

Operationalising and Refining Ideational Leadership: Towards Explaining Institutional Change in German Pension Policy

by
Sabina Stiller MA

Junior Researcher
Faculty of Management Sciences, University of Nijmegen,
The Netherlands

Tel. +31 24 3611523
Fax +31 24 3613006
Email: s.stiller@cds.kun.nl

**Paper for Presentation at the NIG Annual Work Conference in Rotterdam
October 29th, 2004**

**Session 3: Institutional rearrangement of the public domain
A. Boin and K. Yesilgagit**

---Draft, please do not cite---

1. Introduction: Why undertake a pilot case study?

This paper deals with the concept of ideational leadership (IL) and, more specifically, with the operationalization of this concept and its measurement in empirical data. Therefore, it is first and foremost intended as the presentation and discussion of a methodological approach that forms part of a doctoral thesis on the role of political actors in the achievement of structural reforms in welfare state arrangements. For the sake of brevity, I will restrict references to the rationale of this greater project and its theoretical grounding to a minimum (see section 2) and proceed to the presentation of the theoretical concept itself.

IL is initially defined and presented as a combination of abilities (to be found mainly in argumentative patterns) of key reformist politicians aimed at convincing reform opponents of the need for path-breaking reform. Further, it is hypothesized that IL is a major factor enabling politicians to pushing through such reforms under conditions of institutional and political resistance.

Using the path-breaking German pension reform of 2001 as an empirical illustration, the chapter outlines one possible way of making IL visible. In addition, I will also suggest ways to evaluate the effects of IL on reform resistance not only by trying to signal these effects but also by asking whether ‘alternative explanations’ of achieving path-breaking reform, i.e. outmanoeuvring reform opponents and making concessions in return for acquiescence may have played a role. The strategy followed to achieve this consists of triangulating two different sorts of analysis: On the one hand, it makes use of content analysis of selected documents showing argumentative patterns of key politicians in dealing with the reform. On the other, it relies on the analysis of a handful of expert interviews with ministry, party and interest group officials in order to complement the evidence about the occurrence of these various strategies.

The goal of this dual methodology is not to arrive at an overall evaluation of the hypothesis about IL (i.e. to come to conclusions about its truthfulness), but to evaluate the plausibility and usefulness of the initial analytical framework consisting of IL as well as of alternative strategies in the context of a (single) pilot case study.

A word about the sense and utility of pilot studies is in place here. Although more frequently used in large-scale quantitative studies involving surveys, I argue that pilot studies can also be fruitful in more qualitatively oriented case-study designs involving more than just

a handful cases. In his well-known work on the purposes of case studies, Eckstein uses the term plausibility probe to refer to what I call a pilot study. According to his line of work, ‘plausibility probes involve attempts to determine whether potential validity may reasonably be considered great enough to warrant the pains and costs of testing’ (Eckstein 1975: 108). In the present study, the pilot is explicitly set up to evaluate the value of the existing theoretical framework, on this point Eckstein argues that ‘at a minimum, a plausibility probe into theory may simply attempt to establish that a theoretical construct is worth considering at all, i.e. that an apparent empirical instance of it can be found’ (Eckstein 1975: 110). Similarly, the authors of an acclaimed work on social science methodology state that

‘...Pilot projects are often very useful, especially in research where data must be gathered by interviewing or other particularly costly means. Preliminary data gathering may lead us to alter the research questions or modify the theory of using the same data to generate and test a theory can be avoided.’ (King, Keohane et al. 1994: 22-23)

Further to these more general goals of pilot studies the following list sums up the specific goals of this study:

- Improving upon the initial operationalization of IL, starting from some initial dimensions
- Getting familiar with relevant sources, this applies mostly to documents but also to knowledgeable interviewees
- Designing and presenting methods of analysis that combine the informational value of both documents and interview data
- Illustrating the effects of IL (i.e. stating arguments for a causal link between the occurrence of IL and path-breaking reforms)

In short, the goals of this pilot case study are thus of a practical (regarding data collection), theoretical, and methodological nature and will be returned to in the conclusion. From these goals, the first one (improving the operationalization of the IL concept) is to be the most important one theoretically-speaking, as the insights gained by focusing on the German 2001 pension reform will be used to refine its dimensions. The ultimate purpose is, eventually, to come up with a hypothesis that is more plausible and useful to work with than the initial one (NB: this is not to be confused with exploring the validity of the hypothesis!)

This process is in line with a conception of social research where data or evidence on the one hand, and analytic frames, derived from ideas *and* theory on the other, inform each other (see chapter 3 in Ragin 1994). At any rate, the final result should be a workable theoretical framework that can be readily used in subsequent analyses of cases in different areas of social policy.

The paper is structured as follows: Section 2 gives some necessary theoretical background to the IL concept and its constituent dimensions as it based on previous work on the subject and the author's own ideas. The following section presents an operationalization of these dimensions in terms of empirical indicators to be applied to documents and a summary of indicators guiding the organization of interviews. Then, Section 4 discusses the case choice case for the pilot and illustrates the steps followed in approaching the study of the 2001 pension reform. In addition, it supplies background information for the reader to be able to place the subsequent analyses in context. The actual analysis of both document and interview material, using examples as illustrations of the indicators cited earlier, can be found in Section 5. In a short discussion, the implications of the findings for the theoretical framework are outlined. Section 6 summarizes and concludes by considering the initial goals of the study.

2. Theoretical background to the concept of ideational leadership (IL)

Dimensions of IL: the role of 'puzzling' and 'powering' in the context of welfare state reform

The concept of ideational leadership (IL) is inspired by various concepts belonging to the literature on political ideas and leadership, indicating that it consists of more than one functional aspect: a) 'reformist leadership' made up of a communicative and a strategic, coalition-building dimension ('t Hart 2000), b) 'innovative leadership' and the attached importance of political will or commitment to reform (Moon 1995), c) the concept of 'political discourse', based on arguments following both a 'logic of necessity' and a 'logic of appropriateness' (Schmidt 2002a) d) 'policy investment' and how interest groups may be affected by policy-makers pursuing structural change (Jacobs 2002).

IL implies that key policy-makers, defined as reform-minded members of the executive branch with the authority to launch policy proposals, are able to leave a significant imprint on political outcomes. In the specific context of welfare state reform, dominant institutional theories (Esping-Andersen 1996; Pierson 1996; Esping-Andersen 1999) have identified important institutional and electoral barriers to structural reforms, which can also be labelled as 'reform resistance'. I assume that under certain conditions, IL can transform such resistance into acceptance of or at least neutral behaviour, towards reform initiatives¹.

¹ That such acceptance may not come 'for free' is not of concern here; possibly policy-makers may be forced to make concessions to reform opponents on other matters than the reform issue at hand.

What are the dimensions of IL, or, in other words, what kind of behaviour makes key policy-makers more likely to push through structural reforms? Initially, the following three (four?) dimensions have been identified, based on above-mentioned concepts and the author's own ideas.

Reformist policy-makers are more likely to succeed with structural reform when

- 1) Exposing the drawbacks of old policy principles underlying the status quo**
- 2) Making consistent efforts to legitimise ‘new’ benchmarks**
- 3) Confronting reform opponents by framing their resistance as ‘problematic’ for a) societal welfare and b) the bargaining position of interest groups and the long-term welfare of their constituencies**
- 4) Anticipating bureaucratic bottlenecks through early consultation with implementing agencies**

Illustration 1. The hypothesis of ideational leadership (IL) and its dimensions

In terms of how many of these dimensions have to be represented in the data in order to be able to claim an instance of IL, the following applies:

The presence of evidence belonging to dimensions 1) and 2) is considered necessary to speak of IL at all, we could then speaking of IL with an emphasis on ‘puzzling’ or ‘the ideational’ in IL. If complemented by arguments of type 3) one could speak of IL with an emphasis not only on ‘puzzling’, but rather on ‘powering within puzzling’². Evidence for 4) even adds an emphasis on pre-emptive support building, which can be seen as an instance of ‘powering’; in this case we can speak of IL with both an ideational and political element.

As ‘the ideational’ is seen as the essential part of IL, the logical consequence of is to conclude that if no evidence can be found for dimensions 1) and 2), it is impossible to speak of IL at all: pointing out the wrongs of the status quo *and* the introduction of innovative solutions based on new policy ideas is considered a crucial element of IL. In the case evidence of 3) and 4) turns up, we may speak of leadership that engages with the problem of resistance and engages in coalition-building, but this leadership is considered purely political and not ideational.

² On the origins of these two concepts see Heclo, H. (1974). Modern Social Politics in Britain and Sweden: From relief to income maintenance. New Haven, Yale University Press. ‘Puzzling’ here refers to changing the cognitive and normative preferences of (opposed) actors. ‘Powering with puzzling’ refers to changing, by way of argument, how these actors perceive their own interests. ‘Powering’, on the other hand, refers to behaviour that maintains or even enhances one’s own position in terms of authority and power vis-à-vis potential or real opponents.

The next step is to ask how dimensions 1 through 4 have been operationalized so far and whether this operationalization will serve us well once it is confronted with empirical data. The latter question can obviously be answered only after pre-screening the data with the help of the defined categories and indicators and, more importantly, performing a preliminary analysis using these (Berelson 1971). An overview of the operationalization of the dimensions can be found in section 1 of the appendix.

3. Case selection and methodology

The German 2001 pension reforms case, described by some as a ‘recognized achievement of structural reform’ (Meurer 2001) has been chosen as the empirical base for the pilot case. In the literature on welfare state politics and change, this reform project has received notable attention of late (Hinrichs 2003; Hinrichs and Kangas 2003; Lamping and Rueb 2004). In the following I am going to briefly introduce the reform proposals and characterize the process of reform, including the policy positions of the major actors involved.

The 2001 pension reforms in Germany came about after nearly two years of frequently changed reform proposals and extensive talks between the government and the opposition on the one hand, and interest groups, especially trade unions, on the other. The actual parliamentary process took half a year to be completed for the most controversial bill of the three that constituted the core of the reforms. The two major pieces of legislation that emerged from this period were the Old-Age Provision Act and the Old-Age Provision Extension Act. The first, containing the provisions establishing a new private pension tier, in addition to the existing public scheme, was passed in May 2001 (Bundesgesetzblatt, 29 June 2001). The second, including the legal provisions for benefit cutbacks in the public pension scheme, was passed in January 2001 (Bundesgesetzblatt, 26 March 2001). Yet another change, the reform of reduced capacity and disability pensions had already been passed as a separate law in December 2000 (Bundesgesetzblatt, 23 December 2000)

The pilot case study will concentrate on the first two laws. What is the essence of these pension reforms? The main outcome is certainly the creation of a new private pension tier which is voluntary, sizable, and tax-subsidized. In this newly created private scheme,

occupational pensions are favoured over individual pensions. The introduction of a private pension tier is combined with benefit cutbacks in the public pension scheme which are substantial, yet not radical. Moreover, contribution rates are set to be stabilized in the long-term at a level just above the year 2000 level. Both the creation of the private pension tier and the corrections in the public scheme reflect a long series of compromises since the original reform proposals went much further.

At least four major corrections have been made in the course of the reform debate, either before or during the deliberations in parliament. First, the original plan of Social Democrat labour minister Riester provided for a mandatory private pension tier. Obliging German to invest into private pensions plans was meant to take off some of the financial and demographic pressure on the state-administered pension system in order to make it viable for the future. However, the mandatory element of the plan had to be withdrawn in reaction to massive protests of parties, interest groups and the public. Yet, even against a voluntary scheme there was considerable opposition both by leftist hardliners in the minister's own party, the Social Democrats, and by some trade unions who distrusted investments in capital markets as a base for pension provision and feared too high financial obligations for low-wage earners.

Second, the size of the private pension tier turned out to be greater than originally designed. While contributions were first amounting to 2.5 percent of gross income to be gradually phased in until 2007, the law included the provision of 4 percent of gross income to be reached by 2008. The greatest driving force behind this upsizing was the decision of the government to agree to cutbacks of the public pension level, apparently under pressure from the opposition Christian Democrats. These cutbacks had to be compensated, however, by corresponding increases in private provision given the previous commitment of the Social Democrats to hold on to a combined pension level of 70 percent. The third major change concerned the extent to which the state would help individuals to finance the new private pension contributions. During the course of the extra-parliamentary government-opposition talks and several rounds of 'bidding', the envisaged modest support for citizens with low-incomes was finally extended in the form of tax credits for middle and higher incomes as well, and earmarked as an amount of EURO 10 billion annually to be extended up to 20 billion in 2008. Finally, the role of collectively negotiated occupational pension schemes was strengthened vis-à-vis individual pension plans. As a result of mainly trade union pressure pushing for an contribution of employers to employees private pension savings, a

compromise was reached which stipulated that collectively negotiated occupational pensions take precedence over individual pension plans.

This short summary shows, on the one hand, how the reform is exemplary for how an originally ambitious project may lose its most far-reaching features over a drawn-out process of public debate and parliamentary decision-making. On the other, what remained of the original proposal is often described as a genuine structural reform that has changed the orientation of ‘path’ of German pension policy, despite the concessions made in the process. The intention and effective break-up of the traditional one-pillar pension provision makes the Riester-reform qualify as a *structural reform*, as it clearly envisaged to alter the financial and benefit structure of old-age pension provision in Germany. It follows that it fulfils the criteria for being a pilot case in my project, which focuses on instances of structural reforms rather than piecemeal or incremental reforms that leave the structural features of a policy intact. A second and more pragmatic reason is that the decision-making process took place fairly recently (2000-2001), implying that access to data - often available via online sources - is easier compared to cases from the early 1990s and, accordingly, requires less time investment.

The following table (intended as a heuristic device) illustrates some preparatory steps in approaching the pilot in terms of the chronological order of organising the data collection and analysis. The list of steps serves to give an impression what the pilot case approach actually entails in terms of data collection and analysis, but does not include any detailed explanation of methods of analysis in the stricter sense of the word, i.e. the procedures followed to guide and conduct the actual analysis of the material collected. Below, I proceed to a short overview of data sources and the methods used to analyse them.

Preparation and Data Collection

Step1 *Selecting a time frame of the reform process for the analysis*

Step2 *Getting an overall picture of the main actors in the reform process and their initial policy positions*

Step3 *Selecting a mix of documents*

Step4 *Selecting interviewees and conduct pilot interviews*

Analysis

Step5 *Performing text analysis using developed categories and indicators*

Step6 *Comparing and contrasting interview accounts using an analytic grid*

Step7 *Evaluating plausibility of alternative explanations with the help of both sources*

Step8 *Checking for contextual conditions of IL using background knowledge (relating to the policy area), documents and interview sources*

As for **documents**, I aimed to work with textual sources that would most likely contain arguments about the necessity and appropriateness of reforms. Here, texts that reformists themselves have produced and first and foremost by the minister himself seems a most logical choice. I worked with a selection of available speeches (both in a parliamentary context and outside of it), interviews, and opinion pieces in newspapers and journals as well as a semi-biographical account written by labour minister Riester himself. I am not claiming here that these materials are comparable in all respects, since they vary considerably in length, audience and purpose. Yet I argue that looking at materials written for different contexts and at different times during the reform process will yield a good representation of reformists' approach to justifying and legitimising reform proposals vis-à-vis both in the political arena and vis-à-vis the public.

The analytical method performed on these documents is relatively straightforward and can be considered a qualitative content analysis (*NB: in a second round of analysis still to be performed, frequency counts of key words defined per category using WinMax software, this will be done once all texts are converted into a machine-readable format*). In a first reading of all texts, they were first pre-structured according to elements and then the elements containing information about the pension reform in a strict sense were coded according to the indicators belonging to the different categories derived from the conceptual dimensions. In this fashion, sentences or longer sections of text were classified according to the occurrence of categories in them.

As for **interviews**, the data collected for the pilot are based on nine interviews in total (eight of which were conducted in person and one via e-mail) of ministry, party and interest group officials, and one policy expert, all of who were professionally involved in the reform

process. The interviews were half-structured and based on a topic list covering the following issues: interviewees' perceptions concerning the process in general, the main actors in favour and against the reform, the strategies followed by those who advocated the reform, and factors that may have worked in favour of eventual reform adoption. Questions were phrased on the spot based on the topics and, where necessary, followed up by probing questions (see the appendix for an overview of the most important topic in the interview schedule).

5. Analysis and Discussion

5.1. A first analysis of document data

Beginning with **press interviews**, this type of document revealed relatively little evidence as to the text-analytic categories, which is also due to the format that allows little room for well-developed patterns of argumentation. On the other hand, this may also be due to the fact that the materials analysed date back to 2000/2001, when the general 'if' of the reforms was no longer the object of discussion, but tiny details concerning technical changes to the bill. Questions posed in press interviews accordingly tended to probe the minister about such details and his chances for political success in the parliamentary process.

Yet the minister, at least in one elaborate interview (23.10.00), does take the opportunity to reiterate the overarching goals of 'generational justice' and 'stable contribution rates with an acceptable level of provision' in the long term in reaction to the problems troubling the status-quo of pension provision (1^{st/2nd} cat). He also hints at 'false' promises made in the past about 'securing the standard of living' by the state-administered system and that the requirements in terms of length of contributions are today at best 'fictive' (1st cat) and explains the need to carefully decrease pension levels in the long-run by the competing goal of having to keep contribution rates and the state subsidy to the pension budget under control (2nd cat). Asked how to deal with the resistance of the parliamentary opposition on which he depended to pass the bill in the CDU-dominated second chamber, the Bundesrat, he points to their severe credibility problem of the CDU if they dared to veto the tax credit to citizens for private pension provision. The background is that the governments funding plans by far

exceed what the CDU had requested themselves, indicating this would contradict their earlier arguments and, subsequently, their own interests (3rd cat.).

The type of documents best suited to the kind of analysis chosen here, proved to be **opinion articles** where argumentative patterns justifying reforms can be most likely expected. Riester (ifo-Schnelldienst 28/29 2000) stresses the need to propose solutions for anticipated failure of the current system of pension provision within a decade or so (1st cat), also going into a rather systematic diagnosis of the necessities for structural reform (related to demography, level of non-wage labour costs and the systems general economic and budgetary significance). New goals and principles are then introduced with cognitive, normative and sometimes mixed meaning/significance (2nd cat). These include ‘a fair, just adjustment between generations’, ‘long-term stabilisation of old-age provision in order to reassure the elderly’, ‘modernizing old-age pension provision by constructing a fully-funded pillar of private pensions’, ‘preventing “bashful” poverty among the elderly’ and several innovations improving the situation concerning widowers pensions and the pension rights of women with children. New policy instruments and their underlying ideas are explained in relation to expected policy effects (thus linking solutions and problems as captured in the 1st/2nd cat.), regarding for example, a new calculation formula for pensions or the controversial compensation factor that is meant to decrease pension levels slightly in order to accommodate the setting-in of demographic effects. In an article of very similar content, directed to a trade union clientele (Gewerkschaftliche Monatshefte 10/2000), rather than pointing to the failure of the current state-run system, the minister stresses the (growing) lack of confidence in the state-run system - due to a long period of ‘procrastination and belittlement of problems’ – rather than the inherent failure of the system itself. This is a theme running through most of the articles, but which is formulated differently accordingly to the audience of the text.

The same topic comes back in an earlier text from spring 2000 (at a time where the minister was still involved in consensus talks with the opposition from the CDU/FDP which later broke down). In an article in the Frankfurter Rundschau (13.03.2000) Riester cites ‘political forces that argue that the state-run system would not be able to resist demographic change in the future and plead for a tax-financed basic pension instead’. He makes clear that ‘a fundamental decision needs to be made on whether the state-run system should be kept to ensure living standards or whether it should merely serve to avoid poverty’. However, he leaves no doubt about the government’s position, which sees a tax-financed basic pension as no alternative to the current PAYGO system, and the latter will ‘continue to form the main

pillar of old-age provision'. Yet, he repeats his case for careful, managed reform: due to demographic developments, technological progress and resulting changes in working conditions and a change of values in society, the same 'state-run systems has to react to these changes if it is supposed to endure'. Especially the implication of these changes for the systems' financial sustainability is explained in detail (1st cat.).

In a last piece to be mentioned here, published during the later stages of a tedious, long-drawn parliamentary process (Frankfurter Allgemeine Zeitung 25.4.01), Riester seems to try to remind the audience of the fundamentals of the reform, despite the daily fight about nitty-gritty details in the political arena. Drawing exclusively on the 'non-controversial' demographic argument, he reminds us that 'whatever the quality of a old-age pension system, none can deal with the dual threat of increasing life expectation and decreasing birth rates and thus a rising number of beneficiaries and a declining number of contributors' (1st cat.). He shows himself confident that the triple goals of 'securing a provision level for pensioners', 'creating predictability' and 'regain trust in the state-run system' can be reached with his reform proposals (2nd cat.). Especially, the tax-credit scheme is supposed to lead to a situation where pensioners will reach a level of provision that is 'permanently higher than the current level of provision in the state-run system' (2nd cat.). All in all, the reform is supposed to help to dissolve 'Reformstau' in the country by making pensions 'sustainable' (*zukunftsfest*) for the older generation and affordable (*bezahlbar*) for the younger generation.

Finally, the last group of documents to which the analysis was applied were **speeches** of the minister both to his own party, the Social Democrats, and to parliament (Bundestag and Bundesrat) as audiences, ranging from November 1999 to Mai 2001.

The speech to the SPD party congress on the future of social security (19.11.99), at a point in time where the initial core principles of the reform had been discussed publicly already, is first and foremost an attempt to justify the initial goals and principles of the reform which is presented as 'the largest social policy project in the next couple of months'. Riester reiterates (and briefly explains) the goals of the reform: 'generational contract', 'security of the pension system', 'low contribution rates', 'stable pension levels' and, 'additional (private) pension provision'. He presents these as a direct consequence of the party top's 'Leitantrag' (programmatic statement to be put to the members) that stresses 'a balance between individual responsibility and state benefits' (2nd cat.) Strikingly, even at this early point in the reform process, he sharply attacks the line of the opposition on social policy issues as 'populist, lacking concepts and untrustworthy'. While this is partially due to party congress rhetoric,

speeches in the context of the parliamentary process are qualitatively different, often striking up a much more serious tone, also towards the opposition on whose cooperation the ministers ultimately depends in the second chamber, the Bundesrat, at least for part of the proposals³.

A summary of the three speeches held during the various readings and the final vote on the second and most controversial part of the bill shows that most time is spent in outlining and explaining the goals and main elements of the proposals. The initial speech then stresses ‘balance between generations, ‘solidarity with gains’ and ‘security and affordability’ (2nd cat.) In the concluding part, the minister stresses the ‘many winners’ of the reform and concludes, perhaps too optimistically with the benefit of hindsight, that this reform is more than overdue and a necessary repair of the system, ‘a forward-looking reform for many decades, combining the principle of solidarity with individual responsibility’. The speech given at the second reading similarly reiterates the goals initially formulated and embedded in the revised proposal as well as dealing with the party-political tactics of the opposition, especially the Christian Democrats. Against the background of a doubtful advertising campaign against the government’s pension plans, he attacked the Christian Democrats agitating behaviour and populist turns in extra-parliamentary negotiations with the Social Democrats, accusing them of defaming people instead of using reasoned argumentation. The speech at the third and final reading drew up a balance of the improvements contained in the final bill concerning women, people with ill-health and disabled, additional private pension provision promoted by generous tax-credits. The latter point is even hailed as a ‘quantum leap’ in pension provision, linking solidarity with gains for everyone. Again, the behaviour of the opposition is taken up, however a careful distinction is being made between the ‘constructive cooperation’ of the Liberal Democrats and the ‘blockades, procrastination and defamation’ on the side of the Christian Democrats. Yet, such rhetoric subtly highlights the end of pension reforms ‘under conditions of cross-party consensus’ that has allegedly been dominating German pension policy-making for many decades (Schludi 2002)

³ This reflects the split of the original proposal into a law that contains changes to the state-run system and does not need Bundesrat approval and a second one covering the additional privately-financed pillar that does need Bundesrat approval.

5.1.2 Implications of the analysis for the theoretical framework

Having presented an overview of the material, we now need to ask what was striking about these texts in terms of the concept of ideational leadership and its operationalization. Several points can be raised here.

First, the theory on reformist or innovative leadership and on policy learning (and failure) would predict that politicians break radically with old institutions (see 1st category), pointing to the ineffectiveness of the status-quo. Yet his material on the German case illustrates that the minister refers to old institutions in careful, almost respectful terms (this may be due to a political context where discrediting ‘long-serving’ institutions is not easily done, and to the characteristics of a PAYGO system which has created powerful legal rights based on contributions). This observation is reminiscent of ‘t Hart’s conception of ‘conserving leadership’ (‘t Hart and ten Hooven 2004). It suggests that the indicators for the first dimension of IL (‘exposing the ills of the status quo’) needs to be adapted accordingly, i.e. that the underlying principles of the status-quo may not be rejected completely but be complemented by new principles when deemed necessary by key reformists. This does not necessarily change the core of the dimension, i.e. pointing out the ills of the status-quo.

Second and related to the first point, old principles are, in the present case, not discarded completely as they are still seen valuable in itself but no longer sufficient to deal with current demographic and economic circumstances; yet they need to be complemented by new ones (see Riester’s motto ‘Solidarität mit Gewinn’): this point needs to be taken up in the operationalization of the 2nd dimension/analytical category.

Third, it is striking that the various documents show relatively few arguments (except perhaps for the parliamentary speeches) regarding reformists’ dealings with reform resistance, which makes it difficult to judge upon the usefulness of the detailed theoretical distinction made in the 3rd dimension/category. The reason could be either that the documents selected are not a suitable source for this type of information or that the category as a whole is not particularly helpful for measuring ideational leadership at all. The interview schedule did not contain this point as a topic and therefore interview material cannot answer this question either.

Fourth, in terms of relative location of justification and legitimisation of reforms in the texts (NB: Would it make sense to come up with descriptive statistics for this and as well for the space taken up in relation to the total length of the texts?), arguments that fit into the pre-formulated categories appeared to be concentrated in introductory parts of articles and

speeches as well as in close proximity to the explanation of policy goals and instruments. Also, frequently 1st/2nd category arguments were found clustering together, supporting the claim that arguments rejecting elements of the old order and introducing new ones tend to be used together.

In sum, these observations warrant adjusting the existing dimensions 3 (and analytical categories) 1, 2 and 3 of IL, however, they do not suggest additional ones. Coming to the judgement about whether these texts support the hypothesis that the behaviour of Minister Riester fits the properties of IL as defined in Section 2, the answer is positive. We can state that most longer opinion pieces showed a purposeful structure including the necessity of reform linked to existing and expected policy problems, an exposition of the total concept and its goals including instruments and their expected effects on the problems. In his speeches, the pattern was similar, with slight variations depending on context and audience, and even some interviews showed the type of argumentation assumed to indicate IL. Judging from these documents alone, the empirical material indicates a rather purposeful communication of reform necessity and appropriateness.

Yet we need to keep in mind that an analysis of the content of communication does not tell us anything about the reception yet (see different content analysis research designs in Holsti 1969). In other words, whether this purposeful communication, agreement with the dimensions of IL, had also an influence on the achievement of the reform cannot be ascertained from the texts alone. Let us now turn to the empirical data gained through expert interviews.

5.2. A first analysis of interview data

In the analysis of the data from the interview accounts, the two key questions in term of theoretical substance and method are:

What is striking about the accounts of interviewees, are there general patterns in the answers that call our attention? What do the answers suggest about the suitability of the topic list and the need to refine the wording of the questions yet further?

The following points sum up some observations made after repeated comparison of the material and suggest adaptations of theoretical framework and/or the topic list/interview schedule respectively.

First, in contrast to the initial assumption about the fundamental controversy of this (or any!) structural reform proposal, a majority of the interview partners stated that the ‘IF’ of the reform was not controversial, but the ‘HOW’. One could falsely infer that the reform process was facilitated by this minimum consensus on that radical reform was needed. Yet, the ‘HOW’ did arouse enough controversy and resistance in itself, causing the initial proposal to be altered substantially against the wishes of the minister (upgrading of company-sponsored pension schemes vs. voluntary private pension arrangements). Yet this is not consequential for the IL hypothesis in itself, as it does not specify whether the resistance to be overcome is fundamental (against radical reform in any form) or tendential (against a particular reform plan).

Second, the analytical distinction made between reform backers and reform critics was perceived as somewhat confusing (and to one person it even seemed outright wrong!): perhaps the interview schedule could make a further distinction between reform critics (those who oppose reform on fundamental grounds or on the basis of instruments or technical details)

Third, most interviews made clear that there is not necessarily a link between communicative skills and leadership as the qualities of the minister in this respect were divergent, one interviewee even commended the minister on his communication and ‘conveying skills’ (with notable exceptions such as his planned absence during a key public hearing in parliament). However, the same interviewee would give him a bad score on political leadership, which is also said to include judgements of the strength of political enemies and trying to get opponents of his own party on board by involving them timely. This is an important point suggesting that a certain awareness of power relations and skill to make use of them helps to anticipate political difficulties later, possibly heightening the chances of reform success. This point also suggests that communicative and ‘ideational skills’ on the one hand and political leadership, defined as taking into account power relations and taking seriously ‘pockets of resistance’ on the other are not always correlated. Yet it is interesting in theoretical terms to see whether IL involves more often than not the ability of key politicians to manage power relations by building coalitions backing reform plans. This implies adding a ‘powering’ dimension to the conceptualisation of IL taking this point into account.

Fourth, regarding the usage of different strategies that were explicitly inquired about in the interviews, more often than not all three strategies were confirmed to have been used during the reform process. Sometimes the strategy of ignoring/outmanoeuvring opponents

(operationalizing the alternative explanation ‘changing the rules of the game’) was not named or even denied, in other account it was interpreted as ‘trying to involve the opposition as a weapon against opponents in the own party’, as a result, the second alternative explanation ‘changing the rules of the game’ is in need of some reformulation to make it more precise both in theoretical terms and for future interviews.

Fifth, the eventual acceptance of the proposal was interpreted as the consequence of a mixture of factors: reformers’ concessions, realization of the avoidance of even more radical change, economic restraints, reform tiredness, integration of opponents. The trade unions as most important societal opponents of the reform plans, also hinted to a sort of ‘resignation to the facts’, furthermore, several answers showed that the term ‘acceptance’ was not sufficiently clear in the question, thus the wording needs to be improved both in theoretical terms and in the interview schedule.

Finally, a list of helpful factors can be derived from the interview accounts yielding potential enabling conditions for IL to lead to reform success. Answers included the new economy boom, the maturation of the debate on demographic change, retrenchment pressures (and globalisation arguments), media reporting favourable to reforms, change of the pension debate from an expert to a public, financial industry and academic lobbying, the relative progressiveness of the Green party in the governing Red-Green coalition, Germany’s backward position in terms of modernizing its pension arrangements. The open question posed to the interviewees at the end brought up additional factors that may be considered as complementing the latter information on helpful factors: influence of the VDR (the central organisation of pension insurance bodies) on the policy process, hampering influence of federalism, internal dynamics of governing coalition

5.3. Discussion of combined results

This section should be understood as an attempt to combine and interpret the results taken from the previous textual and interview analysis, i.e. methodologically speaking triangulating them. At this point, it is useful to recall the initial questions of both analyses: how can we measure ideational leadership (and, to some degree, also its effects on reform resistance) and what does the process of collecting and analysing data in this pilot case suggest for refining the theoretical framework and methods used in the same process?

Our exercise in textual analysis has shown that it is indeed possible, to a certain degree, to detect and record pre-defined categories reflecting dimensions of the rather abstract concept of ideational leadership. The method, while still rather coarse and perhaps lacking in terms of validity and reliability because of the vagueness of its indicators ('arguments showing....' rather than using content analytical categories containing fixed entries) has nevertheless proved practicable to detect general patterns of justification in opinion texts, speeches and interviews (to a lesser extent in this last category as mentioned above).

In terms of the usefulness of the analytical categories the results imply that the 1st and 2nd category (relating to the ideational mechanism triggered by IL) that have been found across various texts may be taken over into the final research design with minor changes. Judging upon the 3rd category (framing reform resistance as problematic) is more complicated as reformists' statements about the behaviour of reform opponents seem to occur less frequently and if they do, they can be found in records of direct confrontations with the parliamentary opposition, denouncing them for playing sleazy tactical games. The question to be raised whether it is justified to keep this aspect as a dimension of ideational leadership. The fourth category, representing the 4th dimension of IL, is being dropped since textual analysis cannot serve to detect this type of data.

While textual analysis has thus helped to come to judgements about that key reformists showed certain theorized efforts at communication during the reform process that conform to the characteristics of ideational leadership, much more information about the reform process in general and to a certain extent on the reception of this communication, could be gained through obtaining interview data. I am stressing again here, that the purpose of the interviews was to gather a wide as possible range of different perceptions about the reform process and not to reconstruct exactly what happened in the process (for such an endeavour, hundreds of interviewees would be needed!). From the perspectives of these informants, nevertheless a picture has emerged that allows me to place the results from the textual analysis into a greater context and see them in a different light.

Ideational leadership of the minister, when solely defined as skilful communication and consistent efforts to inform about and justify reforms by argumentation has been acknowledged by a majority of interviewees. Yet many of them pointed to 'difficulties' caused by the minister's leadership style in other respects, especially where communication with the SPD parliamentary party and their junior coalition partner is concerned. Little sensitivity to reform opponents and their potential and actual influence on the reform process

as well as the problems with developing a far-reaching reform project almost completely within the confines of a ministry before going public perhaps do not merely reflect a strategic choice, but also a lack of confidence in one's political leadership capabilities. This information points to the need to formulate a fourth dimension of IL that takes into account a key politician's awareness of and sensitivity to power relations in the political arena, i.e. efforts at political coalition-building.

Combining the observations made so far in this section lead to the following renewed conceptualisation of IL:

<i>Dimensions of Ideational leadership 1-4</i>				
	1) Exposing drawbacks of old policy principles underlying the status quo	2) Making consistent efforts to legitimise 'new' benchmarks, possibly alongside old ones	3) Engaging with reform opponents by framing resistance as 'problematic' for 'societal welfare'	4) Making efforts at political coalition-building
<i>IL Type 1</i>	X	X		
<i>IL Type 2</i>	X	X	X	
<i>IL Type 3</i>	X	X	X	X
<i>No IL, but strict political leadership</i>			(X)	X

Table 2: Revised concept of IL and its dimensions

Note:

- *Dimensions 1+2 are considered to be necessary and sufficient conditions of IL*
- *Adding dimensions 3 and/or 4 changes the quality of IL, leading to different types (2 and 3).*
- *If only dimension 4 or both 4 and 3 are present, we can speak of political leadership yet not of ideational leadership*

5.4. Towards an evaluation of IL versus alternative explanations

The interviews have also revealed perceptions on strategies used in the reform process in general. One important observation has been that, rather than being mutually exclusive, as the

term ‘alternative explanations’ implies to some readers, these can be concurrent (7 out of 9 interviewees found that all of the three strategies were used). This is important to keep in mind when proceeding to other cases studies (at this point it cannot be established whether this observation is specific to the German 2001 pension reform or not).

At any rate, in order to come to a balanced argument on the relative influence of these strategies, one would need to compare the evidence for their usage by political actors from document and interview sources, backing this up with evidence from other sources if available (e.g. academic analyses/press coverage). In an alternative research design, one would have to collect enough ‘substantive’ information on the (relative) presence or absence of these strategies (through the sources just mentioned) and use qualitative comparative analysis (QCA) or fuzzy-set analysis (Ragin 1987; Ragin 2000) to come to statements about the relative importance of these strategies; that would imply treating them from the outset as complementary factors causing the outcome of a successful reform.⁴

One, if not *the* major difficulty of gauging effects of IL lies in the fact that it is difficult to pinpoint instances of leadership, for instance important decisions taken by a key politician during the reform process, which may be followed by immediate reactions of reform opponents showing them to change their behaviour/interests which again translates into some sort of approval/acknowledgement/acceptance of what reformers have said. If this process does occur, it is likely to occur with (perhaps considerable) delay, which again makes it difficult to detect effects across different groups of reform opponents, because their reactions would have to be observed during a long period of time.

6. Conclusion

This paper has demonstrated the purposes of a pilot case study by taking the case of the German pension reform 2001 as an illustrative example. To this end, the substantive results of a textual analysis of documents, an analysis of interview data, and a synthesis of the two have

⁴ This would imply looking at reform process cases in terms of configurations, where strategies to achieve reform acceptance are treated as ‘causal conditions’. QCA and fuzzy-set methodologies could serve to establish what configurations of strategies (implying they can be absent, partially present or fully present) would be necessary and/or sufficient to for reform success (or conversely: failure) to occur. On recent developments regarding QCA and fuzzy-sets see www.compasss.org.

been presented. As stated in the introduction, the paper started out with four goals of a practical, theoretical and methodological nature, reflecting the goals of the pilot study itself. To what extent have these four goals been achieved? Let us consider them one by one.

Improving upon the initial operationalization of IL

Both the analysis of textual and interview data have revealed that the initial dimensions of ideational leadership need some fine-tuning, this was found true for dimensions 1-3, to this end the points listed in the section on analysis have to be taken up in the theoretical framework. In addition, a coalition-building dimension has been taken up to accommodate the notion of a key politician ‘being aware of political power relations’.

Getting familiar with relevant sources, this applies mostly to documents but also to knowledgeable interviewees

This goal has been achieved in the process of conducting the pilot. Ways to locate and select suitable documents have been explored and experience with selecting and approaching interviewees and inquiring about contacts for subsequent cases has been acquired. This knowledge will hopefully facilitate the ensuing data collection in subsequent case studies and thus save time.

Designing and presenting methods of analysis that combine the information value of both documents and interview data

The triangulation of methods and data sources as it has been presented here seems to be a fruitful way forward but needs to be developed further. Some suggestions for re-analysing the material, e.g. with more sophisticated methods of textual analysis, have already been mentioned. However, it can be stated that textual analysis was able to explore areas of the research question (i.e. detailed content of reformists communication) that could not be explored by interviews. Interviews, in turn, yielded some hints as to the reception of reformists’ communication efforts (which is impossible to infer from documents alone).

Illustrating the (implicit causal mechanism at work) effects of IL (i.e. deliver arguments for a link between indications for IL and path-breaking reforms):

Last but not least, the goal of exploring the causal mechanisms behind IL has not yet been sufficiently addressed by the analysis in this paper. Yet, by inquiring about the use of different strategies in the interviews, a start has been made, indicating that in the present case IL has

not been the only factor in achieving the adoption of the reform. This question clearly needs to be addressed again in subsequent drafts of the paper.

BIBLIOGRAPHY

Berelson, B. (1971). Content Analysis in Communication Research. New York, The Free Press.

Eckstein (1975). Case Study and Theory in Political Science. Handbook of Political Science: Strategies of Inquiry. G. a. Polkoy. Reading, MA, Addison-Wesley. **7**: 79-138.

Esping-Andersen, G. (1996). Welfare States without Work: the Impasse of Labour Shedding and Familialism in Continental European Social Policy. Welfare States in Transition: National Adaptations in Global Economies. G. Esping-Andersen. London, Sage.

Esping-Andersen, G. (1999). Social Foundations of Postindustrial Economies. Oxford, OUP.

Heclø, H. (1974). Modern Social Politics in Britain and Sweden: From relief to income maintenance. New Haven, Yale University Press.

Hinrichs, K. (2003). The Politics of Pension Reform in Germany:.. Paper prepared for the conference Pension Reform in Europe: Shared Problems, Sharing Solutions?, London School of Economics, Hellenic Observatory/The European Institute, London, 5 December 2003: 30.

Hinrichs, K. and O. Kangas (2003). "When Is a Change Big Enough to Be a System Shift? Small System-shifting Changes in German and Finnish Pension Politics." Social Policy&Administration **37**(6): 573-91.

Holsti, O. R. (1969). Content Analysis for the Social Sciences and Humanities. Reading, Addison-Wesley.

Jacobs, A. M. (2002). Making tradeoffs over time: Retrenchment, Investment and the Reform of Pension Systems. Paper prepared for the APSA Annual Meeting, Boston, 29.8-1.9.2002. Cambridge, MA.

King, G., R. O. Keohane, et al. (1994). Designing social inquiry: scientific inference in qualitative research. Princeton, Princeton University Press.

Lamping, W. and F. W. Rueb (2004). "From the Conservative welfare state to an 'uncertain something else': German pension politics in perspective." Policy&Politics **32**(2): 169-91.

Meurer, A. (2001). "Current developments in German old-age provision: Reconciling continuity and change." International Social Security Review **54**(4): 111-117.

Moon, J. (1995). "Innovative Leadership and Policy Change: Lessons from Thatcher." Governance **8**(1): 1-25.

Pierson, P. (1996). "The new politics of the welfare state." World Politics **48**(1): 141-179.

Ragin, C. (1987). The Comparative Method: Moving Beyond Qualitative and Quantitative Strategies. Berkeley, University of California Press.

Ragin, C. (1994). Constructing Social Research: The Unity and Diversity of Method. London, Pine Forge Press.

Ragin, C. (2000). Fuzzy-Set Social Science. Chicago, University of Chicago Press.

Schludi, M. (2002). The reform of Bismarckian pension systems: a comparison of pension politics in Austria, France, Germany, Italy and Sweden; PhD thesis. Philosophische Fakultaet III. Berlin, Humboldt Universitaet.

Schmidt, V. A. (2002a). "Does discourse matter in the politics of welfare state adjustment?" Comparative Political Studies **35**(2): 168-193.

't Hart, P. (2000). Hervormend leiderschap: Over veranderingskunst in het openbaar bestuur. Utrecht, Lemma.

't Hart, P. and M. ten Hooven (2004). Op zoek naar leiderschap: regeren na de revolte. Amsterdam, De Balie.

Appendix

1. A preliminary operationalization of ideational leadership (IL)

a.) In terms of analysing textual data from documents

The following analytical categories have been defined within the dimensions listed in illustration 1 (Section 2)

1) ***'Exposing drawbacks of old policy principles and institutions based on them'***

This implies to search texts for lines of argument that carry one of the two following indicators:

- Indicate/identify problems with the status-quo of existing policies and institutions and/or underlying policy ideas and
- Link these problems to policy failure, crisis, inefficiency, loss of welfare etc.

An argument fitting this definition may read like the following: “Old policies (and/or the principles upon which they rest) are no longer viable/no long work/no longer effective/etc. because of...”

Here, we are interested in whether such arguments are used at all and if so, how frequently policy failure is evoked. A *negative instance* in this category (instance of non-occurrence) would exist if we found in the text

- Calls for reform that are legitimised without reference to the status quo
- ‘Old system must be preserved’ arguments

2) ***'Consistently legitimising new policy principles, with support of policy entrepreneurs'***

This category implies searching text for lines of arguments that

- Link suggested policy solutions and/or new policy principles, to before mentioned problems (cognitive dimension), for instance “this measure will address the problem of....”
- Argue how they link to norms/values present in society (normative dimension), for instance “this measure is in congruence with our understanding of social justice”
- Refer to the ‘authority’ of policy entrepreneurs (usually outside experts) who act as suppliers and ‘legitimises’ of innovative ideas

Here, we are also interested in whether such arguments are typically used together (i.e. in close proximity in the text) and whether key policy-makers are consistent in using them (over time). The former may be assessed while scanning text for arguments by recording instances of close re-occurrence, while assessing the latter depends on whether texts suitable for analysis can be found have also been written at sufficiently different points in time during a reform process. A non-occurrence of this second category can be stated when

- The link between problems – solutions is not being made explicit

- Values/policy principles are not being referred to when discussing proposals
- Outside experts are not being referred to

3) ***'Frame reform resistance as problematic for a) societal welfare, and b) for interest groups'***

The third dimension corresponds to category 3 and implies searching for arguments that

- Expose reform opponents' behaviour as being 'irresponsible' concerning the 'common interest', 'society as a whole' etc, e.g. "blocking this law is contrary to pursuing the common interest", "such a position is socially irresponsible"
- Confront reform opponents verbally with consequences of non-cooperation for their (constituents) interests, e.g. "blocking the reform is against the interest of employees"

We are interested in whether such arguments appear in the texts at all or whether reformists use other rhetorical means to refer to the resistance they encounter. Correspondingly, we can speak of a negative instance for 3) when reformists were not to make an issue out of or even stigmatise blocking behaviour, neither for the sake of a 'common interest' nor for the interests of a interest group constituency.

The remaining dimension 4) ***'Anticipate bureaucratic bottlenecks'*** is difficult to translate into a category in the analysis of texts because of lack of suitable indicators. It is believed that timely communication of new policy principles between key policy-makers (executive) and the bureaucracy cannot be learned from the kind of communicative texts that will be the object of analysis. It remains to be seen whether suitable information can be gained from interviews and the interview material will be looked at with category 4 in mind. A negative instance of 4) may be given when a reform proposal appears to be produced in an 'ad hoc' manner and/or conflicts between ministers/cabinet and ministry have spilled over in the public sphere.

b.) In terms of analysing interview data

In contrast to the analysis performed on texts, the analysis performed on interview protocols did not rely on operationalizing IL in terms of its dimensions. The goal of the interviews was not to ask experts detailed questions on whether key politicians used particular arguments in presenting and defending the reform which is problematic due to the elapsed time. Rather, the focus of the interviews was to collect substantive information about the whole of the reform process rather than 'just' assessing the aspect of leadership within the reformist political camp. This of course includes leadership, but also covers other aspects of the process including actors, (the perception of) their strategies and the quality/the development of the process, which cannot be captured as easily by a single text or even a combination of texts. In order to view and analyse interview data in a systematic manner, making accounts comparable, an analytic grid based on the interview schedule (see appendix) was used to capture the answers based on the interviewee-approved protocols.

2. List of documents used in textual analysis

Interviews

‘Wir tricksen nicht’, Interview mit Arbeitsminister Walter Riester, Der Spiegel 46/2000, p.25-26

Interview mit Bundesarbeitsminister Walter Riester zur Rentenreform, DGB Magazin Einblick 23.10.00, www.einblick.dgb.de/archiv/0019/tx001901.htm

‘Ich bin ja kein Masochist’, Interview mit Bundesarbeitsminister Walter Riester, Süddeutsche Zeitung 25.1.2001, p. 27.

Speeches

‘Die Zukunft des Sozialstaats’, Rede von Walter Riester, Bundesminister f. Arbeit und Sozialordnung, 19.11.1999, source: Bundesministerium f. Gesundheit u. soziale Sicherung, www.bmgs.bund.de

Deutscher Bundestag (2000). Plenarprotokoll 14/133. Berlin, Deutscher Bundestag (speech at first reading of the bill)

Deutscher Bundestag (2001a). Plenarprotokoll 14/147. Berlin, Deutscher Bundestag (speech at second reading of the bill)

Deutscher Bundesrat (2001) Plenarprotokoll 759. Berlin, Deutscher Bundesrat (answers of the minister to inquiries of Länder deputies)

Deutscher Bundestag (2001b). Plenarprotokoll 14/168. Berlin, Deutscher Bundestag (speech at final reading of the bill)

Articles/opinion pieces

Riester, Walter (2000a) Die Rentenversicherung an der Schwelle zum neuen Jahrtausend, Deutsche Rentenversicherung 1-2/2000, Frankfurt: VDR.

Riester, Walter (2000b) Keine Problemlösung auf dem Rücken der jüngeren Generation, Frankfurter Rundschau 13.03.2000.

Riester, Walter (2000c) Sicherheit für die Älteren – Bezahlbarkeit für die Jüngeren, Ifo-Schnelldienst 28-29/2000. München: Ifo-Institut.

Riester, Walter (2000d) Halbzeit, Reform-Zeit: Zeit der Ernte. Gewerkschaftliche Monatshefte 10/2000. Berlin: Deutscher Gewerkschaftsbund

Riester, Walter (2001) Eine zukunftsweise und bezahlbare Rente. Frankfurter Allgemeine Zeitung 25.04.2001.

2. Summary Interview Protocols June 2004

(Comparison of answers on main topics in the interview schedule: process, strategies, leadership, acceptance, aiding factors)

Across: Title/position interviewee Below: Themes from Topic list interviews	1) Policy expert on pension reform, formerly Max-Planck-Institute for the Study of Societies, Cologne	2) Senior official, Ministry of Health and Social Order	3) Employee parliamentary party group, Greens	4) Member of parliament, CDU
Overall perception/memories reform process	‘chaotically organized’	‘old-age provision in Germany should become a mix of PAYGO and capital-funding, met sceptically especially by trade unions’	‘Greens were prepared and open for a reform debate in contrast with the SPD’	‘very difficult process, also because of SPD-reversal of CDU pension reform 1998’
Strategies of ref reformers – 1, 2, 3⁵	1 (attempts to legitimise in public but failure to accommodate enemies in own party) 2 (to trade unions/SPD-left) 3 (futile attempt to cooperate with CDU)	1 Initially too little (see 3 rd strategy) 2 Yes, especially on employers pension funds: crucial to gain acceptance for minimum pension levels 3 No engagement with critique of ‘traditionalists’ during the concept phase	1 (attempts to persuade, but Riester too open for dialogue/suggestions) 2 yes, especially on small details, but also on core points of reform: compensation factor 3 get support of opposition to silence critics in SPD	1 (next to Riester, Schroeder involved as well as financial industry) 2 (how real were concessions made?) Remarkable concessions due to massive lobbying by trade unions) 3 not relevant (possibly within SPD), CDU had agreed on many reform point in 1998 already

⁵ Legend strategies. 1: communicative (legitimising the need for and rationale of reform), 2: making concessions in exchange for acceptance/acquiescence, 3: ignoring/outmanoeuvring reform opponents

Political leadership Riester	Communication yes, but effects on opponents?	Minister showed stamina, being a newcomer to the political arena, yet achieved paradigmatic change in the face of huge resistance (aided by chancellor's backing and parliamentary groups as well as some trade unions	Yes, but sometimes lacked sensibility for processes and actors, sometimes too sensitive to suggestions	Yes, minister had a solid way of working, knowledgeable about details, trying to build bridges
Why eventual acceptance proposal?	Mostly concessions	All actors realized that the risk of a total systemic change was avoided: compromise seen as able to regain confidence in first pillar	NA ⁶ (due to time constraints)	Acceptance understood as by the public: economic situation and visibility of Herzog/Ruerup Comm. has helped
Other helpful factors	Green party, lobbying of banks and insurance industry, boom on the stock exchanges	Germany's 'backward' position in international comparison, Pressure of financial industry, reform demands advanced by scientists	Public discourse on pension policy has changed from a discussion among experts to a societal discussion on the future of pensions, demography, New Economy boom helped fostering a discussion about private pension provision	Tendency in media to report in favour of need for reforms due to generational change, change of thinking in the public at large
Important but not asked	Influential role of VDR in maintaining status-quo	Government promotion scheme of private pensions was hampered by lack of Länder cooperation.	NA	No

⁶ NA= question was not asked

Across: Title/position interviewee Below: Topics Interview Schedule	5) Former employee responsible for pension policy, parliamentary group, SPD	6) Member of parliamentary social affairs committee, SPD	7) Former trade union federation official (responsible for contribution-based pension provision)	8) Trade union federation official, head of section labour and social security law	9) Former member of parliament, speaker for health and pension policy, Greens (by email)
Overall perception/ memories reform process	‘Split between ministry and coalition working group lead to misunderstandings from an early stage’	‘group of SPD opponents and trade union officials – underestimated by the minister himself - achieved influential changes’	‘Difficult stance to maintain high pension provision in the first pillar’	‘normal process of political opinion-forming’ within the reformists proposal, first attempt at integration of two very much opposed systems	‘historic reform, paradigmatic change’
Strategies of reformers 1, 2, 3⁷	1 (insufficient communication between ministry and parliamentary group SPD – legitimisation by ‘TINA’, choice for prior development concept and going public quite late) 2 especially to trade unions/social welfare associations 3 typical for 1999-2000, first ‘consensus’ talks with CDU then looking for other supporters	1 Yes, in the parliamentary group, but no accompanied by early concessions 2 Yes, but in the later phase only when damage to the minister resulted, also in the absence of the minister 3 Critics were avoided (which backfired!) but not ignored	1 Reformists tried to convince with arithmetic stunts/yield and arguments about deteriorating economy 2 Yes 3 No, reformist did engage with critics	1 No, ‘TINA’ strategy, little discussion about the ‘if’ of proposed reforms, persuasion about questions of details 2 Yes, e.g. ceiling on minimum pension level 3 Points of critique, alternative proposals	1 (persuasion work towards associations and interest groups) 2 concessions made to trade unions 3 not mentioned
Political leadership Riester	Not really. Little sensitive to outside influences,	Yes, in general communicating and persuasion	No strong leadership style due to many	Showed consistency in arguing	‘Minister also contributed to success’,

⁷ Legend strategies. 1: communicative (legitimising the need for and rationale of reform), 2: making concessions in exchange for acceptance/acquiescence, 3: ignoring/outmanoeuvring reform opponents

	limited number of advisors, took little care of support-building within the party	work, but bad process management: Misinterpretation of power relations and communicative mistakes (visit to Australia!)	amendments made to original proposals (proposals contrary to own beliefs/problems to get message across)	for proposal, possibly strongly convinced of necessity	despite communicative deficits (many single suggestions, some key concessions)
Why increase in acceptance proposal?	Reform 'tiredness', concessions over time	Through (late) integration of the critique opponents	(understood as acceptance by the public) 'decrease of opposition meant no increase in acceptance, rather resignation to the facts'	Resignation at some point: accepting without real acceptance, serious doubts about durability of reform	NA
Other helpful factors	Increase of subsidies for private pension plans, new economy boom	Long-going debate on demographic change, tendency towards privatisation, New Economy boom	High social contribution rates (also exposed by annual strategy reports for EU/OMC, boom on the stock markets, globalisation arguments)	Not known	unknown
Important but not asked	Internal dynamics of governing coalition: Greens agreeing with oppositions on some strategic points: complicated later state negotiations	NA	No	Doubts were confirmed by advice of Rürup commission after 2002: more reforms in first pillar	NA