

## **“Analysing Changes and Challenges in the Spanish Restructuring of Social Policy within the Latin Regimen Context”**

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### **Abstract**

*The Spanish Welfare State has expanded for the last thirty years (1978-2008, the period referred here). Due to the crisis of the Keynesian classical model, which became apparent from the mid-seventies onwards at an international level and here from the eighties, it was progressively necessary to restructure it, as well as to redefine the role of the public sector. A panoramic will be shown analysing the effects of this crisis (which is not only economic and social but also political and institutional) and the changes they have brought about in its contents and management. In addition to having financial consequences, its instability impacts upon its own capacity to act and upon its legitimacy and governance, so debates will continue concerning its future. Consequently, the prominence of the different agencies with respect to citizenships' welfare is changing, although the Mediterranean family networks retain their role for support, especially in recession times.*

**Keywords:** Public sector, crisis, welfare mix, debates, family, trends

### **Introduction**

The Welfare State (WS) is the mechanism that has allowed the creation of a robust social protection system; it has reduced tensions and made social and political rights a reality by the use of economic redistribution measures. In the Southern Europe (Greece, Italy, Portugal and Spain) a feeble but central State, strong primary networks and segmented labour market have co-existed with a sharp political corporatism, elements of leadership and patronage, and even clientelism (some preferential relationships connected with the distribution of public elements of welfare). In each case, the restructuring of these Mediterranean WS has required a step-by-step approach to deal with the deep-rooted paternalistic opinions and prudence of conservatives, on the one hand, and the strong desire for advances of progressive groups, on the other.

In Spanish evolution is underlying the weight of path dependency, although began closest to the continental regime -based on contributions-, conforms to this mixed Latin model (Ferrara, 1996; Leibfried, 1992) -as it has adopted universalistic principles-. Thus it represents a middle way between these two philosophies, despite having growing tendencies towards a minimum social assistance system coupled with privatised management. This has been acquired by social transformations, political changes and economic liberalisation as we will see; all of them seem have brought us closer to the European Social Model (Álvarez & Guillén, 2004a; Espina, 2007; Moreno & Palier, 2005).

In addition, the dominance of economic over social policy becomes a constant dynamic in these decades, given the particular context and the global situation (Huber & Stephens, 2001; Powel & Hendricks, 2009). Hence, the WS is bended to consider as a competitive entity with transfers of fiscal tax from the capital burden to labour forces. Thereby is attempting to rationalise expenditure and/or to adjust to the new circumstances with a reduction in levels of protection, restricting the availability of services. In conclusion, the measures, though not exclusively cutbacks, have all resulted in general containment of the WS (Guillén, 2010; Moreno, 2000).

## 1. *With reference to Spain as a Mediterranean Welfare State*

In Spain, the importance of political and historical factors when analyzing social protection systems is clearly evident: starting with the decisive political regime change from an authoritarian state to a parliamentary monarchy, through the substantial institutional transformations and the decentralization process from marked centralist state to a system of 17 autonomous communities.

The delayed processes of industrialisation and the modern capitalism were factors which determined the economic structures suffering from significant imbalances, caused the retardant development of Spanish WS (Giner, 1986). Gradually the process of democratisation started to give bigger prominence to social factors, acceding to the demands of various social groups, in particular those of the labour movement and the trades unions. Greater public spending took place and financial redistribution measures were established to provide a higher level of public services<sup>11</sup>. Clearly, the intensity of ideological affinity between the governing party and those who wanted to bring about larger social change contributed to this progress in this sense (Huber & Stephens, 2001). Large scale corporatist social agreements that have taken place since the political transition - starting with the Pacts of Moncloa in 1977- have not taken place on a continuous basis. However, they have been highly significant, despite the relatively limited Spanish experience of this type of agreements given the previous autarky and the tightly controlled trade unions that existed under the dictatorship, analogously to other countries (Gal, 2001:256).

From these beginnings, which started slowly in the sixties, but became more prominent from the point at which the Constitution (1978) defined Spain “as a social and democratic State, subject to the rule of law” (article 1.1<sup>o</sup>), the WS has been developing over almost the last thirty years. This expansion in Spain has been marked by an intensive administrative decentralisation (into a wide regional and local diversity with frequent tensions) within the general framework of European integration (since 1986) and, thereby, being subject to international pressures. It has also been characterised by a gradual transformation in the role of the family and by an uneven enlargement in the role of society and the third sector non-profit (Voluntary Act, 1996) since 90’s. All this has taken place within a framework of structural concerns about the economy, with recession happening at certain times in the eighties, in the mid-nineties and the serious concerns of the present day. Whatever the case, it is a model where those in the labour market (albeit with a low level of union membership) have enjoyed a high level of protection thanks to collective bargaining, especially in times of political tension within the democracy. (Guillén & Gutiérrez, 2006:16; Rodríguez-Cabrero, 2011).

These European countries that border the Mediterranean, each starting from its own specific circumstances<sup>2</sup>, later started to position them within the neo-corporatist continental regime, differentiated in turn by certain characteristics that identify them as falling within the Latin model (Andreotti et al, 2001:45) . Simultaneously, the pluralism of welfare provision and the links between gender, family and work are complementary as far as welfare practices are concerned, which often include clientelistic mechanisms, together with a service delivery that is not always efficient. The countries that conform to this intermediate and/or mixed type where universalism and selectivity coexist are those with strong family ties, important role of religion, and particular life styles. In fact, the conservative-familist character has posed difficulties for major expansion of care and family policies and social assistance. (Gal, 2001: 296; Sarasa, 2011).

This classification follows the types of WS established by Esping-Andersen (1990) mostly accepted by academia: Nordic-universalist-social-democratic, Bismarckian-continental-Christian-democratic and Anglo-Saxon-liberal models.

<sup>1</sup> That the party in power is a crucial factor in explaining the development of the WS is the argument put forward, amongst others, by Korpi and by Ochando, the latter taking support from the hypothesis of the resources of power or the Theory of Social-Democracy. Even though some others maintain that ‘the domination of the political parties of the left does not increase the spending on welfare [...] any influence whatsoever is weak and indirect’ as pointed out by Wilensky, HL 1981: 355.

<sup>2</sup> As much political (they have had to move to democracies from authoritarian regimes), socio-cultural (especially the role of the extended family, more matriarchal families, the role of ecclesiastical organisations) as economic (type of economy, they suffered delays in the process of modernisation -except the north of Italy and Spain-, they mainly show the lowest percentages of social spending, a quarter of the underdeveloped regions in the previous 15 member states of the EU were in the south of both countries) and addition, Greece and Portugal.

Although this classical perspective is critiqued by centred very much upon Sweden as ideal case, in which the main independent variable is the State<sup>3</sup>; an overly static categorisation that pays insufficient attention to dynamic factors. Anyway, this Mediterranean form can be described as having a hybrid nature because being a middle way between the continental Bismarkian countries, with its maintenance of occupational incomes and the Beveridgean model of universalistic coverage. Indeed, even though Mediterranean's started from clear contributory principles as a subsystem within the continental regime, successive universal reforms have taken place within it: in Spain since nearly to 90's, such as the expansion of the public education system, the widening of Social Security coverage and the establishment of income guarantees.

Thus, significant Spanish Acts: General Health (1986), the Education and the Non-Contributory Pensions (both of 1990), together with the continuance of the contributory Social Security System (the law dating from 1963), have placed our country in the best position, equidistant between the two regimes discussed above. This runs in parallel with a Social Services System that evolved from the development of the regional autonomic legislation, even though from 1960 to 1980 this was a dual model (free social assistance and contributory). However, from the eighties it has been both formally and legally universal, but in practice it varies between two models, this is suffering an identity crisis given both its technical and structural fragmentation. This leads us to question its supposed universalism and the nature of this system which is disorganised and deficient (Aguilar, 2009: 186, 201).

The Spanish WS established itself as the main agency, dislike lacking a solid financial basis and having levels of social spending well below the European yardstick. The governments have oscillated between an interventionist socio-economic pattern, which tried advances in the way of redistribution, to others which prefer not to act so much with a tendency to a more individualism society. Nonetheless, on analyzing the development of this spending as a percentage of GDP, we find a trend towards greater convergence with other neighbour countries with respect to the European average (Kleinman, 2001; Taylor-Gooby, 2004a). In fact, it is worth pointing out that of all the advanced industrialised countries of the OECD, since middle of 90 these of southern have had certain tendency to average levels of universal access to means tested welfare services, gender relations, and decommodification<sup>4</sup> (Alvarez & Guillén, 2004b; Gomá, 1996; Schustereder, 2010).

In summary, the pillars on which such WS rest are made up of various factors, specially in Spain: firstly, political and institutional, a pivotal role of Social Security in the Public System tending towards a universal provision of public services, mainly in health and education; secondly, the family, highlighting the traditional role of women as both producers and reproducers; thirdly, the economy, with later industrialization and its pursuit of full employment (the main threat in our case, given the serious unemployment problems in Spain), generating a huge shadow economy (nearly 25%); and finally, social base, leaving citizens in an unarticulated society subsidiary to formulate their own requirements (Moreno, 2001; Rodriguez-Cabrero, 2011).

However, Spanish preferences and cultural practices have structured our civil society like a network, in which individuals are members of socially influential groups, which in the worst case scenario, are not unconnected with dubious political practices and may be subject to favouritism by other groups (clientelistic patterns). These are supported by the structure of the Administration with its bureaucratic processes which are not yet fully modernised and which are overloaded. This has caused protests concerning certain dysfunctional aspects of the autonomic organisation of the state, particularly against organizations subsidised by the public sector who themselves slow down general reforms within the system. These characteristics grounded on "protection gaps" are particular to the countries according the Latin model (Ferrara, 1996: 20,29), especially those in the south and, within that group, those that are the furthest south (Andreotti et al, 2001: 47).

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<sup>3</sup> Except in Anglo-saxon model with residual WS, the importance of the state is evident through interventions, as occurs in the social-democratic of the Nordic countries, by means of a social contract in the Continental corporatist regime or with the feature of a subordinated population, as with the Latin model.

<sup>4</sup> Bearing in mind that the concept "de-commodification" refers to the degree to which individuals or families can uphold a socially acceptable standard of living independent of market participation. It occurs when a service is rendered as a matter of right and when a person can maintain a livelihood without reliance on the market.

## ***2. General Reforms in the Latin Mediterranean WS: Diversity of Processes and Contexts***

First of all the focus will be on demographic, women, family and labour market processes which are either new or modified and which have been instrumental in the restructuring of the WS. On one hand, the ageing of the population in Europe -especially in Spain- is both clear and well-known. This has caused an inversion of the previous population pyramid and greater dependence between generations by virtue of the sharp decrease in the birth rate (partly compensated at the moment by births within the immigrant population, a group comprising 4.5 million people until 2008, approximately 10% of the total population). Life cycles have changed in such a way that the passive phases have grown due to the extension of education with a consequent delay in the incorporation into the labour market and, at the same time longevity has increased (with the highest life expectancy in the EU); whilst the active phase has been reduced by between eight and ten years. This has increasingly aggravated what has been called “the ageing of ageing”, the population group that is more than eighty years old, whose rate of growth will be greater than the group that is more than sixty-five years of age as a whole (Bond & Rodriguez, 2007).

The classic model of the Keynesian WS in industrial societies based on Fordism (mass consumption) was based around a male breadwinner with a stable job in traditional families. It has evolved since the international recession of 1973 (Campling & Rodger, 2000), with the silent revolution in XX<sup>th</sup> century by the women acceding to higher education and proper jobs and with the secularisation of societies, especially the Spanish one. Simultaneously in order to support their families a double salary<sup>5</sup> frequently became necessary as did the need to be more flexible regarding customs and timetables, in which the rigid distinction between home and work - appropriate to a patriarchal family- did not fit. Even so, the adoption of this model is receding in favour of a system of “one and a half salaries” (especially in southern Europe where there are six times as many female part-time workers as there are male ones) and in which the gender division is being reintroduced. Thus, the system is not without its critics because it induces sexual segregation back into the world of work as it tends only to be women who go to work part-time due to their domestic responsibilities (Sainsbury, 1999; Tobío, 2001-b). However when women are being compelled to delegate numerous educational and care giving tasks in connection with their children, a situation that also has its detractors, but which society seems to accept without much critical consideration.

Definitively, her progressive incorporation into the formal labour market during recent decades is having decisive repercussions. In fact, in the exploratory analyzes of the future Mediterranean WS, the persistent independent variable is the transformation of the traditional female role as the person who encourages strong ties within the family. Nevertheless, this changing role of woman with respect to her life expectations reflects the attitudes of the so-called “ambivalent family roles” (Saraceno, 1995:275). At the same time her search for economic independence and her desire for professional achievement have postponed the formation of families, especially in conventional terms. This is the real incognita of its future transformation, relying on the family would be a “Trojan horse” within the Latin WS (Esping-Andersen, 1996:356,368; Lewis, 1997). Uncertainty about domestic tasks and dependents care very difficult to quantify (as part of the GDP) but this is an input asset even though it is hidden within the national accounting frameworks of these countries (León, 2002; Trifiletti, 1998).

The transformations that have taken place in the family have also been hugely important both in Spain and in the EU as a whole. The family has evolved into a key institution -despite the fact that extended family ties have become weaker- and now exists alongside the proliferation of singles and divorcees, giving rise to new forms of co-habitation with an increasing number of lonely-parent families. Socialisation in such families has become restricted to its nucleus and the relationships with other members are tending to dissolve (Martin, 1996; Valiente, 1995). This has been also affected by other phenomena such as greater geographic and occupational mobility. And the increase in broken homes fosters the growth of instability, single households being the most vulnerable.

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<sup>5</sup> The family with two wage earners is the norm (over 80%) in Scandinavia, common in Great Britain, the USA and France (around 60-65%) and not that common in Germany and the countries of southern Europe such as Spain and Italy, where less than half of families have two wage earners. (OECD, 2005).

Structural difficulties, particularly acute in Spain, such as the housing shortage, the divergence between education and job opportunities, higher unemployment among young people who only live independently when they reach thirty years of age, the latest in the EU (Fernández-Cordón, 1997; Tobío, 2001a); in short, create new obstacles to the creation and expansion of families and thus, new dilemmas for the future WS (Naldini, 2003). Beyond it, for Spanish mothers, amongst other factors, is more complicate to re-conciliate work and family given inadequate childcare services (León, 2002; Salido, 2011:196).

And these post-fordist economies are increasingly basing themselves on services and technology. This has led to a reduction in the number of workers in the manufacturing sector and, ultimately to a decline in union membership (Jordana, 1996). Unions have had to strike a difficult balance between defending the working class in general and looking after those who enjoy job security, so they are no longer seen as being sufficiently representative of the great diversity of roles within the social-economic landscape. Moreover, due to the reduction in the administrative contributions and to its own organisational difficulties, they are endangering their own objectives through making concessions (e.g. in the productive reinvestment of surpluses, occupational flexibility, job sharing and tax fraud). Seeking to face up to the organisational weaknesses, the negative effects of social “dumping” on developing countries and the delocalisation of businesses, it is attempting to build a greater consensus between social actors as well as dealing with the latest international financial crisis (Molina, 2011).

At the same time, the new information and communication technologies, which became prominent in the nineties, are clear contributing factors to the rapid processes of economic and cultural globalisation (Greve, 2006). All this runs in parallel with tendencies towards individualism, a growing private sector and to new social risks. Indeed, in our industrialised world, rising social complexity brings with it new difficulties such as increasing insecurity and loneliness (particularly amongst the dependent persons<sup>6</sup>). Different types of health problems and psycho-social pathologies emerge alongside the challenges and obvious advances in the fields of transports, communication, environment, nutrition, biotechnology, etc. (Sykes, Palier & Prior, 2001; Taylor-Gooby, 2004b). In addition to these changes in post-industrial societies, job structures have fragmented as the labour markets have become more flexible such that the classic, full-time, permanent job has coexisted and frequently been replaced by uncertain, temporary, part-time, precarious and more mobile jobs (especially amongst new young people, immigrants, non-qualified workers and numerous women), common in this age of technological and informational capitalism (Cachón, 2004; Powel & Hendricks, 2009).

In short, global and individual contexts have changed during 80’s and significantly since 90’s, subsequently the role of economic and social agents who provide welfare have been restructuring simultaneously through the diversity of processes explained.

### ***3. Crises of the Latin Mediterranean WS and Consequences: Special Reference to Spain***

From this point, the important social, economic and institutional changes that have occurred in the underlying operational principles and the consequences thereof will be examined; they affect finally the performance of the classical Keynesian WS.

Starting with the classic social stratification, the large middle-class layer that traditionally prevailed during the main growth phases of the WS, has changed as a consequence of the fragmentation of the labour market into a society with a different class structure. On the one hand, living standards have increased with improvements in health, education, culture, leisure etc., but on the other hand, inequalities and divisions have become more marked in a variety of different areas such as social origin or class, discrimination by sex, ethnicity or age. All these are classic factors but the way in which they interact with the WS is both complex and multi-dimensional. Also, fractures reappear (employed/ unemployed) resulting in new forms of exclusion (undocumented or illegal immigrants, the homeless), especially when the range of welfare coverage has been subject to restrictions (Laparra & Aguilar, 1997). This generates a clear two-tier system which differentiates between those who are in the system and those who are not. The inside/outside dimension can now be added to the traditional up/down dimension.

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<sup>6</sup> In Europe in general, most elderly people live alone or in residences, although Spain and Italy are the exception where around 40% of the elderly live with their children. Lack of support along with other factors gave rise the “Spanish Law of Dependence” (Dec.2006) which had widespread political and popular support.

Moreover, the continental model is, initially, characterised by reproducing the traditional divisions of status between the genders and between different types of workers because the Social Security System provides different services depending upon whether they are public or private, permanent or contract, male or female, nationals or immigrants (Petmesidou, 1996).

Secondly, with the corporatist principles and trends (for which there is no general agreement as to their character nor in their repercussions) reference is made to the gradual influence of social partners and collective actors in the process of structuring and representing of interests and to the management of conflicts, areas in which members fight for material recompense and status. After the strategy of large-scale or centralised agreements during 80's, given the decline in Spanish union membership, the main trades unions sought to replace these by more limited agreements with the government since 90's. This has gradually been moving towards a reorganisation of negotiating power which is now becoming more specialists and it is more difficult to achieve wide convergence in different social areas. The WS must adapt to a wider range of pressures, but most importantly, it must build a social dialogue. Indeed this was a key factor during economic expansion 1996-2008 (Molina, 2011:78) and repeatedly demanded in the agenda of Government's President, but which is difficult to achieve nowadays. Those groups are not now as unionised but more dispersed and have particular variables specific to each country or region, which reflect of the internal disintegration of the labour market (Guillén, & Gutiérrez, 2006).

There are underlying factors since nineties, such as the new order for international competition where the free market dominates, the lapsing of the Keynesian parameters together with the forces of Neo-liberalism and economic globalisation. These operate alongside new productive and competitive relationships which have been the driving conditions behind the resurgence of certain parts of the private sector (Schustereder, 2010). As a consequence, the continental WS model slowdown, especially where the level of economic activity is lower, mostly since early retirement started to be encouraged. At this time this ever-present debate is being reopened, in an attempt to counteract now the move towards delayed retirement so as to avoid the unsustainable future of the public pensions system.

Finally and consequently, the third significant change, the substantial erosion of social cohesion. At this point with the reduction of Social Security and accordingly with the extension of basic social assistance, some benefits are provided a minimum level of aid which is dependent on having employment. Hence social integration is seen both as charitable and incomplete given that it must adapt to the fluctuating demands of the labour market where flexibility and current neo-liberal deregulation predominate, every time more frequently finding itself in undesirable situations of social polarisation (Laparra&Aguilar,1997).

In addition, it is clear the obsolescence of classic model of the Keynesian WS. So the adversities that the traditional continental WS covered was limited to the passive phases (childhood and old age), so the eventualities of the active phase were usually covered by high employment rates and high wages. However, with the insecurity and fragmentation of the job market, new uncertainties have multiplied. Thus the WS must be active during the inactive phases of the individual and also during the individual's working life given that the key factor of a successful KWS -full employment- breakdown. Moreover, the corporatist WS continues to be ruled by principles of formal equality, no longer appropriate for existing relationships. It does not protect sufficiently nor satisfactorily against the various needs and eventualities of the social spectrum as it relies on employment and leaves those who are not genuinely linked to the world of work without representation or protection, nor does it cover other types of risk (Gilbert, 2002). The level of social spending, the low quality of services and the size of the public sector bring into question public support for the system. This leads to the contradictory conclusion that the WS cannot exist without the capitalist system, but simultaneously neither can it sustain itself within that system (Offe, 1990).

In fact, Esping-Andersen (1999) has already spoken about the "euro-sclerosis" of the continental model where the rigidity of the labour market, the lack of productivity growth in the services sector of economy (Baumol's curve) and immense difficulties of generating employment will lead sooner or later to its demise. Simultaneously rising unemployment, attempts to palliate with the income maintenance (pensions and subsidies) or the support of those in passive phases. In such a situation, it seems especially difficult to maintain the status quo. The consequences, from the most pessimistic point of view, would be the breakdown of the criteria of universal solidarity. This would imply both the transfer of responsibilities currently managed from the centre to the territorial periphery and from the public to the private sector, as well as the weakening of redistribution criteria.

In any case, in its defence, it is worth mentioning that the average levels of collective, contractual coverage that these WS offer used to be high, involving complex negotiations between regions and sectors and where the intervention of the WS in the labour market is seen as normal practice (Molina, 2011; Rodriguez-Cabrero, 2011).

#### ***4. Changes in the form and Content of the Spanish Social Policy: Debates and Challenges***

The main processes that are happening in this reconfiguration are in the two fundamental areas of management (how the services are delivered) and content (what services are provided). In both cases, the EU has been very significant in quantitative and qualitative terms, particularly as regards the impact of European designs and structural funds (Guillén, 2007; Pestieau, 2006).

First-able the way in which the provision of social allowances is being reorganized is evident. It is characterised by gradual internationalisation and economic integration (IMF, ECB, etc) on the one hand, and decentralisation on the other, process which is occurring throughout Europe. In addition, the components by which the WS is defined tend to favour processes of devolution, especially to local level in the provision of personal and social services (Brugué&Gomà, 1998:44) and in the fight against poverty whose delivery has, naturally, become closer to the end user (Arriba & Moreno, 2005). Greater opportunities for participation, social control and transparency, created as a result of this better closeness, have allowed local and regional policies to have more real content.

However, there are often coordination problems, duplications, overlaps, inequalities in outcomes and complicated governance which emerges in the implementation of their programmes in the multilevel government, contrary to what was intended (Gallego,R, Gomà,R& Subirats,J,2005). In order to address these difficulties, central Administration has tended to focus on: the economic adjustments imposed by international requirements, the formulation of rules governing the interaction among agencies, as well as the creation of passive policies (income guarantees,etc.) and active policies (educational, vocational, employment, R&D). The autonomous communities, meanwhile, carry out the policies having been given the authority to intervene more directly, taking the responsibility for 80% of social spending and having a increasingly clearer role in active measures. Anyway after 30years decentralization process, Spain is still immersed in this debate about State of autonomies and its deep diversity (Gallego&Subirats, 2011:99).

These changes have taken place in the management of social policy has lead to some shifting of responsibilities that were previously in the public sector as main provider, to civil society -particularly the private sector and voluntary groups-, expanding their roles. Therefore, it is better to speak of two distinct processes. On the one hand is the growth of market within the welfare area, in which the management of some services is carried out jointly between the public and private sectors or by this alone. This allows the administration to reduce costs as well as their responsibilities (Gilbert, 2002). But it creates a tendency towards “selective privatization” which offers the recipient with higher economic capacity to have some choice in election of the service provision. In the end this will lead to a weakening in the social entitlement, especially as the services offered by the private sector presuppose that the end user will be able reduce their tax burden (e.g private pension plans), thus lessening the principle of solidarity between citizens (Moreno & Palier,2005).

Simultaneously the rise of the non-profit sector, assisted by its official status (Voluntary Law 6/1996) makes new forms of participation in the WS possible, as well as allowing retrenchments in public expenditure. In contrast, however, the race between NGOs for grants which allow them to survive makes them economically dependent on the State. Curiously, they have to compete with each other, even with the private sector. Either way, intermediate communities are progressively powerful in their ability to influence the social policy (Montagut, 2009:119). The more staunch activists will even speak of “association’s welfare”, believing strongly in the importance of this development and in the social economy (cooperatives, foundations, organisations for insertion to work or “social-labour enterprises”, etc.).

With respect to the content of the WS, the second main dimension, there is a strong tendency towards “segmented universalism” given the need to adapt to new circumstances, both organisationally and economically. Therefore, bearing in mind the divisions within the labour market, various levels of coverage have been created: firstly, discretionary needs are progressively being met by the private sector where the public sector fails to do so, for example, in social services, health, pension plans, etc., thanks to savings held by the citizens. Secondly, coverage related to the individual’s work (that represents the largest of the three levels) which is linked to the contributions of the worker or business owner, particularly covering situations caused by the loss of employment, health, the head of the family, etc.

Thirdly, the most basic or social assistance level is a safety net for those who, being unable to work at the moment, are able to prove that they have lacking resources, or for those who have made insufficient contributions (Arriba & Moreno, 2005).

In any case, the separation between the two systems (contributory vs. universal) was a visibly feature distinguishing social protection regimes. In general terms, the Bismarkian is thought of in a more restricted manner with respect to the way it handles collective forms of security which are dependent on contributions which are made during the individual's working life. In contrast, the second of these, the social assistance model, is more concerned with services not covered by Social Security so as to guarantee a minimum level of welfare to all citizens (Beveridge's principle) which is independent of work. Nonetheless, the borderline between the classic models -which was once clearly defined- is increasingly blurred given the hybridisation of them that has occurred through the various reforms that have taken place (Guillén, 2010; Palier & Martín, 2008). Beyond, basic minimums in the areas of education, health and social services, financed through taxation tended to be universal while they are areas in which the involvement of the private sector is growing by means of the official agreements with the state funding of private centres (schools, medical...), a trend prevalent in Spain.

Anyway although there has been some retrenchment in how certain social entitlements were met, this did not constitute a dismantling of the WS nor the elimination of any entitlements already achieved until 2008. Even though the management of the WS has undergone major changes in its operation, it continues to adhere to the same guiding principles. In fact, no Spanish government would openly have supported this because of the high electoral costs it would have implied. They prefer to adopt measures to eradicate fraud, encourage recipients of social helps to play a more active and autonomous role (by vouchers or enabling and empowering), institute selective benefits (through targeted programmes) and apply means testing, all of which are measures that have been imported from the Anglo-Saxon world (Daniels & Trebilcock, 2005). In general some programmes have expanded (i.e. education, dependency) while, at the same time, the level of state coverage has reduced (housing, health). This is the recent tendency combining extension and containment which is often seen in the Continental European model (Ferrara, 2007; Svalfors & Taylor-Gooby, 2001). In summary, the evolution of Spanish WS distinguishes: expansion (1975-85), consolidation (86-94), Europeanization (95-05), and the so-called recalibration (2005-08).

## 5. Discussion and Conclusions

The access to publicly funded services becomes more stringent and often presents low quality, so those individuals with sufficient financial resources increasingly choose to use the market. In parallel with the gradual move towards meeting social needs through services offered by private sector according the "commodification" process, the philosophy underlying the strategies involved families' welfare in general is changing (De Roit, 2005).

Although in the south, families tend to pool resources and transfer property (businesses, homes, etc.) which mitigate the difficulties they face, the traditional relationships of reciprocity and mutual support between generations are weaker in both their informal networks as well as in their local communities and neighbourhoods. This individualism trend will ultimately lead to new inequalities and social risks, with previous ones reappearing and new ones emerging. It is gradually the responsibility of each individual to make certain that they protect their own entitlements, particularly through ensuring one employment, being more prevalent in Western democracies now.

But strong protection for the stably employed combined with huge barriers to labour market entry, has in many countries, nurtured a deepening abyss between the privileged "insiders" and precarious "outsiders". To deal with atypical risks, Bismarckian WS either rely on continued family support or introduce ad hoc non-contributory pensions or social minima. Although strong reliance on the family absorbs many of the social risks, simultaneously negatively affects women's search for economic independency (Esping-Andersen, Gallie, Hemerick & Myles, 2002:16-7). And passive income maintenance combined with strong job guarantees for male breadwinners, becomes problematic with rising marital instability and non-conventional household. There is now a clear realization across Continental Europe that services, especially for dependent people are urgent priority. Yet, the fiscal capacity to respond is limited due to a narrow tax base combined with costly pensions commitments. The model is unusually vulnerable to employment stagnation and to high inactivity rates. Hence, expanding employment among women and young workers becomes *sine qua non* for long term sustainability.

However, the debate is not over between the clear tendency towards “segmented universalism” and the so-called “citizens’ universalism” (Deacon, 2002), founded on the principle of minimum income irrespective of working status and supported by those who adopt more progressive and radical positions (Van Parijs, 1992). The fundamental question to be answered is which model of the WS is the most desirable, practical and appropriate, given the circumstances. Some favour the containment of the role of the WS while others, faced with the possibility that the WS may be dismantled, support making whatever changes is necessary to keep the system running without doubt.

The least optimistic view regards a reduction in public policies based on restrictions criteria as inevitable. These followers believe that it is only through greater selectivity, and even limits on access to entitlements, that the crisis can be overcome. The neo-liberals argue that the ability of individuals to save is reduced in line with the higher tax burden that is needed to defray social expenditure. This decreases investment and, thereby, reduces employment generation, economic activity and consumer demand; hence the control of inequalities through social policies will end up becoming a vicious circle leading to a crisis within the WS. Those that wish to retain the WS attack this line of reasoning, citing lack of proof or, conversely, stating that the evidence does not demonstrate that economic growth necessarily implies greater equality and social welfare for all, nor that the savings achieved go directly towards investments that result in higher employment or an improved quality of life in general. They advocate retention of universal services, although with a larger measure of rationalisation and coordination, made by a cooperative effort, which would allow social entitlements to be enhanced. Several Spanish authors, therefore, spoke of the qualitative leap that should be made in public services in the coming decades (e.g. Gomà, R. Cabrero and Subirats).

A suggested half-way house between the two previous approaches proposes the safeguarding of a minimum level of social security, combined with a free market which allows the end user to choose (Donati, 1998; Lewis & Surender, 2004). Social protection would be intended exclusively for those who genuinely needed it, which, amongst other lines of argument, is because of the proven tendency towards unlimited growth in demand for goods that are provided free of charge. However, it may be objected that it is very biased to only apply the economic yardstick of income to select the recipients of benefits, as it is in the private sector (only feasible for those who can afford it), as this will not always cover all social risks fully and properly. In any case, there is increasing mention of “flexi-security” (job-flexibility, employment activation & social protection) as the future hub of policies.

For their part, the voluntary sector and family involvement (mainly advocated by conservatives) are not, on their own, sustainable as viable options for the WS. This is because the voluntary sector is mostly made up of young people who are students, unemployed, women and retired people, so it cannot offer a complete solution. Moreover, their involvement is not spread evenly across the country so it does not match up in areas of bigger needs. Social welfare offered by the family, with the previously mentioned changes and instability, together with the impossible to sustain role of superwoman and greater human longevity, make it highly improbable that it can face up to the challenges without sufficient support of different types and the necessary asset transfers between generations (Esping-Andersen, 1996, 1999; Blome, Keck & Alber, 2002).

In conclusion, in an environment of crisis with the economic dominance of the neo-liberals and in an overall situation of financial globalisation, governments are tending to restrict their WS more than expand them. The fact is that the changes that our model of WS has undergone have been those of restructuring with both expansions and cuts. Thus, even though it has suffered a certain retreat in recent times, this could not be classified as a large suppression despite the obvious arguments regarding its content which are sometimes contradictory and at other times ambivalent, and the harsh criticism it has faced, especially as regards its financial aspects.

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