account," in George M. Thomas, John W. Meyer, Francisco O. Ramirez, and John Boli, eds., *Institutional Structure* (Beverly Hills, Calif.: Sage, 1987), pp. 12–38. Most empirical work centers on the worldwide expansion of mass schooling and the parallel homogenization of the curriculum; see, for example, John W. Meyer, Francisco O. Ramirez, and Yasemin N. Soysal, "World Expansion of Mass Education, 1870–1980," *Sociology of Education* 63 (April 1992), pp. 128–49; Aaron Benavot, Yun-Kyung Cha, David Kamens, John W. Meyer, and Suk-Ying Wong, "Knowledge for the Masses: World Models and National Curricula, 1920–1986," *American Sociological Review* 56 (February 1991), pp. 85–100. Other concerns include the expansion of codified statuses and the cultural expansion of the nation-state system. On personal status, see John Boli and John W. Meyer, "The Ideology of Childhood and the State: Rules Distinguishing Children in National Constitutions, 1870–1970," *American Sociological Review* 43 (December 1978), pp. 797–812. On collective status, see David Strang, "From Dependency to Sovereignty: An Event History Analysis of Decolonization, 1870–1987," *American Sociological Review* 55 (December 1990), pp. 846–60.

6. The direction of influence thus parallels that explicated in Peter A. Gourevitch, "The Second Image Reversed: The International Sources of Domestic Politics," *International Organization* 32 (Autumn 1978), pp. 881–912. Much of its substance also turns on the role of scientists and professionals, in ways consistent with the arguments voiced by Peter Haas. See "Do Regimes Matter? Epistemic Communities and Mediterranean Pollution Control," *International Organization* 43 (Summer 1989), pp. 377–404; and Peter Haas, ed., "Knowledge, Power, and International Policy Coordination," special issue, *International Organization* (Winter 1992), an issue devoted to epistemic communities. Some parallels here are spelled out in David Strang and John W. Meyer, "Institutional Conditions for Diffusion," *Theory and Society*, in press.

Work on international regimes makes many of the same causal and ontological assumptions as sociological institutionalism.⁷ Principles and norms are viewed as conditioning action by defining interests and facilitating coordination in ways not fully subsumable under logics of power or interest. Parallels to sociological institutionalism are especially strong in the works of authors like Ernst Haas, Oran Young, and John Gerard Ruggie, who see the potential for regimes in all kinds of domains and actor interests as socially constructed.⁸ Unlike institutional work in sociology, however, studies of international regimes focus carefully on the formal arrangements constructed to embody these discourses. The origins of and changes in formal organizations and arrangements are historically detailed and analytically assessed. There is less concern with the outcomes generated by regimes.⁹

This article employs the research strategies of both institutional and regime analyses to more closely pursue the generation and impact of transnational models within the arena of social welfare. Like sociological institutionalism, the goal is to see whether and how larger cultural debates and models affect national policy. Like regime analysis, the strategy is to track a concrete organizational process, in this case the standard-setting efforts of the ILO.

Prior research

Little work has been done to develop a sociologically institutionalist analysis of national welfare policy. However, research on the adoption of welfare programs suggests the importance of global models and transnational linkages. The first national legislation in Bismarck's Germany stimulated welfare policy in the Scandinavian countries, though the diffusion process involved a complex reworking of external models to fit local circumstances rather than blind imitation.¹⁰ In the postwar period social welfare policy was integrated into

7. Excellent expositions and discussions of the regime concept include Stephen D. Krasner, ed., *International Regimes* (Ithaca, N.Y.: Cornell University Press, 1983); Robert O. Keohane, *After Hegemony* (Princeton, N.J.: Princeton University Press, 1984); Friedrich Kratochwil and John Gerard Ruggie, "International Organization: A State of the Art on an Art of the State," *International Organization* 40 (Autumn 1986), pp. 753-75; and Stephan Haggard and Beth A. Simmons, "Theories of International Regimes," *International Organization* 41 (Summer 1987), pp. 491-517.

8. The "reflexive" or "constructivist" positions adopted by these authors undergird this article's discussion of regimes. For an argument connecting debates within international relations to sociological concerns, see Alexander Wendt, "Anarchy Is What States Make of It: The Social Construction of Power Politics," *International Organization* 46 (Spring 1992), pp. 391-425. Regime analysis of the type labeled "modified structural" by Stephen Krasner sees regimes as mediating between interests and capabilities on the one hand and behavior on the other. For example, regimes may be characterized as solutions to problems of complex interdependence where the uncoordinated pursuit of self-interest produces suboptimal outcomes for all.

9. Haggard and Simmons, "Theories of International Regimes."

10. Stein Kuhnle, "The Growth of Social Insurance Programs in Scandinavia: Outside Influences and Internal Forces," in Flora and Heidenheimer, *The Development of Welfare States in Europe and America*, pp. 125-50.

prevailing conceptions of enlightened labor relations, intelligent fiscal policy, and basic human rights. The rapid and universal spread of welfare programs suggests change in global norms rather than isolated national events.¹¹

Chikako Usui more directly examines the global diffusion of welfare policy.¹² She shows that the rate of welfare program adoption rises with the number of previous adopters, controlling for sociodemographic characteristics. Usui also points to the ILO as a possible locus of diffusion, demonstrating that participation in the ILO's annual conferences increases rates of welfare program adoption.

Considerable evidence suggests that economic and political openness also promote welfare expenditures in the post-World War II period. George Thomas and Pat Lauderdale show that welfare spending is cross-sectionally related to diplomatic ties, memberships in international organizations, and foreign investment.¹³ These findings are echoed in longitudinal analyses of changes in spending.¹⁴ More detailed work suggests that openness to global markets bears a particularly strong relation to public policy choices in the industrialized capitalist democracies.¹⁵ For such countries, David Cameron has shown that dependence on foreign trade is the best predictor of growth in public revenues (a considerable portion of which were applied to transfer payments) between 1960 and 1975.¹⁶

While these findings point to the relevance of external factors and linkages, they characterize the global environment in different (though perhaps complementary) ways. Thomas and Lauderdale, as well as the present authors, argue that states integrated into international society are more sensitive to global ideologies of welfare rights and so are more likely to establish broad welfare policies.¹⁷ Fred Pampel and John Williamson refer to crises of political legitimacy in economically dependent societies.¹⁸ And both Cameron and Peter Katzenstein develop compelling analyses of the way openness to global markets

11. David Collier and Richard E. Messick "Prerequisites Versus Diffusion: Testing Alternative Explanations of Social Security Adoption," *American Political Science Review* 69 (December 1975), pp. 1299-315. Today, 142 countries have some type of national welfare legislation.

12. Chikako Usui, "The Origin and the Development of Modern Welfare States: A Study of Societal Forces and World Influences on the Adoption of Social Insurance Policies Among Sixty-three Countries, 1880-1976," Ph.D. diss., Stanford University, Stanford, California, 1987.

13. George M. Thomas and Pat Lauderdale, "State Authority and National Welfare Programs in the World System Context," *Sociological Forum* 3 (Summer 1988), pp. 383-99.

14. See Patricia M. Y. Chang and David Strang, "Internal and External Sources of the Welfare State: A Cross-National Analysis, 1950-1980," presented at the annual meetings of the American Sociological Association, Washington, D.C., 11-15 August 1990; and Fred C. Pampel and John B. Williamson, *Age, Class, Politics and the Welfare State* (Cambridge: Cambridge University Press, 1989), chap. 4.

15. See Peter J. Katzenstein, *Corporatism and Change* (Ithaca, N.Y.: Cornell University Press, 1984) and *Small States in World Markets* (Ithaca, N.Y.: Cornell University Press, 1985).

16. David R. Cameron, "The Expansion of the Public Economy: A Comparative Analysis," *American Political Science Review* 72 (December 1978), pp. 1243-61.

17. See Thomas and Lauderdale, "State Authority and National Welfare Programs in the World System Context"; and Chang and Strang, "Internal and External Sources of the Welfare State."

18. Pampel and Williamson, *Age, Class, Politics, and the Welfare State*.

promotes corporatist strategies through its impact on industrial structure and national interests.¹⁹

To locate an institutional process that is distinct from other kinds of transnational and international influences, we examine the "welfare regime" constructed by and within the ILO. Narrowly and passively, the ILO facilitates the cross-national diffusion of information on social policies. More broadly and actively, it articulates generalized models of appropriate state structure and action. We ask whether the welfare standards proposed within the ILO affect national welfare policy.

The ILO

The ILO was established in 1919 as part of the new world order enunciated in the Treaty of Versailles.²⁰ It is one of the older international organizations presently in operation and is commonly understood to be one of the more successful, as well. Social welfare policy is a core element of the ILO's broad mandate, which also includes consideration of issues as diverse as working conditions, the employment of children, freedom of association, and forced labor.

Prior to 1919, international coordination of welfare policy occurred through bilateral treaties seeking to stem labor migration between bordering countries by providing equivalent working conditions for foreign nationals in each country. Wartime bargains between the state, big business, and organized labor led to the creation of the ILO, whose mission was complex: to homogenize labor practices across competing economies, blunt social unrest, and promote "social justice."

These goals are reconciled within the ILO's advocacy of "enlightened" conceptions of labor relations, workplace protection, and social welfare. Central concerns thus include freedom of association, rights of collective bargaining, and the expansion of welfare programs. Organized business, labor, and the state are regarded as forming a partnership aimed at the construction of arrangements that are at once economically dynamic and socially equitable.

19. See Cameron, "The Expansion of the Public Economy"; and Katzenstein, *Corporatism and Change and Small States in World Markets*.

20. We can give only the most cursory overview of ILO history and organizational structure. Detailed accounts include James T. Shotwell, *The Origins of the International Labor Organization* (New York: Columbia University Press, 1934); Ernst B. Haas, *Beyond the Nation-State* (Stanford, Calif.: Stanford University Press, 1964); Robert W. Cox, "ILO: Limited Monarchy," in Robert W. Cox and Harold K. Jacobson, eds., *The Anatomy of Influence* (New Haven, Conn.: Yale University Press, 1973), pp. 59-101; Walter Galenson, *The International Labor Organization* (Madison: University of Wisconsin Press, 1981); and Victor-Yves Ghebali, *The International Labour Organisation* (Dordrecht, the Netherlands: Martinus Nijhoff, 1989). Galenson also provides some preliminary evidence about the impact of ILO conventions.

Notions of social partnership are reflected in and reproduced by the ILO's tripartite governance structure. Representatives of the government, organized labor, and the business community of each member state attend the ILO's annual conferences in a ratio of 2:1:1, respectively. Worker and employer representatives form separate caucuses and tend to vote with their "groups" rather than with their governments. As in the national politics of a number of the ILO's members, this formally corporatist structure supports a substantively corporatist agenda and orientation.²¹

The ILO's tripartite structure gives a special cast to its politics. Western voices tend to dominate through their centrality within the worker and employer caucuses, as well as through their control of top positions in the International Labor Office (which are reserved for the principal industrial states).²² The impact of state socialist nations in the period under study was weak due to the nonindependence of their worker and employer representatives from the state. While the entry of Asian and African nations in the 1950s and 1960s has led to an increasing emphasis on technical assistance programs, the ILO model of labor relations remains that of Western Europe.

The ILO is involved in several major activities. These include the formulation of international standards; the collection of cross-national statistics; the dissemination of information on working conditions; technical assistance; and promotional and educational activities. It may be argued that each type of activity affects national policies. For example, the simple fact that the ILO publishes annual data on welfare expenditures facilitates social comparison. In the present article, however, we focus solely on the impact of the international labor code.

Annual sessions of the International Labor Conference formulate conventions that collectively form the ILO's international labor code. Conventions supported by at least two-thirds of the attending delegates are communicated to the central administrations of all ILO members. National legislatures determine whether to ratify the convention (a decision that is independent of votes cast in the ILO conference). Ratification is considered the equivalent of an international treaty obliging the state to enact and implement the convention's provisions.²³

Ratification obliges the state to report extensively on its subsequent activities in that area.²⁴ A standing committee reviews information on national legisla-

21. We use the term "corporatism" after the fashion illuminated by Phillippe C. Schmitter, "Still the Century of Corporatism?" *The Review of Politics* 36 (January 1974), pp. 85-131.

22. See Robert W. Cox, "Labor and Hegemony," *International Organization* 31 (Summer 1977), pp. 385-424.

23. The ILO also passes recommendations, which differ from conventions in that their ratification does not incur international obligations. Here we focus on conventions.

24. For details of ILO reporting requirements and its review process, see E. A. Landy, *The Effectiveness of International Supervision* (London: Stevens and Sons, 1966); and Ghebali, *The International Labour Organisation*, pp. 220-41.

tion and its implementation. While disputes could theoretically be referred to the International Court of Justice, moral suasion within the ILO is preferred. The trend is toward an expanded dialogue among ratifying governments, ILO officials, and the ILO membership as a whole.²⁵

The ILO also plays an important role in providing governments with the tools to meet their international obligations. The ILO review process treats practical obstacles to implementation, and ILO technical experts help write national laws and design administrative structures. More generally, the ILO supports an international community of policy technocrats that support program development in areas like social security.²⁶

Arguments

Prior work on the impact of the ILO has focused on its monitoring of ratified conventions. E. A. Landy's examination of the ILO review process between 1927 and 1963 showed that the ILO found 73 percent of all conventions were fully implemented at the point they came into force.²⁷ About 60 percent of the ILO's critical observations were followed by governmental action that partially or fully met ILO standards. However, in more broad-ranging analyses of ILO monitoring, Haas found that routine negotiations on technical issues provided the ILO with limited leverage to press for large-scale change.²⁸

A focus on the ILO review process flows from functionalist emphases on the roles of apolitical technocrats and the effects of small, accidental steps in promoting international coordination.²⁹ This perspective largely ignores the effect of international standards on more dramatic, self-conscious policy formulation. In contrast to functionalist imagery, we argue that a key strength of international conventions is the symbolic coherence they bring to the complex, uncertain, and highly political process of policy innovation.

ILO conventions may contribute to policymaking in two ways. First, they offer a script or model that actors can draw upon to design policy. ILO social security conventions provide skeleton legislation: they define benefit categories, (minimum) levels and periods of coverage, and conditions for eligibility. The extent to which these and other conventions serve as models is strongly suggested by their appearance in legislative texts. Such effects appear even in the expanded welfare states: for example, Sweden's 1973 Unemployment Insurance Act states that daily allowances "will not be fixed at a lower rate than meets the requirements of the Social Security (Minimum Standards) Conven-

tion, 1952."³⁰ ILO models are most important where states establish new types of programs, as in the nascent labor and welfare legislation of African countries.³¹

International conventions also provide reasons for action, an often neglected function of norms.³² To some extent, ratification may have intrinsic value. In 1973, for example, the Australian Labor Minister told Parliament that the ratification of ILO conventions would provide Australia with a more favorable international image and enhance its ability to speak with authority in the international community.³³ To the degree that ratification is useful in its own right, ILO conventions directly motivate action.

More important, ILO conventions serve to symbolically move policies out of the realm of zero-sum, partisan politics and into the realm of fundamental, universally recognized rights. Organized labor, the ILO's main constituency, frames its goals in terms of internationally recognized human rights. Reformist governments like the Spanish leftists of the 1930s and the Greek Social Democrats of the 1960s referred to ILO standards to legitimate their policies. State officials may likewise appeal to international obligations to evade constitutional restrictions.³⁴

It is difficult to observe the way ILO conventions, or any other symbolic resource, contribute to policy formulation and debate. In this article we use ratification to index close consideration of and strong support for an ILO standard. While conventions may sometimes aid in the construction and legitimation of policy without being ratified,³⁵ we expect that most influential conventions are ratified.

Unfortunately, the converse is not true. Ratification may occur without a convention having any impact on national policy. A number of ratifications are empty gestures, whereby states indicate commitment to policies they do not in fact implement.³⁶ Even more important, ratification may correspond to state

30. Stina Lagregen, "The Influence of ILO Standards on Swedish Law and Practice," *International Labour Review* 125 (May/June 1986), pp. 305-28. The law is quoted on p. 319.

31. E. A. Landy, "The Influence of International Labour Standards: Possibilities and Performance," *International Labour Review* 101 (June 1970), p. 566.

32. Friedrich V. Kratochwil, *Rules, Norms, and Decisions* (Cambridge: Cambridge University Press, 1989).

33. C. E. Landau, "The Influence of ILO Standards on Australian Labour Law and Practice," *International Labour Review* 126 (November-December, 1987), pp. 669-90, particularly p. 677.

34. Alexandre Berenstein, "The Influence of International Labour Conventions on Swiss Legislation," *International Labour Review* 77 (June 1958), pp. 495-518.

35. Consideration of ILO conventions may stimulate activities that affect state policy without leading to ratification. For example, Britain's failure to ratify the ILO's convention on equal pay for equal work mobilized constituencies that successfully pressed for new policy; see Evan Luard, *International Agencies* (Dobbs Ferry, N.Y.: Oceana, 1977). If substantial numbers of countries did not belong to the ILO, it would be possible to assess a broad range of direct and indirect effects by examining the effect of membership. However, virtually all states are members of the ILO today, as has been true through most of the organization's history. We study the effects of ratification because this seems to provide the best opportunity for analytic leverage.

36. One of the prettiest examples of a purely symbolic commitment was Luxembourg's ratification in 1928 of several conventions on labor practices in the merchant marine. It seems implausible that landlocked Luxembourg could translate these conventions into action.

25. Ghebali, *The International Labour Organisation*, pp. 225-28.

26. James M. Malloy, *The Politics of Social Security in Brazil* (Pittsburgh, Penn.: University of Pittsburgh Press, 1979).

27. Landy, *The Effectiveness of International Supervision*.

28. See Ernst B. Haas's works *Beyond the Nation-State*, and *Human Rights and International Action* (Stanford, Calif.: Stanford University Press, 1970).

29. Haas, *Beyond the Nation-State*, pp. 12-13.

policy without contributing to it. In fact, the ILO encourages states to ratify all conventions they comply with, regardless of the role played by the convention in the policymaking process. This produces a positive cross-sectional relationship between ILO conventions and national policy, regardless of any causal effect of international standards.

To assess the impact of the ILO model and the rhetorical opportunities it provides, we thus focus on policy change. To the extent that ILO conventions are employed to formulate and argue for new programs, their ratification should coincide with an increase in the size and scope of national welfare programs. To test this prediction, we perform longitudinal regression analyses of the relationship between ratification and change in welfare spending. We also examine legislative case histories to give substance to the relationships uncovered in the quantitative analysis.

We should note that ILO ratifications do not stand outside the policymaking process as an exogenous characteristic of the state or its environment. Instead, international standards may be appropriated by national actors, leading any ILO "effect" to be deeply bound up in their purposes and agency. Causation in the covering law sense (where "objective" forces produce behavior) seems the wrong way to think about how actors respond to such opportunities.³⁷ Like Friedrich Kratochwil and John Ruggie, though, we think the viable strategy is to treat cultural material (here, intersubjective understandings and institutionalized models) as having causal effects. We thus ask whether the process of ILO ratification appears bound up in welfare outcomes unpredicted by other arguments.

It may help to consider two different ideas about what promotes attention to international norms generally and ILO welfare conventions in particular. One view is that norms "pressure" actors by imposing costs for their violation. This suggests that weak, externally dependent states in poor, nonindustrialized countries should be most strongly affected by the ratification of ILO conventions. In such countries, broad welfare programs lack a natural internal constituency, although narrow programs for cities and privileged export sectors possess politically mobilized support.³⁸ An impact of ILO standards in these countries signals the power of external models to define the proper characteristics of a modern state.³⁹

An alternative logic is that external norms are effective when they serve as "resources" that reinforce the purposes actors are already aligned around. This suggests a large role for ILO welfare standards in the industrialized capitalist democracies. In contrast to less developed countries (LDCs), there are many

connections between global and national discourse in the industrialized capitalist democracies. Social democratic parties and labor confederations are social welfare proponents that are well poised to make use of international standards to press for expanded programs.

Data and variables

We model total welfare expenditures, which embraces public spending on medical care, unemployment insurance, old age, invalidity, and survivor's benefits; workers' compensation; and maternity protection. Our measure is drawn from the ILO's *The Cost of Social Security*.⁴⁰ We standardize welfare expenditures by gross domestic product (GDP), so we can speak of the share of national income going to public welfare programs. Data were collected at five-year intervals from 1960 to 1980.

While ILO sources permit a complete series of observations on some countries, information on others is spotty. In 1960, sixty-one states reported welfare expenditure levels to the ILO. The number reporting increases over time, with seventy-eight countries providing data in 1970 and 106 in 1980. Many countries have thus begun to report expenditures only during the last decade, and records on others are irregular.

To maximize temporal and cross-sectional variation in our analyses, we examine the welfare effort of forty-five countries for which data are available from 1960 to 1980. This group of countries provides substantial variation in terms of both political systems and economic conditions. Such variety is appropriate in the present study, which is concerned with the impact of membership in international society. If they have nothing else in common, Bangladesh and the United States at least share recognized sovereignty. State socialist countries are excluded from the analysis due to the difficulty of comparing the functions of their welfare programs with those in capitalist or mixed economies and the difficulty of finding equivalent national income metrics.

We explore differences across ratifying nations by conducting subanalyses of two groups of countries. The first comprises twenty-two LDCs, which may be particularly susceptible to international pressures. We defined such countries as those with a gross national product under \$3,000 in 1975.⁴¹ The second group of cases is composed of the eighteen major capitalist democracies that have

40. International Labour Organisation (ILO), *The Cost of Social Security* (Geneva: ILO, various years).

41. The precise criterion is arbitrary; we examined country characteristics across several dimensions (especially the distribution of employment across sectors) and sought a criterion that would capture standard notions of "less developed" or "developing" countries. The countries are Bolivia, the Cameroons, Chile, Colombia, Costa Rica, Cyprus, El Salvador, Guatemala, India, Jamaica, Kenya, Malaysia, Malta, Mauritania, Mexico, Nicaragua, Nigeria, Panama, the Philippines, Sri Lanka, Turkey, and Uruguay.

37. Kratochwil and Ruggie, "International Organization," pp. 764-66.

38. Robert H. Bates, *Markets and States in Tropical Africa: The Political Basis of Agricultural Policy* (Berkeley: University of California Press, 1981).

39. This notion is strongly expressed in John W. Meyer, "The World Polity and the Authority of the Nation-State," in Albert Bergesen, ed., *Studies of the Modern World-System* (New York: Academic Press, 1980), pp. 109-38.

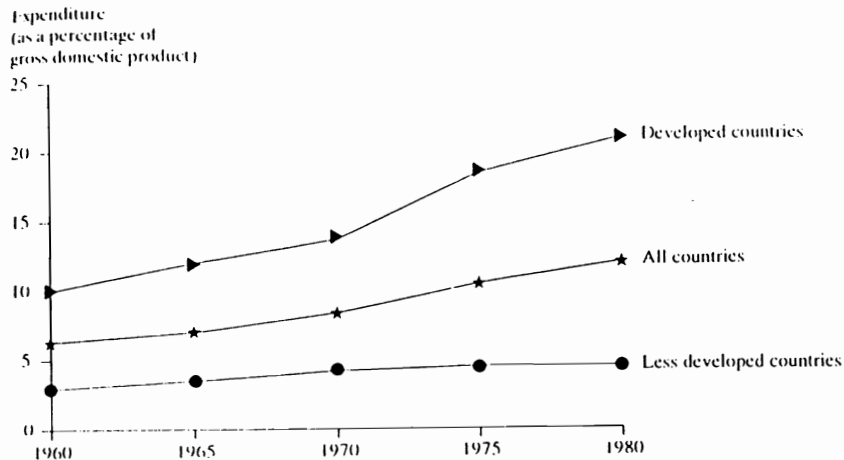


FIGURE 1. Welfare spending, 1960-1980

been the focus of the welfare literature.⁴² Many of these countries play a leading role in the ILO and may be thought of as "carriers" of the welfare state model. Countries that cannot be categorized as either major industrial democracies or LDCs are omitted from these subanalyses (though included in tests of all countries). These are small capitalist democracies like Luxembourg and moderately wealthy states like Israel, Spain, Portugal, and Venezuela.

The average spending levels of study countries from 1960 to 1980 are shown in Figure 1. The figure shows spending all countries together and separately for the two subsets of countries defined above. Taking all countries together, welfare expenditures grow at a moderate but consistent pace. Average spending on social security programs is 6.3 percent of national income in 1960 and rises to 11.9 percent by 1980.

Figure 1 points to an expanding gap between the welfare spending of the two subsets of countries. The major capitalist democracies show substantial welfare expenditures in 1960, spending an average of 10.3 percent of their national income. Welfare programs grow rapidly over the twenty-year period, with an average increase of about 0.5 percent of GDP per year. By 1980, welfare programs in Belgium, Denmark, France, the Netherlands, and Sweden comprise more than a quarter of national income. Despite rapid growth, the spread in spending across the industrialized democracies is persistently low; its mean is more than three times its standard deviation throughout the period.

42. The countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom, the United States, and West Germany. We focus on these states in part to promote comparability with prior research.

By contrast, the twenty-two LDCs spent an average of about 3 percent of their national incomes on welfare in 1960. Twenty years later, the average is only a single percentage point larger. In 1980, only one of the LDCs (Malta) spent more on welfare as a percentage of national income than did Japan, the lowest spender among the industrialized capitalist democracies.

We should note that relative to all LDCs, the consistent data reporters analyzed here spend somewhat more on welfare than countries just beginning to report their spending. For example, Bahrain first reported welfare expenditures in 1980, when less than 0.5 percent of its GDP went to public welfare programs. Mean expenditure divided by GDP for all seventy-seven LDCs reporting data in 1980 is 2.55, compared with an average of 4.0 for the twenty-two LDCs for which full data are available.

To explore arguments about the impact of the ILO on welfare spending, we identified twenty ILO conventions that address social welfare policy.⁴³ Our analyses make use of the number of ratified conventions occurring between adjacent time points. We developed several such measures, varying the length of the period between observations and permitting or excluding a refractory period during which ratification is assumed not to produce an observable impact.

We control for a number of national characteristics found by previous work to bear a substantial relationship to welfare expenditures. When one looks at a broad range of countries, much of the variance in welfare spending is explained by variation in economic development, demographic structure, and the age of welfare programs.⁴⁴ Our basic model thus includes per capita GDP, the size of the elderly population, and social insurance program experience.⁴⁵ Further analyses utilize more elaborate controls for national differences: these are introduced below.

Modeling strategy

Our modeling strategy is shaped by a major threat to inference, the fact that the ILO encourages states to ratify standards they already meet or exceed. Cross-sectional relationships between prior ratifications and welfare spending reflect in part the tendency of states that already exceed international standards to ratify ILO conventions and the contrary tendency of states that do not meet international standards not to ratify them.⁴⁶

To minimize the bias that would arise if past commitments were confused with future ones, we examine the impact of ILO ratification on future welfare

43. For a listing of the conventions, see the Appendix, Table A-1.

44. Wilensky, *The Welfare State and Equality*.

45. For a list of the sources and statistical descriptions of the variables, see the Appendix.

46. The cross-sectional correlation between all prior ILO ratifications and welfare expenditures is, in fact, very high ($r = .66$).

spending, controlling for welfare spending prior to ratification. The logic of our design is thus an interrupted time-series analysis that tests whether ILO conventions coincide with a jump in spending over the medium term. We anticipate neither very short-run effects⁴⁷ nor continuing effects in excess of a medium-run stimulus.

The longitudinal analysis takes the form of multiwave panel models, where we examine change over time in the welfare spending of a number of countries. Welfare expenditures are regressed on prior welfare expenditures, ILO ratifications occurring between the two observations, and the value of other independent variables at the time of the lagged observation. We utilize a lag of ten years between observations on welfare expenditures and also assume that ILO ratifications take some time to have effects. We thus count the number of ratifications occurring between the time of the lagged observation and five years before the present observation. We assume that ratifications occurring within five years of the present observation have no immediate impact.⁴⁸

One statistical consideration should be noted. Analyses possessing a time-series component raise concerns about autocorrelated error. The problem in such analyses is that the error term almost certainly includes time-invariant, country-specific factors. Ignoring these factors biases coefficients for the lagged dependent variable and for explanatory covariates that are either stable over time or correlated with the lagged dependent variable. A variety of approaches have been devised to deal with the threat of autocorrelation bias in multiwave panel analyses.⁴⁹ Nevertheless, the problem is nontrivial and the remedies potentially costly in assigning substantial variation to atheoretical categories.

Our decision to analyze the impact of ratifications occurring between observations finesses the problem of autocorrelation bias. The number of recent ratifications is virtually uncorrelated with the lagged dependent variable ($r = .07$, across all cases) and with the other regressors in the model (the largest correlation is only .09, with the variable *Percent Aged*). It also exhibits no appreciable autocorrelation: numbers of ratifications in one period in a country are not correlated with numbers of ratifications in the same country in previous periods. It is thus highly unlikely that the estimated effect of recent ILO ratifications is affected by the presence of autocorrelation in the disturbance. The other explanatory variables, by contrast, are both highly autocorrelated and highly correlated with the lagged dependent variable. We do not seek to

47. The implementation of welfare programs takes time. In addition, reviews of legislative histories (described below) indicate that great weight should not be placed on the temporal order of legislation and ratification. Influential conventions sometimes induce legislation designed to permit ratification; in other cases, ratification may precede and stimulate legislation. We thus emphasize temporal proximity rather than exact ordering.

48. Analyses were also performed assuming no minimum lag between ratification and its impact, thus counting all ratifications occurring between time points. Equivalent results were found under these somewhat less plausible assumptions.

49. See Nancy B. Tuma and Michael T. Hannan, *Social Dynamics* (Orlando, Fla.: Academic Press, 1984), pp. 430–47; and James A. Stimson, "Regression in Space and Time: A Statistical Essay," *American Journal of Political Science* 29 (1985), pp. 914–47.

TABLE 1. *Unstandardized regression coefficients from pooled cross-sectional and time-series analyses of welfare expenditures as a percentage of gross domestic product, 1960–80^a*

Variable	All countries	Less developed countries	Capitalist democracies
(Log) GDP per capita ^b	1.30 (.51)**c	.82 (.60)	3.01 (1.25)**
Aged population	.49 (.13)***	.58 (.18)***	.22 (.25)
SIPE	.04 (.03)	.02 (.02)	.09 (.08)
Recent ILO ratifications	.58 (.21)***	.14 (.24)	.81 (.31)**
Welfare expenditures, t_{i-1}	.87 (.08)***	.67 (.09)***	1.16 (.14)***
Constant	-11.50 (8.47)***	-7.11 (4.07)	-28.97 (11.14)***
R ²	.91	.79	.82
N	45 * 3	21 * 3	18 * 3

^aStandard errors are within parentheses. Descriptions of all variables are found in Appendix A.

^bAbbreviations: GDP = gross domestic product; SIPE = social insurance program experience; ILO = International Labor Organization.

^cStatistical significance: * $p < .10$; ** $p < .05$; *** $p < .01$.

Sources: See Appendix A.

draw inferences about these variables, however. The research cited above has examined their effects in considerable depth.

Results

The results of pooled cross-sectional and time-series (i.e., multiwave panel) analyses of welfare spending are shown in Table 1. In analyses examining a broad range of national settings, recent ILO ratifications significantly increase welfare spending. Each recent ILO ratification in the period ($t - 5, t - 10$) increases welfare spending at time t by a little more than 0.5 percent of GDP. Our general argument about the impact of ratification is thus supported.

When we examine the twenty-two LDCs in isolation, however, the impact of ILO ratification vanishes: its coefficient drops to .14 and is now about half its standard error. While some LDCs (Costa Rica, Cyprus, Malta) show substantial growth in welfare expenditures following their ratification of ILO conventions, many do not.

This finding does not conclusively demonstrate that ILO ratification has no effect on the welfare spending of LDCs. Ratifications may be connected to slowly evolving programs or to changes in programs that do not produce spending increases. For example, adhering to ILO conventions may lead to a broadening of the population receiving benefits without producing an expansion of total expenditures (a strategy many would regard as substantially improving on policies that target a limited segment of the population).

While we cannot directly examine these possibilities, our findings make them less plausible. If ILO ratification bears a direct relation to new programs, we would expect effects on spending to begin to appear within a five- to ten-year period. And if welfare coverage is expanding, we would expect expenditure levels to rise as well. The ratification of ILO conventions on social security by poorer, largely agricultural societies may simply have few direct consequences. It may be better understood as symbolic commitment to progressive labor relations in settings where such policies face severe fiscal and organizational constraints.⁵⁰

By contrast, Table 1 suggests that welfare spending in the industrialized capitalist democracies is importantly affected by ratification of ILO standards. Each ratified convention produces an estimated increase in spending of about 0.8 percent of national income. The coefficient for recent ILO ratifications is about three times its standard error.

Our analysis points to the impact of specific events rather than to the tendency of particular countries to expand welfare spending more than others. Some of the countries that show rapid expansion in welfare spending soon after ratifying ILO conventions are welfare state models like Denmark, the Netherlands, and Sweden. Others are states more often regarded as followers in welfare activity: France, Ireland, Italy, and Japan.

Conversely, the United States is both the most prominent nonparticipant in the ILO's international legal code and a salient welfare state "laggard." While the United States has played a major role in ILO promotional and technical assistance activities, it slights international standard setting. It has adopted no conventions on social welfare and few on other topics. As in other contexts, the United States has strongly resisted bringing its domestic law within the ambit of the ILO.⁵¹

Of course, low levels of U.S. welfare spending are the product of a number of factors. John Stephens points to "a very low level of labour organisation and the absence of a major reformist labour party. The result is minimal welfare state development."⁵² Others point to the fragmentation of American political institutions and the unusual sequence of state and nation building in the United States.⁵³ We would add that U.S. political, economic, and social

50. We should emphasize that these results pertain to spending for social security programs, not social welfare more broadly construed. The ILO conventions that bear most directly on social welfare in many LDCs do not provide benefits but instead protect the worker's freedom to contract and organize. For example, Nigerian labor law in the colonial period was humanized through the application of ILO conventions, most importantly the Forced Labor Convention.

51. The federal structure of the U.S. government is sometimes cited to explain low levels of ratifications. While a federal structure does pose certain difficulties for ratification, on average federal states have ratified ILO conventions more frequently than have unitary states. See Karl N. Dahl, "The Role of ILO Standards in Global Integration Process," *Journal of Peace Research* vol. 5, no. 4, 1968, pp. 309-51.

52. Stephens, *Transition from Capitalism to Socialism*, p. 149.

53. See the essays in Margaret Weir, Ann S. Orloff, and Theda Skocpol, eds., *The Politics of Social Policy in the United States* (Princeton, N.J.: Princeton University Press, 1988).

hegemony has largely insulated the United States from the imitative and communicative processes so evident in Western Europe and the Third World.

To further investigate the impact of ILO conventions on welfare spending in the industrialized capitalist democracies, we add variables that more richly represent standard accounts of the expansion of the welfare state. Drawing on a large literature on the working-class origins of the welfare state, we include years of leftist, rightist, and Christian Democratic rule; union membership; and strike days.⁵⁴ Drawing on pluralist models, we include measures of electoral salience and party competition.⁵⁵ Drawing on ideas about economic openness, we include trade dependence.⁵⁶ Drawing on ideas about state structure, we employ measures of corporatism, centralization, and nonwelfare public spending.⁵⁷

Table 2 provides a summary of eleven analyses, each adding one of the measures described above to the model reported in Table 1, and Table 3 reports results for a full model including those independent variables for which full data are available (none of the measures omitted here have significant effects on welfare spending).

These analyses indicate consistent effects of ILO ratification. Its coefficient is always statistically significant at conventional levels, with little variation in magnitude. The effects of ILO ratification are virtually unrelated to those of the national characteristics generally implicated in welfare state expansion.

In passing, we note that both socioeconomic and political variables help predict growth in welfare spending over the 1960-80 period. In Table 3, spending increases are large when national income per capita is high, where political parties receive more equal shares of the vote, and where workers strike more frequently. Table 2 suggests effects of the party in power, particularly through low rates of welfare expansion when rightist parties govern. Other variables generally have effects in the expected direction, but these are not statistically significant.⁵⁸

Finally, we inquire into variation in the relationship between ILO ratification

54. An excellent review is provided by Michael Shalev, "The Social Democratic Model and Beyond: Two 'Generations' of Comparative Research on the Welfare State," in Richard Tomasson, ed., *Comparative Social Research* (Greenwich, Conn.: JAI Press, 1983), pp. 315-52.

55. Pampel and Williamson, "Welfare Spending in Advanced Industrial Democracies, 1950-1980."

56. See Katzenstein's works *Corporatism and Change* and *Small States in World Markets*; and Cameron, "The Expansion of the Public Economy."

57. The insights of Skocpol and others suffer in the translation to conventional quantitative indices. For sources and descriptive statistics for each of the measures described, see the Appendix.

58. We do not wish to make much of these results, however. We continue to ignore the potential effects of autocorrelation bias and multicollinearity where they solely concern variables added as statistical controls, since our goal is to test the robustness of the effect of ILO ratifications (which is unaffected by relationships among the regressors with which it is uncorrelated—here, all other effects in the model). Excellent quantitative analyses of the effects of internal characteristics are noted above. See also Alexander Hicks and Duane Swank, "On the Political Economy of Welfare Expansion: A Comparative Analysis of Eighteen Advanced Capitalist Democracies, 1960-71," *Comparative Political Studies* 17 (April 1984), pp. 81-120.

TABLE 2. Unstandardized regression coefficients from pooled cross-sectional and time-series analyses of welfare expenditures as a percentage of gross domestic product in eighteen advanced capitalist democracies, 1960-80^a

Variable	Coefficient	Recent ILO ratifications ^b	Number of observations
Leftist party rule	-.02 (.11)	.82 (.32)**	54
Rightist party rule	-.21 (.11)*	.64 (.32)*	54
Catholic party rule	.10 (.16)	.82 (.32)**	54
Union centralization	.01 (.01)	.71 (.32)**	48
Strike days	.10 (.17)	.84 (.32)**	54
Trade dependence	.02 (.02)	.73 (.33)**	52
Electoral salience	-7.39 (5.16)	.85 (.31)**	54
Party competition	13.56 (5.83)**	.77 (.30)**	54
Government centralization	-.76 (3.11)	.67 (.30)**	51
Corporatism			
Medium	1.27 (.90)	.69 (.34)**	54
Strong	1.21 (1.15)		
Nonwelfare public spending	.05 (.06)	.83 (.32)**	53

^aStandard errors are within parentheses. The first column gives the coefficient and standard error for the included variable, while the second column gives the coefficient and standard error for recent ILO ratifications, net of the included variable and the three variables making up the basic model. All analyses control for welfare expenditures ($t - 10$), (log) gross domestic product per capita, percent aged, and social insurance program experience. For descriptions of variables, see Appendix A.

^bILO = International Labor Organization.

^cStatistical significance: * $p < .10$; ** $p < .05$; *** $p < .01$.

Sources. See Appendix A.

and change in welfare spending across the industrialized capitalist democracies. To do so, we explore the interaction between national characteristics and ILO ratifications. We examine a series of models (as in Table 2), with each equation incorporating a term multiplying one covariate by the number of recent ILO ratifications. Models showing statistically significant interaction terms are shown in Table 4.

Four statistically significant interactions are found: those involving prior welfare spending, leftist party rule, rightist party rule, and corporatist institutional structure. All but the interaction for rightist party rule are negative. ILO ratification has a smaller impact when prior levels of welfare expenditure are high, where leftist parties rule, and where centralized employer and labor federations are formally incorporated into policymaking; its impact is larger where parties of the right are in power. We should note that interactions produce only relative shifts in coefficients. Net effects of ILO ratification, taken at the mean of the interacting variable, are always positive and in fact larger than those reported in Table 2.

These findings indicate that ILO conventions are useful in understanding the tendency of "laggard" welfare spenders to keep or catch up with the "welfare

TABLE 3. Unstandardized regression coefficients from pooled cross-sectional and time-series analyses of welfare expenditures as a percentage of gross domestic product in eighteen advanced capitalist democracies, 1960-80

Variable	Coefficient	Standard error
(Log) GDP per capita ^a	3.48** ^b	1.57
Aged population	.22	.34
SIPE	.09	.10
Recent ILO ratifications	.66*	.33
Leftist party rule	.15	.17
Rightist party rule	-.02	.20
Catholic party rule	.26	.16
Strike days	.42*	.23
Electoral salience	-8.98	5.75
Party competition	13.48**	6.64
Corporatism		
Medium	1.15	1.73
Strong	2.05	1.95
Welfare expenditures _{<i>t-10</i>}	1.06***	.20
Constant	-39.34**	15.54
R^2	.87	
N	45	

^aAbbreviations: GDP = gross domestic product; SIPE = social insurance program experience; ILO = International Labor Organization. For descriptions of the variables, see Appendix A.

^bStatistical significance: * $p < .10$; ** $p < .05$; *** $p < .01$.

Sources. See Appendix A.

TABLE 4. Unstandardized regression coefficients from pooled cross-sectional and time-series analyses of welfare expenditures as a percentage of gross domestic product in eighteen advanced capitalist democracies, 1960-80^a

Variable	Coefficient	Recent ILO ratifications ^b	Interaction term
Welfare expenditures _{<i>t-10</i>}	1.26 (.15)*** ^c	3.00 (1.32)**	-.16 (.09)*
Leftist party rule	.17 (.17)	1.48 (.45)**	-.19 (.09)*
Rightist party rule	-.33 (.12)**	.32 (.36)	.21 (.11)*
Corporatism			
Medium	2.15 (.98)**	2.34 (.80)***	-1.98 (.95)**
Strong	2.62 (1.46)*		-2.03 (.97)**

^aAll analyses control for lagged welfare expenditures, (log) gross domestic product per capita, percent aged, and social insurance program experience. For descriptions of the variables, see Appendix A. Standard errors are in parentheses.

^bILO = International Labor Organization.

^cStatistical significance: * $p < .10$; ** $p < .05$; *** $p < .01$.

Sources. See Appendix A.

models." This is an important feature of the modern welfare period—recall the persistent lack of spread in spending among the industrialized democracies. Low variation across states is unexpected by standard internal accounts. Since most national characteristics are fairly stable over time, they predict increasing divergence in spending. Orientation to international norms may help us understand why divergence does not accompany growth.

More substantively, ILO ratifications have the largest observed effects where political conditions seem to militate against a strong welfare effort. This occurs where the working class is not routinely central to national decision making; where leftist parties are weak and rightist parties strong; and where corporatist forms of intermediation are absent. Strong effects in these contexts suggest a twist in the appeal of ILO standards, which are generally seen as most attractive to labor. We pursue this point in the discussion of case histories below.

We note the fit between the present findings and the line of argument forwarded by Haas. Haas observed that the ILO was formed at the end of World War I by states moving from a politics of labor repression to a politics of social partnership. ILO standard setting was conceived in terms of this context: pluralist democracies where labor is politically organized but not politically dominant. He argued that it was only in such "reconciliation" politics that the ILO could substantially aid in the construction of a more progressive social policy.⁵⁹ Haas contended the ILO could have little influence in totalitarian or authoritarian politics where labor was politically subordinated. Nor could influence be expected in "postindustrial" politics, where the standards and routines sought by the ILO were already in place. The results shown in Tables 2, 3, and 4 strongly support that analysis.

Case histories

The above analyses support a connection between ILO ratifications and increases in welfare spending, particularly among the less institutionalized welfare states of the first world. But temporal coincidence need not imply a substantive contribution of ILO standards to national policy. At the extreme, states could simply ratify ILO conventions as a means of registering their efforts with the international community. We thus examine a series of case studies published in the *International Labour Review* that assess the influence of ILO standards on national legislation.⁶⁰

59. See Haas, *Beyond the Nation-State*, pp. 447–48; and Haas, *Human Rights and International Action*, p. 117.

60. These reviews are most often authored by legal scholars, many of whom have experience working with the ILO. While the generally favorable orientation to the ILO should be noted, we found that the reviews strive for an objective appraisal. Reviews published before 1976 are collected in ILO, *The Impact of International Labor Conventions and Recommendations* (Geneva: ILO, 1976). Subsequent articles appear in volumes of the *International Labour Review*. In all, some twenty-five legislative histories have appeared. Below we discuss those cases in which conventions on social security were ratified during the period 1960 to 1980.

We first note some general tendencies. Many reviews mentioned that some ratified conventions partially or substantially affected legislation while other conventions did not. Where they sought to quantify these statements, a surprising number of convention ratifications were judged as involving influence: eighteen of twenty-one conventions in Greece, thirteen of seventeen in Switzerland, six of thirty-two in Tunisia, and twenty of forty-seven in Ireland. It was difficult to assess the extent of this influence, however.

The most salient instances of an ILO impact on legislation are reported where our quantitative analysis suggests. In the early 1970s, Japanese workplace injury legislation was framed to permit ratification of the Employment Injury Benefits convention.⁶¹ Japan also expanded its welfare programs to comply with the ILO's minimum standards on social security. Irish welfare laws in the 1960s were similarly described as causally influenced by ILO conventions.⁶²

These instances of ILO ratification and social security expansion were accomplished in politics governed by center-right parties: the Japanese Liberal Democrats and the Irish Fianna Fail. It is suggestive, however, that in both cases ratification and program growth occurred in periods of growing pressure from the left. The share of seats held by the Liberal Democrats in Japan declined throughout the 1970s to the point where a parliamentary majority was barely maintained, while the Fianna Fail faced growing trade union strength in the 1960s. In these settings, the framing of policy innovations around international standards may have allowed ruling rightist parties to co-opt portions of the left's agenda while minimizing damage to their own bases of support.

In addition, both Japan and Ireland may have been particularly responsive to external welfare models. The Japanese polity has been described as more easily mobilized by foreign pressures than internal ones.⁶³ Irish interest in joining the Common Market led to growing attention to the gap between Irish and European welfare provision.⁶⁴ Of course, detailed study is needed to investigate these cases; we simply propose here the direction an argument might take.⁶⁵

61. Tadashi Hanami, "The Influence of ILO Standards on Law and Practice in Japan," *International Labour Review* 120 (November–December 1981), pp. 765–79.

62. Maurice Cashiell, "The Influence on Irish Law and Practice of International Labor Standards," *International Labour Review* 106 (July 1972), pp. 47–74.

63. Kent E. Calder, "Japanese Foreign Economic Policy Formation: Explaining the Reactive State," *World Politics* 40 (July 1988), pp. 517–41.

64. Maria Maguire, "Ireland," in Peter Flora, ed., *Growth to Limits*, vol. 2 (Berlin: de Gruyter, 1981), pp. 241–384.

65. Two other cases for which closer analysis might be fruitful are those of Italy and the Netherlands (*International Labour Review* overviews covering the appropriate period were available for neither). The logic of ratification in Italy during the 1960s and 1970s might resemble that of Japan and Ireland, since Italy possessed a ruling center party that sought partners to its left. In the Netherlands, convention ratifications accompanied the state's funding of privately organized social security schemes that led to welfare takeoff in the 1960s. Here, international conventions may have helped reframe concerns about state expansion in a segmented polity.

Sensitivity to ILO standards is also exhibited by prominent welfare states like Sweden, Norway, and Germany.⁶⁶ Sweden possesses a standing "ILO committee" that presses for ratification and reviews all legislation with an eye toward ILO standards. Although legislation in all three countries was linked in the reviews to ILO conventions, these linkages involve specific issues of implementation or coverage rather than the broad policy innovations described above. For example, attention to ratified conventions in Germany led to broader unemployment coverage during labor disputes and made hospitalization benefits automatic. The impact of these kinds of legal changes on spending is unclear.

Most of the case material on developing countries describes ILO standards on social security as too demanding, given organizational and fiscal constraints. The problems these countries faced in implementing conventions help illustrate why our quantitative analysis shows such weak effects. For example, Colombia ratified ILO conventions on worker's compensation in 1933 but failed to meet their provisions for over thirty years.⁶⁷

Case histories of the developing countries do suggest alternative kinds of ILO effects. Reviews of Indian and Tunisian legislation argue that unratified ILO conventions had motivated welfare program expansion.⁶⁸ A more recent study of India, the best example of a developing country that has built its labor legislation in dialogue with the ILO, might suggest substantial effects. Perhaps most important for developing countries, the ILO provides considerable technical assistance in constructing welfare programs. For example, an ILO team proposed, designed, and helped set up Libya's social security system.⁶⁹

The discussions in the *International Labour Review* series do not provide the kind of detailed political analysis that would allow us to demonstrate a direct contribution of ILO ratifications to national policy. They do indicate that ILO ratifications are meaningfully related to public policy. At a number of points, ILO conventions are described by the reviews as concretely contributing to legislation. And variation in the impact of the ILO follows the patterns observed in Tables 2 and 4. The ILO ratifications of most moment are those occurring in the welfare laggards and conservative regimes among the industrialized capitalist democracies. Modest and no effects are seen in the expanded

66. See Karl N. Dahl, "The Influence of I.L.O. Standards on Norwegian Legislation," *International Labour Review* 90 (September 1964), pp. 226-51; Gerhard Schnorr, "The Influence of ILO Standards on Law and Practice in the Federal Republic of Germany," *International Labour Review* 110 (December 1974), pp. 539-64; and Stina Lagregen, "The Influence of ILO Standards on Swedish Law and Practice," *International Labour Review*.

67. Alfonso Plata-Castilla, "International Labour Standards and Colombian Legislation," *International Labour Review* 99 (February 1969), pp. 137-58.

68. See V. K. R. Menon, "The Influence of International Labour Conventions on Indian Labour Legislation," *International Labour Review* 73 (June 1956), pp. 551-71; and Amor Abdeljaouad, "The Influence of International Labour Conventions on Tunisian Legislation," *International Labour Review* 91 (March 1965), pp. 191-209.

69. ILO, "Social Security and I.L.O. Technical Cooperation in Libya," *International Labour Review* 91 (April 1965), pp. 292-320.

welfare states and in the developing countries, respectively, for which ILO standards are either too soft or too hard.

Discussion

Sociologically institutionalist arguments of the type put forward in this article are most often employed in two ways. First, they are used to explain striking homogeneity in outcomes within fields of connected actors.⁷⁰ Second, they are used to explain symbolic conformity to external standards.⁷¹ ILO welfare standards seem implicated in both outcomes, but in different settings.

Among the industrialized countries, ILO standards seem to contribute to homogeneity in welfare provision. Ratifications consistently accompany increases in spending. They do so most dramatically where prior spending is low and where the usual political forces behind the welfare state are absent. Legislative histories show that both model and laggard welfare states are oriented toward the ILO, but connections between ILO conventions and large-scale changes in policy only appear among the latter.

ILO standard setting does not seem similarly to contribute to the growth of welfare programs in the developing world. In fact, by increasing homogeneity among the industrialized states, ILO instruments enlarge the substantial gap in welfare spending between the first and third worlds. LDCs tend not to ratify ILO standards on social security, and spending does not markedly increase when they do ratify them. In such cases, ratification may be best understood as a symbolic commitment to programs whose realization faces severe fiscal and organizational constraints.

We do not presume that the ILO is a representative international forum or that ILO standard setting concerning welfare is characteristic of ILO standard setting in other areas. It would be of interest to compare the ILO with other international organizations as well as to compare our results for welfare spending between 1960 and 1980 (the zenith of the welfare state, perhaps) with ILO effects in different periods or policy areas. Nevertheless, it is useful to consider what the relationships described here suggest about institutional processes in general.

The impact of ILO ratification does not seem bound up with the capacity to enforce standards. ILO conventions do not cow governments into policy innovation. The influence of welfare conventions is weakest among externally dependent LDCs, whose programs are least likely to satisfy international

70. The best statement of this argument is Paul J. DiMaggio and Walter W. Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," *American Sociological Review* 48 (April 1983), pp. 147-60.

71. The best statement of this argument is found in John W. Meyer and Brian Rowan, "Institutionalized Organizations: Formal Structure as Myth and Ceremony," *American Journal of Sociology* 83 (September 1977), pp. 340-63.

standards. And while the ILO review process surely helps to make ratification meaningful, it depends upon dialogue rather than formal sanctions. ILO directors who try to strong-arm governments fail rather dramatically.⁷²

Instead, ILO conventions are better understood as forming (and expressing) an international regime. The regime involved is not primarily organized around perceptions of complex interdependence and the value of cooperation among egoists but around notions of appropriate state policy.⁷³ Regime consequences have to do with the way ILO standard setting is able to express norms, establish models, and construct expectations.

This article suggests that regimes of this type have consequences in at least some national contexts. We see effects of ILO ratification in the industrialized capitalist democracies, where policymakers and constituencies are well situated to employ international discourse to push for extensions and reforms to existing welfare programs. However, it is where welfare is politically viable but contested that international standards most usefully amplify, legitimate, and depoliticize policy options. Under such conditions, as G. John Ikenberry notes in a more general discussion, "external pressure may actually be welcomed and manipulated by reform elites so as to strengthen their domestic political position."⁷⁴

There are many possible logics by which ILO conventions on welfare might contribute to policy. The examples of Japan and Ireland suggest that ILO welfare standards may frame a response in internationally oriented states by rightist parties concerned with challenges from the left. Conversely, an embattled or nascent working-class party might find ILO conventions useful. Less politically grounded effects are also conceivable: for example, the application of international standards by a modernizing state like India.

In our view, the notion that regime consequences are highly contingent on actor orientations does not diminish their importance. Ideas and arguments matter because few elements of decision making are empirically fixed, contra some formal models. Recognizable options must be painstakingly generated, preferences must be learned, and good outcomes require a legitimating

72. See Robert W. Cox, "The Executive Head: An Essay on Leadership in International Organization," *International Organization* 23 (Spring 1969), pp. 205-30; and Cox, "Labor and Hegemony." The argument central to much contemporary organization theory that organizations are interpenetrated by their institutional environments is discussed by Gayl D. Ness and Steven R. Brechin, "Bridging the Gap: International Organizations as Organizations," *International Organization* 42 (Spring 1988), pp. 245-73.

73. There is an interesting historical dynamic here. The ILO was created in part due to perceptions of complex interdependence in labor relations, where it was seen as competitively damaging for one nation to enact favorable labor laws unless all did. Little of this sense remains today; as welfare and other reforms advocated by the ILO have become institutionalized, the internal discourse of the organization has come to revolve around human rights much more than national interdependencies.

74. G. John Ikenberry, "Explaining the Diffusion of State Norms: Coercion, Competition, and Learning in the International System," presented at the meetings of the International Studies Association, London, 28 March 1989.

framework that is broadly persuasive. Given this, the fact that one set of models and not another is accessible makes a difference.

We have argued that the material that informs policy formulation has international as well as national sources. Certain typical symbolic positions are available to organizations like the ILO. The cultural context of the state system as an international community allows the ILO to champion basic human rights. Its apparent distance from real politics permits the advocacy of rationalized policies, unsullied by parochial interests. Self-conscious stances of this type are not rhetorically invulnerable, but neither are they without a certain cachet.

No position is independent of its origins or compelling to all points of view (a message underlined by Haas). The founding aims and tripartite representational structure of the ILO lead it to celebrate the "enlightened" social and labor policy of Western Europe. An expanded welfare state is one element here, along with rights of collective organization, workplace protections, and the like. The Western voices that dominate the ILO are involved in a difficult bootstrapping operation, using the existing prestige of the Western welfare model to promote its further realization.

It is indicative of the limits of such an operation that the ILO's most concrete contributions to policy are seen in the laggard welfare states of the industrialized world. These states are both implicated in the work of the ILO and directly targeted by its standards. These are also settings where an ILO convention need only reinforce the agendas of mobilized actors.

Our focus on standard setting should not blind us to the ILO's relevance for a larger audience. Its most concrete relation to nonindustrialized countries works through technical assistance, not standard setting. And while ratifications here are not linked in the short run to welfare expansion, they may help to shape programs over the longer term. It is only in countries like the United States, which opposes the general principle of an international labor code, where we can speak confidently of a rejection of the ILO model.

Overall, we suggest that social welfare, and domestic policy more generally, is an increasingly transnational business. Global standards and agenda setting play roles in the rapid expansion of programs in some states. Norms are diffused and accepted by others in principle, if not put immediately into practice. It seems useful to conceptualize part of the discourse generating the "welfare state" as global in scope, and emerging out of the normative models and formal organizations that span national societies.

APPENDIX A

Dependent variable

Total welfare expenditures are taken from the ILO's statistical reports, *The Cost of Social Security* (Geneva: ILO, various years). This series is generally comparable over the 1960-80 period, with the exception of data after 1977,

TABLE A-1. *International Labor Organization conventions examined*

Convention number	Convention name	Year adopted	Number of ratifications in 1980
12	Workmen's Compensation (Agriculture)	1921	61
17	Workmen's Compensation (Accidents)	1925	61
18	Workmen's Compensation (Occupational Diseases)	1925	59
19	Equality of Treatment (Accident Compensation)	1925	98
24	Sickness Insurance (Industry)	1927	23
25	Sickness Insurance (Agriculture)	1927	17
35	Old Age Insurance (Industry)	1933	12
36	Old Age Insurance (Agriculture)	1933	11
37	Invalidity Insurance (Industry)	1933	10
38	Invalidity Insurance (Agriculture)	1933	9
39	Survivors Insurance (Industry)	1933	7
40	Survivors Insurance (Agriculture)	1933	6
42	Workmen's Compensation (Occupational Diseases)	1934	49
44	Unemployment Provision	1934	15
48	Maintenance of Migrant Worker's Pension Rights	1935	8
102	Social Security (Minimum Standards)	1952	29
103	Maternity Protection	1952	17
118	Equality of Treatment (Social Security)	1962	34
121	Employment Injury Benefits	1964	17
128	Invalidity Old Age and Survivor's Benefits	1967	13
130	Medical Care and Sickness Benefits	1969	11

when the ILO no longer included most forms of public health expenditure. Data for 1980 were reconciled with earlier welfare expenditure data by adding levels of public health expenditures reported in the ILO's *Cost of Social Security: Basic Tables*, 11th International Inquiry, 1978-80. We thank Fred Pampel for making these tables available to us. States with market economies report welfare spending as a percentage of either gross domestic product or gross national product; those reporting in terms of the latter have been re-expressed in terms of the former.

Independent variables

Recent ILO ratifications. The number of ILO ratifications on conventions related to social security occurring in the previous five- to ten-year period. Data were taken from the *Chart of Ratifications*, ILO Reports (Geneva: ILO, various years). The conventions examined in this report are listed in Table A-1.

Gross domestic product per capita. Calculated in constant 1975 dollars. Taken from Robert Summers and Alan Heston, "Improved International Comparisons of Real Product and Its Composition: 1950-80," *Review of Income and Wealth* 30 (June 1984), pp. 207-62.

Percent aged. Percentage of the population aged sixty-five years or older. Taken from United Nations, *Demography Yearbook* (New York: United

Nations, various years); International Bank for Reconstruction and Development (IBRD), *World Tables* (Washington, D.C.: IBRD, 1980).

Social insurance program experience (SIPE). Cumulative time that five national welfare programs are in operation during the ten-year period between observations. The measure was first proposed by Phillips Cutright, "Political Structure, Economic Development, and National Social Security Programs," *American Journal of Sociology* 70 (March 1965); pp. 537-50. It covers worker's compensation; sickness/maternity protection; old age, invalidity, and survivor's insurance; family allowances; and unemployment insurance. Data are from the U.S. Social Security Administration, *Social Security Programs Throughout the World* (Washington, D.C.: U.S. Government Printing Office, 1988).

Left party rule, right party rule, Catholic party rule. Years in power during the ten-year period between observations for the major left, right, and Catholic (Christian Democrat) parties. Left and right parties are as identified in Francis G. Castles, ed., *The Impact of Parties* (Beverly Hills, Calif.: Sage, 1982), p. 58. Where parties participated in coalition governments (the usual case), the yearly score was calculated as the ratio of legislative seats won by the party of interest to legislative seats won by all parties forming the government. The sources for these figures were Vincent E. McHale, ed., *Political Parties of Europe* (Westport, Conn: Greenwood, 1983); and Ian Gorvin, *Elections Since 1945* (Chicago: St. James Press, 1985).

Strike days. The number of working days lost due to industrial strikes, per one thousand workers in the mining, manufacturing, construction, and communication industries. Data are from ILO, *International Labour Statistics* (Geneva: ILO, 1970 and 1982).

Union centralization. Union density of the nonagricultural labor force multiplied by the presence of nationwide bargaining power. Union densities and scores for type of collective bargaining system are taken from Stephens, *The Transition from Capitalism to Socialism* (Atlantic Highlands, N.J.: Humanities Press, 1990); data on Ireland and Japan are missing. Following Hicks and Swank, "On the Political Economy of Welfare Expansion," we multiplied the percentage unionized by two where the country has a systemwide collective bargaining system.

Trade dependence. Value of imports plus exports as a percentage of gross national product. Taken from IBRD, *World Tables* (Washington, D.C.: IBRD, 1980).

Percent voting. The percentage of the electorate that cast ballots in the most recent prior election. From Thomas T. Mackie and Richard Rose, eds., *International Almanac of Electoral History* (New York: Facts on File, 1982).

Party competition. A measure of the balance in votes across parties in the most recent prior election. Taken from Mackie and Rose, *International Almanac of Electoral History*.

Fiscal centralization. *Central Government Revenues* divided by *Total Government Revenues*. From International Monetary Fund (IMF), *Government Finance Statistics* (New York: IMF, 1982).

Corporatism. Scale taken from Gerhard Lehbruch, "Concertation and the Structure of Corporatist Networks," in J. H. Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism* (Oxford: Oxford University Press, 1984), pp. 60–80. States with strong corporatist institutions ("effective participation of labor in policy formation and implementation") are Austria, the Netherlands, Norway, and Sweden. Cases of medium corporatism (where the scope of bargaining is more limited) states include Belgium, Denmark, Finland, Switzerland, and West Germany. The residual category embraces Lehbruch's categories "weak corporatist," "pluralist," and "concentration without labor." It comprises Australia, Canada, France, Ireland, Italy, Japan, New Zealand, the United Kingdom, and the United States. We also examined several other corporatism indices and found results very similar to those presented above.

Nonwelfare public spending. Total government revenues divided by gross domestic product minus welfare expenditures, divided by gross domestic product. (If welfare expenditures are not deducted from the fiscal scale of public activities, definitional dependence is produced between the two.)

APPENDIX B. *Descriptive statistics for countries reporting data on welfare expenditures, 1960–80*

Variable ^a	Mean	Standard deviation
Welfare expenditures/GDP ^b	10.35	8.08
Recent ILO ratifications	.52	.97
(Log) GDP per capita	7.11	.72
Aged population	7.01	3.16
SIPE	40.65	10.61
Left party rule ^c	2.58	3.01
Right party rule	3.20	3.64
Catholic party rule	1.23	2.60
Union centralization	74.28	40.23
(Log) Strike days	4.70	2.12
Trade dependence	48.73	21.65
Electoral salience	.81	.09
Party competition	.86	.06
Government centralization	.66	.13
Corporatism		
Medium	.39	.49
Strong	.28	.45
Nonwelfare public spending	9.25	7.32

^aFor descriptions of the variables, see Appendix A.

^bAbbreviations: GDP = gross domestic product; ILO = International Labor Organization; SIPE = social insurance program experience. For descriptions of all variables, see Appendix A.

^cLeft party rule and subsequent measures describe the industrialized capitalist democracies only.

Sources. See Appendix A.

Macropolitical consensus and lateral autonomy in industrial policy: the nuclear sector in Brazil and Argentina Etel Solingen

Despite a similar tradition of state intervention in both Argentina and Brazil, in defining their nuclear industries, Argentina emphasized the role of its national private firms, while Brazil created state enterprises and imported foreign equipment at the expense of its national private firms. This contrasting division of labor among state, private, and foreign firms is particularly puzzling for several reasons. First, Argentina's history of state intervention and ownership was at least as extensive as Brazil's. Moreover, Argentina was less endowed than was Brazil in the capital goods sector relevant to nuclear power plant supplies. Furthermore, and perhaps consequently, industrial entrepreneurs in that sector were far more organized, cohesive, and politically stronger in Brazil than they were in Argentina.

In light of this contrast in industrial structures between the two countries, that Argentina emphasized private firms while Brazil emphasized state involvement would seem to be counterintuitive, since states generally are assumed to cooperate with, rather than displace, private firms where those firms are integrated and politically unified (as in Brazil). Conversely, direct state intervention (as an entrepreneur) is more likely where markets are more fragmented, divided, and unorganized.¹ Even so, Argentina promoted and protected national private firms in a relatively smaller, fragmented, and less sophisticated industrial sector. Such emphasis is even more intriguing if one considers the (relative) position of Brazil as an emerging economic giant in the 1970s. Its overall power—relative to a declining Argentina—and well-developed

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