XXIII. Conclusions – On Risk and Solidarity in Times of Global Crises

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1. 'Protect Livelihoods' – The Second Project Phase

When the SARS-CoV-2 virus began to spread around the globe in early 2020, it soon became clear that extraordinary legal measures would have to be employed to protect livelihoods and prevent widespread social hardship. All countries at the centre of this study had swiftly imposed comprehensive sanitary measures to curb the spread of the virus. These were all variations of the instruments that have been employed by humankind for centuries in seeking to reduce the spread of disease: social distancing, isolation, and quarantine.[1] The COVID-19 pandemic marked the first time that such measures were introduced on such a broad scale across the globalised, widely interconnected economies of the twenty-first century. The effect of this was not just eerie silence in the streets, a stark contrast to the fast pace of present-day life. It also meant that beyond the more immediately visible effects of the sanitary measures, economies were affected by disruptions in global supply chains and cross-border employment relations, as well as by the rapid decrease in consumer demand across a wide range of sectors. The sanitary measures, in conjunction with the effect they had on the economy, soon posed a significant risk of financial hardship to individuals, which was addressed, both directly and indirectly, through measures to support the economy, to protect jobs, and by granting additional social protection.

As a result of the widespread and sudden disruption to the economy witnessed in early 2020, there was an immediate need to stabilise markets to avoid bankruptcies and a deep recession. Companies had to be able to continue to take out loans, payments had to be made, and planning certainty was needed. This was a necessary step to be taken to stabilise the prosperity of the market economies upon which social protection measures rest. The logic of market capitalism – in its myriad forms exemplified

1 Peter Baldwin, *Fighting the First Wave - Why the Coronavirus Was Tackled So Differently Across the Globe* (Cambridge: Cambridge University Press, 2021).

by the countries studied by this project – had to be maintained as far as possible, so as not to upend the logic of employment relations and social welfare systems as we know them. But businesses needed significant state support for an interim period, given that the pandemic had come as such a sudden external shock to the system. Granting such support was usually among the first measures taken by countries as they imposed lockdowns and other sanitary restrictions. In doing so, many countries were able to employ mechanisms such as capital buffers established in the wake of the Global Financial Crisis.

It also became clear that extraordinary measures to safeguard employment relations were needed. The ordinary principles of labour law, while catering for extenuating circumstances, could not meaningfully cushion the effects of such a rapid economic downturn as that seen in the first quarter of 2020. Economies were hit at such a scale that relying only on regular labour law provisions would have led to widespread hardship for workers in the form of significant salary reductions, the non-payment of salaries, and, ultimately, widespread dismissals. But swift and widespread dismissals as a response to a sudden, and possibly short-lived, economic shock would have also damaged companies themselves by causing widespread disruptions to workflows and by risking the cost-intensive loss of 'job matches' (for the reason that new recruitment campaigns and onboarding would potentially need to be carried out soon after). In early 2020, there was a conviction in economies across the globe that the economic recovery after the initial shock would be V-shaped, making it sensible for states to invest considerable amounts of money in the short term to avoid damage to the economy in the long term.

In parallel to the adoption of measures concerning the job market and the economy, the ordinary principles of social law needed to be adapted to cater for the pandemic context. First and foremost, the self-employed who for no fault of their own stood without an income, were typically granted direct payments to maintain an income source. This meant that in many countries, the self-employed and other types of workers outside of regular labour relationships were included in widespread 'social programmes', often for the first time. In countries with large informal sectors, widespread lump-sum payments were issued to provide a source of income, however low. In addition, many of the ordinary social security schemes were changed so as to cater for the specific context of the pandemic. Individuals whose benefit period would have expired, but who would have only been able to find a job with great difficulty, typically had their maximum benefit periods extended.

All of these measures had the aim, in full or in part, of limiting individual financial hardship. The underlying reason for these widespread state interventions in the ordinary workings of the economy, the labour market and social welfare was that the pre-pandemic principles of the market economy, first and foremost self-responsibility, could no longer feasibly apply. Based on no fault of their own, individuals were threatened by unemployment, loss of earnings and little chance of finding alternative sources of income. This project has looked at the measures states took during the crisis in the field of economic policy, labour market policy, and social protection with the aim of preventing or limiting individual hardship. The case studies of this project therefore did not look at economic policy or labour market measures in total, but only in as far as measures could be understood *as social policy.* All of the measures discussed in this paper were, in essence, about limiting individual hardship and, ultimately, about preserving the social order of the society in question.

This study covers twenty-one country studies from around the globe. By now, countless 'tools', 'trackers' and 'dashboards' have become available online to provide a quick overview of the COVID-related policy measures adopted since the outbreak of the pandemic.[2] However, these resources usually do not offer an analytical assessment of how the measures need to be systematised legally, how their distinct shape can be explained, and what they might mean for the future of the welfare state concerned. With regard to more scholarly analyses of the pandemic, on the other hand, many fine studies have already emerged. But these tend to overwhelmingly focus on the health perspective or the economic dimension of the pandemic response, and rarely do they take a legal analytical perspective from the distinct perspective of social law.[3] What this research project set out to offer, therefore, is a first in-depth analysis of the distinct social protection dimension of the crisis response. The individual papers have set out in detail how the crisis measures interacted with existing welfare state institutions, what their legal nature was, how the relationship between collective risk and individual responsibility was negotiated and shifted during the

2 See for example: Mary Daly, Bernhard Ebbinghaus, Lukas Lehner, Marek Naczyk, and Tim Vlandas, Supertracker: The Global Directory for COVID Policy Trackers and Surveys, Department of Social Policy and Intervention (Oxford, 2020).

3 Some excellent studies include: Adam Tooze, *Shutdown – How Covid Shook the World's Economy* (New York: Penguin, 2021); Malte Thießen, *Auf Abstand – eine Gesellschaftsgeschichte der Coronapandemie* (Frankfurt: Campus-Verlag, 2021); Peter Baldwin, *Fighting the First Wave – Why the Coronavirus Was Tackled So Differently Across the Globe* (Cambridge: Cambridge University Press, 2021).

crisis, what unique challenges countries faced in implementing a crisis response, and whether any long-term changes to each welfare state can be expected from the experiences made during the pandemic.

Overall, the second phase of the ‘Protecting Livelihoods’ project has confirmed the findings of the first phase (See I. Introduction). However, the second phase, offering an additional sixteen country studies, has also been able to add very relevant nuance and context to the manifold ways in which the crisis measures were employed and what impact they had. The following pages will provide a brief account of the chapters’ key findings and the project’s overall conclusions.

2. *The Types of Measures Employed – A Global Survey*

The chapters in this study highlight how countries across the globe followed a similar rationale when taking measures in the field of economic, labour market and social policy. All countries sought to prevent hardship and keep the economy going. However, despite all countries in this paper following the same core considerations in choosing their economic, labour market and social policy response to the pandemic, there was significant practical variation when it came to the various schemes and mechanisms employed.

With regard to job retention, two categories of schemes were typically employed: either tax-financed schemes or schemes financed via unemployment insurance funds. This at first glance suggests a highly different organisational structure and method of financing. However, such a binary distinction belies the fluidity of how these two types of schemes were employed during the pandemic: while many countries employed so-called short-time work schemes financed via the unemployment insurance funds, the state typically had to step in during the COVID-19 pandemic because the funds themselves would not have been able to cover the cost. We also saw hybrid schemes, such as in Poland, where measures were co-financed via the Guaranteed Employee Benefits Fund.

A further difference between the schemes has been that some measures relied on existing mechanisms, such as the short-time work schemes in Germany and Italy, which had already been established before the pandemic, whereas others, including the wage replacement schemes of Denmark and the UK, were entirely novel mechanisms. However, again, any such distinctions drawn about the origins and frameworks of such schemes are less clear-cut than they may at first seem: existing schemes were often adapted, as in the Netherlands, where despite the existence of an earlier short-time scheme, a new scheme (NOW) was introduced. In other countries, such schemes were pre-existing, such as the short-time work scheme in Sweden, which had been introduced in 2013, but had never actually been used before. In Taiwan, a scheme existed but the economic threshold to trigger it was never met, not even during the COVID-19 pandemic. The pre-existence of a scheme does not necessarily mean, therefore, that there was widespread experience with it and that a better crisis response could be expected. Further practical distinctions between the schemes relate to whether they were proportionate to salaries (see for example Australia for a non-proportionate scheme) and whether they were paid to employers or directly to employees (again, in Australia they were in part paid directly to employees).

Support for the economy was provided through a wide range of state measures, including access to low-interest loans, loan guarantees, the deferral of the payment of taxes, social contributions, and debts in general, as well as compensation for the self-employed. These measures were found, albeit in varying shapes, in all of the countries surveyed in this project. However, there were key differences when it came to their scope, partly related to the fiscal means available to individual countries. In addition, many countries adopted compensation schemes for company fixed costs, including the Netherlands, Poland and Germany. Sector-specific support measures were also adopted in many countries, and this typically included the tourism, hospitality, music and events sectors (Netherlands, Denmark, Slovenia). Some countries, including Slovenia, Taiwan and Ireland, also granted consumer coupons and vouchers, to be spent in specific sectors. A similar concept was the underlying idea of the ‘Eat Out to Help Out’ scheme adopted in England in the summer of 2020.

The measures concerning social protection included a wide range of approaches, and it is perhaps in this context that country-specific variations were the most pronounced. Depending on the nature of the economy, the size of the informal sector and the organisational structure of the social protection system, the measures ranged from generalised ad-hoc lump sum payments to carefully calculated increases of benefit levels and finely adjusted extensions of maximum benefit periods. Almost all countries surveyed in this project saw an increase and extension of unemployment benefits. In some countries, a special type of unemployment benefit was introduced for the recently unemployed, leading on the one hand to concerns of a divide between different groups of unemployed. On the other hand, these measures were able to cushion the shock for those who had recently and perhaps unexpectedly become unemployed. It is perhaps no surprise that they were found in countries such as Ireland and New Zealand, which otherwise have very low unemployment benefit rates.

The pandemic also saw the introduction and expansion of sickness benefits to cater for the wide range of new sick leave constellations, as well as the increased frequency of sick days. Sickness benefits were typically paid to individuals in isolation or quarantine. In addition, many countries made sickness benefits more generous by making individuals or their employers eligible to receive benefits from the first day of quarantine or infection, rather than keeping waiting days in place. This was of course also a key step in curbing the transmission of the virus, in that individuals should not be incentivised or forced to turn up to work in spite of an infection or close contact due to financial worries. Parents shouldered a significant burden during the pandemic and were affected by the closure of day-care facilities, or the sickness or quarantine of their children. This was typically considered in the introduction and expansion of sickness benefits. In addition, social assistance was used in multiple forms. In many cases, lump-sum payments were made within the institutional framework of social assistance, and increased levels of social assistance were adopted for some groups. At the same time, given the speed at which measures had to be adopted, this type of social assistance was often granted without a means test, effectively removing one of the core characteristics of social assistance. This reflects more generally how many of the measures adopted during the pandemic were not labelled accurately by the legislator, but also how the debates surrounding the pandemic response often did not consider the underlying logic of social protection systems.

3. *Modalities of Risk-Sharing and the Legal Nature of the Crisis Response*

The country studies of this project have not only presented the wide array of measures adopted during the pandemic, but they have also analysed them from an institutional and legal perspective. This has allowed the studies to provide key insights into how the financial burden of the pandemic was divided between groups such as those covered by social insurance, employers, and the state, meaning by extension the larger collective. Ultimately, the way in which individual and collective responsibility were calibrated during the pandemic is one of the central dimensions for understanding the values and norms underpinning the crisis response. As the country chapters have shown, assessing the principles according to which the crisis burden was divided requires a deep understanding of their financing, their coverage, and the levels of compensation of the schemes.

The empirical description of schemes and the analysis of the principles upon which they rest were therefore closely interwoven. Based on the findings presented in the country chapters, some general conclusions can be drawn:

The short-time work schemes that operate within contributory unemployment insurance systems are financed – at least in part – by the contribution payers, meaning (typically, in social insurance systems) employers and employees. In principle, this would mean that short-time work, a key instrument for economic stability and overall societal prosperity, would not be shouldered by society as a whole, but only by the social contribution payers. This is not uncontroversial, in particular as it might deplete unemployment insurance funds of their resources and lead to a more long-term increase in benefit rates. However, as we saw in Section 2, it is important to bear in mind that during large-scale crises such as the COVID-19 pandemic, the state typically steps in and provides financial support from taxpayer-generated funds, essentially leading to a division of the crisis burden across several groups.

The more widely used mechanism during the crisis, however, have been state-funded measures, generated through tax, and therefore shouldered by the collective of taxpayers. This was the case in relation to many wage-replacement schemes, as well as the extraordinary measures for the self-employed. These measures temporarily set aside the traditional division of responsibility in the respective welfare state. Whereas in many countries, the self-employed typically have access to residual welfare benefits only, and are responsible for generating their own safety nets, this logic was deliberately suspended during the pandemic. There emerged a sense and practice of responsibility towards groups that stood without this safety net, changing the modalities of how the market and state approach individual economic risk and responsibility in 'normal times'.

However, a simple categorisation according to 'types' of schemes would be too simple in showing the risk division during the pandemic. In evaluating how the financial burden of the pandemic has been distributed exactly, one will need to look at the coverage and compensation levels of each scheme. Very few schemes covered losses in full. This was typically only the case when, for example, a business was *directly* affected by government-mandated restrictions, rather than being more indirectly affected by the economic downturn. In general, the schemes offered partial compensation or wage coverage only. The job retention schemes differed significantly with regard to the levels of compensation they provided and any additional requirements they stipulated: Whereas some schemes required employers to continue to pay the full wage to employees, with a certain percentage covered by state funds, other schemes saw a reduction in working hours or salary, meaning that the employees indirectly shouldered part of the burden. In some schemes, employees had to pay a contribution not in accepting a reduced salary, but in taking a specific amount of holiday leave while their work duties were suspended (Brazil, Denmark). Rather than state grants, some countries offered loans to cover wages. Likewise, the lump-sum payments or schemes for businesses' running costs were rarely covered in full.[4] This means that employers, businesses and – in part – employees also had to shoulder part of the financial burden and that the crisis burden was often carefully divided across a range of actors. Paying attention to these differences is important in understanding more fully how the crisis burden was divided between different actors.

When it comes to country-specific differences with regard to the division of the crisis burden, one conclusion that can be drawn is that the level of compensation granted in part reflects the traditions of the market and welfare system concerned. It is no surprise, for example, that employers in both China and Russia received comparatively low levels of compensation, as they have traditionally had a strong role in their post-communist market economies. Compensation rates in Denmark and Sweden were comparatively high and were the result of carefully negotiated agreements with all labour market parties, reflecting the strong tradition of tripartite agreements and industrial relations in these countries. In the 'liberal' welfare states, the crisis response has, in part, also been typical of these countries, with low compensation levels present in Australia and New Zealand, for example. England stands out as an exception in this regard, with its wage replacement scheme adopted in March 2020 even exceeding that of Denmark in terms of its generosity. In other regards, however, in particular when it comes to the self-employed and social protection measures, the English response has been more typical of its residual welfare state.

With regard to the legal classification of the social policy measures employed during the pandemic, the country studies of this project have highlighted the challenges of clearly defining them from a legal perspective. While it is more or less immediately visible what the *institutional* anchoring of a scheme is, the precise *legal* nature is often more difficult to establish. This is because, as we have seen, some schemes – first and foremost the short-time work schemes – rely on hybrid financing mech-

4 Schemes which dramatically 'overpaid' (such as the Australian JobKeeper) are exceptions in this regard and do not rest on a meaningful shift in dividing risk, but rather appear to have been an implementation error.

anisms combining contributions and tax funding. Other measures have been tweaked, essentially changing their core legal characteristics. Social assistance that is stripped of the requirement for a means test, for example, is no longer social assistance from a legal perspective, even if the legislator retains its name. The schemes become instead a type of compensation, paid by the taxpayers' collective, for the actual (or in some cases assumed) financial damages of the pandemic. Neatly separating this from other legal instruments remains a difficult task, however. As the chapter on Slovenia has shown, with the measures' focus on economic recovery, they can equally be said to amount to a subsidy for certain sectors of the economy. During the pandemic, the legal categorisation of the measures became relevant first and foremost in the context of state aid rules, but as we shall see in the following, it is of fundamental importance in a number of other ways.

4. The Normative Bases of the Crisis Response

Determining the legal nature of the crisis measures is an essential step not just in understanding the division of risk and responsibility which they employ, but also for determining their normative bases – and, ultimately, the adequacy of the crisis response. It is remarkable that the countries studied in this book – countries which follow radically different welfare traditions and have very different economies, labour markets, infrastructures and financial means – have adopted similar crisis measures. As we have seen, the main difference has been in regard to the institutional anchoring of the measures and the level of compensation granted. However, the underlying thought – that some form of collective financial response to businesses and individuals affected was not just needed but adequate – appears to have guided decision-makers in all countries under study. What, then, is the normative basis of such a response? While decision-makers in some countries may have been guided by core constitutional principles, such as the right to social assistance or the welfare state principle, these constitutional provisions in and of themselves do not explain sufficiently why communities have stepped up in the context of the pandemic and, in many cases, also gone significantly beyond the 'modicum' which would typically have been sufficient to satisfy specific constitutional requirements.

It appears, instead, that *solidarity* has been the guiding normative principle in relation to the crisis response. Despite the country studies representing very different societies, with different legal orders, values, traditions and welfare state institutions, there seems to have been a similar underlying notion of solidarity guiding them. This solidarity can be defined as an act of collectively and temporarily stepping in and supporting those in need so that they may regain their ability to function independently and self-responsibly. However, the chapters in this book have also highlighted that further research is needed on the concept of solidarity in today's welfare states, and in particular in the context of crises. It is also important to stress that solidarity will be understood differently at different times and in different societies and institutional contexts (as shown for example in the chapter on France).

One might also argue that the stability of the welfare state – and the constitutional order as a whole – could provide a normative argument for the interventions seen during the pandemic. Welfare states are delicate constructs, culturally distinct, and with values guiding them that have typically evolved over many decades if not centuries. Levels of inequality that may be acceptable in one country might be totally unacceptable in another. However, what welfare states tend to share is the challenge that any extreme disruption to their finely calibrated redistributive mechanisms may pose a threat to their existence in the long term. If entire social groups, in particular the self-employed, informal workers or social benefit recipients, had been left to their own devices in the pandemic, then this could have led to these groups no longer placing faith in the welfare state – and the state more generally –, involving the risk of the rise of new political movements that could destabilise the legal-political order. In this sense, the measures also contribute to ensuring 'social peace', and, by extension, legal-political stability, in that they try to leave the existing balance of inequality and equality intact.

The unclear legal and normative anchoring of the crisis response also means that it becomes difficult to subject it to judicial review. This is a problem for the entire legal community: while some groups have received generous support, others have been overlooked. However, it would have been challenging to invoke in front of courts the right to higher levels of compensation. While countless legal disputes have arisen out of the pandemic response, the question of the adequacy of protecting livelihoods remains a particularly challenging one. For courts to decide on whether a response was adequate, a clear understanding of its legal nature and normative basis is needed. However, it is not just those who feel they may have been overlooked and not received a sufficient level of payments or benefits who have an interest that the question of adequacy has a clear legal and normative basis. It is also relevant to the community at large to be able to review how and on what basis tax funds are spent. While intense political debate concerning the provision of an adequate response took place throughout the pandemic, some disputes are only just reaching the courts and many complex questions concerning the normative bases of the crisis measures are yet to be resolved.

5. Challenges Faced in Providing an Adequate Response

The chapters in this book have also highlighted the wide range of practical challenges that presented themselves in providing an adequate crisis response.

The first such challenge, discussed also in the Introduction of this book, stems from the rapid and unpredictable spread of the virus. The speed with which measures had to be adopted in early 2020 was unprecedented, leading to broad-brush schemes with many initial oversights, leaving entire categories of workers and businesses outside their scope. The fact that most schemes were based on emergency legislative powers of course meant that there was insufficient time to review them, or to follow the usual parliamentary hearing stages, which in part explains such oversights. This situation could be found across the globe, as the studies in this book have shown. An additional challenge, stemming directly from the nature of the pandemic, concerned the extension, reintroduction, and modification of the measures of the first wave during subsequent waves of the pandemic. While initial oversights could be corrected over time, this also led to a growing complexity of the measures (as discussed for example in the chapters on Australia and Denmark). Such changes were often also complemented by a change in the economic rationale underpinning the measures, further complicating the picture (see below, 6).

Closely related to the ad-hoc manner in which the measures had to be adopted was the problem that many labour market groups largely remained outside the reach of the measures. 'Atypical workers', migrants, and informal labourers faced particular challenges virtually everywhere. However, this was only in part a result of the fact that the given schemes had been adopted so fast. Partially, this also resulted from deliberate policy decisions, in line with pre-existing approaches to specific groups in the labour market. This pertains in particular to foreign workers, who often faced more unfavourable conditions (for example in Russia and Australia). In addition, there may have been problems of representation. With larger industry sectors having more lobbying power, and in some countries labour market parties even having sat at the negotiating table during the pandemic, their needs could be considered in the adoption of the crisis schemes. This was not the case for 'atypical workers'. Institutional path dependencies may have been a further factor for why some groups were treated less generously. In particular in social insurance-based welfare states, there was simply no pre-existing institutional structure through which to swiftly build schemes for the self-employed. Some countries sought to remedy this by establishing new schemes, including the Netherlands. Ultimately, however, these schemes were often much less generous than those for standard workers. It is perhaps needless to say that there were particular challenges in countries with large informal sectors. Here, largely lump-sum payments, often at low levels, tended to be the norm (for example in Brazil and Mexico).

Beyond coverage, there were countless challenges concerning the dispersal and review of payments. These corresponded closely with more general infrastructure challenges. Where digital infrastructure was less present or integrated, for example, dispersal could take longer, as seen for example in Germany. In South Africa, where many individuals do not hold a bank account, the dispersal of payments became a challenge from a sanitary perspective: payments were made via the South African Post Office, leading to large crowds at the Post Office. Lack of digital infrastructure could also be a challenge when it came to fraud, given that the high case load meant that applications could not be handled manually, at least not with any meaningful degree of scrutiny. During the pandemic, when large sums had to be dispersed quickly if they were to fulfil their purpose, there were few control mechanisms and fraud was not uncommon. The degree to which countries managed to conduct productive fraud control varied significantly, and correlated also with the presence of transparent, efficient, and digital infrastructure.[5] Some schemes also required a final calculation (such as in the Netherlands), with repayments to be made of funds not actually needed. In other countries, such repayments were optional.

A final challenge, to which some of the authors have drawn attention, is that the pandemic response has been shaped to a significant degree by politics and political opportunism. Allocation of financial means and solidarity in the welfare state are extremely contested even in 'ordinary' times. The pandemic concerned core questions of inequality, redistribution, and solidarity. While the usual rules no longer applied, and there was a general consensus that extraordinary measures were needed, the pandemic was still marked by widely differing attitudes in the population as to what measures

5 Amy Yuan Zhuang, Digitaliserede økonomier har klaret sig bedre gennem pandemien, Economic Memo, Danmarks Nationalbank, 18 August 2021.

would be appropriate. As several of the chapters in this book have shown, politicians regularly wove their pandemic response closely together with election campaigns, seeking to please certain parts of the electorate at the expense of a more coherent approach. This was shown for example in the case of Slovenia, but also in Brazil and the Czech Republic. However, such dynamics will have been present to some degree in all of the democratic countries surveyed in this project.

6. *Phasing Out the Crisis Measures*

A particular concern with regard to all of the measures discussed in this book has been the question of when and how to phase them out and return to the balance of individual responsibility and collective support characteristic of 'ordinary' times. In general, there was widespread agreement in the countries surveyed that the measures introduced to protect livelihoods would be in place for a limited period of time only. However, ending support and returning to the ordinary principles of the social market economy also meant that this could cause immense hardship from one day to the next – in particular as full economic recovery had not taken place when restrictions began to be lifted, but also because consumer behaviour had changed dramatically during the pandemic. Formerly bustling business districts remained quiet, as few workers returned to full-time work in the office. This meant that sectors in inner city districts that had relied on office workers, such as the hospitality sector, saw a radical decrease in demand. Many individuals still avoided large indoor gatherings, even long after restrictions had ended, meaning that cultural and nightlife venues continued to suffer indirectly from the pandemic. However, phasing out support meant that some form of economic hardship would be inevitable, unless the state decided to subsidise unviable businesses. The project has shown that especially the Nordic and liberal welfare states focused early on a swift economic recovery and the avoidance of the so-called 'status quo bias' (see for example Australia, Denmark, England and Ireland). However, to some degree such concerns lay at the heart of all decision-making during the pandemic.

A first, soft way of generating an impetus for businesses and individuals to return to ordinary social market principles was to make the pandemic measures less generous over time and change them slightly in an attempt to generate incentives for business activity. This was a common approach in the countries surveyed in this project. The short-time work schemes NOW of the Netherlands exemplify this shift in rationale well. As the authors state: '*while NOW 1.0 sought to "maintain the employment of workers for the hours worked before the downturn [in productivity], NOW 2.0 stated the less strictly formulated goal of maintaining the employment of 'as many people as possible"*'. Several of the contributors to this project have highlighted how the concept of self-responsibility regained increasing emphasis in official measures and political communication (see for example the chapters on Germany, the Netherlands and China).

Several countries, including Australia and Ireland, also introduced new benefit types to cushion the phase-out of more generous schemes. In Ireland, the Pandemic Unemployment Payment (PUP) was intended to soften some of the effects of the phase-out of the more generous short-time work scheme. Another option was to make access to existing social protection schemes easier for groups hit by the pandemic. This was done in Sweden and Denmark, for example, where individuals were granted a special access route into the (voluntary) unemployment insurance funds by retroactively paying 12 months of membership fees, thereby becoming eligible straight away for unemployment benefits as the crisis measures were being phased out.

However, several challenges remain. First of all, the phase-out of the measures could not be conducted in the linear way that many economic advisors and political decision-makers had advocated during the first wave of the pandemic. The risk of social hardship would have been too high had one followed a rigid approach during the many unpredictable phases of the pandemic. Decision-makers needed to retain some form of flexibility so as to match the changing challenges of the pandemic and the measures therefore came to largely mirror the pandemic waves. Throughout the pandemic, political pressure remained high to maintain or reintroduce the crisis measures in order to avoid hardship. Due to the various pandemic waves, there was therefore some degree of back and forth. And as many measures are still in place in some form at the time of writing, some of the challenges of the phase-out will only become fully visible at a later point in time. This was highlighted in the chapter on Japan, for example, where the repayment deadlines for special COVID-19 loans is likely to lead to renewed social hardship. It can be expected that many individuals and business actors will face such repayment challenges also across the globe.

7. *Assessing the Impact and Success of the Measures*

Assessing the impact and success of the measures at the centre of this study remains difficult at the time of writing. The pandemic is not yet over and some of the more long-term changes to economic market activity and consumer behaviour remain unclear. However, it is certain that the pandemic response measures discussed in this book have cushioned some of the most devastating effects of lockdowns and other sanitary measures to curb the spread of the virus. Estimates suggest that a significant number of jobs were saved due to the short-time work and wage replacement schemes. Economic recovery was facilitated by the broad spectrum of measures that in direct and indirect form supported the economy. And, finally, by tweaking social protection measures and granting extraordinary payments, individuals have had more income at their disposal in supporting themselves and their families than they would ordinarily have had.

However, this is not to say, of course, that the measures have prevented hardship universally. The crisis put into stark relief the weaknesses of each welfare state and the groups most at risk of standing without a safety net. 'Atypical workers', a broad term which can include part-time workers, fixed-term employees, gig workers, the self-employed/solo-traders as well as informal or illegal workers, were hard hit by the pandemic and often fell between the cracks of the COVID schemes. A full economic assessment of the COVID-19 measures will need to look at the effects the schemes have had on these highly different groups of labour market participants. This will also be important in trying to assess the potential gender differences in relation to the crisis measures. As some chapters of this book have shown, the COVID response measures suggest a gender bias. Men, for example, were often favoured in wage subsidy schemes as they tended to be in the full-time regular employment these schemes aimed at. Women overall appear to have suffered disproportionately as a result of the crisis, as they are more frequently in part-time or 'atypical' work. When it comes to the overall effects of the measures, it also needs to be borne in mind that they may have had unintended effects, such as reinforcing gender roles within households. More research is therefore needed with a view to the effects of the measures on different groups within the labour market.

The chapters of this book have also shown that there are very different ways in which one can seek to measure the success of the COVID response. As the authors show for the case of Poland, 'the proposed solutions met social expectations'. This is not an irrelevant finding in an area as politically contested as social protection. If one of the findings is that the welfare state succeeded in maintaining or establishing public trust in the welfare state and its institutions, then this can have a long-term impact on the more general support of the welfare state, the collective willingness to engage in financial redistribution and the welfare state's underlying principles of solidarity. Future research will have to show in what ways the pandemic has changed public perceptions of welfare state institutions, but also of specific social schemes such as social assistance. As suggested by Ulrich Becker in this book's Introduction: If the middle classes increasingly rely on social assistance or other social benefits, basic social attitudes towards concepts such as poverty and unemployment may shift, and with this, the general willingness to support the welfare state, potentially also leading to changes in regard to some of the stigma at times associated with claiming benefits. More broadly, the pandemic may also lead to more long-term societal reconsiderations of the ideas of risk, merit and inequality in the market economy.

8. The Post-Pandemic Welfare State

One of the questions that this research project set out to address was whether the pandemic response has led to any changes in the welfare states concerned. Despite the very different regime types under study, the answer to this question is similar for all countries: the special COVID-related measures were in place for a limited period of time only, and did not bring about any institutional or system-related changes to the welfare states in question. States did not introduce a radically different welfare state architecture, but largely stayed within the institutional frameworks that had developed over long periods of time. The underlying principles of their welfare states were usually only set aside for a short duration of time. Only in select countries, such as in Italy, did the pandemic accelerate certain institutional reform tendencies, in this case towards the universalisation of schemes. The more general changes observed by the authors of this project concerned not the institutions or principles, but rather the practical operation of welfare administrations, first and foremost with regard to digitalisation, as seen for example in Greece and Poland.

This is not to say, however, that the welfare states are the same as before the pandemic. The pandemic has triggered intense political debates over the role of the welfare state in the twenty-first century. Discussions have re-emerged about the role of the welfare state towards the self-employed in particular. This is due to several factors. Since the end of the twentieth century, the self-employed have become an increasingly complex group with many different social needs. Given that many self-employed are in a highly precarious position, including for example gig workers, an argument could even be made that it is *especially* this group that should be included in the welfare system. An additional factor is that the increased pace at which the economy is changing due to technological developments means that many workers will (want to) shift between self-employed work and being in an employment relationship over the course of their working lives, a process which is hampered by the existence of different social protection systems for these groups. The problem about how this can be achieved remains complex, in particular for the traditional *Bismarckian* social insurance systems. However, the debate has been intensified by the pandemic and it is likely that some form of changes and processes towards universalisation will take place, at least for some groups of self-employed workers.

The pandemic has also reinforced awareness of the risk of sudden, external economic social shocks more generally. The frequency of crises already witnessed in the twenty-first century means that the core mechanisms and modalities of the welfare state need to be carefully evaluated so as to make them fit for a fast-changing interconnected global economy that is susceptible to disruption. As the worst of the pandemic appears to have passed, new global crises have emerged or become more acute: climate change is gaining pace, and the war in Ukraine has – beyond the immediate humanitarian catastrophe – intensified supply chain disruptions, added to already-soaring energy prices and increased the cost of many essential food products across the globe. The United Kingdom is in a full-blown 'cost of living' crisis, with an estimated one in ten parents 'very likely' to have to rely on food banks in the next three months.[6] Such developments also require us to carefully reassess what key ideas of the welfare state such as self-responsibility and merit mean in today's labour economies. More fundamentally, this needs to be accompanied by a careful assessment of the meaning of the concept of 'work' in the twenty-first century, and further research into how economic prosperity becomes available to all and how social justice can be measured and achieved.

Finally, the pandemic has put social compensation law into focus. This 'last resort' of legal measures will become increasingly important over the next decades as our economies face more and more 'uninsurable' risks brought about by war and climate change. The question of what would be an adequate response to future pandemics and other disasters is a difficult one to answer and will need to be debated in the specific context of a society's values, economic structure, and financial possibilities. It is a challenging time to be optimistic about economic prosperity and equality. But this makes it all the more important that societies engage with the core values and principles that bind them together.

6 Tom Ambrose, Almost one in 10 parents 'very likely to use UK food bank in next three months', The Guardian, 18 April 2022.