

## A Long Good Bye to Bismarck ? The Politics of Welfare reforms in Continental Europe.

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This paper aims at synthesizing the main results of a collective research launched in late 2005, comparing the welfare reform trajectories in so-called “Bismarckian welfare systems” (Old age, health and unemployment insurances in France, Germany, Italy, Spain, Austria, Switzerland, Belgium, Netherlands, Visegrad countries). Three main elements will be developed: 1. The characterization of what Bismarckian welfare systems are made of; 2. The main traits of Bismarckian welfare reform trajectories; 3. The main results of these reforms, in terms of welfare regime changes.

1. The paper will first characterize “from within” the main traits (principles and institutions) of “Bismarckian” welfare systems that prevail in Continental Europe (instead of labelling them as conservative and corporatist, without trying to understand their inner logic). The common main principle is to provide job and income security for workers : security seems indeed the basic word (where freedom and poverty alleviation could be the ones of liberal public welfare programmes, and equality the central aim of the Nordic ones). Beside this central point, one can also mention the importance of professional identities; the importance of collective protection and collectively negotiated rights; an orientation towards the support of traditional family roles; the importance of choice; proportionality and the equivalence principle (a specific conceptions of equity); an emphasis on subsidiarity and the role of the state. Bismarckian welfare systems also share number of commonalities in respect of four key institutional variables of social protection: 1. mode of access to social protection based on work/contribution; these systems were primarily aimed at insuring the salaried workers paying contribution; 2. benefit structures: merely in cash, transfer based; proportional; earnings related; expressed in terms of replacement rate; 3. financing mechanisms based principally on social contribution/payroll financing; 4. Administrative structures are para-public, involving social partners in the management of the social insurance Kassen, caisses, caza....
2. Second, the paper will analyse the reforms trajectories that are specific to these systems, going beyond the idea that this third world of welfare capitalism is frozen. In order to analyse comparatively the reform trajectories in the different countries and sectors, the paper will show that one can identify four successive sequences of reforms over the last 25 years in most cases (from reforms aimed at protecting the insured male worker to reforms aimed at re-structuring benefits, financing and governance arrangements). This part will also analyse the specific politics of change in these systems, due to their specific institutional settings emphasize.
3. Third, it will map out the main direction of the changes, distinguishing path-dependent and path shifting reforms. Path dependent reforms have maintained the basic principles of Bismarckian systems with some changes in the institutions, leading in some countries to “neo-bismarckian” social policies in unemployment, pension or health care insurance, or in care policies. Path shifting changes have meant the progressive development of new principles within an apparently stable institutional settings, leading to welfare hybridisation, post-bismarckian social programmes and some (rare) regime shifts.