

Biting the Bullet or Steering Clear?

For over two decades now, welfare state reform has been featuring highly on the political agenda of Western democracies. How much and in which direction has social policy changed as a result? Moreover, why and when do governments pursue different types of reforms, even if they are of the same political colour?

By investigating welfare state change since the late 1970s, this study presents a number of innovations to deal with these key questions in welfare state research. Methodologically, it conducts so-called fuzzy-set analysis to address some persistent problems. The study's results indicate, for example, that – in contrast to theoretical predictions and in spite of substantial reforms – welfare states have not transformed into workfare regimes. Theoretically, this study shows that insights from prospect theory – a behavioural theory of choice under risk – are of great value for understanding why some governments are more willing than others to pursue unpopular social policies, thereby risking losing the next election. Prospect theory posits that a government finding itself in a situation of 'losses' (e.g. declining popularity) is willing to take far greater electoral risks than a government in more favourable circumstances; a hypothesis that this study corroborates empirically. Conversely, governments only pursue not-unpopular reform, such as increasing spending on active labour market programmes, when they are facing gains. This study's new theoretical angle and innovative methodological approach together provide a better understanding of the politics of welfare state reform.

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Politics of (Not-) Unpopular
Welfare State Reform

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Politics of (Not-) Unpopular Welfare State Reform
in Advanced Capitalist Democracies

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