

Understanding changing ideas, concepts and policies concerning employment and welfare

Prof. Maarten Keune



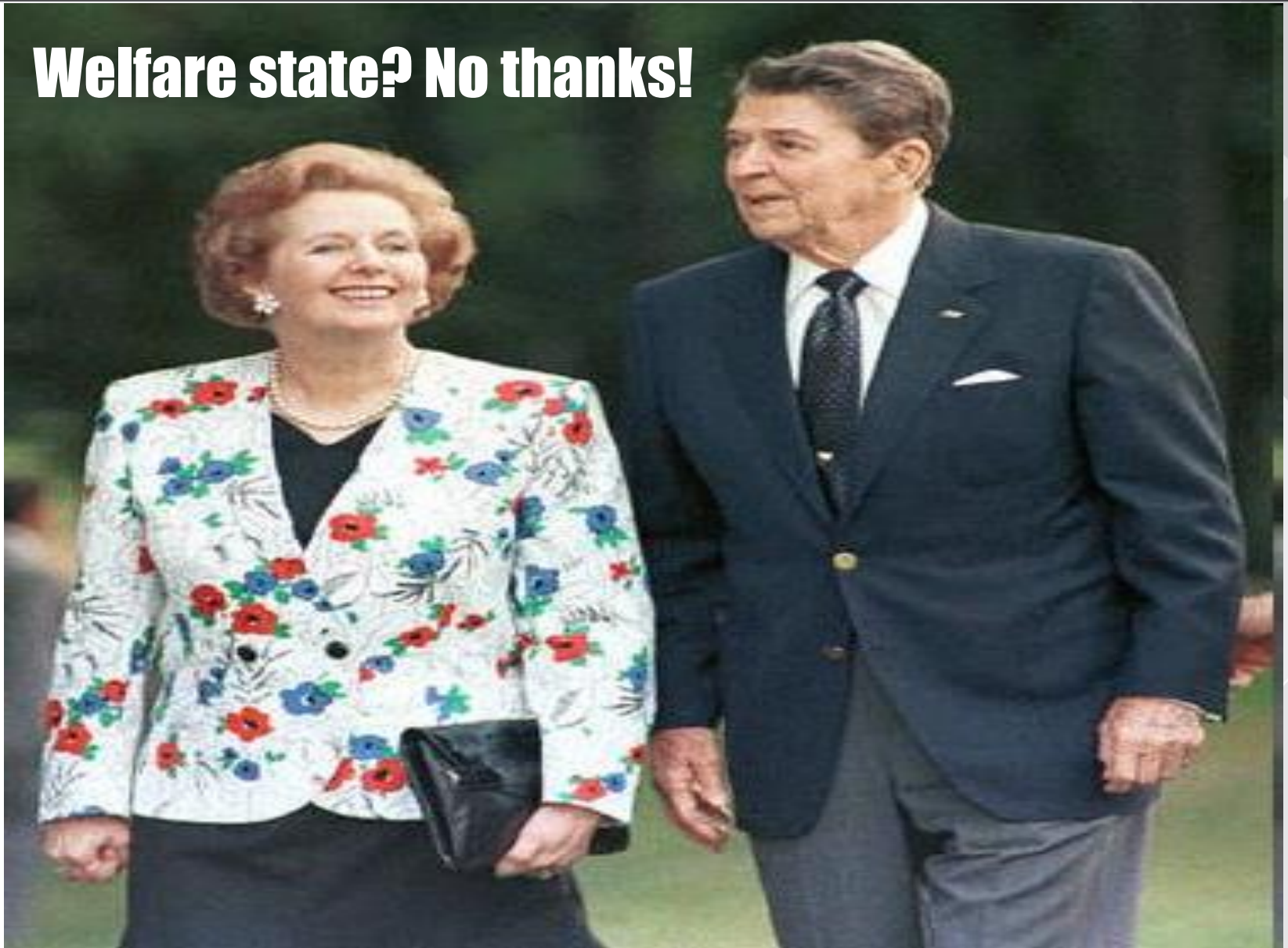
The role of ideas in work and welfare

- Employment and social policy are expression of ideas and underlying theories concerning the labour market, welfare state and role of the individual and the collective.
- Substantial reconstruction of these ideas and the theories over time, linked to changes in outcomes, politics, power, knowledge.
- Diversity between countries but also broad common European trends.

Changing ideas on work and welfare I

- Liberalism until late 19th century: free will and equality contracting partners; having work or not sign of individual attitude and success or failure; abstention state (self-regulating market); high flexibility, low security
- 1900–1970s: democracy, trade unions, social question: unequal wage relationship; state intervention (social protection and labour legislation); collective labour relations; socialization of risk, collective responsibility for fate individual. Reduced flex, growing security

Welfare state? No thanks!



Changing ideas on work and welfare II

- 1970s-today: rise of neoliberal-monetarist politics and academia, growing power capital, weakening trade unions: growth, balanced budgets and price stability primary objectives; private enterprise as motor economy; autonomy and responsibility individual; welfare state dependency as pathology; supply side policies, wage moderation. More flexibility, less security.

No abstract model: reform demands financial support countries

- Reducing amount and duration social benefits
- Reduce pensions, public sector wages, minimum wage
- Flexibilise labour market
- Decentralise and reduce coverage collective agreements
- Etc.

Sources of change

- Today Europe in crisis. High unemployment, growth precarious work, growing flexibility, declining security
- Two divergent developments: (1) height of neo-liberal-monetarist doctrine – but (2) also growing potential for change in ideas on work and welfare:
 - Paradoxes in dominant discourse
 - Growing discontent
 - New knowledge

Paradoxes in dominant discourse

- The false autonomy of the individual: from welfare dependency to market dependency
- Shifting of economic risks to the weak
- Discrepancy between EU discourse on flexicurity, social investment, etc. and actual policies of flexibilisation and budget cuts

Growing discontent

- ILO: growing “risk of social unrest” since 2008 (confidence in governments, perception living standards, labour market etc.).
- More awareness abuse or incompetence of economic or political power, greed, influence. Impotency of population. Middle class loser of crisis. Hollowing out of democracy.
- Distance between EU and citizens. Shown by indifference elections or growth anti-EU parties.
- Protest in many ways, from Indignados to Occupy, to striking cleaners, to extremism and xenophobia, etc.

Knowledge and analysis I

- Since 2000, consensus on:
- Deregulation and flexibilisation labour market does not lead to more employment: even OECD.
- No contradiction comprehensive welfare state and high levels of quality employment.
- Innovation largely driven by public spending in education and research.

Knowledge and analysis II

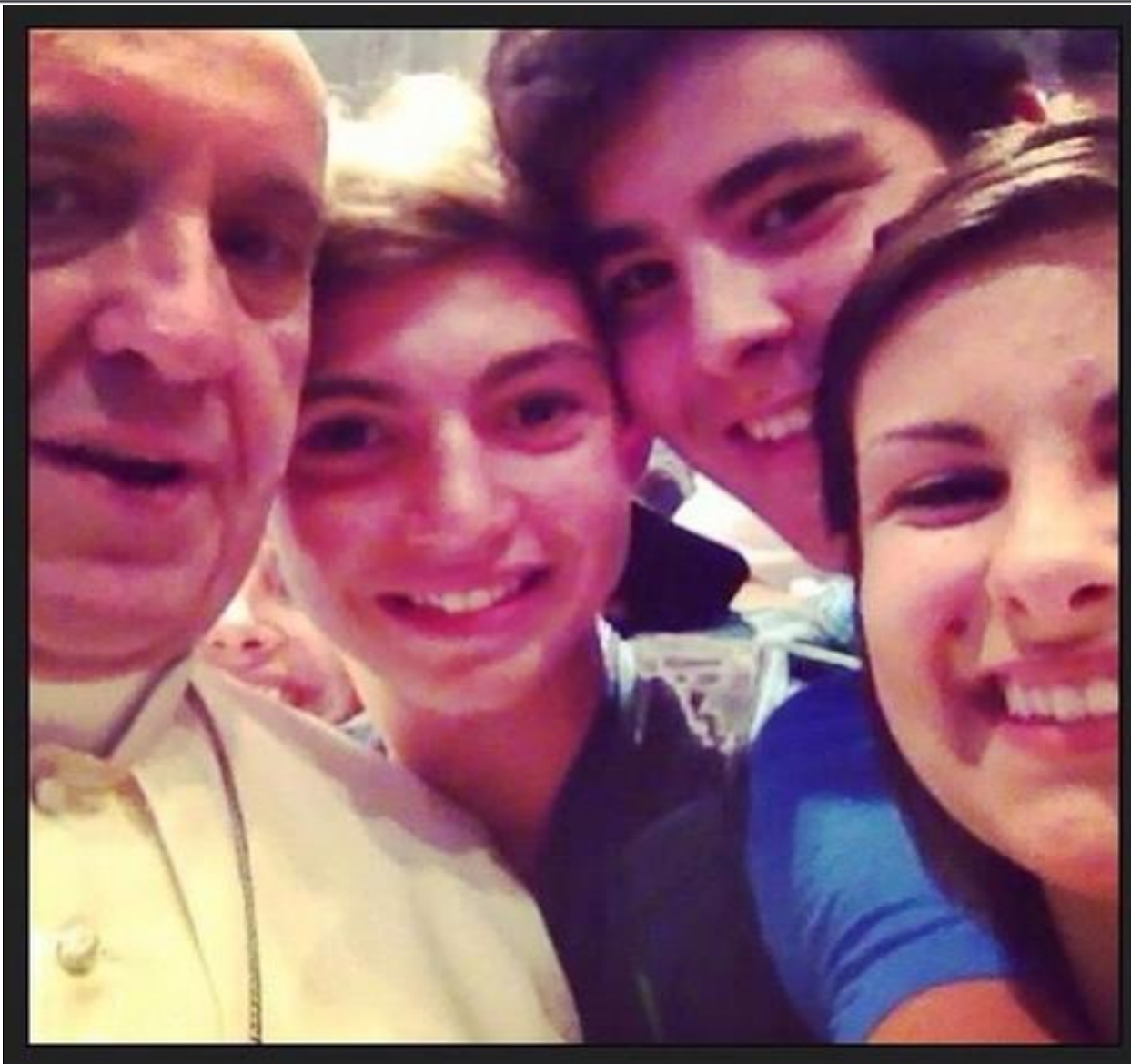
- More recent:
- Higher job quality good for productivity, innovation and employment.
- Strong collective labour relations leads to more balance in flexibility and security.
- Strong demand for union-type functions
- Inequality at root social problems, health problems, mortality.
- Inequality hampers economic performance: IMF, OECD.

Pickett, Wilkinson and de Vogli



Individualisation

- Individualisation long term trend in society: freedom, self-expression, reflexivity, de-traditionalisation
- Neo-classical or social view of individualisation?
- Individualisation = higher awareness risks, vulnerability → no contradiction between individualisation and collective solidarity
- Continued asymmetry of power capital-labour
- Individualisation requires collective regulation, collective securities.



Towards new ideas on work and welfare ?

- Dominant ideas obsolete and under pressure, change in ideas is needed. Indicated a number of potential sources.
- What should new discourse include?
 - Less centrality economy, society at centre
 - Reduce inequalities
 - Strengthen quality of work
 - Individualisation within collective institutions
 - Democratic control over capital, resources
 - Strengthen worker representation