LIVABILITY OF THE SOCIAL STATE IN THE 21ST CENTURY – CONDITIONS, OPPORTUNITIES AND PERSPECTIVES

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ABSTRACT

The social state is a concept that aligns social rights of the citizens with their political and economic rights as a condition for the stability and development of society. That's why it was accepted by many countries. But it is pointed out as an obstacle to individual creativity and market freedom, slowing economic growth. Therefore this paper seeks to answer the question of whether and to what extent the social state in the new millennium can confirm its social usefulness. In a separate section, the paper will also address the functioning and development of the welfare state in the Republic of Macedonia.

KEY WORDS: Social state, advantages, disadvantages.

INTRODUCTION

Salus populi suprema est lex
The welfare of people is the highest law

The degree of respect for human rights in each country depends on the level of social well-being for its citizens. It is a source from which every authority draws its legitimacy. With this perception, many countries have promoted the social state as a model for overcoming social tensions and for fair redistribution of social wealth, thus giving everyone equal opportunities. By aligning economic and social development, the welfare state promotes social

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rights at a new, higher level. The goal of such policies is to ensure social stability, with the simultaneous support of economic growth. Thus, this concept pursues a more humane cohabitation among the main stakeholders in society - the citizens, the government and the economic sector.

Does the social state succeed in it and does it make citizens' lives better? Despite its contribution to the distribution of well-being for citizens, it is today a subject of discussion. On the one hand, it is considered as a concept that promotes security and makes the life cycle safer and protects against social risks. But after the great economic crisis in the 21st century, the social state has faced stagnation and even decline. It raised the question of redefining its role. This is more than necessary in the countries in transition, including the Republic of Macedonia, where changes in the ownership structure resulted in a decrease in the social security of the citizens.

STATE OF SOCIAL RIGHTS OR STATE OF WELFARE - TERMS AND DILEMMAS

The state is an institution that, through the instruments of power, has a monopoly in the regulation of social relations. With the creation of a social state, it gained a more humane dimension and took measures to promote and protect the social rights of citizens and to promote economic growth as factors for social cohesion in society. As a result, from an institution that limits citizens and their freedoms and rights, it became a welfare and social state. The very concept of a welfare state has been accepted by many countries as a normative order of social justice and equal opportunities. But soon it was criticized as an obstacle to economic development. As a result, the exit is sought in a concept that will constitute a compromise between the free market and the social rights of citizens, with minimal intervention from the state in market relations and with maximum creation of equal opportunities. Such a "worthwhile replacement" was the social state. The terms "social state" and "social rights" were first used by Riehl in the 1860s to designate that model, the state through whom, it starts to appear as an intermediary between labor and capital, and when it begins to take measures of social protection in order to secure social peace in the society (Riehl, 2013).

Andersen sublimates the differences between social states into three types: 1. A minimal, liberal, social state or state of competition that responds to market failures and helps the unemployed, providing what is considered necessary or possible and only for members of the society in need of support and who are
not able to survive on their own; 2. a maximal, social-democratic state (a Nordic or Scandinavian model) that is proactive, that is, takes care of all citizens throughout the life and 3. a corporate state that is more conservative and provides only basic rights (Gøsta Esping-Andersen, 1990).

Thus, the welfare state has become a synonym for social assistance. In this context, it can be defined from two aspects:

- In a narrower sense includes benefits for citizens, transfers of social assistance, services for employment, unemployment assistance, education, health care, pension, disability insurance, etc.
- In the wider sense, it regulates the prices of products and carries housing policies, workplace safety legislation, environmental policies, etc.

Its basic elements are state, market and society; which act according to the following principles: 1. preventing the harmful effects of the market economy; 2. equitable distribution of opportunities for all, and 3. promotion of social assistance and benefits for the poor. With this, the social state should achieve economic growth, social security, employment and well-being for all. Recognizing the insufficiency of social rights, more attention is paid to the "livability social state". This concept refers to the extent to which the choices of a society fit into the needs of each of its members. This can be assessed in two ways: 1) based on living conditions, which create an opportunity for citizens to adapt to social shocks, and 2) based on citizen satisfaction, because there are societies where conditions are good and citizens are not happy. If they are satisfied with the opportunities, it can be said that the state is livability and that guaranteed social rights are not just a simply legal norm. This will enable greater social inclusion of the citizens themselves in the creation of a social state that suits their needs (European Commission 2004). Citizens are not only passive recipients of social assistance, but active subjects in the formation and dynamics of the development of the social state. With this, besides the political, citizens acquire "social citizenship" in their country, by which they realize their social rights (O’Neil 1996).

**ARGUMENTS - FOR AND AGAINST SOCIAL STATE**

The dilemmas about the justification of a social state exist from its very appearance. There are two answers on this:

- Positive, according to which, that provides better quality of life for more people, than any concept so far, it reduced poverty and social inequality and protects citizens from the whims of the market economy and
• Negative, according to which people are advancing without aid, because it makes them dependent and ignores their needs for autonomy, challenge and self-esteem, creating clientelism between the state and the citizens. Such debates have intensified over the last decade, when the slowdown in economic growth has reduced the costs of states intended for these purposes. Its controversy arises from the question of whether it really succeeds in creating greater equity or it makes the citizens irresponsible and dependent and encourage the tendency of a paternalistic state.

In 1998, the former Governor of New York, George E. Pataki argued that social protection policies "create dependency, punish initiatives, and destroy the spirit" (Pataki, 1998). In order to remedy this situation, welfare reform with the Workfare was launched in the United States, according to which recipients of social assistance should earn the same by performing certain tasks. And the French economist Bastiat called the social state a "reciprocal robbery" (Bastiat, 1995). According to him, the financial crisis has arisen as a result of human motivations and bad incentives, and social states are directly responsible for the two major economic crises that hit the world. Historian Taylor explains that as soon as he created the social welfare concept, Bismarck wanted to make the workers dependent to the state. It is a political strategy wrapped in ideology, for the control of people and does not produce greater welfare for the citizens, but manipulates them as voters, creating "patrons" and "clients" (Taylor, 2003). With this, social states maintain a "culture of dependence" (Saunders, 2000).

In many countries, social rights are abused for political purposes. Through them, politicians reward the electorate's affection. The promotion of social rights has become a favored political activity, which should increase the popularity of politicians. As Peter Flora noted, "... in many countries, almost half of the electorate receives income from the social state" (Flora, 1989).

By contrast, defenders of the social state argue that the government has a moral and legal obligation to allow citizens access to goods that are fundamental to human life. According to them, markets are not an effective tool for solving problems and therefore the welfare state must focus on a set of social guarantees (social protection, pension and health insurance, employment, education, etc.). This creates a parallel between the social and development state. The developing country corrects these market failures and is the catalyst of change. Rawls argues that it is justified for the state to provide tax-financed social services and provide an improvement for all. He defines society as a self-sustaining association of persons created as a
cooperative arrangement for mutual benefit. With the formation of such a society and mutual cooperation, everyone can receive benefits, that they would not be able to achieve, if they act alone (Rawls, 1999).

CONTEMPORARY SOCIAL STATE - AT THE CROSS BETWEEN OPPORTUNITIES AND NEEDS

The level of well-being in a society can be assessed through two indexes: 1) legal - ie how much social rights are guaranteed by law and how much they are life-giving for the realization of basic social services; and 2) financial - ie, the amount of money from budget in one state is paid for social assistance. And in terms of both indicators, modern social states proved to be dynamic. Their laws are changing and adapting to the needs of citizens, while social assistance programs adapt to the overall economic situation.

Observed from the perspective of social rights, the social state means the materialization of law through social, legal protection. This reinforces the concept of a social-legal state as a guarantor of, by law, established social rights. Under the idea of social citizenship, people have acquired individual legal rights to social assistance and services such as pensions, unemployment assistance, disability assistance, education, and health services. Many international documents refer to such legal obligations. According to the Universal Declaration of Human Rights of the United Nations of 1948, all human rights - civil, cultural, economic, political and social - are recognized as universal (Universal Declaration, 1948). And the Vienna Declaration, adopted by the World Conference on Human Rights in 1993, calls for “joint efforts to secure and recognize economic, social and cultural rights at the national, regional and international levels” (Vienna Declaration, 1993).

In parallel with the modernization of the legal regulations, the social state should stimulate the economic development. Wilensky thinks that social policies are correlated with wealth, which points to the fact that strong economies create strong social states (Wilensky, 1975). Encouraged by the financial crisis in some European countries in 2008, Germany is promoting the so-called, "Social market economy" as a successful and sustainable way of integrating market forces into a stable social structure. The Scandinavian countries have done the same with their development assistance policy and without coercion, as an "ideal order" in which human rights are being fulfilled in the best possible way. In this respect, the Danish concept of "flexicurity" is most specific, according to which the high
flexibility of the labor market is mitigated by the high level of social security. Practically, this means that almost all jobs in Denmark are socially insured, and employers can dismiss their staff only in the short term. The concept of flexicurity was adopted by the European Union in 2007 and forms today's European Employment Agenda, in line with the “Strategy 2020”. In addition, the European Commission has initiated a Mission to promote the concept of flexibility at the national level (Schulz-Forberg, 2012).

Towards the end of the 20th century, the European social policy became the dominant principle of activation, which focused on training, education, and directing social services to specific vulnerable groups. Along with that, in the developed countries, the trend of pluralization in social protection has also intensified. Due to the crisis and the reduced economic resources, the public sector, until then the main social provider, has begun to restrict the range of its services and at the same time provide legislative opportunities for greater entry of civil and private actors into social protection. The pluralisation of social protection in Europe occurs as public-private partnerships. The biggest change that occurred was the role of non-governmental organizations. Their cooperation with the public sector involved the promotion of voluntary work, the initiation of a legal framework that would allow governmental and non-governmental organizations to become equal partners in the social protection system, as well as launching tax benefits to promote corporate responsibility.

With this dispersion of social protection onto multiple actors, greater solidarity in society is promoted, and therefore stronger social cohesion. The social element means: "... the right to economic prosperity and the right to share the social heritage and to live a life in accordance with the standards in society" (Marshall, 1950/2000).

This points to the following characteristics of the contemporary social state:
• Market imperfections can be neutralized by the social state, that leads to a more dynamic and innovative economy;
• The state as a community or social solidarity means that those who can do that, care for those who are less fortunate and provide social protection;
• Solidarity means that the individual is thinking more about the community of which he is and greatly improving social behavior;
• Social justice as a distribution principle requires the distribution among people that is proportionate to their needs and rights;
• Support for life cycles, in particular provision of health care and education, pension and health insurance, and
• Exchange risk between generations, ie there are common obligations based on generational reciprocity. This means that everyone who has received benefits from the previous generation has responsibilities, not only for them, but also for future generations (Stiglitz, 2015).

As we can see, there are various practices around the world. In some countries, such as the United States, despite their resources, they have limited social protection. Within the European Union, the "single European social policy" and the universal European social model for everyone, as opposed to the residual American model, in which social protection is synonymous with anti-poverty programs, is increasingly being said. In the wider European perspective, the basis for this is the 1996 Social Charter of the European Council, which has also been ratified by the Republic of Macedonia. But the general conclusion is that the possibilities of the modern social state, still do not correspond to the needs of the citizens.

SOCIAL STATE IN THE REPUBLIC OF MACEDONIA

In Article 1, paragraph 1, the Constitution defines the Republic of Macedonia (RM) and as a social state. While in the Preamble, the Constitution promotes social justice, economic well-being and the advancement of personal and community life. Article 35 emphasizes the obligation of the state to take care of the social protection and safety of citizens in accordance with the principle of social justice (Constitution, 1991). The legal formulation are adapted of these constitutional provisions. Thus, under Article 3 of the Law on Social Protection, the state takes care of the social protection of citizens in accordance with the principle of social justice ... and develops forms of self-help (Law on Social Protection, 2009). But are these legal predispositions sufficient to allow RM to be called a social state?!

Certainly not. The transition model that has taken place in RM did not contribute to forming a developmental economy that would meet the social demands caused by the changes. This was reflected in the reduction of the standard of the population, high unemployment, poverty, high domestic indebtedness, foreign trade deficit and social polarization leading to social tensions. Main problem is a high rate of unemployment, which according to the latest report of the State Statistical Office is 22.4% (SSO, Report 2018).

Due to such unfavorable indicators, as well as in accordance with the needs for preparing our state and society for the process of European integration, the necessity has been imposed on the creation of an acceptable social model that
will limit market failures and enable the social policy makers to shape the ways of helping socially disadvantaged groups and providing social security. To that end, in 2010 the Government adopted the National Strategy for the period from 2011 to 2021. While in 2017 the Ministry of Labor and Social Policy adopted a Strategic Plan for the period 2017 to 2019. These documents confirm the obligations of the state for the prevention of social risks, through intervention in tax policy, employment, scholarships, housing, family protection, health care and education. It should lead to the creation of an society, that accepts all people and gives them equal opportunities, that is, a society that enables every citizen to express his potentials and thereby contribute to social development (National Strategy, 2010). The changes were conditioned by the needs for activation, pluralization and social inclusion; as processes to which all European countries are targeted.

The pluralization of the provision of social protection services in RM was introduced for the first time with the amendments to the Law on Social Protection in 2004, but they are more profoundly treated with the 2009 law. Although realistically, the participation of the private sector in social protection is still symbolic. Therefore, the non-governmental sector is becoming a significant actor in complementing the gaps of governmental activities in the social sphere, and even with greater efficiency and flexibility of the offered services than those of the state or the private sector.

RM has made changes in the direction of proactive social policy, so the financial assistance granted to the endangered citizens is combined (where possible) with activation measures (training, further qualification and re-training according to the needs of the labor market). This should have led to an increase in effective and efficient engagement of citizens. But it did not significantly improve the situation of social protection beneficiaries and their inclusion in the labor market.

As for the policy of social inclusion, it is still advocated through measures of universal access to social services and benefits, and does not focus only on certain target vulnerable groups. By doing so, it seeks to be founded on the needs and capabilities of every citizen who would be in a state of risk and exclusion. Social inclusion strengthens the relationship between the individual and society and promotes development. But at the same time a balance must be struck between economic and social costs and goals.
CONCLUSIONS

In the 21st century, the social state is already a well-established normative concept and social reality in most countries. It exists today as an example of equality and social justice. Although it has undergone significant changes, well-being has remained a transnational criterion that appreciates the successes of one country compared to other countries. Its opponents believed that after the economic crisis, it would be forgotten. On the contrary, it turned out that among the countries with the fastest recovery, were those with the strongest social states. Therefore, instead of eroding, the welfare state proved to be a flexible and dynamic social structure that has managed to adjust its ways of acting in the new circumstances. Besides that, non-governmental sector is more successful than state in providing social services. This points to a potential utilitarianism from the new division of responsibilities between the government, the market, the family and the civil society. Thus, social citizenship will become a factor of unification between individual freedoms and social needs and a condition for social peace and economic prosperity. This goal is achievable, and the future will confirm its viability.

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