

University of Oslo, Department of Political Science

STV 4313 and 2313

The Welfare State: Politics, Policies, and Feedback

Digital home exam, Spring 2020; 3 hours.

[NB: STUDENTS ARE TO BE RANDOMLY ASSIGNED TO THREE OUT OF FOUR QUESTIONS]

You may write in Norwegian, Danish, English or Swedish. You will not be graded on grammar or writing style.

Question 1 (about 55 minutes, 6p)

How do retrenchment policies, and dissatisfaction with welfare state “performance,” affect government support and generalized political trust? Discuss empirical patterns reported in the course literature as well as possible interpretations of these patterns.

Scholars such as Paul Pierson have argued that citizens punish incumbent governments for welfare state retrenchment and poor performance. But Natalie Giger’s empirical work has shown such effects to be weak and—above all—contingent on several factors such as campaign salience, the party families in government (social democratic governments seem to suffer more), and on traits among individual citizens (electoral punishment is present mainly among normative welfare state supporters who are not much worried about the economic effects/sustainability of the welfare state).

By contrast effects on political trust seem more clearly present and less contingent. The overview by Kumlin and Haugsgjerd discusses a number of research areas providing relevant evidence.

Two major interpretations have been discussed throughout the course, both of which seem to be at least partly consistent with available findings. One is that “people would like to punish but cannot”, perhaps because of successful blame avoidance strategies or because of generally difficult conditions for electoral accountability in western democracies. A second possible interpretation is that citizens can punish but still do not. Perhaps because many accept that underlying “pressures” make some welfare reform necessary. Moreover, part of the explanation here may be that political leaders sometimes engage in successful “credit claiming” for welfare reform that makes it easier for citizens to understand and accept reforms.

Question 2 (about 55 minutes, 6p)

Describe developments in Norwegian sick leave and family policy as reported in the course literature. Also, discuss patterns of party political conflict/consensus in these policy areas using Pierson’s “new politics of the welfare state” theory.

Anniken Hagelund analyses sick leave in Norway, an area long marked by exceptionally generous replacement levels and entitlements such as no waiting days. Repeated attempts to change “the incentive structure” for employees and employers, i.e. retrenchment and cost-cutting initiatives have been initiated at various points in time by different political parties and actors. So far they have largely failed. That said, Hagelund also shows how there have been other interesting policy changes. These are associated with so called IA agreements between government and “social partners”. They initiated more subtle work-place related measures meant to make employers and employees more involved and accountable for sick leave (through follow-up plans,

dialogue meetings, and an increased emphasis on part-time sick leave). These measures may not have affected overall fiscal costs for sick leave much but may still have started something of a culture shift in the workplace as well as helped underscore the emphasis on activation in welfare state reform more generally.

Norwegian sick leave seems a good example of the modest reform and depolarized political conflict predicted by the “new politics” framework. The more subtle changes discussed above are harder to analyze in terms of this theory as they are not about major retrenchment (which is the focus of Pierson’s theory). That said, Hagelund discusses the possibility that the subtle changes partly served “political purposes” reminiscent of the new politics framework. For example, the concrete technical nature of the changes may have served to keep sick leave reform off the broad public agenda (i.e. a type of blame avoidance).

Ellingsæther analyzes developments in family policy in the Nordic countries, looking at several aspects such as parental leave benefits (including the daddy quota), child care services, and cash for care benefits. Again, the policy changes discussed in this article are not entirely straightforward to analyze in terms of the new politics framework as they are not about major retrenchment (which is the focus of Pierson’s theory). Moreover, and somewhat inconsistent with the theory, Ellingsæther finds clear traces of left-right conflict over at least some these policy measures.

Finally, both articles conclude that welfare state change is often “incremental”. It doesn’t typically come in the shape of big, easily noticed, and irreversible change. Whether intended or not incremental change can facilitate “blame avoidance” and help explain the absence of reward/punishment for welfare state change predicted by the new politics theory (whenever blame is not successfully deflected).

Question 3 (about 55 minutes, 6p)

The concepts of “retrenchment” and “social investment” are often used to describe welfare state development. Explain these concepts, discuss broad trends in retrenchment and social investment over time, as well as patterns of party political conflict/consensus over these issues. Use some illustrative examples/findings from the course literature when giving your answer

Retrenchment concerns reforms that, in van Kersbergen/Vis formulation, produce a “rolling back” of social protection and other welfare state interventions, lowering benefits and tightening of eligibility criteria. A lecture used data discussed by Stephens to illustrate that non-negligible retrenchment had occurred in many developed welfare states already by the mid 1990s in replacement rates of unemployment insurance, sickpay, and pensions. At the same time it is important not to exaggerate retrenchment as current levels are still generally much higher than at the start of the “golden age”.

Social investment policies are about a broad range of welfare state policies that increase, protect, or allow society to make better use of, “human capital”. Morel/Palier/Palme conclude that social investment is an “emerging” policy paradigm that has had an impact on political ideas of elite actors and made an imprint on some policy areas, most notably in dual-earner family policies and activation policies.

Overall then, both retrenchment in “old” social policy and social investment through “new” social policy have occurred but in there are also clear limits to these shifts. Moreover, Ronchi reports that more recently developed social investment policies were more stable in Europe after the financial crisis compared to “old” social policy.

As for political conflict, Häusermann argues that we are dealing with (at least) two rather distinct conflict dimensions. One is about the extent to which parties favour retrenchment in “old” social policy over the status quo. A second dimension is about the extent to which parties favour “new” expansive policy (with social investment as a crucial component) over the status quo. Welfare reform is often the outcome of unpredictable reform coalitions/package deals across these dimensions.

Over time, Stephens reports that party family differences have declined along many policy output/outcome variables (most of which tap retrenchment in “old” social policy). The populist right, however, so far seems to work against retrenchment whenever they can affect government policy.

Social investment as an idea tends to be popular among a multitude of parties and actors. Certain party differences exist when one looks at the finer aspects of concrete policy areas (an example is Ellingsæther in the area of family policy).

Question 4 (about 55 minutes, 6p)

Various types of attitudes towards welfare state policies are discussed in the course literature. Describe three major types of attitudes and explain differences/similarities between them. Use some illustrative examples/findings from the course literature when giving your answer.

One type is “general welfare state support”. Oft-used survey measures involve general support for reducing income differences, for the equality aspect of welfare state goals, and general support for prioritizing spending and generous benefits over cutting taxes. A second type concerns more specific “policy preferences” in concrete areas, often tapped using survey items on support for more or less “government responsibility” in a large number of policy areas. Thirdly, there has in recent years been increasing interest in “performance evaluations/perceptions”, i.e. evaluations and views on how welfare state policies perform in practice.

A number of reoccurring empirical observations have been made about these types of welfare state attitudes. Important examples include:

- *General support has been shown to vary across countries with more support in more generous welfare states.*
- *However, general support has shifted somewhat over time in cyclical ways whereas specific support is more stable.*
- *General support, moreover, is more intimately tied to class conflict and the broader economic left-right ideological dimension and this dimension typically impacts also on specific preferences.*
- *That said, specific preferences are also affected by self-interest factors related to current and future benefit/service reliance.*
- *Moreover, the level of support varies much across policy areas. In addition to self-interest such variation is often explained by people’s views on group “deservingness”.*
- *In addition, concrete policy preferences seem affected by whether citizens are presented with “trade-offs” between areas, for example whether expansion in social investment is explicitly pitted against retrenchment in “old” social policy (Busemeyer/Garritzman).*
- *Performance evaluations, according to Roosma et al, is “the weakest link” European welfare state support (although with much country variation and where levels are higher in Scandinavia).*
- *According to other research discussed during the course performance dissatisfaction often leads to generalized political distrust (rather than focused electoral accountability).*
- *Finally, performance evaluations seem to some extent malleable and sensitive to various informational factors as evidenced by experiments reported by Naumann and Goerres et al.*