The Potentials of a Social Europe and some realities of social policy in Europe

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Creating value by new approaches to social policy governance

**Potentials**

**Paternalistic system**
Welfare state
- Central steering mechanisms
  - Top-down & directive, paternalising
- Central government

**Ego-system**
New Public Management
- Central frameworks
  - Enforcement and inspection at a distance
- Funding agencies
  - Providers
  - Consumer organisations

**Eco-system**
Value creation
- Connecting government
  - Reciprocity, Flexibility of styles
- Eco-network

**Role of government**

**Social policy governance**

**Provision of services**

**CENTRAL REGULATION OF SUPPLY**

**Input financing:**
- Budget & licenses
- **Focus:** Institutional & professional; oriented on causality

**CONTROLLED COMPETITION**

**Output financing:**
- Performance financing
- **Focus:** User as a service consumer, choice and competition

**SUSTAINABLE VALUE SYSTEMS**

**Outcome financing:**
- individual & community
- **Focus:** Citizens, vitality, resilience and well-being

**Protocol, Norms**
- Target groups by cause of need:
  - Patients, residents, institutions...

**Certification of standards, Consumers’ information, Access for new providers**
- Clients, customers

**Personal, Prevention**
- Formal and non-formal
- Functioning and participation

**Sources:** Idenburg & van Schaik, 2013; Nies & Leichsenring, 2018
Bad times for international cooperation?

“We seem to have arrived at an age of non-cooperation where the world is framed as a zero sum game immersed in moral hazard psychology. The anti-EU mobilization has been successful by asking the rhetorical question: why should we share our resources with others? Euro bonds and other forms of debt mutualization are taboos that are strictly observed by virtually all sides. There is a new ethos of ‘going it alone’, of resentful unilateralism, of putting ourselves ‘first’ (Trump), and of taking back ‘control of our country’ (as in Brexit).”

Claus Offe, Social Europe, 3/10/2017
The “European Pillar of Social Right” as a panacea?

• A reference framework for upwards convergence or just a first step?
  • Weak instruments: OMC, Social Dialogue, some Directives, minimum standards
  • More importance of social policy issues (not only employment) in the ‘European Semester’?

• Measuring progress: Social Scoreboard
  • Getting the indicators right – but also the quality assurance!

• Social investment and social innovation
  • More of the same, more ‘pilotitis’ or renewal towards an eco-social Europe?

• Some initiatives to strengthen the social dimension
  • From benchmarking to “benchlearning” and “benchaction”?

• Getting the indicators right – but also the quality assurance!
Getting the indicators right

Evolution of the Europe 2020 Poverty and Social Exclusion target in the EU27 (1000s)

Source: SPC Annual Report 2017; Eurostat
Increasing employment rates in Eastern Europe

Employment rates of 55-64 years, as % of population

Source: Gilca, 2017
Strengthening the social dimension of the European Union

From benchmarking to ‘benchlearning’

• Root cause analysis: context, framework conditions and consultations with relevant stakeholders
• Clarifying the use of indicators: consensus on essential indicators
• Selection of performance indicators and impact drivers
• Determining best performers: exchanging good practices and ‘benchlearning’, identifying political levers
• Regular reflection on benchmarks

EU role:
• Implementation of comprehensive benchlearning and benchaction processes
• Promotion of social innovation and “social policy experimentation”
• Efforts to attain better interaction between policy areas (including social policies), governance levels and stakeholders

Source: Scoppetta et al., 2017
Chapter 19: Social policy and employment

• Minimum standards to be implemented ...

• ... as against WB6 characteristics:
  • Undeclared work and its impact on taxes, social security institutions, and social dialogue
  • High risk of poverty (up to 25% in Serbia) and inequality (poor data)
  • Low wages and high share of precarious work

• The next bulk of countries to provide cheap labour force to the EU-15?
Activity rates, employment and unemployment in selected EU Member States and the WB6, shares of population 15-64, 2015

Source: EU-SILC; Arandarenko, 2018
Percentage of people living in households with very low work intensity by age and sex (population aged 0 to 59 years), selected EU Member States, North Macedonia and Serbia, 2013 and 2017

Source: EU-SILC
Realities of social policies

Percentage of people at risk of poverty or social exclusion, selected EU Member States, North Macedonia and Serbia, 2010 and 2017

Source: EU-SILC; Serbia: first column = 2013
Participants in active labour market measures per 100 persons wanting to work (PALM) and long-term unemployment rates as a percentage of active population aged 15-74 (LTU), 2015

Source: EU DG Empl; EU-SILC; Note: % of LTU = left scale; % of PALM = right scale
Net migration rates in Europe by country, 2017

Realities of social policies

- Eastern Europe as a provider of labour force for Western Member States
- Inequalities and lack of social security as key drivers
- Younger age groups, better educated are leaving
- Specific sectors, e.g. health and nursing professions, most affected

Source: The World Factbook by Central Intelligence Agency (CIA); factsmaps.com; Net migration rate compares the differences between the number of persons entering and leaving a country during the year per 1,000 persons.
Future perspectives

Improving partnerships and the knowledge base

• Capacity building with a strong focus on social policies
  • Not only labour market, including civil society, not only policy-makers
• Avoiding brain-drain through programmes in partnership
  • Is ‘circular migration’ really working?
• Re-inventing the welfare state
  • Social innovation, social investment and social dialogue in sustainable value systems
The Social Dimension of the EU
A Study on Benchmarking Recommendations

Opportunities of and Limits to Benchmarking for a Social Europe

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