

**Strategic Re-Framing as a Vote-Winner:
Why Vote-Seeking Governments Pursue Unpopular Reforms**

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ABSTRACT

Most political science accounts assume that governments in Western democracies avoid unpopular reforms to protect their re-election chances. Nevertheless, governments sometimes embark on electorally risky reforms – even in times when they have no slack in the polls. We argue that pursuing unpopular reforms can be a perfectly rational strategy for vote-seeking governments. Based on a simple game theoretical model that compares strategic framing with the classic blame avoidance strategy, we demonstrate that unpopular policy reforms allow governments to pursue gains of both policy and votes by opting for a highly visible strategy of reframing the substantive reform issue in question. We illustrate this general argument with the substantial 2011 retrenchment of Danish early retirement benefits. This particular welfare state programme was highly popular. Nevertheless, the incumbent liberal prime minister proposed to abolish it only few months prior to a national election while his government was trailing significantly in the polls.

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INTRODUCTION

On January 1, 2011 the then Danish Prime Minister, Lars Løkke Rasmussen (Liberal Party), caught the political establishment by surprise in his annual televised address to the nation. With an election less than a year away, Løkke Rasmussen proposed to abolish the early retirement benefit over a relatively short period. In times of dire economic straits, expenditures must be cut, he argued, and concluded that the removal of early retirement benefits would ensure a solid economic basis for the future Danish welfare state.

It is not surprising *per se* that right-wing governments pursue welfare state retrenchment (Allan & Scruggs 2004; Hibbs 1977), but during the entire financial crisis Løkke Rasmussen had maintained that retrenchment of the early retirement was out of the question. In fact, the proposal was not only a change in policy position; it was also a break with a longstanding political taboo in Danish politics. The early retirement benefits have traditionally enjoyed almost universal public support and ever since former social-democratic Prime Minister Poul Nyrup Rasmussen retrenched the programme shortly after the 1998 election, no government considered abolishing these benefits – even though they have been heavily criticised by national and international economists (e.g. Arbejdsmarkedskommissionen 2009, 259-272; DØR 2010, 288-299; OECD 2010, 102). Politicians were too afraid that a similar public outcry would hit them as it hit the Social Democrats, whose poll standings deteriorated immediately after the 1998 retrenchment (for a general discussion of conditional electoral consequences of

retrenchment see Armingeon & Giger 2008; Giger & Nelson 2011; Schumacher *et al.* forthcoming).¹

Why would Løkke Rasmussen engage in what seems to be electoral suicide, when the opposite – popular pledges – was seemingly his only chance to stay in office. While the traditional retrenchment literature (Pierson 1994) cannot provide the answer, recent theoretical works help us understand such behaviour. Vis and van Kersbergen (2007) argue that governments pursue unpopular reforms when they are in the ‘losses domain’, i.e. situations in which they have nothing to lose and everything to win. However, Vis and van Kersbergen (2007) share with the mainstream literature on welfare state reform the fundamental assumption that the pursued reforms are – and remain – unpopular (Brooks & Manza 2006; Pierson 1994; Weaver 1986).

We provide an alternative explanation. To do so, we take two novel departures from existing scholarship on welfare state retrenchment: First, we dispute the current consensus that retrenchment is always about losing votes (if caught red-handed when cutting back) or keeping status quo (if cutbacks are unnoticed). Rather we argue that retrenchment in some situations might be a vote-winning strategy for the incumbent government. It is well known from experiential studies of political communication that governments can frame a retrenchment measure in order to manipulate the deservingness heuristic and thus public opinion (Petersen 2012; Slothuus 2007). Thus, public perception of reforms is affected by the communicated alternatives, and if retrenchment is portrayed as indispensable to avert or shorten an economic crisis (as Løkke Rasmussen did), governments might be able to convince voters of the reform’s

advantages (Green-Pedersen 2002). Our point is quite simple: The unpopularity of a reform is a function of its political content as well as its framing (Schmidt 2002, 2010).

Second, we depart from most existing studies by considering the dynamic interplay between the government and the opposition. Whether a government loses or gains votes when retrenching depends not only on its own strategy (concealing or advertising the retrenchment) but also on the activity of the opposition (engaging in a dispute over the issue or not).

Applying a simple game theoretical model including both the government and the opposition, we contrast strategic framing with the classic blame avoidance strategy in case of highly unpopular reforms. Using this model we demonstrate that it can be perfectly rational for vote-seeking governments to opt for electorally risky and highly visible retrenchment strategies in an attempt to reframe and thus win the public debate over otherwise unpopular policy reforms. The reason is that – paradoxically – risky policies offer prospects for both policy and vote gains. Hence, we see Løkke Rasmussen’s proposal to retrench the Danish early retirement benefits as an example of a vote-seeking government using strategic framing to convince voters of the positive effects of welfare state retrenchment and to regain popular support. As we demonstrate below, the liberal government was indeed successful in affecting public opinion.

The article proceeds in four sections. First, we review how governments go about the politics of unpopular reform according to the standard literature on the issue, but we also discuss the innovative ‘losses domain’ explanation of retrenchment. Next, we develop a basic theoretical model that considers strategic framing as an alternative to

the state of the art theoretical accounts. Third, we illustrate our central argument using the 2011 retrenchment of the Danish early retirement benefits as a case. A final section concludes and discusses possible extensions to our basic model.

THE POLITICS OF UNPOPULAR REFORMS

We start from the assumption that governments and the opposition are rational actors with multiple goals of policy, vote and office (Strøm 1990). In this perspective, governments wish to implement certain policies but they also want to maximise their vote and increase their chances of staying in office. Conversely, political oppositions want to forestall these reforms, while maximising their vote and increasing their chances to replace the government. When governments pursue unpopular initiatives, they are typically engaged in policy maximising, while they have to counteract the clear and present danger of losing voters. In this endeavour, the opposition is central, since no other political actor has a stronger incentive to challenge the incumbent government and in turn to bring it down. Put differently, the opposition will always want to forestall unpopular reforms pursued by governments.

Normally the opposition does not control a parliamentary majority. It must therefore challenge the reforming government through different means. Most importantly, the opposition can attempt to mobilise the public against the proposed unpopular reform by increasing the visibility of the issue in the media. Given the premise that the reforms at hand are per definition unpopular and since the media are generally willing to devote attention to political conflict and stories about the government exercising power over 'ordinary' citizens (Harcup & O'Niell 2001), the opposition faces a relatively easy task: It merely needs to direct media attention to the issue, provide arguments, cases,

calculations and hence increase the salience of the retrenchment issue; it need not engage in expensive campaigns to reframe the issue. Such efforts are considered to be a core part of daily politics since criticising governments is the opposition's *raison d'être*. From an opposition's point of view, attacking governments might be costly, but presenting own policies or doing nothing at all is also costly.

The classical strategy: Avoid the blame!

In this political game, governments can use different strategies. Most studies find it imperative for governments to avoid the political blame for unpopular changes (Armingeon & Giger 2008; Green-Pedersen & Haverland 2002; Vis & van Kersbergen 2007). Pierson (1994, 19-24) highlights three main strategies to cope with the political blame: obfuscation, division and compensation. Using the first of these strategies, governments try to create a smokescreen that renders the real purpose of a policy proposal (e.g. welfare state retrenchment) difficult to detect. This could be done for example by postponing the implementation of a reform by introducing gradual or complex indexing rules, by executing indirect cutbacks and/or by passing on the political responsibility to other authorities, e.g. the local administration of the particular programme. Using the second strategy, governments divide the public by designing unpopular reforms in a way that affects only minor segments of society. This makes it harder for the opposition to stand united and to mobilise public outcry. Finally, prospective losers can be more or less directly compensated, e.g. by making transitional schemes that protect present beneficiaries against the retrenchment. Similarly, the government can compensate the political opposition for not attacking the unpopular reform.²

It is important to note that the second and third strategies imply that governments are willing to compromise with the opposition. Thus, these two strategies try to avoid blame by making the reform *less unpopular* – not by obfuscating its ‘true’ effects. Despite the governments’ strategies of division and compensation, some groups could of course still oppose the reform. However, this remaining opposition is likely to be weaker than the initial opposition. In its most extreme form, a government might attempt to compensate all losers of a reform or create an oversized coalition incorporating the whole political opposition. Per definition, such a reform would not face any political opposition and would consequently no longer be unpopular. Obfuscation is thus the ‘purest’ example of a blame-avoidance strategy and we therefore focus on obfuscation in the theoretical model presented in the next section.

Obfuscation carries large political risks. If the strategy fails, say, if the opposition is able to convince the public that the seemingly technical and irrelevant reform is in fact consequential, the public might not only disapprove of the government’s policies, but also of the government’s tactics. Nobody likes to be cheated, and if the public considers the government to be deceitful because it attempts to hide the true consequences of its policies, punishment might be severe (Fehr & Gächter 2000). This was allegedly what happened to the Danish social democratic government in 1998 when it embarked on the retrenchment of early retirement benefits (Andersen 1999, 266-269, 2011, 14-16). In this line of argument, only governments with little to lose pursue unpopular reforms (Hollanders & Vis forthcoming; Vis & van Kersbergen 2007) – a situation we discuss in more detail below.

An exception from the rule: Retrench when in the ‘losses domain’

Despite the common theoretical wisdom, unpopular retrenchment is implemented in contemporary welfare states. To provide an explanation of such behaviour, Vis and van Kersbergen (2007) innovatively argue that governments pursue unpopular reforms, but only when they have nothing to lose and everything to win in electoral terms – i.e. when they are in the ‘losses domain’ (see also Vis 2009, 2010).

However helpful the concept of the ‘losses domain’ is, it cannot escape the weaknesses inherent in the prospect theory on which it is based. First, any government needs a reference point to determine whether or not it is in the domain of losses – and it remains the government’s *own* evaluation of the situation that matters (Fischhoff 1983; Levy 1994).³ Thus, we need a theory of reference points. Vis (2010, 119) argues that in case of welfare state reform it is plausible to take the status quo as reference point. However, to account for deviant cases, she also relies on the “Bush-considers-the-Iraqi-status-quo-unacceptable-because-he-was-doing-well-in-the-polls” logic (Vis 2009, 47, 2010, 153), which turns prospect theory upside down. Following this logic, governments sometimes gamble instead of performing risk-averse behaviour because they are in the domain of gains. Vis and van Kersbergen (2007) solve this apparent contradiction by arguing that favourable prospects sometimes lead governments to adapt reference points. But if reference points are adaptive, it becomes difficult to identify them independently of the subsequent reform activities, which they are supposed to explain.

Second, Vis and van Kersbergen (2007) emphasise the role of framing, which is “the process by which a communication source constructs and defines a social or political issue for its audience” (Nelson *et al.* 1997, 221). They draw on a classical example to illustrate how framing can affect the voters perception of whether a government is in the

‘losses domain’ (Vis & van Kersbergen 2007, 157-158): If people are faced with the fact that there is 10 per cent unemployment, they are probably ready to accept tough policy measures to fight unemployment – but if the same fact is presented differently, namely that employment is at 90 per cent, people probably are less inclined to accept harsh policy changes. Hence, whether or not a government believes that it is in the ‘losses domain’ depends on how it frames the situation. But by allowing for such framing effects, theoretical arguments based on prospect theory often increase the risk of reasoning backwards, “from choice to domain to frame” (Mercer 2005, 4).

Considering such theoretical challenges within prospect theoretical accounts, it is worthwhile to explore possible alternative explanations of the seemingly irrational behaviour of vote-seeking governments that choose to engage in welfare state retrenchment. Thus, we propose a more parsimonious argument, namely that governments might succeed in a proactive framing strategy that transforms an electoral risky pursuit of retrenchment into a true vote-winning measure.

The proactive strategy: Making retrenchment a desirable goal

Vis and van Kersbergen (2007) point to two distinctive blame avoidance strategies that governments could use when pursuing unpopular reforms, namely the “damned if you do, damned if you don’t” and “creative accounting and lies, damn lies and statistics”. Both strategies intend to move voters’ perceptions of the situation from one of gains to one of losses, thereby reducing the unpopularity of the retrenchment in question. However, the mechanisms of these strategies are not theoretically elaborated. Neither is the fact that retrenchment is not intrinsically unpopular if a government can survive harsh retrenchment by means of strategic framing.

Building on the work of Vis and van Kersbergen (2007), we relax the unpopularity assumption and provide a theoretically elaborated account of a framing strategy that governments can apply when they opt for unpopular reforms. Thus, we align with the range of scholars that have underlined the importance of political discourse and reformers' possibilities to create public support for (initially) unpopular reforms (Béland 2005; Cox 2001; Schmidt 2002). A central argument is that reforming governments are able to alter the public's perception of the inevitability, appropriateness or even necessity of proposed reforms. Framing strategies also comprise attempts to change the public's perception of different groups' degrees of deservingness. While some people might oppose any cutbacks in welfare state programmes, others find retrenchment fair and perhaps desirable if the government frames them as attempts to put pressure, for example, on people who are not trying hard enough to get a job (cf. Slothuus 2007; van Oorschot 2000). Thus, strategic framing might be part of the reason why recent empirical studies have been unable to detect universal electoral punishment of governments that pursue retrenchment – in fact some have even been electorally rewarded (i.e. Armingeon & Giger 2008; Giger & Nelson 2011; Schumacher *et al.* forthcoming).

However, just like the standard strategy of obfuscation, the proactive strategy of (re-)framing unpopular reforms is not risk free. As the government has no control over the free media, it is unlikely to affect the framing of a given reform in all channels at once, especially if the political opposition attempts to frame the reform in a completely different way. Thus, the framing strategy does not render the blame-avoiding strategy of obfuscation redundant. Rather, we argue that the two strategies complement each other.

IS STRATEGIC FRAMING AN OPTION?

Is strategic framing really an option for governments pursuing unpopular reforms? To answer this question we develop a simple model of unpopular reform. We assume a simple two-party political system, in which the government is able to unilaterally enact a reform because the logic of blame avoidance is most likely to apply in such systems (Bonoli 2001). For reasons of simplicity, we assume that the government has two broad choices: It can either attempt to obfuscate the welfare state retrenchment or it can attempt to win popular support for it. It cannot do both at the same time because it is impossible to cover up a reform, while at the same time advertising it as fair and reasonable. In case of big reforms, governments might use different strategies for different elements of the reform. In this case, our argument applies to the different elements rather than the whole reform package.

The second actor in this model, the opposition, can either attack the reform or abstain from attacking. If the opposition decides to attack, the government risks that the chosen strategy fails. More concretely, the opposition might be successful in highlighting the actual extent of retrenchment in case of an obfuscation strategy or it might win the public debate in case of a framing strategy. If the opposition does not attack the reform, the proposed retrenchment will simply be implemented.

The payoff matrix of our simple model of welfare state retrenchment is shown in Table 1. The government's payoff is shown on the left in each cell; the opposition's payoff is shown on the right.

Our point of departure is the amount of voters a government can win when a framing strategy succeeds. We find it reasonable to assume that a government in this situation is able to win voters from the opposition because the once unpopular reform has been transformed into a popular one – and popular policies attract voters. Hence, we assume that the opposition might sometimes have an interest in not attacking the government because the opposition has something to lose (voters) in case of an unsuccessful attack. We use \underline{u} to denote the utility of winning voters in case of a successful framing strategy. The unit \underline{u} is henceforth treated as the standard unit relative to which we conceptualise all losses and gains (in both policy and votes) that the different combinations of government and oppositional strategies yield.

Next, the payoff for a successfully enacted reform is $\underline{a}*\underline{u}$. The parameter \underline{a} indicates the extent to which a government is policy- or vote-seeking. If \underline{a} is bigger than 1, the government is policy-seeking (i.e. it values a successfully enacted reform higher than the share of voters it can win in case of a successful framing strategy). In contrast, if \underline{a} is smaller than 1, the government is vote-seeking (i.e. it values a successfully enacted reform lower than the share of voters it can win in case of a successful framing strategy). We acknowledge that governments have complex preference structures but we argue that governments know about the value of the parameter \underline{a} because they themselves design and propose the given reform.

[Insert Table 1 about here]

In case of obfuscation, success implies that the government can enact the reform and avoid being blamed for unpopular policies (because the public did not notice them being

implemented). In this situation, the government gets $a*u$ as a payoff. Since the reform has been hidden from the public, no vote gains can be expected. In case of a framing strategy, success implies that the government is able to convince the public that the reform is beneficial. Therefore, the reform will be enacted ($a*u$). If the opposition has attacked the reform proposal, but lost the public debate, some opposition voters are likely to start supporting the government and its re-framed, no longer unpopular reform. Thus, the government gets the additional benefit u , giving the government a total payoff of $a*u + u$. A successful framing strategy therefore yields both policy and vote gains if the opposition attack fails.⁴ If, however, the opposition refrains from attacking the reform proposal, the government will be able to implement the retrenchment ($a*u$). In this case, the government cannot gain voters simply because the opposition is not publicly displaying political disagreement with the government.

Failure of an obfuscation strategy implies that the public understands that the seemingly technical and irrelevant reform in fact implies retrenchment that is considered unfair. In this case, the government is able to enact the desired reform ($a*u$), but the voters will punish it. We model this punishment as $-b*u$ with $b > 1$ because the punishment is likely to be in the form of lost votes in future elections. Moreover, the number of lost votes is likely to be higher than the number of votes the government can win with a successful framing strategy because people in general tend to punish harder than they reward political initiatives (Elster 2007). For the sake of simplicity, we assume that voters who turn their backs on the government will start supporting the opposition. We do not allow for the possibility that the government withdraws the reform. After being ‘caught red-handed’, the government already lost public support. There is no use withdrawing the reform after a high price in terms of popular support has already been paid.

Finally, a failed framing strategy is not costless for that government, but we assume that the punishment in terms of lost votes is smaller than the amount of votes to be won in case of a successful framing strategy. Formally we model this punishment as $-1/b*u$ with $b > 1$. In this situation, the opposition wins the public debate and the government withdraws the proposed – and still unpopular – reform in order to contain the electoral damages.⁵ Thus, the government will not gain the policy benefit of the reform, but due to its responsiveness to political arguments and public opinion (i.e. the withdrawal of the unpopular proposal) it only suffers a minor electoral loss – as opposed to the case in which the government not only presents but also implements an unpopular proposal.

The opposition can choose between attacking and not attacking the government's proposal. Not attacking implies that the government implements the reform. For reasons of simplicity we assume that the opposition values policy and vote goals the same way as the government. In reality, government and opposition might not always have identical preferences, but their preferences are likely to be positively correlated as both are highly motivated by vote goals at the end of an electoral cycle. As a consequence, an implemented reform implies a payoff of $-a*u$ for the opposition. In the case of an obfuscation strategy, an attack cannot forestall the retrenchment ($-a*u$). However, if the attack is successful, the opposition is able to win over some voters ($b*u$). In case of no attack, the retrenchment is simply implemented ($-a*u$). In case of a framing strategy, a successful attack by the opposition can forestall the retrenchment, and some voters that disapprove of the governments' (failed) attempt to retrench now support the opposition. Thus, the payoff is $1/b*u$ with $b > 1$. If the attack fails, the retrenchment is implemented

and the government captures voters from the opposition. As a result, the opposition's payoff is $-u - a*u$. In case of no attack, the retrenchment is simply implemented ($-a*u$).

Our model has important implications. In particular, the model shows that the government's strategic choice is dependent on the parameters a and b . If a is bigger than 1, the government is policy-seeking (it values the policy $a*u$ more than the vote gain u). In contrast, if a is smaller than 1, the government is vote-seeking. Parameter b indicates the electoral punishment the government suffers in case of an unsuccessful obfuscation strategy. As we argue above, b is likely to be greater than 1.

Table 2 shows a stylised example for a vote-seeking government ($a=0.5$) and moderate punishment for cheating ($b=2$). In this situation the government has a dominant strategy: No matter what the opposition does, the government is better off pursuing a framing strategy. This is even true in case of a successful opposition attack. Certainly, strategic framing is not always the choice of vote-seeking governments. In particular, if the government is only marginally vote-seeking (e.g. $a=0.9$) and the electoral punishment for cheating is barely larger than the reward for winning the public debate (e.g. $b=1.2$), the government might prefer an obfuscation strategy. However, for most combinations of the parameters a and b , vote-seeking governments are better off relying on a framing strategy.

[Insert Table 2 about here]

The situation is different for governments with other objectives. Table 3 shows a stylised example for a policy-seeking government ($a=2$) and moderate punishment for

cheating ($b=2$). In this situation, the government does not have a dominant strategy. It prefers an obfuscation strategy in case of a successful opposition attack, while it prefers strategic framing in case of failed opposition attack. The government is agnostic about its choice of strategy in the absence of an opposition attack.⁶

[Insert Table 3 about here]

Hence, it might be perfectly rational for governments pursuing unpopular reforms to resort to strategic framing. The reason for this surprising outcome is that governments pursue different goals. If governments are policy-seeking, they do not want to endanger the adoption of the reform by possibly unsuccessfully engaging in a public debate. Thus, they rather opt for obfuscation. If, however, governments are vote-seeking, they do not want to take the risk of a failed obfuscation strategy that can be electorally costly. In contrast, a framing strategy can only result in a positive payoff or a rather minor loss.

We do not imply that vote-seeking governments always opt for strategic framing. In fact, if governments are barely vote-seeking and electoral punishment for cheating is very moderate, they might be better off pursuing an obfuscation strategy. We simply argue that the framing strategy is an important instrument in the toolkit of reforming governments. Below, we illustrate the relevance of the framing strategy using the reform of Danish early retirement benefits in 2011. In this example, a right-wing government proposed a deeply unpopular reform in an election year. From the point of view of the mainstream literature on welfare state reform, this reform should never have happened. In contrast, our simple model outlined above helps us understand why it was

rational for this clearly vote-seeking government to opt for a framing strategy. The reforming government needed to win over voters from the opposition and its best option was to beat the opposition in a public debate.

THE DANISH REFORM OF THE EARLY RETIREMENT BENEFITS IN 2011

In the following discussion of the reform of early retirement benefits, we want to demonstrate two major points. First, the Danish government was able to increase public support for the reform by framing it as fair and economically reasonable. Second, the Danish government proposed the reform in order to improve its electoral prospects.

Early retirement benefits have been among the most discussed welfare programmes since the late 1990s. In the 1998 election campaign the then social democratic Prime Minister Poul Nyrup Rasmussen lagged behind in the polls and resorted to a written guarantee that a new social democratic government would not retrench early retirement benefits – which would allegedly be the case if the Liberal Party were to gain office (Aylott 1999). A week later, Nyrup Rasmussen and his coalition partners won a narrow victory and he re-gained office. Soon after the election and despite campaign promises to the contrary, central ministers of his government secretly began negotiations with the Liberal Party with the purpose to adjust the early retirement scheme (Ræbild & Kristiansen 2001). The parties reached an agreement and even though the retrenchment was minor, the reform generated severe opposition within the Social Democratic Party, from major trade unions and most importantly among social democratic voters. Judging from the polls conducted just after the final vote on the reform in December 1998, the party lost almost half of the electoral support (35.9 per cent) it gained in the general election nine months earlier (Andersen 1999). Three years later, Nyrup Rasmussen was

voted out of office and the chief negotiator on the reform, former Minister of Finance Mogens Lykketoft, concluded that the 2001 election defeat was partly due to the way the 1998 retrenchment was designed (Lykketoft 2002, 13-17). Even in the longer run, “the Social Democrats never really recovered from the event” (Andersen 2011, 6).

The events of 1998 were widely noted among parties aspiring for office throughout the decade to come. The early retirement benefits became the case in point when the electoral dangers of welfare state retrenchment were discussed. Certainly, retrenchment was pursued in other parts of the welfare state during the 2000s (Elmelund-Præstekær & Klitgaard 2012), but the “experiences from the 1998 reform have made Danish politicians scared of reforms” (Petersen 2011, 158 our translation; see also Slothuus 2010, 162) when it came to early retirement benefits. It is against this background that Løkke Rasmussen’s announcement of the abolishment of early retirement benefits on January 1, 2011 should be understood.

Løkke Rasmussen did not only break with a political taboo, he also did it at the most unexpected time. The timing is surprising for two reasons. First, Løkke Rasmussen knew that 2011 would be an election year. Even though Danish prime ministers can call general elections whenever they see fit, the constitution limits the electoral cycle to a maximum of four years. Since the latest election was held in November 2007, Løkke Rasmussen had no choice but to call a new election less than 11 months after New Year’s Day. In fact, most experts expected him to call an election in the spring to preserve an element of surprise in the timing. Second, not only Løkke Rasmussen’s own party, the Liberals, but the entire coalition of parties supporting his centre-right government was trailing in the polls behind the centre-left opposition in late 2010. The

coalition was supported by only 45.5 per cent in a poll on December 21, 2010.⁷ In sum, Løkke Rasmussen was trailing behind by almost double digits and facing an election in the coming months – not exactly the combination of circumstances that calls for unpopular reforms such as retrenchment of early retirement benefits.

Nevertheless, Løkke Rasmussen publicly announced the retrenchment, but why did he opt for a framing strategy? Judging from the political analysis of central agents within the Liberal Party, a frontal attack on not just any welfare programme, but precisely the early retirement benefits would be the only way to gain electoral momentum. Carl Holst, a liberal chairman of a Danish region (Denmark has five regions, but only one Liberal chairman) and prominent figure in the Liberal party organisation, argued that “in an election campaign our best chance is economic responsibility” (Politiken, 25.12.2010). In a similar vein, Lars Kraup – a popular liberal mayor in one of the core liberal strongholds – argued that the party would “regain much” of the lost public support by openly advertising the retrenchment of the early retirement benefits before and during the election campaign (Politiken, 26.12.2010). Both Holst and Kraup argued that welfare state reforms were crucial not only to recover the national economy in the aftermath of the global financial crisis, but also to regain office.

Several polls prove this analysis correct. First, the Liberals gained 4.5 percentage points in the general polls in less than one month from December 21, 2010 to January 12, 2011.⁸ This sudden surge is not necessarily causally connected to the retrenchment proposal, but data on public opinion strongly indicates such connection. Table 4 shows the results of several polls that ask similar questions at different points in time. It is quite clear that the early retirement scheme had been universally supported – even in

times of economic crisis (i.e. the 2008 and 2010 measures) – and that the public support decreased significantly only *after* the 2011 New Year’s speech.

[Insert Table 4 about here]

Other polls show that 47 percent of the voters perceived Løkke Rasmussen as a stronger leader two weeks after the speech because of his handling of the retrenchment proposal, while only 34 percent believed that the issues had weakened him as Prime Minister (Rambøll/Analyse Danmark for Jyllands-Posten). Moreover, it is evident that Løkke Rasmussen managed to lead public opinion among liberal and conservative voters. Six months before his New Year’s address, 65 per cent of these voters agreed or strongly agreed that “the age threshold for early retirement should be raised as soon as possible”, and that “in the long term, early retirement will have to be abolished”. In January 2011, after the New Year’s address, this proportion had increased to 82 per cent. The same movement is evident among the third major right-wing party in Denmark: Support for retrenchment of early retirement benefits among the Danish Peoples’ Party’s voters increased from 41 to 50 per cent. Among voters supporting the centre-left opposition, no such developments can be observed (Slothuus & Petersen 2011).

Finally, looking at the political compromise reached by the centre-right parties (Liberals, Conservatives, the Danish People’s Party and the centrist opposition Social Liberal Party) in May 2011, the polls indicate that the entire process was beneficial for the incumbent prime minister – in sharp contrast to the situation in 1998. In the latter case only 33 percent of the voters supported the final compromise, while 52 disapproved of it (Andersen 2011, 19). In the former case the figures was almost

reversed as 44 percent supported the final compromise and only 37 opposed it (TNS/Gallup for Berlingske)

While we find the evidence convincing enough to conclude that the government managed to gain votes by proposing a significant retrenchment of a popular welfare, we still need to show that it was a result of strategic considerations. This is a difficult endeavour since politicians are unlikely to reveal their true motives – incumbents most likely always want to advertise higher and nobler goals than just re-gaining office for their own benefit.

Nevertheless, we find support for our central claim when we consider events and arguments that precede the New Year's speech. In this respect it is important to note that the Social Liberals abandoned the 2011 national budget negotiations in September 2010 because the government refused to discuss the party's core issue: the retrenchment of the early retirement scheme (Bille 2012, 55). This means that the government had the opportunity to embed and partly hide the retrenchment of the popular programme in broader economic discussions – i.e. to pursue an obfuscation strategy that proved successful in a similar situation in 2006 (Andersen 2011). At the same time the government let pass the chance to commit a central opposition party on the retrenchment agenda and possibly even split the opposition less than a year before the upcoming election.

Had the government been primarily policy-seeking, it would – reluctantly – have accepted the Social Liberal's demand and opted for a broad compromise on the national budget. But the government refused to retrench and waited three months only

to present the reform proposal as its own creation. Admitting that the economic situation had not changed and that the retrenchment had not become more necessary in the meantime, the Prime Minister simply argued that “it is my prerogative to decide when I want to talk about things” (Ritzau, January 2, 2011). So why walk away from the possible policy win in the budget negotiations only to pursue the same policy alone a few months later? We suggest that vote-seeking goals explain the government’s behaviour – it simply hoped to be able to turn the unpopular measure into a vote-winner instead.

Finally, it should be noted that the prime minister called the election *before* the May compromise was tabled in parliament. Løkke Rasmussen obviously commanded a parliamentary majority in favour of the compromise prior to the election, but he could not be sure that the majority would remain intact after the election. Thus, the government forfeited a guaranteed policy win in order to keep the retrenchment proposal on the political agenda. This decision is rational only if the government planned to use the retrenchment issue proactively as a vote-winner in the upcoming election campaign.

Løkke Rasmussen did not regain office in the September 2011 election. Nevertheless, the settlement reached in May 2011 was adopted by the new government – a minority coalition of the Social Democrats, the Socialist People’s Party and the Social Liberals – because the settlement coalition still commanded a parliamentary majority.

CONCLUSION AND DISCUSSION

The liberal Løkke Rasmussen government did not commit electoral suicide by breaking a political taboo and opting for retrenchment of a highly popular welfare scheme shortly before an election. Rather, Løkke Rasmussen seemingly made the strategic decision to emphasise a highly controversial reform because he knew that the reform proposal would attract public attention and because he was confident that he could win the public debate against the political opposition. Thereby, he relied on a framing strategy, which portrayed the unpopular reform as a necessary and sensible decision by a responsible government dealing with dire economic straits.

The announcement of a drastic retrenchment could also be understood as an end game of a government in the 'losses domain' (Vis & van Kersbergen 2007). It could be argued that the government was in a situation where it would be damned if it did, and damned if it didn't – to paraphrase Vis and van Kersbergen – but such explanation entails that the government was policy-seeking (i.e. opting for retrenchment *despite* electoral costs) which does not square with the reality in the particular case. Our analysis suggests that the government was vote-seeking and that it saw retrenchment of the early retirement benefits as an opportunity to turn the negative tide and regain lost voters.

On the basis of our theoretical model we argue that pursuing unpopular reforms can be a rational strategy for vote-seeking governments because framing strategies have the potential to yield both vote and policy gains. While governments most certainly have been aware of this strategic possibility for ages and while political communication studies recurrently have demonstrated the potential of government framing, the public policy literature in general and the welfare state retrenchment literature in particular have been preoccupied with the fact that welfare state cutbacks inherently impose

concentrated losses and diffuse benefits which render such initiatives unpopular. We do not claim that this reasoning is wrong. We merely argue that governments are able to challenge this outset.

Why did Løkke Rasmussen not simply propose popular policies? For one, he did not have much financial room to manoeuvre. Given the dire state of the Danish economy, popular policies of increasing spending would entail risks of accusations of irresponsible behaviour. However, the poor economy could be used to reframe the retrenchment of early retirement benefits. Given the economic problems, the government could portray the reform as sensible and necessary, while the political opposition could be depicted as economically reckless. From this point of view, economic crises can be understood as offering governments windows of opportunity to pursue unpopular policies because they facilitate framing strategies. In particular, if voters blame governments for weak economic performances (economic voting), governments can portray unpopular reforms as the lesser evil.⁹ Hence, it is not surprising that scholars find robust correlations between the occurrence of economic crises and reform activity (Høj *et al.* 2006; Vis 2009).

Our model of welfare state retrenchment is admittedly very simple, and numerous extensions would be possible. For instance, it might be argued that some government attributes influence the probability of a successful opposition attack. According to Ross (2000), left-wing governments *ceteris paribus* face weaker opposition than right-wing governments, even if they are electorally equally strong, because left-wing parties are more credible defenders of the welfare state.

Moreover, it could be argued that the government and the opposition interact numerous times during a government's tenure. Discussing old-age pension reforms, Bonoli and Palier (2007) show that previous reform attempts facilitate the adoption of subsequent unpopular reforms by stimulating a public debate and by creating awareness of the necessity of further reforms. Thus, a framing strategy can be used to create awareness that unpopular reforms are needed. Even if this reform attempt ultimately fails, it signals to the public that the government is willing to defend unpopular reforms. This is likely to facilitate further reforms. Hence, governments expecting to launch more than one unpopular reform on the same issue face incentives to opt for a framing strategy.

Finally, it could be argued that opposition attacks are more likely to succeed in case of framing strategies because welfare state retrenchment is more visible to the public. However, even if this is the case, there are at least two reasons why framing strategies remain an important instrument in the toolkit of reforming governments. First, the effect of higher success rates of opposition attacks in case of framing strategies is partly counteracted by the fact that failed attacks are electorally costly for the opposition (in contrast to failed attacks in case of obfuscation strategies). Second, even if the opposition decides to attack, a framing strategy remains a viable option for vote-seeking governments unless the success rates in case of framing strategies dramatically exceed success rates of opposition attacks in case of obfuscation strategies.¹⁰

Even though we have illustrated our argument using a Danish example, we are confident that our simple theoretical model also applies to other countries and other reforms. For instance, in Spain and Sweden, conservative parties were able to win the 2011 and 2006 elections respectively on platforms that emphasised the benefits of

welfare state retrenchment for job creation. In similar vein, several countries have increased the retirement age in recent years (e.g. Denmark and the United Kingdom), while others have embarked on fundamental labour market reforms (e.g. Germany and Italy) – in most cases without suffering electoral consequences.

In fact, the model assumes a simple two-player game where the government and opposition are clearly defined, distinct from each other and where the opposition does not have veto power. In such political systems, the logic of blame avoidance is most likely to apply (Bonoli 2001). Hence, the model assumes a most likely case for an obfuscation strategy. Nevertheless, we demonstrate that framing strategies are an important instrument in the toolkit of reforming governments.

In conclusion, we urge welfare state research to go beyond the “politics of blame avoidance” (Pierson 1994) and “frozen landscapes” (Esping-Andersen 1996) and to consult political communication studies, which recurrently have demonstrated the potential of government framing.

ENDNOTES

¹ Early retirement benefits were in fact retrenched in 2006, but at that time the liberal-conservative coalition government went a long way to obfuscate the adjustments as 1) the actual implementation was delayed by 13 to 16 years; 2) the main retrenchment was implemented through an index regulation that gradually and automatically made the programme available to fewer and fewer people; 3) some elements were added to the reform that were subsequently presented as improvements to the group of currently employed people aged 40-50 and highlighted in the political discussion, while the actual retrenchment was downplayed or concealed; and 4) the reform was adopted by a vastly oversized coalition (Andersen 2011).

² Pierson (1994) mentions 'oversized coalitions' as a way to *obfuscate* the responsibility for unpopular reforms. However, the political opposition is unlikely to enter such a coalition if the government does not first compensate it. Hence, we consider 'oversized coalitions' to be a case of 'compensation' rather than 'obfuscation'.

³ Certainly, some indicators can be used to estimate whether the government is in the 'losses domain'. Examples include the state of the economy or poll standings (cf. Vis 2009, 2010).

⁴ Put differently, the government derives utility from the successfully enacted reform ($a*u$) and from the voters it was able to win (u). A policy-seeking government ($a>1$) derives more utility from the successfully enacted reform, while a vote-seeking government ($a<1$) derives more utility from the voters it was able to win.

⁵ Theoretically, it is possible for a government to implement the reform and just accept the vote loss. We do not model this possibility because we expect a communicatively defeated government to withdraw the original reform in order to redesign and resubmit it in a reformulated form.

⁶ Governments have a dominant strategy if b is considerably greater than a . For example, a policy-seeking government ($a=2$) with strong electoral punishment for cheating ($b=3$) always prefers strategic framing to obfuscation.

⁷ Figures published by the national public service broadcaster, DR, and conducted by Epinion, see www.dr.dk/Nyheder/Politik/Barometer.htm (accessed January 4, 2012).

⁸ Figures published by the national public service broadcaster, DR, and conducted by Epinion, see www.dr.dk/Nyheder/Politik/Barometer.htm (accessed January 4, 2012).

⁹ In an interesting article, Hollanders and Vis (forthcoming) find a similar explanation for the correlation between economic crises and policy reform. Due to economic voting, vote-seeking governments consider reforms only when they expect to be voted out of office anyway due to economic hardship. In such a situation, vote-seeking governments have nothing to lose by pursuing unpopular reforms. Hence, governments reform because they intrinsically favour reform or because they hope that such reform may boost economic performance. The argument is remarkable for a series of reasons. In line with previous work, Hollanders and Vis assume that unpopular reforms always remain unpopular. Nevertheless, their argument does not rely on prospect theory to explain why vote-seeking governments pursue unpopular reforms. Rather, in striking similarity to the argument put forward in this article, they emphasize purely rational considerations. However, while they assume that governments essentially accept the inevitable

election defeat, we emphasize vote-seeking governments' ability to turn unpopular policies into popular ones by reframing the issue and thus win the popular debate. As the Løkke Rasmussen example shows, governments might in fact be quite confident in their chances to win the public debates rather than being resigned to losing the election anyway.

¹⁰ Let p be the likelihood of success of an opposition attack in case of an obfuscation strategy and q the likelihood of success in case of a framing strategy. The government that expects an opposition attack opts for framing if the following statement is true: $q*(-1/b*u) + (1-q)*(au+u) > p*(au-bu) + (1-p)*(au)$. This equation can be rewritten as follows: $1 > q*(1+a+1/b) - bp$. If we assume that governments are electorally punished twice as hard for deceiving voters as they are rewarded for winning debates ($b=2$) and if we conservatively assume that governments are simply not policy-seeking ($a=1$), then we can expect governments to opt for strategic framing if the following statement is true: $(4*p+2)/5 > q$. For instance, the governments opts for strategic framing if $p=0.2$ and $q<0.56$ or if $p=0.5$ and $q<0.8$.

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TABLE 1: Model of welfare state retrenchment

		Outcome scenarios		
		Successful opposition attack	Failed opposition attack	No opposition attack
Government strategy	Obfuscation	au-bu; bu-au	au; -au	au; -au
	Framing	-1/b; 1/b	au+u; -au-u	au; -au

TABLE 2: Stylised scenario 1: vote-seeking government ($a=0.5$) with moderate punishment for cheating ($b=2$)

		Outcome scenarios		
		Successful opposition attack	Failed opposition attack	No opposition attack
Government strategy	Obfuscation	-1.5; 1.5	0.5; -0.5	0.5; -0.5
	Framing	-0.5; 0.5	1.5; -1.5	0.5; -0.5

TABLE 3: Stylised scenario 2: policy-seeking government ($a=2$) with moderate punishment for cheating ($b=2$)

		Outcome scenarios		
		Successful opposition attack	Failed opposition attack	No opposition attack
Government strategy	Obfuscation	0; 0	2; -2	2; -2
	Framing	-0.5; 0.5	3; -3	2; -2

TABLE 4: Public attitudes towards the early retirement benefits 2003-2011

Year: Question	Agree	Disagree	Don't know/ neutral	PDI pro retrenchment
2003: Benefits Should be abolished	25	68	7	-43
2005: Benefits should be abolished in their current form	29	61	10	-32
2008: It is a good idea to abolish the benefits	18	58	24	-40
2010, January: A good idea to abolish the benefits altogether	26	56	13	-30
2010, March: Benefits should be abolished in their current form	38	52	9	-14
2011, January: A good idea to phase out the benefits in the years to come	47	38	15	9

Sources: 2003 (Andersen 2011); 2005 (Rambøll/Analyse Danmark, Jyllands-Posten); 2008 (Zepera for Ugebrevet A4); 2010, January (Analyse Danmark for Ugebrevet A4); 2010, March (Rambøll/Analyse Danmark, Jyllands-Posten); 2011, January (Analyse Danmark for Ugebrevet A4).