Introduction

Increased interest expressed by countless international organizations such as the Commonwealth Secretariat or the United Nations in tackling the socioeconomic challenges nations faced, were mostly to be seen throughout this decolonization period (1945-1960). High reliance on the trade industry, dependence on capital flows and of course in some cases lack of natural resources were few of the issues countries used to deal with. Thus, the international community was urged to adopt more flexible and lenient approaches on the resolution of such issues.

The welfare state regime is now to be recognized as a governmental policy, which aims to ensure protection to individuals/groups of a certain community. This social protection was firstly introduced during the aforementioned period and later branched out to a broader range of social services and risks. Since the 1980s the socioeconomic phenomenon of welfare states continues to expand, covering wider fields of modern society. Welfare states have been proven to be crucial catalysts for the development of economic prosperity, taking into consideration that such may reduce socioeconomic inequality and protect individuals from social phenomena such as unemployment or ill health, which also constitute forms of hardship.

Having released extended reports on the development of minimum welfare states in Less Economically Developed Countries and having adopted several conventions so as to establish a fulfilling legal background, the international community has considered this issue of utmost importance, especially during the pandemic which has resulted in poverty rates skyrocketing. Nevertheless, there are countless nations that have not adopted minimum welfare state policies, which has strengthened the impact of socio-economic issues in a wider perspective.

Thus, it is crucial to develop measures in order to promote the implementation of minimum welfare states, taking into consideration that without its impact in society, the phenomenon of social disorder along with other economic issues would rise. Previous operations have been deemed crucial, only to point out that the complexity and importance of the issue are not to be undermined.
Definition of Key Terms

Welfare State

As stated in the previous section of the research report, the term welfare state refers to a method of national governing, which is directly linked to the protection and promotion of the socioeconomic well-being of an individual/group/institution. Welfare states are based on principles of equitable distribution of wealth and equality of opportunity.

Welfare System

Welfare Systems are a subcategory of welfare states, which focus on the assistance to individuals/groups in need. Such may vary from unemployment compensation to health care assistance. It should also be noted that such systems depend on the country/state and its political status.

Welfare State Reform

A welfare state reform deals with the reconfiguration of specific systems of a welfare state. The intention of common welfare state reforms are mainly based on the reduction of the individuals that are seeking governmental assistance and support (mainly financial) so as to establish the affordability of welfare systems.

Entitlement

The entitlement refers to a legal obligation of the state, which focuses on providing funds to individuals/businesses/governmental units. It is necessary however to abide with already existing legal criteria, in order to be provided with such.

Otto von Bismarck

Otto von Bismarck was a Conservative Prussian Statesman during the 19th century. His political skills resulted in his domination in the European Affairs (1860-1890), while he was responsible for the unification of the German states into a powerful German Empire. Bismarck is highly related to the issue discussed bearing in mind that he was the first politician to introduce the concept of a welfare state.

Background Information

Defining and Creating Welfare States

In order for someone to create effective welfare states, it is vital to comprehend the stages of the development of the aforementioned socioeconomic concept. Although being fairly modern, the introduction of welfare states in the society traces back several centuries ago. Such are to be recognized
as long as European countries managed to form an advanced economic governmental plan. Adopting the measures developed in previous centuries and altering such to the current socioeconomic environment, would be a great way for the international community to start developing effective socioeconomic regimes.

19th century

As mentioned in the previous section Otto von Bismarck was the first one to ever introduce the concept of welfare states to a wider public. Adopted in 1881 as a means of targeting socialism and winning the support of the working class, so as to reduce the immigration rates at the time, Otto von Bismarck’s plan became the prototype of what is known today as a welfare state.

This legislative program of welfare reforms mainly dealt with national health and a basic medical care provided by the government as well as accident insurance. Apart from the aforementioned reforms, pensions to retired German workers were the first were also considered as a fairly innovative and controversial idea for the at the time developed economic sector, which other nations such as the UK and France proceeded to adopt.

20th century

The modern term “welfare state” is associated with Great Britain's adoption of comprehensive measures of social insurance in 1948 based on the Social Insurance and Allied Services report, which was conducted during the core of the Second World War (1942). It should be at this point once again noted that a basic feature of welfare states is social insurance. Being influenced by most industrialized countries (i.e. United Kingdom), the majority of the countries had already integrated the insurance policy towards working class citizens.

The version of welfare states adopted by the United States of America under the administration of Franklin D. Roosevelt is of great importance, bearing in mind that the domestic programs were all based on the principles of welfare states (as mentioned in the previous section: equitable distribution of wealth and equality of opportunity). Hence, in this version of welfare states such could include state aid meant for individuals in all stages of their life.

In the post-World War II era the national welfare state was extended in the European environment, which resulted in the integration of further supporting mechanisms in society. In fact this was the first time (in the evolutionary stages of welfare states) of governments managing to provide each family with certain allowances so as to ensure a brighter financial environment for their children, while nursery schools, day-care centers and higher education became free for the first time in the European history.

Recognising and Strengthening Welfare States

Throughout the past centuries, welfare states have developed into three main categories, each with their own pros and cons. These three categories are: The Social-Democratic welfare state, the Christian-Democratic welfare state and the Liberal-Democratic welfare state. All of the aforementioned
versions deal with the issue of the development of welfare states by focusing on a different sociopolitical perspective. Understanding and managing to integrate the positive aspects of the different variations of welfare states, could eventually strengthen the already developed minimum welfare states, which are flawed in some societal sectors.

**Social-Democratic welfare state**

The Social-Democratic welfare state became distinct during the 1970s. Engaging in the principles of universalism, commodification and egalitarianism, the aforementioned socioeconomic regime provided access to the insurance system to the entire population of society.

Having as a main goal to reduce the market dependency through generous benefit levels, enables the economic sector’s performance to be significantly strengthened in times of unfulfilling economic performance and increased unemployment. Thus, the proportionality of the social phenomenon of unemployment to welfare expenditures becomes more than clear, bearing in mind that such an increase is paralleled by the reduction of tax revenues, which stresses the impact of poor economic enforcement.

Hence, in order to prevent the escalation of unemployment and poor economic performance, the Social-Democratic regime also focuses on labour market policies that aim to provide security to the individuals’ proper resources and motivation to work. Managing to provide increased autonomy to each individual, by lifting reliance on families, is also a key characteristic of the Social-Democratic welfare system.

The social democratic regime was detected by the international community mainly in European countries that have developed a minimum welfare state since the 1970s. Such states are among others Denmark, Sweden, the Netherlands and Norway. Nevertheless, all of the aforementioned states may have altered the basic concept of the Social-Democratic welfare state according to their demographic and economic status.

**Liberal-Democratic welfare state**

In comparison to the Social-Democratic welfare state, this concept revolves around the establishment of equality and prosperity of free markets. More specifically, it refers to the creation of a maximum state of free markets, which would only allow a basic level of the state’s interference. Is the state not to interfere with the market, an optimal resource allocation will be achieved.

Bearing this market dominance in mind, the liberal conception that characterizes the aforementioned welfare state has an additional influence on the interference of the public sector. The public is namely obliged to intervene when the market industry fails and/or collapses. Apart from the aforementioned case, the state and/or public is also allowed to intervene when there is a general need to provide basic needs to individuals or generally tackle economic phenomena that impacts society (unemployment/poverty/trade wars etc.).
Furthermore, relating to the providing of insurances, it should also be mentioned that such may be accepted under certain circumstances, which could vary from the promotion of word to the strengthening of the productivity of an individual. Nevertheless, there are on liberal principles that could alter the outcome of the market, in comparison to the Social-Democratic welfare state that could potentially be caused by imponderable elements such as individuals motivation for work or the efforts made to improve the market. This could eventually be considered as a disadvantage of this specific version of minimum welfare states.

The liberal-democratic regime is adopted by nations characterized by an especially marketing and economically driven policy. This refers mainly to states such as the United States of America, Canada, Switzerland, Australia as well as Japan. It should again be mentioned that especially in this version of minimum welfare states, the countries’ political background is immensely controversial, which could ultimately result in the alteration of Liberal-Democratic welfare states.

**Christian-Democratic welfare state**

This version of welfare states is mainly to be recognized in states, whose parliament is dominated by the Christian Democratic Party. Such countries are mainly central European countries such as France, Belgium, Germany, Spain and Italy.

It is important to be mentioned that this form of welfare states was not considered as an original version of the socioeconomic term by the 1990s. It was only after the beginning of the 21st century, when this specific welfare state was firstly distinguished from the conservative-corporatist welfare state. The aforementioned welfare state program is another version of minimum welfare states that is characterized by the principle of universalism, since it provides benefits, which are to be recognized under different categories. These may vary from the employment category and public financing to the creation or establishment of private services.

**Distinguishing and Supporting the Fields Affected by Welfare States**

In order to develop effective minimum welfare states in all countries, it is vital to fully comprehend and distinguish the fields those regimes engage in and have an impact on, so as to realize what measures should be developed. It is also of huge importance to elaborate on the necessity of such socio-economic regimes, so as to understand the issues a country with no welfare state would have to deal with. Considering that this regime is mainly built on the socioeconomic sectors of the society, one could analyze their impact on the social sector as well as the economic sector. Some of the most important socioeconomic aspects, which minimum welfare states have an impact on, are the reduction of poverty and the well-being and happiness of individuals, while the improvement of the educational sector and the increased economic performance of a state could serve as a sub-aspects covered in those two broad categories.

**Financial field**
The international community and especially the International Monetary Fund (IMF) and the International Labor Organization (ILO) expect that the development of a minimum welfare state in countries that are characterized by poverty and poor economic performance would mitigate the existence of such social phenomena. Nevertheless, managing to measure the impact of minimum welfare states on poverty reduction is of great complexity considering the interaction of this phenomenon with demographic, social as well as social changes with the model society. Bearing in mind that poverty is being defined as a state/organization having less than 50 percent of disposable income, one can clearly understand the significance of the development of a minimum welfare state.

This is achieved since minimum welfare states include the proportion of the economically unstable population before the imposition of taxes and income transfers, which is mainly implemented in nations, whose welfare states constitute at least a fifth of their Gross Domestic Product. Underlining the principle of solidarity between individuals and the state, the concept of minimum welfare states’ influence on the reduction of poverty becomes even stronger, succeeding in the collaboration of all organs of the society to contribute to the mitigation of poverty.

Nevertheless, the impact that minimum welfare states could have on the elimination of poverty differs greatly. It is an undoubtable fact that the methods used, such as the proper imposition of taxes etc. by certain states can be proven more effective than others since their combination with other factors such as the one of the employment levels and the economic growth within a society can present great differences. In order to ensure that the issue of poverty reduction is being mitigated, states should focus on the minimum income protection, rebalancing gross minimum wage and the creation of financial work incentives.

**Social field**

It is self-explanatory that one of the intentions of the development of minimum welfare states ist to improve the quality of life of individuals. It is necessary however to specify the term ‘well-being’ in order to assess it in minimum welfare states and measuring the existence of such. The concept of well-being refers to the degree according to which the individual is well, while an indication of the function of the whole social system can also be approached.

Bearing in mind that an increased social insurance is one of the key characteristics of minimum welfare states, one could argue that providing individuals with such could influence their quality of life. The aforementioned protection provided by the state produces more happiness for the part of the population that is in need of basic goods, whether those could be food, housing or access to healthcare. Nevertheless, there are types of welfare states, whose protection provided is not as high as in others. In such welfare states happiness and well-being could also be ensured through the flexibility of the labor markets.
Figure 1 depicts the increase of life satisfaction per happiness of individuals among different nations. As shown above, nations which have integrated this socioeconomic regime in society provide higher levels of happiness and life satisfaction in comparison to other states that feature relatively lower rates.

Major Countries and Organizations Involved

Sweden

Sweden has developed one of the most comprehensive, complex and prosperous welfare states worldwide, managing to set a new prototype of minimum welfare states to the entire world. Sweden's dependence on the International trade industry along with maintaining its high productivity and living standards are a few of the factors that led to the establishment of such an effective and prosperous minimum welfare state.

Nevertheless, the success of Sweden’s welfare system is to be attributed to Sweden’s major political party, the Social Democrats, which governed Sweden for most of the 20th century, hence creating sufficient foundation for the establishment of an effective and modern welfare state. It was 1992 when Sweden faced one of the worst economic crises the state has ever dealt with since the foundation of the state. The existence of this phenomenon in the society led to the reduction of the sickness benefits provided by the already existing minimum welfare state. In order to combat the escalation of further economic issues, Swedens' government proceeded with reforming its welfare state to the version it still is today.

Netherlands

The development of the Dutch welfare state traces back several decades ago. Being first adopted between the 1960s and 1970s, the Dutch minimum welfare state has been also setting the prototype for the international community. Although being several years delayed due to multiple social issues that arose during that time, the Dutch welfare state model was to be set under the one adopted by Sweden.

Nevertheless, due to a series of unfortunate political events during the early 2000s, this minimum welfare state model collapsed. This fact was mainly caused due to the several political restrictions that did not allow the Dutch welfare state to rise and develop. Characterized by its social pillarisation, the most crucial changes to the societal and economical field were deemed impossible to implement.

International Monetary Fund

The International Monetary Fund (IMF) is one of the main Non Governmental Organizations (NGOs) that has included the vast majority of Less Economically Developed Countries (LEDCs) in its programs, so as to assist such economically. In such nations less than 20 percent of the population living in poverty is being socially protected and covered under the principles of the already existing, but underdeveloped, welfare states. Hundreds of millions of people are hence unable to enjoy their own human rights and ensure a life with the bare necessities.

Thus, the International Monetary Fund has proceeded with attempting to cover the basic aspects provided by the social protection of the state, hence managing to be the only NGO that has an influence on the distribution of social protection. Prior to its influence on this phenomenon, IMF was also responsible for defining and targeting socioeconomic issues relating to poverty, by temporarily funding nations, while creating deeper macroeconomic issues.

International Labor Organization

The International Labor Organization (ILO) is a further NGO that has dedicated a lot of its research on the issue of the development of minimum welfare states. Having released multiple reports such as the “Comparative Study on the French Social Policy”\(^2\), the ILO has detected multiple issues concerning the repercussions, the development of a certain welfare state, could cause on a macroeconomic level.

Bearing in mind that the main function of the International Labor Organization is among others the improvement and protection of living standards, one can clearly realize that the field this NGO is working on, is directly linked with the development of minimum welfare states in all nations. The ILO also engages in the promotion of national as well as international legislation, which supports its position on the aforementioned issue, considering that it has been a catalyst factor of adopting countless conventions, one of which is to be seen in the section below.

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Timeline of Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Description of event</th>
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<tbody>
<tr>
<td>1860-1890</td>
<td>Domination of the German Empire in the European affairs, which led to the development of the first welfare state.</td>
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<tr>
<td>1881</td>
<td>Adoption of the first welfare state by Otto von Bismarck</td>
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<tr>
<td>1945-1960</td>
<td>The Decolonization Period arose the interest of unions to distribute socio-economic issues.</td>
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<tr>
<td>1948</td>
<td>Adoption of comprehensive measures of social insurance in the United Kingdom, which bears more similarities to the current welfare states.</td>
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<tr>
<td>1960s</td>
<td>Development of the Dutch welfare state model.</td>
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<tr>
<td>1970s</td>
<td>Distinction of the social-democratic welfare state.</td>
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<tr>
<td>1990s</td>
<td>The term christian-democratic welfare state was coined.</td>
</tr>
<tr>
<td>2000s</td>
<td>Dutch welfare system collapsed, hence proving that a states' political status is crucial for the development of such regimes.</td>
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Relevant UN Treaties and Events

- ECONOMIC AND SOCIAL CHALLENGES AND OPPORTUNITIES, United Nations Department on Economic and Social Affairs
- Ministerial declaration on generating full and productive employment and decent work for all, United Nations Economic and Social Council (297/WP/SDG/1)
- C117 - Social Policy (Basic Aims and Standards) Convention 1962, International Labor Organization (No. 117)

Previous Attempts to Solve the Issue

In the past there have been a few attempts made to develop efficient and modern minimum welfare states both by the international community and more specifically the United Nations. As far as the UN is concerned, there have been multiple sub-bodies created, which focus on the essential and easy development of minimum welfare states. The United Nations Statistics Division has focused on the collection of multiple social security regimes and has worked along NGOs such as the ILO, to estimate the cost and the outcome of the development of minimum welfare states. In the past the United Nations Department of Economic and Social Affairs proceeded with creating a sub-Department known as...
Department of Social Affairs. This subdivision focused on the development of social welfare and has released several documents surrounding this field.3

**Possible Solutions**

**Improvement of public services**

Improving the efficiency and productivity of public services is a crucial measure that should be taken in order to develop an effective minimum welfare state. More specifically, the creation of high skilled and valued forms of production will serve as a catalyst elements of promoting the production and information based societal systems. This measure could be achieved through the encouragement of the international community or NGOs to provide funds on the improvement of the aforementioned services, while the assistance provided by NGOs for the collection of essential public services models would also be efficient as well.

**Creation of legal documents**

It is vital to develop legal documents (i.e. conventions, treaties) upon this issue, so as to create a legal basis containing aspects that each nation is obliged to follow, when deciding to develop minimum welfare states. Setting a basic guideline would prohibit governments to take advantage of individuals or attempt to mistreat groups of the wider population.

**Reduction of taxes**

The period of reforming and/or developing a minimum welfare state is endangering the harmonic and stable economic environment of the country, considering that the uncertainty of the population during this period is at its finest point. By reducing the taxation of individuals for a certain period of time could de-escalate the potential issue of social conflicts, thereby undermining the importance of that period of time and hence reducing the economic prosperity of the areas.

**Promotion of Human Rights**

It is self-explanatory that human rights and the aforementioned socioeconomic regime are highly linked to each other. In order for member states to ensure the effective development of minimum welfare states, it is vital to promote the necessary human rights that surround that field. Ensuring that member states abide with the International Humanitarian Law as well as the recognition of social phenomena such as homelessness as a violation of human dignity, would be some of the fields that the international community needs to deal with.

**Access to basic services**

Providing the opportunity to every individual to have affordable and equitable access to basic services provided by governments such as quality formal and non-formal education, healthcare and

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affordable housing, is one of the most important measures that member states would have to take so as to develop effective minimum welfare states. Considering that all of the aforementioned services are considered as basic human rights of individuals, urging Non Governmental Organizations to research the existence of such in all member states would also be a crucial aspect that needs to be covered.

**Combating social exclusion**

Investing in the adoption of inclusive oriented policies and programmes in among many others the educational, trade, healthcare as well as solidarity sector would be of utmost importance for the development of minimum welfare states. Such policies and programmes would mostly focus on tackling the phenomenon of various types of inequality (i.e. income inequality) within the modern society, so as to promote the well-being and personal comfort of individuals but also to provide support to vulnerable members of society.

**Adoption of protection systems**

Adopting systems that refer to providing universal age-, disability- and gender-sensitive protection, which would mainly focus on poverty reduction and its influence in the societal sector of a state, could also be considered as highly effective measures that could on a macroeconomic spectrum assist governments in adopting minimum welfare states. Apart from that fact, the adoption of such systems would be accompanied by measures, such as providing access to basic services, high quality education as well as providing further health services to the wider population of a country.

**Bibliography**


“Boundless Political Science.” Lumen, courses.lumenlearning.com/boundless-politicalscience/chapter/the-welfare-state/


Appendix or Appendices

