

Political Legitimacy and Social Citizenship: a dilemma of austerity

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Abstract

We are moving into a period of austerity, bad news for state welfare. One factor that is sometimes overlooked is the contribution of the welfare state to political legitimacy, useful for governments compelled to implement unpopular policies to deal with such issues as fiscal crisis and the impact of climate change.

This paper reviews theoretical and empirical literature on the link between welfare provision, trust in government and political legitimacy, and considers the impact of recent reforms which stress a more pro-active, individualist and sometimes market-led notion of citizenship. It analyzes data from the European Social Survey, OECD and the Luxembourg Income Study to explore current developments across twelve European countries. It also considers how empirical work might link individual and institutional levels of social analysis.

The findings show that social provision contributes to legitimacy, that the public is agnostic between traditional and modernised approaches to state welfare, and unsupportive of benefit cuts and negative incentives. The dilemma for governments confronting austerity is that the outputs of welfare states (greater equality, generous benefits, good jobs) enhance public trust, but the inputs necessary to provide them (state spending, legislative interventions) in general don't.

Keywords:

Legitimacy, Citizenship, Welfare State, Modernisation, EU, Trust

Legitimacy and state welfare

Western governments are in particular need of public support at the present time because there are strong pressures to pursue policies which are likely to prove unpopular. First, ‘the economic crisis will cast a long shadow’ (OECD 2009, 231). Recouping the debts incurred to finance banking bailouts and fiscal stimulus packages will require stringency in budgets at a time of low growth, high unemployment and rising poverty. Table 1 reports recent data major European economies, chosen to represent the chief regime types. Growth rates are in most cases negative, confidence has collapsed, governments are failing to meet their current costs and indebtedness is increasing, except in Sweden. The problem is particularly intransigent in the UK, where ‘the financial crisis is estimated by the Treasury to have permanently weakened the public finances by about £90 bn a year’ (Hood, Emmerson and Dixon 2009, 4). Tax increases currently implemented will contribute 10 per cent and capital programme cuts 15 per cent. The remainder is not so far allocated and much of it will come from current departmental spending. A determined austerity programme will be required to protect government solvency, and this is deferred to the 2010 government (IMF 2009).

Secondly, expert opinion is now in substantial agreement that damage from climate change will affect poorer regions disproportionately, and that any effective response requires substantial changes in behaviour in richer countries (IPCC, 2007). Opinion is divided over whether it is practicable to achieve these changes through technical development (Sterne 2009, 208; NEF 2009). If not, substantial government compulsion in relation to life-style and energy use will be necessary.

Table 1 about here

Financial stringency implies hard times for state welfare. One aspect of the case for the welfare state that sometimes receives less attention than it merits is its contribution to popular acceptance of and trust in government (for extended discussion, see Taylor-Gooby, 2009). Most accounts of the growth of welfare states accord a prominent role to popular demand (Baldwin 1990, Esping-Andersen 1990). Similarly much of the discussion of responses to previous crises points out that governments find cutting provision difficult, because voters object to losing public services (Pierson 1994). However, welfare states have undergone rapid and far-reaching reform in recent years in response to the impact of post-industrialism and globalization. The changes are complex and vary between countries, but embody a general shift in ideology towards greater individual responsibility for outcomes and in policy to a reduction in universal state provision. These developments point the question of how the new approaches to welfare influence political legitimacy.

In this paper we investigate the impact of welfare state modernization on political legitimacy. Legitimacy can be understood in terms of normative beliefs or as a pragmatic response to objective circumstances. Like many social concepts it can be analyzed at individual or societal levels, as beliefs and responses to one’s social circumstances on the one hand, or as a characteristic of particular institutional arrangements on the other. We will also consider how analysis of legitimacy sheds

light on the relationship between micro and macro levels in welfare state theory-building.

Normative and pragmatic approaches

Two broad views on the legitimacy of government may be identified, normative and pragmatic. The first understands political legitimacy primarily in normative terms, as the 'rightfulness' of government, the extent to which political authority is accepted by citizens as justified on normative grounds (Beetham, 1991, 3; Heywood, 1997, 193). There are two main approaches at the normative level in social policy. One tradition describes how the historical evolution of common legal, political and social norms shaped the development of citizenship (Marshall 1950). An alternative approach stresses the role of class struggle in competitive capitalist societies in generating normative conflicts (Offe, 1975, 252, O'Connor, 1971, ch 9, Gough, 1976). The welfare state smoothes the conflict through redistribution on grounds of need, but at the same time embodies norms of social justice at odds with those of the market. The resultant unstable commitment to welfare statism is summed up in the insight that capitalism finds it 'difficult to live with the welfare state and impossible to live without it' (Offe, 1984). However, both Marshall and Offe's perspectives agree that the welfare state contributes to the legitimacy of government because it embodies norms that are valued in popular discourse.

The pragmatic approach dispenses with norms. It argues that both consensus (Marshallian or Parsonian) and conflict (Marxian) theories of society tend to overstate 'the amount of both value consensus between individuals and value consistency within individuals that actually exists. Cohesion in liberal democracy depends rather on the "pragmatic acceptance" by subordinate classes of their limited roles in society' (Mann 1970, 429; see also 1975, 276). Since most people do not subscribe to coherent ideological positions such as those stated by intellectuals, citizenship cannot be seen as a system of values that sustains legitimacy and cohesion. In fact, most of the time people just accept government because it is there and only concern themselves with change when they are seriously dissatisfied with a failure to 'deliver the goods'. The experience of the past half-century indicates that state welfare is supported by most people in western countries, even if this is simply the pragmatic acceptance of institutions that provide valued services conveniently, rather than a normative commitment to a particular ideal of social justice, embodied in welfare policies.

Normative and pragmatic approaches are sometimes presented by protagonists as alternatives. However this is not necessarily the case: particular individual responses could be influenced by both normative and pragmatic considerations. It does not appear possible to choose between them on analytic grounds: the confusion of survey response pointed to by Mann may simply reflect a weakness of articulation among people who are rarely called on to express political values at an abstract level, while normative agreement may be a superficial polite response to a stranger in interview, masking a self-interested or practical acceptance of the *status quo*. Both normative and pragmatic elements in legitimacy merit attention.

Welfare state activity and the legitimacy of government

Empirical work on the bases of political legitimacy operationalises the concept in a number of ways that reflect and combine both aspects. One normative approach combines views on the legality of, justification for and consent to government (Gilley, 2006, 49). Another uses measures of trust in government (Rothstein and Uslaner, 2005). A more institutional approach focuses on objective evidence of governance, such as the degree of corruption, and the efficiency or capacity of institutions (Kaufmann et al, 2008). These concepts are then related to the characteristics of societies in the contexts of different theoretical frameworks.

A number of factors emerge as relevant. The most important are typically satisfaction with democracy and the quality of governance, measured by corruption, the efficiency of public services and their general capacity to provide what is expected. In a substantial study covering 72 countries, Gilley identifies 'good governance, democratic rights and welfare gains' as the most important factors in explaining an aggregated measure of legitimacy which draws mainly on World Values Survey attitude statements (2006, 47). Other work also stresses the role of welfare state activity alongside the characteristics of the governmental system. Huang, Chang and Chu (2008) use statements of attitudes to governance from the Combined Study of Electoral Systems, covering just over 50 countries, to demonstrate that welfare spending correlates with political legitimacy. Rothstein and Uslaner analyze attitude survey data from a number of sources to show that universalist government policies enhance social and political trust (2005). Inequality has the reverse effect (Inglehart and Norris 2003).

Legitimacy is most often defined in practice in terms of attitudes to aspects of government. The statements, derived from cross-national surveys, include value-based judgements and assessments of government performance. A simpler method uses statements of trust in government. Both approaches can encompass pragmatic and normative conceptions. In relation to the first, trust can be understood in terms of predictions of the future behaviour of another party based on objective judgements of incentives, interests, capacity and the like; in relation to the second, as also involving normative assumptions about commitment and values (Hardin, 2004, Moellering 2006, Seligman 2000, Taylor-Gooby 2009, ch 6). These measures of legitimacy are then related to objective characteristics of society, reflecting the performance of government, democratic rights and welfare provision.

Individuals and institutions

The approach outlined above provides accounts of how particular institutional arrangements impact on political legitimacy. Rothstein and colleagues (2009) make an important point. Much theory-building in social policy operates at the institutional level. However, since society is composed of both institutions and individuals, we also need to include plausible accounts of why individual social actors choose to behave in ways that support or fail to support particular structures. As Giddens points out at the most general level, society must be understood as essentially dual, as both the medium in which individual action takes place and as a framework which shapes actions (1993). Responses to this insight in social policy analysis must explain both the processes whereby institutions shape individual perceptions and responses and individual choices within institutional structures contribute to sustaining or changing those structures. This point is arguably strengthened in consideration of state welfare

in a democracy, where the link between individual views and policy development may be more direct. It is reinforced when social pressures and rapid institutional change move social provision higher up the agenda (Pierson, 2004).

Influential institutional approaches include the power resources theory (Korpi 1983) and the various institutionalisms (Hall and Taylor 1996). The former stresses the capacity of social groups organised on class lines to achieve objectives. The latter focuses on institutional framework and the extent to which it shapes debate and offers or denies opportunities to particular groups to achieve their ends. Additional work is needed to analyse the part played by individual citizens in sustaining or modifying these processes and how institutions interact with individuals to achieve this.

Theories of legitimacy may contribute to understanding of the link between macro-level and micro-level explanation, because they suggest that the experience of living under particular social institutions (including the institutions of the welfare state) may shape the normative frameworks that guide behaviour, in one version, or influence individual pragmatic responses, in another. Political trust, the legitimacy of government, is part of this response. The next step is the development of plausible theories that explain the interaction in both directions: why institutions should command or fail to command support and contribute to trust, and why individual should respond in the way they do to the experience of living under particular institutions.

We will return to this point in an empirical discussion of legitimacy below. First we must consider the recent process of welfare state modernisation and how it bears on political legitimacy.

Reforming Social Citizenship

The story of the post-war development of welfare states in developed industrial nations can be told as a drama in two acts, each with its dominant normative and pragmatic assumptions, followed, perhaps, by the first scene of the uncertain response to the current crisis. This account will be brief and operate at the most general level (for more detailed analyses see Bonoli, George and Taylor-Gooby, 2000; Pierson 2001 or Scharpf and Schmidt 2001). Most of the discussion identifies different frameworks or regimes of social provision (Esping-Andersen, 1990, Allan and Scruggs 2006) and emphasizes a general trend, in the first act, to expansion within the various regime-types, and in the second to constraint, with some limited convergence (Swank 2005).

During the *trente glorieuses* of assured nation-state-centred growth after the second world war, government provision increased the range and level of benefits to meet popular demands. Typically the welfare state operated within assumptions of male bread-winner full employment, so that much elderly and child care was provided within the family, and the issue of whether the established gender roles promoted a fair distribution of opportunities was low on the political agenda. In the second act, social political and economic shifts changes called these assumptions into question.

All welfare states were 'confronted with massive challenges.. and...regardless of the political orientation of their governments, none could fully defend the achievements

of their “golden age” ’ (Scharpf and Schmidt, 2001, 335). Globalisation weakened the authority of national governments to control exchange rates and regulate imports and exports. It reinforced pressures to manage national affairs (including social spending) with the object of enhancing competitiveness in a freer world market (McNamara 1998). The shift towards a post-industrial economy tended to weaken the working class who were the political mainstay of the traditional welfare state across Europe (Jessop 2002, Freeman, 1995). The demands of emerging political groups, and especially of women, challenged the male worker welfare state and required an expansion of collective care services; additional pressures from expanding elderly populations, rising health care costs and fluctuations in employment intensified the problem of cost; the introduction of new technology threatened to render obsolete or export many of the jobs on which the core working class had relied for security and good living standards (Pierson, 2001, ch3).

These pressures led to reforms that proceeded at various speeds in different political contexts, resulting from the collision between the constraints and the popularity of state welfare (Pierson, 2001, 14) and the fact that varying constitutional arrangements offered different opportunities to introduce radical changes (Bonoli, George and Taylor-Gooby, 1999). Certain common features can be identified, including:

- Pension restructuring to moderate entitlements in line with demographic change, increase required contribution periods, raise retirement ages and expand the scope of individual responsibility through supplementary private pensions (Arza and Kohli, 2008).
- Reforms to social security to encourage active labour market participation, both through welfare-to-work restrictions on unemployment and early retirement entitlements and through support from advisers, training and make-work-pay wage subsidy (Lodomez and Trickey 2001, EU 2008b). These reforms include the UK New Deal and Single Gateway Schemes, the German Hartz IV reforms, the French introduction of PARE and related reforms and Clinton’s workfare and TANF reforms in the US. Many countries have expanded day care provision in order to increase the availability of mothers for paid work (Esping-Andersen et al. 2002).
- New Public Management reforms, directed at cost-efficiency and responsiveness, and concerned to decentralise budgetary responsibility and enhance the scope for competition in internal and sometimes external markets (Lane 2002). Such procedures often include consumer choice (for example the UK health and education reforms, Le Grand, 2007, Enthoven, 2002, PMSU 2006). Further examples are National Performance Review in the US, La Rélève in Canada and the Copernicus reforms in Belgium. OECD advocates the corresponding ‘modernisation’ of public service bureaucracies in order to enhance responsiveness and cost-efficiency (OECD, 2005, Barnes and Gill, 2000)

There are two main variants of the new approach, negative and positive. The first relies mainly on cutting government support to transfer responsibilities to individuals. This approach has been strongest in Anglo-Saxon market-centred regimes. The second places greater weight on the provision of common services to enhance

opportunities and achieve a level playing-field for competition, following the socio-democratic model (Roemer, 1998 1).

An example of the negative approach is the incentive-based make-work-pay reforms introduced by Clinton in the US in 1996, with a five-year limit on lifetime welfare entitlement and provision to deny extra benefits for children born to mothers on assistance. A similar logic underlies the Jobseeker's Allowance reforms of 1996 in the UK. The Renewed Social Agenda of the EU typifies the positive approach:

‘Europeans face unprecedented opportunities, more choice and improved living conditions. The European Union, ... has been instrumental in creating those opportunities, by stimulating employment and mobility ..., the focus needs to be on empowering and enabling individuals to realise their potential while at the same time helping those who are unable to do so. The reality is that economic and social actions at EU and national level are mutually reinforcing and complementary, which links together opportunity, access and solidarity’ (EU, 2008, section 1).

For convenience the two core approaches to welfare policy, collectivist, expansive, if not universal, and mainly passive on the one hand, and opportunity-centred, individualist, more focused and concerned to activate and transfer responsibility (and risk) from state to citizen on the other, may be summed up as ‘traditional’ and ‘modernised’. The latter includes both negative and positive aspects. Traditional approaches analyse the inputs and outputs of social policy at an institutional level. The relevant inputs are social expenditure or full employment policies; outputs are to do with reductions in poverty, progress towards equality or achievements in public health and education. Modernised welfare states operate much more in individual terms. Inputs may be shifts in the pattern of incentives or support to move into work or between jobs in ‘make work pay’, ‘welfare to work’ or flexicurity programmes. Outputs are behaviour in pursuing job opportunities, or education and training, or proactivity in career-building. They constitute the dominant legitimacy ideologies of the two main phases of post-war welfare state development: on the one hand passive entitlement (for deserving groups) and state responsibility for policies that promote more equal outcomes, on the other greater individual responsibility, either through stronger incentives or state policies to rebalance opportunities.

Whether the current recession will undermine the move to a more individualist settlement is unclear. One possibility is the development of protectionism, a halt to globalisation and a return to the nation-centred welfare state and neo-Keynesian economic management. The official positions of governments in G-20 countries promote ‘an world economy based on market principles, effective regulation, and strong global institutions’ (G-20, 2009, para 2), but most give substantial ring-fenced emergency support to the national finance sector and major industrial enterprises.

There are also national developments in social policy, mainly directed at saving jobs and at unemployed people. For example, in the UK *Train to Gain* and associated apprenticeship schemes effectively provide subsidies to employer forced to impose short-time working by providing training programmes in periods when they are no longer employed. Government subsidies make up incomes to 80 per cent of former wages in Germany and 75 per cent in Italy. However both the EU (2008, 2008b) and

the UK government are continuing to promote social policies focused on activation and greater personal responsibility for outcomes. The UK Minister responsible sums up the policy objectives as follows: ‘These reforms offer a vision of a fairer welfare system ... where nearly everyone is preparing or looking for work...’ (DWP, 2008, 8). At the time of writing, there does not seem to be a major shift in the direction or in the underpinning ideology of social policy.

Many commentators have argued that social citizenship contributes to political legitimacy by defusing conflicts, at the same supporting capitalism by maintaining a healthy, appropriately-skilled and well-motivated labour force. Empirical evidence reinforces the argument that social welfare supports legitimacy and cohesion, and also indicates that the detail of policy is relevant. During the past two decades, welfare states have developed in ways that remodel the link between social provision and economic success. The official discourse of welfare states bases legitimacy more on access to opportunities and enhanced pro-activity and individual responsibility, and less on passive benefits and equality of outcome. The key issue is using welfare policy to change behaviour in ways that link social and economic goals, so that social provision is seen as an investment rather than a burden on the directly productive sector.

Whether normatively or pragmatically based, legitimacy and cohesion are desirable to enable governments to address the challenges of recession and climate change, and particularly to ensure that more advantaged groups and nations bear an appropriate burden. We now consider how the more individualised policies of modernised welfare states may contribute to these objectives.

Analysing the contribution of welfare to legitimacy

The above discussion indicates that investigation of the relationship between legitimacy and state welfare must take into account the following points:

1. Legitimacy can be understood in normative and/or pragmatic terms
2. Welfare provision is one relevant characteristic of government, alongside democratic rights, perceptions of the quality and nature of governance and other factors.
3. Analysis should support the construction of accounts that include the role of institutions in influencing legitimacy and individual characteristics associated with trust in government.
4. The modernisation of welfare states in recent years has led to substantial shifts in assumptions about the role of individual citizens and in institutional structure.

Empirical analysis faces a number of problems. The standard problem of comparative analysis, too many variables (explanatory factors) and too few cases (national examples), is pressing. The above discussion indicates that we need to include data on both welfare institutions and value-judgments in a way that captures considerations relevant to normative and pragmatic judgements and also allows discussion of institutional and individual levels of explanation. Data covering the recent past is

required to reflect the continuing modernisation of welfare systems. In fact, good quality data on attitudes, beliefs and institutional characteristics is only available for a small number of countries for a relatively short period.

One approach is to use time-series methodology, which is well-adapted to examine change in a relatively small number of cases. This is difficult to implement in this case due to shortage of data for comparable and adequate time periods. Cross-national attitude surveys such as the International Social Survey Programme, World Values Survey, Euro-barometer and the Comparative Survey of Electoral Systems include few questions on state welfare and repeat them at varying intervals. The information on characteristics of welfare state institutions provided by such institutions as OECD, UN and the EU tends to be partial in coverage of the issues central to recent policy-changes and often does not cover the recent past when reforms have been most salient. For fuller information on comparative data-sets which include both objective and subjective data consult the Quality of Government Social Policy Dataset (Samanni et al., 2008) or the Comparative Political Dataset (Armingeon et al, 2009).

The analysis below is based on data from the European Social Survey for 2006. This provides a substantial number of cases for a range of countries exemplifying different welfare state regime types (corporatist-conservative: Austria, Belgium, Germany, Netherlands, France; socio-democratic: Denmark, Finland, Norway, Sweden; liberal: UK, Ireland; Mediterranean: Spain; twelve in all) for one point in time. The list includes the largest European example of each regime type, and accounts for more than three quarters of EU population and combined GDP. The attitude and socio-demographic data from the survey is of high quality (ESF 2008). It is supplemented by data on welfare state characteristics and on the impact of welfare policy from OECD databases and from the Luxembourg Income Study. Variables are included which represent individual values in relation to state welfare and attitudes to the services provided, as well as key aspects of traditional and modernised approaches. Due to limitations in the availability of data, particular aspects of provision and particular normative statements are chosen to represent the general themes discussed at a theoretical level above. Details of the variables are given in the Appendix.

The approach followed uses attitude data at the individual level so that values and norms are understood as properties of individuals rather than of a particular society. The variables representing institutions, policies and impacts are also attached to each case. The survey is reweighted by the reciprocal of sample size for each country and then grossed up to achieve the same overall total as in the original survey, so that the same number of cases are available for each of the nations included. The result is a sample that reflects social structure and attitudes in each country but in which each country with its attendant institutional structure and welfare outcomes counts the same, rather than those with greater populations counting for more.

The varying institutional structures of each country make an equal contribution to the modelling and can be compared directly.¹ The analysis is at individual level and institutional structures are understood as context, and conceptualised in terms of the individual experience of living in a society with the relevant characteristics. The result is an approach which analyses both normative and pragmatic issues at the individual level and relates these to welfare state policies and developments from the

individual perspective. This enables the study to tackle the different accounts of legitimacy discussed earlier, normative and pragmatic, to relate individual experience to institutional changes and to consider the likely impact of changes in welfare state frameworks on legitimacy. The problem of too few cases is also resolved.

Since the study uses observations for 2004-6, it cannot examine the impact of changes in practice over time. It includes evidence on the relative effect of differences in provision and assumptions between countries where structures of attitudes and policy regimes differ. This provides a basis for investigation of the effect of the ideological and practical changes contained in negative and positive approaches to modernisation on trust in government.

The analysis first constructs a model which relates legitimacy (operationalised at the individual level as trust in political and governmental institutions) to socio-demographic variables (political stance, age, gender, education, household income), general satisfaction with the state of democracy and with political institutions, satisfaction with social provision in the two key areas of education and health care and relevant social values. These are that government should reduce income differences, a key objective of the traditional model of the welfare state, and that opportunities should be promoted, a key theme on the modernisation agenda.

Models 2 and 3 add variables denoting traditional and modernised welfare state inputs and outputs. For the traditional approach, state social spending or 'welfare effort' is included as input, and a measure of social equality as output. For more modernised approaches, input is represented by the ratio of women's to men's earnings, a positive incentive for women to pursue paid work, and the unemployment benefit replacement rate for parents, often understood as a negative incentive, and the output side by the overall participation rate in employment, a key objective of activation policies. The more generous benefits implied by a higher replacement rate may conversely be understood as an output, in terms of contribution to the living standards of this group.

Findings

The variables to represent trust in government, satisfaction with government and satisfaction with state welfare are composites. These are constructed through factor analysis of the responses to questions covering various aspects of the particular issue. Tables 1, 2 and 3 give the details. In each case the various contributing variables load on one factor indicating a high degree of uni-dimensionality in people's conceptualisation of the issue. The variables are based on the factor loadings.

Tables 2, 3 and 4 about here

The modelling method uses Ordinary Least Squares regressions. The models generate adequate R-squared statistics, indicating that roughly half of variance in the dependent variable is explained, and have good tolerance statistics indicating acceptable levels of collinearity. Clearly other factors and probably noise in the data account for much of the remaining variance in the measure of trust in government. Perceptions of provision and of quality of governance outside the area of welfare are likely to play a strong role (Rothstein et al, 2009). Nonetheless it is clear that an underlying structure

to attitudes can be detected, suggesting that Mann's pragmatic approach in its extreme form, which treats acceptance as a simple routine uninfluenced by social factors, is not supported. People do not simply trust government because it is there, but the characteristics of government, and these include welfare policies, make a difference.

For a number of variables the weighting of the standardised coefficients is relatively modest, focussing attention on the significance of the relationships, as is common in studies of this kind. Table 5 gives the standardised Beta weights in a form that is directly comparable between variables to give the relative contribution of each variable and the significance of the relationship. The variable weightings are in most cases stable between the models.

The most obvious finding consistent with previous work is that it is satisfaction with democracy and with government institutions that is far and away the most important explanatory factor. This is followed by satisfaction with welfare state provision. The contribution of other factors is relatively modest. In relation to personal and socio-demographic characteristics, the fact that the contribution of the left-right scale is very small indicates that the issues being examined are not primarily matters of party politics. Political legitimacy is not simply a matter of whether one supports the party in power. Otherwise, access to education above secondary level makes a modest difference. Gender and age were included in early models but were insignificant. Individual values make little contribution, although commitment to social equality is significant and positive.

Table 5 about here

In the traditional welfare state model, social expenditure in itself makes no difference, and social equality as an outcome is modestly associated with greater trust as in previous work (Gilley 2006). In the modernised welfare state model, the ratio of women's to men's earnings makes no difference, the benefit replacement rate is modestly positive as is the participation rate.

Discussion and conclusion

These findings support three points. First, the welfare state makes a difference to trust in government, alongside the central contribution of satisfaction with political institutions. Secondly the role of state welfare is not primarily because it is seen to embody particular values. Thirdly it is output in terms of the achievement of social equality, the provision of more generous benefits and participation in paid work that matters rather than inputs such as level of social spending or low benefits or relatively high earnings for women to encourage people to pursue jobs.

These points support the pragmatic rather than the normative approach to political legitimacy. Practical matters, whether state services are found to be satisfactory, whether the welfare state is broadly effective in promoting equality, decent living standards and jobs rather than the ideals it embodies are what matters, in this domain. Consideration of welfare is pursued in the context of over-arching assessment of effective democratic political institutions. These include the range of state apparatus, including those parts that give people the ability to influence the direction of policy and uphold the rule of law. Satisfaction at this level carries normative overtones,

which include the extent to which the political apparatus successfully pursues what citizens think ought to be done. In this sense judgements on any policy area are likely to be predominantly pragmatic. Normative issues operate at the level of the capacity to have a say in influencing overall policy, contained in the machinery of democratic politics.

In relation to the interaction of institutional and individual approaches, the study indicates that it is individual perceptions of the policy outputs and satisfaction with them that counts. The quality and effectiveness of government institutions contributes to political stability and to legitimacy at that level, as the studies mentioned earlier noted. Satisfaction with outputs can plausibly enhance legitimacy as trust is built up through the experience of reliable services that provide what people want at the individual level. The link between the two is provided by the observation that, on the one hand effective democratic institutions are able to provide the outputs that people find satisfactory, and on the other, that satisfaction with outputs engenders support for the institutions. In this sense, promoting legitimacy has a practical value for parties in government.

For policy issues the findings are positive. If welfare is legitimacy, governments may wish to defend it. However two points should be noted.

First, inputs are not a central issue. As Esping-Andersen pointed out: ‘it is difficult to imagine that anyone struggled for spending *per se*’ rather than the benefits they thought they might get from higher spending’ (quoted in Rothstein et al, 2009, 18). The major periods of expansion of social spending in the 20th century rest on the experience of the cut-backs of the late 1920s and 1930s. Satisfaction and outputs are backward-looking; they depend on what has been achieved, not on what may be sustained for the future. At a time of severe spending restraint, immediate resistance to cuts may be muted, irrespective of the implications for longer-term political legitimacy.

Secondly, the concern with outputs does not discriminate between traditional and modernised welfare state routes to equality, generous benefits and jobs. It does seem to suggest that the ‘make work pay’ low benefit approach is not associated with political trust. Since this is a strong theme in Anglo-Saxon liberal interpretations of modernisation (Cebulla et al. 2005), policy developments in these countries may erode legitimacy.

European governments, and particularly that of the UK, are faced with painful choices in restructuring to tackle the consequences of the economic crisis and, in the longer term, the impact of climate change. Popular trust in government will aid reform, and high satisfaction with state services, greater social equality, good benefits and access to jobs enhances political trust. The dilemma is that people value welfare state outputs rather than the inputs necessary to provide them and this makes it harder to defend state spending in bleak times.

Table 1: Constraints on government policies

		<i>Sweden</i>	<i>Germany</i>	<i>UK</i>	<i>Spain</i>	<i>Poland</i>
<i>GDP Growth</i>	<i>Q4 07</i>	0.4	0.3	0.9	0.6	2.3
	<i>Q1 09</i>	-0.9	-3.8	-1.9	-1.9	0.4
<i>Confidence index</i>	<i>Dec 07</i>	101.7	103.6	102.8	101.6	104.8
	<i>May 09</i>	92.0	91.1	91.9	92.3	94.7
<i>Govt financial balances %GDP</i>	<i>2007</i>	3.8	-0.2	-2.7	2.2	-1.9
	<i>2010</i>	-4.5	-6.2	-14.0	-9.6	-7.6
<i>Govt net financial liabilities %GDP</i>	<i>2007</i>	-20	43	29	19	17
	<i>2010</i>	-6	57	61	43	33

OECD Economic Outlook 85, June 2009 and OECD Key Statistics at <http://www.oecd.org/dataoecd/26/40/38785295.htm> consulted 23 June 2009

Table 2: Trust in government: factor analysis)

<i>Component variables: Trust in...</i>	<i>Factor loadings</i>
<i>country's parliament</i>	.863
<i>the legal system</i>	.821
<i>the police</i>	.748
<i>politicians</i>	.884
<i>political parties</i>	.864

Eigenvalue 3.51; Proportion of variable explained: 70.16%

Table 3: satisfaction with the health service and with state education: factor analysis

<i>Component variables: State of...</i>	<i>Factor loadings</i>
<i>education in country nowadays</i>	.874
<i>health services in country nowadays</i>	.874

Eigenvalue: 1.56; Proportion of variable explained: 76.45%

Table 4: Satisfaction with government: factor analysis

<i>Component variables: How satisfied with...</i>	<i>Factor loadings</i>
<i>present state of economy in country</i>	.860
<i>the national government</i>	.863
<i>the way democracy works in country</i>	.863

Eigenvalue: 2.30; Proportion of variable explained: 74.30%

Table 5. Legitimacy, Modernisation and Traditionalism, Values, Satisfaction and Socio-demographics, ESS, OECD, LIS, 2004-6

	<i>Beta weights</i>		
<i>Modernisation</i>			
Gender earnings ratio			.01
Unemployment benefit replacement rate			.09**
Participation rate			.07**
<i>Traditional State Welfare</i>			
Equality		.13**	
State social spending		.01	
<i>Values</i>			
Govt should reduce income differences	-.01	.00	.00
Support equal treatment	.02**	.03**	.03**
<i>Satisfaction: state welfare</i>			
	.16**	.14**	.17**
<i>Satisfaction: political institutions</i>			
	.58**	.55**	.55**
<i>Socio-demographics</i>			
Education above secondary level	.07**	.07**	.09**
Household income	.02**	.02**	.02**
Left-right scale	-.01	-.01	-.01
<i>R squared (adj.)</i>	.51	.48	.49
<i>Tolerance</i>	>.74	>.65	>.71
<i>N</i>	16019	16019	16019

Appendix: Variables Used in the Models

<i>Dependent variable</i>	<i>Measure</i>	<i>Scoring</i>	<i>Mean</i>	<i>Source</i>
Trust in government	See Table 1	Range 4.8	0.00	ESS 2006
Modernisation				
Gender earnings ratio	Ratio of women's to men's earnings,	%; 0.57-0.77	0.69	LIS wave 5, 2004-6
Replacement rate	Replacement rate for a one-earner couple with two dependent children in the first period of unemployment	% average earnings; 58-81	72.86	OECD 2004
Participation rate	Total in employment as percentage of total population, 2006	90.8-78.2%	70.74	OECD 2006
Traditional Welfare States				
Equality	1 minus Gini coefficient	1-0 statistic; 0.77-0.65	0.27	LIS wave 5, 2004-6
Total social expenditure	Social expenditure total	% GDP; 23.9-35.7	31.65	OECD social expenditure database, 2005
Values				
Govt should reduce income differences	The government should reduce differences in income levels	5 point scale; agree to disagree (scoring reversed in model)	2.32	ESS 2006
Equal treatment	Important that people are treated equally and have equal opportunities	6 point scale; very much like me - not like me at all (scoring reversed in model)	2.06	ESS 2006
Satisfaction with state welfare	See Table 2	Range 4.7	0.00	ESS 2006
Satisfaction with political institutions	See Table 3	Range 4.6	0.00	ESS 2006

<i>Socio-demographics</i>				
Education above secondary level	Education above minimum secondary level in the country	1 or 0; 35.4% score 1	.40	ESS 2006
Household income	Household total net income from all sources	12 point scale	7.31	ESS 2006
Left-right scale		11 point scale; left to right	5.05	ESS 2006
<i>Not significant in the models</i>				
Gender	Gender	Female = 1, Male = 0	.53	ESS 2006
Young (< 36)	Aged 35 or younger	1 or 0; 31.1% score 1	.28	ESS 2006
Old (>55)	Aged 55 or older	1 or 0; 31.5% score 1	.33	ESS 2006

Sources:

ESS: Jowell et al. (2007)

OECD: Social Expenditure, Social and Education Policy databases, available at <http://www.oecd.org/statsportal/>

OECD (2009) statistical appendix

LIS: Inequality and Poverty and Gender databases, available at <http://www.lisproject.org/key-figures/key-figures.htm>

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¹ An alternative series of models weighted to reflect population differences was also constructed to reflect the importance of the various institutional factors and attitudes across Europe. This was in all essential points similar to the reported models.