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GOVERNMENT STRATEGIES FOR SUCCESSFUL REFORMS IN
CONTOVERSIAL POLICY FIELDS

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Abstract

Keywords

1. Introduction

The last few years have witnessed successful policy reforms in hotly debated politics that may have surprised many observers, because they defied the predictions of institutional stability and inertia that we would derive from institutionalist theories of policy-change. Let us mention three examples to set up the stage. In 2001, the German government succeeded in implementing an audacious reform of the national pension scheme that would have been unthinkable according to neo-institutionalist theory. Against the opposition of the main trade unions, the government managed to drastically cut back benefits and to deeply transform the continental type pension regime into a multi-pillar scheme. Only three years later, it was in Switzerland that an unpredictable policy event took place: in times of severe financial austerity and highly polarized left-right conflict sustained by the rise of the People's party, national maternity insurance was successfully introduced after 50 years of delay and no less that five failed previous attempts. Not far away, and in the same year, the French government succeeded in confirming a comprehensive regulation on the highly controversial issue of assisted reproductive technology and embryo research, even though the literature on morality politics would have predicted failure due to a high level of moral polarization. In all three cases, governments managed to successfully sail very stormy waters, i.e. to implement far-reaching reforms in the midst of heated political controversy.

In the face of zero-sum distributional games (i.e., one actor loses what the other gains), launching policy reforms on controversial issues seems a priori rather irrational and doomed to lead to a dead-end street. However, all three policy decisions mentioned above were taken in hard and controversial times when financial austerity or moral controversy did not create an enabling context of reform. Rather, the political context would have favored the safest strategy for a government seeking reelection: non-decision. So how can we explain that some governments choose to reform in stormy times and that they manage to succeed? In stark contrast to most institutionalist and policy change theories, we argue that governments, even during hard times, are able to *create room for choice*, and to find strategies to circumvent obstacles and foster successful reform coalitions. It is true that recent research indeed pays more careful attention to the processes of gradual institutional and policy change driven by endogenous agents of change. However, these conceptualizations of change remain gradual and incremental, and the capacity of governments to develop strategies for change and coalitional engineering is still under-estimated and under-theorized. In this paper, we reverse the analytical perspective from institutions to actors: we adopt a top-down approach to explain how governments create room for maneuver and impose policy reform despite the difficult circumstances.

Drawing on Riker's concept of heresthetics (1986), we explore in this paper the ways in which governments can and do enact successful policy reform in stormy times. We argue that *every* government needs to engage in coalition engineering in order to introduce successful policy change. Even though governments in majoritarian regimes may be able to rely on minimal winning coalitions - because they confront a low number of formal veto points -, they still need to secure sufficient support and make sure that potential opponents will not veto the reform in the streets. We argue that the capacity of governments to engage in strategies of coalition engineering is based on two inherent features of every policy: a) the *multidimensionality of policy issues*, and b) the *heterogeneity and instability of actor coalitions*. Every policy has a potential of multidimensionality (i.e. it serves multiple purposes and goals) and the aspects or purposes of the policy that are politicized shape both the boundaries of the policy space in which these policies are debated and the set winners and losers that will emerge from the policy-making process. Because of this multidimensionality of policies and the instability of policy networks, governments do have room for maneuver.

We will show that there are three main strategies of coalitional engineering that governments can use, depending on the number of veto points and on the configuration of the actors and interests they have

to deal with: (1) a strategy of division, (2) ambiguous agreement and (3) exclusion. Governments can divide the opposition through political exchange by confronting veto players with a policy reform that comprises different non-substitutable elements. Governments may also seek to gather a large support based on a sufficiently ambiguous compromise on which most actors can agree, even if they do not ultimately share the same policy goals. Finally, a government may use a strategy of excluding and de-legitimizing the opposition in order to foster a winning coalition.

The paper is structured as follows. In the next section, we discuss recent contributions to the literature on institutional and policy change, and we contend that so far, the importance of politics - and in particular the room for government strategies - has been under-analyzed and under-theorized. In section three, we develop our own theoretical argument, by examining how and why governments can strategically use the potential multidimensionality of policies and the heterogeneity of political coalitions to create room for a successful reform. We develop the three main strategies of division, ambiguous agreement and exclusion. In section 4, we illustrate these three strategies of coalition engineering with six case studies of successful policy reforms in two policy fields (social and economic policy; morality policies) and four countries (the United Kingdom, France, Germany and Switzerland).

2. Where have all the actors gone? The emphasis on stability in the literature on institutional and policy change

We contend that most of the current theorizing on the dynamics of political change overemphasizes the stability of existing institutions and policies, and underestimates the room for maneuver that governments can still have in shaping the politics of change. In this section, we would like to discuss this contention with regard to two strands of literature that deal most prominently with the determinants of stability and change. On the one hand, we review the recent theorizing and research in neo-institutionalism, and on the other hand, we focus on theories from the policy analysis literature. Both fields of research have produced a highly impressive and successful record of studies on the determinants and constraints of change. They share many parallels: in both fields important studies of the 1990s argued that institutions and policies evolve through periods of stability and inertia, punctuated by "critical junctures", i.e. exogenously induced crisis and change (for the neo-institutionalist literature, see e.g. Krasner 1984, Steinmo et al. 1992, Hall and Taylor 1996, Pierson 2000; for the literature on the policy process, see e.g. Kingdon 1995, Sabatier and Jenkins-Smith 1993,1999; Baumgartner and Jones 1993, 2002; Jones and Baumgartner 2005). These early key studies set the agenda for further theorizing and research in both fields, with a wide range of authors subsequently analyzing the precise mechanisms of stability, the conditions for change and – more recently – the endogenous drivers of gradual or evolutionary change. Pointing out these precise dynamics of (relative) inertia was without any doubt an important contribution, and by making researchers aware of the institutional constraints actors face, it had tremendous effects on a wide range of research, mainly in comparative politics, comparative political economy and comparative public policy. However, we argue that two aspects of this literature tend to obstruct our view on actors and on the strategies they can apply to shape the political context of change: first, the focus of both the institutionalist and policy literature is on stability, assuming that major, far-reaching change can only be induced by exogenous shocks. Second, while the more recent institutionalist literature does recognize the possibility of gradual change, it sees this change as driven by purely endogenous dynamics and "change agents", meaning that the direction and extent of change – and the identities and preferences of the actors – are inherent in the institutions themselves. We argue, by contrast, that policy entrepreneurs, more precisely governments, have room for maneouver and that they can use strategies to create this room themselves.

In the following, we critically review the development of theories of change in the two strands of literature: neo-institutionalism and policy analysis. We also show that both actually already contain the

elements needed to understand why governments *can* and *do* implement reforms even in the absence of exogenous shocks.

2.1. Institutional change

Over the last decade, neo-institutionalist theory has evolved from explaining stability to conceptualizing mechanisms of change. Nevertheless, even the recent works on the possibility of change tend to attribute a relatively minor role to the actual *politics*, i.e. actors, interests and strategies, and they rather focus on endogenous institutional mechanisms or ideational sources of institutional reform. In this section, we present our reading of this literature, its contributions and the shortcomings we would like to address subsequently.

A range of major early works on neo-institutionalism in the 1990s emphasized the idea that institutions entail *self-reinforcing characteristics* that stabilize them over time. Thereby, this literature rightly established institutions as important explanatory factors for the development of policies, alongside other factors such as actor-related, structural or cultural variables. The literature, however, went further by insisting on the dominant weight of institutions and on the virtual impossibility of change. A famous article by Hall and Taylor (1996) made the argument that *institutional inertia* must be expected irrespective of the precise type of neo-institutionalist theory that is applied. First, in a sociological institutionalist perspective, the emphasis on stability and inertia is fairly straightforward, because institutions reproduce "beyond conscious scrutiny" (Mahoney and Thelen 2008), by creating cultural expectations and norms (DiMaggio and Powell 1983). Second, rational-choice institutionalism sees institutions as coordinating mechanisms that sustain particular equilibria. With the idea of a stable equilibrium at the core of this approach, it becomes clear that change can only be induced exogenously (Levi 1997). Finally, historical neo-institutionalism spelled out the lock-in effects of institutions over time (Thelen 1999). This third strand of neo-institutional theorizing became the most influential conceptualization of the mechanisms of institutional inertia. Pierson (1996, 2000, 2004) developed this idea in his contributions on increasing returns and feedback effects. His argument is that political institutions are prone to feedback effects and increasing returns because of the complexity, density and interdependence of political institutions, because change requires collective action, and – maybe most importantly - because institutions create power asymmetries. This means that policies institutionalize and strengthen the power of the actors who created them in the first place, because the "early winners" establish rules with outcomes that are favorable to them. Therefore, institutions disproportionately distribute outcomes to the already powerful (Thelen 2004). By means of sequencing and increasing returns, institutions perpetuate and consolidate power asymmetries, preventing institutional change further down the road. This is arguably the most prominent mechanism of institutional path-dependency and it explains why institutional change is supposed to be less and less likely over time (Häusermann 2007: 149). The main claim in this argument is that institutions have a tendency to persist, even if they may become inefficient or dysfunctional. In the wake of this initial formulation of the path-dependency argument, a wide literature documented the mechanisms and instances of stability, arguing that any change could at best be marginal, "hidden" or "subterranean" (Hacker 2004).

Neo-institutionalism, however, soon became criticized for being very powerful in its explanation of stability, but ill-equipped to explain the possibility and dynamics of change. More recently, a growing literature addresses this criticism by specifying the *endogenous* drivers and determinants of institutional change. Contrary to the initial view of discontinuous institutional change, i.e. an alternation of periods of inertia and critical junctures, this new literature assumes that there are no static equilibria, but constantly evolving institutional regimes. The idea of endogeneity implies that institutions themselves have certain characteristics that may enable and pre-structure the way they evolve over time, the drivers of change being inherent in the institutions themselves. Steinmo (2008) even draws on (biological) evolution theory, arguing that institutions are complex adaptive systems. Successful adaptations are replicated, but the imperfect nature of the replication ensures that

adaptation does not end up in convergence. Rather, variation and "institutional friction" (Liberman 2002) persist and continue to drive institutional change (Steinmo 2008: 12, 22). This view of institutional change builds on marginal, gradual and "quasi-automatic" change over time. Actors hardly have a place in this dynamic. Similarly, Pierson's (2004) idea of "threshold effects" and Streeck and Thelen's (2005) concept of "gradual transformative change" build to a large extent on the endogeneity of change. In their edited volume "beyond continuity", Streeck and Thelen and their co-authors develop a typology of adaptive change mechanisms, such as "drift" (Hacker 2005) or "conversion" (Thelen 2004), which can be triggered by the evolution of the structural environment of the institutions. Again, the conceptualization of actors and politics in this literature remains largely implicit and somewhat underdeveloped. Who drives change? And by means of what strategies?

Some of the most recent literature, however, starts to explicitly emphasize *actors* in the theorization of institutional change. The first way this is done is by insisting on the importance of ideas and opportunities for *ideational change*. In periods of uncertainty, when existing institutions become obviously dysfunctional because of exogenous events, actors can become *ideational entrepreneurs* and promote new creative solutions (Steinmo 2008, Blyth 2002). An example may be the current major financial crisis that dramatically demonstrates the dysfunctionality of existing institutional market regulations. In this moment of crisis, ideas that may have been unthinkable before a crisis suddenly become realistic policy options. Such a concept of ideational crisis, however, is rather similar to the idea of exogenous critical junctures breaking up institutional routines and legitimacy, and it does not scrutinize the leeway actors have in "ordinary" times.

The argument we want to make in this article is quite different from the concepts of gradual transformative change and ideational change sketched out above. We argue that governments and politics matter for institutional change, because institutions have different *distributional implications for different actors*, and therefore, governments can form and re-form political coalitions. Part of our argument is very much in line with some ideas mentioned, but not fully elaborated in the existing literature, and we want to draw on these. Thelen (2004), with reference to Knight (1992) rightly points out that the static institutionalist claim of power asymmetries wrongly assumes an "institutional hegemony" of the early winners (2004: 32). This assumption neglects the fact that institutions have complex distributional consequences, creating not only winners/supporters, but also different sets of institutional losers/enemies. As a consequence, different sets of actors hold different preferences as to the preferred institutional reform (Mahoney and Thelen 2008, Häusermann 2007, Héritier 2007). In that sense, institutions not only create their own "defenders", but they also bring about their own "enemies". And the more imbalanced the distributional consequences of existing institutions, the stronger will be the contribution of these institutions themselves to the very formation of actors with a preference for institutional change. Hence, these recent contributions to the institutionalist literature recognize that institutions always leave room for actors, strategies and a changing coalition formation but, so far, they mostly fall short of actually elaborating how governments can draw on these opportunities for change.

2.2. **Policy change**

For the past two decades, research in comparative public policy has focuses on explaining policy change. As a result three major theoretical frameworks developed: The Policy Streams Model (PSM) by Kingdon (1995); the Punctuated Equilibrium Model (PEM) by Baumgartner and Jones (1993, 2002; Jones and Baumgarter 2005); and the Advocacy Coalitions Framework (ACF) by Sabatier and Jenkins-Smith (1993, 1999; Sabatier and Weible 2007). As John underlines (2003), all three models have "synthetic" theorethical aims in the sense that they distance themselves from the seminal incrementalist approach and they take into account various factors - ideas, institutions, interests and socio-economic conditions - in order to explain the dynamics between policy continuity and change. However, the explanations of major policy change in all three approaches still lie at the *external* level of the policy subsystems, while the *internal* drivers of change, i.e. the politics of the sub-system

themselves, are barely touched upon. In the following, we discuss how endogenous change is conceptualized in the three models and we point out three weaknesses: (1) the cause of change is most of time exogenous and structural, leaving little room for agency, (2) there is no clear definition of the agents of change and of the policy entrepreneurs, (3) the government as a driver of change is missing. These three criticisms will form the basis of our own theorization of the dynamics of change in section 3 below.

All three theoretical approaches conceptualize change as "punctuation", i.e. discontinuous moments of change in long periods of policy stability. The potential for change is not contained in the policy subsystem itself, but it is derived from external shocks, which may have been provoked by major socio-economic crisis or alteration in the political context (e.g., change in the institutional rules of a different sub-system). Even if these external shocks require to be translated and articulated by the policy actors - in particular by policy entrepreneurs - in order to result in policy change, the basic causal mechanism of change remains exogenous. In the PSM (Kingdon 1995), external events (e.g., financial crisis) open a window of opportunity, which allows coupling of the problems, policy alternatives and policy "streams". The source of change thus lies at the exogenous level, even if the actual policy change is driven by political entrepreneurs, who manage to take advantage of this window of opportunity. Drawing on the PSM, the PEM pays closer attention to the interaction between policy "image" and policy "venue" and how this interaction may produce dramatic change (Baumgartner and Jones 1993, 2002; Jones and Baumgartner 2005). Assuming that policy ideas are competing for attention, the PEM shows that major change may arise from the conjunction of a new policy image, which finds a receptive attention in a new policy "venue" and thus replaces the "monopoly" of the previous issue. Even though policy entrepreneurship is a key factor in explaining the successful conjunction of institutional opportunities and innovative ideas, one of the major causes for the opening up of new policy venues and the shift in issue attention are, once again, events that are *external* to the subsystem. Finally, the ACF (Sabatier and Jenkins-Smith 1993, 1999; Sabatier and Weible 2007) is most probably the framework which devotes the greatest attention to endogenous change while emphasizing policy learning processes among policy actors. However, the kind of change induced by policy learning takes place only at the level of "secondary policy core beliefs" and is therefore mainly gradual in nature. To explain major policy change, the ACF also uses external shocks, and rightly so (at least within the ACF-framework), since according to ACF advocacy coalitions are forged on the basis of their deep-core beliefs, which tends to make them very stable and thus resistant to change. Only exogenous conditions at the socio-economic or political level may provide a sufficient critical juncture to reconfigure the structure of these coalitions. Recently, Sabatier and Weible (2007) identified two new paths of change through an internal shock that directly affects the policy subsystem through an ultimate agreement between coalitions after years of conflict.

In sum, although there is still a need for conceptualizing change in policy process frameworks, the political dynamics of change seem to be just as much under-analyzed in theories of the policy processes as they are in institutionalist theories. In particular, one major weakness in the policy-process literature is the absence of actors and how their actions affect the policy process as such (John 2003). While policy entrepreneurs are presented as key actors in the process of policy change, there is still little known about other types of agents of change such as political parties and governments (Walgrave and Varone 2008). Even though any type of political and policy actor may in principle act as a policy entrepreneur, the role of government is usually under-analyzed, even when it is leading the policy reform.

3. Bringing the government back in: strategies of coalitional engineering

The argument we make in this article is different from the theories of gradual and incremental change which give governments only little room for choice and strategy. Rather, we contend that despite the inherent stickiness and inertia of institutions, governments still *have* and *find* room for maneuver to

circumvent these obstacles. Indeed, the complexity and density of institutions, which were conceptualized as institutional stabilizers by Pierson (2000), do themselves provide opportunities for change, because they allow governments to foster reform coalitions by drawing on the complex and varied distributional consequences of institutions. In line with Knight (1992), and more recently Thelen (2004), Mahoney and Thelen (2008) and Héritier (2007), we thus develop a *distributional approach* to the analysis of institutional and policy change, which means that we consider institutional development as driven by *political conflict* among actors who experience unequal distributional consequences from a particular policy. We use the term "distributional" as opposed to e.g. "ideational" or "institutional", in order to stress our focus on actors and interests, as opposed to ideational or institutional determinants of stability and change. Knight asserts that "the main goal of those who develop institutional rules is to gain strategic advantage vis-à-vis other actors, and therefore, the substantive content of those rules should generally reflect distributional concerns" (1992: 40). However, even though we adopt a distributional approach, we do not deny that policies entail self-reinforcing characteristics, or that institutions endogenously contribute to shaping the politics of reform. These are valid and convincingly demonstrated findings, and we explicitly integrate them into our argument. What we do in this article is the following: we present three *strategies of coalitional engineering*, by which governments can enact major reforms, taking advantage of the very characteristics of these institutions. The aim of this paper is to lay out the three strategies. The next step will involve developing an explanatory framework that accounts for the choice and the chances of success of the three strategies.

A highly useful starting point for the development of our argument is Riker's concept of "*heresthetics*" (Riker 1986). Heresthetics, as an "art of political manipulation", denotes an attempt to "structure the world so you can win" (1986: ix). In its original formulation, Riker explains heresthetics as an attempt to overcome political opposition by framing the debate in a way that confronts opponents with an inescapable dilemma. When these opponents are forced to take sides, they alienate one part of their supporters and thereby the opposition is weakened. More generally, one can understand heresthetics as a strategy to raise, frame and structure a political issue (reform) in a way that directs the involved actors in a specific, desired direction, thereby forging the needed support for an intended output (Engeli forthcoming; Häusermann 2007). Riker's concept of heresthetics is particularly helpful, because it explicitly theorizes politics and the government's capacity to foster political coalitions. In a democratic system, every government needs the support of a coalition of actors in order to adopt reforms. While it is well understood that governments rely on broader coalitions in proportional regimes and consensus democracies, where potential opponents have formal rights to veto decisions (Lijphart 1999, Powell 2000), we contend that even governments in more centralized regimes such as France or the UK need to engage in coalitional engineering for successful institutional change. These governments in majoritarian regimes may be able to rely only on minimal winning coalitions, but they still have to make sure that this minimal coalition is homogenous enough, and that the potential opponents will not veto the reform in the streets (Kriesi et al. 1995; Tilly 1978). Moreover, all governments certainly need coalitions of support when times are hard and reforms are controversial, i.e. in the stormy times we focus on in this article. So, the bottom-line is that every government that wants to implement major policy reform in stormy times has to find ways to adequately deal with the opponents of change, by either compensating, convincing, or excluding them. This means that every government has to engage in *coalitional engineering*, irrespective of the opportunities provided by the macro-institutional setting.

What is *coalitional engineering* and how can governments do it? Two characteristics inherent in all policy sectors enable coalitional engineering: i) the multidimensionality of policy issues and ii) the differential distributional policy consequences. Policies are *multidimensional*, because they can be defined, framed and read in various and independent ways (Héritier 1994). As the literature on agenda-setting shows, the phase of the definition of the policy problem has a major impact on the subsequent designing process of the policy (Cobb and Ross 1997; Hilgartner and Bosk 1988; Rochefort and Cobb 1993). Since "a problem does not exist out there" (Dery 1984: 4, 25), the

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definition of the policy problem to be solved is "persuasive" instead of descriptive, as it chooses to consider certain aspects of reality as being relevant for the action supposed to carry out certain policy goals. Not all possible dimensions of a policy issue are necessarily mobilized or politicized, but every policy has a potential for multidimensionality, and thus governments and policy entrepreneurs in general (especially those with agenda-setting power) influence and shape the dimensionality of the policy space in which these policies are debated (Baumgartner and Jones 1993). The dimensions along which a policy is designed and discussed influences the sets of actors whose participation in the policy process will be legitimate and required and, consequently, the sets of winners and losers that emerge in the process of policy reform (Baumgartner and Jones 1993; Houston and Richardson 2000; Stone 1988, 1989). In the literature, we find hints at this fundamental characteristic of institutions e.g. when Pierson points out that institution-builders can "never do just one thing" (Pierson 2004: 115), meaning that institutions never have only one specific set of intended effects, but they do different things to different actors (Thelen 2004). Similarly, Thelen (2004: 33) highlights the fact that "institutions are created in a context marked by multiple and simultaneous functional and political demands" and Schickler (2001) argues that different actors supporting the same institution may be motivated by disparate, even contradictory concerns. All these authors highlight the fact that policies and institutions are inherently multidimensional. The different dimensions of a policy are either present from the moment of institutional creation, or they emerge endogenously over time. Let us illustrate this point with a straightforward example. One very typical institutional feature of continental welfare policies is their organization in social insurance schemes, which are earnings-related and contribution-financed (Bonoli and Palier 1998). This means that all employed citizens contribute a percentage of their salary to social insurance and receive benefits that are proportional to their contributions if the insured risk (such as old age, unemployment or an accident) materializes. This specific institutional policy design has entailed two dimensions from the very beginning: a "class" dimension and a "social order" dimension. For the left and the labor movement, social insurance was a means to secure the income of workers in the face of the vagaries of employers and markets. For Christian Democrats, social insurance was the preferred policy because it stabilizes social stratification and social order in times of crisis. Over time, societal modernization raised a third dimension: with the increase of divorce rates and unstable labor markets, more and more women became insufficiently covered by social insurance, because they typically do not have the stable employment biographies required for a sufficient contribution record. Therefore, gender emerged as an additional dimension structuring political debates over social insurance.

The second institutional characteristic that enables coalitional engineering is *differential distributional consequences*, meaning that policies affect a large and diverse set of actors in different ways. The institutionalist claim of "power asymmetries" (Pierson 2000), for instance, assumes the "institutional hegemony" of early winners (Thelen 2004: 32) and underestimates the role of losers/enemies. This "power asymmetries" argument is also misleading, because it suggests that actors can be divided in *two* (homogenous) categories: winners and losers. In reality, policies create different sets of institutional winners/supporters, and also different sets of institutional losers/enemies. As a consequence, a wide variety of actors hold different preferences with regard to institutional and policy reform (Häusermann 2007, Mahoney and Thelen 2008), and this is why coalitions are not stable and not homogenous; neither are they based on shared deep core beliefs, as assumed by Sabatier and Jenkins-Smith (1993, 1999). Rather, we should think of policy coalitions in terms of "moving coalitions". Irreconcilable core beliefs are frequently put aside, temporarily at least, to foster winning coalitions that persist at least for the duration of the reform process. So, the important insight is that there are more than two sets of actors (notably because there is more than one dimension, see above) and that institutions may be based on a "shifting coalitional basis" (Thelen 2004; see also Héritier 2007) when new dimensions or actors emerge. As with dimensions, the configuration of actors interested in a policy can also evolve endogenously over time, if new groups of winners and losers are created as a result of the institutional setup. This point can again be illustrated with our example of continental social insurance schemes. These policies were initially created for the typical clientele of trade unions, i.e. standard workers. But since continental social insurance schemes privilege workers

in stable employment, they have themselves (endogenously) created a whole range of outsiders over time: part-time employees, atypically employed, unemployed, housewives etc. These "losers" of social insurance policies are potential "enemies" of these policies, and can be mobilized in the political reform process. Thereby, the very institutions endogenously contribute to the emergence of new actors interested in change and reform.

Because of multidimensionality and plural actor networks, governments do have room for maneuver. They can use three different strategies of coalitional engineering - *division, ambiguous agreement and exclusion* – depending on the number of veto points they have to deal with. In line with Bonoli (2001), Hacker (2005) and Mahoney and Thelen (2008), we argue that the political-institutional context determines the kind of coalition needed for change, and thus the kind of strategy that will prove successful in a particular institutional setting. If a political context is characterized by a large number of veto points or veto players (Tsebelis 2002, Lijphart 1999), power is strongly fragmented and many actors may veto change. In this situation, governments need to rely on strategies that either divide or convince opponents. If, by contrast, the political context has only few veto points, governments may seek minimal winning coalitions and can try to exclude some opponents from the very reform process. It is important to note here that unlike much of the veto player-literature, we do not assume stability or status quo as the outcome in a regime with many veto players. Quite the contrary, we argue that a fragmentation of power tends to increase the range of different actors with different preferences involved in the reform, and this provides opportunities for multidimensionality and political exchange. In this sense, governments in fragmented systems may be successful in enacting reforms not despite, but because of power fragmentation. Let us now develop the three strategies for coalitional engineering more precisely.

Division. The strategy of dividing the opponents of reforms through political exchange comes closest to Riker's original idea of heresthetics. Governments can confront veto players with a reform that comprises different reform elements, thereby creating a multidimensional space for reform. If some of the opponents attribute more value to one dimension than to the other, political exchange becomes possible (Häusermann 2007). This means that governments compensate parts of the opponents with gains on one dimension for losses on the second dimension, thereby dividing the opposition. By fostering these package deals, governments can enact major policy reforms that would not have received sufficient support when proposed alone. In the literature, we find such examples especially with regard to restrictive reforms that take existing gains, benefits or rights away from the beneficiaries. Bonoli (2001), Natali and Rhodes (2004), Fischer (2007) or Häusermann (2006) provide examples of welfare state retrenchment, where governments combined cuts with expansion on a second, entirely different dimension. This strategy of division may also work when moral values are at stake. In case of moral controversy on abortion, for instance, a government may decide to provide pro-abortion actors with an extended access to abortion, while compensating anti-abortion actors with an increase in children allowance (Engeli forthcoming).

Ambiguous agreement. Similarly to division, ambiguous agreement is a strategy most likely to be used in power fragmented regimes. The concept was suggested by Bruno Palier (2005; see also Héritier 1999, Farrell and Héritier 2004 who develop similar ideas) and it denotes the capacity of governments to frame a reform in a way that allows them to gather the support of a very heterogeneous set of actors. In contrast to division, however, actors do not exchange and compromise, but they agree on the very same policy reform measure for different reasons. Fischer (2007) similarly argues that governments may find an "efficiency dimension", i.e. an aspect of the reform that may not be the first choice for any actor, but that is preferred over the status quo by all of them. Levy (1999) provides several examples of ambiguous agreements or, what he calls, turning vice into virtue. Thereby, he denotes reforms that transformed universal social benefits into means-tested benefits, and that were therefore supported both by the left (as a means of strengthening redistribution) and the right (as a means of cutting back on what they considered excessive spending). As with division, governments draw on the multidimensionality of policies and the diversity of actors' motivations to

foster a required coalition. Engeli (2009, forthcoming) shows that drawing a compromise on moral conflict frequently represents the necessary condition for successful policy reform. However, as moral conflicts tend to be conflicts of absolutes, it is often easier to foster compromises on the basis of ambiguous agreement, which gains the support of actors with constrasting policy goals.

Exclusion. When governments are not confronted with a high number of formal veto players, they may choose less encompassing strategies, and rather aim at a minimal winning coalition, trying to keep potential opponents out of the process. The strategy here is to frame the reform in a way that delegitimizes or demobilizes the participation of particular actors in the reform. This means that governments intentionally stress only some dimensions of a reform and not others, in order to speak only to a subset of actors. Engeli (2004, 2009, forthcoming) has analyzed strategies of exclusion in French biomedical policies, which were framed as medical policies, thereby keeping feminist and pro-life movements at a distance from the reform process. This third strategy, of course, is easier for governments with strong agenda-setting power and procedural authority. However, even weak governments may use this strategy of de-legitimization in order to demobilize opposition. As with division and ambiguous agreement, governments build on the availability of multiple policy dimensions to engineer political dynamics and coalitions.

We argue that the choice and success of these strategies tends to depend on the political-institutional context, i.e. the number of veto players and the configuration of forces at play, and *not* on the specific policy field in question. Every policy field has, of course, a specific subset of actors and a particular institutional dynamic, but the strategies of division, ambiguous agreement and exclusion apply to all of them, because all are characterized by multidimensionality and plural actor networks. To illustrate and exemplify our argument, we use the reminder of this paper to present six case studies of policy reforms in two very different policy fields: welfare and economic policies on the one hand, and morality policies on the other hand. As we have not conducted a systematic empirical test, the choice of very contrasting policy fields provides our explanation with a greater robustness. In the field of welfare and economic policies, one would dominantly expect distributional politics, since actors defend clearly defined interests. Hence, one would expect bargaining and compensation as the main mechanisms for reform, but we show that ambiguous agreement and exclusion also play a role. Conversely, morality policies are often conceptualized as value issues that cannot be negotiated as they imply irreconcilable moral standpoints. Again, we show that this is wrong: division and exclusion are equally possible in all policy sectors. Our case study examples are taken from France, Germany, Switzerland, and the UK i.e. countries that present very different political-institutional settings.

4. Strategies of division, exclusion and ambiguous agreement: case studies

The goal of this fourth, empirical part of our contribution is not to provide a conclusive test of our theoretical argument on government strategies, nor will we be able to compare government strategies across a large number of countries and in time in this paper. Rather, we would like to illustrate and clarify our understanding of division, ambiguous agreement and exclusion by some carefully selected examples of successful policy reforms in very controversial policy fields. By showing that the three strategies we propose played out successfully in very different policy fields and very different countries, we aim to underline the validity and robustness of our argument.

4.1. Division

If governments apply a strategy of division, they build on the multidimensionality of policies in order to forge package deals between actors with different interests. Indeed, as soon as a reform involves more than one dimension, and if the involved actors weight the importance of the respective dimensions differently, *political exchange* becomes possible.

4.1.1. Social and economic policies: Old age pension retrenchment

Welfare state retrenchment, and more specifically pension reform has long been one of the favorite examples for the quasi-impossibility of institutional change in the presence of increasing returns and power asymmetries (Pierson 2000, 2001, Bonoli and Palier 2007). Indeed, pension insurance schemes entail massive increasing returns, because over time, more and more people contribute to the scheme and acquire their own, contribution-related rights. Thereby, all insured become stakeholders in the institutional arrangement and have an interest in defending the scheme. The distributional consequences of maturing pension systems thus seem to lock in these policies and make them resistant to change, because an overwhelming part of the population – i.e. of the electorate – has an interest in preserving the status quo. At the same time, however, pension reform pressure has become increasingly high over the last 30 years because of the combined effect of economic decline and demographic ageing. The *2001 reform of the German state pension scheme* illustrates perfectly how the government was able to draw on political exchange and division in order to implement pension reform, despite a high number of veto players and despite institutional inertia and heated political controversy (Häusermann 2007). The literature agrees that this reform was paradigmatic in that it not only drastically lowered the benefit levels, but also introduced both a universal minimum pension at the bottom of the main pension scheme, and a semi-private capitalized pension savings scheme on top of it (Schludi 2005, Schulze and Jochem 2007).

The combination of these three dimensions of reform was the key element allowing for the successful adoption of the reform[1]. Indeed, all trade unions, the left wing of the (governing) Social Democratic Party and parts of the (also governing) Green party were strongly opposed to the drastic cutbacks in regular pension levels. However, when the government proposed to complement these cutbacks with the introduction of a universal minimum pension, this answered the long-standing claims of notably the Green Party for a more egalitarian pension scheme that would be less discriminating towards outsiders and atypically employed women. For the Greens and for the service-sector unions, this value-issue of equality and universalism was key, and as least as important as the preservation of income-related pensions. The hardest opposition to the cutbacks, however, came from the trade union movement. The government managed to divide the trade unions by strengthening semi-private possibilities for occupational and private pension savings. These are particularly attractive for highly skilled individuals, and therefore, the transformation of the German pension regime into a multipillar scheme was attractive for unions with a rather high-skill membership, such as the IG Chemie. In sum, the reform-package divided the opposition of the left (which was initially unanimously against the cutbacks in existing benefits) by compensating both the worst-off among the workers and the highly-skilled. Thereby – and without any exogenous shock - the German government managed to implement a reform that may have seemed impossible in the light of the early institutionalist theories.

4.1.2 Morality policies: the liberalization of abortion

Abortion is often considered in the literature as the paradigmatic case of a value-driven issue which leads to irreconcilable moral conflict. The issue of abortion involves the discussion of moral values (e.g., the beginning of life) and social norms (e.g., gender roles), which appeal to a broad audience. Therefore, the issue of abortion could lead to a conflict of absolutes (Tribe 1990): irreconcilable standpoints are competing and no compromise can be reached. Before the mid 1960s, abortion in Western Europe was either banned or very restrictively regulated, however, liberalization of sexual practices, the growing female access to education and the labor market, and the rise of the feminist discourse all contributed and culminated on the issue of the liberalization of abortion. The question on whether to liberalize abortion launched hot public controversy across Western European countries.

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[1] This case study is based on Häusermann (2007, chapter 7, pp. 278-283).

The debate was further heated up by feminist movements, the medical community and religious actors each struggling to resolve the issue in their own favor in line with their sharply contrasted motivations.[2] Feminists emphasized women's right to reproductive freedom, while religious actors stood for the protection of life from its beginning and thus appealed for an abortion ban. The physicians, standing in-between, were mostly concerned with securing their corporate interest and maintaining their medical authority over abortion.

Governments faced a serious and delicate situation: on the one hand, no agreement was likely to be reached given the extent of controversy between moral values and interests, and on the other hand, a move in either direction pro or against liberalizing abortion would have possibly resulted in heavy electoral loss. In such a situation, the easiest solution would have been to opt for a non-decision and to preserve the status quo, even though this may not have been satisfying to any of the disputing sides. However, in 1974, the French right-wing government chose a different strategy to resolve this issue.[3] It submitted to Parliament the first law in Western Europe which allowed for abortion on the request of the women.[4] At the time, this law proposal was a very perilous move for a right-wing government for two main reasons. First, President Giscard d'Estaing was risking the disapproval of his parliamentary majority, which was strongly against any softening of the existing restrictive regulation on abortion. Second, he was also seriously weakening his chances for reelection, because his electoral success depended to a large extend on the conservative vote. The proposed law on abortion however, was astutely designed to carry out a subtle strategy for dividing the opposition. While allowing abortion on request only during the first 12 weeks of pregnancy, the law managed to compensate the medical community and the religious actors: on the one hand, the medical community obtained an explicit conscientious objection clause, which allowed the physicians to refrain from practicing abortion, but also guaranteed them full monopoly over abortion;[5] on the other hand, the government introduced a preamble to the law stating respect for the beginning of life and increased child allowance in that same year in order to ease religious actors' concerns. As a result, the law caused deep division within the feminist movement and its social democratic allies, thereby weakening their mobilization capacity. The law excluded any state funding allowance for covering abortion costs and imposed a constraining access procedure, consisting of a mandatory waiting period and two medical consultations. The vindicative radical wing of the feminist movement strongly opposed these restrictions to the liberalisation of the abortion law while the reformist wing and the Social Democrats nevertheless chose to support the law. Since then the different wings of the feminist movement have hardly ever managed to collaborate and their previous massive mobilization was thus sharply reduced. This winning strategy of division of the right-wing government was confirmed once again only four years later when a second law on abortion, almost identical to the first one, was passed, and stayed in force until 2000. In sum, the move to pass a law allowing abortion on demand but restrictively constrained in France divided both supporters and opponents of the liberalization of abortion, while it accommodated the minimal claim of feminist movements and the maximal priority for the medical community, whose support proved to be decisive in 1978.

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[2] In some countries the controversy on abortion lasted much longer. In Switzerland, for instance, the liberalization of abortion occurred only as late as 2002.

[3] This case study is based on Engeli (2009, forthcoming).

[4] The 1967 UK abortion reform extended only the period of time during which an abortion may be performed, but the decision was still in the hands of the medical community. To this day legal abortion on the request of the women in the UK has not yet been formally introduced even if the law is implemented in a very permissive way.

[5] At the time, the radical wing of the feminist movement was fighting for full reproductive freedom out of medical control and was openly performing abortion.

4.2. Ambiguous agreement

When governments rely on division, they compensate parts of the losers with selected benefits and gains. In the case of an "ambiguous agreement" strategy, however, the government manages to frame the reform in a way that satisfies different actors for different reasons. Hence, the necessary support comes from a very heterogeneous coalition that accepts the same instruments in the pursuit of perfectly different goals. Again, the multidimensionality of policies is key for the success of this strategy.

4.2.1. Social and economic policies: Expansion of child-care services

The considerable expansion of family policy, and more specifically childcare policies, in continental Europe over the last 20 years (Daguerre 2003, Jenson and Sineau 2001) may look highly puzzling for at least two reasons. First, continental Europe is characterized by the institutional structure of a male breadwinner family policy (Lewis 1992), which traditionally discourages rather than encourages female labor market participation. Consequently, continental family policies rely on transfers (child allowances), which compensate to some extent for the loss of the carer's (usually the mother's) income. This male breadwinner institutional regime was created and has been supported since the 1950s by a powerful social-conservative coalition (van Kersbergen 1995). Second, is has been highly unexpected to see welfare state *expansion* in times that are generally considered as marked by public household deficits, austerity and retrenchment (Pierson 2001). Hence, the introduction of a federal subsidization plan for the creation of childcare infrastructure in Switzerland in 2003, and the introduction of a national maternity insurance in 2004 are typical illustrations of reforms we would not have expected to succeed. In addition to a context of austerity and a traditional lack of interventionist family policies, Swiss childcare policy expansion has traditionally been hampered by the fragmentation of competences in the federalist state structure and by the dominance of capital over labor (Dafflon 2003).

A look at the political coalition that supported these changes, however, shows that the policy-makers managed to draw on a variety of different concerns that could be taken into account through these reforms[6]. Indeed, family policy has always had at least two inherent dimensions: on the one hand, it is an instrument of labor market regulation, because it creates incentives and disincentives for the labor market participation of parents. On the other hand, family policy like no other welfare policy speaks to value-issues related to gender equality, individualization and the definition of the role and function of family. The government framed both policies (maternity insurance and childcare infrastructure subsidies) as mainly economic policies, encouraging the return of (skilled) women in the labor market at a time when the demand for skilled labor was growing. By presenting welfare state expansion as a means of labor market regulation, the government managed to gain the support of the main Swiss employer's association and of a large part of the right-wing liberal parliamentarians. The left and the feminists, by contrast, adhered to the very same reform for entirely different reasons. The women's movement had claimed these policies for a long time in the name of female independence and choice over participation in the labor market. Part of these feminist demands were strongly represented among the left, but for a part of the left, the expansion of family policy benefits was welcome simply as an additional source of income-insurance and social security. Hence, the Swiss government managed to introduce an entirely new social insurance scheme at a time when the discourse of retrenchment and austerity was at its height[7].

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[6] This case study is mainly based on Häusermann (2006b) and Ballestri and Bonoli (2003).

[7] Similar reforms can be observed in Germany (Häusermann 2006, 2006b), where several laws for the expansion of childcare infrastructure have been adopted since the early 2000s by both left- and right-wing governments with the support of the employers.

4.2.2. Morality Policies: The regulation of biotechnology

The so-called assisted reproductive technologies (ART) and embryo research, were yet more examples of issues concerned with reproduction which proved to be highly controversial, especially over the past three decades. Similar to the issue of abortion, the issue of ART calls into question moral values related to the beginning of life, as well as social norms on family models and medical intervention in the natural process of reproduction. The invention of the in vitro fertilization technique in 1978 marked the beginning of an ever-growing technological development devoted to fertility treatments, which continued its progress with the genetic diagnosis of in vitro embryo and, more recently, stem cell research. While dissociating between sexual intercourse on one hand, and fecundation on the other, technological development in the ART sector today not only offers medical treatment for sterility, but also encourages new forms of parenthood: surrogacy allows gay couples to become parents, while single women or lesbian couples could become mothers by means of sperm donation. The medical community is highly concerned by the issue of ART as it represents a promising field for research and medical innovation as well as consequent financial benefits. However, physicians are not the sole actors concerned with it. Just as in the case of abortion, religious actors strongly defend the protection of life since its beginning and the preservation of the heterosexual family model, while feminists considers ART to be a new form of medical abuse on women's bodies. Thus, scientific progress in the ART sector inevitably raised multidimensional controversy across Western Europe because it simultaneously called into question both the pre-eminence of the traditional heterosexual family and the purpose of scientific development. As in the case of abortion liberalization, strong controversy on a moral issue does not provide incentives to governments to intervene at the risk of electoral loss. Again, the safest decision would have seemed adopting a non-decision strategy. However, most Western European countries tried to regulate the development of biotechnology and although some states such as Belgium failed, others actually succeeded in designing comprehensive regulation. The UK became one of the first countries to face a heated controversy on ART, in the aftermath of the world's first successful in vitro fertilization in 1978 in England. As Blank (2004: 123) underlines, the government quickly considered the issue of ART and embryo research as a "politically hot potato" and mandated a Committee of Inquiry to make recommendations on the position to be adopted on ART technological development and its social and ethical implications. Meanwhile, medical associations were also willing to take the lead on the issue of ART and produced reports in favor of medical self-regulation. Feminist movements were deeply divided on what position to adopt on ART. The radical wing viewed technological development in the reproduction field as a potential risk for medical abuse on women while the liberal wing argued in favor of single women's access to ART (Latham 2004). The polarization of the public debate increased even more when an MP's bill on "protection of the unborn children" received strong support in the House of Commons and also from the pro-life movement and the Catholic Church (Blank 2004). Despite the closing of a legislative election, the government sent a framework for consultation for future legislation on ART which was then revised and finally submitted to Parliament in 1990. The liberal feminists and physicians quickly joined forces and formed a coalition in favor of the Human Fertilization Act, which was pitted against the pro-life movement's attempt to impose the pre-eminence of the protection of the embryo (Sheldon 1997). Feminists and physicians were animated by the very same motives. The former wanted to secure abortion access and to further increase women reproductive freedom, while the latter were campaigning for a high level of medical autonomy within the ART sector. The Human Fertilization Act was sufficiently vague to satisfy both aspirations.

(Contd.) ─────────────

4.3. Exclusion

The multidimensionality of policies may not only help governments draw on additional actors in a coalition of support, but it can also enable a strategy of exclusion. Thereby, governments stress one or several dimensions of a reform at the expense of other possible dimensions, in order to delegitimize or demobilize the participation of particular opponents. Even though we may expect that this strategy of forging a minimal winning coalition might be most common in countries with a centralized power structure, the example below shows that by emphasizing particular aspects of an issue, even governments in more fragmented systems may shape the decision-making process in a way that allows for successful reform.

4.3.1. Social and economic policies: The liberalization of telecommunication markets

During the 1990s, public network industries such as telecommunications, railways, electricity markets etc were liberalized and partially privatized in many European countries. One of the main driving forces behind this major institutional change in economic and market policies at the level of the national member states was the European Union (Green-Cowles et al 2001, Héritier et al 2001). Switzerland, however, has never been a member of the EU and therefore, it was never forced to go through the same processes of liberalization. As a matter of fact, the left-wing parties and the trade unions in Switzerland were strongly against the opening up of public markets to international competition. In a system like Switzerland, characterized by strong power fragmentation, the opposition of the trade unions and the left – together with parts of the national-conservative party, which rejected the liberalization for protectionist reasons – can make such a far-reaching reform virtually impossible, because there exist a high number of veto points that opponents can use to block the decision-making process. Nevertheless, the Swiss government successfully pushed for the liberalization of some network industries, notably telecommunications. In 1997, a new telecommunications law implemented the complete liberalization of the telecommunications sector through the removal of the public monopoly and the creation of an independent regulatory agency that would ensure free access to the Swiss telecom market (Mach et al. 2003: 306). This new purely national Swiss legislation was perfectly in line with the European directives in that area. How was this possible?

The answer dates back to 1992 when the Swiss voters refused to adhere to the European Economic area in a popular referendum[8]. Membership of the EEA would have implied following the European directives on market liberalization, but with the popular refusal they remained formally irrelevant for Switzerland. Informally, however, the unexpected outcome of the referendum triggered a discourse of the government and employer associations that suggested that Switzerland had to "adapt autonomously" to parts of the European legislation in order to remain internationally competitive. Therefore, throughout the reform process, the government framed the issue of telecom market reform as a question of Europeanization, not economic market liberalization. This reference to the European influence changed the domestic power balance in favor of the government and high-level administrative officials, who developed the legislation in an unusually closed decision-making process. Linking market reform to the issue of euro-compatibility also demobilized part of the left-wing opposition, because the left in Switzerland was generally pro-integration during the 1990s. Hence, stressing one dimension of telecom reform (Europeanization) over another (the abolition of public monopolies) allowed the government to implement a reform that would have hardly found a majority in a classical left-right economic policy debate.

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[8] This case study is based on Mach et al. 2003.

4.3.2. Morality Policies: The regulation of biotechnologies

The decision-making processes leading to the laws on bioethics adopted in France in 1994 are vivid illustrations of how the government managed to exclude parts of the opposition by strategically emphasizing one particular dimension of the ART issue in order to impose and, above all, legitimate its laws.[9] The first phase of the policy-making process began with the diffusion of in vitro fertilization in France in the early 1980s, which led to a steamy public debate on the purpose of science and on the legitimacy of single motherhood and surrogacy. During the 1980s, the public debate heated up even further due to some members of the Left and some feminists who supported the right of single and lesbian women to have children without having to be involved in a heterosexual relationship. In addition, some well-known physicians were openly practicing surrogacy and developed structures for bringing together couples in need of children and aspirant surrogate mothers. At the other end of the controversy, religious actors such as the pro-life movement, the Catholic Church and religious associations, strongly opposed the manipulation of in vitro embryo and the demise of the traditional family model. Among physicians, the situation was not simple either, since the medical community was very fragmented. ART medical centers were competing with each other to be at the cutting edge of ART technological advancement, while major medical associations were reluctant to approve ART techniques.

Facing a heated controversy and lacking a clear way out of it, the government, left-wing at that time, decided to launch a public consultation on ART and requested the Conseil d'Etat to conduct it with the final aim of designing a law on ART. As it would soon appear, even for a paradigmatic strong state such as France, designing a regulation on a controversial moral issue proved to be a difficult task. Indeed, the report of the Conseil d'Etat caused a stir among all the actors in the debate, and the idea of a law on the matter was quickly postponed. During the early 1990s, the invention of the pre-implantation diagnosis, which allowed for genetic screening and sex selection on an in vitro embryo, combined with the growing discontent among parts of the medical community, incited the government to resume its efforts to create a regulation for biotechnology. This time the government choose a strategy of exclusion in order to build up a coalition. It re-launched the public consultation while tactically presenting ART as a remedy for heterosexual couple sterility and carefully selecting interlocutors who stood for a similar conception. As Mény pointed out (1989), public consultation in France is more than a simple survey of diverse opinions, it organizes actors' interactions by institutionalising only the actors invited to the consultation and at the same time marginalizing those who are not invited. Centered on ART as being a remedy to sterility, the second stage of the public consultation proved to be much more efficient than the first one. On the one hand, this consultation held the actors who contributed to the heating up of the controversy in the 1980s at a distance. Feminists, some members of the Left and the physicians practicing surrogacy were not consulted further and became excluded from the decision-making process. Public consultation, on the other hand, gave more weight to family associations which defended the traditional family, and to the physicians who pleaded for the legitimate desire for a child of sterile heterosexual couples. Specialized ART practitioners were thus provided with ample room in the political and public debate, and they were recognized as having a status at least on par with the status of the representatives of the Order of Practitioners and the National Academy of Medicine. This strategically designed selection of participants in the public consultation led to the development and, above all, the legitimization of broad consensus based on allowing ART techniques only as a remedy for sterility, which proved effective enough to gain the support of the right-wing coalition that came to power in 1993. This new government coalition sustained the consensus and finally adopted the laws on bioethics in 1994, even though they had been initiated and designed by the previous left-wing government.

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[9] The case study is based on Engeli (2004, 2009, forthcoming).

5. Conclusion

In this paper, we argued that even in times of heated political controversy and strong conflict, major institutional and policy change is possible. Governments can and do find ways to create room for maneuver and to come up with successful strategies of coalitional engineering. By means of division, ambiguous agreement and exclusion, they can manage to forge winning reform coalitions. We showed both theoretically and empirically that non-decision and the preservation of the status quo is not necessarily the option governments choose in hard times: cutting pensions against the will of strong trade unions, introducing new social insurance schemes in times of financial austerity or adopting legislation on controversial moral issues are examples of successful government strategies in fields where major change may have seemed highly unlikely. Our argument and our empirical evidence go against most of the prominent literature on institutional stability, path-dependence and punctuated equilibria. All these approaches focus on endogenous impediments and obstacles to change. Thereby, they neglect the crucial role of actors, in particular governments. Government strategies of coalition engineering are virtually absent from the existing literature. In this paper, we chose to reverse the perspective by adopting a top-down approach, in order to show how governments may strategically bypass opposition and impose successful policy reforms by building on the very characteristics of the institutions and policies themselves.

We subsume different reform strategies under the concept of *coalitional engineering*. The capacity of a government for coalition engineering derives from two important aspects of public policies. First, policies are inherently multidimensional: they may be understood, framed and designed in various ways. When governments are able to draw on this multidimensionality, they have opportunities to structure the policy space and thereby to determine the winners and losers that will emerge from the policy-making process. Second, both winners and losers of a particular policy are a highly heterogeneous group, as they hold different interests and policy beliefs. Policy-coalitions are not homogeneous and they are not necessarily held together by stable, deep-rooted policy beliefs. Rather, we must think of actor networks in terms of "moving coalitions", which can form, drift apart, and re-form temporarily and variably. Since governments are confronted with such a moving and heterogeneous field of actors, they may highlight certain elements or dimensions of policies in order to foster specific groups of winners and losers. Therefore, both the multidimensionality of policies and the heterogeneity of actor coalitions create the possibility of coalitional engineering.

We present three main strategies of coalitional engineering: division, ambiguous agreement and exclusion. The number of veto points governments have to deal with is supposed to influence the choice of a particular strategy. However, as we showed with our studies, we find examples of all three strategies in very different political regimes and in much contrasted policy fields such as social, economic or morality policies. The strategy of *division* appears to be particularly useful when governments want to cut existing rights and need to compensate parts of the losers for these cutbacks. In the case of the 2001 reform of the German pension scheme, the drastic decrease in the benefits level was mainly compensated by the introduction of a universal minimum pension and by the reinforcement of semi-private pension savings. This strategy of political exchange divided the opposition on the Left, while it secured the support of the Greens and of parts of the trade unions. In the case of the liberalization of abortion in France, the introduction of abortion on demand was compensated by the lack of state allowance for covering abortion costs and by providing physicians with the full monopoly over abortion. The strategy of the *ambiguous agreement* proves to be successful when different policy actors can agree on a particular policy instrument for entirely different motives. In Switzerland, the employers' association and parts of the right-wing parties supported the introduction of maternity insurance as a means of labor market regulation, while the Left and feminists favored it, in order to strengthen gender equality and social security. In the UK, the same strategy of ambiguous agreement was used so that the feminist movement and physicians could join forces to promote a very permissive regulation of biotechnology. Physicians promoted their corporate

interest in the ART technological development, while feminists secured the liberalization of abortion against the pro-life movement. Finally, the strategy of *exclusion,* which is obviously easier to implement in a system with few veto points, nevertheless worked out in both Switzerland and France. During the liberalization of the telecommunication market, the Swiss government was for obvious reasons unable to formally exclude any actor from the policy-making process (direct democracy may always give the final word to the opposition). However, by framing the issue of telecommunications in terms of Europeanization rather than in terms of market liberalization legitimized an unusual closure of the decision-making process and demobilized part of the Left, which strongly supported European integration in general. Successive French governments took more than two decades to regulate the field of biotechnology. They faced heated controversy regarding the legitimacy of the scientific development and the emergence of new forms of parenthood. In this context, the exclusion of the opponents to ART turned out to be a very powerful and efficient strategy to escape deadlock, since it de-legitimized the discourse of the opponents and enabled the government to adopt far-reaching regulation.

In this paper, we did not aim to provide a rigorous empirical test of our argument. Rather, we wanted to demonstrate that the fields of both institutional change and policy-analysis could benefit highly from bringing governments, interests and strategies back to the center of the analysis. Taking government strategies seriously does not imply that we neglect the insight that institutions are complex and dense and that they influence actors' interests. Rather, we have shown that governments can build on precisely these institutional characteristics of policies in order to bring about change. Therefore, we think that the concept of coalitional engineering could strongly contribute to a more adequate and successful theorization of institutional and policy change.

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