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All about the Middle Class?

(Un)equal Responsiveness in Social and Education Policy

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INTRODUCTION AND MOTIVATION

Contemporary welfare states in advanced post-industrial democracies have been under pressure for some time, dealing with multiple challenges such as population aging, globalization and technological change. Initially, scholars focused on pointing out how a fiscal policy climate of "permanent austerity" (Pierson 2001) constrains the leeway for expansionary reform. Over time, however, observers noted that welfare state retrenchment is not "the only game left in town" (Van Kersbergen et al. 2014). Instead, welfare states have undergone and are still undergoing a significant transformation from a more transfer- and insurance-based model towards a "social investment" model (Bonoli 2013; Hemerijck 2013, 2017, 2018; Morel et al. 2012), in which the creation, mobilization and preservation of human capital and skills are central (Garritzmann et al. 2017). For sure, there are significant cross-country differences in the extent to which the transformation towards the social investment model has occurred, depending on particular institutional, political and socio-economic contexts. Yet, the overall trend is clearly discernible.

To some observers, the rise of the social investment welfare state model might even signal the advent of a new "policy paradigm" (Hemerijck 2018) as the underlying goals of welfare state policy-making are fundamentally changing: Rather than simply compensating for income loss after a particular social risk (such as illness or old age) has materialized, the social investment model adopts a more forward-looking, precautionary approach by investing in skills in order to prevent the emergence of social problems in the first place. Hence, the goals of welfare state policy-making are shifting from risk compensation towards risk prevention. More concretely, advocates of the social investment paradigm recommend the expansion of policies that promote the "employability" of individuals, such as general education, lifelong learning,

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active labor market policies, but also early childhood education and care as well as elderly care since the latter facilitate the reconciliation of work and family life, in particular for women.

Even though social investment policies enjoy broad popular support (Bonoli 2013; Garritzmann et al. 2018), more critical observers have pointed out that social investment policies might be less effective in mitigating inequalities than traditional, transfer- and insurance-based social policies (Cantillon 2011; Pavolini and Van Lancker 2018; Van Lancker 2013; Vandenbroucke and Vleminckx 2011). Here, it is important to point out that early supporters of social investment policies, in particular investments in early childhood education and care, rather argued the opposite (Esping-Andersen 2002). For instance, studies such as Heckman (2006) showed that early interventions in educational trajectories are more effective (as well as cost-efficient) in preventing the emergence of educational inequalities compared to measures that aim at later stages in the life-course, focused on correcting inequalities after they have already materialized in terms of diverging educational choices and labor market outcomes.

The more recent (and more critical) studies on early childhood education and care (ECEC) (Pavolini and Van Lancker 2018; Van Lancker 2013), however, show significant "Matthew effects" in the up-take of these services:[1] As long as access to ECEC is not fully universal, it is more likely that middle- and upper-class parents will make use of these services, which allows well-off parents to pursue dual-earner careers. This could effectively exacerbate labor market inequalities rather than mitigate them, in particular if low-income households tend to stick with the more traditional male-breadwinner model. In order to promote inclusive growth in the long term and to prevent the rich from benefiting over-proportionally from the selective provision of collective goods such as ECEC, it is critical to ensure that access barriers to these services remain as low as possible, for example, by lowering or abolishing childcare fees and investing in the care infrastructure.

From a labor market and economic perspective, social investment policies centered on the formation, preservation and mobilization of human capital seem to be more suited to the needs of the knowledge economy than traditional Keynesian demand-side oriented policies (Boix 1998; Nelson and Stephens 2012; Iversen and Soskice 2019). Investments in education fuel economic growth (Hanushek and Woessmann 2012) and promote employment opportunities in high-skilled labor market segments that are less susceptible to routinization and automation than lower skilled jobs (Frey and Osborne 2017). Hence, in the aggregate, social investment policies could be beneficial to the society as a whole when they contribute to a growing and more productive

[1] The term "Matthews effect" stems from a quote in the Matthew gospel, "For to every one who has will more be given, and he will have abundance; but from him who has not, even what he has will be taken away" (Matthew 25:29, cited in: https://en.wikipedia.org/wiki/Matthew_effect).

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economy (Huber and Stephens 2014; Solga 2014). Again, the potential downside of the social investment turn towards activation and employability is that aggregate positive effects of these policies may not outweigh increasing inequalities and disadvantages for particular groups.

In sum, the crucial question here is whether and to what extent the transformation of contemporary welfare states towards an education-centered social investment model should be considered as a necessary and broadly beneficial recalibration of social policy to meet new challenges such as technological change and globalization or whether it rather represents a veiled attempt to shift the balance of welfare state policies and services to the needs of the middle- and upper-income classes. In this regard, this chapter speaks directly to the question of responsiveness in policy-making, which is at the core of this book (see Chapter 1). If the transformation towards the social investment model is supported by large parts of the population, including those that immediately benefit from the traditional services and benefits of the transfer-oriented pillar of the welfare state, the associated recalibration of welfare states should be regarded as a positive example of policy-makers responding to new demands from citizens. In contrast, if it turned out that social investment policies are only supported by a minority of privileged citizens, a move towards the social investment welfare state model would signal a shifting responsiveness of policy-making towards the privileged and away from the disadvantaged groups. This lack of responsiveness could, in turn, fuel resentment on the part of the excluded and support for extremist populist parties (see Chapter 9).

Building on, but also extending previous work (Busemeyer 2015; Busemeyer et al. 2018, 2020; Garritzmann et al. 2018; Neimanns et al. 2018), this chapter explores the extent to which social policy attitudes across different areas are related to and structured by the income cleavage and socio-economic classes, although I also take into account other potential determinants in the multivariate analyses. I use the term "cleavage" here in a rather loose, not strictly Rokkanian way as signaling significant differences in attitudes along a particular dimension (income and class in this case), which could become the basis for political mobilization by parties or other collective actors in the long term (see Busemeyer et al. 2009 for a similar approach). First, I discuss to what extent income and socio-economic class structure attitudes towards different types of social spending, including education and other social investment policies. Second, I look at patterns of support for different kinds of policy reforms, which would either expand social investment policies, social transfers or workfare policies.

To provide a short preview of the main findings of the chapter: A first important insight is that the supporting coalition for education and related social investment policies is broad rather than narrow. The promotion of educational opportunities is supported across all income levels and across different socio-economic classes, whereas support for transfer- and insurance-based types of social policies significantly varies along the income scale with the

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rich being less in favor of these policies. Thus, moving from the more traditional, transfer-oriented model of the welfare state towards the education-centered model cannot be simply considered as a decline in responsiveness to the demands of low-income classes as these, too, value higher investments in education. Second, once moving from an unconstrained setting, which does not take into account fiscal and budget constraints, to a more constrained scenario, where citizens are forced to prioritize between different policy alternatives, adds a new facet to the overall argument: Even though low-income citizens also support educational investments, the relative support for these investments increases with income. The implication is that the extent to which welfare state recalibration goes along with cutbacks in the traditional, transfer-oriented pillars of the welfare state is decisive: If the implementation of the social investment model is associated with a redistribution of resources from transfer programs to social investment (a real-world example would the United Kingdom under New Labour and successive governments), this would indeed signal a change in responsiveness. In contrast, if the social investment pillar is expanded to complement rather than to replace existing welfare state services and transfers (as, for example, in the traditional universalist model of the Scandinavian welfare state), this rather indicates broad responsiveness to citizen demands.

PUBLIC OPINION ABOUT EDUCATION AND SOCIAL INVESTMENT POLICIES

Existing research has shown that public support for the expansion of educational opportunities and associated public spending is high (Ansell 2010; Busemeyer 2012, 2015; Busemeyer et al. 2018; Lergetporer et al. 2018). In the words of Ansell (2010: 136), education can be considered the "archetypical crowd-pleaser". Thus, it seems obvious that political parties of different partisan stripes should all agree on the importance of promoting education (Jakobi 2011), in particular when technological change and globalization raise the importance of education for labor market success. As traditional social policy instruments, in particular generous transfer and benefit programs, become increasingly difficult to maintain in an environment of fiscal austerity and heightened economic globalization (Jahn 2006), investing in education and training has moved to the center-stage as an effective instrument to mitigate labor market inequalities (Boix 1998; Iversen and Soskice 2019). More recent research shows that – similar to education – social investment policies more broadly conceived are equally popular across the board (Busemeyer et al. 2018; Garritzmann et al. 2018).

In spite of these findings, the politics of education and social investment are not without conflict. From a political economy perspective, the redistributive implications of educational expansion are the source of these conflicts

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(Ansell 2010). One obvious implication is that investments in human capital primarily benefit those that are still in the education system or could potentially benefit indirectly from these investments (i.e. students as well as parents of children in school), but also adults looking for further training opportunities. Evidence supporting this idea is that the generational cleavage is more pronounced in the case of education compared to other social policies with the elderly being more skeptical of increased spending on education compared to the young (Busemeyer et al. 2009; Cattaneo and Wolter 2009).

Of greater relevance for this chapter, education and social investment policies also have redistributive implications with regard to the distribution of resources such as educational and employment opportunities across economic classes. These implications are somewhat different from other social policies (Ansell 2010; Fernandez and Rogerson 1995; Wilensky 1975). Simply put, traditional social transfer programs imply a redistribution from the rich (paying the bulk of taxes) to the poor (receiving the bulk of benefits).

In the case of education, the relative costs and benefits are more spread out across the income scale. This is because education creates both public and private benefits, the latter primarily in the form of wage premiums associated with the acquisition of education. Therefore, the extent to which the expansion of educational investments mitigates or even potentially exacerbates inequality very much depends on the institutional set-up of the education system, or which educational sectors are expanded, how access to different levels of education is regulated and how educational investments are financed (Ansell 2010; Busemeyer 2015; Garritzmann 2016). For instance, if resources are concentrated on the expansion of higher education rather than general schools or vocational training, the benefits of this expansion will disproportionately accrue to the middle and upper classes since these classes (or rather their offspring) have better chances of getting access to these higher levels of education. Vice versa, labor market inequalities tend to be lower in countries with a well-established vocational education and training (VET) system that opens up access routes for those in the lower income classes (Busemeyer 2015; Estévez-Abe et al. 2001). Furthermore, labor market inequality tends be higher in countries with a high level of private education spending (i.e. primarily tuition fees), which might be related to the fact that high tuition fees further delimit access opportunities for those in the lower income classes or simply because citizens in countries with high levels of private education spending become less supportive of a generous welfare state which would tax away much of their wage premiums (Busemeyer 2013). Thus, public financing of education is likely to be more effective in mitigating inequalities compared to private funding regimes.

The upshot of this debate is that compared to traditional transfer programs, the redistributive implications of an expansion of educational opportunities are more contingent, dependent on context and prerequisites. Different from traditional social transfer programs, increasing public investments in education and

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related social investment policies creates benefits for the middle- and upper-income classes because of private returns to educational investments. At the same time, however, educational investments lead to public benefits as well in the form of stronger economic growth and better employment opportunities. Furthermore, as has already been pointed out by Korpi and Palme (1998), the political viability of an encompassing welfare state depends on its ability to also provide services and benefits to those economic classes who eventually have to pay for a generous welfare state. Hence, promoting the social investment pillar of the welfare state, as Scandinavian countries have done for decades, can effectively insulate the welfare state against potential political backlash (Brooks and Manza 2007).

What kind of empirical implications can be derived from this short overview of the debate for the questions of responsiveness and representation in welfare state policy-making? As briefly stated, the underlying research question of this chapter is whether the recent trend towards the social investment welfare state signals a broad responsiveness of policy-makers to emerging new welfare state demands or rather whether it indicates a selective responsiveness to the concerns of middle and upper income classes. To answer this question, this chapter analyses patterns in individual-level attitudes on education and social investment policies.

This analysis can be linked to the different "models of responsiveness" introduced in Chapter 7 by Enns. I focus on the first three of his models, since the fourth one ("Dynamic representation") focuses on change over time, which I cannot study as the dataset used for this chapter is only cross-sectional. Enns' first model of responsiveness focuses on "Group opinion and preference gaps" – an idea which is related to the above-mentioned broad conceptualization of "cleavages" in public opinion. According to this logic, a prerequisite for potential selectiveness in responsiveness would be that significant differences in public opinion – independent of the general level of support for a particular policy in that group – exist across different groups, in our case defined by income/socio-economic position. A second model of responsiveness focuses on "Majority opinion". Put simply, majority support (more than 50 percent) for a particular policy among individuals nested in particular groups is the decisive criterion for responsiveness, independent of the size of the majority and gaps in preferences across groups. Finally, the third model focuses on "Relative policy support", paying attention not only to the size of the majority and the potential cleavages in public opinion, but also to the relative support for a particular policy when individuals are forced to choose between different options. The dataset introduced in the next section allows to come up with a differentiated analysis regarding the extent to which patterns in attitudes fit with the different models of responsiveness.

EMPIRICAL ANALYSIS OF SPENDING PREFERENCES

The data source for the following empirical analysis is the INVEDUC dataset, which was collected in the context of the project "Investing in Education in

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Europe" (2013–2018).[2] The INVEDUC dataset is a representative survey of public opinion in eight Western European countries (Denmark, Sweden, Germany, France, the UK, Ireland, Spain and Italy) with a focus on attitudes towards education and social investment policies. Fieldwork for the survey was conducted in 2014 (more details on the survey can be found in Busemeyer et al. 2018 and Busemeyer et al. 2020). The comparative advantage of the INVEDUC data compared to existing international comparative surveys such as the European Social Survey (ESS) or the International Social Survey Programme (ISSP) is that it contains much more detailed questions on education and social investment policies as well as question wordings that force respondents to choose and prioritize between several potentially competing fields of welfare state activity. As will become clear in this chapter, this is an important aspect to consider.

I start the empirical exploration with a straightforward question about preferences regarding public spending across different areas of the public sector. Even though it is a well-known argument in the welfare state literature that people usually do not care about maximizing "spending per se" (Esping-Andersen 1990: 21), these kinds of survey questions are popular and commonly used in attitudinal research because they are useful to measure the individuals' priorities and willingness to commit public resources to a particular policy area on a rather abstract and general level, in other words, independent of the details of governance.

The survey contains the following question, modeled after similar questions in the widely used "Role of government" module in the ISSP:

> In the following, I will name several areas of government activity. Please tell me whether you would like to see more or less government spending in each area. Please tell me whether you would like to see more or less government spending in each area. Keep in mind that "more" or "much more" might require a tax increase.

The different areas of government activity are: health care, unemployment benefits, old age pensions, social assistance to the poor, financial support for families, education, labor market and public employment programs, defense, environmental protection. Responses to this question were measured on a 5-point scale (spend much less, less, the same as now, more and much more).

Figure 8.1 displays the share of respondents expressing support for more or much more spending in a number of selected spending areas of greatest relevance for this chapter: unemployment benefits and old age pensions as examples for traditional social transfer and insurance programs as well as education and labor market programs as examples for social investment policies. The Figure groups these responses by household income (country-specific

[2] This project was funded with a "starting grant" from the European Research Council, Grant No. 311769.

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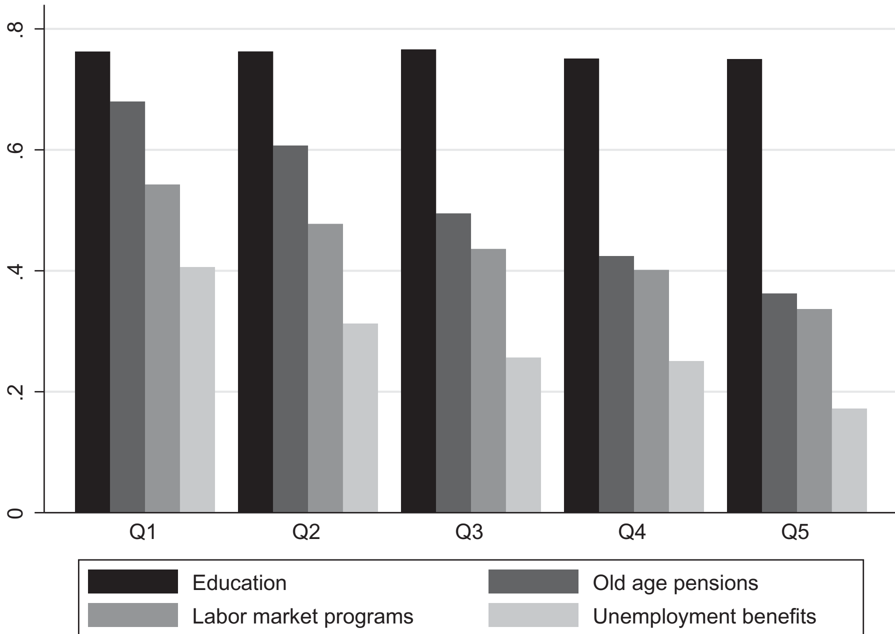

FIGURE 8.1. Household income and spending preferences

quintiles in net household income), aggregated across the eight countries included in the survey.

Figure 8.1 contains a number of striking findings: First of all, in line with the deservingness literature (Van Oorschot 2006), there are significant differences in the average level of support for spending increases across welfare state areas. Increasing spending on unemployment benefits is least popular across the board as the unemployed are typically not regarded as particularly "deserving" beneficiaries, whereas increasing spending on "deserving" pensioners receives greater support. Even in the lowest income quintile, levels of support do not cross the 50 percent threshold, which – according to the "Majority support" model of responsiveness – would imply that governmental inaction in the domain of unemployment benefits would not necessarily indicate a lack of responsiveness to the concerns of low-income people. Education, in contrast, receives by far the highest support (on average, 75 percent of all respondents support more or much more spending, compared to 54 percent for pensions, 45 percent for labor market and public employment programs and a mere 30 percent for unemployment benefits).

Second, the Figure 8.1 clearly shows that there are significant differences in support related to income in the cases of social transfer and insurance programs (unemployment benefits and old age pensions), but also in the case of labor market and public employment programs, even though the latter can partly be

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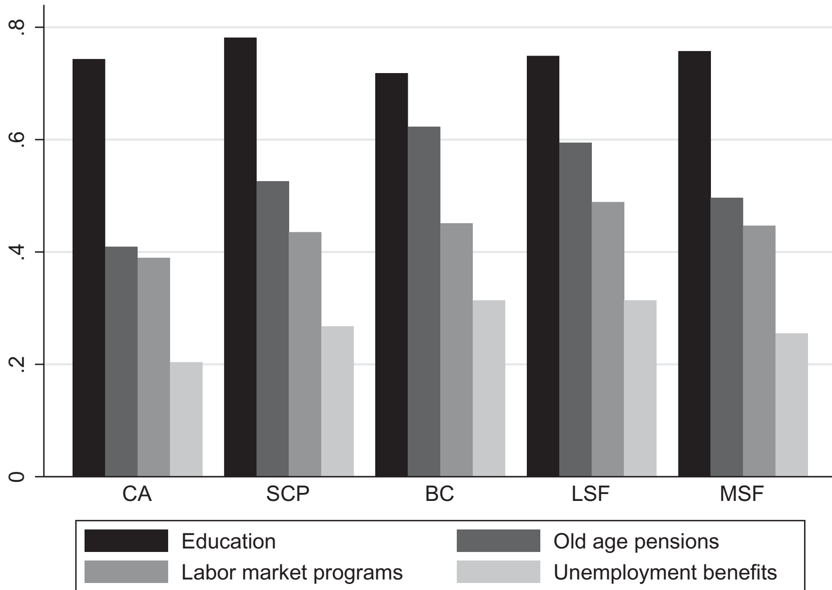

FIGURE 8.2. Socio-economic classes and spending preferences

considered a social investment policy (Bonoli 2013), albeit with strong transfer components. Education, in contrast, receives high support across all income classes, which makes it different from other social policy programs (cf. Busemeyer 2012, 2015 for a similar finding). Hence, in the domain of education, public opinion sends a loud and clear signal to policy-makers that spending should be increased, independent of which model of responsiveness is applied.

Figure 8.2 adopts a similar, but complementary perspective on patterns of attitudes. Rather than focusing on the income cleavage only, Figure 8.2 uses a broader conception of socio-economic classes, which are defined by the individuals' occupations (Kitschelt and Rehm 2014; Oesch 2013; Schwander and Häusermann 2013). As a consequence, the analysis of attitudes is restricted to the working age population, whereas Figure 8.1 is based on the whole sample, including, for instance, pensioners, students and other non-working individuals. Figure 8.2 uses the class typology developed by Schwander and Häusermann (2013), which in turned is based on the work of Oesch (2013). The class of Capital Accumulators (CA) includes large employers, liberal professionals, petty bourgeoisie with employees (such as lawyers and entrepreneurs), technical experts and higher-grade and associate managers. Socio-cultural professionals (SCP) cover professional occupations in social and cultural occupations such as teachers and health professionals. Mixed service functionaries (MSF) are the petty bourgeoisie without employees

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(such as shopkeepers), technicians as well as skilled and routine office workers. The class of low-service functionaries (LSF) include skilled and unskilled service workers such as waiters and salespersons. Finally, blue-collar workers (BC) are defined as skilled crafts and routine operatives (e.g. machine operators and construction workers) (all definitions from Schwander and Häusermann 2013: 253).

By and large, Figure 8.2 confirms the previous findings, indicating that using income as a proxy for socio-economic class position rather than more fine-grained class typologies is justified. The finding that stands out is the high level of support for additional spending on education across socio-economic classes. Not surprisingly, support is highest among socio-cultural professions (78 percent) since the education sector is also a major source of employment for this class. But even among blue-collar workers, who express the lowest level of support compared to other classes, the absolute level of support is very high (71 percent). In the other three cases, preference gaps emerge that are reminiscent of the traditional class cleavage with lower socio-economic classes (BC, LSF, MSF) being more in favor of social spending increases on pensions, unemployment benefits and labor market programs than upper classes (CA, SCP). Increasing spending on pensions is supported by majorities in the SCP, BC and LSF classes, while there is no majority support for spending increases in unemployment benefits and labor market programs in any of the socio-economic classes.

Taken together, the main take-away from this initial descriptive analysis is that support for additional spending on education is very high across all classes and income groups. This stands in a certain contrast to prominent arguments in the literature that suggest that social investment policies are primarily supported by highly educated individuals (Beramendi et al. 2015; Häusermann et al. 2015). Instead, these findings show that large majorities, even in the lower-income classes, support higher public investments on education. However, the findings also hint at the fact that relative levels of support for education vs. social transfers might differ across classes, since support for other social spending areas besides education does vary with income and class position.

Hence, the following analysis moves from an unconstrained to a more constrained setting, in which citizens are forced to prioritize between different spending areas. Going beyond other existing surveys, the INVEDUC survey pays particular attention to this issue. More specifically, it includes the following question:

> If the government could increase spending for only one area of its activity, which one of the following should it be in your opinion?

Respondents can then choose between the same policy fields as seen in Figure 8.2 but are forced to pick only one that should be given priority. This question wording, of course, is to some extent an artificial constraint as citizens

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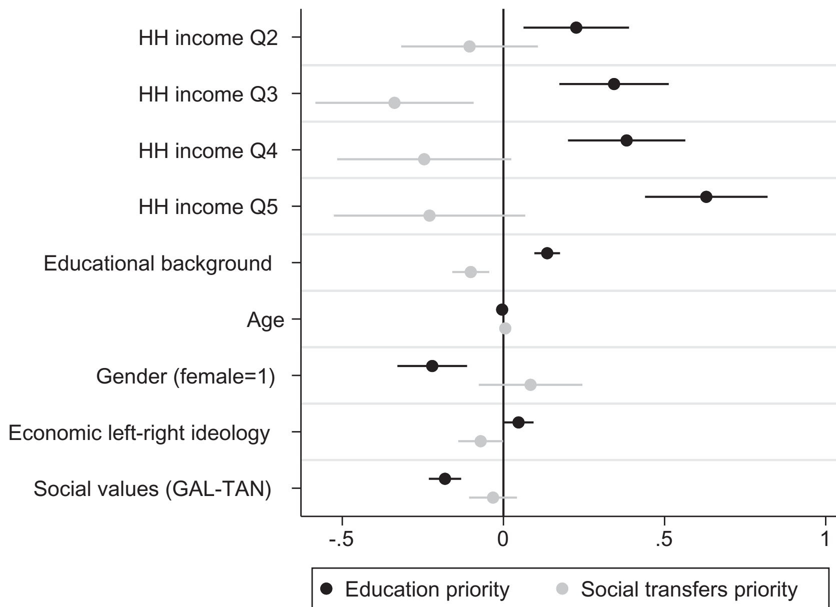

FIGURE 8.3. Multivariate analysis of determinants of prioritization preferences

could well prefer to increase spending on a range of policy areas rather than a single one as became clear in Figure 8.1. However, the question wording is suitable to gauge preferences on relative priorities.

Indeed, Figure 8.3 reveals stark differences in the dynamics of preferences when switching to the "priorities" framework. The figure displays the share of respondents who prioritize education spending compared to the share who would prioritize spending on social transfers (combining unemployment benefits and social assistance to the poor). Contrary to common perceptions (Beramendi et al. 2015), but in line with the finding in Figure 8.1, even in the lowest income quintile, the share of respondents supporting the prioritization of education spending (24 percent) is significantly higher than support for prioritizing social transfers (12.5 percent). However, with increasing income, the support for prioritizing education increases steeply to about 40 percent, whereas support for prioritizing social transfers decreases to 8 percent.

Hence, when forcing respondents to prioritize, low-income respondents are more likely to prioritize social transfers compared to high-income individuals, who are most likely to support the concentration of public spending on education. Still, there is more support for prioritizing education rather than social transfers, even among low-income individuals. Thus, seen from the perspective of the "group opinion and preference gaps" model of responsiveness, a shift in the priorities of welfare state policy-making from social transfers to education could be interpreted as a shift in responsiveness in favor of upper-income

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classes since there is a clear preference gap between income classes regarding the prioritization of education. From the perspective of the "relative policy support" model of responsiveness, this may be less worrying since, relatively speaking, support for a prioritization of education is higher than for a prioritization of social transfer spending, even in the lowest income quintile.

Figure 8.3 presents the findings of a multivariate analysis of the prioritization question introduced above, which basically confirms the impressions from the descriptive analysis. Using the lowest income quintile as reference group, the analysis shows that the probability of prioritizing education significantly increases with income. In contrast, the probability of prioritizing social transfers does not significantly increase with income, also because it is already quite low in the low-income quintile to start with. Educational background is also positively associated with support for the prioritization of education, as could be expected. Women, in turn, are more likely to prioritize social transfers, whereas age does not have a significant effect. Besides income, individual ideological predispositions matter as well (see Garritzmann et al. 2018 for a similar finding):[3] Individuals subscribing to a left-wing economic position are more likely to prioritize social transfers, whereas right-leaning individuals are more likely to prioritize education, supposedly because of the more limited redistributive impact of the latter compared to the former. Regarding the social values dimensions, individuals subscribing to green-alternative-liberal (GAL) values are much more likely to prioritize education spending compared to social transfers.

ANALYSIS OF PREFERENCES FOR POLICY REFORMS

A complementary, but somewhat different perspective is provided by looking at preferences for policy reforms rather than spending as such. Even though survey questions about priorities about public spending are useful to measure relative priorities as argued in this chapter, they capture only the fiscal dimension of policy output, whereas questions about policy reforms tap into a broader range of aspects, including regulatory policies.

Regarding the latter, the INVEDUC survey contains the following question:

Governments and political leaders like to propose new policy reform in order to address important social issues. Please indicate whether you would strongly agree, agree, neither agree nor disagree, disagree or strongly disagree with the following reform proposals.

- Giving the unemployed more time and opportunities to improve their qualification before they are required to accept a job.
- Expanding access to early childhood and education and improving its quality.
- Investing more money in university education and research at universities.

[3] Lower (negative) values on both ideological dimensions indicate a more "left"-leaning position.

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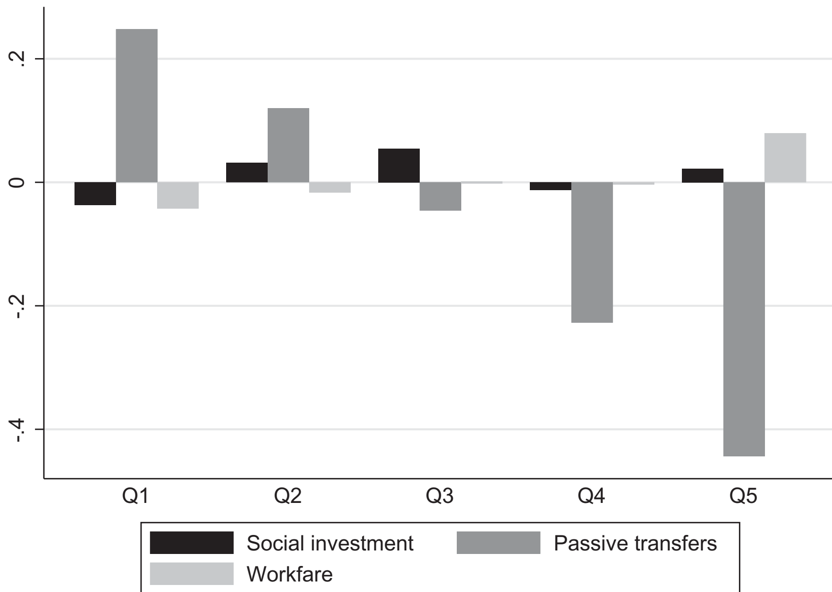

FIGURE 8.4. Support for social investment, passive transfers and workfare across income quintiles

- Forcing the unemployed to accept a job quickly, even if it not as good as their previous job.
- Increasing old age pensions to a higher degree than wages.
- Lowering the statutory retirement age and facilitating early retirement.

A principal component factor analysis on responses to these questions (see Garritzmann et al. 2018: 852–853 for details) reveals three underlying latent factors that coincide with different dimension of welfare state policy-making. A first dimension ("social investment") loads highly on the first three items (labor market training, promoting early childhood education and supporting universities). The second factor concerns "passive transfers" and loads positively on the fifth and sixth item, which refers to more generous pensions and expanding opportunities for early retirement. The third factor can be labelled "workfare", being associated with support for stricter conditionality in unemployment benefits (fourth item) as well as opposition to the first item (more generous labor market training schemes).

Figure 8.4 shows how support for the three policy dimensions varies across different income categories. In line with the findings from Figure 8.1, this figure confirms that the income cleavage is not particularly pronounced in the case of social investment policies. The factor scores vary little around the zero mark, even though respondents in the middling income quintile tend to be most supportive of social investment. The average level of support for social

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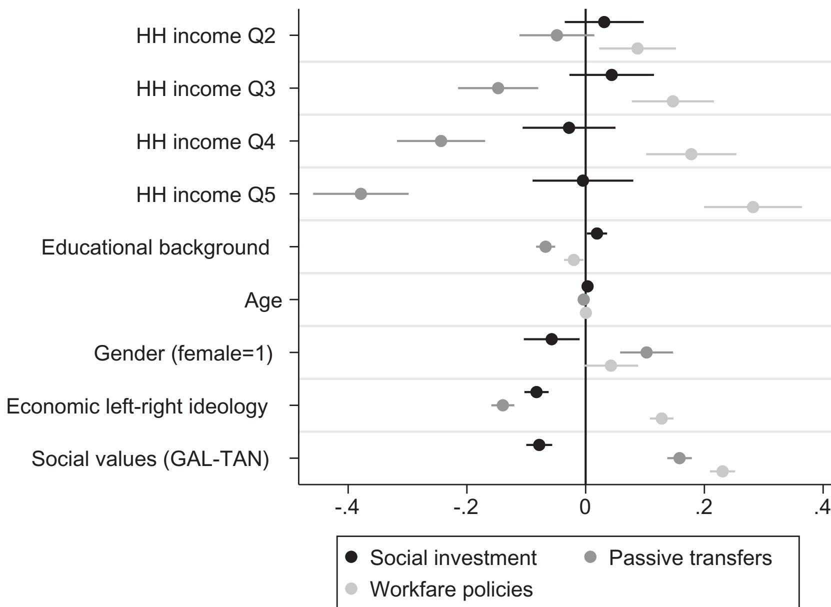

FIGURE 8.5. Multivariate analysis of determinants of support for social investment, passive transfers and workfare policy reforms

investment policies remains very high: Across all eight countries in the survey, 75 percent of respondents agree or agree strongly with these reforms (Garritzmann et al. 2018: 854).

In the case of workfare policy, the income cleavage is a bit more pronounced and the direction is as expected with high-income respondents being more supportive of workfare reforms compared to low-income respondents. Maybe somewhat surprising, average levels of support for workfare policies across countries is quite high:[4] 59 percent. The starkest differences in terms of preferences, however, are revealed in the case of passive transfers, in this case pensions and early retirement. Here, we see much stronger differences in support for expanding reforms with the rich being opposed to more generous transfer and the poor being in favor.

Figure 8.5 replicates the findings from the descriptive analysis in a multivariate setting. The analysis confirms the varying effects of income position on support for different kinds of policy reforms. As could be expected, support for workfare policies increases significantly with income, whereas support for more

[4] In this case, this refers to the share of the population that agrees or agrees strongly with the fourth statement ("Forcing the unemployed to accept a job quickly, even if it is not as good as their previous job").

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generous pensions and early retirement decreases with income. In contrast, support for social investment reforms is not significantly associated with income, which shows that these kinds of reforms are indeed supported across the board, also taking into the high average level of support for social investment reforms.

Besides income, ideological predispositions again emerge as significant determinant of social policy attitudes. Of course, these kinds of association need to be interpreted as correlations rather than causal relationships. Nevertheless, the findings show that individuals subscribing to left-leaning values on the economic dimension are more likely to support both social investment reforms as well as the expansion of social transfers, whereas right-leaning individuals tend to be more in favor of workfare policies. Regarding the social values dimensions, individuals subscribing to green-alternative-liberal (GAL) values are more likely to support social investment reforms, whereas those that support traditional-authoritarian-national (TAN) values rather support both workfare policies as well as more generous social transfers, keeping in mind that the latter refers to pensions and early retirement only in this particular case.

Taken together, the analysis of preferences regarding policy reforms confirms the above findings from the study of spending preferences. Welfare state reforms in the direction of social investment are not particularly opposed by those in the lower half of the income distribution, but rather widely supported across different income groups. Given the high level of support for social investment reforms, the "Majority opinion" model of responsiveness suggests no gap in representation if the priorities of welfare state policy-makers shift towards social investment. Similarly, since there are no significant differences in support for social investment reforms across income groups, the central precondition for selective responsiveness to emerge in the "Group opinion and preference gaps" model of responsiveness is not met.

In spite of these findings, which suggest that there is no serious problem of selective responsiveness regarding social investment reforms, the broader context needs to be taken into account, because there are, in fact, significant income-related preference gaps in the other two domains (social transfers and workfare policies). Social investment reforms do not occur in a political-institutional vacuum, but are instead embedded in and related to broader welfare state regimes. Recent research on cross-national differences in policy trajectories of welfare state reform (Bonoli 2013; Hemerijck 2013) has shown that the social investment model can have distinctively different "flavors", depending on the country context. For instance, when social investment reforms go along with and include strong workfare elements as, for instance, in the United Kingdom, the analysis suggests that this should be rather interpreted as broad responsiveness to demands for social investment in combination with selective responsiveness to the policy preferences of the rich in the domain of workfare policies. Vice versa, if social investment reforms go along with an expansion (or stabilization) of the traditional pillars of the welfare state

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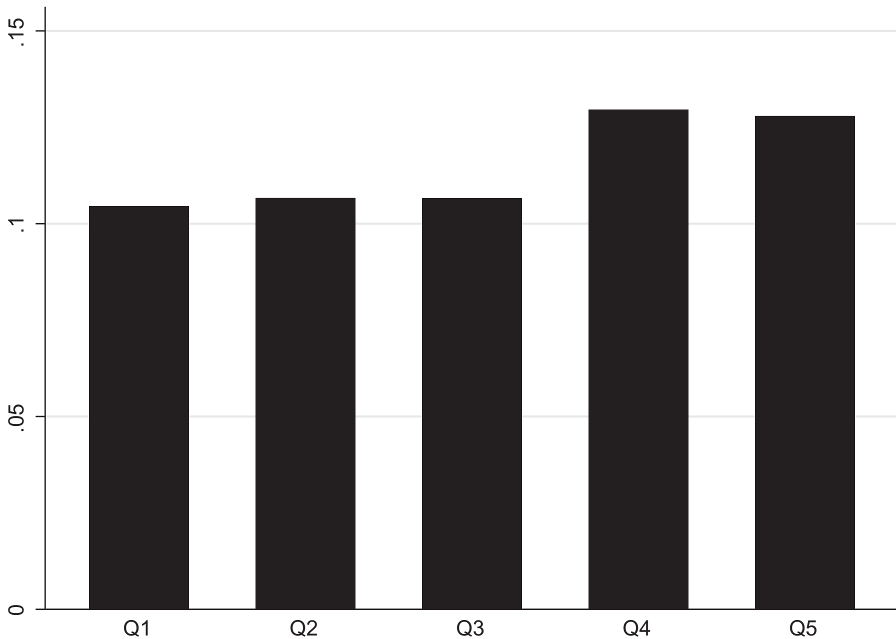

FIGURE 8.6. Income position and responses to trade-offs in social policy reforms

in social insurance and transfer programs, it rather represents a policy response tilted in favor the interests of low-income citizens.

As last piece of empirical evidence and to add a perspective that looks at relative priorities, Figure 8.6 shows the association between income position and responses to the following question about policy trade-offs:

To be able to finance more spending on education and on families, the government should cut back spending on old age pensions and unemployment benefits.

Again, respondents were asked to express their agreement or disagreement on a 5-point Likert scale. Figure 8.6 shows the share of respondents agreeing or agreeing strongly with this statement. As can be seen, only a small minority of respondents would agree to expand social investment policies if this expansion would go along with a redistribution of resources from social transfer programs to social investments. Admittedly, the share of respondents agreeing with the statement increases with income, but still the average level of support for this direct form of redistribution between different welfare state programs remains well below 15 percent even in the highest income quintile. It is therefore unlikely that policy-makers would implement such a proposal even if they were selectively responsive to the demands from the rich. Therefore, the short analysis of attitudes in the constrained scenario re-affirm the findings from Figure 8.1: Social investment policies are broadly supported across income

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classes, and even the richest households would not support a strategy of directly redistributing resources from social transfers to social investment.

DISCUSSION AND CONCLUSIONS

The guiding research question of this chapter was whether and to what extent the broad trajectory of welfare state policy-making towards the implementation of the social investment model should be considered as an indicator of selective responsiveness of policy-makers to the demands and concerns of the middle- and upper-income classes or rather as democratic responsiveness to newly emerging demands on the welfare state. At first sight, it is plausible to argue that the "re-calibration" of welfare states from the traditional, redistributive model based on social transfers and insurance towards a more "investment"-oriented model focusing on skills and education would hurt the interests of the lower income classes, while privileging those in the upper half. This holds in particular when resources need to finance the expansion of social investment would come from cutbacks in other parts of the welfare state, in particular social transfers.

This evidence presented and discussed in this chapter based on data from the INVEDUC survey project provides at least a partial answer to this question. A first important finding is that social investment policies, in particular increasing public investments on education, are equally supported from the low-, middle- and high-income classes. Thus, expanding the social investment pillar of the welfare state is not something that runs counter to the interests of those in the lower half of the income distribution, even though prominent voices in the debate have suggested that it is primarily a policy supported by the highly educated (Beramendi et al. 2015; Häusermann et al. 2015). Thus, both from the perspective of the "Majority support" and the "Group opinion and preference gaps" model of responsiveness, policy-makers that expand education and social investment policies are responsive to newly emerging demands on the welfare state.

In constrained settings and when forced to prioritize, however, citizens in the upper income classes are indeed more likely to favor education over social transfer spending, indicating income-related gaps in preferences that might be regarded as precondition for selective responsiveness according to Enns' "Group opinion and preference gaps" model of responsiveness. Thus, moving from the traditional, transfer-oriented welfare state to the social investment model might indicate selective responsiveness in the sense that upper income classes are more likely to prioritize education compared to lower income classes. Still, even in the lower income quintile, citizens are still more supportive of expanding education rather than social transfers. Hence, prioritizing social investment policies also fits with the relative preferences of the low-income classes (see Enns's model of "Relative policy support" in Chapter 7).

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Nevertheless, depending on how exactly social investment policies are implemented and in which other welfare state institutions and policies they are embedded, selective responsiveness might occur. For instance, if social investment policies are combined with strong workfare policies (i.e. policies that force the unemployed back to work), this could indicate a stronger responsiveness to the preferences of the upper-income classes. Vice versa, if the expansion of social investment policies does not occur to the detriment of traditional social transfer policies, this could rather signal responsiveness to the concerns of the middle and lower-income classes. However, Figure 8.6 showed that all citizens (including the rich) severely dislike trading one policy off against another, in other words, cutting back unemployment or pension spending in order to expand educational investments (see also Neimanns et al. 2018). Therefore, from this perspective as well, the evidence that social investment reforms should be conceived of as responses to broadly emerging demands rather than selective responsiveness to the well-off is mounting.

Taken together, the summary assessment regarding the research question posed at the beginning of this chapter is that the gradual transformation of welfare states towards the social investment paradigm is broadly in line with citizen demands across the income scale and across different socio-economic classes. Hence, it should not be regarded as an example of selective responsiveness towards the interests of the middle- and upper-income classes. Still, as argued by Hemerijck (2017), the political process of implementing social investment reforms often resembles a political "uphill battle". According to the analysis of this chapter and others (Busemeyer et al. 2020), this is not primarily due to the fact that social investment policies are not supported by large majorities. Rather, it seems that the temporal dimension matters: Even though social investment policies also create some benefits in the short term, the bulk of the benefits are expected to materialize in the long term. In contrast, the politics of social transfers have a more short-term nature and are therefore likely to dominate. Additionally, as shown by Gingrich and Ansell (Chapter 11), political struggles about the promotion of social investment policies are strongly conditioned by the generational cleavage between the old and young, so that political resistance to implementing social investment policies benefiting primarily the younger generations is fueled by short-term concerns among the elderly about the preservation of "their" benefits.

An interesting question for future research would therefore be to ascertain how long-term oriented interests can be represented in welfare state policy-making that too often deals with and responds to short-term crises. Furthermore, in order to promote long-term inclusive growth, a balanced approach to promoting the social investment agenda is needed. Rather than focusing on skill formation only, social investment reforms need to be complemented with social policy "buffers" (Hemerijck 2018) that ensure that welfare state policies continue to compensate for incurred social risks both old and new.

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