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UNIVERSALITY IN SOCIAL PROTECTION

AN INQUIRY ABOUT ITS MEANING AND
MEASUREMENT

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Abstract

This report aims to conceptualise universality in social protection and propose an actionable approach to measure it in a systematic and comprehensive way in the European Union. We propose to define the universality of a given Welfare State along three dimensions: the range of social needs addressed the degree to which the relevant population is covered, and the extent to which the needs are adequately covered in each case. We argue that these three dimensions can be used to measure the universality of European social systems. We discuss how this measurement could be implemented and present an illustrative operationalisation through a system of indicators for health, unemployment benefits, sickness benefits, old-age pensions, social assistance, housing, and education.

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Executive summary

In a context of **growing uncertainty and evolving societal risks**, the pros and cons of universal social protection have become a highly topical issue from both a scientific and a policy perspective.

At EU level, the profound and unequal social impact of the covid-19 crisis calls for stronger, fairer and more resilient social protection systems. The **European Pillar of Social Rights** and one of its first flagship actions, the Council recommendation on access to social protection for workers and self-employed, can be seen as a starting point to further advance towards universality of social protection. The aim of this report is to contribute to this endeavour by conceptualising universality in social protection and propose an actionable approach to measure it in a systematic and comprehensive way in the European Union.

Defining universal social protection through social needs, coverage and adequacy

The necessary starting point to conceptualise universal social protection is a delimitation of its scope. For the purpose of our analysis, we have chosen to focus on **public social protection**, leaving out the alternative mechanisms of addressing social protection needs, mostly through the family or the market.

Further to this, we consider two alternative approaches to determine which areas of social protection are good candidates to become universal. The first approach is based on people's preferences, and the second on criteria underpinned by a Theory of Needs. Remarkably, both approaches lead to similar conclusions, and thus we take as a basis for our conceptual exercise the areas of **health, education, and income maintenance when in need whether due to unemployment, maternity/paternity, old age or disability**, with the possible addition of **housing**.

On this basis, a review of the literature on universality shows a significant consensus on the elements that need to be taken into consideration when defining universality for a given social programme or Welfare State. These are the **range of social needs addressed**, the **degree of coverage of the relevant population** and the **extent to which the needs are adequately covered in each case**.

Approaches to measure universality of social protection: a difficult but feasible task

Coverage and adequacy are therefore the key dimensions to assess the universality of social protection for a given need. While coverage is a relatively straightforward metric which can be measured by the percentage of people (or demographic group, depending on the nature of the programme) protected by the programme, the conceptualisation and measurement of adequacy will be different depending on the nature and characteristics of each programme and the needs addressed. We find that adequacy is generally easier to measure in the case of monetary transfers than in the case of services. The measurement of universal social protection should nevertheless cover all public social programmes, and not only those relying on monetary transfers.

There are very few attempts to develop indicators of universality of social protection. The reason for this is the significant conceptual and methodological hurdles to be overcome: first, the difficulty to conceptualise universality due to the lack of agreement about the core elements of the concept; second, the limited availability of statistical information; and third, the qualitative nature of some of the information required.

There are, however, several attempts in the scientific literature to measure the intensity of social protection. The decommodification index by Esping-Andersen (1990) and the Generosity Index by Scruggs and Alan (2006) are particularly valuable, but their limited scope makes them inadequate to measure universality of social protection. Other useful contributions include Brady and Bostic's (2015) simple indicator resulting from their definition of universality as "homogeneity across the population in benefits, coverage, and eligibility". Jacques and Noël's (2018) approach is based on looking at the social benefits (cash transfers) that are means or income tested, and a measure of the proportion of private spending on social protection in relation to total expenditure (public and private).

At the same time, the OECD, the WHO and the ILO have made various contributions which taken together provide a good basis for further work. At EU level, the **European Pillar of Social Rights**,

and particularly the Council recommendation on access to social protection for workers and the self-employed and its monitoring framework, represent an important although incomplete starting point to continue advancing towards conceptualising and measuring universality of social protection in the EU.

The pros and cons of universalism as a policy principle: take-up, impact on poverty and incentives to work

In this paper we mostly discuss universality as way of describing and characterising social protection systems (the extent to which they adequately cover the social needs of all the relevant populations). **But universality can also be understood as a principle for guiding the design of social protection systems**, with two key premises. **The first one is the idea that every person should have guaranteed access to certain services or goods** regardless of his or her labour market or financial situation. **The second is the idea that everybody should be protected from certain risks**. In this respect, universality can be understood as a matter of values and beliefs, an aspiration. To avoid confusion, we will use the term **universalism** rather than universality when speaking about this aspirational policy concept.

The debate about universalism comprises many side issues: universalism has, for example, implications **for take-up, for poverty reduction and for work incentives**. On the one hand, the existence of important non-take-up rates, together with the high managing cost of many social programmes, are arguments in favour of universalism. On the other, there is **no consensus regarding the role played by universalism in the fight against poverty and inequality**, and some people have expressed concerns about the possible role of universal programmes in disincentivising access to employment.

A starting point for the development of a system of indicators to measure universality in social protection

In line with the operational concept of universality in social protection that we propose in this paper, our approach to construct an index of universality in social protection is based on two essential elements: adequacy and coverage. These two elements are to be applied separately to each of the programmes in the social protection system.

As a rule, the higher the share of the population protected, the higher the degree of universality of the programme. There are however exceptions to this rule, particularly for social programmes targeted to specific groups (parents, people over or under a threshold rate, people with especial needs). In these cases, the maximum coverage rate can be limited to the specific targeted demographic group.

Adequacy is a much more subtle aspect of any given programme, due to its more normative and qualitative nature. In order to develop a comparable measure of adequacy across programmes we propose a general two-step approach for standardising measures of adequacy: first, to define the level (of income, health, education) that each social programme tries to protect, and then to use measures of actual levels achieved for defining a standard 0-100 measure of adequacy.

The way adequacy and coverage interplay with each other supplies relevant information about the nature of universality of a given Welfare State or specific social protection branch. Fully universal Welfare States or branches combine high levels of coverage and adequacy, while residual ones would have a low level of coverage as well as low adequacy. Segmented universal Welfare States or branches would be characterised by having social programmes with a high level of adequacy, but only benefiting a small share of the population. Finally, systems where social programmes reach most of the population with a low level of adequacy would have only what we call testimonial universality.

This report aims to contribute to the establishment of a solid basis for the systematic and comprehensive measurement of the degree of universality of social programmes and/or Welfare States in Europe.

1 Introduction

The aim of this report is to reflect on the meaning and measurement of the concept of universality in social protection. A better understanding of the extent to which European citizens are covered by existing programmes of protection against old and new social risks, such as lack of education, sickness, lack of employment or lack of resources in old age, has become a highly topical scientific and policy issue in the current context. Moreover, the Covid-19 crisis has highlighted the importance of having an extensive system of social protection, as well as the existence of certain gaps in the system, even in the most developed Welfare States.

The question of how effective the Welfare State is important in itself given that a sizeable part of economic output - even if with large differences among Member States - is channelled through the public system into social policies. In addition to this, the context of growing uncertainty that characterises the world we live in has turned this question into a pressing matter of concern. Globalisation has made truer than ever the Latin proverb *Homo sum, humani nihil a me alienum puto* ⁽¹⁾ ("I am a man, and nothing human is alien to me"), as global uncertainties are now added to the local and national uncertainties and risks. The current coronavirus pandemic and its worldwide public health and socioeconomic implications is an excellent example of this trend of increasing systemic risks to globalization.

Together with globalisation, the process of technological change experienced in the last few decades, characterised by the deployment of advanced new digital technologies, has added further uncertainty to our future, piling up new risks on top of old ones (González Vázquez et al., 2019). Tax and benefits systems are a key area for policy interventions to mitigate the social costs of the labour market adjustments due to technological progress (Goos et al. 2019). Furthermore, some geopolitical risks have an important destabilisation potential. This accumulation of changes makes the notion of *Risk Society* (Beck, 1992) more relevant today than three decades ago, when it was proposed.

In this context of growing societal risks - or at least growing *feeling* of risk or, simply put, uncertainty - further scientific research about universality in social protection becomes particularly important for several reasons.

- First, because the contingencies covered by social protection are changing (Muñoz de Bustillo, 2019) and it is important to know whether social protection can also cover these new risks efficiently.
- Second, because people that in the past were not directly in need of some forms of social protection might be now or in the near future, and this is something that universal social protection systems can tackle automatically.
- Third, because societal changes might also affect the possibility of relying on other sources of social protection different from the public sector, mainly the family, the market and the community, potentially requiring a strengthening of the state as the ultimate source of protection (*ie.*, a guarantee of last resort) making it available to people that previously relied on other forms of protection against risks.
- Fourth, because the mere existence of the social protection system as a default option will reduce the psychological burden of uncertainty.

This inquiry about universality of social protection is particularly pertinent from an EU perspective, at least for the following reasons:

- First, because the objective of social progress, undoubtedly related to social protection ⁽²⁾, is firmly anchored in the EU Treaty ⁽³⁾, and steering a debate on options to advance

⁽¹⁾ Publius Terentius (circa 195-159 BC), *Heauton Timorumenos* (The Self-Tormentor) (163 BC).

⁽²⁾ Social policy is intimately related to social progress, if only because it addresses some of its basic components such as health and wellness, the coverage of basic human needs through income maintenance programs (unemployment benefits, pensions, etc.), and access to knowledge through education. This perspective is clearly stated in the Declaration on Social Progress and Development, proclaimed by the UN General Assembly resolution 2542 (XXIV) of 11 December 1969 according to which: "Social progress and development shall aim equally at the progressive attainment of the following main goals: (a) The provision of comprehensive social security schemes and social welfare services (...); (b) The protection of the rights of the mother and child (...); (c) The protection of the rights and the assuring of the welfare of children, the aged and the disabled (...); (d) The education of youth(...); etc." (art 11).

towards universality of the Welfare States contributes to the European Commission's efforts as part of its treaty obligation to support and complement Member States' policies in this area (article 153 TFEU).

- Second, because this type of analysis can potentially contribute to further developing recent EU initiatives, in particular the European Pillar of Social Rights and its implementation and monitoring through the European Semester of economic policy coordination, which can represent a step forward in reinforcing the social dimension of Europe.
- Third, because the current COVID crisis and its deep and unequal socio-economic impact confirms that protecting everyone and paving the way for a fair recovery will remain key priorities for the Union in the years to come, and the debate about universality of social protection complements ongoing and forthcoming initiatives.
- Last, because universalism of social protection can contribute to a better functioning of the Economic and Monetary Union (EMU), as it can reduce the disparities in employment and social performance across Member States and, at the same time, can be a way to avoid, or at least reduce, the potential risk of a "race to the bottom" in social protection when a single market coexists with quite different systems of social protection. In addition to this, it can be argued that if the single market brings benefits through economic activity, then it makes sense that the (social) risks related to its construction should also be shared, possibly by-passing national administrations.

The aspirational notion of universalism of social protection, closely linked to the descriptive concept of universality of social protection that we discuss in this paper, is relevant from the perspective of social rights too. If these are, as argued by Marshall (1950), the continuation of previous advances in rights ⁽⁴⁾ then it could make sense to think of social rights also in terms of universalism, just like civil and political rights need to be universal – even if after a long period of transition – in order to be considered rights at all. The truth is that, even in the Western world, social rights are in general far from being universal, especially compared to civil and political rights.

One approximation to visualise this large difference is to compare the consistently high level of civil and political rights reached in selected Western countries, as measured by the *EIU Democratic Index* ⁽⁵⁾, with the very diverse levels of social expenditure in the same countries (Figure 1). Although as we will see in this report social expenditure is an unsatisfactory proxy of universality of social protection, this illustrates the stark difference between the high consistency in the civil and political rights of Western democracies (coefficient of variation of 0.088 for the EIU Democratic Index) and the wide differences in social protection systems (coefficient of variation of 0.21 for social expenditure in the same group of countries). This example also illustrates the lack of an agreed indicator of universality of social protection, which forced us to use an aggregate index measuring the allocation of resources, and not the coverage of needs, to show the dispersion of the level social protection in high-income countries.

As mentioned above, social rights can be considered as a third wave of rights, chronologically more modern than the other two waves ⁽⁶⁾. However, the debate on social rights, considered as part of human rights, is far from new. Indeed, social and economic rights were part of the *Universal Declaration of Human Rights* (UDHR) proclaimed by the United Nations General Assembly in Paris on 10 December 1948. In its article 22 the UDHR stated that:

“Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of

⁽³⁾ According to art. 3 “[...] The Union shall] work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. [...] It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child. It shall promote economic, social and territorial cohesion, and solidarity among Member States.”

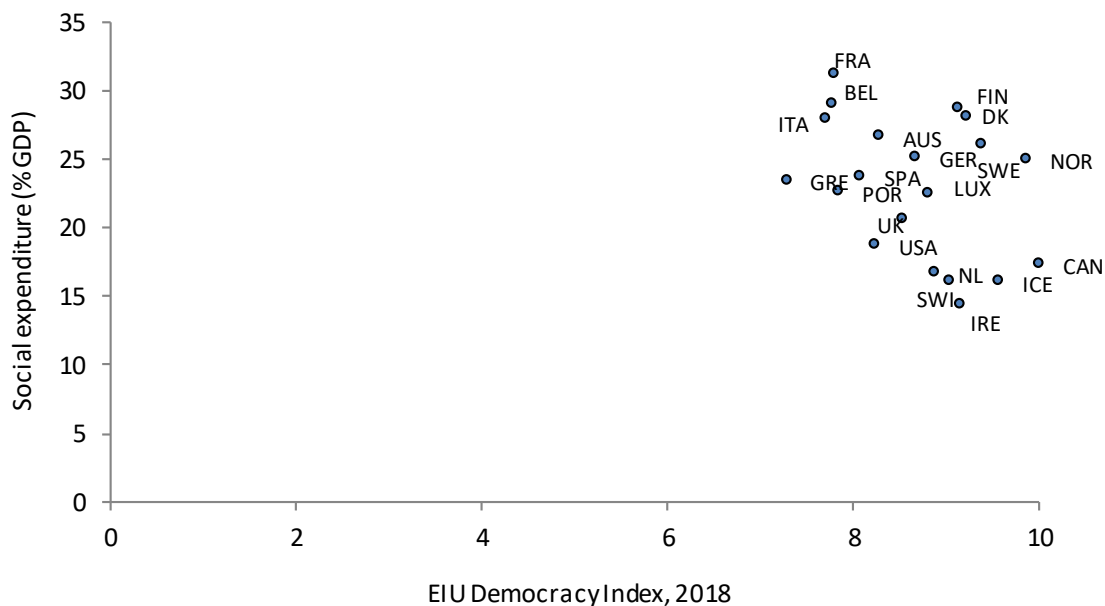
⁽⁴⁾ Civil rights (rights required for personal freedom) in the 18th century and political rights (the right to elect and be elected) in the 19th – 20th century.

⁽⁵⁾ The EIU Our Democracy Index is based on five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture, and a total of 60 indicators, and a maximum value of 10, (EIU, 2020)

⁽⁶⁾ It is out of the scope of this paper to discuss in detail Marshall's theory of citizenship. For details see Moses (2019) or Turner (1990) or Lister (2005)

each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality”.

Figure 1. Democratic index and Social expenditure (public and mandatory)



Source: Authors' analysis from OECD Social expenditure database, EIU Democracy Index, 2018

Furthermore, art. 25 argued that:

“(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. (2) Motherhood and childhood are entitled to special care and assistance”.

And article 26 stated that

“Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit”.

As we can see, articles 22, 25 and 26 of the UDHR list the main constitutive elements of modern Welfare States (7). Seven decades after the proclamation of the UDHR the EU is still far, in some areas (long term care or social assistance) more than in others (e.g. health or education), to accomplish the goal set by the UDHR and subsequent legal texts. However major progress has been achieved: they have been transposed into many Constitutions and legal documents, including the EU acquis. They also represent a crucial underpinning for the European Pillar of Social Rights and the European Social Charter. The Sustainable Development Goals (SDGs) have also adopted the perspective of universal coverage in areas such as health (goal 3.8), primary and secondary education (goal 4.1), or social assistance (goal 1.3) (8).

(7) Other articles, such as art. 24 leading with the right to work, or article 26, regarding the right to education are other examples of activities related to the Welfare State that are also considered to be universal human rights.

(8) The recent relaunching of the debate about economic and social rights challenges the premise that these rights, often considered as the rights of the poor, are not legally enforceable (Roman et al., 2010), both by social movements that question the traditional divide between civil and political rights on one side, and social and economic rights on the other,

Against this background the aim of this report is twofold:

- Firstly, to discuss the different elements behind the concept of universality in social protection, to deconstruct its meaning - or its meanings, as universality is a polysemic word.
- Secondly, to investigate the viability of operationalising the concept in order to measure to what extent a given social programme (or hypothetically a whole Welfare State) can be considered more or less universal.

With this twofold intention, the report is structured as follows. Chapter two will address the question of what we mean by universality in social protection. With that aim we will first discuss what (if any) should be the focus of universality. After presenting the different approaches that can be followed to deal with this question, the rest of the chapter will discuss the criteria that can be used in order to define a given social programme as “universal”. With this background, chapter three will review the existing indicators of universality of social protection, focusing on their characteristics and capacity to fully capture the idea of universality as defined in the previous chapter. This chapter includes a brief account of the implementation of the European Pillar of Social Rights. Chapter four will adopt a wider policy perspective and review the debate about the efficiency of universal systems of social protection vis a vis targeted social systems in meeting social needs, along with other issues related to universal social programmes such as the question of incentives and take-up rates. Based on the information presented in chapters two and three, chapter five, also intended as the report’s conclusions, discusses the feasibility of building an index of universality of public social protection, UPSI and proposes a set of guidelines that in our opinion should be followed when developing such an indicator.

This report deals with the concept and measurement of universality in social protection. Thus, before starting, it might be convenient to state what we mean by *social protection* for the purpose of our analysis. In general, social protection policy can be defined as the set of public policies that aims at protecting people from social risks such as poverty in old age (pensions), lack (or reduction) of income due to unemployment or inactivity (unemployment benefits and social assistance, parenthood), health issues (sickness and disability) and lack of suitable housing. These are, in fact, the types of social expenditures included in the definition of social expenditure of Eurostat (European System of Integrated Social Protection Statistics, ESSPROS). Education is statistically not considered as part of social policy, probably due to its direct impact on productivity and its consideration by standard economic analysis as an investment in human capital. Nevertheless, education can also be considered as part of social protection and expenditure, as it acts as protection against the risk of ignorance and unemployment, and it promotes an active participation in society. This interpretation is buttressed by the important role played by education in social levelling and social mobility.

As implicit in the above definition, in these pages we will focus on *public* social protection, leaving out of the analysis alternative mechanisms, mostly through family or the market, of addressing social protection needs. This does not downplay the role played by these other mechanisms of social protection, as we are well aware that public policies are embedded in social protection systems where families, the market and the welfare state itself play different roles in addressing social protection needs, with different degrees of substitution and complementarities among them.

Our choice of focusing on the universality of public social protection systems is driven by policy considerations. The public programmes of social protection are under the direct control of democratic governments, and thus having a good understanding of their coverage and adequacy becomes critical for the policy debate. However, as we will see in chapter 3, some of the indicators of social protection consider the role played by private social protection mechanisms in their definition. Furthermore, at a later stage we can also consider the interaction between public social protection policies and private social protection mechanisms. But that will not be addressed in this paper.

Finally, the increase in inequality experienced in high-income countries in the last decades has put the issue of inequality in the forefront of the socioeconomic debate. Still, this will not be the focus of these pages, although the relationship between universal social protection and inequality will emerge in different parts of the report.

and by part of the academia that considers human rights as indivisible (Whelan, 2010). In the terminology of the Office of the United Nations High Commissioner for Human Rights Economic, social and cultural rights are those human rights relating to the workplace, social security, family life, participation in cultural life, and access to housing, food, water, health care and education

2 The meaning of universality in social protection

To avoid confusion, it is important to start by differentiating the concepts of “universality” and “universalism”. Universality, which is the main focus of this paper, is a denotative concept that aims to describe the extent to which a social system or programme covers the entire relevant population in an adequate manner. Universalism, a closely related but different concept, refers to a political aspiration or ideal, according to which social systems or programmes *should* be universal (i.e., should cover the entire relevant population in an adequate manner). Universality is a way of describing or characterising social systems, whereas universalism is a principle for the design of social systems. In the specialised literature, sometimes the two words are used interchangeably, but we will try to avoid that because we believe it can be misleading. But although the focus of this paper is universality as a concept and as something to be measured and monitored, it is impossible to avoid any reference to the closely related political concept of universalism. After all, the implicit reason behind any attempt to define and measure universality is to serve as support for the design of universalist social policy (or to support the redesign of existing social policies in a more universalist manner). In any case, in this paper universalism refers to the political aspiration and universality refers to the descriptive concept and related measures.

As argued by Stéfansson (2015), “universalism is a polysemic concept”, whose “precise meaning varies from one academic discipline to the next ⁽⁹⁾, between theoretical frameworks and subjects” (p.45), referring to ideals, to social arrangements or administrative practices depending on the case. This ambiguity makes the use of the concept especially difficult and complex (Kildal and Kuhnle, 2005), as it might mean different things for different people. This position is found in many other essays on the idea of universalism such as Prince (2014), for whom: “There is no single category of what constitutes universality, no constant model of programme design features across welfare regimes or across time periods” (p. 349).

To make the concept of universality in social protection empirically applicable, i.e. in order to operationalise it, we need to answer the following questions. First of all, we have to delve into the political concept of universalism (and the relevant literature) to identify what areas of social protection should be universal, and why. It is important to note that such an identification of relevant areas is a political choice. After identifying the areas of social policy that could be considered candidates for universalism social protection, the rest of the chapter focuses on what attributes of the associated social programmes need to be taken into account for conceptualising or measuring their degree of universality: (1) Who is entitled to social protection (2) What level of protection is provided and (3) For how long?

2.1 What areas of social protection can be universal?

We propose two possible approaches to the question of what the object of universal social protection should be. The first one is a pragmatic and democratic approach based on people’s opinions about who should be responsible for the provision of a given good or service: if most people consider that the government is the agent that should provide a given good or service, then we can conclude that such good or service should at least be considered as a candidate to be provided universally. An alternative way of dealing with the question is disentangling, with the help of a Theory of Human Needs, which are the needs whose coverage is a precondition for human development and dignity, and should therefore be guaranteed by default by universal social protection.

The argument of Anttonen and Sipilä (2014) when they say that “Universalism presumes that there is a common opinion that the state should take some responsibility for taking care of some important *social needs*” (p.12), can be interpreted as a justification of our first approach, in the sense that such a “**common opinion**” would be the justification for choosing the areas of social protection with universal coverage ⁽¹⁰⁾.

⁽⁹⁾ For example, according to Kildal and Kuhnle, 2004: “In moral philosophy the concept denotes different moral theories arguing for principles of universal validity, independent of particular traditions, cultures or relations. In sociology, universalism is primarily attached to Talcott Parsons and the universalising of citizens’ relationships during the 19th century, replacing particular group-memberships. In the area of politics, the principle of universalism was initially expressed in the 18th century idea of human rights” (p. 307).

⁽¹⁰⁾ This approach is also related to what Bradshaw (1972), in his taxonomy of social needs, defined as “Expressed Need”, understood in terms of the need of those people who demand a service. According to Bradshaw an Expressed Need is, a

Figure 2a-d reproduces the answers given in a large number of European countries and territories (plus the United States and Japan, included for comparison) to the question: “Is government’s responsibility to provide for...?”, listing the items of: health, living standard for the old (i.e. old age pensions), living standard for unemployed (i.e. unemployment benefits, UB) and decent housing. Together, these categories represent 78% of all EU social protection expenditure. The figures reproduce the percentage of people that consider that each of the mentioned items “definitely should be” the government’s responsibility.

A glance at the figures allows two conclusions. Firstly, a clear majority of people in most countries considers that health care and pensions for the old are the government’s responsibility. This is in line with public opinion research that concludes that there is generally “much greater support of comprehensive welfare state programmes (...) compared with that of targeted programmes” (Wendt et al, 2011, p. 2). In contrast, looking at the unweighted average of the European countries included in the sample, the shares of people regarding the rest of the services as a government responsibility are much lower: 27% in the case of unemployment benefits, and 32% regarding decent housing. It should be noted that there is a clear lack of correspondence between the share of social expenditure allocated to housing in the EU (0.5% of GDP in 2017) and the role given to government in addressing the issue of housing by the people surveyed. For comparison, in 2017, EU28 public expenditure in old age and survivors was 12.3% of GDP, 7.9% in health, and 1.2% in unemployment (Eurostat, Social protection expenditure) ⁽¹¹⁾.

The results change dramatically when, in addition to those considering that the provision of the above-mentioned services is *definitely* the government’s responsibility, we also consider those saying that it is *probably* so. In this case, **the European average rises to 97% in the case of health, 96% in the case of pensions, 80% in the case of housing, and 73%, in the case of UB**. Unfortunately, the answer “probably” can mean many different things and cannot be taken as an endorsement of the role of government in the different areas of social protection ⁽¹²⁾. In any case, it is worth noticing that the share of those clearly rejecting (answering *definitely no*) the Welfare State role in the different areas is marginal for health and pensions: 1.5% for health (Spain) and 2.1% for pensions (Lithuania), and relatively low, although higher, for unemployment and housing: 8.7% for the former (Czechia) and 13.5% for the latter (Lithuania).

A second conclusion we can draw from figures 2a-d, is that there is a large variability across countries in the support for different social programmes, especially regarding who should be responsible for providing living standards for the unemployed and housing, with a coefficient of variation of 0.404 and 0.529 respectively (Table 1). Just to give an example, while 96% of the Spanish population considers that the government is responsible (definitely or probably) for providing protection for the unemployed, in the Czech Republic less than half of the population believe so.

Even in a reasonably homogenous (relative to the rest of the world) area such as the EU, this first approach based on people’s perceptions and preferences as guidelines of what should be dealt with under the principle of universal protection would lead to quite different results from country to country, or even within a given country, from one region to other ⁽¹³⁾.

Feel Need (“when assessing need for a service, the population is asked whether they feel they need it”) turned into action, i.e. transformed into a demand for the service

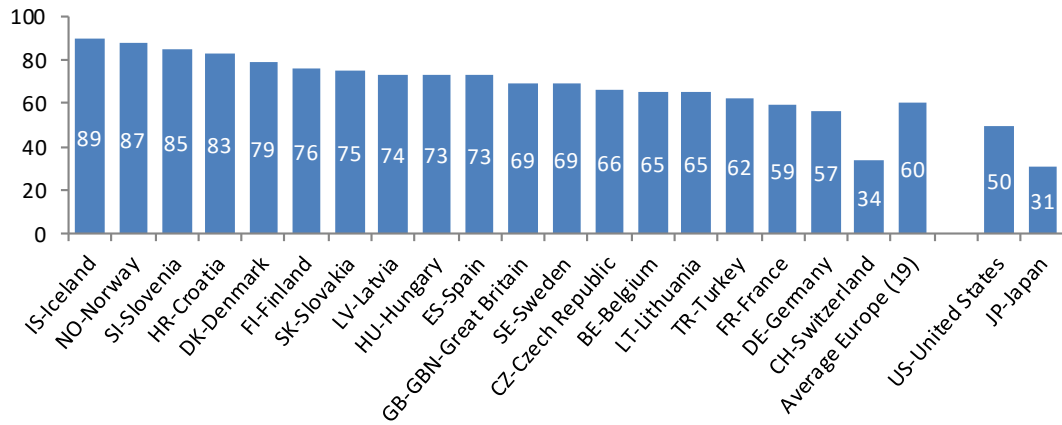
⁽¹¹⁾ The relation between public opinion and the level of development of social policy and the type of Welfare State has been analysed, among others, by Brooks and Mazda (2009). These authors, based on analysis of cross-country and over-time patterns in 15 high-income countries in the late 1980s and the 1990s conclude that “the preferences of citizens profoundly influence the welfare policies of their governments and the behaviour of politicians in office”. Nevertheless, this result has been challenged by Kenworthy (2009), based on the impossibility to determine the direction of causality, from public opinion to policy, as argued by Brooks and Mazda, or vice versa. In fact, according to Kenworth, “Brooks and Manza’s evidence offers little support for an inference that public opinion has been a key determinant of variation in social policy generosity. Across countries the two are strongly correlated, but the causal direction is unclear. The data suggest no association between the two over time within countries” (p. 738). Thus, the issue is far from solved.

⁽¹²⁾ A similar caveat must be made regarding the meaning of “government’s responsibility”, as it might mean different things to different people: regulation, provision, production, etc.

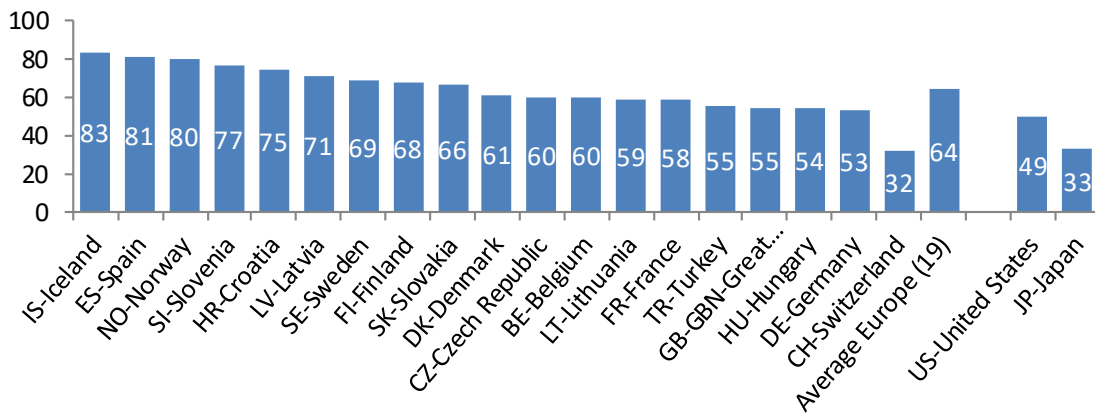
⁽¹³⁾ This would be the case, for example, of government’s responsibility regarding living standard for the old. According to the ISSP, 74% of people in the Belgian region of Flanders consider that pensions are definitely government’s responsibility, compared to 65% in Brussels-Capital and 54% in Wallonia.

Figure 2. Share of population considering that it is definitely the government 's responsibility to provide for: health, pensions, unemployment benefits and decent housing, 2016

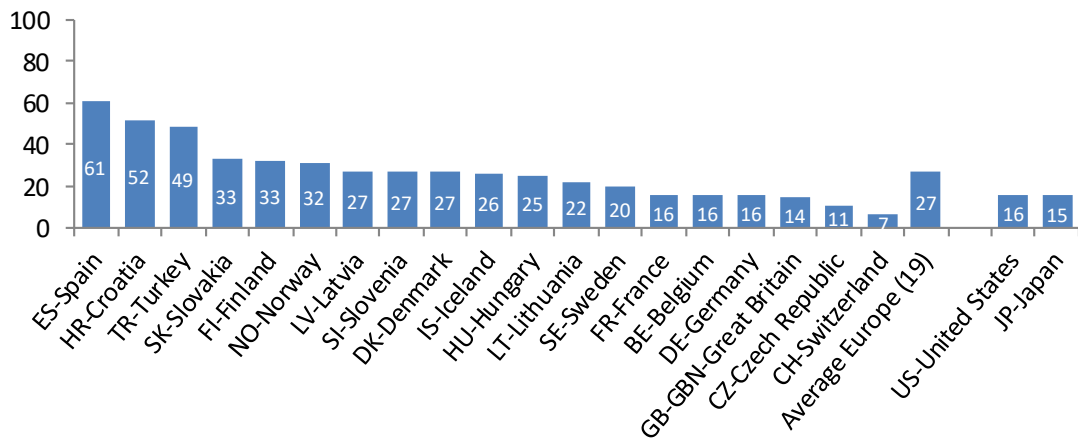
2a) health care for sick



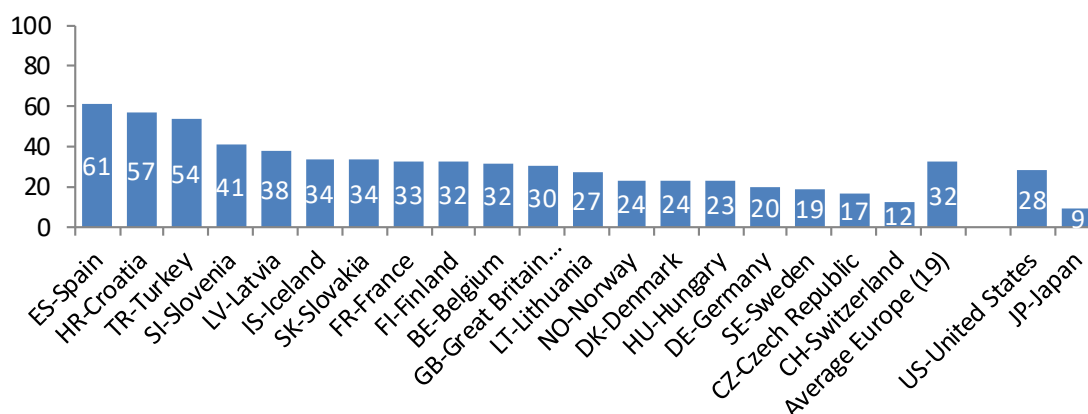
2b) living standard for the old



2c) living standard for unemployed



2d) decent housing



Source: Authors' analysis of International Social Survey Programme (ISSP) 2016.

Table 1. Coefficient of variation of the responsibility of the government regarding different situations

	Definitely	Probably	Total
Pensions	0.194325	0.314309	0.023948
Health	0.194325	0.314309	0.023948
Housing	0.404671	0.158364	0.108519
Unemployment protection	0.529438	0.187600	0.162256

Source: Authors' analysis of ISSP2016

In any case, a survey conducted in April 2020 by the European University Institute (EUI) and YouGov, analysed by Hemerijck and Huguenot-Noel (2020), contributes to shading light on citizens' attitudes towards social protection, and confirms that it is quite an important priority for Europeans, who according to the survey tend to basically care about similar things: having a secure and adequate pension in old age, having access to quality health care, and (to a lesser extent) having a good work-life balance.

An alternative way of dealing with the question of which categories of social protection could be considered as candidates for universal coverage is identifying, with the help of a **Theory of Human Needs**, if there is such a thing as universal needs, whose satisfaction would be a requirement of any civilised society. From this perspective, the identified universal needs would be used as guidelines for social policy.

The problem with this approach is the lack of agreement on what human needs are. This disagreement goes as far as questioning the utility of the concept of need itself. This is the case among many mainstream economists, for whom needs are indistinguishable from wants. To give an example, if we search in the New Palgrave Dictionary of Economics, with more than 3,000 chapters written by leading experts in the field and 14896 pages, none is dealing with "needs" nor any "Theory of Needs". There are chapters devoted to the analysis of "wants" (Douglas, 1987), or "Utility", understood as "the capacity of a good or service to satisfy a want, of whatever kind" (Black, 2008). In contrast, in other disciplines of social sciences the concept of need is well established and used. A good illustration of this is the monograph *Understanding Human Need*, of Hartley Dean (2010), which includes a short glossary of terms with up to 28 different definitions/types of needs in Social Sciences.

It is far beyond the aim of these pages to present a survey of the literature on human needs. Fortunately, this is not necessary for our purpose of using a Theory of Human Needs as a yardstick to

define those areas of social policy candidate for universal protection. Looking at a small selection of the existing enquiries about human needs suffices to see a certain level of agreement in relation to what human needs are, regardless of their orientation and starting point. Table 2 presents four different well-known approaches to the definition of human needs whose application would lead to similar conclusions in terms of the areas of social protection that should be considered candidate for universal protection.

As we can see, from the well-known hierarchy of needs of Maslow (1943) and Sen's perspective of capabilities, to the theory of human needs of Doyal and Gough (1991), most theories of need share the idea that there are some basic needs that are required for physical reproduction and to be able to function as human beings.

In this respect, the Theory of Human Needs of Doyal and Gough (1991), further developed by Gough (2003, also 2017) is probably the one that states more clearly the existence of intermediate needs that have to be covered in order to be able to enjoy autonomy. They range from those required to be physically healthy (access to nutritional food and clean water; protective housing; a non-hazardous work and physical environment; or appropriate health care including access to safe birth control and child-bearing) to those needed in order to enjoy autonomy in life (a secure childhood; significant primary relationships; physical security; economic security and appropriate education). This differentiation between physical health and autonomy as different elements of basic needs is somewhat related to the distinction between thin and thick needs proposed by Dean (2015), where the former are related to the mere survival and the latter are required for a true personal fulfilment.

If we look at Doyal and Gough's list through the eyes of social protection we can identify candidates for universal protection from the perspective of human needs, in the sense of being too important to leave their coverage to the uncertainties and fluctuations of the market. These are health, education, access to non-market income in case of illness, unemployment, old age or lack of other income, and probably housing.

In fact, as argued by Dean (2015), "Doyal and Gough's list of intermediate needs or needs satisfiers can be, and sometimes are, read as if they were a list of social rights" (p.20). Moreover, this list resembles the "Eight Primary Causes of Need" of the Beveridge Report (Beveridge, 1942), among which we find unemployment, disability, loss of livelihood, retirement and the "need for universal comprehensive medical treatment and rehabilitation" (par. 311, p. 124).

In this regard, many, if not all, of the items indicated above have been considered as elements worthy of basic social protection in the policy realm. For example, the R202 - Social Protection Floors Recommendation, 2012 (No. 202) of the International Labour Organisation (ILO) includes (at least) the following basic social security guarantees ⁽¹⁴⁾:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

⁽¹⁴⁾ R202 - Social Protection Floors Recommendation, 2012 (No. 202), paragraph 5, section II National Social protection Floors.

Table 2. A selection of Theories of Human Needs

Author	Year	Characteristics			
Classification					
H. Dean	2015	Top-down: Needs that have been judged to be inherent to the human person	Bottom-up: Needs articulated through the demands people make	Thin: Related to the mere survival	Thick: Required for a true personal fulfilment
Theory of human needs					
L. Doyal and I. Gough	1991	Basic needs Universal in the sense that their absence produces harm to people regardless the cultural or social context.		Intermediate needs (to be covered differently according to the social and cultural context):	
I. Gough	2003	Physical health (*)	Autonomy (**)	<ul style="list-style-type: none"> • Nutritional food and clean water * • Protective housing* • A non-hazardous work environment* • A non-hazardous physical environment* • Safe birth control and childbearing* • Appropriate health care* • A secure childhood** • Significant primary relationships** • Physical security** • Economic security** • Appropriate education** 	
A. Sen	1980/1984 1985/1988	Needs understood in terms of the capabilities that allow peoples' functioning (states of 'being and doing', such as being well-nourished, having shelter, etc.)			
Hierarchy of needs					
A.H. Maslow	1943				

Source: Authors' elaboration based on quoted references

In this section, we have explored two perspectives to identify areas for universal social protection: a first approach based on people's beliefs and preferences regarding the areas of social protection of government responsibility, and a second based on a Theory of Needs as criteria for the involvement of the public sector in the provision of certain social needs. Both approaches converge in the identification of the main candidate areas for universal social protection: health, education, and income maintenance when in need whether due to unemployment, maternity/paternity, old age or disability, with the possible addition of housing. The two approaches thus endorse the broad scope of the European Pillar of Social Rights as well as, in particular, the scope of the Council Recommendation on access to social protection for workers and the self-employed.

2.2 Who should be covered?

The question of eligibility for social protection is surely the key element when considering a social protection programme as universal. The etymology of *universal*, from the Latin *universalis*, "belonging to all", or *universus*, "all together, whole, entire", is clear in this respect. **A universal social programme (or system) can be then defined as one that covers the whole relevant**

population. Otherwise we would be talking of selective or targeted social programmes, or social insurance where eligibility is subject to meeting certain conditions, be it lack of income subject to a test of means or income or a minimum history of social contributions.

However, this divide between universal and selective programmes is, in reality, much more blurred. For instance, some *de jure* non-universal programmes, such as retirement pensions that require previous contributions to the pensions system during a minimum of years of working life, might become *de facto* universal when due to high labour force participation rates most people qualify for retirement pensions upon retirement. This is even more evident when non-contributory pensions complement contributory pension systems for those with a short or no working life and without other sources of income in old age. In this case, we could think of a universal pension system segmented in two (contributory and non-contributory), or even three layers (contributory, survivors⁽¹⁵⁾ and non-contributory). Although some authors, such as Sainsbury (1996) have characterised these type of programmes as “pseudo-universal”, others (Esping-Andersen, 1990, or Banting, 1987) consider the Bismarkian traditional approach to social protection through compulsory public social insurance as a second category of universality.

This poses the question of whether universality should be defined in terms of eligibility criteria (everybody is eligible) or in terms of practical criteria (almost everybody meets the eligibility criteria). In this regard, as we will have occasion to see as we move along these pages, “universalism is not an either/or phenomenon but a matter of degree; programmes are more or less universal” (Kautto, 2015, p. 145).

Although so far we have been referring to the entire population when defining the coverage of a programme, obviously universal programmes can focus on specific subgroups of the population, such as families with children or old people, and be limited in scope without failing to be universal. A simple way to address this issue is by referring to “universal risks” vs “specific risks” faced by specific groups or subgroups of the population. For example, parental leave can be universal if all parents, regardless of their specific circumstances (single or couple, high income or low income, etc.) are eligible for the leave, even if nonparents (or parents of grown-ups) are excluded from the programme. This circumstance does not make the programme less universal.

Using the same logic, social assistance programmes based on income transfers to those at risk of extreme poverty in EU countries⁽¹⁶⁾ (Crepaldi *et al.*, 2017) can be universal in terms of reaching all the population meeting certain requisites, even if there are not Universal Basic Income schemes in the sense that they are not addressed to all the population.

Linked to this is the issue of how we define “entire population”, as this can be done in terms of *de facto* residence, in terms of legal residence, or in terms of nationality. In this regard, it is important to note that often social protection is limited to legal residents. The exclusion of undocumented migrants and temporary residents from social protection is generally not considered to be a breach of universality. In the spirit of the famous quote of Milton Friedman (“you can’t have free immigration and a welfare state”), this exclusion is often based on the belief that free access to social protection by everybody, regardless of their residential status, could act as an immigration magnet and result in unsustainable levels of social expenditure. This results in a severe restriction of social services to undocumented immigrants and temporary residents⁽¹⁷⁾. Although it is out of the scope of this paper to discuss the so called “welfare magnet” hypothesis in detail, it is important to note that, so far, the empirical literature on the relationship between welfare provision and immigration suggests that the decision to migrate is not made on the basis of the generosity of social protection in the guest countries (Giuleti, 2014) but rather on the expectation of better employment opportunities (and life chances in general). In any case, the lack of solid evidence behind the hypothesis has not weakened the belief in its existence, or its ubiquity in the debates regarding immigration.

⁽¹⁵⁾ According to the OCDE (2018), in the OECD countries there is one survivor pensions recipient for every five old-age pensioners, 85% of them widowed survivor pension recipients.

⁽¹⁶⁾ Such as the Belgium Revenu d’intégration/Leefloon, the Danish Kontanthjælp, the Finnish Toimeentulotuki or the French Revenu de Solidarité Active, RSA.

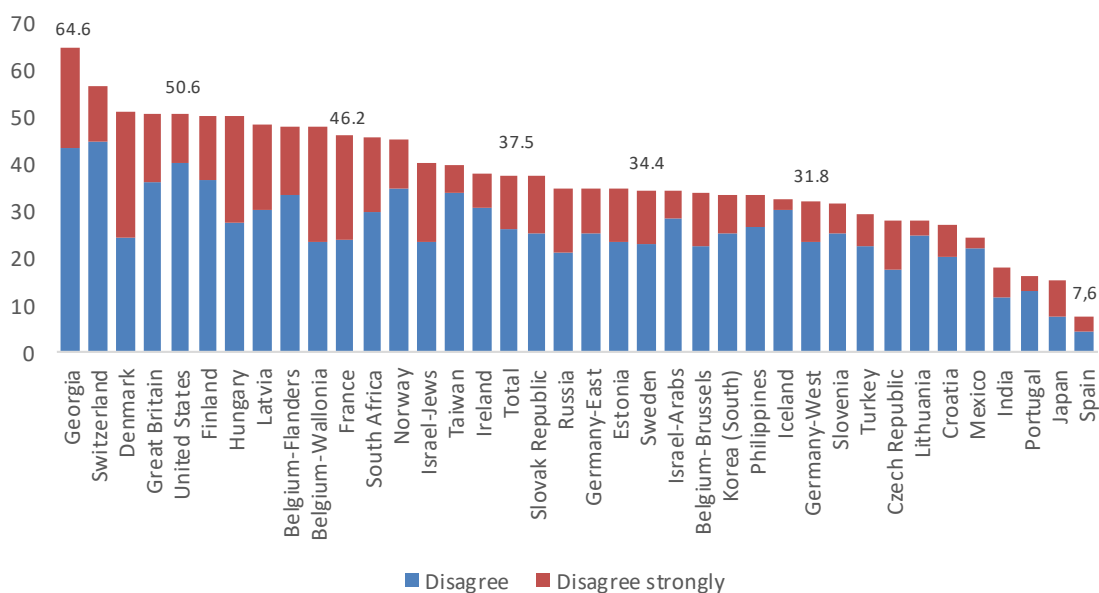
⁽¹⁷⁾ Using public health provision as example, according to the Platform for International Cooperation on Undocumented Migrants, PICUM (2015): “Nearly all European Union member states restrict access to health care services to different degrees for undocumented migrants” (p. 11). This situation leads to the underutilization of health care services by undocumented migrants (Winters *et al.*, 2018).

A related, but different question is whether social protection is limited to citizens or extended to include also legal residents (Palme, 1999). Generally speaking, the concept of residence prevails, although often a requisite of “habitual” residence is added to the residence requirement ⁽¹⁸⁾.

The ISSP of 2013, by asking in 35 high income countries whether legal immigrants should have the same rights than locals, allows us to check to what extent the population would be willing to support this type of arrangements. Figure 3 reproduces the percentage of population disagreeing or totally disagreeing with the statement: “legal immigrants should have the same rights as nationals”. Although in most countries those disagreeing are far from being a majority, a relatively large minority of citizens disagree with extending the rights of legal immigrants. This group is especially high in Switzerland, United States, and the United Kingdom, but also in countries such as Denmark or Finland.

A companion requisite to the eligibility criterion is that entitlements must be a matter of rights and not subject to discretion. In this regard, universality *de facto* should not be hindered by the administrative process, due to its intricacies or to the existence of a bias against certain groups of population. It is often in this aspect - the process of applying and receiving benefits - where the legal recognition of social rights to foreign legal residents does not translate into an effective recognition of such rights, whether for language or administrative barriers or for plain discrimination. In this regard, an ILO/OECD paper presented at the 1st Meeting of the G20 Employment Working Group that took place in Buenos Aires the 20-22 of February of 2018 (OECD, 2018) warns that “in practice (...) migrant workers may have to face unfair treatment due notably to administrative barriers (e.g., long waiting periods, difficulty to observe eligibility criteria abroad, incompatibility of social security systems)” (p.12).

Figure 3. Share of citizens disagreeing with legal immigrants having the same rights



Source: Authors' analysis from ISSP 2013.

⁽¹⁸⁾ In 2014 the European Commission published a guide on application of 'Habitual Residence Test' for social security. The guide recalls the specific criteria to be taken into account to determine a person's place of 'habitual residence' such as: family status and family ties, duration and continuity of presence in the Member State concerned, employment situation (in particular the place where such activity is habitually pursued, the stability of the activity, and duration of the work contract), exercise of a non-remunerated activity, in the case of students, the source of their income, how permanent a person's housing situation is, the Member State where the person pays taxes, reasons for the move the person's intentions based on all the circumstances and supported by factual evidence. In the Republic of Ireland, for example, the Department of Employment Affairs and Social Protection considers 5 factors in order to decide whether a person fulfils the habitual residence condition, HRC: (1) His/her 'main centre of interest', based on things like: (a) whether he/she owns or lease a home here, (b) where his/her close family members live, (c) whether he/she belongs to social or professional associations here, (d) any other evidence or activities indicating a settled residence in Ireland, (2) The length and continuity of his/her residence in Ireland and in any other country (4) the length and purpose of any absences from Ireland, (4) the nature and pattern of his/her employment and (5) His/her future intention to live in the Republic of Ireland for the foreseeable future.

The EU has in place a legislative framework ⁽¹⁹⁾ for third country nationals that provides for equal treatment with EU nationals in the area of social security rights. In the case of long-term residents, equal treatment is also applied to social assistance. Member States can, however, limit some of the benefits for short stays and for certain categories of migrant workers, such as for example seasonal workers. Member States can also exclude temporary workers from social assistance.

2.3 Adequacy of benefits and the question of homogeneity.

Another important element to consider when discussing universality of social protection is the question of adequacy. In this regard, many of the contributions to the debate regarding universality, e.g. Goul Andersen (2012), Anttonen and Sipilä (2014), include as one of the elements behind the notion of universality that **the received benefits or provisions should be enough as to make a difference in terms of the perceived risk**. This is important both for programmes in kind, such as health, and for monetary transfers, such as pensions or unemployment benefits.

If in-kind benefits are set at an excessively low level due to the poor quality of the services provided or to the relatively short catalogue of contingencies covered or if the amount of the monetary social transfers perceived is small, then such programmes could be considered universal *de forma*, but not *de facto*. This is because many citizens, mostly high-income, would resort to other private options to address their needs. This would not only empty the programme itself, but could also undermine the loyalty and support of the middle class for such programmes, as they would be financing them through general or earmarked taxation, while at the same time resorting to alternative private provision in case of need due to the low quality or quantity of the benefit. As argued by Anttonen and Sipilä (2014): “for universalism to be supported by a majority of citizen, at least in rich countries universal services and benefits have to exceed the minimum in meeting the needs” (p. 15).

This requirement increases the complexity of defining universality, as it becomes not only a matter of identifying the share of people protected (as seen in the previous section), but also a question of the degree or quality of the protection provided. And to do that, a threshold of sufficiency or adequacy has to be defined. There are at least two possible ways of dealing with this issue, as we can see in Table 3 using as example monetary social protection.

Table 3. Alternative ways of dealing with the issue of adequacy in the case of social transfers

Amount (criteria)	Implications
Absolute: n €	Same amount of benefits for each person (constant in real terms)
Relative % of median income of the population	Same amount of benefit for each person (changing as median income change)
Relative % of previous income of the individual	Different among individuals depending of their previous income (usually subject to a minimum and a maximum value)

Source: Authors' own elaboration

The first one is to define a **threshold of income considered necessary to meet the contingency that the benefits try to address**. This can be done by adopting an absolute perspective (for

⁽¹⁹⁾ Family reunification Directive (2003/86/EC): regulating admission and residence of family members of third-country nationals (sponsors) legally residing in Member States; Long-Term Residents Directive (2003/109/EC): allowing third-country nationals who have legally and continuously resided in a Member State for 5 years to obtain an “EU long-term resident” status and associated rights; EU Blue Card Directive (2009/50/EC): regulating admission and residence of highly skilled third-country workers, and their families; The Single Permit Directive (2011/98/EU): establishing EU rules for a single application/permit and equal treatment provisions for third-country workers. It is a “framework” or “horizontal” Directive that covers third-country workers also admitted to a Member State according to national migration law; Seasonal Workers Directive (2014/36/EU): regulating admission and stay of third-country nationals admitted temporarily to carry out seasonal work; Intra-Corporate Transferees Directive (2014/66/EU); Students and Researchers Directive (2016/801): covering the conditions of entry and residence of third-country nationals for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and au pairing (recast of Directives 2004/114/EC on students and 2005/71/EC on researchers).

instance, based on a theory of need), or by linking the threshold to the average or median income of the country, in which case the threshold would be defined in relative terms. In the latter case, there are two further alternatives. The first one is to use the median income that would lead to the use of the same income threshold for all the population. The second, to use as point of reference the market income of the beneficiary before becoming a recipient of social protection. In the first two cases, the result would be a flat benefit roughly similar among those receiving the benefit (roughly, as it might take into consideration elements such as the number of members of the family unit, special needs in case of disability, etc.), while in the later, the benefit would be, at least partially, tailored to the size of the market income it intends to substitute.

In the case of service provision, such as health, or education, the question can be one of quality or one of catalogue of provisions: what is included and what is excluded. To give an example, while households finance a large share of dental care expenditure in Spain or Latvia (98% and 93% respectively), out-of-pocket-expenditure in dental services is much lower in Germany, 25% or the Netherlands, 22% (OECD, 2019). The same is valid for the quality of the services provided. Using health provision again as an example, waiting lists for surgery or the quality of hospitals' services are some of the issues that have to be assessed when addressing the question of adequacy of benefits.

One of the elements that are often considered central to universal social programmes is the **existence of homogeneous, undifferentiated benefits**, in terms of all people having access to similar benefits. This is clear in Beveridge (1942), when he argued in favour of the "provisions of a flat rate of insurance benefit, irrespective of the amount of earnings which have been interrupted" (p. 121). Obviously, the idea of flat minimum benefits defended by Beveridge is related to his recognition of the important place that voluntary insurance had in the overall architecture of social protection. Flat benefits do not mean equal income for all, but equal public benefits for all, aimed at guaranteeing a minimum income for all, leaving the rest for private social provision, whether through the market or the family.

In this regard, uniformity of benefits is by no means equivalent to uniformity of social protection. In a flat benefit system, inequality is the product of the different resources available for private social protection. In contrast, in non-homogeneous universal social systems inequality is usually related to previously existing labour market inequalities translated into inequalities in social contributions at a first stage, and to inequalities in benefits at a later stage. In any case, the existence of minimum and maximum benefits in most universal (non-homogeneous) social protection programmes acts as a cap to inequality, so in the end they often turn out to be more equitable than combined public (flat)/private programmes of social protection. These heterogeneous provisions operate mostly in cash programmes, as universal in-kind programmes, notably health, are truly universal in terms of homogeneous service provision to all citizens.

The debate on universality of social programmes has been enriched lately by the discussion about **other sources of diversity**, i.e., not related to income differences and the different meanings of "adequacy" of social programmes. In this regard, there are discussions about the need to introduce differences in terms of gender, age, or disability, and perhaps also ethnicity, to address differences in needs of different demographic groups, and how "some forms of accommodation to diversity conflict with notions of universalism" (Häiko and Hvinden, 2012, 85) understood in terms of similarity.

A particular problem for the measurement of adequacy is when different groups of population have different social protection needs. In this case, a social protection program adequately meeting the needs of a given group of people could be considered less than adequate for another group. The need to tailor some social protection programmes to the different needs of its potential users is evident in areas such as special education (for children with special needs), but is also present in many other areas in more disguised manners. Just to give an example, cardiovascular disease is the leading cause of morbidity and mortality in women worldwide, with disparities in diagnosis, treatment and prognosis between men and women that are related to basic biological differences but also to "complex interactions of cultural and socioeconomic problems" (Sciomer et al., 2018) often leading to "important sex-based differences in many aspects of care for coronary artery disease" (Mark, 2000). From this perspective, the idea of homogeneous provision as a defining element of universality would run against the principle of adequate provision (in terms of relevance).

Before concluding our analysis of the role of adequacy and coverage in defining universality in social protection it is important to acknowledge that a full evaluation of a given social protection system could also profit from knowing who is excluded from it. As shown in section 2.2, a core element of

universality is the extent to which a given social programme reaches the population potentially affected by the social risk the program aims at addressing. This explains the role played by coverage rates in the measurement of universality. This section has shown that adequacy also plays a key role in defining universality. However, coverage rates and adequacy are not enough to make a full evaluation of social protection systems. If those excluded from social protection were random, coverage rates and adequacy would give us a reasonably good idea of the social protection system of the country under analysis. But if exclusion is not random, and it rarely is, then a full evaluation of the Welfare State would require knowing who are excluded and their characteristics as a group. In this regard, the Welfare State is often criticised for being gender biased, with programs tailored to the needs of men (Esping-Andersen, 2009, Sainsbury, 1999).

The Welfare State was developed during the time of the breadwinner family model, in which women played a secondary role in terms of market income but a primary role in terms of household production and as providers of care to children and old dependents. These led to an important and unfair bias: having a low level of attachment to the labour market, women were excluded from important Welfare State programmes such as pensions, while qualifying to others only through their husband's rights. In contrast, as care providers they were responsible for many activities that otherwise would have had to be performed by the Welfare State or the market. The progressive incorporation of women to the labour market has reduced the first gap, although only partially as women still face a sizable activity rate, wage and part-time employment gap, leading to a social benefits gap.

It is in this regard that the assessment of the coverage and adequacy angles could profit from the use of other complementary indicators focusing on the specific characteristics (if any) of the population excluded from social protection.

2.4 Duration of benefits

Ideally, benefits should last for as long as they are necessary. In the case of social programmes targeted to specific groups of population such as children or family allowances or old age pensions, the duration is fixed by the life cycle itself: children growing old, old people passing away. The same is valid for health, although in this case the question of duration of benefits can end up mixed with the issue of adequacy, as there might be restrictions in terms of the right to experimental or novel and very expensive therapies. In other cases, such as unemployment benefits (UB), the existence of limitations in the duration of the benefits is justified by the potential risk of a long duration affecting the intensity of the job search. In this regard, it is interesting to note that the criterion for being eligible for the programme for as long as the need lasts, "not only for old age and sickness or disability, but also for unemployment", was present in the Beveridge Report. However this criterion was not endorsed in the 1944 government White Paper produced in response to the report, which proposed a maximum of 30 weeks in order to avoid the abuse of the system (Brown, 1990).

The potential negative implications of some social protection systems - notably unemployment benefits and social assistance through different types of income support programmes - for individuals of working age and fully able to work has always been a major concern regarding social protection (see chapter 4 for more details). Such concern has often materialized in the introduction of time limits for the duration of the programmes. The limits to the duration of UB or the limitation of access to income support ⁽²⁰⁾ are examples of how this consideration is reflected in the design of social programmes.

This concern can be addressed through other requirements such as the disposition to accept suitable jobs or engage in active job search or training, which can also have implications in terms of coverage. In a way, time limits and eligibility requirements such as those mentioned above share the same aim, namely, to reduce disincentives to work related with income support programmes. This type of requirements, along with others focused on making work pay (such as wage subsidies to low-wage workers), can lead to a reduction of coverage rates. However, they can be justified if work is considered a better social alternative (also in terms of human dignity) than living on public assistance, and if social assistance can exert a negative impact on the incentive to work.

⁽²⁰⁾ Such as the general limit (although with exceptions) to five years of the US TANF -Temporary Aid to Needy Families- (previously Aid to Families with Dependent Children, AFDC) approved by the Clinton Administration in 1996 as part of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) For a description and evaluation of the reform see, e.g. Blank (2002) and Moffit (2008).

In any case, the existence of limits to the duration of the benefit, when they lead to a reduction in the number of beneficiaries due to the extinction of their access, would result in a reduction in the number of beneficiaries, affecting therefore coverage rates and thus universality. In this regard, the lack of time limits, or at least of time limits with practical implications, can be interpreted as a corollary of the requisite of universal coverage.

2.5 Wrapping up: defining universality in social protection

Building on the discussion in the previous sections of the different elements that should be taken into consideration when characterising a social protection programme as universal, it is now time to present a proposal regarding the meaning of universality of social protection suitable for operationalisation. Before proceeding with this aim, it is important to acknowledge that, as argued by Stéfansson (2015), “universalism is an essentially contestable and eminently contested concept” (p.65). This recognition leads the author to propose to “come to terms with the diverse meanings attributed to it” (p.65). Unfortunately, that option is not open to us, and in any case (as we have repeatedly argued) in this report we focus on the descriptive term of universality (and its measurement) rather than on the political term of universalism (as a principle for policy design), even though they are so closely linked that sometimes it is impossible to keep them neatly separated.

A review of the literature on universality shows that authors often coincide in the elements taken into account when discussing what universality is. Following Gould Andersen (2012), Table 4 reproduces the defining elements of universality according to several of the authors who have reflected more about the issue. The four references included in the table present different readings of what universality is, although with many common elements.

It is easy to see that there is a relatively high degree of overlap among the first three approaches listed in the table. For example, Kangas and Palme’s (2005) criteria of coverage overlaps with items 5-7 of Anttonen’s list. In turn, Gould Andersen’s criteria 1 to 4 are similar to Anttonen’s items 1 to 3 and 5-6. Also, the item of Generosity of Kangas and Palme (2005) is related to the requirement of adequacy of Gould Andersen’s list ⁽²¹⁾. An outlier, and a notable exception to this agreement on the core elements of universality, is what Anttonen, Haikio and Stefánsson (2015) denominate the procedural definition of universality, which is related to the original British concept of universality (Anttonen and Siplilä, 2015). This is a much narrower definition of universality compared to the other proposals, which would be in line with the “consequentialist” perspective that implies judging the system more by its results in terms of social integration than by the administrative procedures governing social policy. But beyond some small differences, we can conclude that all these proposals share the same flavour: the words might be different, but the tune is very much the same. The authors also share the idea, already mentioned in these pages, that universality is a question of degree, not a binary classification: different social programmes, or Welfare States, can be more or less universal.

Summing up, universality in social protection would be defined by 3 elements:

- 1. the social needs addressed,**
- 2. the degree to which it covers the entire relevant population (in some cases, demographic groups),**
- 3. the degree to which it is adequate to the needs covered in each case.**

The first element would give us information about the scope (or ambition) of the Welfare State, and the other two about its universality. Although different in nature, the first element is a necessary starting point as it defines what is to be provided, universally or otherwise.

⁽²¹⁾ As highlighted by Andersen (2012), this last element is very important as it would exclude from universalism flat-rate benefits allocated to the whole population (the core of universality in the British tradition) but at such a low level of adequacy that would make the benefit irrelevant to most of the population.

Table 4. Elements of universal social protection

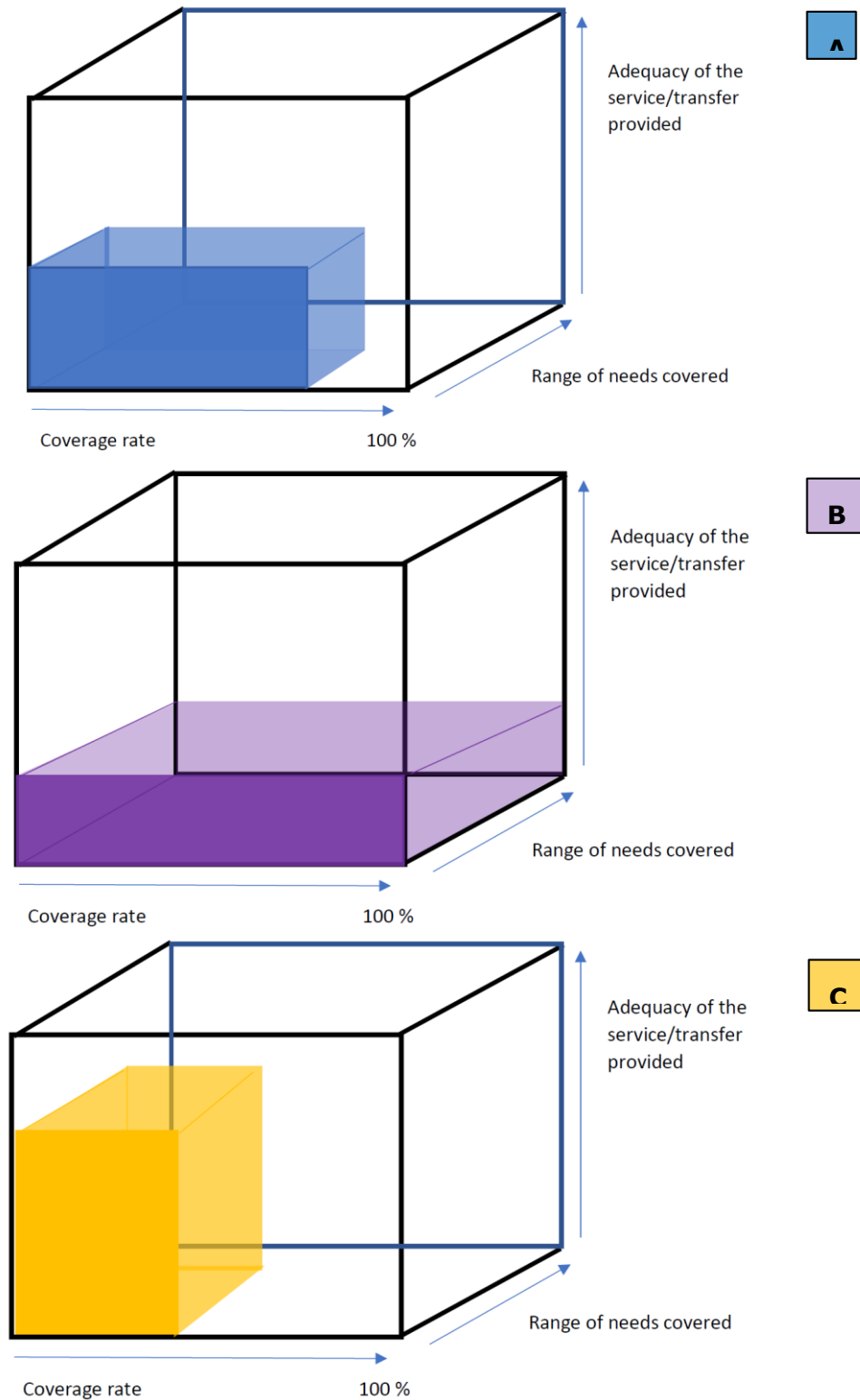
Author	Criteria used
Anttonen (2002)	<ol style="list-style-type: none"> 1) Rights to benefits or services. 2) Tax financed. 3) Uniform throughout the country. 4) Defined by compulsory legislation. 5) Designed for the entire population. 6) Equal access. 7) Used by most people.
Kangas & Palme (2005)	<ol style="list-style-type: none"> 1) Coverage 2) Generosity
Gould Andersen (1997) (1999)	<ol style="list-style-type: none"> 1) Eligibility and entitlements are clearly defined rights, not a matter of discretion 2) Rules apply to all citizens/residents who could be relevant beneficiaries 3) Benefits (or services) are financed by general taxes rather than by social contributions 4) Benefits are ideal-typically the same for all citizens; at least, nobody are excluded by means-testing, even though extra means-tested benefits are possible within the universal frame 5) Benefits are adequate
Anttonen, Haikio and Stefánsson (2015)	<ol style="list-style-type: none"> 1) Procedural definition: such distribution of social goods where everybody receives the same flat-rate cash-benefit regardless of their income, or the same service. 2) Consequentialist definition: related to the outcome of social policy ("the egalitarian and integrative outcome that policy is intended to achieve", Anttonen and Siplilä, 2015, p. 29)

Source: Gould Andersen (2012, p. 6) and Anttonen, Haikio and Stefánsson (2015)

Figure 4 represents the three proposed dimensions to consider when characterising the degree of universality of a given social protection system. This figure is inspired on a proposal developed by the WHO (2010) for discussing universal health coverage. The figure has three axes. The x-wide axis represents the share of population covered, where a fully universal system would be located at the 100% level. The x-depth axis represents, in turn, the range of needs covered. Last, the y-axis represents the adequacy of the provision. In this regard, the distance from the level reached by a given social programme and the 100% level can be interpreted as the part of the "need" addressed by the social programme not covered by it that is provided through other means (the market, the family or other community mechanisms), or simply not fulfilled. The figure illustrates three different degrees of universality. They can be interpreted as referring to specific social programmes, or as a kind of average, representing a given Welfare State ⁽²²⁾.

⁽²²⁾ Although this last option is far from being straightforward. The problems related to the aggregation of the different measures of universality of the different social protection programmes are addressed in chapter 5.

Figure 4. Different configurations of universality



In case A, we have a relatively high coverage, but a low range of needs covered and low adequacy of the provisions. Case B exemplifies universality in terms of population covered and range of needs addressed but at the cost of very low adequacy of the services/transfers provided. Last, C represents a

case of a high level of adequacy of the services provided and the range of needs addressed, but with a relatively low share of the population covered.

Of the three elements defining the universality of a social system, one is qualitative (the range of needs covered, essentially a list of areas) and two are quantitative (the coverage and adequacy of the programmes in each area). For the two quantitative dimensions of universality, table 5 summarises **the metric and elements that could be used when evaluating the different indicators proposed to measure the degree of universality of a given Welfare State or social programme.**

The first quantitative element, coverage, could be measured by the percentage of people (or demographic group, depending on the nature of the programme) protected by the programme. For the second quantitative element, adequacy of the transfer or service, each programme would have its own criterion of adequacy depending on its nature. For example, in the case of health, the adequacy could be measured in terms of the catalogue of services provided, the quality of the service (e.g. waiting list, morbidity rates, etc), or the degree of out-of-pocket expenditure and the need to resort to the market, in the case of unemployment benefits the replacement rate, etc.

Together with the metric, table 5 includes a column with an account of the elements that are behind the degree of coverage or adequacy, mainly to show that many of the items listed in the table among the requisites for universality are elements that operate behind the coverage rate or degree of adequacy.

Table 5. Summary and metrics proposed for the measurement of universality in social protection

	Metric	Elements behind the degree of coverage
Coverage	0-100%	Equality of access, addressed to the whole population (or demogroup), consideration of the benefit/service as an enforceable right and not as a matter of discretion, type of financing (taxes vs social contributions), duration of the benefit.
Adequacy	Low to High	Type of Welfare State: universal vs residual. Aimed to adequately address a given need/risk of the population vs considered only as a basic intervention of last resort.

Source: Authors' own elaboration

3 Measuring universality in social protection. A review

The aim of this chapter is to present an account of the different proposals that have been developed, mostly at EU level, to measure the degree of universality of social programmes or the whole system of social protection. Before starting our journey, it must be acknowledged that there are very few attempts to develop indicators aiming at measuring universality in social protection, either from an EU perspective, or from a national point of view.

The limited availability of indicators of universality can be explained by a combination of factors, including: i) the polysemic nature of the idea of universality mentioned in the previous chapter; ii) the lack of agreement about the core elements in the concept; iii) the limited availability of statistical information regarding social programmes compared with other areas such as the labour market or the measurement of production; and iv) the qualitative nature of some of the information required.

We will first discuss proposals made by different scholars based on the literature on Welfare State models. The chapter then presents the approaches followed by the OECD, the WHO, the Global Coalition for the Social Protection Floor and the ILO. We also review two pragmatic academic proposals to operationalise the concept of universal social protection and conclude with a brief overview of EU initiatives, in particular the European Pillar of Social Rights.

3.1 Proposals emanating from the literature of Welfare State models

The first set of indicators of the universality of social programmes that we will review in this chapter are the result of the dissatisfaction of researchers with the use of indicators of relative social expenditure (social expenditure with respect to GDP) to measure the level of social protection in different countries. Although data on social expenditure and social expenditure effort (Social expenditure/GDP) is readily available for many countries and for a relatively long period of time (*e.g.* through Eurostat or OECD social statistics), this type of expenditure indicators, although widely used, presents many drawbacks. Among them, we can mention that they do not provide information about how expenditure is distributed among the population, being at the same time opaque regarding the level of coverage of social programmes. In the words of Esping-Andersen (1990), expenditure indicators are “epiphenomenal to the theoretical substance of welfare states” (p. 199) and so of only secondary value when researching the nature of the different Welfare States.

In order to overcome the limitations of the simple indicators of social expenditure, Gosta Esping-Andersen (1990) developed the **Index of Decommodification**, aimed at gauging to what extent citizens could maintain their income levels if affected by some of the risks usually covered by social policy: unemployment, retirement and sickness. The idea behind the concept is that the higher the decommodification index, the higher the decoupling of livelihood from income earned in the labour market. In the words of Esping-Andersen (1990): “De-commodification occurs when a service is rendered as a matter of right, and when a person can maintain a livelihood without reliance on the market.” (pp.21-22) ⁽²³⁾. The aim of Esping-Andersen’s work was to study the differences in national arrangements of social protection, an effort which ended up producing the most widely used classification of welfare states: Liberal, Corporatist, and Socialdemocratic (Esping-Andersen, 1990). However, the structure of the index, as we will see, allows its interpretation in terms of universality ⁽²⁴⁾.

Table 6 reproduces the main elements behind the construction of the decommodification index, DI, as proposed by Esping-Andersen (1990). The first thing to be taken into consideration is that the DI is limited to only 3 programmes of social policy: retirement pensions, sick pay, and unemployment benefits. Although these three programmes add up to a sizeable part of social expenditure, and especially monetary social expenditure, the analysis leaves out other important social programmes such as health or education. Looking at the variables considered in the construction of the DI, we can see that in all cases they include variables regarding adequacy, duration (when relevant) and, later in the process of standardisation, the coverage rate. In all cases, the items that are used in the construction of the DI are discussed in chapter 2 when debating the requisites of universal social

⁽²³⁾ The concept of commodification and de-commodification has a long tradition in social sciences and has been used by other authors and in other contexts. The debate about different interpretations of the term, and its extension outside the realm of the Welfare State can be found, for example, in Pintelon (2012)

⁽²⁴⁾ Decommodification is one of the axes used in the classification of Welfare States proposed by Esping-Andersen (1990), together with the level of stratification and welfare mix.

programmes. It is in this regard that the ID can be interpreted in terms of universality of social protection. The value of the ID of the three programmes analysed is added to produce the overall ID.

Table 6. Construction of Esping-Andersen's Decommodification Index, DI.

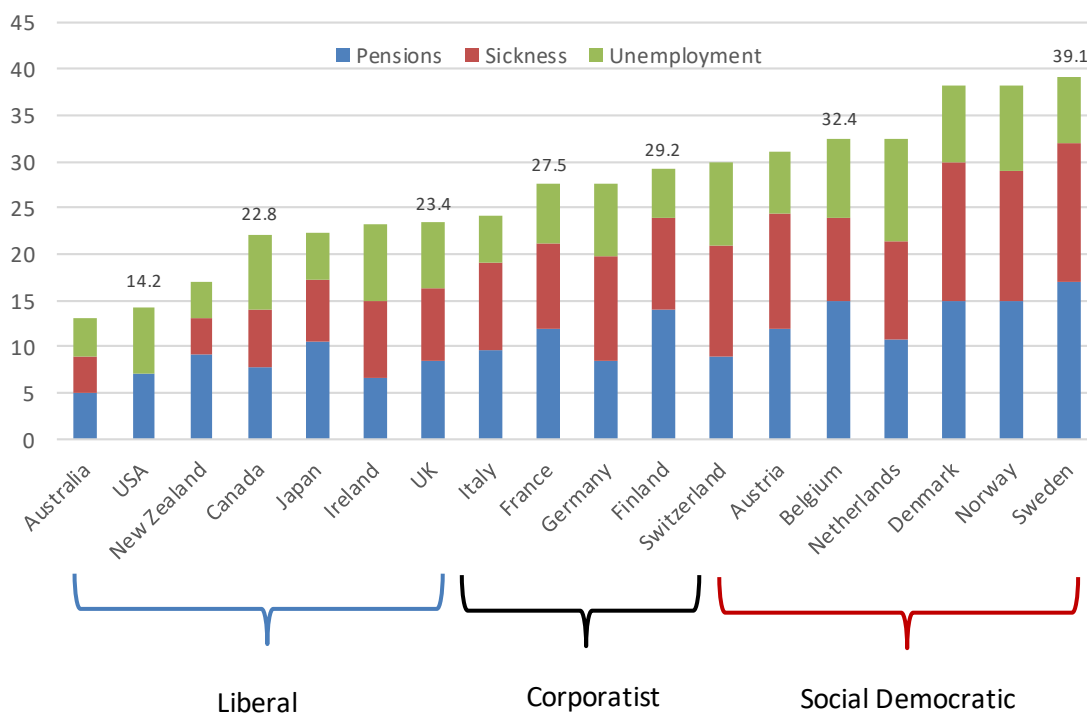
Variables			
Programmes	Unemployment insurance	Replacement rates	
		Qualifying period	
		Benefit duration	
	Sick pay	Replacement rates	
		Qualifying period	
		Benefit duration	
	Old age pensions	Minimum replacement rate	
		Standard replacement rate	
		Employee contribution to social security (%)	
		Qualifying period	
	Country standardisation method		<p>1 (less generous) = if the value of a given indicator is lower than one standard deviation below the mean</p> <p>2 = if the value of a given indicator is within one standard deviation of the mean</p> <p>3 (most generous) = if the value of a given indicator is above one standard deviation of the mean</p> <p>Replacement rates are given double weight vis a vis the other variables</p> <p>Sub-indexes are computed aggregating the indicators and multiplying the result by the coverage rate of the programme.</p>
	Overall value of the DI	Sum of the values of the 3 programmes	
Maximum total value	48 (16 per programme) => universal coverage and all indicators with value above one standard deviation of the mean		
Coverage	18 countries = Australia, Austria, Belgium, Canada, Denmark, Finland, France, (West) Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom, and United States		
Data set	The Social Citizenship Indicator Programme (SCIP)		

Source: Authors' analysis from Esping-Andersen (1990)

Figure 5 reproduces the overall Index of Decommodification, as estimated by Esping-Andersen (1990), with the corresponding typology of Welfare States. All in all, the combination of replacement rates - a proxy of adequacy-, and coverage rate -measured indirectly through indicators of the qualifying period and benefit duration- can be considered as a proxy of how universal the programme is in terms of

people benefited by it, allowing the interpretation of the DI as an indicator of universality. Nevertheless, the indicator is limited by its restriction to only three social programmes ⁽²⁵⁾.

Figure 5. Decommodification index of Esping-Andersen, 1980



Source: Authors' representation of Esping-Andersen (1990) data.

The estimates of Esping-Andersen remained unchallenged and unreplicated until in 2006 the political scientists Lyle Scruggs and James Allan published an article revisiting, updating and revising Esping-Andersen's estimates. In Scruggs and Allan (2006), the authors used a new database, the Comparative Welfare Entitlements Dataset, CWED, and developed a new indicator, in the spirit of Esping-Andersen's Decommodification Index, but with some changes in the variables and the methodology, that the authors call Generosity Index, GI. As the DI, the GI analyses three social programmes: Unemployment, Sick pay and Pensions. Unemployment insurance covers national insurance provisions earned without income testing. Sick pay insurance covers benefits paid in the event of short-term non-occupational illness or injury. This includes provisions for mandatory private (employer-paid) benefits in addition to public insurance. Public pensions considered in the CWED2 dataset include only mandatory public programmes (Scruggs, 2014, p.4).

It is important to highlight that in both indices, the replacement, eligibility and duration of benefits are calculated for a standard or notional case: in the case of GI, a production worker in manufacturing who is 40 years old and has been working for the 20 years preceding the loss of income or the benefit period. The GI also considers two different household contexts: (a) Single: earnings equal to 100% average earnings, living alone, no children or other dependents, (b) Family: earnings equal to 100% average earnings, cohabiting with a dependent spouse with no earnings, two children aged 7 and 12. The details of the construction of the index are summarized in Table 7, and explained in detail in Scruggs (2014).

⁽²⁵⁾ Although a technical matter, it is important to keep in mind that the indices of decommodification of the different programmes are constructed using the standard deviations to the mean and assigning a score of 2 to those values within one standard deviation to the mean, a score of 3 to those values over one standard deviation above the mean, and a score of 1 to those with standard deviation below the mean one. This metric, in the words of Scruggs and Allen (2006, p. 58), is "far from ideal", as countries with similar values of their standard deviation, e.g. +0.9 and +1.1 will get quite different scores: 2 vs 3, while large differences in terms of standard deviation, e.g. -0.9 and +.9 will get the same score: 2.

Figure 6 reproduces the Generosity index for 2010 of the countries with data for the 3 social programmes (Scruggs *et al.*, 2017). Again, the GI could be considered as a proxy of universality, as it is constructed with variables related to the adequacy of the benefits, in relative terms in relation with the previous wage, and coverage rate. In relation to the ranking, the most noticeable difference between the GI and DI indexes is probably Sweden. This difference is explained by the different year of the analysis for the DI and GI indexes, and by the relatively intense reduction of the GI in Sweden since 1990, from 45.7 to 35.2, equivalent to a drop in the GI of 23%.

In general terms the location of countries along the index of generosity is consistent with the classification of Welfare States according to the Liberal, Conservative and Social democratic models. Portugal, and especially Spain, are nevertheless in positions higher up the ranking than expected, considering that these two countries are in the low end of the distribution of social expenditure. In this regard, it is important to keep in mind that this measurement exercise only covers 3 programmes, and not the whole range of social expenditure. It is also worth noticing that countries with overall low social expenditure can have, nevertheless, high levels of decommodification in specific programmes such as pensions, as it happens in Spain, with one of the highest replacement rates of the EU (a net replacement rate of 83 % compared to 63 % for the EU, for men with average earnings according to the OECD, 2019b).

Figure 6. Generosity index for 22 high income countries, 2018



Source: Authors' analysis from Scruggs *et al.* (2014)

In a nutshell, both the Decommodification Index and the Generosity Index are proposals aimed at measuring the intensity of social protection which could be interpreted in terms of degree of universality of the programmes covered. It is out of our scope to discuss in detail the differences between the indices. Scruggs (2013) discusses the different results regarding replacement rates when using the Comparative Welfare Entitlements Dataset and the Social Citizenship Indicators Project. Bolukbasi and Öktem (2018) concentrate on eleven key non-replacement rate indicators that SCIP and CWED have in common, identifying both the discrepancies and the potential source of such discrepancies. In any case, from the perspective of this report, the problem is not so much in the details of their construction, important as they may be, but in their limitation to only three, however central, social programmes. In this regard, these, or similar indices, could contribute to the development of an overall index of universality of social programmes, but by themselves are not enough.

Table 7. Construction of Scruggs and Allen's Benefit Generosity Index, GI

Variables		
Programmes	Unemployment insurance	Replacement rate
		Duration limit (weeks)
		Qualifying period (weeks)
		Waiting days
		Coverage
	Sickness	Replacement rate
		Duration (weeks)
		Qualifying period (weeks)
		Waiting days
		Coverage
	Pensions	Minimum pension replacement
		Standard pension replacement
		Qualifying period (years)
		Benefit Duration (expected)
		Employee funding (%)
	Take-up rate	
Country standardisation method	Country characteristic scores are based on z-scores** with mean and distribution computed all available observations. The GI for each programme is the sum of the z score values of each variable multiplied by the coverage rate. For details see Scruggs (2014).	
Overall value of the GI	Sum of the values of the 3 programmes	
Coverage	3 countries (18 in the first analysis with the CWED1) = Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom, and United States. CWED 2 includes information on five more countries: Greece, Korea, Portugal, Spain, and Taiwan.	
Data set	Comparative Welfare Entitlements Dataset (CWED), 2	
Time period	1971-2010	

(*) Added for the GI based on CWED 2

(**) Extreme values -including unlimited benefit duration- are dropped and assigned a maximum or minimum z-score. Z-scores for several programme characteristics were based on logged values

Source: Authors' analysis from Scruggs and Allen (2006) and Scruggs (2014)

3.2 Contributions by the OECD

This section presents three contributions made by the OECD for the measurement of adequacy for two monetary social benefits: unemployment and retirement pensions, and health provision. In their current status, they fall short of being usable as indicators of degree of universality, as they only cover the adequacy of the benefits, expressed as percentage of previous in-work income for different categories of workers. But they could be used, when combined with coverage information, to generate universality indices of these programmes.

3.2.1 Unemployment benefits

In the case of unemployment benefits, the OECD estimates net replacement rates in unemployment for different categories of workers (in terms of previous earnings), family types and duration of unemployment (Table 8). As an example, figure 7 reproduces the net replacement rate for a single person without children, earning the average wage and unemployed for 6 months.

Table 8. Net Replacement Rates in Unemployment (OECD)

Variables	Alternatives
Unemployment duration (months)	1-60
Previous in work earnings	Minimum wage, MW
	67% of the Average Wage, Average Wage, AW
Family type	Single person no children
	Single person 2 children
	Couple no children partner out of work
	Couple 2 children partner out of work
	Couple no children, partner AW
	Couple no children, partner 67% AW
	Couple no children, partner MW
	Couple 2 children, partner AW
	Couple 2 children, partner 67% AW
	Couple 2 children, partner MW

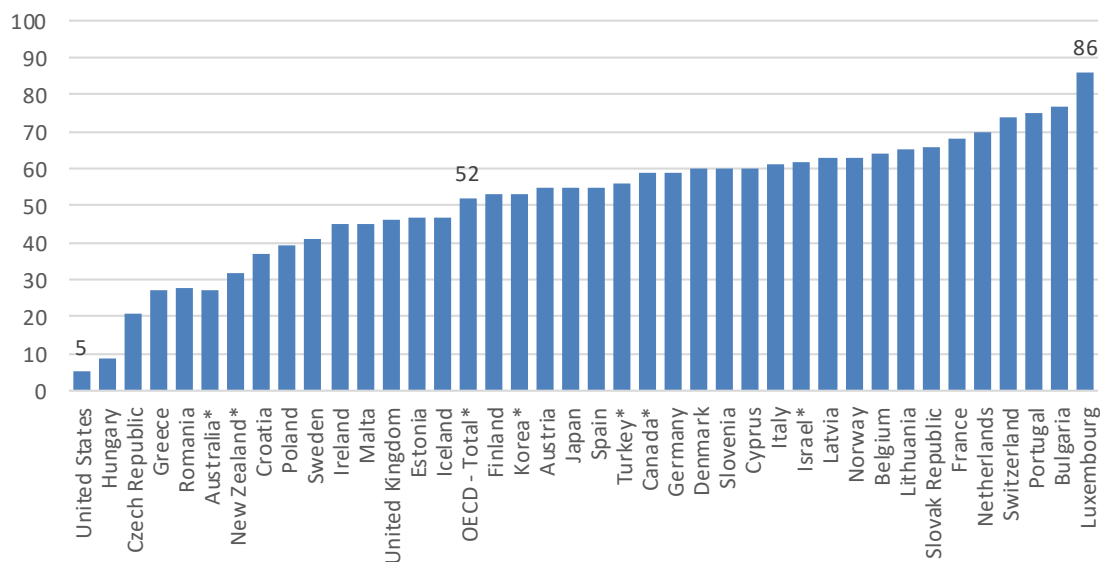
Source: OECD.Stat

As we can see in Figure 7, the distribution of net replacement rates of UBs among OECD countries is quite diverse, going from a meagre 5% in the US, to 86% in Luxemburg. In any case, the information supplied by the net replacement rates would have to be combined with data on levels of coverage (percentage of unemployed receiving unemployment benefits) to be able to produce an indicator susceptible of interpretation in terms of degree of universality of the programme. Periodical statistics regarding the coverage rate of unemployment benefits are not available, although coverage data can be estimated and is often available from national sources.

According to Maquet, Maestri and Thévenot (2016) there are three possible sources to estimate UB coverage rates (with simultaneous information on unemployment and benefit recipients). The first source is the EU Labour Force Survey, EU-LFS, the canonical source for estimating unemployment, but with only limited information regarding UB recipient population (self-declared). The second source is the EU Statistics on Income and Living Conditions, EU-SILC. This survey gathers information about unemployment (self-declared) and UB, with the problem that the data on income (including UB) is gathered for the whole (previous) year, making it impossible to estimate the duration of benefits. The third source is administrative data. This is probably the best source on UB recipients, with the

shortcoming that it does not include data on non-recipients. This implies the need to combine two different sources of information: administrative registers for beneficiaries of UB, and surveyed data for unemployed population. The OECD, in its Social Benefit Recipients Database (SOCR), supplies comparable information on the number of people receiving cash benefits for the main income replacement programmes in the unemployment, social assistance, disability and old-age branches. It currently covers eight years (2007-2016) for most OECD and EU countries.

Figure 7. Net replacement rate for single person without children earning the average wage. 2019 (or latest available year*)



Source: OECD.Stat

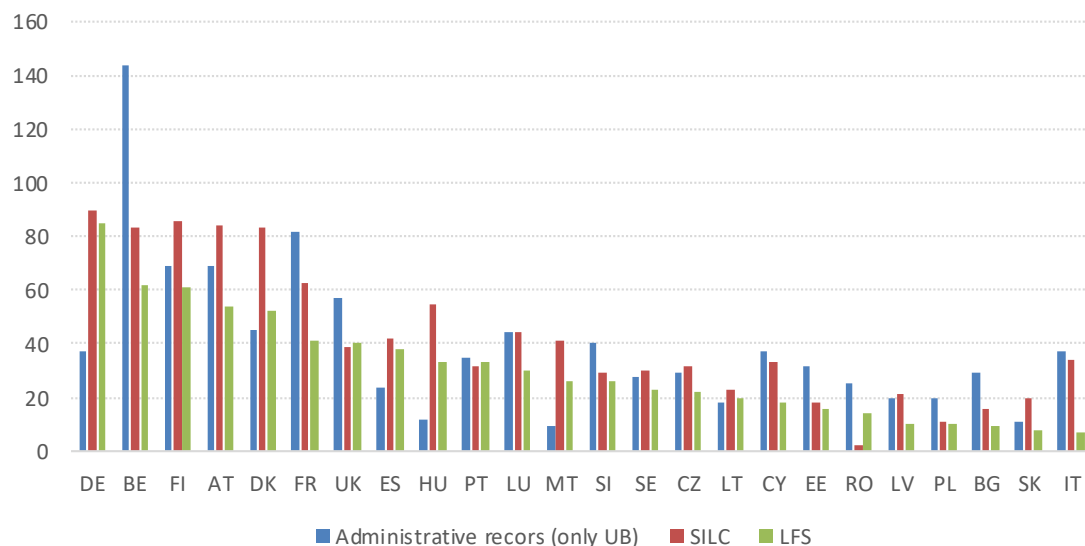
Figure 8 reproduces the estimated coverage rates corresponding to 2012 using the three different sources mentioned above. It shows important differences in the resulting coverage rates of the EU countries included in the sample. These differences are especially intense between SILC and LFS estimates, on one side, and the estimates produced from administrative records on the other. Furthermore, the figure only includes estimates of coverage rates by administrative records based. The results are far more diverse when the pseudo-coverage rates are calculated including unemployment assistance. For example, for Germany the coverage rate jumps to 302% and for Belgium to 287%⁽²⁶⁾.

Before concluding this section, it is important to bring up the question of the differences in unemployment risk faced by the labour force in different countries, as it can be argued that different degrees of coverage in UB (i.e. different levels of universality regarding this social programme) will have very different social implications depending of the unemployment rate of each country. In this regard, low UB coverage rates in low unemployment countries could lead to overall lower vulnerability than high coverage rates in high unemployment rate countries. This possibility would be unnoticed when using coverage rates as defined above. A possible way to address this problem is to define a new, complementary, Total non-coverage rate, TncR, defined as labour force non-covered by UB in relation to the total labour force:

$$\text{Total non – coverage rate} = \frac{\text{Unemployment} - \text{Unemployment covered by UB}}{\text{Labour Force}}$$

⁽²⁶⁾ As stated by Maquet et al. (2016), rates can exceed 100% if some recipients continue to receive UB even when doing some work compatible with it (and thus are not considered unemployed by ILO definition) or if they are not working and declare that they are not available for work or not searching actively for work (and again they are not considered unemployed by ILO definition). For the advantages and disadvantages of the different sources see Maquet, Maestri and Thévenot (2016).

Figure 8. UB coverage rates from administrative records, EU-SILC and LFS



Source: Maquet, Maestri and Thévenot (2016), p. 17, 23-25.

The aim of this indicator would be to capture the possibility that inclusive labour markets (i.e. labour markets with low unemployment rates) could lead to lower degrees of overall vulnerability, even in the context of low UB coverage rates (and thus lower income protection when unemployed). As an example, Table 9 reproduces four country cases. The first one, the Netherlands, combines high UB coverage rate and low unemployment rate, leading to very low total non-coverage rate of less than 2% (i.e., very low vulnerability due to the low probability of being unemployed and the high coverage UB rate in case of being so). The second case is exemplified by Portugal, with a much lower UB coverage rate, 40%, and higher unemployment rate. This situation leads to a higher Total non-coverage rate of around 7%. The third case, Spain, has a slightly higher rate of UB coverage, 45%, which combined with an unemployment rate almost twice as high, produces nevertheless a Total non-coverage rate of 11%, higher than the Portuguese one. In contrast with the Spanish case, Poland has a very low rate of UB coverage, 17.6%, but combined with a low unemployment rate, 6%, produces a Non-coverage rate which is half the Spanish rate.

Table 9. Examples of combinations of UB coverage rate, Unemployment rate and Total non-coverage rate

	UB Coverage rate (%)	Unemployment rate (%)	Total non-coverage rate (%)
Netherlands	70,2	6,0	1,8
Portugal	40,4	11,1	6,6
Spain	44,9	19,6	10,8
Poland	17,6	6,2	5,1

Source: Authors' analysis from OECD labour Stats and SOCR (SOCial benefits Recipients) database

Obviously, the total non-coverage rate must be interpreted with caution. Low values of Total non-coverage rate cannot be interpreted straightforward in terms of better overall welfare, as that would depend on the working conditions, including wage and working time, but not only, of the labour force. Suppose low unemployment rates result from workers being compelled to take low wage and working condition jobs due to the lack of other means of subsistence (e.g. UB). In that case, low total non-coverage rates cannot be interpreted in terms of good levels of social protection (adding protection

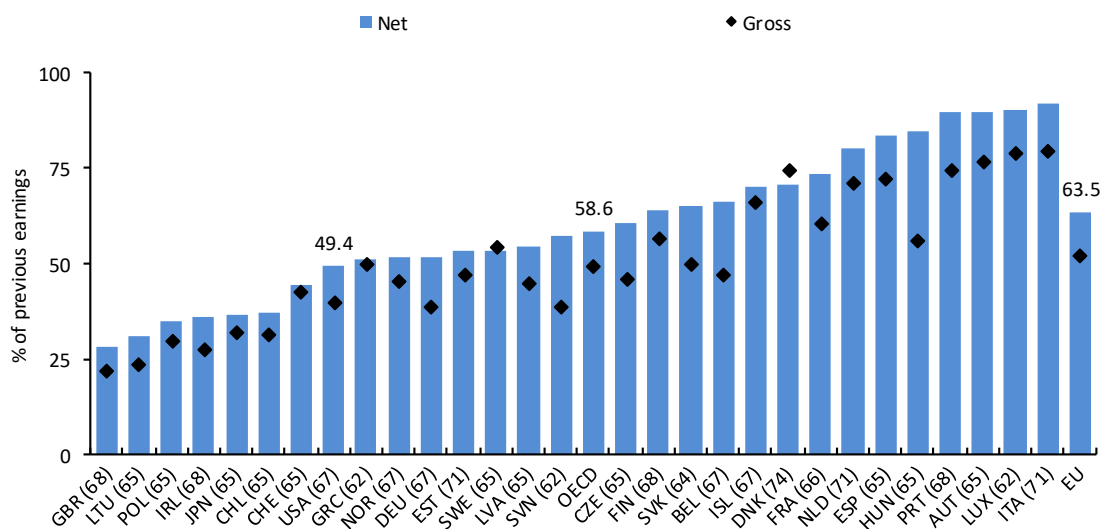
through employment and through UB). Most developing countries, with very low or null UB coverage, and very low unemployment rates, are a good example of this danger.

3.2.2 Retirement pensions

The OECD also produces estimates of retirement pensions, as well as some complementary information about eligibility and retirement age that can be used to gauge the level of universality of this important social programme. Together with this information, the SOCR (SOCial benefits Recipients) database offers estimates of old-age, survivors, and early retirement recipients.

The OECD Pensions at Glance report presents estimates of the pension entitlements of a worker who enters the system today and retires after a full career. In this respect, the estimates are for future pensioners, with today's requirements and regulations, under the assumption that changes in rules that have already been legislated, but are being phased in gradually, are fully in place. A full career is defined as entering the labour market at age 22 and working until the standard pension-eligibility age. To generate the estimates, the OECD model takes into consideration all mandatory pension schemes for private-sector workers, regardless of whether they are public or private schemes. Complementarily, a second round of estimates also include voluntary, occupational, or personal pensions. The replacement rate is calculated for different types of workers, with earnings equal to 0.5, 1 and 1.5 of mean earnings. OECD Pensions at Glance estimates both gross and net pensions, in the latter case after taking into consideration the taxes and social contributions paid by workers and pensioners ⁽²⁷⁾. As example, Figure 9 reproduces the gross and net replacement rates of pensioners in EU OECD countries plus Japan and the US.

Figure 9. Gross and net replacement rates of pensioners (workers with average earnings) in a sample of OECD countries, 2018



* In brackets, standard retirement age.

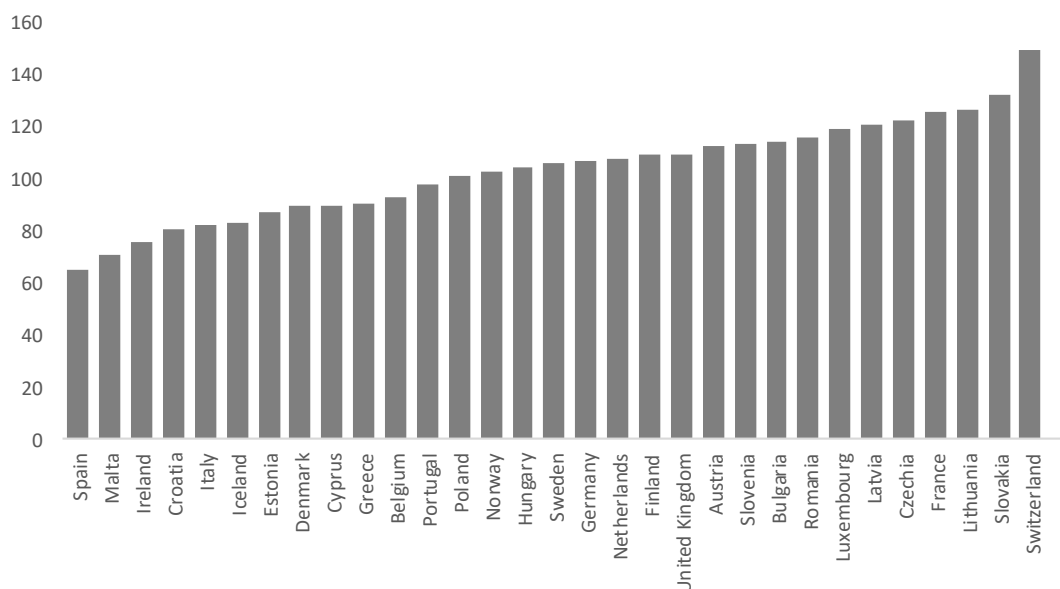
Source: OECD (2019b), p. 155

This complete information about replacement rates represents theoretical replacement rates and not actual replacement rates of already retired cohorts of workers, and it can be complemented with the information provided by the SOCR (SOCial benefits Recipients) database, regarding recipients of old-age, survivors and early retirement benefits. This information can be used to estimate coverage rates when measured against total

⁽²⁷⁾ Pensions at Glance models produce also specific estimates for 3 family types: single average earner, single-earner couple (male average) and couple with average earnings, impact of unemployment break (5 and 10 years) and child break (5- and 10-years break).

population over 65⁽²⁸⁾. Eurostat also supplies information about pensions' beneficiaries (by type of pensions, means and non-means tested, and old age/survival/anticipated, etc.). In any case, looking at the last of the sources mentioned, often coverage rates are higher than one hundred per cent, as pensioners might have right to more than one pension. As we can see in Figure 10, which reproduces estimated old pension's coverage rates for 2016, such is the case in more than half of the EEE countries. When survivors are included in the total number of pensioners, practically all countries surpass the one hundred per cent threshold, or come very close to it (e.g., in the Spanish case the coverage rate jumps from 65% to 97%).

Figure 10. Old age pension coverage rate (pensions/population >64)



Source: Authors' analysis of Eurostat data.

3.2.3 Health care

In 2001 the OECD launched a new yearly review of its member States' health system. With the passing of time the OECD's *Health at Glance* has become a very useful and updated radiography of the health systems of high-income countries. Although the very rich quantitative account of health systems of the report does not include an index of universality of the health system of member countries, it supplies several indicators that considered together provide information about the different degrees of universality of health systems of the European countries of the OECD.

From all the information provided by the OECD's 2019 *Health at Glance*, we will focus on the three areas that define the degree of universality of a given social programme: coverage, range or extent of the service provided and quality.

Regarding coverage rates, according to the information provided in Figure 11, most OECD countries have universal or quasi-universal health coverage⁽²⁹⁾, in most cases provided through National Health Systems or Social Health Insurance systems. However, a few cases such as the Netherlands or

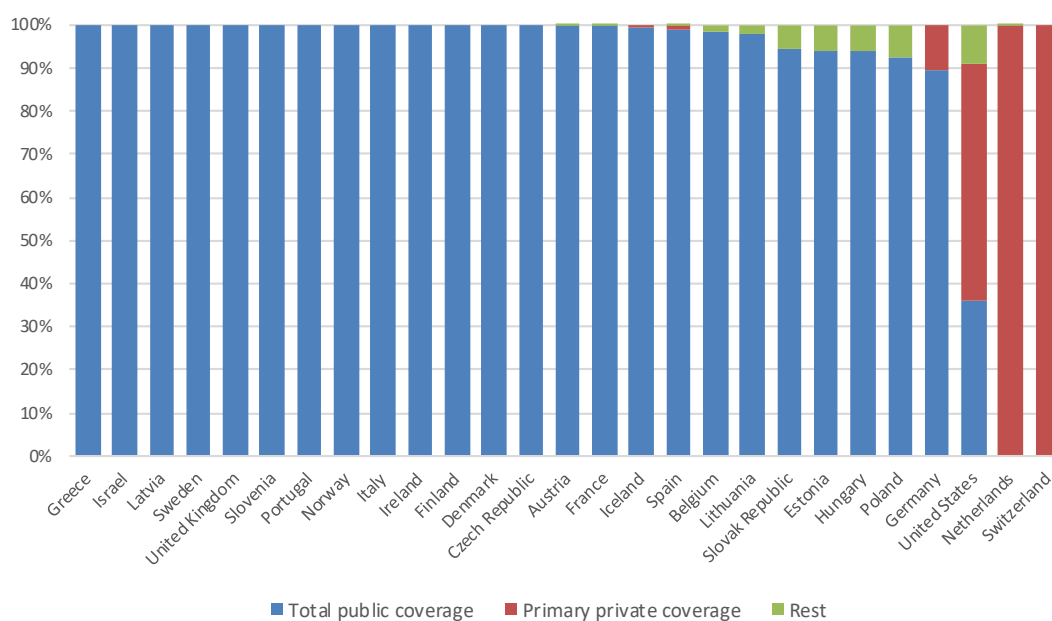
⁽²⁸⁾ For the methodology see OECD's Data questionnaire for the international database on social benefit recipients. Definitions and methodology (March revision).

⁽²⁹⁾ One common exception is access to health care for illegal immigrants, which in most cases is limited to life-threatening situations or in case of risk to public health (Romero-Ortuño, 2004). This is the case of Austria, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Poland, Romania, Slovakia, Slovenia, and Sweden. In Belgium, Italy and the UK, immigrants, or subgroups of immigrants such as children or pregnant women, are entitled to certain services. In the rest: France, the Netherlands, Portugal and Spain, immigrants are de jure entitled to the same range of health services under certain conditions. (Karl-Trummer et al., 2010).

Switzerland have resorted to compulsory private health insurance (combined with public subsidies and laws on the scope and depth of coverage).

One possible way to assess the universality of the health systems and to complement the information included in figure 11 is to look at the share of the population that have purchased a private health insurance policy. Although there are various reasons than can explain the purchasing of private health insurance by people already covered by a public health system, some of them, such as the inclusion of therapies not covered by the public health systems or skipping waiting lists (King and Mossialos, 2005) can be related to the *de facto* lack of coverage of certain risks. It is in this regard that voluntary private health insurance coverage can be considered as informative regarding the degree of universality of public health systems.

Figure 11. Coverage rate for a core set of health services



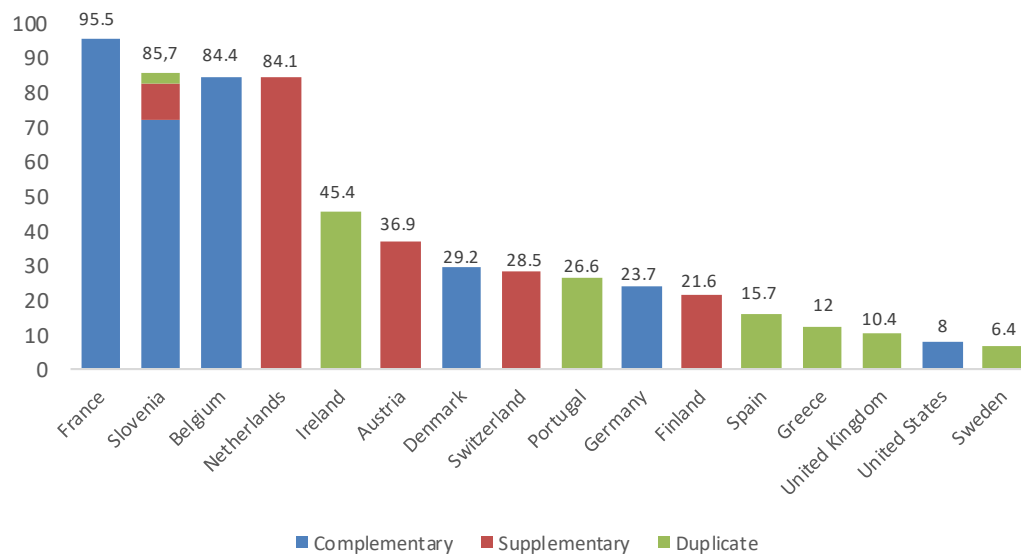
Source: OECD (2019), p. 105.

OECD data on voluntary private health insurance coverage distinguishes between *complementary* (covering all or part of the residual costs not otherwise reimbursed), *supplementary* (coverage for additional health services) and *duplicate* coverage (private health insurance that offers health services already included under government health insurance). As we can see in Figure 12, the generalised universality of health protection in Europe is compatible with quite different coverage rates of private health insurance. These differences also affect the type of private health insurance, complementary in France, Slovenia, or Belgium, supplementary in the Netherlands or Austria, and basically duplicate in Spain, Greece or the UK.

Besides the information about the comprehensiveness of public health programmes provided by the above data on subscriptions of private health insurance, the OECD provides information about the level of financial coverage of government and mandatory health insurance over total health expenditure by category. This information allows to see the importance of out-of-pocket expenditures, whether due to cost-sharing, co-payments or due to the very limited coverage of specific services such as dental care. Figure 13 reproduces the percentage of total expenditure paid by public and compulsory private insurance in European countries, and the OECD average. Although with differences among countries, there is a clear hierarchy of coverage, with almost full coverage in hospital care, followed by high levels of coverage in outpatient care (in this case with low shares for Greece, Hungary, Italy, Latvia, Poland, Portugal and Switzerland), then pharmaceutical spending, with coverage rates around 50%, and finally dental care, where only a few countries trespass the 50% threshold.

This analysis can be complemented by information on unmet needs for healthcare-related services due to financial reason, based on self-reported data. On the basis of the European Health Interview Survey (EHIS) it is possible to estimate the share of the population that has forgone or postponed health care for different reasons, including financial reasons, as well as the type of health care postponed. In this regard, as expected, there is a close inverse correlation between public coverage of health expenditure and forgone care (e.g. -44% in the case of dental care).

Figure 12. Voluntary private health insurance coverage by type, 2017



Source: Authors' elaboration from OECD (2019), p. 105

The last item to take into consideration when gauging the universality of public health systems, along with the share of people protected and the range of protection, is the quality and outcome of care. This is clearly the most challenging aspect for the analysis, due to the myriad of health interventions: in practice, the analysis has to be limited to a small number of interventions. Table 10 reproduces the areas of health care and the indicators considered by the OECD, as well as the rationale for their selection as quality indices. Altogether we have 10 dimensions of quality and outcomes in health care fed by 25 indices. It is a long list that, nevertheless, is far from being exhaustive. Here, as in other domains of measurement, a balance between exhaustiveness and parsimony has to be met.

Although the OECD, following the same criteria as in other areas, such as the measurement of job quality or the quality of life, stops at the level of the different areas analysed (coverage, range of services provided and quality and outcome of care), the information supplied could be further transformed, as it stands or complemented by other indicators and sources, into an aggregate indicator of universality of health provision.

Figure 13. Government and compulsory insurance spending as proportion of total health spending by type of care, 2017



Public spending on dental care is not available for France, Ireland, Italy, Portugal, and the UK.

Source: Authors' elaboration from OECD (2019), p. 105

Table 10. Quality indexes of the OECD Health at Glance

Quality dimension	and outcome	Index	Rational
Safe prescriptions	primary care	Overall volume of opioids prescribed. Daily doses (DDD) per 1 000 population/day	Opioids are often used to treat acute pain, its use is now causing an alarming and rising epidemic of overdose deaths in some OECD countries
		Overall volume of antibiotics prescribed (daily doses (DDD) per 1 000 population/day	Antibiotics should be prescribed only where there is a need that is clearly supported by evidence, to reduce the risk of resistant strains of bacteria
Safe care	Surgical complications and health care-associated infections	Foreign body left in during a procedure	Related to “sentinel” or “never” events: events that should never or very rarely occur
		Percentage of hospital inpatients with healthcare associated infections (HAIs)	HAIs are the single most deadly and costly adverse event, representing up to 6% of public hospital budgets (Slawomirski, Aaraaen and Klazinga, 2018). This impact is increased by antibiotic-resistant bacteria, which can make HAIs difficult or even impossible to treat.
	obstetric trauma	Rates of obstetric trauma with instrument and without instruments	The proportion of deliveries involving higher-degree lacerations is considered a useful indicator of the quality of obstetric care
Avoidable hospital admissions		Asthma and COPD hospital admission in adults among people aged 15 years and over per100 000 population	Asthma, chronic obstructive pulmonary disease (COPD) and congestive heart failure (CHF) are three widely prevalent long-term conditions. A high performing primary care system, where accessible and high-quality services are provided, can reduce acute deterioration in people living with asthma, COPD or CHF. This can avoid the need for hospital admissions
		Congestive Heart Failure (CHF) hospital admission in adults among people aged 15 years and over per100 000 population	
Diabetes care		Avoidable hospital admissions for diabetes	Diabetes is the cause of 3% of death in OECD countries
Mortality		Thirty-day mortality after admission to hospital for ischaemic stroke	In 2016, stroke was the second largest cause of death globally, over three hundred thousand deaths in Western Europe (GDB Stroke Collaborators (2019)
		30-day acute myocardial infarction (AMI) case-fatality rate	The measure reflects the processes of care, including timely transport of patients and effective medical interventions.

<p>Hip and knee surgery</p>	<p>Crude mean scores submitted by patients before and at 6 or 12 months after elective hip replacement surgery for osteoarthritis (OA)</p> <p>Hip fracture surgery initiation within two days of admission to hospital</p>	<p>Hip and knee replacement surgeries can be effective treatments for patients with chronic conditions such as osteoarthritis (OA). Surgeries to repair hip fractures are also common and effective.</p> <p>Time-to-surgery (TTS) is considered a clinically meaningful process indicator of the quality of acute care for patients with hip fracture. There is general agreement that surgery should occur within two days (48 hours) of hospital admission (National Clinical Guideline Centre, 2011)</p>
<p>Cancer survival rates</p>	<p>Breast cancer five-year net survival by stage of breast cancer at diagnosis</p> <p>Screening and survival for colorectal cancer</p> <p>Colon cancer five-year net survival</p> <p>Rectal cancer five-year net survival</p> <p>Lung cancer five-year net survival</p> <p>Stomach cancer five-year net survival</p> <p>Childhood acute lymphoblastic leukaemia five-year net survival</p>	<p>Breast cancer is the cancer with the highest incidence among women in all OECD countries, and the second most common cause of cancer death among women</p> <p>Colorectal cancer is the third most diagnosed cancer after breast and prostate cancers in OECD countries, and the third most common cause of death from cancer</p> <p>Lung cancer is the main cause of cancer death for both men and women in OECD countries.</p> <p>Stomach cancer is another commonly diagnosed cancer and fifth highest cause of cancer death in OECD countries.</p> <p>Leukaemia is the most common cancer among children aged 0-14</p>
<p>Vaccinations</p>	<p>Vaccination coverage for diphtheria, tetanus and pertussis (DTP), measles and hepatitis B at 1 year of age.</p> <p>Population aged 65 and over vaccinated for influenza</p>	<p>Vaccines are an effective and cost-effective tool for protecting against infectious diseases, preventing according to the CDC 2.5 million deaths among children younger than age 5 every year</p>

Quality and outcome dimension	Index	Rational
Care for people with mental health disorders	Inpatient suicide among patients with a psychiatric disorder.	High-quality care for mental disorders in inpatient settings is vital, and inpatient suicide is a “never” event, which should be closely monitored as an indication of how well inpatient settings can keep patients safe from harm.
Patient experiences of ambulatory care	<p>Doctor spending enough time with patient during consultation</p> <p>Doctor providing easy-to-understand explanations</p> <p>Doctor involving patient in decisions about care and treatment</p>	Importance of incorporating people's voices into the development of health systems and improving quality of care

Source: OECD (2019) pp. 120-14

3.3 The World Health Organisation’s Universal Health Coverage

As mentioned above, although most proxy indicators of universality in social protection focus on monetary social protection, such as UB or retirement pensions, there is no a priori reason why the analysis of universality should limit itself to monetary transfers. Quite on the contrary, as we saw in section 2.2, health or education are basic human needs and as such candidates for universal coverage. In fact, universal health protection is one of the aims of the World Health Organisation (WHO) and one of the UN’s SDGs (target 3.8). Health expenditure is also, after pensions, the second most important item of social protection in terms of public social expenditure.

But the development of an index of universality in health protection poses new challenges, as this time, compared to the case of unemployment benefits or old age pension, the adequacy of the provision cannot be measured against a previous situation taken as a benchmark (such as the prior earnings of the recipients, or a given threshold considered relevant in other programmes such as the poverty line). A different approach is required, for instance a previous definition of a catalogue of services against which to measure the level of protection available to the population.

For years, the WHO has been working (e.g., WHO, 2014) on the operationalisation of their concept of Universal Health Coverage, UHC, defined as the situation where “everyone –irrespective of their living standards– receive the health services they need, and that using health services does not cause financial hardship” (2017, p. xii). As we can see, the concept of UHC relies on two pillars (1) the availability of health services to all, (2) subject to the condition that such availability does not cause financial hardship. In this way, UHC is not limited, although in practise it will in most cases, to public sector provision financed by specific of general taxes, as we could ideally envisage a purely private market health sector that meets the above-mentioned criteria.

The WHO has adopted two different sets of indicators to operationalise the two pillars of the UHC definition above mentioned. The first set of indicators aims at measuring service coverage, defined as the proportion of people in need of a service that receives it. Ideally, service coverage should be measured in terms of *effective* service coverage, i.e. taking into consideration not just the availability of the service, but also its quality. The WHO has selected 16 *tracer* indicators that aim at summarising the myriad of health intervention produced in a given health system, based in the following guiding principles: (a) preference for measuring effective coverage, (b) inclusion of public health measures that might not be implemented by health services but that aim at improving health, (c) the index should be disaggregated by key inequality dimensions. The index of service coverage (or the set of tracer indicators to monitor progress towards UHC in essential health services) includes the dimensions of: (1), reproductive, maternal, new-born and child health, family planning, (2) infectious diseases, (3) non-

communicable diseases and injuries (4) service capacity and access. Table 11 reproduces the 16 indicators that conform to the above-mentioned dimensions.

Table 11. Tracer indicators selected by the WHO to monitor progress towards UHC in essential health services

Area		Indicator
Reproductive, maternal, newborn and child health Family planning, RMNCH	Family planning	Demand satisfied with modern methods among women 15-49 married or in union (%)
	Pregnancy and delivery care	Antenatal care, four or more visits (%)
	Child immunization	1-year children who have received DTP3 (%)
	Child treatment	Care seeking behaviour for children with suspect pneumonia (%)
Infectious diseases (Infectious)	Tuberculosis treatment	TB effective coverage (%)
	HIV treatment	People living with HIV receiving ART (%)
	Malaria prevention	Population at risk using treated bednets (%) - only in high risk malaria areas.
	Water and sanitation	Households with access at least to basic sanitation (%)
Non-communicable diseases, NCD,	Prevention of cardiovascular disease	Prevalence of normal blood pressure regardless of treatment status (%)
	Management of diabetes	Mean fasting plasma glucose
	Cancer detection and treatment	Cervical cancer screening among women 30-49 (%)
	Tobacco control	Adults \geq 15 years not smoking tobacco in the last 30 days (%)
Service capacity and access Capacity	Hospital access	Hospital beds p.c.
	Health workers density	Health professional p.c.
	Access to essential medicines	% of health facilities with WHO recommended core list of essential medicines available
	Health security	International Health Regulations core capacity index

Source: WHO (2017), p. 6-10

The overall UHC-Service is constructed in three steps. Firstly, all the tracer indicators are transformed into a single scale 0-100, where 0 is the lowest value and 100 the highest (the indicators are not rescaled to relative values). In most cases, the scale coincides with the default scale of the indicator (in all the cases where the index is expressed in percentages), but few cases require rescaling⁽³⁰⁾. The value of each dimension is then calculated by the geometrical mean of the respective indicators⁽³¹⁾.

⁽³⁰⁾ See WHO (2019) p. 114 for the details of the rescaling procedures in those cases, such as mean fasting plasma glucose, hospital bed density or prevalence of tobacco, that for different reasons require rescaling.

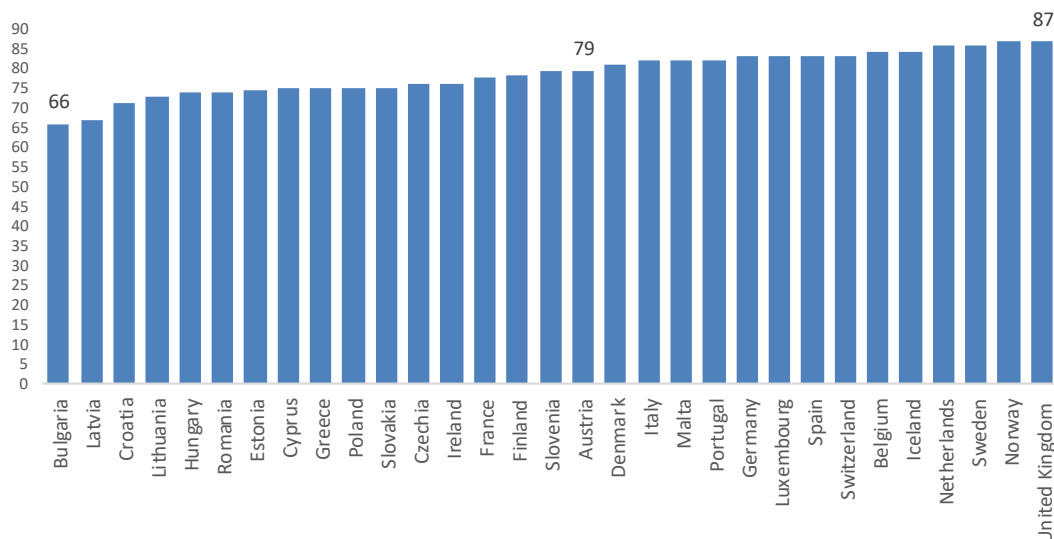
⁽³¹⁾ The indicators of Cancer detection and treatment and Access to essential medicines are excluded due to low data availability.

Finally, the overall value of the UHC Service coverage index is defined as the geometrical value of the four dimensions ⁽³²⁾.

$$(2) \text{ UHC Service coverage index} = (\text{RMNCH} * \text{Infectious} * \text{NCD} * \text{Capacity})^{1/4}$$

Figure 14 reproduces the UHC Service coverage index for the European Economic Area countries. Two things stand out from the figure. First, the relatively high values of all the countries of the sample. Second, the relatively low dispersion of the index. Except for the two laggard countries: Bulgaria and Latvia (and Croatia, to a lesser extent), all the countries lay within a +/-10% range from the average (which is 79, the position held by Austria). Probably, the requirement of using a single indicator worldwide reduces the capacity of the index to discriminate between countries with relatively strong health systems. In fact, the WHO 2017 *Global Monitoring Report. Tracking universal health coverage*, only reports UHC Service availability index up to 80%, as if considering that over this value the goal of UHC was reached. As Bergen, Ruckert and Labonté (2018) argue, the academic discussion on UHC focuses largely on developing countries, “amidst acknowledgement that the WHO proposed monitoring framework is largely irrelevant for high-income countries” (p. 389).

Figure 14. UHC Service coverage index for the EU countries, Switzerland, Iceland, and Norway, 2017



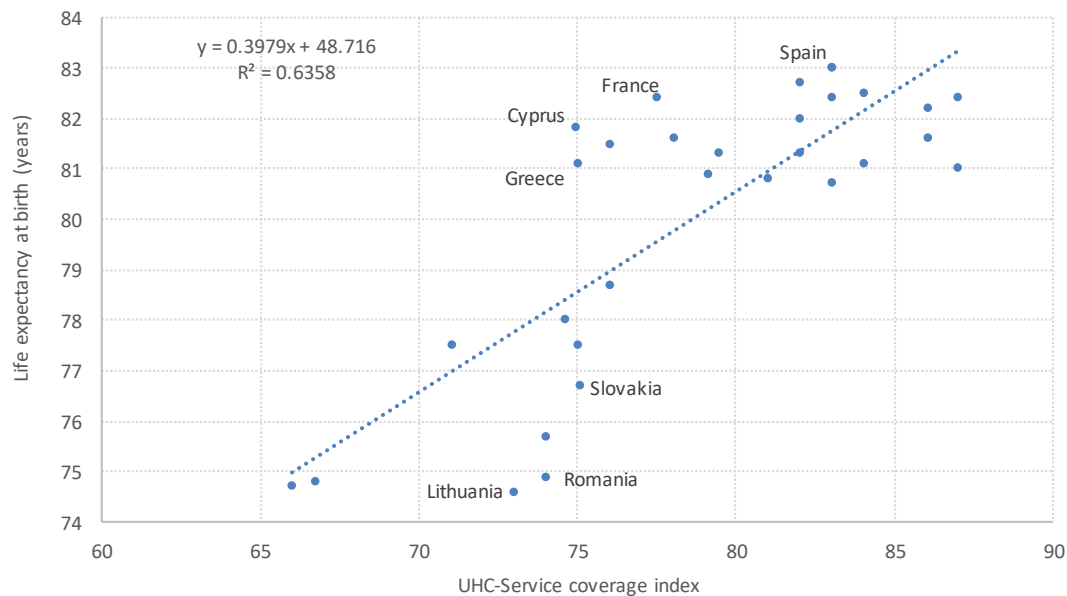
Source: Authors' analysis from WHO UHC-Service coverage index (SCI) database.

Figure 15 aims to test to what extent the WHO UHC-Service indicator is associated with health outcomes, with all its possible shortcomings due to the limitations of the indicators used in the construction of the index and the focus on developing countries more than in high-income countries. The figure presents a simple biplot of Life expectancy at birth (an indicator related to the quality of the health system but also to many other variables, such as lifestyles) of EEA countries. As we can see, there is a strong correlation between the two indicators, although we can spot several outliers, due to a

⁽³²⁾ The WHO strategy of measuring universal health coverage also calculates the potential impact that meeting health expenditures could have on household finances. With that aim the WHO focuses on the extreme cases where attending health expenditures could have major financial implication using two different approaches. The first one is the estimation of the percentage of households that had what they called catastrophic (health) expenditure defined in relation to two different thresholds: health expenditures equivalent to 10% or 25% of total household consumption or income. Complementarily, the WHO estimates the poverty gap due to out-of-pocket health spending (in international \$ at 2011 PPP) with two different poverty lines: \$1,9 and \$3,10-a-day. This indicator expresses the increase in the mean shortfall (as a percentage of the international poverty line) of the population from the international poverty line attributable to household health expenditures (counting the non-poor as having zero shortfall).

higher (Spain, France, Cyprus or Greece) or lower (e.g. Lithuania, Romania or Slovakia) life expectancy than granted by their UHC index ⁽³³⁾.

Figure 15. UHC – Service availability index and life expectancy at birth (years)



Source: Authors analysis from WHO UHC Service coverage index (SCI) database and Eurostat.

Acknowledging that the UHC index is a solid aggregate indicator of health coverage, a pioneer in the field, there are some major shortcomings that make the UHC index hardly suitable as an index of universality in health social protection for high-income countries:

- The first, and most important shortcoming for the purpose of this report, is that the UHC index is not, and never was meant to be, an index of universality of the public health service. In fact, countries well known for the lack of a universal public health system, as defined in these pages –guaranteed access to health– such as the United States, have an index UHC-Service of 84 (and 0 in the four the indexes related to financial stress due to health expenditures). Thus, although the architecture of the index could be used in the construction of a universal public health coverage indicator (UPHC) we consider its use less than appropriate in its current format for that purpose.
- The second shortcoming is the lack of indicators related to factual timely access, such as waiting lists. As we know “waiting lists” is a serious health policy issue (Siciliani and Hurst, 2003). As argued by Viberg *et al* (2013), many countries monitor national waiting times and have maximum national waiting time guarantees, something that implies that waiting time and the corresponding waiting lists are a matter of concern. Moreover, waiting times have been related to inefficiencies in health care delivery and dissatisfaction among patients (Viberg *et al.*, 2013).
- The third shortcoming is related to the treatment of out-of-pocket expenditures, that are considered to have a negative impact on UHC only when they lead to catastrophic expenditures or impoverishment. Doing so, the UHC normalises the resort to co-payments by health systems to deal with the moral hazard implications of free access to health. Forgetting that co-payments have also important implications: (1) in terms of the efficiency of the health system ⁽³⁴⁾ if co-payments reduce the degree of patients’

⁽³³⁾ Similar results are obtained when using life expectancy at 65, and healthy living years at birth, although in this case the correlation is much weaker (R2 = 0.257).

⁽³⁴⁾ According to the literature review patient cost-sharing and adherence to treatments and outcome of Eaddy *et al* (2012), in 85% of the 160 papers reviewed, published from 1974 to 2008, an increase in patient share of medication costs was

adherence to treatments, and (2) from a moral point of view, co-payments imply making people with a health condition partly responsible for it.

3.4 The Social Protection Floor Index

In contrast to the WHO UHC, the Social Protection Floor Index has not been developed as an indicator of universality of social protection, but, as we will see further down, it can be interpreted as an aggregate negative indicator of the lack of universality in social protection in the area of minimum basic income. The Social Protection Floor Index (SPFI) is an initiative of The Global Coalition for the Social Protection Floor⁽³⁵⁾ that aims at capturing the degree of implementation of the four social security guarantees of the ILO Recommendation No. 202 (see page 14). The SPFI focuses on two dimensions: (1) access to a basic level of income for all (for children, people in active age, and older people), (2) universal access to essential health care. The approach followed is to estimate the protection gaps in income and health expressed in terms of GDP. This way, the result can be interpreted in terms of the percentage of GDP that would be required to close such gaps.

Following Bierbaum *et al.* (2016), the first item of the SFPI, the shortfall in income security, is defined as the Income Gap, IG, or amount of income required to guarantee that every individual has access to a defined minimum level of income (the poverty line). The SFPI uses three different poverty rates to take into consideration the different socio-economic context of the countries of the world: poverty lines (1) and (2) are the absolute international poverty lines developed by the World Bank, and customarily used worldwide, of \$1.90/day and \$3.10/day in \$2011 PPP. In contrast, the third option (3) follows a relative concept of poverty and sets the poverty line at 50% of current median income of each country of analysis.

To measure the degree of access to essential health care, and the corresponding gaps in health security, the SFPI uses a two-stage partial indicator that looks at the adequacy of resources allocated to health and at the adequacy of the allocation of such resources within the health delivery system. To test the adequacy of public resources devoted to health care, the SFPI compares the national public health expenditure of countries with a normative benchmark. This comparison allows to estimate the public health expenditure gap, HG_{ej} . A similar method is used to investigate if there is an allocation gap, HG_{aj} . Whichever gap is larger is taken as the health gap, HG_j , of the country.

The benchmark in health expenditure allocation is empirically estimated by “considering which share of GDP countries with an average medical staffing ratio spent on average on public health, based on the rationale that labour costs constitute a substantial share of public health expenditure” (Birbaum *et al.*, 2016; p. 11). For 2013 the benchmark corresponded to 4.3% of GDP (Bierbaum *et al.* 2017).

The benchmark in terms of adequacy of the distribution of expenditure within the public system aims at gauging whether the distribution among different populations groups – with different health needs – is adequate. To do that, the SFPI/health focuses on maternity, and specifically on births attended by skilled health personnel. Correspondingly, the birth attendance shortfall, BAS, is calculated as the percentage of births below the BAS benchmark (95%). The corresponding gap is then multiplied by the benchmark for public expenditure to determine the health gap in allocation, HG_a .

As both elements of the SPFI are expressed in GDP terms, both indicators are simply added to obtain the overall (income + health) SPFI.

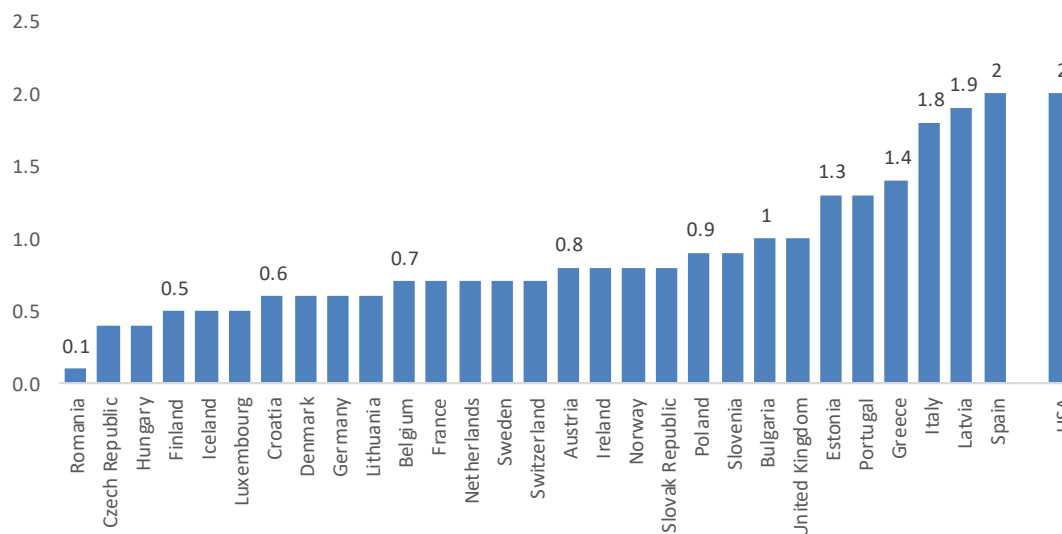
As the authors of the index acknowledged, the SPFI faces several limitations. First, the use of the GDP as denominator of the index can lead to strange results when the economy fluctuates (increasing in case of bust, and decreasing in case of boom), changes that are not related with the implementation of SPF policies. Second, the use of the 50% of the mean income poverty line is subject to the well-known criticisms of a relative poverty measure. For example, an increase in mean income could lead to an increase in the poverty rate even if the income of the people at poverty risk remains stable, or even when it increases, as long as the increase is lower than the increase in mean income. Third, the health gap, probably the weakest part of the SPFI, is subject to a high degree of discretion.

significantly associated with a decrease in adherence. This reduction in adherence led, in most of the studies reviewed, to a deterioration of health outcomes.

⁽³⁵⁾ The Global Coalition for Social Protection Floors was created in summer 2012. The Coalition consists of more than 80 NGOs and Trade Unions from all parts of the world.

Figure 16 reproduces the SPFI for the EEE countries (except for Malta and Cyprus for data problems) and the United States for comparison. In all the cases but Bulgaria and Latvia, the SPFI coincides with the Poverty Gap, as the rest of countries have zero Health Gaps. The Health Gap for Bulgaria and Latvia corresponds, in both cases, to a resource gap, of 0.2% and 0.8% respectively.

Figure 16. SPFI for EEE countries and the United States



Source: Birbaum 2017, p.34-38.

As mentioned in the introductory paragraph of this section, the SPFI does not aim to measure universality of any kind, just the existence of a minimum social floor regarding income and health. Nevertheless, the income part of it can be considered as a negative measure of universality in income protection. In fact, in a country with universal income protection set at 50% of median income, the SPFI-IG would be zero, while it would grow with the increase in people at poverty risk and with their average distance to the poverty line. Obviously, as the income gap depends on both the inclusiveness of the labour market in terms of employment and wages and social protection, a small SPFI-IG cannot be fully attributed to social protection.

3.5 Universal social protection according to the International Labour Organisation

Any analysis of the different initiatives regarding the measurement of universal social protection would be incomplete without a reference to the gargantuan effort made by the International Labour Organisation (ILO) to improve our knowledge regarding the level of universal social protection from a worldwide quantitative perspective. The 2017-19 edition of one of the flagship reports of the organization, the *World Social Protection Report*, (ILO; 2017), with the subtitle: *Universal social protection to achieve the Sustainable Development Goals*, “provides a comprehensive assessment of the current state of social protection systems around the globe, their coverage, benefits, and expenditures” (ILO, 2017, p. v). As we can see, it includes items that recurrently have been considered in the different approaches to the measurement of universality reviewed above.

Table 12 reproduces a selection of the indexes used by the ILO to monitor progress towards universality in social protection for five different areas: Child and family benefits, Social protection for people of working age, Social protection for older people, Health and Long Term Care.

Table 12. Selection of indicators used by the ILO to monitor progress towards universal social protection in the World Social Protection Report 2017-2019*

Area	Programme	Coverage		Adequacy
		Legal	Effective	
Child and family cash benefit schemes	child and family cash benefit	x (100%)	x (100%)	
Social protection expenditure (excluding health) on people of working age	maternity protection	x		x
	unemployment protection	x	x (46,2%)	x
	employment injury protection	x		x
	disability benefits	x	x (92,4%)	x
Social protection for older women and men	Old-age pensions	x	x (97,7%)	x
		x	x	
Health coverage	<p>Five indicators reflecting the affordability, availability and financial protection of quality health services complemented by information on health outputs based on maternal mortality rates.</p> <p>Legal coverage deficit: % of population without legal coverage</p> <p>Out of pocket expenditure % total health expenditure</p> <p>Financial deficit: % of population not covered due to financial resource deficit (threshold US\$ 239)</p> <p>Staff access deficit: % of population not covered due to health professional staff deficit (threshold 41,1 per 10 000 population)</p> <p>Maternal mortality ratio (deaths per 10 000 live birth)</p>			
		x	x	
Long term care, LTC	<p>Coverage gap due to financial resources deficit defined as the percentage of the population 65 years and over that is excluded from access to LTC services due to a lack of financial resources (threshold of 1,461.8 PPP\$ per person 65 years and over in 2013).</p> <p>The percentage of the population experiencing out-of-pocket expenditure for LTC.</p> <p>Coverage gap due to staff access deficit of insufficient numbers of formal LTC workers (threshold of 4.2 formal long-term care workers -full-time equivalent, FTE- per 100 persons 65 years and over in 2013).</p>			

(* Between brackets the average values for Northern, Southern and Western Europe, NSWE.

Source: Authors' elaboration from ILO (2017)

The above table includes two different types of approach to universality of social protection. For those programmes mainly based on monetary transfers, the ILO follows the standard approach that we have seen in previous pages of this chapter, with indicators regarding coverage and indicators regarding

adequacy. In the case of coverage, the ILO provides indicators on both legal and effective coverage, in terms of the share of the population covered by the programme. Regarding adequacy, the ILO subscribes the standard approach of comparing the benefit received with previous earnings. As for the two areas dealing with service provision included, health and long-term care, the ILO adopts a different approach based on different indices- In both cases, the analysis emphasises the estimation of coverage gaps (a negative indicator of universality) whether due to financial reasons (lack of financial resources to provide the service, as measured against a defined threshold) or to lack of sufficient staff. Along with the coverage gap index due to financial or staff reasons, we find an indicator of out-of-pocket expenditure, and for the area of health, an indicator of legal coverage and an indicator of output (maternal mortality rate). The ILO does not include an aggregate index for either of the areas covered, opting for the presentation of a vector of the indicator above reviewed to approach the degree of universal coverage in the different areas.

It is important to highlight the enormous effort made by the ILO to produce indicators for 186 countries, albeit with different levels of detail, in order to extend the analysis of coverage and adequacy of social protection to developing countries too.

3.6 Two pragmatic academic proposals to operationalise the concept of universal social protection

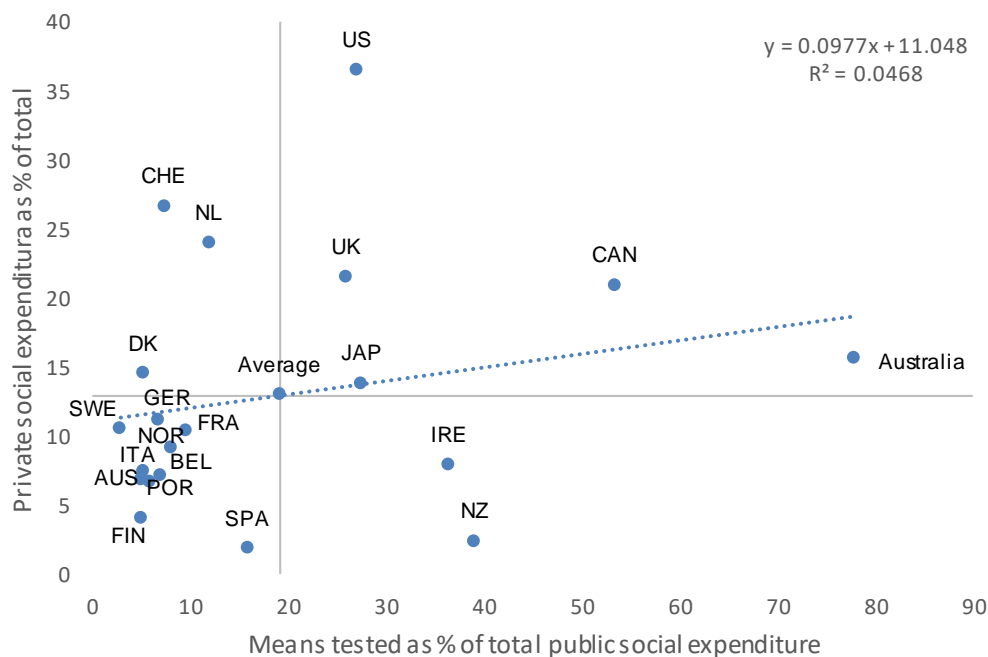
Contrasting with the previously reviewed indicators, quasi indicators and potential indicators of universality, other authors have proposed relatively simpler indexes that can be constructed from the already available social protection data. One alternative is the index used by Brady and Bostic (2015). In their analysis of the relationship between welfare transfers, relative poverty and redistribution preferences for a relatively large number of countries (up to 37 in one of the empirical exercises), Brady and Bostic propose a simple indicator resulting from their definition of universality as “homogeneity across the population in benefits, coverage, and eligibility” (p. 274). The indicator is defined as the inverse of the coefficient of variation in the amount of transfers received by the population. As the coefficient of variation is a relative measure of dispersion, its inverse value would be a direct measure of the similarity of the transfers received among the population.

In their paper updating and reevaluating Korpi and Palme’s paradox (see section 4.2), Jacques and Noël (2018) approach the measurement of universality with the help of two different indicators. The first is a measure of the percentage of social benefits (cash transfers) that are means or income tested, and the second a measure of the proportion of private spending on social protection in relation to total expenditure (public and private). As the authors highlight, the second is a more comprehensive indicator of social expenditure, as it includes all types of social expenditure provided by the Welfare State. The two indicators are then combined into an aggregate index of universality using factor analysis. The resulting Universalism Index ⁽³⁶⁾ (UI) is operationalised by the authors negatively, *i.e.*, the index reflects the absence of means tested benefits or a large share of private social expenditure.

Before presenting the results, it is interesting to see how the two indicators relate to each other. In Figure 17 we can see a scatter plot of the two indicators used in the construction of the UI, the role of means-tested benefits in overall public social expenditure, and the importance of private social expenditure in overall social expenditure. If we take the average of both indices as a reference, there is a large group of European countries, all but the Netherlands, United Kingdom Ireland and, to a lesser extent Denmark, with low levels of means tested programmes’ use and private social expenditure. On the other end, the US, the UK, Canada, and Australia show greater recourse to both means-tested and private social expenditure, even if with large differences among them exemplified by the cases of US and Australia. The remaining countries show different behaviours compared to the core EU countries either in terms of the role of private social expenditure (Switzerland and the Netherlands) or according to their recourse to means tested programmes (Ireland and New Zealand).

⁽³⁶⁾ We respect the terminology proposed by Jacques and Noël, but we would instead use “universality” when referring to such a descriptive measure.

Figure 17. Index of Means testing and Private social expenditure, 2011



Source: Authors' analysis from data provided by A. Noël from Jacques and Noël (2018)

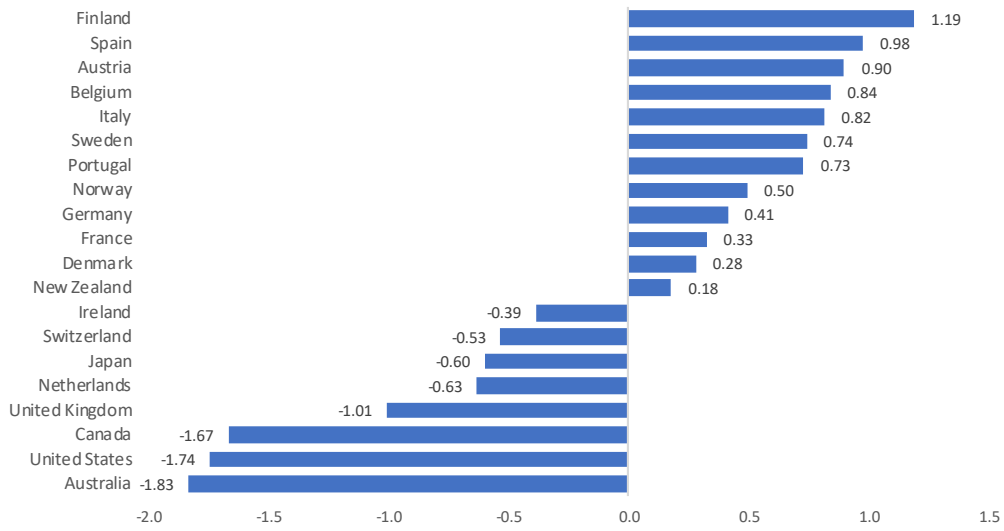
With this background regarding the values of the two components of the Universalism Index (UI), Figure 18 reproduces the UI itself for the 20 countries analysed by Jacques and Noël (2018) for 2011. Considering the parsimoniousness of the index, the results, in terms of the ranking of the countries, fit rather well with the general qualitative idea of the role played by universal social provisions in the Welfare States of the countries of the sample. However, as the authors recognize, the index is far from perfect, as it only captures the dimension of eligibility.

Jacques and Noël draw the attention to the fact that the indicator leads to an unusual ranking in terms of countries such as Italy or Spain holding top positions, while others, usually high in the rankings of welfare state, such as Denmark, are placed in lower than usual positions. In the Spanish case, the result is explained by the very low reliance on private social services, often substituted by services provided within the family, while in the Italian, our Austrian case, the result is explained by the low role played by means tested social programmes. On the other side, countries relying more on targeted programmes, such as the United States or the United Kingdom are clearly located by the index in the lower part of the table.

To complete the review of the index, Figure 19 reproduces the evolution of the value of the UI from 2000 to 2011 for five European countries (Germany, France, United Kingdom, Italy and Spain), representing the Corporate, Liberal and so called "Mediterranean" welfare states, plus Sweden, in order to have a representation of the Socialdemocratic welfare state model. Regarding this figure, it is worth noticing the stability of the UI during the decade of analysis, with the notable exception of Denmark, with an important drop in the UI explained by the increase in both the share of means-tested benefits and by the role of private social expenditure from 8 to 14 per cent from 2006 to 2011, probably related with the changes introduced by the Danish Welfare Agreement approved in 2006.

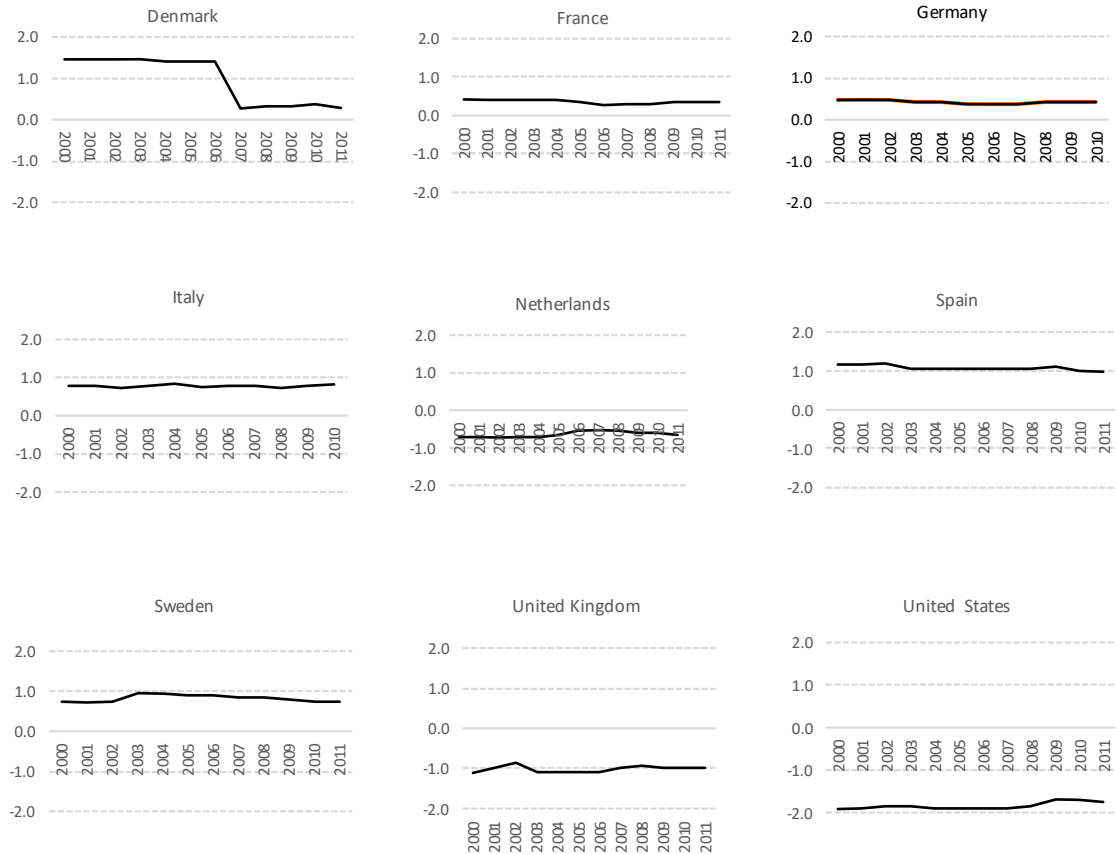
In section 4.2 we will have the chance to explore the uses given by these authors to their operationalisation. But at this point we can conclude that both are valuable proposals, if partial, for measuring universality, as they focus on the condition of homogeneity of social provision, the first one, and on the eligibility requisite, the second.

Figure 18. Jacques and Noël 's Index of Universalism (IU) for 20 OECD countries, 2011



Source: data provided by A. Noël from Jacques and Noël (2018)

Figure 19. Universalism in 8 EU countries and the United States, 2000-2011



Source: Jacques and Noël (2018), p. 77

3.7 The European Pillar of Social Rights as a starting point to assess universality of social protection in the EU

Since the late 1990s the EU has been closely monitoring the employment and social performance of its Member States in the context of the European Employment Strategy and the Open Method of Coordination. In the employment and social domains, this monitoring is done on the basis of the **Joint Assessment Framework** (JAF), an analytical tool based on a set of commonly agreed indicators showing good and bad performance towards the main Europe 2020 targets. In the social realm, the **Social Protection Performance Monitor** (SPPM) monitors social developments in the EU on an annual basis.

The SPPM was developed in 2012 by the Social Protection Committee and identifies on an annual basis the main social trends in the EU on the basis of a dashboard of indicators. The objective of the SPPM dashboard is to track annual social trends in the EU. The focus is on both most recent changes and changes in comparison to 2008, as the base year for monitoring progress for the social aspects of the European 2020 Strategy. The SPPM makes use of the EU portfolio of social indicators, which includes an overarching portfolio as well as specific portfolios for social inclusion, pensions, health and long-term care and investment in children (European Union, 2015). The overarching portfolio, with 13 key dimensions and commonly agreed indicators, is the summary set of indicators to be used for monitoring the major social trends in EU countries across the relevant social policy areas.

In the area of healthcare, the recurring State of Health in the EU cycle gathers the latest evidence on health through a joint OECD-European Commission *Health at a Glance: Europe* report followed by country profiles. The last overarching report was produced in 2018. It included a comprehensive overview of indicators along the following dimensions: health status, risk factors, health expenditure and financing, effectiveness (with a focus on quality of care and patient experience), accessibility (along the dimensions of affordability, availability and use of services), and resilience (including analysis on innovation, efficiency and fiscal sustainability). The overall analytical framework builds on the OECD analysis of healthcare systems presented in section 3.2.3.

A detailed description of the indicators contained in the Joint Assessment Framework, the Social Protection Performance Monitor and the State of Health in the EU cycle is outside the scope of this paper. Combined, they provide a very comprehensive overview of the employment and social situation in the Member States.

Significant additional monitoring efforts have been made in the last few years in conjunction with the strong **reinforcement of the employment and social dimension of the European Semester** of economic policy coordination. A 2013 Communication from the Commission on 'Strengthening the Social Dimension of the Economic and Monetary Union' paved the way for an enhanced employment and social surveillance. In 2015, the 'Five Presidents' report' (Juncker et al. 2015) confirmed the strategic importance of a stronger social side in the Semester: "For EMU to succeed, labour markets and welfare systems need to function well and in a fair manner in all euro area Member States. Hence, employment and social concerns must feature highly in the European Semester" (p. 8). The report also called for a process of benchmarking to achieve upwards social convergence, thereby supporting a good functioning of EMU.

The key step in this process was however the proclamation of the **European Pillar of Social Rights**, with its ambition to promote upward social convergence in the EU (European Commission, 2017). The Pillar has been widely acknowledged as a window of opportunity for relaunching the debate and advancing towards the objective of a stronger 'Social Europe' and, in particular, towards a more social EMU (Sabato et. al., 2019). The Pillar builds strongly on the Treaty but also the Universal Declaration of Human Rights, the Charter of Fundamental Rights of the European Union, the European Social Charter as well as the relevant Conventions and Recommendations of the International Labour Organisation. It proposes 20 principles, structured around three categories: Equal opportunities and access to the labour market, Fair working conditions and Social protection and inclusion. Chapter III is particularly relevant for universality of social protection (see Box 1).

The European Pillar of Social Rights clearly acknowledges the right to social protection, detailing principles in relation to several branches. Summing up its provisions, it sets a high level of ambition in requiring the universality of protection in the sense of adequately protecting everyone against a broad set of risks. However, it does not sketch out how, and with what means, the existing welfare systems

can make these rights effective and address the challenges of the future. The European Pillar of Social Rights is therefore a key starting point to further develop universal social protection in the EU, as it clearly set out the range of benefits and services that should be offered in the EU.

Box 1. European Pillar of Social Rights. Chapter III: Social protection and inclusion

11. Childcare and support to children

Children have the right to affordable early childhood education and care of good quality.

Children have the right to protection from poverty. Children from disadvantaged backgrounds have the right to specific measures to enhance equal opportunities.

12. Social protection

Regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection.

13. Unemployment benefits

The unemployed have the right to adequate activation support from public employment services to (re)integrate in the labour market and adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules. Such benefits shall not constitute a disincentive for a quick return to employment.

14. Minimum income

Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.

15. Old age income and pensions

Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights.

Everyone in old age has the right to resources that ensure living in dignity.

16. Health care

Everyone has the right to timely access to affordable, preventive and curative health care of good quality.

17. Inclusion of people with disabilities

People with disabilities have the right to income support that ensures living in dignity, services that enable them to participate in the labour market and in society, and a work environment adapted to their needs.

18. Long-term care

Everyone has the right to affordable long-term care services of good quality, in particular home-care and community-based services.

19. Housing and assistance for the homeless

a) Access to social housing or housing assistance of good quality shall be provided for those in need.

b) Vulnerable people have the right to appropriate assistance and protection against forced eviction.

c) Adequate shelter and services shall be provided to the homeless in order to promote their social inclusion.

20. Access to essential services

Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.

Source: European Pillar of Social Rights

One of the first steps to implement the Pillar principles concerns principle 12, and is of particular relevance for progress towards universality of social protection. Following a Commission proposal adopted in March 2018, the **Council Recommendation on access to social protection for workers and the self-employed** was formally adopted on 8 November 2019. This Recommendation applies to workers and the self-employed, including people transitioning from one status to the other or having both statuses, as well as people whose work is interrupted due to the occurrence of one of the risks covered by social protection.

The Council Recommendation represents a first response to the structural changes that have left a large segment of EU citizens without adequate social protection, notably among non-standard workers (those without open-ended full-time contract with a single employer) and the self-employed. The Recommendation covers the following branches of social protection:

- (a) unemployment benefits;
- (b) sickness and healthcare benefits;
- (c) maternity and equivalent paternity benefits;
- (d) invalidity benefits;
- (e) old-age benefits and survivors' benefits;
- (f) benefits in respect of accidents at work and occupational diseases.

The Recommendation encourages Member States to:

- (a) Close formal coverage gaps: ensuring that legislation and collective agreement allow everyone in employment or self-employment to participate in the social security schemes;
- (b) Ensure effective and adequate coverage and facilitate transferability of social security rights: ensuring that rules governing contributions and entitlements ensure the adequacy of protection and do not limit the accrual of entitlements and the access to benefits on the basis of employment status or type of employment relationship. This represents an important challenge, especially in the countries in which non-standard forms of employment are more common, but also for those with social protection systems of a contributory nature, in which the benefits obtained by citizens throughout their life course are associated to the contributions made in the labour market. Consequently, these systems end up benefiting the most to those that have had more stable careers and thus are more likely to compromise universality.
- (c) Increase transparency on corresponding systems and rights: ensuring access to user-friendly information on rights and obligations to social security, irrespective of the employment relationship or employment status.

Implementing the Recommendation and its monitoring framework will thus be an important step towards increasing the degree of universality of current systems, albeit insufficient given the limited scope of the Recommendation.

In terms of monitoring, the European Pillar of Social Rights was accompanied by a Social Scoreboard to monitor performances and track trends across Member States. The last Joint Employment Report (European Commission, 2019) explains that the scoreboard provides a number of indicators (headline and secondary) to screen the employment and social performance of Member States on selected indicators.

This is done along three dimensions, identified in the context of the Pillar:

- 4. equal opportunities and access to the labour market,
- 5. dynamic labour markets and fair working conditions, and
- 6. public support / social protection and inclusion.

Since the 2018 edition, the Joint Employment Report includes the social scoreboard. Table 13 summarises the 14 headline indicators that assess employment and social trends in support of the EPSR.

Table 13. Employment and social headline indicators in the Social Scoreboard

Equal opportunities and access to the labour market:

- Share of early leavers from education and training, age 18-24
- Gender gap in employment rate, age 20-64
- Income inequality measured as quintile share ratio - S80/S20
- At-risk-of-poverty or social exclusion rate (AROPE)
- Young people neither in employment nor in education or training (NEET rate), age 15-24

Dynamic labour markets and fair working conditions:

- Employment rate, age 20-64
- Unemployment rate, age 15-74
- Long-term unemployment rate, age 15-74
- Gross disposable income of households in real terms, per capita
- Net earnings of a full-time single worker without children earning an average wage

Public support / Social protection and inclusion:

- Impact of social transfers (other than pensions) on poverty reduction
- Children aged less than 3 years in formal childcare
- Self-reported unmet needs for medical care
- Share of population with basic overall digital skills or above.

Source: Joint Employment Report 2020

Although definitely a step forward in terms of monitoring of social performance, the Scoreboard also falls short of providing useful elements to assess universality of social protection in the Member States. The Pillar, however, has represented an important breakthrough in this direction through the reinforcement of benchmarking efforts. Following on the Five Presidents' Report, the Communication of 26 April 2017 establishing a European Pillar of Social Rights (European Commission, 2017a) identified benchmarking as a key tool to support structural reforms and foster upward convergence in the employment and social fields within the European Semester.

As explained in the Joint Employment Report: "Since then, benchmarking frameworks have been developed and discussed with Member States in several areas, in line with the common approach agreed by the Employment Committee (EMCO) and the Social Protection Committee (SPC), focusing on the identification of policy levers, which are accompanied by general principles for policy guidance and, when available, specific indicators" (p. 28).

The **benchmarking framework on unemployment benefits and active labour market policies** was first used in the 2018 European Semester, and it does come closer to the type of analysis of universality that this report proposes. The framework includes indicators on the generosity and coverage of unemployment benefits and related activation policies, thereby representing a first step towards assessing universality of the programme in the Member States. In particular, the framework uses the following indicators (European Commission, 2017c):

- three outcome indicators (unemployment rate, long-term unemployment and at-risk-of-poverty rate of the unemployed),
- two performance indicators (share of people wanting to work participating in regular activation measures and coverage of unemployed with unemployment duration shorter than 12 months by unemployment benefits);
- and three policy lever indicators, notably in the domain of unemployment benefits (replacement rate, eligibility conditions and benefit duration).

This allows a comprehensive assessment of both coverage and adequacy, as well as duration (see figure 20), which sets the basis to define the degree of universality of Member States' unemployment benefits systems on the basis of the proposal we present in the last chapter of this report.

The **benchmarking framework on minimum income**, covering the adequacy, coverage and activation components of minimum income schemes, also goes in this direction. It was fully integrated in the 2019 Semester, together with the benchmarking framework on adult skills and learning. The framework covers adequacy, coverage and activation components of minimum income schemes, including as concerns their relation with in-kind services (healthcare, education and housing).

This benchmarking framework focuses on minimum income benefits for the working age population with working ability not in employment and not entitled, nor eligible or having exhausted entitlements to social insurance benefits. It includes:

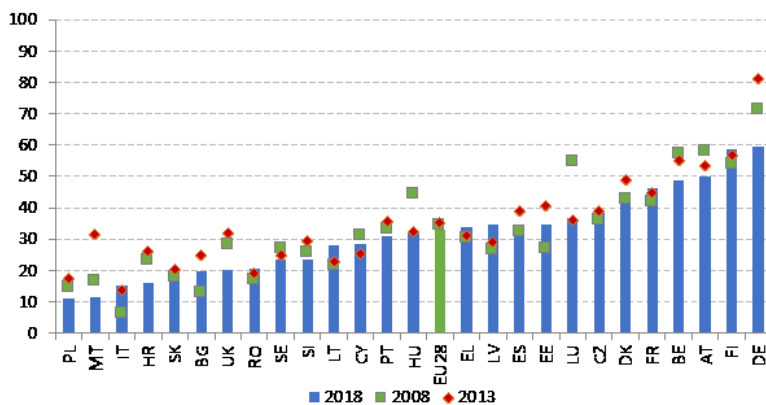
- Three outcome indicators: the relative at-risk-of-poverty gap for the working-age population (16-64), the material and social deprivation rate of the working age population (18-64) and the at-risk-of-poverty rate of the population living in quasi jobless households (18-59).
- Six performance indicators: the impact of social transfers on the at-risk-of-poverty rate, the persistent poverty rate, the benefit reciprocity rate. The other three concern self-reported unmet needs for medical examination, housing cost overburden rate, and non-participation in training related to professional activity.
- As far as policy levers, then main areas identified were the adequacy of the benefit level, eligibility rules and take-up, as well as activation and access to services. Concerning *adequacy of benefits*, two indicators were agreed: 1) the income of a minimum income beneficiary as a share of the poverty threshold (smoothed over three years) and 2) the income of a minimum income beneficiary as a share of the income of a low wage earner (a person earning 50 % of the average wage). No indicators were agreed for eligibility and take-up and for activation and access to services in the benchmarking framework.

Work is currently ongoing on additional benchmarking frameworks for possible use in future Semester cycles, notably within EMCO on minimum wages and on mapping collective bargaining, and within SPC on pension adequacy and on childcare and support to children. Significant efforts are also being made for the development of indicators on long-term care. Finally, it is worth noticing that in the area of pensions the EU has wide-ranging and sophisticated monitoring mechanisms that go a long way in defining the key dimensions of universality. In particular, the triennial Pension Adequacy Reports analyse how current and future pensions help prevent old-age poverty and maintain the income of men and women for the duration of their retirement. This report will not analyse the area in detail.

To conclude, the EU efforts to monitor the employment and social performance of its Member States outlined above are becoming more ambitious and comprehensive. However, they continue to fall short of providing adequate metrics to assess the degree of universality of any given social programme or Welfare State. This underlines the importance of developing approaches like the one presented in chapter 5 of this report.

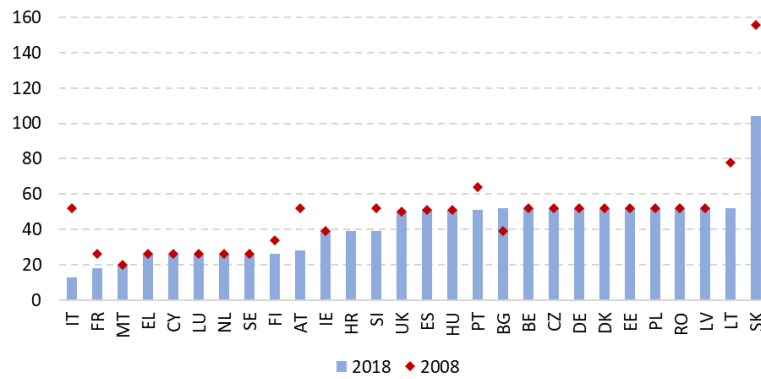
Figure 20. Dimensions of analysis of unemployment benefits benchmarking according to the JER

(a) Coverage of unemployment benefits for the short-term unemployed



Source: Eurostat, LFS data. Note: data not available for IE and NL Data for IT and MT refers to 2017.

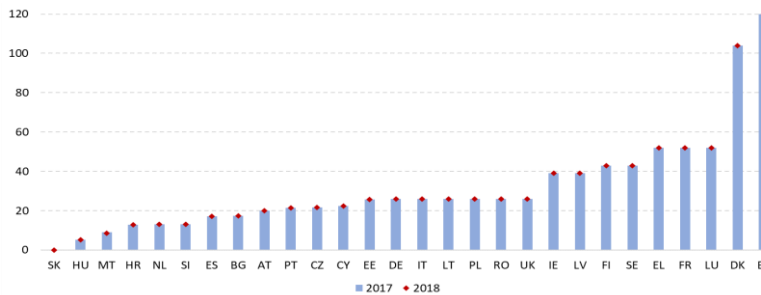
(b) Length of the required qualifying period, 2016 and 2018 (in weeks)



Source: MISSOC (Mutual Information System on Social Protection) database, and national legislation.

Note: In Malta (2018), the minimum qualifying criteria are 50 weeks of paid contributions of which at least 20 paid or credited in the previous 2 calendar years; in Ireland (2016 and 2018), at least 104 weekly contributions must have been paid since the person first started work

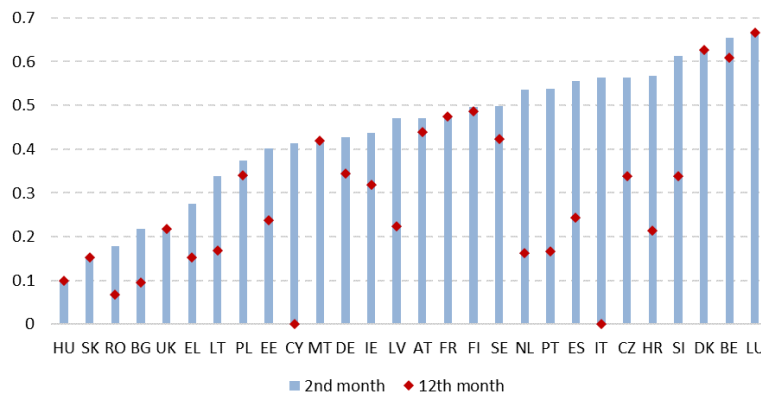
(c) Maximum duration (weeks) of benefits with a 1-year work record, 2017, and 2018



Source: MISSOC (Mutual Information System on Social Protection) database and national legislation (January 2017 and January 2018).

Note: In Belgium, there is no limit on the duration of benefits. In Cyprus, weeks are calculated on the basis of 6 working days per week. In Ireland, benefit is paid for 39 weeks (234 days) only for people with 260 or more weekly PRSI contributions paid. In Slovakia, a person with a one-year record cannot qualify for unemployment benefits (at least 2 years of unemployment insurance contributions during the last 4 years are required). In Poland, duration varies depending on the level of the unemployment rate of the region relative to the national average.

(d) Net replacement rate of unemployment benefits at 67% of the average wage, at the 2nd and 12th month of unemployment (2019)



Source: European Commission based on OECD Tax-Benefit Model.

Note: The indicator is calculated for the case of a single person without children with a short work history (1 year) and aged 20. Further methodological details in footnote.

3.8 Summary and conclusions

As we have seen in this chapter, the lack of a single, generally accepted measure of universal protection does not mean that we are orphan of proposals to measure the degree of universality of different social programmes, with different levels of ambition and from different perspectives. That being said, it has to be acknowledged that in these times of increasing interest on the measurement of socio-economic concepts, from sustainable development to job quality, from social exclusion to economic wellbeing, the literature and proposals of indicators of universal social protection are not precisely abundant.

To recapitulate, table 14 summarises the key proposals of measurement of different social protection programmes that directly or indirectly can be used to assess their level of universality. As we can see, the areas of pensions and UBs are probably the ones already equipped with better instruments to estimate their degree of universality, including at EU level. In contrast, the measurement of universality in sick pay faces the problem of determining the potentially eligible population, as the available information focuses on those with a certified sickness or disability and eligible for protection. The measurement of universal protection of health has also been explored in detail by the WHO and the OCDE, among others. The main problem to overcome here is the definition of adequacy as well as the role played by private provision. The rest of the areas included in the table have been subject, to our knowledge, to less intensive measurement analysis. Other areas of social intervention, such as housing and virtually the entire realm of social services, have been left out of the table and out of the review of this chapter, since we could not find proposals of indicators to measure their degree of universality of social provision. In spite of that, as we have seen in section 2.1, housing is an area where public intervention has relatively high citizen support, although traditionally the debate on universal social protection has focused on other areas such as those mentioned in table 14. In fact, there are several publications aiming at placing the different existing housing policies within the map of Welfare State models (e.g. Kemeny, 1995, 2006, Lennartz, 2011, Malpass, 2008). Nevertheless, we have not been able to find specific proposals of indicators trying to measure to what extent housing is subject to universal, as opposed to selective ⁽³⁷⁾, interventions in the different Welfare States. Potential indicators of universality for this area of intervention could include affordability indices, overcrowding and under-housing indicators, homelessness, etc.

Another area excluded from the table due to its traditional consideration as out of the scope of social protection is education. However, there are several proposals of indicators of universality that approximate what in our terminology would be coverage and adequacy. Coverage in term of the share of children and youngsters attending school and getting the corresponding degrees, and adequacy in terms of the acquisition of the required knowledge. In relation to the first domain, there are plenty of indicators that could be used, such as percentage of children attending childcare from 0-3 and early childhood education from 3 to the age for starting compulsory primary education, early school leaving rates, etc. For the second domain, adequacy, other indicators would have to be used combining results in terms of literacy, mathematics, etc., and their distribution among students, to address the issue of homogeneity of the service provided. A detailed account of the indicators candidate for measuring universal learning can be found in LMTF (2013).

To wrap up this chapter, we believe that the cases discussed in these pages are rich enough, and sufficiently coherent, to allow us to present a number of conclusions, as **key elements to be considered for the development of an index of universal of social protection**, to be further developed in chapter 5.

- The first conclusion is that although universal social protection is a difficult concept to operationalise, **universality is susceptible to measurement**, with all the standard caveats.
- The second conclusion is that progress in the measurement of universality requires to advance in two different areas: **coverage and adequacy**.
- The third one is that the area of **adequacy is more straightforward in the case of monetary transfers than in the case of services**.

⁽³⁷⁾ Following Bengtsson (2001) a selective housing policy could be defined by intervention aimed at protecting “minimum rights for households of lesser means”, to “those in need of ‘our’ support”, while universal housing policy would imply the assumption of housing as a social right, leading to the recognition of “obligation of the state towards society as a whole” in terms of housing, adjusting the housing market “so that demands of all types of households” can be met in that market.

- The fourth one is that the **measurement of universal social protection should cover all public social programmes**, and not only those relying on monetary transfers.

Table 14. Summary of indicators of universal social protection

Area	Author/s	Elements considered	Problems/Comments
Unemployment	Esping-Andersen, Scrugg & Allen, OECD, ILO, EU	Coverage * and Replacement rates	
Pensions	Esping-Andersen, Scrugg & Allen, OECD, ILO, EU	Coverage* and Replacement rates	
Sick Pay	Esping-Andersen, Scrugg & Allen, ILO	Replacement rates, qualifying period, and benefit duration	No coverage rate (lack of info on target population)
	OCDE, EU	Coverage for core health services Share of public spending of total health spending Quality indicators	
Health Care	WHO	Effective coverage = f (availability + quality) Impact on household finances (financial stress indicators)	Definition of adequacy
	Global Coalition for the Social Protection Floor	Gaps in health security = public health expenditure gap & allocation gap	The role of private provision
	ILO	Deficit in terms of legal coverage, staff, financial resources; out of pocket expenditure, and maternal mortality ratio	
Social Assistance	Global Coalition for the Social Protection Floor, EU	Social Protection Floor Index, SPFI = % of GDP required to lift all people at poverty risk above the poverty line Adequacy, coverage, and activation components	Measurement of universality (coverage & adequacy) in terms of results.
Child and family	ILO	Coverage	Measurement of adequacy
Long term care	ILO	Coverage gap due to financial resources and staff deficit; Out of pocket expenditure	Measurement of adequacy

(*) Plus other indicators (duration, qualifying period, etc.) that have an impact on coverage.

Source: Authors' own elaboration

A final comment to be made is that some of the proposals reviewed in the previous pages incorporate private-market provision in the measures of universal social protection. In this regard, hypothetically there are two different ways in which the market could affect the effective level of universal social protection: by making public social programmes less necessary (in the case, for example, of a very inclusive labour market where unemployment risks are lower), and by making social needs easy to cover privately (for instance, if private insurance is affordable for the majority of the population). Indeed, markets can affect the distribution and levels of risks and social needs. However, we are not discussing the level of risks faced by individuals, but the universality of social protection, and thus the focus should be on the protection that people have if everything (including the market) fails. In this regard the questions of vulnerability and distribution of risks, although interesting, should be clearly differentiated from the question of how encompassing and universal is the system of social protection for the protection of a given social contingency (unemployment, sickness, disability, etc.). As we already mentioned several times, our proposal focuses on the measurement of universality in public social protection.

But before further developing our proposal, the following chapter will review some of the items that conform to the debate about the pros and cons of universal social protection compared to other approaches to social needs.

4 The debate regarding the pros and cons of universal social protection

The debate regarding the advantages and disadvantages of universal social protection vis a vis alternative strategies of social protection, such as targeted programmes aimed at specific groups and social risk, is as old as the Welfare State. In this regard, in the early 20th Century, the British historian R.H. Tawney (1880-1962) argued in what he referred to as "the strategy of equality" that a society should involve "the pooling of its surplus resources by means of taxation, and the use of the funds thus obtained to make accessible to all, irrespective of their income, occupation, or social position, the conditions of civilization which, in the absence of such measures, can be enjoyed only by the rich" (Tawney 1952:130, as quoted in Korpi and Palme, 1998).

As argued in the first part of this report, universal social programmes are underpinned by the premise that access to certain services or goods should be guaranteed to every person regardless of his or her situation in the labour market or his or her financial situation, and the idea that everybody should be protected from certain risks. From this perspective, we could say that universalism of social protection is a matter of values and beliefs on what makes a good society, more than an operational question, regarding the best way to reach a certain level of social protection. Nevertheless, the debate about universalism comprises many side issues. In what follows we will focus on three of them: first, the question of the take-up rates; second, the implications of universalist versus targeted social programmes in the fight against poverty, and third, the issue of work incentives.

The reader will notice that this section directly tackles the issue of universalism as an aspiration and policy principle, rather than universality as a way of characterising social programmes or systems. Thus, the discussion will be more policy-oriented than the rest of the paper.

4.1 The question of the take-up rates

By the question of the take-up rates, we mean the **possibility that not all the people eligible for a given social programme will end up being covered by it**. The issue of take-up rates is mostly relevant for non-universal programmes, as in the case of universal programmes the delivery of the service or transfer can be taken as granted. In principle, as we will see further down, this should reduce the impact of the factors considered in the literature of non-take up rates of social benefits.

The estimation of non-take up rates (NTU) is a complex process, as it requires to compare the total number of people receiving a given social benefit (whether in cash or kind) with the number of people eligible according to the requisites of the programme. The first part is usually not problematic, as the administration has records regarding the number of recipients. A different question is the estimation of the people eligible, because it requires a detailed knowledge of the specific circumstances of the would-be recipients in order to evaluate whether they meet the requirements set by the programme. Fortunately, there is a growing literature, carefully surveyed in Eurofound (2015), that allows us to present estimates of the NTU rates of many social programmes in different countries of the European Union. Table 15, taken from Eurofound (2015) with few additions and updates, shows that NTU rates are an important, non-marginal, issue, with NTU rates higher than 50% for many programmes.

Table 15a. Conservative estimates non take-up, NTU, rates identified in literature, 2003-2017*

Country	Benefit	Year (latest)	NTU	Reference
Austria	Subsistence support (Hilfe zur Sicherung des Lebensunterhalts)	2003	56%	Fuchs, 2007
	Minimum income benefit		30%	Fuch <i>et al.</i> 2019
Belgium	Guaranteed income (Leefloon/Revenu d'intégration)	2005	57%	Bouckaert & Schokakert, 2011
	Unemployment benefit for 18-24-year-old	2007	13%	Van Hemel <i>et al.</i> , 2009

	with low education (Wachtuitkering)			
Bulgaria	Heating allowance		Over 60%	
	Child allowance	2007	39%	Tasseva, 2013
	Benefit for young children		Over 60%	
	Guaranteed minimum income		Over 60%	
Czech Republic	Housing allowance	2010	70%	Jahoda & Špalková, 2012
	Material need benefit (sociální dávky hmotné nouze)	2010/11	72%	Horáková <i>et al.</i> 2013
Finland	Social assistance for people with low incomes and high costs	2003	40%	Bargain <i>et al.</i> 2007
France	Minimum guaranteed income (RSA)	2010	64%	Domingo & Pucci, 2014
Germany	Social assistance (<i>Grundsicherung</i>) for the employable (benefits for long term unemployed as well as for employed person with income below the minimum subsistence level), for persons beyond the legal retirement age (65+) and in cases of permanent earning incapacity, and for some special cases, for example for long-term disabled persons younger than 18 (disabled since birth).	2007	41%*	*Becker, 2012
			46%**	**Bruckmeier & Wiemers, 2012
	Unemployment Benefit II (Arbeitslosengeld II).	2005/14	56%	Harnish, 2019
Greece	Minimum pension supplement (ΕΚΑΣ)	2004	60%	Matsaganis <i>et al.</i> 2010
	Pension benefit to uninsured elderly (Συνταξη ανασφαλιστών υπερηλίκων)	2004	29%	Matsaganis <i>et al.</i> 2010
Hungary	Regular social assistance (<i>rendszeres szociális segély</i>)	2003	43%	Firle & Szabo, 2007
Ireland	Family Income Supplement	2005	70%	Callan & Keane, 2008
Luxembourg	Minimum guaranteed income (<i>revenu minimum garanti</i>)	2007	65%	Amétépé, 2012

Table 15b. Conservative estimates non take-up, NTU, rates identified in literature, 2004-2014*

Country	Benefit	Year (latest)	NTU	Reference
	Special subsistence benefit for participation of school- going children (Categoriale bijzondere bijstand voor de participatie van schoolgaande kinderen)	2008	47%	Tempelman <i>et al.</i> 2011
	Law on contribution to education and school costs (wet tegemoetkoming onderwijsbijdrage en schoolkosten, WTOS)	2003	34 %	Wildeboer Schut and Hoff, 2007
	Housing benefit (<i>Huurtoeslag</i>)	Mid- 2008 until mid-2009	18%	Tempelman <i>et al.</i> 2011
Netherlands	Health-Care allowance (<i>Zorgtoeslag</i>)	2008	17%	Tempelman <i>et al.</i> 2011
	Special subsistence benefit (Individuele bijzondere bijstand)	2008	43%	Tempelman <i>et al.</i> 2011
	Long-term supplement (<i>Langdurigheidstoeslag</i>)	2008	59%	Tempelman <i>et al.</i> 2011
		2003	54%	Tempelman and Houkes 2012
Portugal	Minimum guaranteed income (<i>RMG</i>)	2001	72%	Rodrigues, 2008
Slovakia	Benefit in Material Need (<i>pomoc v hmotnej núdzi</i>)	2009	79%	World Bank, 2011
Spain	Minimum pension supplement (<i>complementos por mínimos</i>)	2004	20%	Matsaganis <i>et al.</i> 2010
	Pension benefit to uninsured elderly (<i>pensión de jubilación no contributiva</i>)		40%	
	Income support/Employment & support allowance		12%	
	Jobseeker's allowance		39%	
UK	Housing benefit	2016/17	20%	DWP, 2018
	Pension credit		40%	
	Income Support/ related Employment and Support Allowance		20%	
	Basic state pension	2009/10	3%	Baumberg <i>et al.</i>

Child benefit	2009/10	4%	2012
Tax credits for families with children	2009/10	6%	
Tax credits for people without children	2009/10	71%	
Family Credit and Working Families' Tax Credit	2002	47%	Adam & Brewer, 2005

* Gaps between entitlements and take-up; the most conservative estimates for each study have been reported.

Source: Eurofound (2015), p. 12-13, Hamisch (2019), Fuch *et al.* 2019, and DWP (2018).

The table also shows how, for a given country, NTU rates are very different across programmes. In this regard, according to the UK Department of Work and Pensions (DWP, 2018) NTU rates were as “low” as 12% in the case of Income support/Employment & support allowance, while as high as 40% for the families entitled to pension credit and not receiving it. In the case of the Netherlands the range of NTU for different programmes goes from 17% (Care benefit-*Zorgtoeslag*) to 59% (Long-term supplement-*Langdurigheidstoeslag*). For comparison, the US Department of Health and Human Services estimates a NTU rate for the major social assistance cash programme in the USA, the Temporary Aid to Needy Families, TANF, of 34% (DHHS, 2014).

The literature points to **three different drivers of NTU rates** (Hernanz *et al.*, 2004, Van Mechelen and Janssens, 2017): **lack of information or information costs, process costs and psychological and social cost**. Access to information regarding social programmes is obviously the first requisite to avert NTU. Information is important not only in terms of knowing about the existence of a programme, but also in terms of the feelings of the potential beneficiaries in relation to their chances of being awarded the benefit. In this regard, according to the study of Tempelman and Houkes-Hommes (2012) of NTU rates of the Dutch Health-Care Allowance, those likely to believe they are not entitled to the benefit have much lower take-up rates. In this regard, Currie (2004) or Van Oorschot (2002) show that lack of information is a more significant issue for small, marginal social programmes than for large programmes. Therefore, this requisite would be more easily met in the case of universal programmes, which are by definition larger programmes where everybody is, also by definition, likely to be eligible.

The second driver of NTU is high transaction costs related to the administrative application procedure and the gathering of all the required information. In the terms used by Tempelman and Houkes-Hommes (2012), the most common explanation of NTU “is that people make a rational choice between the utility they expect from the benefit and the effort required for take-up (transaction costs).” (p.703). For example, according to the survey of Currie (2002) of take-up rates of social programmes in the UK and the USA, NTU rates are lower in those programmes with automatic or default enrolment and higher when administrative barriers are imposed. In this regard, although there is debate about the role played by the improvement of economic conditions and the increase in the cost in the dramatic drop in recipients of TANF after its reform in the 1990s, there seems to be an agreement that “at least a third and probably as much as two thirds of the decline is due to ‘reforms’ which increased the cost of using the programme” (Currie, 2002, p. 13).

Together with the above-mentioned drivers, *stigma* is also an important element to consider when explaining low NTU rates. Stigma operates in three different spheres. Firstly, there might be a *private* or *intimate stigma*, related to the shame that the beneficiary would feel in the case of receiving the benefit. Secondly, there might be a *social stigma* explained by what “other people” will think of the recipient of a given social programme, and the corresponding fear of losing social status. And thirdly, there might be an *institutional stigma*, related to the process of claiming benefits and product of the lack of privacy and the need to expose private information to the case workers, long waiting lines, and the feeling of being looked down by the staff in charge of administering the benefits (Baumberg *et al.*, 2012). As argued by Van Mechelen and Janssens (2017), stigma draws from many sources, going from a wish not to be associated with the group of claimants (Besley and Coate, 1992) to the fear of losing the respect of peers or being humiliated by social workers.

For example, regarding the last-mentioned item, according to a Ipsos MORI survey on the stigma attached to claiming benefits in the UK conducted in May 2012 and analysed by Baumberg *et al.* (2012) up to 46% of respondents strongly disagreed with the statement “People are generally treated

with respect when they claim benefits” (p. 20). The important role played by stigma/psychological costs – estimated to be four times larger than the time cost of applying for the programme - is underlined by Manchester and Munford (2012) after analysing the two US food assistance programmes: the food stamp programme and the Special Supplemental Nutrition Programme for Women, Infants, and Children.

Looking at table 14 and at the high NTU it is difficult to understand why the debate regarding many social assistance programmes is dominated by the idea that there is a large percentage of fraud, and by the need to improve control mechanisms, when the data seems to point precisely in the other direction. This emphasis on fraud control is probably behind the last source of NTU, wrong denials of the benefits to eligible claimants (see, e.g., Eubank, 2017).

The existence of non-marginal NTU, together with the high managing cost of many of the programmes, can be considered as an argument in favour of universal programmes, although clearly not the most important one.

4.2 Poverty rates under universal and targeted social assistance

In 1998, the Swedish sociologists Walter Korpi and Joaquim Palme published a paper titled “**The Paradox of Redistribution** and Strategies of Equality: Welfare State Institutions, Inequality and Poverty in the Western Countries”, reviewing the existing evidence regarding the effectiveness of universal social programmes versus programmes targeted to low-income groups in fighting poverty and inequality. Among other things, Korpi and Palme produced new estimates of income redistribution and concentration of transfer incomes for a sample of eleven high-income countries in order to test, paraphrasing Titmuss (1974), the capacity of “different models of social policy to reduce inequality and poverty in the capitalist democracies” (p. 664). From a purely theoretical and *caeteris paribus* perspective, a given amount of money targeted to the population at risk of poverty and with lower income would necessarily have a higher impact on inequality and poverty rates than the same amount of money allocated to a larger group of people, including many citizens with higher incomes. But Korpi and Palme’s results challenged this conclusion, as according to the authors, “**the more we target benefits at the poor only (...) the less likely we are to reduce poverty and inequality**” (p. 681-682).

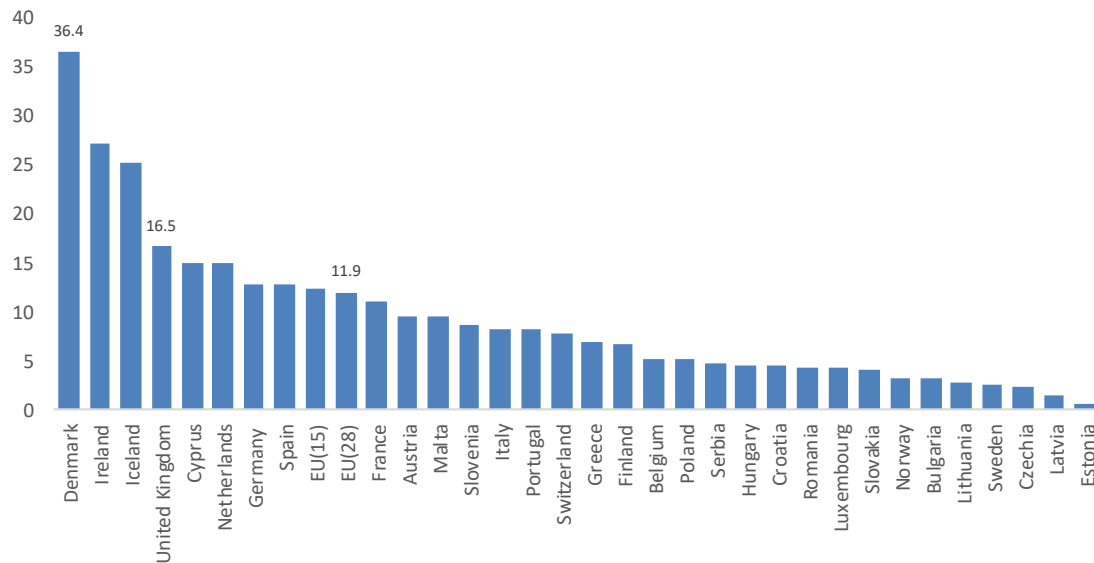
This section will present the arguments put forward by the authors to explain what they call the “Paradox of Redistribution” and review to what extent their conclusion is still valid more than two decades after its formulation. This debate is relevant as often universality has been criticized for its lack of success in fighting poverty, precisely for distributing the available scarce resources among the whole population instead of concentrating them on those most in need. For example, as quoted by Korpi and Palme (1998), Goodin and Le Grand (1987) argue that “the beneficial involvement of the non-poor in the welfare state is not merely wasteful -it is actually counterproductive” (p. 215). But before doing that, we will briefly present a radiography of the importance of targeted programmes in European welfare states versus those of universal or quasi-universal nature, addressed to a wider constituency.

The available information produced by Eurostat does not include detailed statistics on targeted social programmes. The closer we can get to a measure of the relative importance in the EU of targeted social programmes using available secondary data is the data on means-tested benefit. “Although for many targeting and means-testing are virtually synonymous” (Smolensky, Reilly and Evenhouse, 1995, p. 4), targeting is a broader term, as there are other possible variables, apart from income, to select the population eligible for a given programme (e.g. rural versus urban population). Furthermore, even universal programmes can be targeted, as in the case of the demographic groups such as children under x age, or pregnant women. In any case, excluding these specific programmes (often universal within a given demographic group), means-testing or income-targeting is generally the most relevant targeting mechanism. Therefore, in this section we will rely on the index of means-tested social expenditure as share of total expenditure as a primer to the importance of means-tested programmes in the EU.

Starting with the overall role of means-tested social expenditure, Figure 21 reproduces the share of expenditure in means-tested programmes over total social expenditure for the EU plus the UK, Norway,

Switzerland and Iceland. As we can see, with the exception of Denmark⁽³⁸⁾, Ireland, Iceland and the United Kingdom, most of the countries analysed have a share of means-tested social expenditure below the 12% EU-28 average.

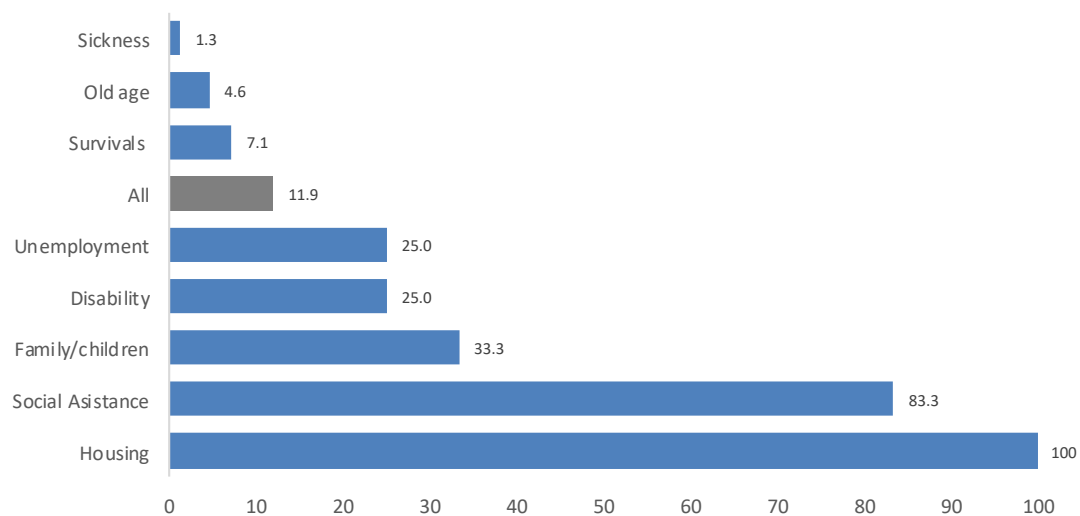
Figure 21. Means-tested social expenditure as percentage of total social expenditure, EEE, 2017.



Source: Authors' analysis from Eurostat

In any case, means-testing has very different incidence by area of social protection. As shown in Figure 22, it is dominant in Social Assistance and Housing, 83% and 100% respectively, common in Family, Disability and Unemployment (from ¼ to 1/3) and marginal in Old age and Sickness.

Figure 22. Share of means-tested programmes by area of social protection, EU-28, 2017.

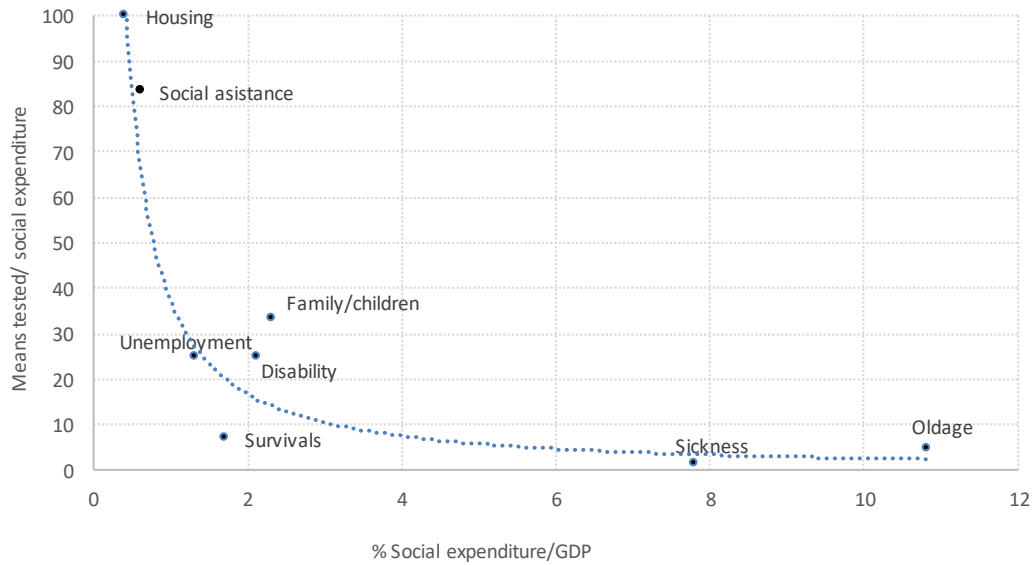


Source: Authors' analysis from Eurostat

⁽³⁸⁾ And only since 2007, as before this date Denmark had a share of expenditure on means-tested social programme well below the EU (15) average (3% vs 11%).

In fact, as we can see in Figure 23, social programmes that rely in means-testing usually belong to areas of social intervention with lower incidence in terms of expenditure.

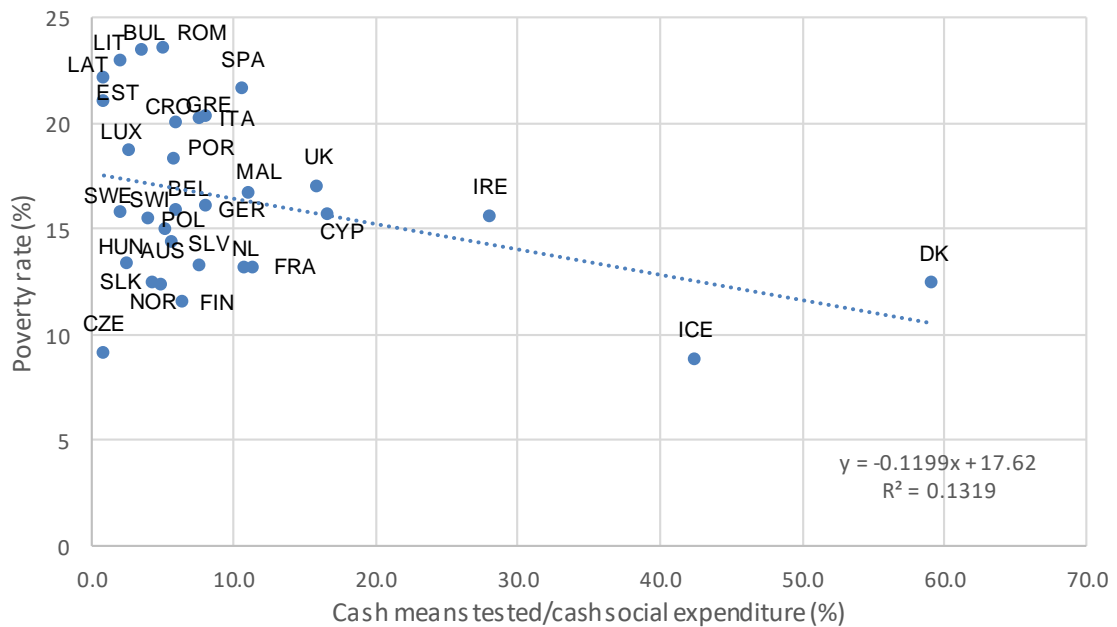
Figure 23. Means tested programmes and social expenditure by area of social protection. EU-28, 2017



Source: Authors' analysis from Eurostat

The last figure in this overview offers a first approach to the relationship between poverty rates and the share of cash means-tested social expenditure over total cash social programmes. As we can see in Figure 24, which reproduces a biplot of the two variables, the apparent inverse relation between the variables disappears completely when we exclude from the data the two obvious outliers: Denmark, and especially, Iceland, leaving a R^2 of 0.01. Further down, we will review in more detail the relationship between these two variables with a less coarse empirical approach.

Figure 24. Share of cash means tested social benefits of total cash social benefits and poverty rate, EEE, 2017.



Source: Authors' analysis from Eurostat.

Table 16. The Paradox of Redistribution revisited: summary of literature

	Sample, data, and methodology	Results
(a) At the level of the whole welfare state		
Nelson (2007)	Analysis of the vulnerability of social insurance vs means tested benefits to cutbacks in 18 OECD countries 1990-2002	Targeted benefits are not more resistant to cutbacks and retrenchment than universal provisions. The later are slightly resilient as social insurance stands a better chance of surviving periods of retrenchment
Kenworthy (2011)	Same 10 countries than in K&P. but for longer period 1980-2005 and methodology: index of concentration for targeting/universalism and difference market and post-tax and transfers Gini for redistribution.	For 1980,1985, 1995 same results than K&P, but the positive relation between universalism and redistribution disappears for 2000 and is very weak for 2005. “The relationship between targeting-universalism and the size of the redistributive budget weakens considerably over time, until by the mid-2000s the positive association has disappeared” (p.56).
Brady & Bosnic (2015)	Survey data (LIS) and ISSP data for redistribution preferences. 37 countries (20 rich democracies) for the analysis of the impact of universality vs targeting on poverty and 25 countries for the analysis of preferences. Same index than K&P for targeting, and a new indicator of universality	K&P paradox is not robust to the increase in the number of countries Poverty is negatively associated with transfer share and universalism and universalism is positively associated with transfer share. But redistribution preferences are not related to transfer share or universalism and low-income targeting is neither positively associated with poverty nor negatively associated with transfer share
McKnight (2015)	UK, Sweden, France and Italy, from 1970’s to 2000’s depending of the country.	The within country across time evidence presented does not support the case that greater targeting is more effective at reducing poverty or inequality
Mark, Salanauskaite & Verbist (2016)	Aggregate and disaggregate analysis (old-age pensions, family benefits, and a residual category of other active age benefits) of 24 countries circa 2005.	The overall relationship between pro-poor targeting and income inequality reduction is very weak, but targeting is an important tool of redistribution within most redistributive systems perspective
Jacques & Noël (2017)	20 OECD countries, 2000-2011. Direct test using a Universalism Index. Panel data.	Universalism matters for redistribution, the size of the redistributive budget, poverty reduction and inequality levels. “When placed in a macro-institutional, where it belongs, the paradox of redistribution still seems relevant”. (p. 81).

Table 16. The Paradox of Redistribution revisited: summary of literature (continued)

Sample, data, and methodology		Results
(b) At the level of specific areas of social policy		
Corak, Lietz & Sutherland (2005)	Age incidence of government taxes and transfers in 2001 in 15 EU countries using EUROMOD, a static microsimulation model designed for the purposes of comparative fiscal analysis in the European Union	Countries with the lowest poverty rates are those in which children largely benefit from other transfers not necessarily directed to them. These countries mainly make use of universal benefits and tax concessions. This is in contrast with countries targeting income to children in poverty, where levels of spending may be comparable, but child poverty rates are higher.
Van Lancker, Ghysels & Cantillon (2015)	The impact of child benefits on single mother poverty in 15 European countries for 2008	Although spending on child benefits is strongly associated with poverty reduction among single mothers, targeting child benefit towards single mothers might be a good strategy as well, especially if benefit levels are sufficiently generous. The best results are found in countries that combine a universal system of child benefits with generous benefits targeted specifically towards single mothers (Norway, Denmark, Finland) or in countries with generous benefits for all (Ireland and to a lesser degree UK)
Van Lancker & Van Mechelen (2015):	EU (25) + Norway, with SILC 2009 and CSB MIPI database, with an indicator of targeting that captures the design of child benefit systems instead of the outcomes	Targeting towards lower incomes is associated with higher levels of child poverty reduction, conditional on the direction of targeting and the characteristics of the benefit system. The best performing countries are actually countries with a system of targeting within universalism. In these countries, two channels of poverty reduction are simultaneously at play: they combine high redistributive budgets with higher benefit levels for low income families

Source: Author's elaboration from cited references.

As mentioned in the introductory paragraphs to this section, in their 1998 paper, Korpi and Palme argued that social models based on universalism, by “having the most favourable outcomes in terms of the formation of cross-class coalitions” (p. 672), will allow a larger redistributive budget, compensating the lack of targeting with a larger redistributive pie. This would lead to better outcomes in terms of poverty and inequality, compared to targeted systems where, although the money is directed to the needy, the smaller side of the redistributive budget will lead to weaker redistribution (“the greater the degree of low-income targeting, the smaller the budget tends to be”, p. 672).

Korpi and Palme show, for a sample of 11 high-income OECD countries, that universalist Welfare States have better results in terms of reduction of income inequality and poverty than low-profile Welfare States focused on targeted social programmes. They reach this conclusion using data on the size of the redistributive budget, the difference between the Gini Index of market and disposable income (as a measure of the redistributive impact of taxes and transfers) and an indicator of the degree of targeting of transfers (a concentration coefficient, CC, that takes negative values when income is targeted to individuals with low income, positive values when transfers are concentrated on those with higher income and zero when transfers have no impact on income distribution ⁽³⁹⁾).

This result is the product of the existence of trade-offs (through the level of support of redistributive policies of the population) between the size of the redistributive budget (the most relevant variable in explaining the redistribution effort) and the intensity of targeting, whereby highly targeted systems have small redistributive budgets, resulting in higher poverty and inequality compared to universalist welfare states. This is the origin of the so-called *Paradox of Redistribution*: “the more we target benefits at the poor only and the more concerned we are with creating equality via equal public transfers to all, the less likely we are to reduce poverty and inequality” (p. 681-2).

Korpi and Palme’s paper, with more than seventeen thousand citations up today (Google scholar, May 2020), remained largely unchallenged for a long time, while other studies (Nelson, 2007) added arguments in favour of universalism based on the higher level of resilience of universal social programmes in periods of retrenchment of social provisions. Their approach has however been challenged by different papers published in the last decade which questioned both the arguments put forward by Korpi and Palme and their conclusions. The publication of these papers, a selection of which are summarised in Table 16, sparked a **revival of the debate regarding the merits of universal vs targeted programmes in terms of inequality and poverty reduction**.

The criticism of the Redistribution Paradox followed different venues. Several authors argued that Korpi and Palme’s result was contingent on the relatively small sample of countries used in the analysis and/or the period considered. In this regard, the replication of Korpi and Palme’s analysis made by **Kenworthy (2011)** for the same sample of countries, but a longer period of time (1980-2005), concluded that the paradox holds for 1980, 1985 and 1995 but the positive relationship between universalism and redistribution disappears for 2000 and is very weak for 2005: “The relationship between targeting-universalism and the size of the redistributive budget weakens considerably over time, until by the mid-2000s the positive association has disappeared” (p.56).

In turn, **Brady and Bosnic (2015)** put Korpi and Palme’s results to the test of increasing the number of countries to a total 37 (including 20 rich democracies), including in the analysis a new indicator of universality (see section 3.6) that complements the concentration index used to measure low-income targeting. According to their results, Korpi and Palme’s paradox is not robust to the increase in the number of countries. Although as argued by Korpi and Palme, poverty is negatively associated with the transfer share, and universalism is positively associated with it, low-income targeting is neither positively associated with poverty nor negatively associated with the transfer share. The authors conclude that differences in results between their analysis and Korpi and Palme’s “mostly result” from a combination of narrowness of their sample of countries and the changing of the relationship of the variable through time.

In addition, Brady and Bosnic expand the analysis of Korpi and Palme in order to test, using data for 25 countries from the ISSP2006, the argument put forward by the authors to explain the paradox: the existence of higher preference towards redistribution in Welfare States with universal social systems, as universality affects “the definitions of interests and coalition formation among citizens (...) which in turn will have consequences for the size of budgets available for redistribution and the final degree of redistribution that allow higher redistributive budgets” (Korpi and Palme, 1998, p. 682). In this regard, according to Brady and

⁽³⁹⁾ This index, also known as the Kakwani index (Kakwani, 1977), ranges from -1, when the poorest person receives all transfers, to +1, when the richest person receives all transfers

Bosnic's analysis, while low-income targeting is negatively correlated with support for redistribution, universalism is not positively correlated with support for redistribution, and neither is the transfer share.

Brady and Bosnic conclude their paper by presenting two new paradoxes suggested by their results: (1) *the non-complementarity paradox*, that emphasizes the mismatch between what matters for poverty reduction (the size of the transfer budget) and what matters for redistribution preferences, and (2) *the undermining paradox* related to the fact that the dimension (transfer share) that most reduces poverty is positively correlated with the one dimension (low-income targeting) that reduces support for redistribution.

The third paper that questions Korpi and Palme's paradox, the analysis of **Marx et al. (2016)**, covers 24 OECD countries and presents both aggregate and disaggregated (Old-age, family, and other active-age benefit) ⁽⁴⁰⁾ perspectives on the impact of different arrangements of social transfers (universal vs targeted) on poverty and inequality following Korpi and Palme's methodology. Contrary to Korpi and Palme's results, Marx and associates conclude that "the overall relationship between pro-poor targeting and income inequality reduction is very weak", that "the most redistributive systems do contain subsystems that are strongly targeted to the poor by intent and by design", and that, in what they consider their key contribution, "means-tested systems play a crucial role in bringing about redistributive effectiveness, even if their relative size is small" (p. 1). However, according to the authors these results should not be interpreted as a dismissal of Korpi and Palme's theoretical implications, because the Welfare State has to address to large parts of the population in order to produce strong redistribute results, "but once it does so, there is scope for effective redistribution toward the poor by means of systems that purposefully target the poorest" (p. 22).

The last paper that we will comment in this review, **Jacques and Noël (2018)**, is also, so far, the most recent contribution to the debate on the Redistribution Paradox that we know of. This time, contrary to the other papers reviewed, the results obtained by the authors support the validity of the paradox in present times. The main novelty of their paper is that instead of measuring universality indirectly by income effects of its interventions on different groups of the population - as Korpi and Palme and the rest of the papers reviewed above do, where a lower concentration index is interpreted in term of more targeted systems - Jacques and Noël develop an universalism index, UI, (see section 3.6), aimed at measuring universalism directly. According to their analysis with panel data of 20 OECD countries for 2000-2011, after controlling for GDP, unemployment and dependency ratios, universalism is a significant predictor of social expenditure, inequality levels, redistribution and poverty. The positive role of universalism -as measured by UI- on redistribution also holds when we control for the size of social expenditure, although its impact on poverty and inequality disappears, suggesting that the effect of universalism on inequality and poverty reduction is indirect through its impact on social expenditure (the correlation between UI and social expenditure is 0.73). The authors also test the relation between the UI and support for redistribution according to the ISSP2006. The result shows a weak correlation (0.1) when we use the whole sample of countries but increases to 0.7 when we exclude Denmark, a clear outlier with the highest UI index in 2006, and the second lower (after the US) share of population supporting redistribution. These results allow the authors to conclude that "the paradox of redistribution still operates in the 21st century" (p.82), and that the reports of its death, paraphrasing Mark Twain, are greatly exaggerated.

From a different perspective, the work of Moene and Wallerstein (2001, 2003) on the different impact of inequality on support for welfare spending according to the nature of the social programmes suggests that the analysis of the inequality and poverty implications of universalism vs targeted social programmes has to be done at the level of the different social programmes, and not at the overall level of social expenditure. In this regard, the references included in table 15 on specific social programmes (child poverty and poverty among single mothers) present different conclusions regarding the issue at stake.

The microsimulation exercise regarding child poverty of Corak et al. (2005) concludes that countries with the lowest poverty rates are those in which children largely benefit from other transfers not necessarily directed to them. In contrast, the papers of van Van Lancker and associates present a rosier picture of targeted systems, especially when targeting is embedded in universal programmes. This is what Skocpol (1991) denominated as "targeting within universalism", referring to the situations in which "room has been made *within* certain universal policy frameworks for extra benefits and services that disproportionately help less privileged people without stigmatizing them" (p. 414).

⁽⁴⁰⁾ The paper of Korpi and Palme also considers old age social expenditure as a test case, concluding, in line with their overall results, that earnings-related universal public pensions tend to generate lower gross income inequality among the elderly than targeted or basic security pensions.

According to Van Lancker *et al.* (2015) and Van Lancker and Van Mechelen (2015), the best performing countries in terms of lower single mothers' poverty as well as lower children poverty are actually countries with a system of targeting within universalism, where the two channels of poverty reduction are simultaneously at play, as they are able to combine high redistributive budgets with higher benefit levels for low income families.

Summing up, according to the brief literature survey presented in these pages, most of the participants in the debate agree on the **existence of a positive relationship between universalism (whether measure in terms of output, by the concentration coefficient of social expenditure or by the UI) and higher welfare spending**. At the same time, there is **disagreement regarding the role played by universalism in the fight against inequality and poverty after the turn of the century**. One way to explain such disagreement is to consider that universalism and targeting are not antithetic concepts. The opposite of universalism would be residualism, not targeting. In a context of targeting within universalism, universalism allows for a large social budget, while targeting can improve the effectiveness of redistribution to specific demographic groups at lower cost for the Welfare State (Jacques and Noël, 2020).

In any case, although it is obviously important, this debate about the virtues of universalism vs targeted or means-tested social programmes should not make us forget that the Welfare State was not in principle developed to fight poverty, but to protect people, and specially workers, of certain risks such as inadequate income in all age, bad health or disabilities. Thus, it could be argued that it is against these risks that the Welfare State's success or failure must be measured. A different question is to what extent, the policies implemented to address these risks are also the appropriate policies to fight poverty.

4.3 Universal social protection and incentives

Another important element in the debate regarding the pros and cons of universal social protection is the question of incentives. As is well known, economists often argue that the functioning of the market rests on the existence of incentives, which through the price system act as guides for economic agents in their decisions related to the demand and supply of goods, services, labour and capital. In the standard analysis of the labour market, for example, the incentive behind the supply of labour, considered in itself as a disutility, is obtaining income that can be used for consumption, a source of utility (either now or in the future, in the case of savings). According to this logic, the intervention of the State can alter market incentives in two ways. On one side, taxes affect incentives to supply labour by reducing the net reward of work. On the other side, the provision of services outside the market reduces the incentive to work, as they reduce the need to go to the labour market for obtaining income for consumption purposes. This is, in fact, the explicit or implicit aim behind the decommodification of certain goods or services: to develop, under certain circumstances, an alternative means of accessing such goods or services to their acquisition through the market ⁽⁴¹⁾.

Although it could be argued that all public services (whether in kind or cash) have implications in terms of incentives, the analysis of this issue has largely focused on the impact on the supply of labour of monetary transfers, either through some kind of social assistance or, more specifically, through unemployment benefits. In fact, nowadays social assistance often aims to be - and is designed as - a system of labour activation rather than a passive permanent subsidy for those out of the labour market and at risk of poverty (Kananen, 2012, Peck, 2003, Mascini et al. 2012, Deeming, 2015, Rueda, 2015). Such redesign of social assistance proves, by itself, the importance given to the potential (dis)incentives linked to some programmes of social protection. In what follows, we will use the impact of unemployment benefits on incentives to work to discuss to what extent universality of social protection can delay the reincorporation of the unemployed to gainful employment.

This is in fact one of the traditional lines of attack against progressive socioeconomic policies, what Albert O. Hirschman denominated, in his seminal book *The Rhetoric of Reaction*, the "Thesis of the Perverse Effect" (Hirschman, 1991). According to this thesis, certain well-intentioned socioeconomic policies might have unintended negative consequences that would lead precisely to the exact opposite result that the one intended. For Hirschman, "the contemporary critique of the Welfare State and the attempts to roll back or "reform" some of its provisions" (p.6) was an example of such a thesis. In the same essay, Hirschman also discussed another interesting (more moderate) argument often used along with it, "the Jeopardy Thesis": the

⁽⁴¹⁾ A different question, that we will not analyse in this section, concerns the implications of the universal and free provision of a service on the (increasing) demand for such a service. In some cases, the increase in demand resulting from the free supply of the good or service in question can be one of the aims of the policy (for example in education or vaccinations campaigns). When that is not the main aim of the policy, usually the provision of the good or service is managed through different systems to discriminate between legitimate and illegitimate demands: gatekeepers in the health systems, user's fees, administrative processes, etc.

idea that a move in one direction in social policy, e.g. protecting the unemployed, might lead to unacceptable costs of one sort or another, e.g. lower employment levels.

In this regard it is worthwhile quoting Hirschman in length, as an example of how the perversity thesis has been a traditional argument against redistributive policies: "The economic argument on the ensuing perverse effects was first put forward during the debates about the Poor Laws in England. The critics of these laws, from Defoe to Burke, and from Malthus to Tocqueville, scoffed at the notion that the Poor Laws were merely a "safety net," to use a current term, for those who had fallen behind, through no fault of their own, in the race for a livelihood. Given the human "proclivity to idleness," to use Mandeville's phrase, this "naive" view neglected the supply reactions, the incentives built into the arrangement: the availability of the assistance, so it was argued, acts as a positive encouragement to "sloth" and "depravity," and thus produces poverty instead of relieving it" (pp. 28-29).

Before proceeding with the discussion of the implications for some universal social programmes of the alleged effects they may have on incentives and economic activity, it is useful to review the counter-arguments made by Hirschman to this perversity thesis. First (argues Hirschman), the perversity thesis is just a variant of the concept of unintended consequences, that pretended to introduce a margin of uncertainty to social analysis which paradoxically eliminates the possibility of uncertain results by arguing that the result is the opposite as intended. A second counter-argument relates to the intensity of the effect, as one thing is to argue that there might be some perverse effects, on some individuals or specific groups of population, and a completely different thing is to argue that such effects are predominant, i.e., that they occur with "the frequency that is claimed" (p. 35). The third counter-argument focuses on the possibility of learning from the experience in the design of social programme to minimize their perverse effects, should they exist. The design of income subsidies to allow the reception of at least part of the social benefit and labour income to avoid the creation of a poverty trap is one example of such process of learning. Summing up, as we will see, the question is not so much whether such "perverse" effects exist, but their intensity and importance vis-a-vis the intended effects of the policy.

Theoretically, unemployment benefits, UB, might have a negative impact on employment levels by different means. First, by offering an alternative source of income, UB might reduce the intensity of job search (Krueger and Mueller, 2010, 2008). Second, unemployed workers might be more selective in accepting a job, i.e. UB could increase their reservation wage. Obviously, these implications are contingent on the way the UB system is built, and the requirements in terms of job search and job acceptance of the programmes. Moreover, the potential negative implications of UB on employment also depend on the level of coverage. If not all workers are covered - as is usually the case for those entering the labour market or without long enough labour trajectories - the potential negative impact on access to employment of UB beneficiaries would be compensated by the shorter time of those unemployed without UB, who would face now lower competition from other unemployed workers (those with UB and more "relaxed" in terms of job search). In this regard, the universality of UB could increase the negative impact of the programme in terms of delaying re-entering employment as this unexpected positive effect of the ineligible for UB would disappear.

To get a flavour of the type of results obtained when analysing the impact of UB on the duration of unemployment on the individual level, Table 17 summarises the results of a selection of studies that estimate the impact of UB duration and the replacement rate (percentage of previous wage) on the duration of non-employment. The table focuses on research produced in the last 10-15 years. Most of the papers take advantage of the existing discontinuities of the UB systems or changes produced in UB, either of duration or replacement rates, often with different implications for different kind of workers, to explore the impact of UB in terms of time span until being back in employment. In general, these empirical studies tend to find small negative effects of UB on the duration of unemployment.

According to a relatively recent survey of this literature by Schmieder and von Wachter (2016), the last round of empirical analysis of the impact on employment of the increase in the duration of UB during the Great Recession in the US suggests that there is a negative but moderate impact, smaller than the one estimated in earlier studies. For the eight studies of EU countries reviewed in the paper, the marginal effect of increasing the duration of UB is 0.13, which means that an increase in the duration of benefits of one month would lead to an increase of the duration in non-employment by four days. Different studies for Spain reviewed by Muñoz de Bustillo (2019) also point at the existence of a negative, but relatively small, delay in reemployment, often related to the lower probability of accepting jobs with requiring lower qualifications than the one the job seeker has. In this regard, the analysis of Tatsiramos (2009) of the effect of UB on unemployment and subsequent employment duration for the EU suggests that receiving benefits has an

adverse effect, in the sense of increasing unemployment duration, but there is also a positive effect associated with the increased duration of subsequent employment due to better job matches.

Overall, the delayed reincorporation of the unemployed to employment due to UB should not come as a surprise, as the maintenance of income allowed the UB reduces the urgency of finding a job. Should the workers have no other source of income (either UB or personal or family savings) the urgency of finding a job would certainly be higher, lowering the reservation wage. This effect, known as liquidity constraint in the literature, is of a different nature from the impact of UB on job search, resulting from the lower net benefit of finding a job (wage – UB) when receiving UB, and the corresponding alteration of the incentives to find a job known as moral hazard (Chetty, 2008).

To reduce such negative effect on incentives, the architecture of UB usually includes decreasing replacement rates with the duration of unemployment, limited duration, and different requirements in terms of job search and availability (Asenjo and Pignatti, 2019, Moffit, 2014). On the other side, other elements, such as the level of unemployment and the probability of finding a job in the near future (should the unemployed refuse a job today for lack of urgency), or the consideration of having a job as a wellbeing enhancing mechanism by itself (on top of its role as source of income), are elements that would counteract, totally or partially, the (dis)incentives produced by UB.

The recent evaluation of the so-called Finnish Basic Income Experiment, FBIE (Kangas et al., 2019), offers an interesting perspective on the effects on incentives of programmes of income support for the unemployed. The FBIE, aimed at investigating “whether a social security model based on a basic income could promote more active participation and provide a stronger incentive to work than the present system” (p. 7), was a partial basic income, in the sense that its recipients were chosen among persons aged 25-58 receiving unemployment benefits from Kela, the Social Insurance Institution of Finland.

That means that the experiment did not aim to study the impact of a universal basic income, UBI, but to study the impact on employment and income of substituting the current unemployment benefit for a basic income of a similar amount (560€ corresponding to the monthly net amount of the basic unemployment allowance and the labour market subsidy provided by Kela). According to the preliminary results, basic income recipients were no better or worse at finding employment than those in the control group during the first year of the experiment. In this regard, the substitution of a conditional UB by an unconditional basic income had no impact on employment or income. In contrast, the researchers found important differences in terms of wellbeing. According to survey data, the recipients of basic income had, vis-a-vis the control group of people receiving standard UB: (a) better wellbeing, (b) fewer problems related to health, stress and ability to concentrate, (c) more confidence in their future and in their employment prospects, among other things. Beyond the Finnish experience, other studies of UBI experiments in other countries point out to similar conclusions (Marinescu, 2017, Bastagli, 2020).

Summing up, income programmes alter incentives, and traditionally universal programmes “are believed to undermine work ethic as they are not individually specified so that they would activate people to participate” (Anttonen *et al.* 2012, p. 193). In this regard, the condition of sufficiency together with its universal nature could generate tensions between the aim of social protection and the need to guarantee high labour force participation rates to allow the high level of income required to finance high levels of social protection for all.

However, the potential negative impact of such programmes on incentives and labour force participation rates has been limited by three main factors: first, the conditionality attached to many of the most common transfer social programmes; second, the preferences for market work even when other sources of income are available; and third, the incentives of having a long labour trajectory in order to qualify for different social transfers such as pensions. In fact, highly developed Welfare States are known for their high level of labour force participation rates, and not the opposite.

Nevertheless, it cannot be taken for granted that such containment of the negative incentives to work would be maintained in other scenarios of full universal social protection, especially when the low-paid segments of the labour market are growing, and thus many of the available jobs are less rewarding in terms of intrinsic job quality and attractiveness as a means of social integration and source of self-esteem.

Table 17. Selection of studies on the impact of UB on employment.

	Results
Figura & Barnichon (2014), USA	EEB increased the unemployment rate by about one-third percentage point in the most recent recession but did not affect the participation rate. In previous recessions, the effect of EEB on the unemployment rate was even smaller.
Chodorow-Reich & Karabarbounis (2016), USA	The unprecedented increase of benefits during the Great Recession contributed at most 0.3 percentage point to the increase in the unemployment rate. Our results simply suggest that concerns about large negative macroeconomic effects of UI are not warranted
Rothstein (2011), USA	UI extensions had significant but small negative effects on the probability that the eligible unemployed would exit unemployment, concentrated among the long-term unemployed. The estimates imply that UI benefit extensions raised the unemployment rate in early 2011 by only about 0.1-0.5 percentage points, much less than is implied by previous analyses, with at least half of this effect attributable to reduced labour force exit among the unemployed rather than to the changes in reemployment rates that are of greater policy concern.
Uusitalo & Verho (2010), Finland	In January 2003, the unemployment benefits in Finland were increased for workers with long employment histories. The average benefit increase was 15% for the first 150 days of the unemployment spell. The change in the benefit structure reduced the re-employment hazards by on average 17%
Bennmarker et al (2007), Sweden	In 2001 and 2002, Sweden introduced several unemployment insurances reforms. A major innovation in the first reform was the introduction of a two-tiered benefit structure for some unemployed individuals. This system involved supplementary compensation during the first 20 weeks of unemployment. The 2002 reform retained the two-tiered benefit structure but involved also substantial benefit hikes for spells exceeding 20 weeks. The reforms had strikingly different effects on job finding among men and women. The two reforms in conjunction are estimated to have increased the expected duration of unemployment among men but to have decreased the duration of unemployment among women. The overall effect on the duration of unemployment is not statistically different from zero.
Lalive et al. (2006), Austria	The impact on unemployment duration is higher the higher the extension of UB: 9 weeks => 0,45 weeks increase; 22 weeks: 2,3 weeks increase
Schmieder & von Wachter (2012)	The increase in duration of UB has a marginal impact of unemployment duration (one additional month of eligibility for UB increase the period of unemployment by 3 days)
Schmieder & von Wachter (2016) US & different European countries	The overall finding of the US studies reviewed is that there is a negative but moderate effect of UI benefit increases in duration during the Great Recession on unemployment duration. Studies from Europe also point to moderate labour supply effects from UI benefit durations. The median elasticity of the duration of benefits on non-employment for the EU countries is 0.40 (ranging is from 0.1 to 1). The range of variation is smaller in the United States (0.1 – 0.4)

Source: Authors' own elaboration

5 An initial proposal for the construction of a system of indicators of universal social provision

Our journey through the meaning and measurement of universal social protection started with the discussion of the polysemic meaning of universality in social protection in chapter two. With this background, in chapter three we reviewed a good number of different proposals that have been developed to measure the level of universality in different areas of social protection. In chapter four we adopted a policy perspective, reflecting, selectively, on some of the issues that characterise the debate about the rationale and convenience of social protection programmes addressed to the whole population (or demographic groups), such as their efficiency in fighting poverty, the question of the take-up rates or their impact on incentives. It is time now, as a way to wrap up this study, to discuss the characteristics that an index of universal public social protection for Europe should have, according to our own assessment of the literature and problems reviewed in previous chapters.

5.1 Implementing indicators of universality in social protection: a proposal regarding dimensions and indicators

The starting point of any measurement exercise is to define what is to be measured. In our case, that implies defining what we mean by a universal social protection programme, what are their defining characteristics. According to the review of the literature conducted in chapter two, **universality in a social protection programme can be defined by two major dimensions** ⁽⁴²⁾:

- The first one is the **degree of coverage of the population**: the higher the share of the population protected, the higher the degree of universality of the programme. This general rule has exceptions, as the specificity of some social programmes, such as those focused on specific groups (parents, people over or under a threshold rate, people with special needs) might limit their maximum coverage rate (to the share of the specific demographic group).
- The second element to be considered is the **adequacy of the coverage**. In contrast with coverage, which can be measured in a more or less straightforward way, adequacy is a much more subtle aspect of a programme, due to its more normative and qualitative nature.

As shown in Box 2, regardless of the strategy followed to aggregate our two dimensions of universality, the way they interplay with each other also supplies relevant information about the nature of universalism of a given Welfare State. It is important to note that, when we refer to the universality of a social system or Welfare state rather than a specific programme, we have to include an additional element which is the range of needs to be covered or social protection programmes. However, for simplicity in box 2 we assume that such a range of needs is given so that we can focus the discussion on coverage and adequacy.

Box 2: Combinations of coverage and adequacy

If we consider that both coverage and adequacy can go from very low (for instance, if only a small share of population is eligible for a given programme, and if those who are eligible enjoy a low level of protection) to very high levels, then we could **graphically represent different social protection programmes or systems in a continuum from low to high levels in both dimensions. This exercise would allow defining four basic combinations that could contribute to the definition of different social protection branches and/or Welfare State models regarding universality.**

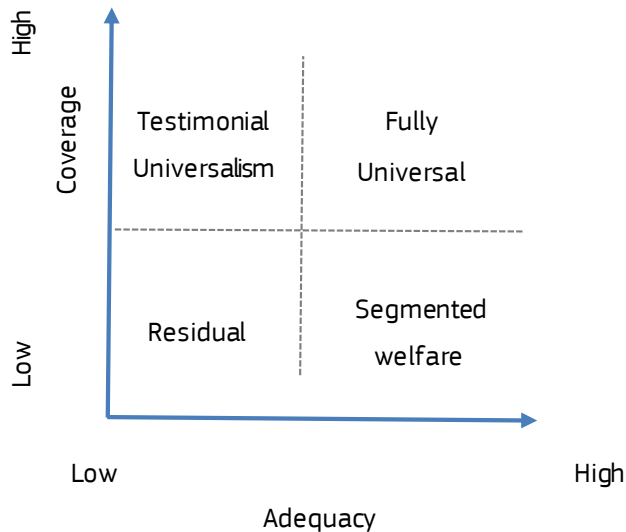
This representation is shown in Figure 24. At the upper right corner, we would have welfare states or branches that we could call **fully universal**, that combine high levels of coverage and adequacy. On the opposite end, lower left corner, we would have welfare states with low levels of coverage of social protection programmes as well as low adequacy, that we could denominate as **residual** welfare states or branches. The other two categories would mix models, with high levels of one of the dimensions, whether adequacy or coverage, and a low level in the other. Welfare states located in the lower right corner would be characterised by having social programmes with a high level of adequacy, but only benefiting a small share of population, in a kind of **segmented model**. In the opposite corner, we would have countries where social programmes reach most of the population, but with a low

⁽⁴²⁾ One must keep in mind, however, the consideration made in section 2.3 with regard to exclusion of certain groups, particularly but not only women, from social programmes. In these cases the assessment of the coverage and adequacy angles could profit from the use of other complementary indicators focusing on the specific characteristics (if any) of the population excluded from social protection.

level of adequacy, in a kind of **testimonial universalism**.

While movements from the left to the right and from bottom to top can be interpreted in terms of growing universality, nothing can be said, a priori, from movements from the upper left to the lower right, as the choice between better adequacy at the cost of lower coverage, or vice versa, is clearly normative.

Figure 25. Combinations of adequacy and coverage as defining elements of social protection branches and/or Welfare State models.



Source: Authors' own elaboration

The question of adequacy also brings up a complementary issue, related to the role played by equal provision for all people in defining universality, and the possibility of having differentiated benefits within a universal protection system. In this regard, we believe that in some specific areas of social protection, such as health, homogeneity of provision must be a constituting element of universality, while in others, such as pensions or unemployment benefits there is room for differentiation of provision without breaching the principles of universalism. This possibility must be justified by the aims of the programme.

Those programmes whose aim is to maintain the relative standard of living of the people protected in case of interruption of labour income due to unemployment, sickness, or retirement, will typically need to provide different benefits to different people. As we have seen, this differentiation is not only compatible with the principles of universalism, but it might play an important role in generating the necessary political support (coalitions) to maintain the programme. In other cases, diversity within universality might be justified by the different specific needs of people facing the same problem. For example, old age dependency might require, for some people, provision of in-home services, while for others it might mean access to a nursery home.

A corollary of the previously discussed element is that, considering the wide range of interventions of the Welfare State in terms of social policy, and the different characteristics of those programmes, the measurement of universality will have to be tailored to the characteristics and aims of the different social policies. Thus, with the same governing principles, the specific operationalisation of such principles will necessarily differ from one programme to the other. In a way, the aim would be to make true the dictum *e pluribus unum*.

Another issue to address is **which elements of social protection should be considered** as candidates for measurement from the perspective of universality. As we saw in chapter two, these elements can be identified democratically, according to people's preferences, or axiomatically, on the basis of the Theory of Human Needs. However, in practice both approaches lead to relatively similar results in terms of the main areas that could be guided by the principle of universal provision. In a European context, our proposal for a tentative list of elements would include at least the following: health, unemployment benefits, sickness benefits, old-age pensions, social assistance, housing, and education.

In fact, the above list can be interpreted as interventions to protect people against four basic risks: (1) Sickness -Health, (2) Lack of sufficient income – Unemployment benefits, pensions, social assistance, family

benefits, (3) Lack of affordable housing, (4) Ignorance -Education ⁽⁴³⁾. Risks that would probably remind the reader of the **'five giants on the road to post-war reconstruction'** – **Want, Disease, Ignorance, Squalor and Idleness** – mentioned in the Beveridge Report published almost 80 years ago.

Table 18 reproduces the areas preliminarily selected for measurement of social protection, as well as a very first approach to the indicators that could be used for the measurement of the dimensions of coverage and adequacy, central to our understanding of universality. As we can see, **coverage** is straightforward in most areas, with the exceptions of social assistance, sickness benefits and housing. This straightforwardness, nevertheless, hides the fact that table 18 uses two different measures of coverage. In the case of health, for example, it uses legal coverage, as we are just considering whether a person is entitled to health provision in the case of needing it. In contrast, in the cases of unemployment benefits or old age pensions, the table uses measures of the share of the population unemployed, or passed retirement age and not working, receiving unemployment benefits or an old age pension, respectively. In the former case we are measuring *de iure* coverage, while in the later we are measuring *de facto* coverage.

In order to fine-tune the first approach to measuring coverage we would have to complement the *de iure* coverage rate with indicators of promptness or effectiveness of the service, items that are also related to adequacy. The case of education is a good example of the differences between *the iure* and *de facto* coverage, as the right to education, a fundamental human right enshrined in the Universal Declaration of Human Rights (1948) and included in almost all constitutions, can be frustrated, even in high income countries, if for different reasons students quit their studies before the completion of high secondary education. In this regard, a candidate indicator for a measure of coverage in this domain would be (1 -) early school leaving rate.

Looking now at the “difficult” cases, for sickness benefits the problem is the lack of information on people with sickness affecting their capacity to work, as what we normally have is information on health condition in general on one side, and information on people who have been recognised as unable to temporary or permanently work due to health issues on the other, but not on those with health issues that have not been considered for different reasons (rejection, non-application, etc.) by the sickness benefit system.

In the case of social assistance, an indicator of coverage could be constructed by comparing the number of beneficiaries of social assistance with the total population at risk of poverty before social assistance.

As we mentioned in the summary section of chapter 3, housing is probably the area of social policy currently more devoid of indicators of coverage. It is also an area of low social expenditure in most countries. In any case, considering the importance for wellbeing of access to decent housing at a reasonable cost, especially in big cities, this would be an area worth exploring in more detail in a specific study. The cost and quality of housing are generally understood as a key determinant of living standards and wellbeing, especially for the disadvantaged. In 2018, according to Eurostat, in the EU (28), 10% of population spent more than 40% of their income in housing. As many as 1/3 of Europeans consider that they face “disproportionate housing costs” (Pittini, 2012).

Regarding the measurement of **adequacy**, the obvious problem is the normative-subjective nature of the concept. What is adequate for one person might not be adequate for other. Yet, common sense (and other considerations such as the question of incentives, in the case of UBI) might allow agreeing on what an adequate level of benefits is for a given social programme.

Regarding unemployment benefits and pensions, adequacy is usually defined in relation to previous earnings. Even in those cases where public pensions are minimum flat pensions, the understanding normally is that most people will complement the public flat pension with other sources of income from occupational pensions or, less importantly, private pensions.

In the case of social assistance, considering that the aim of these programmes is to fight poverty risk, adequacy could be defined in terms of the contribution of the programme to eliminate the poverty gap (the difference between earnings before transfers and the risk of poverty threshold). In fact, a universal fully adequate social assistance programme would lead to a null rate of risk of poverty. Thus, the reduction in the poverty rate before and after social assistance transfers could be used as a proxy variable of the combined effect of coverage and adequacy.

⁽⁴³⁾ In case of restricting ourselves to the standard range of social policies in a European context, then education would be left out of the analysis since it is generally considered as an investment rather than an aspect of social protection.

Table 18. A selection of areas and potential indicators for the measurement of the degree of universal social protection.

	Universe	Indicator coverage	Indicator 1:	Indicator 2: adequacy
Unemployment benefits	Unemployed population	Coverage rate		Replacement rate
Old age pensions	People over retirement age	Coverage rate		Replacement rate
Family benefits: a) financial support for families, b) Childcare support, c) Parental leave)	Households with children underage	Coverage rate of each programme		Reduction of child poverty rates achieved by financial support for families, % of childcare costs publicly provided, duration and replacement rates of parental leave
Health	Total population	Coverage rate		Range of health issues covered Set of tracer indicators of quality of health service Life expectancy and disability-free life expectancy (DFLE)
Social assistance	Population at poverty risk before social assistance	Coverage rate		Reduction of risk of poverty rate (and poverty gap) of those receiving social assistance
Housing	Total population	Coverage rate		% substandard housing % housing deprivation
Education	Total population/ Population at school age	% of population that completes secondary education		indicators of performance of students in secondary education (PISA, etc.)

Source: Authors' own elaboration

In relation to family benefits, adequacy would have to be measured differently for each of the three broad types of family benefits. For financial support for families (including child-related cash transfers), a good indicator of adequacy could be the reduction of child poverty rates achieved by the programme. For childcare support, an indicator of adequacy could be the percentage reduction in childcare costs for the average family. For parental leave, an indicator of adequacy could be based on measures of the duration and replacement rates of the programme.

The definition of adequacy in the area of health poses different problems, as there are myriads of pathologies, health conditions and thus therapies and interventions. There are two different approaches to this issue, that can complement each other or be used alternatively depending on the availability of data for the elaboration of the indicator. The first one is to focus on the range of available treatments/therapies in different fields within the health system. The second is to focus on the results of the health system in terms of survival and quality of life related to different pathologies. Other items, such as promptness of medical attention or out of pocket expenditure through private provision could be used to complement the measurement. The indicators developed by the WHO and the OECD reviewed in chapter three are a good starting point to develop this dimension of adequacy.

Regarding education, the measure of adequacy could be approached by the use of indicators, such as the OECD Programme for International Student Assessment, PISA, measuring "15-year-olds' ability to use their

reading, mathematics and science knowledge and skills to meet real-life challenges". In any case, other alternatives such as the Trends in International Mathematics and Science Study, TIMSS, the Progress in International Reading Literacy Study, PIRLS (both of the International Association for the Evaluation of Educational Achievement, IEA), etc. could be explored, as we should be aware of the limitations of using PISA as a yardstick for adequacy ⁽⁴⁴⁾.

To conclude this section is important to stress that the ideal way to address the question of the selection of indicators is by focusing on objective indicators of results, *i.e.* how far the objectives of coverage and adequacy are met. Unfortunately, sometimes the lack of suitable indicators of results makes it necessary to rely on indicators of means as a second-best solution (e.g. expenditure per pupil as an indicator of adequacy if there are no suitable indicators of results *per se*).

5.2 Implementing indicators of universality in social protection: some technical considerations

In the previous pages, we have sketched the main structure and contents of a system of indicators of universality of social protection for Europe. To complete the discussion, it is useful to add some technical considerations of how such a system of indicators could be practically implemented.

First, it is important to discuss the **standardisation of measures**, in particular for the dimension of adequacy. The main purpose of any indicator or system of indicators is to be able to compare different measures, in this case of universality of social protection, across areas (degree of universality of different programmes), time (change in the degree of universality of a given social system) or space (differences in the degree of universality of different social systems). Thus, the different measures have to be standardised, with the values reflecting a comparable metric of the underlying phenomena. In the case of coverage, the concept itself facilitates standardisation because it is more or less the same across different areas of social protection: coverage refers to the percentage of the applicable population that receives the benefit or service.

But in the case of adequacy, standardisation is very problematic because it is a qualitative concept that depends very strongly on the specific area of social protection being measured. Adequacy of health provision can be measured by the range of treatments covered and the quality of the service, whereas adequacy of unemployment benefits can be measured by the extent to which it replaces forgone earnings. These are not only difficult to compare, but they can even be difficult to express in a standard metric of 0-100 as would be most desirable.

How to do this? Since social protection tries in general to hedge against risks, in most cases there is an implicit "desired" or "minimum" state that they want to protect, although it varies by area. For instance, in the case of health, it tries to provide protection against health risks and thus it tries to bring the health of citizens back to a "normal" state. In the case of unemployment benefits, it provides insurance against the loss of income that results from unemployment, and thus it tries to replace the labour income to a more or less "adequate" level. And so on. This can be used as a general criterion for standardising measures of adequacy: first, we should define the level (of income, health, education) that each social programme tries to protect, and then we can use measures of actual levels achieved for defining a standard 0-100 measure of adequacy.

In the case of unemployment benefits, adequacy can be expressed as % of pre-unemployment income provided (assuming that income support is the main purpose of UB); in the case of health protection, adequacy can be expressed in terms of % of treatments needed which are provided by the system; in the case of education, adequacy can be expressed as % of population that reaches the desirable performance in terms of PISA-style competences; etcetera. Although the operationalisation of this criterion will necessarily be different across different areas of social protection, the fact that the underlying logic is the same should allow to compare across them. Then, for each area of social protection, the operationalisation should remain as similar as possible over time and space, even though differences in data availability or social systems may require some flexibility that should nevertheless remain consistent with the underlying logic previously stated.

A second consideration for the implementation of our proposal into a set of indicators concerns the **differentiation of subgroups in the population**. As we have also mentioned on several occasions, not all social protection systems are provided homogeneously throughout the population covered. In some cases, the

⁽⁴⁴⁾ For example, a first limitation concerns the areas of knowledge measured - reading, science and mathematics -, whose choice, as the OECD recognises "reflects the basic purpose of OECD; the concern for economic competitiveness in a global, high-tech market economy" (OECD, 2013), and does not have to coincide with the goal of the different national education systems. For a critical review of PISA see Zhao (2020), Sjoberg (2015), or Hopfenbeck (2018).

social protection benefits or services are provided differently for different subgroups of the population, normally on the basis of different identified levels of need. For instance, family benefits typically vary depending on family size (especially, number of dependent children or adults), or social assistance according to income levels, etc. This creates a technical problem for the measurement of adequacy, because different groups of the population may de facto have different levels of adequacy however we define it.

How to solve this problem? If the necessary data is available, our proposal for those cases would be the following: 1) identify the relevant subgroups for the social programme in question; 2) compile measures of adequacy for each of those subgroups according to the logic explained in the previous paragraphs; 3) compute an aggregate measure of adequacy by making an average of the subgroup values, weighted by their relative share of the population. If the necessary data is not available, an alternative option would be to use one or two representative profiles and compute a measure of adequacy for them, using it as a proxy for the overall adequacy of the programme.

A third technical issue to consider is **how to aggregate the two dimensions of universality for each programme, namely coverage and adequacy**. If following the logic of the previous paragraphs we managed to construct standardised measures of coverage and adequacy that range from 0 to 100, their combination in a single indicator of universality can be as simple as an arithmetic average of both. However, we would propose to use a geometric average instead, which penalises combinations of coverage and adequacy that are unbalanced (assuming that coverage and adequacy cannot compensate each other, and that a balanced combination of both is desirable).

Fourth, how to aggregate the measures of universality of the different areas or social protection programmes identified into a single index? Again, if the values have been properly standardised and are comparable across programmes, the aggregation into a single index can be done by simple averaging. As in the previous case, we would propose to use geometric rather than arithmetic averaging, for the same reasons previously discussed. It is important to note as well that, although the aggregation of universality indices across different areas into a single index can be very useful for comparisons over time and space, in some cases it can be preferable to keep the different measures separate as part of a system of indicators. As we have argued in the past, however (Muñoz de Bustillo et al. 2011), the aggregation into a single index does not preclude in any way the use of the full complexity of sub-indicators for understanding better any interesting pattern or result that may emerge from the analysis.

A fifth consideration refers to the **level of measurement**. What are the relevant units of analysis for the measurement of universality of social protection? In principle, the relevant units should be those defined by the social protection systems themselves: in Europe, that means in most cases the Member State level, although in some federal or decentralised social systems, it could be the region. However, the use of standardised measures allows also to aggregate indicators at higher levels, weighting by size of the population. That way, for instance, we could construct an index of universality of social protection at the EU level.

A final consideration concerns the **periodicity of the measures**. Considering that social protection systems (thankfully) do not change overnight, and instead tend to change slowly because of their massive complexity and costs, in our opinion it would not be necessary to update the measures of universality of social protection very often, but only in the medium term. Quarterly or even yearly measures would probably be unnecessarily frequent because they would remain unchanged over many measurements. Updating a system of indicators of universality of social protection every 5 or 10 years seems like a much more sensible option.

6 Conclusions and future work

We started chapter two of this report discussing the difficulties of making an operational definition of universality. Against this background, we tried to unpack the meaning of universal social protection in order to identify its essential elements. From our perspective, the two key elements of universality are the extent to which a given programme covers the relevant population, *i.e.* coverage, and the quality of the benefit provided in terms of protecting adequately against the relevant risk(s), *i.e.*, adequacy. A review of the different exercises that directly or indirectly can be, or have been, used to measure universality in different areas of social protection showed that there are many alternatives and data sources already available that can be used as proxies - specially, but not only, regarding monetary social benefits. Nevertheless, in most of the cases the proposals reviewed fall a step short of actually presenting the result obtained as a measure of the degree of universality of the analysed social protection programme(s).

The report continued by reviewing, in a non-exhaustive manner, some of the topics related to the debate about the advantages and disadvantages on universal social protection, compared to more selective (targeted or means-tested) approaches to social protection. The issue of the take-up rates, the question of incentives and the effectiveness of universal versus selective social protection in addressing poverty risk were the three topics reviewed, out of the many that could have been addressed in the chapter.

Among the issues not discussed explicitly in this paper, the elephant in the room is the question of the **financing of universal social protection**. Although we are well aware of the importance of that topic for the subject discussed in this report, it is a distinct issue that merits its own separate and careful analysis. But in any case, we would like to stress that having a selective and thus less onerous social system would not resolve the economic problem of financing social protection, as it only changes the weight of the financial burden from the public sector (and the tax system) to the individuals not eligible for the targeted social program, excluded now from the system. People that, orphan of public social protection, would have to address by themselves the needs of social protection, regarding health, old age pensions, etc.

It is from this perspective that we can say that turning from universal to selective programmes only shifts the problem of financing from one agent, the State, to another, the population excluded. From a purely economic perspective (as a bookkeeping exercise), only if the overall cost of a selective public social provision plus the general private provision of the people not covered is lower for the same level of protection, we could say that the selective-residual option would be cheaper than an option based on universal provision. For instance, it is widely acknowledged that the selective plus private American health system is -all things considered- significantly more expensive than the mostly universal health systems of most European countries. And even then, we would have to also consider the distributive implications, because of the different financial capacity of people for protecting themselves against social risks.

In any case, it is important to stress that the choice between a selective or a universal social protection system is not only a technical issue related to the efficiency and political feasibility of one approach versus the other. As a matter of fact, this crucial choice is mainly informed by the different visions of what a good society is, in terms of allocation of responsibilities between the market and the state, and as such it is largely driven by ideological factors which cannot be fully solved by economic analysis.

In the final chapter of this report, we presented a set of guidelines for a hypothetical indicator or system of indicators of universality of social protection for the main programmes that could be, if desired, also used to construct an aggregate indicator of the universality of the different Welfare States. It is our hope that such guidelines could be of help for the construction a future indicator or set of indicators of universality in social protection in Europe.

Such an effort appears relevant for the analysis and benchmarking of European social protection systems and for the implementation of the European Pillar of Social Rights. Our approach for the further development of these indicators would entail the testing and validation of the approach by applying it on a pilot basis for one or more specific Member States as well as for a selection of the relevant social protection branches, as discussed in this report.

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