

IARIW-OECD Conference on Economic Insecurity: Causes, Measurement and Implications

Panel : Policy implications – What does “Social Protection” now mean? What should it mean?

The past decades have seen major changes in world economies as a result of globalisation and rapid technological progress. While globalisation and technical progress are major engines for growth, they are conducive to intense labour reallocation across jobs and workers. Securing workers employability and income, rather than jobs themselves while protecting the most vulnerable has been one of the guiding principles of labour market and social protection reforms over the last two decades in most OECD countries. These strategies have been rather successful. However, a severe recession, such as that currently underway is putting such reforms under test. Not only should social protection act as a traditional safety-net of last-resort for the most vulnerable groups in the population but it should also prevent risks of long-term economic and social exclusion. There is scope for strengthening social protection systems in many countries for those most affected by the crisis, for example by extending the duration of unemployment benefits. However, governments should ensure that enhanced social protection preserve work incentives once the recovery takes place. In the current context of fiscal consolidation, governments should invest in labour market and training policies and in social interventions that lower the risks of economic insecurity in the future.

The panellists are asked to discuss the following issues:

1. Which policies work best to reduce economic insecurity? Are there barriers to their implementation, and if so how to overcome such barriers?
2. What are the aspects of the welfare reforms introduced over the past decade that the current recession is putting to greater test, and where adjustments may be needed?
3. Which areas of social protection should be regarded as priority in the current context of fiscal adjustments?