Idea Diffusion and Agenda-setting in Social Policy: Health Care Reform in the Netherlands and Sweden in the 1990s

Questions about agenda-setting and idea diffusion are increasingly salient in the social sciences. Even so, such perspectives have hitherto not been common in the area of welfare studies. Typically, it has been assumed that welfare policy decisions are guided foremost by ideology. Developments in many countries in recent decades indicate, however, that such notions are simplified. Left-wing governments have sometimes conducted retrenchment policies and introduced privatization, and right-wing governments have been known to extend social benefits. There are also many policies that defy simple categorizations of being either leftist or rightist, such as new organizational forms of service provision or efforts to strengthen the influence of users. At the same time, it is obvious that policies in other countries often serve as inspiration to national policy-makers, regardless of political orientation. This points to that we must pay more attention to how policy agendas are set, also within the area of social policy.

This paper attempts to do just that. Examining the broad policy shift towards market-based solutions that took place in the health care sector in many countries during the 1990s, the paper argues that this trend –endorsed by left-wing and right-wing governments alike- cannot be understood within taking into consideration the powerful influence of certain ideas that underpinned it. Tracing the origins of these ideas to the work of American health economists in the 1970s and 1980s, the paper demonstrates that ideas can travel and influence policies in countries far away, but that they, in doing so, undergo transformation. Two case studies, Sweden and the Netherlands, are used to examine the processes whereby foreign ideas gain entrance to domestic policy domains and alter their discursive landscape. Suddenly, new issues are talked about, or old issues are talked about in a new way. This, in turn, provides opportunity for political actors to re-formulate their policy stands; an opportunity that is often welcomed. As a result, new political coalitions can be constructed and novel policy agendas decided on. Hence, ideological differences do not disappear under the influence of new ideas, but policy positions can re-formulated in such a way that new political compromises are made possible. That an important role played by ideas in politics can be to provide new bases for coalition-building has suggested before (see for instance Hall 1989, or Goldstein & Keohane 1992) but has rarely been demonstrated empirically. Methodologically, the paper relies on document analysis and interviews.