



THE SOCIAL DIMENSION OF THE EU

*OVERVIEW ON IT'S DEVELOPMENT, MAIN INSTRUMENTS
AND FUTURE CHALLENGES*

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SUMMARY

ZSI prepared this background paper for WP5 as a result of discussions that the WP5 team had at the Kick-off Meeting in Madrid. One of the conclusions of the discussion was that we needed a first basic common understanding of the “social dimension” in EU and Latin America and the Caribbean (LAC). The here presented document describes the evolutionary history of the European Social Model in a nutshell, gives an overview on most important instruments and sets a focus on current social trends and challenges. Especially this last point shall, in combination with the same exercise which will be done for the LAC case, give directions to further research in WP5. It shall be noted that this document is basically a synopsis of a series of key documents and is not supposed to be a critical analysis of EU’s social dimension. In depth analysis of individual topics will be done subsequently in WP5 tasks.

1. BRIEF OUTLINE OF THE HISTORY OF THE EUROPEAN SOCIAL MODEL

1.1. MAIN PILLARS, TREATIES AND ACHIEVEMENTS OF THE EUROPEAN SOCIAL MODEL

1.1.1. Synopsis of “The EU Social Acquis”, by European Commission

The European Commission issued a ‘staff working document’ describing the emergence of the body of European legislation and coordination methods as regards social policy. This so-called ‘social acquis’ of the EU is based on three pillars: primary law, secondary law and ‘soft-law’. These social rights and obligations initially evolved as a complementary measure aiming at the completion of the European single market. Besides the mentioned juridical sources genuinely generated by the EU (or its predecessors) and/or the member states (MS) there are also international law principles to be considered as shaping influence for the European social dimension. Primarily some ILO conventions and the Social Charter of The Council of Europe are to be named as sources for social rights and principles in the EU, but there are also other ones like e.g. the UN Convention on the Right of Persons with Disabilities. However, according to the working document, these international laws are less important for the EU as the EU itself cannot adopt these legal frameworks because it is not a member of these organisations. Therefore the already mentioned three pillars constitute the most important sources for social rights in the EU (for a comprehensive overview of the pillars and their genesis see Appendix B).

a. Primary law – Treaties and Charters

The first European treaty to mention social rights and the social dimension in general was the Treaty of Rome in 1957, where the European Social Fund (ESF) was founded. Later on there followed milestones like the Single European Act in 1986 and the 1992 Maastricht Treaty and the Community Charter of the Fundamental Social Rights of Workers, a political document of which many rights reached legal status through the Lisbon Treaty in 2009. Nowadays the EU primary law consist of the **Treaty on European Union (TEU), the Treaty on the functioning of the European Union (TFEU) and the Charter of Fundamental Rights (EU Charter)**. The TEU states that the EU should promote the well-being of its citizens, combat social exclusion and discrimination, promote social justice and protection, secure equality between men and women, ensure solidarity between generations and protect the rights of children. Other important topics are economic, social and territorial cohesion. As regards the implementation of these goals, the support and complementation of member states activities through directives is the most important mechanism for the EU, though limited through the principle of “shared competence” and the restriction to minimum requirements. While the areas of pay, the right to free association and the right to strike are excluded, the TFEU provides for alternative ways to adopt social legislation as e.g. by agreements reached between the social partners.

The **EU Social Charter** on the other hand has binding character for EU institutions what means that new legislations passed by EU institutions have to comply with it and member states have to comply with it when they implement EU-law. However, it is the case that many social rights specified in the EU charter (e.g. housing, social protection) are not under EU competence and therefore have more of a political character than a legal binding one.

b. Secondary law – Directives and other sources

EU secondary law is the most important source for social rights in the EU. Derived from the Treaties it is predominantly implemented by directives issued by the EC. Hereby two branches of social rights are distinguishable that contain a number of specific regulations binding for the member states:

(i) *Work environment and access to work*

Most prominently the EU social dimension achieved significant effect on workers' rights through a set of individual and collective rights. On the basis of Article 153 TFEU the EU has issued directives in a number of areas including:

- Equal treatment in the workplace
- Reconciling family and professional life
- Awareness of conditions of employment
- Equal treatment regardless of type of contract
- Limitation of working time
- Protection of health and safety
- Posted workers
- Third country nationals
- Protection in the event of termination
- Organisation, information and consultation of workers
- Prohibition of child labour and protection of young people at work

(ii) *Social protection*

Contrary to rights regarding working conditions, the EU rights complex in social protection not directly related to security and protection of workers is very limited, partly due to the missing EU competence to fight social exclusion. Areas where binding regulations exist are **social security coordination** (e.g. sickness, maternity pensions, invalidity, work accidents, unemployment benefits etc.) and **equal treatment** in social security and social integration (especially focused on equal treatment for women and men).

(iii) **Soft Law – Policy Coordination and EU funding**

The third pillar of the EU social dimension is the only not legally binding one (for a more in depth analysis see chapter 1.1.2). Soft law in this context means a policy framework that provides guidelines and goals for implementing social rights. For example, the EU assumes competences in the employment policies of the MS through the goals set in the **European Semester**, including reducing unemployment and reducing the number of people at risk of poverty and social exclusion. Another instrument of coordination is the **Open Method of Coordination (OMC)** which supports the definition, implementation and evaluation of social policies based on common objectives and indicators. Another instrument of the so-called soft law is **funding programmes/organisations** that promote the reducing of disparities between different regions in the EU as e.g. the European Structural and Investment Funds (ESIF) or the European Social Fund (ESF). Finally there is the possibility for the EU to give **recommendations** that are not legally binding but can be considered as important tools for agenda setting and point of reference for the Court of Justice of the EU. So far

recommendations related to social protection include measures in the fields of work environment and access to work (e.g. the Youth Guarantee, Quality frameworks for Traineeships, long-term unemployed etc.), social protection (e.g. access to resources for a live in dignity, work-life balance) education and training (e.g. European Qualifications Framework) and health (e.g. non-smoker protection, promotion of safety).

1.1.2. Synopsis of “Notas sobre la coordinación de la políticas de protección social en Europe”, F.M.Chiodi

Social policies in the EU are basically under the responsibility of MS. The EU may take initiative to secure the coordination of social policies and support and complement actions of MS in certain matters related to social protection, protection of workers' rights, labour market inclusion, gender equality, etc. In the framework of the **Lisbon Strategy** and its virtuous triangle of “economic growth, employment and social cohesion” arose the **Open Method of Coordination (OMC)**, which is a form of voluntary coordination with no binding character (*soft law*). Basically, the OMC aims at an approximation of national systems by defining common goals and indicators and by promoting cooperation between MS on innovative social policies. The single social OMC established in 2005 applies to the fields of:

- the eradication of poverty and social exclusion;
- guaranteeing adequate and sustainable pension systems;
- providing accessible, high-quality and sustainable health care and long-term care.

Important actors in the implementation of the OMC are the **Social Protection Committee (SPC)** and the **European Social Policy Network (ESPN)**. The SPC serves the important purpose to enforce bigger attention to the social dimension within the Europe2020 Strategy. In general, the OMC has promoted a common cognitive framework, which induced MS to follow the same principles and orientations. It is therefore a valuable instrument for political dialogue and approximation. Nevertheless, the OMC has serious limitations (absence of legislative power) and has not been decisive to determine policy changes at national level.

By the end of the Lisbon Strategy (2010) the EU social dimension had suffered a loss of relevance due to the economic crises and the renewal of the Stability and Growth Pact which demanded stricter fiscal discipline. This fact had impact on the new Europe2020 Strategy which has a focus on the management of the economic crises. The Europe2020 Strategy has 5 main targets:

- Employment
- R&D
- Climate change and energy sustainability
- Education
- Fighting poverty and social exclusion

Although three points refer to the social dimension, other topics of the social OMC are not included (pensions, health, care) which means that social protection as a whole does not lie within common policies to promote economic growth with social development. There are indications for a tendency

that the OMC is being replaced by the **European Platform against Poverty and Social Exclusion**, which is foremost a platform for political exchange with poor results so far.

Progress towards the Europe 2020 targets is encouraged and monitored throughout the **European Semester**, the EU's yearly cycle of economic and budgetary coordination. Each MS translates the overall EU objectives into national targets in its **National Reform Programme (NRP)** which is presented in parallel with its **Stability/Convergence Programme**, which sets out the country's budgetary plans for the coming three or four years. Although the first phase of implementation of UE 2020 was characterized by minor significance given to social topics in NRPs, since 2013 there are signs for a reversal of tendency, initiated because of the persistency of the crisis and the discontent of citizens with European institutions. Some new initiatives were launched by the EC, especially in the area of labor market policies, youth employment and social spending. Summing up, the EU2020 has the merit of having installed the social dimension as a key issue for growth, but at the same time it limits it to some goals in the areas of education and employment and to the reduction of people living in risk of poverty and social exclusion. Fiscal responsibility persists as irrevocable premise for the maintenance of the European Social Model.

Another fundamental pillar of the European Social Model is its policy to promote **economic, social and territorial cohesion** which consumes almost 1/3 of EU budget and aims at reducing regional disparities (regional policy). Intervention areas are e.g. economic development, infrastructures, employment and social inclusion. Key actors are the **European Structural and Investment Funds**, especially three of them: **European Regional Development Fund (ERDF)**, **European Social Fund (ESF)** and **Cohesion Fund (CF)**. The funds are executed by the different States, but under the umbrella of a complex negotiation and supervision with the EC. Interesting to know, 20% of the ESF must be reserved for measures for social inclusion. The Funds represent a historic example of harmonization of national policies for a common North.

1.1.3. EU social policies that apply favourably to third country nationals

Although the European Social Model primarily targets citizens of MS of the EU, there exist a significant number of rules and regulations that also apply to third country nationals and are therefore relevant for LAC citizens residing in the EU. These set of regulations is constituted by various legal instruments spelled out by EU primary and secondary law but do also derive from international bilateral treaties of the EU with third country states. In detail, the following directives are of relevance to third country nationals¹:

- Legal migration of third-country nationals to the EU is partly regulated by EU Directives which set out the conditions of entry and residence and also minimum of rights that third-country nationals should enjoy, in particular equal treatment with nationals.
- The Long-term Residence Directive created a single status for non-EU long-term residents.

¹ See: European Commission (2016): Commission Staff Working Document: The EU Social Acquis. Brussels: EC, p. 9-10. Available under: ec.europa.eu/social/BlobServlet?docId=15292&langId=en

- A Directive on family reunification established the rules and conditions under which non-EU nationals who are residing lawfully on EU territory may exercise the right to family reunification.
- The EU also harmonised national legislation concerning the entry of students and non-remunerated trainees and researchers.
- To attract talent and high skills workers, the European Union adopted the EU Blue Card Directive in 2009.
- A Directive on seasonal work sets important labour standards for third country nationals engaging in seasonal work in the EU.³⁷ The Directive provides the principle of equal treatment between third country nationals and Union nationals, particularly as regards the freedom of association and the right to strike, concerning terms of employment, working conditions and social security benefits
- The Single Permit Directive establishes a single application procedure for a single permit to work in the EU and a common set of rights for third country workers legally residing in a Member State.
- A common set of rights for intra-corporate transferees when working in the EU, facilitating their entry and mobility between Member States is provided by Directive on the conditions of entry and residence of third country nationals in the framework of intra-corporate transfers.

Besides these rules and regulations there are, as aforementioned, international treaties of the EU with third countries shaping the rights of third country nationals in the EU. The first of these treaties was the Treaty with Turkey in 1963 and it was followed by many others, even though the LAC region is not extensively covered by such treaties. Furthermore, international trade agreements like NAFTA are affecting social rights of third country nationals in the EU.

1.2. THE 'EUROPEAN PILLAR OF SOCIAL RIGHTS' - FIRST DRAFT AND SOME COMMENTS

1.2.1. Synopsis of the "European Pillar of Social Rights" (2016), by the EC

The European Commission, namely Commission President Juncker in his "State of the union" speech in September 2015 came up with the idea of establishing a "Pillar of Social Rights" which should work as a **framework** for the **assessment of the social performance** of the MS and allow the **comparison of existing social policies** to facilitate **reforms and convergence** within the EU. The outline of the pillar hereby rests on "social objectives and rights inscribed in the EU primary law, consisting of the Treaty on European Union (TEU), the Treaty on the Functioning of the European Union (TFEU), the Charter of Fundamental Rights and the case-law of the Court of Justice of the European Union". The principles reflected in the Pillar of Social Rights therefore reflect the founding principles of the EU and confirm the basic conviction that **economic growth** should **come along with social progress and cohesion**. As a conclusion of this conviction the EC states that social policy in the EU has to be seen as a productive factor which contributes to reducing inequality and unemployment by boosting competitiveness, increasing participation in labour markets, developing adequate social protection floor and ensuring the sustainability of public finances. Establishing a Pillar of Social Rights is perceived as even more important in the aftermath of the economic crisis of 2008 and in relation to other long-term trends in society (e.g. changes in societal structures, family and work patterns; a diverse workforce; demographic change; etc.).

As mentioned before the EC sees the social development of the EU closely linked with the economic development and therefore special attention shall be put on labour market policies that are both of economic and social nature. Because of this connection the Pillar of Social Rights shall give special attention to the concept of “**flexicurity**” as a means to create performing and inclusive labour markets that guarantee both security and flexibility. Besides that, **social dialogue** at all levels is a main concern for the implementation of the Pillar of Social Rights.

Taking all of these considerations into account, the outlined Pillar of Social Rights rests on three main headings which are compound of 20 policy areas:

1. **Equal opportunities and access to the labour market** (Skills, education and life-long learning; Flexible and secure labour contracts; Secure professional transitions; Gender equality and work-life balance; Equal opportunities)
2. **Fair working conditions** (Conditions of employment; Wages Health and safety at work; Social dialogue and involvement of workers)
3. **Adequate and Sustainable Social Protection** (Integrated social benefits and services; Health care and sickness benefits; Pensions; Unemployment benefits; Minimum income; Disability benefits; Childcare; Housing; Access to essential services)

Although the EC considers these main headings as fundamental, the existing Pillar of Social Rights is only a draft that is open to public contestation and feedback.

1.2.2. Synopsis of “The European Pillar of social rights: critical legal analysis and proposals” (2016), by European Trade Union Institute (ETUI)

The European Trade Union Institute provides an in-depth revision of the EC proposal for a Pillar of Social Rights (PSR) which includes a general contextualisation of the EC’s PSR as well as an in-depth analysis of the 20 ‘policy domains’ constituting the PSR. The article hereby concludes that the **social dimension** of the PSR is rather **thought of in economic terms** than vice versa. The EC wants to make labour markets more responsive and the social dimension is seen as a technical necessity to achieve this and less as a value derived from the founding principles of the EU treaties or an essential feature of (economic) policy coordination in the EU. The PSR is to serve as **mechanism to foster and deepen the single market in the EMU** (European Monetary Union), which bears the potential to lead to a ‘double-speed European Union’ and aggravate social inequalities. This would undermine the goals of the PSR to create a framework for upward convergence of social and labour standards, prevent social dumping and foster social investment (as in life-long-learning, social welfare and social protection systems).

Summing up, **following questions arise after a critical examination of the PSR** of the EC:

- (1) if there really is a social dimension covered by the PSR;
- (2) if the PSR fosters a paradigm shift in conception and function of social labour law towards the monetarisation of labour and social protection;
- (3) why the already out-dated concept of ‘flexicurity’ has re-emerged;
- (4) why strong links to international labour law (e.g. ILO, Council of Europe) are avoided;
- (5) if the PSR will be an instrument to further implement deregulation as indicated through the link to the Better Regulation Agenda;

(6) why no legal binding framework is envisaged that goes beyond a benchmarking exercise for MS of the EMU.

Additionally the ETUI article raises serious doubts about the 20 policy domains both content wise and in relation to their comprehensiveness. As a conclusion the article makes several proposals for a reformulation of the policy domains and an expansion of these towards real social rights that are intended to be legally binding. Furthermore the outlined **pillar misses** important topics like **digitalisation, protection of personal data, right to non-regression and the right to enforcement**. As regards the public consultation process the authors criticise the rigid structure of the feedback loop as well as missing commitments to actually take up the inputs of the public consultations.

It has to be asserted that the ambitious social goals of the EC seem somewhat out of context against the background of the current social crisis. More so, it has to be noted that the social dimension of the EU was already weakening before the crisis as a consequence of a policy which was primarily oriented towards neoliberal integration. The crisis exist strategy since 2008 finally lead to an erosion of the social dimension of the EU. Numerous EC recommendations in employment and social issues are alarming in the sense that they suggest modernizations and simplifications of employment protection which gives room for further deregulation. With regards to content, the European Pillar of Social Rights does indeed include progressive principles (e.g. gender equality at the workplace), but subordinates these principles under the dogma of fiscal sustainability.² At this moment it is not clear which legal character the European Pillar of Social Rights will have or how much alteration it would ultimately bring for MS.

2. THE INSTITUTIONAL FRAMEWORK OF THE EU SOCIAL MODEL: INSTRUMENTS, PROGRAMMES AND ORGANISATIONS

Aside from the legal instruments described in chapter 1.1.1. and in Appendix B the Social Dimension of the EU is characterized by a variety of programmes and organisations that together form its institutional framework. This framework includes instruments of policy coordination like the aforementioned Open Method of Coordination or the European Semester as well as organisations like the European Social Fund (ESF) or the Social Protection Committee (SPC). In Appendix C we provide an overview on the most important instruments, programmes and organisations and their specific focus.

Generally we have to discern different level of the institutional framework. While the OMC or the European Semester work as instruments of policy coordination for various topics, they contain or are fed with information by organisations and programmes specifically targeting matters of social inclusion and protection. The **Social Protection Committee**³ for example is an organisation that serves as an advisory policy Committee for the Employment and Social Affairs ministers of the MS of the EU. It monitors social conditions in the EU and provides reports for the ministers on topics like social inclusion, health care, long term care and pensions and is as such contributing to the OCM. Furthermore the SPC intends to foster the coordination of policy approaches and the formulation of

² Soukup:2016

³ For further information see: <http://ec.europa.eu/social/main.jsp?catId=758&langId=en>

country specific recommendations in these policy fields through the European Semester. The **European Social Policy Network**⁴ is another example that works quite similar to the SPC, although more focussed on assisting the European Commission in the implementation of the Europe2020 strategy. Its main purpose is to assess policies in the MS and to reflect on their compliance with the goals set in the Europe 2020 strategy.

The Europe2020 strategy itself is a programme that subsumes social targets like the reduction of people in risk of poverty and social exclusion by at least 20 million people until 2020. To achieve these targets the EU implemented a number of so called flagship initiatives like the **Agenda for new skills and jobs**⁵ and programmes like the **European Employment Agenda**⁶ which set out a number of actions aiming at the targets specified in the Europe 2020 strategy. These programmes again are not producing legally binding regulations but rather try to foster the convergence of policies of the MS using policy coordination instruments like the aforementioned OCM or the European Semester. While the European Employment Agenda is targeting the creation of a complex of Employment guidelines to be used in all MS, the Agenda for new skills and jobs focuses on the improvement of conditions of job creation and working conditions as well as equipping people with the right skills and fostering flexibility and security in the labour market.

Obviously there is also a need for organisations in this institutional framework that finances these set out actions. One of the most important organisations in this area would be the **European Social Fund** (ESF). Already envisaged in the Treaty of Rome in 1956 the ESF still plays the most important role in financing initiatives concerning topics like social inclusion or job creation. Other funding institutions are the **European Structural and Investment Funds**. Together these institutions are trying to make the EU fit for the upcoming societal challenges of the 21. Century. These main trends and challenges in the EU are presented in the following chapter.

3. MAIN SOCIAL TRENDS AND FUTURE CHALLENGES

3.1 RECENT CHANGES IN SOCIAL POLICIES

3.1.1 Synopsis of “Review of recent social policy reforms” (2015), by Social Protection Committee (SPC)

The Social Protection Committee provides a report about the policy measures implemented in the MS to strengthen social protection. **Key areas** of social protection systems identified by the SPC are: **social inclusion, pensions, health care and long-term care**. While the review offers a comprehensive overview on policy measures implemented in these areas by MS it lacks a critical examination of

⁴ For further information see: <http://ec.europa.eu/social/main.jsp?catId=1135&langId=en>

⁵ For further information see: <http://ec.europa.eu/social/main.jsp?langId=en&catId=958>

⁶ For further information see: <http://ec.europa.eu/social/main.jsp?catId=101&langId=en>

consequences and effects of these measures. Nonetheless it is a noteworthy document that gives insight in EU wide trends and priority areas.

Concerning **social inclusion** the main challenges identified by the SPC are an increase in poverty rates, severe material deprivation, the share of (quasi-)jobless households, increasing depth of poverty, increase in the number of children living in poverty and social exclusion, increase in youth unemployment and increasing housing cost. These developments are related to policies implemented in the aftermath of the financial crises in the EU-28: firstly, cuts in spending for social protection that result in lower quality and availability of services and programmes; secondly, a shift from universal to more targeted coverage of social protection measures; thirdly, prioritization of passive short term social protection over long enabling and active measures. The SPC sees four kinds of policy responses undertaken in 2015 by the MS:

- Poverty reduction and supporting people's entry into the labour market: through measures like income support (e.g. minimum wages), active labour market policies (e.g. financial incentives to hire long-term unemployed, targeting people with specific needs), access to services (e.g. early childhood education, life-long learning).
- Investing in children's welfare and in child care: by developing integrated strategies which combine prevention and support (e.g. early interventions, increased support) and facilitate the parents' access to the labour market.
- Combating discrimination: by implementing systematic measures.
- Combating homelessness and housing exclusion

The second area of social policy reform is **pensions**. A common trend in this area is the increase of the retirement age as well as the limitation of early retirement options (e.g. disability pensions). Some MS also initiated an increase in minimum pensions or the development of supplementary pension schemes. Only a few MS coordinated their efforts with initiatives on the labour market.

Another important area contributing to the well-functioning of social protection systems is the **health care system**. Measures undertaken by MS include structural changes in the organisation and financing (e.g. centralisation of health service), health service delivery (e.g. e-health), investing in the health care workforce (e.g. skills training, wage increase), cost-containment and cost-sharing and the enhancement of access to services and of patient's rights. Besides these measures the SPC recommends an integrated approach to health care that covers early diagnosis, enhancing primary health care, optimised use of specialists and hospitals and the formation of a skilled healthcare workforce.

The last identified area of particular importance is **long-term care**. As the dependence on it poses a major risk to individuals and families and exposes many people to an increased risk of poverty and social exclusion it is necessary to tackle this issue with the goal of enhancing accessibility, quality and sustainability of long-term care. Most of the reform measures thereby focus on a more efficient use of existing resources, strengthening of home care services and care integration.

3.1.2 Synopsis of “Social Europe. Aiming for inclusive growth. Annual report of the Social Protection Committee on the social situation in the European Union” (2014), by Social Protection Committee (SPC)

Europe is not making any progress in the achievement of the Europe 2020 poverty and social exclusion targets of lifting min. 20 million people from poverty and social exclusion by 2020. Around 1/3 of MS registered significant rises in poverty and social exclusion in 2013. Worst of are countries that were most affected by the economic crises (Greece, Italy, Cyprus, Ireland, Spain). Probably the severest challenge is the **long-term unemployment and low employment opportunities for youth (15-24) and young adults (25-39)**. Nearly a quarter of economically active young people in the EU are unemployed. At the same time, 24MS have recorded significant increases in their NEETS (Not in Education, Employment or Training) rates. The report speaks of the risk that the EU creates a “lost generation”. Long-term effects due to influences on young people’s contributions to social security systems and pension schemes are foreseeable (but underestimated). The European Quality of Life Survey detected a severe increase of young people who feel socially excluded in countries such as Cyprus, Sweden and Greece. Labour market inclusion of and social security rights for the youth is therefore a matter of utmost priority. Other risk factors for poverty and social exclusion are migration, gender, health and education (although higher level of education no longer prevents unemployment). In general, long-term unemployment continues to rise in the EU as one of the most immediate impacts of the economic crises. Between 2008 and 2013 the number of **long-term unemployed** has doubled in the euro area (most severely in Greece, Spain and Ireland). A continued rise in the share of **(quasi-) jobless households** was registered in 11MS. Another severe challenge is the share of **working poor**, which was identified as a social trend to watch in 2012. In 2013, 8.9% of people in employment were living under the poverty threshold in the EU. **Increasing income equality** is another negative social trend which is occurring within and across MS. In many countries, wage polarisation and labour market segregation, coupled with less redistributive tax and benefit system, push the rise of inequality. The poverty gap has increased in two thirds of all MS between 2008-2013. Income support systems and social transfers had mixed relevance and effects in MS. In general, countries with robust social protection systems and stronger social investment could better maintain social standards. Very broadly speaking, wide coverage of benefit systems was achieved in the Nordic countries and Continental Europe, and low coverage and adequacy in Eastern Europe and some Southern MS. Over the past years many MS have tightened eligibility criteria. The increasing **depth of poverty** was already identified in 2013 by SPC as a social trend, as well as long-term labour market exclusion. One area where positive trends have occurred is the participation of older people (55-64) in the labour market, as well as the relative (not absolute!) situation of the older generation. What concerns **healthcare services**, a result of the crises was an increase in demand for healthcare, but a decrease in public healthcare spending. Also, vulnerable population had less access to such services due to a general decrease in disposable income. But of course, the reaction of health care systems to the crises differed a lot between countries. Significant increases were noticed in the average **share of housing costs** in disposable household income in 13MS, which goes along with a sensation of insecurity. Simultaneously was there a sharp increase in overall homeless levels in a majority of MS.

In summary, according to the report 2014, the following areas of the Europe 2020 strategies have suffered most substantial deterioration in Europe (see also Appendix A):

- youth exclusion

- (long term) exclusion from the labour market
- child poverty and social exclusion
- increasing income equality
- rising housing costs that overburden rate for households
- declines in real gross household
- increase in unmet need for medical care
- increase in the level and the depth of poverty and deterioration in living conditions

It shall be noted that there are signs of improvement in some trends which were observed in the latest update from 2016 (e.g. increase in household incomes or falls in youth unemployment ratio due to temporary improvements of the economic situation).

3.1.3 Synopsis of “Employment and Social Developments in Europe (ESDE) Review 2015”

Although since 2013 signs of improvement in social indicators - such as an increase in employment in countries that have been hit hardest by the crises – have been observed in the EU, challenges remain and differences are much larger than they were in 2008. GDP in the EU has recovered to 2008 levels, but GDP growth continues to be weaker than before the crises and improvements are unevenly spread. Especially in certain MS the decline in investment has been dramatic. Of the three components of the AROPE⁷ indicator (relative poverty, joblessness, material deprivation) only the latter has been improving. Although employment levels started to grow again in 2013, employment remains well below the level of 2008 and only half of the poor who find a job escape poverty. Employment of men was more strongly affected by the crises, amongst others because men were more often employed in affected sectors such as construction. Nevertheless, the overall EU employment rate of men (75.7%) remains much higher than that of women (64.4%). Still lower are employment levels of women with children. Employment since 2008 was more stable for workers aged 45+ than for younger ones. When looking at the types of employment contracts, part-time employment has increased since 2008 whereas full-time employment decreased. The increase in part-time work reflects a longer-term trend linked to more flexible working arrangements and diversification of work schedules as well as a rise in involuntary part-time work. Also structural changes such as technological progress and globalisation led to an increased diversity of employment contracts in Member States (including on-demand, on-call, project contracts, job-sharing, etc.). The share of workers with involuntary temporary contracts varies from 8,8% in Austria to 94.3% in Cyprus. Job polarisation may be a predominant characteristic of future labour markets. Although unemployment has been declining since 2013, long-term unemployment has only recently stopped rising and poses a significant challenge to both the EU’s labour markets and its economy. Long-term unemployment predominantly affects the low-skilled, the young (20-29) and workers coming from non-EU countries. It has shown that support for the unemployed is most effective when geared towards raising their employability and providing skills in demand. Consequently there is a need for more individualisation and targeting of policy measures. Social dialogue was always an important means in Europe to balance workers’ and employers’ interests. Most MS have at least one formal structure through which social partners are involved in policy making. Economic specialization, new forms of employment and declining numbers of union members, however, pose

⁷ The EU poverty and social exclusion (ARPE) indicator

a common challenge to collective bargaining systems. In the long term, future EU growth will be under pressure due to the steady decline of the work-age population. Currently, Intra-EU mobility remains a modest phenomenon, but which could have overall positive impact on employment.

3.1.4 Synopsis of “Society at a Glance 2014”, OECD Social Indicators

The financial crises of 2007-08 created a social crisis which put households under pressure and budgets for social support under scrutiny. Long-term effects on well-being, health and family formation or career development are still unpredictable.

The worsening of aggregate income and employment trends is striking, but also reveals wide disparities across population groups and regions (while the employment rates dropped by 10 or more percent in Greece and Spain, Chile experienced an increase of 5 percentage points between 2007 and 2013). Most affected by unemployment are low-skilled prime-age workers. For the first time, the proportion of poor people is lower among the elderly than among young adults and children. The doubling of the number of long-term unemployed in the OECD is particularly worrying, as well as the collapse in young people’s employment (the rate of youth aged 15/16-24 neither in employment, education or training has increased in most OECD countries since 2007 and is highest in Greece, Turkey, Italy and Mexico). Geographical concentration of labour-market disadvantage threatens social cohesion, as a large proportion of the increase in unemployment has affected regions where it was above average even before the crises. At the same time, lower income households have lost greater proportions of their incomes than the better-off which indicates worsening trends of income inequality.

Governments responses to the crisis have initially been to increase social spending, but the large fiscal imbalances ultimately put more pressure on social spending. The biggest increases in expenditure came in countries with relatively strong GDP growth and not in those which were hit hardest by the crises. Much of the increase in social spending early in the downturn was prompted by the rise in out-of-work benefits, especially unemployment insurance⁸. As the crisis progressed, expenditure on lower-tier assistance benefits (safety-nets for those who were no longer entitled to insurance benefits) started rising as well. However, social transfers have been the focus of consolidation measures since 2011 and expenditure reductions are especially aimed for in working-age benefits. Resources for active labour market policies and services have not kept up with rising demand. Fiscal policies, through taxes and social benefits, have become less redistributive, largely as a result of falling benefit coverage among the working-age population.

The OECD releases every two years the statistical report “How’s life” that documents a wide range of well-being outcomes. The OECD framework for measuring individual well-being includes 11 dimensions grouped under 2 broad headings: (1) Material conditions: income and wealth, jobs and earnings, housing and (2) Quality of life: health status, work-life balance, education and skills, social connections, civic engagement and governance, environmental quality, personal security and subjective well-being. According to the report of 2015, different countries have different well-being strength and weaknesses and well-being outcomes differ also in countries of similar GDP, depending

⁸ 80% of labour force is covered by unemployment benefit schemes in Europe and only 38% in Latin America. Only 12% of unemployed workers worldwide receive unemployment benefits (World Social Protection Report 2015/15, ILO)

on the importance given by a government to certain factors related to well-being. Changes in quality of life since 2009 are very mixed: No country has seen strong “across the board” improvements. Mexico experienced improvements in several aspects of material well-being, but recorded a small decrease in average earnings and perceived social support, while the rate of deaths by assaults has climbed significantly. Germany experienced strong improvements in many aspects of material conditions, but recorded relatively small changes in most quality of life outcomes. The countries affected most by the crisis (Greece, Portugal, Italy and Spain) have experienced the most severe declines across multiple well-being outcomes since 2009. Detailed results, also according to different groups of society, can be found in the report. The OECD has been heavily engaged in international work to advance the statistical agenda on measuring well-being (e.g. INEGI in Mexico).

Briefly, we want to add here some detected opposite social trends which are occurring in the EU and LAC and which might give further research incentives (source: CEPAL:2015):

- LAC had a lower unemployment rate than the Europe in 2013, although it has to be noted that around half of employees in LAC are employed in the informal sector and therefore not covered by social protection.
- The Gini-index, as a measure for inequality, has decreased in LAC between 2008 and 2013, whereas it has increased in the EU. Still, LAC is one of the most unequal regions in the world, but in the last 15 years several countries have made efforts to reduce inequalities.
- Since 1990 poverty has decrease by 20% in LAC (though with big differences between countries), although the level of relative poverty in LAC is still twice as high as in Europe.
- Social expenditure has increased in both regions (with big difference between countries within LAC), although the level of public spending on social protection is five times higher in the EU.
- The level of coverage of social security systems differs a lot between EU and LAC: over 90% of EU citizens are covered by systems of social protection and receive a pension after retirement. In the case of LAC this applies only for around half of the population (again, with extreme intraregional differences).

3.2 MONITORING TRENDS AND DEVELOPMENTS IN EUROPE

One important achievement of the Open Method of Coordination has been the development of EU indicators in the areas of social inclusion and social protection. The development and monitoring of social indicators is a dynamic process where continuously new topics or monitoring tools are added. Not only the EC itself, but also independent platforms began to monitor social indicators. Some initiatives are presented in this section.

3.2.1 Europe 2020 headline indicators

The Europe 2020 strategy of the European Union (EU) is aimed at creating a smarter, greener and more inclusive economy and society. The Europe 2020 strategy is based on five EU headline targets which are currently measured by nine headline indicators with figures from eurostat. For the social dimension the following three targets apply:

Target	Indicator	Result in 2015 (EU-28)
Increasing the employment rate of the population aged 20-64 to at least 75%.	Employment rate - age group 20-64	70,1%
Reducing school drop-out rates to less than 10% and increasing the share of the population aged 30-34 having completed tertiary education to at least 40 %.	Early leavers from education and training	11%
	Tertiary educational attainment	38,7%
Lifting at least 20 million people out of the risk of poverty and social exclusion.	People at risk of poverty or social exclusion ⁹ <ul style="list-style-type: none"> a. People living in households with very low work intensity b. People at risk of poverty after social transfers c. People severely materially deprived 	4,725 ¹⁰

3.2.2 Social Protection Performance Monitor (SPPM)

The SPC developed in 2012 a monitoring tool which identifies annual key social trends to watch in the EU. The SPPM aims at identifying main common social trends and reinforcing the multilateral surveillance capacity of the Social Protection Committee, thus, enhancing the Committee's role in the European Semester and in supporting the EC Council of Employment, Social Policy, Health and Consumer Affairs (EPSCO) to bring these social issues to the attention of the European Council. SPPM consists of three elements: (i) a graph of the evolution towards the EU headline target on poverty and social exclusion for the EU as a whole (ii) a dashboard of key social indicators which provides an overview on positive and negative developments in the social situation in the EU (iii) country profiles which look in-depth into the progress on key social indicators in each MS and towards the national 2020 poverty and social exclusion targets.

3.2.3 The Social Inclusion Monitor Europe (SIM)

SIM is a new social policy monitoring instrument for the EU-28 which combines statistical data and expert evaluations. It is comprised of two tools: (1) the **Reform Barometer**: this is a report which sheds light on the variety of social policy reforms across EU member states and is based on the results of an EU-wide online expert survey among social policy researchers; (2) the **Social Justice Index**: based on a cross-national survey it comprises 27 quantitative and eight qualitative indicators, each associated with one of six dimensions of social justice (poverty prevention, equitable education,

⁹ People at risk of poverty or social exclusion are in at least one of the following three conditions: at-risk-of-poverty after social transfers (income poverty), severely materially deprived or living in a household with very low work intensity.

¹⁰ Cumulative difference from 2008 to 2014 in thousands

labor market access, social cohesion and non-discrimination, health, and intergenerational justice). SIM was set up by the London School of Economics (LSE) and the Bertelsmann Stiftung.

The **Social Justice Index Report 2015** points out some trends which are especially to watch, like the growing divide among MS, with special concern given to southern EU member states, which were having biggest difficulties in coping with the effects of the financial and economic crises. Nearly one-quarter of EU citizens are currently regarded as being at-risk-of poverty or social exclusion, whereas the gap between countries is big (36% in Greece and 14,6% in Czech Republic). Another troubling indicator is the risk of poverty among children and youth, which has again increased in some crisis-battered southern European countries. Country comparison shows that the EU and its MS must target specific areas in order to sustainably improve life opportunities for children and young people in order to stop the trend of a growing gap between generations. This implies a chain of actions like the investment in and reform of education, targeted support to disadvantaged families, investment in qualification measures of young people, etc. To support long-term social cohesion effective anti-discrimination legislation and sound integration and immigration policies are crucial and shall also be seen as a means to respond to common challenges of demographic change. In general, EU MS and European institutions need to adopt a more holistic view regarding the cause of social justice, its impacts and potential political interventions. The SIM Barometer identified a mismatch between problem awareness and problem responses. Experts agreed that promoting shared values among citizens and building trust in key public institutions appear as important concerns, but which were not followed by any substantial policy input. Same is true for anti-discrimination and fairness in the hiring process. While the Union sets its own targets for achieving social inclusion, MS have delegated little competence to it for doing so. The plea is to better align the EU's key objectives, growth and social justice, and to streamline existing instruments to foster social inclusion.

4. BRIEF OUTLINE OF EU-CELAC RELATIONS IN THE “SOCIAL DIMENSION”

Compared to e.g. the scientific dimension of EU-CELAC relations, the social dimension of these relations is not easy to grasp and has no institutionalized framework or an agreed common agenda. Nonetheless a few institutionalized connections exist. The most high-level one probably is the **Euro-Latin American Parliamentary Assembly (EUROLAT)** consisting of members of the European Parliament as well as of delegates of Latin American assemblies like the Latin American Parliament, the Andean Parliament the Central American Parliament and the Mercosur Parliament. Although it does not produce any binding legal outcomes it is an important gesture of the willingness to cooperate and form bi-regional strategic partnerships in a variety of topics including social ones. Aside from the EUROLAT there is the **EU-LAC Foundation**, which connects the business, academic and social sector in an intergovernmental process steered through the foundation itself. A shared vision concerning social goals like a socially inclusive society and the intensification of bi-regional partnerships through new policies and agendas are other areas where the EU-LAC foundation is involved.

Further, an important driver in EU-LAC relations are the Ibero-American organisations. The most important one is the **Organización de Estados Iberoamericanos (OEI)** which, although only including Spain and Portugal on the European side, is an important inter-governmental instrument of cooperation between the two regions that e.g. covers a variety of educational programmes that

contribute to a shared development of goals and strategies. Intertwined with this organisation is the **Organización Iberoamericana de Seguridad Social (OISS)** which is committed to promoting the social and economic well-being of the Ibero-American countries. This organisation is furthermore focusing on sharing best practice policies concerning social security and fostering the exchange of experiences in the field of social protection in general. Together with the **Organización Iberoamericana de Juventud (OIJ)**, **Conferencia de Ministros de Justicia de los Países Iberoamericanos (COMJIB)** and the **Secretaría General de Iberoamérica** these organisations form the **Comité de Dirección Estratégica**. Although not covering all European countries these organisations and networks already offer an institutional basis to further develop EU-LAC relations.

While the aforementioned organisations and networks act more on a basis of developing partnerships under the principle of shared visions and encouraging further cooperation, there exist organisations that have a more scientific approach and also cover social topics. The most important one of them being the **Observatorio de las Relaciones Unión Europea - América Latina (OBREAL)** which is formed by 26 academic institutions that monitor and facilitate the social dialogue between the two regions.

Taking all of these organisations into account it can be concluded that although there exist some bi-regional ties, these ties are rather weakly established and/or lack of real influence in the creation of common practices and initiatives. Nonetheless they are important docking points for further strengthening and enhancing the bi-regional relations in the social dimension.

5. CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH IN WP5

The desk research conducted so far already permits to make some first conclusions about most important trends and challenges of the European social dimension. Following the research questions specified in the work implementation plan of WP5 we promised to identify the different (and corresponding) social trends and challenges in the EU and LAC, as well as to develop a common understanding of the terms used while talking about the 'social dimension'. This paper elaborates these questions from the European perspective. In a next step we want to compare results for EU and LAC in order to define the common focus for upcoming research. It is especially important that we identify those areas of social policy which are of high political relevance for both regions and which are therefore well suited to accelerate cooperation.

For the European case it is important to consider that the EU certainly has a basis of social rights in form of primary and secondary law, but the majority of the competences in the area of social policy still remain with the MS and/or is under shared competence between institutions of the EU and the MS. Therefore a number of policy coordination instruments and programmes are put into work (see 1.1.2 and Appendix C) to facilitate the convergence of social policy measures and to assess the compliance of measures implemented by MS with the established common goals and targets. These coordination instruments, however, only elaborate recommendations which are not binding for MS. It will therefore be a challenge in WP5 to assess policy measures on the EU level and the MS level at the same time.

Nonetheless, the here identified key social challenges and trends give a good starting point for more in-depth examination of “hot topics”. The SPC for example identifies four key areas of social protection in EU (see 3.1.1): social inclusion, pensions, health care and long-term care. These areas cover challenges like the rise in long-term unemployment both for youth (15-24) and young adults (25-39), the rise of the share of (quasi-)jobless households, the share of working poor, the increase in income inequality, a decrease in public healthcare spending, rising housing costs and the depth of poverty. Basically all reviewed documents identified youth and young adults as especially vulnerable groups, particularly what concerns their position at the labour market and their access to social security rights.

These challenges are mostly tackled by the EU through recommending strategies like ‘flexicurity’ and are encompassed by programmes like the Agenda for New Skills and Jobs. As fleshed out in the first draft of a European Pillar of Social Rights the EU tries to tackle the abovementioned situations by investing in peoples skills and by adopting them to the requirements of the EU market economy. Nevertheless, on it’s the path of austerity the EU is encountering severe difficulties in achieving its ambitious social goals. The trend of more people being at-risk-of poverty or social exclusion is e.g. extremely visible in the countries of southern Europe. Basically all documents underline rising inequalities within the EU, both between member states but also between different groups of society. This negative trend takes the form of income equality, wage polarisation, labour market segregation, generational gap, etc. and threatens territorial cohesion.

We are aware that this document does only capture one section of the EU social dimension and has a strong focus on EU polices and institutions. Future research in WP5 should include a stronger focus on civil society actors and initiatives which gain relevance in times where trust in political institutions is at the lowest point. It has also to be said that this document hardly pays attention to currently very “hot topic” of refugee policy and integration of migrants which dominates public debate on social systems in many EU countries at the moment.

Some Ideas for further research and EU-CELAC cooperation on social issues:

- Identification of common social indicators and cooperation on monitoring tools
- Comparative analysis of social surveys (Eurobarometer, Social Quality of Life Survey, Latinóbarometro, etc.)
- Analysis of legal framework and plausible options for joint actions
- Establishment of a EU-CELAC dialogue platform on social issues and social cohesion
- Pushing dialogue on very specific topics of high interest or on particularly significant experiences from some countries (e.g. social security coverage for migrant workers)
- Connecting experts from both regions on certain public policy issues
- Facilitating bi-regional exchange of civil society actors

6. LITERATURE

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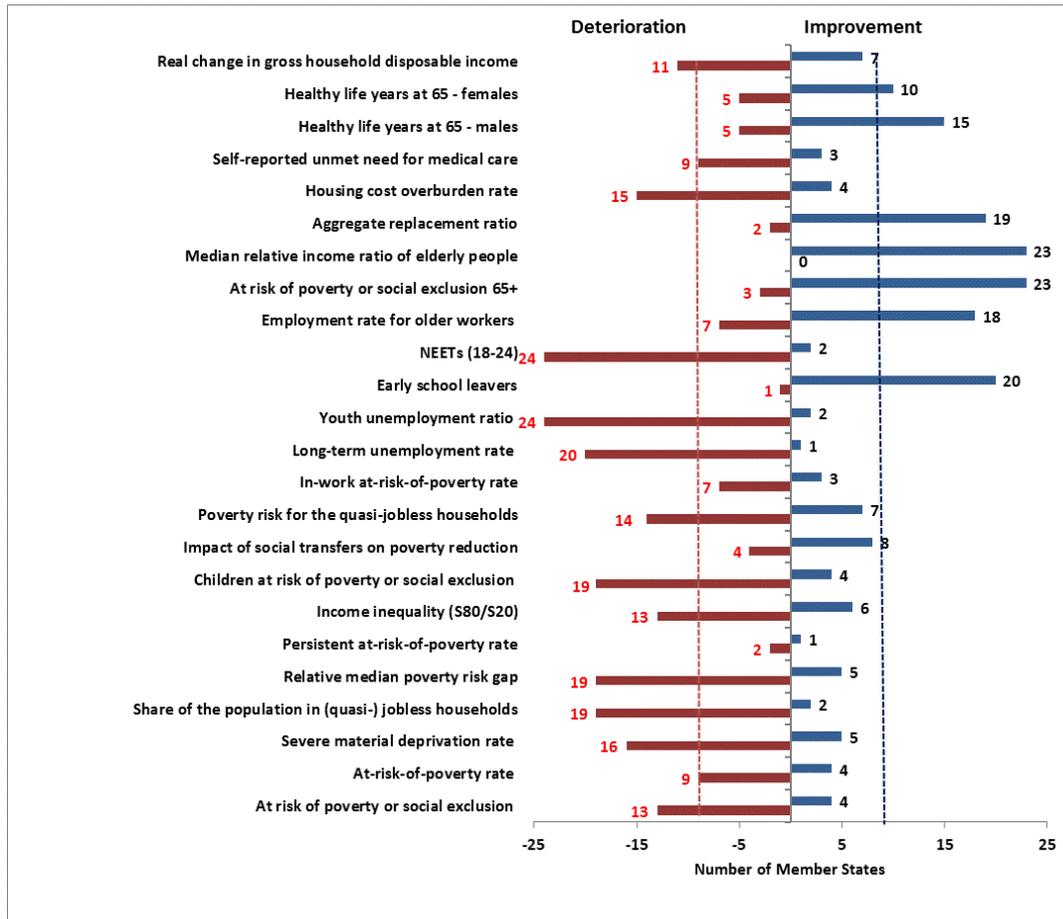
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APPENDICES

Appendix A SOCIAL TRENDS TO WATCH AND AREAS OF IMPROVEMENT FOR THE PERIOD 2008-2013, SOURCE: ANNUAL REPORT OF THE SPC ON THE SOCIAL SITUATION IN THE EU (2014), P.146



Appendix B THE LEGAL BASIS OF THE SOCIAL DIMENSION OF THE EU: HISTORICAL GENESIS AND MOST IMPORTANT LEGISLATIONS

<u>Fundamental Treaties</u> <u>(primary law)</u>	Treaty on the European Union	Treaty on the Functioning of the European Union	Charter of fundamental rights
Evolution/milestones	<ul style="list-style-type: none"> • Treaty of Rome (1957): Creation of the European Social Fund (ESF); focus on free movement of workers, abolition of discrimination based on nationality and gender equality. • Single European Act (1986): introduction of minimum requirements for health and safety of workers • Maastricht Treaty (1992): Introduction of a Social protocol. • Lisbon Treaty (2009): Inclusion of various social rights based on Community Charter of the Fundamental Social Rights of Workers. 		<ul style="list-style-type: none"> • Proclamation of a Charter of Fundamental Rights of the European Union by European Parliament, Council of Ministers and Commission (2000). • Inclusion of the Charter into the Lisbon Treaty (2009), hereby gaining legal status.
Most important topics	<ul style="list-style-type: none"> • Article 3: Promote well-being, social justice and protection, equality between men and women, solidarity between generations and the rights of the child. • Article 5: pursue this goals under compliance with principles of subsidiarity and proportionality 	<ul style="list-style-type: none"> • Article 4: EU is granted law making competences for certain fields (under “shared competence”) • Article 5: EU can start different forms of initiatives to adopt social policy legislation (see: OCM) • Article 9: social “mainstreaming” obligation: align social policies to promotion of high level of employment, social protection and fight against social exclusion. • Article 21: EU has competence to adopt measures concerning social security or social protection • Article 153: EU “supports and complements the activities of MS” regarding social policy 	<p>Charter is binding to EU institutions and to MS when they implement EU law; most important social rights stated in the charter:</p> <ul style="list-style-type: none"> • Article 5: prohibition of forced labour • Article 7: respect for privacy and family live • Article 21: right not to be discriminated • Article 23: equality between men and women in all areas • Article 31: the right to fair and just working conditions, maximum working hours, breaks and holidays • Article 34: entitlement to social security and assistance

<u>Specific regulations (secondary law) - directives</u>	Work environment and access to work	Social Protection
Type and Actions	<ul style="list-style-type: none"> • Individual rights • Collective rights • Directives, issued by the EC 	<ul style="list-style-type: none"> • mostly limited to the area of ‘security and social protection of workers’
Most important topics	<ul style="list-style-type: none"> • Equal treatment in the workplace • Reconciling family and professional life • Awareness of conditions of employment • Equal treatment regardless of type of contract • Limitation of working time • Protection of health and safety • Posted workers • Third country nationals • Protection in the event of termination of employment • Organisation, information and consultation of workers • The prohibition of child labour and protection of young people at work 	<ul style="list-style-type: none"> • Social security coordination • Equal treatment in social security and social integration

Appendix C INSTITUTIONAL FRAMEWORK OF THE EU SOCIAL DIMENSION: INSTRUMENTS OF POLICY COORDINATION, PROGRAMMES AND ORGANISATIONS

<u>Other Instruments (Soft Law) – Policy Coordination</u>	Open Method for Coordination	European Semester
Type and Actions	<ul style="list-style-type: none"> • intergovernmental • voluntary coordination between MS under EC supervision • definition of common goals and indicators • various organisations monitoring processes in MS 	<ul style="list-style-type: none"> • cycle of economic policy coordination between EC, Council, MS and EU Parliament aiming at the • elaboration of Country-Specific Recommendations and the • elaboration of National Reform Programmes for the MS
Most important topics	<ul style="list-style-type: none"> • eradication of poverty and social exclusion; • guaranteeing adequate and sustainable pension systems; • providing accessible, high-quality and sustainable health care and long-term care 	<ul style="list-style-type: none"> • employment and social performance • strengthen the involvement of social partners • Employment Guidelines • integrate national and euro area dimensions

<u>Other Instruments</u> <u>(Soft Law) –</u> <u>Programmes</u>	Europe 2020 strategy	Agenda for new skills and jobs	European Platform against Poverty and Social Exclusion
Type and Actions	<ul style="list-style-type: none"> • headline targets for the EU to achieve by the end of 2020 • monitored through the European Semester 	<ul style="list-style-type: none"> • one of seven flagship initiatives of the Europe 2020 strategy • proposal of key actions to reach Europe2020 targets 	<ul style="list-style-type: none"> • one of seven flagship initiatives of the Europe 2020 strategy • monitoring of EU countries' economic and structural reforms (through European Semester) • Annual Convention benchmarking
Most important (social) topics	<ul style="list-style-type: none"> • 75% of the 20-64 year-olds to be employed • at least 20 million fewer people in or at risk of poverty and social exclusion 	<ul style="list-style-type: none"> • stepping up reforms to improve flexibility and security in the labour market ('flexicurity') • equipping people with the right skills for the jobs of today and tomorrow • improving the quality of jobs and ensuring better working conditions • improving the conditions for job creation 	<ul style="list-style-type: none"> • help EU countries reach the headline target of lifting 20 million people out of poverty and social exclusion • labour market • minimum income support • healthcare • education • housing • access to basic banking accounts

**Other Instruments (Soft Law) –
(Funding) Organisations**

	Type	Most important social topics/goals
European Social Fund	<ul style="list-style-type: none"> • Funding 	<ul style="list-style-type: none"> • Employability • Skills development • Improving quality of education • Improving access to education
European Regional Development Fund	<ul style="list-style-type: none"> • Funding 	<ul style="list-style-type: none"> • Infrastructure • direct creation of job-rich activities • employment creation • urban regeneration
European Agricultural Fund for Rural Development	<ul style="list-style-type: none"> • Funding 	<ul style="list-style-type: none"> • training and advice for farmers and other rural SMEs
European Maritime and Fisheries Fund	<ul style="list-style-type: none"> • Funding 	<ul style="list-style-type: none"> • social cohesion and job creation in fisheries-dependent communities • training activities
Cohesion Fund	<ul style="list-style-type: none"> • Funding 	<ul style="list-style-type: none"> • Job creation
European Foundation for Living and Working Conditions (EUROFOUND)	<ul style="list-style-type: none"> • Research • Policy coordination 	<ul style="list-style-type: none"> • Monitoring trends and developments in the quality of work and life, industrial relations and structural change • Exploring and assessing policies and practices • Communicating knowledge and organising debate and exchange with target groups
European Agency for Safety and Health at Work (EU-OSHA)	<ul style="list-style-type: none"> • Research 	<ul style="list-style-type: none"> • Work environment • Health at the workplace

Social Protection Committee (SPC)	<ul style="list-style-type: none"> • Policy coordination • Research 	<ul style="list-style-type: none"> • monitors social conditions in the EU • social inclusion • health care • long-term care • pensions
European Social Policy Network (ESPN)	<ul style="list-style-type: none"> • Policy coordination • Research 	<p>provides the Commission with:</p> <ul style="list-style-type: none"> • an overview of policies addressing key challenges in the areas such as pensions, health care and long-term care and social inclusion •

Appendix D SOCIAL INDICATORS FOR THE EUROPEAN UNION

Table 1 Social Expenditure in the European Union, based on EUROSTAT data, own elaboration.

Social Expenditure	EU28	CZ	DE	EL	ES	FR	LT	AT	RO	SE
total expenditure for social protection as % of GDP, 2012	28,6	20,5	28,7	31,6	25,5	33,3	16,3	29,3	15,4	29,3
old age (as % of all services)	39,91	44,44	33,12	51,28	36,25	40,07	43,68	43,81	49,53	41,82
health care (as % of all services)	29	30,52	33,78	21,42	26,29	28,8	27,34	25,56	26,56	25,54
family, children (as % of all services)	8,44	8,86	11,16	5,48	5,43	7,86	8,75	9,8	8,59	10,55
disabilities (as % of all services)	n.a.	7,78	8,04	5,21	7,82	6,5	9,09	8,91	8,17	13,79
unemployment (as % of all services)	5,62	3,23	4,17	6,33	14,03	6,04	2,72	5,14	1,13	4,12
housing, social exclusion (as % of all services)	4,02	2,56	2,72	2,97	1,42	5,03	4,73	1,9	1,31	3,91

Table 2 Unemployment and Wage in the EU, Data retrieved from the Social Protection Performance Monitor dashboard results (2015), own elaboration

Unemployment and Wage	EU28	CZ	DE	EL	ES	FR	LT	AT	RO	SE
youth unemployment ratio (15-24), (in %), 2014	9,2	5,1	3,9	14,7	19	8,7	6,6	6	7,1	12,7
youth unemployment ratio (15-24), (in %), 2008-2014 change	2,3	2	-1,6	8,1	7,3	1,6	2,6	n.a.	1,4	2
unemployment rate of men, (in %), 2015Q4	8,9	3,6	4,7	21,2	19,5	11	9,5	6	7,2	6,7
unemployment rate of women, (in %), 2015Q4	9,3	5,5	4,3	28,4	22,5	10,2	8,2	5,4	5,9	6,4
longterm-unemployment rate (in %), 2014	5,1	2,7	2,2	19,5	12,9	4,4	4,8	1,5	2,8	1,5
longterm-unemployment rate (in %), 2008-2014 change	2,5	n.a.	-1,7	15,8	10,9	1,6	3,5	n.a.	n.a.	n.a.
Estimate of legal employment injury coverage c as % of the labour force ¹¹	n.a.	66,2	63	46,9	48,3	74,1	64,7	77,4	63,1	84,8
gender pay gap, 2014 ¹²	16,1	22,1	21,6	n.a.	18,8	15,3	14,8	22,9	10,1	14,6
Monthly minimum wage (€), 2015 ¹³	n.a.	337.58	1,473.00	683.76	756.70	1,457.52	360.00	n.a.	234.77	n.a.

¹¹ Data retrieved from ILO, World Social Protection Report 2014-15, available under: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_245201.pdf

¹² Loc.cit.

¹³ Data retrieved from EUROSTAT

Table 3 Poverty Risk in the European Union, Data retrieved from the Social Protection Performance Monitor dashboard results (2015), own elaboration

Poverty Risk	EU28	CZ	DE	EL	ES	FR	LT	AT	RO	SE
at risk of poverty or social exclusion rate (in %) in 2014 ¹⁴	24,4	14,8	20,6	36	29,2	18,5	27,3	19,2	40,2	16,9
at risk of poverty or social exclusion rate (in %), 2008-2014 change	n.a.	n.a.	n.a.	7,9	4,5	n.a.	n.a.	n.a.	-4	2
at risk of poverty or social exclusion rate for the elderly (65+), (in %), 2014	17,8	10,7	17,4	23	12,9	10,1	31,9	15,7	34	16,5
Impact of social transfer (excl. Pension) on poverty reduction, (in %), 2014	34,1	43,6	33,2	15	28,6	44,6	30,5	44,5	10,9	47

Table 4 Income Inequality, based on EUROSTAT data, own elaboration

Income Inequality	EU28	CZ	DE	EL	ES	FR	LT	AT	RO	SE
Gini Index 2014	30,9	n.a.	30,7	34,5	34,7	29,2	35	27,6	34,7	25,4
Gini Index 2008-2014 change	n.a.	1,6	1,7	3,3	7,1	-2	1,4	-0,4	-3,6	5,8

Table 5 Pensions in the European Union, Data retrieved from ILO, World Social Protection Report 2014-15, own elaboration

Demographics	EU28	CZ	DE	EL	ES	FR	LT	AT	RO	SE
population 65+ (in %), 2015	18,9	17,9	21	20,9	18,5	18,4	18,7	18,5	17	19,6
Share of population above pensionable age who receive a pension (in%), 2014	93,35	100	100	77,4	68,2	100	100	100	98	100

¹⁴ Data retrieved from the Social Protection Performance Monitor dashboard results (2015), available under: <https://webgate.ec.europa.eu/emplcms/social/BlobServlet?docId=15180&langId=en>

