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Welfare State Futures: Supporting Solidarity
in Europe

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European Parliament elections in May 2019 come at a critical time in the evolution of the EU as these will be the first elections after the expected departure of the UK (March 2019) and at a time when divergence on many issues characterises member state relations. Wider global developments weigh heavily on Europe with the return of hard geopolitics and efforts to undermine the global multilateral order. The European University Institute (EUI) wants to highlight the major issues that are at the heart of the political agenda at this juncture as a contribution to the debate. The papers are part of a wider programme on the elections including the development of a Voting Advice Application (VAA), euandi2019, and an online tool specifically tailored for mobile EU citizens voting either in their country of citizenship or residence, spaceu2019.

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Abstract

Public support for solidarity within and between European countries has become frayed after years of austerity and the series of crises that have hit Europe. Although it is still relatively high by international standards, three main trends threaten solidarity: increasing inequalities; problems of legitimacy in welfare states; and the rise of extreme-right parties. In response, the European Union has introduced a new ‘Pillar of Social Rights.’ This is an important and potentially fruitful initiative, but it needs to be supported with more of the latest research on the sustainability of welfare states. To this end, this policy brief will report on research results from the NORFACE Welfare State Futures Programme, which was in operation from 1 September 2014 to 31 August 2018 and included more than 200 social policy researchers across Europe (<https://welfarestatefutures.org/>). It will focus on the pillar’s principle 4 (active support to employment), 11 (childcare and support to children), 16 (health care) and 18 (long-term care), and on both the recommendations and monitoring indicators suggested by the European Commission.

Keywords

Welfare state, solidarity, social rights, healthcare, long-term care, activation.

Context and scope of issues*

Since the early 1990s, a great deal of policy effort has focused on consolidating the standard programmes of the welfare state: pensions, health care, unemployment, family and child welfare and social assistance. In conjunction with changing economic patterns and labour policies, these changes have resulted in new holes in the social safety net, and at the same time newer social needs have not been adequately addressed. As part of a general suspicion of globalization, the European Union has been blamed for austerity and the welfare state has been viewed as its victim – political framing that has been put to excellent use by the radical right. Our research has documented the seriousness of these social and political problems.

European concerns

In-depth discussions with focus groups have uncovered deep pessimism about the extent to which the social safety net will be available in the future, and discontent about perceived unfairness in several social programmes, such as access to health services and the conditions for unemployment benefits (Taylor-Gooby & Leruth 2018, WelfSoc Project). Indeed, even though a wealth of studies demonstrate that immigrants to Europe do not come for benefits (Janicka and Kaczmarczyk 2016, MobileWelfare Project), do not access benefits at higher rates than natives (Lubbers, Diehl, Kuhn and Larsen 2018; Renema and Lubbers 2018a, 2018b, MIFARE Project) and indeed pay in more in taxes than they take out in benefits (Martinsen/Rotger 2017, TransJudFare Project), fears about immigration remain, even though in many European countries public support for providing welfare benefits to non-citizens is high (Hrast et al. 2018). Nevertheless, the burden on European welfare states of coping with the free-movement of citizens should not be simply ignored. A lack of clear jurisprudence about the portability of social benefits has left much uncertainty on the ground (Blauberger and Schmidt 2017), and owing to differences in welfare state design, some national programmes are being overwhelmed by foreign claimants (Schmidt 2019). At the same time, however, we do know that citizens respond immediately and positively to the introduction of social rights, even before material improvements have been felt (Burlacu et al. 2018, Healthdox Project). Therefore, the European Pillar of Social Rights holds promise for *clarifying* the scope and content of social rights in Europe and for *communicating* the robustness of the European social safety net. However, as the European Commission recognizes, unless these rights are made good on, they will remain mere words.

Policy options

Right 4: Active Support to Unemployment

The impact of technological change on workers depends on the degree to which workers are able to adjust their skills to new requirements. This is in turn related to the ability of firms to provide training that allows for such adjustments, and to institutions that support training. Where such structures are in place, technology-based restructuring does not need to result in unemployment but in skills upgrading through firm initiatives, except for older workers (Battisti, Dustmann and Schönberg 2017, GIWeS Project).

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Although labour market institutions such as unemployment benefits are thought to impede structural adjustments and to be responsible for higher rates of unemployment, they can in fact contribute to higher rates of employment by inducing greater participation in the workforce, and when they are coordinated with active labour market policies focused on training, vacancy creation and employment services, an economy can experience better matching of skills to jobs (Molana, Montagna and Onwordi 2017, 2018a,b,c, GlobLabWS Project). Furthermore, the impact of unemployment policies depends on individuals' previous attachment to the labour market: for those with stable previous attachments, benefit conditionality has an activating effect, but for those with precarious previous attachments conditionality does not induce activation, and may even lead to labour market exit, e.g., through disability pensions (Avram, Brewer and Salvatori 2016; Hall, Kotakorpi, Liljeberg and Pirttilä 2017, 4Is Project). At the macro level, generous welfare states and income compression increase a country's ability to attract and retain internationally mobile firms, and at the micro level they increase support by individuals for the social safety net (Barth, Finseraas, Moene and Østbakken 2015, GlobLabWS, GIWES).

Policy recommendation for Right 4

EC country reports focus exclusively on ALMP and neglect the virtuous circles that arise from the complementary effects of active and passive labour market policies and the role of unions and firms in the upgrading of skills. This is particularly important for younger workers; for older workers, new initiatives need to be developed. EC recommendations mention the role of stakeholders, but do not consider measures for supporting firm and worker representation in a globalized and digital economy. A task force on social partnership is critical to grapple with the larger issue of the future of work.

Right 11: childcare and support to children

Research on the changing nature of social work in different welfare state regimes demonstrates important cross-national differences in how social workers conceptualize families and address their needs, and the extent to which welfare state arrangements place responsibility on the family or the state (Nygren, White and Ellingsen 2018, FASCK Project). In addition, increasing diversity and movement within European societies has led to increasing fragmentation and diversification of families, which poses challenges in meeting the needs of children. In particular, problems of families are being addressed by different agencies, resulting in both over-treatment of families and a lack of coordination in providing support (Walsh, White, Morris and Doherty 2018). Similarly, national child protection practices vary with respect to whether the focus is more on trying to keep the family intact or on prioritizing the protection of the child, how much follow-up support (and of what type) is provided and the extent to which children are allowed to participate meaningfully in these proceedings. However, the UN Convention on the Rights of the Child is leading to convergence in this important policy area (Bouma, López López, Knorth and Grietens 2018, HESTIA Project).

Policy recommendation for Right 11

EC country reports focus mainly on the availability of child care but child welfare in diversified societies in a globalized world requires more sustained and holistic support for children. In order to provide better support for families and protection for children, social services should be available on site at day care centres. This will require European commitment to training social service professionals and the development of common standards. As family allowances directly affect child poverty, right 11 should be supported by a European policy for the coordination of family allowances.

Right 16: Health Care

In contrast with other regions of the world, Europe as a whole provides close to universal access to health care, and public opinion supports government responsibility to guarantee health care to the sick

(Immergut, Anderson, Devitt and Popic forthcoming; Healthdox Project). Nevertheless, there are significant differences in mortality and life expectancy between socio-economic strata, and further variation by gender and health condition (Eikemo, Bambra, Huijts and Fitzgerald 2017, HiNews Project). Health inequalities may stem from barriers against access to health care (such as waiting times and cost) and also from behavioural differences, housing and working conditions and unemployment, all of which have socio-economic and social-psychological (e.g. loneliness) dimensions. Therefore, health and health inequalities are affected not just by health systems but also by socio-economic conditions, which in turn are affected by welfare states and policy decisions (Bambra 2019). Critically, health policy interventions have different effects on health inequalities, with some, such as food supplements and vaccinations, being effective in reducing health inequalities and others having no effect or negative effects in this regard (Thomson, Hillier-Brown, Todd, McNamara, Huijts and Bambra 2018). Furthermore, socio-economic and cultural differences affect the ability of individuals to navigate their way through health care systems. This is particularly true in super-diverse contexts in which people rely on their own coping strategies and the administrative discretion of health professionals in order to obtain access to health services. Consequently, rigidities in health systems and time and efficiency pressures pose threats to service delivery in high migration neighbourhoods (Phillimore, Bradby, Doos, Padilla and Samerski 2018; Phillimore, Bradby, Knecht, Padilla and Pemberton 2018; UPWEB Project).

Policy recommendation for Right 16

The measurement indicators of unmet need and out-of-pocket payments are appropriate for health systems, but more attention could be paid to the issue of health inequalities. The EC Country reports focus on health financing, reducing out-of-pocket payments and increasing health system efficiency in the face of rising costs. Migration and diversity, however, place increasing burdens on health professionals, and freedom of movement throughout Europe is exacerbating brain drains and shortages of personnel in lower-wage countries. A European initiative on e-health, including data protection, training initiatives, upgrading of health personnel and working conditions in the health sector could contribute to the re-structuring of the governance of the health system necessitated by demographic change over the next decades.

Right 18: Long-term care

Research on general population preferences regarding the quality of life of users of long-term care and their care-givers based on choice rankings of specific dimensions of quality of life show that what is valued most is being occupied in meaningful and enjoyable activities and control over daily life activities. People in different countries (so far, Austria, England and Finland) were relatively consistent in terms of the relative value they placed on improvements in aspects of long-term care quality of life (LTC-QoL) for service users. This result was obtained by using a measure of quality of life developed by translating the adult social care outcomes toolkit (ASCOT) developed at the University of Kent (<https://www.pssru.ac.uk/ascot/>; <https://www.pssru.ac.uk/ascot/domains/>) to make it appropriate for the Austrian and Finnish contexts. Using this tool, EXCELC researchers found that the general population valued improvements in control of their daily life and their autonomy to determine how to occupy their time more highly than improvements in personal cleanliness and safety. Participants rated having ‘no control over their daily life’ as the worst outcome. The general population also considered the conditions of work for caregivers. In this regard, they valued improvements in caregivers’ occupational autonomy most highly (‘I’m able to spend my time as I want, doing things I value or enjoy’), as well as control over their daily life (Forder, Vadean, Rand and Malley, 2018; Trukeschitz, Hajji, Litschauer, Kieninger and Linnosmaa 2018, EXCELC Project).

Policy recommendation for Right 18

Rationalization of work in long-term care facilities and home care programmes is removing the most important part of the job for carers and cannot be compensated for by increasing remuneration. At the same time, rigid time schedules and routines geared to the efficient operation of facilities and the scheduling demands of home help carers are focused on delivering personal care at the expense of the more highly valued dimensions of quality of life for users, namely control and occupation. The LTC-QoL tool has been shown to be adaptable for non-English speakers. Therefore, we recommend the adoption of this tool as a monitoring instrument for long-term care quality of life in the EU, and that EC policy recommendations incorporate the importance of the control over daily life and autonomy of occupation dimensions for both long-term care users and carers.

Conclusions

The European Pillar of Social Rights holds promise for a badly-needed renewal of the European Social Contract. The priorities in the Pillar reflect a strong commitment to social investment, which is critical for the future of welfare states and welfare societies. Key to social investment, however, are the street-level bureaucrats in social services and the institutions of social partnership. This social infrastructure, however, requires shoring up. The need for social service professionals is increasing as other occupational categories are declining. However, working conditions are poor and job candidates are scarce. Occupational upgrading and sufficient training to incorporate potential employees from beyond Europe will be necessary to meet the need. Cost-calculations often overlook the productivity gains and increase in the tax base engendered by social services. Public investment in social service workers is critical to meet future needs. Similarly, the institutional bases of social partnership are in rapid decline. The memberships of unions and employer associations are at all-time lows, and large proportions of democratic publics are essentially completely outside these organizations. Moreover, the norms of social partnership have disintegrated in the face of increasing economic integration and a rising importance of finance. These factors contribute to political volatility and an increasing fragmentation of European party systems. The European Pillar of Social Rights provides an opportunity not only to make recommendations to national states on how to improve their social provision, but for the European Union itself to contribute to the social infrastructure within and across European nation-states.

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