

Social protection reform : What measures can combat more effectively poverty and inequalities ?

Bea Cantillon

Herman Deleeck Centre for Social Policy, University of Antwerp

The puzzle

Social Protection started to work harder but became less performant for flourishing the lives of the most vulnerable

Since the 70's both the *symbiosis* and the *contradictions* between the market and social protection have increased

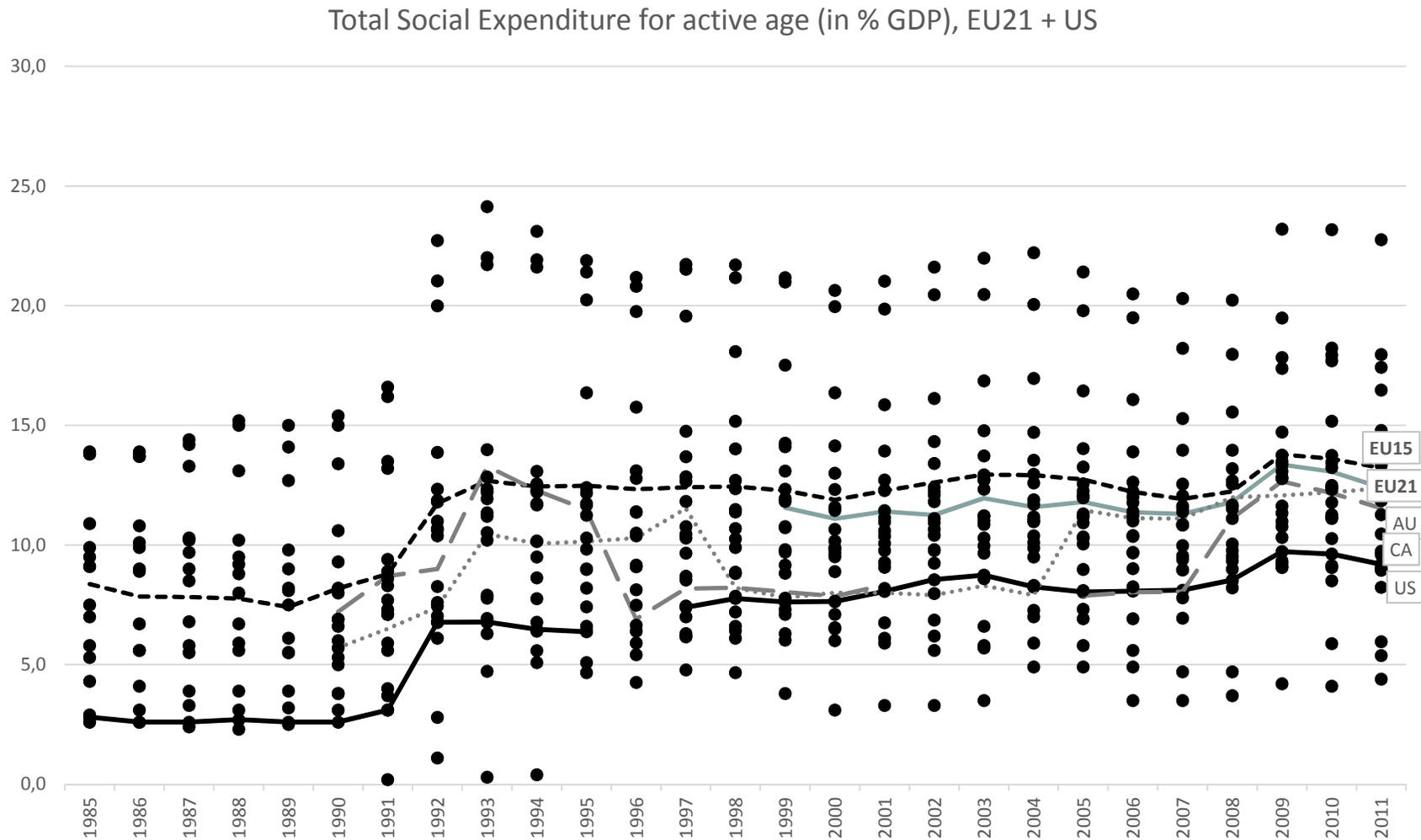


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Symbiosis : New tasks for Social Protection

- Facilitating the work & family balance
- Activation & life long learning
- Income maintenance for the employed

Total Social Expenditure, active age (in % GDP), EU21 + US



Source: OECD SOCX.

Conclusion (1)

1. Increased (normalised) social spending
2. Especially for new “social risks”



The reflection of growing symbiosis

Growing tensions at the bottom, in principle

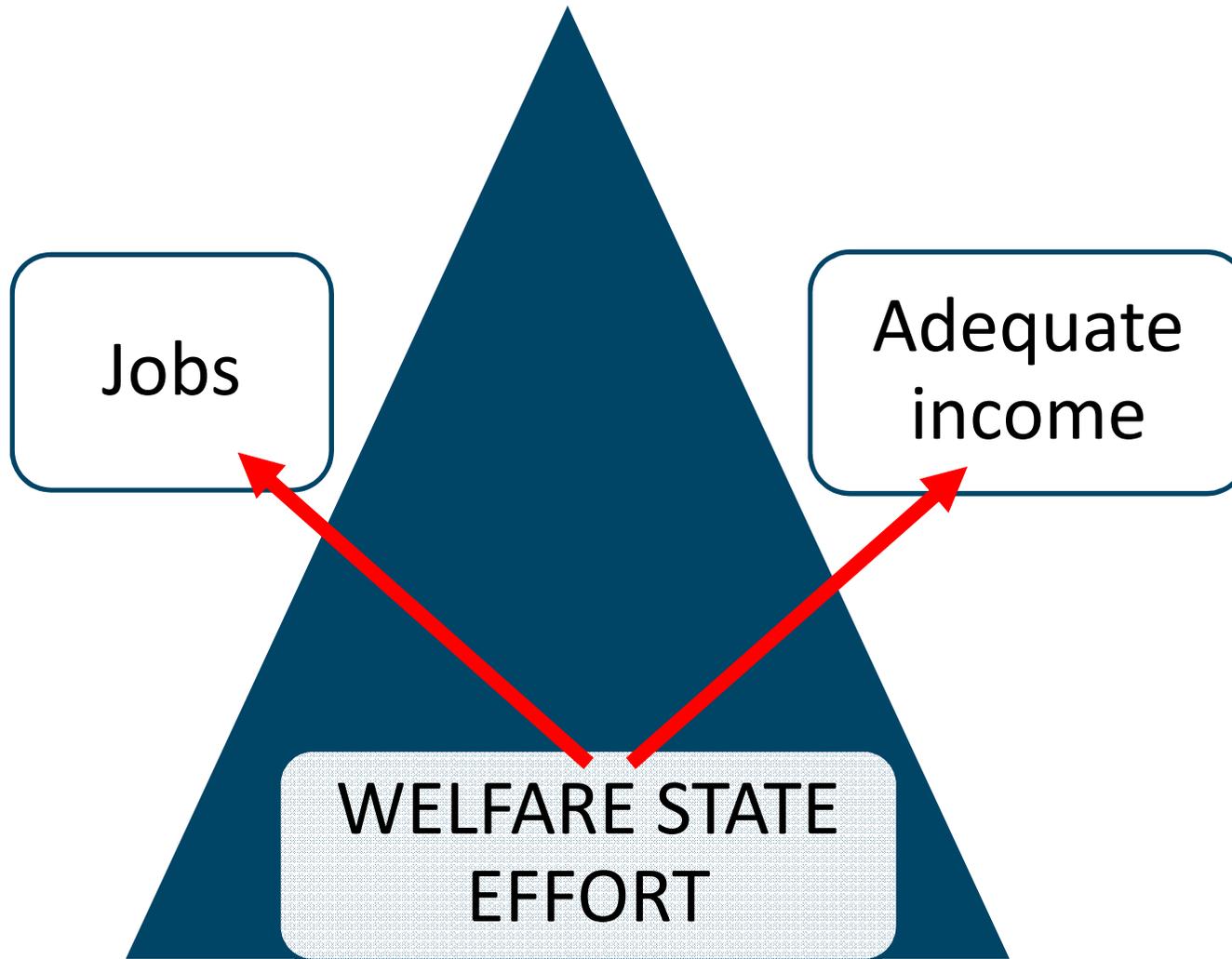
Redundancy of low skilled workers*
(employment rates not higher than 50-60% since
the 90's)



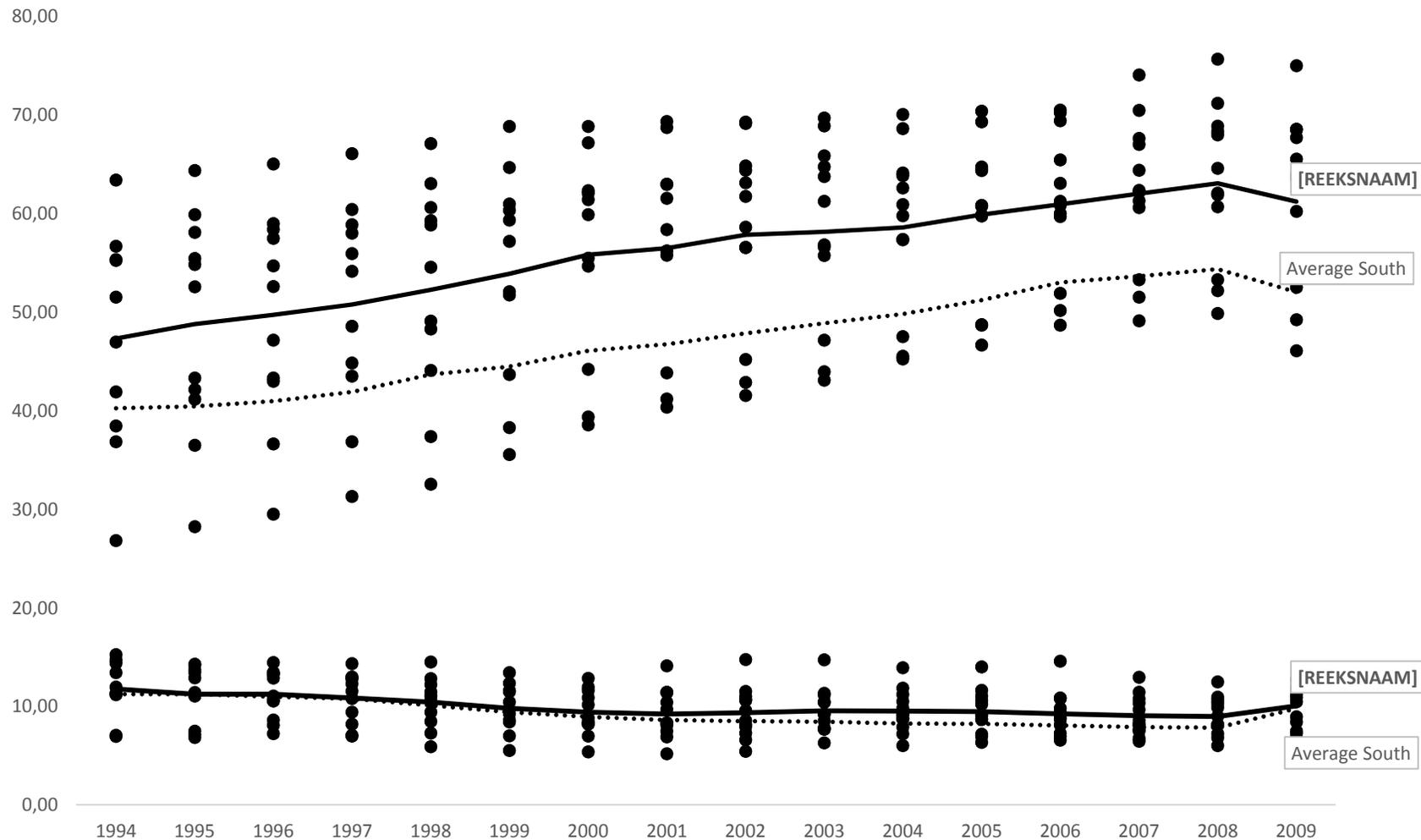
either unskilled workers become unemployed **or**
they see their real pay fall and ,with them, the
jobless see their protection fall

**this is not the same as 'redundancy of low skilled
work" (job polarization)*

Trilemma

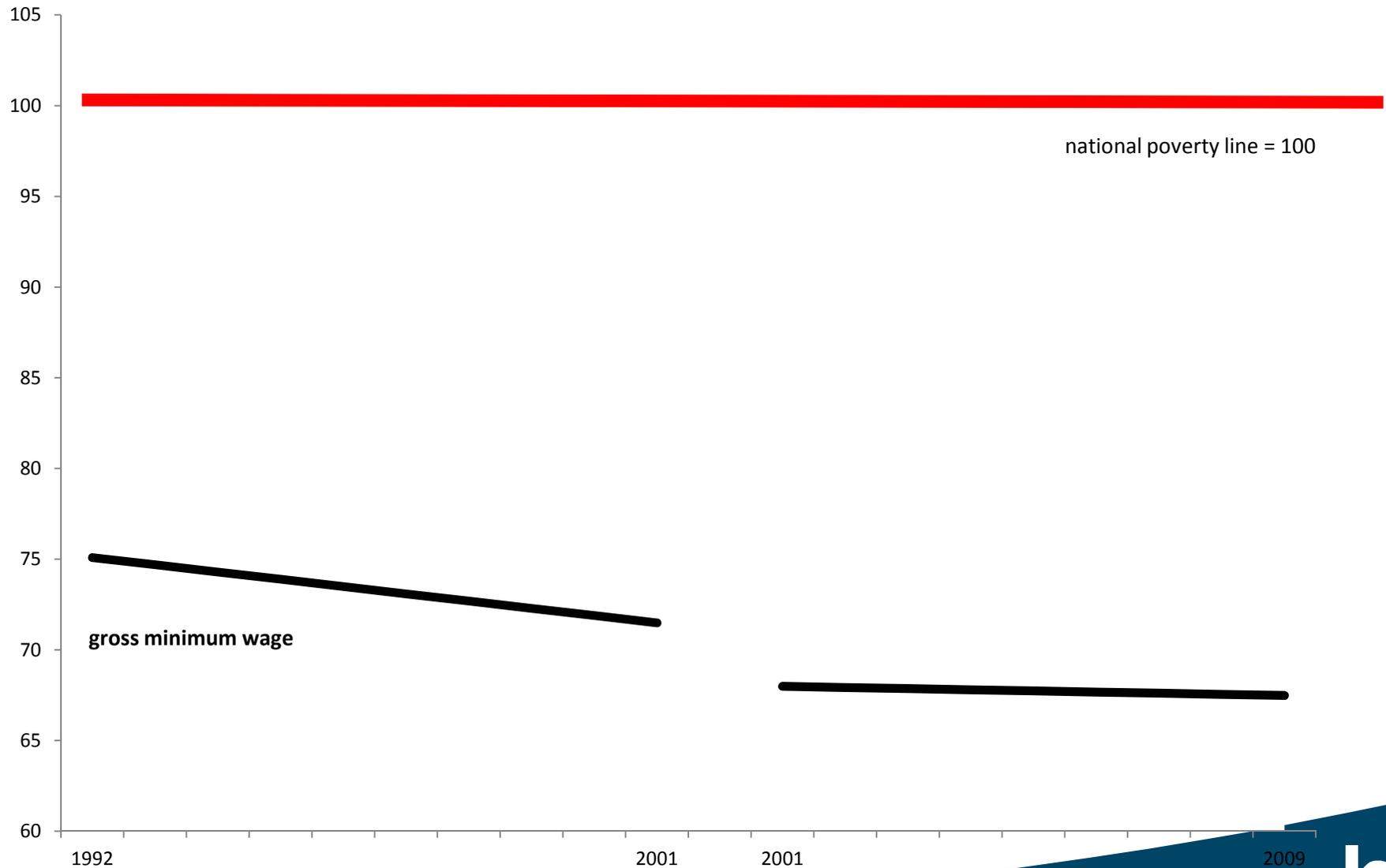


The job side : Work Rich versus Work Poor households EU12

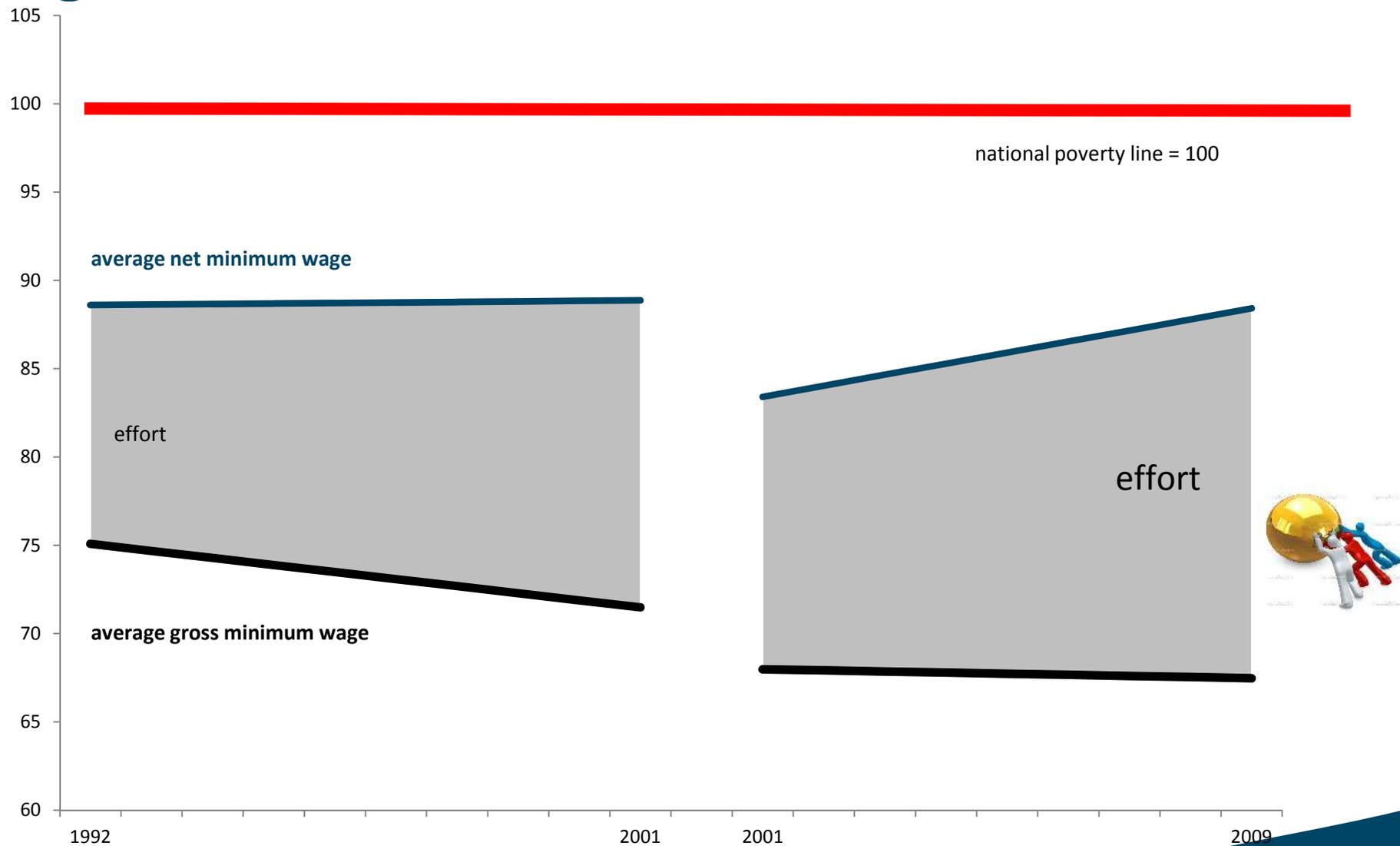


Source: Eurostat, LFS data: calculations Vincent Corluy.

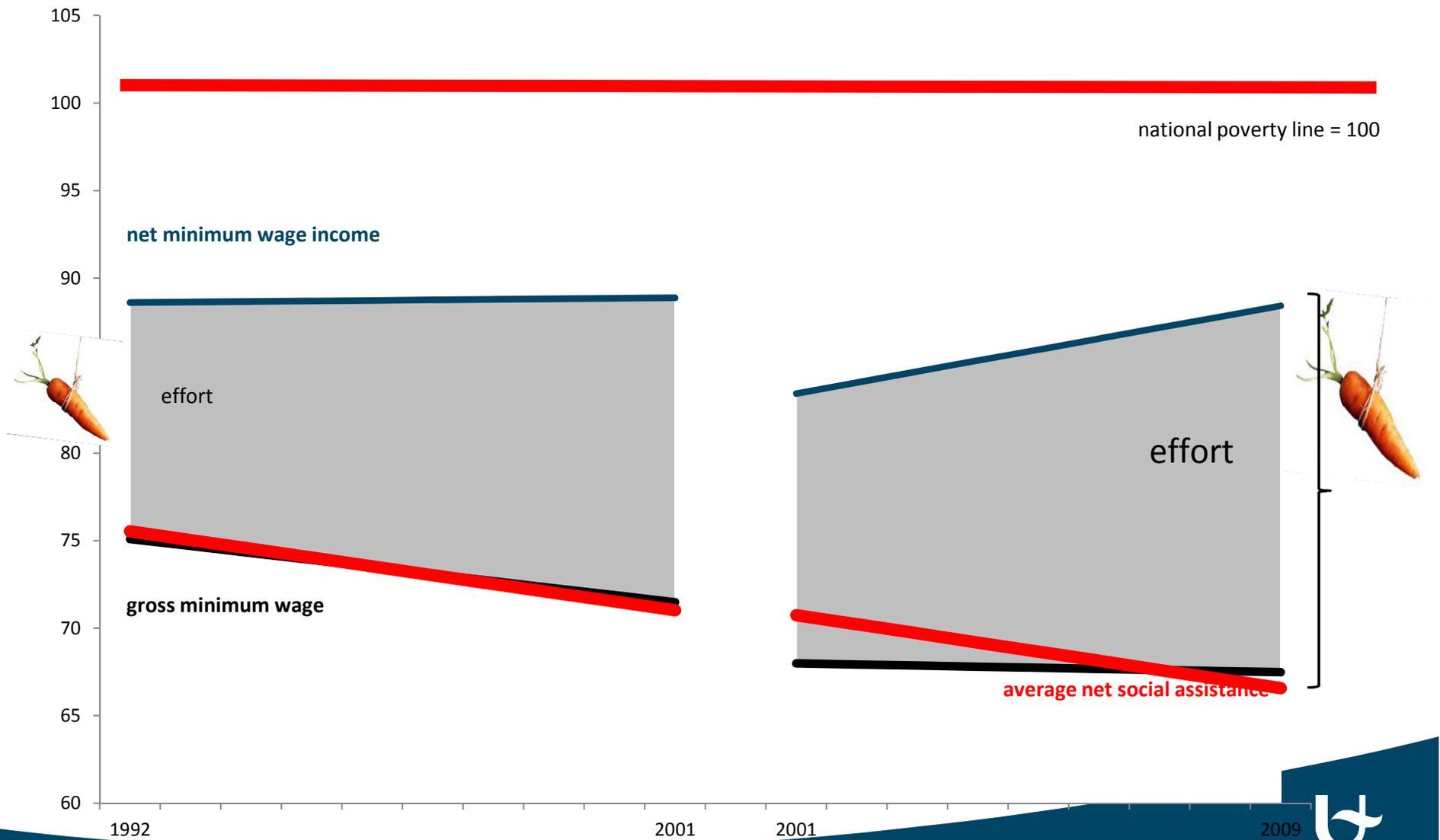
The income side : Pressures on (low) wages



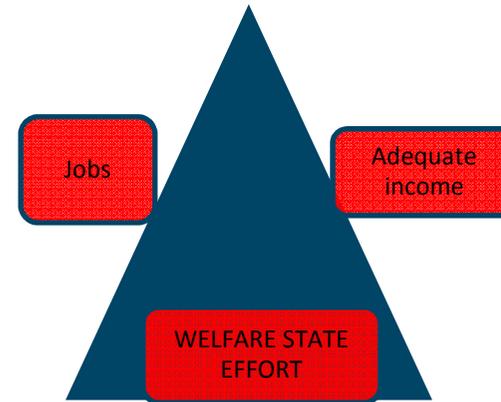
Welfare state effort : increasing gross-to-net effort



The income side : erosion of the social floor for the jobless



Conclusion (2)



1. Increased efforts for the employed
2. Low skilled did not benefit from job growth
3. Erosion of the social floor for the jobless



Increasing poverty among low skilled & jobless households

Conclusion (3)

1. In their “**symbiotic hemisphere**” WS started to work harder
2. In their “**contradictory hemisphere**” they became less performant
3. **Dualisation between haves and have nots**

1. Raising & tightening the social floor
2. Recalibrating responsibilities market-
SP
3. Introducing symbiosis at the bottom
(social economy, social innovation,
unpaid work ...)
4. Increasing the redistributive capacity
of the welfare state

