-Pragmatic approach rather than a fixed ideology
-Favours tradition over change
-Pessimistic view of human nature
-Belief in strong, authoritative government but with limited role for the state in welfare
-Intervention justified on the basis of contingent factors though
-Emphasis on family, moral, personal freedom and responsibility, order, private property and the nation
-People seen as unequal in their abilities and hierarchy and inequality thus justified
-Influenced right-wing governments

-Socialism:
-Based on social equality (and freedom and fraternity)
-Fundamental critique of capitalism, inequality, class divisions and materialism
-Common ownership of the means of production favoured and planned economy
-Distribution according to needs
-Optimistic view of human nature
-Influenced left-wing governments
-Reformism versus revolutionary overthrow

-Ideology and the welfare state:
-Ideologies guide political parties and governments and thus shape social policy
-Ideological differences are expressed in different approaches to social policy
-Understanding of equality and social order
-The concept of equity
-Issues about distribution- vertical or horizontal
-Different priorities in the provision of public goods and services
-Issues around the collective delivery of these goods/services and ways of paying for them

-WelfareIdeologies and the state:
-How large should state involvement in economic and social affairs be?
-What role should other organizations play in welfare state intervention?
-What are positive and negative functions of the welfare provision?
-What is the ideal form of welfare provision?
-Ideologies determine how much weight should be given to each sector: state, family, voluntary sector, market

-Welfare ideologies and political parties in Britain since 1945:
-The Beveridge Report (1940s)
-One Nation Conservatism (50s and 60s)
-Labour’s democratic socialism (60s and 70s)
-Thatcherism and the New Right (80s and 90s)
-New Labour and the Third Way (90s and 2000s)
-Progressive Conservatism and the Big Society (since 2010)

-The Beveridge Report (1942):
-‘Birth document’ of the modern British welfare state under the war-time Coalition government
-Fighting the five giants from cradle to the grave
-Ignorance- free comprehensive education
-Disease- foundation for the NHS in 1948 (and sickness benefits)
- Channel 4: “This documentary series reveals the reality of life on benefits, as the recipients of one of Britain’s most benefit-dependent streets (only 5% are in work) invite cameras into their tight-knit community.”

- Criticized by many as ‘poverty porn’ depicting the lives of people on benefits in a miserable way and the residents as dysfunctional families and individuals

- Benefit fraud a major theme

**How does emphasis on benefit fraud compare with reality?**
- Benefit fraud: 1.2 billion pounds vs. tax avoided, evaded and uncollected: 120 billion pounds as well as: benefits unclaimed: 16 billion pounds

**The portrayal of welfare in the ‘serious’ media**
- Perhaps more concerning than portrayals in clearly populist TV programs and in tabloid press is the depiction of welfare recipients in ‘serious’ media
- E.g. documentary by John Humphrys on BBC2
  - Screened in 2013 during the passage through Parliament of the coalition Government’s Welfare reform Bill
  - Giving the impression that there was a good supply of jobs overall and did not mention key statistics, e.g. on the ratio of jobs to applicants or on the fact that only 3% of welfare spending goes on JSA

- After complaints by the Child Poverty Action Group and many others. BBC Trust’s editorial standards committee ruled that it breached guidelines on impartiality and accuracy= but who noticed?

**How is welfare depicted in different types of welfare states?**
- Clear influence of institutional welfare regime logic behind portrayal of welfare and differences in public support for anti-poverty policies
  - People in liberal welfare states much more likely to explain poverty by laziness than those in other welfare states, particularly the social-democratic welfare regime type
  - Low generosity and selectivity of benefits fuelling harsh deservingness discussions
  - Mass media clearly influencing public opinion in this direction

**Welfare depiction in social-democratic welfare states**
- Universal benefits and services
  - No dividing line between ‘us’ and ‘them’ as everybody benefits
  - Also reduction of incentives for abusing system though wrongly claimed benefits
- Regulated labour markets, generous housing policy and benefits
  - Produce more equality and less poverty
  - Avoiding the concentration of social problems in specific areas that then would allow stereotyping of residents as ‘underclass’
  - As a result media do not deliver constant flow of negative stories about welfare fraud and benefit recipients
  - Much fewer pictures of ‘the poor’
  - Welfare recipients portrayed in much more positive light than in UK

**Some potential points for discussion**
- Is it because journalists are belonging to a different class than ‘the poor’?
  - Class differences are huge in the UK
- Is there a corporate strategy behind negative portrayal or are media simply feeding their readers with that they want to hear?
-Bearing in mind that views about the poor have hardened also among people on benefits

-Conclusions:
- Media shaping the public discourse and public attitudes on the welfare state and 'the poor'
- Particular harsh tone in liberal welfare states
  - Combination of selective benefits ('us' versus 'them'), neo-liberal individualism and concentration of social problems in certain neighborhoods create a social reality that provides lots of news stories about the 'undeserving' and 'deviant' poor, reading to negative stereotyping
  - Creating a 'moral panic' about the deviance of the poor
- Irony that in countries where welfare state is the least generous, the fraud debate if the most pronounced

-Lec6:
-Policy stages model:
- Idea of a sequential process; different versions, but most commonly used model assumes five stages:
  - Agenda setting=Policy formulation=decision making= policy implementation=policy evaluation
- Straightforward idea that policy emerges from the interrelationships between intentions and actions of political actors
- Policy-making as a sequence in which policy inputs are processed to produce policy outputs or outcomes

- The role of citizens and other actors at different stages:
  - Citizens elect politicians to carry out policy platforms (policy emerges from the 'will of the people')
  - Politicians create programs for bureaucrats to implement
  - Senior bureaucrats order lower level officials to carry out policy decisions ect.

-Policy cycles:
- UK's ROAMEF model one example of a rational policy cycle
  - Given as official guidance to Civil Service
  - Enforcing idea of a rational process
  - Evaluation at the end of the cycle (e.g. through cost-benefit analysis, ect.) increase legitimacy

-Who benefits from stages models?
- Researchers can analysis different stages
  - Policy analysis can help define the relevant issues, setting out the options and evaluating what happened e.g. why implementation succeeded or failed
  - Stages or cycle models help to maintain gatekeeping function of bureaucrats
  - Creating time limits on consultation process by invoking the need to progress to the next stage of decision-making and to limit the extent to which interest groups and organizations participate in decisions
- Politicians also have an incentive to structure policies
- Importance of timing of welfare state institutionalization and structural, political and social conditions at the time
- Argument of ‘path dependency’ (Pierson) that makes future radical welfare reform difficult

**Historical institutionalism and policy continuity**
- HI theoretical approach explaining why policies are resistant to change (‘policy inertia’)
- Policy outcomes can only be understood by considering the historical and institutional context in which decisions are made
- This includes formal rules of decision-making (e.g. corporatism), but also informal channels of communications and the logics of strategic situations which all act as ‘filters that selectively favor particular interpretations either of the goals toward which political actors strive or of the best means to achieve these ends’ (Immergut, 1998)

**Policy change**
- Historical institutionalism also acknowledges possibility of policy change, but only at so-called ‘critical junctures’ (Pierson)
- Baumgartner and Jones (1993): punctured equilibriums
  - Systems can quickly shift from one period of relative stability to another when persuasive ideas gain increasing attention, a situation, which depends on external political factors as well as the inherent qualities of an idea
- P. Hall (1993): notion of (shifting) policy paradigms
  - Significant paradigm change rare (third order change), instead adoption of existing programs (first order change) more likely

**Advocacy Coalition Framework (ACF)**
- Particular account of policy networks developed by P.A. Sabatier (and H.C. Jenkins-Smith)
- Assumes networks consisting of diverse groups of actors that are usually relatively stable because they form around ‘core ideas’ (relating to values and beliefs about causation)
- These shared worldviews (rather than political or economic interests) bind actors together in competing coalitions that seek to influence policy decisions
- As long as one coalition dominates decision-making policy remains relatively stable
- Policy change does occur when a particular coalition’s ideas are perceived to be so convincing that some actors switch between competing coalitions, thus shifting the balance of power in relation to the core ideas that drive policy
-Likely effect of the spending cuts on different income groups:

![Graph showing impact of budget measures by income quintile]

**Winners and losers in the welfare state:**
- Study in 2009 for Public Services Trust 2020
- Working childless couples in the top half of the income scale pay out an average of 14,651 pounds net per year
- A working household in the bottom half with children receive an average of 9,109 pounds net per year
- Retired households (including the well off) are net beneficiaries of public services
- Greater London region net payers, Scotland and NI have highest expenditure
- Women are likely to be biggest losers of the spending cuts

**Does the welfare state mainly serve the better-off?**
- Benefits in kind have grown over time
  - Retirees and households with children receive most benefits in kind
- However, cash transfers have been eroded
- Welfare that benefits the better off may be politically better protected than the rest
  - Middle classes more assertive in exercising their rights and demanding quality services
- Some public services disproportionately used by the better off
  - High education
- Employment opportunities for well-educated middle classes

**The paradox of redistribution**
- Goodin & Le Grand (1987): the more the non-poor benefit, the less egalitarian the impact of the welfare state
- Korpi & Palme (1998; 2004): welfare states that rely more on benefits that target the poor achieve less redistribution
Partly due to problems of means-testing
-Partly due to political dynamics: welfare states that don’t include the middle-classes will have less political support, so the total budget for income transfers will be much smaller
-More recently some challenges to this paradox
-Kensworthy (2011) found that the claim was true for the original 1985 data, but had weakened by 1995, and vanished completely by the 2000s
-Targeted benefits have changed
-Not at all targeting is equal

**Does the welfare state serve business?**
-Social policy increasingly responsive to business demands due to worries about national competitiveness
-Globalization has strengthened corporations versus states
-More business-friendly taxation
-Private sector increasingly used to deliver services and finance infrastructure
-Contracting out of employment services
-Medical assessments (most controversially by ATOS)
-Private Finance Initiative (PFI)

**Corporate Welfare:**
-Farnsworth: Direct and indirect public provision aiming at private companies accounting for an increasing share of state expenditure (not least as a result of the crisis)
-Examples:
-Subsidies and tax relief for companies
-Support for otherwise failing industries/companies
-Subsidies and tax relief to low wage workers
-Public provision of infrastructure and ‘human capital’

**Conclusions:**
-Despite redistributive welfare state, persistently high poverty and inequality rates in UK
-‘Tax taboo’ regarding direct taxes
-Low-income groups finance welfare disproportionately through indirect taxes while also better off and business benefit from welfare
-Certain services may be used more by better off; yet the (childless) rich pay the most to the welfare state

**Lec9:**
-Devolution: A brief overview

<table>
<thead>
<tr>
<th>Country</th>
<th>Population 2012 (millions)</th>
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<tbody>
<tr>
<td>England</td>
<td>53.5</td>
</tr>
<tr>
<td>Scotland</td>
<td>5.3</td>
</tr>
<tr>
<td>Wales</td>
<td>3.0</td>
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<tr>
<td>Northern Ireland</td>
<td>1.8</td>
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-Asymmetrical Devolution to Scotland, Wales and NI by New Labour
Three points may be made that cast serious doubts on the social opposed to the individual potential of liberal meritocratic implications:

(a) There continues to be these large social-class inequalities of access to that kind of education, which will lead to these powerful and respected position.

- The association between class and progress, it is true, has declined in several places, and part of the reason for that is the sheer fact of expansion, especially when accompanied by the ending of various kinds of segregation between different kinds of school or different tracks.
- And class inequalities are more clearly seen to have declined is looked at in the long view: expansion often starts by diverting lower-status groups into lower-status courses, but that doesn’t last more than one generation.
- Nevertheless, all this decline in social-class inequality is rather modest compared to the gap that still exists in access to the higher levels of education, or compared to the truly revolutionary changes that have happened, to gender differences in educational attainment or progression, or to religious and ethnic differences in these same things.

(b) The second serious concern about the prospect of liberal opportunity is that in almost all developed countries there continues to be a direct influence of class origin on class destination even after discounting the continuing inequality of access to education.

- Educational expansion and democratization on their own cannot created equal opportunity, being necessary but not sufficient conditions, equality of opportunity depends also on there being other social or political forces which are bringing about greater equality of social conditions.
- E.g. Scotland has had, by comparative standards, massive expansion and quite extensive democratization, yielding a school system that is at the low end of the range of social segregation in developed countries, and yet in Scotland there has been no weakening of the direct effects of origins on destinations because, as in the rest of Britain during the main period of this expansion (since the 70s), there has been, if anything, steadily widening inequality of social condition.
- And, incidentally, there is no clear political conclusion as to what kind of welfare state produces the strongest equalizing of educational opportunity.
- It is true that the direct effects of social origin have weakened in Sweden and in some central-European countries.
- But they are low or have weakened also in France, the Netherland, Israel and the USA for reasons that owe little to the kind of politics that are fashionable on the left and we have to remember also that in many of the countries formerly ruled by communist parties, upward mobility in the third quarter of the 20th century was at the expense of the official destruction of peasant farming and self-employment, and at the expense of the enforced and rather brutal removal of many thousand professional from their posts, a large element of which removal was anti-Semitic.

(c) And the third general concern about education and meritocratic opportunity is more recent.

- It is that, the first time in about a century, the connection between education and the labour market might be weakening.
- The evidence on this remains slightly ambiguous. But what does seem to be happening is that, at the top end of the distribution of occupations- which is where this really matters- other factors that merit-selection are allowing not...
Dividing discipline and benefits:

'Strict discipline' for 'the able-bodied but chronically idle' experiencing 'recurrent distress' > tougher poor laws

-But compensation for 'the elite of the unemployed, respectable workmen settled in a locality, hitherto accustomed to regular work, but temporarily out of work through circumstances beyond their control' (Royal Commission on the Poor Laws, Majority Report, 1909) > Social insurance

1908-11 'Liberal Reforms'

-First break away from the Poor Laws
-Non-contributory exchanges, forerunner of Job centers- Beveridge involved
-National Insurance Unemployment & Sickness Benefit-both pooling risks, the first restricted to 3 major industries but then extended
-Both with conditions but higher benefit & status than poor laws/assistance

Drivers of change:
-Extensions of the vote, growth of trade unions, need to maintain the Empire, emergence of the Labour Party- growing understanding of structural causes of poverty and need
-Plus recognition poor laws not working-costly, poor, harsh, stigmatizing (great local variation)
-'The services establishing social rights can boast no lofty pedigree. They crept piecemeal into apologetic existence, as low-grade palliatives designed at once to relive and to conceal the realities of poverty' (Richard Tawney, Equality, 1951)

Unemployment rate UK: 1900-2001


Between the wars, 1918-1939:
-1918 on: NI coverage extended during WW1, overwhelmed during inter-war recession. Recognition of wider need and desert.
-1934 Unemployment Assistance Act- the first national scheme with nation-wide rates for the 'household means test' (with dramatic reactions to launch)

1942 Beveridge Report

-Report of National Insurance (NI) and Allied Services- ‘universal’ coverage with flat-rate benefits for flat-rate contributions to tackle and prevent ‘Want’. Lifting above the need to apply for assistance. Mainly a model for male breadwinner in secure employment.
-‘Want is only one of five giants on the road of reconstruction and in some ways the easiest to attack. The others are Disease, Ignorance, Squalor and Idleness’ (Beveridge Report, 1942)

The plan for social security:
-‘The aim...is to abolish want by ensuring that every citizen willing to serve according to his powers has at all times an income sufficient to meet his responsibilities’
-Generous definition of need, but not met.
-‘Abolition of want just before this war was easily within the economic resources of the community; want was a needless scandal due to not taking the trouble to prevent it’.

His three 'assumptions' or requirements:
-Family allowances, now child benefit, enacted in 1946
-Free and comprehensive health care- the basis for the NHS in 1948
-The ‘maintenance of employment and the prevention of mass unemployment’
Please note that Beveridge did not assume that these were going to happen but argued that they should be established as part of a broad structure against ‘evil of inequality’.

**The ‘maintenance of employment & the prevention of mass unemployment**

Beveridge drew on work including his own to conclude:

1. Complete idleness even on an income demoralizes...
2. The only satisfactory test of unemployment is an offer of work...
3. The stage of the labour market has a direct bearing on rehabilitation...
4. ‘Most important, income security which is all that can be given by social insurance is so inadequate a provision for human happiness hat to out it forward by itself as a sole or principal measure of reconstruction hardly seems worth doing.

- ‘It should be accompanied by an announced determination to use the powers of the State to whatever extent may prove necessary to ensure for all, not indeed absolute continuity of work, but a reasonable chance of productive employment’

- Costs of unemployment:

5. ‘Though it should be within the power of the community to bear the cost of the while Plan for Social Security, the cost is heavy and, if to be the necessary cost waste is added, it may become insupportable.

- ‘Unemployment, both through increasing expenditure on benefit and through reducing the income to bear those costs, is the worst form of waste.

- Note the two costs can double the total loss.

**1946 National Insurance (NI) and 1948 National Assistance (NA) Acts**

- Beveridge’s proposals largely accepted, but
  - NI benefit levels never set high enough to remove need for means testing
  - Protection for married women limited
  - Those with least skills and greater job insecurity left more likely to be dependent on assistance
  - ‘Wage-stop’ often reduced means-tested benefits below what could be earned by a low-paid worker affecting families, esp. Large.

- **Total and long-term Claimant Unemployment Great Britain, 1948-2003:**

![Graph of Total and long-term Claimant Unemployment Great Britain, 1948-2003]
-Compulsion & Support- questions
-Is the extent of conditionality right?
-Is the balance between it and support, control and welfare, right?
-Is it possible to decide which is effective?
-How does it relate to labour market demand?
-Is it counterproductive in reinforcing negative images of ‘workless’ among would-be employers, the wider community- and themselves?
-Now sanctions more than doubled, more than Work Program placements

-Universal Credit: Welfare that works: impact of new Welfare Reform Act to come
-Stated objective: ‘radically simplify the system to make work pay and combat worklessness & poverty’
-Merge 6 main means-tested benefits into 1 UC-
-Income support, income-based Jobseeker’s Allowance, Income-based Employment & support Allowance, Housing Benefit, Child Tax Credit, Working Tax Credit
-Single taper withdrawal at 65p per 1 pound
-Benefit cap at median income- 26k pounds
-Deductions. ‘bedroom tax’, if more rooms than needed in social housing- but shortage of 1-rrom units

-Welfare Reform Package:
-Contributory ESA, once unlimited, ends at 1 year.
-PIP to replace DLA- Personal Independence Payment, not Disability Living Allowance, to save 20% off payments to those of working age.
-Make work pay (MWP): create new culture to ‘make people recognize this & their responsibilities. ‘Active’ and not ‘passive’, so tighter conditionality’ & tougher sanctions
-All depends on fast, accurate reformed ‘ACT’ computer system- & within context of 22 billion £pounds public spending cuts- in benefits & services. And online applications too...?

-Universal credit:
-Is about understanding that people who have been out of work all their lives & have never seen a family or even a community member in work have to see the financial benefits from taking up employment’ (Iain Duncan Smith, 2011)- where?
-Rebutted by Tracy Shildrick et al (2012)
-‘Are Cultures of Worklessness passed down the generations?’ They asked, advertised, broadcast & interviewed, but no one. Lessons from their research for us all.
-Easier to cut benefits of those once stigmatized & demonized- ‘povertyism’ needs challenge

-Myth-busting:
-‘Are there families where three generations have never worked?’
-No, even two generations is very rare
-No evidence of ‘a culture of worklessness’- values attitudes and behaviors discouraging employment and encouraging welfare dependency.
-Working age offspring remained strongly committed to conventional values about work
-The lies we tell ourselves, 2013
-Key to the development of new homes for rent and ownership is land. Local authorities must be enabled to purchase appropriate land for housing and dispose of surplus land in a way that secures maximum public benefit, not just the highest price

**Housing policy in Scotland: better homes?**
- The Scottish Housing Quality Standard has to be delivered by 2015. Housing should be more energy-efficient, for both health and environmental reasons. The Standard should be extended in relation to its energy efficiency requirements.
- Lifetime housing should be accessible for people as their needs change throughout their lifetime: that means building houses, which can adapt to such changes.
- Owner-occupiers and private landlords need to be made aware of the requirements of the Scottish Housing Quality Standard and assess the degree to which their properties measure up against that standard.
- In an area of mixed tenure, positive relationships between landlords and owners to ensure that planned improvements and repairs programs can be accrued out effectively.

**Housing policy in Scotland: Thriving neighborhoods**
- Housing is more than bricks and mortar, and the quality of the responsive neighborhoods should be a key factor in funding decisions.
- Neighborhoods communities work best when all service providers work together, for instance throughout community planning partnerships.
- Housing providers are well placed to be agents of change and social enterprise in local neighborhoods.
- Anti-social behavior is a blight on many communities. Providers need to share both thinking and resources to the development of broad-based actions to deal with local problems. Changes to supported housing critical to more homeless, more rough sleeping, more crime.
- Providers should be enabled as part of any Development Submission to achieve added value through creative approaches to tenure mix.

**Housing policy in Scotland: Sustainable living**
- Practical steps needed to be taken to achieve the aim of enabling people to stay in their own home as long as they can and want. These are 3 key areas:
  - New homes built to easily adaptable standards
  - Additional financial assistance through grants and loans for adaptions
  - Use of shared equity to enable homeowners to move to more suitable housing
- The Supporting People program played a crucial role in helping providers to supply a range of support packages subject to quality to achieve long term funding. Supporting People funding must be needs-based and must be subject to evaluation of the quality of provision especially to secure long term funding.
- Tackling and preventing homelessness means that the right support as well as good housing, must be available to people.

**Housing policies in Scotland: current issues**
- Following the Christine Commission the Scottish Housing Charter has identified outcomes and standard. In contrast to past policy initiatives these are concerned with new issues. These include:
  - Participation, Communication and Customer Service, Housing Quality, Repairs, Maintenance and Improvements and estate Management
-Labour abolished fundholding but eventually reinstated it through *Practice Based Commissioning* (2005)

- New Public Management
  - Performance measurement and 'target culture' introduction of the NHS
  - Chief Executive post and a Commercial Directorate
  - General managers in the NHS at all levels (hospitals, health authorities, NHS as a whole)
  - Managers undermining professionals?
- Centralization of health in government departments
  - 12 billion for central IT (England, implemented with difficulty-
  prescriptions, patient records, booking operations etc.)
- Introduction of SHAs and PCTs

**The NHS structure (old)**
- Territorial administrative bodies: 10 regional SHAs managing 151 local Primary Care Trusts (‘at arm length’)
- Stand-alone national organizations with executive functions sponsored by DH: e.g. Medicines and Healthcare Products Regulatory Agency (MHRA), National Institute for Health and Clinical Excellence (NICE), Independent regulators (e.g. Monitor, CQC)
- Labour spending surge:

<table>
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<tr>
<th>Year</th>
<th>Spending at 2007/08 prices</th>
<th>as % of GDP</th>
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</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>£56bn</td>
<td>5.3%</td>
</tr>
<tr>
<td>2008/09</td>
<td>£108bn</td>
<td>7.7%</td>
</tr>
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</table>

**Patient rights, targets, performance measures**
- Benchmarking (between hospitals etc....allowing identification of poor performers)
- Patents Charter (1991) leading eventually to waiting time guarantees
- Waiting targets refines and improved
  - In Scotland maximum 18 weeks wait from GP referral to start of hospital treatment
  - In England, since 2004 financial incentives for maximum 4-hour wait in accident and emergency

**The role of the private industry:**
- Traditionally small role due to public sector monopoly for a long time
- A real market, with weak NHS provision, in dental and optimal services
- In generous welfare states social expenditure increased automatically due to availability of UB and assistance schemes
- A lot of fiscal stabilization is going on ‘behind the back’ of policymakers through large automatic stabilizers
- Much less need for discretionary stimulus measures, instead targeting of specific group’s
- Debate more about extent of retrenchment or expansion and shaped by public debt, supra-national regulation and influences and perception of the severity of the crisis

**Retrenchment of recalibration?**
- Argument that welfare states need to be made sustainable for the future
- Emphasis on activation, ‘flexicurity’ and ‘social investment’
- Active labour market policies instead of ‘passive’ unemployment benefits
- E.g. training schemes, but also tax-subsidized low-wage work to gain work experience
- Flexicurity
  - Promoting labour market flexibility (hiring and firing, but also working time and pay), but combined with social security
- Social investment
  - Policies focusing on early years and life long learning, transitions at critical stages in life
  - ‘Prepare instead of repair’, preventative measures that are costly at the beginning, but pay off in the future
  - Childcare, education, lifelong learning, training etc.

**Again: the role of the EU in this**
- Europe 2020 strategy
  - The EU is to become a smart, sustainable and inclusive economy, to deliver ‘high levels of employment, productivity and social cohesion’
  - Any future targets for the objectives of employment, innovation, education, social inclusion and climate/energy
- But: primary focus on sovereign debt crisis
  - Countries under bail have to meet very strict criteria
  - For all others, especially Eurozone countries, very strict new economic governance instruments
  - If our aim is to reconcile economic and social objectives, why are we pursuing being budgetary pacts on the one hand, and a non-binding Social Investment Package on the other?

**What does the OECD say?**
- Commitment to restore public finances should be maintained but not at the cost of raising inequalities
  - “Urgent action needed to tackle rising inequality and social divisions”
- Governments need to consider any further expenditure cuts very carefully
  - Income inequality and social divisions could worsen and become entrenched unless governments act quickly to boost support for the most vulnerable in society
  - Economic recovery alone will not be enough to heal the social divisions and help the hardest it bounce back
- Governments need to put in place more effective social policies to help their citizens deal with future crises