

Bossing or Protecting? The Integration of Social Regulation into the Welfare State

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Abstract

This paper analyzes empirically how social regulation is integrated into the welfare state, comparing health, migration and unemployment policy. I use an original dataset that focuses on reforms in Australia, Austria, Canada, Belgium, France, Germany, Italy, Netherlands, New Zealand, Sweden, Switzerland, the UK and the US from 1980-2014. Results show that the timing of reform events is similar for health and unemployment policy but different for migration policy. Concerning migration and unemployment policy, the integration of regulation and welfare is more likely to be conditional upon compliance with regulations compared to health policy. Countries with the institutional background of a Liberal or Continental European welfare regime are especially inclined to integration. I conclude that integrating regulation and welfare entails a double goal. It includes “bossing” citizens, by making them take up any job and expel migrants and refugees due to minor offences. Yet, it also incorporates protecting citizens from risks, such as non-communicable diseases.

Keywords: Immigration; Immigrant integration; Labor market policy; Health care; Public health; Social investment

In the last two decades, the study of regulatory governance has become a main interest for political research. Most importantly, scholars have focused on regulatory policy instruments and agencies, which deal with the consequences of economic liberalization (e.g. Majone 1996; Braithwaite 2008; Gilardi 2008; Levi-Faur 2011; Maggetti 2012) in different policy areas (e.g., Ozel 2013; Reynaers and Parrado 2017).

Against this background, researchers have also assessed how regulatory policy instruments have permeated the sphere of social policy and the welfare state. Although scholars have assessed the regulatory dimension of the welfare state for a long time (Kliemt 1993; Swenson 2004), there is a growing interest in the link between regulation and welfare. More recently, scholars have focused on the regulation of private pension schemes (Leisering 2012; Benish et al. 2017), welfare-related effects of utility regulation (Haber 2011, 2017), the regulation of job security (Emmenegger 2014; Zohlnhöfer and Voigt 2020) and social assistance (Özel and Parado 2020), as well as the regulatory dimension of social policy at the EU-level (Graziano and Hartlapp 2018; Hartlapp 2019). Nevertheless, some broader questions have remained open (Benish and Levi-Faur, 2020). For example, the role of social regulations in the welfare state, which target the behavior of individuals directly, needs more empirical work (Levi-Faur 2014, 607).

In this article, I contribute to the literature on the regulation and welfare in two ways. Firstly, I explore empirically how social regulation and fiscal transfers are linked within welfare state reform events, in different policy domains and countries. In using an original empirical data set, I analyze descriptively (Gerring 2012) the wave of reforms linking regulation and welfare in health, immigration and unemployment policy across thirteen developed democracies. I explain how integrating regulation and welfare differs between the three policy fields and I show that there are differences between countries and over time. In harkening back to literature on the complexity of policy fields (Trein and Maggetti 2020), I argue that we see different patterns concerning the integration of regulation and welfare between migration on the one

hand, and health and unemployment policy on the other. In migration and unemployment policy, integrating regulation and welfare entails a conditionality dimension, i.e., the receipt of monetary benefits depends on the compliance with regulations. In health policy, compliance plays a minor role as target groups have more political clout (Schneider and Ingram 1993). I hold that there are differences between welfare state types regarding such reforms, as Continental European and Liberal welfare states are more inclined to use regulations to cover the reduction of benefits and to commodify social services (Iversen and Wren 1998; Häusermann and Schwander 2012; Levi-Faur 2014).

Secondly, in using the idea of the protective state (Ansell 2019), I argue that integrating regulation and welfare has two faces. On the one hand, integrating regulation and welfare has the potential to protect citizens from the forces of the market. On the other, such reforms and policies have a capability to boss individuals and to put pressure on them, for example in forcing them to participate in the labor market. I use this distinction to develop two approaches to integrating regulation and transfers through public policy. Firstly, a “regulation first approach”, in which the government uses primarily social regulations to improve welfare whereas transfer measures have a complementary role. Secondly, a “transfer first approach”, which contains the primary use of transfers and where social regulations play a secondary role. I conclude, in linking the idea of bossing and protecting to the uses of welfare and regulation in social policy and I suggest a way in how future research can address this topic in a theoretical and empirical manner.

Starting Point and Data set

The starting point for this research is the idea of the regulatory welfare state. In two recent articles, David Levi-Faur developed a regulatory perspective on the welfare state and coined the term *Regulatory Welfare State* (Levi-Faur 2013; 2014). This expression combines the concepts of a welfare state, which aims at “promoting equality, solidarity and social justice”

through fiscal redistribution with the regulatory state, which works according to “criteria of economic efficiency while keeping politics of equality out” (Benish et al. 2017, 315-6). Against this background, Levi-Faur suggested to distinguish two ideal types of the welfare state – the “fiscal-welfare state” and the “regulatory-welfare state.” Both types aim at achieving welfare goals but with different means: fiscal welfare policy contains the use of redistributive policy instruments whereas regulatory welfare policy uses regulatory instruments (Levi-Faur 2014, 608).

In this paper, I focus on the integration of regulation and welfare, i.e., the merging of policy goals or coordination of public sector agencies, for regulating social behavior with the provision of fiscal transfers or social services. Therefore, the paper focuses on three policy fields. Firstly, in unemployment policy, governments have integrated regulation and welfare by making the receipt of welfare benefits conditional upon the compliance with regulations demanding benefit claimants to participate in job trainings or even to accept certain jobs (Clasen and Clegg 2011). Secondly, another example for regulatory social policies is immigrant integration policy, which obligates immigrants to make use of integration measures (Goodman and Wright 2015, 1886-7) to receive permanent residency or citizenship, which entitles them to receive welfare benefits. Thirdly, a further example for integrating regulation and welfare is the integration of health care services with measures that incentivize individuals to take preventative health measures (Trein 2017b, 2018).

I have available a dataset that measures the integration of regulation and welfare, according to the above-mentioned examples. Health, migration, and unemployment represent three very different examples for the integration of regulation and welfare (Trein and Maggetti 2020). The dataset covers 13 countries, which represent different welfare state types (Levi-Faur 2014), i.e., Liberal (Australia, Canada, New Zealand, UK, and the US), Continental European (Austria, Belgium, France, Germany, the Netherlands, and Switzerland), as well as one Southern European (Italy) and one Social Democratic welfare state (Sweden), in the period 1980-2014.

The data starts with the onset of “regulatory capitalism” (Braithwaite 2008, 1), which entails that government bodies (agencies) that are independent from government’s immediate control are in charge of regulatory policymaking and implementation in many policy fields (Jordana and Levi-Faur 2004; Maggetti 2009; Jordana et al. 2011). Originally, the dataset was created to analyze the coordination and integration between policy instruments and public sector organizations (Trein 2017c; Trein et al. 2019; Trein and Maggetti 2020). In addition to policy coordination and integration, the data also measures the integration of regulation and welfare.

Table 1: Empirical identification of regulation and welfare in three policy fields

Policy field	Examples of integration of regulation and welfare
Health	Integrating incentives for prevention with health care (for example in health insurance programs); integration of health regulations and (paid) curative services at the level of policy goals (tobacco control and cancer strategies)
Migration	Integrating immigration and integration rules with social benefits for immigrants and refugees; receipt of benefits is conditional on compliance with rules
Unemployment	Integrating regulations regarding labor market activation with unemployment benefits and social assistance; receipt of benefits is conditional on compliance with rules

The table operationalizes the integration of regulation and welfare as discussed (Table 1). We collected the data according to the following steps: (1) Survey of primary sources, secondary literature, edited books, and policy reports (for instance by international organizations or governments). (2) Creation of a time series of formal policy, legislative, and organizational changes. (3) Data sheets validated by international experts. (4) Exclusion of reforms that are unclear in their substantial relevance for our analytical focus. A detailed description of the dataset and the data collection is published here: (Trein and Maggetti 2020).

Specifically, I use a binary (0/1) variable, which records whether there is a reform event integrating regulation and welfare in a year, nested in a policy field, and country. Coding binary variables to measure change follows the strategy used in diffusion and conflict data (Maggetti and Gilardi 2016) and creates a dynamic measurement for policy change. To analyze cumulated

reform activity, we aggregated the binary variables for reform events to create an indicator of reform intensity comparing countries, years, and policies.

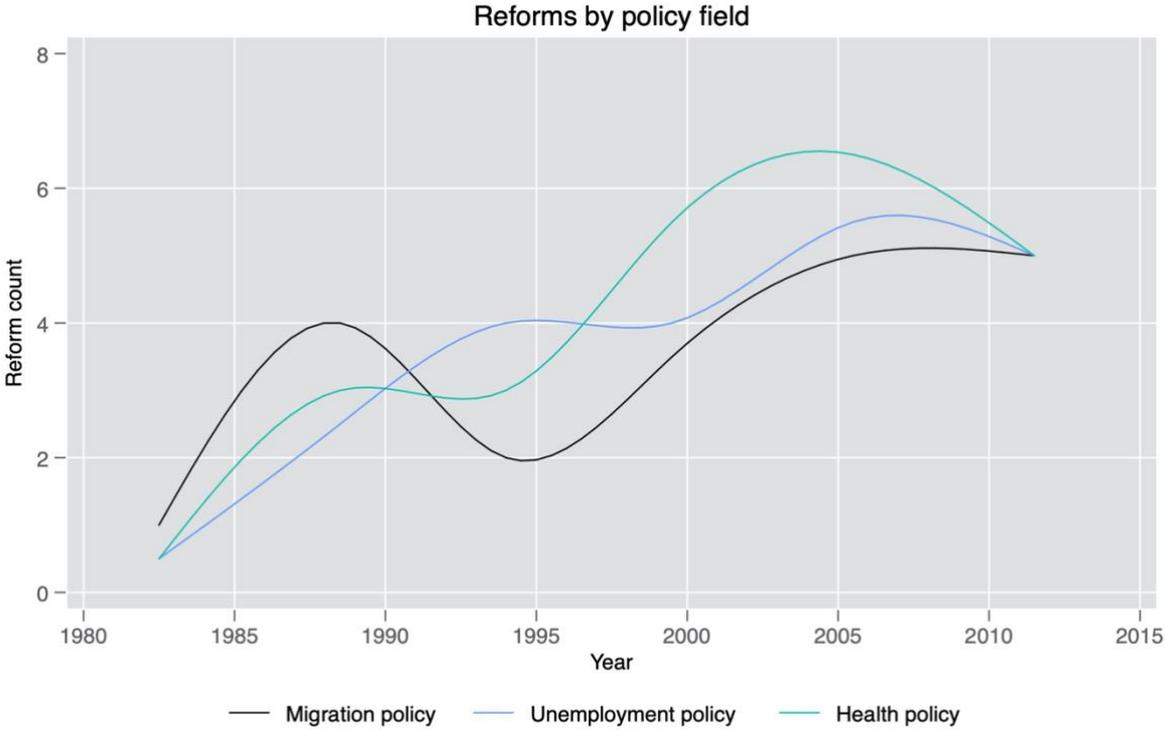
The Integration of Regulation and Welfare in different Policy Fields

The data on reform events shows differences regarding the integration of regulation and welfare between the three policy fields. Concerning migration policy, the numbers of reforms integrating immigration and migrant integration policies augmented during the 1980s and declined again during the early 1990s when many OECD countries experienced economically difficult times. After 1995, the number of these reforms augmented again (Figure 1). Regarding unemployment, policy changes integrating regulation and welfare augment from the early 1980s until the mid-1990s and then again during the early 2000s. These types of reforms decline after 2005. Finally, reforms linking behavioral and regulatory with welfare instruments in health policy appear especially after 1995. The frequency of such reforms peaks before 2005 and declines after that. I show median splines (Figure 1) of the reform events instead of the actual reform events to indicate reform trends.

In *health policy*, the integration of regulation and welfare concerns the integration of health regulations and other behavioral incentives for individuals with the payment for health care services. The biggest part of health policy covers the financing and provision of health care services, for example in hospitals (Gerlinger 2010; Klenk and Reiter 2015). Regulatory policies aiming at influencing individual behavior, such as smoking bans, seatbelt laws, and bans on drugs are distinctive from health care in terms of their legal and organizational foundations (Trein 2018). Nevertheless, there is no conditionality between the welfare part – health care – and the regulatory part – individual public health regulation –, in the sense that the receipt of health care services is conditional on complying with public health regulations. Noncompliance with public health regulations will, usually, not result in the loss of health care coverage. Integration entails health care financing organizations and instruments that nudge individuals

towards more healthy behavior. For example, the German law on preventative health (*Präventionsgesetz*) requires statutory health insurances to provide prevention measures (Gerlinger 2018). Furthermore, in health policy, the integration of regulations and healthcare services appears often at the level of policy goals, for example in integrated

Figure 1: Reform trends integrating regulation and welfare in different policies (median spline)



policy strategies such as the Australian Better Health Program (Trein 2018, 132).

Concerning *unemployment policy*, the integration of regulatory and welfare instruments focuses on integrating regulations for individuals with social transfers and can entail conditionality. For example, in Switzerland, regulations requiring individuals to file a certain number of applications or to accept work to receive welfare benefits happened between the federal unemployment insurance’s regional office, and the municipal social assistance schemes (Champion 2011). The 2004 reform of the German unemployment insurance merged the national unemployment insurance and the municipal social assistance programs (Zimmermann

and Rice 2016). Under the new regime, claimants are subject to rather strict regulations if they want to obtain the full benefits (Götz et al. 2010; Zimmermann and Rice 2016, 170).

The third case for the integration of social regulation and welfare is *immigration policy*. In this policy field, regulation and welfare are integrated through conditionality. Claimants of social benefits need to comply with rules requiring them to learn the language, acquire knowledge about the country they immigrate into, and accept jobs they are being offered to obtain access to permanent residency and welfare benefits. In this case, regulation and welfare are integrated across different policy fields with different legal foundations and agencies. For example, the Canadian Immigrant Integration Program of 2010 aimed at, “uniting separate programmes for settlement programming. Newcomer services are covered by a single funding agreement, simplifying the administrative process for immigrant-serving organisations, and allowing them to tailor their offerings to suit newcomers’ needs” (OECD 2012, 218). The three cases show that there are differences between policy fields regarding the integration of regulation and welfare.

Why do we see these similarities and differences between policy fields? In the following, I provide a tentative explanation, using two variables. Firstly, the **complexity** of the policy field matters. The more different policy sectors (laws and public sector organizations) are involved, the more complex is the problem that cross-sectoral policies need to address (Peters 2017, 392-4; Christensen et al. 2019). Integration of regulation and welfare cuts across different policy fields in migration policy, but remains rather within the wider policy fields for health and unemployment policy, although the latter two policy fields differ regarding their technical complexity (Trein and Maggetti 2020). Therefore, the different reform pattern in migration policy – compared to health and unemployment policy – can be attributed to larger scope of the potentially involved integration targets, in this policy field.

Secondly, the **political clout of the policy field’s target group**, i.e., the political influence of those who are affected by the policy (Schneider and Ingram 1993), explains why there is

conditionality in the integration of regulation and welfare in unemployment and migration policy but not regarding health policy. In health policy, individuals who do not comply with public health regulations, such as compulsory vaccination or smoking bans face charges, but they do not lose health care coverage as a consequence of non-compliance. Such a policy is morally, legally, and socially unacceptable as it would interfere with basic human rights. Furthermore, those who do not conform with public health regulations are *contenders*, i.e., they have a moral cause and are political influential (Schneider and Ingram 1993, 336), of the *Nanny State*, and can count on some political backing, for example from liberal parties or economic organizations. The term Nanny State refers to the accumulation of public health policies, such as tobacco control and anti-obesity measures, indicating that these policies reduce individual freedom (Harsanyi 2007). This implies that policymakers are likely to take such contending groups politically serious, although these groups do not necessarily have a positive image (Schneider and Ingram 1993, 343). Recipients of health care services can be considered either an *advantageous* or a *dependent* target group, conditional on the type of services covered by the health care system (Blank et al. 2017). These target groups have a positive image and policymakers will regard their concerns as a political priority (Schneider and Ingram 1993, 336).

In migration and unemployment, policies differ from health policy concerning the integration of regulation and welfare, as the receipt of benefits can be conditional on the compliance with rules and non-compliance can result in the reduction or loss of eligibility for payments. I argue that target groups are *deviants*, in both cases, i.e., they are considered to be responsible for their own situation (Schneider and Ingram 1993, 343). In the instance of migration, this applies to those “unwilling to integrate” whereas those fleeing violence and war are *dependents* who deserve special protection. Nevertheless, the distinction is between *immigrants as deviants* and *refugees as dependents* is volatile and depends on how many arrive. A high number of immigrants is likely to lead to reforms that increase conditionality not only regarding

integration rules but also concerning strictness of background checks (Natter et al. 2020). Contrary to contenders, deviants have a lower potential for political mobilization (Schneider and Ingram 1993, 343). Therefore, governments can be tough on target groups for immigration and unemployment policies and design the integration of regulation and welfare in a way that makes the receipt of monetary benefits conditional on compliance with rules. Naturally, there are differences between political parties regarding these policies. Right and market-liberal parties are more likely to use the narrative of the deviants that should be punished, whereas left parties would consider these target groups as dependents, which deserve support (Morel et al. 2012).

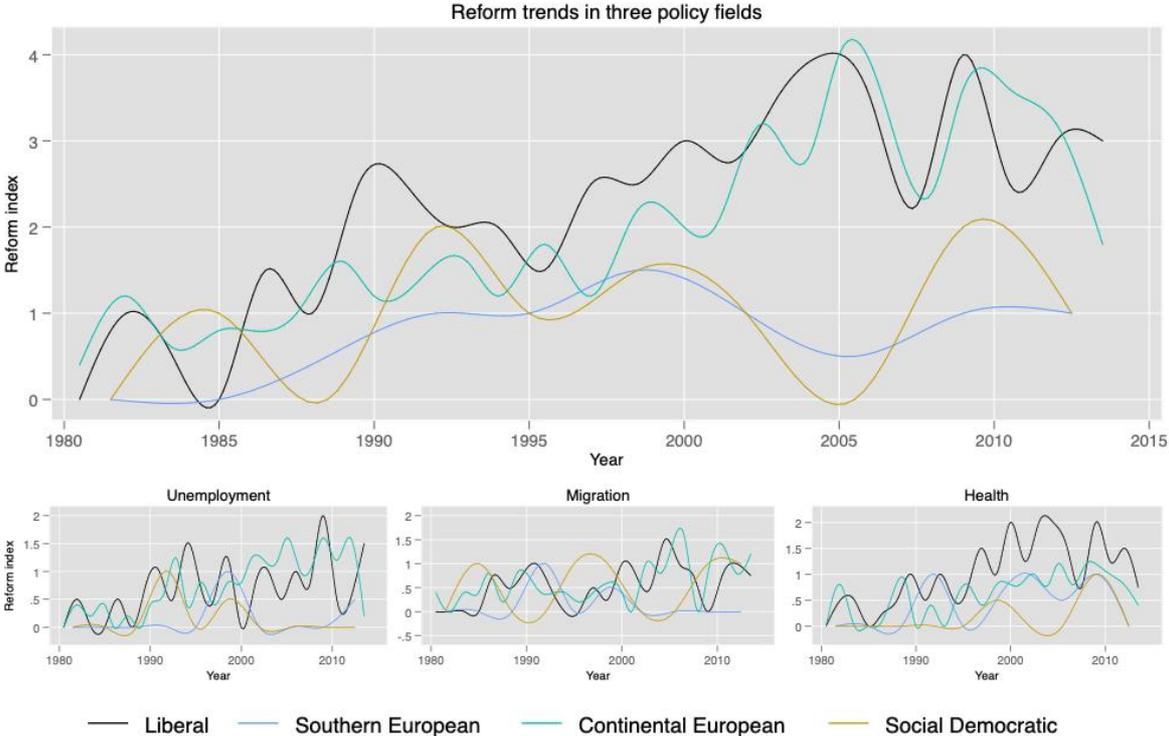
Integration of regulation and welfare in different welfare state types and policy fields

In the following, I turn to an analysis of the integration of regulation and welfare in different welfare state regimes and policy fields. Other than Levi-Faur, who distinguishes different welfare types in an ideal-typical perspective (Levi-Faur 2014), I differentiate between the real-types of Liberal, Continental European, Social Democratic, and Southern European welfare states (Emmenegger et al. 2015, Ferrera 1996). To visualize the data effectively, I created an index of the reform events. Notably, I multiplied the reforms for countries in the group of Liberal welfare states by 0.5 (five countries in the sample) and those in the group of Continental European welfare states by 0.4 (six countries in the sample). This strategy allows me to compare the data with the Social Democratic and Southern European cases in the sample. I create again a median spline curve to describe reform trends over time (Figure 2).

The results indicate differences between welfare state types as well as differences between policy fields. Overall, the curve of reforms integrating regulation and welfare is much steeper in Continental European compared to Liberal welfare states. Regarding unemployment policy, Liberal and Continental European welfare states tend to have more reforms compared to Southern European and Social Democratic welfare states, especially in the period after 2000.

With respect to migration policy, the data indicates that there are less differences between welfare state types compared to unemployment policy. Concerning health policy, the results of my analysis suggest that especially countries with a Liberal welfare state have pursued measures integrating regulation and welfare, compared to the governments of countries representing other welfare state types.

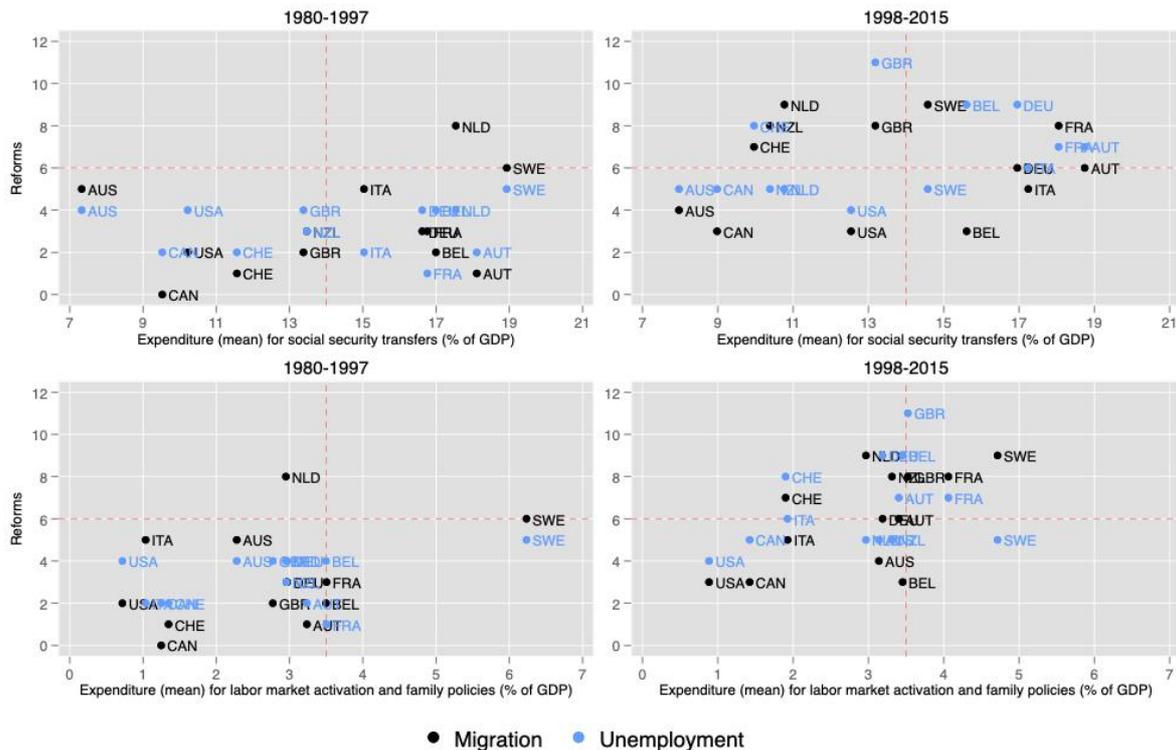
Figure 2: Integration of regulation and welfare across welfare state types and time



To deepen the analysis further, I will now show the reforms per country over the expenditure for social security transfers on the one hand, and labor market activation and family policies on the other, in two time periods. I chose these measures to contrast the reforms integrating regulation and welfare with money spent on cash transfers claimants receive (Emmenegger et al. 2012), as well as to contextualize reforms with social policies that help individuals to find

jobs and support their families (Bonoli 2005).¹ The results confirm that the majority of reforms integrating regulation and welfare happened after 1997 and were more common in countries that are part of the group of Continental European as well as in Liberal welfare states (Figure 3).

Figure 3: Integration of regulation and welfare in immigration and unemployment policy



In addition, the data reveals further insights. Notably, amongst the countries with a Liberal welfare state, above all the UK as well as Australia, New Zealand, are driving the results, whereas Canada and the US have much less reforms. Countries from the group of Continental European welfare states, such as Austria, Belgium, Germany, and France, accompany reforms integrating regulation and welfare with an increase in expenditure for new social risks while

¹ To measure welfare transfers and spending on new social risks, I use the *Comparative Political Dataset* (Armingeon et al. 2016). The measure for welfare transfers uses the variable “sstran”, which aggregates spending on transfers as a percentage of GDP. The measure for new social risks aggregates the variables “almp_pmp”, and “fallow_pmp”. The data uses mean values for the two periods.

mostly maintaining their levels of transfer expenditure. In the Netherlands, reforms integrating regulation and welfare come along with a reduction of social security transfers. Interestingly, Sweden reduces expenditure for transfers and new social risks along with reforms integrating regulation and welfare, whereas other countries augmented those expenditures, above all France.

Regarding the integration of regulation and welfare in health policy, I depict reforms along the development of public and private expenditure for health (Figure 4).² The findings indicate that especially countries with a mainly tax-funded health care system – Australia, Great Britain, New Zealand but also Italy – tend to pass the more reforms integrating regulation and welfare. Contrariwise, countries that have a health care system that largely relies on private health expenditure, such as Switzerland and the US, seem to have less reforms integrating regulation and welfare in health policy, at least at the national level.

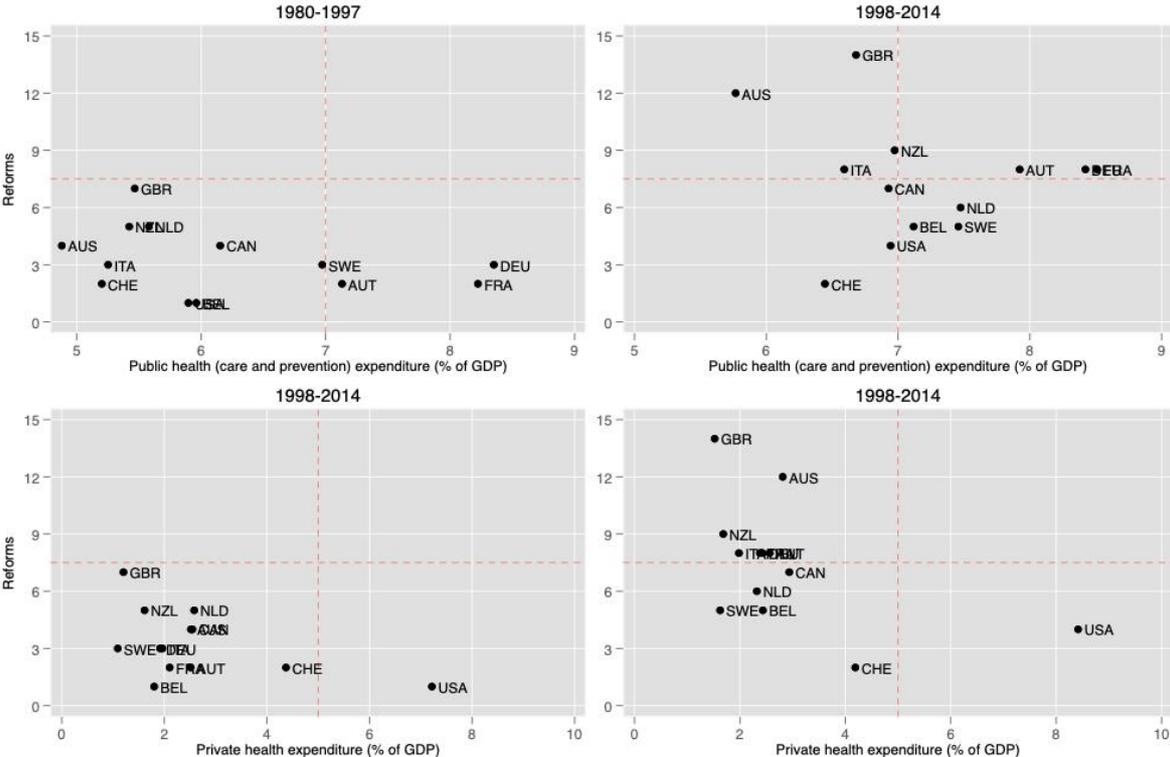
The findings of this paper suggest that integrating regulation and welfare fits with common practices of commodifying and de-commodifying welfare services and that there are variations between welfare state types. For example, Social Democratic welfare states tend to use social spending and regulation to de-commodify, whereas Neoliberal welfare states use regulation and spending to commodify (Levi-Faur 2014, 609-610), creating what scholars have termed a workfare state where the availability of social services is linked to the acceptance of jobs by benefit claimants (Daguerre 2004).

My data indicates that, on the one hand, there is a distinction between welfare state types regarding the integration of regulation and welfare. Particularly, Liberal and Continental European welfare states integrated regulation and welfare regarding immigration and unemployment policy. Liberal welfare states pursued such reforms continuously, whereas in

² The measure for public and mandatory private health expenditure uses the variables “wdi_exphpu” and “wdi_exphpr” from the *Quality of Government Dataset* (Teorell et al. 2017).

Continental European welfare states integrating reforms appeared later but more frequently. In Sweden, such reforms happened less frequently. On the other, my results indicate that there is a convergence of welfare states regarding the integration of specific types of regulation with welfare transfers, which chimes with the insight that welfare states pursued a common trajectory towards liberalization reforms (Thelen 2014).

Figure 4: Integration of regulation and welfare in health policy



My findings fit also with the argument that economic (including social) policy in the service economy aims at balancing three goals – earnings equality, employment growth, and fiscal discipline – of which only two can be achieved at the same time. According to the literature, Christian Democratic welfare states focus on fiscal discipline and earnings equality, Neoliberal welfare states prefer employment growth and fiscal discipline, and Social Democratic welfare states focus on earnings inequality and employment growth (Iversen and Wren 1998, 514). Against this background, in Continental European, i.e., Christian Democratic, welfare states,

the integration of regulation and welfare contributed also to creating a second labor market for individuals who have difficulties to be integrated in the first labor market (Häusermann and Schwander 2012). The more limited use of such reforms in the Swedish case fits the expectation that policymakers in Social Democratic welfare states pursue earnings equality and full employment (Iversen and Wren 1998, 514). Concerning the integration of regulation and welfare in health care, my findings confirm some of the findings from previous case studies, which suggest that countries with a tax financed health care system tend to integrate preventative and curative health policies. In this context the government uses preventative health policies to protect citizens and to keep the cost for health care under control (Trein 2017a, 2018).

Two Faces of Regulatory Social Policy in the Welfare State

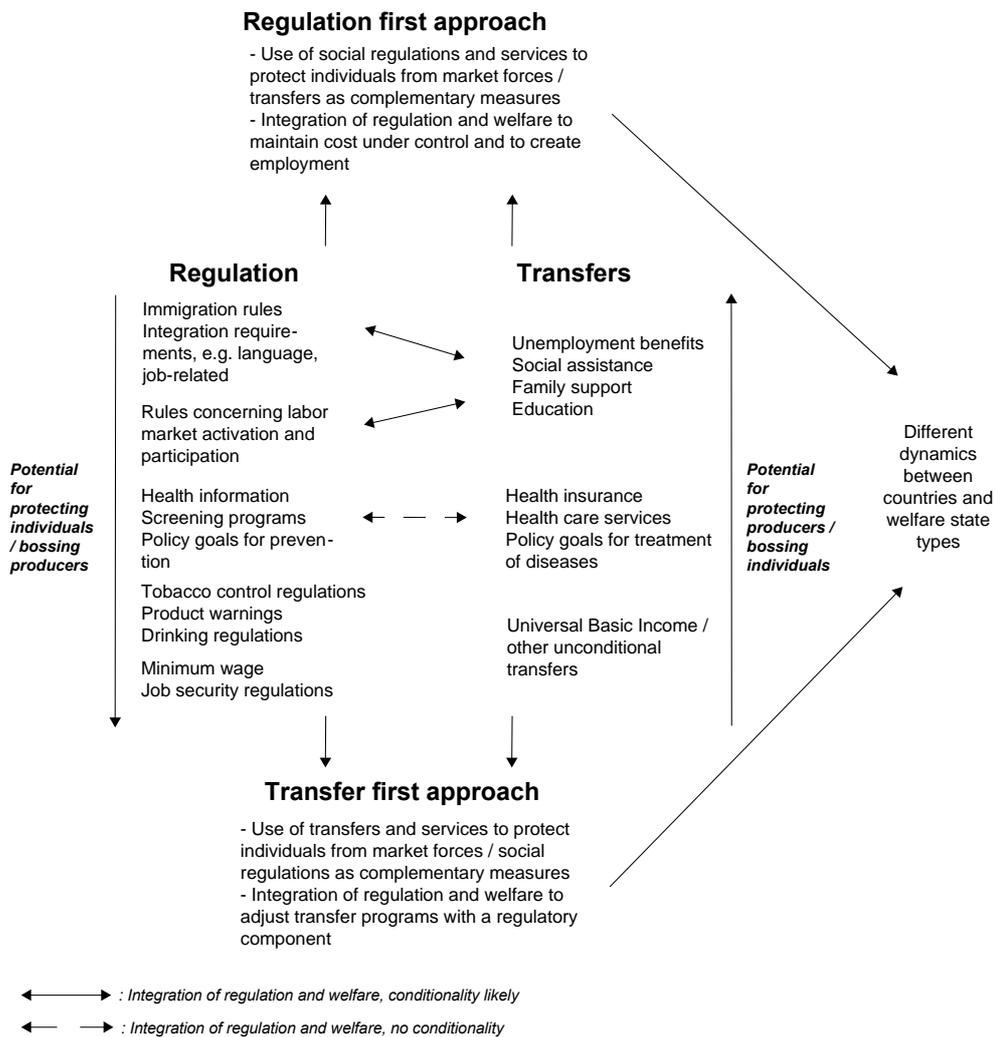
What are the implications of this data for our understanding of the regulatory welfare state and the roles and uses of regulation, in social policy, in general. According to its original concept, the regulatory welfare state explicitly focuses on the redistribution through regulatory instruments (Levi-Faur 2014; Benish et al. 2017). Nevertheless, governments have also used regulatory instruments to protect citizens from the problem of new social risks that appeared in the post-industrial society broadly defined (Beck 1986; Leisering and Leibfried 2001; Bonoli 2005). Regulatory policy is likewise used as part of what Ansell denotes as the *Protective State*, which aims to, “... protect against discrete harms, accidents, hazards, threats, and risks ...” (Ansell 2019, 2). For example, new public health policies aim to protect citizens from smoking, driving without a seatbelt, or diabetes (Trein 2017b, 2018).

Contrariwise, regulatory measures have also limited individual liberties, for example the liberty to smoke but also the liberty to not work and still receive social benefits (Daguerre 2004). These policies are examples for what Taylor-Gooby (2006, 275) and Ansell (2019, 15) have named, a “... greater regulation of individualized life-styles.” Therein, regulatory policy instruments

aim to protect citizens from risks, such as unemployment or health hazards. Social regulations are different from regulatory instruments supporting welfare, such as private pension schemes and private health insurances, but they are often linked to instruments of fiscal transfer. The goal of such social regulation can either be explicitly formulated or remain hidden, as policy instruments, "... may be a useful smokescreen to hide less respectable objectives" (Lascoumes and Le Galès 2007, 17).

In the following, I am going to point out that the use of social regulations can have such a double face. On the one hand, the mentioned regulations aim to protect citizens from all kinds of social risks, on the other, they have a coercive face, which enforces a particular behavior through a nanny state that limits individual choices (Ansell 2019, 39-40) and they might be perceived as an augmentation of a coercive state (Fassin 2019). The above-discussed data has shown that the integration of regulation and welfare has happened across developed democracies but that there are also differences between welfare state types and policy fields. In the empirical analysis, I have focused on the integration of regulation and welfare through conditionality, concerning immigration and unemployment policy fields. In these two policy fields integrating regulation and welfare entails that the receipt of benefits can be conditional upon the compliance with regulations, such as the need to regularly apply for jobs or to obtain benefits. In health policy, there is integration of preventative health programs into health care services and of policy goals for treatment and prevention of diseases but there is no conditionality for individuals attached to them. I did not include policies in my analysis that are "only" social regulations, such as tobacco control policies, minimum wages. Neither did I take into account transfers that do not depend on regulatory elements, for example, Universal Basic Income, or other unconditional cash transfers, which are part of the realm of social policy mixes (Figure 5).

Figure 5: Integration of regulation and welfare in different policy contexts



In taking a comparative perspective, the mentioned regulations and welfare elements can be distinguished according to their potential for protecting or bossing individuals, i.e., citizens in need of social benefits, or producers (companies) (cf. Ansell 2019, 25-26; Knoepfel et al. 2011). The integration of regulation and welfare based on conditionality is an example for the potential protection of producers and the bossing of individuals as it forces individuals to seek jobs, provides labor supported by the state and potential contracts for firms which deliver job training and placement services, i.e., workfare (Daguerre 2004, 2017). From a social investment perspective the integration of regulation and welfare can be described as follows: “social policy should help to 'make work pay' through positive economic incentives (by improving net income for those who work, first of all at the bottom end of the wage distribution), and that it should

assist in promoting the creation of 'quality jobs'" (Morel et al. 2012, 10). The integration of regulation and welfare in health policy has a more limited potential for bossing and offers more protection for individuals compared to cases integrating regulation and welfare in immigration and unemployment. Beyond the examples discussed in this paper, health regulations, e.g., tobacco control measures, as well as regulations that protect jobs and wages have a higher potential to protect individuals and restrict producers, in comparison to integrated measures. Finally, transfers that are not linked to regulation, such as an Universal Basic Income, are another instrument aiming at protecting individuals from market forces (Figure 5).

The empirical research presented above suggests that – broadly put – governments mix regulation and welfare in two different ways. On the one hand, there is a regulation first approach, which uses above all social regulations to protect individuals from market forces; in this case, welfare transfers complement regulatory instruments and the integration of regulation and welfare aims at creating employment and at keeping public expenditure under control. The empirical cases that resemble this approach are Liberal welfare states, respectively the countries that pursued such an approach. On the other hand, there is a transfer first approach. This approach aims at using fiscal transfers to protect individuals first and employs individual social regulations as complementary policy measures. The empirical cases representing these approaches are Continental European welfare states (Figure 5).

Conclusions

In this paper, I have analyzed the integration of regulation and welfare, based on a dataset of reform events linking regulation and welfare. The results of my analysis show that the integration of regulation and welfare differs between immigration and unemployment policy on the one hand, and health policy on the other. The main difference is that in the case of immigration and unemployment, integrating regulation and welfare comes along with conditionality, i.e., the uses of regulation make the receipt of benefits conditional on compliance

with regulation, whereas in health policy the receipt of health care benefits is not conditional on the compliance with health regulations or behavioral incentives. My results show also that such reforms have appeared as of the mid-1980s in all three policy fields. Nevertheless, they take a more cyclical shape in immigration policy compared to unemployment and health where the integration of regulation and welfare augments during the 1990s. Furthermore, there are differences between welfare states. The integration of regulation and welfare happens above all in Liberal and Continental European welfare states concerning unemployment and immigration, and in Liberal states regarding health policy.

Against this background, I have argued that integrating regulatory instruments in social policy links two faces of social policy and can take two different approaches. On the one hand, there is a “regulation first approach.” This approach entails the use of social regulations and services to protect individuals from market forces whereas transfers are complementary measures. The integration of regulation and welfare aims at maintaining cost under control and at creating employment. On the other hand, there is “a transfer first approach.” According to this approach, there is a use of transfers and services to protect individuals from market forces. Social regulations act as complementary measures to transfer programs. The integration of regulation and welfare entails the adjustment of transfer programs with a regulatory component.

With this paper, I also open avenues for future research. Especially, scholars should focus on the following topics to analyze the integration of regulation and welfare. Firstly, research should concentrate on the complementarity of an integrated approach with instruments that are purely regulatory or transfers-oriented, such as health regulations as well as Universal Basic Income and minimum wages. Secondly, future research needs to explore the drivers of reforms integrating regulation and welfare, such as the powers of the central government or fiscal imperatives. Thirdly, additional research should take into account the limitations of quantitative datasets, such as the one used in this paper, and assess how governments have terminated and deleted policies integrating regulation and welfare.

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