

Executive Master
in EU Studies

*The Effects of the Welfare State
on Society, Wellbeing and Resilience
of the EU:
Withstanding Future Economic,
Political and Societal Challenges*

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Introduction

During its journey from a thought experiment to becoming a functioning community of nation states the European Union took a very long way. The motivations of individual Member States to join the community varied based on historical and political heritage, moreover the level of economic development and democratic maturity. However, the vision of how the community should function in the future has always been a matter of heated debate. The common ground seemed to be the notion that one of the most important function of the EU, apart from keeping the hard-earned peace on the continent and the region, was to ensure the prosperity and security of every European citizen. From the early days of the Union the concept of welfare and the so-called 'welfare state' gained more and more significance as European leaders tried to bounce back from economic lows while slaloming in the field of accelerated social changes. How European leaders imagine and design modern welfare systems will have a huge impact on the lifestyle, possibilities, and wellbeing of citizens, therefore also affecting productivity, competitiveness, and ultimately the EU's global status.

The present master thesis attempts to give an overview of where the idea of welfare state came from, why it became relevant for Europe, and how it can impact the future of the EU and its citizens. Moreover, the thesis will also summarise the EU's current social policy and what it aims for, and assess the extent to which it can deliver on its objectives.

1. Historical Overview

1.1 A Brief History of Welfare States

As the *Oxford Dictionary* explains, welfare is the health, happiness and security of a person or group of people, and welfare state is a system where these are controlled by the government, which provides a range of services to best meet these human needs.

The history of welfare-related social policies goes back hundreds of years, but the first large-scale systematic use of such policies appear around the late nineteenth century in the German Empire as a response to the social problems of industrialisation, urbanisation, and poverty. This led to the development of social welfare programs, such as public health initiatives, housing programs, and public education.

In the nineteenth century urbanisation and industrialisation led to a massive population growth in the cities, which at the time lacked the necessary sanitary requirements to keep diseases and the general health of the public under control. The governments had to come up with new and effective solutions focusing on public sanitation, such as vaccination and disease control and prevention programs. Another important issue caused by industrialisation and urbanisation was growing poverty of the workers who no longer could make ends meet working on their lands, but would be unemployed in the city if they had lost their jobs. Government initiatives targeting public education, public health, food and housing were intended to find lasting solution to these social issues (Hanson).

Political opportunism also played an important role in the creation of early social welfare initiatives. The growing unrest of the population gave more and more room for socialist ideas and the labour movement to grow, the German Social Democratic Party's recommendations for a fair treatment of workers became very popular. Were the government to stay in the good books of the massive and growing number of city workers, it had to meet their expectations and give adequate response to their demands. Otto Bismarck realised that if he had ignored these demands, that would have jeopardised the stability and the proper functioning of the state, and therefore the immediate setup of a structured and organised social welfare policy became inevitable (Boissoneault).

Otto Bismarck's model focused on social security, i.e., securing one's position in the already existing social hierarchy, therefore can be seen more as conservative. His

program included health and accident insurance and a form of old-age pension as well, however, all these did not aim to approach equality between the citizens, so in itself did not question the existing status quo. Nevertheless, Bismarck raised a very important question and made it a part of public conversation: Is the government responsible for its citizens in need, and to what extent? He saw this task as a Christian duty and deriving from the very nature of governments. Otto von Bismarck, the Chancellor of Germany from 1871 to 1890, is often credited with developing the concept of the welfare state. Bismarck's social welfare policies were driven by a desire to strengthen the German State and maintain social order (Andersen 6).

The Bismarckian social welfare model had a strong focus on insurance types, mainly benefitting workers had they fallen ill or been incapable of working. The system was designed to be sustained based on contributions coming from the employer, the employee and the government as well. The fact that the German government was willing to contribute to these social funds also meant that it saw this as an investment in human capital and therefore the stability of the entire state. The system had three main pillars. The first was an illness and injury insurance, which benefitted workers who fell ill on the job. This pillar also made effective medical treatment accessible for people who otherwise could have never afforded hospitalisation, let alone could have dreamt of sickness allowance. The second pillar was a compensation program, so that when workers got injured or disabled, and were unable to continue to work, they could survive. The third pillar was a pension program for the elderly, workers who survived into their seventies and could no longer work in the industry anymore. Otto Bismarck's model proved to be effective and became popular in Europe—very similar model was implemented in Swiss cantons, Austria-Hungary, moreover in Scandinavia shortly (Andersen 6, Myles 35).

Swiss cantons had high levels of autonomy, even more so than today, therefore relationship between the canons did not stand in the way of quick and effective decision making in polity and legislation. For historical reasons specific to Switzerland citizens were also involved in the decision making process on an ongoing basis, because of which the Swiss welfare system was intertwined and in a way stem from local initiatives of the citizens. The Swiss model was based on four main pillars. The first addressed the issue of poverty, and was co-funded by the family in question, the community where the family belonged and the canton. The second pillar addressed health, creating hospitals and also a corpus of public health related regulations to resolve issues, such as inconsistency in the

quality of food and water, or bad hygienic practices. The third pillar was a pension program for the elderly, but this did not benefit contributing workers, but rather all of those who were in need. This practice is called means testing, where the beneficiaries are of those most in need of the benefit. The fourth pillar targeted education, making education free of charge and compulsory in some cases. It is worth mentioning that the high level of autonomy also meant that different cantons could use different ways and methods to address a social issue, therefore social welfare policy differed a lot among cantons.¹

In the case of the Austro-Hungarian Empire, just as the previously mentioned German and Switzerland, urbanisation and industrialisation and relating social challenges played a very similarly important role in creating one of the earliest welfare states in Europe in the nineteenth century. The early Austrian welfare system consisted of a sort of workers' health insurance in case of illness and sickness, plus a compensation package in case of injury or disability, and also an old-age pension for workers who reached their elderly years. The program itself focused on workers, and contributions came from the government, the employer and the workers themselves. Additionally to the mentioned workers' benefits, the state also created a set of social policies for children including compulsory education and passing laws limiting child labour.²

Not long after the introduction of the Bismarckian model in the German Empire, Scandinavian countries started creating a very similar welfare model to the German and Swiss ones. It included measures related to public health, food and water safety, and sanitation, a form of old-age pension, mandatory education for children and a type of unemployment insurance. The state had a leading role in shaping and operating the system, but contributions came, just like in the previously mentioned welfare examples of Germany, Switzerland or Austria, employers and employees too, not only government funds (Baldwin 7, Hort and Kuhnle 2).

In the first half of the twentieth century the West witnessed two world wars, and major economic instability. As a response many countries created social welfare programs, including different pension types, or insurance for the ill and unemployed. The state in all cases had a shaping and controlling role, their responsibilities grew with the complexity of the programs and the development of the welfare systems. Starting from the 1960s, due to

¹ History of Social Security of Switzerland: <https://www.historyofsocialsecurity.ch/topics/federalism-and-cantons>

²International Encyclopaedia of the First World War: <https://encyclopedia.1914-1918-online.net/article/austria-hungary>

the economic development after the world wars and the effectiveness of social policies, Western societies saw huge changes in their demographics, and the first cracks started to appear on the surface of the social systems. The sustainability of the welfare state became an important questions as social expenditures started rocketing, and many called for a more neoliberal economic approach limiting these expenditures, and more frugal governments. Gradually the private sector gained more and more importance in sustaining the welfare systems. These neoliberal tendencies continued throughout the later half of the twentieth century with reduced governmental spends and limited social programs (Myles 42).

By the beginning of the twenty-first century new social issues emerged induced by global changes of climate, longevity, migrational patterns. Societies all over the world went through a massive transformation. Governments had to reconsider their role in designing modern societies and welfare states, and also had to revisit old questions such as poverty reduction and social inclusion policies. In the European Union a series of economic setbacks, political instability, and major demographic challenges gave way for including a new generation of social welfare policies in the public conversation, aiming for poverty reduction, equality and inclusion, and the overall competitiveness of the EU (Gong 60).

1.2 A Typology of Welfare States

Welfare models differ immensely in the way they are financed and sustained, the way they redistribute resources, and the focus of their social expenditure. Multiple ways of categorisation of welfare state have been developed throughout the years. One of the often referenced categorisation systems is created by Esping-Andersen, who differentiated liberal, conservative and social democratic welfare states (Myles 40).

According to the Esping-Andersen typology the most important objective of the liberal welfare state, which in other categorisation systems is referred to as the “residual” model, is to reduce poverty itself and to ease the burden of those most in need. This means that liberal welfare states are so-called “means-testing”, i.e., not universal. Anglo-Saxon countries are good examples of the liberal model, in which individuals are held highly responsible to meet their own welfare needs and other actors of the system only provide

additional services or facilitate services to reach their potentials. This also means that the responsibility of state is limited to helping those financially least fortunate. In these countries market and market mechanisms have definitive impact on how resources are allocated and the state leave these mechanisms to work as freely as possible (Myles 40).

Conservative welfare state, or what we can also call the “Corporatist” or “Christian-Conservative” welfare regime, is in between the liberal and social-democratic model regarding, i.e., have attributes of both ends of the spectrum. In conservative welfare states benefits are not applicable universally throughout all citizens, but only to chosen groups of the population. A strong emphasis on family is a distinctive feature of conservative welfare states, and families are seen as the most important building elements of the society, not the individuals. Merit can also be very important in these countries, where one’s contribution to society often serve as the base of the distribution of resources. Most of continental Europe follows this welfare regime in one form or another, Germany and France are good examples, but Eastern European countries belong to this group, as well (Myles 40-41).

In Social-democratic welfare states, or in other terminology the “universal” model, the state has a strong impact on and responsibility in providing social welfare services to its citizens. These systems are also universal, that is welfare services and benefits are provided to all eligible citizens, not only classes or groups, moreover these countries tend to have a more progressive tax system. The aim of the social-democratic welfare state is to create equal opportunities for all citizens, regardless of one’s social position or financial situation. Nordic countries, such as Denmark or Finland, are good examples of the social-democratic welfare model (Myles 40-44).

It is worth mentioning from a European point of view, that an interesting mixed system, the Southern-European model, is also given its own sub-category lately, where different social expenditure types follow different regimes (e.g., the healthcare is universal, but other benefits have designated target classes) (Myles 39).

2. The Impact of Welfare State

2.1 Redistribution of Resources, Taxation and Poverty Reduction

Existing modern welfare states in Europe differ immensely in the nature and extent of redistribution of wealth, for they rely on multiple income sources, such as taxes or voluntary contributions, but there are many different ways they allocate those resources. Arguably, how resources are distributed and re-distributed is the single most important question around the functioning of welfare state, since it will have an overall impact on all other aspects, such as political dynamics and the functioning of democratic processes, health and life expectancy, equality and inclusion, and so on. To better understand how different welfare regimes find the means to finance their systems, we need to get acquainted with two concepts, namely the verticality of redistribution and the progressiveness of taxation.

First, the re-distribution of welfare regimes can be horizontal or vertical, depending on who the beneficiary will be. If the contributor will be the beneficiary as well we call it a horizontal system, since the contribution will be returned to the contributor throughout their lifetime. If the beneficiary is someone with lower earning potential, we call it a vertical system, since the contribution of one citizen will be directed to another citizen of a different class. In both the horizontal and the vertical systems we can find inter-group re-distribution elements, where wealth flows in the form of benefits from one group of society to another one. Re-distribution from young to old, from healthy to ill, sometimes from singles to families can be found in both systems in one form or another (Esping-Andersen 1-2).

In conservative regime countries the taxation is less progressive, meaning that there is not so much of a difference proportionally between what a low and what a higher earner contributes to the common budget. This method is closer to a meritocratic ideology, where individual results of single citizens can create huge differences between their life circumstances. Here the redistribution is mainly horizontal, which means that the redistributed resources mainly benefits the self-contributor, and sometimes those in need (among others here we can think of family and children benefits), but there is not a lot of movement of resources between classes or groups. In this case the system re-distributes

wealth throughout one's life cycle, citizens receive back, more or less, as much as they contribute by income taxes or self-contributions (Esping-Andersen 1-2).

Generally, the redistribution scheme of conservative welfare states focuses a lot on traditional value systems and limits social spending (Myles 40). These countries use means-testing methods when defining targeted beneficiaries of benefits, just like liberal welfare states do, and criteria to receive those benefits are somewhat stricter than those of social-democratic welfare states. There is a very strong focus on family values and families, which are heavily benefited over other walks of life. It is common to guarantee some kind of tax deduction for families with 2 or more children, also encourage mothers to stay with their children home for a longer time than in social-democratic welfare states. This also results in many women never returning to the job market (Esping-Andersen 3, Myles 7).

It is also very important to mention, that the state has limited responsibility in providing public services and countries of this regime normally rely on the private sector to, at least partially, provide public services. This means that, since very similar tax rates apply to lower and higher earners and the budget is more limited than in social-democratic welfare states, therefore the conservative state also needs to be more frugal when redistributing. As a result, citizens might need to purchase some services, such as health insurance or private healthcare services, which wealthier citizens can do more easily. Individuals are expected to take care of themselves and the system provides only a safety net rather than serving as an overall support system in case the individual fell ill (Myles 16).

The frugal budget handling of conservative welfare states show up very clearly during times of economic recession. Generally conservative welfare states have a tendency to limit their social spending and prioritise balancing their budget. However, this tendency is even stronger when these countries go through economic or financial hardship. It does not necessarily mean that their budget is, indeed, well-balanced, but rather means that their focus is on their finances first, and therefore will refrain from spending on public services or investing in human capital, and will provide only a limited amount of financial relief, normally only for those most in need (van Kersbergen 17-19).

Nordic countries in Europe on the other hand, which are following a social-democratic welfare regime, taxation is more progressive and therefore the re-distribution of wealth is more vertical. They are characterised by a universal welfare system, where the

main focus is on providing public services of high quality throughout the eligible population, regardless of their earnings. In this regard one could say that social-democratic welfare states promote equality over equity, since all citizens fall under the same consideration when applying social benefits. In these countries benefits, by design, are supposed to provide support for all citizens, not only those who are most in need. The provided services include free and universal healthcare and public education and other social services (Esping-Andersen 2, Baldwin 6).

Following on from the above, social-democratic welfare states have a relatively high social spending compared to that of a conservative welfare state. This system is sustained by high taxes, and a highly progressive taxation system (Esping-Andersen 2-4). This means that citizens with the higher incomes pay the highest tax rates, and those earning the least pay the least. This serves as the financial support for them to give generous social benefits, alongside with high-quality public services (van Kersbergen 14). A very interesting feature of social-democratic welfare states is the strong protection and representation of workers. Social policy is designed to support labour rights and guarantee fair wages for everyone. One of the most important parts of this system are unions who make sure that workers have a fair legal representation and fair wages.

The progressive taxation and generous benefit system, however, also can be a source of tension between certain parts and groups of the population. The system is universal and not means-testing in nature in countries like Denmark or Finland, and it also means that the middle and higher middle class can also benefit from social services as much as lower social classes, and at the same time more conservative citizens can think that less wealthy citizens are benefited disproportionately compared to wealthier citizens who contribute more to the budget. For this reason trust in the welfare state and its institutions have a very important role in keeping social tensions under control (Gong 91-92).

The re-distribution of liberal welfare states is uses a similar means-testing model as conservative welfare states, meaning that then system is not universal, but means-testing, and only those are the beneficiaries of most social benefits who are really in need. The most relevant benefit types of this sort include unemployment benefits, or food assistance for the poor. This also means that the number and the volume of public and social services are limited compared to those of a social-democratic welfare state. This system can work, just like in the case of conservative welfare states, only relying on the private sector, which

takes a big part in providing a number of social services such as healthcare, pension or insurance. Citizens often have only limited state-supported options and, depending on their own needs, may need to pay for some additional service provided by the private sector. Inevitably this also means that the responsibility of the individual for the self becomes more important and proportionately the state's responsibility in providing solution and services becomes less important. Citizens are expected, by the state and also by society, to take care of their own financial and social needs, and having appropriate level of education and getting a better job is simply one's own individual business. Liberal welfare states, similarly to conservative welfare states focus on eliminating fiscal imbalances, and it means lower social spending. These countries have a different technique to meet the needs of their citizens, and they aim for creating the ideal environment for individuals so that they can meet their own needs by creating jobs and focusing on economic growth. Liberal welfare states therefore do not believe in state intervention in economic processes and promote free market processes. If citizens ended up in a situation where they could not provide food, water or shelter for themselves, the state steps in, but only as the last safety net. The system is supported by a less progressive taxation system, and generally lower tax rates. This can leave more money in higher earner's pockets, and also can impact the upper end of middle class positively, however the common budget will be smaller and therefore the focus shifts on providing the most important social and public services to those who rely need them (Esping-Andersen 8, Myles 39-40).

One of the major impacts of any kind of re-distribution is that the particular social policy of the country directly or indirectly affects the earning potential of its citizens, and in this way has an overall impact on productivity and competitiveness. In horizontal systems, by educational, healthcare and other social policies, a designated group or class gains advantage over other classes or groups, since the government decides who's expenses are subsidised. In vertical re-distribution the entire eligible population receives the same benefits and gains then same advantage. By investing in human potential a country can gain advantage in the long run (e.g., Finnish school system). At the same time welfare states can also create distorted and disproportionate possibilities for different groups or classes. There are also differences in the approach to employment rates between welfare states. Countries where no-income periods, such as maternity or paternity leaves, or retirement, are minimised, have a more equal re-distribution than those countries, where these periods are longer (Esping-Andersen 2).

There also seems to be a very interesting correlation between the re-distribution type of a welfare state and the political traditions of the particular country. There is research data showing that in those countries where left-leaning parties govern, lower-income groups are benefited more. Left-wing parties tend to sympathise more with the less-well-off classes and create a system in which these classes benefit disproportionately over wealthier citizens. Denmark is a good example of these countries, where the leading left-wing coalition has the backing of the majority of the population, and the country has a distinctively progressive taxation system and a vertical re-distribution scheme (Esping-Andersen 4).

2.2 Happiness and Wellbeing

The concept of happiness and wellbeing are subjective, and can be influenced by economic, social, and cultural background, as well as individual life circumstances. The mere meaning of the words can be a subject of heated arguments, depending on the specific time and space happiness and what it entails changes a lot, however, research suggests that there are some general trends and correlations in the happiness and wellbeing of citizens across different welfare states in modern Europe.

Measuring happiness and wellbeing is a debated and complex thing to do. Different methods are used to measure the happiness of citizens and gain relevant data not only in Europe but around the world. The World Happiness report³ is one of these annual reports—published by the UN. The report uses data from surveys conducted by the Gallup World Poll, which assesses factors, such as income, social support, and freedom to make life choices⁴. The European Social Survey is carried out every two years and collects data on various aspects of social life in Europe, happiness, and wellbeing, using questions to assess overall life satisfaction, sense of purpose, and social support⁵. Another important survey, the European Quality of Life Survey⁶, which is carried out by the European Union, assesses some more objective measures of quality of life, such as income, housing, and

³ URL.: <https://worldhappiness.report/data/>

⁴ About World Happiness Report. URL.: <https://worldhappiness.report/about/>

⁵ About ESS. URL.: <https://www.europeansocialsurvey.org/about/>

⁶ Eurofound website. URL.: <https://www.eurofound.europa.eu/surveys/european-quality-of-life-surveys>

health indicators. Yet another source to turn to can be the OECD Better Life Index measures the quality of life of OECD member countries, and uses indicators such as income and education, therefore the data can be seen as more tangible⁷. It is also important to note here that the measurement of happiness and wellbeing, and also fine-tuning of the methodology used is an ongoing process, and there is ongoing debate about the best methods and tools for assessing these concepts.

The latest research results suggest that citizens of conservative welfare states have a relatively high levels of happiness⁸, although the relationship between conservatism and happiness is not as strong as the relationship between social-democratic policies and happiness. In other words it is easier to find correlation between social-democratic welfare policy and overall life-satisfaction than between those of conservative welfare states.

As a definite counterargument that can contribute to lower levels of happiness we can mention that conservative welfare states tend to prioritise economic growth and individual responsibility over social welfare policies and this might lead to greater income inequality and less social support from the state. Conservative welfare states have strong family values and social cohesion, which can promote social connections and feeling of belonging. Additionally, conservative welfare states have policies that prioritise personal freedom and choice, which can contribute to individuals feeling more satisfied with their lives (Myles 40). For example, in conservative welfare states like Switzerland and Germany, citizens reported high levels of life satisfaction⁹. However, it is worth mentioning that both Switzerland and Germany are high income countries—low income conservative countries report much lower level of satisfaction. They also have lower levels of social spending compared to social-democratic welfare states—it is also higher than liberal welfare regime countries. All this may contribute to higher levels of poverty and social exclusion, which can negatively impact the overall wellbeing of some citizens (Esping-Andersen 4-6).

Moreover, some conservative welfare states may have policies that promote traditional gender roles and family values. This general finding can have many implications, of course. One of them is the disproportionate representation of women in

⁷ Better Life Index website. URL.: <https://www.oecdbetterlifeindex.org/#/1111111111>

⁸ World Happiness Report 2023. URL.: <https://worldhappiness.report/ed/2023/world-happiness-trust-and-social-connections-in-times-of-crisis/#ranking-of-happiness-2020-2022>

⁹ OECD Better Life Index, results by countries. URL.: <https://www.oecdbetterlifeindex.org/#/1111111111>

care-related professions, such as nursing, teaching in pre-schools, or social care. Countries like Hungary and Poland, conservative governments have implemented policies that restrict access to reproductive healthcare and promote traditional gender roles. These policies have been criticised for perpetuating gender inequalities and limiting women's autonomy and wellbeing¹⁰.

Happiness levels in liberal welfare states in Europe vary depending on economic growth, inequality, individual freedoms, and the quality of social services. The subjective wellbeing and life satisfaction of citizens are relatively high, which can have correlation with the promotion and encouragement of individualism, personal freedom, which is held more important than collective responsibility and social solidarity (Stefan 31). There is also a stress on the importance of self-agency, self-reliance, and market mechanisms in achieving welfare and happiness with limited state intervention. While these countries rank enough well on subjective wellbeing indexes when it comes to life satisfaction, they also have some serious limitations. Liberal welfare states have lower levels of taxation and social spending compared to most social-democratic welfare states, and this might lead, in some cases, to an increased level of personal income, which can therefore lead to higher levels of life satisfaction and happiness. However, those who “fail” to live with the opportunities produced by the system can easily find themselves in a vicious cycle of living pay check to pay check, or not being able to afford the same level of education or healthcare as some wealthier citizens (Esping-Andersen 9).

There has been some serious criticism of the liberal model regarding its strong preference of individualism, even if it is at the expense of collective wellbeing and social equality. The reasoning is that the state gives too much freedom to the market and it may contribute to higher levels of social inequality, poverty, and exclusion. This can have an impact on the happiness and wellbeing of those who fall behind, but especially those who are marginalised or disadvantaged. In the UK social spending cuts introduced by the conservative government have resulted in growing poverty and lower levels of wellbeing (Myles 49).

Social-democratic welfare states in Europe on the other hand, such as Nordic countries, are good examples for having high levels of happiness and wellbeing among their citizens. These countries typically have strong welfare systems that provide universal

¹⁰ EIGE, Gender Equality Index. URL.: <https://eige.europa.eu/gender-equality-index/2022>

access to healthcare, education, and other social services. These social safety nets are backed up by high levels of social spending by the governments. They also tend to have low levels of income inequality, high levels of trust in the welfare system and generally speaking in decision-making processes. Moreover, citizens in these states show strong social solidarity towards each other and a strong sense of belonging to the community (Myles 40, Host and Kuhnle 2). Countries of Northern Europe report high levels of life satisfaction in all areas and walks of life (OECD Better Life Index). Finland ranked first on the list of the happiest countries in the world for the fourth time in a row, and other Nordic welfare states of Denmark, and Iceland rank among the top 10 happiest countries in the world (World Happiness Report 2021). These countries are all high-income countries with strong healthcare and educational welfare policies, and lately also a strong focus on family and children benefits. Nordic countries, contrary to general direction of conservative welfare policies, treat individuals as the smallest building block of society and therefore the social-democratic model acknowledges and benefits different family setups, which might be different from that of the traditionally accepted one (Gould Andersen 11-12).

One of the most important effect of Nordic welfare state provisions is reduced financial burden on the citizens—not only nominally measurable, but also when it comes to the citizens' own opinion. Social-democratic welfare states often have generous and universal welfare programs that provide a safety net for all citizens when in need. This can reduce financial stress and increase feelings of security, which in turn may contribute to higher levels of happiness and wellbeing (Goul Andersen 16). Social-democratic welfare states also have lower levels of income inequality due to progressive taxation systems in effect in these countries. This can reduce feelings of social tension and increase trust in institutions and fellow citizens, which may also contribute to higher levels of happiness and wellbeing.

Nordic welfare states practically eliminated any financial burden when it comes to having children or taking care of one's health and this reinforces a sense of inclusivity, in other words investing in education, healthcare, and other social services can promote social cohesion and a sense of community. A sense of belonging to a community and wide range of social supports can contribute to higher levels of happiness and wellbeing, democratic participation and civic engagement (Goul Andersen 8). The life satisfaction survey results show that this can contribute to a sense of personal fulfilment and purpose, which may contribute to higher levels of happiness and wellbeing (Hurt and Kuhnle 10).

2.3 Individual and Society: Quality of Life, Education and Healthcare

Different welfare state models can have significant societal impacts that can affect various aspects of people's lives and form the relationship and dynamics between individuals and society.

First of all, welfare related policies seem to have correlation with income equality (Goul Andersen 5). The higher levels of income equality in social-democratic welfare states, which are due to their distinctive take on income taxation and redistribution, strong labor right protection, and higher levels of unionisation, result in better wages, more secure jobs, and better working conditions. In contrast, liberal welfare states have lower levels of income equality, as their policies prioritise market mechanisms and individual responsibility over social protection. Conservative and liberal welfare states may prioritise market flexibility over job protections, which can lead to more precarious employment and income insecurity (Myles 39-40).

Based on the previously mentioned surveys and research data a correlation can be observed between income inequality and health outcomes, namely that more income inequality is associated with worse health conditions and illnesses, including higher rates of chronic diseases, mental health issues, and lower life expectancy¹¹.

The lower the income inequality is in a country the smallest the difference is between the type of healthcare services different citizens can afford. In case when there is a higher income inequality only healthcare-related social welfare policy can help to even out the differences and make it possible for lower earners to access healthcare and services.

In conservative welfare states the inequality is high, but the state tries to enable low-income citizens to access healthcare, but because of the limited budget public healthcare services are of lower quality in some cases—depending on the specific conservative example, since there is a relatively high variance in their individual results. The healthcare system of conservative welfare states also may be more privatised, yet, they generally provide a higher than average level of healthcare services, despite their emphasis on individual responsibility and limited social spending. For instance, the system of German healthcare providers is made of public and private institutions, based on their income level different citizens can afford different quality of service. Lower earners can

¹¹ OECD Better Life Index, Health by country. URL.: <https://www.oecdbetterlifeindex.org/topics/health/>

use public services—the quality of which differed from country to country—and higher earners can use private healthcare services. Nevertheless, citizens have a relatively high life-expectancy—due to the fact that all European models offer a kind of accessible healthcare service for the public—, however, there are still disparities in health outcomes between different socioeconomic groups and regions. Citizens of Western European conservative welfare states have a higher life-expectancy and better health outcomes, in general, than liberal welfare states, but fall behind social-democratic welfare states in terms of reducing health inequalities. Conservative welfare states in Eastern Europe and Southern Europe show similar health outcomes to those of liberal states.¹²

In liberal welfare states income inequality is high as well, and citizens are expected to take care about their own health and use private services if necessary. There are examples where the state provides healthcare services to all, like the UK, but there is also a counter-example, like the US, which has much worse results in life-expectancy and quality of life among the general population.¹³

Social-democratic welfare states try to reduce income inequality and also provide universally accessible healthcare—however, it costs a lot and the long-term sustainability of the system is debated in light of ageing population and the reshaping societies in the twenty-first century. They also have higher life expectancies and lower infant mortality rates due to their comprehensive healthcare systems and preventative health policies. This suggests that by reducing income inequality health outcomes get better, and as another positive effect it can increase social mobility, so that individuals can have a better chance of moving from one economic class to another. To conclude, greater income equality, and consequently the questioning of traditional social positions and hierarchies, can lead to greater social cohesion, as people are more likely to feel a sense of community and shared identity when they perceive that everyone is treated fairly. By reducing the gap between rich and poor, societies can also reduce the likelihood of economic instability and financial crises. This is because income inequality can exacerbate economic booms and busts, leading to greater volatility (Hurt and Kuhnle 20).

Eastern European conservative welfare states went through a lot of change after the fall of the Soviet Union, and this shows on their welfare policies and healthcare systems, as

¹² OECD Healthcare Quality and Outcomes. URL.: <https://www.oecd.org/health/health-care-quality-and-outcomes.htm>

¹³ OECD USA Health Profile. URL.: <https://data.oecd.org/united-states.htm#profile-health>

well¹⁴. First, in the early years of transition they experienced a decline in health and life expectancy due to economic and political hardships, as well as due to the total reboot of their social welfare policies and system. Then in recent years, they made some serious progress in the improvement of these areas.

Slovenia, Estonia, and the Czech Republic introduced comprehensive health care reforms that led to increased life expectancy and improved their health outcomes statistically speaking, as well. A little slower progress can be seen in the case of Bulgaria and Romania, which still have lower life expectancies and poorer health outcomes compared to Western European countries.¹⁵

During the first couple of years of the transition to become a market economy Hungary reduced its social spending. In recent years, however, the government implemented a number of new policies, including a new family support system, an increase in the minimum wage, and an expansion of free childcare. Despite all these initiatives, Hungary is still behind other European countries in terms of social spending, and most importantly, expected social outcomes.¹⁶

In the last few decades the Polish government introduced some important welfare related policies, and increased their social spending. By these measures they successfully expanded their healthcare system to somewhat catch up with EU standards, and also introduced a new generation of child benefit programs to encourage families to have more children—with limited success. Nevertheless, the new policies had a positive impact on some of the outcomes, mainly in areas of infant mortality and life expectancy. Health and life-expectancy in Hungary and Poland have improved a lot after the measures came into effect, e.g., reducing premature deaths caused by cardiovascular disease and cancer, but both countries, along with other Eastern European countries in the region, are still much behind the Western part of Europe¹⁷, which did not have to go through the reconstruction period after communism ended. There is still a lot of room for improvement in both

¹⁴ Economics and Sociology, Determinants of Social Expenditure in Post-Socialist Countries. URL.: https://www.economics-sociology.eu/?675,en_determinants-of-social-expenditures-in-post-socialist-countries

¹⁵ WHO website, data on life expectancy by country. UR.: <https://data.who.int/countries/>

¹⁶ ¹⁶ Economics and Sociology, Determinants of Social Expenditure in Post-Socialist Countries. URL.: https://www.economics-sociology.eu/?675,en_determinants-of-social-expenditures-in-post-socialist-countries

¹⁷ Economics and Sociology: A Comparative Analysis of the Health System Financing in Poland and Selected Countries. URL.: https://www.economics-sociology.eu/?426,en_a-comparative-analysis-of-the-health-system-financing-in-poland-and-selected-countries

countries when it comes to preventable disease reduction. Higher rates of smoking¹⁸ and alcohol consumption, as well as lower levels of physical activity and poorer diet still have a huge impact on the quality of life and expected longevity of their population. They also had to face and find solution for some very specific issues, such as underfunding, shortages of healthcare professionals because of emigration, and a lack of access to modern medical technologies and treatments. To combat the mentioned issues Hungary increased its healthcare spending, and expanded access to preventive services.

Countries with social-democratic welfare regime in Europe have shown better numbers in life expectancy and general health, and enjoy better health and have better life expectancies compared to citizens of other welfare regimes.¹⁹ This can be attributed to their comprehensive and universal healthcare systems, preventive care, and social safety nets that reduce poverty and inequality. The citizens of these countries have universal access to healthcare, with comprehensive coverage for a range of services, including preventive care, primary care, hospitalisation, and prescription drugs. The emphasis on prevention and primary care is particularly important, as it helps to identify and address health issues early on, before they develop into more serious health issues and therefore the citizens can have a healthier and longer life, and also the system can reduce unnecessary spend.

Liberal welfare states may provide some universal healthcare programs—the UK is a good example—, but these countries generally place more stress on market and private healthcare options (Esping-Andersen 9). This can lead to greater disparities in access to healthcare and social services, particularly for low-income individuals and marginalised communities. On one hand, in the United Kingdom the NHS provides universal healthcare coverage to all citizens, on the other hand, the UK also has higher levels of income inequality—this can be explained by other social policies and the general approach to market economy.

Ireland is usually categorised as a liberal welfare state. Its complex public-private mixed healthcare system underwent several reforms over the years. Currently the country provides a universal healthcare coverage, which was introduced by the Sláintecare plan. The plan's most important objective was to provide access to timely, high-quality care for

¹⁸ Economics and Sociology: Is Early Smoking a Fashion Trend or a Defensive Mechanism? URL.: https://www.economics-sociology.eu/?248,en_is-early-smoking-a-fashion-trend-or-a-defensive-mechanism---study-on-consumer-behaviour-among-students

¹⁹ WHO website, data on life expectancy by country. URL.: <https://data.who.int/countries/>

all citizens, which is basically a universal healthcare model.²⁰ The plan shows similarities with the healthcare program of Nordic countries, and also a strong correlation with the principles and objectives of the Nordic healthcare systems. The plan's focus on equity, universal access, primary care, and sustainability reflects the welfare state's core values of social solidarity, redistribution, and social protection. In cases when low-income citizens could not afford a healthcare service they now have the same opportunities as wealthier citizens. The principle of equal treatment is a fundamental aspect of social-democratic welfare states, which aims to distribute resources and opportunities in a manner that benefits the entire population. By reinforcing equality, Sláintecare aligns with the same welfare state objectives of reducing social disparities, this way takes one step closer to welfare states like, e.g. Denmark.

Another very important similarity between the new Irish and the Nordic healthcare systems is that the Sláintecare plan places a strong focus on primary care and prevention, to shift the healthcare system's focus from diagnosing illnesses to rather prevent them, investing in and promoting early intervention and disease prevention.²¹ This can eventually lead to improved health for the citizens, and will also reduce healthcare costs in the long run for the state. In this way the plan makes the healthcare system more sustainable, which is one of the core deliverables of Sláintecare. This includes reforms to the funding structure, re-designing workforce structures and planning, and the interconnection of health and social care in a smart way.

The healthcare system of Ireland may be complex, but the results are showing already, since the country has good outcomes compared to other European countries due to the above mentioned measures.²² For example, the life expectancy is somewhat higher, while infant mortality rate is lower than the average for the European Union. Mortality rates in case of cancer, cardiovascular disease, and other chronic illnesses started to decline in the past few years. An interesting side note is that Ireland also has a relatively high level of subjective well-being among its citizens in these past few years (World

²⁰ Government of Ireland. URL.: <https://www.gov.ie/en/publication/6996b-slaintecare-implementation-strategy-and-action-plan-2021-2023/>

²¹ Sláintecare Strategy Implementation and Action Plan 2021-2023 (p 5).

²² WHO website. URL.: <https://data.who.int/countries/372>

Happiness Report 2021), as Ireland came out as the 14th happiest country for the period 2017-2019, and even moved one place up in the list for the year 2020.²³

An other very important measurable domain impacted by social welfare state related policies is education. In conservative welfare states, the funding of public education relies on taxation and user fees, which means that costs in some ways are shared between the contributors, i.e., the state, the institution and the families (Education at a Glance 265-277).²⁴ This approach may result in disparities, as families with higher incomes can access additional educational resources through private schools or supplementary tutoring. Schools which are privately funded have more control over their operations, curriculum, and personnel management—since they need mostly only licences for operation but the state has no control over their management—, whereas in the case of public schools, logically, local authorities or school boards have the control, and define the curriculum. The coexistence of a centralised and a decentralised model and the parallel existence of private and public curriculum can lead to variations in the quality of education and exacerbate inequalities across regions, classes and families.

The educational system of conservative welfare states can face some difficulties worth mentioning. When examining the mechanisms of educational systems of conservative welfare states the system reflects the broader ideological and policy preferences of the particular country, and since the future generations spend their formative years in these institutions, there is a strong correlation between welfare policy and the educational system in these countries. As before mentioned they generally emphasise individual responsibility, market mechanisms, and limited state intervention, although there are variations in how these principles are implemented. The funding mechanisms, governance structures, focus on standards and accountability, marketisation, and limited state intervention all shape the educational landscape. They promote competition by allowing for school choice, be it may public or private, which enables parents to select schools based on their preferences. This, as mentioned, affect both public and private institutions. School vouchers or subsidies may be provided to facilitate access to private, or independent schools. While this approach can provide families with more options, it may also reinforce social inequalities if certain schools become more desirable due to their

²³ World Happiness Report 2021. URL.: <https://worldhappiness.report/ed/2021/happiness-trust-and-deaths-under-covid-19/>

²⁴ OECD Education at a Glance 2022. URL.: <https://www.oecd-ilibrary.org/docserver/3197152b-en.pdf?expires=1685905620&id=id&accname=guest&checksum=F2098CAF06D2A3CCD009134B19EAD95F>

reputation or resources. While conservative welfare states establish policies and regulations centrally, they may be less involved in direct intervention or resource allocation, and the focus is often on creating a framework that allows market forces and local decision-making to shape the education system. The limited state intervention can result in a lack of consistency in educational opportunities and may lead to gaps in quality and access between institutions and even whole regions, particularly for disadvantaged students (Education at a Glance 136)²⁵.

Early childhood education and care plays a special role in Nordic countries, viewing it as a crucial foundation for later learning. They provide high-quality, accessible, and affordable ECEC programs. These programs focus on play-based learning, social interaction, and the development of a solid foundation in literacy, numeracy, and problem-solving skills. All of these activities also encourage social networking, reinforce teamwork and mutual reliability. This is a comprehensive schooling model that promotes equality by providing education for all students regardless of financial or other background. This approach encompasses primary and lower secondary education, typically spanning from age six to sixteen. The aim is to ensure that students receive an inclusive education and minimise social segregation (Education at a Glance 145).²⁶

Social-democratic welfare states value formative assessment and individual feedback to support student learning. Equal access and inclusion are core principles of these education systems, which provide equal educational opportunities for all students regardless of their economic background. The system offers comprehensive educational options, support services to ensure that every student has a fair chance to succeed. As a result of early childhood education, comprehensive schooling, and student-focused approach to learning, these countries have achieved excellent educational outcomes. The focus on inclusivity, equal opportunities, and holistic development of students reflects the core values embedded within Nordic societies (Education at a Glance 118).²⁷

Liberal welfare states, as prefaced, have an emphasis on individualism, free markets, and limited state intervention, and these tendencies also show in their educational

²⁵ OECD Education at a Glance 2022. URL.: <https://www.oecd-ilibrary.org/docserver/3197152b-en.pdf?expires=1685905620&id=id&accname=guest&checksum=F2098CAF06D2A3CCD009134B19EAD95F>

²⁶ OECD Education at a Glance 2022. URL.: <https://www.oecd-ilibrary.org/docserver/3197152b-en.pdf?expires=1685905620&id=id&accname=guest&checksum=F2098CAF06D2A3CCD009134B19EAD95F>

²⁷ OECD Education at a Glance 2022. URL.: <https://www.oecd-ilibrary.org/docserver/3197152b-en.pdf?expires=1685905620&id=id&accname=guest&checksum=F2098CAF06D2A3CCD009134B19EAD95F>

philosophy and practices, governing principles and funding structure. The focus of the liberal welfare state school system is on the development of human capital and individual achievement, which makes the environment for children highly competitive. They place a strong stress on individual choice, personal responsibility, and market-oriented solutions, therefore students are encouraged to engage in competition (Myles 40). The educational philosophy is often influenced by the belief that education should prepare students for the demands of a competitive global economy.

Liberal welfare states typically rely on a combination of public funding and market mechanisms to finance their school systems, as it derives directly from their overall approach to economy (Myles 40). Market mechanisms can be seen within their education systems, allowing for school choice. School choice aim to introduce competition and increase awareness and responsiveness to consumer demands, which plays a relevant role in the citizens future at market-driven workplaces. However, this approach can result in inequalities if certain schools become more desirable or if families face barriers in accessing high-quality education options. They mostly have a mix of public and private schools,—since there is a high demand for schools which can give students advantage on the job market—, with various funding sources, such as vouchers or subsidies. This approach promotes competition and gives certain children greater chance on the market, but it also leads to an inequality of resources and education (Education at a Glance 279).²⁸

2.4 Individual and Society: Trust and Social Cohesion

The results of surveys time and time again show that social-democratic welfare states rank higher than average in trust, social cohesion, civic participation, social equality and solidarity. This aspect is part of the surveys researching welfare for a reason, namely because trust and social cohesion, as it turns out, are crucial in the functioning and well-being of societies. We can deduce from the data that in countries like Denmark, Finland, Iceland, Norway, or Sweden, societies are more trusting and have a strong social cohesion, but to get here it took much longer than welfare research has existed. Nordic societies have

²⁸ OECD Education at a Glance 2022. URL.: <https://www.oecd-ilibrary.org/docserver/3197152b-en.pdf?expires=1685905620&id=id&accname=guest&checksum=F2098CAF06D2A3CCD009134B19EAD95F>

a strong historical legacy of communal values, collective action, and consensus-building. Egalitarianism, fairness, and social solidarity has contributed to the development of high levels of trust among citizens (Hort and Kuhnle 12). The concept of "Jantelagen" in Sweden and "Janteloven" in Denmark, which promotes modesty, equality, and humility, exemplify the cultural underpinnings that foster trust and social cohesion.

Jantelagen, also known as the "Law of Jante," derives from a novel titled "En flyktning krysser sitt spor" (in English: A Fugitive Crosses His Tracks) written by Danish-Norwegian author Aksel Sandemose in 1933. He observed the social dynamics and cultural norms prevalent in his community, and got to write a novel that is set in the fictional town of Jante and explores the lives of its residents, depicting a society characterised by conformity, social order, and equality. Jantelagen refers to a set of unspoken rules and cultural norms that the characters in the book adhere to, shaping their behaviour and interactions with others. The concept of Jantelagen gained recognition and popularity beyond the novel, becoming a cultural phenomenon in the Nordic countries. It resonated with many individuals as it touched upon aspects of social conformity, egalitarianism, and humility that were observed in Nordic societies. Although Jantelagen originated in a fictional context, it has been widely embraced and discussed in Nordic cultures, reflecting a cultural mindset that propagates modesty, collectivism, and downplaying individual achievements. It has become a cultural reference point to describe and discuss certain aspects of social behaviour, co-existence and attitudes in the Nordic context.²⁹

At this point it is also very important to note that while Jantelagen captures certain cultural tendencies and norms but it is not a one-to-one reflection of Nordic societies, and should not be taken as one. The concept is subject to interpretation and debate, and its influence may vary among individuals and regions. Nevertheless, the concept of Janteloven, and the welfare state model, I argue, are closely intertwined and mutually reinforcing in Northern Europe. Janteloven refers to the widely accepted and promoted cultural norms of modesty, equality, and collective responsibility, and Nordic welfare state is a model which is built exactly on those norms. By social policies and programs aimed at promoting social and economic well-being welfare states designed societies around the Janteloven, which embodies the principle of egalitarianism and prophesies the equal worth of and equal opportunities for all individuals within a society. This cultural norm aligns

²⁹ "What is Janteloven?" in Scandinavia Standard. URL.: <https://www.scandinaviastandard.com/what-is-janteloven-the-law-of-jante/>

closely with the goals of the welfare state, which seeks to reduce socio-economic disparities and provide equal access to public services and resources. The welfare state's redistributive policies, progressive taxation, and focus on social equality resonate with the values of Jantelagen, promoting a sense of fairness and collective responsibility. The idea promotes a sense of solidarity and social cohesion, and the well-being of the collective over individual achievements, moreover a culture of trust, the importance of honesty, integrity, and trustworthiness, similarly to the welfare state that seeks to foster social cohesion by ensuring that basic needs are met and providing a safety net for all citizens. The provision of universal social benefits, such as healthcare, education, and income support, reinforces the values of Jantelagen by demonstrating a commitment to collective well-being and mutual support. This cultural norm contributes to high levels of trust in societal institutions, including the welfare state. Despite of the previous argument, there is no clear indication in the data, mathematically or statistically speaking, between Janteloven and trust. In other words the correlation is not clear and changes from country to country and even between genders (Cappelen and Dahlberg 6).³⁰

It is important to mention here that Jantelagen acknowledges the importance of self and of the balance between individual achievements and the well-being of the collective. Social-democratic welfare states also seek to ensure that individuals have equal opportunities for personal development while maintaining a strong safety net and support system. This balance between individualism and collectivism is reflected in both Jantelagen and the welfare state, contributing to societal harmony and cohesion (Cappelen and Dahlberg 4).

Nevertheless, even if we dismiss the concept of Janteloven, the comprehensive welfare state model in Nordic countries has played a significant role in building trust and social cohesion through universal social policies (i.e., healthcare, education, and income support, the welfare state ensures a sense of security, equality, and social rights for all citizens).³¹ The provision of robust social safety nets, and equal access to quality public services contribute to a sense of fairness, solidarity, and trust in societal institutions. Citizens are encouraged and capable of engagement in democratic processes, by participating in regular consultations, referendums, thus getting involved in policy making,

³⁰ "The Law of Jante and Generalised Trust" by Cappelen and Dahlberg. URL.: https://www.researchgate.net/publication/319191928_The_Law_of_Jante_and_generalized_trust

³¹ <https://denmark.dk/people-and-culture/trust>

all due to traditionally high participation rates in democratic practices and decision-making processes. This approach promotes a sense of ownership, empowerment, and trust in democratic institutions and the welfare state, as citizens feel their voices are heard and their concerns are addressed.

The already discussed aspects of welfare state, I would argue, all correlate with trust and social cohesion. First, Nordic countries have relatively low levels of income inequality compared to many other nations, and the therefore reduced socio-economic disparity contributes to social cohesion, and arguably trust, by mitigating divisions between different societal groups. Progressive taxation, wealth redistribution, and social policies reduce poverty and strengthen social exclusion, social cohesion, and trust in the fairness of the system. Second, Nordic education systems promote equality, provide equal access to quality education, and support students from disadvantaged backgrounds, and this contributes to social cohesion by ensuring that all citizens have the chance to succeed and contribute to society, irrespective of their socio-economic backgrounds. Additionally, Nordic states also have very low levels of corruption.³² Transparency, accountability, and adherence to the rule of law all encourage people to have trust in the fairness and effectiveness of public institutions, which then translates into higher levels of civic engagement, compliance with laws, and social cohesion.

Trust, although it is a fundamental element of social cohesion and the functioning of welfare states, have a different role and forms in other welfare state models. In conservative and liberal welfare states, which have a more individualistic approach, and prefer limited government intervention, and have more market-oriented policies, the dynamics of trust take on distinct characteristics.

Generally, conservative welfare states face challenges in maintaining and building trust, and their numbers show a decline in the last couple of years. Trust in conservative welfare states hold personal responsibility and self-reliance as important core values of the society, and individuals are expected to take ownership of their own well-being, and act responsibly and make sound decisions regarding their welfare needs, reducing reliance on state support. Focus on individual autonomy can sometimes be perceived as conflicting with notions of social solidarity and trust. While individualism encourages self-reliance, it

³² Transparency International. URL.: [https://www.transparency.org/en/news/cpi-2022-western-europe-eu-corruption-undue-influence-hurt-progress#:~:text=measures hurt progress-,CPI 2022 for Western Europe & EU: Undue influence and fragmented,anti-corruption measures hurt progress&text=With an average score of,Corruption Perceptions Index \(CPI\).](https://www.transparency.org/en/news/cpi-2022-western-europe-eu-corruption-undue-influence-hurt-progress#:~:text=measures hurt progress-,CPI 2022 for Western Europe & EU: Undue influence and fragmented,anti-corruption measures hurt progress&text=With an average score of,Corruption Perceptions Index (CPI).)

may also weaken the sense of collective responsibility and trust in the broader social fabric. Balancing individualism and social solidarity is a challenge for conservative welfare states, as trust can be eroded if the emphasis on individual responsibility overshadows the importance of collective well-being (Goul Andersen 18).

Since conservative welfare states typically favour market-oriented policies which aim to stimulate economic growth and individual prosperity, trust in these states often extends to the market as a mechanism for resource allocation and service provision. Citizens trust that market forces, coupled with minimal government intervention, will generate economic opportunities and deliver efficient outcomes. This reliance on market mechanisms can lead to inequalities in opportunities and wellbeing (Myles 39-40).

Conservative welfare states often introduce targeted social policies, directing resources to those deemed most in need, this is what we call means-testing method. This approach seeks to ensure that welfare programs are focused on individuals and groups facing specific challenges, enhancing trust by demonstrating efficient use of resources. However, challenges arise in determining eligibility criteria and ensuring that assistance reaches those who genuinely require support. Failures to effectively target resources can undermine trust in the fairness and effectiveness of the welfare state, moreover can generate conflict between different classes and groups of society (Goul Andersen 8).

Conservative welfare states rely on private organisations, charities, and community groups, in delivering social services, and therefore trust in conservative welfare states can extend to these actors, as they are seen as more efficient, flexible, and responsive to local needs. The involvement of non-state actors can enhance trust by providing diverse service options and fostering a sense of community engagement. However, concerns about accountability, consistency, and equitable access can be seen as problematic (Goul Andersen 13-15).

Unique historical, political, and socio-economic contexts of Eastern Europe have shaped trust dynamics and social cohesion in very distinctive ways. Eastern European countries have experienced significant political and economic transitions in the post-communist era. The legacies of centralised, state-controlled systems and the subsequent shift towards market economies have shaped trust dynamics. Trust in Eastern European welfare states has been influenced by experiences of political and economic upheaval, including the erosion of trust in public institutions and the emergence of informal networks to navigate societal challenges (Goul Andersen 18).

Eastern European welfare states have undergone transformations since the fall of communism. While these states have implemented social policies to address social and economic disparities, the effectiveness and inclusivity of welfare programs vary across the region. The transition to market economies, coupled with limited resources, has presented challenges in providing comprehensive social protection. As a result, trust in Eastern European welfare states may be influenced by perceptions of the effectiveness, fairness, and accessibility of social policies³³. The uneven distribution of resources, poverty rates, and persistent socio-economic disparities undermine trust in the fairness and efficacy of welfare systems. Perceptions of corruption, nepotism, and favouritism can further erode trust, particularly if individuals perceive that resources are not allocated equitably or that public officials prioritise personal or group interests. Eastern European societies have developed strong social capital and reliance on informal networks for support. These networks, built on trust-based relationships, have often served as alternative mechanisms for accessing resources and navigating challenges in the absence of robust welfare systems. While social capital and informal networks can contribute to social cohesion and mutual support, they can also reinforce divisions and inequalities, limiting trust in welfare institutions and the state.³⁴

Historical experiences of repression and lack of political freedoms have shaped citizens' perceptions of political institutions. Trust in public institutions, including those responsible for the welfare state, can be influenced by the extent to which citizens perceive these institutions as transparent, accountable, and responsive to their needs.³⁵ Eastern European countries show a high level of ethnic and social fragmentation, which can impact trust and social cohesion. Historically rooted divisions, cultural differences, and ethnic tensions can hinder the development of a shared sense of identity and trust across diverse groups. These divisions can affect trust in welfare systems, particularly if individuals perceive that resources are allocated along ethnic or social lines.³⁶

³³ “Why Eastern Europeans Did Not Vote?” URL.:<https://www.againstcorruption.eu/articles/eastern-europeans-vote/>

³⁴ Big Think: In Europe, Trust in Others Depends on Location. URL.: <https://bigthink.com/strange-maps/europe-trust-survey/>

³⁵ European Research Centre for Anti-Corruption and State-Building: European Public Accountability Trends. URL.: <https://www.againstcorruption.eu/articles/european-public-accountability-trends-now-updated/>

³⁶ “Ethnicity in Eastern Europe: Historical Legacies and Prospects for Cohesion”. URL.: <https://www.jstor.org/stable/41147462>

The accession of Eastern European countries into the European Union has brought both opportunities and challenges for trust and social cohesion. EU membership has provided access to resources, funding, and institutional frameworks aimed at promoting social cohesion and trust. However, perceptions of unequal treatment within the EU, concerns about loss of sovereignty, and differing socio-economic development levels among member states can impact trust in European integration and its potential benefits for Eastern European welfare states.³⁷

Liberal welfare states, just like conservative welfare states promote individualism, and free market mechanisms with minimal state intervention, moreover the individual's rights, personal responsibility, and the freedom of choice (Myles 39-40), and while individualism promotes self-reliance and independence, it can also easily lead to a decreased sense of collective responsibility and a weaker social fabric. In these welfare states individuals are expected to act responsibly and contribute to societal well-being through their own efforts, by exploiting economic opportunities offered by the free market system. Citizens can trust in market-oriented policies that will generate those opportunities and provide a wide range of choices, which can lead them to prosperity, but also can lead to poverty and bad health outcomes in cases of disadvantaged social groups.

To even it out, liberal welfare states often have group-targeted social assistance programs, focusing resources on those considered most in need. Healthcare is an exemption area, since, as discussed earlier, the UK and Ireland both offer universal healthcare, whereas the US does not. The means-testing approach ensures the efficient allocation of limited resources and tries to minimise unnecessary spend, and citizens' trust in the system can be impacted by the perception that social assistance is provided to those genuinely in need and that it is distributed fairly and transparently—think of children benefits in the UK.³⁸ Non-state actors, such as private organisations and charities, often take part in delivering social services, for they are seen as more efficient, flexible, and responsive to local needs. Trust in liberal welfare states therefore spills over to these non-state actors, with individuals relying on them for support and assistance.³⁹

³⁷ Pew Research: European Public Opinion Three Decades after the fall of Communism. URL.: <https://www.pewresearch.org/global/2019/10/15/european-public-opinion-three-decades-after-the-fall-of-communism/>

³⁸ UK Government: Infants, Children and Families to Benefit from Boost in Support. URL.: <https://www.gov.uk/government/news/infants-children-and-families-to-benefit-from-boost-in-support>

³⁹ Outsourcing the Welfare State: the Role of Private Actors in Welfare Fraud Investigations. URL.: https://brill.com/view/journals/ejcl/7/1/article-p5_5.xml?language=en

Voluntary and philanthropic participation in addressing social challenges is highly valued in these societies. Trust in these states is often linked to the belief that individuals and communities will contribute to the welfare of others through voluntary and philanthropic acts, and this ultimately also acts as “glue” in the society and in the life of communities. The engagement of citizens in charitable activities can foster social cohesion and a sense of shared responsibility.⁴⁰

The relationship between welfare state, trust and social cohesion shows yet another colour in Southern European welfare states, which, similarly to Eastern Block countries, also have distinctive historical, cultural, and socio-economic characteristics. Southern European countries have experienced unique historical trajectories, including periods of dictatorship, political instability, and economic challenges. These historical legacies have shaped trust dynamics and social cohesion in the region. Trust in institutions, including welfare state institutions, may be influenced by historical experiences of political repression, corruption, and economic hardships, just like in Eastern Europe. These factors can have long-lasting effects on the level of trust citizens place in the state and its ability to provide social welfare (Goul Andersen 9-10).

Southern European societies often exhibit strong familial ties and networks, which contribute to social cohesion. Close-knit family structures and intergenerational support networks play a crucial role in providing social security, and mutual assistance. Trust is often built through interpersonal relationships and community bonds, reinforcing social cohesion. However, the strong focus on interpersonal relationships can also create challenges in building trust in formal welfare institutions if individuals rely more on the support from close-knit communities over reliance on state-provided welfare if individuals rely primarily on their immediate family or community for support, leading to perceptions of inequality and exclusion (Goul Andersen 14).

In Southern European welfare states historically the state has had a more central role in providing welfare and social protection. This paternalistic approach can impact trust dynamics, as individuals may depend heavily on the state for support and view it as the primary provider of welfare. However, these countries have faced significant economic challenges, including high unemployment rates, fiscal instability, and periods of economic

⁴⁰ Third Sector Trends in England and Wales 2022. URL.: <https://www.stchads.ac.uk/wp-content/uploads/2022/11/Third-Sector-Trends-in-England-and-Wales-2022-structure-purpose-energy-and-impact-November-2022-2.pdf>

recession. These economic pressures can strain social cohesion and trust in welfare systems. In times of economic crisis, individuals may question the state's ability to provide sufficient support, leading to heightened concerns about inequality and a decline in trust in welfare institutions, and people found other resources to rely on. The prevalence of informal economic activities, such as undeclared work and cash transactions, in Southern European countries can influence trust dynamics and erode trust in formal institutions and contribute to a sense of unfairness and inequality.^{41,42} The existence of informal practices may undermine the legitimacy and effectiveness of welfare systems, leading to lower levels of trust in the state's ability to provide comprehensive social protection. There seems to be also significant regional disparities in terms of socio-economic development, employment opportunities, and access to public services. These disparities can influence trust levels, as individuals in regions with fewer resources or opportunities may feel marginalised or excluded from the benefits of welfare provision. Addressing regional disparities and ensuring equitable access to welfare services are crucial for fostering trust and social cohesion (Goal Andersen 14).

⁴¹ The Global Economy, Shadow Economy Country Rankings. URL.: https://www.theglobaleconomy.com/rankings/shadow_economy/Europe/

⁴² IMF: Explaining the Shadow Economy in Europe: Size, Causes and Policy Options. URL.: <https://www.imf.org/en/Publications/WP/Issues/2019/12/13/Explaining-the-Shadow-Economy-in-Europe-Size-Causes-and-Policy-Options-48821>

3. The Social Policy of the European Union

3.1 The EU's Competence in Social Policy Making

In 2021 the EU published the European Pillar of Social Rights, which elaborates on the importance of social policy making for making Europe more resistant and successful in the future. One of the pillars is the vision for making the Union a community of welfare states with very similar priorities, similar social policies. In a globalised world regional measures are necessary, therefore to keep or enhance the productivity, competitiveness of the EU there is need for a common social policy. This way throughout the Union European citizens would have more equal opportunities and possibilities, which will lead to a smarter and healthier European population. Strengthening welfare states and harmonising their functioning is also necessary when facing crisis situations, since social welfare benefits help the population, most importantly the less wealthy classes, to face economic hardship during times of recession (EU Commission).⁴³

The European Union's role in social policy making is highly debated, since the extent to which it is competent and can act varies depending on the specific area and the principle of subsidiarity. Generally speaking social policy in the EU is still primarily the responsibility of the individual Member States, as it falls within their national sovereignty. However, the EU has developed a framework for social policy coordination and sets certain minimum standards through legislation. The EU's involvement in social policy is directly limited by the principle of subsidiarity, which prescribes that decisions should be taken at the lowest effective level of governance, i.e., national level, or as close to the citizen as possible, and the EU only intervenes in social policy areas where it believes it can add value and where action at the EU level is necessary to achieve common objectives.⁴⁴

Where the EU policy making seems to have more significance are aspects of social policy mainly related to labor rights, anti-discrimination, gender equality, occupational health and safety, and free movement of workers, and it has adopted directives and

⁴³ European Commission website. URL.: <https://op.europa.eu/webpub/empl/european-pillar-of-social-rights/en/>

⁴⁴ EUR-Lex: Principle of Subsidiarity. URL.: <https://eur-lex.europa.eu/EN/legal-content/glossary/principle-of-subsidiarity.html>

regulations that establish minimum standards and protections in these areas, for instance it introduced new directives regarding equal treatment in employment, working time, parental leave, and protection of workers' rights in the “event of insolvent employers”.⁴⁵ Additionally, the EU also plays an important role in promoting social inclusion and combating poverty through initiatives such as the European Social Fund and the European Pillar of Social Rights, in that way supporting Member States in implementing social policies that address poverty, unemployment, education, healthcare, and social services.⁴⁶

There are two main documents that provide the legal framework for social policy in the EU, and that also give the legal bases for the European Union in social policy making, specifically the Treaty on the Functioning of the European Union (TFEU) and the Charter of Fundamental Rights of the European Union.

The TFEU includes specific provisions that empower the EU to adopt legislation and policies in certain areas related to social policy. Since the Member States' social policy making is within their own local jurisdiction mainly, the particular articles giving some sort of legal bases for the EU to act are somewhat peppered around in the Treaties and in the Charter. In other words, there is no single part of these documents mentioning the EU's supremacy in social and welfare related issues. The articles touching upon the mentioned subjects have a prescriptive quality, but the actual execution according to the prescribed practices and values is the specific Member State's responsibility. A good example could be Article 153 of the TFEU allows the EU to support and coordinate the Member States' efforts to improve working conditions, social security, and social protection.⁴⁷ It also covers aspects such as labor law, equal treatment, and social dialogue. Another similar example would be Article 156 allowing the EU to adopt measures to promote dialogue between management and labor, with the aim of safeguarding workers' rights and social progress⁴⁸, while article 157 allows the EU to support equal opportunities and equal

⁴⁵ EUR-Lex: Employee Protection in the Event of Insolvent Employer. URL.: <https://eur-lex.europa.eu/EN/legal-content/summary/employee-protection-in-the-event-of-an-insolvent-employer.html>

⁴⁶ European Commission: Social Inclusion. URL.: https://ec.europa.eu/regional_policy/policy/themes/social-inclusion_en#:~:text=EU Cohesion Policy supports the,women in the labour market.

⁴⁷ EUR-Lex: Article 153 of TFEU. URL.: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12008E153>

⁴⁸ EUR-Lex: Article 156 of TFEU. URL.: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012E156>

treatment between men and women in matters of employment and work.⁴⁹ As the above examples show it well the EU serves a supporting role, but the actual execution and the extent of the EU's support in these subjects are questionable.

The other document giving legal foundation for the EU's social policy making is the mentioned Charter of Fundamental Rights, which is a legally binding document that elaborates on the fundamental rights protected within the EU legal framework, including specific provisions related to social rights, such as the right to fair working conditions, protection against unjustified dismissal or end of employment, the right to social security, and the right to access healthcare. In addition to the corpus of the already existing Treaties and the Charter, the EU also adopts directives and regulations to establish specific social policies and standards. These legislative acts are based on the legal foundations provided by the treaties and are designed to ensure a minimum level of social protection and equal treatment across Member States.⁵⁰ Some of the exact articles that gives the EU a certain legal ground when acting in social and welfare related questions include:

Article 153(1) of the TFEU:

"With a view to achieving the objectives of Article 151, the Union shall support and complement the activities of the Member States in the following fields: (a) improvement in particular of the working environment to protect workers' health and safety; (b) working conditions; (c) social security and social protection of workers; (d) protection of workers where their employment contract is terminated; (e) the information and consultation of workers."

Article 156 of the TFEU:

"The Union shall support and complement the activities of the Member States in the following fields: (a) improvement in particular of the working environment to protect workers' health and safety; (b) working conditions; (c) social security and social protection of workers."

⁴⁹ EUR-Lex: Article 157 of TFEU. URL.: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12008E157>

⁵⁰ European Commission: EU Charter of Fundamental Rights. URL.: https://commission.europa.eu/aid-development-cooperation-fundamental-rights/your-rights-eu/eu-charter-fundamental-rights_en

Article 157(1) of the TFEU states:

"With a view to ensuring the effective exercise of the right to work and the freedom to engage in a profession, the Union shall support and complement the activities of the Member States aimed at achieving the following objectives: (a) promotion of employment, job creation and job mobility; (b) promotion of an appropriate vocational training policy; and (c) guarantee of adequate social protection."

Article 31(1) of the Charter:

"Every worker has the right to working conditions which respect his or her health, safety and dignity...Every worker has the right to protection against unjustified dismissal, in accordance with Union law and national laws and practices."

Article 34(1) of the Charter:

"The Union recognises and respects the entitlement to social security benefits and social services providing protection in cases such as maternity, illness, industrial accidents, dependency or old age, and in the case of loss of employment, in accordance with the rules laid down by Union law and national laws and practices."

Article 23(1) of the Charter:

"Equality between women and men must be ensured in all areas, including employment, work and pay."

Article 33(1) of the Charter:

"The family shall enjoy legal, economic and social protection."

It's important to note again in the light of the above examples, that while the EU has some legal bases for social policy making, but the circumstances are specifically stated and are to comply with the so-called "three principles". One of them is the above-mentioned subsidiarity, the other two are the conferral and the proportionality.⁵¹ The EU's actions in social policy therefore are meant to complement and support the efforts of the Member States, rather than replace their national responsibilities.

⁵¹ European Commission: Areas of EU Action. URL.: https://commission.europa.eu/about-european-commission/what-european-commission-does/law/areas-eu-action_en

3.2 Taxation

As it turns out from the previously mentioned welfare state related research data, one of the key factors to maintain a sustainable welfare system is taxation, since this will give a big chunk to the common budget to use for social expenditures. The EU has been working towards coordination and convergence in taxation matters among its Member States for quite some time, but the extent to which the EU can aim for a common taxation system is currently extremely limited, and taxation remains primarily within the jurisdiction of individual Member States.

Despite the limited possibilities, the EU has made efforts to promote coordination and harmonisation in certain areas of taxation to ensure the functioning of the internal market and prevent distortions of competition. For example, the EU has implemented VAT-related directives⁵², introduced the taxation of energy products⁵³, and also the taxed savings incomes.⁵⁴ There were also further discussions particularly in areas of corporate taxation and digital taxation, addressing tax base erosion, profit shifting, and ensure a level playing field for businesses.⁵⁵ Achieving a common taxation system requires unanimous agreement among all Member States, which can be challenging due to differing national interests and concerns over sovereignty. It is important to note, however, that tax policy decisions—related to, for instance, rates and structures—are still predominantly determined by each Member State. Arguably, the EU's role in taxation is rather narrowed down to coordination, promoting fair competition, and addressing specific issues that affect the functioning of the internal market. These are some specific of the key EU proposals and initiatives related to taxation:

Proposal for a Council Directive on a Common Consolidated Corporate Tax Base (CCCTB) (2011/121/EU) and Proposal for a Council Directive on a Common Consolidated Corporate Tax Base (CCCTB) (COM/2016/685 final): The European Commission

⁵² EUR-Lex: The European Union's Common System of Value Added Tax (VAT). URL.: <https://eur-lex.europa.eu/EN/legal-content/summary/the-european-union-s-common-system-of-value-added-tax-vat.html>

⁵³ European Commission: Energy Taxation. URL.: https://energy.ec.europa.eu/topics/markets-and-consumers/energy-taxation_en

⁵⁴ European Commission: Savings Taxation. URL.: https://taxation-customs.ec.europa.eu/savings-taxation_en

⁵⁵ European Commission: Minimum Corporate Taxation. URL.: https://taxation-customs.ec.europa.eu/taxation-1/corporate-taxation/minimum-corporate-taxation_en

proposed a Common Consolidated Corporate Tax Base (CCCTB) in 2011 and a revised proposal in 2016. The aim of the CCCTB is to establish a single set of rules for calculating the taxable profits of companies operating within the EU.

Proposal for a Council Directive on the common system of a digital services tax on revenues resulting from the provision of certain digital services (COM/2018/148 final): In 2018, the European Commission proposed a temporary Digital Services Tax (DST) as an interim measure to tax certain digital activities, targeting digital companies with significant revenues in the EU.

Proposal for a Council Directive laying down rules against tax avoidance practices that directly affect the functioning of the internal market (COM/2016/026 final): The European Commission proposed the Anti-Tax Avoidance Directive (ATAD) in 2016. The ATAD aims to tackle aggressive tax planning practices and sets forth minimum standards to prevent tax base erosion and profit shifting within the EU.

Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value-added tax, as regards the special scheme for small enterprises (COM/2017/056 final); Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value-added tax, with regard to the duration of the obligation to respect a minimum standard rate (COM/2018/20 final): The European Commission has proposed several reforms to modernise the EU VAT system, including the introduction of a definitive VAT system and the implementation of the "VAT Digital Single Market Package" to simplify cross-border VAT rules for e-commerce.

3.3 The Healthcare Policy of the European Union

The EU has to, and wants to address common challenges, to promote cooperation, and to protect the health and well-being of EU citizens. Some level of EU policy making in this domain is inevitable, since without alignment it would be hard, if not impossible, to create equality between EU citizens living in different Member States. Initiatives such as

the Cross-Border Healthcare Directive⁵⁶, pharmaceutical regulation⁵⁷, health data-handling⁵⁸, HTA⁵⁹, and the focus on health inequalities⁶⁰ demonstrate the EU's efforts to enhance healthcare accessibility, quality, and outcomes. However, challenges persist in harmonising policies across diverse healthcare systems and addressing funding constraints. EU healthcare policies have implications for member states, necessitating a delicate balance between harmonisation and national sovereignty, but still, the EU has some very powerful tools to have an impact on the health of EU citizens.

One of the most important initiative in the field is the already mentioned Cross-Border Healthcare Directive, implemented in 2013, facilitates patient mobility within the EU. It ensures that patients have the right to seek healthcare services in other member states and receive reimbursement for necessary treatments. The directive aims to improve access to healthcare, promote patient rights, and enhance cooperation and information exchange among member states. It also establishes mechanisms for quality and safety standards to protect patients receiving treatment abroad.

The European Medicines Agency (EMA) is responsible for the scientific evaluation, supervision, and regulation of medicines across the EU, it assesses the benefits and risks of new drugs, grants marketing authorisations, and monitors post-marketing safety. The Union therefore plays a significant role in regulating pharmaceuticals to ensure safety, efficacy, and accessibility, and it also promotes cooperation among member states to enhance access to affordable medicines, address shortages, and promote research and development in pharmaceuticals.⁶¹

The General Data Protection Regulation (GDPR) safeguards the privacy and security of personal health data, ensuring that individuals have control over their health information, as the EU recognises the importance of health data and information exchange

⁵⁶ EUR-Lex: Directive on the Application of Patients' Rights in Cross-border Healthcare. URL.: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32011L0024>

⁵⁷ European Commission: Legal Framework Governing Medicinal Products for Human Use in the EU. URL.: https://health.ec.europa.eu/medicinal-products/legal-framework-governing-medicinal-products-human-use-eu_en

⁵⁸ European Commission: European Health Data Space. URL.: https://health.ec.europa.eu/ehealth-digital-health-and-care/european-health-data-space_en

⁵⁹ European Commission: Regulation on Health Technology Assessment. URL.: https://health.ec.europa.eu/health-technology-assessment/regulation-health-technology-assessment_en

⁶⁰ European Commission: Report on Health Inequalities in the EU. URL.: https://health.ec.europa.eu/social-determinants/overview_en

⁶¹ EMA website. URL.: <https://www.ema.europa.eu/en/about-us/what-we-do>

in improving healthcare outcomes. At the same time the European Health Data Space enables and eases the sharing of health data across borders while maintaining data protection standards. This exchange of data enables research, supports evidence-based policymaking, and enhances healthcare planning and delivery.⁶²

HTA plays a crucial role in evaluating the effectiveness and cost-effectiveness of healthcare interventions, and the EU is working towards establishing a harmonised approach to HTA across member states to streamline the assessment process, avoid duplication, and facilitate timely access to innovative and affordable healthcare technologies. The collaboration in HTA fosters evidence-based decision making, encourages joint assessment efforts, and promotes the exchange of expertise among member states.⁶³

The EU's Health Inequalities Initiative promotes actions to reduce health inequalities, focusing on vulnerable populations and addressing social determinants such as education, employment, and living conditions. The EU knows that health inequalities and the social determinants of health are key issues to address in healthcare policy making, and this holistic approach aims to improve health outcomes, reduce health disparities, and promote social inclusion.

EU policy making related to healthcare faces several challenges. One major challenge is striking a balance between harmonisation and respect for member states' sovereignty in healthcare. The variations in healthcare systems, funding mechanisms⁶⁴, and cultural contexts across member states, making it challenging to develop uniform policies that meet the diverse needs and preferences of all EU citizens, while funding constraints, budgetary pressures, and the increasing cost of healthcare pose challenges for ensuring sustainable and equitable access to healthcare across the EU. Healthcare systems across member states face financial limitations due to various factors such as ageing populations, rising healthcare costs, and economic downturns. Ensuring sustainable and equitable access to healthcare becomes challenging when financial resources are limited. Balancing the need for cost-effective healthcare interventions with the demands for comprehensive

⁶² EHDS website. URL.: <https://www.european-health-data-space.com/>

⁶³ European Commission: What is HTA. URL.: https://health.ec.europa.eu/system/files/2023-05/hta_regulation-implementation_factsheet_en.pdf

⁶⁴ WHO: Financing Healthcare in the European Union. URL.: <https://apps.who.int/iris/handle/10665/326415>

and high-quality care requires careful decision making and resource allocation.⁶⁵ While the EU aims to promote cooperation and standardisation across member states, healthcare systems differ significantly in terms of organisation, funding mechanisms, and cultural contexts. Harmonising policies to meet the diverse needs and preferences of member states while respecting their autonomy is difficult and requires a complex corpus of legislation. It requires careful consideration of national healthcare priorities, administrative capacities, and the willingness of member states to adopt common policies.

The EU consists of member states with diverse healthcare systems and cultural contexts. Healthcare systems may vary in terms of public versus private provision, insurance models, reimbursement mechanisms, and governance structures. These variations pose challenges to harmonising healthcare policies that can cater to the specific needs and preferences of each member state. It is essential to consider the cultural, social, and historical factors that shape healthcare systems to develop policies that are effective, acceptable, and feasible across member states.⁶⁶ EU healthcare policies, eventually, must be implemented and executed on at the national or regional level, which requires administrative capacities and resources. Member states may have varying levels of administrative capacity to implement and enforce EU healthcare policies effectively. Differences in infrastructure, workforce capabilities, and coordination mechanisms can impact the implementation process. Ensuring consistent and timely implementation across member states is crucial for achieving the intended goals of EU healthcare policies.

Healthcare policies often involve ethical and legal considerations that can complicate the decision-making process. Balancing individual rights, privacy concerns, and public health interests requires careful ethical deliberation and compliance with relevant legal frameworks, because issues such as data protection, patient consent, genetic testing, and the use of emerging technologies in healthcare raise ethical and legal challenges that need to be addressed to ensure the protection and well-being of individuals within the EU healthcare context.⁶⁷

⁶⁵ UCL: Future of Healthcare in Europe. URL.: https://www.ucl.ac.uk/public-policy/sites/public_policy/files/migrated-files/FHE-print.pdf

⁶⁶ EU Parliament website. Healthcare Systems in the EU: A Comparative Study. URL.: https://www.europarl.europa.eu/workingpapers/saco/pdf/101_en.pdf

⁶⁷ CEOM: Principles of European Medical Ethics. URL.: <https://www.ceom-ecmo.eu/en/view/principles-of-european-medical-ethics>

EU healthcare policy making faces several challenges, including balancing harmonisation and national sovereignty, addressing funding constraints, accommodating variations in healthcare systems and cultural contexts, ensuring effective implementation, managing public perception, and navigating ethical and legal considerations. Overcoming these challenges requires a nuanced approach that takes into account the diverse needs and preferences of member states while promoting collaboration, evidence-based decision making, and stakeholder engagement, by which the EU can enhance healthcare accessibility, quality, and outcomes for its citizens and foster a more integrated and cohesive healthcare landscape across member states. EU healthcare policies have implications for member states and their healthcare systems. While EU initiatives aim to promote cooperation, share best practices, and improve healthcare outcomes, the level of implementation and impact may vary among member states due to national priorities, resource availability, and administrative capacities. The EU's role in healthcare policy making can complement national efforts, enhance collaboration, and promote shared standards, but it must also respect the diversity of healthcare systems and local contexts.

3.4 The Pension Policy of the European Union

Old age pension was one of the very first social welfare service forms introduced in the nineteenth century and it keeps being an ever more important question for the EU as well. Pension systems play a crucial role in ensuring income security and social protection for individuals in their retirement years. The European Union strive to address common challenges, promote sustainability, and enhance the adequacy of pension provisions.

EU policy making in pension systems places significant emphasis on sustainability and adequacy. Recognising the challenges posed by an ageing population, changing labor market dynamics, and fiscal pressures⁶⁸, EU policies are designed to promote the long-term financial sustainability of pension systems by addressing issues such as increasing retirement ages, adjusting contribution rates, and encouraging supplementary private pensions, by which the EU seeks to ensure that pension benefits are adequate to provide a

⁶⁸ Eurostat: Ageing Europe statistics. URL.: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Ageing Europe - statistics on pensions, income and expenditure&oldid=500271](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Ageing_Europe_-_statistics_on_pensions,_income_and_expenditure&oldid=500271)

decent standard of living in retirement, addressing concerns of poverty and social exclusion among the elderly.

The EU promotes the portability of pension rights and addresses the challenges faced by individuals who work or reside in different member states during their working lives. EU policies aim to facilitate the transferability of pension entitlements, ensuring that individuals can accumulate pension rights across borders and avoid fragmentation or loss of benefits.⁶⁹ This enables greater labor mobility within the EU while safeguarding individuals' pension entitlements and promoting social security coordination among member states.

EU policy making tries to even out somewhat the diversity of pension systems across member states. These policies include a combination of state, occupational, and personal pension schemes. EU directives, such as the Institutions for Occupational Retirement Provision (IORP) directive, set common standards and promote regulatory harmonisation in the area of occupational pension schemes. These directives aim to protect pension scheme members, ensure transparency and governance, and facilitate the efficient operation of occupational pension systems across the EU. Additionally, private pensions enhance retirement income adequacy, so the EU promotes the creation of public-private partnerships and the establishment of efficient and transparent frameworks for supplementary pension provision. IORPs seeks to facilitate the development of private pension schemes, encouraging individuals to complement their public pension with supplementary retirement savings.⁷⁰

EU policy making in pension systems faces several challenges. One significant challenge is balancing the need for sustainability with the preservation of social protection and adequate retirement incomes. Striking the right balance requires careful consideration of demographic trends, economic factors, and intergenerational equity. EU policy making encourages member states to implement pension reforms to address sustainability challenges, and this includes raising the retirement age in line with increasing life expectancy and adjusting pension eligibility criteria. The EU provides guidance and benchmarks for member states, emphasising the need for adequate and sustainable pension

⁶⁹ State Pensions Abroad. URL.: https://europa.eu/youreurope/citizens/work/retire-abroad/state-pensions-abroad/index_en.htm

⁷⁰ EUR-Lex: Directive 2016/2341 on IORPs. URL.: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016L2341>

systems.⁷¹ However, decisions regarding retirement age and pension reforms remain primarily within the competence of individual member states, reflecting the subsidiarity principle. Additionally, addressing disparities in pension provision and overcoming obstacles related to cross-border mobility, such as differences in pension eligibility rules and tax regulations, pose challenges to achieving greater

One of the primary challenges in EU policy making for pension systems is the demographic shift caused by an ageing population. The increasing life expectancy and declining birth rates pose sustainability challenges for pension systems. As the proportion of retirees grows relative to the working-age population, the financial burden on the pension system increases. Addressing this challenge requires implementing reforms using pension eligibility criteria, retirement ages, and contribution rates to reflect demographic realities.⁷² The ageing population puts economic and financial pressure on EU policy making in pension systems. Economic downturns, fiscal constraints, and changing labor market dynamics can impact the financial sustainability of pension systems. For example, periods of high unemployment can strain pension funds as contributions decrease while benefit payments increase. Balancing the need for sustainable pensions with economic stability requires careful policymaking and the implementation of measures to mitigate financial risks.⁷³

Ensuring pension adequacy and addressing inequalities in retirement income is a challenge for EU policy making. Pension systems across member states exhibit variations in their generosity, coverage, and benefit levels, leading to disparities in retirement incomes. Some individuals, particularly those with fragmented careers, low-income workers, or those employed in non-standard forms of employment, may face difficulties in accumulating sufficient pension entitlements.⁷⁴ EU policies aim to address these inequalities through social security coordination and supplementary pensions.

Another challenge can be the already mentioned high variety of schemes within the EU, namely that the EU policy making in pension systems must navigate the diversity of

⁷¹ European Commission: EU Sets out Plans for Adequate, Safe and Sustainable Pensions. URL.: <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1194&furtherNews=yes>

⁷² ⁷² Eurostat: Ageing Europe statistics. URL.: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Ageing_Europe_-_statistics_on_pensions,_income_and_expenditure&oldid=500271

⁷³ Pension Schemes in the European Union: Challenges and Implications from Macroeconomic and Financial Stability Perspective. URL.: <https://www.esrb.europa.eu/pub/pdf/occasional/esrb.op17~554f755910.en.pdf>

⁷⁴ European Commission: Pensions. URL.: <https://ec.europa.eu/social/main.jsp?catId=752&langId=en>

national pension systems and respect member states' sovereignty in setting pension policies. Each member state has its own institutional arrangements, financing mechanisms, and social protection priorities. Harmonising pension policies while accommodating these differences can be complex. Striking a balance between harmonisation and subsidiarity is necessary to ensure that EU policies respect national contexts while promoting common goals of sustainability and adequacy.

Finally, keeping pace with global and local changes can be challenging too, since the pension systems, require long-term planning and anticipation of future uncertainties—relationship between employment and available pension funds leave no other way out than trying to foresee the future. Changing demographics, technological advancements, and economic fluctuations can have significant implications for pension systems, and policymakers need to consider these uncertainties and design policies that are flexible and adaptable to evolving circumstances, their long-term planning should involve regular assessments, adjustments, and periodic reviews to ensure the sustainability and adequacy of pension systems in the face of changing realities.

To sum it up, EU policy making in pension and retirement systems faces multiple challenges, including demographic shifts, economic pressures, inequality, cross-border mobility, public resistance, diverse national systems, and long-term uncertainties. Addressing these challenges requires a comprehensive and coordinated approach that considers the specific needs of member states while promoting common goals of sustainability, adequacy, and social protection. By navigating these challenges, EU policy making can contribute to the development of robust and equitable.

3.5 The Educational Policy of the European Union

EU policy making in education promotes cooperation, and quality, and ensures equal opportunities in education systems across member states. Education policies at the EU level focus on areas such as mobility, quality assurance, lifelong learning⁷⁵, digitalisation, and social inclusion. One of the primary objectives of EU policy making in education is to promote mobility and exchange programs among member states. Initiatives

⁷⁵ European Parliament: Lifelong Learning. URL.: <https://www.europarl.europa.eu/thinktank/infographics/lifelonglearning/>

like Erasmus+⁷⁶ and the European Solidarity Corps⁷⁷ enable students, teachers, and young people to study, work, or volunteer in different countries. These programs enhance cultural understanding, promote language skills, and foster European citizenship. However, challenges such as administrative barriers, funding constraints, and recognition of qualifications need to be addressed to ensure the effectiveness and accessibility of mobility programs.

EU policy making also emphasises the importance of quality assurance and standards in education. The European Quality Assurance Register (EQAR)⁷⁸ and the European Qualifications Framework (EQF)⁷⁹ facilitate the recognition and comparability of qualifications across member states. Promoting quality and ensuring consistency in education across borders contribute to the competitiveness and transparency of European education systems. The European Skills Agenda⁸⁰ and the European Pillar of Social Rights prioritise upskilling and reskilling initiatives. Policies support the acquisition of transversal skills, digital competencies, and entrepreneurship skills. Efforts to align education and training with labor market needs can enhance employability, economic growth, and social inclusion.

The EU places emphasis on digitalisation and the integration of education technology in learning environments, as well. Policies aim to enhance digital skills, promote digital literacy, and leverage technology for innovative teaching and learning methods. Initiatives such as the Digital Education Action Plan⁸¹ and the European Framework for Digital Competence for Educators⁸² support the adoption of digital tools and resources in education. However, challenges related to access to technology, training for educators, and data privacy must be addressed to ensure equitable digital opportunities.

EU policy making in education prioritises social inclusion and equal opportunities for all learners. The European Education Area promotes inclusive education systems that

⁷⁶ Erasmus+ URL.: <https://erasmus-plus.ec.europa.eu/about-erasmus/what-is-erasmus>

⁷⁷ European Solidarity Corps. URL.: https://youth.europa.eu/solidarity_en

⁷⁸ EQUAR website. URL.: <https://www.eqar.eu/>

⁷⁹ EQF website. URL.: <https://europa.eu/europass/en/europass-tools/european-qualifications-framework>

⁸⁰ European Commission: European Skills Agenda. URL.: <https://ec.europa.eu/social/main.jsp?catId=1223&langId=en>

⁸¹ European Commission: Digital Education Action Plan (2021-2027). URL.: <https://education.ec.europa.eu/focus-topics/digital-education/action-plan>

⁸² European Commission website. URL.: https://joint-research-centre.ec.europa.eu/digcompedu_en

address the needs of students with disabilities, migrant backgrounds, or socio-economic disadvantages. Policies focus on reducing early school leaving rates, promoting educational equity, inclusion.⁸³ However, challenges related to educational disparities, discrimination, and the integration of diverse student populations require sustained efforts and targeted interventions.

EU policy making in education faces various challenges due to the diverse educational systems, cultural differences, and national sovereignty within member states. This analysis provides a detailed examination of the challenges encountered in EU policy making in education, highlighting key issues, implications, and potential solutions.

Adequate funding and resource allocation in education systems are of utmost importance, therefore the European Structural and Investment Funds (between 2014-2020)⁸⁴ and the European Social Fund supported investments in education infrastructure, teacher training, and disadvantaged communities⁸⁵. Member states have varying budgetary capacities and priorities, leading to disparities in investment levels in education. Achieving a balance between national autonomy in financial decision-making and the need for EU-wide resource redistribution is a complex task. Strengthening financial support mechanisms, promoting transparency in resource allocation, and addressing funding gaps are essential steps to address this challenge.

One of the primary challenges in EU policy making in education is the significant diversity among member states' educational systems. Each country has its own historical, cultural, and institutional context, leading to variations in curriculum, teaching methods, and assessment practices. Balancing the need for common standards and goals with respect for national diversity is a complex task. Ensuring that policies consider the specific needs and contexts of each member state is crucial to maintain relevance and effectiveness.⁸⁶ As a side note it is worth mentioning, that the EU consists of 24 official languages, which can create communication challenges in policy making. Developing policies that can effectively reach and engage stakeholders across different linguistic backgrounds can be

⁸³ European Commission: European Education Area. URL.: <https://education.ec.europa.eu/>

⁸⁴ European Commission: European Structural and Investment Funds. URL.: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_389

⁸⁵ European Commission: European Social Fund/Education. URL.: <https://ec.europa.eu/esf/main.jsp?catId=51&langId=en>

⁸⁶ Education and Youth in the European Union - Current Challenges and Future Prospects. URL.: [https://www.europarl.europa.eu/RegData/etudes/STUD/2019/629204/IPOL_STU\(2019\)629204_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2019/629204/IPOL_STU(2019)629204_EN.pdf)

difficult. Translating documents, disseminating information, and facilitating effective communication among diverse language groups require significant resources and coordination. Overcoming language barriers is essential to ensure inclusivity and meaningful participation in the policy-making processes.⁸⁷

Education inequalities and social exclusion persist as challenges within EU education systems. Disparities in access to quality education, educational outcomes, and opportunities exist among different socio-economic, ethnic, and regional groups. EU policy making aims to promote social inclusion and equal opportunities, but addressing deeply rooted inequalities requires comprehensive and targeted strategies. Improving access to early childhood education, addressing segregation, supporting disadvantaged students, and promoting inclusive practices are crucial steps in this regard.⁸⁸

EU policy making in education relies on accurate and comprehensive data for evidence-based decision-making and policy evaluation. However, challenges related to data collection, comparability, and reliability exist across member states. Harmonising data collection methods, developing common indicators, and ensuring the availability of robust data are necessary to assess policy effectiveness, monitor progress, and facilitate evidence-based policy making.

Engaging diverse stakeholders, including educational institutions, teachers, parents, and students, is vital for successful policy making. Ensuring active participation and ownership of policies at all levels can enhance their relevance, implementation, and impact. However, engaging stakeholders across different cultural, linguistic, and institutional contexts can be challenging. Promoting meaningful dialogue, involving stakeholders in policy development, and fostering collaboration are crucial for addressing this challenge.

EU policy making in education encounters significant challenges due to national diversity, language barriers, implementation complexities, funding disparities, educational inequalities, data limitations, and stakeholder engagement. Addressing these challenges requires a multi-faceted approach, including flexible policy frameworks that accommodate national contexts, increased communication and translation efforts, improved implementation and compliance mechanisms, equitable funding mechanisms, targeted

⁸⁷ Multilingualism: the Language of the European Union. URL.: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642207/EPRS_BRI\(2019\)642207_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642207/EPRS_BRI(2019)642207_EN.pdf)

⁸⁸ EUR-Lex: Efficiency and Equity in EU Education and Training Systems. URL.: <https://eur-lex.europa.eu/EN/legal-content/summary/efficiency-and-equity-in-eu-education-and-training-systems.html>

strategies for social inclusion, enhanced data collection and evaluation capacities, and meaningful stakeholder engagement. The EU plays an important part in promoting cooperation, enhancing quality, and ensuring equal opportunities in education systems across member states. Mobility programs, quality assurance frameworks, lifelong learning initiatives, digitalisation efforts, social inclusion policies, funding mechanisms, and stakeholder engagement are key elements of EU education policies. Addressing the above mentioned challenges related to mobility barriers, funding disparities, recognition of qualifications, digital divide, and educational inequalities requires ongoing collaboration and evidence-based policy approaches by prioritising these areas, EU policy making can contribute to the development of inclusive, innovative, and equitable education systems within the European Union.

3.6 Social Cohesion in the EU's Policy Making

The EU's policy in social cohesion promotes fairness, inclusivity, and equal opportunities among member states, addressing economic, social, and territorial disparities, fostering social integration, and reducing inequality. The key objectives for the 2014-2020 period of the EU's new social framework were defined in the Europe 2020 strategy⁸⁹, specifying the focus point to be sustainable and inclusive growth, whereas the European Pillar of Social Rights⁹⁰ established principles and rights to support fair and well-functioning labor markets, social protection, and social inclusion. These frameworks provide the basis for policy development, implementation, and evaluation in the field of social cohesion.

Of course, the EU policy making and implementation involves significant funding and financial instruments in this area, as well. The European Structural and Investment Funds, or ESIF, served as the primary funding source for social cohesion policies up to 2020 supporting investment, employment, education, social inclusion, and access to basic services, whereas the Cohesion Policy, through its various funding programs, aims to reduce regional disparities and promote social cohesion by providing financial support to

⁸⁹ Europe 2020. URL.: [https://ec.europa.eu/eu2020/pdf/COMPLET EN BARROSO 007 - Europe 2020 - EN version.pdf](https://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20007%20-%20Europe%2020%20-%20EN%20version.pdf)

⁹⁰ European Commission: European Pillar of Social Rights. URL.: <https://ec.europa.eu/social/main.jsp?catId=1226&langId=en>

member states and regions. Other funds, such as the European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund⁹¹ support a wide range of activities, such as infrastructure development, job creation, education and training, social inclusion measures, and support for disadvantaged groups, and also provide financial resources and technical assistance to enhance social cohesion across member states, while the European Territorial Cooperation⁹² facilitates transnational cooperation to address social issues, among others.

The social policy of the EU have had several very well communicable and measurable objectives. These included and includes creating quality jobs, improving labor market participation, and reducing poverty and social exclusion by initiatives such as the European Employment Strategy,⁹³ Youth Guarantee,⁹⁴ and European Social Fund, which focus on enhancing skills, entrepreneurship, supporting labor market integration, the promotion of social inclusion. Promoting social inclusion is the first in line, as integration is a core aspect of EU policy making in social cohesion to reduce inequalities, combat discrimination, and improve access to quality education, healthcare, and social services. The mentioned European Social Fund invested in social inclusion initiatives to combat poverty and homelessness, support marginalised groups, and promote equal opportunities, emphasising the rights and well-being of all individuals and ensuring equal access to opportunities enhance social cohesion. The new version of the fund (ESF+) will support the same objectives until 2027 according to the plan.⁹⁵

The EU's social policy and take on social cohesion recognises the importance of territorial cohesion and urban development, and acknowledges that balanced development and improving the quality of life in all territories contribute to social cohesion. Policies aim to reduce disparities between urban and rural areas, enhance sustainable urban development, and strengthen territorial cooperation. Initiatives such as the Urban Agenda

⁹¹ European Commission: The 5 Funds. URL.: https://commission.europa.eu/funding-tenders/find-funding/funding-management-mode/2014-2020-european-structural-and-investment-funds_en

⁹² European Parliament: European Territorial Cooperation. URL.: <https://www.europarl.europa.eu/factsheets/en/sheet/98/european-territorial-cooperation>

⁹³ European Commission: European Employment Strategy. URL.: <https://ec.europa.eu/social/main.jsp?catId=101&langId=en>

⁹⁴ European Commission: The Reinforced Youth Guarantee. URL.: <https://ec.europa.eu/social/main.jsp?catId=1079&langId=en>

⁹⁵ European Commission: European Social Fund Plus. URL.: <https://ec.europa.eu/european-social-fund-plus/en>

for the EU⁹⁶ and the already mentioned European Territorial Cooperation support integrated approaches to urban development, spatial planning, and regional cooperation.

Evaluation and reporting mechanisms are integral to EU policy making in social cohesion. Regular monitoring and assessment of policy implementation, outcomes, and impacts help ensure accountability, evidence-based decision-making, and policy learning. Evaluations of social cohesion programs and projects enable the identification of best practices, success factors, and areas for improvement. Reporting on progress and results facilitates transparency and facilitates sharing experiences among member states. The European Committee of Social Rights monitors the compliance with the Charter of Fundamental Rights,⁹⁷ while the European Committee of Social Cohesion facilitates conversation about best practices.⁹⁸

Nevertheless, the EU faces several challenges when it comes to social cohesion due to the diverse nature of member states, varying socio-economic conditions, and differing policy priorities. This analysis provides a detailed examination of the challenges encountered in EU policy making in social cohesion, highlighting key issues, implications, and potential solutions.

One of the primary challenges in EU policy making in social cohesion is addressing economic disparities and regional differences among member states by promoting economic convergence, reducing regional disparities, and enhancing opportunities for disadvantaged regions, since some regions and countries have high unemployment rates, low GDP per capita, and limited access to resources. Persistent social inequalities based on factors such as income, education, gender, ethnicity, and disability pose significant challenges, such as access to quality education, healthcare, housing, and social services, but it is sometimes difficult to find a solutions that fit local governments and find a way for redistributive policies while also respecting national sovereignty and regional diversity.

Securing adequate funding and ensuring equitable resource allocation is a significant challenge in EU policy making in social cohesion. The EU's budget sets aside funds for cohesion policy, but allocation mechanisms must strike a balance between regions in need and other policy priorities. Negotiating fair funding distribution, addressing

⁹⁶ Urban Agenda for the EU. URL.: <https://www.urbanagenda.urban-initiative.eu/>

⁹⁷ Council of Europe: European Committee of Social Rights. URL: <https://www.coe.int/en/web/european-social-charter/european-committee-of-social-rights>

⁹⁸ Council of Europe: European Committee for Social Cohesion. URL: <https://www.coe.int/en/web/european-social-charter/about-the-ccs>

budgetary constraints, and ensuring transparent and effective use of funds are necessary to support social cohesion initiatives across member states.

While the EU sets broad policy frameworks, the responsibility for implementation lies with national and regional authorities, and therefore the effective implementation and coordination of social cohesion policies across member states are key challenges. Differences in administrative structures, institutional capacities, and policy priorities can hinder the effective implementation of EU policies. Ensuring coordination, sharing best practices, and promoting knowledge exchange among member states are crucial for successful policy implementation. Accurate data collection and monitoring systems are essential for evidence-based policy making and effective evaluation of social cohesion policies. However, challenges related to data availability, comparability, and timeliness exist across member states. Harmonising data collection methods, developing common indicators, and enhancing data quality are necessary to assess the impact of policies, track progress, and identify areas that require further attention. Strengthening data collection and monitoring systems can contribute to more informed and targeted policy decisions.⁹⁹

EU policy making in social cohesion must navigate diverging political priorities and national interests among member states. Different political ideologies, economic conditions, and societal contexts can shape policy preferences and hinder consensus-building. Balancing the need for common objectives and solidarity with the respect for national autonomy and diversity requires effective negotiation, dialogue, and compromise among member states, moreover the support of European citizens. Effective communication and engaging citizens are crucial for the success of EU policy making in social cohesion, since lack of awareness, understanding, or trust in EU policies can lead to skepticism and resistance. Communicating the benefits, objectives, and outcomes of social cohesion initiatives to the public is therefore of utmost importance to gain support and foster a sense of ownership. One way to overcome such challenges is to enhance transparency, accessibility, and dialogue with stakeholders.¹⁰⁰

To sum it all up, EU policy making in social cohesion faces challenges related to economic disparities, social inequalities, implementation, funding, data collection, political priorities, and public perception. Addressing these challenges requires a comprehensive

⁹⁹ Council of Europe: Concerted Development of Social Cohesion Indicators. URL: https://www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/GUIDE_en.pdf

¹⁰⁰ Eurofound: Promoting Social Cohesion and Convergence. URL: <https://www.eurofound.europa.eu/topic/promoting-social-cohesion-and-convergence>

and coordinated approach, including targeted policies, resource allocation mechanisms, data harmonisation, improved communication, and stakeholder engagement for the EU to contribute to building a more inclusive, equitable, and cohesive European Union. The Union's current policy making in social cohesion encompasses a comprehensive framework aimed at promoting fairness, inclusivity, and equal opportunities across member states. Through funding mechanisms, cohesion policy instruments, and targeted initiatives, EU policies focus on inclusive growth, employment, social inclusion, and territorial cohesion. By addressing economic, social, and territorial disparities, EU policy making in social cohesion seeks to enhance social integration, reduce inequality, and create and maintain a cohesive and prosperous European Union.

Conclusion

The contemporary concept of welfare state goes back to the end of the nineteenth century and proved to be very important in most modern state's social policy-making processes. The extent and ways of contribution to the common budget, funding structures and ideologies differ immensely between countries, and therefore many different types of the welfare state concept came into being throughout the twentieth century. The common points between all welfare regimes seem to be the domains impacted by welfare related policies, such as taxation and labour market, healthcare, education and pension system, however, the exact effect of the policies differ based on the specific regime. Moreover, the psychological and cultural impact of these policies are also relevant, its relevance is a subject of ongoing research, their longterm indications are yet to be uncovered.

The EU's social vision is strong, nonetheless, it has limited jurisdiction and control in certain areas, such as taxation, and has a stronger hold on others, e.g., labour rights. The correlation might be here that since the Member State is the ultimate executing actor when it comes to policy making, it is easier for the EU to represent the common interest in the case of non-zero-sum situations, mostly when material gain is at stake. However, it is much harder to reach a common ground between the EU and the Member States if the domain has more of an ideological or philosophical quality to it, and therefore these often turn into political static warfare between the sides.

The extent to which the EU can effectively take steps towards a common and more harmonised social system throughout the EU is questionable. On one hand the provisions of the Treaties and the Charter of Fundamental Rights are accepted and signed by every Member State, their content only occasionally falls victim for subjective interpretation. On the other hand the provisions tend to have an advisory role and their purpose has never been to replace the Member State's own legislative corpus, but rather serve as a complementary or additional help to reach potential. The potential to be reached, very importantly, is continuously up for public conversation, there is no one single ideology of life, what it means to have a good quality of life, and what the role of the state is in all this.

The research data about existing examples of European welfare states have already served with plenty of focus points, new data coming out daily. However, it seems to be more of a political question whether or not the EU will be able to reach the desired

equilibrium between Member States, and less of question of reason. The diversity and many-sidedness of welfare states imply that the issue, most probably, will not be resolved by forcefully creating a sort of homogenous welfare state from one day to another, but rather will be a relatively slower shift of value systems.

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