

Diversity Similarity and Commonality in European Social Policies

**Balance and perspectives of the European unification
The Forging of a European Social Model**

Vision Europa

Solidarity - social Justice – vital Democracy

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Aim and content

Aim: to assess a balance and perspectives of the social policies in the European Union (supranational) and European Countries (national) on the basis of the study 'Diversity and Commonality in European Policies: The Forging of a European Social Model'

Analysed countries

Data and experts

European Social Model concept

Results: diversity, similarity and commonality

Conclusions

Selection of countries to analyse

Total expenditure on social protection (% of GDP)	Percentage of social protection financed through contributions (% of total)						
	20.00-29.99	30.00-39.99	40.00-49.99	50.00-59.99	60.00-69.99	70.00-79.99	80.00-89.99
32.00-33.99	<i>Beveridgean/ high spending</i> Denmark		Sweden	<i>Bismarckian/ high spending</i>			
30.00-31.99					France		
28.00-29.99					Germany	Belgium	
26.00-27.99			United Kingdom	Finland	Austria	Netherlands	
24.00-25.99			Portugal	Italy	Greece		
22.00-23.99	<i>Beveridgean/ low spending</i>			<i>Bismarckian/ low spending</i>	Slovenia		
20.00-21.99				Luxembourg	Spain		
18.00-19.99		Cyprus	Ireland	Hungary	Poland	Malta	Czech Republic
16.00-17.99						Bulgaria	Slovakia
14.00-15.99							Romania
12.00-13.99					Lithuania	Latvia	Estonia

Note: **coloured** – countries analyzed in the present study.

Experts

Czech Republic - Martin Potůček

Denmark - Jørgen Goul Andersen, Martin B. Carstensen

Estonia - Jolanta Aidukaite

France - Christophe Starzec

Germany - Karl Hinrichs

Poland - Stanisława Golinowska

UK - Paul Gregg

Data and indicators

Standardised data and indicators of the Eurostat, UN, WHO, ILO, OECD and IMF in the field of:

Economy

Demography

Employment

Social protection

Inclusion

Education

Health

Family

5 Social Values

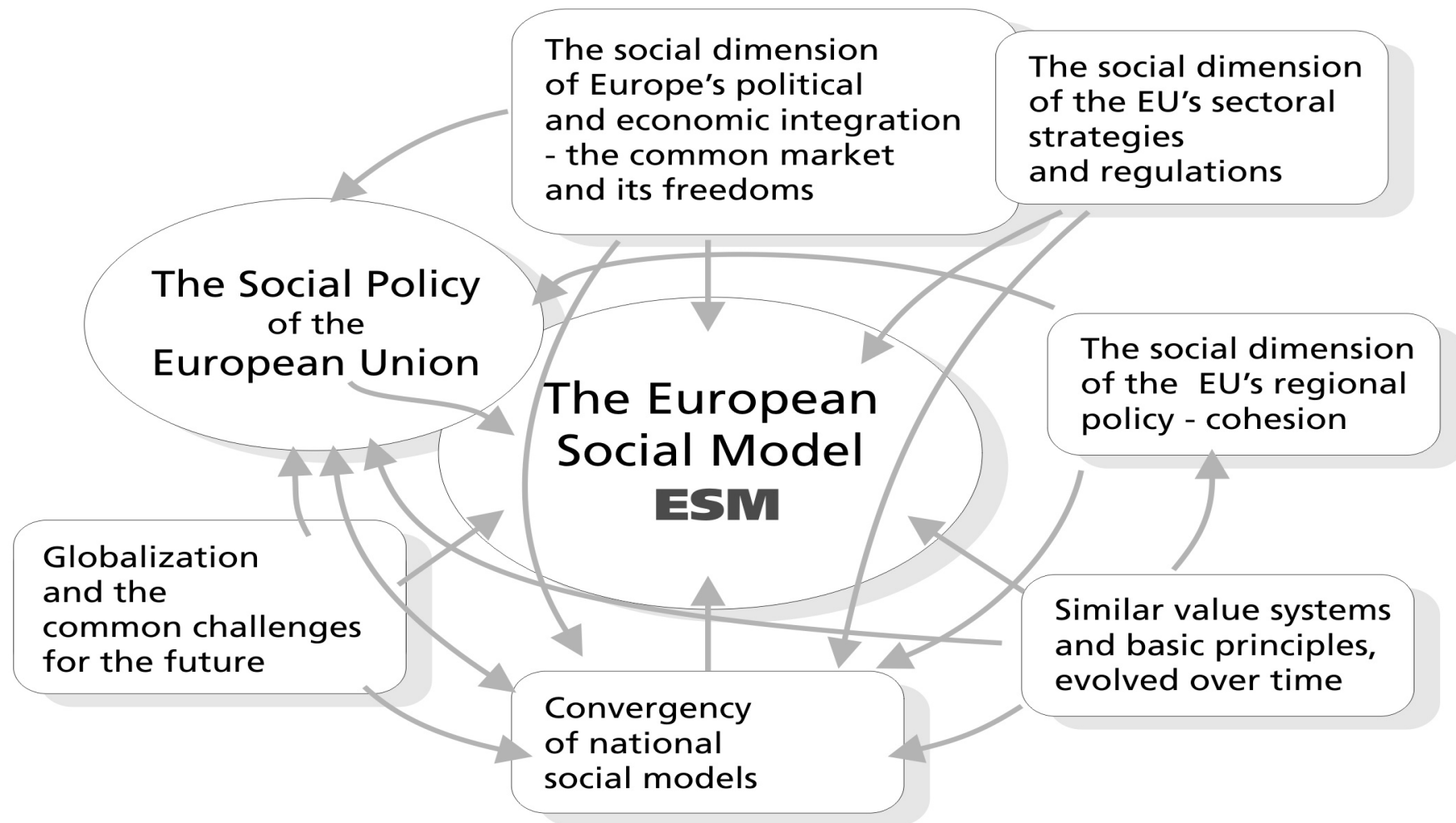
Concept of the European Social Model (ESM)

EMS – broad and open concept

- (1) the common core of national welfare states,
- (2) European social policy,
- (3) the internalization of European policies and strategies (not only social) by national economies
- (4) the joint (European and national) response to the common challenges of the future

Process for creating and forging a shared foundation of both values, similar institutions, secured resources, and the means for responding to new common problems and challenges in the future

The European Social Model shaping



Process of the EMS shaping

- The shaping of a common market designed to attain desired outcomes in sectoral policy
- Regional policy, focused on achieving greater cohesion between regions within EU countries
- A European value system promotion, something that meets with the greatest acceptance, despite discussions on the differing roots of those values
- The convergence of the national models for the welfare state, driven both by national solution-seeking and the impact of European programs
- The effort of EU member states to jointly carry out defined social strategies within the framework of the Open Method of Coordination (OMC)
- The undertaking of common activities in response to the emerging contemporary challenges before the expanded Europe and the world as a whole
- The conduct of an explicitly European social policy, one whose competence is to gradually increase.

Contents and/or characteristics of the ESM

- Simultaneous and proportional economic and social development
- Emphasis on innovation and a knowledge-based economy;
- Active employment policy;
- Decent and equalized living standards;
- Common values: equality, solidarity, subsidiarity;
- Social dialogue and social participation;
- Gender mainstreaming;
- Social inclusion;
- The significant role of a state social policy.

European Social Policy evolution

1986 -1992	Minimal standards of working conditions and rights of workers	Directives
1991-1993	Social dialog on the EU level	Directives and political actions
1994-1996	Identification of common social problems and defining first programmes	Promotions and common actions
1997-1999	European Employment Strategy	Open Method of Coordination (OMC) e.g. common targeting, benchmarking and the exchange of best practices
2000-2005	Lisbon Strategy, Social Agenda 2000, Workers participation	OMC, Directives on worker information and consultation
2006 >	New Lisbon Strategy- flexsecurity concept and new Social Agenda	OMC

Evaluation of the European Social Policy

- The constitutional asymmetry between EU economic policy and social policy
- More 'regulative' than 'material'
- Mostly soft measures ('soft law') implemented by the *Open Method of Coordination (OMC)*
- The *European Social Fund (ESF)* only as main financial instrument
- Coordinating harmonized solutions, ones necessary with regard to the mobility of the citizens of member countries whether as employees, students, tourists, or patients. Limited harmonization due to the member states' unwillingness to give up authority in the concerned policy fields
- Domination of traditional areas of social issues: poverty, adequate and sustain old-age pension, LTC development, whereas common strategies on human capital and natural environment are weak developed
- Certain limitation of the EU freedoms; mainly mobility of workers > domination of national migration policies

Social problems and policies in analysed countries

Diversity

Similarity

Commonality

Diversity

- In economic stage and development: between OMS and NMS; high differences in GDP level but catching up process; GDP growth higher in NMS
- In living conditions: consequences of differences in economic development; mainly earnings level and housing conditions
- In population development: OMS versus NMS; in NMS - bigger dynamic of aging and dramatic emigration – outflow; Europe is divided by migration directions: receiving and sending countries
- Employment rate and job creation policy: OMS versus NMS
- Education: differences in the level and dynamic and LLL development– European elite and others
- Social capital development – low trust in NMS
- Attitude to the EU; higher acceptance of the EU in NMS than in OMS

Diversity – stage of economic development, 2007

Indicators	CZ	DK	EE	FR	DE	PL	UK	EU average
GDP p.c. in PPS, EU 27=100	82.0	122.8	72.1	111.3	113.2	53.6	115.9	100.0
Labour productivity per hour work, EU 15=100	53.3 (2006)	100.3	50.7	119.5 (2006)	109.8	45.5	89.8	91.6
Share of agriculture in economy; % of GDP	2.9	1.6	3.2	2.0	0.9	4.4	0.9	1.8 (EU-27)
Employment rate, % of 15-64	66,1	77,1	69,4	64,6	69,4	57,0	71,3	65,8 (EU-25)

Diversity - continuations

- **Level of inequalities: income and health inequalities**
- **Legacy and path dependency of national policies**
- **Religion values**

Low trust

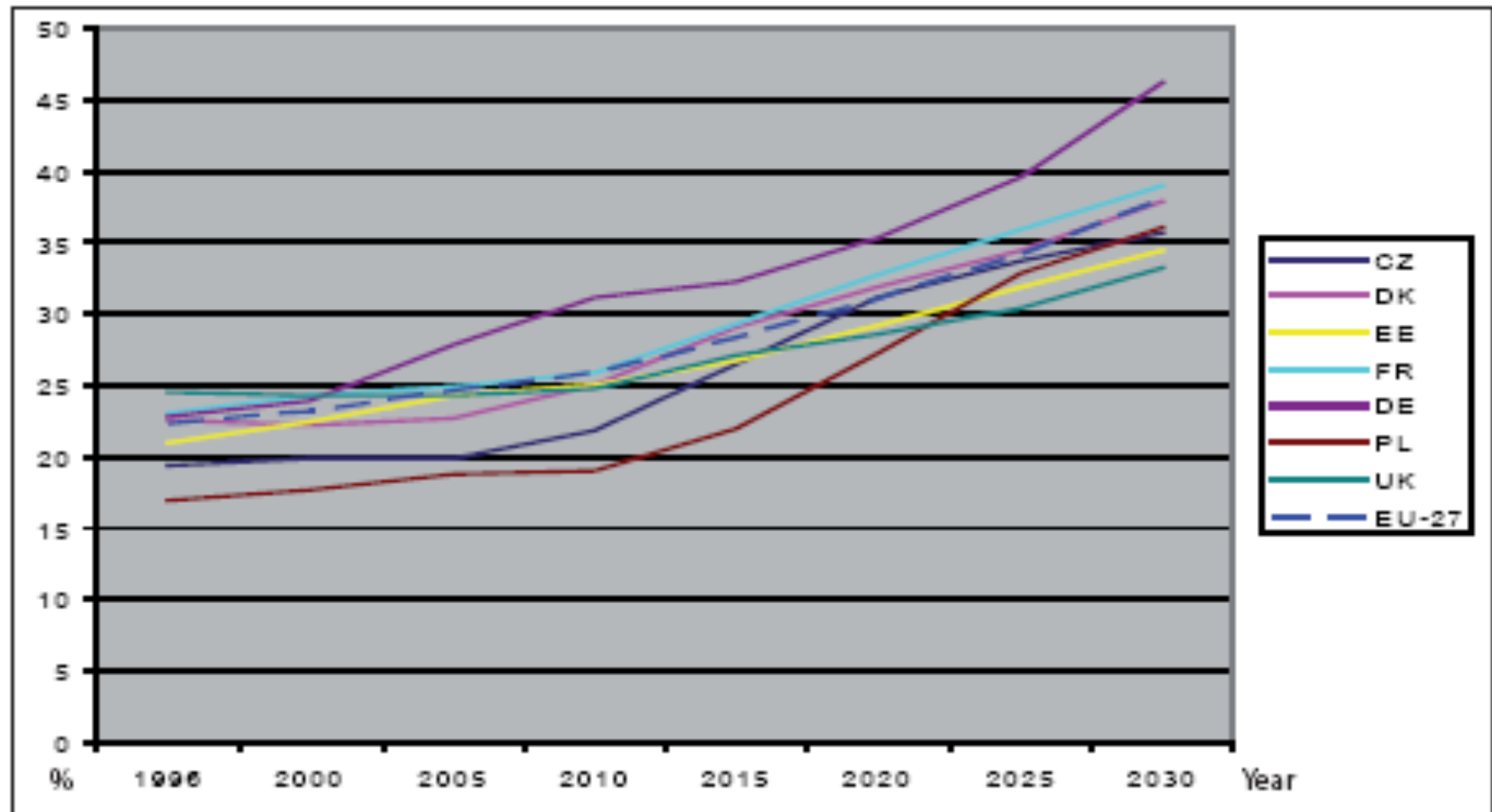
According to the European Commission 'Eurobarometr' low trust to the formal institutions is a feature characterizing all the post-communist countries, not only Poland. However, Polish society is characterized by bigger belief in the resourcefulness, individual manageability and self-help inside a family and contact networks with friends, fellow-workers and religious community.

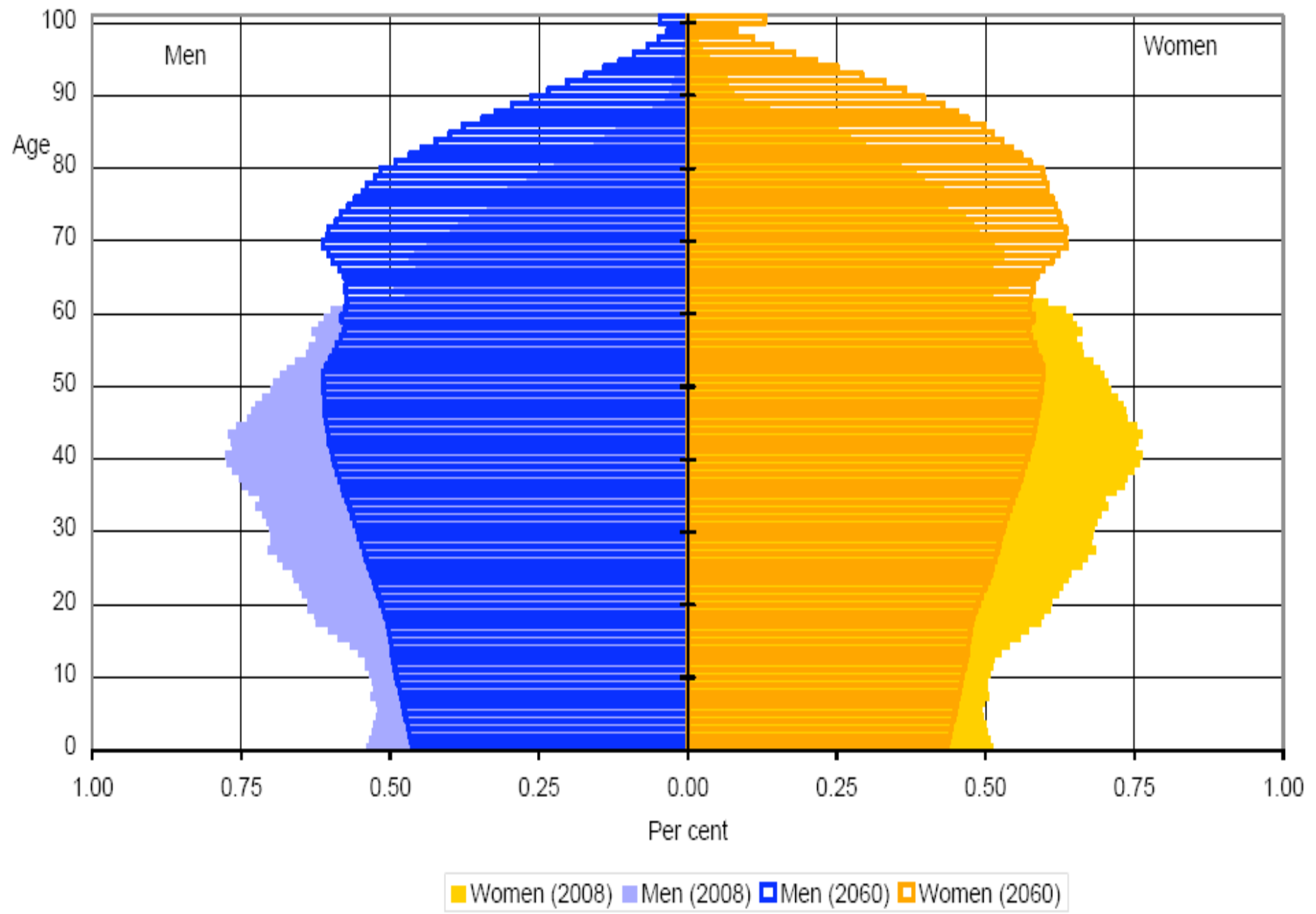
Along with significant scale of informality in the social life in the NMS, there is a problem of adequacy of the social capital picture used in the European survey on this issue.

Similarities

- Acceptance of the core of social values: equality, solidarity, subsidiarity, importance of family; however attitude to income inequalities are not the same (high in German and low in UK), different importance of leisure time (high in France in DK and UK and low in NMS and Germany)
- Similar tendency of a demographic and social stratification development with different magnitude: aging, women activity, lowering fertility, servicesation,
- Presence of mature social institutions but different social regimes: social security, NGOs, territorial self-government, social dialog
- Similar directions of social reforms but different dynamic: activation and felexibilization, financial sustainability, decreasing generosity and conditionality of social benefits, paradigmatic pension reforms, new public-private mix,

Old-age dependency ratio





Source: Eurostat, EUROPOP2008 convergence scenario

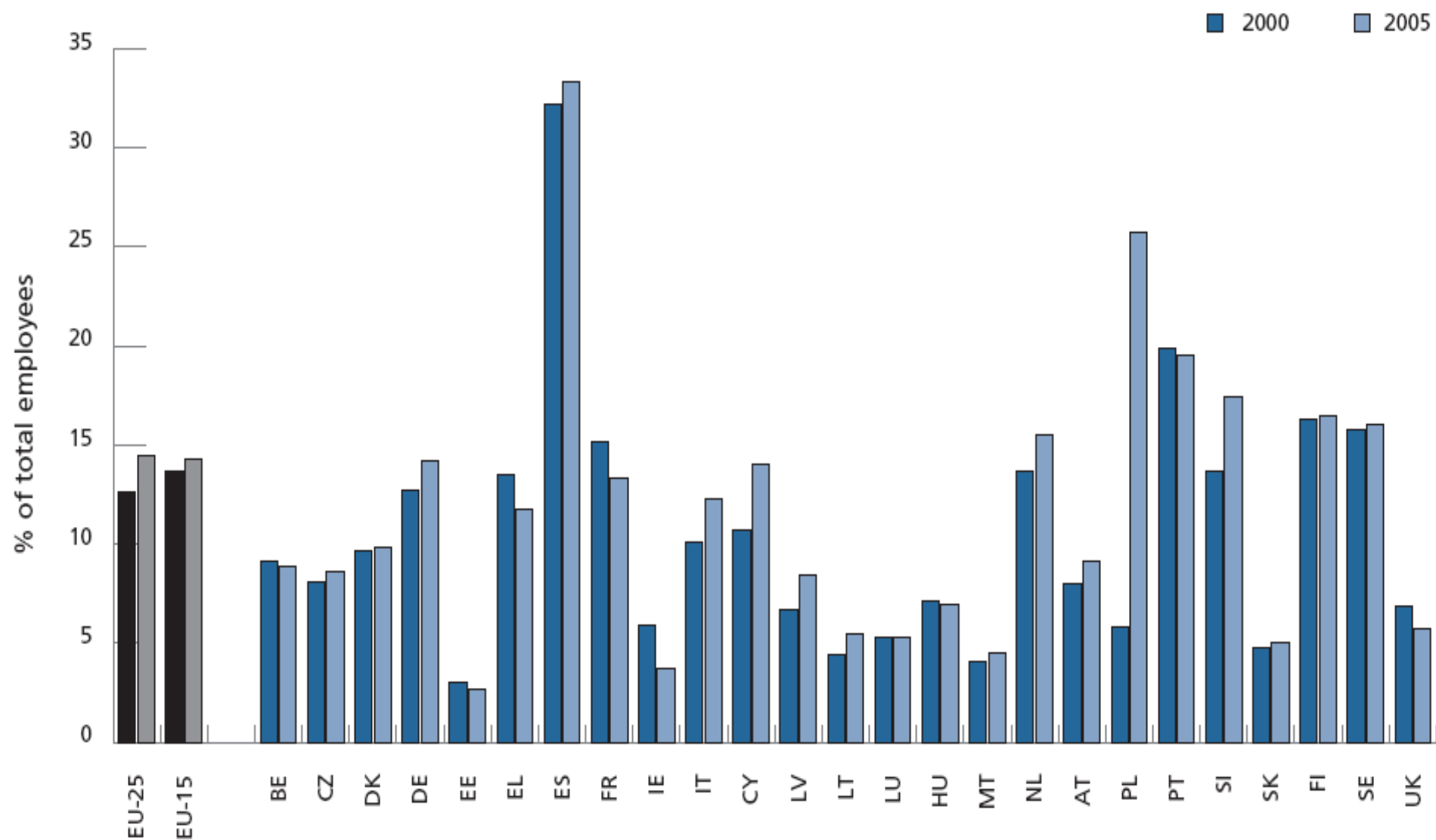
Similarities in social reforms directions

Similar directions of social reforms but different dynamic:

- activation and felexibilization,
- financial sustainability,
- decreasing generosity and increasing conditionality of social benefits,
- paradigmatic pension reforms,
- new public-private mix

Chart 26

Developments in the share of employees in fixed-term employment in the EU between 2000 and 2005



Source: Eurostat, QLFD.

Factors of convergence between national model of the welfare state

European integration (economy) and European social policy

The influence of equalizing postulates and EU regulations; gender mainstreaming and ethnic minorities inclusion

Influence from model countries: Sweden, Denmark or/and UK

Shared demographic challenges

Response to global competition

Commonality: shared challenges within the EU countries and the EU's response so far; to convert risks into common challenges:

- 1. Globalization** (Competition, migration)
→ *European Globalisation Adjustment Fund (2005), Lisbon Strategy*
- 2. New technologies** (Communication, consumption, flexible labour market)
→ *Lifelong Learning Programme (LLP), Bologna Process and common research programmes*
- 3. Climate change** (Global warming, limited energy sources)
→ *Energy Action Plan for Europe, reduction of gas emissions by 8% until 2012*
- 4. Ageing of societies**
→ *Planned Blue Card Scheme, prolonging retirement age, pension reforms to sustain system with adequate benefits*

Conclusion and recommendations

Common perspectives and tasks

- Protection of the *natural environment*
- Investment in high quality *education throughout life*
- *Maintaining a policy of high employment and decent work*
- Support of the *development of poorer regions*
- New approach to *migration policy*: From „brain drain“ to „brain gain“
- *Activation and inclusion policies* („flexicurity“)
- *Family* support and development of (priority setting for) *social services for general interest*
- *Pension security*
- Promoting healthy life style and public health – *healthy aging*
- *Improved governance* in the public sector