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## WELFARE STATE IN EUROPE AS A RESPONSE TO NATIONALISM AND POPULISM

**Abstract:** Discussion on rightist movements is gaining on attention not only in Europe but even further. Populist movements are calling for insurgencies and fight against dominant and accepted values. This paper is looking for a solution for this kind of thinking, reasoning and acting in the area of the welfare state and social care. It means that there is a need of moving away from classic social policy and going beyond, towards social investment as the major approach. It is a way of thinking of human capital as the key variable. It can offer a response to a discourse of rightist movements, crucially welfare chauvinism and welfare populism. Social policy that is future oriented is a way of targeting all individuals in need, irrespective of their specific characteristics, like nationality or cultural heritage. Lowering differences is the only way forwards for European societies and social investment can offer a solid base for it.

**Key words:** *Rightist movements, populism, welfare state, social investment, labour market, human capital*

### INTRODUCTION

Changing political attitudes and attachments is spreading all around Europe and it often seems as if systemic parties are facing rightist political movements as their major opponents. Populism and nationalism are on the rise but this paper is looking for ways to create social climate but also political institutions that can offer a strong response contra rightism and populism. Welfare state is under threat, not only for retrenchment and neoliberalisation but also for changing approach from the right. There is a fear of future separation of citizens of European countries even in welfare services and it is welfare chauvinism and welfare populism that is referred to here. However, there is no momentous solution for these. The only way to sustain the welfare state as egalitarian and inclusive is through systematic and coordinated policies which are planned in advance. The idea that this paper supports is social investment approach or paradigm as it is often called.

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It is a paradigm based on the life-cycle approach and the one that looks beyond major political and economic issues. Having in mind policy areas it covers, this paper stresses two which may offer a sustainable solution against rightist movements' arguments and these are early childhood education and care and policy measures addressing social and labour market exclusion.

The paper is divided into several sections. The introduction is followed by discussion on rightist political movements and their strategies concerning welfare state. The third section is devoted to discussion on welfare state transformation as well as the sources of the change. Fourth part is the longest and social investment as the strategy but as well as the solution, with specific policy areas, is in the heart of the debate. It is followed by conclusion.

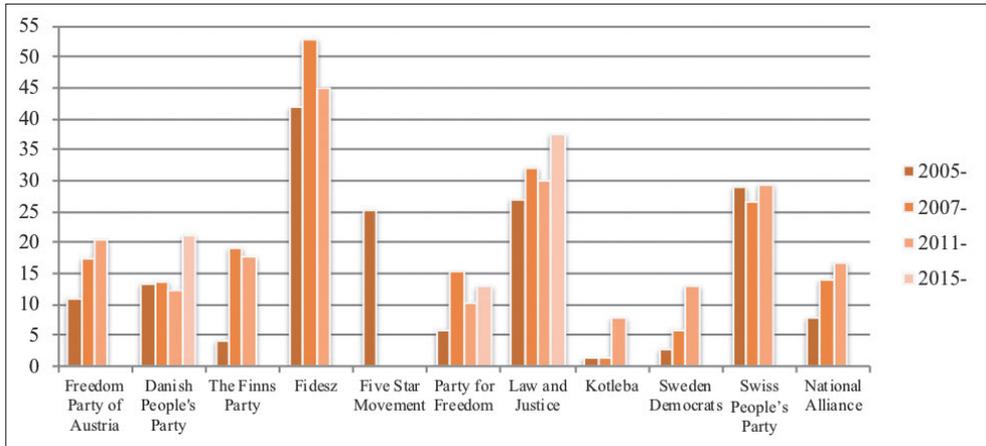
### POPULIST MOVEMENTS ARE IMPORTANT

Political landscape in Europe has been shifting constantly in last couple of years. New political movements are causing fall of support for established parties, on both left and right but not many of them are still becoming parts of the ruling majority. Electoral results are showing patterns of support that do not stick with the expected and in line voting but rather, thinking of new issues and rise of new ideas and topics that are gaining on relevance. It is important to stress that rightist and populist movements are becoming popular all around Europe, irrespective of the geographical location, political system, social model etc. The point here is that we are witnessing a change of citizens' thinking and there is a need to change it. In other words, there has to be a systemic to new social circumstances.

In the context of this paper, there is a stress on the welfare state and there is clear evidence of negative correlation between certain social models and rise of conservatism and populism, which can be seen in the Table 1. It shows that in all of the three Esping-Andersen's social models (Esping-Andersen, 1990), the support for populists is on the rise. It supports the thesis of this paper, of the need of systemic reaction, on the level of the European Union as a whole and not only by specific measures in some of the countries. Populism is not in the focus of this paper, but rather, it is how these movements perceive welfare state and social policy.

Electoral relevance of the populist right, concerning the welfare state, may be observed through concepts of welfare chauvinism and welfare populism. It means that, what is often not stressed enough, they have developed welfare agenda, with often clear aims and clearly stated policy ideas. Welfare chauvinism refers to policies which support economic redistribution but which resist distribution of social services to immigrants (Van der Waal et al., 2010). In other words, social services should not be available to everyone but only to "our own" (Andersen & Bjorklund, 1990, 212). Welfare state is not abandoned but rather, its aim and scope should be redefined, by introducing double standards. It can even be stated that citizenship is being derogated and referred to according to specific standards which are not inclusive but exclusive. Therefore, rightist parties combine economic egalitarianism with new arrangements which restrict service to native population (De Koster et al., 2012, 4). Instead of moving towards more homogeneous society, welfare

Table 1. Support for most relevant rightist movements in Europe (Nordsieck, 2017).



engineering has to be shaped by clear dividing lines, often stressing dangerous other, often on different values (Ibid.).

This approach was pioneered by Danish People's Party and its electoral success caused diffusion of these ideas further into Scandinavia but also European Union (Schumacher & van Kersbergen, 2014). It is crucial to mention this as Denmark is one of the countries that belong to Nordic social model which is known for its inclusiveness and strong social support. However, it has moved more towards introducing conditionality for social services, especially on the labour market (Kvist, 2015). A result of this approach was not only rising threshold for entitlements but higher awareness and responsibility of citizens, that should result in having sustainable welfare state.

Beside the approach that stresses welfare chauvinism, rightist parties often embrace welfare populism. Populism is most often closely related to political, national and cultural approach but it can also be used for critique of the very institution of the welfare state. It is very interesting to see that rightist movements do not necessarily have to be neoliberal, but egalitarian as well (De Koster et al., 2012, 4). Their programs are based on the critique of the welfare state arrangements that it does not support the "common man" (Andersen, 1992, in: De Koster et al., 2012). Instead, its main target are welfare scroungers who live on the work of other hard-working people. In essence, designing welfare state has to be rooted in the support for the neediest and not for self-interested civil servants, who are already living a decent life. Consequently, welfare state is perceived as bureaucratic and non-functional, not fulfilling its main role for which it was created.

If we take two major programmatic issues of the rights parties agendas, welfare chauvinism and welfare populism, there is a critique of the current social services arrangements but more importantly, there is a discouragement of further development and inclusion. Having in mind target groups of these movements, immigrants as the group that should be deprived of its rights and native population as the main voting base of these parties, it can be concluded that dividing and

double standards are their major outcomes but also ways of thinking. It is clearly anti-establishment oriented and contra basic values as tolerance, permissiveness, liberal etc. On the other hand, these movements gain on relevance even more if other, systemic parties respond to their rise by adapting their agendas. Becoming more intolerant because it gains votes or supporting retrenchment and neoliberalisation of social services may be a good way to win more seats, but on the long run, it undermines the very basic idea of the welfare state, its egalitarian values.

Schumacher and van Kersbergen (2014) conclude in their study that right-wing parties respond to challenges of the extreme right stronger than it is the other way around. It means they become more sceptical of multiculturalism and pro-welfare positions, especially if they would lose elections (Ibid.). Irresponsibility of rightist movements provides them more open space for taking strong stance on issues which systemic parties consider very carefully. In other words, the rise of support for populist movements reflects on the position of other parties and not the other way around, which may sound strange but their unsystemic character allows this kind of reasoning. They do not depend on usual left-right issues because they surpass it in their agenda. It has especially been the case after the influx of immigrants. European countries have been adopting stricter citizenship rules already (e. g. Böcker & van Oers, 2013; Ersbøll, 2013; Halibronner & Farahat, 2015) but this approach does not offer an option beyond integration itself. To put it another way, social integration is becoming a norm but how should it be done is the major question.

## GLOBALISED EUROPE: WHY DO WE NEED WELFARE STATE?

Social and economic reality of our lives is changing and by this i mean overrepresentation of new social risks instead of the old ones: insecurity of the welfare of the individual is overwhelming and it is spread on the entire life. Life transitions are numerous, economic downturns are becoming structural and not cyclical and there is a need of adaptation to new social structures, on both individual and social level. Speaking specifically of the European Union, various sources of the volatility can be identified. Hemerijck (2013, 51–52) identifies five sets of challenges that fundamentally influenced policy environment: first, from outside, international competition and challenges to redistributive capacities of the welfare state; second, from within, changing gender roles, family transformations, rising life expectancy, declining birth rates, service economy and destandardisation of employment; third, from the past, skill depletion, inadequate social security coverage, problems of reconciling family and work life; fourth, at the supranational level, European Union welfare state reforms; and five, precarious political context, with middle classes afraid of downward mobility, lowering of electoral participation and rise of rightist movements.

New social risks are becoming the major issue for the welfare state and policies have to be designed to successfully deal with old age problems, youth unemployment, early-school dropouts, technological changes, new gender roles, new lifestyles and ways of thinking and most of all, diversity, especially cultural and

national (e. g. Esping-Andersen, et al., 2002; Hemerijck, 2013). European societies, as all other, are becoming more and more diversified and there is increasing pressure on social services to adapt but also the other way around. Citizens have to be aware of their social role and have to adapt to new circumstances continually. Accordingly, there has to be specific relationship between institutions and individuals which would be reinforcing and supporting, in a sense that there has to be new approach to welfare state but also to the role of the individual.

New social environment needs different policy approach, the one which combines mutual cooperation and strengthening of initiative on both sides. Movement towards this way of thinking can be observed in Europe from the 90's of the previous century with stronger support for investment and future oriented social policy. Moving towards more enabling approach was supposed to offer solutions for new problems, which were becoming more apparent and widespread.

### WHY IS SOCIAL POLICY SO RELEVANT?

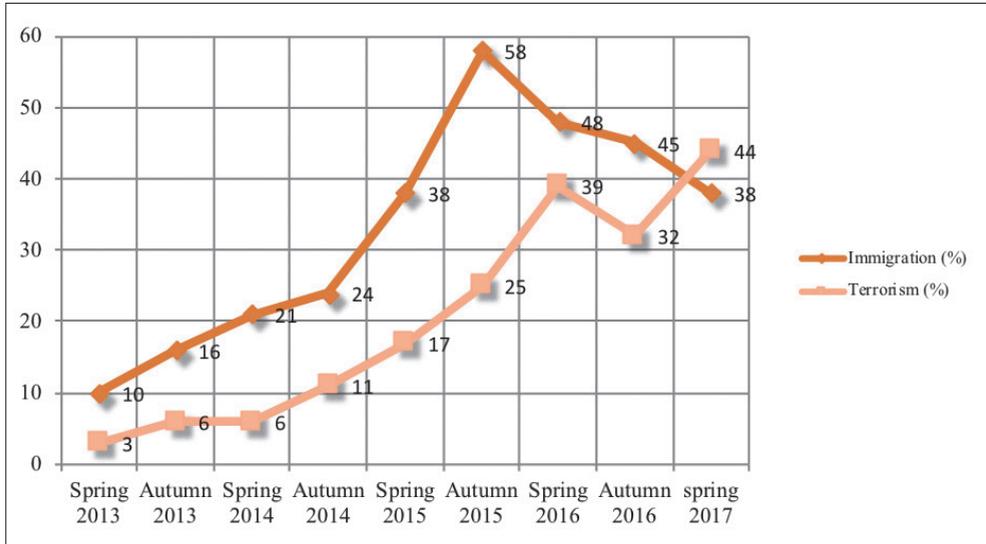
Thinking of ways of dealing with new social risks as well as with new political actors that endanger democracy as we know it requires thinking of solutions which are not short-term measures but responses which function on the long run as well. This is stressed here specifically for the reason that social policy can offer this type of solution. Designing social policy and social model in a certain way may inhibit integration and welfare of migrants and other groups which are targeted by rightist movements or it can contribute to raising their life opportunities and chances of realisation of their human potential.

If there is a need of integrating immigrants successfully, social policy must be designed in a way that it strengthens their possibilities further than just letting them by themselves. This is crucial because if we look at how Europeans perceive immigrants, it is clear that they are seen in a very different fashion. European barometer has been continuously reporting rise of relevance of immigration and terrorism from 2013, as it is presented in the Table 2. It has never been the case before and knowing that terrorism is closely following this trend, becoming the number one issue in 2017, prospects for further reconciliation in this area are shady.

More specifically, social investment is the main strategy or paradigm that is suggested here as the most suitable way of responding to rise of right extremism and populism. It is the case because its major outlook as well as specific policies offer an opportunity to everyone, irrespective of their origin or any other attribute. As Hemerijck (2013, 39) notes, the welfare state is a normative idea that goes much further than just economic redistribution and the idea of social justice has been changed from static income equity towards obligation to support needs of all, to enable and to flourish. Talking in Beveridgian terms, there is a move from freedom from want which is compensatory in its character to freedom to act, which follows capacitating logic (Ibid.).

Social investment has emerged in 1990 s (e. g. Giddens 1999; Esping-Andersen et al., 2002) as a new paradigm of social policy. It is oriented towards preparation rather than compensation, meaning that social policy should act *ex ante* and not

Table 2. European Barometer: immigration and terrorism as most important issues (European Commission, 2013 a; 2013 b; 2014 a; 2014 b; 2015 a; 2015 b; 2016 a; 2016 b; 2017)

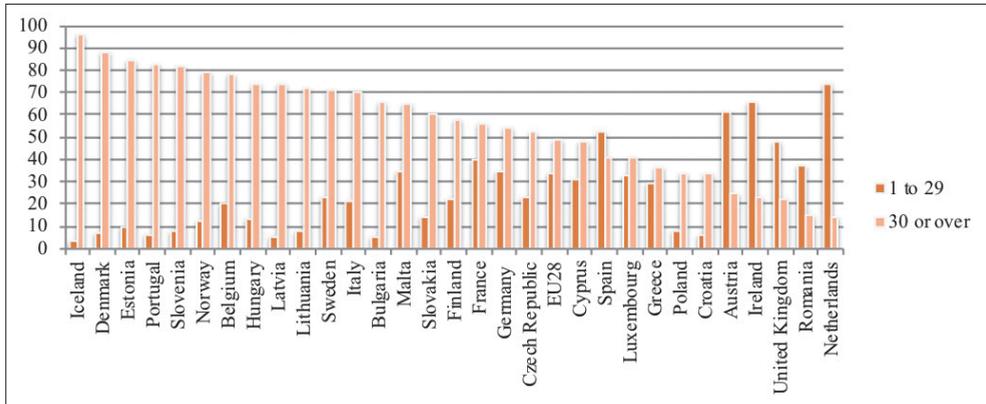


*post festum*. It is first mentioned in the OECD document from 1997 and stress is on inclusiveness and participation in the labour market and looking into issues which are not dealt with adequately (Ferrera, 2009, 513). The focus is on modernisation of the welfare state and reorientation from passive to active policies. It is hard to define but mainly refers to policies which strengthen skills, knowledge, education and training and makes individuals more easily adaptable to new working conditions (e. g. Bošković, 2015; Bouget et al., 2015; Morel et al., 2009).

It is not necessary to go into details of the paradigm of social investment but it is crucial to stress the life-time orientation of the paradigm, which implies policies for the entire life and not only its phases. On other hand, it aims at strengthening human capital and individual capacities but also forming stronger social ties through the concept of responsibility (e. g. Nikolai, 2009). This type of approach and thinking in the life-course perspective is especially relevant here because it enables all individuals to participate equally in the society. It is a way of achieving their full participation. Immigrants are often referred to as groups with lower human capital and consequently, there is a need of further care of the state and social services. It is exactly what welfare chauvinism stands against. New paradigm of social policy can offer a solution to this.

Social investments comprises several policy areas: early childhood development, support for labour market participation, measures addressing social and labour market exclusion (e. g. Bouget et al., 2015) but education may be added as equally important (e. g. Giddens, 1999). All of these are inter-related and have to be considered as a system of policies that has to be coherent. However, some of the policy areas can be identified as more useful and more suitable for the cause being discussed here. These are early childhood education and care and policy measures addressing social

Table 3. Number of hours children spend in institutions of formal childcare (from 3 years to the minimum compulsory school age (Eurostat, 2017).



and labour market exclusion. They are stressed here due to their ability to surpass classic ideological divide and also for easing pressure for the future. And more importantly, this approach hits the argument of the rightist movement in the core.

Instead of passive support and disinclination to participate in the society, activating and supporting policies have to be developed, with clear aim and target groups. Immigrants usually suffer of lower knowledge and human capital, they are already in disadvantaged position and their risk of social exclusion can only be worsened even further. In the sense of social policy and the two policy areas mentioned, they represent a combination of policies that tackle both generations, children and parents at the same time, in other words, social policy is a source of personal enrichment and also a source of integration.

Policies of early education and care aim at providing quality services for children, even before they are born with preventive care and in the first few years of their lives (e. g. Kangas, & Kallioma-Puha, 2015). Instead of providing care within the family, parents are encouraged to put their children to formal institutions so they can receive professional care, in accordance with recognised standards and procedures. There are enormous differences in the time children spent at institutions of formal care, as presented in the Table 3, but there is a huge amount of possibility to learn from the best practice. It can be seen that it is countries with most developed social investment strategy that have the highest number of children with 30 or more hours spent in institutions of formal childcare.

This approach is enabling in a two-fold way: children are able to learn in environment most suitable for that and they are being more integrated in the society. Cognitive advancement, learning language, learning basic historical information together with spending time in a mixed social environment make enough space for forming a personality that is more likely to transcend rigorous national and cultural differences that may be formed in other circumstances, especially in the early age.

All of this is strongly related to labour market participation, not only for material reasons and financial security but also for personal satisfaction and possibilities

for social integration in this sense as well. However, I specifically refer to policies that have enabling character: those which aim at improving skills and necessary requirements for immigrants so they are able to work (e. g. Bonoli, 2009). Social investment is the most suitable strategy here exactly for this reason, that these policies aim at the individual and his or her future and not on just survival, by pending cash benefits and other type of reimbursements. It means that they will participate in the labour market in a certain amount of time, be active citizens and not a burden on the state budget. Improving language, skills, building on human capital and education can be a way of opportunities that would otherwise not be available.

Maybe the greatest opportunity lays in the fact that the risk of social exclusion is lowered and especially long spells of poverty, which are often associated with immigrants can be improved so the minimum standards should be satisfied. All of this implies that the crucial arguments of welfare chauvinism are put into question but also of welfare populism, as unemployment could be lowered and funds distributed more according to real needs, at least in the way they see it. Investing in what immigrants have to offer is way of integrating them and using their potential in both directions, for themselves but also for domestic population as well

Targeting children means investing in their future and including their parents in the labour force raises their economic prospects and also lowers the expenses and responsibility of the state. On the other hand, they become more aware of their responsibility of the society they came to, which can be seen as one of the basic preconditions for their integration. If the individual knows that they are able to live on social assistance, their willingness to rely on it raises and looking for opportunities is not encouraged (Hemerijck, 2013). It is also a way of tackling with new social risks and insecurities and again a way of not helping immigrants but giving them an opportunity they should take.

Rightist political movements can be stripped of their narrative only if social care is carefully planned and contextualised, which has not been the case often in the EU and the results have been rather weak. Shallow approach without consideration of the current social model and imposing inapplicable policies are sources of strength of these movements. Relying on social investment as a paradigm and the basis of policy creation may alter this and contribute to creating more integrated European societies.

## CONCLUSION

Despite the constant rise of rightist movements, as has been presented here, they are still not becoming official government partners. It might be a misleading conclusion, as has also been mentioned because other established parties are adapting their programmes due to the rising popularity of populist arguments. Welfare chauvinism and welfare populism are becoming popular aims of rightist movements. However, there should not be a discouragement of the rest because, as this paper shows, there are systemic responses to rightist political claims.

Social investment is a strategy that has been adopted in the European Union as a set of standards and policies that should become an essential part of their systems of social care. It is a future oriented model that aims towards enrichment of human capital and possibility of citizens' social integration. Having in mind globalisation of Europe, which results in even greater diversification, there is even greater possibility of having citizens who lag behind and have to be taken care of. Social investment is an approach that should enable easier and smoother life transitions and lessen the possibility of their skills and knowledge depletion. On the other hand, they should be more adaptable and able to participate in the labour market in a steady and constant way.

Beside policy measures addressing social and labour market exclusion, it is early childhood education and care that should be in focus. Care of citizens should be constant, since they are born and their development depends on the way intellect and cognitive abilities are strengthened. As immigrants usually lack human capital and knowledge, this approach should help them integrate more easily and the state budget should be relieved of the subsequent expenses for their care. More importantly, there would be an opportunity for everyone and egalitarianism could be accepted as the leading principle for future by everyone.

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