

## **The Politics of Indexation**

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With the new politics approach introduced by Pierson (1994; 1996), the thrust of the mainstream social policy literature change dramatically. From previously being interested in the role of political parties in the expansion of social policy after the Second World War, focus now shifted to social policy under permanent fiscal austerity. Under such austerity expansion is no longer feasible, even though the public continues to demand it. An obvious implication of the new politics logic is that governments would often give up dismantling efforts or stay away from them altogether. However, Pierson (1994) also suggested a number of strategies by the use of which governments would nevertheless be able to dismantle the welfare state.

A key variable singled out by Pierson for understanding when dismantling could actually be expected was thus “*programmatic design*” (1994; 47-50). The programmatic design of welfare benefits differ markedly in the extent to which they allow for various blame-avoidance strategies. One expectation on the impact of Pierson’s work on the social policy literature was thus that programmatic design would become a central variable for how welfare state dismantling would be studied. Pierson’s work had tremendous impact and the post-Pierson literature on dismantling has thus been extensive (see Green-Pedersen & Haverland 2002; Starke 2006 for reviews). However, the literature reacted to Pierson’s work in a very paradoxical way. On the one hand, the idea of blame-avoidance has become widely accepted. Probably because there are many empirical examples of governments suffering severe electoral defeats after dismantling efforts, the literature has taken the electoral dangers of welfare-state dismantling as its starting point. On the other hand, programmatic design never came to play a central role in the post-Pierson literature.

Our study wants to amend this shortcoming by studying the “politics of indexation”. Depending on the “programmatic design” of indexation, programs offer different opportunities of hidden retrenchment. In some cases, government tampering with indexation design to reduce generosity may be hard to notice and understand and may thus be “hidden” for the public. The aim of the study will thus be to analysis the *development* and *consequences* of indexation designs in order to assess their importance for the development of welfare benefits. How many legislative decisions tampering with indexation can we find? The paper analyzes data for three social policy areas – child benefits, unemployment benefits, and public pensions for four countries – UK,

Germany, Sweden and Denmark between 1975 and 2005. This will allow us to study the full scope of the politics of indexation across different policy areas, welfare regime types, and time.