

Abstracts

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The adjustment capabilities of the welfare state in the new century

This paper section assesses the relative importance of the arguments about the challenges to the welfare state coming from the international political economy (global trade competition, the internationalisation of finance) and from the domestic political economy (rapid technological change, the shift from industrial production to services, the transformation of the world of work, demographic change and changing household and family patterns) and the interaction between these external and domestic pressures. As the nature of this interaction manifests itself differently in different types of welfare states, there are different predicament of adjustment challenge facing the national welfare states of the European Union. The final section concerns the prospects for European social policy integration against the background of the regime-specific problems and domestic and international challenges.

Fritz W. Scharpf

Democratic politics in an economy without boundaries

The problem-solving capacity, and hence the democratic legitimacy, of national governments is being weakened by the dual process of economic internationalization and European integration. The loss is not fully compensated by the development of effective and legitimate problem-solving capabilities at the European level. There is a structural asymmetry between the effectiveness of the legal instruments of 'negative integration' which prevents governments from interfering with the free movement of goods, services, capital, and persons and the political constraints impeding positive political action at the European level. This is particularly true for policies pertaining to the welfare state.

Gøsta Esping-Andersen
A Welfare State for the 21st century

The welfare states of the European Union generally reflect a risk structure of the past. The great challenge today is to redefine welfare priorities and rebuild social programs so that they more effectively address both the evolving risks and needs of the new economy and new family patterns. The principal reason why today's welfare state is overloaded is that traditional welfare guarantees that stem from labour markets and households are weakening. Labour markets produce rising inequality and precarity; family instability gives rise to intense poverty risks among children, and women's employment means less caring capacity. The key issue is that such family and labour market 'failure' affect primarily youth and young families, i.e. the risk profile is shifting dramatically from the aged down the life cycle. This calls for a qualitatively different accent in social policy. But the urgency of reform clashes with severe dilemmas, due both to current financial constraints and to fears of long-term unsustainability due to aging. Any overhaul of the existing system can be acceptable only if it satisfies widespread norms of justice and equity and criteria of greater efficiency. Any overhaul of the status quo must also consider the likely life course pattern of future population cohorts and the future needs of the economy. A Rawlsian benchmark is most consistent with dominant EU social priorities of a competitive knowledge economy combined with a battle against social exclusion.

**Maurizio Ferrera, Anton Hemerijck
 en Martin Rhodes**
The recalibration of social Europe

The key predicament of welfare reform at the beginning of the 21st century is best described as a *system-wide search* for a new, economically viable, politically feasible, and socially acceptable profile of social and economic regulation. Welfare reform is discussed in terms of as an endeavor of re-calibration along four dimensions – the functional, the distributive, the normative and institutional – in order to ensure the adaptability and sustainability of the European welfare state. Special emphasis is placed on

the role of the European Union in the process of welfare recalibration. Although the construction of 'Social Europe' may have produced a less splendid edifice than many of its proponents had aspired to, the achievements of the last few decades have helped reinforce significantly the basic underpinnings of the European social model and provide a foundation for a central role for the EU in ensuring policy effectiveness and 'best practice'. Apart from building 'hard' initiatives (directives, an expansion of the social dialogue, the inclusion of fundamental rights in the European Treaty), 'soft' measures (benchmarking, mainstreaming) and open co-ordination are promising institutional mechanisms for advancing on all areas of 'common concern'.

T.E.D. van der Grinten
**Management through demand and of demand:
 remarks about demand-side instruments in
 healthcare policy**

This article reviews trends in health policy in the Netherlands. The author compares policies "through demand" with politics that aim to influence demand in the market for healthcare. The argument is that the traditional policy ("through demand") in which issues such as consumer sovereignty, emancipation, individualization and liberalization are important concepts, should be supplemented with policies aimed at influencing demand directly.