

2. Social order and socioeconomic institutions: New or old trends?

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1. Introduction¹

Current socioeconomic models have been built on a certain type of social order. This is the result of previous conflicts and pacts. The current foundations of socio-economic models are based on what was the Keynesian-Fordist Social Pact: agreed after the Second World War, in different phases, between political, trade union and employers' actors (Scharpf, 1992; Judt, 2010; Piketty, 2019). In some Latin American countries, its origin was linked to authoritarian governments, such as Peronism and Varguism (Horowitz, 2010). I am interested in focusing attention on the governance of this order, which is closely related to the complementarity between institutions of the labour market (predistributive) and the welfare regime (post-distributive). (Amable, 2003). However, since the 1980s, the Keynesian-Fordist Pact has been eroding: the complementarity between the labour market and the welfare system has been dismantled. Since the eighties, the neoliberal paradigm has burst onto the scene; bringing with it the discourse of labour flexibility and cuts in the benefits of welfare schemes (Scharpf, 1992; Amable, 2003; Witt, 2018).

For this reason, since those years there has been a renewed interest in the study of social institutions; indicative of this was the reproduction of an influential book by Karl Polanyi (1989): *The Great Transformation*, written and published in 1944. The socioeconomic model, intuited by Polanyi for the post-

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war period, has contributed to the development of egalitarian institutions from 1950 to 1980 (Sigman and Lindberg, 2015). Egalitarian institutions are understood as three subdimensions: equal rights, fluidity and equality in access to power for all representative social actors, and the redistribution of resources (housing, education, health, pensions and subsidies). However, in the last quarter of a century, egalitarian institutions have been receding.

My aim is to analyse the transformations of predistributive and postdistributive institutions: how they have been transformed after two successive crises: the financial crisis (2008-2013) and the covid pandemic (2020-2022). On the one hand, it seems that pre- and post-distributive complementarity has been drastically eroded during the Great Recession. But, on the other hand, new forms of complementarity are appearing, such as the synchronisation between policies to support the reconciliation of work and family life and active employment policies. Either the complementarity between Public Welfare and Private Welfare in retirement pensions is relatively new, as well as collaboration between public and private services in education and health, among others. In short, are socioeconomic models and the social order being transformed?

Moreover, from the perspective of the liberal moral economy, the promotion of predistributive policies (such as guaranteed universal income) has been demanded; with this, liberals propose a response to the fiscal rebellion of the middle classes (Hacker, 2011). The risk of this formula could lead to the withdrawal of the State's redistributive commitment. The supposed redistribution through wage increases is limited by the level of sectoral productivity. Intersectoral differences in productivity inevitably generate wage inequality. Therefore, the corrective intervention of the State seems necessary. Let us say institutional complementarity (Amable, 2003).

Briefly, the idea of the Active Social State has been installed in European and Latin American political discourse: which means emphasizing the role of predistributive policies rather than redistributive ones. This is possibly driven by the high public debt, the fiscal deficit of many countries, and the return of reactionary thinking (Schaffer, 2021).

In the following pages I examine the debate on institutional complementarity; the role of predistributive and postdistributive institutions; then the recent transformations and finally some conclusions.

2. Premise

Socioeconomic models represent a certain type of institutional order. Streeck (2011, p. 137) defines institutionalism as «a structured system sanctioned by rules of obligation», conceived as a collective order and a mode of

governance that normalizes social action through authority or private contracts. Social institutions are configured as structures that establish rules for politics, economics, and labor relations (Crouch, 1999; Amable, 2003; Menz, 2008). Consequently, institutions represent a certain type of social order that are the result of historical interactions and conflicts between groups and social classes. In this sense, political and economic action is embedded in social relations (Polanyi, 1944 [1989]).

This normative-institutionalist approach is fundamental to understanding social models, as it allows the comprehensive analysis of the normative, organizational and symbolic structures that configure them. This perspective provides a vision of the historical processes that determine the genesis, development and transformation of institutions. Its relevance is accentuated in the current context, marked by globalization and the erosion of institutions. Neo-institutionalism emerges, in this sense, as a critique of neoliberal thought, which has privileged the primacy of markets over the consensual order (Crouch, 1999, 2022; Streeck, 2011; Witt, 2018), among others.

The economy is limited by a historically constructed system of rules and laws (Polanyi, 1989; Judt, 2010; Streeck, 2011). Streeck (2011, p. 137) distinguishes two types of political-economic institutionalism: (1) moral institutionalism, based on shared values and a hierarchical structure; and (2) Weberian voluntary institutionalism, based on consensus among actors (government, businessmen and unions). Both make it possible to reduce transaction costs and coordinate wills; which implies a multi-level governance mode.

In few words, the essential functions of social institutions can be summarized in three dimensions: The first dimension is the provision of social order: through norms that regulate behaviors within formal and informal limits, differentiating coordinated economies — where institutions reduce uncertainty — and uncoordinated, liberal-type economies, where the “invisible hand of the market” is supposed to act (Crouch, 1999; Piketty, 2019). The second dimension is the maintenance of stability and cohesion: through the articulation of social relations; facilitating cooperation and strengthening bonds of collective belonging. And the third dimension is the mitigation of inequalities: through rights and compensatory resources, such as those offered by the “Social and Fiscal State” (Esping-Andersen, 2000; Piketty, 2019).

In short, the institutionalist perspective provides us with a vision of the normative order to understand socioeconomic models. The dimensions that contribute to explaining socioeconomic types can be grouped into two: pre-distributive and postdistributive. The following table 1 shows the categories of these dimensions:

Tab. 1 - Social order. Institutional Complementarities crisis of representativeness of Social Actors

<i>Predistributive institutions</i>		<i>Postdistributive institutions</i>	
Labour Market institutions	Changes in Labour market	Dimensions of Welfare regimens	Changes in Welfare regimens
1. Levels of Wages coordination	Microeconomic trends. Instability of neo corporatism practices	1. Interclasses solidarity	Vulnerable employment: low wages Fiscal resistance Occupational Welfare
2. System of Collective Bargaining	Decentralisation of Collective Bargaining	2. Intergeneration solidarity	Increase number of contributors Immigration
3. Employment Model	Labour flexibility Outsourcing Relocation Technological changes	3. Interterritorial Solidarity	Nationalism Regionalism Populism

Source: Own elaboration.

This examination dialogues with societal institutionalism and the theory of regulation; with this I try to integrate elements of history, sociology, law, politics and economics.

3. Predistributive institutions and social actors

The concept of pre-distribution has a long history linked to the labour and union movement. One of the outstanding historical milestones has been the employment contract. This entailed a transition from the labour contract - governed by Civil or Commercial Law- to the labor contract regulated by Labor Law during the nineteenth century and the first decades of the twentieth century (Crouch, 1999; Esping-Andersen, 2000). In addition, this social progress was subsequently accompanied by other rights, such as trade union rights, the right to representation, collective bargaining and the right of participation of workers' representatives in companies (such as works councils and trade union sections). We must add retirement, sickness, unemployment insurance. Or even other tripartite political institutions such as the Economic and Social Councils (ESC), see Von Zeschau, Sánchez-Mosquera (2024).

4. Tripartism and collective bargaining

The tripartite, born of the Treaty of Versailles (1919), has led to the coordination of wage and economic policy between governments, trade unions and employers. All this through collective bargaining, consultation and social dialogue in the ESCs. Tripartite pacts have gone through different phases, such as periods of expansion to contain inflation during the seventies and eighties; or they have been reached in periods of crisis, such as the recent crisis of the COVID-19 pandemic, which allowed a pact to sustain employment and wages in the face of the paralysis of economic activity. This has shown that order and economic rationalization come from the hands of social actors, not from the market, nor from the invisible hand (Crouch, 2022).

In other words, tripartism is a form of institutionalization of social agreement that involves the government, businessmen and unions and even consumer organizations. Hence, countries with neo-corporatist tripartite structures are called “*coordinated economies*” (Hall and Soskice, 2001). In short, we can say that, through the institutions, a relative decommodification of work can be achieved (Esping-Andersen, 2000).

I must immediately add that the main pre-distributive institution is collective bargaining between employers and trade unions. This institution was originally set up in the United States in 1912 and in the United Kingdom in 1914 (Dunlop, 1978). Since the 1950s, structural-functionalist theories have been paying attention to the institutionalization of collective bargaining, whose origin is associated with the channeling of labour disputes through a system of procedural rules, while at the same time allowing agreements to be reached on substantive rules, such as wages and working conditions (Scharpf, 1992; Esping-Andersen, 2000). Briefly, we can deduce that the labour market is not just any other market, but a political and trade union «social construction based on political and trade union norms and commitments» (Piketty, 2019).

Throughout the twentieth century, predistributive institutions have been created that have contributed to the social insertion of the market (Polanyi, 1989). In short, to the subordination of the labor market to the political order. The result of this historical process is the division of functions: the unions have specialized in pre-distributive economic action and the parties in post-distributive political action. But, in any case, both pre- and post-distributive actions are interacted and complementary (Amable, 2003).

Therefore, we can agree that trade unions are not only economic subjects, but also political subjects, which frequently establish inter-class alliances with parties. In Europe and Latin America, the inter-class alliance between trade unions (working class) and political parties (middle classes) has

marked different political currents, such as social democracy, Christian democracy, communists, developmentalism and even other historical nationalist movements such as Peronism, Batllism and Vargism (Martínez-Franzoni, 2007; Horowitz, 2011).

5. Institutional complementarity

The concept of regulation highlights the existence of institutional arrangements that, throughout capitalist development, have shaped the wage relationship, the interaction between social and political actors, the construction of the social order, and the mechanisms of capital accumulation. In a way, regulation theory offers a systemic perspective on the interaction between the economic, political, and social spheres. In short: it provides an idea of the complementarity between pre- and post-distributive institutions (Amable, 2003; Witt *et al.*, 2018).

The regulatory approach shares with societal institutionalism and functionalism the notion that the economy is embedded in society: subordinated to the political order. This theory emphasizes the role of actors and the correlation of forces between capital and labor (Almond, 2017). An example is Keynesian-Fordist regulation (1950–1980), which underpinned the social contract between capital and labor. This social pact allowed the creation of labour institutions aimed at offering stability and consensus for economic development, as well as channeling social conflict, which is also in line with Parsonian functionalism. This pact constituted the basis of the current welfare regimes; conceived as a political exchange between labor peace and redistribution: growth and political legitimacy in exchange for the reduction of inequalities (Scharpf, 1992; Crouch, 1999; Amable, 2003). The development of this system of economic regulation has been closely associated with the rule of law, which means a commitment to the smooth access to power by unions, businessmen and other social groups.

However, since the 1980s, the social bases of the mode of regulation have been eroded. One of the consequences has been the fragmentation of the working class and, with it, a crisis of collective representation, which also affects employers and dialogue with the State (Grimshaw *et al.*, 2017). This is one of the reasons why there are great difficulties today in the reconstruction of the social pact; although in recent decades, periodic, short-lived neo-corporatist agreements have been reached in crisis contexts, such as in the eighties and nineties or recently during the COVID-19 pandemic (Crouch, 2022; Meardi and Tassinari, 2022).

In summary, both the institutionalist critique and the theory of regulation

agree that economic activity is always inserted in a normative, political and social framework. Both perspectives offer an interdisciplinary and multifactorial approach, revealing the interaction between dimensions such as culture, politics, labour relations, labour market, social protection, education, gender, financial system, economic structure and social capital. The economy, far from being independent or determining, interacts with all of them. The social order is a construction of the actors, not of the market and of the invisible hand that the neoliberals say (Crouch 1999; Amable 2003; Grimshaw *et al.*, 2017; López-Roldán and Fachelli, 2023).

6. Coordinated versus uncoordinated economies

The negotiated social order implies the coordination of economic activity. In the debate on socioeconomic varieties, we can differentiate four models of economies:

1. First, coordinated economies are characterized by centralized institutions of bilateral collective bargaining (employers-unions) or tripartite, where wages and other counterparts such as monetary, fiscal, and industrial policy, inflation control, and welfare measures are agreed (Amable, 2003; Menz, 2008). According to Bruno Amable (2003), there is an institutional complementarity between the labour market and the welfare regime.

Its main features are: a legal principle based on the “autonomy of the parties” (unions and employers) to reach agreements; a strong trade union movement, with high membership, especially in the public sector; institutional participation of trade unions and business organisations in the formal and informal regulation of the labour market; centralised relations at the national level, which protect collective agreements at lower levels; and management of unemployment benefits by trade unions (Sweden).

This model is typical of small countries such as Sweden, Norway, Finland, Denmark, Austria and even, with nuances, Uruguay, where the small size facilitates communication and trust between political, trade union and business elites (Scharpf, 1992; Hall and Soskice, 2001). In large countries, these networks are more difficult to sustain.

In coordinated economies, such as the Scandinavian ones, trade unions are strongly institutionalized, with high membership and, in some cases, participation in boards of directors (co-determination in Germany, co-determination in Scandinavia) (Sanz *et al.*, 2020). Social dialogue plays a key role in macroeconomic governance (Scharpf, 1992; Crouch, 1999; Menz, 2008). This model is still in force in the Nordic countries, although in others it has suffered crises since the nineties (Meardi and Tassinari, 2022).

Coordinated economies have less wage dispersion (Scharpf, 1992). By contrast, decentralized systems, such as the United Kingdom and the United States, show greater inequality and lower collective bargaining coverage. Germany and Austria represent an intermediate model of sectoral neocorporatism, with strong juridification of labor relations and predistributive mechanisms to correct inequalities (Esping-Andersen, 2000; Menz, 2008).

2. Secondly, the mixed coordination model is distinguished. The Mediterranean countries (Spain, Italy, Greece, Portugal) have hybrid economies, with macro wage coordination through collective bargaining, but disarticulation into micro segments (small enterprises and informal economy). The State corrects these dysfunctions with a minimum wage and legal extension of agreements. There is a tradition of State intervention in socio-economic regulation, which is due to the strong fragmentation of the economic process and the requirements of articulation. Consequently, trade unions and employers' organizations have some political influence. But informality makes negotiation and taxation difficult (Sanz *et al.*, 2020; Sánchez-Mosquera and Gutiérrez, 2022).

3. Thirdly, liberal market economies present a contrast with neo-corporatist economies, liberal countries (United Kingdom, Ireland, USA; Chile, Peru, Mexico, Colombia, among others) are considered uncoordinated market economies (Hall and Soskice, 2001). In them, working conditions are determined by supply and demand, under the premise of a self-regulating market that supposedly tends towards equilibrium. State intervention, except to guarantee competition, is perceived as a distortion. There are collective bargaining institutions, but they are decentralized at the company level. This decentralization allows wages to be adjusted to productivity, granting flexibility and speed of adjustment, although it increases wage inequality. Unions are weak, which contributes to “unorganized” capitalism (Crouch, 1999). Policies depend more on the market than on the social pact.

4. Fourthly, we can distinguish the countries of Latin America, whose main burden is informality. In Argentina, Brazil and Uruguay, corporatist institutions and unions with political influence were created in the 1940s. Uruguay stands out for its social institutionality, with a Wage Council created in 1943 that coordinates salaries (Durán, 2025). In Argentina, economic planning worked between the 50s and 60s, within the framework of the “development economy”, and later temporary wage pacts were achieved (Etchemendi, 2019). In 2021, the Economic and Social Council was created, although it was rejected by businessmen (Zeschay and Sánchez-Mosquera, 2024).

However, these countries cannot be considered coordinated economies due to the high volume of informal employment, which hinders collective bargaining, wage policy and taxation, generating a marked duality between formal and informal employment. This segmentation is associated with

structural heterogeneity (Prebisch, 1981), characterized by the coexistence of low-productivity sectors with highly productive ones, which produces high social inequality. Prebisch related this phenomenon to the unequal exchange between central and peripheral economies. Latin American economies are conditioned by factors such as dependence on exports, high informality, self-employment, low qualifications, and atomized labor systems (Chena, 2010; Martínez, 2019; Warnecke-Berger, 2025).

In some countries, there is talk of tripartite models, with social dialogue between government, trade unions and employers, although in a context of dual and hierarchical economy. Since the 1940s, Martínez Fronzoni and Sánchez Ancochea (2016) have characterized them as universalist-stratified or conservative-informal regimes, inspired by the Bismarckian model: based on social protection via labor status, but limited by informality that excludes a large part of the population. In short, there is low institutional labor and social formality (Martínez, 2019).

6.1. Crisis of predistributive institutions

The current debate is posed in a polarized way, which can be summarized in two major theoretical approaches: neoliberal and institutionalist.

First, the neoliberal approach has been arguing that the institutional scaffolding of coordinated economies, such as collective bargaining and wage coordination, has generated sclerosis in the economic system: regulatory rigidities that have made it difficult to adjust in the face of market uncertainty (Streek, 2011). Since the 1980s, neoliberal recipes have promoted flexibility strategies in the collective bargaining system, through the decentralization of collective bargaining to adapt it to the specific productivity levels of each company and sector of activity. In other words, it is committed to microeconomic orientation that would allow a rapid adjustment to fluctuations in economic activity.

Secondly, the flexibility of the employment contract has been another widespread measure in many countries. Here I am referring to temporary contracts, part-time contracts, hourly contracts, weekend contracts, contracts for temporal works and services, etc. Another widespread measure, since the nineties, is the flexibility of the working day. The annual negotiation of the calculation of working hours is becoming increasingly important, but distributed flexibly throughout the year, so that working hours can be increased when there is greater activity and reduced when there is less activity. In other words, the uncertainty of the market has been unloaded on the backs of workers.

Third, the process of flexibilization has been contributing to the segmentation of labor markets (Piore and Sable, 1990). They have paid special

attention to the decentralization of the production process from large companies to small companies. The latter are more flexible and laxer in the application of the rules. The result has been a growing dualization of the economic structure and with it a greater social stratification: differentiation of wages, contracts, working hours and living conditions. Briefly, unions have lost bargaining power in the company and influence politics; their access to power has weakened. This loss of power explains the increase in inequalities in primary or predistributive incomes. Today, these inequalities have increased even in countries with a social democratic tradition, such as the Scandinavian countries, where union membership and the number of workers covered by collective bargaining have fallen (Martín Artiles, 2026).

Fourth, it seems to me that three factors could explain the difficulties of pre-distributive policies: (1) globalization, which makes it difficult to control capital and consequently to apply a fiscal policy necessary for redistribution; (2) the precariousness of employment and the consequent wage devaluation; (3) digitalization and technological innovation, which modifies the occupational structure. In short, all this has contributed to undermining pre-distributive policies (Zalakian and Barragué, 2017).

7. Post-distributive institutions

The post-distributive dimension refers to *ex post* policies, aimed at correcting inequalities that have already been generated previously in the labour market or in society. Therefore, there are policies aimed at mitigating inequalities, such as unemployment protection, insurance or protection for sickness and maternity, retirement pensions, disability, as well as subsidies that seek to correct and mitigate inequalities and risks of poverty. The institutions involved in the post-distributive dimension are Social Security, public employment services, vocational training and retraining centers, etc. In few words, what is defined as Welfare Regimes, which is a broader term than the Welfare State. In the literature we can identify four types of regimes: liberal, conservative, social democratic and dual or segmented.

Welfare schemes are structured around four main models: liberal, conservative-neo-corporatist and social democratic, each with differentiated principles and financing mechanisms.

1. Firstly, we consider the Liberal Regime: it is multipillar: it combines public, private and occupational financing. It was inspired by the Beveridge report (1942), based on a liberal tradition and market-oriented capitalist economies, with residual social policies and minimal state intervention (Palier, 2013). Its origin dates to the Industrial Revolution and the New Poor Law

of 1812 (Piketty, 2019). Currently, it is based on capitalization and complementarity between public and private resources, highlighting the weight of occupational pensions. In countries such as the Netherlands, the US and the UK, pension funds account for a high percentage of GDP, which is evidence of the commodification of the system. The public part, financed by general taxes, offers minimum benefits aimed at avoiding severe poverty.

2. Secondly, we have the conservative-neo-corporatist regime: Founded on the contributory principle, it links social rights to employment, which can make it vulnerable when it becomes precarious. Its origins are in Bismarck's Germany (1883), it was born as a mutualist and corporate model that promotes social cohesion through professional organizations (Clayton and Pontusson, 2006). The current system is based on distribution, with proportional contributions from workers and employers, predominating in Germanic and Southern European countries (Palier, 2013). A variant is the Mediterranean model (Italy, Greece, Spain, Portugal), characterized by the weight and solidarity of the family and the Church (Ferrera, 1996). In addition, there is the weak implementation of the second pillar of capitalization or Welfare Negotiated (Esping-Andersen, 2000).

3. Thirdly, the social democratic model stands out, today taken as an ideal type of reference for egalitarian policies. This is universalist-inspired, financed by taxes and aimed at the decommodification and defamiliarization of welfare. Typical of the Nordic countries (Sweden, Denmark, Finland, Norway), it is based on inter-class alliances, strong trade unions and social pacts between capital and labour, promoting a coordinated economy (Crouch, 1999; Esping-Andersen, 2000). It offers generous and universal benefits, although in recent years it has incorporated complementary capitalization systems.

4. Finally, fourthly, we consider the dual and segmented regimes of Latin America. In this region, the types of regimes can be classified as segmented (Etchemendy, 2019) or as dual, because they are divided between insiders and outsiders: the former with regulated employment and social protection and the latter, with deregulated occupations in the informal economy and without social protection (Cruz-Martínez *et al.*, 2024). Social security schemes have developed in a very fragmented way. This problem has been worsening since the financial crisis of the 1980s.

Dual regimes are more complex. Some analysts today describe four regimes. The first is known as urban stratified universalism (Argentina and Uruguay). This was born as a corporatist system linked to employment. An example of this is that today in Argentina the unions manage the *Obra Social* that offers health services and other social benefits. In Uruguay there are mutual unions that provide health and security services. This country is the one with the highest degree of social institutionality in Latin America. The

second is the case of Chile, characterized by being a capitalization system, based on commercialized private resources (Martínez-Fronzoni, 2007). The third is a dual regime, with a very low active population covered (Brazil, Mexico) and the rest of the countries are considered as family or exclusionary regimes. In the latter, the provision of services falls on women (Martínez-Fronzoni and Sánchez-Ancochea, 2016; Cruz Martínez *et al.*, 2024).

8. Trends in change

The complementarity between the labour market and the welfare system has been changing for years, and with it the socio-economic models. In the 50s, the bases were intergenerational solidarity, inter-class solidarity and inter-territorial solidarity. Firstly, today intergenerational solidarity has been in the process of changing since the 80s because the employment model has been transformed. In addition, the number of pensioners has been increasing in Europe and the United States, which has increased the dependency ratio and the demand for fiscal support. At the same time, the entry of immigration has become necessary to fill the vacant jobs generated by the wave, demographic crisis and aging of the population. Secondly, inter-class solidarity has also been changing, the expansion of the neoliberal paradigm has brought with it a growing individualism. A reflection of this is the rejection of taxes: there has been a fiscal rebellion of the middle classes; To this we must add that a significant part of the working classes is of immigrant origin, culturally and ethnically different from the middle classes. That makes it difficult to form common interests. The result is the rupture of the inter-class «egalitarian commitment» (Schierup *et al.*, 2006; Schwartz, 2007). And, thirdly, inter-territorial solidarity, the richest territories are reluctant to transfer resources to the poorer territories. The pressure of regionalism and nationalism took care of it.

In contrast, support for the reconciliation of work and family life, coordinated with employment activation policies, stands out as a new form of complementarity (Amable, 2003). Government policies have been giving preference to activation for employment, rather than income redistribution. This has been inspired by the liberal principle that «all ships float at high tide» (Piketty, 2019). The development of activation has led to a considerable increase in female employment. Support for work-life balance through incentives, bonuses and tax deductions for companies is the variable with the most decisive weight in the increase in women's activity rates; although certainly much of this employment ends up being vulnerable, temporary, part-time and low-wage. But this shows a change in preferences in the policies of articu-

lation between the welfare regime and the labor market (Ciccia and Sainsbury, 2018).

Among the structural reforms of welfare regimes, the following stand out: (1) public-private collaboration in services such as education and health, which has spread in many countries. This represents a policy of complementarity between public welfare and private market welfare; (2) there is a trend towards strengthening selective investment in education and retraining of professional qualifications to ensure the return on such investment; (3) Another trend is the push by occupational and private pension schemes to diversify pension funding sources. This is, moreover, a reorientation towards a predistributive policy via private capitalization, which depends on the market, not on the redistributive State; (4) another much more successful trend is the support for work-life balance policies whose function is to activate women's employability and thereby increase the number of social security contributors; (5) the increase in the number of Social Security contributors is a generalized trend in most neighboring countries; (6) another frequent measure is to tackle informality and the underground economy and favor fiscal control; (7) In addition, in some countries, public savings in social spending are being promoted when the economic cycle is upward, such savings are then used as a buffer to cushion changes in the cycle; (8) Another trend is to gradually increase the retirement age above 67, among other measures. In short, all this is in line with the so-called Active Social State (González and Luque, 2015; OECD, 2023)

A differential feature about the institutional approach to the two recent crises has been very different. The financial crisis (2008-2013) was responded to by a harsh austerity policy, which affected the creation of new public employment, wage freezes, increased public debt and increased unemployment, which was particularly hard in Greece, Portugal, Ireland and Spain. And to a lesser extent in other European countries. In Latin America, this crisis was shorter. On the contrary, the response to the crisis of the COVIT-19 pandemic was different: it was oriented towards sustaining employment and income in households. But the index of redistributive institutions (education, healthcare, housing, pensions, and subsidies) has almost stagnated since the Great Recession until after pandemic in Europe. Very few countries have improved. In Latin America, there has been a setback, except for Uruguay (table 2).

Tab. 2 - Typology of social economics models and Redistributive Index (Education, Health, Housing; Pensions, Subsidising)

		Changes: 2008=Base 100				
		Redistribution Index			Great Recession	Post pandemia
		2008	2015	2024	2008-2015	2008-2024
Social democratic	Dk	0,98	0,98	0,98	100	100
	Fin	0,77	0,94	0,96	122	125
	No	0,98	0,98	0,98	100	100
	Swe	0,91	0,94	0,96	103	105
	Total	0,91	0,96	0,97	105	107
Social Partnership	Ger	0,95	0,94	0,94	99	99
	Aus	0,89	0,94	0,94	106	106
	Bel	0,94	0,95	0,96	101	102
	NL	0,89	0,96	0,96	108	108
	Total	0,92	0,95	0,95	103	104
Famillistic Mediterranean	Es	0,88	0,88	0,95	100	108
	Fr	0,82	0,96	0,96	117	117
	Gr	0,92	0,93	0,95	101	103
	It	0,91	0,93	0,93	102	102
	Por	0,82	0,93	0,94	113	115
	Total	0,87	0,93	0,95	106	109
Liberal	Can	0,82	0,90	0,93	110	113
	USA	0,58	0,68	0,66	117	114
	Irl	0,83	0,83	0,86	100	104
	UK	0,82	0,91	0,92	111	112
	Total	0,76	0,83	0,84	109	110
Dualistic L.A.	Arg	0,74	0,71	0,71	96	96
	Bol	0,39	0,42	0,36	108	92
	Br	0,56	0,52	0,52	93	93
	Ch	0,61	0,61	0,59	100	97
	Ury	0,87	0,91	0,93	105	107
	Total	0,63	0,63	0,62	100	98

Source: Own elaboration, data V-Dem (2025).

Finally, it must be said that socioeconomic typologies are not static, but dynamic. The functionalist thesis maintains, since the 1950s, that economic development has an induced effect (spillover effect) on institutions: introducing patterns of convergence. Such institutions adapt to modernization or succumb (Dunlop, 1978). On the contrary, institutionalism argues the “societal effect”: social actors and institutions develop strategies to adapt to external economic and legal pressures, which implies diversity in the way the social order is built (Amable, 2003; Witt *et al.*, 2018).

9. Some conclusions

1. Socioeconomic models have been changing since the Keynesian-Fordist pact. The complementarity between their institutions seems to be shifting toward new hybrid configurations that prioritize labour activation and fiscal sustainability. This transition stems from structural changes such as globalization, job insecurity, demographic pressure, public indebtedness, and economic uncertainty, which, among other factors, have eroded the foundations of the consensual social order.

2. Social institutions remain decisive in shaping these models. Countries with coordinated economies (Scandinavia, Germany, Austria) maintain higher levels of social cohesion, while liberal economies and Latin American ones face serious issues such as fragmentation, informality, and structural inequality. Social dialogue and the fluid access to power by unions, employers, and political parties are essential to sustain consensus, although today we observe a crisis of representation and weakening of collective actors.

3. Classical institutional complementarity has weakened. Predistributive policies have given way to neoliberal strategies of flexibilization and decentralization, which have increased labour segmentation and inequality in primary incomes. At the same time, welfare regimes have undergone reforms aimed at public-private collaboration, pension capitalization, selective investment in education, and the implement of work-family life balance policies, consolidating the so-called Active Social State.

4. Finally, the social order is also transforming: intergenerational, interclass, and interterritorial solidarities are weakening. However, these trends coexist with political risks: the fiscal rebellion of the middle classes, the rise of ultraconservative forces, and institutional distrust threaten democratic stability. In this context, rebuilding lasting social pacts emerges as a central challenge. In short: «I will outline an institutionalist political economy approach to capitalism [that is] a specific type of social order» (Streeck, 2011, p. 137).

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