

Recasting the post war social contract

Since the late 1970s, all the developed welfare states of the European Union (EU) have been recasting the basic policy mix on which their national systems of social protection were built after 1945. Intensified global competition, industrial restructuring, budgetary austerity, changing family relations and demographic ageing have thrown into question the once sovereign and stable welfare systems of the Golden Age'. Moreover, domestic issues of work and welfare have more recently become ever more intertwined with processes of European political and economic integration. In this respect, it is fair to say that in the EU we have entered an era of *semi-sovereign welfare states*. Together, these forces have produced a momentum of policy change and system transformation that goes far beyond the popular notion of welfare state 'retrenchment'. The 'new' welfare edifice suggests a departure from the notion of a 'politics against markets' social-protection perspective, towards more of a 'politics with markets', social-investment ideational perspective. This paper tries to capture the comprehensive character of the ongoing effort to recast the architecture of the post-war social contract in terms of the concept of welfare recalibration for both heuristic and prescriptive purposes. It also addresses the engagement of the EU in ongoing processes of recalibrating Europe's semi-sovereign welfare states. In the policy debate the term 'European social model' is often invoked. Yet such generalisations gloss over the immense differences in welfare state development, design and institutional make-up across the EU's 25 member states and, as a consequence, fail to capture the complexity of "contingently convergent" reform trajectories in the recent period.

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