THE WELFARE OF SOCIAL POLICIES AT EUROPEAN LEVEL

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ABSTRACT
The emergence of the welfare status is considered an aspect of a much larger process of modernization, being historically associated with the extension of political citizenship and especially with the rapid spread of universal suffrage, and, therefore, with the development of mass political parties. In contemporary society, social policies, with specialized programs and services for the population, and in many countries and through the volume of financial resources allocated, occupy, by far, the first place within the public policies, respectively in the public budget. According to the conditions set out in the Stability and Growth Pact (SGP), in order to ensure the well-being of citizens at European level, Member States have committed to maintain the budget deficit and the public debt under certain limits: the budget deficit of a Member state cannot exceed 3% of GDP, while its public debt cannot exceed 60% of GDP.

KEYWORDS: *development, European Union, social policies*

1. INTRODUCTION

DEFINING SOCIAL POLICIES

The syntagma social policies is a borderline in the social sciences, being claimed by many disciplines, such as sociology, economics, political sciences.
A widely accepted definition considers the social policies as the activities carried out mainly by the state in order to ensure the collective wellbeing of a given society citizens (Demier, 1998).
The most important areas of manifestation of state interventions are: income providing (social security), housing, social and health services. In most cases, the actions of non-governmental organizations are not considered part of social policies, or if they are considered part of social policies, they receive little attention (Ginsburg, 1992).
The closeness to the comparative analysis of public policies is considered evident by Clasen (2004) through the studies that follow the implementation of specific policies such as those of social security, education, health or those that analyze the welfare state as a whole. Clasen (2004) –considers that the field of comparative social policies differs methodologically from other close domains. The specific methodological aspects refer to the generation of some comparable data, the use of equivalent concepts or the different historical aspects that must be taken into account when conducting comparative analyzes.
From a comparative perspective, in the European Union, the concern for the study of social policies is manifested by the open method of coordination, which represents a recent development of the social

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policies approach and by the use of social indicators, developed initially in the field of development and pensions (Mărginean, 2001).

1.1. European welfare

The welfare state can cause some confusion, because, as Nicholas Barr (1998) considers, there are three problems that arise in relation to this term: The welfare of individuals derives also from other sources than the state, such as:

1. the market, which provides occupational well-being using primary incomes;
2. individual accumulations, which provide welfare through private individual insurances and savings;
3. welfare coming from charity organizations and the family.

Following the studies, we identified that the roots of the state's involvement in the social welfare provision of individuals have taken shape since the time of the ancient pre-Christian civilizations. The aid came to support those in great need, such as: in case of calamity, hunger or war.
In Ancient Greece and in Imperial Rome, however, the first forms of state aid appeared in the form of pensions and scholarships. In medieval times, assistance and protection were essentially ensured by the Church, and the poor man was seen as an image of Christ, thus regarded as a sacred figure, which the Church maintained through individual alms and charitable institutions.
With the beginning of the seventeenth century, the attitude of the state towards those in need has changed.
The image of the poor man has undergone the greatest change. The positive image has been substituted by a negative one, associated with the image of a man who produces nothing when the work becomes a value.
At that time, social policy was related to the closure of the poor in hospitals, hospices, asylums and prisons. Two historical moments marked the beginning of the modern state's involvement in providing individual welfare: The Poor Law of the Elizabethan period (1601) in England and the introduction of the social insurance model during the Bismarck chancellorship in the Germany of 1880. The Poor Law of the United Kingdom entrusts the parishes with the management of social policy. Thus, a form of aid was established for the citizens, and the tax was imposed in each parish of the taxpayers (taxation of housing and rents), the tax that was later controlled by the inspector who had the role of ensuring the poor a job at home, and in the case of invalids and children, they intervened by granting aid. This law introduced in England had the role to establish in favor of the needy the right to assistance and the responsibility of the state for the dependent persons generally. The introduction of the social insurance model by Chancellor von Bismarck in the case of accidents, illness and pensions means the first involvement of the modern state in the social protection of individuals on a contribution basis (Table 1.), without having too many followers, though. The spread of the social insurance system happened especially in the twentieth century.

Table 1. Introduction of social insurance

Country	Accident	Illness	Pensions	Unemployment
Germany	1884	1883	1889	1927
France	1898 *	1898 *, 1930	1895 *, 1910	1967
Holland	1901	1930	1913 *, 1947	1949
Great Britain	1897	1911	1908 **	1911
* was not required ** required				

Source: Diederiks, H.A. (coordin.) 1995, p.292

It should be mentioned that, throughout history, with the evolution of state involvement in the field of social protection, the change of the target groups for social policies has taken place. Regardless of the development stage or the economic situation they were in, the states have taken the following steps in their social policy:

- a protection against the risk of losing the income from work of those who were employed (insurance for work accidents, pensions, unemployment);
- protection of employees' families (survivors' pensions, health insurance for the whole family);
- protection of those who cannot work (people with disabilities, children);
- generalized protection measures for the whole population (universal health insurance, social assistance, children allowances).

Depending on the options of some states for solutions to the social problems they did not face, but also the theoretical models based on which decisions were made (Beveridge plan and Keynesian theory), different models of the welfare state appeared in the specialized literature.
Along with the declassifications proposed by Richard Titmuss(1977), a highly cited classification is that of Stephen Leibfried (1993), who identifies four welfare states in Europe, presented in the table below.

Table 2. Types of welfare states in Europe

Type Features	**Scandinavian**	**Bismarckian**	**Anglo-Saxon**	**Latin**
Types of regimes	**Modern**	**Institutional**	**Residual**	**Rudimental**
Features	- total employment – the welfare state firstly as a provider of job vacancies and lastly, as a compensator	- total "growth" - the welfare state primarily compensating and ultimately employing	- total growth - the welfare state, lastly compensating and strongly supporting the employment through the labor market	- comes from "behind" - the welfare state as a semi-institutionalized promise
The right to:	- work (supported by the institutionalization of the concept of social citizenship)	- social security (supported by the institutionalization of the concept of social citizenship)	- revenue transfers (without being institutionalized)	- work and well-being (only partially proclaimed independent)
Basic income development	- managerial, but can improve the "compacting" of the revenues	- can somehow radicalize the "detachment" of work from income	- can support the development of the "normal" welfare system	- can support the development of the normal welfare system

Source: Leibfried (1993), p.142

In the "logic of industrialization", the welfare state appeared as a response to the phenomenon of industrialization, focusing on socio-economic factors. Thus, the emergence of large-scale production led to:

- the long-term decline of the number of those employed in agriculture and of the rural population in general;
- creation of an urban working class, which did not own land, concentrated in the specific economic sectors;
- extensive urbanization;
- development of big cities and specific urban life styles.

In an environment favorable to development, these have led to:

- - request for a (partially) qualified workforce, an educated and trustworthy workforce;
- - the recognition of unemployment as a condition in which the workers were involuntarily put in the situation of not finding a job;
- - sustained long-term economic development.

With these changes, important demographic modifications or changes have occurred, such as:

- - changing the patterns of life in the family and in the community;
- - an increasingly pronounced separation of "work from home" from that of the workplace, and of the population employed by the unemployed population;
- - the appearance within the labor force of a part that was publicly supported even though it was no longer working (because of old age, illness, disability, etc.).

At the same time, there was an increase in the number of action states in which the industrialization process had taken place. To all of these it is added the growth of political democracy and the establishment of "political citizenship", with the extension of legal citizenship, citizen rights, social-democratic parties, but also the political problem of the working class.

The emergence of the welfare status is considered an aspect of a much larger process of modernization, being historically associated with the extension of political citizenship and especially with the rapid spread of universal suffrage, and, therefore, with the development of mass political parties

In addition to the theory of industrialization and modernization, which puts the emergence of the welfare state on the account of internal factors, we have identified that there are also theories that emphasize external factors.

Thus, it is considered that the welfare states have emerged due to the world system and the newly created economic order that led to a process of interdependence between the different systems.

1.2. What became concrete?

According to the conditions set out in the Stability and Growth Pact (SGP), in order to ensure the well-being of citizens at European level, Member States have committed to maintain the budget deficit and the public debt under certain limits: the budget deficit of a Member state cannot exceed 3% of GDP, while its public debt cannot exceed 60% of GDP.

If a Member State cannot meet these limits, the excessive deficit procedure, which involves several steps - including the possibility of sanctions - is initiated, to encourage the concerned Member State to take appropriate measures to remedy the situation (Poenaru, 1998).

In 2018, the public deficit registered a decrease compared to 2017. At the same time, a decrease was also observed in terms of the share of general public debt in GDP.

2. HOW DOES THE PUBLIC DEFICIT/ SURPLUS AFFECT THE WELFARE AT EUROPEAN LEVEL

In contemporary society, social policies, with specialized programs and services for the population, and in many countries and through the volume of financial resources allocated, occupy, by far, the first place within the public policies, respectively in the public budget.

Analyzing the available data, we observe that in EU-28, the share of public deficit in GDP decreased from -1.0N% in 2017 to -0.6N% in 2018, and in EZ-19 it decreased from -1.0N% at -0.5N%.
Ireland has achieved a balanced budget. In 13 EU Member States - Luxembourg (+ 2.4N%), Bulgaria and Malta (both + 2.0N%), Germany (+ 1.7N%), the Netherlands (+ 1.5N%), Greece (+ 1.1N%), Czech Republic and Sweden (both + 0.9N%), Lithuania and Slovenia (both + 0.7N%), Denmark (+ 0.5N%), Croatia (+ 0.2N%) and Austria (+ 0.1N%) - a public surplus was reported in 2018.
12 EU Member States, namely Belgium, Estonia, Spain, France, Italy, Latvia, Hungary, Poland, Portugal, Slovakia, Finland and the United Kingdom, registered in 2018 deficits below 3.0N% of GDP.
The lowest deficits of public administration, as a percentage of GDP, were recorded in Poland (-0.4N%), Portugal (-0.5N%) and Estonia (-0.6N%).
Two Member States had deficits greater than or equal to 3N% of GDP: Cyprus (-4.8N%) and Romania (-3.0N%). The high deficit for Cyprus in 2018 is mainly due to the impact of the restructuring of Cyprus Cooperative Bank Ltd (CCB) - the sale of CCB's non-impaired assets and the subsequent integration of the structure to which the remaining depreciated assets are transferred from the general accounts of the public administration.

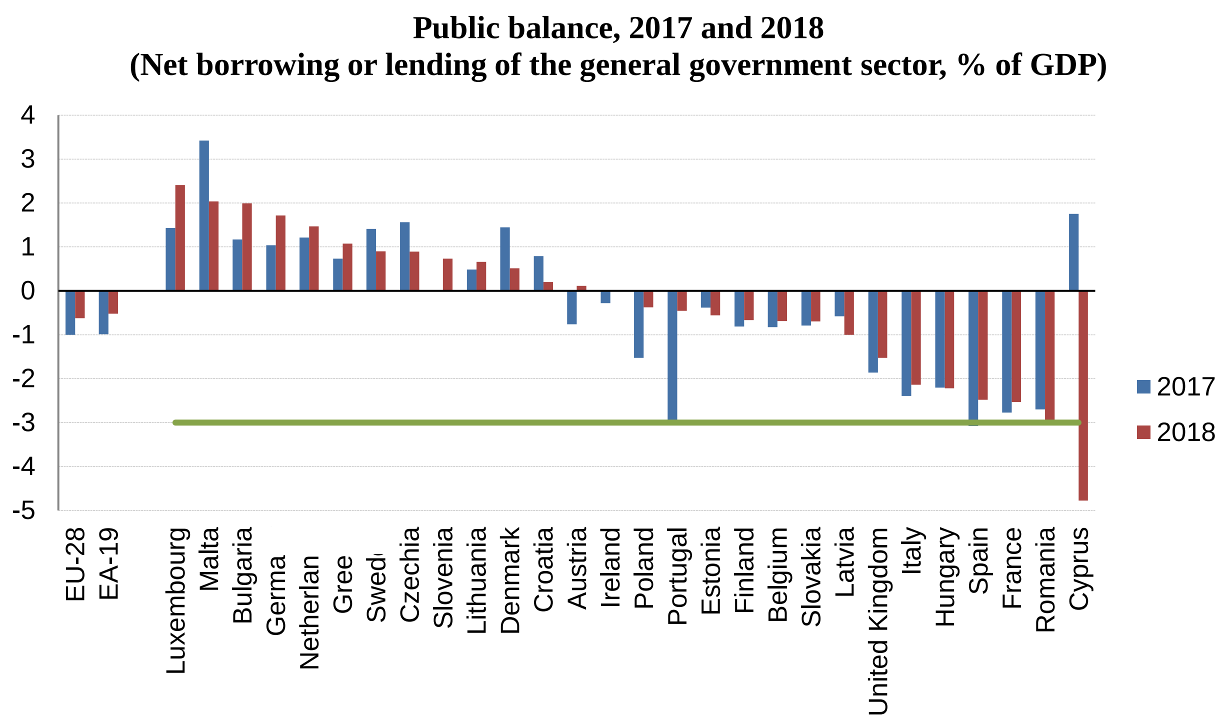

Figure 1. Public balance, 2017 and 2018
Source: Eurostat (2018)

The balance of the general budget (related to GDP) improved in 2018 compared to 2017 in 18 EU Member States, with the largest improvements in the balance [at least 1 percentage point (pp. of GDP)] being recorded in Portugal (+2.5 percentage points of GDP), in Poland (+1.2 percentage points of GDP) and in Luxembourg (+1.0 percentage points of GDP).
Austria went from deficit in 2017 to surplus in 2018, while Ireland went from deficit, in 2017 to budgetary balance in 2018, and Slovenia from budget balance to surplus. Bulgaria, Germany, Greece, Lithuania, Luxembourg and the Netherlands registered a higher surplus in 2018 than in 2017.

On the other hand, Cyprus went from surplus in 2017 to deficit in 2018. Estonia, Latvia and Romania registered a higher deficit in 2018 than in 2017. Hungary registered the same deficit in 2017 and 2018, while the Czech Republic, Denmark, Croatia, Malta and Sweden recorded a lower surplus in 2018 than in 2017.

2.1. Public debt

In the EU-28, the share of public debt in GDP decreased from 81.7N% at the end of 2017 to 80.0N% at the end of 2018, and in EZ-19 it decreased from 87.1N% to 85.1N %. A total of 14 EU Member States reported a debt ratio of over 60N% of GDP at the end of 2018: the highest was recorded by Greece (181.1N%), followed by Italy (132.2N %), Portugal (121.5N%), Cyprus (102.5N%), Belgium (102.0N%), France (98.4N%) and Spain with 97.1N%.

The lowest values of public debt as a share of GDP were recorded in Estonia (8.4%), Luxembourg (21.4%), Bulgaria (22.6%), Czech Republic (32.7%), Denmark (34.1N%) and Lithuania (34.2N%).

General government debt, 2017 and 2018 (1)
(General government consolidated gross debt, % of GDP)

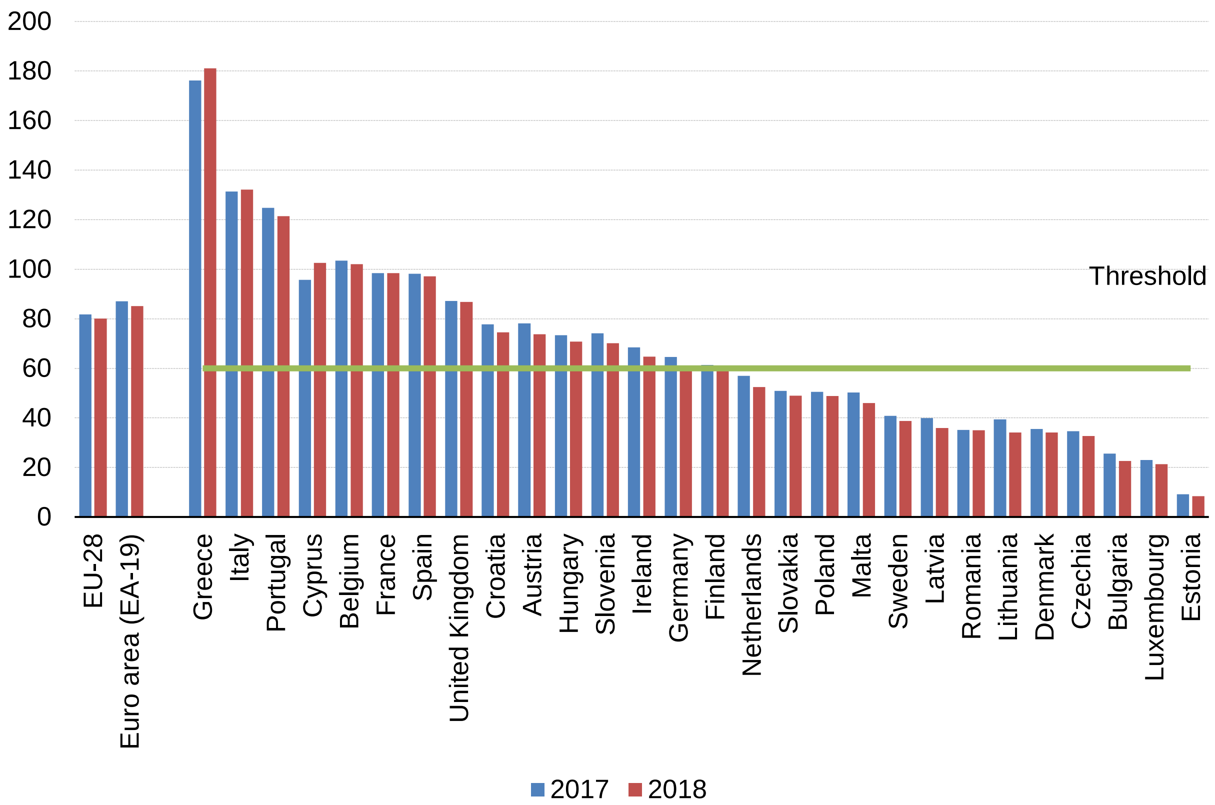

Figure 2. General government debt, 2017 and 2018
Source: Eurostat (2018)

At the end of 2018, public debt values as a share of GDP increased for three EU Member States, compared to the end of 2017, while this share decreased for 24 EU Member States, especially for Lithuania (-5.2 percentage points of GDP), the Netherlands (-4.5 percentage points of GDP), Austria (-4.4 percentage points of GDP), Malta (-4.2 percentage points of GDP) and Latvia (-4.0 percentage points of GDP).

The share of debt in GDP for France remained unchanged between 2017 and 2018.

Increases in the share of debt in GDP from the end of 2017 to the end of 2018 were observed in Cyprus (6.8 percentage points), Greece (5.0 percentage points) and Italy (0.8 percentage points).

2.2. Evolution of total expenditure and revenue, 2008-2018 (% of GDP)

In EU-28, total public revenues in 2018 amounted to 45.0N% of GDP (registering a 44.8N% increase in 2017), and expenditures amounted to 45.6N% of GDP (decreasing from 45.8% in 2017). In EZ-19, total public expenditure amounted to 46.8N% of GDP in 2018 (decreasing from 47.0N% in 2017), and total revenue amounted to 46.3N% of GDP (increasing from 46.1N% in 2017).

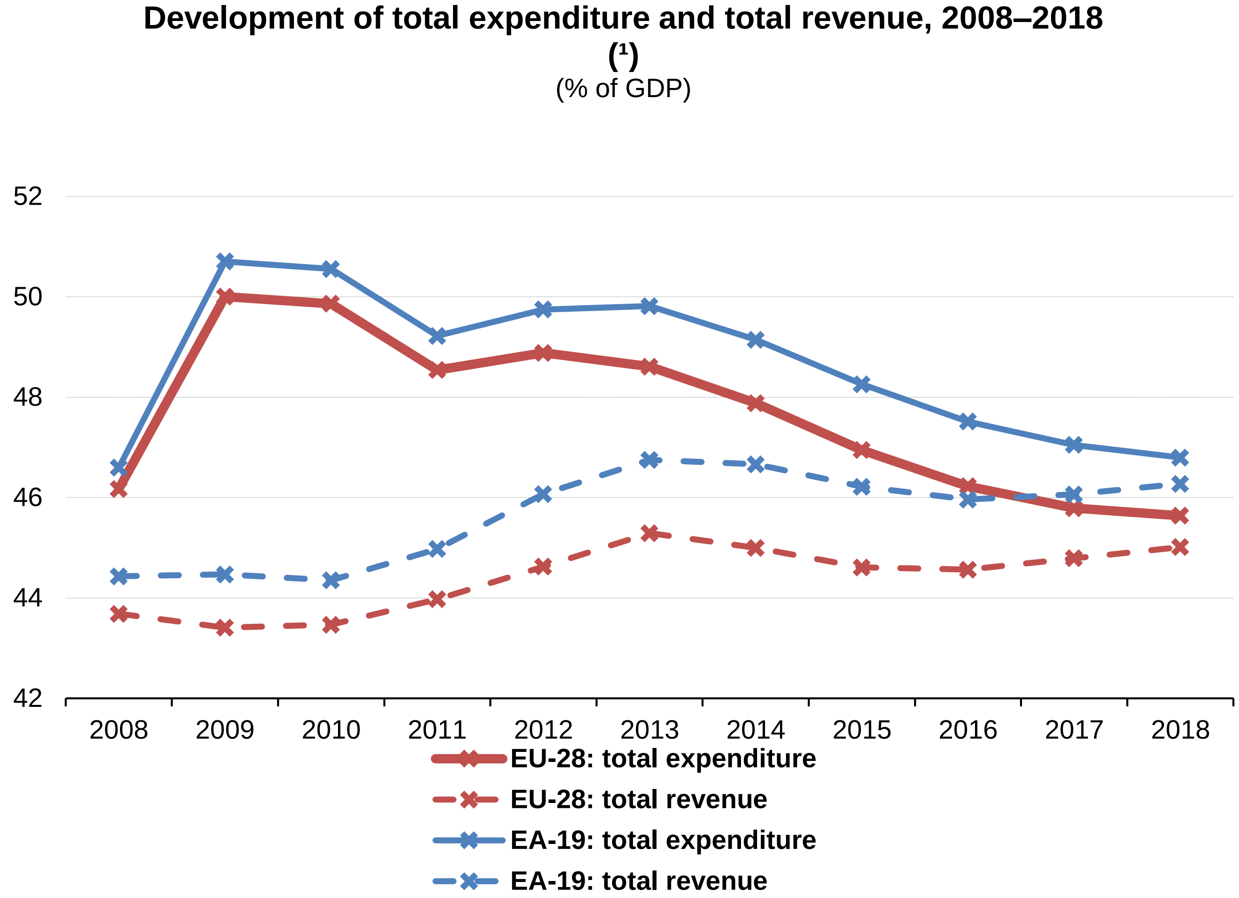

Figure 3. Development of total expenditure and total revenue, 2008-2018
Source: Eurostat (2019)

In EU-28 and EZ-19, the total spending as a percentage of GDP increased significantly between 2008 and 2009, reaching 50.0N% of GDP in EU-28 in 2009 and 50.7N% of GDP in EZ-19. In both areas, total expenditure as a share of GDP then decreased, between 2009 and 2011, increased in 2012 and subsequently decreased during 2018, except that the aggregate value for EZ-19 continued to increase slightly over the period 2012-2013.

2.3. The main categories of taxes and social contributions, EU-28, 2008-2018

The main types of public revenues are current taxes on income and wealth, etc., taxes on production and imports and net contributions to social insurance. In EU-28, taxes on production and imports accounted for 13.4N% of GDP in 2018, current taxes on income, wealth, etc. 13.2N% of GDP, and net social contributions 13.3N% of GDP. Reported to GDP, revenues from taxes on production and imports increased during the period 2009-2014 in the EU-28, their share in the GDP increasing by 1.0 percentage points. Between 2014 and 2018, taxes on production and imports remained at a stable weight in GDP. As a share of GDP, current taxes on income and wealth, etc. reached a low level in 2009 and 2010, standing at 12.1% of GDP before rising to 13.2% of GDP in 2018. Net social contributions increased from 13.1% of GDP in 2015 to 13.3% of GDP in 2018.

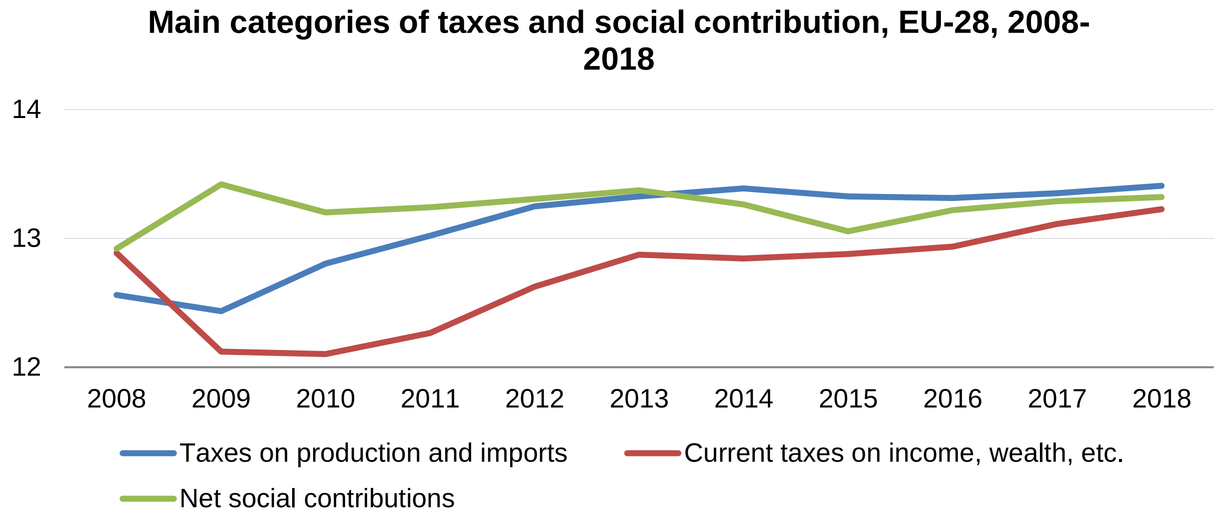

Figure 4. Main categories of taxes and social contribution, EU-28, 2008-2018
Source: Eurostat (2019)

3. CONCLUSIONS

European social policies are policies promoted by both the European Union and European countries, being referred to in the literature as "states of social welfare".
Compared to the rest of the world, Europe has the best levels of social protection and ranks very high in terms of quality of life and wellbeing. However, it faces a wide range of challenges, such as the impact of the economic crisis which is still deeply felt in many Member States and although things have already improved in many countries, there are still large disparities in the EU.
The low birth rates and the aging of the population question the sustainability of social protection systems. Also, professional life is substantially transformed due to technological innovation, globalization and growth of the service sector. New business models in the collaborative economy, with more flexible forms of work, are becoming more and more important (Aiginger, 2007).
The welfare of social policies is mainly ensured by the most important factor - man. Within the European Union, one of the most relevant changes is the awareness of the importance of employment and social policy, these being considered traits that make the difference between the developed societies. Proof of this is that it is now recognized that social policies are one of the causes of European economic power. Simple economic development is not able to avoid the appearance of social inequalities, nor to reduce the level of existing ones (Zamfir, 2001).
For this reason, situations of poverty or social exclusion continue to be a constant reality of the environment we live in.

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