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Natali, D.; Keune, M.; Pavolini, E.; Seeleib-Kaiser, M.

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ORIGINAL ARTICLE

Sixty years after Titmuss: New findings on occupational welfare in Europe

David Natali¹ | Maarten Keune² | Emmanuele Pavolini³ |
Martin Seeleib-Kaiser⁴

¹ Sant'Anna School of Advanced Studies, Pisa, Italy

² Amsterdam Institute for Advanced Labour Studies, University of Amsterdam, Amsterdam, The Netherlands

³ Department of Political Science, Communication and International Relations, University of Macerata, Macerata, Italy

⁴ Institute of Political Science, Eberhard Karls Universität Tübingen, Tübingen, Germany

Correspondence

David Natali, Sant'Anna School of Advanced Studies, Piazza Martiri della Libertà, 33 - 56127 Pisa, Italy.

Email: david.natali@santannapisa.it

Emmanuele Pavolini, Department of Political Science, Communication and International Relations, University of Macerata, Via Don Minzoni, 22a, 62100 Macerata, Italy.

Email: e.pavolini@unimc.it

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Abstract

Following the seminal work of Richard Titmuss, who coined the term occupational welfare (OW) 60 years ago, the article approaches OW provision in Europe today. We first define OW as the sum of extra-statutory social benefits and services provided by employers and/or trade unions as a result of employment. We then look at its recent evolution: OW expenditure and coverage have been increasing significantly in Europe since the 1990s. While pensions are still the main policy area of OW, the latter has also advanced in other social protection areas (e.g., health insurance, reconciliation). This has led to four different ideal types of OW—defined on the base of their organizing principle (voluntarism vs. collectivism) and the level of OW scheme coverage and expenditure. By looking at the main drivers of OW, the analysis has found no evidence of a "crowding out" effect between public welfare and OW. Collective bargaining, national political economy, and the timing of reforms prove to be important factors explaining the OW development. As for the present and future of OW, dualization is a major risk. At present, the main fault lines created by OW follow sectoral, industry, company size, and occupational group lines. To avoid the worsening of inequalities originated by OW, even in those countries which were able in the past to avoid dualization, strong industrial relations may play a key role. The article concludes with some suggestions on the agenda of future OW research.

KEYWORDS

dualization, industrial relations, occupational welfare, social inequalities, universalism

1 | INTRODUCTION

Exactly 60 years ago Richard Titmuss (1958) argued that, alongside traditional “social” welfare (social benefits and services provided by the State), also “fiscal” welfare (tax incentives for individuals and firms to help them provide welfare) and “occupational” welfare (benefits and services provided by social partners) (OW) are important sources of social protection. Although OW was the subject of some seminal studies in the 1970s and the 1980s (Kangas & Palme, 1989; Sinfield, 1978), OW provision has remained a relatively neglected area in comparative social policy research (for some more recent exceptions, see Ebbinghaus, 2011; Greve, 2007, 2013; Seeleib-Kaiser, 2001, 2008; Seeleib-Kaiser & Fleckenstein, 2009; Seeleib-Kaiser, Saunders, & Naczyk, 2012; Wiß, 2016). This neglect is largely associated with the difficulty of conceptualizing, measuring, and classifying OW. On the one hand, the concept is ambiguous, as it can be defined on the basis by which welfare entitlements are accumulated (in this case employment) or on the basis of the actors providing welfare. On the other hand, measuring and comparing OW has proved to be extremely difficult because of the limited availability of comparable and reliable data, which has made the definition of OW models complicated (Natali & Pavolini, 2017). This issue of *Social Policy & Administration* aims to overcome some of these difficulties.

OW can play a crucial role in the ongoing transformations of European welfare states, and therefore welfare state reforms—benefit cutbacks, program revisions, decentralization, etc.—should not be assessed in isolation from developments in OW. OW also can play a significant role with regard to creating *new* inequalities. Lastly, OW is important for understanding recent trends in industrial relations.

To overcome the blind spots in the literature mentioned above, and improve our knowledge of the key role of OW on welfare policy and industrial relations, this issue of *Social Policy & Administration* sheds light on some main aspects of OW in Europe. First, it provides a clear definition of OW and disentangles the interaction between OW, public welfare, and industrial relations. Second, it provides an up-to-date analysis of the increasing role of OW in Europe. Third, it discusses the key drivers of OW developments, followed by an overview of the dualizing effects OW can have. Fifth, it discusses the possibilities for the expansion of OW in the future and it finishes with an outline of a future research agenda.

2 | DEFINING OCCUPATIONAL WELFARE IN EUROPE

As already mentioned, the concept of OW was originally introduced by Titmuss (1958), who proposed to differentiate three types of welfare provision: “social welfare”, “fiscal welfare”, and “occupational welfare”. For Titmuss, the latter type “is provided by virtue of employment status, achievement and record, and may take the form of social security provisions in cash or in kind” (Titmuss, 1958, p. 50). While not necessarily differing in their functions and aims, what distinguishes the types of welfare provision are “[...] the administrative methods and institutional devices used” (Titmuss, 1958, p. 42). Whilst the three systems interact, they should be considered as three distinct spheres. The concept of OW also enables scholars to focus on the key role played by employers and trade unions in direct welfare provision and to move beyond a purely *state*-centric analysis of welfare (Greve, 2007, 2013; Seeleib-Kaiser, 2001, 2008).

While the seminal work by Titmuss has thus opened an original contribution to the analysis of welfare provision, his definition of OW was characterized by some ambiguity on the boundaries between different forms of welfare policies (Natali & Pavolini with Vanhercke, 2017). In what follows we provide our own definition of OW and outline its main characteristics. Based on the work of Greve (2007), Mares (2003), Seeleib-Kaiser (2001, 2008), Seeleib-Kaiser, Saunders and Naczyk (2012), Sinfield (1978), and Trampusch (2007a, 2007b, 2013), we define the concept of OW as the sum of extra-statutory social benefits and services provided by employers and trade unions as a result of employment. In our definition, OW deals with those cases where the social partners play a key role in the regulation, financing, and/or provision of the schemes. We include OW schemes that are regulated by social dialog and collective bargaining, i.e., “collective occupational welfare schemes” (Trampusch, 2013), as well

as unilaterally provided company-based OW schemes. Thus, we include extra-statutory, employment-based social protection for workers and their relatives,¹ insuring against the social risks of old age, unemployment, sickness, and work–family conflict. Fringe benefits and other economic and fiscal advantages are not considered, as they do not explicitly insure against social risks.

The main problem in the definition of OW is the blurred division between various forms of welfare provision. As argued by Ferrera (2005), both public (*social welfare* in Titmuss, 1958) and supplementary schemes can be “occupational”, in the sense that they are based on employment. As a consequence, social partners who represent employers and employees may have a role in the regulation and administration of both public and occupational schemes (see also Whiteside, 2006). To analytically deal with this complexity, we base our analysis on an approach developed by the European Court of Justice (ECJ) on the issue. On different occasions, the ECJ has distinguished between statutory and non-statutory schemes. For the ECJ, statutory schemes (universal or occupational) are those based on compulsory participation and regulated by law. The relevant pieces of EU legislation—Regulations 883/2004 and 987/2009—refer to “legislated” benefits (Ghailani, Guardiancich, Jessoula, Ferrera, & Natali, 2012). By contrast, non-statutory schemes consist of contractual schemes that have voluntary affiliation or quasi-mandatory participation for certain occupational groups, based on collective agreements (sometimes extended by law) or unilateral provision. Inspired by these rulings, we define the prominent role of social actors (employers, workers' representative or both) in regulating key aspects of welfare provision as core to the provision of OW, whilst political decision-makers are normally the *primary* source of regulation of legislated and statutory schemes. Nevertheless, the problem cannot be solved fully, as many welfare schemes do not strictly follow the classification, but are of a hybrid nature.

3 | OCCUPATIONAL WELFARE BETWEEN WELFARE STATES AND INDUSTRIAL RELATIONS IN TRANSFORMATION

Most affluent democracies have undergone processes of welfare state reform in recent decades (Bonoli & Natali, 2012), but no consensus seems to have emerged on the role of OW. When looking at potential mechanisms behind retrenchment trajectories and strategies, Hacker (2006) argues that such strategies may include an expansion of private or employer-provided welfare benefits in exchange for a reduction of direct public provision for reasons of blame avoidance. Under such circumstances the relationship between welfare state retrenchment policies and OW can take two forms: the state may cut public programs and foster private OW programs that are not able to provide the same coverage (or generosity); or the state may not cut public benefits but heavily rely on OW. In both cases, OW can be part of a process of reducing social rights, which may lead to welfare dualization, i.e., the differential treatment of labor market insiders and outsiders, thereby creating, deepening or widening socio-occupational inequalities and divides between workers (Emmenegger, Hausermann, Palier, & Seeleib-Kaiser, 2012; Seeleib-Kaiser et al., 2012). Others, however, argue that OW can contribute to safeguarding high social standards providing social protection. Some observers have viewed OW as a promising strategy to deal with budgetary constraints and improve the provision social benefits and services. Hence, OW is seen as an alternative to welfare state privatization and individualization in a post-industrial age (Ferrera, 2017). Which of these two interpretations applies is an empirical question. Hence, it is necessary to assess whether specific programmes of OW supplement or substitute public provision (Greve, 2007).

A similar ambiguity can be found in the literature on industrial relations and the role of trade unions and employers in OW (see Keune, this issue, for a more detailed discussion). For some authors (e.g., Johnston, Kornelakis, & Rodríguez d'Acari, 2011; Trampusch, 2007a, 2007b) the “collectivization” of social risks represents an opportunity for the labor movement. Moreover, OW may allow social actors to reach out to new constituencies and OW may ultimately be used to compensate for the lack of wage increases in a context of economic austerity and growing pressure on the competitiveness of firms. The wider relevance of the argument lies in outlining a possible means whereby unions—through collective bargaining with employers—can “turn the snakes of the post-industrial age into ladders”

(Crouch, 2000) and “reinvent” themselves by pursuing a new mode of action to defend workers' rights (Bryson, Ebbinghaus, & Visser, 2011; Hyman, 2001). Therefore, providing welfare through social dialog may hold a “silver lining for unions”: “the meaning of collectivization was (that) ... once pressing social risks became manifest, collective agreements were utilized by social partners to address rising concerns” (Johnston et al., 2011). For these authors, OW thus can represent a source of progress for the labor movement. Also employers may see opportunities in developing OW. Where OW is supported by tax incentives they may see it as a cost-efficient alternative to wage growth. Employers may also consider OW a means to strengthen their capacity to recruit and retain highly skilled in a competitive environment.

Occupational welfare, however, may also entail risks, especially for trade unions and workers. For trade unions, the shift toward an OW approach could foster a shift from general, national trade union strategies, to more diversified industry- and firm-level strategies. Such decentralization may result in increasing welfare inequality as well as weakening the union movement. In particular, where OW is organized at the enterprise level, welfare provision may be employed in a paternalistic or strategic way by employers to regain more comprehensive control of human resources management (Natali & Pavolini, 2014).

In the following, we address the ambiguous interaction between OW, social welfare, and industrial relations. On the basis of the evidence provided by the different articles in this issue of *Social Policy & Administration*, we first refer to the present state of OW provision and then we provide some insight about its future prospects.

4 | AN INCREASING ROLE OF OCCUPATIONAL WELFARE IN EUROPE

Expenditure on OW has been increasing significantly in Europe and the United States since 1990 (Table 1) as a result of welfare state (and especially pension) reforms and the maturation of occupational pension schemes—often introduced before the 1970s—in countries such as the Netherlands and the United Kingdom. Between 1990 and 2013 per capita private social expenditure increased in real terms between 45% and 283% in the selected countries included in our analysis (see Table 1).

These figures on private expenditures do not capture the effect of recent reforms as it takes decades for new OW programmes, in particular in the field of pensions, to be phased in and mature. As many countries have started to shift to multi-pillar pension systems since the 1990s, occupational pension funds are very likely to play an even more important role in the future. Although Table 1 shows a general trend of OW expenditure growth, the same table shows that countries have followed different paths. The development of OW is not linear and varies by type of risks as well as by country.

We can identify four different ideal types of OW based on the organizing principle (voluntarism vs. collectivism) and on the level of OW scheme coverage and expenditure. The first ideal type is characterized by an encompassing and collectivist OW with high levels of spending and coverage. In certain cases, OW can be substitutive of statutory schemes. The empirical case that most closely resembles this ideal type is the Netherlands where OW plays a key role (in line with OECD data, 7% of GDP of private social spending or one-third of total welfare spending) and is—at least in the case of pensions—functionally equivalent to public earnings-related schemes (ensuring high coverage and an adequate income maintenance), with over 90% of the employees covered.

The second ideal type consists of systems with very high and encompassing coverage rates, but lower levels of OW spending than the first ideal type. The Nordic countries, such as Sweden and Denmark, fit within this ideal-type, as they spend between one-tenth and one-sixth of total welfare expenditure on private social benefits and services. This lower level of spending—compared to the first ideal-type mentioned above—is related to the traditionally supplementary nature of OW. Nevertheless, about 90% of the workforce is covered by collective occupational pension schemes in the Nordic countries (see Greve, this issue). As a consequence of the most recent reform processes, these countries are very likely to experience a further increase of occupational spending and thus become more similar to the first ideal-type.

TABLE 1 The importance of voluntary private social expenditure in Europe and the United States (1990–2013)

	Voluntary private expenditure per head, at constant prices (2010) and constant PPPs (2010), in US dollars				Voluntary private expenditure as a percentage of GDP				Incidence of voluntary private on public and mandatory private expenditure (%)				% variation over time in voluntary private social expenditure 1990–2013
	1990	2000	2007	2013	1990	2000	2007	2013	1990	2000	2007	2013	
Sweden	348	697	962	1,331	1.2	1.9	2.2	3.1	4.2	7.1	8.7	11.3	+282.8
Denmark	..	..	..	..	1.6	2.1	4.9*	4.9**	6.6	8.0	15.4*	16.3	..
United Kingdom	1,151	2,160	1,674	1,855	4.4	6.6	4.4	5.0	28.3	35.9	21.9	21.9	+61.1
Netherlands	1,667	2,521	2,721	3,164	5.3	6.1	5.9	7.1	21.6	32.1	29.0	30.3	+89.8
Germany	502	592	719	803	1.5	1.6	1.8	1.9	6.3	6.1	7.1	7.3	+60.0
Austria	318	390	443	495	1.0	1.0	1.0	1.2	4.3	3.9	4.0	4.1	+55.9
Belgium	448	596	845	720	1.5	1.7	2.1	1.8	6.2	7.1	8.5	6.2	+60.7
Italy	159	178	216	231	0.5	0.5	0.6	0.7	2.4	2.1	2.3	2.4	+45.4
Spain	55	81	149	119	0.2	0.3	0.4	0.4	1.2	1.4	2.1	1.5	+116.3
Poland	..	..	7	10	..	..	0.0	0.0	..	..	0.2	0.2	..
United States	2,471	3,760	4,924	5,529	6.8	8.4	9.9	11.1	49.9	57.5	61.2	58.2	+123.7

Source: OECD (2016) (data retrieved on July 22, 2017); data for Denmark taken from Greve, this issue.

Notes.

*Data refer to 2009.

**Data refer to 2011.

The third ideal type is characterized by voluntarism and a medium level of coverage. The United Kingdom fits well into this ideal type, with its long tradition of voluntary OW schemes, especially in pensions (with more than 20% of total social spending made up by voluntary private spending). OW in the United Kingdom is concentrated in certain sectors of the workforce (with an average workforce coverage of 58% in the domain of pensions). Germany has approached this ideal type more recently as the result of the 2001 pension reform (as highlighted by Pavolini & Seeleib-Kaiser, this issue).

The fourth ideal type of OW is characterized by voluntarism and extreme low coverage with huge differences in terms of coverage and expenditure across sectors, occupational groups, companies, and types of employment. Benefits are not high and tend to supplement public protection. Southern Europe, but also many continental European countries such as Austria and Belgium, can be found in this group. Italy shows for instance a level of voluntary private spending that is about 2% of total social spending, with occupational schemes covering a minority of the workforce (e.g., pension funds cover about 20% of the workforce). The Central-Eastern European countries have extremely limited and segmented OW (Natali et al., 2017).

Overall, OW in Western Europe remains primarily focused on insuring against the risk of old age (see Figure 1), but has more recently also advanced in other social protection areas. As shown in several contributions to this issue of *Social Policy & Administration*, healthcare and sickness benefits (see Ascoli, Natali, & Pavolini, this issue; Greve, this issue), as well as work–family reconciliation (parental leaves and flexible working time) (see Greve, this issue; Chung, this issue) are also expanding.

5 | THE KEY DRIVERS OF OCCUPATIONAL WELFARE IN EUROPE

What have been the main drivers of the evolution of OW in Europe? In the following we refer to the nexus between social and occupational schemes; the role of industrial relations systems in determining the spread and the distributional effects of OW; and the main traits of different political economies.

5.1 | No evidence of a crowding out effect between social and occupational welfare

An important factor in determining the extent of OW in Europe is said to be the replacement rate of statutory welfare schemes for average workers. A high replacement rate of comprehensive social protection schemes is said

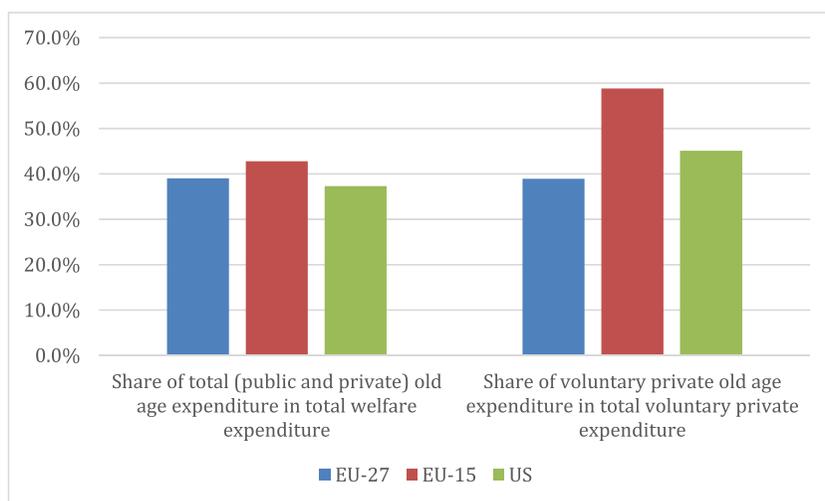


FIGURE 1 The role of occupational welfare by policy field (year 2013)

Source. OECD (2016) (data retrieved on July 22, 2017) [Colour figure can be viewed at wileyonlinelibrary.com]

to crowd out OW (cf. Rein & Turner, 2001), whereby a reverse “crowding out” effect could be expected in the case of welfare state cutbacks; hence, retrenchment of statutory public schemes could foster the growth of OW (Ebbinghaus, 2012, p. 189).

Figure 2 shows that contrary to what the crowding out hypothesis would suggest, we find a positive correlation between the per capita level of public/mandatory social expenditure and per capita voluntary expenditure in Europe. The correlation between the two variables is not very strong (.388) but if we exclude the outlier cases of the United Kingdom and the Netherlands, the correlation becomes much stronger (.687). The correlation becomes almost not existent if we only include pensions in our analysis (-.059) (Figure 3). Once again, the Netherlands and the United Kingdom seem to be outliers and suggest some crowding out effects between public/mandatory and voluntary pension expenditure.

The crowding out hypothesis seems to apply only in a very limited number of countries and for a limited number of policy areas. While the crowding out hypothesis is not confirmed, social welfare has clearly an impact on OW. In cases such as Austria, Belgium and Southern Europe, the reforms passed to retrench statutory schemes and promote OW—especially in pension policy—have not been successful. Second, and related to this, the strong trade unions in countries such as Austria and Belgium have opposed OW in the pension area, contrary to unions in Scandinavia and the Netherlands, even though their industrial relations system has the capacity to develop encompassing OW schemes. Their preferences have been in favor of defending statutory public schemes for several reasons; the three most important reasons being the heritage of a generous Bismarckian public system, the crises in the financial markets during the last decade which made trade unions skeptical and suspicious about OW benefits, and the fear that OW would develop at the cost of wage growth (see Keune, this issue).

5.2 | Strong industrial relations as a pre-condition for encompassing occupational welfare

A relatively centralized, highly coordinated and encompassing collective bargaining system with powerful trade unions, seeing OW as an opportunity to strengthen workers' rights and their own position, has been an important

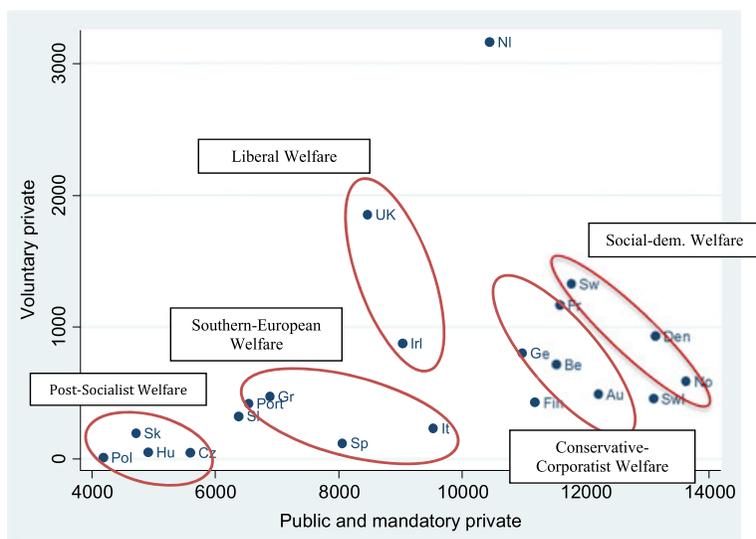


FIGURE 2 Voluntary social expenditure and public/mandatory social expenditure in European welfare states: per head voluntary total social expenditure (year 2013)
 Source. Authors' elaboration of OECD (2016) [Colour figure can be viewed at wileyonlinelibrary.com]

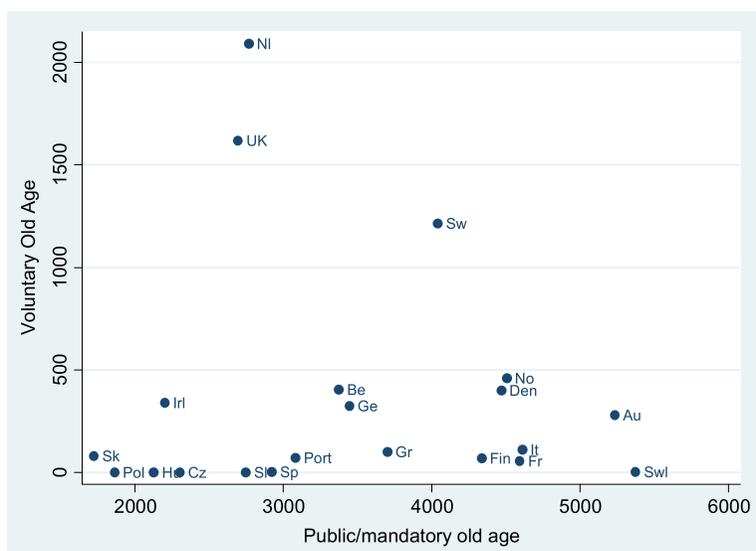


FIGURE 3 Voluntary social expenditure and public/mandatory social expenditure in different European welfare states: per head voluntary old age social expenditure (year 2013)

Source. Authors' elaboration of OECD (2016) [Colour figure can be viewed at wileyonlinelibrary.com]

factor for the development of an encompassing OW system. Encompassing earnings-related occupational pension systems (but also occupational schemes covering other risks—sickness, reconciliation, etc.), such as in the Netherlands (see De Deken; this issue; Keune, this issue), Denmark and Sweden (see Greve, this issue), can be characterized as elements of “industrial citizenship” (Marshall, 1950). As De Deken argues in his contribution to this issue, in the absence of strong collective bargaining institutions, the development of a second pillar depends primarily upon the unilateral voluntarism of employers. In such cases, OW tends to cover a far smaller section of the labor force and under strongly unequal conditions, fostering dualization. Where industrial relations are more fragmented and/or have been subject to decentralization, and where there has been also a weakening of trade unions, OW schemes tend to be much less inclusive and to be concentrated in a limited number of sectors and industries and to cover only certain specific categories of workers (Seeleib-Kaiser et al., 2012). Weakening industrial relations systems tend to make it difficult for OW to adequately compensate for cutbacks in statutory protection for all (Natali et al., 2017). But this is also the case for healthcare in Italy with its strong unions and high collective bargaining coverage, where the diffusion of OW schemes has split the labor force into two groups: insiders, covered by OW, and outsiders, who face increasing problems in accessing adequate healthcare, as they are not supported by occupational healthcare funds.

5.3 | The national political economy and the timing of reforms

Some contributions to this issue of *Social Policy & Administration* show that the state of, and developments in, the welfare state and industrial relations are not sufficient to explain the development of OW (cf. Estévez-Abe, 2001; Trampusch, 2013). In his contribution, De Deken focuses on the main characteristics of the housing market to explain why Belgium has not seen the spread of an encompassing OW system, even with its strong industrial relations and relatively weak statutory old age protection. The vast majority of Belgians are outright home owners and therefore require less income during old age. Natali stresses that the different paths to financialization in the United Kingdom, the Netherlands, and Italy are the result of different sources of financing for firms. While the shareholders and the stock exchange play a key role in the United Kingdom and the Netherlands, Italian employers rely more on the banking sector and severance pay schemes. Especially small and medium enterprises are therefore not interested in the

development of occupational pension funds. Naczyk provides evidence of the interplay between occupational pensions and the Polish political economy: policymakers are now supporting the development of occupational retirement schemes in order to overcome the main limits of a model of economic growth based on foreign direct investment and to increase domestic investments. These examples demonstrate that the development of OW is also shaped by socio-economic determinants well beyond welfare and industrial relations regimes.

Moreover, and in line with neo-institutionalist arguments, it is important to remember that the successful introduction of welfare institutions largely depends on timing (see Bonoli, 2005; Pierson, 2004). In the long-term perspective, the pioneers of large OW schemes—e.g., the United Kingdom, Sweden, Denmark, the Netherlands—used the opportunities provided by favorable socioeconomic, political, and institutional contexts. When other countries (the latecomers) started to embrace the same pro-OW strategy at the end of the 20th century, political, socioeconomic, and institutional conditions were different and much less favorable. The Southern countries are typical examples of such a situation, where, in a context of permanent austerity and huge pressure on wages, there has been much less room for OW to develop. The recent Great Recession further evidences the importance of the time dimension (Natali et al., 2017). The collapse in the financial markets in 2008–09 had a negative impact on the rates of return of occupational pension funds investments. Social partners and policymakers, who had hoped to gain from the spread of pension funds, in fact were confronted huge volatility on the financial markets and with the risk of negative returns on the pension contributions by employers and employees.

6 | OCCUPATIONAL WELFARE AND DUALIZATION

In the previous section we stressed that when the socio-institutional conditions (e.g., strong industrial relations) required to avoid a move away from universalism are not met, OW leads to dualization. Table 2 summarizes the main fault lines created by OW according to industry, company size, and occupational group. Highly profitable and export-oriented industries tend to more frequently offer more generous OW schemes to their workers than companies primarily producing for the domestic market. For example, companies in the pharmaceutical, utility or automotive sectors, as well as companies in banking and finance, provide higher and better coverage than industries such as tourism, personal services, and retail.

Sector characteristics also influence the prevalence of certain types of skills, and consequently OW coverage. Occupational pension coverage is generally higher in sectors predominantly requiring workers with high general skills and/or with specific skills. Coverage tends to be low in enterprises predominantly relying on a workforce requiring low general skills (Seeleib-Kaiser et al., 2012; Wiß, 2016). Company size also matters: small and medium size enterprises offer less generous OW programs than medium and large companies. In most countries, public sector workers are more likely to be covered by OW than workers in the private sector. However, there are exceptions to this pattern, for example in Italy and Belgium. Also self-employed and workers with fixed-term contracts are

TABLE 2 Workers more or less likely to have access to occupational welfare

	More likely to have access	Less likely to have access
Industry	Higher profitability industries Export-oriented industries	Lower profitability industries Industries producing for the domestic market
Company size	Large Medium	Small-medium
Workers' skills profile	High general skills Specific skills	Low general skills
Type of employment	Employee	Self-employed
Type of labor contract	Open-ended	Fixed-term

Source. Own compilation.

less likely to be covered than workers with open-ended contracts. Access to occupational benefits is not evenly distributed across all socio-demographic groups: migrants and, in many countries, women are less likely to be entitled to OW schemes, because they are often employed in industries and enterprises less likely to provide occupational benefits, or as a result of atypical employment contracts or the skill requirements of their jobs (see Pavolini & Seeleib-Kaiser, this issue).

7 | CHANGING SOCIOECONOMIC AND POLITICAL CONDITIONS: A BLEAK FUTURE FOR ENCOMPASSING OCCUPATIONAL WELFARE?

The Netherlands, Denmark and Sweden have in the past been able to avoid or at least to limit a shift towards dualization, despite an expansion of OW. Whether an encompassing OW arrangement will be possible in the *future* is, however, an open empirical question. The shape of OW in the coming decades will depend on the development of labor markets, of possible parametric changes in the public pillar, and the strength of trade unions and of national collective bargaining systems.

7.1 | Structural changes in the labor markets

In most European countries the significance of standard employment relationships has been declining (Emmenegger et al., 2012). For many workers, atypical or precarious employment (e.g., certain types of temporary employment or self-employment) has become the norm (cf. Figure 4). As these workers are less likely to be covered by OW and if the trend towards more atypical employment continues, it is very likely that we will witness a decline of OW (see De Deken, this issue; Greve, this issue; Keune, this issue; Pavolini & Seeleib-Kaiser, this issue). Such developments may have an especially significant impact among those countries with encompassing OW systems, such as the Netherlands, Denmark, and Sweden.

Lastly, Chung's contribution on flexible working time adds more insights to this point. Her analysis not only shows a segmentation between workers based on the contract status or skill level in their access to family-friendly policies, but also the importance of the *perceived* insecurity of workers. Moreover, it is in those countries of Northern and Continental Europe where family-friendly working time arrangements are more readily available that dualization among workers is also wider.

7.2 | Recent reforms

In relation to the Netherlands, Denmark, and Sweden, De Deken (this issue) and Greve (this issue) identify several mechanisms pointing in the direction of a "gradual but transformative change" (Streeck & Thelen, 2005) in the role of OW, fostering an overall retrenchment trajectory. During the past decade, the Netherlands adopted a series of parametric reforms and initiated a number of more fundamental reforms that have started to undermine the foundations of its postwar pension model. The first pillar underwent parametrical reforms that consisted primarily of a gradual increase of the statutory retirement age. The increase of the statutory retirement age can trickle down into the second pillar, and results there too in a significant reduction of pension generosity. Moreover, the investment losses in the wake of the financial crisis as well as the regulatory changes forced pension funds to dramatically increase their contribution rates (from an average of 5% during the period between 1990 and 1995 to more than 19% in 2013—see De Deken, this issue; Natali, this issue). In relation to Denmark and Sweden, Greve (this issue) finds a gradual retrenchment of benefit levels and a movement away from an egalitarian universalistic approach in welfare delivery in the domains of pensions, sickness benefits and parental leave. During the past 25 years, we witnessed a slow and gradual transformation of welfare state provision with an increasing importance of OW, now playing a central role with regard to providing adequate pensions for average workers.

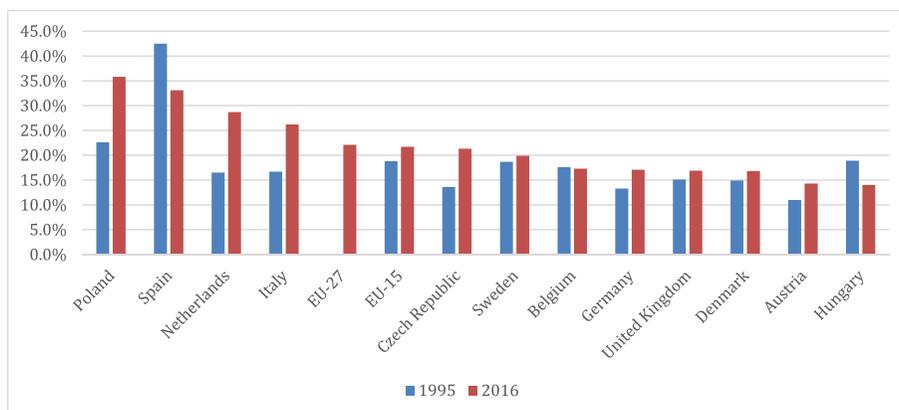


FIGURE 4 Share of workers being either self-employed without employees or employees with fixed-term contracts (years 1995 and 2016)

Source. Eurostat Labour Market Database (data retrieved on July 22, 2017) [Colour figure can be viewed at wileyonlinelibrary.com]

A more general and fundamental change in OW has been the shift from defined benefits formulas to defined contributions in many countries. This change in the provision of OW together with a withdrawal of pension promises within the statutory schemes has shifted the risk of securing adequate social protection onto the individual worker (see Natali, this issue; Pavolini & Seeleib-Kaiser, this issue).

7.3 | Weakening of trade unions and changes in industrial relations

In most countries, trade unions have lost power in recent decades and are undergoing transformations, with the consequence of being less able to protect public schemes and to advocate encompassing OW. Keune shows in his contribution that even the Dutch trade unions have over the years suffered continuous membership declines (to around 18% in recent years), which has weakened their role in the Dutch neo-corporatist institutions and in the collective bargaining processes. Recent internal union struggles have further undermined their capacity to negotiate and enforce worker-friendly reforms. As a result, they have lost much of their leading role in welfare reforms.

Also in other countries, with the exception of Austria and Belgium, trade unions have become weaker or less able to sustain a strategy aiming at an encompassing OW. Low union membership and the lack of union unity in Germany resulted in weak opposition to government reforms, introduced by a Minister previously working within the Labour Union movement, and a substantial decline of the public pension (cf. Keune, this issue). Subsequently, the stronger sectoral unions in the chemical and metal industries have been negotiating substantial occupational pensions to compensate for this decline, thereby opening up a divide between the workers they represented and those in other sectors with less bargaining power (Seeleib-Kaiser, Saunders, & Naczyk, 2011). Similar developments have occurred in Southern Europe and are very likely in Central and Eastern European (CEE) countries (see Ascoli, Natali, & Pavolini, this issue; Naczyk, this issue).

7.4 | Changes in policy actors' preferences and the rise of new policy actors

Recent years have witnessed not only the weakening of trade unions but also the strengthening of three other actors, which are less interested in fostering an encompassing approach to OW: employers, financial markets and the state. There is a renewed interest in OW among employers in a number of countries, such as Italy and Poland (see, respectively, Ascoli, Natali, & Pavolini, this issue; Natali, this issue; Naczyk, this issue). In Italy, this interest has led to an

enterprise-led growth of OW in the private sector. Companies are interested in using OW in exchange for wage moderation, as a way to reduce cost and thereby achieve international competitiveness. In CEE countries business groups have developed policy expertise and have growing organizational resources that make them increasingly influential actors in reshaping the contours of private pension provision. Domestic business elites have strategically identified the development of private—personal or occupational—pension plans as an instrument to overcome the alleged excessive reliance of CEE economies on foreign capital. Under certain circumstances employers also perceive OW as a human resources management tool in order to attract and retain skilled workers.

Lastly, a specific type of business group deserves special attention, namely the financial services industry. Whilst several contributions to this issue of *Social Policy & Administration* discuss financial firms in single countries (Naczyk for CEE countries; De Deken for the Netherlands), Natali provides a comparative analysis of the rising importance of this actor in shaping OW. Financial actors are now part of the pension policy arena, managing and having access to occupational funds' assets. In the Netherlands and the United Kingdom, in particular, trade unions have largely accepted the trends towards the financialization of the pension system.

Natali's contribution is also helpful because it sheds more light on the persistent and increased role of the state. In different countries, the state heavily supports OW through regulation and fiscal incentives. In some respects, social partners—and especially trade unions—are increasingly squeezed between the state and the financial market.

8 | AN AGENDA FOR FUTURE RESEARCH ON OCCUPATIONAL WELFARE: CHALLENGES AND OPPORTUNITIES

Research in the domain of OW is still only in a nascent phase. The contributions to this issue of *Social Policy & Administration* show the importance of including OW in the study of welfare state transformations, industrial relations, and social inequalities. However, in order to do so, there are several challenges to be dealt with. First, there are data problems. Comparable quantitative data is still scant and at times contradictory (Natali & Pavolini, 2017). Even in the field where information is usually and more easily gathered—occupational pensions—there are important issues in data collection that need to be addressed, especially for those countries that have only in recent decades introduced occupational schemes.² The challenges are even more complicated in areas outside pensions, where comparable quantitative data are even less available.

Second, the present issue shows that OW is a complex topic. Occupational schemes assume different characteristics in different policy fields. As shown, for instance, by two of the contributions to this issue (Ascoli, Natali, & Pavolini; Greve), path dependency seems to work at the policy level more than at the welfare regime level: in a country, OW can be particularly relevant in a policy field but not so important in another. Actors' agendas may also differ from one policy to another as a consequence of different power resources and organizational interests. In the light of the first point mentioned above, for example, data problems, it is crucial to look at different policies. The risk is otherwise to over-emphasize the key traits of those policies (namely pensions) where data are more available, while under-representing the OW provision, its key traits and determinants, in other policy areas. Future analysis should thus focus more on comparing occupational schemes in different policy areas (within the same country).

Third, the literature on OW has often neglected the important role of the state both as an employer and a regulator. Little comparative research is available with a direct focus on the role of the state as an employer and thus as a provider of OW (see Trampusch, 2013 for a review of the literature). But it is clear that the coverage of OW schemes in the public sector tends to be high in some countries (including the United Kingdom, Sweden, Germany, and the Netherlands), but very limited in others (e.g., Italy, but also Spain, Belgium, and Austria) (see Natali et al., 2017). There is a clear need to invest more comparative effort in analyzing the cleavages between the public and private sector and the determinants of OW in the public sector.

As argued above, the state is also increasingly playing an important role in OW in relation to regulation and fiscal incentives. Contributions to this issue of *Social Policy & Administration* provide evidence that OW can be of special

interest to countries facing austerity. Regulation has become an even more important steering tool than in the past (Ebbinghaus, 2012). The consequence of this increased involvement of the state for welfare policies and politics is still to be fully analyzed.

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CONFLICT OF INTEREST

None declared.

ENDNOTES

- ¹ In some cases, the target of OW is larger: citizens with no link to the company may benefit from the benefits/services provided by the social partners. However, these are supplementary beneficiaries, while the core target is still the workers.
- ² In particular, the issue is a delicate one for population (workers and households) survey data: these types of data tend to underestimate the OW phenomenon. The reason is that survey questions on OW schemes are very difficult to answer, especially because there are often different kinds of schemes, and many employees are not able to answer correctly.

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