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**THE CARING DIMENSION OF EUROPE:
HOW TO MAKE IT MORE VISIBLE AND MORE VIGOROUS**

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The EU does have a social or “caring” dimension. Let’s make it more visible as a response to citizens’ anxieties. Let’s make it more vigorous as a spur for national policy making

The problem

According to the Treaty on the European Union, the EU has a broad mission: that of promoting economic AND social progress. The pursuit of economic prosperity through efficient and open markets should thus be accompanied by an agenda for social progress, jointly defined and implemented by the EU and the member states.

To a good extent, such an agenda already exists and is firmly rooted within the Lisbon process. This process aims in fact at prompting a virtuous circle between growth, employment and cohesion. The European Employment Strategy and, in particular, the “open coordination” strategies in the field of social protection (pensions and health) and social inclusion constitute the “caring” sides of Lisbon. Their grand objective is that of promoting a modernization of national social models so that they may continue to offer security and uphold solidarity in the new economic and social context of a globalizing world.

There are clear symptoms, however, that the “caring” side of Europe is not visible enough to its citizens and not vigorous enough as a spur for policy making.

According to recent opinion polls, the EU is increasingly perceived as a potentially mischievous entity by the majority of its citizens, as a threat to national labour markets and social protection systems. More than half respondents (EU25 average) of a 2005 Eurobarometer are afraid that European integration may lead to a loss of social benefits, while more than three quarters are anxious about job losses due to productive relocations towards foreign, low-cost countries.

Mass perceptions can be factually wrong, but they play a crucial role in politics. After the French and Dutch referendums, the integration process risks to be seriously de-legitimized and jeopardized by those xenophobic sentiments and neo-protectionist demands coming from social groups that are more directly affected by the waves of market integration and increased competition. In many countries the Pandora box of social anxieties and political frustrations is rapidly opening; neo-populist and extreme left formations will not hesitate to incite these anxieties and frustrations against the EU, forcing other parties in a corner. "Bashing the EU" risks becoming the prevailing game in domestic elections in the years to come.

A swift response on the side of responsible EU and national leaders is thus needed. Without watering down the agenda for economic reforms and welfare state modernization, European leaders must engage themselves in a new discourse, in which such agenda is "nested" in a wider and more socially friendly symbolic framework. At the core of this framework there should be a simple message: competitiveness, growth and jobs are

pursued because Europe cares for people's welfare and life chances (in a broad sense). Europe promotes "opening" and markets as vehicles for achieving greater economic prosperity in a globalising world, but also cares for how the fruits of economic prosperity are distributed: it cares for cohesion and social justice. Cohesion and social justice make society a better place to live in and also make change and reforms more acceptable to citizens. (NB: in a sense this would be a stronger formulation of the principle contained in Tony Blair's speech to the European Parliament: "The purpose of social Europe and economic Europe should be to sustain each other").

The response

The obvious springboards for responding to the challenges outlined above are the instruments that are already incorporated within the Lisbon strategy: in particular the "open coordination" processes in the field of social protection and social inclusion.

So far these processes have been under-exploited or even ignored by political leaders. The existing EU agenda offers a unique opportunity for catching up. In the wake of decisions taken during the Spring European Council, the year 2006 should witness a new departure for "open coordination" in the fields of social protection and social inclusion. The Commission has already drafted a Communication outlining a reformed

and “streamlined” institutional framework for this new departure¹. European leaders thus have an immediate chance for making the caring side of Lisbon more visible and more vigorous. Here are two proposals that might serve these objectives.

Proposal 1: clearer social objectives, a sharper focus on children – and a simpler language

European leaders should give a high and strong political impulse to the redefinition of the grand social objectives of the EU. If not them, who?

What are now the social objectives of Lisbon? The contents of its “caring” side? At the moment, there are three different sets of objectives: one for social inclusion, one for pensions and one for health care (see annex). The Commission communication suggests to re-define them. It proposes modifications within the sets, but also the definition of three “overarching objectives”, which read as follows:

- 1) support the achievement of the Lisbon objectives of creating greater economic growth and more and better jobs;
- 2) promote social cohesion and equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies;

¹ Commission draft Communication to the Council.... “Working together, working better: A new Framework for the Open Coordination of Social Protection and Inclusion Policies in the European Union”, Brussels COM (2005)...

- 3) strengthen governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy.

The list does send a message that goes in the right direction. But the message can be improved in both substance and communicative style.

In the first place, it sounds somewhat odd that the first “overarching” objective of Social Europe should be ... to support economic growth and better jobs. Growth and jobs are of paramount importance, of course. But there are many other Treaty provisions and coordination processes (including the Broad Economic Policy Guidelines and the European Employment Strategy) which already deal with them and stress the need for social policies to support them.

In THIS case, **the order of importance could be inverted**: it should be made clear, in other words, that the economic and employment objectives of Lisbon should work to the advantage of people’s welfare and social cohesion. The language used should also be made more accessible: the three objectives should become **the “social flag” of Europe**, a manifesto easily accessible to every citizen. Without a more accessible language, the list risks to be read as a yet another technocratic statement on what to include in periodic and tedious “reports to Brussels”.

Merely for exemplification, a different list could read as follows:

The European Union contributes to coordinating national policies in the field of social protection and social inclusion based on the following common objectives:

- 1) improve the life chances of all citizens – and in particular the most vulnerable – by taking advantage of the fruits of a more competitive economy, more efficient markets and more and better jobs;*
- 2) promote social cohesion and equal opportunities for all through social policies that are:*
 - a. adequate*
 - b. accessible*
 - c. financially sustainable*
 - d. adaptable*
 - e. efficient*
- 3) ensure that social policies remain close to citizens and are designed, implemented and monitored in accordance to their needs and aspirations.*

Besides inviting a clearer and more accessible definition of the grand objectives of Social Europe, a second, important contribution that could be made by European leaders is that of adding to the menu a specific **focus on children**.

There is little need to highlight the importance of early childhood experiences in the development of individual human capital, and thus for enhancing a given society's capability to remain competitive, prosperous and opportunity-rich. Deficiencies and limitations in the formative

environment of children (particularly those limitations which are linked to poverty in the family of origin) lead in the subsequent phases of life to problems involving learning, lack of motivation to learn, a greater likelihood of truancy, inadequate skills and thus in general fewer chances of social mobility. The statistical data tell us that child poverty is far from eradicated in Europe today: one in five children live at risk of poverty and the risks are higher for the children of lone mothers and for workless households. In some countries the incidence of child poverty exceeds that of poverty among the elderly (e.g. in Germany, France, Italy, Spain, and many of the new member states). Outside the Nordic area (and, more recently, the UK) the package of benefits and services available to children (and their parents, their mothers in particular) are still underdeveloped. The negative implications of inadequate social protection and social inclusion among Europe's children must be prevented through bold measures aimed at promoting the early accumulation of individual human capital. The training of young people and, even before that, an all out war against child poverty must become one of the pillars supporting a reformed European social model.

At present, children, child benefits and services are not mentioned at all in any of the objectives that guide the open coordination processes. Adequacy is mentioned in the case of pensions. Why not mentioning the provision of "adequate child benefits and services" within the social inclusion process? Social inclusion is a delicate process which starts at birth. In fact, what happens in the earliest phases of life is one of the crucial determinants of inclusion perspectives later on. From both a socio-economic perspective and a symbolic (and thus political) perspective it

would seem wise on the side of European leaders to take a specific initiative in this direction², inviting the Commission to **make children and child policies more visible in the “social flag” of Europe.**

The availability of adequate child benefits and services would bring advantages not only in terms of human capital formation, but also in terms of **fertility and female employment.** As is well known, for the financial sustainability of the welfare system of the twenty-first century (and particularly with regard to pension schemes) other income generated by high levels of female involvement in the labour market will be crucial. Containment of demographic imbalances will depend upon the willingness of women to have children. This double restriction poses a serious policy challenge. The falling birth rate, which is chiefly responsible for demographic ageing, is linked in complex ways to the involvement of women in the labour market. “Family responsibilities” are mentioned as the prime reason of inactivity by women aged 15-64 who do not participate to the labour market. While two-income families are becoming the norm in many EU countries, it is still women who carry a good deal of the responsibility for care within the confines of the home. Recent research shows, however, that high birth rates and female involvement in the labour market can co-exist. The key to activating this virtuous circle lies in promoting a whole raft of policies, and more specifically:

² Also as a follow up of the Pact for Youth agreed upon during the 2005 Spring European Council.

- services for babies or young children and the elderly so as to lighten the burden of unpaid 'care' which is still chiefly shouldered by women;
- family allowances and tax deductions involving substantial amounts, to offset at least in part the cost of raising a family;
- "time and scheduling" policies (schools, offices, shops, childcare facilities themselves), so that both parents can collaborate in handling domestic commitments;
- incentives to re-assign parental duties from mothers to fathers (e.g. Sweden's "daddy days", i.e. paid leaves that can only be claimed by fathers), in an attempt to break with customs and a mentality which have become entrenched;
- forms of assistance and support aimed at women (thus resulting in gender equality) in the labour market: not only at entry level but also at re-entry after maternity leave and during career advancement.

Each country must obviously identify its own mix of instruments. The countries of Northern Europe have for some time placed working mothers and dual earner families at the centre of their social policy. Statistics indicate that there are no differences in the rate of labour market participation (above 75 per cent) between women with children and women without children in the Nordic countries. The challenge remains almost entirely without response in most of the continental countries, where the gap in participation rates reaches several percentage points, including many of the new member countries.

The goal of achieving higher female participation rates is already part of the Lisbon agenda. The European Employment Strategy has set quantitative targets (60% by 2010) and some of its integrated guidelines explicitly focus on various aspects of the gender gap in employment. The Barcelona Spring Council of 2003 addressed in particular the link between female employment and childcare services, setting quantitative targets: to provide childcare to at least 90% of children between 3 years old and the mandatory school age and at least 33% of children under 3 years of age. This latter target in particular is very far from being attained in the majority of member states. More generally, national policies often do not establish a clear connection between childcare expansion and the needs of the labour market, and little attention is given to the issues of quality and affordability. It seems thus urgent to confirm a **strong political commitment** on the side of European leaders to the **setting of appropriate childcare targets** in the context of the Employment Strategy: not only quantitative targets, but also **qualitative targets dealing with service design, affordability and quality**.

Initiatives in this direction should also address the specific challenge of how to encourage and support the re-employment of the mothers of young children. Besides measures such as “daddy days” and “baby bonds” already introduced in a few countries, specific **“mammy bond” schemes** could be considered and experimented. These are schemes that offer cash benefits to neo-mothers, earmarked for expenses that facilitate their re-entry into the labour market.

Proposal 2: a strong political signal for re-launching the social and “caring” dimension of Europe

So far European leaders have never really invested , politically, in the social dimension of Lisbon: partly because, quite simply, they have not noticed it, partly for fear of “wasting” even a small dose of domestic credit and legitimacy to the advantage of the EU as such.

To give just one example: the National Action Plans for Social Inclusion could have become important occasions for elaborating national strategies of reconciliation between the market and the welfare state (a modernized welfare state), between competitiveness and cohesion, in a framework of broad objectives jointly defined at the EU level. Such Plans could have offered important occasions for stimulating high-level political debates within Parliaments (including the European Parliament), national social dialogue institutions, the media, thus making the social dimension of Europe more visible to the citizens. Occasions for giving birth to that Europe which is more just, but not closed and nationalist, which we now see as politically necessary in order to protect the road of greater economic integration and advance on it.

The consequence of this political neglect has been that the social dimension of Lisbon has fallen in the hands of specialized circles of “insiders” (EU committees, national administrative units, a few organised stakeholder organisations, policy advocates and experts). Few high level political actors or arenas have “noticed” the OMC, let alone been involved in it. In the Commission’s contribution to the Hampton Court Council the

OMC is not even mentioned as such among the “unique set of instruments” which are at the disposal of the European Union. This paper is also rather shy in addressing the issue of social justice. Social justice is mentioned solely in relation to economic and labour market reforms, arguing that “they are the two sides of the same coin”. Economic and labour market reforms can, indeed, generate equity gains alongside efficiency gains. But social justice is not merely “the other side of the coin”. It is a separate coin – or better, it is a scale that weighs the degree to which change and reforms are, precisely, “just”, fair, equitable. Justice, fairness and equity are properties that matter a lot, because they make change and reforms legitimate and acceptable within society.

At Hampton Court (and in the next months, in the run-up to the Spring European Council that will decide on reforms and “streamlining”) European leaders will have a chance to remedy this situation by giving a **strong and visible political signal** that they do care about the social dimension of Lisbon: for example, a joint official statement or declaration (which might take the symbolic form of a **Pact on Social Inclusion**) supporting the re-launch of open policy coordination in the field of social protection and especially social inclusion (the latter is indeed the “process” that has the highest legitimizing potential for the EU). A specific **mandate** for reconciling the economic and social sides of the Lisbon strategy and making concrete proposals (on procedures and substance: e.g. improved benchmarking and more tangible, financial incentives) could be given **to the newly established Council of “Ministers for Lisbon”**.

Such a political signal would be decisive: precisely because its symbolic and policy potential has not been adequately exploited so far, the OMC may soon be condemned to evaporation and oblivion. There are no other instruments at hand in the short and medium run to respond, politically, to the “anti-opening” (anti-market, anti-capitalist, anti-immigrants, anti-enlargements etc.) tide which is rapidly surging in many member states. Revamping the “caring” dimension of Europe through an instrument such as the OMC may itself prove inadequate or insufficient. After all, Social Europe already has an *acquis* of *hard law*, which needs to be fine-tuned and further developed. But now we need a swift political move: the reform of *soft coordination* in the fields of social protection and social inclusion has the advantage of being already on the agenda – and this is a flexible and promising instrument, which deserves to be given a real chance.

Annex. The employment, social inclusion, pension, and health care 'processes': main substantive objectives

<p><i>Employment: overarching objectives</i></p> <ul style="list-style-type: none"> • full employment • quality and productivity at work • social cohesion and inclusion.
<p><i>Social inclusion: common objectives</i></p> <ul style="list-style-type: none"> • to facilitate participation in employment and access by all to the resources, rights, goods and services • to prevent the risks of exclusion • to help the most vulnerable • to mobilise all relevant bodies
<p><i>Pensions: common objectives (broad headings)</i></p> <ul style="list-style-type: none"> • safeguarding the capacity of systems to meet their social objectives (adequacy) • maintaining their financial sustainability • meeting changing social needs (modernization)
<p><i>Health care and care for the elderly: long term objectives</i></p> <ul style="list-style-type: none"> • accessibility • quality • financial viability