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# **European Welfare Policy**

## **Squaring the Welfare Circle**

Edited by

**Vic George**

and

**Peter Taylor-Gooby**



**Macmillan Education**



EUROPEAN WELFARE POLICY

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# Introduction

Several recent reports by the European Community and the OECD view social and economic policy as inseparable. They consider active social policies as not only conducive to economic growth but as necessary prerequisites to it. On the other hand, they stress that low or zero rates of economic growth inevitably make the achievement of social policy goals very difficult, if not impossible. It is the balance and the right mix of social and economic policies that is the crux of the matter for a vigorous welfare state.

In this volume, we consider the social policies of seven European countries during the past fifteen years within their broader economic, political and social environment. They are all now members of the European Union, but with rather different government approaches to economic and social policy. They range from Sweden with its reputation as the prototype of a fully developed welfare state to Greece with a welfare state in the making. The seven countries are also divided between the more affluent countries of Northern Europe – Sweden, Germany, France and the UK – where family patterns are unstable and the less affluent countries of the Mediterranean rim – Italy, Spain and Greece – where families tend to be more cohesive. The family and the community play a greater part in welfare provision in the latter than in the former group of countries.

The concern of the book is to examine the social policy experiences of these countries; to understand the demographic, social and economic pressures for increased welfare spending; and to reach some tentative conclusions on the possible future developments in welfare provision. The book shares the view of many writers that the 1980s and 1990s are a rather special period in the development of the welfare state. A number of factors coalesce to produce a political environment that, on one hand, makes for the containment or the reduction of state welfare spending and, on the other, for the expansion of voluntary and private effort. Apart from issues concerning the volume of state welfare, this period has also seen the beginnings of a trend away from unquestioned decision-making structures and towards greater public accountability in welfare services. Thus the 1980s and the 1990s may well mark the beginning of a new era in the history of the welfare state.

The book begins with a review of trends in the economy, labour market, the family, demography, taxation and welfare spending during the post-

war period in our seven countries (Chapter 1). It then reviews the experience of the seven countries during the years 1980–95 and casts a glance at their likely development in the remaining years of this century (Chapters 2–8). Chapter 9 examines the pressures affecting the demand for welfare today and in the immediate future. While demographic, family and social factors play their part, it is unemployment which directly and indirectly is the major pressure point. Chapter 10 looks at the political responses of the seven countries.

There is a limited tendency towards convergence in spending levels (as lower spending Mediterranean countries with left-wing governments increase provision and Northern governments retrench) and in the broad structure of provision (as Bismarckian social insurance systems are subsidised from direct taxation and are extended to include at least some groups among the ‘new poor’ who are not strictly entitled on the basis of work records). So far so good for the protagonists of Maastricht! How far this trend will go in eroding the disparity between welfare systems based essentially on social insurance and those which place much greater reliance on direct state tax is unclear. Nowhere are welfare reforms adequate to meet the needs of those who have been penalised as a result of the current changes in family life and patterns of employment. So far political ideology has had a real but limited effect on welfare reform in recessionary times, although the evidence of Chapter 1 indicates that the test for the stability of welfare systems has not yet arrived. The exception is the UK, where a right-wing government has achieved substantial welfare cuts.

We are immensely grateful to all our contributors without whose work the book would not have been possible. We are also grateful to Jan Terpstra of the University of Nijmegen, the Netherlands; to Ramesh Mishra of the University of York, Canada; and to Paul Wilding of the University of Manchester, UK, for valuable comments on several chapters. As editors, we are jointly responsible for any errors and any weaknesses of the book.

Social policy debates will assume increasing importance within the European Union because of the increasing pressures for welfare expansion, the uncertainties surrounding the future of economic growth and the new ideas of how welfare should be provided and administered. The need for comparative studies of European social policies is greater than ever before and we hope this volume will make some contribution in the understanding of the forces that affect the development of policy in different countries.

VIC GEORGE  
PETER TAYLOR-GOOPY