

# Convergence towards a unique “continental” model of the welfare state in Europe? The importance of regional integration for Swiss welfare state reform

SPP „Switzerland - Towards the Future“ – Module: Evolution of Political Institutions

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## The research question

Historically, European welfare states have been developed and reformed according to distinct institutional and political paths. But in the last decade the processes of economic internationalisation and European integration have created strong adaptational pressures for member states: economic and budgetary constraints, diffusion of ideas, harmonisation mechanisms, etc. In this research project we want to test if these external pressures are leading to a convergence of the European welfare states towards a similar model of social policies. What factors explain the convergence or the persistence of differences between domestic social policies? Are there differences in the degree of convergence between different social policy areas? These are the questions leading our research project.

## The research design

We test our hypothesis by comparing social policy developments across countries and time. Concretely, we analyse qualitative and quantitative policy change in eight countries and two social policy areas: pension systems and passive and active labour market measures. The chosen countries are:

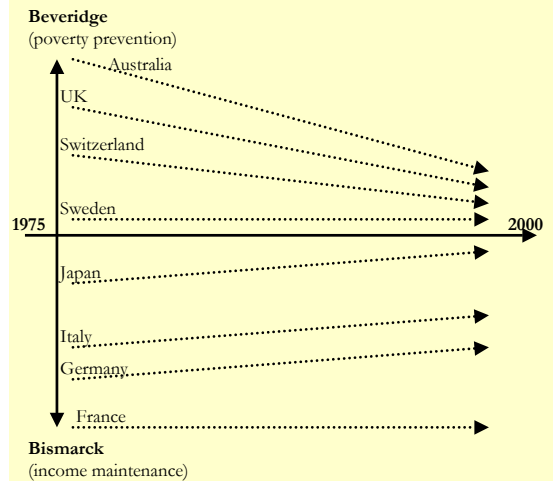
EUROPEAN		NON-EUROPEAN
EU Member	France Germany Italy Sweden United Kingdom	Australia Japan
Non-EU Member	Switzerland	

The period under analysis is 1975-2000.

## Relevance

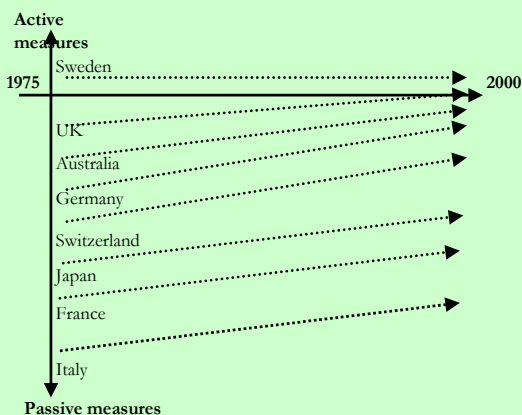
The welfare state still constitutes the basic legitimating mechanism of democracy and political stability in advanced industrial countries. Due to domestic problems like ageing and growing unemployment reform of the welfare state is pressing. Hence we need to know more about the external constraints on domestic reforms. What are the social policy options still available to European countries? Despite not being an EU-member state, to what extent do these trends have an impact on Swiss social policy making? This project can contribute to this debate.

## Policy area 1: The reforms of pension systems: convergence towards a mixed model



The origins of pension policy go back to over a century ago. In Germany Otto von Bismarck introduced old age insurance as early as 1889. Countries like Italy, France, or Japan followed this model of pension policy, based on contributory social insurance. The UK, Australia, Switzerland and the Scandinavian countries, following the recommendations made by the British politician Sir William Beveridge, started pension policy with the aim of poverty prevention: the first pensions were universal, flat rate and guaranteed a only subsistence income to all older people. Since the 1970s we have seen a trend towards convergence in pension policy. Bismarckian countries have introduced poverty prevention measures; Beverigean countries have extended the coverage of 2<sup>nd</sup> pillar pensions.

## Policy area 2: The reforms of passive and active labour market measures: from passive to active measures



Systems of unemployment compensation have been implemented in all industrialised countries along the twentieth century. The schemes usually consist in social insurance programmes providing unemployment compensation benefits. In the last decades, this passive function has been completed by active measures in almost all countries. Active measures generally consist in activities aiming at reducing the gap between demand and supply in the labour market: training, subsidised employment, mobility benefits, etc. Whereas the implemented measures in the countries are not identical, all countries have nowadays a similar mix of passive and active measures. Moreover, the right to passive income compensation is increasingly dependent on the participation to activation measures, i.e. the two things are more and more strongly interconnected.