Evolution of welfare systems in Europe
From *retrenchment* to *social investment*
1. Evolution of Welfare State
2. Trends, Challenges and Opportunities
3. Form Welfare State to Welfare (caring) Society?
   3.1 Welfare recalibration
   3.2 Relational welfare state
4. Future Scenarios: “After the crisis”
I

Evolution of Welfare State
Phases in the evolution of Welfare State

1. Security State [1700 – 1800];
3. Economic crisis of 1929 and the two World Wars;
7. Where we are now? Are we entering in a new phase? Are we opening a new “thirty year” period?
The four logics of caring

1. Market logic: it is based on profit seeking through competition;

2. State logic: it is based on the principle to guarantee to all citizens social rights entitlement; and it operates by means of formal public institution and burocracies;

3. Associative logic: it is based on ethic norms and moral codes; and it operates by a plurality of non profit organizations (civil society associations);

4. Private informal care logic: it is based on the family as key institution; and it operates by practices build into moral and personal obligations, emotional relationships and social relations.
## Sectors that produce well-being and their relative indicators - 1

<table>
<thead>
<tr>
<th>Institutions</th>
<th>State</th>
<th>Market</th>
<th>Civil Society</th>
<th>Family and Informal Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sectors that produce welfare</td>
<td><strong>State Sector</strong></td>
<td><strong>Market Sector</strong></td>
<td><strong>Third Sector</strong></td>
<td><strong>Informal Sector</strong> (family and primary networks)</td>
</tr>
<tr>
<td>1. Principle of coordination</td>
<td>Hierarchy (command)</td>
<td>Competition</td>
<td>Free will</td>
<td>Personal obligation</td>
</tr>
<tr>
<td>2. Supply side collective actors</td>
<td>Public administration</td>
<td>Private Enterprise</td>
<td>Non-profit associations</td>
<td>Family and networks of relatives, friends, and neighbors</td>
</tr>
<tr>
<td>3. Entitled actors (demand side)</td>
<td>Citizen (social rights of citizenship)</td>
<td>Consumer or client</td>
<td>Current or potential member of the association</td>
<td>Member of the community (familial, local, or personal network)</td>
</tr>
<tr>
<td>4. Regulation of access</td>
<td>Right guaranteed upon legal request</td>
<td>Ability to pay</td>
<td>Sharing a need</td>
<td>Ascription or acceptance</td>
</tr>
</tbody>
</table>
# Sectors that produce well-being and their relative indicators - 2

<table>
<thead>
<tr>
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<th>Civil Society</th>
<th>Family and Informal Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Means of exchange</td>
<td>Law</td>
<td>Money</td>
<td>Influence (topic, communication)</td>
<td>Value commitment (evaluation of value, personal attention)</td>
</tr>
<tr>
<td>6. Central value of admission</td>
<td>Equality</td>
<td>Freedom of choice</td>
<td>Solidarity through rules of conditional reciprocity</td>
<td>Full reciprocity as symbolic exchange (altruistic)</td>
</tr>
<tr>
<td>7. Criterion of the good added</td>
<td>Collective security</td>
<td>Consume (of private goods)</td>
<td>Social and civic activity (production of secondary relational goods)</td>
<td>Personal sharing (production of primary relational goods)</td>
</tr>
<tr>
<td>8. Primary shortcoming of each sector</td>
<td>Carelessness concerning the most personal needs</td>
<td>Inequality due to lack of money</td>
<td>Unequal distribution of goods and services, ineffective structures and poor management</td>
<td>Limitations of free choice due to moral obligations of the person in the family and primary networks</td>
</tr>
</tbody>
</table>
Types of welfare "regimes"

1. **Liberal welfare state**: common in the Anglo-Saxon countries and characterized by limited, means-tested assistance with strict entitlement rules;

2. **Corporatist (continental-conservative) welfare state**: more common on the continent of Europe in which the state supplies welfare assistance but preserves many of the status differences of pre-modern society;

3. **Social democratic welfare state**: in the Nordic countries involving universalism and a separation of welfare provision from the market system ("de-commodification").

4. **Mediterranean welfare state**: in Southern European Countries (Italy, Spain, Portugal, Greek);

5. **Leninist welfare state**: in Eastern European Countries (during the communist regime period);
## Models of Third-Sector Regime

<table>
<thead>
<tr>
<th>Government social Welfare spending</th>
<th>Nonprofit Sector scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

- Low: Statist
- High: Liberal
- High: Social-democratic
- Low: Corporatist

Religious traditions and welfare regimes

Northern Welfare Models

Protestant

Catholic

Southern Welfare Models

West Welfare Systems

Calvinist reformed Churches

Lutherans reformed Church

East Welfare Systems

Key words of welfare configuration

**WELFARE STATE**
- State
- Universalism
- Equality
- Participation
- Users
- Social rights
- Planning
- Negotiation

**NEO-LIBERALISM**
- Market
- De-regulation
- Freedom (of choice)
- Privatization
- Clients/customers
- Means-tested
- Marketization
- Competition

**SOCIAL INVESTMENT**
- Society / Community
- Personalization / Empowerment
- Inclusion / cohesion
- Social entrepreneurship
- Active citizens
- Social Innovation
- Accreditation Systems
- Partnership
The structure of society

Industrial Society (1800-1915)

Welfare State (1945-1975)

Neo-Liberalism (1978-2008)

Upper Class

Middle Class

Lower Class
Three pacts at the basis of the traditional Welfare State

I. Pact between generations: those of working age sustain the rest, both elder and younger. Pensions are not really paid out of the savings of pensioners, but out of taxes on those who are working. It is a massive inter-generational income transfer.

II. Pact between classes: underlying our coexistence is the acceptance of income transfers from the wealthier classes to the poorer (Progressive taxation).

III. Pact between territories: every state has richer and poorer regions; these disparities have to be corrected by means of income transfers, and that without such “territorial cohesion” it is impossible to maintain the stability and unity of a country.

(agrément, compromise, contract)
II
Trends, challenges and opportunities
1. From quasi-market, through contracting out to social partnership
2. The New Public Management

- Market
- State
- Nonprofit / Civil Society Organizations
- Families / informal networks
3. Marketization of care

- Market
- State
- Nonprofit / Civil Society Organizations
- Families / informal networks
4. The new social entrepreneurial discourse/narrative

- State
- Nonprofit / Civil Society Organizations
- Market
- Families / informal networks
## Typologies of services “marketization”

<table>
<thead>
<tr>
<th>Market logics / Competition</th>
<th>Private actors involvement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>1. a) Outsourcing with competition; b) Customer choice models</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>2. Importation of private sector practices into the public sector</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>3. Outsourcing without competition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. ‘Traditional’ public sector provision</td>
</tr>
</tbody>
</table>
POST NEOLIBERAL TIMES

Neo-Liberalism (1978-2008)  ???

After the Crisis (2015 - ????)

Upper Class

Middle Class

Lower Class
5. The democratic relationships: new forms of participation

- Market
- State
- Nonprofit / Civil Society Organizations
- Families / informal networks
6. New forms of co-production, co-management and co-governance

- State
- Nonprofit / Civil Society Organizations
- Families / informal networks
- Market
III  
Form Welfare State to Welfare (caring) Society?
Four pillars of new Welfare State Configuration

Social Investment

Social Innovation

Well-being

Social Cohesion

Social Inclusion

Political discourse on Social Investment

Social Cohesion

Social Innovation
Social Entrepreneurship
Social Entrepreneur
Social Enterprise

Social Investment

Social Inclusion

Welfare state / Welfare policy

Social Economy
Models of Institutional/Social Change

Path-dependent
(self reinforcing mechanisms = incremental change)

Path-breaking

Path-departing
(deviation from the rules/norms)

Path-creating
(innovations = introduction of new institutional configurations)
Welfare recalibration

Anton Hemerijck
References


Welfare recalibration

• The notion of welfare recalibration is meant to suggest an extensive form of remodelling by way of providing a new cast for the welfare state as we know it along four key dimensions: functional, distributive, normative and institutional recalibration.

• The guiding question of welfare recalibration is: What sort “new welfare architecture” is compatible with international competitiveness, the transformation of working life, the demise of traditional family structures, demographic ageing and fiscal austerity?

• From this perspective, reform decisions pass through and are based upon cognitive, normative, distributive and institutional judgments as to how improve policy performance under conditions of structural environmental change.
Four types of recalibration

• Functional recalibration
  (from unemployment, sickness, disability and old age insurance to family-friendly services to encourage labour market opportunities for women and raise birth rates) [from ex-post to ex-ante logic];

• Distributive recalibration
  (re-balancing of social protection provisions across policy clienteles, stakeholder interests, and public and private resource);

• Normative recalibration
  (concerns the norms and values implicated in the dilemmas emerging from the search for functionally effective and distributively fair policy proposals; new normative frameworks and discourses);

• Institutional recalibration
  (reforms in the design of institutions, levels of decision-making and social and economic policy governance, including the separate and joint responsibilities of individuals, states, markets and families).
Relational Welfare State

Pierpaolo Donati
References


The Lib/Lab model of welfare system

Lib/Lab compromise

LIBERAL

LABOURIST
SOCIAL-DEMOCRATIC

Market - Exchange

State – Re-distribution
Principle of subsidiarity

• This new **relational model of governance** relies more on **decentralized civil society initiatives**, media exposure and business self-regulation than on active state intervention.

• It adopts the **principle of subsidiarity** together with the **principle of solidarity**, which means to overcome the defensive and restricted interpretation of subsidiarity as mere ‘devolution’ or ‘let people do things by themselves’.

• It means **enforcing an active and promotional interpretation of subsidiarity** as ‘a way to help people to do what they have to do’.
Relational welfare state

• (I) at the local level, the welfare state is no longer the centre and vertex of society, it does not ‘produce’ the latter, but becomes a subsystem that has to act in a subsidiary way towards all other subsystems proving welfare (market, third sector, families and informal networks), by adopting forms of social governance working through social networks;

• (II) the task of the local welfare state is to realize the complex citizenship, which has three basic characters:
Three main characteristics

• a) it consists in the civil, political, social, economic and human rights, which refers not only to the individuals, but also to those social spheres where these rights are to be implemented;
• b) it must interconnect the rights stemming from ‘above’ (state citizenship) with the rights stemming from ‘below’ (societal citizenship), so to promote the flourishing of differentiated and multiple forms of citizenship;
• c) it should confer citizenship not only to the individuals, but also to the intermediary social formations operating in civil society, where free and equal citizens can practice an associational democracy generating relational goods.
A relational welfare state is not just an idea. Its basic principle is to provide better basic level welfare, sustainable primary care, and to solve a number of practical ordinary tasks, through the building of a rich social network empowering the people involved in a difficult condition.

The relational state is a way to design services aiming at empowering people and families in order to face many difficulties in day to day life. The families have the potential to change their own lives.

Relational services provide the framework for those at the front line to create a new relationship with families that starts from a different place, and supports transformation.
IV
Future Scenarios
“After the crisis”
Traditional Welfare State: Top-dawn logic

- Market
- State
- Nonprofit / Civil Society Organizations
- Families / informal networks
New-Liberal welfare model: Bottom-up logic

State

Market

Families / informal networks

Nonprofit / Civil Society Organizations
Investment and Relational welfare model: Bottom-linking logic

- Market
- State
- Nonprofit / Civil Society Organizations
- Families / informal networks
## Welfare policies - life cycle approach

<table>
<thead>
<tr>
<th>Housing policies</th>
<th>Education Policies</th>
<th>Health care and social services Policies</th>
<th>Occupational and pension/retirement Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - young couple</td>
<td>(+++</td>
<td>(+++</td>
<td>(+++</td>
</tr>
<tr>
<td>2 - couple living together (1° event)</td>
<td>(+++</td>
<td>(+++</td>
<td>(+++</td>
</tr>
<tr>
<td>3 - couple with children (2° event)</td>
<td>(+++</td>
<td>(+++</td>
<td>(+++</td>
</tr>
<tr>
<td>4- couple with adolescents</td>
<td>(+++</td>
<td>(+++</td>
<td>(+++</td>
</tr>
<tr>
<td>5- couple with young-adults;</td>
<td>(+++</td>
<td>(+++</td>
<td>(+++</td>
</tr>
<tr>
<td>6 - couple of young elderly</td>
<td>(+++</td>
<td>(+++</td>
<td>(+++</td>
</tr>
<tr>
<td>7 – single personal family unit</td>
<td>(+++</td>
<td>(+++</td>
<td>(+++</td>
</tr>
</tbody>
</table>
Thank you for your attention!

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