

RECENT TRENDS IN SOCIAL PROTECTION AT THE EU LEVEL

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AGENDA

- Social protection: Term at the EU level
- Mainly national competence in social protection
- Social protection in the Strategy *Europe 2020*
- Social open method of coordination
- EU and social protection during the economic and financial crisis
- Problems and perspectives

1. Social Protection: Term at the EU Level

a. Social Protection (Rather than Social Security)

Social protection - Regulation (EC) No 458/2007: All interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that neither a simultaneous reciprocal arrangement nor an individual arrangement is involved.

b. The List of Risks or Needs

That may give rise to social protection is, by convention, as follows:

- sickness and/or health care;
- disability;
- old age;
- survivorship;
- family/children;
- unemployment;
- housing;
- social exclusion not elsewhere classified.

2. Mainly National Competence in Social Protection

- Social policy (protection) remains in the competencies of the member states;
- No general EU competencies in social policy (protection), but: constant improvement of living and working conditions – basic goal of the EU;

- EU primary law does include some individual social policy competencies, including:

EU social security coordination: Common rules to protect social security rights when moving within EU.

3. Social Protection in the Strategy *Europe 2020*

5 targets for the EU in 2020:

a. Employment

75% of the 20-64 year-olds to be employed.

b. R&D / innovation

3% of the EU's GDP (public and private combined) to be invested in R&D.

c. Climate change and energy sustainability

Greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990, 20% of energy from renewables, 20% increase in energy efficiency.

d. Education

Reducing school drop-out rates below 10% at least 40% of 30-34-year-olds completing third level education (or equivalent).

e. Poverty/ social exclusion

At least 20 million fewer people in or at risk of poverty and social exclusion.

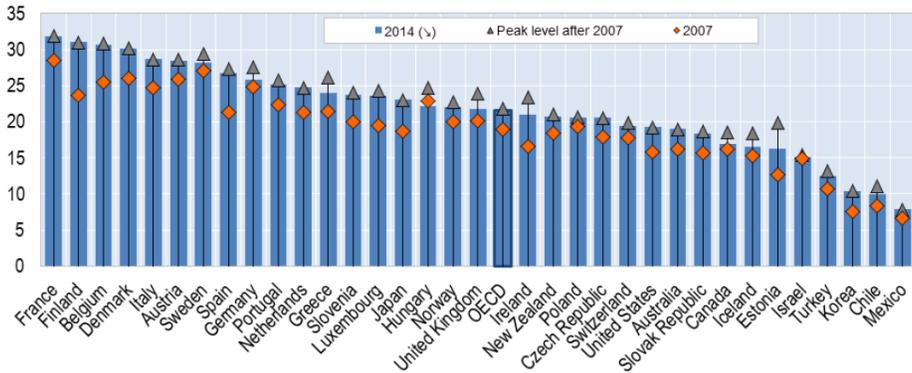
4. Social Open Method of Coordination

- Social protection remains in the competencies of the member states;
- Common challenges in the member states;
- Open method of coordination for social protection and social inclusion (social OMC);
- OMC – a 'soft' method of 'political benchmarking'.

5. EU and Social Protection During the Economic and Financial Crisis

- Social protection expenditure as automatic stabilizers in the early period of the crisis;
- Following fiscal consolidation policies included cuts to social expenditure;
- Thus, EU fiscal criteria (debt and deficit) have strongly impacted national social protection systems.

Public social expenditure as a percent of GDP, 2007, peak level after 2007, and 2014



Note: Throughout this document, (∧) (or ∨) in the legend relates to the variable for which countries are ranked from left to right in increasing (or decreasing) order.

"Peak level after 2007" refers to the highest level social spending-to-GDP-ratio over the period 2007-2014, i.e. to 2009 except for the United States (2010), Japan and Slovenia (2011), Greece and Mexico (2012), Belgium, Denmark, France, Italy, Poland, Portugal, the Slovak Republic, Spain, Switzerland (2013), Australia, the Czech Republic, Finland, Korea and the Netherlands (2014).

Source: OECD, 2014, Social Expenditure Update, p.1.

a. Increasing EU Indirect Influence on National Social Protection Systems: Example of Pensions

“A significant legacy of recent pension reforms concerns the enlarged role of the EU in national pension policy, which developed in response to the financial, economic and sovereign debt crisis. This new part evolved as the European Commission’s White Paper on Pension aligned with its 2011 Annual Growth Survey and became part of the macroeconomic, fiscal and structural reform monitoring process of the European Semester as backed by the crucial new legislation on economic policy coordination in the so-called six-and-two packs.” (EU, 2015, The 2015 Pension Adequacy Report, vol. I, p. 192).

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6. Problems and perspectives

- Common challenges: globalization, ageing, migration...;
- Efficiency of social protection systems should be examined in many member states;
- Social protection can support competitive economy;
- Even though social protection is primarily the responsibility of member states, EU has an important role in supporting cohesion and fairness.