

**Silja Häusermann, *The Politics of Welfare State Reform in Continental Europe – Modernization in Hard Times* (Cambridge: Cambridge University Press, 2010)**

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Human imagination is more easily captured by spectacular, one-off events than by more long-term, but equally important processes. Social scientists cannot completely escape this fascination with sudden changes and ruptures either. Usually they are more concerned with revolutions and rapid overhauls of social systems (like the Thatcherite reforms) than with “longue durée” phenomena. Their bias is reinforced by practical considerations as well: when studying interruptive events, it is easier to distinguish between new and old, between “innovators” and “conservatives”. When it comes to long-term transformational dynamics, it may be difficult to recognize change at all. Boundaries between the old and the new are often blurred, and traditional and newly emerging institutions may coexist. What can be even harder is to explore the causes of the change and the role that different political actors played during the process. Despite all these difficulties, there are a few promising works that deal with long-term transformations of socio-political systems. Silja Häusermann’s book, *The Politics of Welfare State Reform in Continental Europe – Modernization in Hard Times* certainly belongs to this group.

Häusermann challenges existing views on continental welfare states and demonstrates that in the last 40 years these systems underwent fundamental transformative reforms, which made them more adapted to post-industrial challenges. She claims that welfare regimes were successfully adjusted not only to fiscal austerity but also to new socio-cultural circumstances. Even more importantly, she also explains the causes of success: socio-structural change has led to a more diverse interest structure within the society, and opened up the space for politicians to build cross-class reform coalitions in a multi-dimensional policy space. The book focuses on pension reforms in three continental welfare states (France, Germany and Switzerland), but its findings are relevant in the context of other welfare state domains (Häusermann briefly discusses family policy) and other European countries as well. In the first chapters of the book Häusermann builds a thorough theoretical framework that she subsequently supports with in-depth case studies. The case studies include the systematic analysis of welfare reform legislation and actor’s positions. The qualitative tools are assisted by the factor analysis of actor positions on different reform dimensions through consecutive reform rounds.

Häusermann opens the book by stating that continental pension regimes became dysfunctional in the wake of transformative economic and social developments that started in the 1970s. These regimes were created in an era of full employment, demographic stability and traditional family structures. Increasing austerity and

post-industrial social change (atypical labour market participation, changing gender roles) meant that these systems had to satisfy new demands from less resources. What puzzles Häusermann is that despite the expectations of previous theories on welfare state modernization, continental regimes were efficiently reshaped to handle these new challenges. She takes issue particularly with the branch of institutionalist literature (most prominently represented by Paul Pierson) that predicts policy stability as a result of path dependency and the high influence of vested interests.

Put it in the simplest terms, Häusermann argues that post-industrial class structure and austerity were not only responsible for the crisis but also created the conditions for reform. First, a post-industrial society is more fragmented than its industrial predecessor, as conflict lines are not exclusively built on class, but also on skill differences, on the insider-outsider division of the labour market and on cultural value divides. These conflict lines are cross-cutting and attached to different dimensions of pension reforms, which enables coalitional engineering. According to Häusermann, dimensions of pension reform include insurance, capitalization, targeting and recalibration. Insurance reforms are concerned with the general financial viability of the system. Here, conflicts clearly centre on the capital-labour divide, as capital is interested in lowering redistribution, while labour defends existing rights.

Capitalization denotes the transformation from a state-owned, universal, contribution-financed PAYG (pay-as-you-go) system to a more individualized one, based on personal savings in capitalized pension funds. Although one might assume that labour will uniformly reject the demolition of socialized pension schemes, Häusermann proves that in the case of capitalization, conflict lines are drawn not between labour and capital but between high and low-skilled sectors. Skilled, well-paid employees and their employers are ready to opt out from the state pension system, while those sectors which employ low-skilled workers are much more dependent on the redistributive PAYG-system.

Targeting and recalibration are both about the inclusion of labour market outsiders into the pension system. Targeting reforms help those who are atypically employed or have patchy employment record – e. g. women who were employed full-time only for a couple of years, then stayed at home bringing up their children, and afterwards took a part-time job – and therefore would face eligibility problems. Recalibration is similar, but it deals with the pension coverage of total labour market outsiders (e.g. single mothers who were never formally employed). As it became clear from the examples, the insider-outsider conflict that accompanies targeting and recalibration reforms is also closely connected to issues of gender and cultural values. Traditionalists defend the status-quo of contribution-related

pension rights for labour-market insiders, while libertarians support the decoupling of pension rights from work.

The conflict lines summarized above are only potential ones, and their actual appearance depends on country-specific factors. Recalibration is not an issue in France due to high female labour market participation. In Switzerland, capitalization is off the agenda, as the Swiss opted for a multitier pension system already in the 1970s. Germany is the prototype of a challenged continental pension regime as it displays the full spectrum of post-industrial pension reform dimensions and conflict lines. Nevertheless, as Häusermann contends, policy makers in all three countries had the possibility to combine at least three of these reform dimensions into packages, thereby creating a multidimensional policy space in which cross-class alliances could be forged and enough support could be gathered for reforms.

Rather counter-intuitively, austerity also increased the chances of coalition building. A friend in need is a friend indeed, but Häusermann demonstrates that the politics of welfare state reform is hardly about friendship. In hard times, when resources are scarce, constituencies find themselves in a zero-sum game and they easily back off from intra-class solidarity, leave fair weather friends and join new coalitions.

Although Häusermann's approach is structuralist in most parts, she also considers the role of political institutions in translating structurally given actor preferences into policy outcomes. She highlights the interaction of coalitional flexibility and the number of veto players as the most important institutional factor that determines the success of coalitional engineering. However, even in the most problematic case of Germany – where low coalitional flexibility among parties and corporatist actors was combined with a large number of veto players – reforms took place, though sometimes in quite surprising settings (e.g. after fierce resistance the green-red coalition took a U-turn and started to embrace the radical overhaul of the system.)

Häusermann's claims are very appealing and aptly supported with empirical evidence. She builds a complex model, but she is able to convey her ideas clearly and logically. Informative figures and tables also help readers in understanding the main points. I only want to make one critical remark, regarding a possibly omitted variable. The thoroughness of the argument is impressive, but I think that Häusermann omits a possible and relevant conflict line, namely the intergenerational one. Quite paradoxically, she doesn't even mention pensioners' interests in a book dealing with pension reforms. Nevertheless, it is a truism that continental European societies are not only post-industrial but also old. Pensioners are not organized collectively, but they are certainly the most numerous voting group the needs of which cannot be overlooked by politicians. Even if it really seems that intergenerational conflict line did not emerge so far as a decisive one, it would have been very reassuring to see an explanation for this.

On the whole, though, Häusermann's book makes a real contribution to comparative welfare state research. It is highly recommended not only for experts of the field but also for policy-makers and for those who are interested in the process of how complex social systems can be reformed.

**Abrajano, Marisa A. and Michael R. Alvarez, *New faces, new voices: the Hispanic electorate in America* (Princeton: Princeton University Press, 2010)**

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In recent years, politicians and researchers in the United States have become more aware of the importance of the Hispanic electorate because of the ever increasing Latino population. This, in turn, has spurred a growing interest in its political behavior and preferences. In this context, Marisa A. Abrajano and R. Michael Alvarez's most recent book represents a good analysis of the largest minority group in the United States. *New faces, new voices: the Hispanic electorate in America* resulted from a research project aimed at understanding the political behavior of Hispanics in the United States since the late 1990s. Two main goals were successfully achieved in the pages of the book: firstly, to demonstrate why the Hispanic electorate is such a diverse and complex group, particularly when compared to other ethnic and racial minority groups in the United States; and secondly, to dispel some of the pieces of conventional wisdom about the Hispanic electorate, many of which have affected the way in which campaigns, elected officials, the media, and even the average American voter, perceive this group.

By undertaking a comparative analysis of the Hispanic political behavior relative to that of Blacks, Anglos and Asian Americans, the authors combined two research areas: racial and ethnic politics with studies of political behavior, which have been traditionally focused on Anglo Americans, thus contributing to the wider political science literature. The issues addressed in the chapters of the book range from Hispanic political identity and its public opinion and partisanship, to Hispanic political knowledge and its voting behavior.

To achieve the complex task of elucidating Hispanic political identity, its voting behavior and the impact this has on American politics, Abrajano and Alvarez analyze a number of surveys and polls, delivering some interesting findings. First of all, the authors uncover that the Hispanic group is extremely diverse and constantly changing, thus showing that Hispanics do not share the same historic experience and "linked fate" as other ethnic minorities in the United States. It is furthermore important to take into account the linguistic and generational differences in the