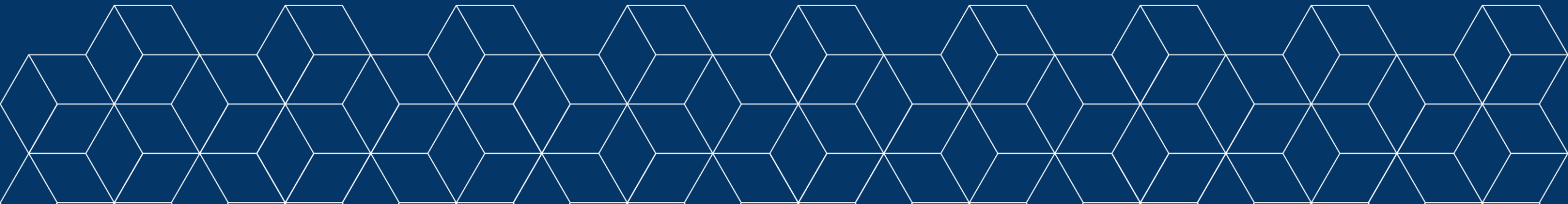


# THE SOCIAL PROTECTION SYSTEM CONCEPT

**Massimo De Minicis,**  
INAPP (Italian National Institute for the Analysis of Public Policies)

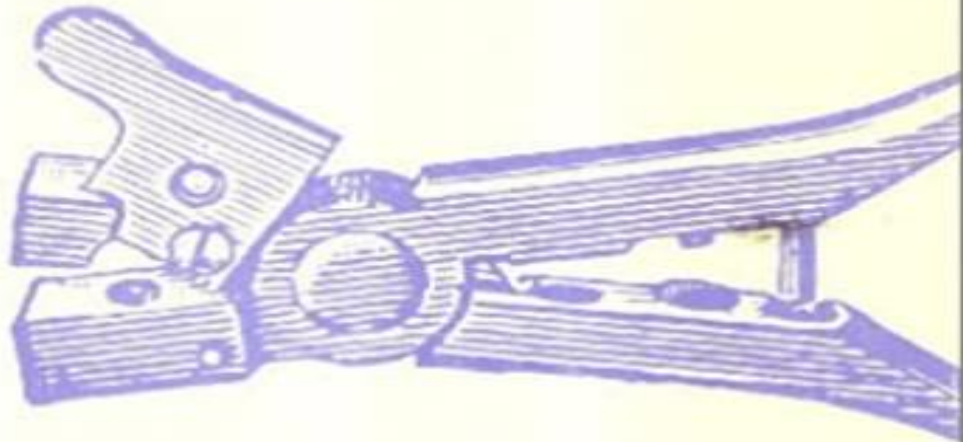
STOREP 2023



# IL FUTURO DELLA VORO

A cura di Alain Supiot

Edizione italiana a cura di  
Paolo Barbieri ed Enzo Mingione



Social, legal and economic sciences have raised the question of the origin of transformations that have radically changed the work - Leading to the need to reconsider models of workers social protection

Alain Supiot raises the question of the source of these transformations that led to a different consideration of the concept of unemployment and the poverty and the means to contrast





in the industrial-Fordist society was clear the difference between poverty and unemployment

but it was not always so: according to Karl Polany, the unemployed person first appeared on the scene of modern history in a pre-Fordist phase as a not deserving poor, an effect of the 1834 reform of the Poor Law of the 1795

thus the often-dominant conception for much of the 19th century was that the unemployed were out of work for his responsibility



## *Involuntary unemployment concept*

- ✓ The most direct contribution in the opposite direction was made by William Beveridge's investigations of industrial reality - *Unemployment: a problem of industry*  
The scholar showed how the rise or fall of unemployment was derived from the trend of the industrial cycle and by Beatrice Weeb's pioneering investigations
- ✓ Today, in a post-fordist and fully developed service-based, globalized, financialized, and digitized society the issue of involuntary unemployment and its distinction with the concept of poverty returns to pre-Fordist dimensions
- ✓ The long involuntary unemployed can again be identified as undeserving poor
- ✓ Thus, an old ideal opposition between Keynesian theories (general welfare) and theories inspired by a renewed liberalism, Hayek, Friedman, Lucas is proposed again



## *Neoclassical theories*

the labor market always offers, even in recessions phases, real employment that remain uncovered-  
example California in great depression 1930s

government intervention in the economy alters prices and creates efficiency problems – same dynamic in the labor market

the welfare state undermines individual freedom and limits people's ability to make autonomous choices because many decisions are delegated to the few. **Welfare is a Trap**



Many countries have arrived at a crossroads: now is the time to pursue a "high-road" strategy towards universal social protection.



Strengthening social protection systems requires:



Universal coverage



Adequate benefit levels



A comprehensive range of benefits



Sustainably financed systems



Provision that is rights-based and inclusive



Adaptation to developments in the world of work



Neglecting social protection systems through:



Underinvestment



Austerity and undue fiscal consolidation



Minimal benefits insufficient to ensure a dignified life



Weak coordination with labour market, employment and other relevant policies



Persistent large coverage gaps in social protection

But the analyses presented in INAPP STUDIES ILO, 2021 ETUI, 2022 have revealed a controversial key point: when the global crisis take on apocalyptic features in different historical moments (great depression, financial crises, pandemic crises, great society program) **only one solution appears on the world stage**

**An increase in public macroeconomic policies to extend universal welfare systems. The neoclassical Theories disappear**

after the **deep** phase of the crises come back policies more **focused** on the sustainability of this model

comeback the ancient ideal contrast between the Keynesian theories and the Neoclassical theories, taking the international social protection system at a crossroads



# *General welfare based on differentiated universalism*

The countries that reacted better to the pandemic phase in the extension of social protection system for workers applied a universal scheme called of the differentiated universalism (ILO, 2022).

A social protection system skilled to face the challenges of post-industrial labour markets (algorithmic digitalization, radicalisation of the principle of lean production with the high development of the algorithmic control on the work, globalization, radical contingent production and radical contingent labour relations, Platformization)

**These systems are based on an overcoming of the traditional classifications of income support for unemployment workers (assistance, insurance – beveredgerigian - bismarkian) but are based on an organic integration of measures of different nature**

## *Principle of Differentiated Universalism*

### LABOUR MARKET

- 1 unemployment protection schemes**, I provided through social insurance or II social assistance, to support jobseekers while they find suitable employment, are in a condition of unemployment, working poor;
- 2 employment retention schemes**, which provide full or partial income replacement during a temporary suspension of work without any break in the employment relationship;
- 3 public employment programmes**, including employment guarantee schemes, whereby the State guarantees employment (as employer of last resort)

*4 Minimum income which only partially affects the labour market (Workers in relative or radical poverty)*



# *Pandemic phase*

**Extension of the social systems with economic policies countercyclical (Deliberate deficit – Public intervention in the labour market regulation)**

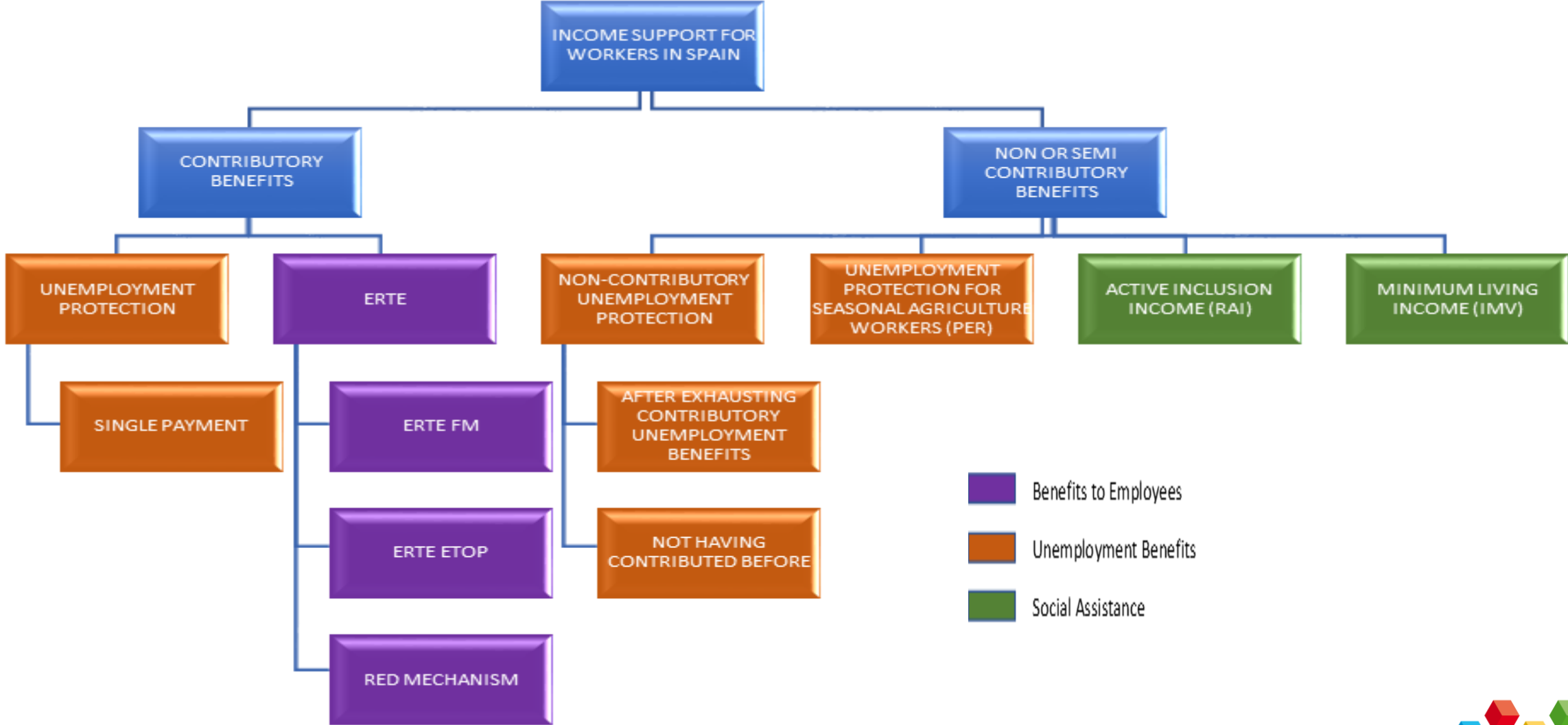
**All countries to avoid critical situations have increased the Social protection systems of workers into a keynesian scenario**

- Strengthening of ordinary measures – definition of emergency measures to fill the **weakness** of the ordinary security model (Italy assistance allowances, GB Job retention schemes, Spain national minimum income and job retention scheme, Germany later changing the indemnity against the unemployment two (Bürgergeld), a hybrid policy behind a minimum income and non-contributory **social shock absorbers**...)
- Suspension of conditionality policies

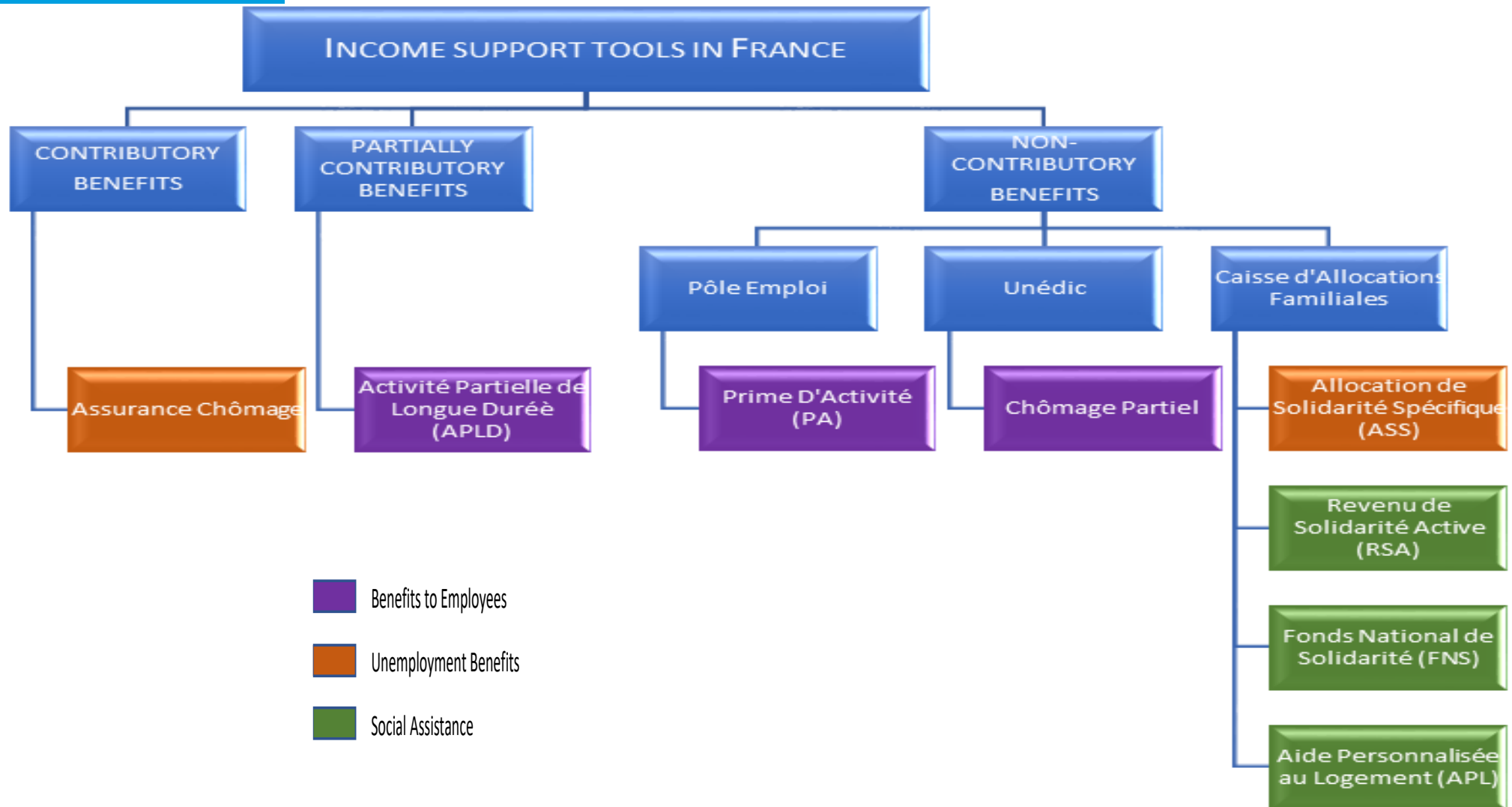




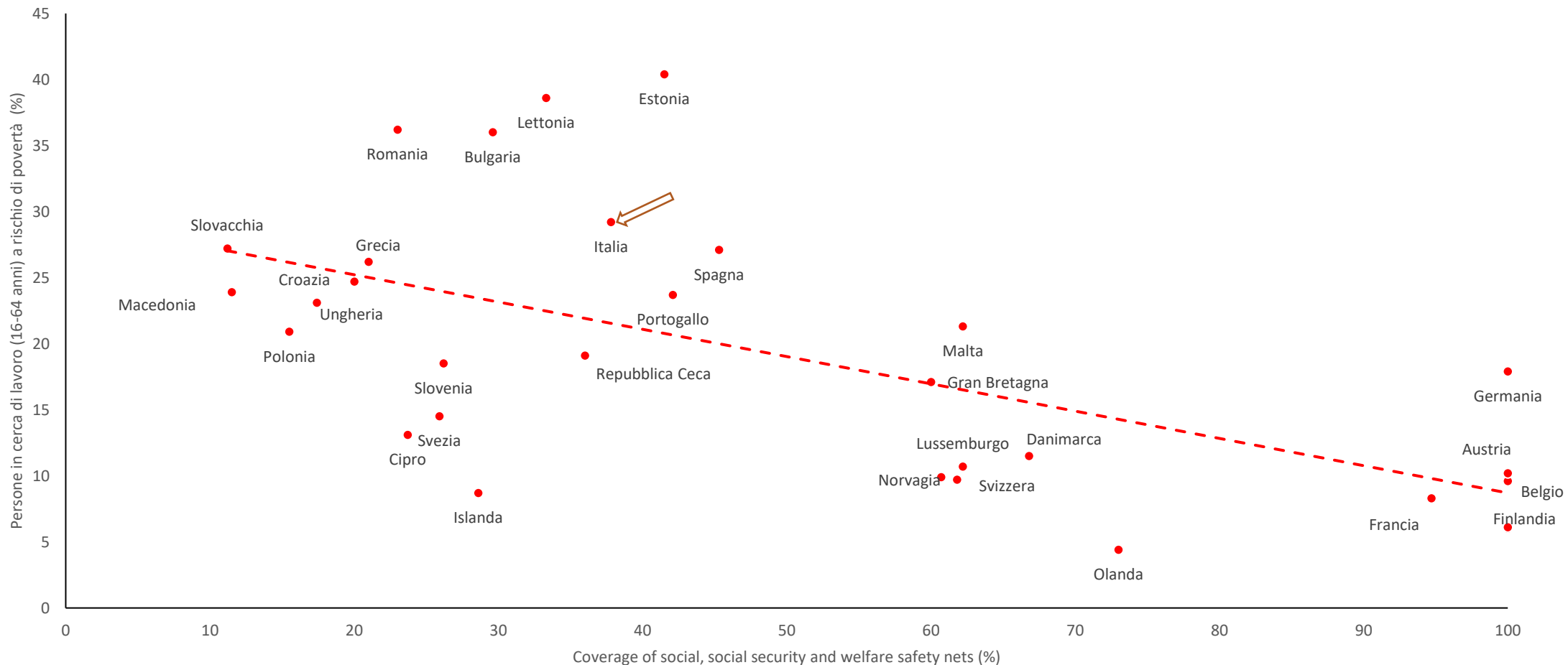
# SPAIN



# FRANCE



## Effective unemployment protection coverage: percentage of unemployed people receiving cash benefits and percentage of unemployed aged 16-64 at risk of poverty 2019

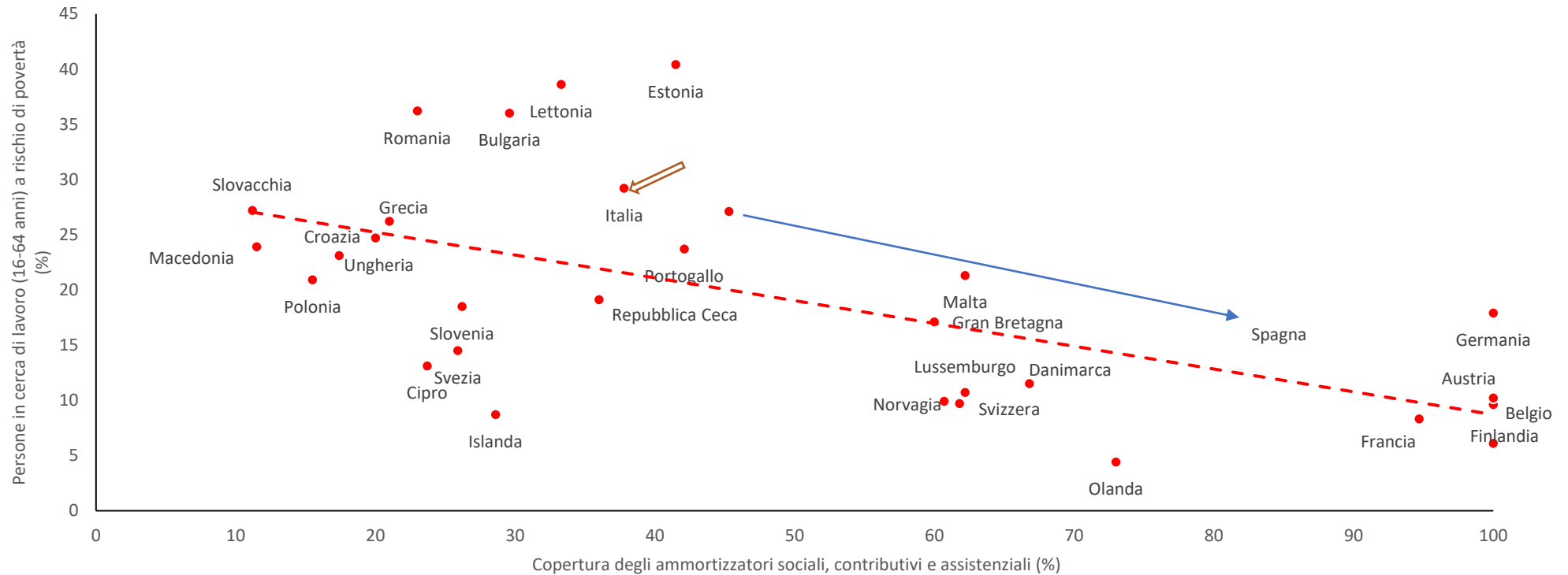


Notes: Calculations based on a poverty threshold of 40% of average household income equivalent, which is below the threshold used by the European Union to identify people at risk of poverty (60% of median income).

Fonte: ILO, World Social Protection Database; ILOSTAT, national sources and Eurostat Survey on Income and Living Conditions



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## *Policy considerations – OCSE, ILO, ETUI, WORLD BANK*



- ✓ today it is necessary to reform at the same time the model of the social shock absorbers and the model of the minimum income
- ✓ it seems necessary to insert a social allowance against unemployment between the social shock absorbers and the minimum income that screens workers in crisis before they fall into a condition of poverty
- ✓ the lack of pillar I vs U generates confusion, so sometimes the minimum income has been confused with a social shock absorber others with a social allowance against unemployment





**Thank you !**  
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