

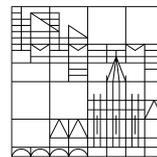
# **Public opinion and social investment: How political-institutional context shapes support and opposition towards expanding childcare**

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# Introductory chapter

## Abstract

Social investment policies are generally considered to be widely popular among the public and policymakers alike as they are expected to generate social and economic benefits, and to create political payoffs for governments implementing such policies. However, empirically, we observe strong and persistent variation across countries in their design of social investment policies. This variation presents an important empirical puzzle, given the postulated positive returns associated with such policies. Focusing on early childhood education and care as a central element of social investment, I argue in this theoretical contribution that once we take into account the country-specific political and institutional context, the popularity of social investment should not be taken for granted. Contingent on who benefits from expansive childcare policies there can be a substantial potential of conflict in public attitudes between different societal groups. Building on theories of policy feedback, I elaborate the concept of perceived relative policy payoffs. How individuals perceive the costs and benefits associated with childcare policies can attenuate or amplify the potential of conflict in public attitudes towards expanding childcare. If an expansion of childcare comes at the cost of some groups in society and if reforms benefit only more narrowly defined groups, preferences are likely to be more conflictive and the political viability of expansive reforms appears more uncertain. The framework developed in this paper has implications for theories of policy feedback and the politics of social investment. Furthermore, it suggests that instead of a convergence towards a fully fledged paradigmatic social investment welfare state, we are likely to observe persistent variation across countries in their design of social investment policies.

*The three empirical papers constituting this cumulative dissertation are not part of this document. One of the three papers, co-authored with Marius R. Busemeyer, is published in the Journal of European Social Policy (Busemeyer/Neimanns 2017).*

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## **Introduction: Who wants social investment?**

Recent years have seen a continuous rise of the idea of a social investment welfare state. The central idea is that the welfare state should prepare individuals for social risks that occur during their life course rather than repair ex-post what has gone wrong. It has been embraced by scholars (e.g. Esping-Andersen 2002b; Morel et al. 2012; Hemerijck 2013; Bonoli 2013), international organizations (such as the European Union and the OECD), and, to some extent, policymakers (Morel et al. 2012: 9). Proponents of this idea expect strong social and economic returns from the implementation of social investment policies. Social policy is understood as a productive factor in the economy contributing to the long-term sustainability of welfare states. Proponents of social investment also hope that it can reduce poverty and intergenerational inequality by addressing new social risks of post-industrial societies that are only insufficiently covered by established systems of social insurance.

Social investment reforms are expected to provide political benefits for governments who can claim credit for implementing reforms that are assumed to be widely popular among the public (Bonoli 2013). After unpopular forms of fiscal retrenchment and neoliberal policy prescriptions had dominated the social policy agendas, governments might use social investment to send a more positive message to their voters by enacting policies that are (believed to be) more in line with voters' preferences but imply only relatively minor budgetary commitments.

Policies of early childhood education and care as well as aspects related to work-family reconciliation are part and parcel of the idea of a social investment welfare state. Expanding childcare provision is expected to support cognitive and non-cognitive child development and to facilitate the integration of women into the labor market (Heckman 2006; Esping-Andersen 2002b). Studying public attitudes towards childcare and the nexus of work-family reconciliation is the main focus in this dissertation.<sup>1</sup>

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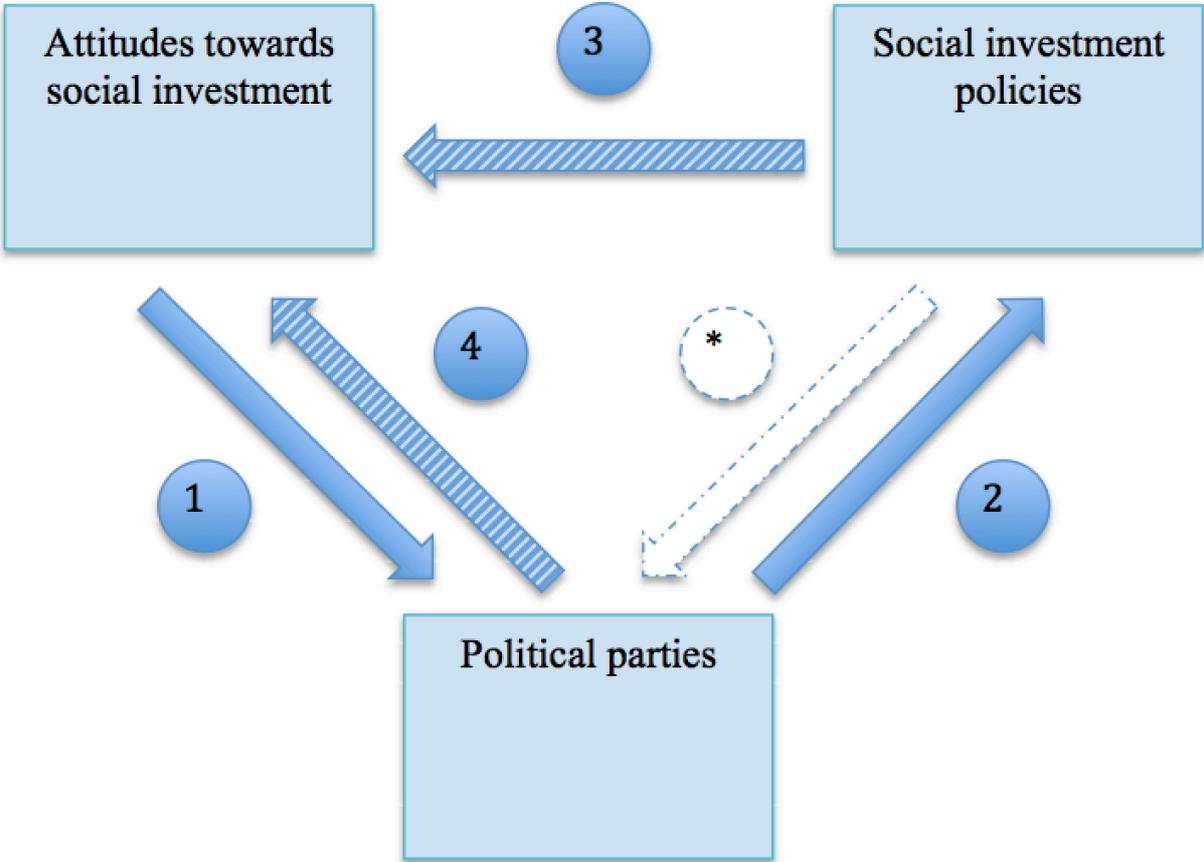
<sup>1</sup> Throughout this dissertation, I refer to early childhood education and childcare as equivalents and focus on the age group below three, where provision is considerably less universal and there is substantially more cross-country variation compared to the older age groups (Plantenga/Remery 2009). Though distinct programs may either emphasize the relevance of children's cognitive development or mainly allow parents with young children to work, most often both elements are present within early childhood education and care programs and both constitute parts of the social investment approach.

The promise of positive social, economic and political returns associated with this new welfare state paradigm should lead us to expect a strong impetus towards social investment reforms. Yet, when analyzing the actual implementation of social investment policies, considerable discrepancies are apparent compared to propositions of social investment at the ideational level (e.g. Vandebroucke/Vleminckx 2011). There is a wide cross-national variation in the implementation of social investment policies and in several countries citizens experienced cutbacks of established systems of social protection during recent years (ibid.; Nikolai 2012). This situation has further aggravated with the repercussions of the financial crisis still ongoing (see e.g. Bouget et al. 2015). How and to what extent social investment reforms have been implemented turns out to be unevenly spread across countries.

How can we explain that the implementation of social investment reforms varies that widely across countries? In this cumulative dissertation, I show that contrary to assumptions of social investment reforms being widely popular, important cleavages are often present within the public. By addressing the research gap on public attitudes towards social investment, my findings demonstrate that the politics of social investment are more conflicting than often assumed, thereby rendering governments' scope for credit claiming for implementing social investment reforms more uncertain.

From a standard perspective on democratic governments (e.g. Downs 1957), popular support for social investment policies should lead government parties to enact policies in line with public preferences (this is reflected in arrow 1 and 2 in Figure 1). Social investment policies should be more generous where public support for social investment is strongest. However, institutional welfare state legacies in which social investment policies are embedded have been found to shape public attitudes and political cleavages within the public (arrow 3; Esping-Andersen 1990; Pierson 1993). Also, political parties not only represent the preferences of their voters, but also mold preferences by providing cues to the public being only imperfectly informed (arrow 4; Zaller 1992). In my dissertation, I examine the role of the political-institutional context for public attitudes. I find that the context of welfare state and social investment policies and the political articulation of political parties render the cleavages within the public about social investment more or less severe. This implies that the way social investment policies are implemented shapes patterns of political support for social investment within the public and affects the political viability for further social investment reforms.

**Figure 1: Linking social investment policies and public attitudes: government responsiveness and policy feedback**



Notes: Arrows denote the different possible influences between public attitudes, political parties and policies in the process of policymaking. Filled arrows indicate government policymaking responding to public attitudes. Dashed arrows represent feedback effects on public attitudes. I leave aside feedback effects on political parties in this dissertation (hollow arrow [\*]; cf. Pierson 1993) and concentrate on policy feedback on public attitudes.

For the formulation of expectations of how political-institutional context shapes public attitudes towards social investment, considering institutional welfare state legacies presents a starting point. Welfare states’ institutional contexts likely present a strong obstacle to a uniform implementation of social investment reforms across countries due to their effects on citizens’ material well-being and institutionalized political cleavages within the public (Esping-Andersen 1990; Pierson 1993, 1994; Häusermann/Palier 2017). Numerous contributions on policy feedback from a perspective of historical institutionalism have forcefully argued that *policies shape politics* (Pierson 1993: 595). Policies, once enacted, create their own constituencies that are expected to protect “their” policies from cutbacks (Pierson 1994, 1996, 2000). As actors adapt to the policy status-quo, policies often create increasing returns, which should lead welfare states to experience a path-dependent

development of established social protection schemes and should make radical welfare state change unlikely. Welfare state regimes institutionalized their specific political cleavage structures and these influence the distinct leeway for future welfare state reforms (Esping-Andersen 1990). A range of studies which analyze patterns of public attitudes towards the welfare state find some congruence between public attitudes and welfare state regimes (e.g. Svallfors 1997; Andress/Heien 2001; Linos/West 2003).

However, the perspective of path-dependent, incremental welfare state reforms is challenged from two sides: First, another group of studies on welfare state attitudes contradicts the findings reported above and identifies an only incomplete match of attitudes with corresponding welfare state regimes (e.g. Lynch/Myrskylä 2009; Jaeger 2009). Second, substantial welfare state retrenchment took place in several advanced welfare states (e.g. Korpi/Palme 2003) and profound welfare state restructuring towards more social investment has been documented for some European countries, thus breaking with the apparent constraints of institutional legacies (e.g. Hemerijck 2013). Such evidence has raised critique against an overemphasis on policy stability in policy feedback theories while neglecting the scope for change (Jacobs/Weaver 2014).

While historical institutionalist perspectives focus on policy feedback as a process unfolding over extensive periods of time (Pierson 2004), short-run policy change is central in the prominent notion of “thermostatic” policy feedback (Soroka/Wlezien 2010). The latter highlights the short-term influence of policy changes on overall public opinion and the role of public opinion for subsequent policy change. Although operating with a different terminology, the main expectation of the thermostatic model is also policy stability: the median voter should react to policy change and by adjusting her position against further policy change, should push responsive governments’ policies back to the status quo. These different approaches to policy feedback, until recently, have hardly communicated with each other (Jacobs/Weaver 2014; Breznau 2016). However, both, each in its own way, postulate effects of policies on public attitudes contributing to a stabilization of the status quo.

The fact that social investment reforms do happen and often are not in line with a welfare state regime logic thus poses serious challenges to theories on policy feedback and their ability to explain contemporaneous welfare state reforms. It is still not clear to what extent existing welfare state policies are self-reinforcing or whether they can have self-undermining

consequences. We are essentially left with a question formulated more than twenty years ago, which is *when* and *how* policies shape politics (Pierson 1993: 627). To what extent does the country-specific context of the welfare state inhibit or stimulate reforms towards social investment? And if policy legacies allow for policy change, into which direction is this change likely to occur?

With these developments in mind, we still possess only limited knowledge about individual-level attitudes towards social investment policies. Yet, knowing more about public attitudes towards social investment is important, first, to identify in how far social investment reforms are actually responsive to public demand. So far it remains difficult to assess to what extent the notion of social investment as “affordable credit claiming” (Bonoli 2013: 8) really applies empirically or if social investment is more strongly contested given real-world political-economic constraints. Generally, it is argued that governments have strong electoral incentives to take into account public policy preferences for policymaking (Brooks/Manza 2006; Rehm 2011). However, there also is the possibility of a mismatch between public preferences (of some societal groups) for social investment and actual policy reforms, indicating that demand remains unmet. It would thus be important to know whether social investment is responsive to the preferences shared by a large part of the electorate or whether it merely satisfies the demands of some specific groups while ignoring others. Furthermore, it might be the case that preferences for more redistributive social policies trump demand for social investment, but policymakers employ the discourse of social investment to distract from retrenchment in established parts of the welfare state.

A second major point underlining the relevance of studying public attitudes towards social investment concerns their influence on the politics of social investment. On the one hand, the literature is still divided on whether political parties (still) make a difference in the implementation of social investment policies (Lambert 2008; Morgan 2013; Bonoli/Reber 2010; Bonoli 2013; Hieda 2013). Analyzing individual-level preferences can provide the microfoundations for the positions we should expect political parties to take. On the other hand, it has been emphasized that new social risks, which could be addressed by social investment policies are distributed across quite heterogeneous groups within societies, and hence, different interests may be difficult to align (Kitschelt/Rehm 2006). The institutional background of welfare state policies should influence to what extent such preferences for social investment among various social risk groups can become politicized and it should

determine the scope for policymakers to engineer coalitions to address the potentially competing demands of different social groups.

In sum, explaining public opinion on social investment policies enhances our understanding of the persistently strong cross-national institutional variation as public opinion can fuel or stifle social investment reforms. Identifying conditions leading to either self-reinforcing or self-undermining policy feedback on public attitudes towards social investment can advance our expectations for welfare states either converging on a vision of social investment or displaying continued institutional diversity.

Consequently, the core research question, which I address in three empirical papers constituting this cumulative dissertation is: How do welfare state policies shape support and opposition towards expanding social investment? Focusing on childcare and work-family attitudes, I aim to identify which institutional and political welfare state context attenuates or amplifies certain cleavages in public attitudes. I concentrate on three sorts of cleavages: first, given that social investment reforms are implemented alongside established social protection systems and given that these policies have different redistributive implications for potential beneficiaries, I examine social protection and investment preferences of different social risk groups. Distributive consequences also vary within specific social investment policies, depending on their institutional design. Therefore, as a second cleavage I analyze social investment preferences based on individuals' socio-economic position within the income distribution. Thirdly, I concentrate on the role of partisan identity. As partisanship is strongly associated with individual (policy) attitudes, political ideology can present another source of cleavages in attitudes towards social investment. For each of these cleavages, I expect the institutional characteristics of the welfare state to be relevant. Policy generosity, within and between policy fields, and the surrounding political articulation by parties should make political cleavages within the public more or less pronounced and thus affect the degree of public support and opposition towards social investment.

I address these questions in three empirical papers that are briefly discussed below. My investigations use different cross-national datasets on public attitudes towards childcare and the work-family nexus in Western welfare states (European Social Survey [ESS 2008]; International Social Survey Programme [ISSP 1994, 2002, 2012]; Investing in Education in Europe [Inveduc 2014]). This data provides an ideal test ground for studying the cross-

national variation in cleavages spelled-out above as it allows a comparison of attitudes between different policy fields (ESS), an analysis of work-family preferences over time (ISSP), and an examination of preferences towards various dimensions of childcare policies (Inveduc).

The central finding originating from the empirical analyses is that important dividing lines in attitudes towards social investment can be identified. However, social investment is less contested among different groups within the public if it takes place within a more encompassing policy context. If the expansion of social investment proceeds in the context of stable benefit levels in compensatory policy fields and if parties continue to compete on redistributive socio-economic issues, this lowers the potential of conflicting attitudes towards social investment between different societal groups. Furthermore, if social investment policies are in themselves designed in a universal way that facilitates equal access and benefits across different socio-economic groups, this increases the potential for aligning policy preferences between different social groups.

These findings have important theoretical and political implications. First, rather than being responsive to a median voter representing an average public opinion, social investment reforms are more responsive to some social groups than to others, depending on the specific design of reforms and the associated redistributive implications. The consequences of social investment policies on who benefits and to whom they are responsive are interrelated with other areas of the welfare state and should not be considered in an isolated manner. Second, the empirical findings highlight the role of policy feedback on clearly defined social groups. Rather than trying to identify self-enforcing or self-undermining policy feedback effects on the overall public, it can be more meaningful to study feedback effects on societal groups, as their specific preferences shape the incentives for left and right political parties to pursue social investment. Group-specific preferences affect the feasibility of possible coalitions and hence, how these preferences become relevant for policymaking. Finally, the identified patterns of public attitudes towards social investment can contribute to explaining the persistent cross-country variation in social investment reforms. Depending on the context of social investment and welfare state policies, public opinion presents a help or hindrance for social investment reforms. The analysis identifies specific institutional settings that present a fertile environment for the implementation of social investment policies. However, as political-institutional contexts are sticky and subject to a variety of constraints, one can expect

persistent policy diversity rather than cross-national convergence towards a social investment welfare state.

In the following paragraphs, I give an outlook on the rest of this introductory chapter and the papers, which constitute this cumulative dissertation. The aim of this introductory chapter is twofold. First, it embeds the three empirical papers in the broader literature on social investment and childcare provision and provides a wider discussion of approaches of policy feedback as a theoretical framework. Second, it elaborates a theoretical framework connecting and generalizing the empirical findings from the three papers. This framework highlights the joint contribution of the papers to the literature on social investment and policy feedback. The theoretical generalizations following from this elaboration are necessarily limited given the scope of this dissertation. Further evaluation of the implications of this framework remains subject for future research. Nevertheless, the theoretical approach presented provides an outlook beyond the three papers, contributing to theories on policy feedback more generally.

In the remainder of this introductory chapter, I provide further background on the social investment approach and discuss its critics and ambiguities in more detail before shifting the focus to dual-earner oriented early childhood education and care as one of its core elements. I review how the promised positive outcomes of childcare policies on child development and on the integration of women into the labor market can vary given country-specific institutional legacies in the wider context of the welfare state. This provides the basis for the discussion of the politics of expanding childcare with a special, though until now largely neglected, focus on the role of public attitudes. I then turn towards policy feedback as a theoretical framework, which allows formulating expectations of how the institutional characteristics of social investment and compensatory welfare state policies shape (cleavages in) public attitudes towards social investment policies. I discuss the two major approaches of historical institutionalist and thermostatic policy feedback, which both tend to emphasize policy stability over path-departing policy change. I provide a synthesis of both approaches, highlighting their complementary potential and I demonstrate how group-specific policy payoffs, in terms of perceived costs and benefits associated with a policy, allow making claims about the likelihood of path-dependent or path-departing policy preferences within the public.

I now give a brief overview of the three empirical papers (hereafter *Paper I-III*). A more detailed discussion of the contributions of the papers to the social investment and policy feedback literature follows at the end of this introductory chapter.

Paper I (*Conflictive preferences towards social investments and transfers in mature welfare states: The cases of unemployment benefits and childcare provision* [with Marius Busemeyer]) studies preferences towards childcare services and unemployment benefits of the social risk groups of single parents and the unemployed. The core research question is whether these different risk groups, in terms of their political preferences, join coalitions to strive for an overall improved protection against the occurrence of social risks or whether different risk groups look enviously at each other's welfare state benefits. We find that whether the one or the other holds depends a lot on the generosity of the other risk group's welfare benefits.

Paper II (*Class politics in the sandbox? An analysis of the socio-economic determinants of preferences towards public spending and private fees for childcare services*) looks at different social risk groups within one single policy field. More specifically, I examine how the extent of social stratification inherent in the institutional characteristics of childcare service provision affects how attitudes towards public spending and private fees for childcare are structured along socio-economic lines. The most important finding is that the rich and the poor tend to develop diverging policy preferences for public and private spending on childcare services when access to childcare is strongly stratified. This implies that an expansion of childcare that relies on high levels of private contributions by parents does not necessarily respond to the preferences of lower income families. Having sufficient cost-accessible places available appears to be a precondition for those parents to benefit from childcare services and is also likely to be more viable politically.

Paper III (*Making mothers stay at home? A cross-lagged analysis of party positions and attitudes towards female employment*) adds a norms-based perspective to the two previous papers and brings political actors in. It examines how political parties can influence individual attitudes of their constituencies towards the work-family nexus. I argue that through their positions on family issues, parties are able to shape public attitudes towards female employment. Parties' positions, in turn, are constrained by the wider context of party competition on economic and non-economic issues. The results show that when right-wing

parties put traditional family values onto the agenda, in particular left parties can be constrained in proposing dual-earner oriented family policies to compensate for a constrained room for maneuver in times of economic globalization and fiscal austerity. The analysis provides an explanation for the slow pace of some countries in moving towards more gender egalitarian attitudes on the work-family nexus and towards dual-earner oriented family policies.

### **Childcare within the context of a social investment welfare state**

This section first discusses the recent turn towards social investment more generally before moving to the area of childcare services as one core element of the social investment agenda, which is also the focus in this thesis. Advocates of social investment suggest that strong social, economic and political returns are associated with a shift towards social investment policies. However, within both subsections, I will also discuss some critics and ambiguities inherent in the idea of social investment. Given that social investment policies are nested within the wider context of the welfare state, benefits may turn out to be less universal and more politically contested than often assumed in the literature.

### **The social investment turn**

The concept of the social investment welfare state has become increasingly popular during recent years (e.g. Esping-Andersen 2002b; Morel et al. 2012; Bonoli 2013; Hemerijck 2013) and ideas related to social investment have influenced policy initiatives and agenda setting at the EU level (Lisbon agenda; EU2020 and the associated Social Investment Package by the European Commission from 2013) and in the OECD countries more generally (e.g. OECD [Doing better for children 2009; Doing better for families 2011; Starting strong III 2012]). One central element of this view is that social policies are seen as economically productive factors that support individuals to invest in skills and to productively use their human capital. Social policies should prepare individuals for social risks that occur during their life course rather than take care of these risks after they have materialized. Thereby social investment policies are expected to contribute to a long-term sustainability of welfare states and to combat poverty and intergenerational inequality (Morel et al. 2012: 1-2).

Moreover, social investment policies are ascribed the potential to cover new social risks (Bonoli 2006) that have appeared during the recent decades and that are only insufficiently covered by established post-war welfare state arrangements. Family relationships are less stable than in the early postwar decades, which presents challenges in particular for lone parents to make ends meet. Processes of deindustrialization and globalization imply that more and more jobs are established in the service economy with less stable employment trajectories. Finally, jobs have become more knowledge-intensive and skill needs continue to be rapidly changing, leading to the risk of insufficient and devalued human capital (ibid.; Esping-Andersen 2002b; Wren 2013; Frey/Osborne 2013; Autor et al. 2003).

Policies under the label of social investment are expected to mitigate these risks and can be subdivided into three policy areas (Hemerijck 2012; Morel et al. 2012: 354-356). First, policies related to human capital investment cover all forms of skill investment, starting with pre-school early childhood education and cumulating in lifelong learning to address changing skill needs in contemporary post-industrial economies. In particular, the necessity of acquiring social and cognitive skills is emphasized in this context (ibid.; Abrassart 2012). A second set of policies aims at reconciling the spheres of work and family. Policies such as childcare services and parental leave should help parents to combine the two (Morel et al. 2012: 355-356). In particular, Esping-Andersen (2002a) identifies mothers' employment as a key factor in reducing the risk of child poverty. Affordable childcare services contribute to the avoidance of such poverty traps. Third, social investment policies also address the area of employment relations. This includes the aim of bringing people (back) into jobs and is closely connected to activation policies such as active labor market policies, but also considers aspects of social protection that should smooth the transition to work (Morel et al. 2012: 356). Such ideas are closely connected to the concept of flexicurity (Viebrock/Clasen 2009).

Broken down into the functions of social investment, Hemerijck (2015, 2017) distinguishes between "stocks", "flows", and "buffers" that social investment policies should address: first, to help individuals to cope with transitions in the labor market or related to the life-course (flow); second, to raise the stock of human capital (stock); and, third, to provide universal safety nets that protect individuals from the risk of income loss (buffer). Having policies that fulfill these functions should lead to higher levels of economic productivity. This implies a Pareto efficient role of the state that actively contributes to economic development while

simultaneously combating poverty and social inequality (ibid.). Ultimately, the success of social investment policies should culminate in the creation of “more and better jobs” (Morel et al. 2012: 354). According to this perspective, the implementation of social investment policies promises high social, economic and political returns.

The paragraphs above suggest strong normatively desirable potentials of social investment policies. Nevertheless, some tensions are inherent in this perspective that relate to the conceptual and the empirical level. At the conceptual level, there is ambiguity in how social investment relates to established redistributive social protection systems. Empirically, quite diverging assessments of how social investment policies have been implemented prevail in the literature, which sometimes stand in stark contrast to the normative promises attached to social investment.

One central conceptual debate is whether established systems of social protection should be seen as complementing social investment policies (e.g. Esping-Andersen 2002b), or whether social investment rather substitutes old-fashioned welfare states (Giddens 1998). Esping-Andersen (2002b) argues that the goals of reducing (child) poverty and combating intergenerational inequality can only be achieved if policies that invest in children and foster mothers’ labor market participation are accompanied by social security safety nets compensating for periods of lack of labor market income. Giddens (1998) takes an opposite stance claiming that redistribution should shift towards a “redistribution of possibilities. The cultivation of human potential should as far as possible *replace* “after the event” redistribution” (ibid.: 101; own emphasis). With regard to unemployment benefits, levels of spending should remain constant, “but be switched as far as possible towards human capital investment” (ibid.: 122). Benefit systems should be reformed if they include moral hazards. More active risk taking should be encouraged “wherever possible through incentives, but where necessary by legal obligations” (ibid.).

Beyond these two opposing views on the relationship between compensatory policies and social investment policies, however, more subtle tensions can be identified. One tension relates to the ambiguous positioning of social investment between Keynesian and neoliberal policy approaches (Morel et al. 2012). Whereas the notion that social policies are a productive factor for the economy and that investments in public services are a crucial component of this approach clearly speaks to a Keynesian view, the focus on high employment levels and a

partially skeptical view of passive transfer policies bear some neoliberal flavor (ibid.). Some critics fear that a narrow focus on employment and on the productivity of social policies might come at the expense of the most vulnerable groups in society (Nolan 2013; Barbier 2012; Cantillon/Van Lancker 2013).

The distributive implications differ between social investment and other kind of compensatory social spending. Vandenbroucke and Vleminckx (2011) emphasize that social investment policies are likely to be less redistributive than cash transfers. Furthermore, resource competition between social investment and established welfare transfer policies can be expected in times of tight government budgets (Breunig/Bussemeyer 2012; Streeck/Mertens 2011). In combination, focusing on expanding social investment policies runs the risk of failing to reduce poverty and instead increasing re-commodification. Vandenbroucke and Vleminckx (2011) identify a trilemma of activation, where the three goals of protecting the unemployed against poverty, avoiding excessive activation, and ensuring employment growth cannot be achieved simultaneously. This presents a more sobering perspective of a shift towards a social investment welfare state, as advocated for example by Giddens. Vandenbroucke and Vleminckx conclude that the “jury is still out” on whether the social investment approach really has the potential to fulfill its promised goals of poverty reduction.

Another tension within the social investment literature is the discrepancy between normative approaches that call for a shift towards a social investment welfare state and empirical analyses that vary in their assessments of whether a shift towards social investment has taken place or not. For example, Hemerijck (2013: 14) forcefully argues against Pierson’s New Politics of the Welfare State approach (2001) that welfare states do change:

“On balance, I observe trajectories of welfare state reform that are more proactive and reconstructive, rather than purely defensive and deconstructive. Alongside serious retrenchments, there have been deliberate attempts to rebuild social programmes and institutions to accommodate policy repertoires to the new economic and social realities of the twenty-first century in many advanced European welfare states.”<sup>2</sup>

While several studies normatively call for a shift towards a new social investment welfare state (Esping-Andersen 2002b; Morel et al. 2012; Hemerijck 2013), in their assessment of the

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<sup>2</sup> Hemerijck (2013) even identifies a third wave of welfare state transformation after the ages of Keynesianism and neoliberalism, which is one towards social investment. However, he focuses on ideational developments rather than implemented reforms and adds some caveats to his interpretations.

likelihood of its implementation, optimism is coupled with some caution given the context of the repercussions of the great financial crisis from 2008/2009. While some contributions indeed find that several countries have enacted social investment-oriented reforms within the last decades, with the remarkable exception of the Southern European countries (e.g. Bonoli 2013; Morgan 2012), there is nevertheless a large variation across countries (Nikolai 2012) and, as Vandenbroucke and Vleminckx (2011: 453) put it, “there has not been a single, consistent, direction of reform”.

In contrast to mildly optimistic views of social investment advocates, the assessment of recent reforms is much bleaker in other approaches in the literature. Following the perspectives by Crouch (2011) and Streeck (Streeck/Mertens 2011; Streeck 2014), not much room seems to be left for proactive and reconstructive social investment welfare state reforms. Instead, neoliberalism is (and remains) the guiding force in welfare state reform agendas. Emmenegger et al. (2012) emphasize that we have entered an “Age of Dualization”, which implies increasing differences in well-being between the better-off and the more vulnerable groups in society. This dualization affects labor market outcomes, social welfare provision, as well as political representation. The “New Politics of the Welfare State”-literature (Pierson 2001) identifies only marginal room for maneuver for expansive policy reforms. Adding to this, the perspective of “Winner take all politics” (Hacker/Pierson 2010) paints a gloomy picture of increasing inequality and its political consequences that do not appear to be a benevolent context for establishing encompassing social investment policies. Svallfors (2016) observes shifts in the patterns of “organized combat” politics found in the US (Hacker/Pierson 2010) also for the former “role model” welfare state of Sweden, which have contributed to rising inequality there as well. Finally, whereas proponents of social investment share hope and skepticism with regard to the consequences of the economic crisis for the scope and feasibility of social investment policies, recent evidence is more pessimistic by showing that social investment policies have been seriously cut back in the aftermath of the crisis in several countries (Bouget et al. 2015). Maybe the biggest ambiguity with regard to the implementation of social investment reforms unfolds with respect to the role of the European Commission. While encouraging member states to prioritize social investment to facilitate growth and social cohesion (Social Investment Package; European Commission 2013), as a member of the Troika the Commission is also responsible for enforcing unprecedented budget cuts in those member countries of the European Monetary Union which sought financial

support from the European institutions in the wake of the sovereign debt crisis (again, see Bouget et al. 2015).

Taken together, the perspective on social investment highlights the potential of welfare state reforms to reduce social inequality and to redefine a more active role for the state even in a period where many welfare states struggle with a dire fiscal situation and limited room for maneuver. However, at the conceptual level, social investment remains an ambiguous perspective in that it allows different interpretations of how it relates to established social protection systems. Empirically, different assessments prevail of how social investment reforms have been implemented relative to established welfare state policies. Important discrepancies are present between calls for social investment at a normative ideational level and the empirical realities. Given such ambiguities, the promises voiced by advocates of social investment do not appear that straightforward anymore. This highlights the necessity to evaluate the politics of social investment, the bases of its popular support, as well as potential dividing lines. On this basis, we can improve our understanding not only of the variation across countries in the way they embrace ideas of social investment, but also of how far social investment reforms actually coincide with public preferences and policy priorities. This is what I do in the next section for the policy field of early childcare services.

### **The childcare turn**

I now concentrate on childcare services, which are both a central element of social investment policies and a main interest in this thesis. Childcare policies address the issues of human capital investment and work-family reconciliation (Esping-Andersen 2002a; Heckman 2006), which are considered to be central spheres of the social investment approach (Morel et al. 2012). A turn towards childcare policies has been observable in several European countries (Hemerijck 2013; Fleckenstein et al. 2011). Some countries have left behind their tradition of the male breadwinner model and the principle of public non-interference in what used to be considered the sphere of the family and embraced the potential of childcare policies in supporting dual-earner careers.

In this section, I review the substantive literature on the predominantly positive effects of childcare provision on children's cognitive and non-cognitive development, as well as on the

avoidance of child poverty, which is achieved by enabling mothers of young children to look out for paid work. Subsequently, I focus on the variation in institutional design of childcare services, on their surrounding institutional context and on how these two factors affect outcomes in terms of actual childcare usage. This discussion reveals that the benefits of childcare can vary substantially across different social groups and thereby qualifies the picture of childcare as a panacea for individual and societal well-being. With this in mind, I turn towards the politics of expanding childcare. Expansive childcare policies could provide an opportunity for political parties to pursue “affordable credit claiming” (Bonoli 2013). However, the existing redistributive consequences of childcare provision can also render expansive childcare reforms politically more strongly contested between political parties and among the public. While the literature frequently refers to the role of public opinion for expanding childcare, public opinion is surprisingly absent as a potential determinant for policymaking in comparative quantitative studies in particular. Thus, in a last step, I review the scarce existing evidence on how the institutional set-up of childcare services provision influences public attitudes towards childcare, as this might indicate the popularity of expanding childcare policies as well as potential cleavages within the public that may eventually feed back into the politics of childcare reforms.

### ***The promises of childcare***

In the study of human capital investment, research repeatedly finds that investments in the early years of childhood have the most profound effects for child development (e.g. Heckman 2006; Heckman/Masterov 2007; Kamerman et al. 2003; Anderson et al. 2003). It is argued that accessible, high-quality early childhood education and care has the potential to improve children’s cognitive as well as non-cognitive abilities, which provide them with higher productivity and prepare them for skill-intensive labor markets (Esping-Andersen 2002a, 2009). This, in turn, increases their life-chances and makes it less likely that those children need to rely on welfare benefits when they have grown up, which, on aggregate, contributes to an increasing tax base and productivity of the economy. Such skill investments are argued to be particularly beneficial for children from disadvantaged backgrounds as they carry the potential to attenuate (intergenerational) inequality and poverty (ibid.). According to this

argument, social policy interventions at later stages in the life cycle are much less effective and far more expensive in comparison.<sup>3</sup>

But childcare also has effects that go beyond its educational impact: Accessible childcare services contribute to higher levels of female labor force participation, fewer and shorter career interruptions and better jobs for women (Hegewisch/Gornick 2011). Being in paid work, in turn, substantially decreases the risk of poverty (Esping-Andersen 2002a, 2009). A range of studies documents detrimental effects of poverty on children's cognitive and behavioral development (Duncan et al. 1994; Duncan/Brooks-Gun 2000; Brooks-Gun/Duncan 1997). Thus, the availability of childcare services helps to reduce the negative effects of poverty on child development arising due to difficulties to combine work and family life.

### *Institutional context of childcare and its consequences*

In spite of the promises of childcare provision concerning children's development, poverty reduction and female employment, empirically we can observe a huge variation in the institutional design of childcare policies. Differences in the division between public and private spending and providers or variation in the criteria for access eligibility can condition to what extent these positive outcomes materialize and how they are distributed between different groups in society. Furthermore, childcare policies are nested within the wider context of family policies, the welfare state, and the labor market. The contextual setting affects how childcare services function.

The institutional design of childcare policies varies widely across Western welfare states. While the Scandinavian countries have expanded childcare mostly by providing public services that are publicly funded to a large degree, a range of Continental and liberal countries introduced more market-based services, complemented with demand-side measures such as tax reliefs (Morgan 2012). In Southern Europe, families still rely on care provided by family members, in particular grandparents, to a higher extent (ibid.). This institutional variation in childcare provision can be expected to have profound consequences for who uses childcare

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<sup>3</sup> However, some studies also do not find significant effects of early childcare on skill levels. Schlicht et al. (2010) find no significant effect that pre-school enrollment would reduce educational inequality and Abrassart and Bonoli (2015) report findings of negative behavioral effects of childcare participation that were identified in some cases.

and to what extent the benchmark of reducing poverty and combating (intergenerational) social inequality actually materializes.

One strand of literature emphasizes the existence of Matthew effects in social investment policies, and in childcare services in particular (Vandenbroucke/Vleminckx 2011; Van Lancker 2013, 2014; Van Lancker/Ghysels 2012; Cantillon/Van Lancker 2013). The fact that, in most countries, more affluent families are overrepresented among the users of childcare services (Van Lancker 2013) implies that public spending on childcare services can actually be regressive. If socially disadvantaged children do not have access to childcare, this means that those children that would need these services the most and that would benefit the most do not benefit. In consequence, this might even exacerbate inequalities in early child development.

Van Lancker (2013) finds that in most European countries childcare use below the age of three is highly stratified by income, meaning that higher income groups are several times as likely to use formal childcare services as lower income groups. This inequality is mediated by mothers' employment. When looking at employed mothers only, some of the variation in childcare usage across income groups disappears. Nevertheless, in some countries, substantial differences remain. Furthermore, Van Lancker argues that from a social investment perspective it would also be necessary for children with non-working mothers to be able to attend formal childcare. The availability of childcare would allow mothers of small children to look for paid work and would contribute to child development, in particular for those from disadvantaged social backgrounds. Irrespective of mothers' employment, Denmark and Sweden are the only countries in Van Lancker's study that come close to equal access across income groups. He argues that a supply-side strategy of public service provision, a guaranteed social right to access, income-related tariffs, quality criteria and a qualified staff are the main relevant factors in these two countries for a successful implementation of a child-centered social investment strategy. These insights are further backed up by Van Lancker and Ghysels (2012) with an in-depth comparison between Flanders and Sweden as two cases with rather high levels of childcare provision. Here, the central finding is that childcare use is more unequal in Flanders. The instrument of tax deductions to subsidize childcare use in Flanders benefits low-income families only to a limited extent. The authors argue that the better performance of Sweden in terms of more equal access is due to a legally guaranteed access to

care and a sufficient supply of care places, which, however, come at higher fiscal costs and thus necessitate political support to finance these services at a high level of provision.

Complementing, and partly contradicting the findings by Van Lancker, the study by Abrassart and Bonoli (2015) shows that the levels and progressivity of private fees are the crucial factors in explaining childcare use across income groups in Swiss communities. They find that childcare use by low-income families is considerably higher if fees for this group are at a relatively low level.

Highlighting yet another institutional dimension of childcare, several other studies emphasize the difference between state- and market-based provision. As many countries have relied on commercial providers in expanding childcare in recent years, several problems can be identified that present obstacles to universalizing access to childcare. Although governments partially subsidize private providers or compensate parents for their private contributions, they often face difficulties in guaranteeing equal access to services. Studying childcare markets in the UK and Netherlands, Lloyd and Penn (2010) identify a range of problems. Childcare markets are insufficiently regulated, which brings along problems with the quality of care. Staff is often paid at low levels and, more generally, the system is judged as inefficient (also see Penn 2013). Furthermore, Noailly and Visser (2009) point to problems of social stratification for the case of the Netherlands. They observe that provision increasingly concentrates in more affluent areas and quality of care differs between rich and poor neighborhoods. Finally, costly market-based provision is found to price out lower-income families when public subsidies are insufficient or do not reach those that would need them most (Morgan 2012; Evers et al. 2005; Penn 2013).<sup>4</sup>

To assess the outcomes of childcare policies against the benchmark of the proclaimed goals of the social investment approach, it is also necessary to look at the political-institutional context beyond childcare policies (cf. Naumann 2014; León 2017).<sup>5</sup> One relevant side development of increasing formal childcare provision is that several countries have also established cash-for-care schemes. These compensate parents for not using formal childcare services and instead

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<sup>4</sup> Nevertheless, evidence by Béland et al. (2014) suggests that the regulation of non-public childcare might be more decisive for outcomes such as quality and usage patterns than the simple distinction between publicly and non-publicly provided services. Also Penn (2013) highlights the crucial role of regulation of privately provided childcare services.

<sup>5</sup> A full review of the relevant contextual factors affecting the outcomes of childcare services is beyond the scope of this chapter.

caring for their children at home. Ferrarini (2006) labels the combination of an expansion of childcare provision together with an introduction of cash-for-care schemes as a “contradictory” element between traditional family and dual earner models. Cash-for-care schemes are frequently criticized for establishing disincentives for paid employment in particular for low-income earners. While children from those backgrounds would benefit most from formal childcare arrangements, their parents face the most severe budget constraints that push them towards taking the cash transfer (Morgan/Zippel 2003; Ellingsaeter 2012). Ellingsaeter and Gullbrandsen (2007) find that next to bad labor market conditions and the design of parental leave schemes, cash-for-care contributed to lower demand for formal childcare in Finland. In sum, if cash-for-care schemes are implemented alongside an expansion of childcare services, this implies that the benefits of childcare provision might be more unevenly spread.

Similarly, family policies alone are insufficient to address social inequalities affecting children and families, thus, highlighting the necessity of having a coherent policy approach beyond early childcare. Garces et al. (2002) report that the positive effects on test scores for children having attended Head Start in the US are longer lasting for white than for black children. This is due to the higher likelihood of black Head Start “graduates” to end up in schools with inferior quality, which implies that inequalities in the later stages of the education system condition the long-term effects of early childcare. Furthermore, social transfers continue to be necessary to prevent families from the detrimental effects of child poverty (Esping-Andersen 2002a, 2009; Van Lancker 2014; Nieuwenhuis/Maldonado 2015).

Jessoula et al. (2015) present another example of the interaction between childcare and welfare state policies. In a recent report on the implementation of social investment in Italy, they document an unintended side effect of the attempts to shift welfare state resources away from age-related spending to social investment. They argue that the increase in the retirement age in Italy has presented challenges for grandparents to look after their grandchildren. Although such informal types of care provision are not in line with the ideas of social investment, this observation highlights the challenge of shifting the emphasis of the welfare state from age-related to dual-earner oriented spending. As long as formal childcare provision is not universally available, welfare state reorientation might even intensify problems for parents of young children to participate in the labor market.

Finally, a large literature examines the relationship between family policies and labor market outcomes (Gornick et al. 1997; Estevez-Abe 2005; Mandel/Semyonov 2005, 2006; Cantillon 2011; Korpi et al. 2013; Nieuwenhuis 2014). In particular, there is an intense debate whether encompassing family policies might come to the detriment of highly educated women (Mandel/Semyonov 2006). Beyond family policies in a narrow sense, also public sector employment shapes women's employment opportunities. While sometimes portrayed as a "female ghetto", Korpi et al. (2013) note that oftentimes work in the public sector rests on high qualifications. Yet, a strong variation across countries can be observed that is partly associated with the strength of organized labor in this area, pointing to yet another characteristics of the relevance of labor market context (Morgan 2005). As an intermediate conclusion, we arguably still need to better understand how family policies interact with other welfare state policies and the context of the labor market (cf. Naumann 2014; León 2017) and how this affects the outcomes of childcare policies and their redistributive implications.

This section emphasizes the institutional complexity in the design of childcare services and its consequences for childcare usage. Furthermore, childcare policies interact with other family and social policies and the wider context of the labor market. Once this complexity is taken into account, the benefits of expanding childcare may turn out to be less universal than sometimes assumed. Given such distributive consequences, the expansion of childcare may also be more contested politically.

### ***The politics of expanding childcare***

The sections above underscore that once we consider that childcare is nested within countries' institutional contexts, the expected positive social and economic outcomes appear much more uncertain than claimed by some advocates of social investment. Childcare services are used unevenly across different social groups and often the more affluent families benefit disproportionately (Van Lancker 2013). This implies that the positive effects on child development may turn out as highly socially stratified.

I now examine the political benefits of expanding childcare, given the distributive consequences discussed above. While one perspective holds that childcare expansion offers the option of "affordable credit claiming" to political parties (Bonoli 2013; Hemerijck 2015,

2017), the politics of expanding childcare may turn out to be more contested given the identified institutional complexities sketched out above.

What is the role of political parties of different political ideologies in the expansion of childcare services? Following classical theories of partisan differences, left parties should be the strongest proponents of expanding public services and increasing the role of the state in public service provision (e.g. Hibbs 1977). This should be particularly true as left parties needed to attract voters once traditional Keynesian demand-side management policies oftentimes were deemed as ineffective (Boix 1997). However, because childcare services often benefit middle class and upper-income families (Van Lancker 2013) and are potentially less redistributive than social transfer policies (Vandenbroucke/Vleminckx 2011), left party preferences do not appear that clear-cut. Also right-wing parties can have an interest in expanding childcare services benefiting their more affluent constituencies (Gingrich/Ansell 2015). Taking into account party competition on the value dimension, competing influences can prevail due to the heterogeneity of the constituencies at both the left and right side of the ideological spectrum (Kriesi et al. 2006). Regarding the left, the traditional working class has more socially conservative attitudes than those adhering to cultural liberalism with strong demands for gender egalitarianism. Regarding the right, traditional, sometimes religious groups are diametrically opposed to business-friendly groups favoring the facilitation of female labor force participation (ibid.).

Empirically, the findings of partisan effects for the expansion of childcare services are so far mixed. Several studies find other factors than political parties to be more important in shaping the expansion of childcare services. Lambert (2008) identifies female parliamentary representation, the number of institutional veto points, and the role of employer organizations as important factors shaping family policy outcomes. Similarly, Jensen (2011) finds little evidence for partisan effects in social care provision (including childcare and eldercare), but identifies structural factors such as deindustrialization and female labor force participation to be more important.

The non-findings of partisan effects could be the result of convergence of left and right parties towards a positive stance on childcare services. In several instances, left parties started proposing family policies aiming at a better work-family reconciliation (Bonoli 2013; Morgan 2013). Center-right parties then picked up these policies fearing to lose (female) voters in the

political center. Changes are driven by women becoming less politically conservative over time (Iversen/Rosenbluth 2006), by a dealignment of traditional partisan loyalties, and by rising female political representation in parliament and cabinets (Bonoli 2013; Morgan 2013). In addition, Bonoli and Reber (2010) find that public childcare spending is also negatively affected by the presence of religious parties and by high commitments for age-related pensions spending, which can limit governments' fiscal capacities to increase childcare spending. This helps to explain the slow pace of childcare expansion in the Southern European countries (cf. also Bonoli 2013).

Another possibility for the non-findings of the influence of party ideology is that the real impact of parties is not adequately captured by a unidimensional left-right distinction of the political space (Kriesi et al. 2006). Hieda (2013) distinguishes left and right parties along a redistributive and a social value dimension. He finds that whereas economically left, socially liberal parties increase spending on childcare services, socially conservative, pro-redistributive parties spend even less on childcare than economically right-wing (socially liberal and conservative) parties. Thus, partisan conflict on expanding childcare might take place more on the social value than on the economic-redistributive dimension.

In contrast, another set of studies identifies substantive differences between socio-economically left and right parties. Partly, these differences take place at the regional or local level. Andronescu and Carnes (2015) and Busemeyer and Seitzl (2016) find persisting differences between left and right sub-national governments in Germany, even though partisan differences at the federal level have decreased. Left state governments have significantly contributed to a stronger expansion of childcare and also increased public spending on service provision (ibid.). Furthermore, left governments rely more on public service provision, whereas right governments prioritize private provision and are more supportive of private fees for childcare usage (Andronescu/Carnes 2015). Also confirming partisan effects, Goerres and Tepe (2013) analyze the determinants of private fees for childcare services at the local level in Germany. They find that in communities with left political majorities, more affluent families have to pay higher contributions, whereas a higher share of female representatives leads to lower contributions for high-income families. Similarly, Mosimann and Giger (2008) find effects of party ideology on the provision of childcare at the local level in Switzerland besides the influence of several demographic factors.

Given the ambiguous findings in the literature, it might also be the case that a too narrow focus on childcare underestimates partisan conflict taking place in related policy areas. This applies in particular to the introduction of cash-for-care schemes alongside an expansion of childcare in several European countries. Although labeled as a “contradictory” combination of family policies (Ferrarini 2006), the fact that only recently several countries have introduced such cash-for-care schemes indicates political demand to compensate for increasing out-of-family care. Especially right parties emphasized such policies under the label of freedom of choice, but also cost concerns have played a role (Ellingsaeter 2012). The fact that cash-for-care schemes are often contested between left and right parties makes political majorities a decisive factor for whether the expansion of childcare or cash-for-care receives more emphasis. In particular, if both policies are implemented, potentially as a political compromise, this implies that the benefits of childcare provision might be more unevenly spread.

Overall, competing evidence exists regarding the role of political parties in the expansion of childcare. One main shortcoming of this work is that it largely ignores how the institutional context of childcare provision can condition party positions and thus presents a potential suspect to explain the partially diverging findings in the literature (but see Gingrich/Ansell 2015). Varying redistributive implications of childcare services should affect voters’ preferences towards childcare that then could be picked up by political parties.

Yet, we particularly lack cross-national comparisons that explicitly take into account preferences towards childcare services at the individual level to explain the expansion of childcare. In his comprehensive quantitative analysis of the determinants of childcare expansion, Bonoli (2013) entirely disregards the role of public attitudes. On the one hand, he argues that it is difficult to identify attitudes as a *causal* factor contributing to the expansion of childcare provision. On the other hand, he claims that public opinion is only one among various factors, and probably not the most important one. Conservative values can be considered to act as a brake to the expansion of childcare services, but this should happen via religious parties and organizations rather than via mass opinion directly (cf. also Morgan 2006). Nevertheless, various studies refer to the role of declining traditional attitudes contributing to electoral pressure to expand childcare provision (Morgan 2006, 2013; León/Pavolini 2014) and, indirectly, public demand is a crucial element in Bonoli’s (2013)

work as well, as it determines to what extent policymakers can successfully claim credit for expansive childcare reforms.

In sum, while we possess some knowledge on the determinants of the expansion of childcare, public opinion only receives a minor role in these analyses, especially when it comes to cross-country comparisons. This is surprising given that public attitudes are often found to influence the generosity of welfare state programs, because responsive governments have electoral incentives to take into account public opinion for policy making (Brooks/Manza 2006; Rehm 2011). At the same time, the literature arrives at competing conclusions regarding the role of partisan conflict associated with the expansion of childcare. I argue that most probably both issues are related. So far, it is not clear to what extent political parties react to the political demands of their core constituencies when emphasizing the need to expand childcare, or to what extent they try to appeal to new voter groups in the middle class (cf. Boix 1997; Naumann 2012) by proposing new policy approaches that may activate such a demand.<sup>6</sup> It would thus be important to know to what extent childcare reforms are a universally popular topic, or whether there are relevant societal cleavages. The institutional realities of childcare provision may lead to less universal benefits of childcare services than assumed by the more optimistic accounts. Thus, assessing the patterns of public attitudes towards childcare across different institutional contexts would provide a first step towards a fuller understanding of the politics of expanding childcare.

### ***Public attitudes towards childcare***

As discussed above, attitudes towards childcare are hardly included as a factor to explain childcare policies. Nevertheless, some more recent studies have examined the determinants of attitudes towards childcare services and can provide a first step towards explaining the microfoundations of the partisan politics of expanding childcare (Henderson et al. 1995; Meuleman/Chung 2012; Guo/Gilbert 2014; Goerres/Tepe 2010, 2012; Bolzendahl/Olafsdottir 2008; Mischke 2014).<sup>7</sup> Most of these analyses study preferences towards government responsibility for childcare services, as captured for example by the European Social Survey

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<sup>6</sup> As one piece of evidence, comparing Sweden and Germany, Naumann (2012) highlights that the expansion of childcare in these countries was less responsive to parties' core constituencies but rather was a top-down process initiated by political leaders that was spurred by female lobbying within parties. This was complemented with parties' motivations to attract middle class voters.

<sup>7</sup> Häusermann et al. (2015) assess public attitudes towards activating, social investment-oriented policies vis-a-vis compensatory, redistributing welfare state policies. However, their study focuses on attitudes towards social investment related to the labor market, disregarding the policy field of childcare services.

2008 module. In sum, these studies find overall high levels of public support for a role of the government in ensuring sufficient childcare services. However, they also identify substantial variation in support at the micro-level as well as across countries (Meuleman/Chung 2012). This variation indicates a potential for conflict about the expansion of childcare between different social groups and could have added to the existing cross-national variation in actual childcare reforms.

At the individual level, explanations for diverging preferences towards childcare provision center around factors based on self-interest and norms and values. With regard to self-interest, potential beneficiary groups of childcare services are particularly supportive of the government's role in childcare provision. This includes women with strong attachment to the labor market, individuals in their childrearing-age, and those with small children (Meuleman/Chung 2012). However, also an individual's socio-economic position more broadly defined matters for childcare attitudes, as richer individuals are more opposed to the government's role in childcare provision. At the level of norms and values, more positive attitudes towards redistribution and more gender egalitarian attitudes contribute to support for government responsibility for childcare (ibid.).<sup>8</sup> Additionally, Goerres and Tepe (2010) highlight the role of intergenerational solidarity. The experience of intergenerational exchange can bolster older people's support for childcare provision.

While emerging research is indicative of some important micro-level determinants for support of childcare provision, evidence is much more uncertain when it comes to contextual-level factors (Meuleman/Chung 2012; Mischke 2014). Recent contributions, which take into account how the institutional context shapes attitudes towards childcare so far only study individual countries and thus lack a cross-national comparative perspective. Goerres and Tepe (2012) examine attitudes towards childcare in Germany and find a strong impact of regime socialization. Respondents who have been socialized in socialist Eastern Europe hold more positive views on government involvement in childcare provision than their Western counterparts. Moreover, regime socialization conditions the impact of several determinants at the micro-level. Individuals in Denmark have weaker spending preferences for childcare, if they are already satisfied with the generous Danish system of public childcare

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<sup>8</sup> A comparatively large literature exists on the determinants of gender role attitudes (e.g. Knudsen/Waerness 2001; Sjöberg 2004; Kangas/Rostgaard 2007; Braun/Scott 2009). Though existing studies find some association between egalitarian gender role attitudes and preferences for childcare provision (e.g. Mischke 2014), more systematic work would be necessary to examine how both dimensions relate to each other.

(Hedegaard/Larsen 2014). Demand for spending increases is higher for individuals dissatisfied with current childcare provision. Ellingsaeter et al. (2016) study mothers' attitude change towards childcare in Norway. They argue that recent childcare reforms have contributed to increasing support for institutionalized forms of childcare compared to other care alternatives. However, due to their focus on preferences between different types of care arrangements, their findings do not allow to draw conclusions about preferred levels of government provision or spending.

In sum, the overall high levels of public support for childcare services appear to be in line with notions of "affordable credit claiming". However, there is also important variation in support at the micro- and macro-level. While, at the individual-level, potential beneficiaries of childcare policies and individuals with gender egalitarian attitudes are supportive of an expansion of childcare services, factors related to the traditional class-based cleavage such as income and preferences for redistribution still matter. This indicates that cross-cutting cleavages can exist within the public that sometimes may be difficult to reconcile. At the macro-level, the findings discussed above suggest that the experience of encompassing childcare services strengthens support for childcare provision. However, this evidence remains limited in scope and cannot explain why we should observe expansive childcare reforms in the first place.

This section on *childcare within the context of a social investment welfare state* has discussed the underpinnings of the emerging paradigm of the social investment welfare state with a focus on childcare services. Given the strong expected social, economic and political returns associated with social investment policies, the cross-national variation in social investment reforms is striking. The discussion highlighted some ambiguities rooted in the concept of social investment and pointed to the constraining influence of the political-institutional context that makes returns to social investment policies more uncertain. For the policy field of childcare services, I considered how the social and economic returns can become less encompassing, once the institutional characteristics of childcare and the context of the welfare state and the labor market are taken into account. With regard to the political returns of expanding childcare policies, I discussed competing evidence that sometimes finds across-the-board partisan support for expanding childcare, but sometimes also identifies major dividing lines between left and right parties expanding childcare. Explaining public attitudes towards childcare, as a potential microfoundation of partisan preferences, turned out to be a

major research gap. This applies to attitudes as a potential determinant of childcare reforms, as well as to attitudes as a consequence of countries' institutional legacies of welfare state and childcare policies.

While the expansion of childcare is suggested to be an option for governments to claim credit for such reforms (Bonoli 2013), we only possess limited knowledge to assess to what extent this proposition is actually true at the level of citizens' attitudes. This is particularly relevant because social investment reforms are nested within country-specific welfare state contexts with different inherent political cleavages and uncertain redistributive implications (Vandenbroucke/Vleminckx 2011). With this dissertation, I contribute to filling this gap by identifying institutional and political conditions that make distinct cleavages within the public about the expansion of childcare services more or less pronounced. This, in turn, determines to what extent policymakers actually are able to turn towards expanding childcare as a strategy for credit claiming. Cleavage patterns in public attitudes should shape countries' scope for welfare state reforms deviating from historically contingent development paths and should inform us about the prospective political viability of expanding childcare, given countries' institutional background and the way childcare reforms are implemented.

*Paper I* and *Paper III* highlight the need to know how citizens view childcare and work-family issues in relation to more redistributive social policies. As discussed above, one major ambiguity inherent in the social investment approach is whether social investment is seen as a complement or as a substitute to established social protection policies. As the interaction between childcare policies and established compensatory policies with different redistributive implications should shape patterns in public attitudes between these different policies, this requires a joint perspective on social investment policies and the wider context of the welfare state and the labor market.

Furthermore, as work by Van Lancker (2014) has prominently shown, redistributive consequences also vary within the field of childcare services. Childcare policies are prone to Matthew effects, often disproportionately benefitting more affluent families. However, we possess only limited knowledge on how the degree of stratification in childcare services translates into political preferences. This knowledge is crucial for understanding to which social groups the expansion of childcare is actually responsive (see *Paper II*). Beyond it, it informs us about the prospective political viability of social investment reforms.

Finally, norms and values related to female gender roles are regularly considered either as a hindrance or as a fertile ground for the expansion of childcare services. However, there is only cursory reference to the possibility that gender role attitudes are endogenous to the political context. Endogenizing gender roles to political party competition can tell us about the opportunity structures making gender roles more or less ideologically polarized and thus generating a more friendly or hostile environment for establishing dual-earner oriented family policies (*Paper III*).

The next section elaborates a framework based on approaches of policy feedback to formulate expectations on how the national political-institutional context shapes patterns of popularity and conflict in public attitudes towards childcare and the work-family nexus. This prepares the ground for the three empirical papers, which constitute this cumulative dissertation addressing the research gaps on public attitudes towards social investment identified in this section.

### **Policy feedback and public attitudes towards the welfare state**

To understand the strong cross-national empirical variation in social investment policies, one has to be aware that the politics of social investment can be shaped by the existing structure of the welfare state. Welfare state policies affect citizens' material well-being and lead to institutionalized political cleavages within the public (Pierson 1993, 1994; Esping-Andersen 1990). As Esping-Andersen (1990: 33) put it: The factors that explain welfare state growth should also be able to account for further welfare state change. Such a view is inherently underlying policy feedback theories from a *historical institutionalist* perspective, which are concerned with long-term effects on positions and attitudes of distinct beneficiary groups that are affected by a policy. However, broadly speaking, a second stream of literature with a much more short-term view on policy feedback can be distinguished. It is rooted in systems theory and is related to the concept of punctuated equilibria (*thermostatic feedback*; e.g. Soroka/Wlezien 2010).<sup>9</sup> In this literature, the focus is on overall public opinion, captured by the median voter's position towards further policy change, which should be affected by more

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<sup>9</sup> Often these approaches are labeled as positive versus negative feedback. As the discussion below shows, such a terminology can be conceptually confusing.

recent policy changes that have occurred. However, these two distinct theoretical perspectives on policy feedback hardly communicate with each other. Nevertheless, both theorize effects of policies on public attitudes that should have consequences for the politics of further reforms. Though operating with different terminologies, both approaches expect policy feedback to contribute to national policy stability rather than change, thus proposing continued cross-national policy divergence.

In this section, I address the conceptual ambiguities within the approaches to policy feedback. I discuss potential synergies of bringing together these different perspectives on policy feedback. How might policy feedback theories help to explain why substantive welfare state reforms towards social investment have occurred in some countries but not in others? In short, this addresses the point of *when* and *how* policies shape politics (Pierson 1993), which has remained an unsettled issue in the policy feedback literature for more than twenty years. The discussion concentrates on policy feedback on public attitudes, thereby disregarding a large amount of literature on feedback on political actors and organized interests (e.g. Skocpol 1992; Pierson 1993, 1994), as well as feedback on individual political participation (e.g. Campbell 2003; Mettler 2005; Soss 1999).

In the following, I discuss main contributions from both historical institutionalist and thermostatic approaches to policy feedback. I examine shortcomings and challenges that have been identified for the literature on policy feedback in general. In the subsequent section, I provide a framework that helps in specifying when path-departing policy change should become more likely by considering how group-specific policy payoffs in terms of perceived costs and benefits of a policy affect support and opposition in public policy attitudes, which is also the underlying notion in the three empirical papers of this cumulative dissertation. I begin by discussing the role of government responsiveness to public opinion as the central mechanism presumed regarding the question how policy feedback effects on public attitudes translate into future policymaking.

### **Government responsiveness and elite leadership**

The central underlying mechanism in studies, which posit a positive relationship between welfare state policies and public attitudes is based on the claim that governments are

responsive to the preferences of the mass publics. Governments are expected to be responsive to (changed) preferences in their electorates, often conceptualized as the median voter, and to implement policies accordingly (e.g. Downs 1957). Policy change is partly mediated by alternating government parties of different ideologies (Stimson et al. 1995).

Whereas many contributions in the political economy literature claim this relationship to hold true (Meltzer/Richard 1981; Korpi/Palme 1998; Moene/Wallerstein 2001, Estevez-Abe et al. 2001), only few studies explicitly test how preferences for specific welfare state policies translate into policymaking (e.g. Hobolt/Klemmensen 2008).<sup>10</sup> Nevertheless, an increasing body of work supports the notion that governments are responsive to popular demands. Brooks and Manza (2006) argue that welfare state persistence is due to strong public support. They find a close match between aggregated public preferences and welfare state generosity, whereas the presence of left parties in government has no effect on the size of the welfare state in the period under investigation. According to Rehm and coauthors, the *distribution of risk* within the society is decisive for policy generosity (Rehm 2011; Rehm et al. 2012). The more occupational risk of becoming unemployed and risk due to low income are spread throughout the society, the stronger electoral pressure for governments to take care of these risks should be. Accordingly, Rehm et al. find unemployment benefits to be more generous under those circumstances.

However, if the expectation of responsive governments does not hold true, this can also account for a mismatch between public attitudes and policy provision. For example, Finseraas (2009) finds the strongest support for redistribution in highly inegalitarian countries, which are typically also those with the lowest levels of government redistribution. Similarly, Breznau (2015) finds the evidence for policy responsiveness in Brooks and Manza's (2006) work to be elusive to alternative empirical specifications. This suggests that the relationship between public welfare state preferences and welfare state generosity is less trivial than sometimes assumed. According to Hobolt and Klemmensen (2008), government responsiveness is conditioned by political institutions and the electoral uncertainty for the government. Also, the saliency of issues crucially matters for the extent to which public opinion is taken into account for policymaking (Burstein 2006; Culpepper 2011). Such results

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<sup>10</sup> Increasingly, studies incorporate individual-level explanations into their analyses, but the link to policy output remains indirect in many cases (e.g. Iversen/Soskice 2001; Cusack et al. 2006; Rehm 2011). Another set of studies examines how public opinion translates into party positions, which present an intermediate step to actual policy output (Adams et al. 2004, 2009; Ezrow et al. 2011).

make generalized expectations of governments being responsive to public demands very questionable (see Manza and Cook [2002] for a similar point of view). Welfare state policies can shape public attitudes towards redistribution and the welfare state, but this does not necessarily have to translate into further policymaking. Instead, non-responsive governments can contribute to a mismatch between public opinion and policy output.

One further challenge to theories of government responsiveness originates from the literature on elite leadership (e.g. Zaller 1992; Jacobs/Shapiro 2000; Steenbergen et al. 2007; Lenz 2009; Gabel/Scheve 2007). Even if we find a match between public opinion and policy output, the causal influence can be reverse with political elites influencing public attitudes. Schneider and Ingram (1993) argue that policymakers influence how target groups of (social) policies are perceived. Social constructions become relevant for how policy is designed and legitimized and find their way into individual attitude formation. Zaller's (1992) model of information processing explains how public opinion changes in response to new information. Elite communication, for example from politicians via the media, provides cues for the public. Individuals receive this new information, do or do not accept it, and sample it against their individual background of norms, values and recent experiences. More recent evidence from panel analyses supports this perspective. Citizens tend to change their opinion in response to information from media and election campaigns to stay consistent with their preferred political party or candidate (Lenz 2009). While many studies are concerned with short-term influences on public opinion, there is also evidence that political signals influence attitudes that are believed to be more stable and deeply embedded (Kumlin and Svallfors 2007; Schmidt and Spies 2013).

In sum, the presumption that policies shape politics implies responsive governments taking into account public preferences of the median voter or some societal groups. However, with governments being imperfectly responsive to public demands this process can get stuck in the middle. In addition, the possibility of elites influencing public opinion implies that the positioning and communication originating from political parties in party competition is important and affects what governments are actually responding to. Studying how policies, party positions, and public opinion relate to each other can reveal to what extent and under which conditions governments are responsive to demands of the general public or of some more clearly defined social groups. However, as the next section shows, the status quo of a policy also shapes public preferences towards that policy. Policy feedback effects can lead to

congruence between policy and public preferences, but also to preferences for path-departing policy change.

### **Historical institutionalist feedback**

The contributions by Pierson (1993, 1994, 1996, 2000, 2004) provided the starting point of a wave of research on policy feedback on public attitudes from a historical institutionalist perspective. In contrast to much literature on public policy focusing on the determinants of policies, the causal arrow is switched around acknowledging that “policies shape politics”. Policies, once set in place, create their own support groups as individuals adapt to the new status quo (Pierson 1993, 1996). Over time, these policies tend to generate increasing returns. Beneficiaries have strong incentives to defend “their” policies against cutbacks and to punish governments that announce or pursue retrenchment. This implies that policies develop according to a logic of path dependency (Pierson 2000), which is often labeled as positive feedback. Even if these policies may be inefficient, policy change becomes increasingly difficult and politically costly and takes the form of incremental rather than radical change. Radical policy change is mainly found at critical junctures, where actors are capable of enacting profound reforms. With regard to welfare state development, these junctures date back far in history, for example pointing to the relevance of the development of social insurance systems at the end of the 19<sup>th</sup> century (Flora/Alber 1981), but critical junctures were also present in the early postwar decades (Busemeyer 2015) or even later (Vossiek 2015).

Pierson (1993) subdivides feedback into resource/incentive and interpretative mechanisms. The first basically captures individual material self-interest and “locks-in” policies once individuals have adapted to the new policy status quo. As a prominent example for policy feedback in the area of the welfare state, Pierson refers to Esping-Andersen’s (1990) *Three Worlds of Welfare Capitalism*. It is expected that welfare states generate their own and distinct cleavages within the public which may attenuate the relevance of the historically dominant class cleavage in industrial societies between labor and capital. However, Pierson criticizes that the exact mechanisms linking policies and public attitudes and cleavages remain underspecified in Esping-Andersen’s work. Pierson provides an example for policy lock-in in the case of pension reforms under Reagan. Due to a matured pay-as-you-go pension scheme in the US, a radical retrenchment of this system would have implied an immense double

payment problem for those having financed older-cohort pensioners without having accumulated private pension savings by themselves. In contrast, in the UK without such an established earnings-related pensions scheme, radical policy change could be implemented under the Thatcher government (Pierson 1993, 1994).

Pierson's (1993) second mechanism of interpretive policy feedback relates to the visibility and traceability of policies for mass publics. The information citizens receive from a policy is relevant for how they position themselves towards this policy. Important information asymmetries prevail between policymakers and the public; the former can make use of their informational advantage by engaging in strategic manipulation of policy reforms and communication, either highlighting or obscuring their role for this policy. The concept of blame avoidance has become prominent in this context (Weaver 1986; Pierson 1996). For example, reforms can be designed in a way that unpopular parts of it materialize only after a considerable time lag. Benefits of a reform can be front-loaded while costs are back-loaded (ibid.). While Pierson's second mechanism closely relates to literature studying the determinants of public attitudes based on norms and values, he particularly stresses that policymakers can strategically use information to influence attitudes.

With regard to welfare state policies, and following a logic of policy feedback, a huge literature has emerged that takes Esping-Andersen's (1990) *Three Worlds of Welfare Capitalism* as a starting point for formulating expectations about levels of support for redistribution and the welfare state, and the cleavage structures that should be present in different welfare state regimes (for an overview, see Svallfors 2011). Based on Esping-Andersen (1990), this work expects that support for the welfare state is highest in the social democratic welfare states, followed by the conservative and finally the liberal welfare states. In addition, welfare states should produce distinct cleavage structures such as a dominant class cleavage in the liberal welfare states, an insider-outsider cleavage in the conservative welfare states, and conflict between gender and the public versus private sector in the social democratic welfare states. While researchers find some supportive evidence for these patterns (e.g. Svallfors 1997; Andress/Heien 2001; Linos/West 2003), there is a considerable amount of unexplained variation and unexpected findings.

Many studies find patterns of attitudes that do not fit the expected regime logic (e.g. Lynch/Myrskylä 2009; Jaeger 2009, 2013; Schmidt-Catran 2016). For example, Jaeger (2009)

observes the strongest support for redistribution in conservative welfare states, with social democratic welfare states located in between the conservative and liberal welfare states. This finding might be due to a saturation effect, i.e. citizens in the Scandinavian welfare states do not prefer more redistribution because its levels are already high. In addition, Jaeger observes a strong variation in attitudes towards redistribution within social democratic countries. This is in line with Kumlin and Svallfors (2007) who argue that the strong class cleavages in Scandinavian countries are likely due to a stronger politicization of redistribution, which is further strengthened by organized interests such as trade unions.

Larsen (2008) notes that whether one finds a regime pattern in attitudes or not depends a lot on the chosen dependent variable. The regime pattern mostly applies to attitudes towards the poor and unemployed. One could paraphrase Esping-Andersen (1990) in that “it is difficult to imagine that anyone struggles for redistribution *per se*”.<sup>11</sup> Several studies suggest that characteristics of social insurance matter as well as the extent to which social insurance is tax financed or based on an actuarial logic with a tight association between contributions and benefits (Moene/Wallerstein 2001; Van Oorschot/Meuleman 2014). Several more recent contributions move away from a focus on redistribution preferences and study preferences towards specific policies (e.g. Busemeyer et al. 2009; Busemeyer 2012; Busemeyer/Iversen 2014a, b; Jordan 2010, 2013; Gingrich/Ansell 2012). For example, Gingrich and Ansell (2012) show that the level of employment protection does not only affect average preferences towards social insurance, but also dampens the role of occupational risk (cf. Rehm 2011; Marx 2014, 2015) for preference formation. With regard to preferences for education spending, Busemeyer and Iversen (2014a, b) show that predominantly publicly financed education systems tend to attenuate the class conflict in preferences with the rich becoming less opposed to public education spending. Taken together, there is still no consensus, first, whether generous social policies generally bolster policy support within the public or under which conditions opposition to generous social policy provision arises; and, second, whether generous social policies render political cleavages in attitudes more or less pronounced.

Another line of literature challenges expectations of inertia in welfare state regimes and corresponding public attitudes by demonstrating that profound welfare state reforms have happened and that they, contrary to the expectations, are not necessarily unpopular (e.g.

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<sup>11</sup> Esping-Andersen (1990: 21): „It is difficult to imagine that anyone struggled for spending *per se*“ (emphasis in original). When asked about the purpose of the welfare state, citizens indeed state only to a minor extent that the main purpose would be to redistribute from the rich to the poor (Busemeyer/Guillaud 2016).

Bonoli 2012; Davidsson/Marx 2013; Fernández/Jaime-Castillo 2012; Giger/Nelson 2013; Häusermann 2010).<sup>12</sup> Following Pierson (1996), in an era of “permanent austerity” credit claiming for expanding the welfare state should no longer be feasible for policymakers as welfare states struggle with high levels of public debt, constraints through globalization and ageing societies. Further, large shares of public spending are directed to established social security and welfare state programs. As policy change is mainly expected to be highly unpopular, policymakers would need to engage in strategies of blame avoidance in order to be able to implement reforms. Reforms, if they happen at all, should thus mainly have an incremental character (ibid.). Challenging this perspective, Giger and Nelson (2013) show that citizens have substantially ambivalent attitudes between support for the welfare states and perceived negative consequences of generous welfare state policies on economic performance. Voters do not punish governments that retrench the welfare state if they believe that this might benefit the country’s economic well-being, which in turn grants governments some leeway for welfare state reforms. In a similar vein, Bonoli (2013) argues that governments’ options are not limited to blame avoidance strategies for unpopular reforms, but that they can pursue “affordable credit claiming” by expanding active social policies such as childcare or active labor market policies which can be popular and relatively cheap in comparison to large established social insurance programs.

In sum, much research on the welfare state and welfare state attitudes adopts a perspective of positive feedback and path dependent, incremental policy change. Empirically however, this reasoning faces two major challenges. First, often there is no simple congruent relationship between welfare state policies and public attitudes. Second, welfare states do change and in many cases profound retrenchment has taken place. Varying degrees of government responsiveness to public opinion may account for both findings because governments’ policy output can contribute to a mismatch between public opinion and welfare state generosity. However, policy change could also be the result of changing attitudes that break with the logic of welfare state regime-specific policy attitudes. More recent contributions thus criticize the perspective of path-dependent, self-reinforcing policy feedback arguing that it places too much emphasis on stability, disregarding change. Below, I turn towards some approaches which attempt to reconcile observations of policy stability and change. Before doing this, I

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<sup>12</sup> This closely connects to the debate on institutional stability vis-à-vis institutional change (Streeck/Thelen 2005; Hacker 2004; Thelen 2004). This literature identifies different types of substantial institutional change taking place. However, these findings remain rather disconnected from work on policy feedback effects on welfare state attitudes.

discuss the thermostatic approach to policy feedback with a much more central focus on short-run policy change in the next paragraphs.

### **Thermostatic feedback**

From the thermostatic perspective, policy feedback refers to a conception of the *public as a thermostat* (Soroka/Wlezien 2010: 3; Wlezien 1995), which is rooted in systems theory (Easton 1965; *ibid.*: 15). The relationship between preferences and policy change is considered from a very short-term perspective on a year-to-year base. Soroka and Wlezien expect the public to signal demand for a policy change and policymakers to respond to this demand either by changing policies or by being replaced by a new incoming government that is closer to the public's preferences (policy representation in their terminology). Citizens react to this change in policy and adapt their demand for further policy change accordingly (public responsiveness) (*ibid.*: 25):

$$R_t = P^*_t - P_t$$

The preference for further policy change (R) is the difference between the preferred level of policy (P\*) and the actual policy that is implemented (P) (*ibid.*: 25). Soroka and Wlezien argue that the public most likely does not have a clear idea about its ideal level of policy P\*, but that a sense of whether spending is too low or too high, i.e. relative preferences, is a much more appropriate measurement. For the empirical analysis, thus, P\* is replaced by W, which is a vector of exogenous control variables, respectively instruments for the unobserved ideal policy P\* (*ibid.*: 28).

Soroka and Wlezien expect the public's reaction to policy change to be negative, i.e. if the public signaled a demand for more public spending in the first place and the government responded by increasing spending, then demand for further spending increases should be lower. The authors also acknowledge the possibility of positive feedback (cf. Baumgartner/Jones 2002). From this point of view, positive feedback comprises the possibilities that a) people realize that government action was good for them and want more of it, and, b) people adjust their preferences based on the behavior of political elites, which is likely to apply in areas where public salience is low and people do not have manifest attitudes

(yet). However, although they state that whether positive or negative feedback predominates is an empirical question (Soroka/Wlezien: 29), their theoretical framework is guided by the expectation of the prevalence of negative feedback.

Initial policy change is exogenous to the parameters of the thermostatic model. This view is similar to the premises of punctuated equilibrium theory (Baumgartner/Jones 2002; Jones/Baumgartner 2005; Baumgartner/Jones 2009). Punctuated equilibrium theory assumes dominance of policy stability. Policy changes are expected to exert diminishing returns, thereby contributing to the stability of an equilibrium level of policy (Baumgartner/Jones 2002). Such patterns of dominant stability are occasionally interrupted by extreme changes in policy output. The interaction between changing images (how a policy is understood and discussed) and venues (institutions or groups in a society that have the authority to make decisions concerning an issue) of public policies leads to positive feedback (Baumgartner and Jones 2009: 25), as conceptualized in this literature, i.e. policy change triggering further policy change. Changes in a policy image result from focusing events, chance occurrence, public opinion campaigns by organized interests, or speeches by public officials. Changes in the policy venue are triggered by changes in the policy image or strategic manipulation of the institutional arena conducted by political actors. By treating the impetus for policy change as exogenous to the thermostatic model in combination with expectations of negative effects of policy change on public policy preferences, the overall expectation is one of long-term policy stability with only short-term fluctuations around the policy status quo.

Soroka and Wlezien add issue salience and political institutions to their model as aspects that condition how well the thermostatic mechanism works. Issue salience is crucial in that respect as citizens need to become aware of policy change and policymakers have stronger incentives to respond to public opinion when the salience of an issue is high. The political institutions that are considered in the model are the electoral system, the political system (parliamentarism vs. presidentialism) and the distinction between unitary and federal countries. Because only three countries (Canada, the UK and the US) are included in their study of 2010, Wlezien and Soroka (2012) explore the institutional effects in a broader comparative perspective. Regarding the effects of political institutions, policy feedback should be weaker in federalist countries as different levels of government may confuse signaled changes in policy. Presidential systems are assumed to be most responsive to public opinion as the interaction between the president and parliament would allow incorporating

public opinion to a better extent, whereas cabinet dominance in parliamentary systems inhibits strong responsiveness towards public opinion. Finally, proportional representation electoral systems are expected to be more responsive via elections and changed government compositions, whereas a stronger relevance of vote seeking and absence of coalition veto players should lead to stronger responsiveness in between elections in majoritarian countries. Taken together, Soroka and Wlezien view the influence of political institutions as how they affect the efficiency of their thermostatic model and how well “democracy works” (Soroka/Wlezien 2010: 182).

How does this thermostatic approach to policy feedback differ, besides in terminology, from a historical institutionalist understanding of policy feedback? Whereas negative feedback describes stability and positive feedback is about policy change within the thermostatic concept of policy feedback, the opposite is the case from an historical institutionalist account. The crucial factor for this different perspective is Soroka and Wlezien’s focus on relative policy preferences (R), whereas ideal-level policy preferences ( $P^*$ ) are treated as exogenous to the thermostatic model. In contrast, in historical institutionalist policy feedback,  $P^*$  is strongly endogenous.  $P^*$  would be considered as a function of P:  $P^*(P)$ . Once a policy is established, it creates its own support groups. Policies enacted at historical critical junctures can lead to different development paths, i.e. different  $P^*$ . This possibility of endogenous policy feedback is entirely disregarded in Soroka and Wlezien’s approach. However, the comparison of both approaches demonstrates that both expect a predominance of policy stability and thus struggle with explaining when and how endogenous policy change may occur. When is the effect of a change in P bigger on  $P^*$  than the stabilizing effect on R, which would set into motion path dependent policy development? Accordingly, under which circumstances can the effect of P on R be expected to be positive, which would imply a path-departure from previous policies? I pick up on these issues in the next section.

Considering the ideal level of policy  $P^*$  as exogenous, as Soroka and Wlezien do, can be problematic in several respects. Given their understanding of their thermostatic model of policy feedback, there is an inherent bias in expectations of negative effects of policy changes on public preferences. By focusing on the effects of short-term policy changes, Soroka and Wlezien may overlook how these changes can, over longer periods of time, affect ideal-level policy preferences. They state that whether or not positive or negative feedback predominates is largely an empirical question. This is, however, not true for how they interpret the results.

They argue that if negative feedback is observed, this demonstrates the working of the thermostatic model and efficiency in democratic institutions. Absence of negative feedback might simply mean that aspects of positive feedback are present that weaken the negative effect. In particular, arguing that “democracy works” if negative feedback is observed is problematic from this perspective.<sup>13</sup>

Another important difference between historical institutionalist and thermostatic feedback is that the former focuses on feedback on beneficiary groups, whereas the latter looks more at overall public opinion.<sup>14</sup> In the thermostatic model, changes in spending affect relative preferences of the median voter of whether spending is too high or too low. In particular, Soroka and Wlezien state that in order to achieve feedback on public opinion it is sufficient that only some parts of the public react to changes in policy (Soroka/Wlezien 2010: 19).<sup>15</sup> In contrast, historical institutionalist accounts on policy feedback allow reasoning about different possible causal mechanisms between policies and attitudes of affected groups operating via resource-based lock-in effects or via the visibility or traceability of policy reforms (Pierson 1993). Changes in spending are associated with only very “diffuse concerns about tax rates” (Pierson 1996: 144) but have very direct material consequences for affected groups (and furthermore, whether spending is increased or decreased is expected to have very different implications; *ibid.*). Potentially accounting for the aggregated character of public opinion in their work, Soroka and Wlezien acknowledge that their thermostatic model does not claim shifts in public opinion and policy to be causally related (Soroka/Wlezien 2010: 173). Both may respond to something else.

A final problematic aspect of the model of thermostatic policy feedback relates to the ignorance of further intervening variables. Where intervening effects are formulated, as for the case of political institutions, however, these expectations are highly contested. Several counterhypotheses could be and are formulated in the literature with results contradicting parts of Soroka and Wlezien’s findings (e.g. Hobolt/Klemmensen 2008). More problematic is

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<sup>13</sup> At a normative level, it can furthermore be questioned whether policymakers’ responsiveness towards public preferences can actually be interpreted as a desirable outcome (Holmberg 2010). This relates to a perspective on representatives as either trustees or delegates and to the question how autonomously public opinion forms.

<sup>14</sup> Soroka and Wlezien argue that policy feedback on overall public opinion should apply for separate issue dimensions, varying with the degree of salience. Other approaches aggregate even further and identify a „policy mood“ of overall public opinion bundled across issue areas (Stimson et al. 1995; Erikson et al. 2002; Bartle et al. 2011). These authors find a tight association between changes in public mood and overall public policy.

<sup>15</sup> Though, later in their analysis Soroka and Wlezien explore the possibility of differential feedback on individuals from different socio-demographic backgrounds (income, education, party identification). This, however, would still need to be even more specific to be able to identify group-specific policy effects.

the complete ignorance of organized interests, whose intervening influence in the opinion-policy link is hard to deny (Hacker/Pierson 2010).

### **When and how policies shape public attitudes**

The discussion above identified several strengths and weaknesses in the respective approaches to policy feedback. However, these different perspectives on policy feedback share the difficulty of explaining endogenous, path-departing policy change. In this section, I discuss more recent advances that add to the two major theoretical streams of policy feedback. These contribute to existing explanations, first, by specifying more thoroughly conditioning factors for policy feedback and, second, by trying to move beyond the conceptual divide between historical institutionalist and thermostatic policy feedback.

Regarding the first point, one central concern already raised by Pierson (1993) and frequently taken up in subsequent work still is *when* and *how* policies shape politics (e.g. Campbell 2012; Kumlin/Stadelmann-Steffen 2014). Some studies have refined Pierson's (1993) concept of policy feedback. For example, policy feedback in the field of mass attitudes has been conceptualized more thoroughly (Mettler/Soss 2004). Answering the question of when and how, research has identified the role of needs-based versus universal policies (Korpi/Palme 1998; Kumlin/Rothstein 2005; Soss 1999). Whereas needs-tests can be stigmatizing and undermine political participation and social capital, the opposite applies for universal policies, which evoke less negative politicization (but see Brady/Bostic 2015). A variety of further policy characteristics has been identified that affect how policies shape public attitudes (Campbell 2012; Mettler/Soss 2004; Soss/Schram 2007). However, it remains difficult to draw generalized conclusions about the mechanisms and conditions underlying policy feedback effects (Campbell 2012).

Several contributions highlight the role of individual performance evaluation of the welfare state, the government and the political system as mechanisms and conditioning factors for policy feedback (Kumlin/Haugsgjerd 2016; Svallfors 2013; Roosma et al. 2013, 2014; Hedegaard/Larsen 2014; Edlund 2006, Van Oorschot/Meuleman 2012; Hakhverdian 2012). Svallfors (2013) finds that support for redistribution is conditioned by perceived fairness and effectiveness of the government. Where the perceived quality of government is higher, there

is also more support for increasing taxes and spending. Furthermore, at higher levels of perceived government effectiveness there is a stronger correlation between egalitarian attitudes and support for increasing taxes and spending. However, the relationship between welfare state performance evaluation and attitudes towards redistributive welfare state policies is far from trivial. Van Oorschot and Meuleman (2012) find a negative association while Roosma et al. (2014) show that all four combinations of strong and weak performance satisfaction and strong and weak support for government responsibility exist. If the dependent variable is support for policy *reforms*, a more benevolent evaluation of the government and the political system indicating higher political trust is found to increase support for reforms (Hetherington 2005; Gabriel/Trüdinger 2011; Trüdinger/Bollow 2011; Jacobs/Matthews 2015; Garritzmann et al. 2016). Political trust can reduce skepticism associated with large-scale reforms with uncertainties about the implementation process and the materialization of promised outcomes in the future. Finally, Hakhverdian (2012) concentrates on government popularity as a concept of performance evaluation of the current government and evaluates how this conditions the effects of policy changes on respondents' left-right self-placements. He finds that whereas unpopular governments evoke negative reactions to policy changes (as predicted by Soroka and Wlezien), popular governments lead people to follow into the same direction as the policy change, thereby speaking to the literature on elite leadership, where elites' positions provide cues for the public to form its opinion (e.g. Zaller 1992).

One important implication resulting from the focus on political performance evaluation is that studying the *determinants* of performance evaluation can contribute to our understanding of policy feedback. Recently, scholarship has begun to emphasize the necessity of linking work on political trust and on the welfare state, pointing to the relevance of citizens' evaluation of welfare state performance (Kumlin/Haugsgjerd 2016). For example, while empirical research is still ambivalent on whether welfare state retrenchment can be done without severe electoral losses (Häusermann 2010; Giger/Nelson 2011; Alesina et al. 2013; Hübscher et al. 2016), there is evidence that retrenchment hurts political trust, in particular when it takes place in a depressed economic context (Kumlin/Haugsgjerd 2016). The political-economic context characterized among others by economic development, levels of social inequality or a countries' fiscal situation shapes how citizens evaluate the political problem solving capacity in their country. This is likely to affect whether they agree or disagree with political reforms. One implication would be that thermostat feedback identified by Soroka and Wlezien for a set of liberal countries could be driven by skepticism towards state responsibilities and

because redistributive policies are not complementary or reconcilable with the political-economic context specific to these countries (cf. Beramendi/Cusack 2009). Feedback might have looked different for example in early postwar Sweden. Thus, political trust might be necessary to grant governments some capacity for implementing sustainable policy reforms without facing a steady countermobilization against reforms by the public. This suggests that there is strong need to further specify the consequences of conditioning factors for policy feedback effects to take place.

The remaining advancements to be discussed are at a conceptual level. A first set of studies introduces the notion of negative, self-undermining policy feedback within a historical institutionalist understanding of policy feedback. The underlying idea of those inquiries is that high levels of policy provision can decrease public support for this policy, whereas low levels of policy supply can be associated with a strong demand for policy expansion.

Criticizing the overemphasis on policy stability in historical institutionalist accounts on policy feedback, Weaver (2010) elaborates a concept of negative policy feedback. Making use of the example of public pension schemes, he argues that policies can also have negative effects on political support, and that high fiscal or social costs associated with a policy can undermine rather than reinforce the policy status quo. Building on Weaver's work, Fernández and Jaime-Castillo (2012) similarly argue that due to unforeseen costs and grievances policies can exert negative feedback effects undermining support for self-reinforcing policy trajectories. They test their propositions for the case of public support for pension reforms. While they also acknowledge the plausibility of positive feedback effects, in line with the possibility of negative policy feedback they expect more generous pensions provision to be associated with lower public support for continued provision, whereas less generous pension systems can lead to stronger opposition against pension cutbacks. Their empirical findings largely support the notion of negative feedback effects. Brady and Bostic (2015) reexamine core assumptions of the work by Korpi and Palme (1998) on how welfare state institutions should shape redistributive outcomes mediated via public support for redistribution. They similarly refer to the historical institutionalist literature on policy feedback effects. They acknowledge the possibility of positive feedback effects of high levels of social transfers on public redistribution attitudes, but at the same time reason about negative feedback effects due to high levels of taxes and public budgets. Their results do not reveal clear associations and thus neither support positive nor negative expectations of policy feedback in this case.

Although above contributions are valuable in that they address the difficulties of historical institutionalist accounts of policy feedback to explain change, they also add conceptual ambiguity to the notion of policy feedback. Pierson (2000) already acknowledges that policies can be highly inefficient, but nevertheless remain stable due to important beneficiary groups defending them. Thus, it can be misleading to simply transfer the labels of positive and negative feedback to positive and negative social and economic outcomes.

The notion of negative feedback also raises attention towards a more general open flank of expectations on how policies should affect public attitudes, which is the relationship between policy supply and demand. According to Pierson (2000), policies can exert increasing returns so that increasing policy supply stipulates further policy demand by the public. If a policy has self-undermining consequences (Weaver 2010), this implies decreasing returns. Anyway, ideal-level policy preferences would be endogenous to the actual level of policy:  $P^*(P)$ . In contrast, a range of studies in political economy assumes policy provision to be primarily demand driven in a way that social risk exposure is highest in the absence of policy provision, but that public demand for government activity should lead governments to enact policies addressing these risks (Meltzer/Richard 1981; Rodrik 1998; Iversen/Cusack 2000; Estevez-Abe et al. 2001). Here, ideal-level policy preferences can be considered as a function of social risks, possibly as a subset of the exogenous factors for ideal-level policy preferences in Soroka and Wlezien (2010):  $P^*(W)$ . For example, according to Meltzer and Richard (1981), demand for redistribution should increase with rising inequality, but an inequality-decreasing rise in government redistribution as a response should lower this demand, leading to a saturation effect that works against ever more increasing preferences for redistribution.

Empirically, these two competing mechanisms of supply and demand shaping policy preferences probably cancel each other out to some extent. This most likely accounts for some of the inconsistent findings regarding the relationship between welfare state regimes and redistribution attitudes (e.g. Jaeger 2009). In particular, this should apply to the macro-level effects of institutions on country-average attitudes that are regularly the subject of investigation (e.g. Fernández/Jaime-Castillo 2012).<sup>16</sup> It may thus be debatable to what extent it makes sense to talk of negative policy feedback in the case of public demand that is unmet

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<sup>16</sup> One exception is Gingrich and Ansell (2012) who argue that a more generous policy provision can attenuate the relevance of social risk for preference formation.

by policy provision (e.g. Fernández/Jaime-Castillo 2012), which is possibly due to governments not responsively addressing this demand.

A second set of studies similarly deals with notions of policy feedback contributing to policy stability and change, but aims to move beyond the conceptual divide between thermostatic and historical institutionalist feedback. In particular, Jacobs and Weaver (2014) contribute to this endeavor by mapping historical institutionalist and punctuated equilibrium approaches with regard to policy stability and change and by developing a concept of self-undermining policy feedback. This speaks to the criticism of historical institutionalist accounts having largely neglected the scope for policy change. Jacobs and Weaver avoid some of the conceptual ambiguities inherent in Weaver's earlier contribution (2010) and develop a more sophisticated perspective of self-undermining policy feedback operating along three different mechanisms: first, unanticipated losses for mobilized social interests; second, interactions between strategic elites and loss-averse voters; and third, an expansion of the menu of policy alternatives. For each of the mechanisms, they specify conditions affecting the likelihood of self-undermining feedback to materialize. The US 2010 health care reform that is argued to have deviated from the highly distinct policy-path of health care in the US serves as an example for self-undermining feedback. More specifically, Jacobs and Weaver define self-undermining feedback in such a way that:

“policy choices at  $t_1$  have social consequences that reshape actors' preferences or capacities at  $t_2$  in ways that diminish those policies' bases of political support and expand the opposing coalitions” (Jacobs/Weaver 2014: 5).

With regard to public attitudes, Jacobs and Weaver state that self-undermining policies can reduce public support for a policy, which can eventually lead to “change-permitting electoral coalitions” (ibid.: 8). Saliency of losses is perceived as a crucial condition facilitating self-undermining feedback:

“Losses that have heavy per capita burden or incidence on well-defined and tightly networked groups are likely to draw those groups' attention - and to draw their members into coalitions for policy change.” (ibid.: 10).

Arguing against expectations of a pervasiveness of the status quo due to a negativity bias against the consequences of retrenchment (Pierson 1994), Jacobs and Weaver contend that

policy stability at some point may not necessarily imply avoiding losses. In addition, they expect framing effects to be at work, granting political elites some leeway in shaping perceptions of losses associated with a policy (Zaller 1992). Although insightful, the exact mechanism how self-undermining policy effects should lead to “change-permitting electoral coalitions” remains hardly specified in their elaboration.<sup>17</sup>

One crucial element of Jacob and Weaver’s perspective on self-undermining feedback is that relevant actors change their position with regard to the policy under question. However, as the authors also acknowledge in their conclusion, with regard to their example of the US health care reform, self-undermining and self-reinforcing feedback may be at work simultaneously:

“self-undermining effect may explain *why* change emerged; self-reinforcing effects, meanwhile, will often offer a compelling account of why reform takes the specific *form* that it does” (ibid.: 18; italics in original).

Thus, from a different reading, self-undermining feedback may be interpreted as the flipside of self-reinforcing feedback so that the US healthcare reform could be interpreted as still being highly path-dependent in its content by not implementing an even more ambitious role of the state in health insurance provision that would have had huge cost-saving potential (cf. Hacker 2010). The interpretation thus depends on whether one incorporates the ineffectiveness of a policy into the theoretical framework or not. This ambiguity points once again to the general problem in policy feedback theory of when to expect stability and when to expect change.

While Jacobs and Weaver (2014) discuss punctuated equilibrium and historical institutionalist theories of policy feedback, they mainly aim to highlight the demarcations between self-undermining feedback, which is the central feature in their work, and punctuated equilibrium-like feedback. Supporting their notion of self-undermining feedback they argue that apparent exogenous shocks, which are of main interest in punctuated equilibrium theories, often have endogenous reasons. Furthermore, short-run changes that are considered in punctuated equilibrium theories often have long-term backgrounds that would need to be considered. Thus, instead of offering a unified approach to studying policy feedback, the main purpose of

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<sup>17</sup> For example, see Rehm et al. (2012) arguing that the distribution of risk is more decisive than the concentration of risk within one risk group. In addition, Jacobs and Weaver’s example of self-undermining feedback leading to a reform of health insurance in the US is one of an expansive policy reform. This still leaves somewhat open to what extent their framework applies to policy change that is clearly retrenching.

their contribution is to elaborate a distinct logic of endogenous self-undermining policy feedback.

A different approach to combine historical institutionalist and thermostatic policy feedback is presented by Breznau (2016). He argues that processes of thermostatic and historical institutionalist feedback are usually simultaneously present and that equilibria of the relationship between public opinion and policy should exist. He exploratively estimates this simultaneous relationship by using path analysis. The empirical models show the best fit for historical institutionalist feedback, but also reveal some support for thermostatic feedback, which, he argues, need not be contradictory. While Breznau's empirical approach to estimate the simultaneous relationship between opinion and policy carries big potential, it can only be a first step towards disentangling more systematically the different causal processes that are at work. If the result is that thermostatic and historical institutionalist feedback can apply simultaneously, it is not clear what the added value of such a finding is. It would be important to identify conditioning factors explaining when feedback occurs into one direction or the other. Furthermore, Breznau's focus is on the cross-national variation between countries. He uses instrumental variables to address the problem of endogeneity of opinion and policy. Finding appropriate instruments, however, is never easy, and the instruments included in his analysis are particularly problematic in some respects. It would appear promising to make use of repeated measurements over time more explicitly to assess potentially different effects of levels and recent changes in opinion and policy. By this, we might arrive at more analytical precision to be able to identify when which kind of feedback predominates.

Jones et al. (2014) recently introduced yet another perspective on (thermostatic) policy feedback developing the concept of policy bubbles (also see Maor 2014, 2016). Referring to economic theories on pricing bubbles and punctuated equilibrium theory, they argue that an established policy can be compared to the aims this policy is intended to address. If there is a mismatch between costs and perceived benefits, there is either policy under- or overinvestment. The case of overinvestment represents a policy bubble, which is prone to burst at some point in time. Overinvestment can be the result of punctuated equilibrium-like policy dynamics. Cumulative policy change can "drive the costs of the policy instrument far beyond what is necessary to achieve an economically efficient allocation of public resources" (ibid.: 150). Jones et al. note that symbolic and ideological factors may be important in determining the value of a policy. However, they omit these factors from their further

considerations and concentrate on the apparently objectively estimable relationship between costs and expected benefits of a policy in order to evaluate the potential existence of a bubble.<sup>18</sup>

While I acknowledge that the concept of policy bubbles provides innovative insights for the analysis of policy feedback effects, I contend that it may be difficult, if not impossible or meaningless, to determine an objective value of a policy. Rather, the factors ignored by Jones et al., symbols and ideology, or: public attitudes, can be considered as crucial variables that would allow making claims about the existence of bubbles and their stability or instability. The public may care little about an economically efficient level of a policy. Still, in a democratic polity, public preferences for the ideal level of a policy would present an appropriate point of reference. The policy value attributed by the public can be highly subjective. While the concept of policy bubbles appears to be a thought-evoking approach, it should be capable of generating “research hypotheses that were not immediately obvious before” (Jones et al. 2014: 167) in order not to become a bubble by itself. As Jones et al. stress in their conclusion, their approach to policy bubbles crucially implies identifying efficient levels of a policy.<sup>19</sup> However, applying the concept of policy bubbles without taking into account the interplay with public attitudes may lead it into a quick dead end.

In sum, recent contributions to policy feedback have added some knowledge about the conditions under which policy feedback should occur. Furthermore, some first attempts have been made to bridge the conceptual gap between historical institutionalist and thermostatic policy feedback. However, still no unified framework exists integrating these two different perspectives, which would lead to more precise hypotheses on when and how policy feedback contributes to preferences for path-departing policy change of different social groups and on how this affects the likelihood of path-departing policy change to take place.

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<sup>18</sup> For the case of crime policy, Jones et al. examine the relationship between crime rates and incarceration rates. While incarceration rates went up some time after crime rates increased, they continued to stay at high levels even though crime levels decreased, indicating a policy bubble, according to the authors.

<sup>19</sup> Jones et al. call for a reintegration of studies of policy processes and policy analysis and evaluation. “Policy analysis and evaluation deals centrally with the study of policy instruments and their impact. The field is strongly normative, in the sense that efficient goal attainment underlies analysis and such policies are recommended” (ibid.: 167).

## **Perceived relative policy payoffs and attitudes towards policy change**

In this section, I build on the preceding discussion of the different approaches towards policy feedback. I introduce the notion of perceived relative policy payoffs and elaborate a framework integrating the expectations and findings of policy feedback effects in the three empirical papers. By doing this, I generalize beyond the empirical findings in this dissertation. I do not claim to develop a full theoretical account on policy feedback. Fully validating the theoretical considerations beyond the specific cases analyzed here is beyond the scope of this theoretical contribution. Nevertheless, I aim to contribute to the literature on policy feedback by approaching a synthesis between the different understandings of policy feedback and by refining expectations when and how policy feedback should affect the likelihood of path-departing policy change.

The discussion above illustrated that historical institutionalist feedback mainly operates over extended periods of time and approaches working with this concept mainly expect self-reinforcing feedback contributing to policy stability, respectively path-dependent policy development. Policy developments at critical junctures can lead countries to diverge from each other in subsequent policy evolution. In contrast, thermostatic feedback concentrates on the consequences of the short-term, i.e. mainly year to year changes of policies and expects that policy deviations, operationalized as spending changes, lead to a counter-reaction in public opinion, which should push policy back into the direction of the previous status quo. It has become clear that this difference is due to a different understanding of the ideal level of policy, which is exogenous in thermostatic, but strongly endogenous in historical institutionalist feedback.

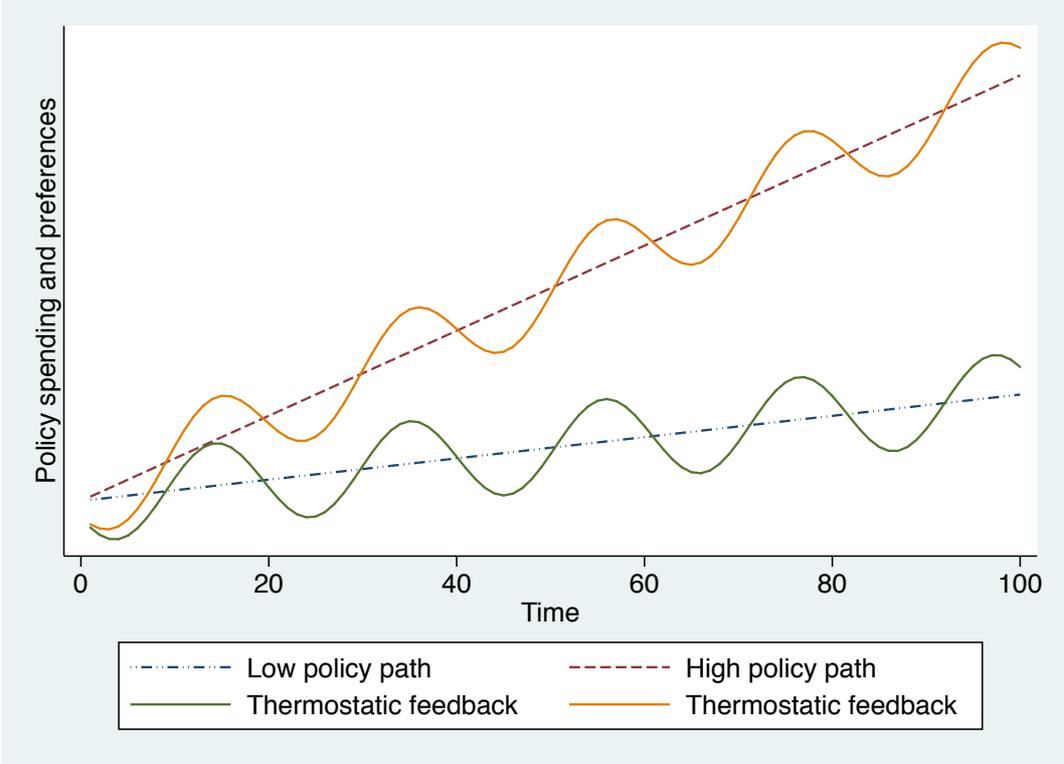
Figure 2 provides a synthesis of these two logics. It demonstrates that in the long-run countries may follow different policy paths (historical institutionalist feedback), while simultaneously short-term policy change likely oscillates around this path (thermostatic feedback). For illustrative purposes, it is assumed that policymakers are responsive and adapt policy to changes in public opinion. Thus, policy and public opinion move in tandem.<sup>20</sup> Of course, in reality, non-responsive governments can present an important factor responsible for discrepancy between feedback on attitudes and policy development. As the focus here is on

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<sup>20</sup> For simplicity and to be consistent with Soroka and Wlezién (2010), thy y-values refer to (preferences for) policy spending. One can also think of other policy characteristics that could be considered here.

policy feedback on public attitudes, however, this does not present a major problem.<sup>21</sup> The illustration in Figure 2 shows that the shortcoming of the thermostatic perspective is that it does not account for potentially differing slopes of the long-term policy paths and thereby might overlook long-term developments by narrowly focusing on relative preferences for more or less policy spending. In contrast, the historical institutionalist perspective largely misses short-term policy changes, which, however, over the long run return back to a country’s policy path.

**Figure 2: Historical institutionalist and thermostatic policy feedback over time**



In order to have an added analytical value, however, Figure 2 should be able to inform us when and how path-departing policy feedback is to be expected. This is, when is a short-term deviation of a policy likely to contribute to a long-term path departure of public attitudes towards this policy? Such a scenario would resemble the initial social investment reforms implemented by some countries that have partly left behind their institutional welfare state legacies, irrespective of whether reforms have been endogenous to public opinion or have been the result of some other factors. Answering the question of political sustainability of

<sup>21</sup> The framework might be expanded to formulate expectations about policy change and stability. In this case, more elaborations would be necessary to account for how public attitudes translate into policy (change).

initiated reforms simultaneously addresses the criticism of an overemphasis on stability in both historical institutionalist, as well as thermostatic feedback.

In the following sections, I introduce the notion of subjectively perceived relative policy payoffs that should affect the likelihood of how policy feedback effects on public attitudes contribute to the likelihood of path-departing policy change. This perspective builds closely on Pierson's work on policy feedback but takes into account critique of an overemphasis of policy stability as put forward by Jacobs and Weaver (2014). I contribute to this literature by making explicit how policy feedback effects on public attitudes enhance or attenuate cleavages in preferences between different social groups, thereby affecting the likelihood of path-departing policy change.

In line with Pierson's work, I expect policies to exert increasing returns for groups benefitting from these policies. This should contribute to preferences for continued policy provision by these groups. Due to institutionalized political cleavages within the public, there should be a status quo bias towards continued policy provision (Esping-Andersen 1990), even though some societal groups may be in favor of policy change. I take a coalitional perspective on the role of public attitudes, as it is present for example in the work by Korpi and Palme (1998). Not only levels of policy provision, but also its distribution matters, as this determines whether for example the middle class is included in public social insurance schemes, with consequences for policy support. Policies should affect public attitudes due to self-interest and via the informational, interpretive signal they transmit towards the public, which is subject to manipulation by political elites (Pierson 1993).

I incorporate Jacobs and Weaver's (2014) perspective on costs and losses associated with a policy and the potential undermining effect on policy support. However, I extend Jacobs and Weaver's approach by making explicit that policy payoffs can reflect either the costs and benefits in terms of levels of policy provision or the degree of effectiveness of that policy. Jacobs and Weaver note that an unreformed, ineffective policy might imply higher losses than a potentially retrenching reform. In my contribution, I focus on policies that have low policy payoffs due to the fact that they are only little developed, as it is the case for social investment policies in most countries. As an additional factor affecting public attitudes, I emphasize the distinct roles of levels and distribution of policy payoffs. I highlight a relative perspective on policy payoffs, which takes into account how payoffs vary between different groups, as well

as between different policy fields. Building on and extending the work mentioned above, the notion of perceived relative policy payoffs allows formulating expectations about the potential of conflict and coalition-building between different groups and how this affects the likelihood of path-departing policy change.

I argue that the levels and the distribution of the subjectively perceived payoff of a policy present crucial conditioning factors affecting the likelihood of path-departing policy change by shaping patterns of popularity and conflict in public policy attitudes between different social groups. The notion of policy payoff comprises the perceived costs and benefits a policy has for an individual. This payoff is on the one hand shaped by purely monetary outcomes of a policy for an individual. On the other hand, individual perceptions how one is affected by a policy may substantially deviate from this cost-benefit calculation. In this regard, one important factor is how political elites position themselves towards the policy under question as they can provide cues to the public, which should become relevant for preference formation (Zaller 1992). Payoffs can vary by their average level as well as by their distribution. Generous and effective policies should contribute to high average policy payoffs. The payoff is lower if either a policy is only little developed or comes along with inefficient, high levels of costs. Furthermore, the distribution of payoffs varies across different social groups. Either costs and benefits of a policy can be distributed more universally across different groups in society, or in the case of a more stratified policy provision, some groups benefit more than others. Payoffs of specific policies can vary highly across different societal groups. Furthermore, individuals can consider policy payoffs in relation to other policy fields. For the example of expansive social investment policies, this would imply that one has to look at perceived relative policy payoffs of groups that do and do not benefit from these policies, as well as at how social investment reforms relate to policy developments in other areas of the welfare state. The levels and the distribution of policy payoffs associated with social investment policies then should affect group-specific preferences towards path-departing policy change.

Table 1 depicts expectations of patterns of policy feedback on public attitudes conditioned by perceived relative policy payoffs. Considering the case of high average perceived policy payoffs, we should expect preferences for path-dependent policy development. The perception of well-performing and efficient policies should lead citizens to be satisfied with the status quo or demand only incremental adjustments. An overall perceived high policy

payoff can apply to universal as well as to stratified versions of policy provision. This speaks to the notion by Korpi and Palme (1998) that income stratification in public welfare provision can actually increase support for an encompassing welfare state to the extent that it pools social risks of different societal groups within public welfare provisions and thereby creates common identities among citizens. At the same time, institutionalized political cleavages should bias policies towards the status quo, even if some groups might demand policy reforms. However, to continuously maintain *perceptions* of high payoffs, support by relevant political actors for the policy under question can be expected to be relevant as this provides cues to the public about the effectiveness of the policy. In sum, high average perceived policy payoffs should lead to path-dependent policy preferences, contributing to a higher likelihood of observing path-dependent policy development.

**Table 1: Perceived relative policy payoff and attitudes towards policy change**

	Policy payoff: high	Policy payoff: low
Stratified policy payoff	<p>Preferences for path-dependent policy development</p> <p>+ institutionalized political cleavages</p>	<p>More conflictive preferences for path-departing policy change</p> <p>=&gt; path-departing policy change more contested</p>
Universal policy payoff	<p>=&gt; high likelihood of path-dependent policy development</p>	<p>More consensual preferences for path-departing policy change</p> <p>=&gt; coalition potential for path-departing policy change</p>

In the case of a low average policy payoff, we should observe stronger preferences for policy change. The important question then becomes, when preferences for path-departing policy change are actually able to overcome institutionally-contingent political cleavages. As Jacobs and Weaver (2014) put it, even if a policy has self-undermining effects, the specific form of policy change can still often be expected to follow a path-dependent logic. I argue that the degree to which the policy payoff is universal or socially stratified should affect the potential for conflict or coalitions between different social groups. If a low payoff policy provides

benefits in a socially stratified way, this should increase public preferences for policy change, but the direction of this change is likely to be contested. In this case, attitudes are probably more ideologically polarized, eventually following divided positions of political actors towards this policy. The scope for coalitions between different social groups can be expected to be rather small. More narrowly defined material self-interest is likely to take a more central role. In contrast, if a low payoff policy distributes its benefits universally across different social groups, preferences for policy change should be more consensual, thus, allowing a greater potential of building sustainable coalitions supporting path-departing policy change.

The framework developed here should apply to expansive policy changes for policies that are only little developed yet, as it is the case for social investment in most countries. Potentially, however, this framework is also applicable for retrenching reforms of established welfare state policies. Pierson (1996) argues that the politics of expansion and retrenchment are very different, because the former is associated with only diffuse concerns about increasing tax payments, whereas the latter implies concentrated losses for clearly defined social groups. One testable implication of the framework elaborated here is that a more universal policy payoff might be associated with more diffuse concerns about losses, but that perceived losses are more salient in the case of stratified policy payoffs where some privileged groups are confronted with significant losses.<sup>22</sup> Coalition potential might be bigger in the former case and conflict might prevail in the latter. Beyond these speculative thoughts, however, claims about the effects of retrenching policy change are beyond the scope of this framework, which focuses on policy effects on public opinion regarding the feasibility of expansive social investment reforms instead.

The discussion of the role of subjectively perceived relative policy payoffs for policy feedback on public attitudes has remained at a rather abstract level so far. The following paragraphs now add to a more realistic picture by specifying the implications following from the schematic presentation in Figure 2 and Table 1 sketching how perceived relative policy payoffs affect potential for conflict and coalitions regarding path-departing policy change in the area of social investment and beyond. In doing this, I make cursory reference to the three empirical papers of this dissertation. The empirical papers by themselves do not directly refer

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<sup>22</sup> As an example, Van Oorschot and Meuleman (2014) reason about potentially different effects on attitudes towards unemployment benefits depending on whether unemployment benefits are tax-funded or adhere to an insurance principle, thus representing variation in the degree of universalism and stratification in the distribution of benefits.

to the notion of perceived relative payoffs. This notion is rather intended to provide the common ground linking the three papers at a higher level of abstraction.

The focus on subjectively perceived relative policy payoffs highlights why it is crucial that we study policy feedback effects on different social groups. Different groups of citizens can perceive policy payoffs quite differently. A policy may pay off relatively more for some than for others, in particular once interrelations with different policy fields are taken into account. Thus, for empirical analyses it seems appropriate to move beyond a median voter-based perspective of average public opinion and focus instead on the consequences on and preferences of more clearly defined groups. This can be based on different indicators of an individual's socio-economic position (e.g. *Paper II*; Busemeyer/Iversen 2014a, b), his or her position with regard to different kinds of social risk (e.g. *Paper I*; Gingrich/Ansell 2012), or based on forms of economic or ideational group membership such as religion (De la O/Rodden 2006; Scheve/Stasavage 2006), unions (Mosimann/Pontusson 2014), or partisan identity (*Paper III*; Margalit 2013). The relative policy preferences between different social groups inform us how contested different policy options are among the public and shed light on the potential for coalition-building between different social groups.

This perspective on different social groups allows to distinguish more clearly between winners and losers from current policy provision and recent reform approaches. This should in turn enable analyzing to what extent policy effects on public attitudes are either supply-driven due to endogenous, potentially increasing policy returns, or demand-driven, as demand is potentially not (yet) met by corresponding policy provision. The difficulty of differentiating these competing influences continues to plague research on policy feedback and welfare state attitudes. If a policy pays off for an individual, it can be expected that this individual adapts to this policy and increasingly relies on continued policy provision. For these individuals this policy should generate increasing policy returns leading to a dominant effect of continued policy support (cf. *Paper II*; Pierson 2000). In contrast, if an individual is on the losing side of current policy provision, unmet demand for risk coverage should dominate preference formation. Furthermore, preferences of those individuals are likely to contribute to self-undermining policy effects. Opposition to policies should increase the more intense the respective relative loss is (*Paper I*; *Paper II*). Instead, preferences for alternative ways of policy provision should dominate (*Paper II*). Applying such a group-differentiated perspective should add further insights compared to a simple median voter-perspective, as it

informs us about the potentially different group-specific consequences of winning and losing for preference formation, which arguably has different implications for supply or demand-driven policy preferences.

Furthermore, the perspective of policy payoffs motivates looking at preferences towards specific policies. As payoffs can vary between different policy fields within a country, using broad measures such as preferences for redistribution (or even a “public mood” aggregated across a range of policy issue; Stimson et al. [1995]; Erikson et al. [2002]; Bartle et al. [2011]) may conceal important policy field-specific feedback effects being at work. The more the benefits of a policy are socially stratified, the more we should expect diverging policy priorities between different social groups that are more difficult to realign (*Paper II*). Conditioning effects of policy payoffs may also apply in a relative perspective between different policy fields. Whether individuals from different social risk groups look “jealously” at other risk groups’ benefits or whether they join forces to struggle for improved coverage of social risks, can depend a lot on a policies’ relative costs and benefits, even if this policy does not directly affect individual benefit receipt (*Paper I*).

Such conditioning effects on perceived policy payoffs need not be constrained to the effects of other policies. In particular, research has shown that the degree of economic coordination, such as the centralization of wage bargaining, is important in shaping distributive outcomes of policies (Beramendi/Cusack 2009; Bussemeyer/Iversen 2011). Bussemeyer and Jensen (2012) show that this finding also translates to individual preferences. Economic coordination increases the payoffs of vocational education and training and thus shapes preferences towards vocational vis-a-vis higher education. Based on the concept of perceived policy payoffs, future research should more thoroughly incorporate non-policy related factors that can condition the effects of policies on individual attitudes.

Bringing perceptions in also highlights how attitudes can be influenced beyond the direct effect originating from established policies. In particular, political actors can play a crucial role in shaping public attitudes (*Paper III*) and in conditioning policy feedback effects. It can be expected that for policies to receive continuous public support, these policies also need to be supported by relevant political actors (cf. Hall/Thelen 2009 for a similar argument with regard to institutional stability and change). This implies that if some political actors decide to withdraw support from an established policy, this is likely to affect support for this policy

within the public. Political parties are one relevant set of actors (besides the media, interest groups, etc.) affecting the saliency of arguments and counterarguments with regard to a specific policy (cf. Kumlin/Svallfors 2007; Schmidt/Spies 2013).<sup>23</sup> One example could be the case of the profound pension reform in Germany enacted in 2001, which supplemented the public pay-as-you-go system with a pillar based on private capital (Riester reform). Here, preceding the reform, interest groups from the financial sector lobbied for reform and subsequently succeeded in gathering support by further (political) actors (Leifeld 2013). Although public pension provision has been highly popular, policymakers' shift towards being willing to reform pensions might have contributed to some willingness in the public to regard reforms as necessary. Vice versa, policymakers can also bolster support within the public for a policy arrangement, even if this is associated with high costs for large segments in the society. One example are family policies that are centered around the male breadwinner model and a traditional division of labor within families (*Paper III*): Even if such policies are increasingly dysfunctional in a context of family relations having become more unstable, policymakers' continued support for traditional family models can slow down support within the public for more egalitarian gender roles and family policies supporting such arrangements. Taking political actors' influence on public attitudes seriously implies that party competition and the wider political-economic context matter for policy feedback on public attitudes, as they provide the incentive structure for parties' strategic positioning in the political space. If the political-economic context provides less scope for universal policy approaches, this may render public attitudes towards policy change more contested (*Paper III*).

In sum, providing a combined perspective on historical institutionalist and thermostatic policy feedback in this section highlighted the combined challenge of identifying conditions for path-departing policy change. Moving beyond the historical institutionalist approach to policy feedback of mainly incremental policy change, taking into account the effects of short-term policy changes on public attitudes allows studying how initiated reforms develop in the subsequent period. A prime example for this scenario is the expansion of social investment

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<sup>23</sup> Such reasoning connects to the literature on elite leadership postulating citizens to adapt their positions according to cues provided by political elites (e.g. Zaller 1992). With regard to the concept of policy bubbles introduced above, political actors may present an important factor accounting for the stability of a policy bubble, defined as the discrepancy between the costs and benefits associated with a policy status quo (or, alternatively, the cost-benefit discrepancy as it is perceived and valued by the public). Policymakers' framing of a policy can alter individual perceptions of that policy's benefits. Citizens thus might prefer to stick to the policy status quo even if it displays characteristics of a policy bubble as for example the underlying socio-economic foundations may have changed.

policies, where policy expansion often has broken with path-dependent policy development. Again, the crucial question becomes when initial policy reforms actually accumulate to path-departing policy change.

I have proposed a perspective of perceived relative policy payoffs, which focuses on studying feedback effects on distinct social groups. Using this concept allows us to more clearly differentiate between the competing effects of increasing returns of an enacted policy and unmet demand for policy change, which may be concealed by examining preferences of the median voter only. Feedback effects on distinct social groups can reveal the potential for conflict and coalition building based on public policy attitudes. If an established policy is perceived to yield high payoffs, there should be little demand within the public for path-departing policy change. Institutionalized political cleavages should further contribute to a path-dependent policy trajectory. However, if a policy provides only limited benefits, preferences for path-departing policy change should be stronger. Whether path-departing policy change is politically feasible, however, is expected to depend crucially on the degree of perceived social stratification in policy provision. Perceptions of socially stratified benefits should make preferences for further policy expansion more contested. In contrast, if the benefits of a policy are perceived to be more universally spread among the public, this should increase the potential for coalition building between different social groups and should present a politically more viable route for path-departing policy change.

### **Synthesis: Revising social investment popularity assumptions**

In light of the rise of the social investment paradigm, this dissertation examines how the existence of political-institutionally contingent cleavages in public attitudes towards social investment might account for the strong cross-national variation in the actual implementation of social investment reforms. If we take into account the political-institutional context in which social investment reforms take place, then social investment can turn out to be more politically contested than suggested by accounts viewing social investment policies as widely popular among the public, having high social and economic returns, and an opportunity for political parties to pursue “affordable credit claiming” (Bonoli 2013; Hemerijck 2015, 2017).

In this introductory chapter, I have reviewed the promises of the social investment approach with a special focus on childcare policies that are expected to contribute to child development and to the integration of women into the labor market. These outcomes, however, appear to be less certain and to apply in a socially stratified way with distinct distributive consequences, once the institutional context of childcare provision is taken into account. Having this in mind, political factors contributing to an expansion of childcare become important. There turns out to be a major research gap with regard to the role of public attitudes towards childcare provision as a possible microfoundation for the politics of childcare expansion. In this dissertation, I address this gap.

Theories of policy feedback should equip us with expectations how the institutional context of childcare provision shapes patterns of public attitudes towards childcare and how these attitudinal patterns affect the prospective political viability of expanding childcare. Existing theories on policy feedback, however, have difficulties in explaining attitudes and policy development deviating from path-contingent policy trajectories. For this reason, I introduced a theoretical framework based on the notion of perceived relative policy payoffs, which explains how the distribution of costs and benefits associated with a policy across different social groups contributes to more conflicting or consensual patterns of public opinion towards policy change. This framework is underlying the three empirical papers constituting this cumulative dissertation. In each of the papers, I examine how the political-institutional context of childcare provision affects cleavages in childcare and work-family attitudes.

Paper I (*Conflictive preferences towards social investments and transfers in mature welfare states: The cases of unemployment benefits and childcare provision* [with Marius Busemeyer]) examines preferences for the policy fields of childcare services and unemployment benefits. Unemployment benefits serve as an example for a classical welfare transfer policy, whereas childcare services are a prime example of a policy related to social investment. For each case, preferences of a core beneficiary group are examined. These are unemployed persons in the case of unemployment benefits and single parents in the case of childcare services. The core assumption is that the generosity of each policy field does matter, not only for preferences of the respective primary beneficiary group, but also for other core social risk groups that are dependent on welfare state benefits and services. We examine whether different risk groups join forces (in terms of preferences) to struggle for an increased welfare state, or whether they look “jealously” at each other’s benefits. Using data from the

European Social Survey (2008) for 21 European countries and applying multilevel models, we find that whether the one or the other holds true depends a lot on each policy field's specific generosity. The unemployed are more in favor of government involvement in the provision of childcare, if levels of childcare provision are low. Single parents, in turn, are more supportive of the government's role in providing benefits for the unemployed, if unemployment benefits are at a low level. The more generous the other risk group's benefits are, however, the more do individuals who are exposed to social risks oppose such benefits and services, which do not imply direct benefits to them. We argue that this is because individuals perceive the scarcity of welfare state resources and are aware of the generosity in other policy fields relative to the one that is most important to them.

The findings in this paper imply that political support for social investment policies crucially hinges on policy generosity in the established areas of the welfare state. This speaks to repeated claims by some social investment scholars that social investment policies need to be a complement to traditional forms of social protection in order to fulfill its promised potential of combating intergenerational inequality and poverty (Esping-Andersen 2002b; Morel et al. 2012; Hemerijck 2013). This paper contributes to these claims by showing that also in terms of political viability the implementation of social investment policies is likely to be more successful, if an expansion of social investment is not accompanied by simultaneous cuts in established welfare transfer programs. In contrast, if social investment reforms come at the expense of established welfare programs, this implies that some social groups might withdraw their support from social investment policies, which makes it more difficult for political parties to make social investment attractive for larger segments in the society and to tie together political coalitions necessary for implementing such reforms.

In Paper II (*Class politics in the sandbox? An analysis of the socio-economic determinants of preferences towards public spending and private fees for childcare services*) I examine the distributive consequences within the policy field of childcare services for preferences towards public spending and private fees for childcare. I identify three country-clusters of childcare provision that differ in terms of levels of public spending and private fees parents have to pay. I formulate expectations regarding how preferences towards childcare are structured along income lines. Using data from the Investing in Education in Europe survey (INVEDUC; Busemeyer et al. forthcoming) from 2014 for eight European countries representing different

welfare state regimes, I show that the institutional characteristics of childcare provision matter for differences of policy priorities of richer and poorer individuals.

In countries that are characterized by *high levels of private fees*, access to childcare is highly socially stratified and the poor are easily priced out of services. In such a context, the rich turn out as the strongest supporters of additional public childcare spending as they disproportionately benefit. For the poor, in contrast, lower fees would be a precondition to access and benefit from childcare services. Consequently, they are the strongest supporters of having childcare free of charges. In countries with *high levels of public expenditure and low levels of fees* the rich are most skeptical of additional public spending and they prefer that parents contribute by paying private fees. They appear to be worried the most of further tax increases to finance the already generous services. Finally, the countries with *low levels of public expenditure and low levels of private fees* have experienced a dualization of services in recent years. Cheap, but scarce public care places have been topped up with more expensive, privately provided services. A consequence is yet another divide between policy priorities between the rich and the poor, which is the flipside of the pattern in the high-fees countries. As mostly the poorer families are using public services, they are most concerned about having more places available and prefer more public spending to finance this. The rich, in contrast, disproportionately use the more expensive market-based services and therefore are more concerned about the high levels of fees they have to pay (in addition to tax payments for public childcare services they do not use). In sum, the analysis shows that depending on the characteristics of childcare provision the poor and the rich develop different policy priorities with regard to childcare services. Unlike notions of affordable credit claiming, the question of *how* to expand childcare can be contested among different socio-economic groups.

The findings demonstrate that social stratification within social investment policies crucially matters for the goals of combating poverty and intergenerational inequality. Whereas work by Van Lancker (2013, 2014) and Abrassart and Bonoli (2015) has shown that the availability of services and levels of private contributions matter for who uses and benefits from childcare services, *Paper II* highlights the consequences of patterns of social stratification in access to childcare for political preferences towards childcare services. It informs us to which social groups the expansion of childcare is actually responsive. Depending on the institutional background of childcare provision, an expansion of childcare can be less popular among some societal groups than often assumed in the literature. In particular in the UK, it can be

questioned whether the turn towards “Third Way” policies by New Labour in the late 1990s benefitted the lower income groups. As private contributions for childcare have remained at high levels, for the lower income groups having lower private fees would have been a precondition to be able to access childcare in the first place. In contrast, different lines of conflict prevail in the conservative welfare states with increasingly dualized service provision with cheap and scarce public provision that is topped up with more expensive private services. If policymakers continue to rely on more expensive market-based provision for the expansion of service capacities, this might increasingly marginalize publicly provided services. This speaks to findings in the welfare state literature that distributive policies are most successful if they incorporate the middle class (Korpi/Palme 1998). A counter-example might be the case of France as a conservative welfare state that has established extensive publicly provided care for children below school age since early on. Here, it has been observed that the more affluent parents increasingly rely on private alternatives of early childcare. Simultaneously, a decline in availability and quality has been observed for public sector care places (Morgan 2005). Thus, the expansion of childcare services also in contexts with originally low levels of private fees does not necessarily lead to a predominance of publicly provided, accessible, high quality childcare services as in the Scandinavian countries, but rather depends on different reform options that are responsive to the demands of different socio-economic groups.

Paper III (*Making mothers stay at home? A cross-lagged analysis of party positions and attitudes towards female employment*) approaches the issue of attitudes towards the work-family nexus from a perspective that is more based on norms and values, but highlights the role of political parties in shaping these norms and value-based attitudes. More specifically, this paper argues that parties’ positions on family values shape attitudes of their constituencies towards whether mothers with small children should work or not. The positions of political parties towards family values, in turn, depend on the wider context of party competition. Because party systems have shifted to the right in times of economic globalization, parties have incentives to increasingly mobilize on the non-economic dimension via emphasizing egalitarian or traditional family values. It is expected that in such contexts, economically left parties emphasize egalitarian family values, whereas economically right parties turn towards more traditionalist views on the family. However, right-wing parties’ strategies can severely constrain left parties’ attempts to appeal to their voters with more egalitarian family views. This is due to the strong role of norms and values attached to

the issue of family values. In the past, there have been fierce conflicts between responsibilities between the church, respectively the family, and the state in some countries and these conflicts have left their imprint on how parties deal with these issues. Parties proposing egalitarian views about the family thus run the risk of being attacked by their political opponents by being presented as interfering into the sphere of the family and being a threat towards families' well being. More egalitarian views towards the family are thus more successful politically, if competitor parties share similarly egalitarian positions and if parties continue to compete on economic issues, which prevents a norms-based diversion of family issues. The paper applies cross-lagged path models to estimate the simultaneous influence between public attitudes and party positions over time. The empirical analysis supports the line of reasoning that parties shape attitudes within their electorates with regard to female employment and that their positions on family values, in turn, are constrained by the wider context of party competition.

*Paper III* highlights the interconnectedness between the economic and non-economic sphere of party positions. In particular, it shows how the economic dimension of party competition shapes opportunity structures of parties to position themselves with regard to family values. This in turn affects attitudes within the public towards female employment and thus contributes to shaping the demands for family policies facilitating the reconciliation of work and family life. Normative foundations of attitudes can impinge the role of economic self-interest with regard to family policies. Thus, taking the economic dimension of party competition into account can help to explain the continued divergence in terms of attitudes, party positions and social investment policies across countries. In particular for left parties, this reasoning implies that their turn towards egalitarian family policies is likely to be more successful, if they continue to compete on economic issues as this lowers the potential for a traditionalist politicization by their political competitors.

Before summing up, I discuss remaining limitations of the findings in this dissertation. The theoretical framework provided a synthesis of different approaches in the policy feedback literature. Obviously, it is beyond the scope of this dissertation to fully test the implications of this framework empirically. It is thus left to future work to probe and refine the assumptions derived from the theoretical elaboration presented here. The discussion of the social investment turn highlighted the complexity of social investment policies and their interrelation with the context of the welfare state and the labor market. While it is not possible

to fully take this complexity into account in the empirical analyses, the three empirical papers deal with institutional complexity in a way that moves beyond current contributions in the literature.

Another limitation for the generalizability of the findings is that the focus in the papers is on attitudes towards childcare services and female employment. The papers only capture a small part of attitudes related to the social investment approach. The focus on public attitudes also ignores important parts of the policy feedback literature on feedback on political actors, organized interests or political participation (e.g. Pierson 1993, 1994; Campbell 2003; Mettler 2005). Furthermore, research on attitudes cannot make claims about the process of coalition building as such and how preferences ultimately become relevant for policymaking. Expectations how relative group-differences in attitudes contribute to the likelihood of coalition building and to the political viability of path-departing policy change need to remain at a speculative level. Two of the three papers study attitudes only cross-sectionally, the third uses repeated cross-sections. Probing the robustness of the results using longitudinal, and ideally panel data would be an important task for future elaborations.

The field of childcare services is particularly characterized by large regional and even local variation (cf. Goerres/Tepe 2013). While Paper II acknowledges this problem by making use of data on subjective affordability of childcare services, more disaggregated analyses at the regional or even local level are needed. Finally, Paper III presents only a first step towards disentangling the relationship between public attitudes, party positions and public policies by using path analysis. Future work should incorporate potentially intervening variables such as political institutions and policy characteristics in more detail.

I end this chapter with a discussion of the joint implications of the empirical analyses for the politics of social investment and the likelihood of the political sustainability of path-departing social investment reforms breaking with their institutional welfare state legacies, given public support and opposition towards expanding social investment. The main takeaway for the study of the politics of social investment is that the popularity of social investment policies should not be taken for granted. There can be substantial potential for conflict in attitudes towards social investment between different social groups, based on social risk, socio-economic position, or political ideology. Public opposition to an expansion of social investment might increase, if such policies come at the expense of established welfare

transfers, if social investment policies are socially stratified and thereby excluding sizeable groups in society, and if parties' withdrawal from economic-redistributive issues increases the scope of a traditionalist political discourse on family issues.

A first implication is that social investment can be less responsive to public demands than often assumed. In particular, if one takes into account that the expansion of social investment policies can be accompanied by retrenchment in other parts of the welfare state (Vandenbroucke/Vleminckx 2011), for affected groups this relative loss may weigh more than potential gains associated with social investment policies. Also considering social investment policies as such, the benefits may be less widespread than often assumed. Socially stratified social investment policies (Van Lancker 2013) may be more responsive to more affluent citizens, as those groups that would need them most have only limited access. Regarding normative perceptions of female labor market participation, "broadly converging family aspirations" (Hemerijck 2015: 253) should not be assumed *ex ante* (cf. Hakim 2000). Despite trends towards more gender egalitarian work-family attitudes, there is continued variation in these trends across countries (Braun/Scott 2009). Political parties actively shape these trends. If the prospects for the future of the welfare state appear more gloomy, this can contribute to political opportunity structures with a more prominent stance of traditional family values that raise skepticism among the public towards dual-earner oriented reforms.

As a second implication, public support and opposition towards social investment feed back into the politics of social investment, thereby affecting the scope for the political sustainability of path departing policy-change, breaking with established institutional welfare state legacies. Profound welfare state restructuring has been observed in several European countries, deviating from welfare state legacies of male breadwinner models or traditions of public non-interference into what used to be considered the sphere of the family (Hemerijck 2013; Fleckenstein et al. 2011). However, given the continuing existence of political-economic constraints, it remains unclear how sustainable and transformative such policy changes are in the long run. The future viability of social investment likely depends on the underlying political support structure, which remains "something of an enigma" (Hemerijck 2015: 250). The findings of the three empirical papers provide major insights about the potential of conflict and coalitions with regard to social investment policies. Building on the notion of self-undermining feedback effects (Jacobs/Weaver 2014), group-specific perceived relative payoffs of a policy should affect the leeway for engineering political coalitions in

support of social investment. This perspective highlights relative differences between different social groups with regard to the costs and benefits of social investment policies. If the relative benefits of social investment policies distribute in a rather universal way, this should ease the potential for coalitions between different social groups. In contrast, if expansive social investment policies are associated with losses in other policy areas or with more narrowly distributed benefits, this should render preferences for further expansive social investment reforms more contested. In addition, also the positions of political actors towards the welfare state and the family shape perceptions of gains and losses associated with social investment policies and thus affect cleavages in attitudes towards social investment.

One final implication of the findings concerns expectations of the long-term policy trajectories in the light of recently initiated social investment reforms. Should we expect cross-national convergence towards a common notion of a social investment welfare state? The empirical findings presented here highlight conditions under which the construction of broad coalitions in support of social investment should become more feasible. The initiation of social investment reforms in an encompassing policy context should contribute to continuous public support for such a policy approach over time. However, the conditions identified also render a convergence towards social investment as an unlikely scenario. Arguably, the inertia of countries' political-institutional backgrounds rather contributes to continued institutional diversity. Policy change towards social investment not necessarily needs to be in line with established welfare state regimes. The institutional background of social investment policies shapes the distributive consequences of who benefits from such reforms and can be expected to affect the future scope and trajectories of social investment. Given that preferences of different social groups towards social investment are potentially conflictive, we should expect political parties to matter for how social investment reforms are designed and implemented. Parties can differ in their attempts to take into account the preferences of different social groups for tying together coalitions in support of social investment. How inclusively the potentially conflictive preferences towards social investment are incorporated into coalition building and policymaking likely has a profound influence for the future politics and outcomes of social investment reforms.

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## **Summary of the dissertation**

In this dissertation, I examine public support and opposition towards social investment in Western welfare states for the policy field of early childhood education and care (in short: childcare). Contrary to widespread assumptions of social investment being widely popular among the public, I find important cleavages in attitudes between different societal groups. However, the strength of these cleavages critically depends on the political and institutional context in each country.

Advocates of the idea of social investment expect strong social and economic returns from the implementation of social investment policies. For the field of childcare, expanding childcare provision is expected to support child development and to facilitate the integration of women into the labor market. At the macro level, such policies would help to reduce poverty and intergenerational inequality as well as they would contribute to economic development and to the long-term fiscal sustainability of welfare states.

Social investment reforms are expected to provide political benefits for left and right governments who can claim credit for implementing reforms that are assumed to be widely popular among the public. After unpopular forms of fiscal retrenchment and neoliberal policy prescriptions had dominated the social policy agendas, governments might use social investment to send a more positive message to their voters by enacting policies that are (believed to be) more in line with voters' preferences but imply only relatively minor budgetary commitments. However, to date, we lack the empirical evidence, whether this assumed popularity really holds true empirically.

Regarding the implementation of social investment reforms, we observe a huge variation across countries. This variation presents an important puzzle, given the postulated positive returns associated with social investment policies. In this dissertation, I argue that these positive returns should not be taken for granted once we take into account the political-institutional context, in which social investment reforms are nested. Consequently, the general assumption of social investment reforms being widely popular among the public is problematic.

I address this claim in three quantitative empirical papers using cross-national datasets on public attitudes towards childcare and the work-family nexus. I identify three sorts of

cleavages in attitudes among the public. These cleavages are based on exposition to different kinds of social risks, on individuals' socio-economic position within the income distribution, and on ideological orientation. The strength of these cleavages, however, is conditioned by the political and institutional context. Social investment is less contested among different groups within the public if it takes place within a more encompassing policy context. If the expansion of social investment proceeds in the context of stable benefit levels in compensatory policy fields and if parties continue to compete on redistributive socio-economic issues, this lowers the potential of conflicting attitudes towards social investment between different societal groups. Furthermore, if social investment policies are in themselves designed in a universal way that facilitates equal access and benefits across different socio-economic groups, this increases the potential for aligning policy preferences between different social groups.

These findings have important theoretical and political implications. First, rather than being responsive to a median voter representing an average public opinion, social investment reforms are more responsive to some social groups than to others. Depending on the specific design of reforms and the associated redistributive implications, the preferences of sizable societal groups might be neglected. Second, the extent to which governments are able to incorporate the preferences of different social groups into policymaking likely affects the political viability of initiated social investment reforms. If there are important cleavages regarding the expansion of social investment, the politics of social investment might be more contested and the future of social investment policies more uncertain. Finally, the identified patterns of public attitudes towards social investment can contribute to explaining the persistent cross-country variation in social investment reforms. Depending on the context of social investment and welfare state policies, public opinion presents a help or hindrance for the feasibility of reforms. My analysis identifies specific institutional settings that present a fertile environment for the implementation of social investment policies. However, as political-institutional contexts are sticky and subject to a variety of constraints, one can expect persistent policy diversity rather than cross-national convergence towards a paradigmatic social investment welfare state.

## **Deutsche Zusammenfassung der Dissertation**

Diese Dissertation untersucht Konfliktlinien in den politischen Einstellungen der Bevölkerungen westlicher Wohlfahrtsstaaten zu Sozialinvestitionspolitik anhand des Politikfeldes frühkindlicher Bildung und Betreuung (im folgenden Kinderbetreuung). Entgegen verbreiteter Annahmen einer umfassenden öffentlichen Popularität solcher Politikansätze finde ich bedeutsame Konfliktlinien zwischen verschiedenen gesellschaftlichen Gruppen. Die Stärke dieser Konflikte ist jedoch abhängig vom jeweiligen länderspezifischen politischen und institutionellen Kontext.

Forschungsbeiträge zu Sozialinvestitionspolitik erwarten überwiegend starke positive soziale und ökonomische Effekte eines sozialpolitischen Umbaus hin zu einem Sozialinvestitionswohlfahrtsstaat. Im Bereich der Kinderbetreuung umfasst dies die Möglichkeit zur frühkindlichen Förderung, insbesondere sozial benachteiligter Kinder, und eine erleichterte Vereinbarkeit von Beruf und Familie, welche in besonderem Maße für die Erwerbsbeteiligung von Müttern förderlich sein und Armutsrisiken lindern kann. Auf der Makroebene, so die Erwartungen, würde Sozialinvestitionspolitik helfen, soziale Ungleichheit abzubauen sowie zugleich die gesamtwirtschaftliche Entwicklung zu fördern und eine nachhaltige Finanzierbarkeit des Wohlfahrtsstaates zu gewährleisten.

Auch für politische Parteien erwartet diese Literatur positive Effekte von der Umsetzung von Sozialinvestitionspolitik. Diese würde es linken wie rechten Regierungen erlauben, finanzierbare und als in weiten Teilen der Bevölkerung als populär erachtete Sozialpolitik umzusetzen, welche einen Gegenpol zu den oft unbeliebten sozialpolitischen Kürzungen der vergangenen Jahre und Jahrzehnte darstellen würde. Empirisch ist allerdings kaum bekannt, ob die angenommene breite Beliebtheit von Sozialinvestitionspolitik in der Bevölkerung tatsächlich zutrifft.

In der Realität beobachten wir eine große Variation über Länder hinweg in Art und Umfang der Umsetzung von Sozialinvestitionspolitik. Diese Variation ist aufgrund der postulierten positiven Effekte erklärungsbedürftig. In dieser Dissertation argumentiere ich, dass unter Berücksichtigung des politischen und institutionellen Kontextes, in welchem die Umsetzung von Sozialinvestitionspolitik erfolgt, die erwarteten positiven Effekte keinesfalls als selbstverständlich erachtet werden können. Entsprechend ist auch die generelle Annahme, Sozialinvestitionspolitik sei in weiten Teilen der Bevölkerung populär, unzutreffend.

Ich untersuche diese Aussage in drei quantitativen empirischen Beiträgen anhand der Analyse länderübergreifender Individualumfragedaten zu Einstellungen zu Kinderbetreuung und der Vereinbarkeit von Beruf und Familie. Ich identifiziere verschiedene Arten von Konfliktlinien in der öffentlichen Meinung, welche über verschiedene Formen sozialer Risiken, die individuelle sozio-ökonomische Position oder die ideologische Orientierung zum Ausdruck kommen. Die Stärke divergierender Einstellungen wird jedoch in hohem Maße durch den jeweiligen politischen und institutionellen Kontext moderiert. Je größer die Gruppen sind, die von einem Ausbau der Kinderbetreuung profitieren, und je geringer dieser Ausbau zulasten etablierter umverteiler Sozialpolitik geschieht, desto weniger konfliktträchtig sind die Meinungen verschiedener gesellschaftlicher Gruppen zu solchen familienpolitischen Maßnahmen.

Die Ergebnisse haben bedeutsame Implikationen für die Politik des Sozialinvestitionsstaates. Erstens zeigt sich, dass Regierungen, welche expansive Sozialinvestitionspolitik umsetzen, nicht notwendigerweise responsiv gegenüber der öffentlichen Meinung handeln. Vielmehr ist es möglich, dass, je nachdem wie diese Reformen konkret ausgestaltet sind, die Bedürfnisse bedeutsamer gesellschaftlicher Gruppen vernachlässigt werden. Zweitens kann davon ausgegangen werden, dass für die nachhaltige politische Tragfähigkeit eines sozialinvestitionsorientierten Wohlfahrtsstaates entscheidend ist, inwieweit es Regierungen gelingt, die Interessen verschiedener sozialer Gruppen in ihren Reformen zu berücksichtigen. Ein hohes Maß an widersprechenden Interessen kann hier eine unsicherere Zukunft für einen solchen Politikansatz bedeuten. Drittens helfen die Ergebnisse, die anhaltende Variation in der Umsetzung von Sozialinvestitionspolitik innerhalb der westlichen Wohlfahrtsstaaten zu erklären. Aufgrund der Relevanz des politischen und institutionellen Kontextes für die öffentliche Unterstützung von Sozialinvestitionspolitik ist zu erwarten, dass wir anstatt einer länderübergreifenden Konvergenz hin zu einem paradigmatischen Sozialinvestitionswohlfahrtsstaat vielmehr fortdauernde Länderunterschiede in Ausgestaltung und Umfang sozialinvestitionsorientierter Reformen beobachten sollten.