

The Nested Politics of Structural Reform: Policy-Making in Times of Uncertainty

SPS First-term bottom-up Workshop 2020-2021

Dates: 22 October 14:00-18:00

23 October 09:30-17:00

Location: This workshop will take place in a hybrid format: the Refectory has been reserved, and there will also be a zoom connection:

This workshop carries 10 credits

[Register for this workshop](#)

[Organising administrative assistant: Maureen Lechleitner](#)

Sponsoring professor & instructor: Anton Hemerijck (anton.hemerijck@eui.eu) **Guest participants:**

Ab Klink – Minister of Health, Welfare and Sport (2007-2010), Professor at VU University.

Jet Bussemaker – Deputy Minister of Health, Welfare and Sport (2007-2010), Minister of Education Culture and Science (2012 – 2017), Professor of Health and Public Administration at Leiden University.

Erik Jones – Professor of European Studies and International Political Economy, Johns Hopkins University, School of Advanced International Studies, Bologna.

Organizational support: Maureen Lechleitner (maureen.lechleitner@eui.eu) **Place and date:** EUI, Emeroteca, 22 and 23 October 2020. There will also be a Zoom connection.

Course description

It is fair to say that, ever since the 1980s, we've been living in a period of "structural reform" accelerated by intrusive shocks, such as the Great Recession, and, most recently, the outbreak of the COVID-19 Pandemic. Major changes in pensions, labour markets, education, health and macroeconomic policy have swept the European

continent over the past decades. In some cases “structural reform” was accompanied by deep social and political conflict, while in other instances unpopular reforms eventually received broad societal and political consent. Alongside major retrenchment, there have been deliberate attempts – often given impetus by intensified European economic integration – to rebuild health and welfare programs in sync with the new economic and social realities of the 21st century. “Structural change”, inescapably building on extant policy legacies across countries, is work in progress, leading to patchwork mixes of old and new policies and institutions on the lookout, perhaps, for greater coherence. Unsurprisingly, that “search process” remains incomplete, resulting from the institutionally bounded and contingent adaptation to the challenges of the aftershocks of the global financial crisis and Covid-19 pandemic against the background of adverse democracy, economic globalization, accelerating digital innovation, and climate change.

Over the long era of “structural reform”, rather surprisingly, the scholarly interest in government as the core actor in policy-making has been waning. In public administration, governance theories have suggested a departure from traditional state-centred hierarchical styles of governing towards a large-scale integration of vertical and horizontal actors in the policy process. In political science, more broadly, there has been the surge of studies focusing on the role of electoral competition and public opinion in shaping policy outputs and “structural reform”. For sure, “structural reforms” are enacted through parliament. In other words, they have to be codified by political parties. Structural reform is difficult, but without politics, path-dependent inertia would probably rule the day. It’s because of political parties that reform happens. But this is not to say that parties, jealously monitored by electorates, are the intellectual authors of “structural reforms”. Government bureaucrats with specialized expertise are formidable policy makers, able to steer and coordinate “structural reform” and, in addition, see to continuation in delivery. By the same token, social actors, trade unions and employers’ organization, try to make their voices heard. Reforms touching on the jurisdiction of EU’s internal market and public budgets, are scrutinized by the European Commission. In other words, “structural reforms” in an age where 40% of GDP is channeled through the public purse, are fundamentally products of political interaction. Moreover, in times of uncertainty, learning is a critical mechanism of policy and political feedback, however imperfect, given existing

path-dependent governance structures delineating political interaction behind “structural reform”.

Our workshop’s proposition is that the political clout of the state (and wider institutional conditions, such as ‘proportional representation’ and social partnership fora of policy coordination, and, where relevant, EU rules and responsibilities, continues to matter greatly and that political agency of governments remains decisive in developing adaptive responses to uncertainties brought about by modern *megatrends*. Taking heed from Peter Mair’s distinction between ‘responsible’ and ‘responsive’ government, the workshop aims to discuss the mechanisms that determine government actors’ ability to buttress “structural reform” in the context of blurred partisan cleavages, the rise of populism, and an intensified struggle between competing knowledge claims.

The workshop’s structure is twofold. On the first afternoon on 22nd October, participants will discuss selected readings on politics of public policy and government, aiming to establish links between extant theories (linking ideas, interests and institutions) and empirical cases of “structural reform”. A draft think-piece on the ‘Multidimensional Politics of Structural Reform. Policy-making in Times of Uncertainty’, written by Anton Hemerijck, Kyriaki Kourra and Maciej Sobocinski, will be distributed to the participants of the workshop.

On the second day, researchers will engage in a semi-structured debate with invited high-level guests, including ex-Ministers as key political reformers, with profound experience in national governments and EU-politics. This allows us to delve deep into the multidimensional details behind two major policy changes. The first “structural reform” case concerns the path-shifting Dutch healthcare reform of 2006, from precursor expert discussions, to parliamentary codification and enacted legislation, and subsequent recalibration based on experiential feedback, which altogether have made for a rather successful specimen of gradual but truly transformative “structural reform”. The second case concerns the paradigmatic overhaul of monetary policy from inflation targeting to Quantitative Easing (QE) by the ECB, an independent central bank, from 2012 on, which did not require parliamentary codification. To be sure, in the background, ECB-President Mario Draghi was active in mustering political support for his “whatever it takes” policy overhaul, which nonetheless remained

contested. Arguably, the challenge posed by the German constitutional court in the spring of 2020, in hindsight, conjured up a proverbial “storm in a teacup”.

The purpose of the session on these two cases is to have an unconstrained exchange between theoretically-informed researchers and reflexive policy-makers on how to refine our collective understanding of the politics behind “structural reform” across ‘institutionally dense’ European liberal democracies.

Requirements

Participants who want to obtain 10 credits are required to attend all sessions and to complete the required readings. In addition, they are asked to write a short response paper (no more than 5 pages) inspired by workshop readings and discussion, to be submitted by November 6th. Readings will be sent out to registered participants a few weeks ahead of the seminar.

Schedule

Day 1

22nd October, Emeroteca (Badia Fiesolana)

14:00 – 16:00

Session 1: Setting the academic scene: Structural reform, responsible and responsive government between policy efficacy, political feasibility, institutional viability, governance integrity, constitutional validity and societal acquiescence.

16:00 – 16:30

Coffee break

16:30 – 18:00

Session 2: Governing under uncertainty: contemporary dilemmas of policy-making

19.00/19.30 – Informal dinner for invited speakers

Day 2 – with invited speakers

23 October, Refettorio (Badia Fiesolana)

9:30 – 11:00

Short introductions from invited speakers

11:00 – 11:15

Coffee break

11:15 – 12:45

Session 3: The nuts and bolts of policy-making: how government actors balance out competing pressures over time? *The Case of Dutch Healthcare Reform*

12:45 – 14:00

Lunch break

14:00 – 16:00

Session 4: *Recalibrating Monetary Policy “Whatever it Takes”. The Reform Politics of an Independent Central Bank*

16:00 – 16:30

Conclusion and takeaways

Readings

Anderson, K. M., and R.J. van Druenen, ‘*The Netherlands*’, in: E. Immergut (ed), *Oxford Handbook of Health Politics*, Oxford University Press, forthcoming

Caramani, D. (2017). Will vs. Reason: The Populist and Technocratic Forms of Political Representation and Their Critique to Party Government. *American Political Science Review* (111), 1, 54–67.

Greer, S. (2015), ‘*John W. Kingdon, Alternatives, and Public Policies*’, in: M. Lodge, E. Page, and S. J. Balla, *The Oxford Handbook of Classics in Public Policy and Administration*, Oxford University Press.

Hall, P.A. (1993). Policy Paradigms, Social Learning and the State: The case of Economic Policy in Britain. *Comparative Politics* 3 (April): 275-96.

Hecló, H. (1974). Social Policy and Political Learning [in:] Idem, *Modern Social Politics in Britain and Sweden. From Relief to Income Maintenance*. Yale University Press. 268-322.

Hemerijck, A. (2013), *Changing Welfare States*, Oxford University Press, chapter 4, 'Welfare Recalibration as Social Learning', 86-117.

Hemerijck, A., K. Kourra and M. Sobocinski (manuscript), *The Nested Politics of Structural Reform* (draft paper to be distributed 10 days before the workshop)

Jones, E. (2010) 'Reconsidering the Role of Ideas in Times of Crisis, in L.S. Talani (ed.), *The Global Crash. Towards a New Global Financial Regime?*, Palgrave MacMillan, 52-72.

Jones, E. (2019), 'Do central bankers dream of political union? From epistemic community to common identity', in: *Comparative European Politics* (2019) 17:530–547.

Laffan, B. (2014). Testing Times: The Growing Primacy of Responsibility in the Euro Area. *West European Politics*, Vol. 37, No. 2, 270–287.

Mair, P. (2009). *Representative versus responsible government*. MPIfG Working Paper 09/8. <http://edoc.vifapol.de/opus/volltexte/2010/2121/>

Pierson, Paul (2000), 'Not Just What, but *When*. Timing and Sequences in Political Processes', *Studies in American political Development*, 14: 72-92.

Scharpf, F.W. *Games Real Actors Play. Actor-Centered Institutionalism in Policy Research*, Westview Press, chapters 1 and 2, 1-35.

Skocpol, T. (1985). Bringing the State Back In: Strategies of Analysis in Current Research [in:] P. Evans, D. Rueschemeyer and T. Skocpol (eds.), *Bringing the State Back In*. Cambridge University Press, 3-37.

Spohr, F. (2016) , 'Explaining Path Dependency and Deviation by Combining Multiple Streams Framework and Historical Institutionalism: A Comparative Analysis of German and Swedish Labor Market Policies', in: *Journal of Comparative Policy Analysis: Research and Practice*

Streeck, W., and K. Thelen (2005), *Beyond Continuity: Institutional Change in Advanced Political Economies*, Oxford University Press, Introduction, 1-54.

