


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">1998/2088(COS)</a>	Procedure completed
Social protection in Europe. Report 1997		
Subject 4.10.10 Social protection, social security		

Key players			
European Parliament	Committee for opinion	Rapporteur for opinion	Appointed
	<b>FEMM</b> Women's Rights		
Council of the European Union			

Key events			
22/04/1998	Non-legislative basic document published	COM(1998)0243	Summary
19/06/1998	Committee referral announced in Parliament		
23/02/1999	Vote in committee		Summary
22/02/1999	Committee report tabled for plenary	<a href="#">A4-0099/1999</a>	
11/03/1999	Debate in Parliament		
12/03/1999	Decision by Parliament	T4-0201/1999	Summary
12/03/1999	End of procedure in Parliament		
21/06/1999	Final act published in Official Journal		

Technical information	
Procedure reference	1998/2088(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/4/10023

Documentation gateway					
Non-legislative basic document		COM(1998)0243	23/04/1998	EC	Summary

Committee report tabled for plenary, single reading		<a href="#">A4-0099/1999</a> <a href="#">OJ C 175 21.06.1999, p. 0005</a>	23/02/1999	EP	
Committee of the Regions: opinion		<a href="#">CDR0398/1998</a> <a href="#">OJ C 198 14.07.1999, p. 0016</a>	10/03/1999	CofR	
Text adopted by Parliament, single reading		T4-0201/1999 <a href="#">OJ C 175 21.06.1999, p. 0417-0435</a>	12/03/1999	EP	Summary

## Social protection in Europe. Report 1997

**PURPOSE:** to present the third report on Social Protection in Europe (1997). **CONTENT:** The report begins by examining the changing context in which social protection systems in the Union are operating, focussing on the main demographic, social and economic developments affecting the need for support. Secondly, it analyses the scale of expenditure on social protection in Member States, its division between different functions and the relative importance of various sources of finance. Thirdly, it considers the weight of social transfers in household income and their contribution to reducing disparities in income between households. Fourthly, it reviews the major changes which have been made to social welfare systems across the Union in recent years, focusing on the period since 1995, when the second report on social protection was published. The report's main quantitative findings: - EU social protection expenditure amounted to 28.5% GDP in 1995, ranging from 20% in Ireland to 36% in Sweden; - old age pensions are by far the largest item of social protection expenditure (42.5% in 1995) followed by healthcare (22%), while transfers to the unemployed only accounted for 8% of expenditure; - in most Member States, the increase in social protection expenditure in relation to GDP has slowed down; - around 65% of social protection expenditure funding comes from social charges on employers (some 40% in 1995) and the people protected, most of the rest from general taxation; - according to the European Community Household Panel (ECHP), a significant proportion of unemployed received no benefit at all in 1993. For those that did, the monthly amount averaged half their net earnings for the months when they were working; - social transfers (excluding benefits in kind such as healthcare) accounted for around 30% of net household income in the EU in 1993. The report outlines recent changes in policy (over the last twenty years): - in many Member States, eligibility for benefit has been tightened; - in several countries, incentives to work have been strengthened through tax concessions for low-paid workers, in-work benefits and reduced benefit rates; - there has been a shift from passive to more active policies aimed at increasing employability of the unemployed and helping them to find a job; - a number of Member States have extended job creation schemes by selective reductions in social contributions, direct subsidies and making use of the social economy; - the general tendency within Member States' social assistance schemes is to reduce dependency and social exclusion by addressing the underlying causes; - employment opportunities for those with disabilities have been improved in many Member States through deterring discrimination, removing obstacles to them working and tightening benefit eligibility; - measures have been taken in a number of Member States to reverse the trend towards early retirement by tightening conditions for eligibility for pensions and/or reducing the amount payable; - attempts have been made in some countries to encourage partial retirement by offering a partial pension to people who reduce their hours of work, but so far, except in France, this scheme has not proved popular; - Member States have been adopting measures to adapt to population ageing through pension system reform - namely, raising the official retirement age, especially for women, usually to 65 and linking the pension receivable more closely to the contributions paid over a person's lifetime; - Member States have started to impose ceilings on health expenditure and adopt measures which stress the importance of achieving efficiency in this area; - there is a widespread debate on how far the State should be involved in meeting long-term caring needs; - finally, there is a growing political concern throughout the Union about targeting resources on the most in need which is reflected in the extension of means testing and the imposition of taxes and/or social charges on benefit recipients in order to spread the cost of funding social protection more equitably.?

## Social protection in Europe. Report 1997

The Committee adopted a report by Bartho PRONK (EPP, NL) commenting the Commission report on Social protection in Europe 1997. In the report, Mr. PRONK calls on the Commission to set in motion a process of voluntary alignment of objectives and policies in the field of social protection following the model of the European employment strategy. The Commission should present an action plan which \* analyses the effects of the different social protection systems on competitiveness in the internal market; \* sets out the correlation between increased productivity and the evolution of social welfare systems; \* identifies loopholes in taxation and social protection systems; \* defines the criteria for benchmarking; \* presents a code of conduct for avoiding harmful competition via welfare systems; \* proposes minimum standards for certain areas of social protection; and \* presents guidelines for determining an acceptable minimum income in the Member States. The report suggests that the Commission should examine how individual entitlements can be implemented. The Council should include in the employment policy guidelines specific targets for the creation of child care and other care facilities. ?

## Social protection in Europe. Report 1997

The Parliament adopted its Resolution on the Commission's 'Social Protection in Europe 1997' report drafted by Mr. Bartho PRONK (EPP, NL). It urged the Commission to use the evaluation announced in its social action programme for 1998-2000 of the implementation of Council Recommendation 92/442/EEC to set in motion a process of voluntary alignment of objectives and policies in the area of social protection modelled on the European employment strategy. It called on the Commission to present, by way of preparation for this process, an action plan on social protection in which - the effects of different social protection systems is set out; - the correlation between increased productivity and the evolution of social security systems is set out; - a figure is put on the economic damage arising from the evasion of social security contributions; - inconsistencies in the design of taxation and social protection systems are identified; - the criteria for a benchmarking process in the area of social protection systems are defined; - a code of conduct for avoiding harmful competition via social security systems is presented, through which closer co-operation between the Member States is ensured in these areas; - on the basis of Article 137(3) of the Amsterdam Treaty (consolidated version), minimum standards are proposed for certain areas of social protection; - on the basis of a uniform

method and definition for determining the poverty line, guidelines are presented for determining the acceptable minimum level of subsistence in the Member States. The Commission was called upon to submit a proposal for a Directive setting minimum standards of contractual social protection for all forms of atypical work and to initiate consultation between the social partners on the issue of flexible transition to retirement with the aim of securing either a framework agreement or collective bargaining agreements at the appropriate level of social partners. The Council was called upon to include in the employment policy guidelines specific targets for the expansion of child-minding facilities and facilities for relatives in need of care. In this connection, the Commission was called upon to look at the possibility of setting binding common minimum standards in this area. With respect to pension systems, the Parliament urged the Commission and the Member States, within the limits of their competences, to attempt, in the medium term, to co-ordinate social and retirement pension schemes and eliminate inconsistencies between employment insurance and social insurance provisions; it called on the Member States to improve their work on ensuring mutual recognition of social and retirement pension schemes by implementing existing legislation. It called on the Commission to press for the adoption of a code of conduct on the tax treatment of pension contributions and pension schemes and on the taxation of profits of pension funds and, on this basis, to put forward a proposal adapting Directive 98/49/EC on safeguarding supplementary pension rights of employed and self-employed persons moving within the Community by regulating the transferability of entitlements from supplementary pension schemes. It called on the Commission to look at the separate systems of social protection to see how an individual approach to entitlements can be implemented without persons who on family grounds interrupt or do not engage in gainful activity being placed at a disadvantage. Lastly, the EP called on the Commission to prepare proposals to combat discrimination and social exclusion on the basis of Articles 119, 13 and 137 of the Amsterdam Treaty (consolidated version) in line with the results of its report on the implementation of Council Recommendation 92/441, and, as a matter of urgency, to present a coherent plan for drastically reducing the number of people in the European Union living below the poverty line.?