

BOOK REVIEW/ COMPTE RENDU

Van Kersbergen, Kees and Barbara Vis. 2014. *Comparative Welfare State Politics: Development, Opportunities and Reform*. New York: Cambridge University Press. 245 pp. \$30.95 Paperback (9780521183710)

The first generation of comparative welfare state studies from the mid-seventies to the early nineties, was largely the creation of sociologists and focused on the explosion of welfare state reforms in the rich democracies after the Second World War. Since then, the field has been largely taken over by political science. For sociologists in search of a quick fix on how the field has evolved since then, *Comparative Welfare State Politics* is the place to go. Van Kersbergen and Vis review the evolution of theoretical debates since the nineties, examine them against major empirical turning points in the research literature, and offer an original theoretical perspective that aims to subsume and go beyond the best insights of recent scholarship.

Esping-Andersen's *Three Worlds of Welfare Capitalism* (1990) undoubtedly marks the apogee (and twilight) of sociology's contributions to the field but remains a central reference point for most of the work done since. Indeed, Van Kersbergen and Vis devote an entire chapter to the continuing debate over the *Three Worlds* typology and conclude that it emerges resilient and largely unscathed by the critics.

The next turning point in the literature came as scholars turned their attention to the 'welfare state backlash' embodied in the Reagan and Thatcher regimes of the 1980s. Paul Pierson's *Dismantling the Welfare State?* (1994) provided the focal point. Pierson concluded that despite the concerted efforts of both political leaders to dismantle their welfare states, both ended in failure. The new question was what made the welfare state so resilient? Pierson's rich "neo-institutionalist" theory provided a plausible and persuasive account and terms like "path dependency" became common currency in the literature.

Welfare state "resilience," however, was not always viewed as benign since stasis also meant that welfare states were failing to adapt to changing social risks. "Policy drift," as Esping-Andersen, Hacker and others have pointed out can mean retrenchment through other means. Nevertheless, in an extended review of what welfare states actually do (Chapter 5), Van Kersbergen and Vis conclude that contemporary wel-

fare states continue to accomplish a great deal with respect to outcomes such as poverty and income inequality. In some countries, they have actually improved their records with respect to covering major social risks. Welfare states are not out of business yet.

If observers were impressed by the modesty of retrenchment efforts through the 80s and 90s, by the 2000s it was clear that both big and small reforms had become the order of the day. New seeds were entering the social policy gene pool, especially in “big” welfare states like France, Germany and Sweden. Indeed, turning the Pierson thesis on its head, Van Kersbergen and Vis (2014, 4) argue that the welfare state is a *permanently reforming* institution. Recent reforms however take on many hues. *Retrenchments* roll back policies that protect people from markets; *adaptations* modify existing policies so that they continue to do what they have been doing; *recalibrations* amend existing policy instruments to meet new social risks. The significance of many reforms is ambiguous. Does raising the retirement age from 65 to 67 represent retrenchment or a functional adaptation to dramatic gains in human longevity?

Rather than abandoning institutionalist arguments about the *difficulties* of reform, however, recent theoretical work takes these rigidities as context: if reform is so difficult and always risky for political leaders why do they do it anyway? One road taken, as in the work of Blyth (2002), Béland (2005) and others, is a renewed emphasis on the determining role of new *ideas* under conditions of uncertainty (i.e. when old models no longer seem to work as expected). Häusermann (2010) and Thelen (2014) have highlighted the role of coalition restructuring and coalition “engineering,” extending Esping-Andersen’s arguments about the importance of cross-class coalitions to consider more complex national variations in the construction of new intra-class coalitions across divisions based on gender, skill level and the like. Van Kersbergen and Vis weave these strands of work into their theory but deem them insufficient on their own. Instead, they offer what they call an “open functional approach” to welfare state reform (Chapter 6). So what’s that about?

The “functional” bit of the argument simply highlights the primacy of the changing material (objective) conditions that constrain political actors in any historical period. Against the ideationalists and constructivists, they argue with Marx that men make their own history but not exactly as they please. The constraints of existing institutions and the dynamic, ever-changing, character of capitalism, are constantly throwing up new challenges (globalization, post-industrialism, population aging) demanding (if not always getting) a response. “Objective” policy pressures determine the range of ideas policy-makers are willing to consider. The model is *functional* (hence “open”) rather than *functionalist* since

there is no guarantee that the response to new demands will lead to adequate functional responses.

Given the political and institutional obstacles to reform, when and why do governments actually take action? To answer this question, Van Kersbergen and Vis turn to two of the theoretical building blocks that Pierson drew on, blame avoidance and prospect theories. Since discussions of blame avoidance have been around for several decades, I will focus on the less familiar prospect theory.

Prospect theory is the brainchild of two psychologists, Kahneman and Tversky (1979), who won the 2002 Nobel Prize in Economic Sciences. Economists and political scientists have taken to prospect theory in large part because it helps to account for decision-making under conditions of risk and uncertainty not easily explained by rational choice or expected utility models.

Pierson (1994, 18) drew on prospect theory to explain why policymakers avoid retrenchment. As the psychologists' experiments show, human risk-taking is asymmetric with respect to gains and losses: we tend to be more risk-seeking (willing to act) in the face of potential losses and more risk averse with respect to potential gains. The effect of the negativity bias is reinforced by the fact that losses from retrenchment exercises tend to be concentrated, while the benefits are not. Come election time, losses are more likely to be remembered than gains. The logic of prospect theory applies equally well to welfare state expansion since new programs (e.g. early childhood education) inevitably imply losses (tax increases) in the present for often uncertain gains in the future. Despite a bias against reforms, Van Kersbergen and Vis extend the theory to explain why governments do it anyway.

To introduce policy reform of any sort, they argue, governments must be able to convince themselves and the electorate that losses incurred by failing to act now will be larger than any gains to be had by sticking with the status quo. As a result, governments will try to *reframe* the domain of the electorate from the domain of gains to the domain of losses: if we don't do x , y will happen and the losses from y will be much worse. Governments, in turn, must persuade themselves that inaction is more likely than action to lead to electoral defeat. Drawing on their open functional and prospect theory approach, they conclude with a comparative (European) chapter on government responses to the great recession of 2008. Despite pressures to eliminate government deficits, governments have adopted a variety of strategies and drastic demolition of welfare states is still not on the horizon.

Since we are in the middle of an historical process that is still unfolding, the outcomes are unknown. Hence, determining whether some com-

bination of the theoretical arguments developed in *Comparative Welfare State Politics* will help explain cross-national differences in the eventual outcomes must wait. In the interim, however, sociologists looking for a provocative and well-written update on the best scholarship in the field will find it here.

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