

**CONNECTING WELFARE DIVERSITY
WITHIN THE EUROPEAN
SOCIAL MODEL**

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Theodoros Sakellariopoulos and Jos Berghman (editors)

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FOREWORD BY THE MINISTER OF LABOUR AND SOCIAL SECURITY MR. DIMITRIS REPPAS

The Greek Presidency of the EU, which was concluded in July 2003, and the Ministry of Labour and Social Security, are glad to present this publication as a contribution to the quest for new ideas on the adaptation of the European Social Model. We feel the burden of responsibility towards the growing debate on the advancement and consolidation of Social Europe. The issue in hand was one of the main priorities of the Greek Presidency. The conference organised at Ioannina in May 2003, with the support of the European Commission Directorate General for Employment and Social Affairs, represented the culminating expression of the efforts, which had been made to promote and broaden those policies, which endeavour to bolster the social strategy of the European Union.

On the political level, the statutory bodies of the Union and the governments of the Member States have recently been striving with increasing determination to demonstrate that the Union exists and functions first and foremost for the sake of its citizens – which entails that social protection now occupies a prominent position among the objectives and decisions, which are jointly reached at the Council of Ministers. The Spring European Council of 2003 reaffirmed the unanimous commitment of the Member States to maintain a high level of social protection, based on the principles of solidarity and social inclusion.

There are, of course, many who wonder whether these political declarations mean anything at all of practical value to those citizens of Europe who must experience at first hand the problems of unemployment, poverty and social exclusion. If we leave aside the arguments over the differences between national systems, and over the allocation of powers between the EU and the Member States, the answer is that these decisions guarantee the continuing operation of all those institutions and mechanisms, which make up the protective safety net created in the last century by the modern European States to prevent the debasement and marginalisation of vulnerable citizen groups. This social contract, with its various national variants, formed the basis on which our economic growth was founded, and reinforced the contribution we have all made to social investment – which is, for Europe, the necessary complement of our competitiveness. It is my belief that the supreme challenge, not only to those engaged in politics but to all those engaged in the social dialogue, is to transform the declarations

and the objectives, which incorporate our values into a concrete reality for the citizens of Europe.

During the Greek Presidency we enjoyed a highly constructive debate at the Council of Ministers on the future of social protection policies in the European Union. The process demonstrated that what is customarily known as the European Social Model is made up of different experiences based on a variety of attitudes and approaches to social protection, which are often presented as being diametrically opposed to one another. Yet despite the different historical background and legislative form of the various manifestations of the Welfare State in the EU Member States, we know that at the foundations of all 15 States we find the same values of solidarity and justice, which give meaning and content to the function of the State as a protector of human dignity.

The inherent difficulty of finding an absolutely precise definition, which will represent in every detail the content of the complex European Social Model should not lead us to deny its existence, since I believe it is self-evident to almost everyone what it is we are referring to. Free of any interpretative bias, I believe we can define the European Social Model in terms of the lowest common denominator established within the social heritage of all the countries in our continent. This common denominator consists very simply in the interdependent operation of the free economy and the social dimension, in such a way as to safeguard a high level of prosperity for ordinary people, to eliminate poverty and exclusion, and to contain the activity of the markets within boundaries, which will prevent any danger to social cohesion.

From this perspective I believe that the European Social Model is an inspired reality, and its modernisation a vision which can perfectly well be realised. Its pluralism, which is seen in the variety of national systems of social protection, is an integral part of this reality, and we could not hope to advance on the project of its modernisation without respectful acknowledgement of these differences. Yet at the same time we must not overlook another important development, the advance towards a first European Constitution, which will recognise and embody in visible form, on both the symbolic and the institutional level, such social values as solidarity and social inclusion – both of them cornerstones of our Social State.

Pursuing the same commitment to the defence of the European Social Model, which it displayed during the Greek Presidency, the Ministry of Labour and Social Security now presents what in my opinion is a highly important contribution to the debate on the prospects for EU social policy.

The fruit of the collective labours of several distinguished academics – Messrs. Sakellariopoulos, Berghman, Amitsis Hemerijck, Stergiou and Stevens – with whom we collaborated during the Greek Presidency, the document endeavours to describe the main challenges involved in the shaping of social protection policies in the EU, and to lay down in outline the alternative options available and the way in which they can be expected to evolve.

Our objective is to establish a productive academic and social dialogue, which will in the long term assist the EU to arrive at a political consensus, one which will in its turn lead to the successful adjustment of the Welfare State to the new model of production and the challenges of our times – taking full advantage of our opportunities for convergence and collaboration within the European Union.

Dimitris Reppas
Minister of Labour and Social Security

FOREWORD BY THE DEPUTY MINISTER OF LABOUR AND SOCIAL SECURITY MR. ROVERTOS SPYROPOULOS

This book is the fruit of what I believe has been a particularly constructive process, which took place in Ioannina during the Greek Presidency of the European Union. At the Ioannina conference the work of several eminent academics – now in the form of this book – provided the starting point for productive dialogue on the adjustment of what is commonly known as the European Social Model. The dialogue was founded first of all on the academic analysis of the issues involved in the adaptation of the Social State to the new circumstances of European integration and to economic and social developments on the global level. Yet at the same time the dialogue was profoundly political, involving our attitudes toward the fact that in the European Union the individual efforts of the Member States to reform the social state are not merely national processes which involve problems common to us all, but at the same time make up a reservoir of policies shaped on one hand by various national strategies, and on the other by joint actions on the EU level.

In recent years, and despite the economic instability, which has been affecting Europe, the institutional mechanisms of the European Union have included – as an integral part of the political agenda – a debate on social cohesion and protection. This fact in itself is an extremely important achievement, since it marks in both institutional and policy terms the priority we attach to social protection as an integral part of the aspirations of the EU. The political consensus achieved at Lisbon – that the United Europe is not simply a single market with a common currency, but a region based on economic and social stability, which promotes social cohesion and solidarity among its citizens and Member States – provides an important impetus in this direction. Thus the nucleus of our approach to the European Social Model is now condensed in the following message to the people of Europe: that ensuring high levels of employment and social protection is not a European luxury, but an integral feature of our progress towards European Integration.

Much of the political debate on the European Social Model has been taken up with the question of more rational distribution of spending on social protection, yet I believe that by focusing exclusively on the financial parameter of the welfare state we run the danger of not appreciating the essence of the crisis facing the European Social Model. That essence

involves the differentiation and subsequent evolution of what people expect from the State. Bearing in mind the ever more complex socio-economic and technological environment in which social relationships operate, the role of a modern welfare state cannot any longer be confined to guaranteeing an old-age pension, or a welfare benefit for the socially excluded. On the basis of these relations, it is now a social imperative to create a state, which must organise effectively, and without bureaucratic impediments and delays, a broad spectrum of social services, ranging from education and health to the standard of living of the elderly.

The success of the EU political leadership will be judged not only on their finding new sources of funding for the Social State, but also on their ability to construct contemporary systems of social protection, capable of providing real services and social security for ordinary people, within a set of rules and citizens' rights based on a real respect for the individual and his needs.

During the Greek Presidency in the first half of 2003, it was first of all re-affirmed that the objective of improving the level of social protection was shared by all the Member States. The challenge to the EU lies in finding ways that will allow it – on the basis of appropriate institutional powers – to contribute to this objective, combating the uncertainties caused by economic and demographic developments, and the differences, both understandable and welcome, between the various national systems.

Regardless of the details of the mechanisms and tools, such as the indicators whose use is to be promoted further, the form to be assumed by this process must retain the positive approach developed over recent years within the context of the Open Method of Coordination. In other words, it must avoid imposing an undifferentiated approach to matters of social protection and function as a means of elaborating national strategies and buttressing their success. Finally, it must incorporate the essential aspects of successful national practices in the areas of regulatory intervention by the EU.

In political terms, the opportunity to evaluate our policies not on the basis of the pre-existing state of affairs, but on that of the experiences and performance of our partners, may often be painful and even seem irrational, yet it represents an important option in strengthening our institutions and providing real support for the process of European unification.

It is my belief that this academic study commissioned by the Greek Presidency is an important work, analysing and documenting the mechanisms producing social policy on the European level. Not only does it provide a cohesive approach to the foundations of this policy, but also includes a series of noteworthy proposals for the further development and evolution of policy towards a strengthening of the European Social Model. In particular, I would like to point to the discussion of the need to open up the procedures of the Open Method of Coordination on pensions and social inclusion to the political and social scrutiny of broader groups on the national level, thereby giving a significant boost to the influence of its cognitive and regulatory function, as a further component in its democratic justification.

The new European Social Model must not remain a purely theoretical construct; through coordinated mechanisms it must be allowed to enrich and influence in equal measure the economic policies of the European Union, which are currently the most tangible achievement of the unification process. I believe that before long this new European field of action will represent a visible reality in the eyes of the people of Europe, a field where despite their different systems and political priorities, the EU Member States will be able to agree upon and plan interventions which will truly ensure a high standard of social protection for all.

Rovertos Spyropoulos
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