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To What Extent the Recovery and Resilience Facility Plans Address Labour Market Dualism? A Cross-country Comparison.

by
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Declaration of Authorship

I, the undersigned Pierluigi Gagliardi hereby declare that I am the sole author of this Thesis. To the best of my knowledge this thesis contains no material previously published by any other person except where due acknowledgment has been made. This Thesis contains no material which has been accepted as part of the requirements of any other academic degree or non-degree program, in English or in any other language.

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Abstract

The impact of COVID-19 has disproportionately fallen on the most vulnerable working categories in today societies. The concentration of job losses for young people and women has exposed the fragilities of the dualized labour market resulting in uneven consequences. The point of departure for this analysis has been the impact of the COVID-19 crisis on labour market policies for *outsiders* in the European welfare states within Häusermann and Schwander's insider-outsider theoretical framework. More specifically, the Master Thesis investigates to what extent the Recovery and Resilience Facility (RRF) Plans address the patterns of labour market dualism in welfare state regimes. In particular, the Thesis examines how Sweden, Italy and Ireland have reacted, in terms of labour policies for social groups defined in age and gender, to the challenges triggered by the coronavirus pandemic by presenting the RRF program to the European Commission. The results of this study show: the perpetuation of a marked gender connotation in the Swedish labour market with a limited number of resources allocated to mitigate the effects of COVID-19 on women; an unexpected national response of the Italian government through a labour market reform for the young, in contrast to the tendencies of the Mediterranean welfare regime; finally, very selective investments to support youth work placement to prevent high unemployment rates in Ireland's Recovery and Facility Plan. The findings indicate that the welfare regimes of Italy and Ireland, unlike the Swedish social-democratic system, have largely contrasted the escalating dualized labour market through the elaboration of investments and reforms that directly address the *outsiders* of young people and women.

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LIST OF ABBREVIATIONS

CSO	Central Statistics Office
NEET	Not in Education, Employment or Training
EPL	Employment Protection Legislation
EU	European Union
GOL	National Program for Employability Guarantee
ILO	International Labor Organization
IRRF	Ireland's Recovery and Resilience Facility
ISTAT	Italian National Statistical Institute
NGEU	Next Generation EU
NRRP	National Recovery and Resilience Plan
PUP	Pandemic Unemployment Payment
RRF	Recovery and Resilience Facility
SRRF	Sweden's Recovery and Resilience Facility

1. INTRODUCTION

The pandemic COVID-19 has deeply affected our societies bringing to light the weaknesses of the modern welfare state, already exhausted by the growing fragmentation of labour markets. The health crisis has then exposed the devastating and disproportionate effect on young people and women, ulteriorly emphasizing the unequal treatment of overprotected and under-protected citizens in facing the emerging social risks. National Recovery and Resilience Facility programmes aim to tackle some of these tangible difficulties of the Western countries. But the main question that remains unanswered is to what extent the Recovery and Resilience Facility Plans address labour market dualism?

The outbreak of COVID-19 aggravated the most vulnerable categories with precarious or fixed-term contracts, or who worked in certain sectors such as hospitality, tourism and retail, severely affected by the pandemic: namely young generations and women. Nonetheless, the European Commission has only indicated the exact share of resources to be allocated in the National Recovery and Resilience Facility programmes for the green and digital transition, respectively 37% and 20%, but the European institutions did not designate a quota for national policies related to social inclusion measures. Therefore, the Thesis aims to determine to what extent governments, through the elaboration of their national Recovery and Resilience Facility programmes, will address labour market dualism, by comparing the labour policies of three European countries: Sweden, Italy and Ireland. In which welfare regime are outsiders more likely to be addressed by national labour policies and to what extent?

The challenge that European countries need to face is whether welfare policies contained in their national Recovery and Resilience Facility programmes will prove capable of countering

the “dualizing” tendencies of their labour markets through active labour policies, with more vocational training and, above all, by protecting against the risks of unemployment. The threat is that an unbalanced social expenditure in favour of certain social groups is likely to be unsustainable and ineffective in promoting development. In fact, the economy receives a propulsive boost the more the spending is oriented towards children and young people and the continuous training of workers and female entrepreneurship (Lindert, 2021). The problem that needs to be addressed does not regard the quantitative dimension of the welfare state policies, but their adherence to the basic requirements of the contemporary society and its future economy.

The pandemic has accelerated the trend that all European countries have been experiencing over the past three decades: the change in intensity and the type of societal needs. In the past, the identification of public protection schemes for workers led to a process of gradual socialization of risks between individuals and groups through the introduction of social rights, i.e. cash transfers or benefits in kind, guaranteed by the state, in case of illness, unemployment, disability or retirement. The emergence of new forms of work, however, gave rise to a typology of risks and needs that are radically different from those experienced so far.

Unlike modern social well-being, welfare regimes that developed in the afterwards of World War II, until the early 1970s, were guaranteed by some favourable circumstances, including: the economic boom generated by the expanding manufacturing sector which ensured an adequate quality of life through high levels of income; the stability of family units that guaranteed full support in the care of children and the elderly; the adoption of Keynesian policies by national governments that kept the employment level stable; the high levels of monetary transfers and services that ensured the well-being of the population.

Thanks to these thriving circumstances, welfare policies of the post-war era, which was highly characterized by the Fordist social and production model, were mainly aimed at satisfying needs that were not adequately protected by the market, such as involuntary unemployment or the provision of services deemed indispensable on a public basis, such as education and health. These historical and institutional circumstances have favoured the development of a family of European welfare states, based on separated protection schemes that faced the problem of the distribution of income and wealth (Marshall, 1950). Despite the differences between the welfare regimes that developed in those years, the economically flourishing period did not reveal any gaps or deficiencies that would have only appeared in the mid-1970s, following the two oil crises and, starting from the 1980s, due to public spending levels that have subsequently become unsustainable for the finances of states.

Indeed, the encouraging environment, that facilitated the development of the European welfare states in the afterwards of World War II, began to collapse in the mid-1970s, causing a real paradigm shift with the beginning of a new period, the post-Fordist era. This period was even characterized by a critical socio-economic situation that profoundly changed post-industrial societies, sharply reducing their economic growth (Taylor-Gooby, 2004). Growth rates, ranging from 2.7% to 4.6% for the four largest European economies (France, Germany, Italy and the United Kingdom) until 1973, began to decline between 1.1% and 2.7% in the following decade, reaching the bottom between 1989 and 1995 with very low percentages (0.4% and 1.7%). This decrease led to a reduction in productivity within the labour market, causing further implications for the safety of employment of semi-skilled and unskilled workers. This turmoil was surrounded by a new emergent phenomenon, the globalization, which, spreading new social risks, threatened the stability of young people and that of their families.

However, the traditional welfare model has been undermined not only by exogenous elements such as the economic recession, public debt crisis and globalization, but also by endogenous elements, namely the technical innovation, the demographic ageing and the mass entry of women to the labour market, that have eroded the consensus around the Fordist approach to welfare.

In addition to those mentioned, there are also other economic factors that have contributed to the crisis in the regulatory capacity of well-being and the consequent emergence of new social risks in the labour market. Sociologists, like Giddens and Sutton (2021), for example, believe that the demographic crisis and population change by age group is one of the major problems that the European welfare states are continuously facing. The increase in the population in old age was counterbalanced by the second cause of population ageing, namely the reduction in the birth rate. As described by the Norwegian sociologist Gunhild Hagestad (2008), Western countries have moved away from a typical pyramidal family structure, in which there are few grandparents and great-grandparents and many grandchildren, to a structure defined as a “beanpole family”, in a sort of structure inverted pyramid, leading to a consequent shift in the demand for care towards the most fragile share of society through new pension models.

Furthermore, technological innovation and scientific progress have caused dramatic changes in the labour market in Europe, triggering a profound transformation in the modes of production and workforce. Technological innovation was expected to transform production systems capable of producing more and more goods with less workforce. Unlikely, according to the American economist Rifkin (1995), technological progress would not have succeeded in the ambitious objective of making the economy and employment grow simultaneously, on the contrary, it would have favoured only the former to the detriment of the workers. This

unbalanced economy demanded an increase of state interventionism in support of the insecurity produced by the labour market, leading to the emergence of new demands but also of new forms of flexible employment from the supply side, and further aggravating the financial unsustainability of welfare states.

Finally, the new dynamics of the family structure and the gender relations resulted in a new change in the social risks. Previously, the Fordist social model was characterized by a clear gender division of labour based on single-income families. In Western societies, there was a strict division of labour between women and men, inside and outside the market: the male breadwinner was reserved for economic responsibilities (to provide the family income), for women the entire load of unpaid and informal domestic work. Unlikely, the new post-industrial period allowed for a greater plurality of forms of household with the increase in female participation in the labour market which increased from 45% to 61% in the period between 1970 and 2001, largely connected with the expansion of services (Taylor-Gooby, 2004). This change in the role of women needs to be evaluated both on the supply side and on the demand side, as the increase in female employment has generated a new demand for services (care, free time and domestic job replacement) and therefore also new jobs.

With the advent of the post-industrial society, these endogenous and exogenous factors, therefore, have contributed to the de-standardization of the life course. In fact, in the labour market, the greater unpredictability of careers, affected by job instability and periods of unemployment, has caused the order of the typical sequences of the Fordist life course (education, employment, retirement) to disappear. In the Western economy, the whole conception of labour relations starts to be completely transformed: the relationship between employer and employee becomes less subordinate and more autonomous, even in dependent

work; contracts appear less durable, given the growth in fixed-term contracts and the decline in permanent employment; and finally, employment contracts become less uniform and more circumscribed and articulated, even individualized (Rosanvallon, 2000). The economic sector has become flexible and expects the worker to be equally flexible.

Starting from the 1990s, under the pressure of all these transformations, the European welfare states have embarked on a strenuous process of institutional readjustment. This welfare recalibration aimed at reducing the inequality gap in terms of social protection between old and new risks and at strengthening support for social groups most affected by the post-Fordist transition. Unfortunately, according to Ferrera (1996), the transition to post-Fordism, with the subsequent budgetary constraints, forced all Western regimes to adopt new social policies that placed great emphasis on the notion of selectivity of public intervention. Unlikely post-war well-being, modern welfares no longer tend towards universalism but to specific targets of the population in order to reduce or contain the costs of social spending, through the provision of new limits on access to services and benefits as well as on a preventive assessment of needs and social risks.

The evidence that modern welfare states are intimately linked to the dynamics of the end of the Fordist model is even more palpable with the consequences that the pandemic crisis is bringing to Western welfare states. The effects of the COVID-19 pandemic have brought out even more clearly the fragility of our social safety nets, especially in relation to young people, women and workers with low skills who are often employed under atypical contracts and lack adequate social protection.

Worldwide the incidence of unemployment, suspension from work and income reductions has been higher for working women than their male counterparts. The gap between men and women was already very wide previously to the outbreak of the pandemic: according to the World Economic Forum's Global Gender Gap Report 2020, it could take almost 100 years to bridge the differences in the fields of health, economics, education and political participation. To date, this gap has continued to widen: according to a study conducted by the European Parliament (2020), *“The gendered impact of the COVID-19 crisis and post-crisis period”*, 87% of working women are employed in the main Covid-hit sectors, such as healthcare, retail, tourism and social services. This explains the high impact of the virus among women, suffering the consequences of the infection more than men but more importantly, the fragility of these Covid-hit sectors explains also why women were more exposed to the risk of salary reduction if not dismissal.

Although young people were less affected by the virus, at least from a health point of view, the pandemic has widened even more the economic gap between the old and the young, many of whom have lost their incomes or have increased their precariousness. Even before the crisis caused by COVID-19, youth unemployment was structurally high, given the difficulties that many young people face in transitioning from education to the labour market, dropping out of school and not being engaged in education, employment or in training (NEET). Forecasts on youth unemployment in the 20-35 age group are negative all over the world, with negative prospects also in Europe. According to the International Labor Organization (2020), more than one in six young people stopped working after the spread of COVID-19, while those who kept their jobs lost an average of 23 per cent of their paid hours.

The consequences of the COVID-19 pandemic on the most vulnerable groups, namely young workers and women, represents the fragility of a highly dualized welfare system. In European countries of the 21st century, a strong dividing line is emerging between the overprotected, the insiders, and the least protected, the outsiders (Häusermann and Schwander, 2010). In which the latter are increasingly exposed to forms of work that leave them vulnerable, such as low-paying jobs, with precarious or fixed-term contracts, or ending up working within the informal sector. For this reason, the European Commission, on the occasion of the formalization of the Recovery and Resilience Facility programmes, called on Member States to intensify their efforts to ensure that active labour market policies and social policies are effectively integrated and involve young people and support women participation in the labour market.

The remaining part of the Thesis proceeds as follows. The second section connects the extensive research on the institutional configuration of post-industrial welfare states aiming at presenting scholars' attention on the distributive impact of welfare systems. The third section outlines the theoretical framework by focusing on the insider outsider theory developed by Häusermann and Schwander. The fourth section represents the Recovery and Resilience Facility, the 750-billion-euro European program for relaunching the Member States' economy, aimed at mitigating the economic and social impact of the pandemic crisis. The fifth and the sixth section analyse to what extent the Recovery and Resilience Facility programmes of Sweden, Italy and Ireland address labour market dualism through the configuration of national responses to COVID-19 for the young and women, offering a cross-country comparison. Finally, the remaining part gives a brief summary and draws conclusions.

2. LITERATURE REVIEW

2.1 The Institutional Configuration of Post-industrial Welfare States

Since the end of the Second World War, numerous models of welfare systems have developed and consolidated in Europe. The institutional formation of welfare states was laid down on an economic and social context that contributed to shaping its forms over time, promoting the emergence of different structures in the various countries. Abundant literature has found the roots of distinctive institutional configurations from a contextualist explanation: some scholars discover this demarcation in the “logic of industrialism” through the types of urbanization, literacy or demographic change that independently characterized single states (Wilensky & Lebaux, 1964; Wilensky, 1975), others in the occupational structure (Flora, 1986), in the power of class mobilization (Korpi, 1978) or in social risks (Baldwin, 1990).

According to classical scholars, the characteristics of the socio-economic environment have encouraged the adoption of diversified welfare states that favoured some policy solutions rather than others. This is evident in the case of the institutional fragmentation of continental and South European models (Ferrera, 2010) that represent the highly segmented labour markets, where the presence and features of certain social groups have influenced the orientations of the welfare model, forming multiple dichotomies, namely industry versus agriculture, dependent work versus self-employment, formal versus informal economy.

In addition to its socio-economic context, the formation of the welfare states has been highly influenced by national internal developments. The legislative and administrative instruments of bureaucracies, central and local government bodies have contributed to delineate the impressive system of public policies as they are known today. For this reason, some authors have abandoned the perspective of contextualist explanation to adopt an institutionalist one.

Following this perspective, the socio-economic context and its features revealed to have a secondary impact on the construction of the institutional configurations. The mixing role of public bureaucracies and state apparatuses exerted a powerful effect upon the different development trajectories of welfare, as evidenced in the case of Sweden, Great Britain and the United States (Heclo, 1974; Skocpol, 1993). In this analysis, political, cultural and administrative cleavages, including ideas and existing programs, take an active role in the formation processes of the welfare state.

Like all public policies, measures in the social field can also be seen as (by-) products of power competition: it is, therefore, more than plausible to hypothesize a connection between the rules and methods of that competition and the characteristics of those measures. Attention to political competition had already appeared several times even in classical literature, for example within the variegated dispute on the impact of politics on welfare regimes outcomes (Castles & Mitchell, 1992), the Scandinavian school on “resources of power” (Korpi, 1989; Esping-Andersen, 1990) and the line of sociological and political studies of comparative macro-history (Alber, 1983; Ferrera 1993; Flora & Alber 2017;) who, stressing the political-procedural aspect, highlight the specific conditioning exerted on the formation and development of welfare by the political process as such.

The research to date has tended to embrace a neo-institutionalist approach with a historical orientation, the so-called *historical institutionalism*, incorporating the previous contextualist theories. The political-procedural perspective has taken on a growing centrality and analytical-theoretical articulation as an interpretative key of welfare, with reference not only to its twentieth-century evolution but above all to the more recent phase of recalibration and reforms. This is exemplified in the work undertaken by Pierson’s *new politics* theory (2001) which, based on Wilson’s distribution of costs and benefits (1980), compares the levels of welfare

retrenchment to the different amount of the welfare state clienteles, in terms of the number of recipients of social policy such as pensions, unemployment benefits and even public service sector employees.

The understanding of the institutional formation of modern welfare states revealed to be essential to grasp the socio-economic features that prevailed in each country. Moreover, these institutional characteristics contributed to legitimizing certain social policies rather than others across decades, thus directing the redistributive flows of the huge resources that the state mobilized since the post-war period. Unfortunately, as evidenced by Titmuss (1975), the unequal redistribution of some welfare state models may have worsened national social inequalities, which can dramatically increase when social policies disproportionally favour certain social groups rather than others.

2.2 The Historical Dualization of Welfare States

The distributive impact of welfare systems on the social structure has been the subject of abundant attention, starting above all from the literature on power resource, which coined the concepts of “de-commodification” and “de-stratification”, offering in-depth comparative analyses of their political and institutional determinants (Hicks & Esping-Andersen, 2005). Nonetheless, prior studies on comparative analysis have limited focus on the functional dimension of welfare, namely the breadth and composition of the social policies basket.

The first contributions of the contextualist school turned their attention to the demographic profile of the various countries, but their interest was mainly focused on clarifying their explanatory potential with respect to aggregate spending dynamics (Wilensky 1975). Only in the 1980s and 1990s, scholars sparked a debate on the so-called “gray power” and on the “selfish generations”, proving the active political role of associations and trade unions of older

workers and pensioners to increase social spending in their favour (Williamson & Pampel, 1993; O'Higgins, 1988).

Nonetheless, Julia Lynch (2006) is among the first author who explicitly brought the concept of the “basket” to the centre of the historical-comparative debate. In the “*Age in the welfare state: The origins of social spending on pensioners, workers, and children*”, the American professor carried out an in-depth qualitative-quantitative analysis on the so-called *age orientation* of welfare systems through a historical-institutionalist explanation of the formation of welfare systems. According to Lynch (2006), indeed, the starting point of the dualization started between the nineteenth and twentieth centuries, when the first public protection schemes were introduced.

At the end of the Second World War, although the European welfare states had to deal with a high financial indebtedness caused by the war, the upcoming economic boom allowed policymakers for profound structural reforms. However, at this point, party competition played a fundamental role in the distribution of social measures and risk reduction. For Lynch (2001), in political systems where the political parties adopted modes of “programmatic” competition (aimed at broad social categories and justified in the name of the general interest), welfare systems moved towards a universalistic approach that introduces highly inclusive and relatively generous schemes in the area of unemployment and family benefits. Contrarily, in countries where “particularistic” modalities of inter-party competition were adopted (offering selective benefits to concentrated social interests, often micro-categories, in exchange for votes), the leap was not politically convenient and instead the political system created fertile ground for the development of functional and distributive distortions.

During the post-war “thirty glorious years”, however, the categories covered by the insurance schemes in Continental and Mediterranean countries, in particular the salaried workers, turned

into insiders in the welfare systems. Indeed, as the decades passed, their average age began to grow and more and more generous pension formulas were introduced to favour this class category, which ended up crowding out the typical risks of young people and interventions for other outsiders. On the other hand, in Scandinavian, states turned the attention to outsiders (unemployed, peripheral workers, needy families, working poor) maintaining a much more balanced age orientation than Bismarckian systems.

Indeed, as highlighted by the classical literature (Baldwin, 1990; Flora, 1986; Ferrera, 1993 and 2005; Van Kersbergen & Manow, 2009), at end of twenty centuries policy makers found themselves faced with a critical juncture between two institutional alternatives: occupationalism (compulsory insurance for workers, subsequently followed by other categorical insurances) and universalism (all-inclusive schemes with proof of means or even without). According to Lynch (2001), this choice laid the foundations for shaping the demographic orientation of the welfare states in the second half of the twentieth century.

Nowadays, the configurations of the European welfare states, consolidated during the golden age, achieved inertial stability. Their rigidity makes any readjustment required by the socio-economic transformations impossible to attain, although some European states were more flexible to changes. Moreover, the permanent financial austerity has highly influenced welfare policies, converting the positive sum game of the post-war era into a zero-sum game, where «welfare gains for one group of beneficiaries now tend to come at the cost of other groups» (Häusermann and Walter, 2009:4).

Given the wide functional articulation and social coverage, Nordic welfare has been able to adapt fairly quickly and effectively to the new socio-economic context (Kautto, 2010). On the other hand, Great Britain and Ireland have had to deal with the distributive polarization between the middle classes and the working poor, which the new economic and employment dynamics

tend inexorably to feed (Castles et al., Ed., 2010). Continental countries continually struggle to lighten the traditional Bismarckian arrangements, reorienting their baskets from transfers to services - and more generally towards women-friendly services - and countering the “dualizing” tendencies of their labour markets (Palier, 2010). The South European countries are those in conditions of greatest difficulty, however exacerbated by the financial crisis that broke out in 2008 (Ferrera 2010).

3. THEORETICAL FRAMEWORK

3.1 The Insider Outsider Theory

The ambitious objectives of a flexible society have disregarded the expectation of forming a collectivity of workers - including blue-collar workers, technicians and managers - which tended to become homogeneous in terms of higher income, continuity of employment, possession of knowledge. Unlike these expectations, the reality that emerges from field research is instead characterized by a strong polarization of the mass of workers towards two distinctive categories: insiders and outsiders.

The insider outsider theory has been formulated with the purpose of explaining the industrial dynamics of work for the business world (Solow, 1985; Lindbeck and Snower, 1988), but recently, other scholars (Rueda, 2005, 2007; Emmenegger et al. 2012) have found the same paradigms of labour market dualism in the configuration of welfare states. Indeed, the structural changes in the post-industrial era (Oesch, 2006), namely the tertiarization of the employment structure, deindustrialization, higher levels of education, mass entry of women into the workforce, together with neoliberal political reforms, have given rise to a growing dualization between those inside and outside the Employment Protection Legislation (EPL), to the point of becoming a social divide at the institutional level.

Although the segmentation of labour markets is affecting all advanced post-industrial economies, the empirical evidence in this regard seems to demonstrate the existence of a more varied situation across the European welfare regimes: tendencies towards job polarization are observed in the Netherlands, Germany, France and the United Kingdom; in Scandinavia

upskilling prevails, while in Southern European countries there has been a significant expansion of mid-paid occupation.

The starting point of this analytical path consisted in resuming the types of contracts of the workforce of the insider outsider theory, for which the distinction between one and the other is defined in the first instance in relation to the EPL: all individuals who do not have stable employment with a higher degree of protection are considered outsiders of the labour market.

One of the proponents of the insider outsider theory and supporter of the Blairian “third way, David Rueda, focuses his attention particularly in the implications of social democratic politics in the face of the challenge between the defence of insiders and EPL on the one hand, and «the provision of equality and security to the most vulnerable sectors of the labour market» on the other (Rueda, 2005, p. 71). According to this author, in addition to permanent employees, insiders also include employees with temporary or part-time contracts on a voluntary basis, i.e. those who do not wish to work full time or in a permanent position. Temporary or involuntary part-time workers, who would rather work more than their working hours or who would like not to have temporary contracts, fall differently into the category of outsiders together with the unemployed.

However, the conception of the outsider has been lately expanded from the occupational status of individuals towards a more compressive view that takes into account the dynamics of the society and institutions where outsiders belong. According to Häusermann and Schwander’s analysis (2010), indeed, the condition of an outsider does not depend on the characteristics of the individuals or on the momentary labour market status, i.e. on their work biography, but rather on the risks that each subject will have to face as being part of a certain occupational

reference group. Therefore, individuals will be classified as outsiders if they are habitually affected by atypical work in the labour market.

Indeed, being an outsider does not in itself always mean being at a disadvantage. With equal income conditions and opportunities for professional growth, «labour market segmentation must not necessarily become an actual social divide. In other words, atypical jobs can be “good jobs» (Häusermann and Schwander, 2012, p. 32).

However, the objective status of being an outsider may constitute a sort of “trap” depending on the relationship between the condition of the outsider, as an atypical employee with little or no EPL protection, and the degree of economic and social vulnerability of other social groups in the workforce. In this way, an outsidersness gradient would be configured due to the greater or lesser risk of social insecurity determined by the specific working and institutional conditions of welfare states and it would allow determining «whether outsidersness continues to be a transitory phase in the life courses of individuals, whether it affects them permanently, or whether we actually find different types of outsidersness in contemporary societies» (Emmenegger et al., 2012, p. 13).

3.2 Hypotheses on Labour Market Dualism

In the book “Varieties of Dualization? Labor Market Segmentation and Insider-Outsider Divides Across Regimes”, Häusermann and Schwander (2010) claim that the segmentation of the post-industrial labour markets is highly dependent on institutional context, i.e. the welfare regime. Every institutional configuration, therefore, applies different policies that either attempt to compensate the insider-outsider divides or reinforce the labour market segmentation. Indeed, over time social policies have not been always indicated to address the social

inequalities, aiming at reducing the gap between advantaged and disadvantaged people, either welfare states have ended up stratifying certain labour groups, structured by gender and age, instead of ensuring more redistributive policies (Taylor-Gooby, 1991; Esping-Andersen, 1999; Kitschelt and Rehm, 2005).

According to Rueda et al. (2005, p. 91) this insider outsider divide substantially reflects the «unemployment vulnerability of different actors in the labor market». Also, in this case, there are distinctions between the different welfare regimes in terms of weight and composition of outsiders, in which women and young people generally prevail (Häusermann and Schwander, 2012, p. 34-5). In liberal regimes, outsiders are more evident (52.7% of the workforce) and are more often low-skilled workers while women have higher participation rates in the labour market. In continental regimes, they account for 43% of the workforce with a more marked gender connotation. Finally, in the Scandinavian and Southern European welfare regimes, outsiders are 40% of the workforce (especially women and, in the Southern European case, young people).

Nordic welfare states cover the main risks for the entire national population and their access is based on of the recognition of social rights as essential components of citizenship, without referring to the contributions. Indeed, the social democratic regime is mainly constituted by universalistic social programs, offering welfare benefits to all citizens of the state without any discrimination. Nonetheless, Nordic countries have been characterized by a strongly gendered labour market segmentation where part-time work is common among Scandinavian women that leads to a lower average income compared to men.

These conditions lead to the following hypothesis:

H1. Sweden's Recovery and Facility Plan will perpetuate its marked gender connotation of its labour market dualism, to the detriment of women, without addressing specific investments for women but only ensuring universalistic social programs that include young people.

In the Continental and Mediterranean countries, the configuration of welfare has mainly reinforced the levels of dualism. Public intervention is strictly tied to citizens' belonging to occupational positions since the model is based on the assumption that workers can insure from social risks (unemployment, illness, accidents) through their financial contributions to the social system. Unfortunately, this differentiation reproduces market inequalities and creates an unequal degree of well-being among citizens, depending on their position in the labour market. As evidence of this, since welfare benefits are proportional more to contributions rather than taxation, the redistributive policies are weaker and oriented mainly towards the insider male breadwinners, excluding unemployed and non-standard workers.

These conditions lead to the following hypothesis:

H2. Italy's Recovery and Facility Plan will insure young people and women from the dualized labour market only with income assistance interventions or passive labour policies, as per characteristic of the Mediterranean welfare regimes.

Countries characterized by a liberal welfare regime display a marked dependence between citizens and the market, showing a low level of demercification. This dependence has led to greater flexibility, especially for the young who are employed with flexible employment contracts mainly in the service sector before having the opportunity to get a permanent employment. This aspect is due to the prevalence of the market as the main risk-socialization

agency, which assumes a predominant role in the distribution of resources. Nonetheless, resources are continuously allocated to the prevention of poverty through social programs that are very selective and addressed only to a limited needy segment of the population.

These conditions lead to the following hypothesis:

H3. Ireland's Recovery and Facility Plan will mainly target young people through reforms and investments in the Irish dualized labour market, partly excluding women from the investments as being to a lesser extent an outsider in the liberal regimes.

4. METHODOLOGY

4.1 The Recovery and Resilience Facility programme

In response to the health and economic emergency, the European Commission, the European Parliament and EU leaders have reached a final agreement on Next Generation EU, the 750-billion-euro program for relaunching the EU economy aimed at mitigating the economic and social impact of the pandemic crisis. The NGEU is a European tool that lays the foundations to make the economies and societies of European countries more sustainable, resilient and prepared for the challenges and opportunities of the ecological and digital transition.

Among the cornerstones of the Next Generation EU, the Recovery and Resiliency Facility was described as an unprecedented instrument of European intervention in national public finances, accounting for almost 90% of the overall 750 billion. This recovery tool traces the objectives, reforms and investments that the member states of the European Union intend to achieve thanks to the allocation of the European funds. In fact, to access the Recovery funds, countries had to notify an integrated document with a national reform program by the end of April 2021, in which the measures and reforms to be adopted, the goals to be achieved, the costs to be incurred must be specified in detail, motivated and justified by the measures.

The individual national plans had to comply with some pre-established criteria, concentrating investment and spending projects on some flagship areas. According to the European recommendations, Recovery and Resiliency Facility programs must respect six main pillars: green transition; digital transformation; smart, sustainable and inclusive growth (job creation, competitiveness, research, development and innovation, strengthening of small and medium-sized enterprises); social and territorial cohesion (respect for social rights, gender equality);

health and economic, social and institutional resilience; policies for next generations (young people and children).

In addition to these flagship areas, the Commission has also designated mandatory quotas in some thematic areas, as in the case of the green transition and digital transformation, respectively 37% and 20% of the resources allocated through the Recovery and Resiliency Facility. With regard to other sectors, such as inclusion and social cohesion, female entrepreneurship or active policies for young workers, Member States have a greater margin for action and their policy success will depend on the quality of the plans and the ability to implement the social measures.

These prerequisites make it possible to analyse the Recovery and Resiliency Facility plans as a key instrument for fighting the economic and pandemic crisis and to compare the behaviour of individual states in terms of resource allocation to reduce the dualization of labour markets. The criteria established by the European Commission make the national plans homogeneous in the structure which will differ substantially in the quantitative and qualitative contents in the sectors concerned for the comparison, namely labour policies for women and young workers. Hence, the European funding instrument will facilitate the understanding of the research question “To what extent the Recovery and Resilience Facility programmes address labour market dualism?”.

4.2 Case Selection and Limitations

To answer the research question, the paper focused on a country-comparison analysis that investigates the Recovery and Resilience Facility programmes of three different European countries: Sweden, Italy and Ireland. These countries were selected following Esping-Andersen’s welfare typology, representing the social-democratic regime (Sweden), the

conservative-corporate regime (Italy) and the liberal regime (Ireland). This selection allows to easily compare three different ways of tackling the dualization of the labour market with social measures and actions from the countries involved.

Although the literature has widely accepted the Swedish well-being as a social-democratic regime, there have been more criticisms on Esping-Andersen's classification of Italy, as a conservative-corporate regime, and Ireland, as a liberal regime. The Italian scholar, Maurizio Ferrara (1996), for example, conceptualized some common traits in the Mediterranean countries, such as the low level of social assistance, a universalistic health care system and the residual role of the State in the welfare, that depart from the conservative-corporate regime. Besides the case of Italy, there is abundant research that disagrees with Esping-Andersen's classification of Ireland as a liberal regime, recognizing the Irish welfare system as radical (Kangas, 1994), undefined (Ragin, 1994), conservative (Shalev, 1996), hybrid European (Obinger and Wagschal, 2001). Although these criticisms have been considered as limitations throughout the thesis for the discussion and analysis of the results, there is still abundant literature that, partly or fully, agrees with Esping-Andersen's typology in relation to the classification of these three cases (Castles & Mitchell, 1993; Korpi & Palme, 1998; Pitzurello, 1999; Navarro & Shi, 2001).

Moreover, all countries of the world have been directly affected by the coronavirus emergency, but the economic shock was asymmetrical at an economic level. For this reason, the analysis took into consideration that the COVID-19 outbreak had uneven impact among European countries. Indeed, although the pandemic shocked the economy and the society of all EU members states, different Employment Protection Legislation, combined with different restrictions and national measures to contrast the spread of infections, led to an asymmetric impact across the European labour market. Although with a strong variation from one region

to another, the GDP of European countries has suffered a strong recession, hitting countries that base part of their economy on tourism, such as Italy, much more severely than others that rely on finance and insurance sectors or telework, like Ireland and Sweden. Nonetheless, this disparity in economic suffering is offset by the amount of funds set up by the European Recovery Fund package: the Commission provided for a proportional criterion with respect to the effects that COVID-19 has given to the Member States. This redistribution allows to balance the intensity and the number of social measures necessary to repair the damage of the pandemic and the economic lockdown in an overly dualized labour market of Sweden, Italy and Ireland.

Finally, countries' room for manoeuvre in the elaboration of the plan has been partially limited also for Sweden, Italy and Ireland: the Von der Leyen Commission recalled that the recovery plans should be negotiated with the EU authorities and receive the green light for the funds to be allocated. Indeed, social measures needed to comply not only with the guidelines dictated by the European Commission, to ensure that the Next Generation EU achieves its objectives, but policies presented in the Recovery Plans had also to address the weaknesses listed in the Recommendations published annually for each country by the European institutions. The approval requirement of the Commission might appear to be a limitation on the willingness of states to freely allocate resources. But, to resolve this criticism, the thesis took into consideration only the drafts submitted by the states, without considering any subsequent amendments requested by the Commission, so as to be able to analyse as much as possible the intentions of the states and not the amendments of the Commission.

5. ANALYSIS

5.1 The Swedish Recovery and Resilience Facility Plan

In May 2021, the Swedish government presented its Recovery Plan which helps to revitalise the economy after the downturn caused by the COVID-19 pandemic. According to the European Regulation 2021/241 of 12 February 2021, of the €723.8 made available by the Recovery Fund, Sweden could benefit from €33.2 billion but the Swedish plan (the “Återmhämntingsplan”) only requested a total of €3.3 billion in grants. Besides, like several EU member countries, the Swedish government not only asked for less economic resources than those available but also requested only for grants, discarding the possibility of using loans. A choice that was followed by many wealthy and above all Nordic countries, such as Denmark and Finland, whose low public debt allowed them to dispense with the favourable interest rate of European loans.

An additional explanation for the limited amount of grants requested by the Swedish government can be found in the employment data. Indeed, although this Scandinavian country has been one of the European countries most hit by the COVID-19, reaching thousands of people infected per day, and its employment rate decreased more rapidly than in most member countries during 2020, Sweden has maintained the highest share of the working age population in the EU since 2007 and in 2020 the rate of employed people aged 20 to 64 was 80.8% (EUROSTAT, 2020). These statistics are expected to grow according to the estimates of the Swedish Recovery and Resilience Facility plan (SRRF, 2021): the measures that will be adopted to mitigate the effects of the pandemic will lead to employment growth of 0.3% and economic growth of 0.5%.

Nonetheless, the Swedish labour market has also suffered strong reductions in its capacity, albeit proportionally to a lesser extent than in the European and global panorama, mainly involving workers in the sectors most affected by the pandemic. As expected, the pandemic has affected the most vulnerable categories, namely young people (15–24 years) and those with fixed-term or part-time employments. Besides, women, especially young women, have also been exposed to a higher reduction in the employment rate compared to men (SCB, 2021). As evidence of the widening of the dualized labour market, the Swedish Public Employment Service has experienced an increase in the number of unemployed people registered for both cases.

To mitigate the impact of the COVID-19 and to address the deteriorating labour market, the Swedish Plan laid out investments and reforms in five main areas, focusing on green and digital transformation, as demanded by the European Commission, but also regarded the resilience of the economy. The main governmental initiatives, presented in the recovery plan, are displayed in Table 1 showing the estimated costs for policies to be implemented.

Table 1 Reforms and Expenditures of the Swedish Recovery and Resilience Plan

Government initiatives	Billions of euros	Percentage of total resources
Green recovery	1.6	49%
Education and outplacement	0.5	15%
Better conditions for meeting the demographic challenge and ensuring the integrity of the financial system	0.45	14%
Expansion of broadband, digitization of public administration and research	0.45	14%
Investments for growth and housing construction	0.29	8%
TOTAL	3.29	100%

Among the measures contained in the Swedish Recovery Plan, the government have addressed investments in key areas such as the adaptation to climate change and digitalisation for a more open and simpler administration that supports innovation and helps citizens' accessibility. As evidenced from the main five missions, other investments focus on training and education, housing and care for the elderly.

5.1.1 The Swedish Response for Young Generations and Women

Although the plan lacks a distinctive pillar that tackles the dualization of the labour market for young generations and women, some policies that focus on these categories can be extrapolated from different components in the areas of interest. Indeed, only two missions are directly related to the dualization of the labour market, namely the “Education and outplacement” and “Better conditions for meeting the demographic challenge and ensuring the integrity of the financial system” that, with 0.95 billion euros, comprehends 29% of the total amount of the Swedish Recovery Fund. In practice, only few reforms or investments specifically address young generations and women in the labour market, such as “Changed labour law and increased opportunities for outplacement”, “More places in regional vocational growth” and some resources obtained from the “Elderly care promotion” by summing up these initiatives the real estimate for the most vulnerable categories is 0.54 billion euros, equal to 16% of the 3.29 billion euros of the grants requested by the Swedish government.

As evidenced already by the title of the reform, “changed labour law and increased opportunities for outplacement” aims at improving the working conditions of those people who became unemployed during the economic crisis. Indeed, the reform is included in the mission of Education and outplacement (SRRF, 2021:74) that clearly states that its goals are to “increase employment opportunities by investing in the human capital among the unemployed;

facilitate the structural transformation, in particular the adaptation to the increasingly digital society, by educating the workforce; to increase flexibility in the labour market through a modernized way of working and increased opportunities for change”. These objectives, according to the Swedish Plan, represent the challenges, intensified by the arrival of COVID-19, that modern welfare states have to face in order to mitigate the effects on employability in the long term.

In an increasingly divided labour market that requires ever greater flexibility and mobility, citizens need further employment protections for the new social risks. Indeed, “changed labour law and increased opportunities for outplacement” is a reform for people who lack professional experience and with short education, as in the case of younger people who have greater difficulty in finding new job positions in the workplace due to a lack of professional knowledge. Through an agreement with the main stakeholders (Trade unions and the Confederation of Swedish Enterprise), the reform would allow a new public system of outplacement that offers basic services, such as guidance and advice on career choice, retraining and skills development for employees who are not insured by collective agreements and for employees with a fixed-term job, mainly women. Moreover, the proposal would create a student support system, with the aim of providing financial support for young people that are about to enter in the labour market.

In addition to the reform on the labour market opportunities and outplacement, the Swedish Recovery Plan presented new training initiatives in accordance with the European pillar of social rights, aimed at improving the opportunities for those who are unemployed. Indeed, through the allocation of 90 million euros, the Swedish government will increase the training and vocational opportunities for individuals at the upper secondary level in order to meet the

demands of the Swedish labour market. Although the vocational training is offered to all adults, certain groups will have the priority during the selection: young people and women who have never entered the labour market or foreign-born citizens who have lost their jobs will have a priority in a numerical and temporal criterion. With the objective of increasing the number of students studying at the upper secondary level, the most exposed categories have the opportunities to become more trained from the risks of the working life.

The spread of COVID-19 has also exposed the weaknesses of the modern welfare health system, even in the Nordic ones, highlighting the difficult situation of the personnel assigned to care for the elderly. For this reason, the Swedish Recovery Plan includes a large investment, amounting to 450 million euros, in the mission “Elderly Care Promotion”. This proposal includes training as a nursing assistant or care assistant with paid working hours, providing competence to perform the task but also to increase the proportion of full-time and permanent employment. Indeed, the investment could contribute to fairer conditions in the labour market, especially in the health and care sector: health workers, the vast majority of them women, will be able to receive higher education and thus more permanent employment opportunities and higher salaries.

5.2 The Italian Recovery and Resilience Facility Plan

Italy is the largest beneficiary of the Next generation EU, with 191.5 of the 750-billion-euros European aid packaging financed with European bonds to be issued jointly by the Member States. This European funding will be used to support structural reform projects envisaged by the national reform plans of each country, aimed at financing the economic recovery of the old continent in the three-year period 2021-2023 to be spent by the end of 2026. The program presented by the Italian government, the National Recovery and Resilience Plan (NRRP), of

over 200 pages, provides for total investments of 191.5 billion (122.6 billion in loans and 68.9 billion in grants).

More precisely, the overall package of reforms of the Italian RRF is worth € 222.1 billion. To the 191.5 billion euros financed by the European Recovery Fund, the Italian government added a new Complementary Fund of 30.6 billion euros. Although these resources are additional money to those of the Next Generation EU, in the sense that they do not come from the Brussels coffers, they can be embraced in the analysis having been included in the RFF plan and, therefore, comply with the same rules provided for EU funds: simplified procedures, an indication of intermediate and target objectives, monitoring of reforms. In fact, the only difference is that the reporting will not be subject to the control of Brussels since the Fund is made up of national resources, so the money can be spent even beyond 2026.

The Italian Recovery Plan, together with its interventions and reforms, were defined for the first time by the former Conte government in January 2021. The final draft was examined by Parliament on 24 April 2021 subsequently to the arrival in the Council of Ministers of the new Draghi Government, to then receive the positive assessment and final approval from the European Commission in June. Despite the appointment of the new Prime Minister, the programmatic instrument of reforms and investments continued to address two key objectives, defined in the text as: repairing the economic and social damage of the pandemic crisis and addressing the structural weaknesses of the Italian economy. Based on these targets, the National Recovery and Resilience Plan presents its intentions to reduce the dualization in the labour market by addressing the most vulnerable categories.

The Italian Recovery Plan identifies six missions, as evidenced in Table 1, linked to other structural interventions in different sectors, with the aim of achieving the economic and social objectives defined in the Government's strategy.

Table 2 Reforms and Expenditures of the Italian Recovery and Resilience Plan

Government initiatives	Billions of euros	Percentage of total resources
Digitization, innovation, competitiveness, culture and tourism	49.06	22%
Green revolution and ecological transition	68.63	31%
Infrastructures for sustainable mobility	31.46	14%
Education, training and research	31.88	14%
Social inclusion and cohesion, gender and territorial equity	22.58	10%
Health	18.52	9%
TOTAL	222.13	100%

The Plan provides for a significant investment in young people and women. The objectives of the RRF plan, in particular in mission no. 5 relating to “Inclusion and cohesion”, include improving the functioning of the labour market. A total of 22.5 billion has been allocated for this mission, of which 19.8 billion from the Recovery Fund and 2.7 billion from the Complementary Fund. The objective is to facilitate participation in the labour market, but in addition to strengthening active policies, the scope is to promote the employment of young people and women and the acquisition of new technical skills, favouring social inclusion.

As evidenced by the data, young people have suffered a sharp drop in employment, becoming, together with women, among the categories most affected by the social and economic repercussions of the pandemic. Based on ISTAT (2021), the Italian national statistical institute, the employment rate in the age group 15-25 has decreased by 14.7 percentage points in one year, while the 25-34 year olds have lost a total of 258 thousand jobs since February 2020 (-6.4%) out of a total of 945 thousand. Even for women, the situation is very similar to young

generations and at the same critical. The participation rate of women (aged between 20-64) in the world of work in Italy is around 53%, much lower than the 67% of the European average (EUROSTAT, 2021), with almost a third of women in employment work part-time. A gender disparity that has widened according to ISTAT data (2020): of the total of 444,000 people who lost their jobs in Italy throughout 2020, 70% were women.

5.2.1 The Italian Response for Young Generations and Women

In conjunction with the publication of the National Recovery and Resilience Plan, the Italian government has also presented the relevant reading sheets that report the list of direct and indirect measures for young people. These policies, as emerges from the national document, aim to reduce youth unemployment by 3.3% by 2026. These interventions in favour of young people are distinguished between generational and potentially generational measures: generational measures indicate investments suitable to affect the generational gap as they are directly (and exclusively) aimed at the target under 35 and potentially generational measures comprehend interventions which, although not designed directly for young people, have a positive impact on the reality of young people.

In the plan presented by the Italian government, € 15.55 billion were allocated for generational and potentially generational measures, equal to 8% of the total RRF resources. Even potentially generational measures can facilitate the creation of new future jobs, especially in those sectors, such as the green and digital transformation, where the younger generations have a greater chance of meeting the demands of the market. Nonetheless, if only generational measures are taken into consideration, the Recovery plan allocated solely 7.5 billion euros for young people under 35, representing 3.96% of the total resources of the European Plan.

In the mission of Social Inclusion, there are three main investment measures that aim to remove the obstacles of the Italian dualized labour market: the establishment of a National Program for Employability Guarantee, to promote the acquisition of new skills for the new generations; the strengthening of the dual system, to train the skills needed in the business world and therefore more in line with the needs of the labour market; the creation of a gender equality certification system, to stimulate funding for female-led companies and the creation of support services from equal wages to maternity protection.

The National Program for Employability Guarantee (GOL) is definitely one of the main active investments in the reconstruction of the labour market. According to what is described in the plan (NRRP, 2021:201), the program has “the objective of reorganizing the training of workers in transition and the unemployed, by strengthening the vocational training system and defining essential quality levels for upskilling and reskilling activities in favour of beneficiaries of support instruments of the beneficiaries of citizenship income and of workers who enjoy extraordinary instruments or in derogation of wage integration”. Therefore, it will take care of the unemployed and the categories most affected by covid, such as young people, helping them to find job opportunities.

The National Program for Employability Guarantee (GOL) will fund retraining courses aimed at promoting the acquisition of professional qualifications, higher technical degrees and professional degrees. This recognition could prove to be an opportunity to limit the difficulties of the Italian system of active policies which, as already emerged from the report of the European Semester (2020), fails to ensure job opportunities to young graduates for the beginning of their career, hence the transition from unemployment into the working life.

Furthermore, the Recovery Plan tries to remedy the lack of highly skilled workers among the Italian companies. By strengthening the dual system, thanks to the amount of 600 million, the

Italian government tends to promote learning on the job and reduce skill mismatch. This path would allow young people to obtain a professional qualification or diploma through an apprenticeship or a form of employment contract within a company. This investment aims to bring together and connect businesses, citizens, institutions and social actors at the local level but above all it would help Italy to reduce the number of NEETs, already much higher than the European average, 23.7% against 12.5% in the EU (EUROSTAT, 2020).

As regards female employment, Italy needs further funding to reach European standards: in the ranking of the Gender Equality Index of the European Institute for Gender Equality (2020) Italy ranks fourteenth, with a score of 63.5 points out of 100, 4.4 points lower than the EU average. Through 400 million, Italy has set up a women's business fund with two objectives: to strengthen existing measures and to strengthen the new fund for women's entrepreneurship. The challenge that this fund tries to address is to create the conditions to prevent women from having to choose between motherhood and career, a critical condition that women living in conservative corporatist welfare regimes usually face.

In addition, the Italian government has also implemented a National Gender Equality Certification System to incentivize companies to adopt adequate policies to reduce the gender gap. The goal is to reduce the gender gap in all the most critical areas (opportunities for growth in the company, equal wages for equal jobs, policies for managing gender differences, maternity protection). The program, however, does not specify what type of incentives will be provided for companies that join the initiative or if penalties will be introduced for those that do not meet certain standards. The risk is that the program, although funded by an investment of only 10 million, could end up wasted without leading to a real increase in female participation in the world of work.

5.3 The Irish Recovery and Resilience Facility Plan

During the month of February 2021, the Irish government opened a public consultation for the approval of the national Recovery Plan. The consultation required its citizens to express their priorities by replying to two simple questions (IREO, 2021): what investment and reform areas Ireland should prioritise for inclusion in the National Recovery and Resilience Plan? which country-specific recommendations received in 2019 and 2020 Ireland should consider in the National Recovery and Resilience Plan? Although there have been no publications of the results of this consultation, the document presented to the Commission shows that “the development of the Plan was also informed by a public consultation process” (IRRF, 2021).

In conjunction with the presentation of the Swedish plan on 28 May 2021, the government of Ireland submitted its National Recovery and Resilience Plan to the European Commission. According to the EU Regulation (2021), the government of the Irish republic was expected to receive about 4 billion euros from the Recovery and Resilience Facility in the form of grants and loans. Nonetheless, as in the Scandinavian case, Ireland requested only a proportion of that share, amounting to € 997 million.

These grants will be also used to mitigate the deep impact of the pandemic on the labour market. Prior to the outbreak of the COVID-19, the Irish population almost achieved full employment, but the economic conditions abruptly changed in the aftermath of the pandemic. The Irish Central Statistics Office has set up a specific indicator, the COVID-19 adjusted unemployment rate, that includes in the calculation the recipients of the newly introduced Pandemic Unemployment Payment (PUP), a national support of €350 per week payment for the unemployed workers. This measurement estimates the trend of unemployment in Ireland following the pandemic: although unemployment is in sharp recovery (18.3% in June 2021

against 25.7% in the same month of the previous year and 4.5% in June 2019), there is still a large age and gender gap. Indeed, the CEO (2021) reported that while the unemployment indicates a rate for the age group 15-24 as high as 44.2%, the unemployment for persons aged 25-74 years is below the national average, equal to 15.5%. It is mainly young women who have suffered the consequences of the pandemic, with over 49,400 workers laid-off from their jobs in June 2021.

As summarized in Table 3, these grants will be allocated for three main priorities, which encompass a set of 16 investments and 9 reform commitments. The Recovery Plan has fully implemented the recommendations of the European Commission, with over 50% of the spending on the green transition and 30% on digital reforms.

Table 3 Reforms and Expenditures of the Irish Recovery and Resilience Plan

Government initiatives	Billions of euros	Percentage of total resources
Advancing the Green Transition	0.5	51%
Accelerating and Expanding Digital Reforms and Transformation	0.29	30%
Social and Economic Recovery and Job Creation	0.18	19%
TOTAL	0.97	100%

5.3.1 The Irish Response for Young Generations and Women

Facing the high unemployment rates, particularly among women and young generations, the Irish Recovery and Resilience Plan reserved an *ad hoc* mission for the “Social and Economic Recovery and Job Creation”. Unfortunately, from the plan presented by Ireland, it is not

possible to extrapolate the costs indicated for the single reforms and investments, but only an overall cost of the resources allocated to the initiatives regarding the labour market.

As described in the Plan, “the government’s labour market approach is about providing opportunities to reskill and upskill, minimising long-term unemployment, and supporting individuals to secure sustainable and quality employment” (IRRF, 2021). These ambitious objectives to support people’s return to work, specifically young people and women, are summarized in two reforms: the Work Placement Experience Programme and the Solas Recovery Skills Response Programme.

The Irish government intends to adopt a job placement program to tackle the unemployment of those affected by the pandemic, who have been out of work for at least six months. The Work Placement Experience Program is addressed to 10,000 participants, placing them in a new occupation through job training services in collaboration with Irish companies. According to what was said during parliamentary questions by the Minister for Social Protection, Heather Humphreys, the Work Placement Experience Program will be extended to every citizen, without any age discrimination, but it should be “particularly attractive and beneficial for young people who require work experience (2021)”.

In fact, the measure replaces the previous Youth Employment Support Scheme, which benefited young jobseekers (18-24 years old) through the activation of extra-curricular internships in order to promote social and work skills. Although the program has not officially started yet, there is already a lot of criticism due to the similarity of a project finished last 2016, JobBridge, which was implemented to overcome another emergency, the financial crisis of 2008. According to a report on the efficiency of JobBridge (CSO, 2016), the program would

only partially offset the high unemployment rates of the past decade, with just a very small portion of individuals actually found work after placement.

To mitigate the severe effects of the pandemic, the “Social and Economic Recovery and Job Creation” mission includes a further reform aimed at upskilling and reskilling employees. The occupational transition requires more specific education and increasingly sectoral professional skills. For this reason, the Irish government has launched the Solas Recovery Skills Response program which will consist of educational and training programs to address the flexibility required by the labour market and to support job reintegration. As emerges from the Recovery Plan, the government’s intentions are to facilitate the reintegration of all people who have temporarily lost their jobs, especially in those sectors that have suffered the most from the pandemic, thus trying to help, albeit indirectly, young people and women.

6. CROSS-COUNTRY COMPARISON

The elaboration of the National Recovery and Facility Plans represented an immense opportunity for European states to recover from the economic and social downturn and to mitigate the effects of their increasingly polarized labour market. The achievement of this objective, as warned by the European institutions, highly depended on the quality of investments and reforms for those categories that have suffered unequal consequences since the outbreak of the pandemic. Despite these recommendations, the Recovery Plans of Sweden, Italy and Ireland differ substantially in terms of resources allocated to vulnerable categories from a quantitative and qualitative perspective, bringing out different ways of addressing labour market dualism.

According to the European regulation 2021/241, Sweden, Italy and Ireland had at their disposal a limited number of resources proportional to the gravity of their national economic situation, but states had still wide freedom of action in the allocation of the European facility, only subject to the mandatory quotas of the green transition and digital transformation, respectively 37% and 20%. The absence of these constraints allowed Sweden to devote 0.54 billion euros, equal to 16% of the 3.29 billion euros of the grants requested by the Swedish government, in reforms or investments that specifically addressed young generations and women in the labour market. A comparatively high number when compared with the percentage of resources allocated for the corresponding categories in the Italian Recovery Plan, with only 7.5 billion euros, representing 3.96% of the total resources available. Unfortunately, as pointed out earlier, the Irish Recovery Plan does not forecast an estimate of individual costs for each investment, but it only provides a general picture of the expenditure, which therefore makes it more difficult to be compared on the same scale of measurement with the other two European countries. Nonetheless, it is possible to deem a positive balance for generational and gender policies

overall if considered the rough estimate of the total cost of the “Social and Economic Recovery and Job Creation” mission, equal to 18 million, 19% of the grants requested by Ireland’s government.

These preliminary findings would indicate a high involvement of the social-democratic welfare system in the action of countering the Swedish dualized labour market, while Ireland and Italy would prove more reluctant in the distribution of funds to safeguard the most vulnerable categories. In reality, these results should be interpreted with caution since a large amount of resources does not inevitably correspond to an equally structured and efficient Recovery Plan. For this purpose, the Master Thesis hypothesized to what extent the Recovery and Resilience Facility Plans addresses labour market dualism in three different welfare regimes, focusing on the content of the proposed reforms and investments in every single country.

With respect to the first hypothesis, Sweden’s Recovery and Facility Plan have perpetuated a marked gender connotation in its labour market dualism with a single investment towards women. Although the “Elderly Care Promotion” was targeting the health and care sector, this investment cannot be even considered as a direct measure for women since the elderly are the real recipients. This ostracism regarding gender policies is also proved by the limited number of resources allocated to mitigate the effects of COVID-19 on women. Contrarily, The Swedish plan has included a more comprehensive reform for the labour market of the young, through the “Changed labour law and increased opportunities for outplacement” but also with “More places in regional vocational growth”. These two investments were developed with universalistic principles and criteria, as characterized by the Social democratic welfare regimes, but both measures were aimed at targeting the most vulnerable categories who were laid-off

from their jobs during the pandemic, including also the foreign-born citizens who, together with the young people, are part of the dualized labour market in Sweden.

This result may be explained by the fact that, although Sweden has always guaranteed gender equality through full recognition of women's rights and their economic autonomy, the growing flexibility in the world of work and the implementation of neoliberal reforms in Sweden have gradually reduced the working conditions of women in the social-democratic regime of Esping-Anderson. A possible explanation for these results could also be the emerging number of foreign-born citizens and, therefore, the need for the Swedish government to distribute resources differently for the "new" outsiders. In fact, given the reduced working capacity or the absence of upper secondary education, these categories find themselves in a more vulnerable position than that of women, with greater difficulty in establishing themselves in the labour market.

Unlike the social-democratic welfare regime, the system of active policies in Italy is affected by many critical issues that have deteriorated the labour market, tending to increase the dualization of workers: poor integration with other social policies (for example adult learning and professional training); poor placement capacity of the Employment Centres; lack of coordination between public institutions, universities and companies for the integration of recent graduates. Nonetheless, the initiatives of the Italian government, highlighted above all in the mission "Social inclusion and cohesion, gender and territorial equity", aimed at solving some of these critical issues.

Indeed, contrary to expectations of the second hypothesis, this analysis did not find a significant amount of income assistance interventions or passive labour policies towards young people

and women in the Italian Recovery and Resilience Plan. Although generational measures were extremely limited in a quantitative perspective, with only 3.96% of the total resources of the European facility, the government initiatives aimed at contrasting the dualized labour market with promising reforms. The dual system can facilitate the creation of new future jobs and the conditions to strengthen women's entrepreneurship, filling the void left by the skill mismatch. In addition, the National Program for Employability Guarantee (GOL) would establish a revolutionary reform in the implementation of the system of active policies and professional training, to which most of the resources are dedicated. These findings were unexpected and suggests that the Italian government's measures do not comply with the typical policies of the Mediterranean welfare regimes, but they lay the foundations for countering the flexibility of the dualized labour market, and therefore of the precarious and permanent contracts of the very high-risk groups such as young people and women.

In accordance with the third hypothesis, the Irish Recovery and Facility Plan did not contain any direct measure that covers gender policies, as women in the liberal regime have relatively higher participation rates in the labour market. Contrarily, the young, as outsiders of the liberal welfare regimes, received a large number of resources from the European facility, also thanks to the previous experience of past emergency crises, as in the case of the Youth Employment Support Scheme that replaced the JobBridge program. Although the younger categories are often marginalized from national policies, the initiatives of the Irish government, laid in the Recovery Plan, deemed the new generations and the risk of their high levels of unemployment as a threat for the whole society, creating a specific mission for their job reintegration, the "Social and Economic Recovery and Job Creation".

At first glance, the Irish Recovery Plan may seem inconsistent with the type of welfare system to which it belongs, but the in-depth analysis shows instead that the interventions of the Irish government are in line with the liberal principles and the expectations of the Thesis. Unlike the Swedish universalist initiatives, the Work Placement Experience Program primarily aims to reduce the spread of poverty and social exclusion for the categories most at risk, making provision subject to the proof of means. In fact, the requirements for participants (receiving some social assistance payments and being unemployed for 6 months) show that the investment is related to the occupational status, aiming at addressing only the recipients who have suffered a strong dualism in the labour market. Besides, unlike the corresponding Italian GOL, the Irish government does not behave as a state-regulator to promote economic growth: the Work Placement Experience Program only drives to match the citizens' supply with the market's demand through collaborations with businesses.

Together these results provide important insights into the role of welfare states development under difficult external circumstances and in the theoretical framework of the dualization of the labour market for outsiders. National Recovery and Resilience Plans have shown that member states have reacted to the increasing polarization of the world of work following the outbreak of the COVID-19 pandemic. However, from the cross-country comparison, it emerged the different degree of involvement of the States to address labour market dualism for young generations and women through investment and reforms that the Master Thesis aimed at analysing in order to answer to the main research question “to what extent the Recovery and Resilience Facility Plans address the patterns of labour market dualism in different welfare state regimes”.

7. CONCLUSIONS

The conditions of flexibility and job insecurity, that had already emerged in recent decades, through tertiarization of the employment structure, deindustrialization and the mass entry of women into the workforce, have been exacerbated by the economic recession caused by the coronavirus. Indeed, the outbreak of the COVID-19 pandemic has strengthened the polarized labour market among the most vulnerable categories. Consistent with Häusermann and Schwander's insider outsider theoretical framework, the pandemic has deteriorated the condition of the outsiders by increasing their unemployment vulnerability and therefore becoming even more under-protected in their corresponding welfare regimes.

The COVID-19 has severely affected women, significantly increasing inequalities between men and women and threatening the progress made slowly in recent years towards greater gender equality, with lasting consequences on women's lives and careers. The social and economic fallout risks triggering long-term impacts on gender equality, especially since the most hit sectors have a large majority of women participation, who are therefore facing more job losses. Indeed, millions of women are employed in the health sector worldwide, one of the most exposed to the virus, but also in other essential services such as care and assistance. Furthermore, a large percentage of women work part-time and are largely employed in the informal economy, characterized by fewer rights at work and health protection and the absence of other fundamental benefits. These conditions led to a higher incidence of unemployment, suspension from work and income reductions for working women than their male counterparts, worsening their already disadvantaged situation in the world of work.

The health emergency, with its related restrictive measures, has had heavy repercussions on the labour market, and beyond on women, even towards the younger age groups. Although young people generally appeared more resilient to the disease than older people, young workers were

not as resilient to its social and economic impacts. Young generations are mostly employed with temporary contracts or in precarious jobs, and therefore are more likely to be fired first or to suffer reductions in working hours. As a consequence of the rapid job losses, the European countries ended up experiencing an unprecedented economic loss also due to the rise of youth unemployment.

The purpose of the Master Thesis was to determine to what extent National Recovery and Resilience Plans addressed the dualized labour market through a comparative examination between three Member States of the European Union. Recovery Plans allowed the European states the opportunity to prevent the spread of a dualized labour market, contributing to the development of better social, employment and labour policies, and by paying particular attention to young people and women. However, the cross-country comparison has found that generally the National Recovery and Facility Plans had, although to different extents, countered the “dualizing” tendencies of their labour markets through active labour policies, with more vocational training and by protecting against the risks of unemployment. Consistent with the literature, this research found a marked gender connotation in the Swedish Recovery and Facility Plan with a single, and indirect, investment that addressed women’s polarization in the labour market, in compliance with the social-democratic welfare regime. Contrary to expectations, the Italian Recovery Plan laid out several auspicious reforms aimed at reducing labour market dualism for the young and women, despite the limited amount of resources allocated to reduce the gender gap. In accordance with the third hypothesis, the Irish Recovery and Facility Plan contrasted the flexible conditions of the young in the labour market through a specific Youth Employment Support Scheme for job reintegration, while having a lesser impact on gender policies due to the relatively higher participation rates of women in liberal regimes.

Government initiatives to address labour market dualism that the findings have identified therefore assists in a more comprehensive understanding of the role of welfare states development under difficult external circumstances, such as the outbreak of the COVID-19 pandemic. Despite these promising results, questions remain how the European States will administer and monitor the allocation of these resources and if their intentions to tackle the polarization of the labour market will effectively mitigate the economic and social consequences of the pandemic crisis, therefore having a significant impact on young people and women and their conditions as outsiders in the labour market.

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APPENDIX – THESIS REPORT



Thesis Report
Central European University/University of York

**Four Worlds of Welfare Ageism:
How welfare regimes affect public support
for distributive policies towards young cohorts**

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1. Introduction

The functioning and the survival of modern states are tied to the efficiency and the public support of their national welfare systems. Throughout the years, numerous models of welfare systems have developed and consolidated in Europe with different degrees of solidarity due to the variety of circumstances concerning society, culture and economy. Indeed, determining features prevailing in individual countries have contributed to legitimizing certain social policies rather than others, thus directing the redistributive flows of the huge resources that the state mobilized since the post-war period. Unfortunately, as evidenced by Titmuss (1975), the unequal redistribution effects of some welfare state models may worsen social inequalities, which can dramatically increase when the public opinion supports social policies that disproportionately favour certain social groups rather than others, such as women, immigrants and young people.

The end of the Second World War brought out new socio-economic-political transformations that necessitated the need for greater social justice and equality. The exponential growth of the post-war period allowed governments to increase the share of resources to be used in the form of public interventions, allowing a progressively large part of the population to benefit from the growing social well-being. However, the golden age of the welfare state had to face the dramatic reality of the 1980s: the collapse of employment rates and the unsustainable indebtedness of the end of the XX century limited the uncontrolled expansion of the welfare state. Nonetheless, some welfare systems had already institutionalized specific clientelist redistributive practices (Ascoli, 1984) that favoured certain groups in the relationship between the inclusion in the labour market and welfare benefits, the so-called *insiders*, at the expense of those who maintained a weak position in the labour market with poor social protection, the so-called *outsiders*. Thus, a system of social justice created to safeguard the weaker classes has become improperly a source of public debt and overall weakening of services.

The consolidation of social benefits for the insider male breadwinners, such as the strong job protection and the generous early retirement schemes, have further deteriorated the position of poor and unemployed people, i.e. immigrants, women and young. Additionally, the advantageous position of the insiders has been recently strengthened by the firming idea of welfare chauvinism as “a system of social protection only for those who belong to the ethnically defined community and who have contributed to it” (Kitschelt & McGann, 1995), by the electoral rise of radical right parties. The literature has usually focused on the repercussions of weak welfare state attitudes on *outsiders* such as migrants, women and unemployed people (Van Der Waal, De Koster & Van Oorschot, 2013) and how public support can end up in the exclusion of minorities from the participation and entitlement of social programs (Borjas & Hilton, 1996; Sainsbury, 2006). However, in all the relevant literature, there are still missing aspects in the analysis of welfare discrimination. Indeed, the welfare chauvinism considers mainly migrants as *outsiders* for the benefit of welfare states, excluding all the other native minorities of the population such as young cohorts.

The Master Thesis will look at these responses by analysing whether different welfare regimes in Europe affect the public support for distributive policies, in particular towards young people. Are citizens in social-democratic regimes most willing to distribute welfare benefits and services to young people, followed by those living in conservative states and Mediterranean countries, while liberal welfare states are the most reluctant to do so? If so, the different levels of public support of welfare policies towards young cohorts indicate that there is a certain

degree of *welfare ageism* based on the current welfare system, denoting the presence of discrimination against individuals or groups on the basis of their age for the right of the entitlement of welfare policies.

The aim of Master Thesis will be to bring together literature on the different welfare regimes and welfare ageism, covering that vacuum left in the current literature replying to the question: *how different welfare regimes affect support for distributive policies towards young cohorts?*

However, the Thesis Report will be considered an introduction for the final analysis of the Master Thesis which will specifically focus on public support for welfare policy. Indeed, the following four sections will be used to lay the ground in the field of welfare system studies. For this reason, the literature review will mainly address the general topic of the classification of welfare regimes, starting with Titmuss (1975), followed by Esping-Andersen's well-known typology of welfare regimes (1990) and finally with Ferrera's Mediterranean welfare system (1996). The deep analysis of the typology of welfare regimes will be essential for the formulation of the three hypotheses elaborated in the section of the theoretical framework. In order to prove or disprove the hypotheses, the Master Thesis will investigate the institutional mechanisms that caused the cross-national differences in regard of the level of public support for welfare policy through Larsen's institutional theory (2008). However, in the Thesis Report, other theories such as the power resource, new politics and dominant welfare state ideology will be presented in order to capture different intervening variables that explains the public support for welfare policy. Previously, Larsen's institutional line of reasoning has already been able to demonstrate how institutional patterns from different regimes of welfare affect public support for welfare policies towards poor and unemployed (Larsen, 2008) and immigrants (Van Der Waal, De Koster & Van Oorschot, 2013). Therefore, the overall idea of the Master Thesis is that the institutional structures of welfare regimes may impact the public perception of welfare policies also towards young people.

Subsequently, the research and design section will briefly introduce some hypothetical quantitative instruments for the estimation of welfare ageism in the different welfare systems in Europe, remaining as faithful as possible to the criteria laid down in the theoretical framework. The analytical section that will be developed in the Master Thesis will also try to acknowledge the limits of measurement and operationalization of welfare ageism, also due to the lack of sources and resources that appropriately address the topic. Finally, the conclusion will attempt to summarize the main objectives of the Thesis Report and provide some expects results from the Master Thesis.

2. Literature Review

In this section, the Thesis Report will introduce the main literature regarding the formation of welfare states and their peculiar characteristics. Before getting into the causal mechanism of public welfare support, the paper will investigate social science studies regarding the formation of different welfare regimes. It is necessary to include Esping-Andersen's most influential work, *The Three Worlds of Welfare Capitalism*, considered the cornerstone for the scholars of modern welfare states. However, there may be some criticisms that were brought up by some scholars that the Master Thesis will include in the final analysis. However, the objective of the literature review in the Thesis Report is to have an initial overview of the typologies of welfare systems.

2.1 Definition of Welfare State

The term welfare state indicates a political, economic and social system in which the state assumes as its prerogative and responsibility the promotion of the social security and economic well-being of citizens. Among many definitions, the Master Thesis will adopt the definition of the Italian political scientist Maurizio Ferrera (1996), according to which the welfare system includes “the set of public policies related to the modernization process, through which the State provides its citizens with protection against specific risks and needs, in the form of assistance, social insurance or social security, introducing specific social rights and duties of financial contribution”.

Throughout the Thesis Report, the welfare state will therefore be understood as an institution integrated into a complex system of interdependencies with other institutions. This definition of the welfare system will be helpful for highlighting the complex mechanism that surrounds and affects citizens’ support for public welfare policy. Besides, by including the interdependence of all institutions, the concept helps the analysis to underline the economic, political and social obstacles that welfare outsiders recipients, such as women, immigrants and young people, need to overcome for the deservingness and the entitlement of redistributive social policies. As the Thesis Report will summarize in the upcoming section, the relationship between the three main social institutions (State, family and market) contributed to the formation and consolidation of different welfare systems and, as a consequence, of different degree of public support for welfare policy.

2.2 Classification of Welfare States

2.2.1 Titmuss’s Social Policy and Welfare Model

Since the formation of welfare states, researchers investigated the features and the peculiarities that brought the consolidation of different systems in each country. In the tradition of social policy studies, three modes of classification are recognized with respect to welfare state models. One of the first scholars who tried to highlight the structural differences between welfare state models was the British social research Titmuss (1975), whose classification focuses on the type of state intervention and on the role of the state in regulation, distinguishing three main models, namely the residual, the industrial achievement-performance and the institutional redistributive.

The residual welfare model is characterized by an ex post intervention, in which the State acts only when the other social channels, such as the family and the market, have failed to satisfy the individual needs, offerings forms of assistance limited in time. As stated by the power resource theory, that will be analysed in the next section, social programs are very selective and addressed only to a limited needy segment of the population as a consequence of the historical weakness of workers’ movement and the absence of socialist-oriented parties. Indeed, this model was typical of the absolutist regimes but also in the early liberal age.

States that adopt the industrial achievement-performance model identify social policy as a corrective tool for the market. Public intervention is strictly tied to citizens’ belonging to the occupational position since the model is based on the assumption that workers can insure them

against social risks (unemployment, illness, accidents) through their financial contributions to the social system. Unfortunately, this differentiation creates a degree of well-being among citizens, depending on their position in the labour market. As evidence of this, since funding is based more on contributions than on taxation, the redistributive policies are weaker and oriented mainly towards the insider male breadwinners, excluding women and young cohorts.

Institutional redistributive model in which the State adopts universalistic criteria in the provision of services. This model covers the main risks for the entire national population and their access is based on the recognition of social rights as essential components of citizenship, without referring to the contributions. The preventive aspect of the institutional model allows stepping in the upstream phase of the distribution processes where the social protection systems, such as those in the Scandinavian countries, intervene to reduce on social inequalities before situations of need arise.

Until the mid-1980s, comparative analyses of welfare models mainly considered the institutional redistributive and residual models. With Titmuss's evolutionist vision, the universalistic institutional model assumed a normative character of the objective to be achieved for all countries, while the residual one was considered an obsolete model destined to be overcome over time. The need to find new solutions for a welfare state in crisis has led, however, to an enlargement of the investigation paradigms that have focused on the deep differences that exist between countries that Titmuss's models were unable to classify. These differences, in fact, are not related to the level of development of the welfare state, but to different regulation principles that attribute a special role to the economic, political and social spheres in the process of producing social well-being.

2.2.2 Esping-Andersen's Decommodification, Destratification and Defamiliarization

In the high cited work "The Three Worlds of Welfare Capitalism", Esping-Andersen (1990), describes welfare systems as a "historically defined construction", with the aim of structuring the social contract between state and citizens in market economy societies. The relevance of institutions such as the market and the family has been pivotal for the classification of the three types of welfare regimes. Indeed, following Polanyi's thinking (1944), Esping-Andersen shares the perspective according to which the presence and action of the state, in the process of satisfying needs, substantially reduces the dependence of individuals on the market. For this reason, the Danish scholar embraces the concept of decommodification as the ability of the welfare state to guarantee the right to income regardless of participation in the labour market (Pierson and Castles, 2006). For the population, a different degree of decommodification indicates the application of different measures in dealing with social risks but also a different degree of coverage of protective and welfare measures among the population. In fact, while some realities will experience an extensive and dominant presence by the state, for other countries, the state intervention will be considered residual, with a limited degree of coverage for social risks. Destratification is the second criteria that differentiates welfare regimes. It indicates the degree to which the welfare system manages to mitigate the inequalities that derive from the stratification system produced by the market, that is, inequalities based on employment status or social class (Cochrane et al, 2001). The characteristics of the following three different welfare regimes can be derived from the weighting of these two concepts.

Esping-Andersen acknowledges that in the liberal regime social measures are mainly based on the so-called means-tested assistances, which are essentially aimed at the poorest recipients, able to demonstrate their real state of need. This type of regime is characterized by a strong

dependence between citizens and the market, showing a low level of decommodification. This aspect is due to the prevalence of the market as the main risk-socialization agency, which assumes a predominant role in the distribution of resources. On the other hand, as far as destratification is concerned, its low level is due to the presence of a strong dualism between one private and efficient welfare for wealthy people and one public and inefficient for the poorest, resulting in higher social inequality (Ferge & Kolberg, 1992). Indeed, following the residual model of Titmuss, in this regime, public social assistance programs are rarely universal in character, but privileges only the high-risk groups with their situation of neediness.

The conservative regime is also often defined with the term *corporate* as its measures are closely related to the occupational position of the inhabitants. In this regime, welfare benefits and social rights are linked to the possession of certain requisites, primarily the condition of the worker. The idea on which this type of regime is based is that social risks are distributed differently among the population, therefore this criterion indicates a collectivization of risks based on the socio-economic position of individuals. The level of decommodification is medium, since the dependence on the market is still present, albeit to a limited extent. While as regards the destratification, its level continues to be medium-low. The regime is characterized by the so-called principle of subsidiarity since the state intervenes mainly through compulsory insurance schemes that partially protect workers, and consequently their families, only from the main social risks such as retirement, unemployment and illness, when neither the market nor the family meets citizens' needs (Arts and Gelissen, 2002).

Finally, the social democratic regime is constituted by universalistic social programs, offering these services to all citizens of the state without any difference. This regime is characterized by a high level of decommodification, since the dependence of citizens on the market is very limited, and a high level of destratification, as the social democratic regime tends to promote equality of status through broad, widespread and generous social benefits. In fact, the benefits obtained through welfare measures are guaranteed to citizens on the basis of their citizenship, not on the basis of the earnings as in the liberal system, nor according to the logic of the occupational position as in the conservative-corporate one.

The classification developed by Esping-Andersen has contributed to numerous further studies on the typologies of welfare systems through the study of social policies and market mechanisms. One of the most widespread criticisms of the Danish scholar's classification concerns the concept of decommodification which, focusing mainly on the intervention of the state and on the mechanisms of the market, underestimates the figure of women with regard to her contribution to the family and society (Bussemaker & Kersbergen 1994; Daly, 1994; Orloff 1993). Having previously marginalized the family aspect, Esping-Andersen later adds the concept of defamiliarization to the criteria for the type of welfare regime together with decommodification and destratification. Defamiliarization indicates the degree to which the welfare system manages to mitigate dependence on the family, allowing individuals to have resources and opportunities even regardless of solidarity and family and parental obligations and the socio-economic conditions of the family. However, the criticisms that arose in the upcoming years from several influential scholars, as the next section will demonstrate with Ferrera's work, enriched and expanded the field of welfare systems.

2.2.3 Ferrera's Southern Model

The classification of the welfare systems described so far, however, does not fully reflect the characteristics of the welfare systems of the countries of Southern Europe. Indeed, except for

Italy which was often grouped into the category of conservative-corporate regime (with a weaker system than Germany and France), the other countries bordering the Mediterranean such as Spain, Portugal and Greece have not received the same level of attention. By the early nineties, many scholars finally recognized the existence of a "fourth social Europe", expanding Esping-Andersen's classification.

The Italian scholar Maurizio Ferrera was the first to elaborate on the existence of the fourth social Europe in his "Models of solidarity" (1993) based on the different degree of solidarity concerning the collectivization of risks. Indeed, together with other scholars (Ascoli, 1984; Fargion, 1996; Mingione, 2001; Naldini & Saraceno, 2008), Ferrera contributed through the development of a new typology based on the qualitative dimension of the welfare systems that highlights the beneficiaries of the measures welfare, avoiding falling into the rhetoric of the amount of resources that has been consumed but focusing on the quality and efficiency of these social policies. Adopting Baldwin's (1990) concept of solidarity, in terms of the convenience of different social group to pool resources to insure from exposable social risks, Ferrera recognizes the affirmation of two coverage models, namely the occupational and universalistic model.

The universalistic model, also called Beveridge taking its name from Lord Beveridge, is made up of social protection schemes and egalitarian benefits to all citizens, regardless of their employment status or contribution obligations. This model is based on the redistributive principle of resources that go vertically from top to bottom in which citizens belonging to higher income brackets contribute, through higher taxation, to the disadvantaged classes. The goal of this model is to prevent poverty among the people most at risk through a system of protection and security financed by general taxation as well as by contributions, developing greater solidarity and redistribution in society. Contrary, the occupational or Bismarkian model is financed through contributions and, consequently, the social protection schemes are related to the work position of the beneficiary, leading to a greater fragmentation in societies.

Following the expansion of welfare and the creation of mixed models, Ferrera focuses on the type of welfare systems of the Southern Europe countries, such as Italy, Spain, Greece and Portugal. In fact, these states have only developed their welfare system starting from the 1970s, much later than the more advanced ones. The peculiarities of the Mediterranean countries marked a significant departure from Esping-Andersen's existing theory of regimes welfare outlined in the "*The three worlds of welfare capitalism*" to such an extent that Ferrera (1996) introduced the new terminology of Southern model of welfare state to referring these specific systems. Ferrera demonstrated that the welfare models of Greece, Spain, Portugal and, particularly, Italy are characterized by common traits that allow to classify their social-wellbeing system in one single category. This model is characterized by a very low level of social assistance and fewer social rights, the departure of corporatist in the health care system towards a universalistic principle, preserving selective insurance schemes for all other services. There is a highly fragmented and corporatist income maintenance, like the generosity towards pension system. Besides, there is a low degree of state penetration in the welfare since the State has assumed a residual role by acting according to principles of passive subsidiarity, by handing over the task of risks collectivization by other institutions such as the market or the family that leads to a high degree of freedom of welfare mix between public, private and third sector. Finally, the fragility of the democratic institutions of these countries easily lead to manipulation by political parties and organized interests. This phenomenon strengthens the patronage system that incentives favouritism and forms of clientelism for the redistribution of social policies.

3. Theory and Hypotheses

The classifications descriptively presented so far portraits the characteristics that differentiate the different models of welfare systems. Nevertheless, the main interest of the Master Thesis is focused on the intervening variables that produce a particular welfare system, causing a different level of public attitude towards social policies. Indeed, the origins of the different models have been analysed taking into consideration the historical, political and economic experiences of the individual European countries. These institutional developments have led to the consolidation of new theories that attempt to explain the origins and the different degree of public support for the welfare states. In particular, the literature on cross-national differences of attitudes about welfare state has mainly rotated around three main causal mechanisms, namely self-interest, class interest, and egalitarian values.

3.1 Power Resource and Long-term Class Interests

The consolidation of some welfare systems has been analysed as a process of progressive democratization of European countries. According to some scholars such as Allan and Scruggs (2004) Korpi and Palme (2003), welfare development was triggered by the clash between different political realities, in particular the influence of workers' political parties. The Marxist vision considers welfare policies as an arena of conflict between groups from different political and class traditions.

The Swedish professor Korpi (1983) recognizes that the different power of social mobilization coming above all from the working class, through the trade union structures, determines the consolidation and efficiency of the various welfare systems. In the theory developed by Korpi, the *Power Resource theory*, welfare states are considered a revenge of the middle class which has granted the extension of social rights to the humblest segments of the population, in contrast to the capitalist economy. This theory assumes that with the increase in the strength of the workers' parties, therefore with greater democratization, the social gap in a community would tend to decrease thanks to a higher state penetration. In reality, the welfare state has also consolidated in many authoritarian regimes, where the push for an increase in social policies emerged from above, rather from below, of society. Moreover, some empirical evidence (Evans, 1996; Svallfors, 1997) demonstrated that the "welfare coalition" formed by working class may be very similar to countries that lately adopted different welfare systems and different levels of public support.

3.2 New Politics and Short-term Self-interests

However, the historical scenario that promoted welfare expansion in the post-war was dramatically interrupted in the 1990s. The unsustainable indebtedness of the previous years forced states to adopt austerity measures, during a period that was called "the silver age permanent austerity" (Pierson, 2001). The crisis of the 1970s was then characterized by new risks deriving from profound demographic, economic, social and cultural changes and, at the same time, by the need to contain public spending.

The politics of retrenchment provoked new short-term self-interest among those who preferred concentrated costs versus those who opted for more dispersed costs. A rational economic man was the figure that emerged in the *new politics theory* (Pierson, 1996). The logic behind the new politics theory is based on Wilson's distribution of costs and benefits (1980), on the one

hand, the elite will pursue necessary reforms whose costs are distributed to the whole society, on the other hand, the constituency and those who benefit from the welfare measures will press for concentrated costs towards the high-income classes, ending up in an overall ‘blame avoidance’, as strategies that avoid accountability for the introduction and implementation of unpopular policies. Indeed, Pierson explained the different levels of welfare retrenchment was depending on the different amount of the welfare state clienteles, as the number of recipients of social policy such as pensions, unemployment benefits but also in terms of public service sector employees. For this reason, Pierson concluded that Anglo Saxon countries were more likely to experience austerity reforms compared to Continental Europe and the Scandinavian countries since the welfare state clienteles in states such as Sweden is made up by more than 50% (Pierson, 2001).

3.3 Dominant Welfare State Ideologies and Internalized Values and Norm

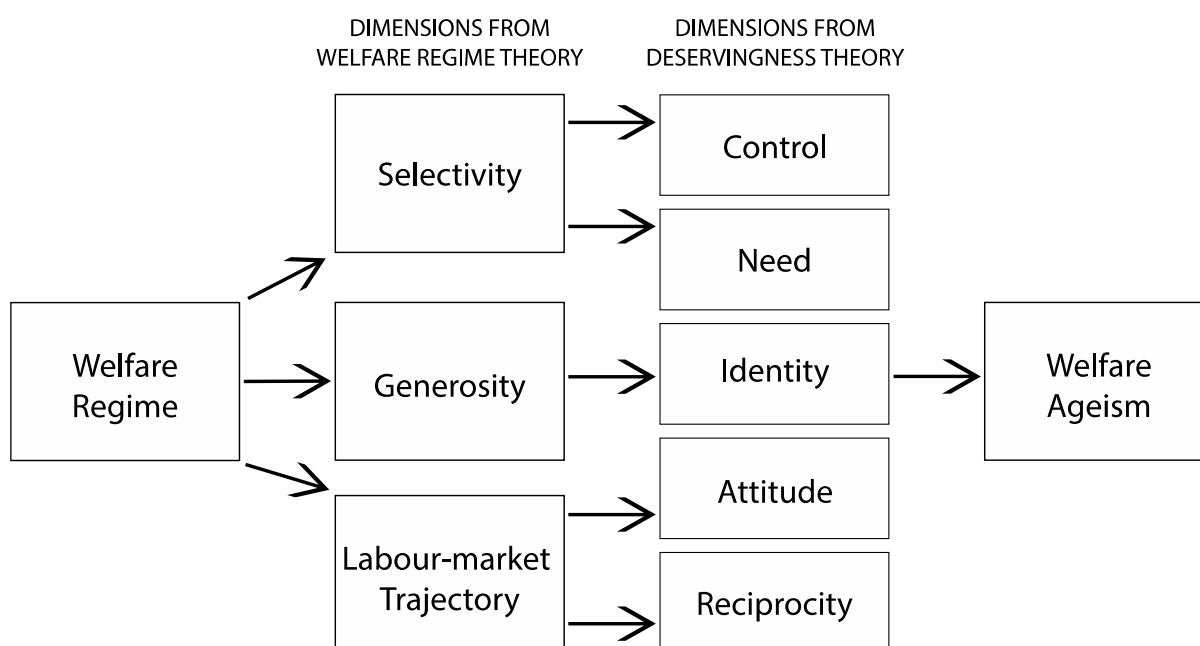
The *culture theory*, or *dominant welfare state ideologies*, has taken root in the study of different attitudes for the support of welfare policies. The culture thesis was developed on the concept of the homo sociologicus, whose idea of equality and justice determines how resources should be redistributed among members of the society. Unlike previous theories that referred to the conflict between classes (power resource theory) and between self-interest of the welfare state clienteles (new politics theory), the culture theory recognizes that individuals’ values and norms shape their support and acceptance for social policies.

Based on this thesis, the different attitudes for public support of welfare policies can be explained by the differences in egalitarian values among countries. Following this reasoning, Lipset’s idea of the American exceptionalism argue that liberal welfare systems, such as in the USA, is characterized by a low support because of the American culture of passion for freedom over inequality (Lipset, 1996). While in the case of the Scandinavian countries, the high levels of public support for welfare measure can be explained by the passion for equality that characterize social democratic regimes (Graubard, 1986). However, although it is widely recognized by the majority of the scholars that norms and value do influence citizens’ attitudes towards welfare measures, the culture theory was not able to present the causal mechanism that bond the development of a certain welfare regime to the degree of public welfare support (Kelley & Evans, 1993).

3.4 The Institutional Logic of Reasoning

The theoretical framework that the Master Thesis will adapt is based on the institutional logic of welfare attitudes (Larsen, 2008). The Figure 1 summarizes the theoretical framework that will be applied in the study of welfare ageism. This section of the Thesis Report will explain the theory and advance three hypothesis for the research. Unlike the previous theories, this institutional approach managed to combine the micro level of public attitudes through the literature on deservingness criteria and the macro level of welfare regimes theory. Although the theory was developed to explain why welfare regimes have different levels of public support for welfare policy in regards of the poor and the unemployed, subsequent studies adopted Larsen’s institutional logic theory to demonstrate how public perception for social policies towards migrants differs in different welfare systems (Van Der Waal, De Koster & Van Oorschot, 2013). The Master Thesis will attempt to expand the same institutional approach towards young people and, moreover, differently from the previous researches, the paper will try to include Ferrera’s Mediterranean model in the analysis.

Figure 1. The institutional Logic of Reasoning for Welfare Ageism



Larsen's theory starts from the *universal dimension of support* (Coughlin, 1980), the idea that there are some universal criteria among societies that establish the deservingness of social policies for the needy. In this study, Coughlin demonstrated that these criteria could rank the perception of public support for needy groups in the same way, from the old people to the unemployed. Lately, Oorschot (2000) confirmed the hypotheses by providing five main deservingness criteria for welfare policy: control, need, identity, attitude and reciprocity.

The criterion of control depends on how much the needy can control their fragile situation. Laziness and lack of willpower will determine low levels of deservingness for welfare policy. The public judgment of need will vary in the different regimes based on the amount of selective or universal benefits that citizens enjoy, with less control leads to higher degree of deservingness. The criterion of identity indicates how much a group shares the sense of belonging to a member of society in need of social assistance. Clearly, a greater perception of the member's belonging in society will result in higher degree of deservingness. Attitude is a fundamental judgment regarding the approach of the beneficiary of social policies towards society. An active attitude such as the desire to reintegrate into society or the availability for a stable job increase the public perception of deservingness towards the recipients of welfare policies. This last criterion is closely related to the concept of reciprocity. Indeed, the subjects who have already contributed to society or will bring greater well-being for the community, repaying the measures addressed to them, will be considered more deserving to receive welfare policy.

Following this logic, it is not surprising that high numbers of research on attitudes for welfare policy support the thesis that role of race and migration status do affect citizens' perception of deservingness (Alesina, Glaeser, & Sacerdote, 2001; Reeskens & Van Oorschot, 2013; Svallfors, 2012; Van der Waal, De Koster, & Van Oorschot, 2013). Especially regarding

welfare state, immigrants are often considered a burden for the welfare systems (Crepaz and Damron 2009). As explained by Coughlin (1980), the public perception that immigrants do not deserve welfare policies can be analysed mainly through the identity and reciprocity criteria. Indeed, the common belief among the Western societies us-versus-them and the idea that immigrants are not contributing to societies worsen the principle of deservingness for welfare policy. In the Master Thesis, the analysis will try to determine which and how much these criteria influence, as in the case of poor and unemployed, the public support for young generations.

However, Larsen's contribution was to incorporate the welfare regime theory with the deservingness literature since the abovementioned criteria lacked to explain the causality on why and how welfare regimes affect public support for distributive policies. For this reason, Larsen (2008) categorized the three main welfare systems (liberal, conservative and social-democratic) on three dimensions, namely selectivity, generosity and labour-market trajectory, connecting their characteristics to the public deservingness discussion.

In the welfare regime theory, the selectivity dimension, taking up the thought of Marshall (1950) and Titmuss (1975), analyses the degree of universalism of welfare systems. As already described in the previous section, welfare systems have been classified several times by the extent of their recipients and the type of measures that they provide, which are usually enclosed in two dimensions, selective or universal social policies. While liberal regimes are characterized by a high level of selectivity due to the means-tested assistance, the occupational social protection schemes which are present in the conservative regime classify this welfare system as medium selective, and, finally, the socio-democratic system has the highest degree of universalism following the principle that welfare measures are guaranteed to citizens based on their citizenship (Rothstein, 1998). Also, following Ferrera's analysis of the fourth social Europe, the Master Thesis will consider the Mediterranean model in the middle of the continuum between the universalism and selectivity degree because of the universal health care system and the selective insurance schemes for all the other services. The selectiveness of social policies is more likely to ignite a debate on the merits of these benefits by the recipients. Indeed, according to Rothstein (1998), this discussion would lead to a clash of public opinion over who would be considered as needy and how much they should be supported through social policies, thus weakening the deservingness criteria of control and need in the society. Based on this first analysis, the Master Thesis will try to prove the following hypothesis.

H1: Welfare ageism is stronger in those welfare systems with a high degree of selectivity.

The second dimension that characterizes a welfare system for Larsen is generosity. This term indicates how states manage to reduce economic inequalities through resources and social policies. Indeed, even if personal wealth is affected by different factors such as earnings, returns to capital, family and fertility (Förster & Pearson, 2002), a different degree of generosity can be found in the welfare systems that manage to fill the market-driven inequalities, helping the bottom of society to get closer avoiding the risk of the formation of "two nations" of welfare (Titmuss, 1975). Regarding the differences in attitudes towards welfare policy, countries that manage to reduce this gap enhance the sense of belonging in the community because, by supporting "the bottom", states improve their conditions and lifestyles that will increasingly resemble to those of "the majority". In this way, the criterion of identity is strengthened and the us-versus-them belief that makes deservingness difficult will disappear. The social democratic countries are those who are the most generous in terms of tackling

inequality and poverty risk, followed by conservative, Mediterranean and liberal systems. Based on this second analysis, the Master Thesis will try to prove the following hypothesis.

H2: Welfare ageism is more acute in welfare systems with higher income inequality.

The labour-market trajectory experienced by countries through the consolidation of their welfare systems is the last dimension that affect citizens' support for public welfare policy. The high rate of unemployment that characterised the European countries at the end of XX century provoked different labour-market trajectories that resulted in different degree of public support for welfare. While the social democratic regimes enhanced employment in the public sector, liberal systems followed the neoliberal approach and left the creation of new job opportunities to the private sector, while the conservative and the Mediterranean adopted a third approach that safeguarded the main component of the welfare systems, the male insider breadwinner. Moreover, the labour market structures influence the public opinion not only through the unemployment rates but also through the job protection. For example, the social measures to protect the "insiders" are very strong in the conservative and the Mediterranean systems, while weaker in the social democratic and liberal ones. In this way, the needy are less in control of their situation in welfare systems such as the conservative ones where there are high levels of unemployment rate and strong job protection mechanisms, resulting in more flexibility from the public option in terms of deservingness. Based on this third analysis, the Master Thesis will try to prove the following hypothesis.

H3: Welfare ageism is more pronounced with high levels of unemployment rate and employment protection.

4. Research and Design

4.1 Methodology

The Master Thesis aims to demonstrate that there are four worlds of welfare ageism that are characterized by the four different welfare regimes. To verify the hypotheses, the study will adopt a multilevel regression analysis that tests the correlation between the different welfare regimes and the degree of welfare ageism, through three main indicators: selectivity, inequality and unemployment rate. The quantitative analysis acknowledges some limitations in the study since the concept of welfare ageism has never been used previously and, moreover, the measurement of this concept will be harder to grasp compared to attitudes towards immigrants, poor and unemployed. Nevertheless, to have a more accurate estimation, the analysis will take into consideration mainly respondents from older cohorts (above 35 years old) as the main focus of the Master Thesis will be the public attitude towards young generations.

Besides, the multilevel regression analysis will allow the study to control for different factors that may affect the models such as the level of education, income and gender. The dataset will try to include all the European countries following Larsen's institutional theory. However, in case of unavailability of data, the analysis will include a sufficient number of countries that ensure the presence of the four types of welfare regimes.

4.2 Operationalization

Welfare ageism will be the dependent variable of the model, mentioned as the level of discrimination against individuals or groups based on their age for the right of the entitlement of welfare policies. To operationalize this concept, the Master Thesis will adopt the indicators available on some international surveys, in particular the European Social Survey, Eurobarometer and World Social Survey. The items included in the model will try to fit the deservingness criteria, at least three out of five such as control, need and reciprocity.

Regarding the three dimensions, the selectiveness of social policies, the economic inequalities and the unemployment levels, the Master Thesis will adopt measurements already in use in the field of welfare studies. The selectivity dimension will be built on Scruggs, Detlef and Kuitto's Comparative Welfare Entitlement Dataset (2017) which provides the degree of social insurance programs in terms of unemployment, minimum pensions and cash benefits in 33 countries. The economic inequalities will be measured by the Gini coefficient, since differently from other measurements, such as the P90/P10 ratio or the median-mean ratio, the Gini coefficient as a global measure is better able to capture the real income inequality in societies by measuring the distance of each person's income one by one. Finally, for the last indicator, the analysis will simply refer to the Eurostat's levels of unemployment rates.

5. Conclusion and Expected Results

The Thesis Report laid the ground for the analysis of how welfare regimes affect support for distributive policies, in particular welfare policies addressed to young people. From the theoretical framework outlined in the previous sections, the Master Thesis will expect to find four different types of welfare ageism related to the current welfare regimes in the European countries. The paper will demonstrate how the selectiveness of social policies, the income inequality in the society and the amount of job opportunities affect citizens' perception towards recipients of welfare policies and their right of entitlement.

Overall, the Master Thesis will contribute to the literature of welfare regimes and public support for welfare. In particular, the paper will fill the vacuum left in the relevant literature regarding the welfare discrimination towards young cohorts, bringing together the welfare regime theory and the deservingness theory.

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7. Work Plan and Timetable for Completion of the Master Thesis

Due to	Workload
December 2020	Final literature review on the public support for welfare policy
January 2021	Discussion with the supervisors about the research analysis
February 2021	Collection of data
March/April 2021	Completion of the analytical section
May 2021	Revision of the analysis and conclusions
June 2021	Revision and discussion of the first final draft
July 2021	Submission of the Master thesis
September 2021	Oral defence of the thesis

8. Declaration of Authorship

I, the undersigned Pierluigi Gagliardi hereby declare that I am the sole author of this Thesis Report. To the best of my knowledge this thesis contains no material previously published by any other person except where due acknowledgment has been made. This Thesis Report contains no material which has been accepted as part of the requirements of any other academic degree or non-degree program, in English or in any other language. This is a true copy of the Thesis Report, including final revisions.

Date: 31st August 2020
Name: Pierluigi Gagliardi

Signature:

