Key societal challenges

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The multi-faceted societal challenges

- Labour market
- Income inequality
- Education
- Inter-generational issues
- Immigration
- Childcare and parenting
- Ageing and pensions
- Social safety net
- Welfare state financing
- Unemployment
- Health and social care
- Gender
- Housing
Overview

• Key challenges: labour market, income distribution, combating poverty, ageing and inequalities, life-long learning

• The welfare state as an opportunity
  • Different approaches, path-dependency, appropriate solutions?

• Towards global social policy?
  • EU and UN strategies: EU Social Inclusion targets and the SDGs

• Conclusions
Labour force participation rate in percent of population 15+, 2017

Source: ILO, 2017; ILO estimates and projections.
Share of youth not in employment, education or training (NEET) in per cent, 2016 or closest available year

Key challenges
Labour market policies

Real median equivalised income (EU-SILC; Index 2005 = 100), new Member States, 2005-2012

Source: Atkinson et al., 2017, 84; EU-SILC; Median equivalised income from UDB March 2014; HICP from Harmonised Indices of Consumer Prices (series prc_hicp_aindx).
At-risk-of-poverty rate before and after social transfers (for a single person), EU, 2015

- **At risk of poverty rate BEFORE social transfers**
- **At risk of poverty rate AFTER social transfers**

Key challenges
Ageing and inequalities

Gains in life-expectancy at the age of 65 from the 1980s till today; selected countries by sex

Percentage of population in life-long learning by sex, selected countries, 1995-2014

Key challenges
Life-long learning

Percentage of population in life-long learning by sex, selected countries, 1995-2014

Spain

Italy

Serbia

Croatia

The welfare state as an opportunity
Different approaches to welfare

Social Expenditure in percentage of Gross Domestic Product (GDP), selected OECD countries, 1980-2016

Source: OECD Social Expenditure Database (SOCX), 2017.
The welfare state as an opportunity

Different approaches to social welfare

The mixed economy of welfare

Source: European Centre; Evers & Wintersberger, 1994.
Different challenges for different welfare regimes?

Path-dependency

Cash benefits vs. benefits in kind

• Nordic / universal welfare regimes (e.g. Sweden, Denmark)
  • High level of taxes and (public) services in kind
  • Retrenchment: targeting, cuts, new types of services, New Public Management

• Continental / Bismarck type welfare regimes (e.g. Austria, Germany)
  • Social insurance, higher level of cash benefits, Third Sector
  • Retrenchment: cuts, extension of labour force, increased contributions
Different challenges for different welfare regimes?

Cash benefits vs. benefits in kind

• Mediterranean countries (e.g. Italy, Spain)
  • Family-based, low coverage, lack of services, cash benefits, Third Sector (cooperatives)
  • Scarce reaction to new social risks, age-dependency (pensions)

• Central and Eastern Europe (e.g. Poland, Hungary, Western Balkan)
  • Legacy of communist regimes
  • Slow development of services, no tradition of Third Sector, low thresholds

Path-dependency
Ageing 4.0: Designing social policies from an integrated life-course perspective

Source: Leichsenring & Schmidt, 2016
## Europe 2020 strategy: selected headline indicators, EU28

<table>
<thead>
<tr>
<th>Headline indicator</th>
<th>Past situation</th>
<th>Current situation</th>
<th>2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment rate, total (% of the population aged 20-64)</td>
<td>70</td>
<td>69</td>
<td>70</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross domestic expenditure on R&amp;D (% of GDP)</td>
<td>2</td>
<td>2</td>
<td>2.03p</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tertiary educational attainment, total (% of population aged 30-34)</td>
<td>31</td>
<td>37.9b</td>
<td>39</td>
</tr>
<tr>
<td><strong>Poverty or social exclusion</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People at risk of poverty or social exclusion (Cumulative difference from 2008 in thousands)</td>
<td>n/a</td>
<td>4.759</td>
<td>1.698</td>
</tr>
</tbody>
</table>

Source: Eurostat. - Notes: e = estimate, p = provisional, b = break in time series, n/a = Data not available
## Towards global social policy?

### The EU strategy

### Percentages of households in income poverty or subjective hardship, 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>Income poverty: 60 % threshold</th>
<th>Income poverty: 50 % threshold</th>
<th>Subjective hardship: income insufficient</th>
<th>Subjective hardship: getting by ‘with great difficulty’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>17.3</td>
<td>8.6</td>
<td>3.4</td>
<td>2.7</td>
</tr>
<tr>
<td>North-Western</td>
<td>15.7</td>
<td>9.0</td>
<td>9.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Southern</td>
<td>18.9</td>
<td>11.9</td>
<td>27.9</td>
<td>18.1</td>
</tr>
<tr>
<td>Eastern</td>
<td>16.7</td>
<td>10.3</td>
<td>37.2</td>
<td>18.3</td>
</tr>
</tbody>
</table>

Towards global social policy?

The EU strategy

Progress towards the EU social inclusion target, 2005-2015, EU28

Notes: AROPE: at risk of poverty or social exclusion; AROP: at risk of poverty; SMD: severely materially deprived; QJH: (quasi-)jobless households.
SDG 1: Reduce poverty by at least 50% by 2030.
Towards global social policy?
The Sustainable Development Goals (SDG)

Towards global social policy?

The Sustainable Development Goals (SDG)

The SDGs: Some specific social policy aspirations and policies

<table>
<thead>
<tr>
<th>Social policy field</th>
<th>Social aspiration or goal</th>
<th>Social policy approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social security and social protection:</td>
<td>Reduce by at least half the proportion of man, women and children of all ages living in</td>
<td>Implement nationally appropriate social protection systems and measures for all including floors ... (1.3)</td>
</tr>
<tr>
<td>End poverty in all its forms</td>
<td>poverty in all its forms by national definitions (1.2)</td>
<td></td>
</tr>
<tr>
<td>Health policy: Good health and well-being</td>
<td>Reduce global maternal mortality ratio to less than 70/100,000 (3.1)</td>
<td>Achieve universal health (UHC) coverage ... for all (3.8)</td>
</tr>
<tr>
<td>Education policy: Quality education</td>
<td>Ensure all youth and a substantial proportion of adults achieve literacy and numeracy (4.6)</td>
<td>Ensure all ... have access to quality ... pre-primary, ... affordable quality ..., technical, vocational &amp; tertiary education (4.2 and 4.3)</td>
</tr>
<tr>
<td>Housing policy: Sustainable cities and</td>
<td>Access for all to adequate, safe and affordable housing ... (11.1)</td>
<td>Support least developed countries including through financial and technical assistance ... (11c)</td>
</tr>
<tr>
<td>communities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax and benefits policy: Reduce</td>
<td>Progressively achieve and sustain income growth of the bottom 40% of the population at</td>
<td>Adopt ... fiscal wage and social protection policies and progressively achieve greater equality (10.4)</td>
</tr>
<tr>
<td>inequality</td>
<td>a rate higher than the national average (10.1)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Deacon, 2016.
Towards transformation and adaptation

Paternalistic system
- Welfare state
- Central steering mechanisms
  - Top-down & directive paternalising
  - Central government

Ego-system
- New Public Management
- Central frameworks
  - Enforcement and inspection at a distance
  - Funding agencies: Providers, Consumer organisations

Eco-system
- Value creation
- Connecting government
  - Reciprocity
  - Flexibility of styles
  - Eco-network

CENTRAL REGULATION OF SUPPLY
- Input financing:
  - Budget & licenses
  - Focus: Institutional & professional; oriented on causality

CONTROLLED COMPETITION
- Output financing:
  - Performance financing
  - Focus: User as a service consumer, choice and competition

SUSTAINABLE VALUE SYSTEMS
- Outcome financing:
  - Focus: Citizens, vitality, resilience and well-being

Provision of services
- Protocols
- Norms
- Target groups by cause of need: Patients, residents, institutions ...

Role of government

Welfare Systems and Social Security

Provision of services

Protocols
Norms
Target groups by cause of need: Patients, residents, institutions ...

Certification of standards
Consumers’ information
Behaviour and health
Access for new providers: Clients, customers

Personal
Prevention
Formal and non-formal
Functioning and participation

Inspired by: Idenburg, Ph.J. Schaik, van M.C.M. Diagnose Zorginnovatie; over technologie en ondernemerschap, Scriptum, 2013; Nies & Leichsenring, 2017
Conclusions

• Regional and local idiosyncrasies: How to overcome path-dependency?

• Ideological cleavages: How can mutual learning be realised?

• Social policies as an asset rather than mere ‘expenditures’: How to strengthen social cohesion in Europe and beyond?