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## The European welfare state – visions for reform

**Despite opposition by entrenched interests, welfare states in Europe need to be reformed if they shall be able to fulfill what they have been designed for namely social progress and security.**



Katharina Bilaine

Globalization, soaring public deficits, migration, new social demands, structural changes on the labour market, and not least demographic developments challenge existing welfare arrangements in Europe. One of the most complex tasks currently facing European governments and societies is to reconcile widely-supported commitments to welfare provision with pressures that make these commitments unsustainable economically. “The European welfare state – visions for reform” is the first publication of the Vision Europe Summit consortium. This introductory paper is designed to set the scene for the challenges currently facing the welfare state in Europe and to enable an informed discussion.

For many in Europe, the values and norms that underpin the continent’s social model are at the heart of what it means to be European. Contrary to negative

portrayals, welfare states do not only perform redistributive functions and protect the most vulnerable but also invest in human and social capital. However, pressures on public finances, and the burden that social spending imposes on the 'productive' parts of economies, raise questions about whether European countries can still afford their welfare states.

This paper suggests that welfare systems first designed 50 or more years ago need to be recast to confront today's challenges. They must accommodate the extensive societal transformations associated with population ageing, closer global economic integration and the spillover effects of climate change. Welfare states will also have to adapt to new social risks resulting from the changing nature of European economies, especially evolving patterns of work and employment. They will have to use resources more efficiently and make the most of relevant technological advances, without unduly sacrificing key principles such as solidarity.

Even if several dilemmas about appropriate forms of decision-making and democratic oversight surround efforts to reform welfare, there are reasons to be optimistic about the future of the European social model. Necessary transformations will not be easy to implement, but a successful reforms will enable the welfare systems to perform their functions also in the future. The paper thus concludes that well-designed welfare states can promote sustainable growth in Europe and be a competitive asset.

This paper is the first of a series of publications by the Vision Europe Summit consortium.

Vision Europe is a consortium of think tanks and foundations collaborating to address some of the most pressing public policy challenges facing Europe. Through research, publications and an annual summit, Vision Europe aims to be a forum for debate and a source of recommendations to improve evidence-based policy-making at both a national and EU level and to foster as appropriate European integration. In 2015 the topic of the cooperation and the summit is "the future of the welfare state.

The challenges and chances mentioned in this first publication will be further developed in three policy briefs on economic, social and governance aspects of the welfare state. They will be published in November 2015 at the occasion of the first annual Vision Europe Summit in Berlin, where high-level experts and politicians will discuss ways towards sustainable welfare states.

Participating organizations are:

- Bertelsmann Stiftung (Gütersloh)
- Bruegel (Brussels)
- Calouste Gulbenkian Foundation (Lisbon)
- Chatham House (London)
- Compagnia di San Paolo (Torino)
- Notre Europe Jacques Delors Institute (Paris)
- The Finnish Innovation Fund Sitra (Helsinki)

## PROJECTS

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