



European Economic and Social Committee

SOC/234
Strategy for open
coordination on social
protection

Brussels, 20 April 2006

OPINION

of the

European Economic and Social Committee

on the

Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions

Working together, working better:

A new framework for the open coordination of social protection and inclusion policies in the European Union

COM(2005) 706 final

On 22 December 2005 the Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

*Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions
Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union*
COM(2005) 706 final.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 20 March 2006. The rapporteur was Mr Olsson.

At its 426th plenary session, held on 20 and 21 April 2006 (meeting of 20 April), the European Economic and Social Committee adopted the following opinion by 31 votes in favour, no votes against and one abstention.

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1. **EESC's position in brief**

- 1.1 The EESC agrees with the thrust of the Communication. It will reinforce the social dimension of the Lisbon strategy if the Member States lend more political weight through the new framework to the goal of modernising and improving social protection. The social dimension is essential to meeting the challenges arising from globalisation and an ageing population. The different objectives of the Lisbon strategy, namely sustainable economic growth, more and better jobs and greater social cohesion, must be equally endorsed and upheld.
- 1.2 The Commission needs to initiate a dialogue with the Member States to raise awareness of adequate social policies.
- 1.3 Although the EESC welcomes the initiative, it would point out that account must be taken of the specific characteristics of the three individual strands, their different stages of progress, as well as to the differences between Member States.
- 1.4 One of the three overarching objectives is to "strengthen governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of the policy." Social partners and other key actors from organised civil society must be much more involved in all key aspects of the process.

- 1.5 The new framework and its objectives provide a good opportunity for the Member States to highlight the social dimension in their NRPs setting up and implementing specific national priorities.
- 1.6 The EESC should, as part of its ongoing work, follow up the new framework for open coordination and report on progress before the Spring summit in 2007.

2. **Summary of the Commission document**

- 2.1 The Commission proposes a streamlined Open Method of Coordination (OMC) for social protection and social inclusion, in line with its first plans from 2003. Common overarching objectives are set out and supplemented by specific objectives for each of the three strands:
- 1) the eradication of poverty and social exclusion,
 - 2) adequate and sustainable pensions, and
 - 3) accessible, high quality and sustainable healthcare and long-term care.
- 2.2 The aim of the proposal is to define a new framework to make the OMC a stronger and more visible process, which is better integrated with the Lisbon strategy. Procedures and working arrangements (involvement of actors, governance, timetable, reporting, evaluation, exchanges of good practice, mutual learning, information) are to be improved. The new framework covers a three-year period (2005-08).
- 2.3 Based on the common objectives, Member States are to submit national strategies on social protection and social inclusion by September 2006 so that they can feed into the National Reform Programmes (NRP) due on 15 October 2006.

3. **General comments**

- 3.1 In order to enable the Committee to fulfil its consultative role, the proposal should have been published before 22 December 2005. The delay has prevented the EESC from making a proper contribution to the relevant Ministers' meetings and the Spring summit in March 2006.
- 3.1.1 The EESC has already noted and criticised the short periods of consultation for other important issues, such as, the Commission proposal on the integrated guidelines for growth and employment¹.

The Committee emphasises that when launching important proposals as part of the revised Lisbon strategy, the quality of the consultative procedure must be upheld.

¹ See the EESC opinion on *The Employment Guidelines: 2005 – 2008*, rapporteur Mr Henri Malosse. OJ C286, 17.11.2005.

- 3.2 In any case, since the proposal is based on a three-year cycle, this opinion can contribute to the implementation and follow-up of the new framework by both the Member States and the Commission.
- 3.3 The EESC has recently expressed its views on the governance of the Lisbon strategy thereby also commenting on the implementation of the OMC². In 2003 the Committee adopted an opinion on the first Commission proposal on streamlining³. It has also expressed its reflections on the use of the OMC in relation to pensions and health care⁴. The EESC is also currently preparing opinions on other related topics⁵.
- 3.4 To our regret, only a few of the NRPs submitted in October 2005 included elements of social protection and social inclusion. The stakeholders concerned must now design and implement national strategies and reform programmes in order to ensure that the social dimension is taken into account. This opinion should be regarded as a contribution to that process.
- 3.5 The EESC agrees with the thrust of the Communication. It will reinforce the social dimension of the Lisbon strategy if the Member States lend more political weight through the new framework to the goal of modernising and improving social protection. The social dimension is essential to meeting the challenges arising from globalisation and an ageing population. The different objectives of the Lisbon strategy, namely sustainable economic growth, more and better jobs and greater social cohesion, must be equally endorsed and upheld.
- 3.6 Against this background and the continuous alarming social situation in the European Union, the EESC urges the European Commission and the Member States to send a clear and positive message to the citizens of increased efforts to highlight the social dimension as the third pillar of the Lisbon Strategy.
- 3.7 The EESC recognises that social protection policies are mainly the competence of the Member States. However, the Commission needs to initiate a dialogue with the Member States to raise awareness for adequate social policies. The EESC urges Member States to take political responsibility to face the challenges ahead. The Committee emphasises that

² See the EESC opinion on *The road to the European knowledge-based society – the contribution of organised civil society to the Lisbon Strategy* (Exploratory opinion), rapporteur: Mr Jan Olsson, co-rapporteurs: Ms Eva Belabed and Mr Joost van Iersel. CESE 1500/2005.

³ See the EESC opinion on *Strengthening the social dimension of the Lisbon strategy: Streamlining open coordination in the field of social protection*, rapporteur Mr Wilfried Beirnaert OJ C 32, 5.2.2004.

⁴ See the EESC Opinion on the *Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee: Supporting national strategies for safe and sustainable pensions through an integrated approach*, rapporteur: Ms Giacomina Cassina, OJ C48, 21.2.2002, page 101.

⁵ See the EESC ongoing work on *Social cohesion: fleshing out a European social model*, SOC/237 and on a *Proposal for a Regulation of the European Parliament and of the Council laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems*, SOC/197.

achieving the European objectives set out in the new framework will depend on the determination and capacity of each Member State to fulfil its commitments to promote social progress within a framework of modernising and making social protection financially sustainable.

3.8 The necessary and positive interactions between economic policy, employment strategies and social protection must be fully exploited. Ambitious social policies based on solidarity should be regarded as a productive factor which has beneficial impacts on growth and employment⁶. At the same time, the sustainability of social policies depends on economic growth supported by better European coordination of economic policies.

3.9 Although the EESC welcomes the initiative, it would point out that in bringing together the strands, that are at significantly different stages of progress, account must continue to be taken of the specific characteristics of the three individual strands, the different stages of progress, as well as to the differences between Member States.

Consideration must be given to the differences in quality of European instruments for coordination of national policies. Whilst in the area of social inclusion, specific guidelines and targets – along the lines of the European employment policy guidelines – make sense, in the area of pensions and health, European coordination is still largely limited to agreements on general qualitative goals.

3.10 However, when developing and implementing the three different strands, Member States should fully exploit the synergies between them since in many cases they overlap. A measure taken in one strand may have a direct impact on the other strands. It is also important for Member States to bridge the gap between political will and actual implementation.

4. **Specific comments**

Involvement of actors

4.1 One of the three overarching objectives is to "strengthen governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of the policy."

There is still much too little involvement of social partners and other key actors from organised civil society. The use of the OMC in different sectors has not delivered the expected results, as Member States have not shown any real commitment to the objectives and actions agreed upon. Similarly, several national action plans betray shortcomings in particular as regards establishing clear national objectives and strategies and active

⁶ See the EESC opinion on *Communication from the Commission on the Social Agenda*, p. 1.2, rapporteur Ms Engelen-Kefer. OJ C294, 25.11.2005.

participation for all relevant players. Instead, national plans for employment, social inclusion and in other areas have been partly transformed into bureaucratic activity reports.

- 4.2 The EESC is convinced that a greater participation of organised civil society in all steps of the process will increase the quality of the NAPs. This will ensure that citizens' concerns and aspirations are taken into account in the plans.
- 4.3 The Commission rightly states that the OMC can promote involvement for social policy making. Consensus on reforms to achieve modernisation of social protection with financial sustainability must be agreed with social partners and other relevant civil society stakeholders. The EESC is in favour of extensive involvement in all phases; from policy-shaping to implementation and evaluation. However, participatory decision-making does not exonerate elected lawmakers from their responsibility to promote social progress and a high level of social protection.
- 4.4 The EESC recognises that the OMC has progressed differently in the three strands that the new framework relates to. Although still not sufficiently, the OMC on social inclusion has been more participatory than the OMC on pensions. The involvement of social partners and other key actors in the latter strategy has been very limited. Notwithstanding the urgent need to improve the OMC on social inclusion, the EESC strongly emphasises the Commission's view regarding the need for greater involvement of stakeholders in the two other strands.
- 4.5 In contrast to the limited participation in the OMC on pensions, the EESC has noted a much higher degree of involvement by stakeholders in European legislative actions concerning supplementary occupational pensions. This contrast shows the need for the OMC to be made more attractive and interesting for all concerned actors.
- 4.6 The EESC suggests that the Social Protection Committee (SPC) organise meetings on a more regular and broader basis with representatives of social partners and other relevant civil society organisations from both European and Member State levels. The EESC also believes that the government representatives on the SPC have a strong responsibility both to organise and take part in consultations with social partners and other relevant civil society stakeholders in their home countries.
- 4.7 The EESC should, as part of its ongoing work on the implementation of the Lisbon strategy⁷, involve social partners and relevant civil society organisations, as well as Economic and Social Councils where they exist in following up the new framework for open coordination and reporting on progress before the Spring summit in 2007. The Committee should particularly focus on governance and areas where the genuine involvement of actors has proved successful in designing and implementing national priorities.

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Implementation of the Lisbon Strategy, contributions following mandate from the European Council of 22 and 23 March 2005.

4.8 Transparency

For participation to be meaningful, the stakeholders must have early access to key documents on policy issues. Transparency is also needed when the EU Commission and the Member States analyse and evaluate the new framework, for instance when carrying out peer reviews and identifying indicators.

4.9 Mutual learning and good practice

Learning from each other is of paramount importance in all three strands. Efficient systems for transferring best practice and exploiting non-legislative measures must be developed. The exchange of experience and mutual learning must include decision-makers at all levels. Since social partners and other relevant civil society stakeholders possess unique knowledge and extensive experience of social policies, they must be involved in identifying and evaluating the possibilities for transferring best practice. Horizontal issues that are crucial to the success of the new framework include models for participatory decision-making and the involvement of stakeholders. Another major issue is to find ways and methods to create an inclusive society for all. Lastly there is a need to reconcile social protection with competitiveness without marginalising groups outside of the labour market. In this respect the EESC refers to the current debates on the lifecycle approach to employment and the balance between flexibility and employment security⁸.

4.10 Peer reviews

Peer reviews and the exchange of good practice are helpful instruments because they are concrete and inspire those involved. The Commission must ensure that social partners and other relevant civil society organisations are involved in peer reviews.

4.11 EU Progress programme

Social partners and other relevant civil society organisations must be eligible to carry out projects in all strands of the new Progress programme. In its opinion, the EESC expressed concerns about the modest financial resources of the programme⁹. Our concern has grown following the European Council decision on the financial perspectives for 2007-13. The EESC firmly emphasises its earlier call for enough financial resources to be set aside for all strands of the programme, including projects related to social protection and social inclusion.

⁸ See the EESC ongoing work on *Flexicurity: the case of Denmark*, rapporteur: Ms Anita Vium, ECO167 and the EESC opinion on *The road to the European knowledge-based society – the contribution of organised civil society to the Lisbon Strategy* (exploratory opinion), rapporteur: Mr Jan Olsson, co-rapporteurs: Ms Eva Belabed and Mr Joost van Iersel. CESE 1500/2005.

⁹ See the EESC opinion on *Proposal for a Decision of the European Parliament and of the Council establishing a Community Programme for Employment and Social Solidarity – PROGRESS*, rapporteur: Mr Wolfgang Greif, OJ C255, 14.10.2005.

4.12 Indicators

An analytical approach based on high quality, reliable and comparable indicators is necessary to provide a sufficiently detailed, true picture of progress regarding the objectives. Research resources are needed to identify the relevant indicators. The reliability of collecting and treating data has to be guaranteed. While indicators are being established at both European and national level, the EESC reiterates its call for stakeholders to be invited to take part in formulating and evaluating indicators.¹⁰ Both the SPC and the Member States should take such action.

Qualitative indicators must be developed. It is important that relevant criteria, based on human needs, are reflected in the choice of indicators in order to measure, for instance, accessibility for all to social protection, quality in relation to expectations, as well as user involvement and user-friendly treatment.

There is a need to interlink the indicators used in the OMC with the indicators used in the Lisbon strategy to give a comprehensive picture of progress.

4.13 Enhancing visibility

The EESC has on many occasions stressed that communication between Europe and its citizens is marred by the existing deficit in relevant and transparent information. Since the new framework concerns issues close to the citizens, the EESC underlines the importance of organising a permanent debate at all levels to address future challenges and strategic choices in the areas of social protection, pensions, health care and social inclusion. In this context, the European Commission must also enhance the visibility of its own actions. Proposals for how to promote such a debate within the context of the Lisbon strategy can be found in other opinions¹¹.

5. **Supplementary comments on the objectives**

- 5.1 The new framework and its objectives provide a good opportunity for the Member States to highlight the social dimension in their NRPs setting up and implementing specific national priorities that link with the overall Lisbon objectives, in full respect of the subsidiarity

¹⁰ See the EESC opinion on *Social Indicators* (own-initiative Opinion), Rapporteur: Ms Giacomina Cassina, OJ C221, 19.09.2002.

¹¹ See the EESC opinion on *The Commission's contribution to the period of reflection and beyond: Plan D for Democracy, Dialogue and Debate* (own-initiative Opinion), Rapporteur: Ms Jillian van Turnhout, CESE 1499/2005 and the EESC opinion on *The road to the European knowledge-based society – the contribution of organised civil society to the Lisbon Strategy* (exploratory opinion), rapporteur: Mr Jan Olsson, co-rapporteurs: Ms Eva Belabed and Mr Joost van Iersel. CESE 1500/2005.

principle of Member States. However the EESC urges Member States to make full use of the guidelines prepared by the EU Commission¹².

5.2 Within the social inclusion strand "Eradication of poverty and social exclusion", the Member States will draw up new National Action Plans on social inclusion during 2006.

5.2.1 The EESC believes that concrete steps have to be taken on the priority actions defined in March 2005 by the Council of Employment and Social Affairs. The EESC recalls the EU objective that Member States make decisive steps to eradicate poverty by 2010¹³. In addition, the EESC stresses that policies to combat social exclusion are important in order to meet the demographic challenge.

5.2.2 For our part, the EESC considers it particularly important to focus on:

- combating poverty, especially amongst children and youth, within a policy framework that supports children, families (including lonely parents) and equality, thereby also preventing a transfer of poverty between generations
- new and better jobs for the most disadvantaged, also "the working poor"
- promoting gender equality
- promoting equal opportunities for people with disabilities
- anti-discrimination measures
- the integration of ethnic minorities
- combating and preventing homelessness
- access to high quality health and social services, regardless of income
- the situation of chronically ill people
- guarantee of minimum income, measures to reduce indebtedness and access to financial services and micro credits.

5.3 Within the pensions strand: "Adequate and sustainable pensions", national strategies on pensions were presented last year. Only fine-tuning is anticipated for 2006.

5.3.1 Priority issues could include:

- the provision of an income in old age, which allows the elderly to live in dignity, thereby preventing their marginalisation
- pension systems providing adequate cover for groups employed on new-style contracts and the self-employed
- support for individuals to plan their pensions.

¹² European Commission working document *Guidelines for Preparing National Reports on Strategies for Social Protection and Social Inclusion*.

¹³ Lisbon European Council of March 2000.

5.4 Within the health and long-term care strand: *Accessible high-quality and sustainable healthcare and long-term care*, Member States will draw up national plans for the first time.

5.4.1 The EESC wishes to emphasise that care services of high quality and technical standards should be accessible to all. In order to achieve financially sustainable health-care and long-term care, preventive health actions are of outmost importance.

5.4.2 Priority issues in the new national action plans could include:

- preventative health care, both of a medical and non-medical nature
- health-care in the work-place for all in order to combat particularly mental and physical sickness and thus give the opportunity to prolong the working career
- cooperation between social and health care providers
- the relationship between care providers and the producers of goods and services to this sector
- services to the dependent population
- quality standards
- training for different categories of social care and healthcare workers to retain existing staff, and attract new workers to the sector
- patient rights
- supply of domiciliary health.

Brussels, 20 April 2006.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Anne-Marie Sigmund

Patrick Venturini