

### What do parties want? An analysis of programmatic social policy aims in Austria, Germany, and the Netherlands

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**What Do Parties Want?  
An Analysis of Programmatic Social Policy  
Aims in Austria, Germany, and the  
Netherlands**

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## **Summary**

Comparative welfare state research has argued for some time that it makes a difference in regards to the specific welfare state design whether Social Democrats or Christian Democrats are in government. The theory is based on the fact that historically the social policy aims of Social Democrats and Christian Democrats have differed. But can these policy differences still be assumed after almost three decades, which have been characterised by a discourse about necessary welfare state retrenchment, adaptation, and modification? More specifically, in which way have 'new' ideas altered the social and economic policy concepts? We hypothesise that the differences among the two welfare state parties in formerly conservative welfare states have largely faded away. Moreover, we argue that, in the meantime Social Democrats as well as Christian Democrats pursue a more or less common liberal-communitarian approach in welfare state policies in these countries. Our study is based on an in-depth analysis of programmatic approaches by Social Democrats and Christian Democrats in Austria, Germany, and the Netherlands since 1975. Based on Christian-Democratic and Social Democratic ideal types, we pay special attention to the development of employment, social security, and family policies.

## **Zusammenfassung**

Ein grundlegender Befund der vergleichenden Wohlfahrtsstaatsforschung bestand lange Zeit darin, dass die spezifische Ausgestaltung von Wohlfahrtsstaaten in hohem Maße dadurch bestimmt wird, ob diese von sozialdemokratischen oder christdemokratischen Parteien regiert werden. Historisch unterschieden sich die wohlfahrtsstaatlichen Zielsetzungen von Christdemokraten und Sozialdemokraten deutlich. Können diese Parteiendifferenzen auch nach drei Jahrzehnten als gegeben vorausgesetzt werden, die durch einen Diskurs über die Notwendigkeiten wohlfahrtsstaatlicher Einschränkungen, der Anpassung und Modifizierung gekennzeichnet waren? In welcher Weise haben „neue“ Ideen die sozial- und wirtschaftspolitischen Konzepte der Parteien verändert? Unsere Hypothese ist, dass die Unterschiede zwischen den beiden Wohlfahrtsstaats-Parteien in ehemals konservativen Wohlfahrtsstaaten weitgehend abgeschmolzen sind. Zudem verfolgen sowohl Sozialdemokraten als auch Christdemokraten in diesen Ländern zunehmend einen liberal-kommunitaristischen Ansatz wohlfahrtsstaatlicher Politik. Die Studie basiert auf einer eingehenden Analyse der Programmatik von Sozialdemokraten und Christdemokraten in Österreich, Deutschland und den Niederlanden seit 1975. Ausgehend von christ- und sozialdemokratischen Idealtypen liegt der Fokus der Untersuchung auf Entwicklungen in den Feldern der Beschäftigungspolitik, der Politik der sozialen Sicherung sowie der Familienpolitik.

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## 1 Introduction

Comparative welfare state research has argued for some time that welfare state design varies according to whether Social Democrats or Christian Democrats are in government. The theory is based on the fact that historically the social policy aims of Social Democrats and Christian Democrats have differed. But can these policy differences still be assumed after almost three decades of welfare state retrenchment, adaptation, and modification? We hypothesise that the differences between the two welfare state parties in formerly conservative welfare states have largely faded away. Specifically, we argue that Social Democrats as well as Christian Democrats in these countries pursue a more or less common liberal-communitarian welfare state policy.

Our study is based on an in-depth analysis of social policy approaches of Social Democrats and Christian Democrats in Austria, Germany, and the Netherlands since 1975. Based on previous party differences we pay special attention to the development of employment, social security, and family policies. Our paper proceeds in three steps: First, we will discuss the theoretical and methodological framework. Second, we present the findings of our three cases, before finally addressing the issues in a comparative perspective.

## 2 Theoretical and Methodological Framework<sup>1</sup>

Most comparative research is conducted across welfare state regime boundaries (cf. Esping-Andersen 1990), revealing very little about the aims of political parties within specific welfare state regimes. Taking this as our starting point, we focus on the policy preferences of political parties within the conservative regime. According to the power resource and the parties matter theories we would expect very different policy approaches by the various political parties.<sup>2</sup> The conservative regime cluster can generally be distinguished from the other regimes by the prevalence of two welfare state parties, i.e. Social Democrats *and* Christian Democrats, competing over the ‘right’ welfare approach, and it is these which provide the focus of our study.

Among the cluster of conservative welfare states we have chosen to analyse Austria, the Federal Republic of Germany, and the Netherlands. These countries are very similar in many dimensions (Alber 1998) and therefore ideal for a most-similar-case design.<sup>3</sup> Most

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<sup>1</sup> This section largely draws on Seeleib-Kaiser 2002.

<sup>2</sup> For the classical argument see Hibbs (1977). The various different approaches in regards to the influence of Social Democracy on the welfare state are discussed by Shalev (1983); for a more recent review of the literature see Kersbergen (2003). For an analysis of the relationship between Christian Democracy and the welfare state see Kersbergen (1995).

<sup>3</sup> Using the Netherlands as an example of a conservative welfare state is controversial (Goodin et al. 1999; Castles/Mitchell 1993; Visser/Hemerijck 1997; Esping-Andersen 1990; Cox 2001). However,

scholars interested in the comparative influence of political parties on welfare state development either categorise parties according to nominal characteristics or base their analysis on expert judgements (cf. Huber/Stephens 2001; Garrett 1998); the ideational positions of the parties *per se* are rarely scrutinised. Moreover, recent research on party politics primarily concentrates on the various Third Way approaches of Social Democratic parties in Western Europe (cf. Merkel 2001; Bonoli/Powell 2004). Although the Social Democrats and Christian Democrats are the main competing parties in many continental-European countries, 'Third Way' discussions often assume a dichotomy of Liberal and Social Democratic parties (Giddens 1998), thus largely neglecting the relationship between the 'new' Social Democracy and Christian Democratic parties. Hence, what might appear as a 'new' Social Democratic approach could indeed constitute a convergence of Social Democrats towards Christian-Democratic policy positions.

Based on a screening of quantitative data by the Manifesto Research Group (see Budge et al. 2001) the support for welfare state expansion has dropped in all our three cases. Furthermore, the preference for Keynesian demand management has declined significantly. In 1998, none of the parties sampled called for a Keynesian policy. All these developments might be interpreted as an increased emphasis on liberal positions (see appendix). However, these results are very crude and need to be complemented and contextualised. Qualitative content analysis of the policy positions formulated in the party programmes over the past three decades enables us to question, whether the parties in power still want to make a difference. The categories used for the content analysis are based on ideal types that draw on historical experiences and are derived from an analysis of secondary literature. We differentiate between three ideal social policy trajectories, the Social Democratic, the Christian-Democratic, and the liberal paradigm. These ideal types will constitute the reference points for our empirical analysis.<sup>4</sup>

Contrary to the widespread conventional wisdom, the prime aim of social democracy cannot accurately be characterised as 'politics against markets' (Esping-Andersen 1985). The implicit acceptance of the market and the capitalist economy during the 1950s and 1960s was the result of a protracted transformation of social democracy that began with the 'revisionism' of the late 19<sup>th</sup> century. Rather than attempting the comprehensive transformation of the capitalist economy, the two core aims of Social Democratic parties were the achievement of macro-economic efficiency *and* social justice within a full-employment economy. A (Keynesian) full-employment policy,<sup>5</sup> state intervention via universal social programmes to minimise the social risks associated with an industrial society, a redistributive tax system and regulated markets were key policy instruments.

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the dominance of the male-breadwinner model and corresponding conservative family policies are undisputed and in our view a key element of the Dutch welfare state in the 'golden era', which positions it more clearly within the group of conservative welfare states.

<sup>4</sup> Although similar our categories and variables are not identical with the approach developed by Esping-Andersen (1990).

<sup>5</sup> Korpi and Palme (2003) explicitly make the argument that full employment constituted part of the post-WW II welfare state design.

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Moreover, the welfare state was designed by Social Democrats to absorb the negative effects of the market and to promote a higher degree of social justice. It was perceived as the primary responsibility of the state to secure individuals against social risks (Sassoon 1996; Huber/Stephens 2001; Moschonas 2002).

Although Christian-Democratic parties can also be characterised as welfare state parties, their approach to social policy differs significantly. The role of the state according to Christian Democrats can be summarised as follows:

*The ideal state is a welfare state and 'its responsibilities consist in defining and enforcing the responsibility of others - individuals or social groups - rather than providing services itself'. ... An institutional commitment to full employment, for instance, is at odds with the tenet of the enforcement of 'self-responsibility'.*  
(Kersbergen 1995: 181)

Hence, the centre of the Christian-Democratic world view can best be described by the relatively strong emphasis on responsibilities versus rights as well as on the family and other social groups vis-à-vis the society and the state – guided by the core principle of subsidiarity. Social services provision is ideally via the family and other communitarian institutions, and social transfer benefits are based on the insurance principle, i.e. extending market inequalities into the realm of social benefits. The promotion of property ownership among workers is a core policy in achieving the Christian-Democratic aim of social inclusion. Employment policy is largely perceived as the responsibility of the various social partners (Kersbergen 1995: 174-191; Hartwich 1998; Huber/Stephens 2001).

This trajectory clearly deviates from the liberal approach to social policy, where the main instrument of welfare is the market. Public social transfers and social services are in principle only provided on a means-tested basis for the truly needy. Liberal parties build on promoting individual capabilities within society with limited government intervention. The promotion of formal equal opportunity, in contrast to equal outcomes, and public education are the main social policy instruments (Goodin et al. 1999: 21-55).

Irrespective of the benefits the distinction of these ideal policy trajectories had for comparative analyses in the past, we cannot assume that the differences have stayed more or less constant over the past three decades. Moreover, it largely seems to be an open question as to whether parties still want to make a difference in welfare state development. From a quantitative perspective Huber and Stephens (2001) and Kittel and Obinger (2003) have found evidence of a declining significance of political parties.



Table 1: *Ideal Social Policy Aims and Instruments of Political Parties*

	<b>Social Democrats</b>	<b>Christian Democrats</b>	<b>Liberals</b>
<b>Political Aims</b>	Full employment, social justice and autonomy; economic efficiency	Promotion of social stability; social capitalism; insurance against social risks	Economic growth, equal opportunity, poverty reduction
<b>Overall role of the state in the economy</b>	Central and comprehensive	Secondary to the responsibility of social groups (principle of subsidiarity)	Rudimentary
<b>Economic and employment policies</b>	Keynesian demand management; public ownership; economic planning; co-ordinated wage policies; strong commitment to work through comprehensive active labour market policies	No commitment to full employment (primarily the responsibility of social partners); highly regulated dismissal protection policies; economic policy geared to price stability	No direct interference of the state in addition to anti-trust and anti-discrimination policies
<b>Social Policies</b>	Universalism, social citizenship, vertical redistribution through transfer and tax system	Social Insurance, primarily inter-temporal redistribution, promotion of property ownership among workers and social policy arrangements between social partners	Market, public means-tested programmes for the poor
<b>Family Policies</b>	Support of individual family members; promoting equal opportunity through provision of social services	Support of the family as an institution; traditional division of labour; emphasis on the family as a social service provider	No policy, private matter

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Qualitative research on programmatic change has addressed the issue whether Social-Democratic parties have turned to ‘neo-liberal’ policies (see Crouch 1997; Meyer 1999) or pursue multiple Social Democratic approaches (Merkel 2001). Methodologically this research often neglects the existence of Christian-Democratic parties in continental Europe. However, to be able to evaluate whether the two welfare state parties still want to make a difference in welfare democracies, we have to analyse their programmatic positions in comparative perspective. Theoretically, a number of programmatic developments in regard to the relationship between Christian and Social Democrats are possible: a) the continuance of differences, b) policy convergence, and c) policy diffusion. By policy diffusion we envision a development, which eventually leads to the dissolution of a particular party family.

Methodologically, our analysis of change and continuity is informed by a conceptualisation proposed by Peter Hall (1993). He distinguishes between ‘first’, ‘second’, and ‘third order changes’. Hall defines a first order change as a change in the setting of policy instruments according to changed circumstances. A second order change is defined as a change of instruments, while the overall aims of a policy remain the same. Finally, we can speak of a third order change if the overall aims and instruments of a policy are newly defined. Finally, our study of policy positions is based on a primary analysis of election platforms, economic and social policy programmes, as well as basic party manifestos, dating from the 1970s to present. During the analysis, the three ideal types developed above will be used as categorical reference points, allowing us to ascertain continued party differences, convergence or diffusion along the various policy dimensions.

### **3 Case Studies**

#### **3.1 The Austrian Case**

The Austrian Peoples’ Party’s (ÖVP) ideological approach towards the role of the state has traditionally been guided by the principle of subsidiarity (ÖVP 1972: 194 f.). Yet this overall positive, although limited conceptualisation of the public sphere, has undergone a process of ‘liberalisation’, culminating in the perception that the private sector is superior to public activities (ÖVP 1990: 9). Subsequently, the state’s role in economic policy during the 1990s was largely confined to guaranteeing competitiveness in the market sphere through anti-trust legislation and industrial as well as regional policy (ÖVP 1995b: 65).

In contrast the Social Democratic Party of Austria (SPÖ) traditionally promoted a strong and comprehensive state. State intervention was considered to be indispensable to counter the recurrent crises of the capitalist economy (SPÖ 1978: 158f.). However, this conceptualisation fundamentally changed during the 1980s and 90s. In its 1990 election programme, the party advocated abolishing “outdated” market regulations (SPÖ 1990: 17).

In the mid 1990s, the role of the state was explicitly redefined and restricted to regulatory policy in addition to its role as owner of nationalised companies (SPÖ 1994: 8; 1995: 6).<sup>6</sup> Four years later the Social Democrats finally stressed the superiority of the market, limiting state intervention to those exceptional circumstances that cannot be resolved by the private sector (SPÖ 1998: 8 ff.). Thus, the conception of the overall role of the state merged towards the Christian-Democratic ideal type. Furthermore, the Social Democrats tended to emphasise the concept of equal opportunity, whereas in the past the principle of equality of outcomes had dominated the Social Democratic thinking around social justice (SPÖ 1978: 142; 1998: 5f.; 1994: 15). In its 1998 party programme, the SPÖ even accepted limited income inequality to the extent that it would not negatively affect participation within society (SPÖ 1998: 9).

### 3.1.1 Economic and Employment Policies

Regarding economic and employment policies, moderate party differences between ÖVP and SPÖ characterised party competition in the mid-70s. The central aim of both parties was to guarantee full employment, promote economic growth, secure price stability and increase the standard of living. Both parties preferred policy instruments based on a combination of demand-oriented and supply-side-oriented measures. This approach was coined “*Austrokeynesianism*” (Winckler 1988; Unger 2001). Contrary to the expectations derived from our ideal type, the Austrian Christian Democrats did not call for wage restraint or the privatisation of nationalised companies (ÖVP 1972: 200f.; 1975: 6ff.), nor did they reject Keynesian deficit spending or the expansion of active labour market programmes to combat unemployment (ÖVP 1975: 7; 1978a: 19ff.).

Since the late 1970s, however, the economic and employment policy positions of the ÖVP have changed significantly. Private consumption and entrepreneurial investment have increasingly been perceived as preconditions for economic growth, international competitiveness, and a high level of employment. This change of economic policy was symbolised in the 1978 economic programme by the explicit rejection of direct state intervention to promote employment and a call for budget consolidation. In the view of the ÖVP, increasing public resources to promote employment would cause a higher tax burden and thereby negatively affect economic growth and international competitiveness (ÖVP 1978a: 6 f.). The fiscal consolidation measures were justified by the argument that such an approach was necessary to preserve the state’s future capacity to intervene in the economy (see e.g. ÖVP 1995b: 13 ff.). Overall, the ÖVP increasingly emphasised the need to

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<sup>6</sup> The public sector has traditionally played a strong role in Austrian economics. In the aftermath of the Second World War, the largest industrial and financial companies were nationalised in Austria. In the late 1970s firms in public ownership employed about 9 per cent of all employees, amounting to 25 per cent of employment in manufacturing. If employment in the railways and postal services as well as public employees are included, the employment share under public control rises to about 28 per cent (Guger 1998: 47).

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improve the supply-side and the business climate. (ÖVP 1986: 4 ff.; 1990: 8 ff.; 1994: 16 ff. 1995a: 10 ff.; 1995: 73 ff.; 1999: 5 ff.; 2002: 19 ff.).

While initially the SPÖ emphasised macroeconomic planning, a large nationalised sector, the promotion of domestic demand by an expansive fiscal policy, a monetary policy directed at full employment as well as the reduction of working hours and measures of active labour market policy (SPÖ 1975: 16f.; 1978: 158 ff., 200ff.), their policy positions have increasingly shifted towards the promotion of economic competitiveness. The programmatic position of economic policy has changed from “preserving full employment” (SPÖ 1979: 7) to “adding new jobs and fighting unemployment” (SPÖ 2002: 2). Although the Social Democrats acknowledged the dramatic changes in the international economy and the long-term negative effects of a current account deficit (SPÖ 1981), they initially continued to prefer classical Social Democratic policy instruments (SPÖ 1983). In their view, international economic crises confirmed the inherent instability of the capitalist economy and the responsibility of the state to correct the malfunctions of the system. However, to overcome the perceived loss of national economic autonomy the Social Democrats proposed increased international cooperation (SPÖ 1975: 13 ff.; 1978: 147, 158 ff.; 1979: 7; 1981: 5). During the mid-80s this changed fundamentally, prompted by concern that the Austrian economy could lag behind in global economic development (SPÖ 1986: 3 f.). Consequently, increasing the international competitiveness of Austrian companies was perceived as crucial for the preservation and creation of jobs (SPÖ 1986: 4).

While expansionary fiscal policies and a large nationalised industrial sector were to be used to achieve the goal of full employment until the mid-80s, the party has explicitly aimed to consolidate the state budget ever since (SPÖ 1986: 6). Furthermore, the Social Democrats started to promote the “reorganisation” of nationalised companies and refused to further increase their subsidies, thereby restricting the role of the nationalised sector as a macroeconomic instrument (SPÖ 1986: 4f.; 2002). In addition, the economic focus of the SPÖ shifted in a number of small steps towards supply-side measures like the promotion of investment, industrial and regional policies, active labour market policies, and a reduction of working hours (SPÖ 1979: 8; 1983: 25; 1986: 11; 1990: 18; 1994: 15; 1998: 9). They even called for capital income tax reductions. Finally, in order to avoid further increases in income taxation and social insurance contributions while at the same time bolster social insurance revenues, the SPÖ has promoted the introduction of ecological and “machine” taxes for capital-intensive companies (*Wertschöpfungsabgabe*) since the mid-1990s (SPÖ 1998: 9 f.; 1999: 6).

### 3.1.2 Social Policies

The preferred social policy instruments of the SPÖ and the ÖVP differed substantially in the mid-1970s, due to different conceptualisations of social justice. The Social Democrats aimed to equalise income differentials through a solidaristic wage policy, a redistributive fiscal policy, the provision of public services as well as transfer payments to people with

low incomes. Furthermore, the SPÖ aimed to replace the existing social insurance system, which was highly fragmented along occupational lines, with a centralised system, including uniform benefit and eligibility standards for the various occupational groups (SPÖ 1978: 161; 174). In contrast the ÖVP did not propose to reduce income differentials, instead putting its main focus on the promotion of property ownership. Moreover, it was committed to the existing social insurance structure, which built on the ‘achievement’ principle, i.e. extending wage differentials into the realm of social transfers. A core element in their overall conceptualisation of social policy was the promotion of self-responsibility. Hence they called for public support of private social policy arrangements (ÖVP 1972: 202 ff.).

The SPÖ’s income policies shifted from emphasising redistribution (SPÖ 1979) to promoting welfare policies that guarantee a minimum standard of living (SPÖ 1983: 32). In order to finance tax exemptions for low-income workers they proposed limiting the tax privileges of those on high-incomes and increasing the earnings limits in social insurance schemes. Moreover, since the beginning of the 1990s the SPÖ has supported union demands for the regulation of minimum wages through collective wage agreements. Furthermore, since the late 1990s policies towards welfare payments became more dependent on the willingness to accept paid employment, i.e. calling for an ‘activation’ of social transfer recipients (SPÖ 1999: 11). In the early 1990s the SPÖ began to advocate support for occupational and private schemes, while at the same time continuing to support the solidaristic public pension scheme (SPÖ 1990: 24; 1998: 18; 1999: 9f.; 2002: 12). Finally, the principle of subsidiarity gained importance in the delivery of social services for the Social Democrats during the 1980s. The 1979 election programme promoted the provision of social services by societal networks (SPÖ 1979), the 1983 programme aimed to promote self help by calling for cutbacks in state-run bureaucracy (SPÖ 1983: 14 f.) and the 1990 programme criticised state paternalism and called for more self-responsibility regarding social policy arrangements (SPÖ 1990: 24; 1998: 9).

Overall the approach of the ÖVP to social policy can be characterised by a structural continuity during our period of analysis. Nevertheless, in addition to promoting the overall stability of the social policy structure, the Christian Democrats called for measures of cost containment, including cutbacks in unemployment insurance and the pension scheme especially in the mid 1990s. These cutbacks were justified with the necessity to reduce the increasing fiscal burden on the state and the private sector on the one hand and the need to accommodate the pension scheme to the conditions of demographic change on the other (ÖVP 1994: 52 f.; 1995a: 17). At the same time the ÖVP more strongly emphasised the promotion of private and occupational schemes in order to guarantee living standards (ÖVP 1990: 25; 1994: 54; 1995a: 18; 1999: 9 f.; 2002: 12).

In regards to the welfare-work nexus the Christian Democrats since the late 1990s promote workfare policies that oblige employable social assistance recipients to participate in community work programmes (ÖVP 1999: 71 ff.), having already increased the focus of the social transfer programmes more strongly on need and the willingness to work in the previous years. These measures, coupled with the promotion of non-profit organisations,

are intended to contain costs and strengthen the legitimacy of the social security system (e.g. ÖVP 1990: 23; 1994: 54 f.; 1995a: 17; 1999: 69; 2002: 81).

### 3.1.3 Family Policies

Throughout our period of analysis, both parties perceive the family as a core institution of society to be protected by public policy. However, differences in family policies between the two parties can be found in the aims, priorities and instruments (Rosenberger 1999: 761). The ÖVP emphasises the indispensable function the family plays in social integration, whereas the SPÖ perceives the main function of the family as providing a “good life for children”.<sup>7</sup> The ÖVP’s policies were based on the ideological assumption that the family’s societal function cannot be replaced by the state (ÖVP 1978: 1), preferring family benefit payments and tax credits to direct provision of public services. The ÖVP’s family policies centre on compensating the burden of child rearing, aiming in principle at horizontal redistribution between families and childless households.

By contrast, the SPÖ initially prioritised the expansion of services over the extension of transfer benefits in the 1970s (SPÖ 1978: 168; 1979: 13), but later converged to the Christian-Democratic family policy agenda. The party proposed a combination of expanded services and differentiated transfers in 1986, but nevertheless they still rejected the fiscal compensation of family burdens, since this did not address the issue of redistribution between the various income groups (SPÖ 1986: 6). Finally, in 1998 the SPÖ proposed a combination of tax credits, transfers, and social services. Although the Social Democratic proposals more strongly emphasise the financial compensation of child rearing, they still prioritise vertical redistribution (SPÖ 1998: 18).

Both parties promote the “free choice” of parents regarding the arrangement of family life and gainful employment. Already in the 1970s the ÖVP promoted the “free choice” of mothers to be gainfully employed, or fully commit themselves to the upbringing of children. On one hand the instruments of family policies aimed to promote the freedom of the mother *not* to be engaged in wage labour by guaranteeing a family income through various tax measures and benefits. Furthermore they promoted the recognition of time spent for child rearing within the pension scheme. On the other hand the Christian-Democratic policy proposals also included an extension of social services and part-time-employment in order to guarantee the free choice of mothers to *be* gainfully employed (ÖVP 1972: 209f.; 1975: 15; 1978: 7 ff.). The SPÖ traditionally promoted a policy approach of “*family in partnership*” (e.g. SPÖ 1983: 26) with both parents being equally able to reconcile work and family. Instrumentally the SPÖ focuses on the provision of public services and the extension of part-time-employment (SPÖ 1990: 26; 1994: 17; 1995: 10; 1998: 16; 1999: 8 f.; 2002: 14). Thus, contrary to the ÖVP the programmatic approach

<sup>7</sup> ÖVP 1972: 209 f.; 1975: 14; 1983: 10 f.; 1990: 24; 1994: 9; 1999: 29 ff.; 2002: 74 ff.; SPÖ 1978: 167 f.; 1979: 12 f.; 1983: 26; 1986: 11; 1990: 20; 1994: 17 f.; 1998: 17 f.; 2002: 14.

was to a lesser extent based on the male-breadwinner model. Since the mid 1980s the SPÖ additionally promoted instruments that enhance the possibility of parents not participating in wage labour for a limited time, i.e. paid parental leave for both parents (SPÖ 1986: 12) and the recognition of child rearing in social insurance schemes (SPÖ 1990: 27).

Thus, the Social Democratic agenda with regard to family policies became much more comprehensive by adopting various instruments traditionally promoted by the ÖVP. Since the early 1990s, however, the party positions in regards to childcare have clearly differed. While the SPÖ prefers the public provision of childcare, the ÖVP promotes private initiatives or nannies in addition to public provisions, based on the principle of subsidiarity and in order to promote parental choice (SPÖ 1994: 17; 1998: 16; 1999: 8 f.; 2002: 14; ÖVP 1990: 24; 1995a: 89 f.; 1999: 32; 2002: 75).

### **3.1.4 Comparing Party Positions over Time**

The economic and social policy approaches of the ÖVP and the SPÖ largely corresponded to the Christian-Democratic and Social Democratic ideal types until the late 1970s. Yet the programmatic differences between ÖVP and SPÖ decrease over time. While the ÖVP initially even supported some Keynesian elements to economic policy, over the years it has promoted a more liberal approach. Regarding basic political aims the SPÖ reduced the formerly comprehensive responsibilities of the state to the regulation of the market and shifted from an outcome-oriented to a more process-oriented idea of social justice. Looking at social policies we witness a profound convergence of the SPÖ to the Christian-Democratic agenda. In the early 2000s, both parties promote additional personal and occupational pension schemes. Moreover, both parties call for a widening of means-testing as well as an activation strategy. Finally, the Social Democrats have adapted the ÖVP's comprehensive stance concerning family policies.

## **3.2 The Dutch Case**

The central political aims of the Dutch Christian Democrats (CDA) have traditionally been the promotion of economic stability as well as social integration and cohesion (CDA 1977: 31; 1980: 27; 1989: 6; 1993: 13; 1994: 9; 2002: 3), striving for the social regulation of capitalism, without promoting the redistribution of income and wealth (CDA 1986: 4). While the CDA initially focused on social security and the fight against poverty, its focus has shifted towards more process-oriented intervention (for example, the adoption of equal opportunity in the economy as a core aim) (CDA 1998: 53). Traditionally, the philosophy of the Dutch Christian parties was strongly rooted in the responsibility of community organisations, and the CDA, as well as its catholic and protestant predecessors, criticised the loss of the individuals' commitment for the community (CDA 1977: 4; 1980: 8; 1986: 28). The core responsibility of the state was to provide the preconditions for citizens to organise their private life in a self-responsible way (CDA 1977: 2; 1982: 76; 1993: 14;

1994: 19). In emphasising social cohesion and community arrangements, the CDA promotes an environment for individuals, communities and the state, which clearly differs from the positions of truly liberal parties (CDA 1986: 28; 2002: 4; Lucardie 1993: 50).

In contrast Social Democrats, have traditionally promoted the redistribution of income and wealth as core instruments to achieve economic and social justice (PvdA 1977a: 24; 1981: 8). Yet, in their election programme of 1982, they conceded that an extensive equalisation of income and wealth was neither possible, nor desirable (PvdA 1982: 3). Comprehensive programmatic change, however, occurred in 1987: A guaranteed social minimum and the promotion of successful participation in the market economy became the basic aims of public policy (PvdA 1987: 123f.; 1994: 10), and the former priority of income redistribution was replaced by the redistribution of work (PvdA 1987: 10). Since the beginning of the 1990s, the priority of redistributing work faded in favour of increasing labour market participation among the working-age population (PvdA 2002: 25). Until the mid-1980s, the Social Democrats criticised the Christian-Democratic concepts of community and social cohesion, as a backward step to personal dependency (PvdA 1987: 125). Soon after, however, social cohesion became the central focus of their policies. While the promotion of community, self-responsibility, and individual initiative were discussed as rooted in Social Democratic traditions, they were indeed increasingly based on a communitarian analysis (PvdA 1989: 21; 1994: 10; 2002: 74).

### **3.2.1 Economic and Employment Policies**

A strictly monetarist economic policy and limits to public sector growth formed the central platform of the Christian alliance<sup>8</sup> for the 1977 elections (CDA 1977: 17, 30). Wage increases below productivity gains were considered to be a crucial element in the fight to reduce unemployment and limit public spending (CDA 1977: 17). Furthermore the CDA called for an active labour market policy, focusing on training and further education (CDA 1977: 17), marking an important deviation from the Christian Democratic ideal type.<sup>9</sup> However, starting in the 1980s the CDA stopped calling for active macro-economic intervention by the state to manage the economy, promoting reduction in state expenditure (CDA 1986: 30; 1994: 36; 2002: 8). Furthermore, in the election programme of 1982, the Christian Democrats announced for the first time the need to deregulate the labour market. Moreover, they called for income tax reductions and limited privatisations (CDA 1982: 8, 24, 39). In addition to low wage costs and low capital income taxation, innovation and education completed the shift to supply side policies (CDA 1986: 29f; 1994: 33; 1995: 9; 1998: 8, 55).

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<sup>8</sup> The Christian parties had not officially merged to the CDA until 1980.

<sup>9</sup> Between 1977 and 1981 there were deep conflicts between the more Keynesian-oriented part of the party, represented by the Minister for Social Affairs Albeda, and the more liberal faction around the Finance Minister Andriessen (Braun 1989: 267f.).



While fiscal restraints were not an issue in pursuing various aims in the 1971 election programme (PvdA 1971: 15f.), the PvdA accepted the necessity to restrict public expenditure growth in 1977 (PvdA 1977b: 92). In order to stabilise the public deficit Social Democrats promoted higher income and inheritance taxation (PvdA 1977b: 20). Furthermore, the Social Democrats continued to promote an anti-capitalist economic approach (PvdA 1977a: 9ff.), advocating the nationalisation of core industries (PvdA 1977a: 25), the redistribution of work, the creation of public employment, selective investment programmes, and wage moderation to reduce unemployment (PvdA 1977b: 10; 23; 26). Finally, despite first policy shifts, the Social Democrats continued to call for state-led macroeconomic management of the economy until the mid-1980s (PvdA 1981: 4; 1982: 3).

The 1986 election programme, shows crucial modifications: Instead of increasing taxation in order to finance public expenditures, the Social Democrats announced income tax reductions to compensate for decreasing wages (PvdA 1986: 28). Moreover, for the first time they called for the reduction of the public debt (PvdA 1986: 15), thereby actively limiting public financial resources. Employment policy was largely limited to working time reductions and the promotion of part-time work within the public sector (PvdA 1986: 24). By 1987 the once central aim of nationalisation was explicitly dropped and replaced with the aim to stop further privatisation (PvdA 1987: 70). Furthermore, the Social Democrats started to emphasise supply-side instruments in order to improve the employment situation, i.e. promoting investment in research and training, shifting attention towards active labour market policy, which contrary to the Social Democratic ideal type has traditionally not played an important role for the PvdA (1987: 69, 111). Despite the increased emphasis on supply-side instruments the Social Democrats continued to call for demand-oriented economic policies until the late eighties (PvdA 1987: 86). Since then they have completed the supply-side shift by stressing the need to adapt the wage and tax rates and other supply-side measures to improve the international competitiveness of Dutch companies (PvdA 1989: 1, 6, 9; 1994: 1ff.; 1998: 28; 2002: 78).

To summarise, the economic and employment policies of the PvdA changed dramatically within the last 25 years. The programmatic change among the Social Democrats constituted the precondition for the far-reaching economic consensus of the two welfare state parties. Slight differences remain in so far that the Social Democrats continue to discuss social problems and the risks of privatisation more extensively than Christian Democrats (PvdA 1994: 19; 2002: 74).

### **3.2.2 Social Policies**

The CDA has always stressed the importance of self-responsibility and community, but in 1980, the Christian Democrats explicitly criticised the passive character of the welfare state for the first time and demanded more personal responsibility in the welfare system (CDA 1980: 29). Despite this criticism, the crisis of the welfare state was not perceived to result

from passive welfare state structures, but rather from the insufficient competitiveness of the Dutch economy. Therefore the promotion of employment by means of supply-side measures was held to be the true social policy approach (CDA 1982: 26; cf. Kersbergen 1997: 326). Conceptually, the CDA has gradually integrated “social security” and “labour market” policies (CDA 1994: 43ff.). In addition to stricter “suitability” criteria, the CDA promoted a relaxation of the income disregards when determining unemployment and disability benefits in order to increase work incentives (CDA 1989: 27; 1993: 43ff.; 1998: 53). Although increased efforts in regards to training and education became central elements of labour market policies since the early eighties, cutting benefits and tightening the suitability criteria were the main proposed policy instruments to activate social assistance recipients (CDA 1994: 44).

Fundamentally the CDA supports the existing mix of “people’s insurances” (old age and survivors’ insurances), worker’s insurances (against unemployment, long-term disability and sickness) and a universal tax-financed safety net of social assistance (CDA 1982: 7). Furthermore, the party continued to promote property ownership among the working class (CDA 1977: 19; 1986: 40; 1993: 45; 1998: 28). Since the 1990s the party has pushed the so-called Cappuccino model, i.e. the promotion of private supplements in addition to the traditional combination of universal and earning-related insurances (CDA 1998: 55). Furthermore, marketisation and private incentives were supported in the realm of social services, which led to a prioritisation of demand subsidisation over publicly provided services, fundamentally altering the nature of social care provision (CDA 1998: 15; 2002: 46).

Over time, the Social Democrats’ main focus on social justice shifted from redistribution of income and wealth to the promotion of equal opportunity. Nevertheless the party adhered to the basic structure of the welfare state and in contrast to the CDA, the Social Democrats initially, vehemently rejected any cuts in social transfers. Moreover, they promised to reintroduce the linkage between social transfer benefit and wage increases (PvdA 1977b: 15, 93; 1981: 9). By 1986 the Social Democrats argued that labour market integration should have priority over receiving transfer benefits (PvdA 1986: 14, 32; 1987: 115), while at the same time emphasising that a social security system of high quality is the basis of people’s willingness to accept the consequences of rising labour market flexibility and self-responsibility (PvdA 1987: 114). However, the Social Democrats finally accepted a reduction of welfare payments as one component of their activation strategy built on carrots and sticks in the 1990s (PvdA 1994: 10, 54; 1998: 32), which also included the partial privatisation of risk coverage (PvdA 1994: 21). Disability and unemployment insurance joined the provision of sickness benefits as the social policy instruments which changed most in the Social Democratic programme.

Despite the outlined shift, however, the Social Democrats are still more hesitant to promote a reduction of social transfer benefits than the Christian Democrats (PvdA 1998: 34f.). Finally in their most recent election program, the Social Democratic proposals in regards to social services parallel the concepts of the Christian Democrats, i.e. considering the

subsidisation of demand to be more efficient than to publicly provide the supply (PvdA 2002: 73).

### **3.2.3 Family Policies**

The CDA has continuously emphasised the special importance of marriage and family for society (CDA 1977: 1; 1980: 6; 1989: 72; 1993: 75; 1998: 11). Yet over time they revised their traditional understanding of societal relationships and began to support the notion of equality between marriage and “long-term relationships” (CDA 1982: 43). At the same time the Christian Democrats substantially revised their position concerning the exclusive responsibility of parents for their children’s upbringing and education. Whereas the 1980 party programme still explicitly stressed that “the child [...] should grow up under the constant provision and responsibility of the parents” (CDA 1980: 6; authors’ translation), the party called for an extension of public childcare under certain circumstances (CDA 1982: 43). Finally, in the early 1990s, as the Christian Democrats began to call for increased labour market participation of both parents, proposing a general expansion of child-care provision to increase the compatibility of work and family responsibilities. In addition, the CDA called for improvement in the condition of part-time work and parental and maternal leave (CDA 1993: 47; 75f.; 1998: 11; 2002: 6). Where in 1977, the CDA had promoted social policies based on the male breadwinner philosophy (CDA 1977: 19), they started to call for women’s economic independence as an indispensable precondition for emancipation (CDA 1994: 43). Finally, since the end of the 1990s family policies take precedence over traditional social and economic policy aims, culminating in the demand to establish a Ministry for Family Affairs (CDA 1998: 6; 11; 2002: 11).

In contrast to the CDA, the PvdA never has explicitly acknowledged the specific importance of marriage and family for society. Issues like child benefits, child care or parental leave were instead discussed as instruments for the promotion of women’s emancipation and independence (PvdA 1986: 14, 31; 1989: 8, 17; 1998: 30; 2002: 22). In addition, the Social Democrats promoted the individualisation of social rights and called for a social policy focusing on individual family members instead of the family as an institution (PvdA 1981: 9; 1989: 21; 1994: 55).

Making it easier for parents to reconcile work and family responsibilities has constituted a core issue of Social Democratic family policies, since the 1980s (PvdA 1982: 2; 1989: 9; 1994: 52; 1998: 11; 28; 2002: 22). Whereas the CDA always promoted a universal child benefit, thereby favouring horizontal redistribution between those households with children and those without (CDA 1977: 18), the PvdA supported a means-tested child benefit until the mid-1980s (PvdA 1977b: 18; 1981: 9), thus prioritising vertical redistribution in favour of families with low incomes. By 1982, the promotion of public childcare for all children had become a central issue. Four years later the PvdA proposed an entitlement to part-time work for parents, promised to extend the maternal leave and to introduce a paid parental leave of six months (PvdA 1986: 35). Although the PvdA continued to concentrate its

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family policies on gender equality and labour market integration, they have begun to value unpaid familial care more strongly since 1998 (PvdA 1998: 26).

Overall, we can speak of a far-reaching consensus in regard to family policies (cf. NGR 2002). This consensus is due to the profound change of the Christian-Democratic family model, the Social Democrats' promotion of the family's societal role, and a changed perspective among Social Democrats in regard to redistribution. Improving the possibilities to reconcile work and family responsibilities have become core issues for both parties.

### **3.2.4 Comparing party positions over time**

Although some authors have diagnosed a convergence of the Dutch Christian and Social Democrats since the 1950s (van Kersbergen 1997: 318; Snels 1999: 51), our analysis of the election programmes shows profound differences in the mid-70s, where apart from the economic and employment policy positions both parties more or less fitted our ideal types. Since the end of the 1970s, however, we witness a continuous convergence. Concerning the overall role of the state as well as the economic and social policies the party positions of the PvdA have changed comprehensively, by and large leading to an adaptation of the Christian Democratic ideal type. Obvious examples for this development are: refraining from calling for a substantial redistribution of income and Keynesian economic management, while at the same time calling for the promotion of community and self-responsibility beyond the state as well as the benefits of supply-side policies.<sup>10</sup> The core aims, the concept of the state as well as crucial economic policies of the Christian Democrats have largely stayed constant, though there are rising liberal tendencies (Lucardie 1993: 40; ten Napel 1997: 63). The development of the Christian Democratic social policy approach parallels the Social Democrat's adjustments towards activation. The key differences have largely melted away since the late 1980s. Finally, in the realm of family policies the CDA dropped the traditional notion of the male breadwinner model and slowly accepted the modern concept of a two-earner family, whereas the PvdA accepted the overall importance of the family for the social cohesion of the community.

## **3.3 The German Case**

German Social Democracy had already transformed its more radical programmatic approach in the 1950s by accepting the market principle (cf. Padgett 1993). Still, the aim of Social Democracy was to accomplish full-employment and redistribute income and wealth. The accomplishment of these two aims was largely the responsibility of the state, achieved through economic planning and a democratisation of the capitalist economy (SPD 1975).

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<sup>10</sup> It is remarkable that the CDA stressed a far reaching consensus with the PvdA concerning social and economic issues in 1994 (CDA 1994: 19).

Starting in the mid-1970s the Christian Democratic Union (CDU) charged that the governing Social-Liberal coalition had *overextended* the (welfare) state and that this development had to be stopped. The main reason behind these allegations was not that the Christian Democrats no longer believed in the welfare state, but in their view government intervention was crippling business investments (as well as international competitiveness) and thereby undermining the welfare state. The Christian Democrats therefore deemed it both logical and necessary to call for certain social benefits to be cut. Furthermore, the Christian Democrats argued that the social policy design of the past had neglected and discriminated against the family. Hence, the CDU called for family policy to be expanded, while simultaneously proposing an overall reduction of government intervention. In their view, their policy proposals were based on reinvigorating the philosophy of the Social Market Economy, i.e. the German variant of social capitalism (CDU 1976 ff.).

As we will show, these ‘Christian-Democratic’ patterns have emerged as dominating the political discourse over the years. Within this normative framework the following arguments resurfaced over and over again: 1) the need to strengthen market mechanisms and promote self-responsibility within the Social Market Economy; 2) the need to concentrate benefits more strongly on the ‘truly needy’; and 3) the need to clamp down on ‘fraud’ and ‘abuse’.

### **3.3.1 Economic and Employment Policies**

Although the Social Democrats recognised very early that the internationalisation of the economy would limit a *national* strategy of macro-economic management, they continued to propose a full-employment policy based on active labour market policy and economic planning (SPD 1975). In contrast, the Christian Democrats called for a reduction of state intervention and a policy of price stability. In order to reduce unemployment they called for “stability-oriented wage agreements” between the social partners. One of their main foci was to secure the international competitiveness of German companies (CDU 1976: 20 f.). By 1980 they forcefully called for a reduction of the state debt, which in their view had dramatically increased during the reign of the Social-liberal coalition government. To a large extent the increase of unemployment was the result of an investment-unfriendly climate of public policy. Once again the Christian Democrats reiterated that the social partners had a special obligation for realising full employment (CDU/CSU 1980: 53). A prime aim of Christian-Democratic public policy would be a reduction in taxation and social insurance contributions. This approach would lead to economic growth necessary to finance social policy (CDU/CSU 1983).

During the process of German unification from 1989 to 1992, the Christian Democrats’ primary concern was to successfully master the unification process even if this meant higher public deficits (CDU 1990: 4). After the budget deficit had ballooned in the early 1990s, they once again returned to their previous policy stance of limiting government expenditures and the need to reduce social insurance contributions in the light of a

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perceived decreasing international competitiveness. Price stability, limiting government expenditures, a reduction of social insurance contributions, and the need to liberalise labour law became the hallmarks of the Christian-Democratic economic proposals in order to achieve economic growth and reduce unemployment (CDU 1994a, 1994b, 1998, 2002).

After being banned into the opposition in 1982, the German Social Democrats continued – even more forcefully than as when they were still in office – to call for a deficit-financed employment policy (SPD 1983: 99). They rejected the argument that in order for Germany to stay competitive internationally, social insurance contributions had to be reduced. To a large extent their party positions on economic and employment policies followed the traditional Social Democratic line (SPD 1983, 1986; cf. Seeleib-Kaiser 2001: 118-120). However, their programmatic approach began to change during the second half of the 1990s. Eventually they accepted the interpretation whereby deficit-financed employment programmes would not be feasible and social insurance contributions had to be reduced in order to stay competitive in the global economy (SPD 1994, 1998). Furthermore, the Social Democrats began to stress more strongly the benefits of the market, than they had previously (cf. SPD 1998; 2002). The Blair-Schroeder Paper (1999)<sup>11</sup> symbolises the more ‘radical’ programmatic version of this new thinking among top German, Social Democratic politicians. According to this document Social Democratic policy should be guided by the following credo:

*...[W]e need to apply our politics within a new economic framework, modernised for today, where government does all it can to support enterprise but never believes it is a substitute for enterprise. The essential function of markets must be complemented and improved by political action, not hampered by it. We support a market economy, not a market society.*

Comparing the programmatic aims in regards to economic and employment policies over time and between the two welfare state parties, we largely find continuity among Christian Democrats in regards to budget and employment policies. However, it must be recognised that they increasingly called for a liberalisation of labour law, especially the dismissal regulations. Although intellectually the Social Democrats had recognised the limits of Keynesian policies in the mid-1970s, they more or less continued to follow the traditional Social Democratic policy path in terms of economic and employment policies until the mid-1990s. Since then we can identify a clear process of convergence towards the policy positions of the Christian Democrats.

### **3.3.2 Social Policies**

In the mid-1970s, the Social Democrats justified their previous social policy expansions as the correct policy approach, since only well protected workers would support the necessary

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<sup>11</sup> Although this paper never received the status of an official party document, it heavily influenced the debate within the SPD (cf. Gohr 2003: 46-49).

structural changes of the economy (SPD 1976: 21). After having expanded a large number of social policy programmes in the early 1970s, the Social Democrats emphasised the need to accomplish greater equality of opportunity between the sexes as the most pressing social policy issue for the immediate future (ibid.: 22-24).

The Christian Democrats stressed their rejection of redistributive social policies and emphasised the personal achievement component of the social insurance system (CDU/CSU 1983: 73). Furthermore, they accused the SPD of having ruined state finances and undermined the foundations of social policy. They emphasised that social benefits should be more strongly focused on the 'truly needy'. Furthermore, the CDU/CSU declared that certain restrictions in social policy would be necessary to secure jobs and preserve the financial foundations of the social safety net (CDU/CSU 1980, 1983). Nevertheless, this policy stance should not be mistaken with an outright ideological attack on the welfare state. In addition to taking back 'overextended' welfare state provisions, the Christian Democrats were calling for expansions in the realm of family-oriented social policies (Bleses/Seeleib-Kaiser 2004).

As the 1980s drew to a close, both parties acknowledged that the old-age insurance needed to be reformed in order to adapt to the projected demographic changes. Yet, neither the CDU nor the SPD called for the public pay-as-you-go financing system to be abandoned or transformed into a partially funded private system. In addition to social security contributions levied on dependent employment, the SPD called for the introduction of a 'machine tax' for capital-intensive companies. The 'machine tax' was intended to slow down the increase of productivity-induced unemployment and to increase the revenues of the old-age insurance system (SPD 1986; 1988). Furthermore, the Social Democrats called for the introduction of (means-tested) minimum benefits within the unemployment and old-age insurance systems (SPD 1988: 21).

At the beginning of the 1990s, the most pressing issue in regards to social policy was the transfer of the west-German social policy system to the East (CDU 1990). Starting in 1994, the CDU began to identify the necessity to redesign social policy, due to increased globalisation. Specifically, they called for an expansion of workfare programmes for the unemployed social assistance recipients and heralded the achieved cost reductions within the domain of unemployment compensation as the result of an intensified crackdown on fraud as well as reductions of the wage replacement ratio. In regards to old age, they continued to support the contribution-based social insurance approach and rejected proposals to introduce a minimum pension. Moreover, people should be encouraged to participate in complementary 'private' schemes, including schemes negotiated by the social partners (CDU 1994: 39 f.). Re-emphasising the necessity for more personal responsibility became a core principle of the Christian-Democratic social policy approach in the late 1990s and early 2000s. This included proposing an expansion of workfare programmes for unemployment compensation recipients and promoting 'private' as well as company-based old-age insurance arrangements (CDU/CSU 1998, CDU 2002).

Although the Social Democrats initially propagated taking back some of the cuts in various social policy programmes in their 1998 election manifesto, they did not develop a reformed Social Democratic social policy approach. Similar to the Christian Democrats they called for increased self-responsibility, a reduction of government tutelage, and emphasised activation (SPD 1998, 2002; cf. Seeleib-Kaiser 2004a: 127-129).<sup>12</sup> In the Schroeder-Blair (1999) Paper it was argued that “[t]oo often rights were elevated above responsibilities, but the responsibility of the individual to his or her family, neighbourhood and society cannot be offloaded on to the state. ... Modern Social Democrats want to transform the safety net of entitlements into a springboard to personal responsibility.” Adopting this approach towards social policy meant that the Social Democrats had largely moved towards the social policy positions articulated by Christian Democrats since the mid-1970s – namely, the need to reduce government intervention and promote more personal responsibility.

### 3.3.3 Family Policies

The debate on family policy differed greatly from the patterns dominating the discourse on wage earner-centred social policies. In the 1970s the Christian Democrats successfully constructed a new interpretative pattern, whereby the mother (parents) should have the right to choose whether to *work or not to work* and fully commit herself to child rearing. Family work and employment in the labour market are in essence equivalent according to the CDU (1976: 13 f.). This programmatic stance clearly deviated from the traditional role Christian Democrats had ascribed to mothers and at the same time repudiated the Social Democrats’ view that certain ‘family’ benefits should be primarily focused on the ‘working’ mother (cf. Bleses/Seeleib-Kaiser 2004).

Overall the Christian Democrats began to emphasise family policy more strongly and called for family policies to be expanded. Due to structural discrimination, so their argument ran, the institution of the family was in immediate need of more support. In this context the proposal to introduce child-rearing credits in the old-age insurance programme is of great significance (CDU 1978: 149 f.). Moving to place a limited time of family work and wage work on an ‘equal’ footing within the old-age insurance system established a new argument of social justice. The CDU/CSU (1983: 73) continued to state that “[P]ensions are no alms. They are a return on the lifetime achievement of pensioners. Therefore, the pension must continue to be based on achievement and contributions.” In other words, the principle of achievement was now also applied to work within the family. This rationale was rooted in the broader debate on promoting freedom of choice – in other words, enabling parents to decide for themselves which parent would go out to work and which parent would stay at home and care for the children (CDU/CSU 1983: 73). Further proposals included the introduction of a parental benefit, parental leave, and increases in existing *transfer* programmes (CDU 1980: 53 f.). SPD members did not believe that the CDU/CSU was

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<sup>12</sup> Furthermore, they emphasised more strongly than before the concept of equal opportunity as a crucial element in their social policy strategy.



indeed promoting freedom of choice. Moreover, they claimed the CDU approach simply reconfirmed the conservative view of the family (SPD 1983: 113).

The salience of family-policy issues was much lower among Social Democrats. They emphasised the necessity for an expansion of childcare facilities (SPD 1976: 26). Beginning in the second half of the 1980s, the Social Democrats slowly began to accept the interpretative patterns of the CDU in regards to family policy. They now supported the newly introduced parental leave and the parental benefit as well as the child-rearing credits within the pension system. During their long-years in the opposition they did not propose a fundamentally different family-policy approach. They largely limited their criticism to the fact that the expansion of family policies should be more comprehensive and achieved faster (SPD 1988: 19 f.). Although an expansion of public childcare facilities had long been part of their programmatic stance, it reached centre-stage only during the early 2000s (SPD 2002: 46 f.). By this time the Christian Democrats had also understood the “necessity” to expand childcare facilities in order to reconcile work and family life better. However, they proposed a mix of public, company, and private childcare provisions (CDU 2002: 29 f.).

### **3.3.4 Comparing Party Positions over Time**

We witnessed an overall convergence of policy positions among the two welfare state parties in the three policy areas analysed. Compared to the ideal positions outlined in the theory chapter, we can observe an overall convergence towards the ideal Christian-Democratic welfare state. This includes a withdrawal by the Social Democrats from previous positions in regards to the public responsibility for full employment through macro-economic management, promotion of more private and company provisions in welfare, and a greater emphasis on the need to support the family. With regard to the provision of childcare and improved possibilities to reconcile work and family obligations the Christian Democrats converged towards positions previously emphasised by Social Democrats. Finally, in terms of collective labour law the Christian Democrats increasingly promote liberal positions.

## **4 Comparing Policy Positions: Difference, Convergence, or Diffusion?**

The core question in the three presented case studies has been whether Christian Democrats and Social Democrats still differ in their party positions in regards to welfare state policies as they did during the ‘golden’ post-WWII era. We will now discuss the developments in an international comparative perspective. In principle three trajectories of party development can be imagined as: a) continued difference, b) convergence, and c) diffusion. The comparative analysis will be developed along the dimensions presented in Tab. 1. In the first section we will therefore ask whether the overall aims and the role of the state have

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changed. After this initial analysis we discuss the three policy areas of economic and employment policies, social policies, and family policies.

At the beginning of our period of analysis, the Social Democrats in our three countries promoted the overall goal of achieving greater economic justice and full employment through state intervention. In general our three Christian-Democratic parties were more strongly focused towards social stability, promoting community, and limited state intervention. However, in terms of achieving the goal of full employment the ÖVP as well as the CDA initially deviated from the ideal. While the German CDU by and large did not support Keynesian employment policies, the two other Christian-Democratic parties initially embraced such an approach. Furthermore, the CDU began very early to call for limits to state intervention, whereas the CDA and ÖVP followed suit in the early 1980s and 1990s respectively.

Compared to the development of the three Christian-Democratic parties in our analysis, the Social Democrats underwent a comprehensive redefinition of their goals. While initially full employment and a “just” distribution of income and wealth had been their primary goals in addition to economic efficiency, achieving higher employment ratios and promoting more community and self-responsibility became core Social Democratic aims. The change seemed to be more “radical” among the Dutch and Austrian Social Democratic parties, which is due to very different starting points: Comparatively speaking the PvdA had a very radical, anti-capitalist approach in the 1970s and the Austrian Social Democrats were protecting a huge nationalised manufacturing sector. Nevertheless, the PvdA started to comprehensively redefine the state’s role in the economy during the second half of the 1980s, rejecting socialisation and characterising a policy of domestic demand management as ineffective in an open economy. Parallel the concepts of community and self-responsibility became central for the redefined role of the state.

The development within the SPÖ was somewhat more incremental and took longer. However, we have to bear in mind that the call for privatisation within the SPÖ in the mid-1980s originated at a time when the state still owned a comparatively large part of the manufacturing sector. While the PvdA and SPÖ had already refrained from calling for deficit-financed employment programmes during the 1980s, a Keynesian economic approach was explicitly rejected by the German Social Democrats only in the late 1990s. In all three parties the focus of economic and employment policies shifted towards an emphasis of supply-side measures. In tandem with this withdrawal of public responsibility for full employment, the Social Democrats partially withdrew from promoting a higher degree of equality through the redistribution of wealth. Again the process was more protracted among the German Social Democrats than among the other two parties. But only the PvdA went so far as to explicitly drop the issue of wealth redistribution from its party programme. All three parties have geared their economic policies towards promoting price stability. To summarise: we witness a process of convergence of the Social Democratic parties towards the Christian Democratic approach in the dimension of economic and employment policies. Although the three Christian-Democratic parties have shown clear

tendencies towards more liberal policy positions, they have not become (neo-) liberal parties.

Similar to the development in economic and employment policies the CDA shows the most remarkable development of the three Christian Democratic parties in regards to social policies. In addition to calling for cuts in various social policy programmes, the CDA started in the early 1980s to question the structure of the welfare state. A similar process did not start in Austria before the early 1990s and even later within the CDU. However, we have to bear in mind that the German Christian Democrats have always rejected universal benefits and emphasised achievement-oriented social policies. Since the late 1990s, all three parties have called for promoting more private social policy arrangements and strengthening the means-testing criteria for public social transfer programmes. Within the three Social Democratic parties, we witness a similar trend. Once again the timing in the three countries differed substantially. Regarding the overall “recalibration” (Pierson, 2001) of social policies and the promotion of “activation” the speed and scale of the reforms differed remarkably. As early as the late 1980s, activation became a cornerstone of social policy for the PvdA, while the other two Social Democratic parties adopted a similar approach much later. Also in terms of promoting ‘private’ social policy arrangements, the PvdA took the lead within our group of Social Democratic parties. Again at the end of our period of analysis, the three parties seem to have reached similar positions that, however, do not substantially deviate from the positions of the Christian Democrats.

The realm of family policy has become much more important in the programmatic welfare state design in all of our six parties. Whereas the Social Democrats programmatically had a stronger track record on demanding more public child-care facilities, initially they did not emphasise the family as a core institution of society as strongly as the Christian Democrats. During our period of analysis the Christian Democrats substantially ‘modernised’ their conception of family. Over the entire period the ÖVP promoted the concept of “freedom of choice”, meaning that, it was up to the family to decide, which of the parents takes care of the children. Yet, at the level of instruments the ÖVP for a long time promoted policies that were biased towards the non-working mother. In Germany, the CDU took up the concept of “freedom of choice” in the late 1970s and expanded it in the 1980s. Conceptually, a limited time spent on care work was to be recognised as principally equivalent to employment in regards to pension entitlements. In contrast to the two other Christian-Democratic parties, the CDA explicitly continued to expect one parent to care for the children until the late 1980s, while, however, they did not categorically define this as the role of the mother. Since the early 1990s, the Dutch Christian Democrats now support an approach, whereby both parents should be engaged in wage labour. With these changes in policy positions, all three Christian-Democratic parties have turned away from the traditional male-breadwinner model and all support an increase of external child-care provisions. In their view, however, these child-care places should not solely be provided by the state, but parents should have a choice of various arrangement options and provisions. The PvdA also supports this approach, whereas the SPÖ and the SPD still primarily favour the public provision of childcare. More importantly, however, the Social Democrats have shifted a greater amount

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of attention towards family policies. In regards to family policy, we can perhaps speak of a more or less symmetric convergence, i.e. both party families surrendering some their prior policy positions.

Building on the conceptualisation of change proposed by Hall (1993), our findings show that, by redefining their aims the Social Democrats in our three countries have undergone a “third order change”. The changes among the Christian Democrats were limited to “first and second order” changes since they primarily limited their adaptations to the level of instruments. In terms of direction, we have witnessed an overall convergence of the three Social Democratic parties towards the Christian Democratic ideal type. During our period of analysis, the PvdA, the SPÖ, and the SPD have withdrawn their goal of greater social equality through the promotion of a full employment strategy and ubiquitous public responsibility for achieving social justice. Moreover, they started to emphasise subsidiarity, community and self-responsibility, de-emphasised the issue of redistribution, while promoting equal opportunity as well as the need to concentrate social policy more strongly on the truly needy. Furthermore, they accepted limited deregulation and decentralisation as well as workfare and the partial ‘privatisation’ of social risk coverage. Thus we question the continued validity of the theory that parties still want to make a difference in regards to welfare state policies. Despite the overall convergence of Social and Christian Democrats we witness remaining differences, but these are confined to specific instruments as well as the extent of welfare cuts and privatisation measures.

To summarise: Contrary to many journalistic accounts and based on our in-depth comparative analysis of the party manifestos, we cannot speak of a trend towards a (neo-) liberal approach within our welfare democracies. The party differences between Social Democrats and Christian Democrats largely fade away due to a convergence of our three Social Democratic Parties towards the ideal Christian-Democratic welfare state in a number of policy dimensions (cf. Seeleib-Kaiser 2002). Although the Christian Democrats have undergone moderate programmatic changes towards more ‘liberal’ positions they cannot accurately be characterised as ‘neo-liberal’ parties.<sup>13</sup> Moreover, both party groups seem to propose a similar ‘new’ welfare state design, which can be coined a liberal-communitarian approach to social policy.<sup>14</sup>

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<sup>13</sup> For a characterisation of the Christian Democrats as more or less having transformed towards liberal positions see Hanley (2003: 243).

<sup>14</sup> Liberal in this context does not have the “American” meaning of “state interventionist”, but of classical European liberalism. First ideas of a liberal-communitarian welfare regime were discussed by Seeleib-Kaiser (2004b) and Bleses/Seeleib-Kaiser (2004).

## 5 Towards a liberal-communitarian welfare state?

In terms of economic and employment policies this liberal-communitarian approach largely mirrors the “old” ideal of the Christian-Democratic welfare state. Hence, the state refrains from deficit-financed employment programmes, focuses its attention on improving supply-side provisions, and pursues a non-inflationary monetary policy. Some observers might call this a “neo-liberal” approach. Yet it was increasingly acknowledged by both welfare state parties in our three countries that the state also ought to intervene in order to improve the employment capabilities of the unemployed social transfer recipients. This led to the proposal of activation measures, which constitute a bridge between a supply-side oriented employment strategy and compensatory social transfer policies. Focussing more strongly on supply-side policies does not necessarily have to be identical with “neo-liberalism” since it could also mean greater state intervention.

Receiving social transfers by unemployed workers is still conceptualised as a right or entitlement, as long as the recipients live up to their responsibilities. While in the past these responsibilities in Christian-Democratic welfare states were largely defined by having paid prior contributions to social insurance schemes, they are becoming increasingly defined by personal activities aimed at improving reemployment opportunities. In other realms of social policy, the welfare state parties reduce their commitment for public social policy provisions and promote ‘private’ social arrangements. However, these ‘private’ arrangements do not necessarily mean that the state should fully withdraw, but that the role of the state should change from provider to regulator with the aim of giving social partners and market actors new opportunities to devise social policy arrangements. All these measures are designed to promote self-responsibility within societies that continue to value social cohesion. It is very hard to categorise these various proposals; they seem to reflect a mixture of liberal and communitarian values.

Finally, the welfare state parties in our three countries all promote a more active public support for families. These proposals can definitely not be characterised as liberal. Moreover, they build on a ‘revised’ communitarian conceptualisation in regards to the important role of the family for society. According to the ideal Christian-Democratic welfare state of the past, the state should protect the standard family and largely refrain from active policies while supporting the family wage. Now both welfare state parties promote the right of equal access of both parents to the labour market and thereby withdraw from the notion of a male breadwinner. Hence, family policies should be designed in such a way that parents can reconcile work and family responsibilities. This approach includes a large number of measures, reaching from (paid) parental leave to the expansion of child-care facilities. Not all of these measures can be characterised as potentially leading to a greater degree of “de-familialisation” (Esping-Andersen 1999), moreover, many proposals support the continuance of some care functions by the family. Hence, in terms of family policies the ‘new’ liberal-communitarian welfare state clearly differs from the ‘old’ Christian-Democratic ideal.

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Overall this ‘new’ conceptualisation of the welfare state is to a large extent in accordance with proposals made by “communitarians”, such as Amitai Etzioni (1993; 2001).<sup>15</sup> It seems to be especially important to highlight that his normative arguments in favour of an expansion of public family policies<sup>16</sup> and the concept of rights *and* responsibilities in regards to social transfer payments largely parallel the arguments found in the party programmes we have analysed. The political aim is achieving social cohesion, based on the principle of subsidiarity. Some observers have identified “communitarianism” as one of the ideational streams influencing the “Third Way” discussions, in the late 1990s and early 2000s (see Levitas 1998; Hay/Watson 1999; Vorländer 2001). In our three continental-European welfare democracies communitarianism has always been part of the political culture, especially through the important role played by Christian-Democratic parties. One reason for the neglect of these communitarian approaches might be that the “Third Way” discussions as well as the “communitarian” debates originated in Anglo-American cultural settings, which have never experienced Christian Democracy.

Finally, we want to stress that policy preferences among political parties should not be taken as given or solely derived from assumed interests. Based on the “mandate theory” (Klingemann et al. 1994) we would assume that the enacted policies in the three countries would largely follow the programmatic approach outlined in their party programmes. Yet contrary, Hay and Watson (1999) argue that the communitarian elements in “New Labour’s” rhetoric largely camouflaged its neo-liberal approach. In the next step of the research programme we will ask whether and in how far the policy positions developed in the party programmes have guided the material welfare state development in our three welfare democracies.

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<sup>15</sup> We are well aware that there is a broad spectrum of ‘different’ communitarian approaches. For brief overviews see Levitas (1998: 89-111) and Reese-Schäfer (1996). For a discussion of the concept of “family” among communitarian see Frazer (1999: 173-202).

<sup>16</sup> Also see Gilbert (2002).

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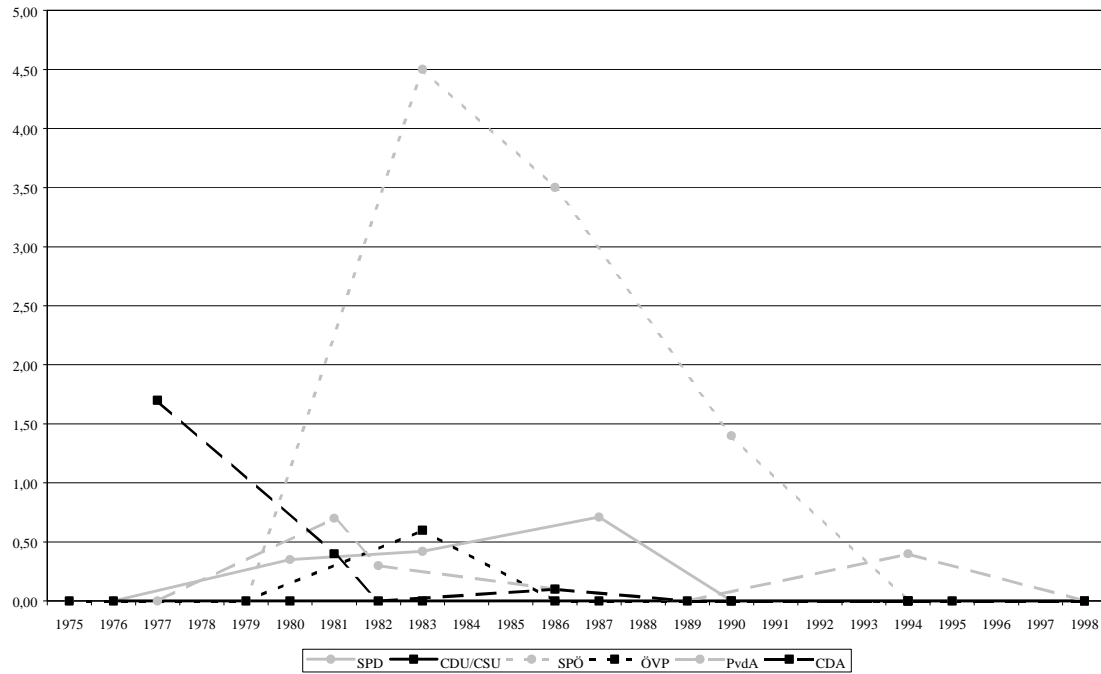
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## Appendix

### Keynesian Demand Management



Source: Party Manifesto Data (Budge et al. 2001)

### Welfare State Expansion



Source: Party Manifesto Data (Budge et al. 2001)