31st Annual Conference of the International Working Party on Labour Market Segmentation (IWPLMS)

14th to 17th July 2010, Valencia University

National Models of Employment and Economic, Environmental and Social Sustainability

Title:

Learning from the crisis: The limits of a narrow definition of the welfare state for analysing social and economic sustainability

Anne EYDOUX

Senior lecturer in Economics, CRESS-Lessor, Rennes 2 University Associated Researcher, Centre for employment studies Address: CEE, 29 promenade Michel Simon – 93 166 Noisy-le-Grand cedex Tél. : + 33 (0)6 98 24 81 04 Email: anne.eydoux@univ-rennes2.fr

Christophe RAMAUX

Senior Lecturer in Economics, CES Paris 1 University Email: christophe.ramaux@univ-paris1.fr

This proposal addresses the first and sixth key questions: "Theoretical works on the concept of sustainability in its triple dimension and its relation with the structure of the national employment models" / "Works on the systems of social protection, their relation with economic policies and their impact on social sustainability".

Abstract:

Our paper/communication will stem from the various definitions of the welfare state to question the notions and usages of economic and social sustainability (preserving the access to economic and social resources for future generations). In the present socio-economic context (ageing population, economic slowdown) the social sustainability of welfare (maintaining social rights and services) appears as challenged by global economic sustainability (aiming at not imposing the duty to pay for a costly system on future generations). In line with such a concern for economic sustainability and its reconciliation with social sustainability, many advocate a reshaping of social policies: a "social investment" strategy that gives the priority to investing in children and youth and to promoting "full employment" (Esping-Andersen, 2002) rather than to provide for extended income support and compensation for social risks. Our paper/communication will maintain that such a position must be reconsidered. By referring to a broader definition of the welfare state we

show that the tensions between economic and social sustainability may be interpreted (and solved) otherwise.

Following Esping-Andersen's (1990) intuition to include employment as well as macroeconomic regulations within the very definition of welfare states, we will rely on a broad definition of the welfare state as based on four pillars: social protection, employment regulations, public services and economic policies (Ramaux 2007). This definition leads to question current typologies of welfare states regimes. Built mainly on the sole dimension of social protection/social services, these typologies turn out to be less relevant as soon as one considers the other dimensions, and especially the dimension of economic policies. For instance, the United States and the United Kingdom, whose social protection system are deemed residual and whose economy are described as a liberal market economy (Hall and Soskice 2001), tend to develop active economic policies and to witness important debates on public regulations, especially in the present context of economic crisis. On the other side, conservative or social-democratic welfare states in Europe, despite offering a quite "generous" social protection, may be much constrained and less active in their economic policies. Finally, social sustainability may be a case of economic policies as well as it is one of social policies and the burden of the reconciliation of social with economic sustainability does not necessarily bear solely on the reframing of social policies.

References:

Esping-Andersen G. (1990) The Three Worlds of Welfare Capitalism, Cambridge: Polity Press.

- Esping-Andersen G., ed. (2002) Why we Need a New Welfare State, Oxford University Press.
- Hall P., Soskice D., eds. (2001) Varieties of Capitalism: The Institutional Foundations of Comparative Advantage, Oxford University Press.
- Ramaux C. (2007) « Quelle théorie pour l'Etat social ? Apports et limites de la référence assurantielle », *Revue française des affaires sociales*, 1, January-March.