

Cerami, A. (2006), Book Review: Schludi, M. (2005), *The Reform of Bismarckian Pension Systems: A Comparison of Pension Politics in Austria, France, Germany, Italy and Sweden*, Amsterdam, Amsterdam University Press. *Journal of European Social Policy*, 16 (4), pp. 403-404.

Martin Schludi, *The Reform of Bismarckian Pension Systems: A Comparison of Pension Politics in Austria, France, Germany, Italy and Sweden*, Amsterdam, Amsterdam University Press, 2005, ISBN 90 5356 740 2, 312 pp, €39.50

Martin Schludi's book is a valuable contribution to the understanding of the politics of welfare reform in Europe, and though focused specifically on pension reforms in countries with 'Bismarckian' pension systems, it contains insights that will be useful to all those interested in the contemporary politics of social policy reform. This is notably because alongside providing a very detailed description of successful and aborted reforms to public pension schemes in Austria, France, Germany, Italy and Sweden since the late 1980s, Schludi also develops an all-embracing theoretical framework, which aims at identifying and explaining the mechanisms, factors and actors able to facilitate or to block the pension reform process.

The book is ambitious in its objectives, but this does not mean that the expectations of the reader are not fully met. One of its most positive aspects is that it provides an excellent and comprehensive description of different pension reform options, with their associated problems and possible costs. The author shows, in a clear and reader-friendly way, the positive and negative dimensions of pay-as-you-go systems and funded schemes. He is certainly right in concluding that arguments postulating the intrinsic superiority of one system over the other are largely unmotivated, since both show serious shortcomings. Another virtue is the author's explicitly problem-oriented analysis, with continuous and noteworthy attention to the economic and social consequences of each reform path described.

The theoretical and explanatory approach preferred by the author is based on actor-centred institutionalism. In this framework, not only is major attention given to the institutional 'lock-in' processes that may hinder or block future reforms, but special emphasis is also laid on the strategic interactions of political, economic and social actors, which may lead to innovative and 'path-departing' policies. Schludi contributes theoretically to actor-centred institutionalism, specifically by

conceptualising two factors that in his eyes determine patterns of politics around pension reforms, namely ‘policy distance’ and ‘positional conflict’. Schludi’s main hypothesis here is that “the degree of an opposition party’s cooperation is the combined function of its policy distance to and its positional conflict with the parties in government” (p.79). This means that cooperation and, hence, successful pension reform is more likely to take place if the opposition parties’ normative policy preferences are not too far from those of the government (policy distance), as well as an eventual cooperative strategy not being perceived as representing a serious threat to the maximization of their own electoral possibilities (positional conflict). These hypotheses - largely borne out in Schludi’s account of reforms of Bismarckian pensions systems - could fruitfully be further explored in other national contexts, under different institutional conditions and across different policy sectors.

My only slight criticism of the book is that the excessively descriptive character of the country chapters is on occasion somewhat wearying for the reader. This, however, is the downside of the book’s comprehensive empirical reconstruction of pension reform trajectories, which is precisely what will make it such a valuable resource for students and teachers of comparative social policy interested in any of the national cases covered. As a result of the theoretical contribution described above, it will also be of considerable interest to more advanced researchers working on welfare state change and to policy actors involved in pension reform processes too.

Alfio Cerami

Centre d’études européennes, Sciences Po, Paris