

# Social Policy-Making for the Long Term

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**D***ismantling the Welfare State* is a classic work, as fresh and stimulating today as when it was first written. Many of the insights in it are central to the study of policy making today. One is the core thesis, stated on the opening page, that “retrenchment is a distinctive and difficult political enterprise...in no sense a simple mirror image of welfare state expansion.” Paul Pierson was the first scholar to show that theories about how welfare states were built are inadequate for understanding the politics of how they were sustained or reformed in the context of lower growth rates during the 1980s and 1990s. For that purpose, we need a new analysis of the “politics of retrenchment” that the book provides.

Here too we find an early expression of Pierson’s influential formulations about “policy feedback.” Building on Lowi’s (1964) contention that policies create their own politics, he draws attention to the contributions that network externalities and the establishment of policy constituencies make to the durability of social policies. In some passages, the book anticipates arguments about “policy drift” later refined by Jacob Hacker (2004), which suggest that governments can alter the impact of policies without any affirmative action simply by refusing to adjust them to accommodate secular or socioeconomic changes.

## INSTITUTIONS AND COALITIONS

At an overarching level, the book also makes a contribution to one of the central issues on the agenda of institutional analysis, namely the problem of explaining how institutions (in this case policy regimes) structure the political coalitions on which the continued existence of those institutions depends. As Riker (1980) noted some years ago, if institutions are constructed and sustained by supportive political coalitions, why should we ascribe explanatory power over political outcomes to those institutions rather than focusing on the coalitions upon which they depend?

Within the tradition of historical institutionalism, a second wave of research has recently brought this problem to the fore. Earlier works in this tradition tended to deal with the issue by positing some sort of temporal syncopation. They suggested that institutions are put in place by new coalitions during critical junctures, often precipitated by economic or political crisis, but then persist to structure action through subsequent periods of relative institutional stability (Capoccia and Keleman 2007; Collier and Collier 1991; Krasner 1984). However, the analysts of this second wave tend to reject the distinction between critical junctures and periods

of stability. Instead, some argue that institutional change is typically continuous, so that major institutional transformations emerge, not from critical junctures, but from a cumulative set of incremental adjustments made over long periods of time (Streeck and Thelen 2005; see also Orren and Skowronek 2004).

In parallel terms, Streeck and Thelen (2005) maintain that fields of action are replete with multiple layers of institutions, some of which are taken up by social coalitions and adapted to their purposes, while others fall into desuetude. If institutions are so plentiful and plastic, however, it becomes difficult to understand why we should see them as factors that structure political action with explanatory force over important political outcomes. This paradox of plasticity hangs over institutional analysis. How might it be resolved?

Part of the answer lies in focusing on the ways in which institutions help to create or sustain the social and political coalitions on which their continued existence depends (Hall 2015). Coalitions may be important but institutions often make those coalitions possible. Rational choice analysts address some aspects of this issue when they highlight the collective action dilemmas inherent in coalition-building and show how institutions resolve them, notably by promoting credible commitments (Shepsle 2006; Weingast and Marshall 1988). However, Pierson’s (1994; 2004) formulations go considerably beyond that. In *Dismantling the Welfare State*, the distinction he draws between “programmatically” and “systemically” retrenchment is emblematic of his approach to such problems.

Programmatic retrenchment refers to direct cutbacks made to social programs, while systemic retrenchment refers to measures likely to affect the future shape of policy or the environment for policy-making in the coming years; and Pierson notes that systematic retrenchment was usually more consequential than programmatic retrenchment in the British and American cases. Reagan and Thatcher engaged in systemic retrenchment when they took steps to weaken influential supporters of the welfare state, such as trade unions; when they increased the constituencies for private rather than public provision through sales of public housing; and when they used spending on other programs to crowd out the room for growth in social spending. In other words, Pierson notes that the object of policy making is often not to produce better policies but to reconfigure the context for future policy making so as to serve the goals of the coalition in power. By observing how policy restructures politics, he shows how institutional reforms can sustain or erode the social coalitions on which those institutions depend. Dismantling the

welfare state entailed chipping away at the political coalitions behind it.

### THE NEOLIBERAL TURN

Are there any limits to the book's analysis? For the most part, it charts the politics of retrenchment with such insight that there is little with which I would disagree. However, the book was written in the early 1990s and there are some ways in which it may not have fully anticipated developments that were to follow. Leaving aside some important nuances, the main thrust of the argument is that radical change in the welfare state is very difficult to achieve and that continuity is a key feature of social policy. There is a great deal of truth in this. The welfare states of Britain and the United States remain very large and this book explains why. But those welfare states and the politics surrounding them are also different today than they were in the early 1980s in some ways that this volume might not lead us to expect.

In particular, "welfare" has been replaced by "workfare" in both the United States and Britain—and in many European states where the receipt of social benefits has been tied to participation in training or employment. This is now a familiar story well told elsewhere (Blank and Haskins 2001; Peck 2001; Handler 2004; Pierson 2001). Under President Bill Clinton, the earned-income tax credit became a more prominent pillar of the American welfare state and eligibility for important forms of social assistance was made contingent on participation in the workforce. Prime Minister Tony Blair soon followed suit with a "Fair Deal" that also tied social assistance to work. These measures may not have reduced social spending on the poor, but they have altered the terms on which social assistance is provided in fundamental ways that are highly consequential for the lives of many on social benefits (Hays 2003).

Moreover, in tandem with this development, the texture of welfare politics has also changed. The rhetoric of social policy-making is now different than it was at the dawn of the 1980s. Like many other political domains, it is suffused more deeply with neoliberal values (Hall and Lamont 2013). The idea that "to eat one has to work" and that "we owe the poor nothing more than they can provide for themselves" are more

Poor Law Reform abolishing outdoor relief and calling for the establishment of workhouses (Polanyi 1944). Some politicians have always expressed such views, and issues of race sometimes tied to them have long been a subtext of American politics. But neoliberal concepts seem to frame debates about public policy more often than they did a few decades ago. Although a very crude indicator, an Ngram search shows that, as a percentage of all bigrams in English language books, references to "social equality" declined by about one-third between 1970 and 2005, while references to "market efficiency" were almost six times more frequent in 2005 than in 1970.<sup>1</sup>

Partly as a result of these shifts in public discourse, neoliberal ideas now play a more prominent role in popular opinions about many kinds of social issues. When asked whether people in the same job should be paid the same or paid according to their performance, for instance, more than three-quarters of people in 18 OECD nations now favor pay by performance, compared with less than two-thirds who did in 1980 (Barnes and Hall 2013). Cavaillé and Trump (2015) find that, while general public support for making incomes more equal has not changed much in the United States or Britain over the past 30 years, popular support for providing assistance to the poor has declined significantly.

Of course, Margaret Thatcher and Ronald Reagan were progenitors of this shift in political discourse. Both embraced Victorian values as well as new social policies. But equal responsibility lies with their successors, Tony Blair and Bill Clinton, who put a more humane face on those policies but, by embracing a market-oriented discourse, inscribed neoliberal values even more deeply within the body politic. Across the developed democracies, party platforms moved in neoliberal directions during the 1980s and 1990s, even more on the center-left than on the center-right (Iversen 2006). Reagan and Thatcher may not have been able to cut social spending by very much, but they shifted the character of political discourse enough to move the entire political spectrum to the right.

Thus, there are some changes to social policy making that the emphasis on continuity in *Dismantling the Welfare State* tends to understate. Pierson acknowledges the importance of ideological context, and he touches on such issues in a

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prominent features of public discourse than they were even two decades ago. Debates about social policy are couched more often in terms of efficiency and less frequently in terms of social justice than they were during the 1960s or 1970s.

Of course, this type of discourse is not new. In many respects, it echoes the public debate in another era of market expansion, when the British Parliament passed the 1834

nice account of how Reagan initiated a new "politics of the deficit." But this ideological dynamic can be seen as a dimension of the politics of systemic retrenchment worthy of even more discussion.

Why does this dynamic not earn more attention in the book? On my reading, there are two likely reasons. For all its subtlety, the analysis of the book is determinedly rationalistic.

That is, it treats politics in terms familiar to all observers of Congress and viewers of *House of Cards*—largely as a struggle for votes and partisan advantage. Of course, if it did not focus on these facets of politics, *Dismantling the Welfare State* would be a less powerful book because they are central to policy making. But politics is also ideological combat, a struggle for hearts and minds in which the instruments are moral visions founded on competing ideas about how the world works. A rationalist analysis can capture some aspects of this process, but not all of its long-term effects. There are underlying ideological currents that political parties promote but on which they must also ultimately ride, sometimes like flotsam and jetsam without complete control over where they are going. In politics, the shift to a neoliberal era was analogous to climate change—a movement susceptible to concerted intervention but well beyond the control of any one party or government.

These changes in political climate are also difficult to assess using the tools commonly available to political science. Pierson is attentive to public opinion in this book, and he finds that, on standard survey questions, public support for the welfare state remained high. Indeed, it increased to some extent during the 1980s in reaction to governmental efforts to reduce social spending. This revealing finding tells us something about the durability of social programs. But underneath that apparent consensus, there may have been changes in fundamental dimensions of people's views about the role of government, the deservingness of the poor, the value of market competition, and the dictates of social justice, which are harder to measure using standard surveys but equally consequential for what electorates are willing to support.

To ask *Dismantling the Welfare State* to uncover such trends is unreasonable. This book was written barely a decade into the neoliberal era, and the owl of Minerva takes flight only at dusk. But comparison of its findings with what we know now about the subsequent trajectory of social policy making suggests that there may be value in exploring more deeply how voters' interpretations of the world shift over time in tandem with political discourse. Political scientists know something about secular shifts in "policy moods," but these shifts have rarely been linked systematically to changes in political discourse (Stimson 1999). Moreover, new modes of text analysis and access to big data improve the prospects for inquiries of that sort. By drawing our attention to the ways in which social policy-making conditions politics over the long term, *Dismantling the Welfare State* points us in precisely the right direction. ■

#### NOTE

1. [https://books.google.com/ngrams/graph?content=market+efficiency%2Csocial+equality&year\\_start=1970&year\\_end=2005&corpus=15&smoothing=3&share=&direct\\_url=t1%3B%2Cmarket%20](https://books.google.com/ngrams/graph?content=market+efficiency%2Csocial+equality&year_start=1970&year_end=2005&corpus=15&smoothing=3&share=&direct_url=t1%3B%2Cmarket%20)

efficiency%3B%2Cco%3B.t1%3B%2Csocial%20equality%3B%2Cco (Accessed October, 09, 2014).

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The study of social policy issues has long been in the spotlight. Social policy, being one of the most important components of state activity, should not only mitigate negative social phenomena, but also help the population adapt to new conditions, promote social support for reforms, implement positive changes in the economy, ensure social orientation of the population. German scientists have made the greatest contribution to the development of this theoretical basis. Today there are a number of elements for the transition to a strong social policy, which consists in creating the necessary conditions for a more rational management. In Russian sociology, the term "social politics" as a scientific concept appeared relatively recently. Timescales for evaluation and policy making are out of sync. There was a common complaint that evaluations took too long. We found many instances of evaluations being published some years after the policy had been superseded. There is also a role for real-time evaluation of policy implementation that is more flexible, inquiring and independent than performance management. And the department responsible for the particular policy commissions and oversees the evaluation, so it has a major say over what is published. Since many evaluators depend on repeat contracts, they have powerful incentives to acquiesce in self-censorship; Evaluations are often not built into policy design, or are poorly executed. Long-term care workforce: Employment and working conditions. Forthcoming publication. COVID-19: Some implications for employment and working life. The Commission's Social Investment Package, launched in 2013, highlights the need to modernise social policies to optimise their effectiveness and efficiency in light of demographic change and economic challenges. In 2014, the European Commission set up the European Social Policy Network (ESPN) to provide independent information, analysis and expertise on social policies. The principles in the Pillar of Social Rights provide an extensive basis for development of new initiatives. European Commission: European Pillar of Social Rights. European Commission: Europe 2020 strategy. European Commission: The term policy refers to the general guidelines or principles, which give direction to a particular course of action by the government or by an organization. It also refers to, in a very specific sense, an intended or executed course of action. According to Kulkarni Social policy is the strategy of. action indicating means and methods to be followed in successive phases to achieve the declared social. objectives. To achieve social objectives To plan out short term and long term objectives To prevent mismanagement To evaluate existing social services To gear social development and social change To develop and mentor effective and efficient human resources. social policy is with social and economic justice. based on the principle of equality. Hagenbuch asserts that social policy is an effort to make sure that individuals have minimum standards and opportunities. In narrow sense, social policy is an attitude to address the disputes, imbalances, and conflict of interests between employers and employees and to ensure harmony between classes in capitalist systems [3, 4, 5]. In narrow sense, the aim of social policies is to find solutions for the problems emerging in industrial societies. The reduced of wages, poor working conditions, and long working hours have led to social problems in the labor class and to class conflicts. In the nineteenth century, social policies were applied to solve the social problems created by the liberal economy understanding of the state.