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CONCEPTUALIZATION AND PRACTICAL DIMENSIONS OF SOCIAL WELFARE: FUNDAMENTAL PERSPECTIVES AND NEW CHALLENGES

Abstract

Social welfare is a vital aspect of modern democracies, encompassing development, ideas, and public policy implementation. This study focuses on the theoretical foundations and practical dimensions of social welfare, aiming to understand its conceptual background and address contemporary challenges. Analyzing the relationship between social welfare and the concept of “need,” the study highlights the role of welfare policies in meeting essential requirements. It further explores the connection between social welfare, poverty, and social exclusion, emphasizing the need to combat marginalization through effective policies. The study delves into the interdependence of social welfare with economic development and growth, emphasizing their mutual reliance. It also examines the link between social welfare and social rights, advocating the combination of universal and selective policies to achieve welfare for all. Moreover, the study addresses emerging challenges such as digitization, robotization, and the COVID-19 pandemic, emphasizing the importance of social investment and active policy implementation to adapt to new circumstances. The aim is to strike a balance between theoretical foundations, philosophical relationships, and practical solutions, ensuring that fundamental values are upheld while addressing contemporary needs. In conclusion, this study provides a comprehensive understanding of social welfare by bridging theoretical parameters with practical policies. It underscores the importance of implementing relevant social policies to achieve social welfare and emphasizes the need to adapt social policies to evolving challenges.

Keywords: social welfare, welfare state, social policies, social problems

Introduction

The development and the ideas of social welfare are widely considered as a crucial part of the core of modern democracies. At times, diverse views have been expressed on its services’ effectiveness, financing methods, and economic impact. But before discussing practical issues, it is necessary to focus on the conceptual background of



social welfare, namely, at the source of the intellectual formation of this framework. The theoretical clarification of the basic concepts of social welfare offers a clear view of the necessities that formulate the welfare for all citizens.

Social welfare policy is a key pillar of public policy implementation. Behind the simplistic reference of this concept, many interrelated values and concepts are hidden, which provide particular characteristics to each policy applied but also to the form of the institutional system that social welfare takes. The theoretical justification of these concepts in the existing social welfare systems is necessary to understand all the components related to specific policies. The theory facilitates and promotes the analysis, clarification and explanation of the related policies and their effects on society and economy. The conceptualization of key elements that formulate social welfare offers a crucial insight to critically study the current context of social policies and find alternatives to address both new and existing challenges.

The concept of social welfare is fundamental for the welfare state theory but often, it becomes a subject of controversy over its content and its practical implications. In this study, we will try to illuminate the concept of social welfare by highlighting some crucial theoretical and practical dimensions.

Initially, an analysis will be conducted on the relationship between social welfare and the concept of “need” in order to highlight the causes that make social welfare policies a necessary practical mechanism for meeting needs. Accordingly, the relationship between social welfare and poverty, as well as social exclusion, will be analyzed to reveal the former’s advocated necessity in dealing with the very serious social problems that lead to marginalization and stigmatization. In the next stage and taking a further step, the connection of social welfare with economic development and economic growth will be attempted. These concepts involve significant differences and there will be attempt to highlight why social welfare and economic growth are necessarily interdependent. Furthermore, the relationship of social welfare with social rights will be analyzed – as a crucial part of human rights – and its connection with practical universal or selective social policies. The basic aim is to underline why combining universal and selective social policies is crucial to achieving social welfare. Finally, the current challenges to social welfare in the context of digitization, robotization and even the new conditions that the COVID-19 pandemic has created, will be thoroughly analyzed to connect the fundamental uses of the social welfare concept to the emerging necessities. Thus, the importance of social investment and active social policy implementation to achieve social welfare is thoroughly explored.

The main purpose of this study is not only to emphasize on the theoretical dimensions of the social welfare concept as well as on its philosophical relationships but also to reveal its connection with practical problems of the modern era that require the adaptation of social policies to new challenges. This is assumed to be the proper way to connect theory with practical solutions and to connect theory with practical solutions and ensure that the fundamental values do not perish but are carefully adjusted to the current conditions, challenges, dimensions and necessities. Thus, social welfare is firstly analyzed as an expected condition, in theoretical terms, and secondly, as a governmental social policy, in practical terms, implemented through social welfare institutions (Midgley, 1997). The connection of these two dimensions provides a comprehensive approach to social welfare by combining the theoretical parameters with practical policies as long as it is supported that social welfare could not be achieved without the implementation of the relevant social policies.

Social Welfare and Needs

A key parameter of the necessity of social welfare policies is to meet specific needs. In order to understand and achieve this fundamental purpose, it is necessary to clarify that the concept of need directly connected with welfare. A great deal of scientific debate has arisen around this concept, as it is not self-evident that it contains a fixed content. This argument arises for two main reasons. The first refers to the ongoing transformations taking place in many areas that affect the nature of social policies. In addition, due to these transformations, employment issues create or differentiate social programs' needs. These needs are constantly evolving and policies vary accordingly. The second reason is the existence of different needs depending on the level of development of a society. This view does not simply refer to the basic needs for survival but examines the concept within the changing social context as a parallel and interdependent component. Similarly, Sen (1992) attributes a relevance to the concept of need, as he considers that it includes not only the basic needs for survival but also those arising from the social context, which are constantly defined and changed according to social and economic progress.

It is evident that on the one hand there are those who claim that needs are independent of social circumstances (George, 1988) and on the other, those who state that needs depend on society (Townsend, 1993). We could assume that both opinions are right because we need certain commodities to live on, but the way they are provided by each society is different. Indeed the boundaries of the concept of need are blurred. The strict concept of need is connected with survival (Rowntree, 1922), i.e., a condition where people will not be malnourished, cold and sick (Spicker, 2004). However, as social beings, humans cannot be limited to these. Thus, the UN has developed the concept of basic needs by adding social ones, such as education and health (UN, 1990). Hence, what people need in order to prosper – to achieve social welfare, goes beyond the basics.

At the same time, as long as welfare is a matter for both individuals and groups, the promotion of group interests is related to social cohesion. The development of links between group members strengthens solidarity and creates conditions for social cohesion.

Poverty is one of the most important social issues connected with needs. It is the inability to meet material needs and is related to economic circumstances as well as to social relations (Spicker, 1999) and can diminish social cohesion and social welfare. Social exclusion, directly connected to poverty, is related to the inability to integrate the individual into solidary social networks and can lead to marginalization. It should be noted that poverty is not defined by the lack of a specific need but by the existence of a pattern of deprivation (Spicker, 2004), while it is associated with inequality as long as some people or groups are more disadvantaged than others. If their situation is very disadvantageous, then they do not have access to basic social goods and activities, thus, they experience social exclusion (O'Higgins & Jenkins, 1990). At the same time, poverty is associated with a lack of security related to vulnerability to social risks, while social exclusion is an evolving and multidimensional phenomenon and is associated with the lack of equal access to rights, social and public goods and resources (Kontis, 2009). Thus, the concept of social exclusion is linked with the concepts of rights, both political and social. Displacement from access to work, health, education, and the general activities that characterize a society clearly describes the concept of social exclusion, which is closely linked to economic inequality

and poverty. Hence, the vast social inequalities and discrimination contribute to the marginalization of certain individuals or groups that cannot participate in social activities. Long-term deprivation of basic social goods leads to social exclusion and marginalization.

Social exclusion and poverty have dramatic consequences for social cohesion and social welfare. Accordingly, the response to them can only be social based on the principle of generalized reciprocity (Spicker, 2004) and through the establishment of the mechanistic process of solidarity (Rosanvallon, 2003), namely the social welfare policies. Hence, the objective of achieving social welfare conditions is transformed into an implemented social policy.

Economic Development, Growth and Welfare: How Can They Provide Social Security?

From all the aforementioned, it became clear that social welfare is not limited to material issues, and economic growth is not necessarily automatically linked to social well-being. It could be a necessary condition because it establishes material prosperity but is not sufficient. The expansion of production offers the possibility for further enhancing the available goods and services, potentially improving people's lives. However, economic growth alone cannot protect citizens from material deprivation as long as poverty and welfare are not only related to material, but also to economic and social conditions (Spicker, 2004). It is clear then that economic growth must be accompanied by measures of social protection and the diffusion of welfare into the members of the society to be transformed into "social welfare".

Social security is part of social welfare and refers to the ability to develop the certitude context towards preventing and dealing with social risks. This occurs because social problems create vulnerabilities and, therefore, insecurities. In a state of uncertainty, the most vulnerable are the poorest, who face – among other things – the risks of unemployment, underemployment, and precarious employment. Hence, achieving social welfare requires tackling social insecurity through social protection and insurance schemes. The establishment of such welfare institutions is a social issue because it is based on mutual aid, that is, it depends on the participation of all citizens in order for the system to function properly.

Social Welfare and Freedom

Freedom is a concept that has caused much controversy over its role in welfare state theory, as several scholars feel that it is violated through the bindingness of coercive redistributive measures sometimes taken by the welfare state (Hayek, 1960; Nozick, 1974). Nevertheless, the existence of the welfare state as a tool for maintaining and enhancing social welfare while eliminating social inequalities works as a deterrent to the emerging insecurities of the free market economy, creating a framework for protecting citizens' freedom from economic impunity, without encroaching on individual freedom but on the contrary, by promoting the opportunities for individual development. Therefore, the concept of freedom is defined by the emerging system of protection that includes state intervention as a necessary prerequisite for ensuring the conditions of equal opportunities, meritocracy,

protection from social risks and, consequently, the formation of equal conditions for personal development. In this sense, the development of citizens' skills (Sen, 1992; Nussbaum, 1990) is one of the methods for building a system which promotes freedom. At the same time, through social protection schemes, the individual is liberated from social needs and the possibility of social risks (Rosanvallon, 1981; Spicker, 2004), while social inclusion and opportunities for individual development are further promoted.

Therefore, individual freedom is not violated by the concept of social welfare but becomes its main objective and condition if it is facilitated in the aforementioned way. After all, as Waldron (1993), Cohen (1997) and Swift (2001) have argued, the lack of income, in other words, poverty, is in itself a violation of freedom. It is, therefore clear that action-intervention to protect against the risk of poverty as well as from other very important social risks, such as illness, is a necessary condition for the protection of individual freedom (White, 2010). Thus, the risk of not meeting vital needs leads to the restriction of freedom. On the contrary, social welfare policies liberate citizens from social risks and provide them with individual development opportunities necessary for social inclusion. If such interventions constitute paternalistic actions for some scholars, it should be further studied under what conditions they are implemented. The implementation of measures that increase the possibility of individual choice (withdrawal from some social programs) has been characterized as an attempt to jointly implement both paternalism and liberalism (Thaler & Sunstein, 2008). In any case, the intervention with the ultimate goal of protecting citizens from social risks and promoting social welfare cannot be considered as a restriction of freedom as long as, on the one hand, it is carried out within the democratically institutionalized obligations and rights that constitute the delimitation of impunity and, on the other hand, the complete lack of intervention in the areas of dealing with social risks creates the conditions for much greater risks for individual freedom violation. Clearly, freedom, as stated by Felicité de Lamennais (Felicité de Lamennais, *Paroles d'un Croyant*, Paris, 1858, reference to O'Brien & Penna, 1998: 17), "is a guarantor of social rights". Since freedom is a basic social right, it is inextricably linked with the development of the conditions for its protection from social risks through the implementation of social welfare policies.

Social Welfare and Solidarity

Another concept that is fundamental for social welfare is solidarity. This concept has been studied from the perspective of various dimensions (state intervention of a redistributive character, charity of the Catholic Church, etc.). Social solidarity highlights the existence of responsibility towards fellow human beings. This concept is the quintessence of the welfare state in the sense that it was created in order to become the mechanism that protects citizens from social risks. In essence, it is the institution that takes responsibility for the distribution of solidarity. It should be noted, however, that the assumption of this obligation by the welfare state does not mean that citizens are waiving their individual obligations to the system and, through it, to society. The payment of social insurance contributions fulfills the obligation of assistance to the pensionable population by the active, with the respective existence of the expectation of obligation payment from the next generation (it is a crucial part of intergenerational solidarity theory). Therefore, this obligation

refers to the accumulation of resources in order to create social security conditions for the entire population and to address or “manage” the risks that arise (Spicker, 2004: 92).

One of the goals of social solidarity mechanisms is to combat social exclusion and, therefore, to strengthen social cohesion and social welfare. At this point, the concept of solidarity plays a dominant role as its existence implies the social integration of those who, for various reasons, are on the margins of society. As social exclusion grows, so does discrimination and poverty (Spicker, 2004). At this point state intervention is needed to tackle this phenomenon and realize social solidarity in order to foster social welfare. Of course, terms such as poverty are quite vague and do not clearly reflect reality, thus making it difficult to seek clear definitions that can be met with specific goals and policies. Precisely because of that, Piachaud (1981: 421) explains poverty as the state of “unacceptable deprivation”. What is certain is that poverty is associated with social exclusion and is often its cause.

Redistribution as a Tool to Achieve Social Welfare

The welfare state is the main institutional body for implementing redistribution and functions as a central social solidarity mechanism. Redistribution is based on the concept of solidarity as long as it is a method for the preservation of welfare for every human being within a collective framework. It then replaces individuals and social groups, as it transcends them as a central regulatory and protection mechanism, but at the same time, it ensures both their autonomy and independence, by liberating them from social risks while providing them with opportunities for individual development. Facilitated in this way, it does not harm individuality but, on the contrary, constitutes a framework for its protection and empowerment through the network of solidarity that social policies foster. The empowerment of the individual and the elimination of social risks leads to the achievement of individual and social welfare. At the same time, enhancing the equality of opportunity reduces social divisions and solves, through intervention, the additional social problems of the disadvantaged. Intervention, therefore, leads to a real interconnection of social relations – of social groups – with the welfare state acting as a tool for the formation of a “mechanistic solidarity” (Rosanvallon, 1981: 42). Within society, the problems that arise for every individual are perceived as problems of the whole. As Baldwin (1990) states, in the face of random effects, all those who belong to a common risk pool are equal. Thus, insecurity is not a purely individual feeling but is transferred to the social level and becomes a common problem (shared in society). Hence, the solution to the social problems rests with social welfare mechanisms, which act as tools of solidarity.

In order to achieve all of these objectives, the welfare state was developed as an institution that uses coercion to distribute solidarity, on behalf of all citizens, for the benefit of society. In other words, it uses, through legislation, funds from contributions, taxation and other resources to provide services that will promote social solidarity in order to achieve social welfare. Therefore, the welfare state protects its citizens by providing rights through obligations. In this way “mutual obligations” are set (Spicker, 2004: 182) to the citizens and at the same time, they themselves are part of the social structures. In cases where some citizens are in a state of complete social exclusion or “dependence” (Titmuss, 1963: 42), the social welfare institutions act in order to achieve their integration. This is a system of mutual assistance.

Through redistribution, it provides solidarity in the face of risk while promoting the conditions for citizenship. In this way, it acts as a safety net for citizens in a state of insecurity or precariousness, while preventing similar situations from occurring in the future. In essence, it promotes the components for safeguarding welfare both on an individual and collective level.

Redistribution is achieved either directly or indirectly. The policies pursued by the welfare state de-commodify goods (Esping-Andersen, 1990), liberate them from necessity and, therefore, create the conditions for equal access. Thus, this concept actually distinguishes between those who are in an advantageous position – so they can meet their needs – and those who are unable to meet their needs and are at risk of poverty and exclusion. This “positive distinction” between the favorable and unfavorable of the system is the basis for the implementation of social welfare policies in a redistributive manner, which work for the benefit of the poorest social groups but in this way, promote social justice by reducing inequalities and favoring the welfare of all the members of a society, since discrimination is not abusive against the former (it does not reach the level of trespassing on private initiative) and does not create stigma. The goal of social welfare is achieved through the satisfaction of immediate and future needs. The aim that should not be overlooked is the preservation of individuality within a collectivity, with the state, as a product of it, acting as a remedy for inequalities.

Important Practical Insights for Achieving Social Welfare: Social Protection, Selectivity and Universality

Social protection includes the concept of collective action to cover unforeseen situations, through benefits or services, ensuring social security. Social protection requires the participation of all, which means the transition from charity to organized protection, through the transformation of mutual aid into a mutual obligation in order to address social risks. This could be achieved only if it is comprehensive and not polarizing or dualistic (Ferrera, 2010).

There are many different views on universality or selectivity depending on the needs that often arise from the economic, political and historical differences of welfare states. In some cases, means-tests are used to identify beneficiaries according to their income status. Their supporters believe that only through them can welfare states become effective in meeting the basic needs of those citizens who face the biggest social problems.

Several scholars oppose this form of selectivity as they consider that it creates the conditions for discrimination or even stigmatization. At the same time, it can be a kind of peculiar blackmail and deception for electoral reasons (White, 2010). But it has been clear through related data that the welfare state must develop a wide range of policies of a selective and universal nature, depending on the framework, combining both redistributive and reciprocal justice, as a mechanism for the promotion of welfare for all (Ferrera, 2010). For instance, people with disabilities need specific interventions through benefits and services to be integrated. This is both a selective social policy, as it focuses on a specific social group, but also a universal since every citizen who faces such a problem is offered these benefits.

It is evident that markets are not able to guarantee social welfare. Unregulated markets create situations of exclusion for those in need, with the risk of spinning into marginalization. In private schemes, individuals should have a stable financial situation to meet their insurance needs. Thus, mixed schemes with mandatory public intervention are neces-

sary should a society want to become more equal, creative, safe and prosperous. Social services are the main mechanisms in order to achieve social welfare, as they empower people by meeting some of their needs and creating conditions for their social inclusion. Hence, the development of social protection is a rational choice of people and is considered morally necessary (Spicker, 2004).

The Welfare State as the Main Democratic Facilitator of Welfare for All

Democratic governments ensure the welfare of all citizens (universal coverage), which is the exact reason that the welfare state is a guarantor of democracy. It is true that non-democratic governments may promote welfare but not for all citizens, as they deliberately exclude some groups. On the contrary, democracies should comprise inclusive welfare states.

It should be mentioned though, that the expansion of the welfare state should not be accompanied by the expansion of individual arrangements and cliental relations. If this happens, the common interest is undermined, inequalities are widened or maintained, and divisions are expanded.

The welfare state is the sole provider of social welfare in the event of an emergency and the sole protector of the excluded. But, as has already been mentioned, it should offer much more than the minimum necessary to ensure social welfare. If it is of a residual nature, it does not address the coverage deficits, maintains inequalities, serves individual interests and does not distribute the burdens meritoriously (Titmuss, 1974). On the contrary, social welfare policies should permanently meet needs, address situations of disability, develop capabilities and skills, reduce inequality and liberate the individual from social risks. The focus of social policy is both individual and social, as it is a reproduction policy and is implemented through cash payments and services.

Figure 1: Basic prerequisites of social welfare



The Modern Challenges for Social Welfare: Social Investment in Times of Vast Transformations and Multiple Crises. Lessons Learned

In an era of severe social and economic transformations, the welfare state should also be adjusted to these new challenges to remain effective and in line with its ethical obligations. One method is the implementation of a social investment strategy. The social investment approach has a dual purpose. On the one hand, it includes the modernization of the welfare state to be able to address the new social problems and ensure its economic and political sustainability and on the other hand, the maintenance and development of a comprehensive knowledge-based economy. The main focus is on public policies that prepare individuals and societies for fundamental adjustments, such as in employment (telecommuting, digitization, robotization etc), new social risks, population aging and climate change. Social investment aims to address the foundations of the problems based on the concept of solidarity, the protection of the environment, and the achievement of economic sustainability. Such an approach involves policies towards broadening the tax base by jointly increasing productivity and the quality of employment. A key component of social investment strategy is investing in human capital, which allows more and better jobs to be created. Therefore, economic objectives must lead the benefits of economic growth back to society. As Lundvall and Lorenz characteristically point out, “social investment can be equated with public spending that involves solving social problems by promoting economic growth” (cited in: Lindh & Palme, 2006).

To some extent, the concept of social investment has been identified with the adoption of active social policies. This view was based on the assumption that there must be an alternative towards tackling the new social problems between the passive welfare state and the neoliberal limited social policies. Giddens (1998) expressed this aim through the “Third Way” and Esping Andersen (2002) through the “New Welfare State”. For Giddens, linking rights and obligations is the key for creating a sustainable social welfare framework. This view, however, can be criticized as it encompasses features that do not, in fact, allow for the full implementation of the concepts of social solidarity and social justice, which are fundamental for social welfare. However, Esping Andersen goes one step further, as he does not see social investment as a substitute for social protection. On the contrary, he believes that the social protection system should be maintained together with the introduction of measures in the direction of social investment. Given this position, we could point out that social investment is a framework of policy measures aimed at activating the prospects for the development of production through the simultaneous protection against emerging social risks and social preparation (citizens, families, organizations, social partners) to address them.

The concept of social investment has been better applied in the Nordic welfare states, as a result of combining the universality of the social welfare system with active policies, directly responding to the existing needs. In cases where this concept has been applied (combining social welfare and investment in human capital), high levels of social cohesion and employment appear (Lundvall & Lorenz, 2012; Schraad-Tischer & Schiller, 2016). In particular, investing in human capital is a broader strategy, which includes measures for the lifelong development of human resources while maintaining an economically viable social protection system at the same time. The method for achieving these goals is to re-establish the welfare state and thus replace passive measures with productive investments in the capabilities and skills of the present and future workforce, based on a needs assess-

ment (Bengtsson et al 2017; Hemerjick, 2011; Kvist, 2015; Morel et al 2012; Streeck & Mertens, 2013), without deconstructing the social services framework that guarantee liberation from immediate social risks (Heidenreich & Aurich-Beerheide, 2014).

In any case, budgetary constraints specifically imposed during the financial crisis (2009–2018) on some Eurozone member states, such as Greece, often led to a distorted or limited application of the concept of social investment and the promotion of social welfare. The trend described practically encompasses a redefinition of the concept of social justice that goes from the goal of reducing income inequalities to providing support based on individual needs, on the road to social welfare (Sabel et al. 2010). The success of this view has been criticized, especially after the increase in social problems due to the economic crisis. One of the key issues is precarious employment, further promoted through flexible forms of employment. These include transitional periods of training and apprenticeship, as well as teleworking with “zero hours” and “stand by situation” for the employee, which disrupts the normal working hours and the equilibrium between personal and working life. All these create new challenges in terms of social security and social welfare. Criticism of these policies focuses on the failure to achieve the goals of social justice and the welfare for all citizens, as they promote discrimination between the social groups and employment does not meet the goal of true individual independence (Beraud & Eydoux, 2011; Cantillon, 2011; Graziano, 2011). Criticism becomes even more intense in the countries of the European South where the situation of employment and general social insecurity has deteriorated dramatically the recent years (Hinrichs & Jessoula, 2012). Moreover, the COVID-19 pandemic has increased the need for reforms to address these challenges.

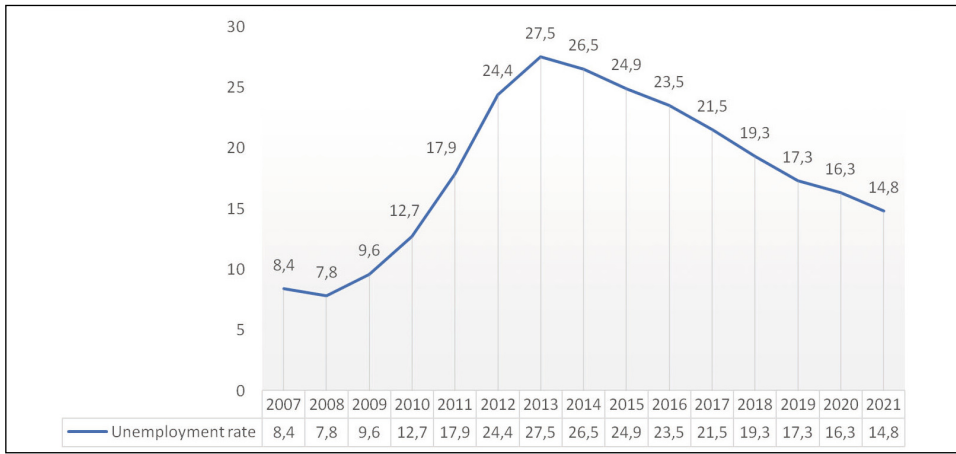
During the recent economic crisis (2009–2018), the austerity doctrine implemented in several Eurozone countries (especially in Southern Europe-Portugal, Italy, Spain and Greece) treated the welfare state as the main reason for the financial problems, thus reducing many of its necessary services (Karger, 2014; Papadopoulos & Roumpakis, 2012). In this regard, for instance, the Greek health care system suffered effectiveness and accessibility deterioration because economic pressures led to staff reductions, the existence of limited beds (based on population) in intensive care units (ICUs) and the inability to modernize its organizational structure (Mpouzika, Mpouzika, Papathanasoglou, 2018). At the same time, the decrease in disposable income has rendered many patients unable to meet their health needs (Tzagkarakis, Pappas, Kritas, 2020).

However, the current health crisis (COVID-19 pandemic) highlights that the respective social welfare policies need to be more prepared for phenomena that might be mistakenly considered rare. Surprising as it may seem, the COVID-19 pandemic is not a “black swan” but a “white swan” phenomenon (Schwab & Malleret, 2021: 34), as similar situations have been experienced by humanity several times before, considering the historical data of pandemics (Huremovic, 2019). This realization should therefore be a key issue for the necessity of social welfare policies.

In practical terms, the Greek welfare state in order to address the negative effects of labor market constraints due to the COVID-19 pandemic, implemented policies amounting to 14% of GDP in 2020 and 7.5% of GDP in 2021, including, among other things, strengthening the health care system in human resources, subsidies to employees and non-employees whose work has been suspended, aid to enterprises that have suspended their activities, and tax breaks (IMF, 2021). While further efforts should be made to address existing and new

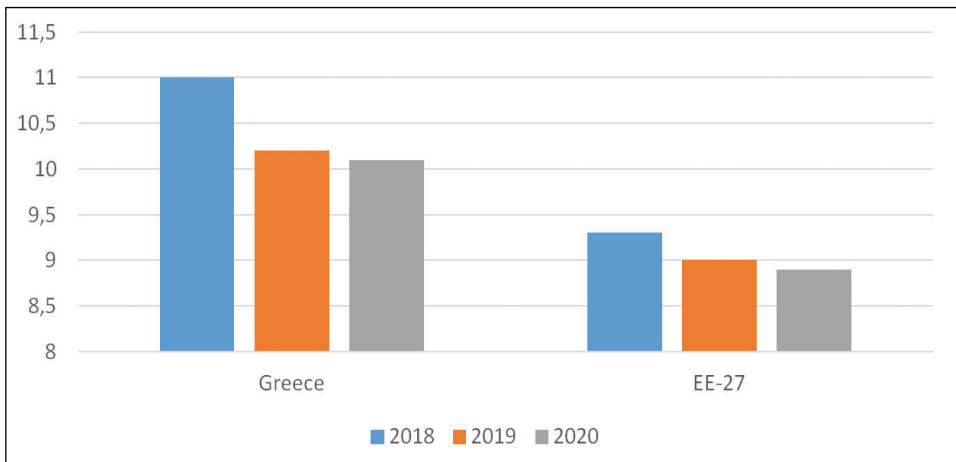
shortcomings in coverage, these measures led to the reduction of unemployment (Figure 2) and in-work poverty (Figure 3) in Greece, even though there is still among the highest in the EU. However, this is a clear indication that social welfare policies could reduce social problems if implemented to address existing inefficiencies and shortcomings. At the same time, new social problems created by new technologies and teleworking, such as unpaid working hours, should be effectively addressed.

Figure 2: Evolution of the unemployment rate in Greece 2007–2021 (%)



Source: International Labour Organization – The World Bank (2022). Total unemployment. Available at: <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?end=2021&locations=GR&start=2007&view=chart> (Accessed: 01/05/2022).

Figure 3: Evolution of in-work poverty



Source: Eurostat (2022). In-work at-risk-of-poverty rate by age and sex – EU-SILC survey. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_iw01 (Accessed: 30/04/2022)

Policy Proposals: A Framework of Necessary Active Social Welfare Policies

Social welfare policies are necessary under a new welfare state. This can only look for alternatives to reduce its costs and increase its efficiency, but it is impossible to ignore the basic fundamental concepts which aim at tackling social inequality, insecurity and marginalization. Where economic conditions as well as institutional and organizational maturity exist, these measures work best. In other cases, the stage of administrative-organizational reform must precede as a means to address operational problems in order to be able to implement active social policies and thus achieve social welfare.

In view of the above conditions, the active welfare state should implement a fiscally prudent social policy, which includes both preventive functions and a degree of selective solidarity in correcting imbalances, as well as a stricter definition of the criteria for providing social services to specific beneficiaries without creating discrimination and stigma.

The preventive function of the state must focus on employment. This can be achieved by focusing on the knowledge-based society and investing in education, training, innovation and new technologies based on an empirically justified needs assessment. The direction of labor market integration and innovation must define the educational process from infancy to the phases of vocational training and university education. In this context, cooperation between labour services and employers, as well as social economy actors, is also necessary in order to promote opportunities and incentives, initially for the inclusion of the most vulnerable and those categorized as long-term unemployed (Duell, Thureau, Vetter, 2016).

Achieving social welfare demands measures for strengthening social services provided in addition to reducing administrative costs, procurement costs, corruption costs and the costs created by the consolidation of interest groups, leading to socially disproportionate privileges. A second area of active social policy is market regulation. It is a fact that the international financial crisis has clearly shown that the markets are not self-regulating but require the executive role of the state. Consequently, the active welfare state should negotiate the terms and conditions of effective competition for private sector companies and respond to the establishment of an effective, proportionate and fair tax policy and the need for public investment in infrastructure and new technologies. On the other hand, the welfare state can also play an active role in economic development by providing a framework of incentives and sanctions, which will regulate the conditions of competition and future market trends while facilitate entrepreneurship on sustainable terms. Such an active social policy ensures the economic sustainability of the welfare state as it invests in the real economy.

At the same time, an effective intervention against the shadow economy is necessary, along with measures that will reduce risks created by telecommuting, which vastly increased during the COVID-19 pandemic. Regulating and integrating fundamental employment rights (working hours, the right to disconnect for employees in telecommuting, gender equality, and payment that reduces in-work poverty) in the emerging era of digital work, digitization and robotization is a prerequisite for achieving social welfare.

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