

**XII European Regional Congress
International Society for Labour and Social Security Law**

SOLIDARITY REVISITED-WHO FOR WHOM?



o.Univ.-Prof. Dr. Franz Marhold



- *Status Quo*
 - What are the **underlying Ideologies** of existing Social Security concepts
 - Is there a **need for rethinking**?
- *Future prospects*
 - Changing **scope of application** of social security regulations
 - **New risks**
 - Challenges for **Social Security Institutions**
 - New challenges as well with regards to **society 4.0** → are established systems reaching their limits?

What is Solidarity?

- *Beveridge and Bismarckian models*
 - Main connecting point = being part of a **certain group**
 - **a)** functionally: employees, self-employed, farmers
 - or*
 - **b)** geographically: city, region, province, state
 - members of both these groups pay contributions/taxes to be protected from **common social risks**
- **Solidarity only exists among the members of a given group.**
- *Is that really solidarity?*

Solidarity with respect to non-contributors

- **Non-economically-active persons:**
 - It is a balancing act between the adherence to a community and the right to social protection
 - not only affecting refugees and migrants, but also younger people unable to find work
- *Ways to (re-)act:*
 - Implementing **time limits** (*Brey, Dano, Alimanovic*)
 - Limiting financial capabilities of the state of residence
 - **Equal treatment**
 - common risk sharing leads to equal treatment
 - Is it appropriate to extend the principle to those who did not belong to a group initially?
 - Differentiation between recognized refugees and non-active EU citizens
- Definition of a **genuine link** is necessary

Solidarity between economically non-active and active persons

▪ **Unconditional basic income**

- Not new: 1955, Erich Fromm
- no loss of income required to receive this benefit
- Aim: disconnection of social security from the labour market
- **In addition** to or **as a replacement** for social security benefits
 - significance is tremendous:
 - i.e. 800 EUR of unconditional income in Austria would lead to a **rise of public expenditures** on the economic performance **by 20%**
 - **Bureaucracy may be reduced** but so might as well be the **standard of social protection**

Other (unclear) **consequences** with regards to the **effect** of a basic income **on...**

- ...more **dependent groups**. Since they tend to profit more from social security benefits. That effect will be reversed and the pay gap will grow
- ...**consume** and the market in general
- ... **activation** of unemployed and **reintegration** in the labour market
- ... **women** especially in terms of staying at home instead of entering the labour market (again)
- **Tested** in **Finland**, but Philip Kovce: Comparison to human rights, the rule of law or democracy
- *Traditional work patterns will not vanish any time soon*

Solidarity between beneficiary and community

- **Tendency to enhance conditionality** with respect to the recipients of social benefits such as
 - increase of pension age and less recognition of early retirement schemes,
 - unemployment benefits,
 - invalidity pensions
 - **Responsibility** of the beneficiary to reduce the burden for the community
- or**
- **Solidarity** of the beneficiary due to phenomena taking place in the whole community
 - Beneficiary is supposed to **try to remain** in the labour market + the community shall provide adequate means to make the beneficiary **stay** in the labour market → **no early market exit on the expense of the community**
 - Social Security benefits as **tool to reduce pressure** on the labour market
 - provisions i.e. **on part time retirement, rehabilitation programs, subsidies** for professional training in order to prevent unemployment
 - **Link** between Social Security and Labour market policy **increases**, but different aims prevail

Thank you for your attention!



VIENNA UNIVERSITY OF
ECONOMICS AND BUSINESS

**Institute for Austrian and European
Labour Law and Social Security Law**
Welthandelsplatz 1, Building D3
A-1020 Vienna
Austria

UNIV.PROF. DR. Franz MARHOLD

T +43-1-313 36-4640
F +43-1-313 36-90-4640
Franz.Marhold@wu.ac.at
www.wu.ac.at