

# 1. Introduction

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The welfare state has become an integral part of everyday life and people's life chances in European countries. Most Europeans are socialized in an environment of economic and psychological security regarding certain life risks such as ill health, accidents and old age. However, due to economic turbulences and persistently high unemployment, the angst of sliding down the social ladder is not unknown, even for parts of the middle class. Despite the economic prosperity enjoyed by millions in times of the *German Wirtschaftswunder* and the *Nederlandse Mirakel*, today's economy and labor market alone cannot safeguard people's trust in the future. Unemployment benefits and social assistance schemes intended to protect against the consequences of job loss and low income during working age have become important for an increasing part of the population, and family policy measures are critical today in helping parents to combine work and family life, reduce child poverty and improve their life chances. While unemployment benefits and social assistance schemes, that is, schemes of working-aged protection, are relevant for certain parts of the population and family policy measures apply to a limited period of life, health policy impacts the entire population over the entire lifespan.

In this volume, we analyze citizens' perceptions of social policy in European countries. This issue is of particular importance since social policy should serve as a means for reducing economic and psychological insecurity and improving the life chances of the population. To evaluate the achievement of these goals, one should not only take into account the actual benefit level provided, but also citizens' experiences and subjective feelings of security (Svallfors 2010). During recent decades, increasing costs combined with restricted financial resources have led to a considerable restructuring of existing social security programs, and severe cutbacks in social expenditure have taken place. These developments evoked political and public discourses concerning the appropriate scope of government responsibility and raised doubts about the sustainability and quality of welfare state provision (Gelissen 2002). The developments of recent years may also have resulted in an erosion of public support, as in some cases, the constituencies of certain social policy programs shrank due to retrenchment.

In Germany, for example, the debates surrounding retrenchment easily identified ‘problem cases, such as the long-term unemployed’ (Pierson 1996, p. 169). As Pierson correctly predicted as early as 1996, these problem cases became ‘the targets for political attacks’ (Pierson 1996, p. 169). Severe cutbacks for the long-term unemployed were realized in the 2005 Hartz reforms, which abolished unemployment assistance and introduced a new means-tested scheme with benefits at the level of social assistance. This means test includes both an income test and an assets test, and thus leads to the exclusion of the middle classes from the benefit. The new institutional structure has two effects: first, the taxpayers financing the benefit are less likely to gain materially from the benefit than they would have been before the reform. Second, increasing social insecurity is connected to losing one’s job because the means-tested program becomes relevant after only one year of unemployment. Ever since the reforms in 2005, a fierce debate on the deservingness of recipients and the adequacy of the benefit and its institutional structure reflect these concerns.

How people respond to social policy measures depends first on citizens’ *socio-economic position*. There is a wide range of research available that analyzes welfare state support by different socio-economic groups (Svallfors 2010), with some evidence that supports the self-interest hypothesis as well as, in part, great solidarity among different social groups. Perceptions of different socio-economic groups, however, heavily depend on the *type* as well as the specific *institutional design* of social policy programs. Regarding the *type of social policy*, public opinion research suggests that there is generally much greater support of comprehensive welfare state programs, such as pension schemes and healthcare systems, compared with that of targeted programs, such as unemployment benefits or social assistance schemes (Svallfors 1997, 2010; Korpi and Palme 1998; Blekesaune and Quadagno 2003; van Oorschot 2006). Perceptions of family policy measures have hardly been investigated, but initial studies indicate that support is higher for family policy measures than for unemployment benefits and social assistance schemes. This finding correlates with the improvement of public family policy measures over the past decade; however, public support is not as high as in the field of healthcare. Since the availability of healthcare services can be a matter of life and death, there is generally strong public support of healthcare systems. The importance of citizens’ socio-economic position regarding the perception of particular policy programs interacts with the *institutional design* of these programs. While illness and longevity are far from evenly distributed across society, they are significant issues in all of our lives and thereby spark a general interest in functioning healthcare and pension schemes. Consequently, attitudes toward these programs have been shown to vary

less across different socio-economic groups. In contrast, unemployment and poverty are much more likely to affect those with low levels of education and work experience. People with lower education and work experience thereby have a much greater interest in such programs than do others who anticipate having to finance unemployment protection and social assistance instead of being able to benefit from them. Regarding more targeted programs, differences according to citizen's socio-economic position can be expected to be much more pronounced. The differences between socio-economic groups may therefore be widened or alleviated depending on the institutional design of specific social policy programs (Korpi and Palme 1998).

When interested in the effects of different institutional structures on public support, it is necessary to compare social policy programs among countries. Health policy and family policy, as well as unemployment benefits and social assistance, are all characterized by a high variety of institutional structures in different countries. So far, only a few comparative studies have analyzed the interrelation between the institutional set-up of welfare state programs and people's perceptions of these programs (Svallfors 1997; Gelissen 2002; Albrekt Larsen 2006). These studies have focused on the effects of the overall welfare regime type but not on the effects of specific social policy programs (recent exceptions include Fraile and Ferrer 2005; Jæger 2006; Pfeifer 2009; Wendt et al. 2010). Since the institutional structure of specific social policy programs does not mirror the welfare regime type in every case, it is more appropriate to concentrate on the former when analyzing public attitudes toward specific programs. Great Britain, for instance, is generally classified as a Liberal welfare state (Esping-Andersen 1990), but the British National Health Service (NHS) covers the total population on the basis of citizenship (Klein 2001). The NHS thus represents a high level of de-commodification and is therefore more in line with the Social Democratic model.

Our interest in the effects of institutional structures on public attitudes is guided by institutional theory (Lepsius 1990; Hall and Taylor 1996; Rothstein 1998; Béland 2005; Wendt 2009a). Institutions provide orientation for larger groups of the population and thereby structure social action. While we do not analyze welfare state institutions' effects on social action, we elaborate on the way in which institutions structure processes of orientation. Linking the macro level (social policy institutions) and the micro level (public opinion) helps to identify social policy measures that receive particularly high levels of public support. A high level of satisfaction, while not the only indicator, is important in identifying people's *trust in welfare state institutions*. Trust in welfare state institutions is relevant for two reasons: first, trust strengthens social cohesion and reduces

social conflicts within societies. Second, trust in welfare state institutions enhances a more general trust in political institutions. This trust is why the ‘welfare state proved essential to the social peace, legitimacy and political stability of democratic capitalist countries in the second half of the twentieth century’ (Mau and Veghte 2007, p. 1). If governments do well, they build support (Steinmo and Watts 1995). Democratic institutions in open societies depend upon support from their citizens, which is easier to achieve when people share the general understanding that their life chances will be improved and safeguarded by social policy institutions, and if the respective society and its institutions are perceived as just (Mau and Veghte 2007). With this in mind, we concentrate on a puzzle that has already been emphasized by Titmuss (1974, pp. 140ff.): ‘What effect does the system have on the social and psychological sense of community? Does it have divisive or unifying effects and in what sense and for what groups? Does it, in short, widen or diminish the concept and consciousness of “who is my neighbor”’. According to Svallfors (2010), social policy should be judged not only by its redistributive effect but also by its normative influence on mass publics: ‘Do these policies tend to foster egoism, narrow-mindedness, and exclusion, or do they tend to nurture civic-mindedness, tolerance, and concern for others?’ (Svallfors 2010, p. 242).

Following institutionalist theory, we argue that different welfare state architectures should result in substantial variations in public opinion on social policy issues among countries. Previous studies examining this relationship between welfare state regimes and attitudinal outcomes have not come to clear findings, and this lack of clarity has been attributed to the great diversity of empirical designs (that is, the diversity of countries, data and dependent variables used; see Albrekt Larsen 2008 and Jæger 2009). Interestingly, however, there is a strong consensus among citizens in all countries – and thus little international variation – that public support of the deserving needy should have priority (van Oorschot 2006). One could argue that this consensus contradicts institutionalist theory according to which welfare states with different institutional designs should yield different patterns of public opinion (Jæger 2007). So far, findings seem to support an alternative theoretical perspective: similarities in support for the deserving needy among developed countries support the self-interest hypothesis (Kangas 1997; van Oorschot 2002; Mau 2003; Jæger 2007) and thus the rational choice argument. However, a number of scholars have argued that the institutional structure of welfare states has not been sufficiently captured in earlier studies. Furthermore, we not only have to focus on the level, but more importantly, on the differences between socio-economic groups in the citizenry (see also Jæger 2009, who analyzes not only the level, but also the variance of public support). In this volume,

we follow this argument and combine a detailed analysis of institutional structures with the analysis of the *level* and the *group differences* of public support.

Linking public perceptions with the specific institutional design of certain welfare state programs requires capturing the programs' main characteristics. But what are the main characteristics? When comparing healthcare systems, scholars have distinguished between social health insurance (SHI) and National Health Service (NHS) systems. Alternatively, the names of the founding fathers of these systems, Bismarck and Beveridge, have been employed (Marmor and Okma 1998; Hassenteufel and Palier 2007; see Wendt et al. 2009 for an overview). It is questionable, however, whether these two types represent the major characteristics of different healthcare systems. In particular, the *provision of healthcare services*, a dimension that can be expected to strongly influence public perceptions of healthcare systems, is not represented by these types. Therefore, in this book we develop a set of indicators covering the dimensions that are of particular importance for the evaluation of healthcare and two other fields of social policy: family policy as well as unemployment benefits and social assistance.

According to institutional theory, social policy institutions have been developed along certain guiding ideas such as equality, social security, freedom of choice and solidarity. This line of thinking suggests that institutions promoting the idea of equity of access should result in a more homogeneous perception among different socio-economic groups. In contrast, social policy institutions that treat different parts of society differently should also yield greater variance in the evaluation of these institutions. Therefore, the German SHI scheme, with an exit option to private health insurance for higher-income groups and special rules for civil servants and the self-employed, should produce higher differences of public opinion than the British NHS, in which coverage is based on citizenship. Equity of access, however, is not the only topic that is of interest. Further indicators included in the comparative analysis of healthcare systems are healthcare expenditure, financing with emphasis on the amount of private out-of-pocket payment, health service provision and certain gatekeeping models.

In family policy, the institutional indicators with a potential effect on public opinion are different. In this field of social policy, leave arrangements, such as maternity or parental leave, as well as the availability of childcare facilities, are of particular importance. Again, the respective institutional structure is strongly influenced by social values. An important aspect discussed in the chapter on the perception of family policies is whether institutional structures support the dual-earner family model or rather the traditional male breadwinner model. Comprehensive childcare

arrangements indicate a socialization of child-rearing and can be regarded as an institutionalization of the idea of equal opportunity for men and women, which supports the dual-earner family model.

For the formation of public opinion with regard to unemployment benefits and social assistance schemes, two factors are most important: first, the functioning of the labor markets matters. In the context of low unemployment levels, both protection schemes play a role only for a very small group in the population, while rising unemployment leads to greater demand for social protection from both unemployment insurance and social assistance. Second, existing levels of benefit generosity matter. Low benefit levels may lead to demands for stronger protection, especially in times of high unemployment. Thus, both important factors interact with one another, and public opinion is formed precisely in the context of the labor market situation and the generosity of existing protection schemes for the working-aged population.

Institutional characteristics of each field of social policy are different when compared with the institutional set-up of welfare regimes as a whole. Based on field-specific indicators, we expect to identify distinct types of healthcare systems, family policy and schemes for the protection of the working-aged that are not identical to the welfare regime types introduced by Esping-Andersen (1990; see also Arts and Gelissen 2001; Scruggs and Allan 2006). Since a detailed analysis of the institutional structure is not possible for a larger group of countries, we have developed typologies of these three fields of social policy rooted in the Weberian method of *ideal-types*. According to Max Weber, an ideal-type 'is formed by the one-sided *accentuation* of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent *concrete individual* phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified *analytical* construct [*Gedankenbild*]' (Weber 1949, p. 90, emphasis in original). The construction of typologies helps in analyzing people's perceptions of healthcare systems, family policy and working-aged protection in 15 European countries. By covering three fields of social policy, we include a greater variety of institutional structures in our analysis. Since healthcare systems cover the overall population in most countries while unemployment benefits and social assistance schemes are targeted at certain population groups and family policy measures at a certain period of the lifespan, people perceive the respective institutions differently. We therefore contribute to a better understanding of whether patterns of solidarity among social groups are similar or dissimilar in different areas of social policy, in what respect self-interest depends on the type of social security and whether the best practices can be identified.

Our analysis of people's perception of welfare state institutions in 15 European countries proceeds as follows. In Chapter 2, we discuss theories and concepts for analyzing public opinion and provide an overview of the state of the art in this field. We employ institutional theory when discussing how institutions structure processes of orientation for larger societal groups. Furthermore, we discuss concepts for combining macro and micro perspectives of welfare state research. Bridging macro and micro research is necessary for gaining a better understanding of the effects of social policy. Based on these theoretical and conceptual considerations, we develop conceptual frameworks for constructing ideal types of social policy and linking the respective macro structures to an analysis of public opinion based on Eurobarometer data. The following chapters cover empirical analyses in three fields of social policy. In Chapter 3, types of healthcare system are constructed, followed by an analysis of public satisfaction with European healthcare systems and support for privatization in health policy. Chapter 4 classifies countries according to different types of family policy and studies public satisfaction with existing family policy measures across socio-economic groups and family policy types. Chapter 5 presents types of working-aged protection through unemployment benefits and social assistance schemes in European countries and links these types with the patterns of support for state responsibility for the poor and unemployed among different socio-economic groups and different types. Chapter 6 summarizes and compares findings from the three fields of social policy.

The related question of the influence of public opinion on social policy reform is not part of this book.<sup>1</sup> Pierson's (1996, 2001) *New Politics of the Welfare State* thesis made this area of research prominent in an effort to explain why welfare state retrenchment in the UK and the USA during the 1980s remained largely unsuccessful. In his 1996 article, Pierson played down the role of organized interests in maintaining the status quo, instead pointing to the 'feedback processes' of past public policies on program beneficiaries. Borrowing from Weaver (1986), Pierson sees an electoral 'blame avoidance' logic at work in times of austerity: politicians are reluctant to advance far-reaching retrenchment and restructuring, as they fear electoral backlash. 'The larger the group that is entitled to public transfers and services (and the more workers in the public welfare service sector), the stronger "concentrated" political pressure for expanding the size of the

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<sup>1</sup> This issue is analyzed in an ongoing project at the Collaborative Research Center 884 'Political Economy of Reforms' at Mannheim University entitled 'Welfare state support from below – linking organized interests and public attitudes', directed by Bernhard Ebbinghaus and Claus Wendt (<http://reforms.uni-mannheim.de>).

budget' (Albrekt Larsen 2006, p. 17). Such policy feedback mechanisms may also help explain why class differences in attitudes toward redistribution in egalitarian societies can be even larger than in inegalitarian societies, since 'highly redistributive institutions tend to promote resistance against further redistribution' (Kumlin and Svallfors 2007, p. 39). In line with the policy feedback hypothesis, Brooks and Manza (2006, 2007) find a strong, positive relationship between public opinion and social policy generosity. Kenworthy (2009), however, makes the point that Brooks and Manza's evidence, which reveals that public opinion is a key determinant of variation in social policy generosity, remains inconclusive, and the causal direction of the relation between both factors cannot be determined from their data. With regard to successful welfare state reforms, Vivien Schmidt (2002) argues that discourse matters in that it can alter perceptions of interest as well as overcome institutional obstacles to the process of change. She distinguishes two types, namely communicative and coordinative discourses. Communicative discourse is primarily directed toward the general public and communicates the government's policy decisions. Coordinative discourse, on the other hand, is a way of coordinating policy construction and is mainly directed toward policy elites involved in the original elaboration of the policy program (for the debate on public opinion and welfare state reform, see Brooks and Manza 2006; Jæger 2006; Jensen 2007; Kumlin and Svallfors 2007; Kenworthy 2009).

Though important for approaching the whole picture of public opinion, welfare state institutions and welfare state reforms, in this book we concentrate on one side of the coin: our goal is to draw a stronger link between welfare state institutions and public perception of social and health policy. By doing this, we rely heavily on Max Weber's typological method and analyze the *level* of public support and *differences among social groups* within different types of healthcare systems, family policy and unemployment benefits and social assistance schemes.