

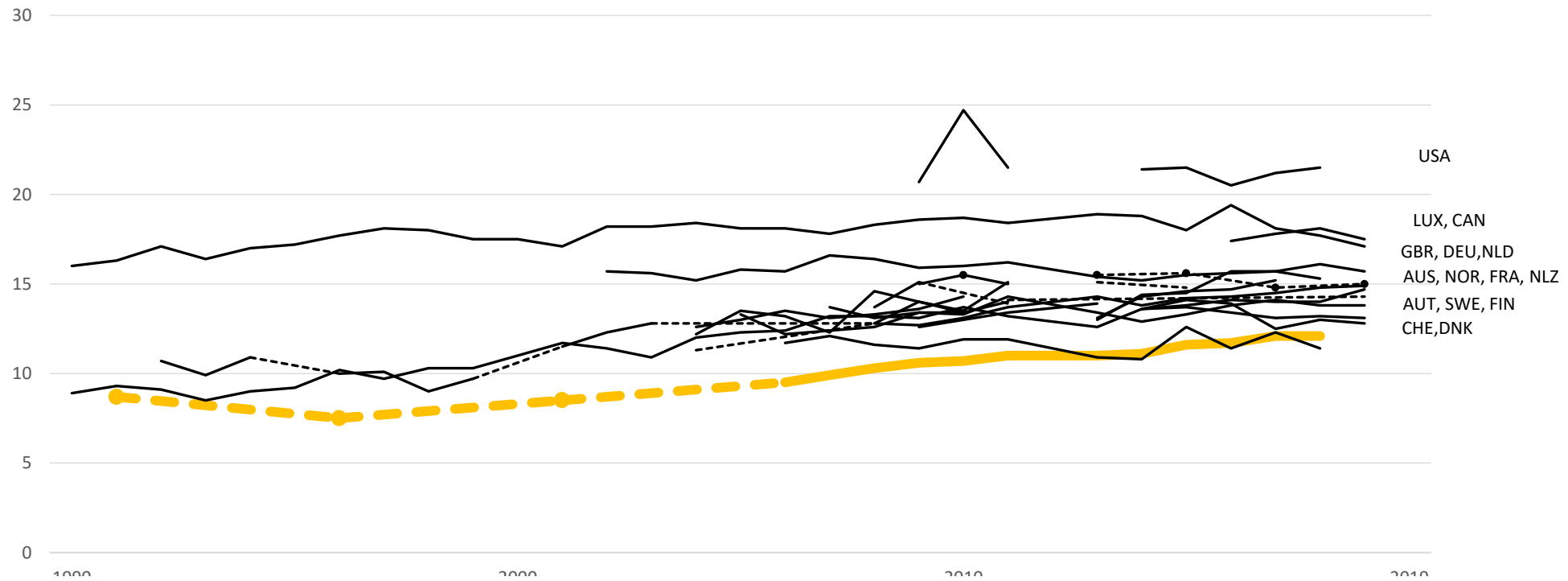
The structural nature of
disappointing poverty trends in
European welfare states

The need for a new social
contract

Poverty and the welfare state in Europe (and beyond)

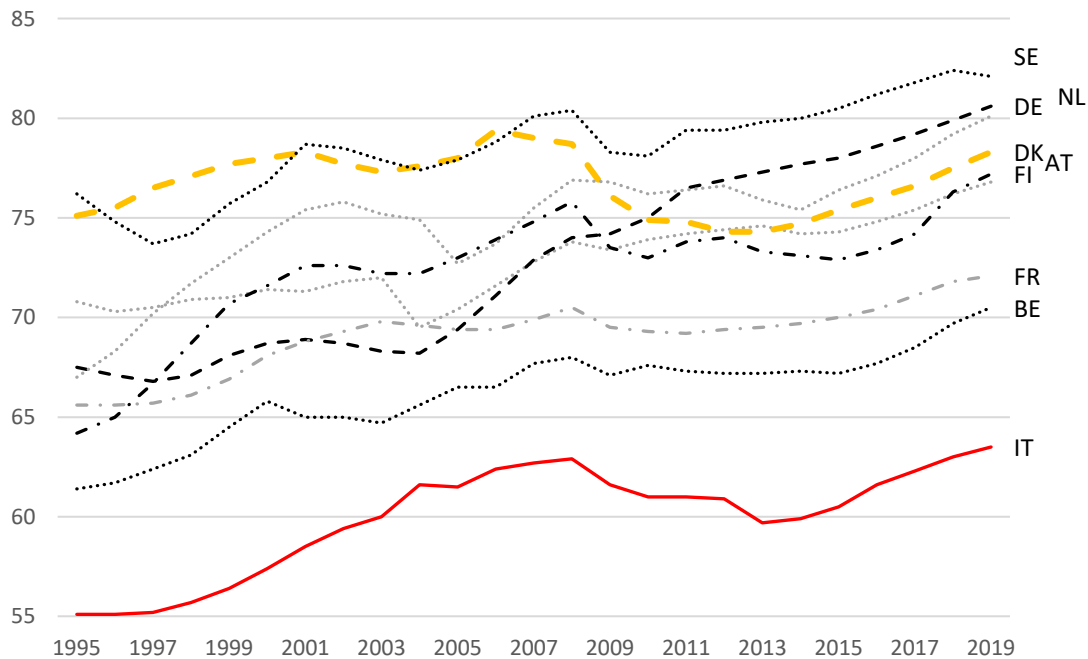
- Importance of social policies , SS standing tall
- However, since the 90's no progress, at best (for 70% of jobless HH social protection is inadequate)
- Although welfare states started to work harder

Relative Income Poverty ,18-65y, 1990-2019, AROP60, OECD

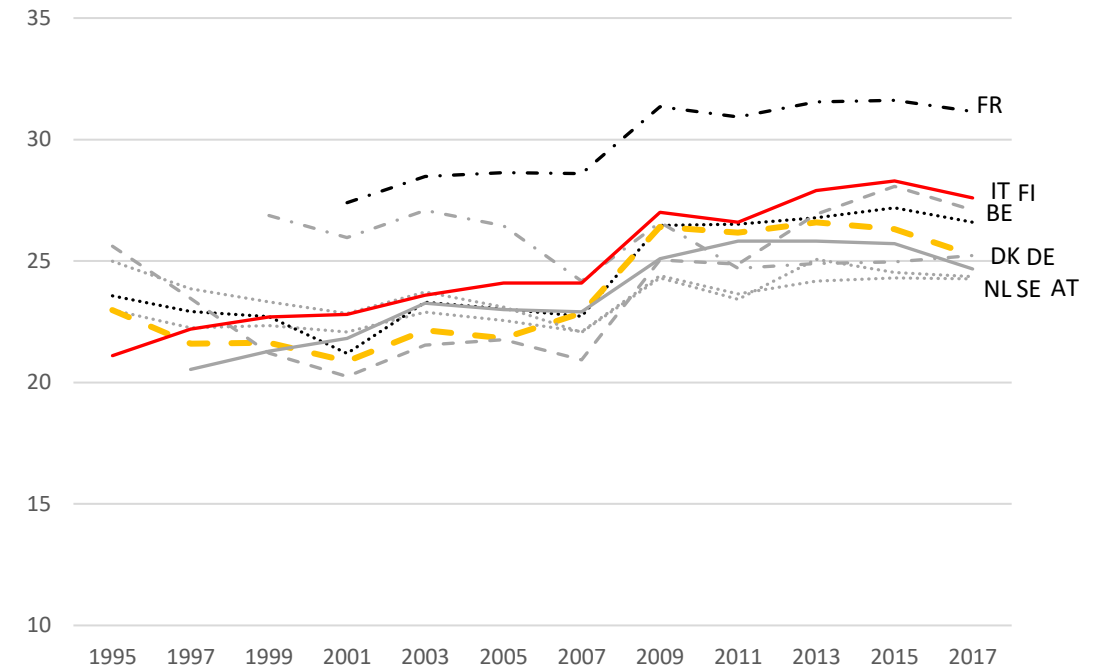


Yet, EU welfare states started to work harder

Employment rate



Social Spending/GDP



Why did the poverty reducing capacity of social spending decrease ?

Have welfare states failed to properly adapt to the great transformations of our time?

Have they changed but supported a loosing cause?

Or, is the welfare state facing systemic problems ?

Systemic in nature

- a) endogenously related with structural constraints unfolding from economic transformations, modern family-hood, migration and, increasingly, climate change
- b) affecting the poverty reducing capacity of each of the basic institutions of the welfare state
- a) reinforced by unequal political representation and changing opinions on deservingness

Welfare states changed

Social investment turn

Work related welfare reforms

Place-based social innovation (third sector)

Climate policies

But

1. Unequal distribution of jobs among individuals
2. Unequal distribution of jobs among households
3. Sluggish growth of low earnings

As a consequence

- Social investment less poverty reducing than social security
- Social floors under pressure of slow growth of minimum wages
- Fragmentation
- Climate policies tend to be regressive
- Social innovation : important but not structural

A new social contract

towards a social ecological welfare state state

integrating economic, ecological and social policies

- Jobs in the third sector
- Increase the wage minimum wage and the social floor
- Adapt social protection to flexible forms of employment, unpaid care work and climate risks
- Fair distribution of the cost of ageing and climate transition
- Wealth taxation and carbon taxes