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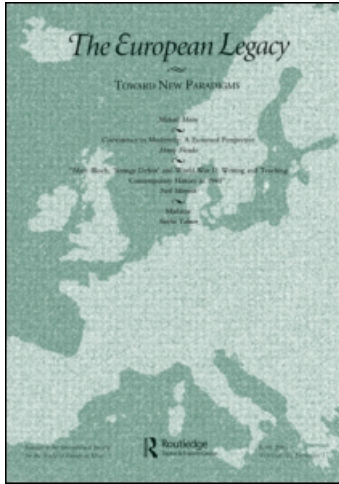
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Welfare State Reform and Political Allegiance¹

~ KES VAN KERSBERGEN ~

1. INTRODUCTION

Many theories have predicted the end of the welfare state, particularly pointing to the formidable challenges and pressures that threaten its viability or even subsistence. The challenges include population ageing, sluggish economic growth, long-term unemployment, changing family structures, the transformation of life cycle patterns, the post-industrialization of labour markets, the erosion of systems of interest intermediation and collective bargaining, the rise of new risks and needs, and international pressures (“globalization”). Still, so far the welfare state has continued to exist, albeit perhaps functioning at a lower level of social and economic performance. Institutionalist accounts of welfare state development have explicitly focused on institutional and policy persistence and identified *resistance against change* as the most conspicuous characteristic of welfare state development in the 1980s and 1990s. However, there are increasing numbers of arguments and hypotheses that imply a qualification of the resilience argument, in general because there seem to be far more radical or fundamental changes than expected or observed so far.²

Elsewhere, I have argued that the chances for survival of the welfare state may be more gloomy than expected if the political debate over restructuring continues to *assume* the inherent political and institutional mechanisms of resistance of the status quo.³ In addition, a fundamental alteration in the traditional manner in which we tend to think of the welfare state and a radical transformation of its institutions and core policies seem necessary. If it is the case that because “(...) a major overhaul of the existing welfare state edifice must occur if it is meant to produce a positive-sum kind of welfare for post-industrial society,”⁴ then the political mission is both immense and paradoxical. The political and institutional defence mechanisms of the “old order” have to be broken down, while at the same time new and innovative social and political coalitions have to be forged that can initiate a “new order.” The immensity concerns the fact that this has to be accomplished in such a way that the existing level of social protection is guaranteed while at the same time the systems are reorganized. The paradox is that in order to save the essential functions of the welfare state, it must be



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transformed in a radical manner. For such a thorough and major change, for instance in the financing of core schemes, political resources must be mobilized and support must be found among those groups in society (voters, unions, client and other interest groups, insurance companies, political parties, etc.) that adhere to the welfare state as it currently stands.

Overlooking much of the recent literature, it strikes me that the issues of the political conditions and consequences of radical welfare state reform have been under-researched and perhaps taken too lightly. In fact, much of the resilience literature explains the non-occurrence of far-reaching welfare state reform in terms of the *absence* of a political opportunity structure conducive to radical reform. Still, reforms do take place in the advanced welfare states, whether in the form of radical cutbacks, structural adjustments or piecemeal retrenchment. The issue I would like to raise here concerns the *political consequences* of reform in terms of the legitimacy of the political system of which the welfare state is a structural part and the political allegiance it is capable of engendering.

I assume that historically the favourable effects of the welfare state(s) on *social and economic security and well-being* (including equality) have reinforced political integration and have played a crucial role in the generation and maintenance of legitimacy and political allegiance. Given the immensity and paradoxical nature of the necessity to reform the welfare state radically precisely in order to save it and given that this political mission is likely to corrode social and economic security and well-being, it becomes increasingly important to ask whether and to what extent welfare state *reform* affects the postulated positive linkage between the welfare state, legitimacy and political allegiance.

This paper, then, does not deal with welfare state retrenchment, austerity or restructuring as possible elements of the “crisis” of the welfare state, that is to say the topics with which much if not most welfare state research is currently preoccupied. Rather, it seems to me increasingly appropriate to look at how changes in welfare state configurations and social policies might affect the strictly political outcomes of the welfare state, such as political integration, legitimacy, stability and allegiance. I cannot present any coherent theory, hypotheses or research strategy yet, but would simply like to argue in favour of paying more attention to these political issues by pointing to some potential sources of inspiration for a change in the research agenda in this direction.

We need to understand better: (a) the contribution of the welfare state (or social policies) to political integration, (the stability or instability of) legitimacy and allegiance; and (b) the way in which welfare state reform affects the relation between the welfare state and legitimacy and political allegiance. The general question that in my view should assume a much more prominent place on the social science agenda is the following: under what conditions and to what extent do the different reform strategies of the welfare state weaken or strengthen favourable political feedback mechanisms that affect legitimacy and political allegiance?

This paper is organized as follows. I think it is possible and necessary to learn from contemporary welfare state research for understanding the political impact of welfare state reform. A review of the literature for these purposes is offered in Section 2. Most of the literature, however, deals with welfare state reform as the *dependent variable*, but is not particularly precise in its conceptualization and operationalization. A proposal to improve upon this state of affairs that has repercussions for how we can look at the

welfare state as an *independent variable* explaining political outcomes is discussed in Section 3. In Section 4 I propose to think of the welfare state as a crucial mechanism linking a government to the general public. Social policies substantiate the social and economic security and well-being of the population, thereby confirming or reinforcing political allegiance. In this section I also explain the analytical advantages of the concept of “allegiance.” In the concluding Section 5 I will confine myself to the presentation of four general questions and possible routes for further research on the political effects of welfare state reform.

2. THE NEW POLITICS OF THE WELFARE STATE AND THE POLITICAL CONSEQUENCES OF RADICAL REFORM⁵

As Green-Pedersen and Haverland rightly stress,⁶ the debate on retrenchment and austerity, particularly since the publication of Paul Pierson’s instant classic on the topic,⁷ has been almost entirely a political science affair. Arguments on how to explain retrenchment or the resilience of existing welfare regimes focus on “new” political variables such as party systems, the logic of elections, political institutions, and policy learning. The debate has focused on Pierson’s claim that the old politics of welfare state growth are radically different from the new politics of austerity. The issue is whether this implies that old theories of expansion are obsolete and unusable for explaining retrenchment and ultimately also for understanding the political consequences of radical welfare state reform.

Paul Pierson, who analyses retrenchment policies at the level of single programmes, has argued that “frontal assaults on the welfare state carry tremendous electoral risks” and that retrenchment should not be misunderstood as the mirror image of the growth of the welfare state.⁸ Welfare expansion usually generated a popular politics of credit claiming for extending social rights and raising benefits to an increasing number of citizens, while austerity policies affront voters and networks of organized interests. In other words, welfare state reform tends to induce *political backlash* and in most of the recent literature this has been taken to explain the striking inertia of social programmes. However, radical reforms are taking place and there seems to be a growing awareness that such reforms are inevitable if the welfare state is to be kept. Therefore, an important issue pertains to the type of political backlash that is to be expected from radical reform.

The post-1945 welfare state has also produced an entirely novel *institutional context*. Once welfare programmes, like social housing and health care, were solidly established, they created their own programme-specific constituencies of clients and professional interests. As a consequence, “the emergence of powerful groups surrounding social programs may make the welfare state less dependent on the political parties, social movements, and labour organizations that expanded social programs in the first place.”⁹ Specialized social programmes in the policy areas of social housing, health care, education, public assistance, social security, and labour market management have indeed developed into institutionally separated and functionally differentiated policy domains. Therefore, a general weakening of social democratic and Christian democratic parties and the trade union movement—the main historical supporters of welfare state expansion—need not translate into a commensurate weakening of social policy. I

emphasize that the programme-specific constituencies of clients and professional interests have developed into powerful defenders of the welfare state, but that they are also at the same time the main source of political controversies over reform.

The former “politics matters” researchers as well as those who adhered to the “power resources approach”¹⁰ empirically corroborate the Pierson-thesis and conclude that for austerity and retrenchment (public employment in Scandinavia is the exception) traditional class and politics matter less and less, because an institutional rather than a political logic governs the adaptation of welfare states. Myles and Quadagno argue that because “old politics” in this sense matters less for welfare state adaptation, it makes sense to turn to the first, “pre-political” generation of research as a source of inspiration for understanding current developments in welfare state restructuring.¹¹ The “logic of industrialism” approach, for instance, argued that the welfare state was by and large the answer of society to the growing needs of its population. Industrialization created a demand for welfare by destroying traditional bonds and the institutions providing social security. The development of industrial society brought along economic growth, urbanization, and demographic change.

Population ageing, one of the correlates of industrialization, has clearly been a major factor governing recent welfare state retrenchment and restructuring. In this sense, old theory is still relevant. However, as Myles and Quadagno correctly argue,¹² current change is as much economic and social as it is demographic, if only because of the existing massive institutional commitments to pensions. Post-industrial development, too, has a whole set of new “correlates,” of which the increasing labour market participation of women, changing family structures and declining fertility rates are the most important ones. However, if anywhere it is clear that radical reform is already taking place or is inevitable in the near future, it is in the area of old age pensions. And if anywhere the possibility of a severe political backlash looms ahead, it is among pensioners whose incomes are threatened and among those currently in the labour market who are afraid of the coming burden of double contributions and fear disentanglement once they retire.

Still, there is another way in which we can learn from the “logic of industrialism” approach, which stressed that rapid economic growth created not only the *need* for welfare state intervention, but also the *resources* to do so. Scarbrough stresses that trends associated with industrial development (urbanization, individualization, changes in family structures, increasing reliance on wage labour) are still paramount and hence permanently reinforce needs or generate new demands.¹³ At the same time, affluence, continued (although slower) economic growth and the still considerable administrative capacity of the state, still provide the resources and means for the welfare state.

Scarbrough, as one of the few who has an open eye for political effects, also points to the continued relevance of those theories that see the welfare state as an aspect of modernization and development, especially nation-building. In her analysis, welfare states are still appropriate elite strategies of social and political incorporation and developments, such as internationalization, reinforce the threat of social exclusion. Her conclusion is that there are “good grounds for the presumption that state intervention to ensure some degree of security and equity among its citizens remains central to societal cohesion and political order.”¹⁴ Therefore, if state intervention cannot guaran-

tee security and equity among its citizens, societal cohesion and political order may be in jeopardy.

In the spirit of the “industrialism” approach, one could also make the argument that sluggish productivity growth and mass unemployment deteriorate the conditions for the maintenance of the welfare state or its further expansion. Moreover, “*post-industrialization*,” i.e. the employment shift (and the accompanying change in the occupational structure) from manufacturing to services, reinforces slow productivity growth. Both developments are likely to create an environment that is much more predisposed to welfare and tax backlash, weakening the political support for the welfare state.

In Esping-Andersen’s analyses,¹⁵ post-industrialism leads to serious trade-offs, particularly between protecting labour market insiders and creating opportunities for outsiders and, more generally, between employment and equality. Iversen and Wren even identify a post-industrial *trilemma* between budgetary restraint, wage equality and employment growth, where only two of these three policy goals can be successfully pursued simultaneously: “Because budgetary restraint precludes any rapid expansion of public sector employment, governments wedded to such discipline must either accept low earnings equality in order to spur growth in private service employment or face low growth in overall employment. Alternatively, governments may pursue earnings equality and high employment, but they can do so only at the expense of budgetary restraint.”¹⁶ One can imagine the increasing difficulties for governments, especially the EU member states that need to adhere to the convergence criteria of EMU, to legitimize their social and economic policies when they need to explain to the voters that either rising equality or mass unemployment is a necessary consequence of government policy.

Myles and Quadagno agree with the second generation of research (“politics matters,” “power resources”) that in the post-war period cross-national variation in welfare state development—under conditions of continuing industrial development—could by and large be explained by the variation in class structure, class coalitions, the strength of political parties and unions as well as by the institutional setting in which these forces struggled.¹⁷ However, they follow researchers like Hicks, Stephens *et al.*, Huber and Stephens, and Swank who argue that “politics matters” in a very different way (or not at all) for how welfare states cope with post-industrialization and globalization.¹⁸ As Myles and Quadagno put it: “Political accounts of the earlier period of post-war expansion—the claim that politics matters—emphasized the role of political actors (...). In contrast, explanations of refracted divergence during the last quarter century—the variety of responses to globalization and post-industrialization—have instead emphasized the decisive role of political institutions (...): thus the partisan (left–right) composition of government matters less than the presence of corporatist decision-making institutions.”¹⁹ If one reflects upon the consequences of this thesis for a moment, one can anticipate that once the electorate itself realizes fully that “politics–does–not–matter” latent anti-politics sentiments are activated and a fertile ground for populist activists is likely to emerge.

In sum, those who argue that old theory that was designed to explain the expansion of the welfare state cannot explain retrenchment frequently revert to old theories that preceded the “politics matters” school, particularly the “logic of industrialism” approach and elite-oriented modernization (nation-building) theory, but also—

although in this paper I will not elaborate upon this—Marxist analyses of the capitalist state (this holds particularly for much of the globalization literature). However, they fail to consider the potential and likely political effects of the “decline of traditional politics” and the extent to which such political consequences of welfare state adaptation and reform are likely to affect the conditions for welfare state survival.

3. THE SPECIFICATION OF WELFARE STATE REFORM: THE (IN)DEPENDENT VARIABLE

There is considerable confusion around the question of what exactly is to be explained. The problem is known as the “dependent variable problem.” What are comparativists trying to explain? Is it the crisis or end of the welfare state? Is it cross-national variation in the patterns of retrenchment? Is it the reconstruction of the welfare state? Is it the persistence of welfare states? Is it the convergence of regimes?

Pierson observes that there is a lack of consensus on outcomes,²⁰ particularly with respect to the issue of how much welfare states have actually changed since the Golden Age of growth, that is to say roughly since the 1980s. For instance, where Pierson looks at social spending, particularly transfer payments, and concludes that there has been no radical dismantling of welfare state arrangements,²¹ Clayton and Pontusson²² criticize this thesis by pointing to the fact that if one looks at the organization of the public sector, particularly the delivery of social services and the development of public employment, one can observe significant retrenchments and strongly market-oriented reforms, even in the social democratic welfare state of Sweden. In fact, Clayton and Pontusson go so far as to argue that current reforms (retrenchment) tend to have an antiservice bias which is not picked up if one studies transfer payments. By contrast, Levy²³ finds that especially welfare state reform in Christian democratic regimes cannot be described either in terms of pure retrenchments of transfer programmes or in terms of an antiservice bias (if only because these welfare states are service-lean anyway). His argument is that these welfare states “are not locked into zero-sum trade-offs between the pursuit of efficiency and the pursuit of equity.”²⁴ In fact, successful reform implies turning vice into virtue, that is, “targeting inequities within the welfare system that are simultaneously a source of inefficiency.”²⁵

According to Pierson,²⁶ the controversy over the dependent variable is first of all a result of the indistinctness of the concept of the welfare state itself. Too many and quite divergent phenomena are discussed under the same heading. In other words, contemporary welfare state research suffers from a weakness well known in comparative politics: concept stretching. Related to this is the problem of which data to use for the operationalization of “the welfare state.” Also, most theories so far are still based on the analysis of data of the early 1990s, whereas the most significant changes may be of more recent date.²⁷ Finally, Pierson also notices theoretical weaknesses that concern the implicit assumption in many studies that one can measure welfare state change along a single scale. There has been a tendency to reduce the problem of welfare state retrenchment and reform to a dichotomy of “less” versus “more” and “intact” versus “dismantled,” which is an unwarranted theoretical simplification. He proposes to emend this and improve our understanding of welfare state change by looking at three dimensions:

1. Recommodification: the attempt “to restrict the alternatives to participation in the labour market, either by tightening eligibility or cutting benefits,”²⁸ that is to say strengthening the whip of the labour market;
2. Cost containment: the attempt to keep balanced budgets through austerity policies, including deficit reduction and tax moderation;
3. Recalibration: “reforms which seek to make contemporary welfare states more consistent with contemporary goals and demands for social provision.”²⁹

Obviously, as Pierson himself points out,³⁰ this is “tricky territory analytically,” because it may be very hard to “distinguish the impact of new ideas about how to do things, or efforts to recalibrate errant programs, from simple cutbacks in provision.” The way to go about trying to solve the dependent variable problem is: (1) to make sense, both theoretically and empirically, of welfare state reform by carefully elucidating and documenting what kind of changes are taking place; and (2) to explain cross-national variation in change along the various dimensions of welfare state reform by trying to uncover the causal forces and mechanisms that drive these processes.

Pierson has done much to improve the state of affairs and his proposals are also helpful for the study of the welfare state as an independent variable. I propose to look at welfare state reform as the *independent* variable and study the effects of reforms on the political performance of advanced democracies. The definition of the “new politics” is rather narrowly focused on the dimensions Pierson has outlined. But given the enormous structural political transformation that the welfare state regimes have brought about, it makes sense to consider the political consequences of cost containment, recommodification and restructuring (recalibration). In other words, I think it may be useful to study the dimensions of Pierson’s dependent variable as ever so many dimensions of the *independent* variable, a point to which I briefly return in the conclusion. First, however, some more needs to be said about “political consequences” (legitimacy, stability, allegiance) as a dependent variable.

4. ALLEGIANCE AND LEGITIMACY

Many analysts readily mention legitimacy as perhaps the *politically* most advantageous aspect of welfare state development, but somehow seem to eschew further thorough inquiry in this area. In an interesting but largely forgotten chapter, Anthony King analysed the welfare state as a bulwark of political stability and a cushion of change: “If it did not exist, political conservatives would have to invent it.”³¹ In a recent paper, Stein Kuhnle holds that “developed democratic welfare states are quite good at making adjustments of public policies in such a way that the legitimacy of the system can be preserved at the same time as new vitality and transformations in the economy can be brought about.”³² The impressive comparative project on welfare and work in the open economy of Fritz W. Scharpf and Vivien A. Schmidt³³ even started from the thesis that output-oriented legitimacy is *implied* in the good performance of the welfare state in terms of work and welfare. There have also been more critical analyses. From a Marxist point of view, Claus Offe defined the welfare state’s role or function in terms of a “peace formula” and the political solution to major societal contradictions.³⁴ “The increasing claims that are made on the state budget both by labour and capital (...) can

only lead to unprecedented levels of public debt and to constant governmental efforts to terminate or reduce welfare state programmes. Hence economic growth not only becomes more costly in terms of the budgetary inputs required to promote it; it also becomes more costly in terms of political legitimation.”³⁵

Although there are perhaps good theoretical reasons to assume that the welfare state has a positive impact on legitimacy and stability, there are equally good reasons to ask critical questions. For instance, a recent comparative project on success and failure in public governance³⁶ finds that at the programmatic level there is no symmetry between policy success or failure and political success or failure, so that there are cases where the policy performance of a government is good, but the political reactions to the government are adverse. In other words, legitimacy cannot be inferred from “good performance,” because the conditions under which this does occur need to be carefully specified. It is for this purpose that I introduce the concept of political allegiance.

Let us think of the welfare state as one of the crucial mechanisms linking a government to the general public. Social policies substantiate the social and economic security and well-being of the population, thereby confirming or reinforcing political allegiance. Let us assume that the welfare state provides economic and social security and well-being. After the experience of crisis in the 1930s, the welfare state, or rather the Keynesian welfare state, took job security very seriously and full employment in some states came to mean the best way to obtain social security. The provision of benefits and services has been a major means to protect citizens against the risks inherent to life itself (e.g. sickness, old age) and to life in a market economy (e.g. unemployment, disability).

Security and well-being can be theorized as the major benefits for national publics offered by a government. For all political regimes (including welfare state regimes) it holds that people are concerned about their material interests and their personal security. What Gerard Alexander assumes to be the case for authoritarian and democratic regimes,³⁷ also holds, *mutatis mutandis*, for welfare state regimes. First, citizens as political subjects care about their *well-being*, wanting to protect and advance their material and non-material interests. Second, they want to be reassured about their *security*, ranging from a preference for the lowest possible risk of experiencing violence to a desire for the most solid possible shelter against social and economic misfortune. This, then, poses the following general question: under what conditions and to what extent do publics (the ruled) accept and support decisions and actions of their governments (the rulers) that seem to affect their well-being and security beyond their direct control? The general answer is that they do so on the condition that this guarantees or reinforces security (territorial, physical, social and economic) and well-being. This induces “allegiance,” formally defined as the willingness of a national public to approve of and to support the decisions made by a government, in return for a more or less immediate and straightforward reward or benefit to which the public feels entitled on the basis of it having rendered approval and support.³⁸

The “goods” of security/well-being and support are varied and manifold. Security and well-being offered by a government can be territorial, physical, economic and social. It must in principle be understood in the broadest possible sense and ranges from issues of war and peace to economic (e.g. employment) and social (e.g. income maintenance) security and well-being. Support offered by a public can be political,

economic, social and civil and may range from various forms of social and political participation and the willingness to pay taxes to the general inclination to observe the law.

Allegiance is necessarily a relational concept and it is important to stress that in a relation properly described by allegiance the implied rights and duties are correlative. It is a dyadic relation where a subject has the right to be protected as well as the duty to obey and support and where the ruler has both the right to decide and the duty to provide security. Allegiance involves an exchange relation between two parties and the currency of this bond as well as the guarantee of its stability consists of trust and security rather than, for instance, the presence of a third party as a dispute resolver.

Allegiance describes the relation between the ruled and the ruler, between a subject and a sovereign, between a public or citizenry and a government. The subject confides in the ruler and the ruler in the subject. This remarkable confidence is rooted in a double expectation, because both parties in the relation anticipate a reward or benefit: protection, security and prosperity in return for submission and support, and submission and support in return for protection, security and prosperity. Implied in this relation between a public and a government is that when protection, security and well-being are not guaranteed, then ultimately obedience and support decline, and when support and obedience are not delivered, then ultimately the capacity to rule—and therefore the capacity to deliver the goods—decreases.

The reasons I am elaborating the concept of allegiance here, is that I hold that allegiance discloses what legitimacy tends to underexpose, namely the crucial condition of security and well-being in the exchange relation between a ruler and the ruled. Let me point to some important distinctive features and analytical advantages of allegiance. Allegiance cannot be equated with legitimacy, because it is possible to think of a legitimate government that is incapable of maintaining allegiance. Allegiance is much more than appointing and affirming political authority legitimately, for instance, in elections. Allegiance also points to and touches upon civil obedience, for instance with regard to paying taxes and contributions, or in a more general sense with regard to obeying and implementing the law in return for the benefit of being governed well.

The point is that all criteria of legitimacy may be met, yet allegiance may not occur. A government may have acquired political power legally according to established rules, the rules may be socially accepted and so may the political programme of the government, and the ruled may have expressed their consent by having elected the government.³⁹ Nevertheless, allegiance may still be problematic, because the government does not or cannot—possibly for reasons outside its power—deliver economic and social security and an acceptable level of well-being.

Allegiance, as I understand it in comparison with legitimacy, has three important connotations. First, legitimacy refers to both the rightfulness of the *institution* of government and the *actual* government, whereas allegiance describes the *relation* between the actual *rulers* and the *ruled*. Legitimacy is—on the basis of the criteria specified—a property of the decision-making processes and the political institutions, while allegiance looks at the relation between rulers and ruled from the public's point of view. Secondly, allegiance presupposes the subject's broad, although not necessarily active, support for the actual ruler rather than a mere acquiescence with the system, an express consent with the institution or a diffuse democratic consensus. Allegiance, Perry

Anderson rightly argues, “bespeaks not civic participation but customary adhesion—obedience in exchange for benefits: Hobbes rather than Rousseau.”⁴⁰ Finally, the concept of allegiance has this connotation by virtue of it describing a beneficial exchange between the ruled and the actual ruler, where the ruler delivers security and well-being. Allegiance presupposes a trade-off. In addition, because allegiance describes the relation between the ruler and the ruled, it is ultimately a relation of power. A proposition is that it makes sense for a ruler to invest in a power relation of allegiance in order to be able to continue his rule.

One major example of “power investments” can be found in Esping-Andersen’s analysis of Scandinavian social democracy,⁴¹ where the social citizenship state (rather than *the* welfare state) was seen as one of the most important political bases of social democracy. The socialists saw social citizenship as a goal but also as a means to power mobilization. Universalist social policy created intra-class solidarity and helped build a collective identity. Moreover, social policy liberated workers from the disciplinary whip of the labour market and made them stronger vis-à-vis employers. Finally, social policy was to advance equality, a precondition for the other socialist goals. Esping-Andersen expected “the long run political fate of social democratic labor movements to be contingent on their ability to implement solidarity, decommodification, and equality through social legislation. Conversely, failure to implement a socialist alternative to liberal or conservative reformism would weaken the capacity for working-class political unity and social democratic power mobilization.”⁴²

Another example is taken from my own work,⁴³ in which I have analysed the Christian democratic project of “social capitalism” as the medium and outcome of power. Cross-class coalitions, both among the electorate and within the parties, have distinguished Christian democratic parties. The cross-class appeal and the integration of various social groups has been an important procedure for building cross-class coalitions. This happened on the basis of exchange between groups, social compensation, and maintaining extensive relations with affiliated social organizations. This analysis led to the expectation that in a period of “permanent austerity,”⁴⁴ the sources that once provided the media of exchange for social capitalist coalitions (e.g. generous transfer payments, subsidies) dry up as a result of which the “politics of mediation” comes to an end, with detrimental effects on the power of Christian democracy. In addition to secularization, Christian democracy’s major predicament is an effect of the incompatibility of the social and economic realities of the 1990s/early twenty-first century and the ill-adapted institutions of the welfare states to which the movements are politically attached.

5. CONCLUSION AND QUESTIONS FOR FURTHER RESEARCH

Let me try to conclude by formulating four general questions and possible routes for research.

1. Under what conditions and to what extent have different configurations of market, state, family and civil society (the work and welfare regime of a nation) fostered different “machineries” of political legitimacy? (Linking up with the regime literature.⁴⁵)

2. Under what conditions and to what extent do the effects of reform on political legitimacy and allegiance vary according to different reform strategies, such as recommodification, cost containment and recalibration? (Following Pierson.⁴⁶)
3. Under what conditions and to what extent are the central, advantageous feedback mechanisms that reinforce the policy–legitimacy–allegiance dynamic in advanced welfare states severed by endogenous and exogenous processes such as globalization, European integration, demographic change and post-industrialization? (Incorporating “old theory,” the literature on path dependency⁴⁷ and the literature on the varying adjustment of welfare states to challenges and threats.⁴⁸)
4. To what extent and under what conditions is the declining political function, efficacy and legitimacy of political actors, institutions and policies explained by the inability to uphold welfare state regime-specific, self-reinforcing mechanisms of continued power mobilization? (Revaluing and elaborating the power resources approach to the welfare state and linking up with the path dependency literature.)

The findings of this paper suggest the following. Radical welfare state reform is likely to cause political backlash. Even though programme-specific constituencies of clients and professional interests are among the most effective guardians of the welfare state, they are also the main source of political controversies over reform. The welfare state may have important built-in institutional defences, yet any institutional logic of adaptation is likely to have political consequences that critically affect the institutional logic. Welfare states may still continue to be advantageous strategies of social and political cohesion, but if state intervention cannot guarantee security and equity among its citizens, social and political cohesion and political order may be in danger. Many of the challenges discussed in the literature are likely to contribute to an environment in which welfare and tax backlash is more likely and in which political support for the welfare state is weakened accordingly, giving rise to electoral instability, ungovernability, anti-politics sentiments and populist politics.

Assuming that the welfare state has been a crucial mechanism for generating and maintaining political integration, democratic (output) legitimacy and political allegiance, one could formulate two general propositions to guide further research. First, political actors (parties, governments) are likely to formulate reform strategies that are aimed at reinforcing political feedback mechanisms that are beneficial to them in the short run, for instance by protecting core political constituencies and shifting costs to weaker or seemingly harmless (electoral) groups. Second, less electorally sensitive positive institutional feedback loops (e.g. those working at systems level) run the risk of being disrupted in the long run. In other words, welfare state reform strategies may generate on the one hand a kind of short run *political* logic that may be *electorally* “efficient” for those political actors in power during more or less fixed electoral cycles, but on the other hand produce a *systemic* logic that is “inefficient” for political integration, legitimacy, stability and political allegiance in the long run.

NOTES

1. An earlier version of this paper was presented at the conference “European Welfare States: Dynamics and Patterns of Change. Challenges, Institutions, and Actors,” Sandbjerg Castle,

- Denmark, 2–5 May 2002. I wish to thank the participants of the conference and Markus Haverland for helpful comments.
2. See for example the country studies in Fritz W. Scharpf and Vivien A. Schmidt, eds, *Welfare and Work in the Open Economy, Vol. 2, Diverse Responses to Common Challenges* (Oxford: Oxford University Press, 2000).
 3. Kees Van Kersbergen, "The Declining Resistance of National Welfare States to Change?," in *Survival of the European Welfare State*, ed. Stein Kuhnle (London and New York: Routledge, 2000).
 4. Gøsta Esping-Andersen, "Positive-Sum Solutions in a World of Trade-Offs?," in *Welfare States in Transition. National Adaptations in Global Economies*, ed. Gøsta Esping-Andersen (London: Sage, 1996), 267.
 5. Sections 2 and 3 draw on the more extensive reviews that are offered in Kees Van Kersbergen and Uwe Becker, "Comparative Politics and the Welfare State," in *Comparative Democratic Politics. A Guide to Contemporary Theory and Research*, ed. Hans Keman (London: Sage, 2002) and Kees Van Kersbergen, "The Politics of Welfare State Reform," *Swiss Political Science Review* 8(2) (2002): 1–19.
 6. Christoffer Green-Pedersen and Markus Haverland, "The New Politics and Scholarship of the Welfare State," *Journal of European Social Policy* 12(1) (2002): 43–51.
 7. Paul Pierson, *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment* (Cambridge: Cambridge University Press, 1994).
 8. Paul Pierson, "The New Politics of the Welfare State," *World Politics* 48(2) (1996): 143–79 at 178.
 9. *Ibid.*, 147.
 10. Evelyne Huber and John D. Stephens, *Development and Crisis of the Welfare State: Parties and Policies in Global Markets* (Chicago: The University of Chicago Press, 2001).
 11. John Myles and Jill Quadagno, "Political Theories and the Welfare State," *Social Service Review* 76(1) (2002): 34–57.
 12. *Ibid.*, 51.
 13. Elinor Scarbrough, "West European Welfare States: The Old Politics of Retrenchment," *European Journal of Political Research* 38(2) (2000): 225–59.
 14. *Ibid.*, 240.
 15. Gøsta Esping-Andersen, *Social Foundations of Postindustrial Economies* (Oxford: Oxford University Press, 1999).
 16. Torben Iversen and Anne Wren, "Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy," *World Politics* 50(4) (1998): 507–46 at 513.
 17. Myles and Quadagno, "Political Theories and the Welfare State."
 18. Alexander M. Hicks, *Social Democracy and Welfare Capitalism: A Century of Income Security Politics* (Ithaca, NY: Cornell University Press, 1999); Herbert Kitschelt, Peter Lange, Gary Marks and John D. Stephens, eds, *Continuity and Change in Contemporary Capitalism* (Cambridge: Cambridge University Press, 1999); Huber and Stephens, *Development and Crisis of the Welfare State*; Duane Swank, *Global Capital, Political Institutions, and Policy Change in Developed Welfare States* (Cambridge: Cambridge University Press, 2002).
 19. Myles and Quadagno, "Political Theories and the Welfare State," 52.
 20. Paul Pierson, ed., *The New Politics of the Welfare State* (Oxford: Oxford University Press, 2001).
 21. Pierson, "The New Politics of the Welfare State."
 22. Richard Clayton and Jonas Pontusson, "Welfare-State Retrenchment Revisited: Entitlement Cuts, Public Sector Restructuring, and Inegalitarian Trends in Advanced Capitalist Societies," *World Politics* 51(1) (1998): 67–98.
 23. Jonah D. Levy, "Vice into Virtue? Progressive Politics and Welfare Reform in Continental Europe," *Politics and Society* 27(2) (1999): 239–74.
 24. *Ibid.*, 265.
 25. *Ibid.*
 26. Pierson, *The New Politics of the Welfare State*.

27. Van Kersbergen, "The Declining Resistance of National Welfare States to Change?"
28. Pierson, *The New Politics of the Welfare State*, 422.
29. *Ibid.*, 425.
30. *Ibid.*
31. Anthony King, "The Political Consequences of the Welfare State," in *Evaluating the Welfare State. Social and Political Perspectives*, ed. Shimon E. Spiro and Ephraim Yuchtman-Yaar (New York: Academic Press, 1983), 22.
32. Stein Kuhnle, "Productive Welfare in Korea: Moving towards a European Welfare State Type?" Paper for the European Consortium of Political Research Joint Session of Workshops, Torino, Italy, 22–27 March 2002, 10.
33. Scharpf and Schmidt, *Welfare and Work in the Open Economy*.
34. Claus Offe, *Contradictions of the Welfare State* (London: Hutchinson, 1984), 147.
35. *Ibid.*, 198.
36. Mark Bovens, Paul 't Hart and B. Guy Peters, eds, *Success and Failure in Public Governance: A Comparative Analysis* (Cheltenham: Elgar, 2001).
37. Gerard Alexander, *The Sources of Democratic Consolidation* (Ithaca and London: Cornell University Press, 2002), 33.
38. See extensively, Kees Van Kersbergen, "Political Allegiance and European Integration," *European Journal of Political Research* 37(1) (2000): 1–17.
39. David Beetham, *The Legitimation of Power* (Houndmills: MacMillan, 1991), 15–9; see David Beetham and Chris Lord, "Legitimacy and the European Union," Paper for the European Consortium of Political Research Joint Session of Workshops, Oslo, 29 March—3 April 1996.
40. Perry Anderson, "Under the Sign of the Interim," in *The Question of Europe*, ed. Peter Gowan and Perry Anderson (London and New York: Verso, 1997), 65.
41. Gösta Esping-Andersen, *Politics against Markets: The Social Democratic Road to Power* (Princeton: Princeton University Press, 1985).
42. *Ibid.*, 148–9.
43. Kees Van Kersbergen, *Social Capitalism* (London and New York: Routledge, 1995); Kees Van Kersbergen, "Contemporary Christian Democracy and the Demise of the Politics of Mediation," in *Continuity and Change in Contemporary Capitalism*, ed. Kitschelt *et al.*, 346–70.
44. Pierson, *The New Politics of the Welfare State*.
45. Esping-Andersen, *Social Foundations of Postindustrial Economies*; Kuhnle, ed., *Survival of the European Welfare State*.
46. Pierson, *The New Politics of the Welfare State*.
47. For example, Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," *American Political Science Review* 94(2) (2000): 251–67.
48. Hicks, *Social Democracy and Welfare Capitalism*; Kitschelt *et al.*, eds, *Continuity and Change in Contemporary Capitalism*; Scharpf and Schmidt, *Welfare and Work in the Open Economy*; Huber and Stephens, *Development and Crisis of the Welfare State*; Swank, *Global Capital*.

