

Brussels, 16 December 2003

OPINION

of the Committee of the Regions

of 19 November 2003

on the

Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Strengthening the social dimension of the Lisbon strategy: Streamlining open coordination in the field of social protection

COM(2003) 261 final

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on *Strengthening the social dimension of the Lisbon strategy: Streamlining open coordination in the field of social protection* (COM(2003) 261 final),

Having regard to the decision of the European Commission of 22 May 2003 to consult it on this subject, under the first paragraph of Article 265 of the Treaty establishing the European Community,

Having regard to the decision of its President of 19 June 2003 to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject,

Having regard to the Communication from the Commission to the Council, etc.: Review at the halfway stage of the socio-political agenda COM(2003) 312 final,

Having regard to the European Council in Lisbon, 23 and 24 March 2000: The chairmanship's conclusions,

Having regard to its draft opinion (CdR 224/2003 rev. 1) adopted on 22 September 2003 by the Commission for Economic and Social Policy (rapporteur: **Ms Lena Celion**, Municipal Commissioner, Gotland Municipality, (SE/EPP),

adopted the following opinion at its 52nd plenary session, held on 19 and 20 November 2003 (meeting of 19 November).

1. The Committee of the Regions' views

The Committee of the Regions:

1. **agrees** with the Commission's overall views on the need for a more effective coordination of Member States' social protection policies. As an important part of this field also involves local and regional initiatives, the Committee welcomes, in particular, the possibility that such coordination, according to the Commission, could be expected to make the process less burdensome for local and regional actors. The Committee's view is that a simplified process could also reduce costs for the actors involved;
2. **agrees**, moreover, that the Open Method of Coordination could be an effective instrument for achieving the desired coordination. It is the Committee's view that the method must be developed further and – in particular – simplified and that the exchange of experiences can contribute to ideas as to how, above all, the interaction between Member States' national and local/regional levels can be developed within the framework of the coordination method. In this interaction, there is always a risk that the local/regional level is not accorded importance in the process, which can adversely affect the end result and also contribute to reduced interest in the issues. The national action plans should, for example, always state how the local and regional levels have been involved in the work on the plan in question. The various political strategies and activities at regional and local level must be made visible in the annual report on social protection, and the Commission should ensure that the joint report on pension strategies is widely disseminated and discussed;
3. **agrees**, in accordance with what has been previously stated, for example, within the framework of the socio-political agenda, that there are strong reasons for creating "a policy triangle" from the three fields of economic,

employment and social protection policy. This fundamental view on the interaction between these three fields also makes it easier to see social protection policy as an important productive factor. This view involves having a deeper sense of the role of social protection policy as a dynamic factor in the national economy, and the Committee of the Regions would like to have seen these arguments developed further in the Communication referred to here;

4. **shares** the view that the synchronisation of the proposed coordination of social protection with the coordination process, which is now to take place between the EU's economic and employment policies, can lead to both greater effectiveness and simplification. However, the Committee wishes to stress that the three components of the process cannot be placed on an equal footing on the basis of the legal foundations of the Treaty, or as regards governance and responsibility. As regards issues concerning the social protection system, it is important that this system is developed on the basis of local and regional conditions and that the fundamental principles concerning subsidiarity and the need for diversity are always kept alive. An awareness of the mutual dependence of the three policy fields could have a major positive impact on development at all levels of society but must not lead to ambiguity concerning the different circumstances which apply to the governance of each field. Within the field of social protection, it is, as was also pointed out in the Commission's communication, the Member States who have full responsibility for their health and social policies and for funding and organising their own systems. The EC Treaty makes no provision for direct Community influence on health and social policy beyond the exchange of information and the comparison of methods and results. The open coordination of these policy fields may not result in Member States coming under pressure to adjust their social standards downwards;
5. **demands that** the Commission proposal for streamlining open coordination will simplify administration for the Member States. Especially given the fact that Member States are to be obliged to update their plans annually, the Committee of the Regions demands a cogent concept for making the requisite reduction in administrative outlay;
6. **considers** the statement in the Communication that equality will form part of an overall theme to be positive. It is also important that the field of equality is emphasised jointly for all three fields within the "policy triangle", i.e. also in terms of economic and employment policy;
7. **shares** the Commission's view of the challenges faced by Member States. Of these, the challenge to contribute to growth and the creation of new jobs is of particular note. Another common challenge is the demographic changes which, amongst other things, are resulting in an older population. However, the Committee of the Regions wishes to emphasise in this section that these demographic changes can to some extent be seen as the result of a successful welfare policy that gives people the possibility of a longer and more active life which, if handled correctly, could result in more resources for society;
8. **has a number of questions** concerning the Commission's discussion relating to health and long-term care. Firstly, it is unclear what is meant by this term in

this context. A useable definition is important, not least given the fact that Member States have different forms of organisation and funding within the field of healthcare and that the definitions of what is covered by this field also differ between Member States. Clarification is important, not least with regard to Article 152 of the Treaty, which states that within the field of public health the EU must fully respect the responsibility of Member States for organising and providing healthcare;

9. **also has a number of questions** with regard to the use of the term "long-term care", which cannot be deemed to cover the initiatives carried out as part of care for the elderly, which in many countries is now also provided as social support and not solely as healthcare. One definition that would also include the important category of the disabled could be "the care of and provision of services to the elderly and disabled";
10. **agrees** that, in order to live up to the fundamental ideas of rationalising the process of social protection, common indicators must be developed. The Committee thinks it vital that these indicators should not be too far-reaching and should be based, wherever possible, on information which is already available. Far too many indicators involve an unacceptable amount of additional work at local and regional level. Within a field such as social protection, it is also important that the indicators are not simply quantitative but that qualitative indicators are also used. When only quantitative indicators are used, there is a risk that important information could be missed;
11. **also wishes** to emphasise that the quality of the statistics forming the basis of the indicators should be sufficient to enable the levels of Member States to be described and compared; an average value at national level can hide large regional variations and it may therefore be appropriate to also use statistics from the regional level. However, the prerequisite for this is that such statistics should already be widely available, in order to avoid a considerable amount of additional work;
12. **agrees** with the Commission's analysis as regards the need to adapt the time frames for the new rationalised process for social protection to the process concerning employment and economic policy. This coordination is expected to take place from 2006 onwards, which imposes exacting demands for speed and also on the support that the European level can provide in development work, such as by presenting the necessary background material;
13. **agrees** that it is important for the new Member States to be included in the proposed coordination process. EU enlargement will make social issues even more important within the Union. However, the Committee believes that the time frames for the new Member States may be rather too tight. Support in developing the exchange of experiences between current and future Member States may, however, help to speed up the process.

2. **The Committee of the Regions' recommendations**

The Committee of the Regions:

1. **recommends** that the continued development of the Open Method of Coordination should also include simplification, which means that local and regional levels find that participation in the process is justified with regard to effectiveness and use of resources;
2. **believes** that the Open Method of Coordination should be constantly assessed. In this assessment, special consideration should also be given to the experience gained in using the method at local and regional level, particularly as regards the implementation of the national action plans. In many of the Member States, the Open Method of Coordination affects municipal and regional core issues, which also involve comprehensive local and regional responsibility for funding. The principle of subsidiarity should therefore be used as a guide in applying the method. New benchmarking methods should be tested on the basis of the idea that exchanging experiences is in itself a fundamental idea within the framework of the Open Method of Coordination;
3. **demands** that when streamlining takes place, the distinction between the degrees of coordination in individual policy fields must be maintained. For example, the existing differences between guidelines and (framework) objectives should be maintained. Within the field of social policy, too, the degree of coordination must be differentiated in the light of subsidiarity;
4. **wishes** to underline the importance of ensuring that the message concerning healthcare, which is also referred to in the Communication with which we are concerned here, considers the fact that Member States have different organisation and funding systems and that healthcare represents an important part of the Member States' economies. Even modest steps towards more similar systems could have major effects in terms of healthcare policy and national economics;
5. **stresses** the importance of the work being carried out at EU level to clarify how the goal of "making work pay" can be fulfilled and how social protection can contribute to this goal, as regards for example the incentive structures of benefit systems. The general challenges that the Commission refers to indicate that this development work should be intensified over the next few years;
6. **thinks** the development work concerning indicators should be beefed up and targeted more on developing "qualitative indicators". Since social protection systems differ greatly in the different countries, the indicators that are developed should be based on a patient/user perspective, which can largely be considered as being independent of, for example, the way in which healthcare is organised in each country;
7. **believes** that it is very important to provide the new Member States with plenty of support, so they can coordinate their work within the proposed policy triangle with other Member States. This support should also provide opportunities for the exchange of experiences between countries.

Brussels, 19 November 2003.

The President
of the
Committee of the Regions

The Acting Secretary-General
of the
Committee of the Regions

Albert Bore

Gerhard Stahl

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