



C I G E

CENTRO DE INVESTIGAÇÃO EM GESTÃO E ECONOMIA

UNIVERSIDADE PORTUCALENSE – INFANTE D. HENRIQUE

DOCUMENTOS DE TRABALHO

WORKING PAPERS

n. 25 | 2012

The Double Articulation of the Welfare-State: A demographic drop of jeopardy?

Dragos Lucian Ivan

National School of Political Studies and Public Administration of Bucharest

E-mail: i_dragos_lucian@yahoo.com

5 / 2012

Dragos Lucian Ivan¹

National School of Political Studies and Public Administration of Bucharest

E-mail: i_dragos_lucian@yahoo.com

A 250-Word Abstract:

Many people are in danger of missing out on the welfare state that they helped to create. Many people are also missing out on having the chance of being a citizen in a welfare state, something that has been promised. Obviously we are talking about the Old EU Member states and of the New EU Member states and their still striking disparities in terms of both causes that are at the root of the demographic decline and the development of policies meant to either sustain or create a welfare state. Chronic demographic degradation – today’s silent emergency – threatens European citizens and undercuts their livelihood. What is at stake is not just an understanding of the welfare state, but its place according to the context of each European state. Traditional investigations upon the welfare state most of the time leave out the demographic transition and seldom it takes into consideration the fact that in our contemporary times the EU has two types of welfare states, in different stages of evolution and with a different context. Demographics, we argue, is changing both the welfare state through policies within the EU and within each individual country. It is also affecting the nature of actors and institutions in the EU politics. This requires change of a more fundamental kind, the cost of inadequate policies is clear. The debate between welfare state supporters and skeptics involves fundamental considerations about the nature of the economic European order – as it is and as it might be. We believe our research on demographics and the two stage welfare state that exists in the EU comes to complete this image. Disagreements can range from the philosophical point of view, concerned with conceptual and normative tools, empirical-analytical concerned firstly with the problems of understanding the welfare state and strategic, focused on the feasibility of moving from where we are now to where we would like to be in the future. We reject the assumption that one can construct a lasting welfare state without referring also to demographic structured and processes.

¹ Beneficiary of the „Doctoral Scholarships for a Sustainable Society” project, co-financed by the European Union through the European Social Fund, Sectoral Operational Programme Human Resources and Development, 2007-2013

We were thinking that globalization is a process “through with the center, the West, America displays dominance upon the periphery, seeing that modernity wins in face of tradition, experiencing the victory of capitalism”². Globalization indeed plays an important part in what we are about to debate. Without globalization we would not have considered the following changes. Our primary area of concern is off course the European continent, with a focus on the European Union because we agree with the author that considers Europe as the continent that “built the first economical region of the world. An economical edifice raised gradually, with a purely pragmatic attitude in mind, so much so that its allure grew in time”³.

This author, a curious scientific watcher of today’s reality, from which this article is substantially derived, saw the need for a different point of view upon the changes that are taking place in our Europe. We agree that “It has already become an indisputable fact that the EU has adopted the single currency in haste. It has been made clear by recent events that the Union should have made parallel efforts towards the political union.”⁴ and we consider the importance of taking a step back and adopting a complex perspective upon this reality.

Rather than aiming at understanding our reality only from the economic point of view this research attempts to indicate that there is the need to combine the economic perspectives with the social potentialities in order to understand the divisions and oppositions that make up our Europe. As part of our scientific endeavor we actively encourage others to follow today’s European crisis from both the economic and the social focal point. The recent unequal weighing of current European issues between economic and social stemmed largely from the economic origin of Europe. On the one hand we attempted to explain the need for a complex dual perspective economic social while presenting a critical assessment of the stage at which the welfare state situates itself in the two hemisphere of Europe: East and West. On the other hand we have also sought to indicate the possible problems inherit for each of the two hemisphere and the common problems experienced by both. We sought to capture central and pertinent links between economic development and social transformations. We believe that increasingly, important issues of security and tensions have appeared in what was called stable European environment. The analysis of these processes needs a look upon the economic and social framework within and in relation to the European context.

The departure point for this research was in fact a quantitative research based on a regression in SPSS. Do we need the state to intervene actively in the wellbeing of its citizens? What is the citizen’s perception regarding the involvement of the state? The context is the presence of the welfare state for some time in Western Europe, while Eastern Europe wishes to apply the very same model.

We wished to find some solid data from a different year. We believe this will justify our current research desire and will demonstrate that this is a dynamic research issues that needs constant re-evaluation and re-considering. Thus, we have used the European Value Study, originating from the year 2008. There were a lot of variables from which we could have chosen, but we had to chose the following: the individual’s responsibility towards his own well being; the active involvement of the state in the financial stability and security of the individual,

² Ciocea, M., *Securitatea culturală. Dilema identității in lumea globală*, Ed. Tritonic, Buc., 2009, p. 41.

³ Paul Dobrescu, *Geopolitica*, Editura Comunicare.ro, Bucuresti, 2008, p. 122

⁴ Bârgăoanu, Alina, Negrea Elena, Roxana Dascalu, *Communicating the European (Lack of) Union. An analysis of Greece’s Financial Crisis in Communication Terms*, Romanian Journal of Communication and Public Relations, Vol. 12, No. 1 (18), 2010.

augmentation of private own and state own property, the involvement of the state in the unemployment situation, the necessity for competition, the involvement of the state in the affairs of private enterprises.

We acknowledge the importance of the state in issues such as state defense, national defense, health-care systems constructed at the national level, the offering of education at the national level and environment protection and basic research. The state is also actively portrayed as a direct player and stakeholder in the economic field. It does this through policy making and laws meant to correct and guide economic activities in correlation with the need of the society it has to manage.

We wished to determine the attitude of the citizen towards the active implication of the state in the economy. We also wish to discover whether this attitude is different when considering Western and Eastern Europe. We have used the following variables: v194 (Individual-state responsibility for providing), v195 (take any job-right to refuse job when unemployed), v196 (competition good-harmful for people), v197 (state give more freedom to-control firms more effectively) , v198 (equalize incomes-incentives for individual effort), v199 (private-government ownership business). We have deployed factorial analysis because the variable set contains categorical, ordinal and continue variables. The aim of the research was to determine the attitude of the respondent towards the implication of the state in the economy. For all the six variables we identify the missing values -5, -2, -1 that stand for “I do not know”, “I do not reply”.

As a result of the analysis we notice that KMO has a value of 0,710. Although the KMO is greater than 0,7 the community values are small, and the variable v198 has a smaller value than 0,1 namely 0,025. Thus, we will eliminate this value from the model.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,710
Bartlett's Test of Sphericity	Approx. Chi-Square	35350,77
	Df	15
	Sig.	,000

Thus, the explicative factor, factor 1 represented by v197 and v199 explains 34,377% from the total variation. This value will be kept in the data base as the biggest value.

We have proceeded with the given syntax so as to be able to create a comparison between the two categories of state. This time we had a look at the ANOVA indicator.

Anova (b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7,359	1	7,359	7,458	,006(a)
	Residual	57865,841	58643	,987		
	Total	57873,200	58644			

a Predictors: (Constant), country code

b Dependent Variable: REGR factor score 1 for analysis 1

We notice that the Sig. value is smaller than 0,05 with a value of 0,006. This means that this model is representative for the entire population that was analyzed. From the homogeneity test of the variables it results the fact that there are differences between the analyzed states in what concerns the resulting factor from the model. The value of sig.(Levene) is $0,00 < 0,05$ thus it does not vary at a constant rate. Thus, in conclusion some states can be considered advanced in what represents a welfare state, while others are just at the beginning. Some states do a lot more for the economy, while others do not intervene so much. Once we have established that there is a clear difference in development between Western States and Eastern states we are free to proceed with further discussions regarding this topic.

Observing the following data we notice exactly the same thing obtained from the regression above.

Year	1991	1995	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
COUNTRY													
Romania		2.4	2.6	4.2	4.1	4.1	3.5	3.2	3.4	3.3	3.7	3.8	4.4
Hungary		5.8	5.2	4.9	4.8	5.4	5.7	5.4	5.6	5.6	4.9	4.9	5
Czech Republic		5.9	5.8	5.7	6	6.2	6.4	7.3	7.2	7.2	7.1	7.2	8
Bulgaria			2.9	3.6	2.5	5.3	5.9	5.2	5.4	4	4.1	4.5	4.4
Greece		3.8	3.9	3.9	4.6	4.5	4.7	4.7	4.9	5.3	5.4	5.6	6
Latvia		3.4	4.1	3.9	3.2	3.7	3.4	3.5	4.3	4.9	4.3	4.6	4.7
Spain		5.3	5.2	5.2	5.1	5.2	5.2	5.5	5.7	5.7	5.7	6.1	6.7
Denmark	6.7	6.5	6.4	6.6	6.8	7	7.1	7.1	7.2	7.3	7.5	7.8	8.8
Germany	5.8	6.3	6.1	6.2	6.3	6.4	6.5	6.1	6.2	6.2	6.1	6.3	6.9
United Kingdom	5.3	5.5	5.4	5.7	5.9	6.2	6.3	6.7	6.9	7.1	7.1	7.5	8.5
Finland	6.7	6.2	5.8	5.7	5.9	6.2	6.5	6.6	6.9	6.9	6.6	7	8
Portugal		5.4	6	6.2	6.5	6.5	6.7	7	7.2	6.7	6.6	6.3	7.1
Slovakia		5.1	5.4	5.2	4.9	5.1	6.5	4.7	4.8	5.8	6.4	6.9	7.8
Austria		7.7	8.3	8.2	6.9	7.1	7.4	7.3	7.4	7.5	7.6	7.7	8.2
EU - 15		6.1	6.1	6.1	6.2	6.3	6.5	6.6	6.7	6.6	6.8	6.8	
EU - 27						6.2	6.4	6.5	6.6	6.6	6.6	6.8	

Figure 1 – Dynamics of public Expenditure for social protection as percentage of GDP during 1991-2009⁵

We learn from the table that there is a clear discrepancy in the expenditure for social protection between Western countries and Eastern countries. At the same time we have to admit that the overall tendency was to increase the spending on welfare assistance so as to be able to tackle social risks. Romania has continued a low level spending on social protection, finding comparable values only in neighboring countries, but even in these regions there are higher values. There is clear room for improvement and it seems that the initial promises and expectations of the individuals for a welfare state that guarantees social protection are not being met in Eastern Europe. The danger exists for social risks to be left without proper intervention.

⁵ Data used also in the article Dragos Lucian Ivan, The Strong History and Problematic Future of Intergenerational Everyday Relations in Romania, which will be presented at the AFASES conference 2012

We believe that the current situation of the welfare state is directly linked with the changes brought about by the expansion of the European Union, the augmentation of the results of globalization especially in what it means for the workforce, the flow of capital and the demographic changes that are taking place right now. The demographic changes that are taking place translate into less active years of contributing towards the pension and social care system and more years of consuming. This imbalance appears at a point when birth rates are at an all time low.

Currently, through the existence of the economic crisis and the demographic transition we are in the presence of a very interesting and dangerous process. On one hand we have the Western countries that are in need of further investment in the welfare state and on the other hand we have the Eastern countries that are in the need of creating a welfare state so as to be able to tackle the social risks to which are now exposed. We witness a process of either a possible dismantling of the welfare state as we know it in the West in relation to a process of prohibition of forming welfare states in the Eastern part of Europe.

Countries	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Countries
AT	27	26	25	24	26	24	24		27	26	26	AT
BE	29	28	27	27	29	30	28		28	26	28	BE
BG				26	26	25	26	26	24	26		BG
HR									29			HR
CY			29						27		29	CY
CZ		24				25					26	CZ
DK	22	22	20	21	22	21	22		25	24	24	DK
EE		37	38	37	37	36	35	35	34	37	34	EE
FI		22	22	22	24	24	24	26	26	25	26	FI
FR	29	29	29	28	29	28	27	27	27	28	28	FR
DE	29	27	25	25	25	25	25				28	DE
EL	35	34	35	35	34	33	33		35	33	33	EL
HU						23	23	24	27		28	HU
IE	33	33	33	34	32	30	29		31	32	32	IE
IT	33	32	31	31	30	29	29			33	33	IT
LV		31	30	30	31		32				36	LV
LT					31						36	LT
LU	29	28	25	26	27	26	27		28	26	26	LU
MT						30					28	MT
NL	29	29	26	25	26	25	26	27	27		27	NL
PL					28	30	30				36	PL
PT	37	36	36	37	36	36	37			38	41	PT
RO				28	29		30	30	30	31	31	RO
SK											26	SK
SI					22	22		22	22			SI
ES	34	34	35	34	33	32	33	31	31	31	32	ES
SE			22	24	23	24	24	23		23	23	SE
TR								46	45			TR
UK	32	32	30	32	32	32	31	35	34			UK
EU-15									30	30	30	EU-15
EU-25									29	30	31	EU-25

Figure 2 - The GINI index - Eurostat

In a welfare state the policies have to be constructed also in accordance with the level of inequality that exists. Through correctly targeted policies the state is able to minimize the inequalities that are found within the text. Studying the GINI index we notice that basically

almost all the European countries are among the same values, more or less, but the level of welfare expenditure is very different as we have seen above. This puts into serious dangers the countries that have an underdeveloped system of social protection. Currently, the values have known some slight changes, but most of them to higher values. For example France move to a value of 32 from 28, the average for the EU remained the same, Romania remained at 31, Italy, Spain, Denmark, The Check Republic kept the same values.

In revising and changing the traditional way of looking at European issues we have attempted to merge economic and social knowledge and empirical evidence but while maintain the contrast between the two. We have chosen this research methodology because we believe the history and development of the welfare state in the two European hemispheres is different and will continue to know differences. While on one side the citizens that supported the welfare state for a long time expected it to continue functioning at the same parameters we must agree that the citizens in the eastern hemisphere have hoped to benefit in the near future from a welfare state with minimal social protection. It is a clash between expectations. Qualitative studies have revealed that people in the Eastern hemisphere have less social protection expectations, expecting only the minimal, while past researched has determined that expectations in the western hemisphere have evolved. Unfortunately, the current economic and social crisis that fail to understand the true nexus between the economy and the social puts under pressure the welfare state as we know it and as we expect it to be. The contrast is a constant source of distinctive differences in the conceptualization of society in general. Next we observe another contrast. The demographic evolution is clear in the next table. As we notice it seems that the countries that spend less on social protection also experience the most dramatic demographic shock. The demographic shock is not so visible in the case of the others also because of the increase of life expectancy, of migration and other factors and variables. States that do less to create a welfare state experience sharp declines demographically speaking, while the already welfare states do not present any substantial growth despite heavily investing in social protection.

1		Direct Contact between West and East										Population	
2													
3	Year	1960	1970	1980	1985	1990	1995	2000	2001	2006	2010	2012	
4	Country												
5	Romania	18.319	↗20.139	↗22.137	↗22.687	↗23211	↘22712	↘22455	↘22430	14%	↘21469	↘19600	
6	Hungary	9961	↗10322	↗10709	↗10598	↗10374	↘10336	↘10221	↘10200		↘9985		
7	E. Germany	17285	↗17074	↗16740	↗16660	↗16433	↘15531	↘15217	↘15120				
8	Bulgary	7829	↗8464	↗8846	↗8971	↗8767	↘8427	↘8190	↘8149	15%	↘7364		
9	Czech Republ	9637	↗9789	↗10272	↗10333	↗10362	↘10333	↘10278	↘10266	18.07%	↘10664		
10	Estonia	1209	↗1351	↗1472	↗1523	↗1570	↘1448	↘1372	↘1367	12.20%	↘1340		
11	Latvia	2104	↗2351	↗2508	↗2570	↗2668	↘2500	↘2381	↘2364	13.20%	↘2067		
12	Lithuania	2755	↗3118	↗3404	↗3528	↗3693	↘3643	↘3512	↘3487	12.40%	↘3199		
13	Netherlands	11417	↗12957	↗14091	↗14453	↗14892	↘15424	↘15864	↘15987	30%	↗16722		
14	Austria	7030	↗7455	↗7545	↗7574	↗7689	↗8039	↗8102	↗8121	28.90%	↗8419		
15	W. Germany	55257	↗61194	↗61439	↗62456	65478	↗66569	↗66946	↗67140	29%			
16	Belgium	9128	↗9669	↗9855	↗9857	↗9947	↗10130	↗10239	↗10263	29.90%	↗10274		
17	Italy	50025	↗53685	↗56388	↗56588	↗56694	↗57268	↗57679	↗57844	26.60%	↗59715		
18	France	45468	↗50528	↗53731	↗55157	↗56577	↗57752	↗58748	↗59038	32%	↗63601		
19	Ireland	2835	↗2943	↗3392	↗3544	↗3507	↘3597	↘3776	↘3842		↗4231		
20	Iceland	174	↗204	↗226	↗240	↗253	↘267	↘279	↘283	23%	↗312		
21	Spain		↗33513	↗37241	↗38353	↗38826	↘39196	↘39733	↘40121		↗46777		
22	Slovenia	1580	↗1719	↗1893	↗1948	↗1996	↗1989	↗1987	↗1990	23%	↗2050		
23													
24													
25													
26													
27													

Figure 3

Although we have attempted to identify a great variety of theoretical perspectives upon our research we were not satisfied without imbedding a qualitative study in which we have clashed and marked strategic social realities and collected quantitative data so as to be able to suggest ways, naturally different ones, of thinking this sensitive issues, social protection in European context. This article focuses on the demographic power of social transformation in the area of social protection. While reviewing the theoretical problems brought about this issue we also handle terms of economic and social protection control, the significance and importance of social transformation manifested in demography in the context of the need for social protection in Europe.

Few areas of research need so much expanding such as social transformation in the current Economic context. Dominated for several years of positive changes, Europe has been shocked at the confrontation with social transformations and economic instability that brought into attention the concept of social risk and economic crisis. To a remarkable extend, there was until recently a broad consensus upon the stability of the EU. Little attention has been paid to the transformation taking place within and near its borders. We must admit, that this, in turn, has led to an encouraged view upon reality and upon the future. The relatively uncomplicated view upon the EU's evolution has not played in its favor. Underpinning this reassuring atmosphere were social risks and social transformation that are very difficult to fix right now, while one of the most important economic crisis in history is in full force. In short, the conventional belief in the intangibility of the European continent seemed to have been demolished. Empirical enquiry and evidence seems to have challenged the traditional view of the European developed world. Even the assumptions and the nature of the welfare state constructed in the EU has been revealed as needing reform and change in conjunction with social transformations.

We must admit that this challenge has come from two different points. These two quite opposite but to some point converging powers are: the economic direction and the social direction. This was an important point: the fact that change knows ramification beyond the economic, into the social. These ramifications have been briefly traced so far. While an analytic distinction had to be made between the two, the two paradigms must be acknowledged when considering analyzing contemporary society. The two paradigms, although obviously connected (one cannot experience demographic change without learning something about the way in which economy reacts to these changes) can not and must not be perfectly fit or equated in a homogenous manner. This means that we must consider the articulation of the economic into social development and the articulation of the social into the economic. This articulation in and through demography and economy entails certain definite premises for understanding our current state of social and economic crisis. A similar way is the proper way of looking at the current welfare state, till now viewed only from the economic perspective. Changing the elements of this discussion becomes exceedingly difficult since the dominant paradigm of analyzing our current society is the economic one. Through repetition and thanks to its weight in any argument the economic principle has steadily become a warranty of understanding any social and economic reality. The apparent stability of figures and economy has lead us to see it as the "common sense" in any argument. We acknowledge the homage to economic understanding. What matters is the way in which difference economic interests interact with social forces. We do not wish a switch from economic to social, but rather sliding the social meanings along a correct chain of economic events.

To go back to history we notice that Europe has experience other demographic changes that lead to economic vulnerabilities. This break from demographic expectations has occurred in

the past and had an important impact upon the economic lines of development. Firstly, the plague repressed European development through almost a century of depopulation. This naturalization of depopulation started with the year 1348 and ravaged Europe for almost a century. These historical conditions and historical changes found their way to the economic heart of the than European system. Nota bene, the level of population lost than is comparable in percent with the level of population lost by some European countries in our present days. The plague epidemics of the late Middle Age can find comparison with current realities, when considering the numbers found in some countries. Its effects were most of the time related with a raise in mortality. Nowadays, the effects of depopulation and demographic crises are linked on the contrary with a decline in mortality and an increase in life expectancy. The reality of demographic decline in the past was described through a process of circularity. The demographic crisis would start with a high mortality, followed by a temporary decrease in fertility and births. Social relations were also affected, leading to postponement of marriages and out-migration from the area affected by the crisis. The outcome of the crisis was obviously a decrease in population which manifested itself in the economic sphere through shortage of workforce that lead to an increase in real wages. At the same time in the past shortage of population lead to a change in the agricultural sector. Areas designated for land cultivation were transformed into pastures. An increase in the importance of population and the increase of wages as a way of appreciating the importance of human labor in turn brought about a rebound in population. Increase in wages led to improved fertility. Thus, purely economic processes produced the necessary context for the creation of agents of production (workers, consumers) through an appreciation in the importance of the human capital and better wages for them. The completion of every cycle that represents an exchange between the economic and the social creates a nexus between capital and person by augmenting one of the elements value. This is in fact a tendency of the system to use its own adaptive answers to the realities that are placed between capital and person. These mechanisms were found at both the societal level and at the level of the individual person.

We can identify some differences at the level of the demographic crisis that we are currently undergoing. Being differences at the level of the demographics we are also expecting differences at the level of the economic. For the first part we would like to notice the fact that in this demographic shock we are experiencing a level of decreasing mortality and a decrease in life expectancy. Although this has changed from the classic model, Malthusian model of looking at population evolution we also notice the presence of a decrease in fertility and births, also postponement of marriages. Figures demonstrate that we are also experiencing out-migration, but this occurs mainly at the level of Eastern countries, countries that are new to the European Union. On the contrary, countries that present a higher degree of economic security and economic development know a degree of beneficial migration that in a way hid the overwhelming change in population structure. When this deviant process appears we also notice an increase in the young population remaining single, also specific to our time is the fact that we notice an increase in the age of marriage coupled again with mass migration from developing countries to developed countries. As Malthus puts it we should not be worried about this tendency because a rebound is bound to happen after a loss in population. Unfortunately we believe this will not happen. The natural mechanisms such as intergenerational relationships are no longer active and are not able to supplement for the lack of funds to protect from social risks. At the same time we can not expect an increase in the value of the individual, in the relationship between capital and person. Although the population has shrink, the shortage of workforce is a long way away of being perceived or better appreciated through higher wages in the context of

the economic crisis and in a technologically advanced society, able to use technology to provide for the lack of workers. In fact, what were societal and individual adaptive responses are no longer bound to traditional way of perceiving them. Things have change and policy makers should acknowledge this situation.

Till now the theories regarding the welfare state and the way it should function fall into three categories. The first one, the most popular regards the feature of industrialization. This theory separates itself from traditionalism and focuses upon industrialization and demographic organization.

Furthermore we considered necessary to include a qualitative perspective upon this issue.

Qualitative research has revealed interesting information regarding people's attitude towards the welfare state. We considered that a qualitative study was needed in order to understand the attitude of Romanian generations towards social welfare expenditures. For this purpose we intend on presenting our findings in this paper, in short, under the form of conclusions. We have conducted in-depth face to face interviews. The persons interviewed were fit into three categories, according to age, each category had an equal number of representatives for both genders. This research is important in assessing the attitude towards the welfare expenditure. It is important to notice the way in which the primary stakeholders of such a system construct their reality in accordance with the possibilities and probabilities offered by such a system. At the same time it is important to notice who in actuality supports such measures, who sees them as a danger, who sees them as a potential and the way in which the stakeholders see each other. This is turn will help in determining the way in which such policies have to be constructed and presented to the public. The interview was built around open-ended questions. The interviewed started with factual questions, followed by a mix of both factual and opinion questions. The average length of the interview was around 45 minutes. The interviews were conducted in a period of a month, 30 days, January 2011. The respondents were promised confidentiality.

We were expecting that the general feeling towards welfare expenditure to be a positive one. Scientific literature has promoted the idea that during high unemployment and economic crisis people tend to support social protection, expecting the state to provide for risks and unfortunate situations. The general feeling in the EU is that the state has a duty of supporting the welfare state and tools are being invented so as to support a population marked by demographic transition and economic crisis. We were expecting the same results in Romania, as a EU member and as one of those countries most affected by migration, economic crisis and population ageing.

The first category was called young adults consisted of 30 persons and was represented by persons both male and female, from urban areas, from the city of Bucharest, between the ages of 19 and 25. All of them were either students or working, all of them finishing high school and either finished or in the process of attending an university. They came into contact with adult and older generation, having members of their family in this situation. All of them benefited from some form of social protection from the state and also had a close family member benefiting from social protection from the state. We can mention that financially speaking they came from the middle class.

The adult category consisted of 30 persons and was made out of both women and men with ages between 26 and late 40s. All of them attending an university, involved economic activities, all in contact with the young generation or older generation, having members of their family in this situation. They have been in the situation of benefiting from social protection.

The third category consisted of 30 persons and was called ageing adults and was represented by adults both male and female with ages between 50 and 68 years. Some of them continue to work or have economic activities while some were retired. All of them came into contact on a regular basis with young generation and adult generation.

All of the respondents followed the news and had the necessary knowledge to understand the concepts that were used during the interviewed. All of them followed the political and economic situation of Romania and of Europe. 25% percent of the participants travelled abroad in the last 2 years; 34% had a relative or a friend living abroad.

The participants were freely selected and the interviews were conducted in a public place with their consent. All of the respondents were residing in Bucharest and over half of them were at the second generation living in this city.

We first measured the attitude towards social welfare expenditure. Theories and research conducted at the level of the European Union found that women were in favor of more support from the state and more welfare expenditure. This was directly linked with their feeling that they might be the first to be in this situation. In the European Union, in percents research has revealed that women are more supportive of welfare expenditure (Edlung, 1999). There was a clear distinction between the attitude of men, that considered that welfare spending will not reach them, in comparison with women, that were more supportive of these measures. Qualitative studies conducted in Romania found no gender distinction regarding the attitude towards social welfare expenditures. Women in the European Union were aware of the difference in income between men and women (Gellisen, 2001) and wished for more welfare expenditure so as to be able to handle unpredictable situations. Although in Romania the difference of wages between men and women still exists and most of the time the women are indeed aware of it, there is no difference regarding the attitude towards social welfare expenditures in Romania. Within EU countries welfare expenditures are seen as a sort of government redistribution, transformed into social justice due to the existence of this gap in wages between men and women (Svallfors, 1997) while in Romania is a way of social protection. No evidence of perceiving welfare expenditure as social justice or as a way of redistribution was registered in the qualitative study conducted in Romania.

In the European Union there was a tendency for those that are economically vulnerable to support social welfare expenditures. As the economic environment becomes more risky, larger portions of population admitted the need for better social protection. These portions of population have surpassed the ageing population and moved towards the young adults. In Romania results that demonstrated that the ageing population together with adults supports social welfare expenditures, while young adults have a tendency of having a less positive attitude towards social measure of protection. People that are in a position of either benefiting or soon to benefit from social protection are naturally inclined to support such measures. At the same time, adults support such measures because they know that without them the responsibility will fall on their shoulders. On the other hand, young adults feel that an increase in social welfare expenditure will have a negative effect upon the over-all investments in the job market and in job opportunities for them. They do not support welfare expenditure and in general have a more liberal attitude towards state protection. We noticed in the case of Romania a gap between the old generation and the young generation. While the research revealed that the old generation supports social protection for the young and believe that the state should play an active part in providing for them, the young Romanian generation is not so eager to see the state invest in pension increase or in welfare expenditure. Class or rather intergenerational conflict seems to

happen in Romania in this time of crisis. We consider that economic hardships have brought some generations closer together, while separating others. Although economic hardships are considered to lead to separation between individuals (Durr, 1993) we found that in Romania can also bring to togetherness between some generations, while bringing a clash for resources between others.

We believe that the answers could have been influenced by self-interest (Groskind, 1994) or even ideological preferences. For example considering the answers given by the young category we believe their ideology is based upon economic individualism. This is very interesting to notice, because in contrast the European continent is marked by the presence of a strong support from the young generation towards welfare expenditures (Hasenfeld, Rafferty, 1989). In general the majority of support for welfare expenditure was given by low income and young individuals, this situation changes in the case of Romania. At the same time we notice that although in Europe aged individuals tend to support welfare expenditure in pensions, at the expense of education, in Romania, due to a history of intergenerational cultural model, aged individuals consider the importance of spending on education more important than other social expenses. The majority of respondents considered the importance of education.

It seems that in general there is an apprehension from the part of the aged on spending on the young (Ponza, 1988), but this is different in Romania. We believe that the existence of an intergenerational cultural model brought this change. This model implies that the old depend on the young for help and they understand the constant relationship that is established between generations.

The aged persons also manifest sympathy towards public spending on the unemployed young. They consider that the activity of the young and of the adult is vital for social stability and development.

It is not hard to see why such elements in this real European story have aroused our interest. In this case the demographic elements provided a support for understanding the general economic context in which we find ourselves. The underlying state of affairs which social scientists and economic scientists would say helps understand our current situation is particularly the meeting between population and economy. And of this dramatic and apparently not distant but immediate development we can better understand our world.

“Never has the issue of sovereign credit ratings attracted such an interest by policy and opinion makers, bankers and journalists, or even the public opinion, as witnessed in the last couple of years”⁶ and we agree with the importance of this topic and with the economic perspective, but we wished to point out the importance of connecting the economic with the social.

We agree with the author “When we debate Europe, we are accustomed to debate the big issues (and most probably those regarded as traditional): trans-Atlantic relations, the diplomatic relations with Russia, China and with Asia as a whole. In other words, we debate the links with the major players. Less attention is directed towards the future tendency, the reality of tomorrow which will certainly become more important; a tendency that will most likely become permanent and will exercise a powerful influence that can’t be measured today.”⁷ In this regard we consider that research into the relationship between economy and social powers, demography should be

⁶ Luis Pacheco, Moody’s Credit ratings and the stock market performance of Portuguese rated firms, CIGE working papers series, ISSN 1646-8953, n. 22/2011.

⁷ Paul Dobrescu, *Viclenia Globalizarii – Asaltul asupra puterii americane*, Institutul European / in English “*Globalisation’s Deception - The Assault on American Power*”The European Institute,2010, p. 268.

continued. Europe is indeed still a global player, but it should not be analyzed merely from this point of view. The European Union is a global player as a result of its economic and demographic power. Looking only at one aspect or merely concentrating upon the point of view of international relations would leave the image of a lot of its nuances.

Acknowledgements

Beneficiary of the „Doctoral Scholarships for a Sustainable Society” project, co-financed by the European Union through the European Social Fund, Sectoral Operational Programme Human Resources and Development, 2007-2013; assistant professor PhDc, The *National School of Political Studies* and Public Administration of Bucharest.

References

1. Bârgăoanu, Alina, Negrea Elena, Roxana Dascalu, *Communicating the European (Lack of) Union. An analysis of Greece's Financial Crisis in Communication Terms*, Romanian Journal of Communication and Public Relations, Vol. 12, No. 1 (18), 2010.
2. Ciocea, M., *Securitatea culturală. Dilema identității in lumea globala, or an English translation by me "Cultural Security. The dilemma of identity in a global world"*, Tritonic, Bucharest, 2009.
3. Durr, R. H. (1993). What moves policy sentiment? *The American Political Science Review*, 87, 158-170.
4. Groskind F, *Ideological influences on public support for assistance to poor familie, Social work*, 39-1, 81-89, 1994.
5. Esing-Anderson, *Why we need a new welfare state*, Oxford University Press, 2002.
6. Lyle Scruggs, James Allan, *Welfare-state decommodification in 18 OECD countries: a replication and revision, Journal of European Social Policy*, 16, 1, pp. 55-72;3, 2006.
7. Luis Pacheco, *Moody's Credit ratings and the stock market performance of Portuguese rated firms*, CIGE working papers series, ISSN 1646-8953, n. 22/2011.
8. Hasenfeld Y, Rafferty J.A., *The Determinants of Public Attitude Toward the Welfare State, Social Forces*, 67-4, 1027-48, 1989.
9. Nicholas Barr, *The Economics of the Welfare State*, Oxford: Oxford University Press, 2004.
10. Paul Dobrescu, *Geopolitica*, Comunicare.ro, Bucharest, 2008.
11. Paul Dobrescu, *Viclenia Globalizării – Asaltul asupra puterii americane*, Institutul European / in English *"Globalisation's Deception - The Assault on American Power"*The European Institute, 2010.
12. Ponza M., Duncan G. J., Corcoran M., Groskind F. , *The Guns of Autumn? Age differences in Support for Income Transfers to the Young and Old, Public Opinion Quarterly*, 52-4:441-44, 1988.
13. Schimitt & Stark, *Explaining convergence of OECD welfare states: a conditional approach*, JESP, 21:120, 2011.
14. Svallfors, S., *Words of Welfare and Attitudes to Redistribution: A comparison of Eight Western Nations, European Sociological Review*, 13-3:283-304, 1997.

CIGE – Centro de Investigação em Gestão e Economia

Universidade Portucalense – Infante D. Henrique

Rua Dr. António Bernardino de Almeida, 541/619

4200-072 PORTO

PORTUGAL

<http://www.upt.pt>

cige@uportu.pt

ISSN 1646-8953