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Conceptual differences in the redesign of social citizenship:

Two distinct paths of marketizing social protection and their impact on social inequalities

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Abstract

Social protection design has changed enormously in all European countries since the early 1990s. The point of departure for these changes has been, roughly speaking, the emerging demand for more autonomy for citizens and considerations of cost containment. Both demands are combined in all kinds of activation policies that emphasize individual responsibility on the one hand, and financial sustainability on the other. As a consequence, social protection has been partly outsourced into market-related, personal schemes, i.e. parts of the formerly public social provision have been shifted to market based provisions.

When analysing social policy reforms in Europe, country case studies, policy field studies, and institutional change is subject of interest. Thereby, similarities and

differences of social policy reforms are not grasped in a conceptual way. I argue, however, that we can observe conceptually different experimental paths of (partially) outsourcing public social protection to the market, i.e. there are two very different general characteristics of outsourcing. Here, I want to, firstly, show the differences and the characteristics of these paths, and, secondly, analyse how the two different paths of partly outsourcing public social protection influence different citizens' opportunities of achieving financial well-being or, to use the European Commission's term, to build up 'adequate' social protection.

The elaboration of the reform paths is theoretically based on the combination of three concepts: Firstly, on the concept of life-course regimes as put forward by Kohli (1986); secondly, on the concept of social citizenship as proposed by Marshall (1964); and thirdly, on the concept of flows of resources related to these rights (Maier & Harvey 2004). The combination of these three approaches allows us to analyse the impact of social policy change on the quality of social citizenship since it combines institutionalised and individual life courses, and public responsibilities and the flows of resources for social protection, all of which are subject to substantial change. The impact is elaborated by the foreseeable shifts in the social protection of the different social citizens related to social policy changes.

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1. Introduction

Social protection design has changed enormously in all European countries since the early 1990s. The point of departure for these changes has been, roughly speaking, the emerging demand for more autonomy for citizens (Clasen 2002, Lessenich 2008, Schmid 2005, Schmidt 2002) and considerations of cost containment (Hills 2004, Hyde et al. 2003, Mossialos & Le Grand 1999, Myles 2002, Sinn 2000). Both demands are combined in all kinds of activation policies (Jensen & Pfau-Effinger 2005) that emphasize individual responsibility on the one hand, and financial sustainability on the other.

As a consequence, social protection has been partly outsourced into market-related, personal schemes, i.e. parts of the formerly public social provision have been shifted to market based provisions (Barr & Diamond 2002, Bonoli & Martin 2007, Frericks et al. 2007, Meyer et al. 2007, Seeleib-Kaiser 2008). The assumptions behind outsourcing social protection schemes are twofold: Firstly, capital, or fully-funded social protection schemes assume (and depend on) (increasingly globalised) economic growth - much more than do public social protection schemes. While the latter in one way or another are based on a kind of 'PAYG' (Pay-as-you-go) logic in accordance with a Musgraveian understanding of social rights as meritoric (i.e. impure public) goods, growth is meant to be supported by outsourcing former social-security contributions into the financial market (Blackburn 2003, Frericks 2007, Minns 2001, Pino & Yermo 2010, Streeck 2009). In addition, outsourcing public social protection schemes is based on the logic of externalising collective problems by, for instance, introducing fully-funded schemes as a solution or response to demographic challenges (Brown 2008, Ebbinghaus 2007, Lessenich 2008, Minns 2001).

When analysing social policy reforms in Europe, country case studies, policy field studies, and institutional change is subject of interest. Thereby, similarities and differences of social policy reforms are not grasped in a conceptual way. I argue, however, that we can observe conceptually different experimental paths of (partially) outsourcing public social protection to the market, i.e. there are two very different general characteristics of outsourcing. In this contribution, I want to, firstly, show the differences and the characteristics of these paths. Secondly, I will analyse how the two different paths of partly outsourcing public social protection influence citizens' chances of achieving financial well-being or, to use the European Commission's term, to build up 'adequate'[1] social protection (EC-Report 2006, Missoc ongoing).

The two very different concepts of outsourcing social protection have implications on social inequalities, new insecurities and foreseeable under-insurance. This is the case since social protection redesign changes on the one hand the obligatory character of social insurance. On the other hand it changes the social construction of the "adequately" protected which might not fit the factual situation of various groups of citizens. In other words, the identified paths of

[1] The term or the concept of adequacy is by far not used in a uniform way and often, adequacy is not concretized (e.g. EC-Report 2006, OECD 2009, WB-Report 2005, various scholars' contributions, e.g. Hill 2007). Here, and in accordance with national, European and International Organizations' notions of adequacy (e.g. EC-Report 2006, OECD 2009) it is used in terms of benefits to more or less maintain the living standard above means-tested poverty preventing social security.

social protection redesign have implications on the social citizen since they change politically instituted and historically developed life course norms of the social citizen.

In the following, I first introduce the conceptual framework and methodological approach (2.1), then I describe the two distinct forms of social protection redesign: 'Life-Course Savings Schemes' and 'Personal Savings Accounts' (2.2). In a third step, I analyse the political assumptions behind these polity tracks and their shortcomings (2.3), the kinds of inequalities that result from these changes (2.4), the recalibration measures introduced in both experimental paths to overcome most obvious shortcomings (2.5), and their implications for the social citizens (2.6), before I round off this contribution with some conclusions (3).

2. Analysis

2.1 Conceptual framework and methodology

The elaboration of the reform paths' impact on new insecurities and foreseeable under-insurance, or, in other words, the reconstruction of the socially protected, resulting in quality changes of social citizenship, is theoretically based on the combination of three concepts. These allow us to analyze changes in social citizenship by means of social policy change and changes in resource flows. Firstly, this approach is based on the concept of life-course regimes as put forward by Kohli (1986). It analysis the institutional framing of the life course by regulating and institutionalizing different phases of the life course by politically and socially set life-course norms (such as the German *Eckrentner*) which have to be complied with in order to be adequately socially protected. Particular interest is related to inter- and intragenerational differences such as gendered life-courses. Secondly, this approach is based on the concept of social citizenship as proposed by Marshall (1964) with the focus on public responsibility for social citizens' social protection which is now called "adequate" social protection. Formerly this protection was institutionalized as employment-related opportunities to build up entitlements, and family-related derived rights (see also Marshall's comprehension of the "team"). Since some two decades, substantial changes in the institution of social protection in relation to social citizenship can be observed (Frericks 2010). Thirdly, the concept of flows of resources related to these rights (Maier & Harvey 2004) will be applied here. This concept focuses on rights over resources as a dimension of social citizenship related to the redistribution of societal resources (Harvey & Maier 2004, Frericks et al. 2010) and includes the usage of public means, the inclusion of low-income earners and, as emphasized by Frericks (2007), the inclusion of non-labour-market-related periods such as parental leave or care periods into social protection. The combination of these three approaches allow us to analyze the impact of social policy change on the quality of social citizenship since it combines the institutionalized and individual life courses, the public responsibilities and the flows of resources for social protection, all of which are subject to substantial change. The impact is elaborated by the foreseeable shifts in the social protection of the different social citizens related to social policy changes. Therefore, it is not a study on effects of specific policies but on characteristics of social protection change and their implications. Both policy paths redesign social citizenship by 'reconstructing' the social citizen (changing the set of life-course norms) and social protection (changing resource flows and regulations). The theoretical and methodological linkage of the three concepts was first applied by Frericks (2007).

This contribution results from a range of different analyses of social policy reforms (labour market policies, family policies, pension policies, partly conducted in European research networks), and it is based on data and studies on differences in important aspects of individual life courses (such as time and wage gaps). The analysis mirrors the political assumptions underlying the reform paths against the given social realities. It uses various sources on social protection redesign, life courses and related resources (to be found via the edacwowe-website, including national and European statistical and policy databases, such as Eurostat and the Missoc database, as well as policy documents), country and policy studies, and expert interviews with national and European academic and non-academic experts.[2]

2.2 The two paths

When analysing all kinds of social policy reforms, two paths of social protection change may be identified, or, in other words, two different principles of social protection can be observed in European social protection reforms. The two paths that different European welfare states take in partly outsourcing formerly public social protection to non-public providers are (1) the fragmentation of social protection by Personal Savings Accounts (PSAs) and (2) the amalgamation of social protection by Life-Course Savings Schemes (LCSSs). The difference between these outsourced parts of social protection is the following: The fragmented schemes

[2] In total, 28 interviews were conducted to better understand the functioning of and the ideas behind social protection change (academic social policy experts, representatives of ministries and interest groups).

are thematically explicit insurances to cover specific social risks, such as disability, which is not adequately covered by the public insurance schemes anymore. The generalized social protection schemes, on the other hand, offer the possibility to save for the financing of periods outside the labour market which are decided upon later in life (e.g. parental leave, sabbatical, pension upgrade). They are, therefore, very differently covering periods of need over the life course. The differences and similarities of these paths or principles, their characteristics and their implications on social inequalities shall be analysed in more detail.

Personal Savings Accounts are thematic (special-purpose), additional insurances that are quite different from personal private savings or investments, since they are instituted by the welfare state, subsidised by tax benefits under well-specified conditions varying according to scheme, and promoted as opportunities to individually achieve the currently assumed levels of welfare benefits, and as a means to increase personal freedom. These – in general voluntary[3] – schemes provided by private insurances and banks are highly differentiated insurance policies that people can (and should) buy if they see the individual need. They lead to a policy of differentiation, since they fragment social protection in terms of resources, responsibilities, and thematic reasons (i.e. justifications).

Life-Course Savings Schemes are time- or wage-savings schemes that are related to labour-market participation. Like PSAs, they also are instituted by the welfare state, subsidised by tax benefits under well-specified conditions varying according to the purpose of use, and promoted as opportunities to individually achieve the currently assumed levels of welfare

[3] Most PSAs are officially voluntary but de facto necessary; only some PSAs are in fact compulsory such as the compulsory private pension scheme introduced in Bulgaria (Missoc, ongoing).

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benefits and as a means to increase personal freedom. In contrast to PSAs, LCSSs conflate different social insurances into a general savings scheme. These voluntary schemes which are provided by private banks and insurances via the employer can be used for all kinds of time-outs including periods of care-giving, further education, early retirement or leisure. The reasons for the time-out depend on individual choice in terms of need or preference. Consequently, these schemes follow a kind of "one-size-fits-all" policy (Maier et al. 2007) which conflates former social protection in terms of resources, responsibilities and thematic reasons (i.e. justifications).

Both these paths of (partially) outsourcing social protection to the market have in common that they are not - as previously could have been said about private insurances - a 'luxury' addition for a minority, but now a necessity for every citizen to be able to keep current welfare provision, which is supposed to be 'adequate' (for pensions, see for instance Frericks et al. 2006 and 2008, Hinrichs 2005, Meyer et al. 2007, Müller 2008, Sinn 2000). Various kinds of cost-containment policies (Mossialos & Le Grand 1999) lead to retrenchment in public spending, which has created a 'social protection gap' (Bonoli et al. 2000) that must be "self-responsively" filled by the individual[4]. All kinds of social policy areas are involved in these experiments.

Some examples shall demonstrate the two distinct paths and their comprehensive implementation. PSAs are thematic additional insurances to circumvent financial loss in times of or related to retirement, early retirement, disability, long-term care, health, education

[4] This development was, in most European countries, slightly tampered before the financial crisis of 2009. In the wave of still following cost containment policies, this logic is in power even more so.

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(formal study) and so forth.[5] In this they are meant to compensate retrenchments in the public schemes. Most European countries, such as Slovakia and other Central and East European countries (cf. Müller 2008), Italy (with PIP), Germany (with *Riester*) and France recently introduced such PSAs into their pension system. The French pension additions, for instance, are the collective PERCO (*Plan d'épargne pour la retraite collectif*) where employees can put aside up to 25% tax-free of their annual income for retirement, an individual insurance contract PERP (*Plan d'épargne retraite populaire*) which is more highly regulated and allows withdrawals only as annuity pensions (Vosdroit 2009) and a new individual retirement-saving plan (PEIR) allowing for up to 10% of earnings to be contributed with tax privileges (OECD 2009). In addition to pension PSAs, various other PSAs have been introduced in other social policy areas, such as in Germany where PSAs have now also been introduced into the disability system and further strengthened in the health system. All European countries that have not introduced general Life-Course Savings Schemes, have introduced different kinds of PSAs (for an overview see International Reform Monitor, ongoing, Missoc, ongoing).

LCSSs can be used for all kinds of time-outs including child care, elderly care, periods of study and further education ('life-long learning'), early retirement or various kinds of leisure. These general schemes can be found in the Netherlands and, to a certain extent, in Belgium.[6] In the

[5] It might make sense to include also pension credits gained in time-out periods into these PSAs, such as the former pension entitlements for study periods in Germany, or the current purchasable pension rights for these periods in France. These then would bridge the two distinct forms of social protection redesign, since PSAs would then function in a thematically linked LCSS manner. The German example is also prototypical for its blending of private and public elements and for its attention to life-course aspects of care-giving within this blending since it introduced child-care credits into the private *Riester* pensions. The question arises where to draw the line between social insurances regulated under public law and individual contracts formerly regulated under private law.

[6] Other countries use employment- and company-related savings schemes for employment interruptions, e.g. *Langzeitkonten* in Germany, TRF (*Trattamento di Fine Rapporto*) in Italy; they are, however, not all-encompassing as the LCSSs are.

Netherlands, participants may save up to 210 % of their gross yearly salary. A generous supplement for parental leave is linked to this scheme which is quite generous for persons with a low-to-medium salary. The Dutch LCSS (*levensloopregeling*) from 2006 incorporates various formerly isolated thematic social policies (maternity and parental leave, early retirement, regulations on sabbaticals) into a unified, wage-related savings scheme, and since its introduction, participation offers the only means for taking any kind of leave, either for retirement before the mandatory retirement age or for care tasks. All employers are obliged to offer these schemes (cf. Maier et al. 2007, MinSZW 2009). The Belgian LCSS (*tijdskrediet*) also changed into a work-life-balance policy in 2002. It differs from the Dutch LCSS mainly in the sense that it is not marketised, but is a corporately provided labour right, and the 3-month parental leave is not incorporated into this time-credit system. Nonetheless, this time-credit system based on wage-savings allows one year of full-time leave for whatever reason, or up to five years of reduced working hours[7]. Also, labour contract-related social entitlements remain covered (during leave periods, pension entitlements, for instance, can be built up without contributing for up to three years, Debacker et al. 2004, RVA 2009).

To emphasise again the most important difference between PSAs and LCSSs: Countries that fragmentise social protection and use PSAs to outsource parts of their public social protection system keep on working on a fragmentised range of public thematic schemes such as parental leave schemes, while countries that unify social protection and use LCSSs also unify previously thematic schemes, such as early retirement and parental leave. In discussions with experts it

[7] Different countries use time or wage savings systems as a means to balance problematic labour-market developments. This is the case for some personal savings accounts, e.g. the TFR in Italy, or for the old time-credit system in Belgium; during the financial crisis (in 2009), this former purpose was reinforced. In other countries, these labour reductions with limited wage reductions are mainly financed by the public purse independently from personal savings accounts built up in the past (e.g. Germany's *Kombi-Lohn* and *Kurzarbeit*).

becomes obvious that both social policy redesigns are conceived as suitable for literally all kinds of social protection, including even unemployment schemes or benefits. Yet the implications that this might have on different groups of citizens have hardly been reflected upon.

2.3 Underlying assumptions and their shortcomings

In addition to the assumption of economic growth as stated above and the commitment to 'the extension and growth of stock markets and "liberalised" financial markets' that became central to the 'model' for reforms (Minns 2001: XII), one might, generally speaking, identify two political assumptions concerning the citizen as the ground from which both forms of social protection redesign have sprung. The first one concerns rational and/or individual choice: citizens are seen as being capable of deciding what their individual needs are. This includes the ability to self-actualise economically, plan long-term and be well-informed (Hills 2004, Lessenich 2008, Sinn 2000, Taylor-Gooby 2004). The second assumption concerns the potential 'equalisation' of labour-market participation: that from ideal individual labour-market participation social rights, and time-outs for periods outside the labour market in particular, must or can be 'earned'. This assumption is in line with the logic of tightening the connection between contributions and benefits, i.e. interpreting 'just' social rights as deriving from labour-market participation only (Missoc, ongoing).

These assumptions on which current social policies are based imply several problems. Since the construction of the social citizen is now much more selective and (individually) biographically linear than earlier constructions were (Frericks 2007 & 2010, Jensen & Pfau-Effinger 2005) access and risks are less than ever balanced among different social citizens. The implications which both paths of social protection outsourcing have on individual possibilities of achieving financial well-being depend on the individual's affiliation with the labour market (or the individual commodification, see Streeck 2009). As a matter of course, there are people for whom both ways of redesigning social protection are fine and who can profit from the renewed regulations. However, apart from the general pros and cons of investments on financial markets, there are challenges associated with the life-course situations of individual citizens.

LCSSs and PSAs were invented for the independent labour-market oriented (or 'activated') citizen[8]. This policy construction is based on a fully individualised life-course norm. What it does not take into account is the fact that lives are generally linked together, because of personal decisions, institutional regulations (such as non-individualised tax systems, Dingeldey 2001) and, more generally, historically developed gender arrangements (Pfau-Effinger 2005). These so-called 'linked lives' (Moen 2003) might be conceptualised in a narrow sense as two partners in a household, perhaps extended by children (or even by grandparents as in Slovakia where pensioners get grandchild-care credits, i.e. additional pension benefits related to care tasks financed by public means, Missoc ongoing), or it might be conceptualised in a broader sense as dependencies between very different life courses in a society (including the 'work

[8] The original idea of the Dutch LCSS to indeed enable citizens to balance 'work and life', based on the so-called combination scenario, was not realised (Maier et al. 2007, Plantenga 2005).

sharing' and resource flows of, for example, a cleaner and a manager). Here, however, I will limit myself to the former, since the latter is too complex to be adequately analysed in this contribution. Also, it is even the first, very obvious kind of linked lives, with its deep consequences for individual's ability to build up adequate social protection, which is lacking adequate consideration in current policy experiments. Facing current developments, one might ask why we should 'individualise social security when life courses of many men and women are fundamentally relational', and lives are interpreted as 'joint projects' (Cantillon et al. 2009: 11, own translation).

2.3 Inequalities related to both paths

There is a huge amount of literature on the differences in men and women's time investment in caring and housekeeping, and time and again data proves the enormous gender differences in weekly hours spent in paid employment (Eurostat 2008a). This 'gender time gap', as I call it, reflecting these "linked lives", in combination with the well-known gender pay gap has a huge impact on women's ability to save both time and wages for future time-out periods, i.e. in LCSSs. This contrasts to those who are full-time employed with a good income and who were perhaps even able to put overtime hours on their accounts. For them it is also much less difficult to live on, for instance, 70 per cent of their normal income during a period of leave (a regulation within the LSCCs meant to extend the period of leave or to reduce the "spent savings") than it would be for someone who can hardly afford a living on his/her normal salary. Therefore the opportunities to profit from this general scheme are very limited for part-time employed and low-income earners. Groups at particular risk of exclusion or disadvantage are mothers – single mothers in particular – and "non-western" migrants, women in particular, who are hardly employed in the sense of so-called standard or typical employment.

LCSSs are also unfavourable to women with regard to another facet of the well-captured time gap: care times and, in particular, parental leave. In both the Dutch and the Belgium Life-Course Savings Schemes it can be observed that the majority of women use the schemes mainly for care while men use them for early retirement in particular (Debacker et al. 2004, Maier et al. 2007). It is this difference in reasons for taking leave that demonstrate that the most problematic issue about generalised LCSSs is, first and foremost, a gender gap, or, more precisely, a care time gap since care tasks and early retirement, for instance, are in general equally treated as "chosen time out". Social rights acquired through time/wage savings schemes, therefore, result in much more limited social rights for women, or at least mothers, since they can less afford, in comparison to men, periods for learning or leisure, early retirement or pension upgrading as men can, if they (have to) use their accumulated time-savings for periods of parental or other care-giving leave.

Investments in PSAs, as in LCSSs, depend on peoples' labour-market position. Obviously, wage differences strongly affect individual ability to pay for (all kinds of) additional insurance policies. In addition, the level of education (also in the sense of life-long learning) and social networks have an impact on the individual's level of information about the various policies. Building up 'adequate' social rights by different thematic schemes might, therefore, be more difficult for low-income earners, less educated, socially isolated, or poorly informed people. Groups at particular risk of exclusion are women, migrants, the elderly, young people at the beginning of the 'peak hour of life', and those with precarious life courses who are particularly challenged by current necessities to the detriment of regular investment in additional social protection schemes (Blossfeld et al. 2005). The Italian TFR for instance – first set up as an unemployment scheme and currently used as a pension and individual emergency scheme – is extremely problematic for women and young workers prone to interruptions in their careers. They could – in contrast to an assumed general increase in savings earmarked for retirement in response to reduced replacement rates – end up with a replacement rate as low as 50% of the non-negligible fraction of 7.41% of annual earnings earmarked for end-of-job, one-off payments (Brugiavini & Galasso 2004). Also, all employees employed on a precarious basis, i.e. CoCoCo and CoCoPro, don't get TFR benefits at all.[9]

In addition, trust in and information on social protection investments are differently spread among the citizens (with enormous differences also between European countries, see e.g. Eurobarometer 2008). One problematic effect is that since the schemes are voluntary and gains will be set off against means-tested benefits as for instance in case of long-term unemployment or too little public pensions, so-called 'savings traps' arise (Hinrichs 2005): mainly those with lower income or more insecure labour-market affiliation do not or hardly invest in additional social protection and end up with secondary, i.e. means-tested social rights. This might, varying also from country to country, be a gender issue because of women's secondary position on the labour market, or an issue of vertical inequalities since households are often formed within one social level or class (in terms of education and ethnic background,

[9] These employees have already built up much less in public protection schemes such as public pensions than the 'typical' employed and they cannot afford private additions. Contrary to some statements, many Italians have worked on the basis of these precarious contracts for several years (Mühlberger & Pasqua 2006). Therefore, this is not comparable to the past (in Italy) and present (in the Netherlands) 'youth wage'.

cf. Cantillon et al. 2009). Further problems are, briefly, administration costs, increased bureaucracy due to the need for (public and individual) monitoring, growing lack of transparency and increasing blindness in countless competing transnational companies (at least where regulation is minimal, or free public information services, as in Italy and Sweden, are lacking).

In addition, and in contrast to general assumptions or the broad differentiation into "insiders" and "outsiders" related to either standard employment or precarious labour market participation resulting quasi automatically in adequate or inadequate social protection (Clegg in Bonoli & Martin 2007), also the 'normal employee' is not completely socially protected. This is the case since the policy path of PSAs expects and relies on individuals to choose among the various possible thematic insurances adequate additional insurances for their unique and rightly perceived risks. Employees with average income are unlikely to 'buy' the full range of social protection policies meant to guarantee 'adequate' social protection. The perceived and insured risks, however, might differ from the factual risks. The differentiation between 'insiders' and 'outsiders' therefore does not adequately grasp the outlines of upcoming gaps in social protection. These gaps are as a matter of course also related to status, but more so to life-course trajectories (Frericks 2007), life-course timing and age (Bonoli & Palier in Bonoli & Martin 2007).

Recalibration measures

Within both policy designs some recalibration measures were introduced in forms of new benefits and regulations to reduce some of the main shortcomings. Also, they respond to new social needs in the sense that both additionally support some types of leaves for 'solidaristic' reasons (Myles 2002).

In the Dutch LCSS, for instance, the valuation of child-care periods was raised by additionally subsidising them (MinSZW 2009). In addition, the problematic time frame requiring to have first built up sufficient time-credits within the LCSS before being able to take parental leave – highly challenging at the beginning of the 'rush hour of life' – was reduced.

Within the various PSAs the most common recalibration measures aim at, firstly, taming the mathematical logic of (private) insurance and, secondly, reducing the risks of social protection investments on the financial market (Missoc ongoing)[10]. These recalibration measures are based on legal decisions (e.g. at the European level concerning the gendered life-tables used in e.g. additional old-age investments), on state certifications (e.g. of the various kinds of providers and products) and legal guarantees (for instance, on returns of paid contributions, or not to offset old-age or housing investments against means-testing in times of long-term unemployment) (Engelen 2003, Frericks 2010, Lamping & Schridde 2004, Nullmeier 2001).

[10] In some mainly Central and Eastern European Countries (in Poland in particular), counter-PSAs measures are currently being taken. It is not yet clear, however, whether they aim to drastically increase PSA regulation or to abandon marketised PSAs in favour again of public schemes.

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The various recalibration measures institutionalise a very new link between regulations and private investments. That this is a very complex matter can be illustrated with the German regulations on pension PSAs: These regulations differentiate between state-certified private schemes evaluated as 'supportable', i.e. they may be tax-subsidised ('*riesterfähig*'), and others guaranteed to be 'non-deductible' investments, i.e. also in the case of long-term unemployment they do not have to be used up before qualifying for unemployment benefits ('*hartzsicher*'). These classifications, however, do not necessarily include the same schemes, i.e. 'non-deductible' schemes are not necessarily 'supportable'.

Particularly after the stock market crisis in 2001, several national, intranational and international measures were taken to regulate, first of all supplementary pensions. A well-elaborated example is the UK after the pension disaster when the state intervened to regulate and moderate pensioners' losses (Blackburn 2003, Missoc ongoing). Other countries introduced various new regulations and conditions on additional private old-age investments as in France (PERP, see Vosdroits 2009), or on pension funds as in the Netherlands (MinSZW 2009). These are typical examples of how the effects of stock market fluctuations are, for pensions, meant to be smoothed out over a longer period of time. The role of the state in such schemes is quite different from its role in PAYG-financed public schemes because of the absence of financial responsibility. Instead of politically regulating pension levels, the state now acts as a regulator of private schemes investing in financial markets to reduce citizens' pension risks.

Implications for social citizenship

What both ways of redesigning social protection have in common is their implications for the design of social citizenship. Based on the theoretical assumptions outlined above, including concepts of instituted life-courses, social citizenship and rights over resources, social protection restructuring in the form of both LCSSs and PSAs affects social citizenship in two ways.

First, redesigning social protection by means of outsourcing, followed by the implementation of measures to correct the worst shortcomings, has consequences for the nexus between regulations and investments, i.e. the seemingly dichotomous private and public goods and spheres. After having been the provider of social protection, the state takes a role of a certifying instance aiming at customer protection. This function is also emerging in international regulations. In addition, the market is changing its products from purely market-oriented to highly regulated commodities. As welfare, semi- or quasi markets of state-certified products develop, the role of partly interest-conflicted experts is being perceived in an increasingly critical way (in addition to critical voices of democratic deficits due to increasing influence of non-elected experts, in social protection terms, see Barr 2001, Blackburn 2003, Castles & Obinger 2007, Engelen 2003, Gilbert 2002, Hills 2004, Hyde et al. 2003, Langeley 2004, Minns 2001). As a consequence of the reformulation of the state's interests and of the changed functioning of the market, a highly complex nexus between regulations and private investments has arisen in which each citizen has to take 'adequate' decisions (Frericks 2010). The above example of Germany's non-deductible or supportable pension PSAs points to the enormous and individually demanding complexity related to this shift in social protection.

Second, the reconstruction of social protection has consequences for the normative design of the social citizen. The economically individualised citizen as currently constructed is not in line with the (past?) aims of social security systems ('adequate' social security for *all*) which are still repeated in national and European policy documents (Missoc ongoing), nor with the chances for different social citizens to meet the new biographical norm (Frericks et al. 2006, 2007, 2008). This exclusionary mismatch between social protection design with its reformulated life-course norms, and the factual situation of various groups of citizens leads to intra- and intergenerationally changed coverage of social risks and 'adequate' social protection. New risks of poverty and new social identities are emerging while the extent and inclusiveness of the future well-protected is not yet foreseeable, also due to the lack of transparency of individually combined social protection coverage and household factors (e.g. OECD 2009: 14).

The mismatch between the constructed citizen and her/his factual life course can also be observed in the problematic combination of increasingly flexible labour-markets on the one hand, and the need for long-term planning of social protection investments on the other.[11] Here, one might think of people who continuously work on fixed-term contracts – also large parts of the younger cohorts of the so-called middle class – or of course of people employed on marginal employment contracts such as the CoCoCo and CoCoPro in Italy or the 'Mini-'/'Midi-jobs' in Germany. The quasi-market products and the concrete situations of most citizens with their non-ideal and non-individualised life courses (still) do not match.

[11] To favour the mobility of researchers, for instance, there are currently efforts (encountering difficulties) to implement a European pension funds.

Conclusions

The two distinct paths identified within Europe of the redesign and partial outsourcing and marketising of social protection are set out in contrasting ways. The one offers a much diversified range of single insurance policies. Everybody can choose what she or he needs to be sufficiently protected. But this so-called choice concerns essential and highly recommended social protection investments because of the cutbacks in public thematic insurance. The other path offers a unified scheme meant to cover all kinds of periods of leave. This, however, is highly problematic in terms of time gaps (in addition to wage gaps).

Both – the fragmentation of social protection investments formerly part of, for instance, public health insurances or public pension insurances (generally including disability benefits), and, the amalgamation of all kinds of time-out into one individual savings scheme – are selective and, from the perspective of social citizenship, unsatisfactory. In neither are the different risks of social citizens covered, nor are the different reasons for taking leave (leisure, vocational training or care tasks) satisfactorily embedded in the social protection designs since differences in the individual ability to invest due to e.g. care tasks are widely ignored.

The two different policy paths result in a selective mismatch between social protection design with its reformulated instituted life-course norms, and the factual situation of various groups of citizens. The differentiation between 'insiders' and 'outsiders' of welfare systems, thereby, does not adequately grasp the upcoming gaps in social protection. Although also related to status, they are more so to life-course trajectories, life-course timing and age, so that the two current policy paths both change intra- and intergenerational differences in social protection.

The important feature of the new mix is precisely the coupling of public and private means, with corresponding forms of governance, to constitute a new content of citizenship. In the future, the quality of these social protection designs will depend on the possibilities for implementing effective redistribution (reformulated in times of most ‘self-responsible’ and ‘activated’ citizens) in systems characterised by reduced public schemes, and on the degree of division and marginalisation of citizens. This, again, will depend on the design of ‘additional’ social protection schemes. If they follow a strictly labour market-oriented logic and try to address the importance of all kinds of topics (e.g. gender equality, demographic change) from the perspective of the ‘labour-capital conflict’ (Ebbinghaus 2007) – i.e. when all non-commodified areas are transformed into commodities to afterwards be de-commodified – social protection systems fail to address the complexity of societies’ welfare needs (Frericks 2007, Harvey et al. 2008, Lessenich 2008). This is what we observe right now in LCSSs as well as PSAs – they are designed following the logic of the ‘deferred wage’ (wage- or time-savings schemes such as the TFR in Italy, or the LCSS in the Netherlands). Here, we face a development from formerly public meritocratic goods towards private goods regulated by private law, or consumer protection, which are hardly related anymore to social insurance principles (Ewald 1986) or to factual and linked life-courses of social citizens. In short, these developments will have to fail, again from the perspective of social citizenship, if they are not significantly recalibrated. For individualising social protection systems no individual, with “all areas of life considered”, should be disadvantaged, at least in qualitative terms, compared to the rest, as

Blackburn (2008: 256) puts it. The critical point then is the extent of inequality – which is currently shifting and increasing.

The mentioning of two related challenges shall round off this contribution, the first of a political nature, the second of a conceptual one. Political considerations determine what to outsource and what to include in the various schemes – supportable, non-deductible or promoted in whatever way. In other words, political considerations determine which private insurances and investments are perceived as a 'luxury', i.e. not per se necessary additional insurances, and which ones are to be promoted and subsidized by the state as necessary additional insurance. The usage of public means (tax deductions, direct supplements) might result in unbalanced (dis)advantages or, in terms of social protection of the social citizens, it might be non-functional.

Another challenge concerns the conceptual consideration. In the footnotes it was pointed to some regulations that do not clearly fit the distinction between PSAs and LCSSs. When PSAs thematically cross categories, such as in pension purchase for study periods in France, or *Riester*-pension entitlements for periods of care giving, they are not fragmented in the PSA sense, but they concern a part of a generalizing LCSS which links together different kinds of leave. On the other hand, other time-savings systems, as mentioned for Germany and Italy, have something in common with the LCSS, but are not general schemes that include all kinds of thematic leave schemes such as parental leave. Calling them hybrid forms can only be an unsatisfying and preliminary solution.

Further elaboration on these political and conceptual challenges might use the preliminary insights of this contribution as a starting point. One option for differentiating social rights in times of partial outsourcing and redesign is to ask whether they are savings in the sense of a deferred wage, or rights in the sense of a public meritocratic good. Both could then be analytically captured as entitlements (regulated by private or public law) to benefits and/or entitlements to periods of time-out.

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