

Summary of the Comparative Report on Institutional Context

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Quality is an innovative, quantitative and qualitative research project that aims to examine how, in an era of major change, European citizens living in different national welfare state regimes evaluate the quality of their lives. The project will analyse international comparative data on the social well-being of citizens and collect new data on social quality in European workplaces in eight strategically selected partner countries: UK, Finland, Sweden, Germany, the Netherlands, Portugal, Hungary and a candidate country for EU enlargement, Bulgaria.

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Table of Contents

Introduction5
The economic context of the quality of life.....5
Employment trends5
Family trends.....6
Social protection.....6
Changes in employment policies.....7
Changes in family policies.....7
Conclusions8

Introduction

The main purpose of this report is to map employment and demographic trends and policy changes over the past 10-15 years that have occurred in the 8 countries in the Quality study. The countries have been grouped in the 5 main welfare regimes: social democratic/universalistic (Sweden and Finland), corporatist/conservative (Germany and the Netherlands), liberal (United Kingdom), sub-protective/Mediterranean (Portugal), and post-socialist (Hungary and Bulgaria). The comparative analysis of economic, demographic and policy developments on the macro level shows that all countries experience shifts deviating from this typology but it still preserves its useful meaning as a theoretical framework.

The economic context of the quality of life

Examining the changes over time in indicators such as GDP per capita, household consumption, income inequality and HDI makes it possible to create a complex picture of the economic framework that provides some of the necessary resources with which individuals, families and companies improve their quality of work and life. The Netherlands emerges as the partner country with the highest GDP per capita while the UK is first in the level of household consumption expenditures. Sweden and Finland rank the highest in gender and income equality. Bulgaria, Hungary and Portugal have the poorest scores on most indicators with Portugal also having the highest income inequality among the countries in the study. Best economic opportunities for a high quality of life are available in the Netherlands, Sweden and the UK (only for some households).

Employment trends

The 8 partner countries exhibit a trend toward a picking up of the employment performance with the Netherlands, Sweden and the UK registering the highest activity rates. However, Sweden has achieved this by high gender equality in employment while the Netherlands has attained it by women's employment predominantly in part-time jobs. In the latter country youth employment is very high while the employment of older employees (55+) is much lower. The UK has provided abundant work opportunities for both young and older employees. The two post-communist countries have the lowest employment rates for men and women in the different age groups. Bulgaria followed by Germany has the highest long-term unemployment rate. All countries are moving toward a greater flexibility of work, part-time work in particular, which is highest in the Netherlands and the UK and lowest in Hungary and Bulgaria. The two East-Central European countries however have higher flexibility of the informal labour market. How flexible employment influences the quality of work is dependent upon the way flexibility is introduced - 'forced' by the market or 'regulated' by the state and trade unions. An additional factor is whether

insecurity is more equally spread or favours the development of two-tier labour markets in which the need to adjust to global competition falls on the employees with atypical contracts.

Family trends

In the countries of the Quality team there have been very similar demographic trends in the past 15 years toward a pluralisation of family forms, postponement of marriage and having children. There has been a general rise in cohabitation and in the share of births outside marriage. All countries have experienced an increase in the mean age of the mother at first childbirth. The decline in fertility has also been common in the 1990s but has been rather small and reversed in countries such as Finland and the UK. The 8 countries share some positive trends in the health status of the population with increasing life expectancy and declining child mortality. Educational levels have been rising, together with the shares of population in training and lifelong learning. Women have been catching up and often surpassing men in their educational attainment.

Despite the many common trends, major differences remain between the old and the new member states. Negative rates of population growth are still registered in the new member states and Germany. Infant mortality is very high in Bulgaria. While increased life expectancy is characteristic for all countries, nevertheless men in Sweden are expected to live ten years longer than those in Hungary. The ageing of the population has been more rapid than the inadequate reforms in the social security systems. The new member states and Portugal have a way to go to match quality indicators in education and lifelong learning (both formal and informal). Significant inequalities persist between the majority and the traditional and new ethnic minorities in each country.

Social protection

Cross-country comparisons between the models of social protection in Europe require considerable caution as the systems are in a process of modification and change. According to the relative size of social protection expenditures (as a percentage of GDP) in 2004, the partner countries are classified in the following three groups: countries with low shares (less than 25%) – Hungary, Bulgaria and Portugal; countries with medium shares (25-29%) – the Netherlands, UK, and Finland; and countries with high shares (more than 29%) - Sweden and Germany. Considering the tax levels of low wage earners, the UK with the lowest level in the team fits the liberal model quite well, Sweden with the highest level fits the universalistic model and the Netherlands with a medium tax level exemplifies the conservative/corporatist regime. Finland and Germany have rather atypical tax models with Finland approaching the share of the corporatist regime while Germany is closer to the level of social spending in the social-democratic regime.

Changes in employment policies

Similar features in the labour market policies in the countries in the Quality study are the development of measures to increase the employment rate; the shift toward an activation of the unemployed; and the promotion of flexible employment. In pursuing these common goals the 8 countries show large variations. Labour market policy expenditures in Hungary are 5 times lower than those in the Netherlands. Clearly, the two countries with corporatist welfare regimes - the Netherlands and Germany - have the highest shares of expenditure on employment policies followed by the two countries with universalistic regimes – Finland and Sweden. Both the UK as a country with a liberal welfare regime and the two post-socialist countries have quite limited expenditures. In most countries the greatest share of employment policy funds goes for out-of-work income. Two countries are an exception to this rule: Bulgaria where the direct job creation is emphasized and the UK which invests more in labour market services. The UK also has a notably high share of training expenditures followed by Hungary. Business start-up initiatives are most emphasized in Germany. Early retirement is encouraged by the highest share of funding in Finland.

The focus of the activation policies in the UK and the Netherlands is set on placing people into jobs while in the two Nordic countries, Finland and Sweden, it builds upon a wider understanding of social integration with more attention paid to the sustainability and future prospects of the work and the personal motivation and satisfaction of the unemployed. The countries have implemented a variety of policy measures which lead to the growth of flexible working practices with more measures encouraging flexibility in terms of working time and much less in terms of working place. The trend with disputable consequences for the quality of work - the flexibility in the contractual conditions of the job – has been opposed in Bulgaria while in Finland temporary contracts for less than a year have been promoted even in the public sector. The Netherlands still champions ‘flexicurity’, that is, high protection of workers in flexible jobs, but this system has been under pressure in the past few years with budget cuts for additional labour and debates on proposals to relax the strict dismissal rules.

Changes in family policies

Family policies are less regulated on the European level than employment policies. Some of the main policy objectives in this field are programmes to allow a better work/life balance through encouraging flexibility of work and care (mostly represented in the Netherlands, Sweden, Finland and the UK); measures to achieve a higher gender equality by facilitating the participation of mothers in the labour market (in the UK, Portugal, Finland, Sweden); reforms to foster the role of the father in the family (in Sweden, Finland, the UK and Germany); actions aiming at higher fertility (in Germany, Bulgaria, Hungary). Still, continuing problems endanger the quality of life of working parents, such as the high cost of childcare (the UK, Germany); the lack of adequate network of childcare facilities (Germany; Portugal); the shortage of flexible work arrangements (Hungary, Bulgaria); and the inadequate amount of leave benefits (Hungary, Bulgaria, Portugal).

There is a large variation in the provision and usage of childcare facilities. In countries where until recently there has not been public provision such as the UK and the Netherlands the overarching trend in the past ten years has been toward expansion of both public and private care. In contrast, in Bulgaria and Hungary the formerly extensive state day-care has been declining with some but still inadequate growth of private childcare. The Nordic countries are moving toward a more flexible range of childcare services giving parents more choice between state, municipal, private and subsidised care at home. The Dutch employees enjoy a unique opportunity provided by the so called Life Course Savings Scheme according to which they can save part of their annual earnings to finance a period of leave later in life.

Conclusions

The dominant trends in the economy and wider society, as well as in the institutional support for working parents create a growing similarity between policy regimes in Europe. The convergence in the past 10 years is exemplified by the common shift toward higher activity rates and flexibilisation of employment, greater gender equality in paid work, activation of the unemployed, and increasing provision of maternity and parental leaves and childcare services. At the same time within policy regimes there are marked trends toward a divergence as for example between Germany and the Netherlands that belong to the same corporatist regime or between Sweden and Finland within the social-democratic regime. The integration of paid and unpaid work is managed by different models in each country: **the traditional male breadwinner** with a strict division between the male involvement in paid work and the female involvement in unpaid care (declining but still significant in the UK, Germany and the Netherlands); **the modified breadwinner model**, which is characterised with the preservation of the male role as the main breadwinner while women are involved in paid work through part-time work as supplementary wage earners (the Netherlands and Germany, also present in the UK); **the egalitarian employment/modified caring model**, in which the equal division of paid work has not resulted in equal division of housework (Hungary and Bulgaria, also the Nordic countries and Portugal); **the egalitarian employment/egalitarian caring model**, in which the equality in terms of full-time paid work for both partners is combined with a more or less equal division of unpaid housework (Sweden and Finland); and the emerging **role reversal model**, typical for families in which the woman is the main breadwinner while the man assumes the role of the main carer for dependants at home.

The multiplicity of employment and family forms in Europe is accompanied with a diversification of the biographical trajectories of individuals which raises the need of destandardisation and flexibilisation of social support. In order to resist the risk of increasing precariousness of work and family life, individuals and families have to be supported by state and company investment in citizenship rights if we are to achieve a good balance between work and care, flexibility and security, and to attain a high quality of life.