



# EURoma Management Committee 7-8 May 2009, Budapest

## ***The Social OMC and the 2009 Joint Report on Social Protection and Social Inclusion – Overall Key Messages –***





- **Subsidiarity**  
mainly MS' responsibility  
...but also important EU competencies
- **Added value of policy coordination**  
shared challenges  
scope for mutual learning
- **Citizens' expectations**  
regular Eurobarometers  
input from civil society organisation, etc



The strategic objective formulated by EU leaders in Lisbon 2000 triggered the launch of policy processes around three social policy goals



- Making a decisive impact on the eradication of **poverty and social exclusion** (2001)
- Ensuring socially and financially sustainable social protection, responsive to today's needs:
  - Adequate and sustainable **pensions** (2002)
  - Accessible, high-quality and sustainable **health and long-term care** (2005)
  - Integrated into one framework for EU cooperation as from 2006: social inclusion, pensions, healthcare/LTC



## What is the agreed understanding of “poverty” in the EU Strategy?

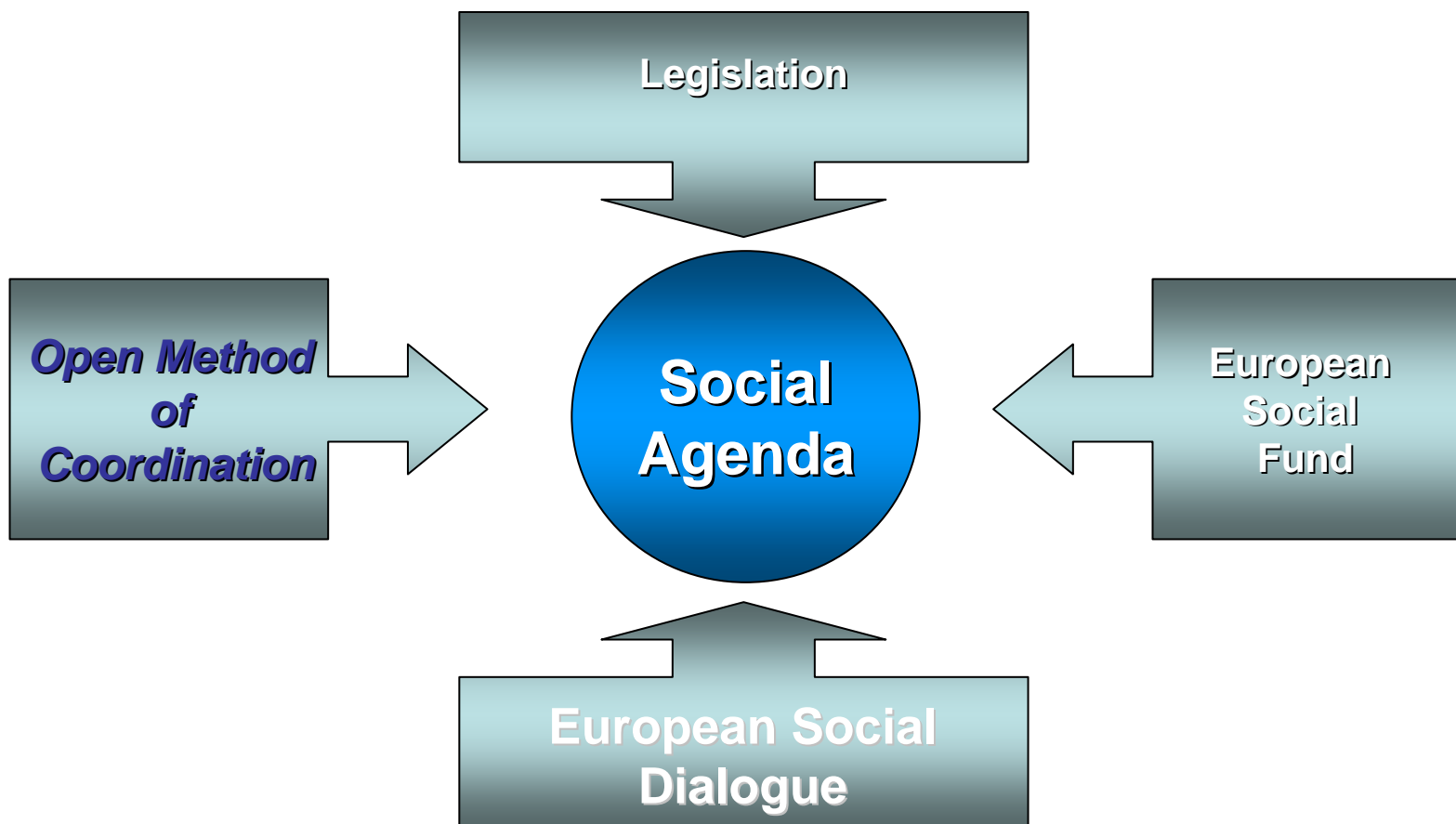


- EU Council of ministers in 1975 defined the poor as *"individuals or families whose resources are so small as to exclude them from the minimal acceptable way of life of the member state where they live"*.
- Common indicator: % of persons with income below 60% of national equivalised median income
- The concept is challenged by strong differences in living standards across the EU – need to look in parallel on poverty depth, material deprivation – we will come back to this.





# EU Instruments at disposal for pursuing social objectives



## Open Method of Coordination (the Social OMC) – its main components



- Agreeing **common objectives** for the Union
- Establishing **common indicators** to measure progress / identify best practice
- Translating EU objectives into **national/regional policies** (National Strategic Reports on SPSI/National Action Plans for social inclusion)
- Assessing policy efforts and progress by MS/in EU-27 in regular **reports (Joint SPSI Report)**
- Promoting policy cooperation and cross-MS exchange of **learning and good practice (PROGRESS programme)**
- Close cooperation Commission/MS through the **Social Protection Committee**



## A snapshot of the social situation in EU-27 – an updated analysis on the basis of common indicators

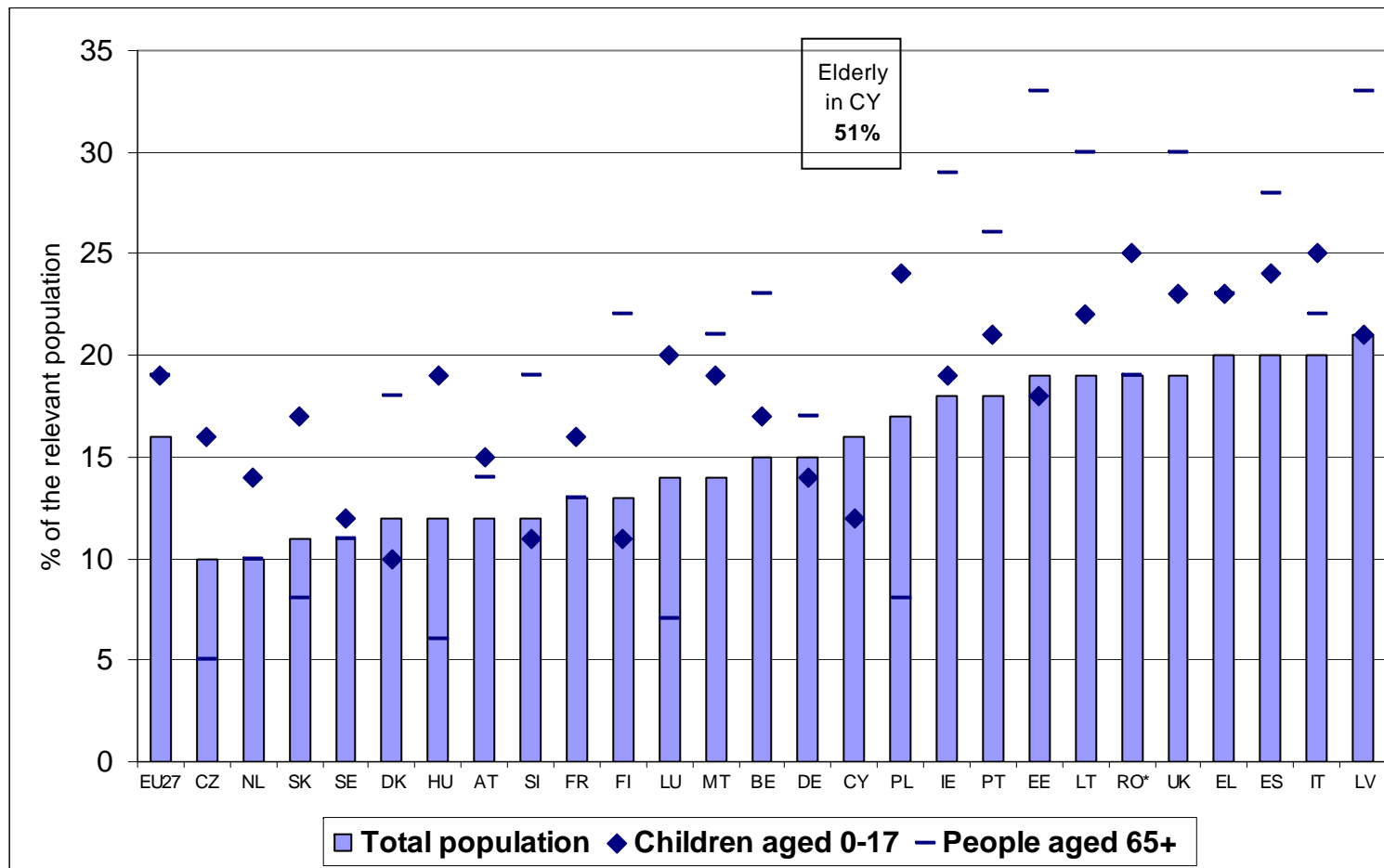


- The Joint Report highlights the common social challenges that Member States face across the EU as well as their diversity. It also points out the varied capacity of MS' social protection systems to address these challenges. This helps to identify the specific vulnerabilities of different systems and where priority measures need to be targeted.
- Some graphs follow to illustrate the situation in terms of poverty / exclusion as the EU entered the crisis.



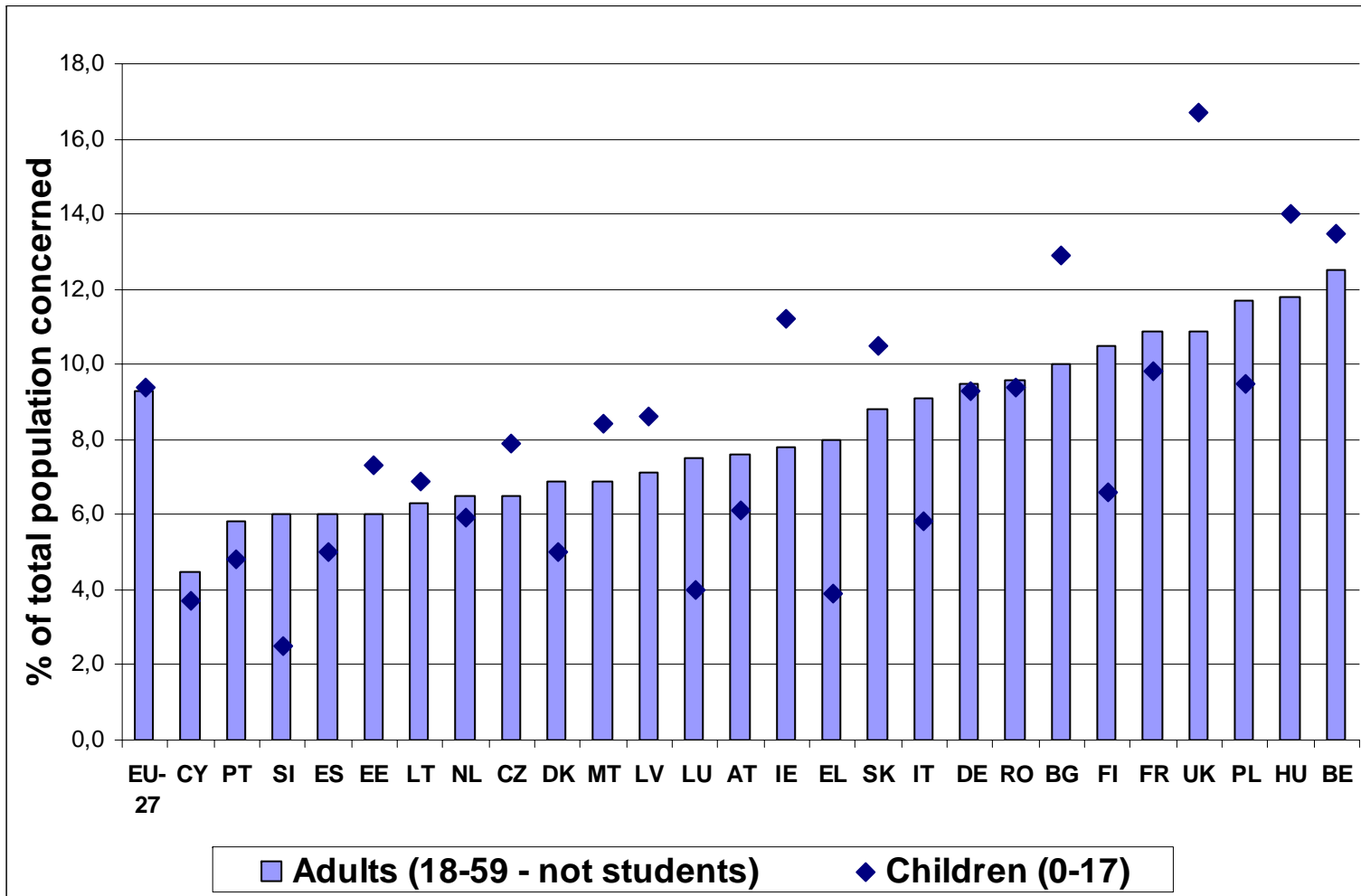
# At-risk-of poverty rate in the EU: total, children and elderly (%)

(EU-SILC 2007 except UK, IE, RO; data missing for BG)



# Adults and children living in jobless households 2007 (%)

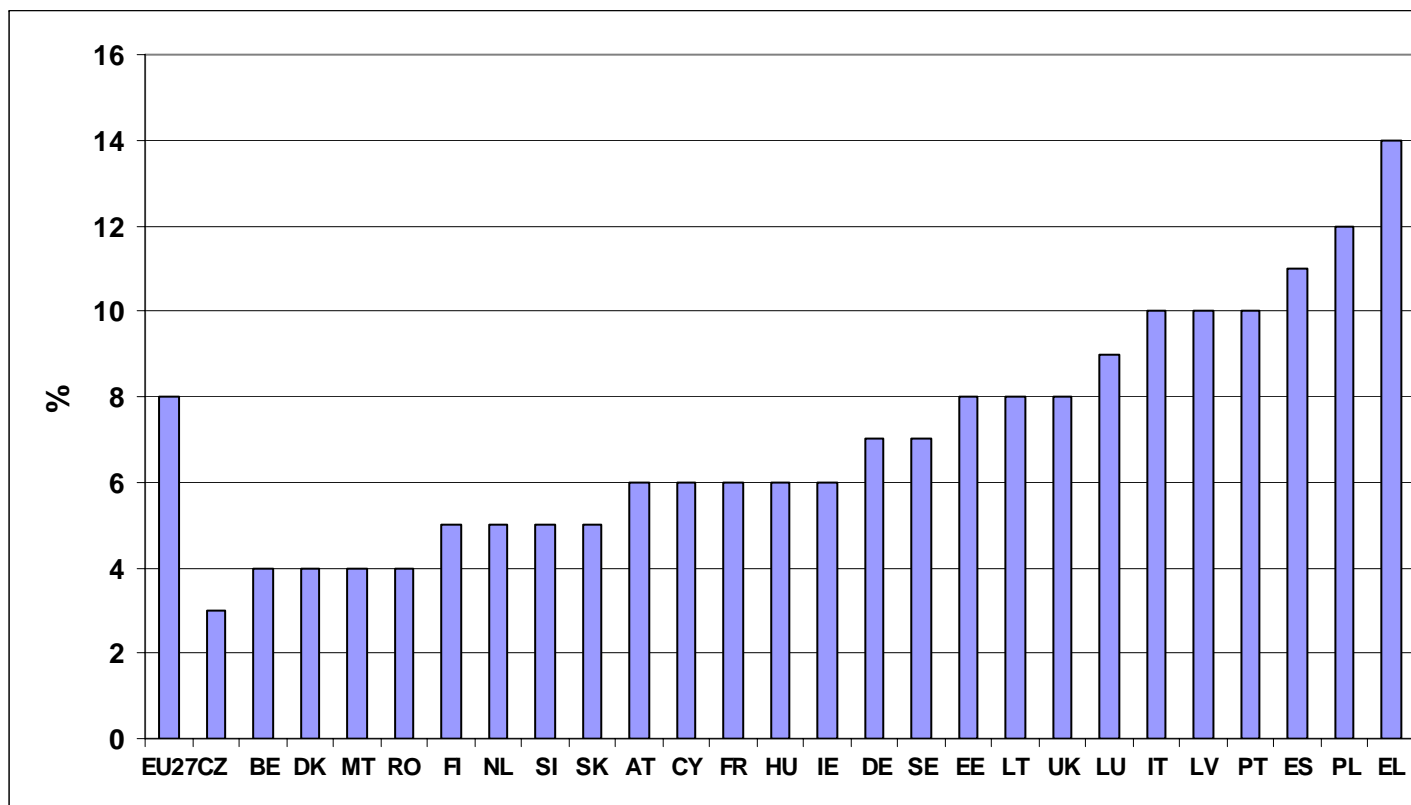
(EUROSTAT LFS; data missing for SE)



# In work poverty: at-risk-of-poverty rate of people in employment aged 18 and over, 2007 (%)

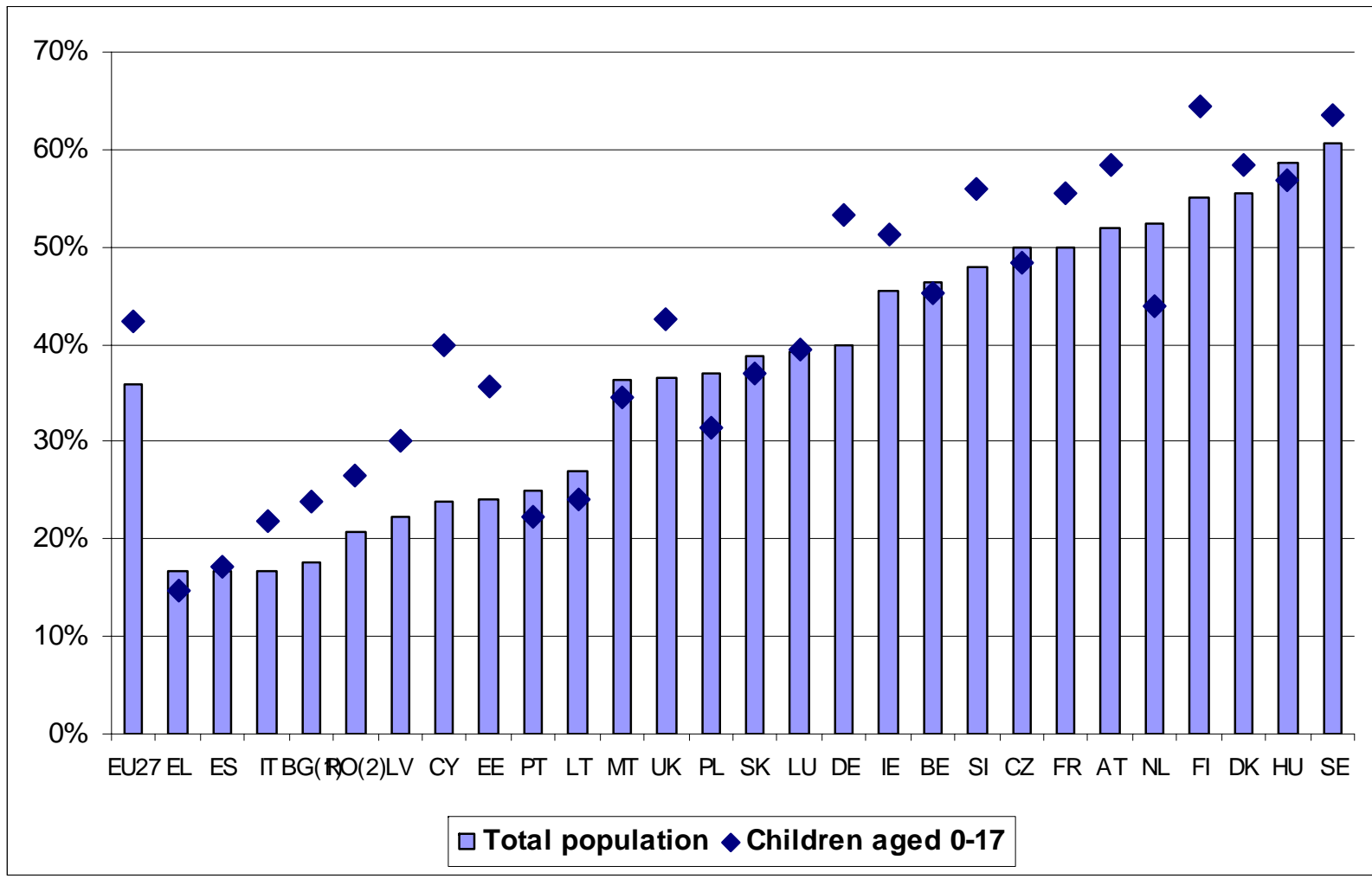


(EU-SILC 2007 except UK, IE, RO; data missing for BG)



# Impact of social transfers (excl pensions) on poverty risk – total and children (%)

(EU-SILC 2007, except UK, IE, BG, RO)





The 2008 Joint Report recognised that strong growth and job creation in recent years had not, in general, benefited the most vulnerable and not led to strengthened social cohesion overall. Need for more effective policy integration and better mainstreaming of social considerations in other policy areas.



## Key messages JR09: horizontal and social inclusion aspects I



- The EU can build on the values of solidarity that underpin its social policies and on progress in structural reforms to cushion the impact of the economic crisis and help recovery. Further strengthening the positive mutual interaction with action for growth and jobs is vital, notably by allowing social protection systems to fully play their role as automatic stabilisers. In order to address the negative impact on employment and social cohesion, long-term reforms need to be sustained while balanced with short-term measures aimed at preventing job losses and sustaining household incomes. Recent structural reforms in the field of social security have delivered results, bringing more people into employment, strengthening the incentives to work and the resilience of labour markets, prolonging working lives and enhancing economic growth. A strong coordinated EU response is needed and valuable indications are provided by the European Economic Recovery Plan.





- The European Social Fund should be used to its full potential in a flexible and timely way to alleviate the social impacts of the crisis, by supporting rapid labour market re-entry of the unemployed and focussing on the most vulnerable. Simplified implementation of Structural Funds and improved coordination with social policies will help. The Commission will issue a regular bulletin to monitor social trends. Reports from Member States could facilitate exchange of information and policy experiences in the Social Protection Committee.





- Comprehensive Active Inclusion strategies that combine and balance measures aimed at inclusive labour markets, access to quality services and adequate minimum income, need to be implemented. A boost must be given to Member States' efforts to implement comprehensive strategies against poverty and social exclusion of children, including accessible and affordable quality childcare. Sustained work is required to tackle homelessness as an extremely serious form of exclusion, to address the multiple disadvantages the Roma people are facing and their vulnerability to social exclusion and to promote the social inclusion of migrants. Vigilance is needed as new risk groups, e.g. young workers and labour market entrants, as well as new risks may emerge.





- The current Social Open Method of Coordination (OMC) Cycle lasts until 2010, the target year for the Lisbon strategy. Strong commitment will be needed to achieve the agreed objectives on social protection and social inclusion and the 2010 European Year for combating poverty and social exclusion will reaffirm it. While the decision on setting national quantified targets and their definition remains a core responsibility of the Member States, the positive role of the Social OMC could be further strengthened by evidence-based national target-setting. Increased attention should be given to the quality and continuity of stakeholder involvement and to the mainstreaming of social considerations inter alia via the evaluation of social impacts as a vital part of integrated impact assessments.



# Monitoring the social and employment impact of the crisis



- Voluntary reports from Member States are used to facilitate exchange of information and policy experiences in the framework of the Social Protection Committee, see the first assessment:  
[http://ec.europa.eu/employment\\_social/spsi/spc\\_opinions\\_en.htm](http://ec.europa.eu/employment_social/spsi/spc_opinions_en.htm)
- Starting in Febr 2009 the Commission issues a monthly bulletin monitoring the EU employment situation and social outlook:  
<http://ec.europa.eu/social/main.jsp?langId=en&catId=113&newsId=488&furtherNews=yes>





- Number of recipients of unemployment benefits increasing, and most MS expecting increased pressure on last resort income support schemes.
- Increases in defaults on mortgages / repossessions / situations of overindebtedness reported from some MS



## First indications on social policy measures in response to crisis (beside employment measures)



- Strong emphasis on supporting people's income, including of the most vulnerable. Measures include increasing the level of minimum income or minimum wage, extending the coverage or duration of unemployment benefits, reinforcing other social benefits, introducing tax rebates or exemptions for specific groups.
- Some Member States are addressing the consequences of the financial crisis on households through measures to protect mortgage holders against repossessions, to address over-indebtedness, or to support access to credit to individuals, including people on low income.
- Investments in social, educational and health services infrastructures (including health care, social housing, schools, child care, long-term care) are intended both to improve access to various social services and to boost the construction sector and generate labour demand.

