

Gerhard Bosch

## Wohlfahrtsstaat und Übergänge im Lebenslauf

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**Gerhard Bosch**

Universität Duisburg Essen  
Institut Arbeit und Qualifikation  
Forsthausweg. 2  
LE 506  
47057 Duisburg

**Telefon:** +49.203.379-1827; **Fax:** +49.203.379-1809  
Email: gerhard.bosch@uni-due.de; [www.iaq.uni-due.de](http://www.iaq.uni-due.de)

## Background

- Project: European sixth framework programme: "The dynamics of National Models (Dynamo)"
- Two cross country comparative books:
  - Bosch/Lehndorff/Rubery (eds.), Employment models in flux. A comparison of institutional change in nine European countries, Palgrave/macmillan
  - Anxo/Bosch/Rubery (eds.) "The Welfare State and Life Transitions: A European Perspective" (Edward Edgar)
  - Both books - Nine countries: Austria, France, Germany, Greece, Hungary, Italy, Spain, Sweden and UK

# Objectives

- Examine the role of societal frameworks, including the orientation of educational, employment, family and welfare policies, on the shaping and timing of transitions at critical life stages

## Objectives

- Bringing together three strands of literature
  - Typologies of welfare systems (Esping-Andersen....)
  - Typologies of capitalisms (Hall/Soskice....)
  - Life-course (Kohli, Heintz....)
- Framework assessing the adequacy of national models on both life stage factors and the overall capacity to provide for coherence and integration over the lifecourse

## Objectives

- Life-course
  - Life trajectories constituted by a palette of sequences of events – both individually and socially constructed
  - Events occurring at one point in time may affect events or transitions at a later time
  - Cumulative impact over the life cycle – path dependency at individual level
  - Age and gender act as signal and means by which social roles are assigned over life course
  - Despite commonality of global trends – large discrepancies between countries – national models of employment high impact on life course
  - Support critical for issues of equality and social inclusion

## Objectives

Welfare regimes and production models may perform differently at different stages of the life course and in relation to different groups and generations

- By focusing on life stages we can identify the strength and weakness of the different systems not captured by overall typologies and also identify which groups/generations are more or less supported
- Also identify the differences in role of state, market, family at different life stages
- Identification of conflicting pressures to change – short term vs. long term
- Different capacities of countries to responds to pressures

# Shaping the Life Course: a European Perspective

*We mainly focus on five transitions:*

1. Transitions from school to first employment
2. Transitions from parental household to independent living
3. Parenthood Transitions
4. Transitions in prime age
5. Transitions from employment towards inactivity at the end of the job career

## Nine welfare regimes in traditional typologies

Varieties of welfare Varieties state of capitalism	Social democratic/ weak male breadwinner	Conservative/ strong male breadwinner	Conservative/ modified male breadwinner	Familial model/ Mediterranea	Transition welfare state	Residual welfare state
<b>Coordinated: Negotiated</b>	Sweden	Austria Germany				
<b>Coordinated: State led</b>			France			
<b>Mixed market/state Economies</b>				Italy Greece Spain		
<b>Transition economy</b>					Hungary	
<b>Liberal market economy</b>						UK

Source: own classification based on typologies derived from Esping –Anderson (1990), Lewis (1992), Coates (2000), Rhodes (2005)



## Different Timing of transitions

Age Country	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Austria	S						TEP			L				B			
France		S			T					EL		P			B		
Germany	S						T		L	E		P		B			
Greece	S				T				E		P			B		L	
Hungary				S			T			E	P	B		L			
Italy	S					T					E		P	B		L	
Spain		S			T			E							LPB		
Sweden		S					L	T		E			P				B
UK		S			T			E	P	L				B			

S= school leaving age T= median entry age to tertiary education E=median entry age to the labour market  
 P= median entry age to permanent employment L= median age at which young men leave home  
 B= median age of women at first birth

## Transitions from education to first job (1)

- Substantial expansion of upper secondary and tertiary secondary education
- Country differences in upper secondary education smaller for younger cohorts – higher shares of less than upper secondary education in Southern Europe
- Country differences in tertiary education for younger generation bigger than for older: low rates in apprenticeship countries (DE, AU) and HU, IT
- Important intra- and cross-country differences in transitions into work

## Transitions from education to first job (2)

**Myriad studies:** Faster integration in countries with apprenticeships systems (NEET rates one year after education from 41% in DE to 70% in Greece)

Access to stable jobs often only after precarious job  
– longest transition into permanent job in Spain (average age 29 compared to 21 in AU)

## Transitions from education to first job (3)

### Key issues

- Integration of low skilled: costs of low-education are increasing
- Longer education: Substantial costs for families – risks for equity
- High support for private households in some countries (SW 0.52% of GDP) lowest support in Southern Europe (IT 0,13%, ES 0,08%, Greece 0,02%)
- Investments do not always pay off since job structure is not upgraded correspondently

**Principle of financial INDEPENDENCE  
with respect to parents**

**DK, FI,  
SE, IS, NO**

**MT, NL, RO,  
UK-  
ENG/WLS/NIR,  
UK-SCT**

**BG, IE,  
ES, HU**

**EE, EL, TR**

**BE, CZ, DE.  
FR, IT, CY, LV,  
LT, LU, AT, PL,  
SI, SK, LI**

**Universal  
financial  
support  
for  
students**

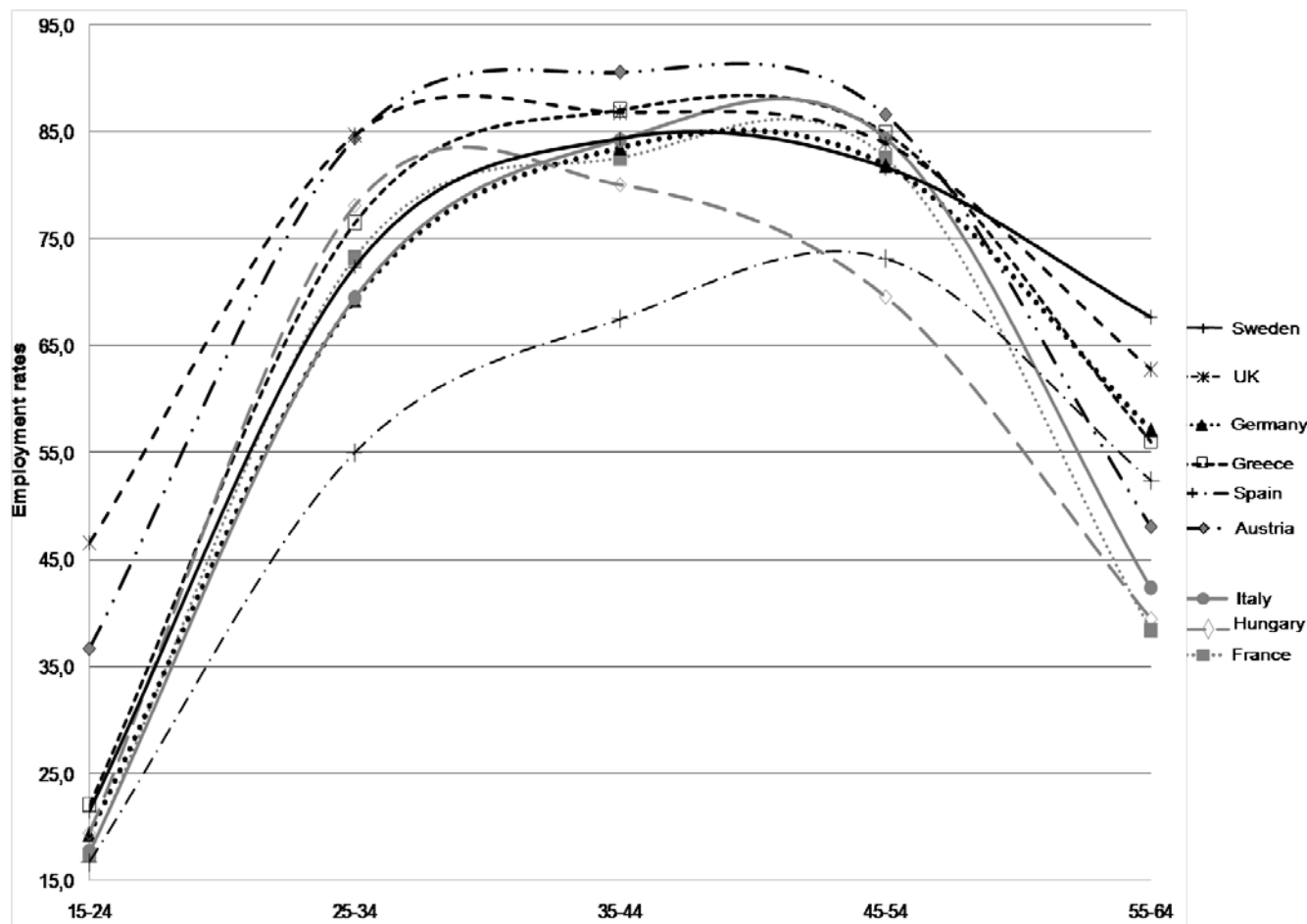
**Targeted  
support  
according  
to  
parental  
income**

**Principle of financial DEPENDENCE  
with respect to parents**

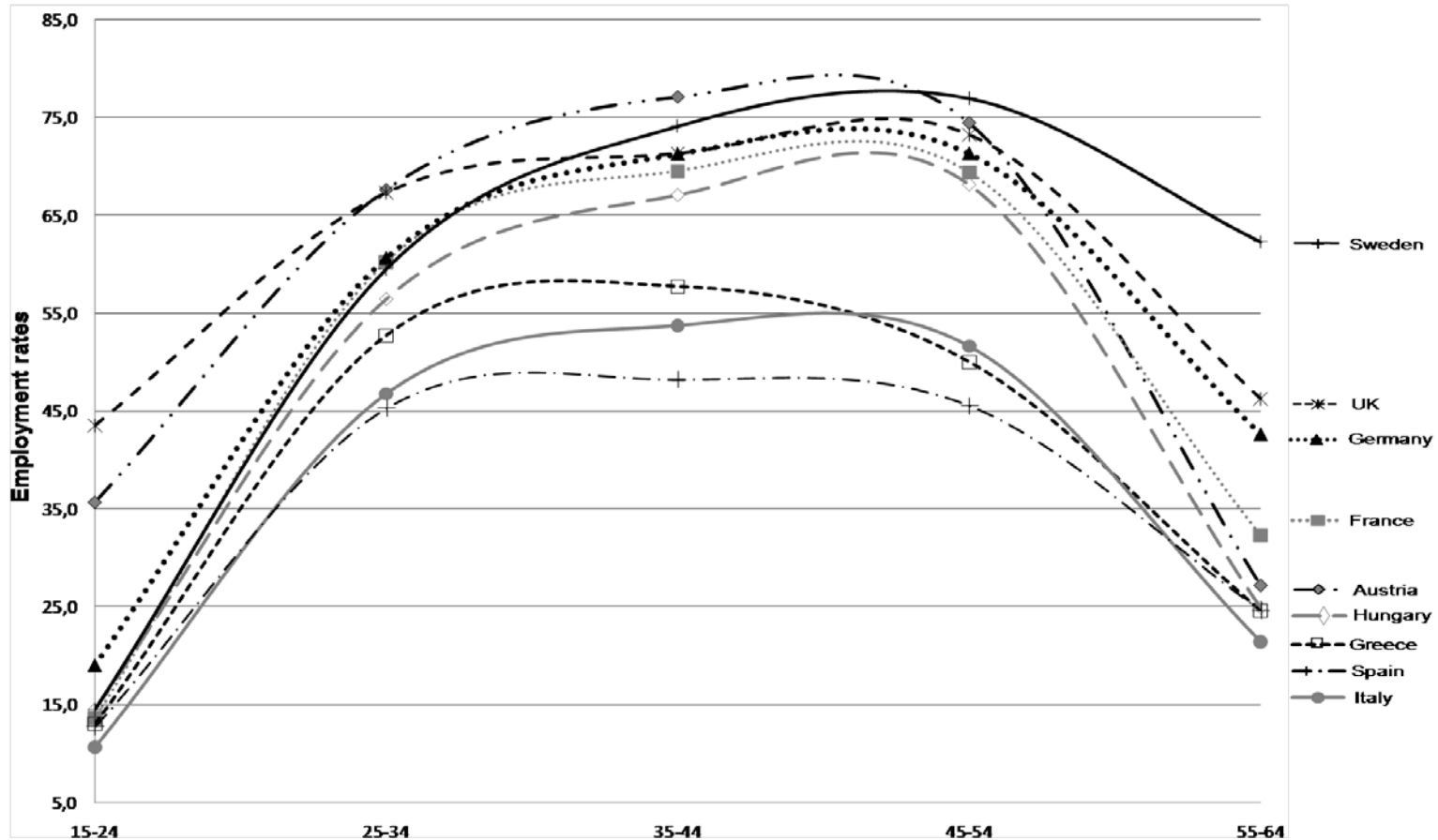
## Transitions in prime age (1)

- Move from temporary to permanent job most important transition – peak of permanent employment 35- 45 years for men - for not negligible minorities prolonged insecurity
- Not much data on careers. Best proxy income. Common trends: differences by gender and educational attainment. Striking differences depending on wage systems and labour market structures
- In the 90's: Low scar effects of unemployment in SW, high in UK, surprisingly low in southern Europe (Gangl)

# Employment rates by age, weighted by the share of employees on permanent contract, Men, 2007



# Employment rates by age, weighted by the share of employees on permanent contract, Women, 2007





## Transitions in prime age (2)

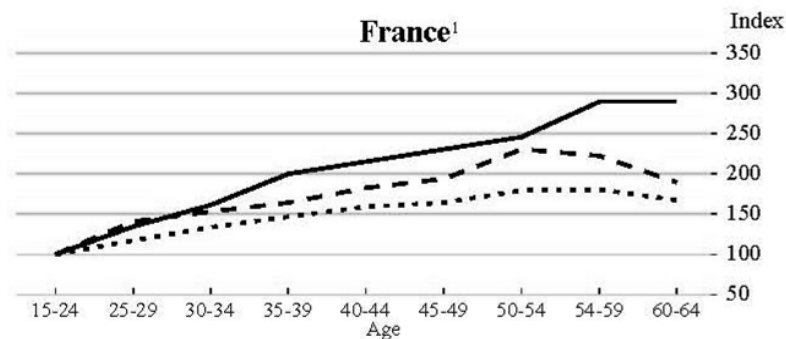
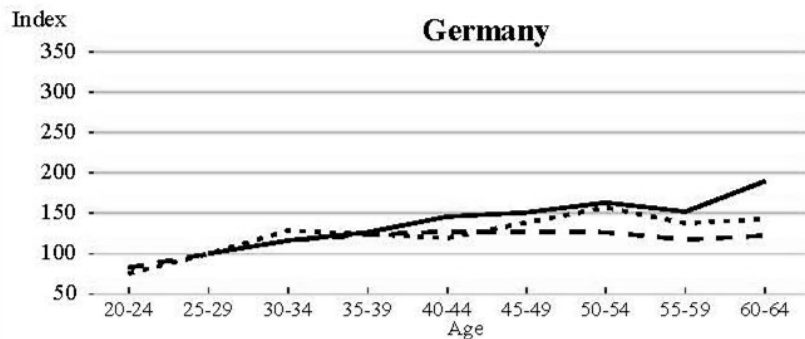
### Key issues

- Increased risks of scar effects of unemployment by reduced support of state for unemployed – partially offset by more active policies
- LLL: Adjustment of skills to structural changes and second chances
  - Matthew principle, LLL increases inequality
  - High support of LLL in SW: Grants for adults, high investment by ALMP and by firms
  - France levy system and individual entitlements (20hrs a year)
  - UK, HU, IT, GR UK levy systems in some industries – no overall impact
  - DE abolition of retraining through Hartz-laws

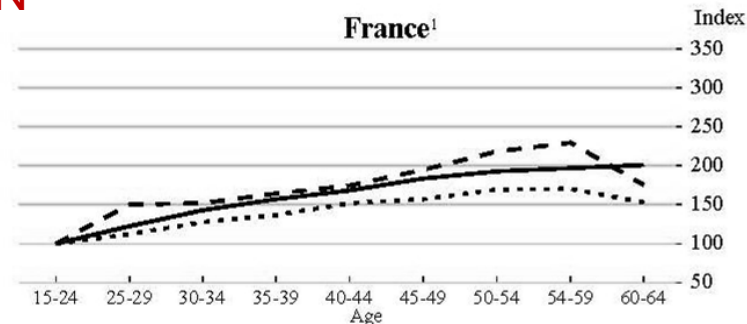
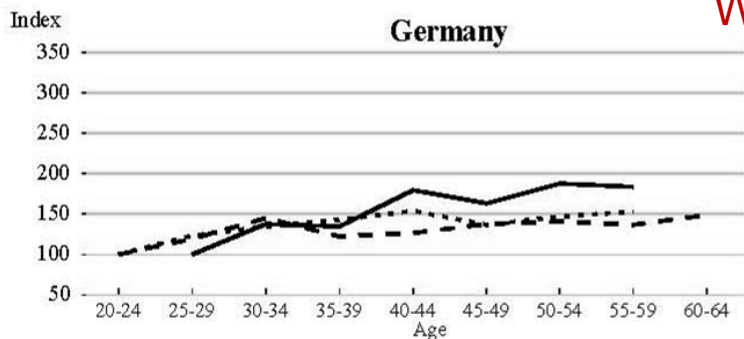
# The Structure of Earnings by Age and Gender

— Tertiary      - - - Upper secondary      - - Lower secondary

**MEN**



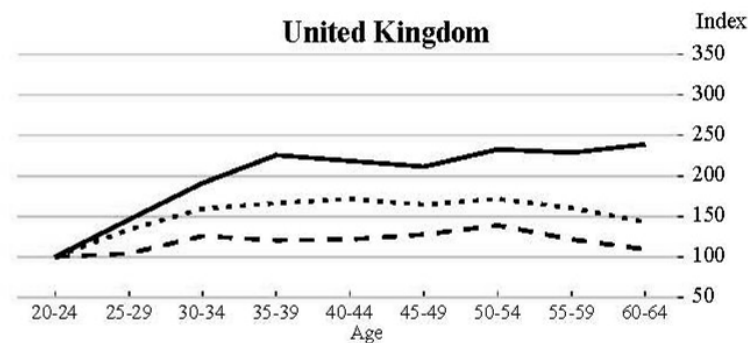
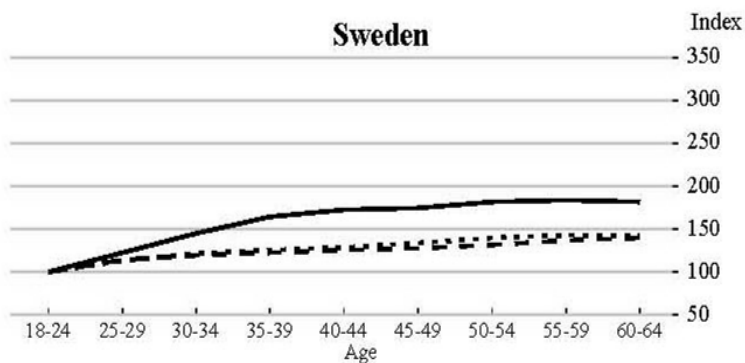
**WOMEN**



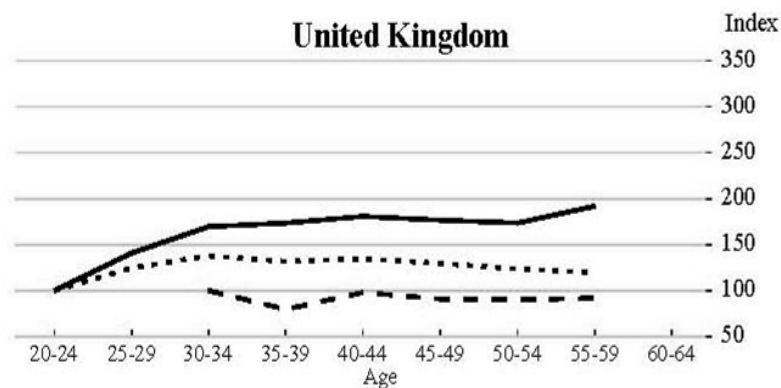
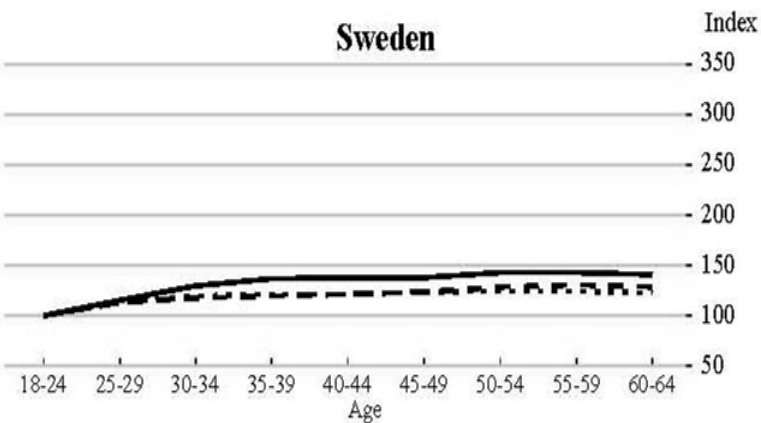
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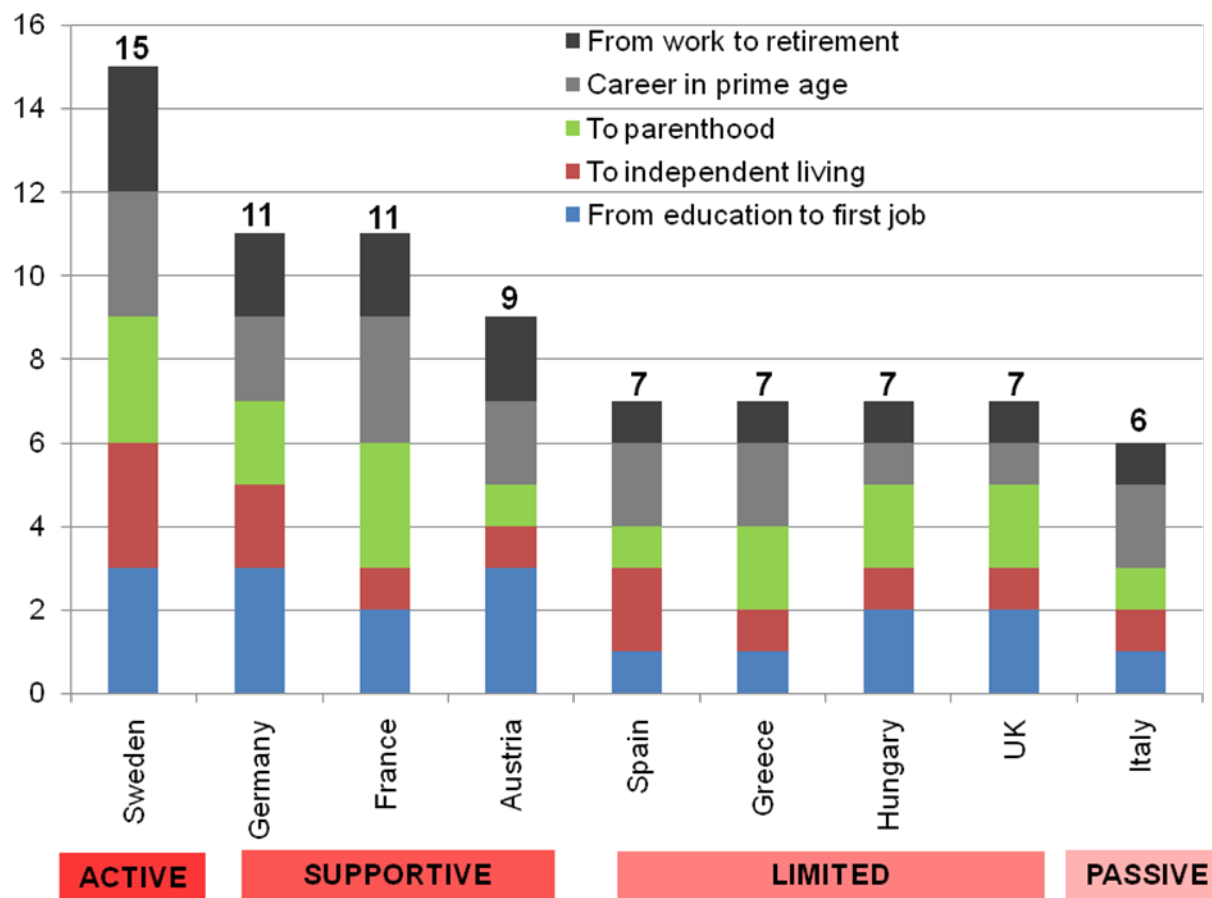
## Evaluation of life-course policies

- Welfare state the “only overarching institutions that extends to the entire life including periods of non work, and lack of family” (Leisering)
- Welfare states potential to increase equity in opportunities
- Common trends in all countries:
  - Extension of education and training/higher burden for families
  - Convergence of employment and working time preferences of men and women across Europe
  - Employment and LLL
  - Etc.

## Evaluation of life-course policies

- Leisening differentiated active and passive life course policy
  - “Active life course policies”: Shaping the life course by politico-administrative intervention
  - “Passive life course policies”: Leave the formation of the life course mostly to market forces, private companies, and the family
- Two simplistic – interventions only in certain life stages , not necessarily coherent
- We added two intermediate categories:
  - “Limited life course policies”
  - “Supportive life course policies”
- Both patchwork policy (only in certain stages and for certain groups)

# Welfare state and social interventions in five critical life course transition: Overall evaluation



Source: own presentation

## Normative base of life course policy

- Sweden explicit normative base for life-course policy: base for its coherence: adult worker model/individualization of social security/flexibilization of work careers/ low wage inequality to reduce costs of mobility
- “Bricolage” of institutions rather than coherent life course policy seems to be the normal situation
- Passive life course policy can be actively pursued
- By not debating the need for new life course policy – important issues for equity and empowerment disappear from political arena

## Path-dependency or constraints within models

- Path dependency in life course policy may result from constraints which spill over from other areas of policy
- Examples for spillover
  - small fiscal base in Southern Europe
  - policy of non interference in markets – failure of apprenticeship system in UK
- Alternatives to active life course policies: shifting problems into future
  - Example: Pension reforms in Italy



## Destandardisation and deinstitutionalization

- Destandardisation does not mean deinstitutionalisation – need for new institutions to support changing/more diverse lifestyles
- Reinstitutionalization may lead to a restandardization of actual life courses

## ■ European Employment strategy (EES):

### Targets :

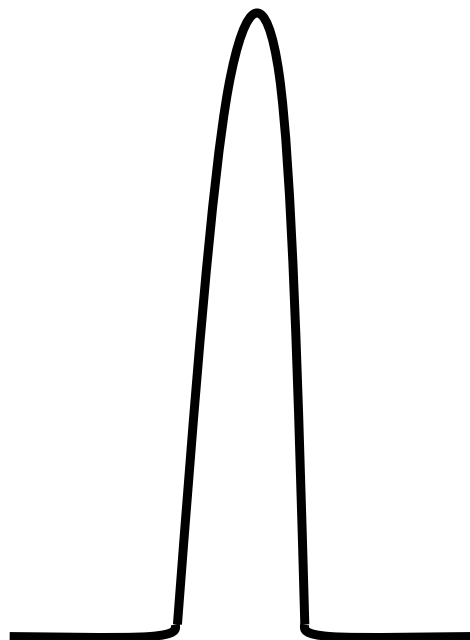
- ▶ Increase in employment rates (overall 70%, women 60%, older workers 50%)
- ▶ 25% of long term unemployed participate in active measures
- ▶ unemployed offered a new start in case of young people after 6 months and after 12 months for adults
- ▶ Provision of childcare at least 90% for children 3-6 years and 30% to children 0 – 3 years
- ▶ No more than 10% early school leavers
- ▶ At least 85% of 22-year olds to have completed upper secondary education
- ▶ Participation in life long learning 12.5% of adult working age population (25 to 64 years)

## ■ Other targets in Lisbon strategy

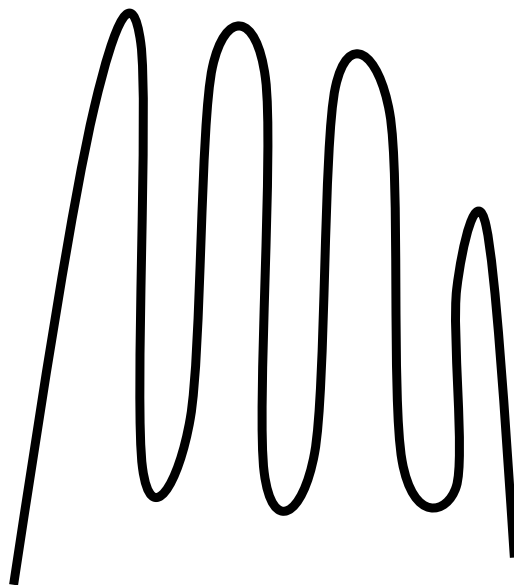
For example: 3% investment in R&D

- Model behind European Employment strategy (EES)
  1. High employment rates
  2. Inclusive labour market policy
  3. Life cycle approach to work
  4. Improving quality and productivity at work
  5. Flexibility and security and reduction of segmentation with the help of social partners
  6. Expansion of investment in human capital
  7. Employment friendly wage setting
  8. Make work pay, reduction of tax wedge and non-wage labour costs
- Rhetoric of EES corresponds more or less to Scandinavian model (exception target 8)
- The targets require substantial changes in some countries

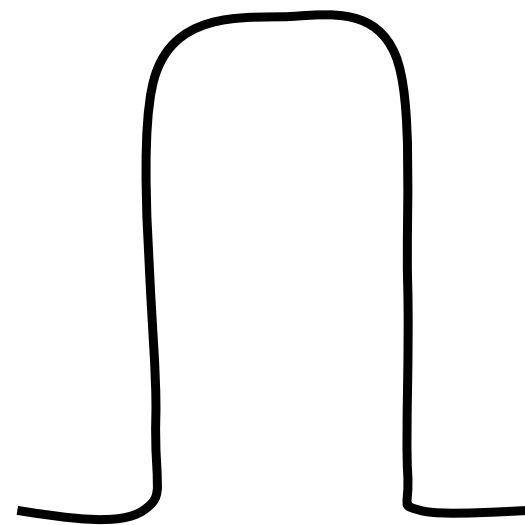
NM literature suggests: Multiple Peaks exist, different ways to “Nirvana”, high costs of model change, but slow change possible



**Single Peak**



**Multiple Peak**



**Flat Peak**

Source: Freeman, R. 2000: The US Economic Model at Y2K: Lodestar for Advanced Capitalism? In: Canadian Public Policy – Analyse de Politiques, Vol. XXVI Supplément/numéro spécial 1 2000

# Typologies of change of national employment systems

- Steek/Thelen: Typology of forms of erosion:
  - Displacement
  - Drift
  - Layering
  - Exhaustion
  - Conversion

# Typologies of change of national employment systems

Typology of forms of institution building:

- Revitalization
- Hybridization
- Bricolage
- Compensation
- Postponement and institutional stagnation