



# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2007/2104(INI)</a>	Procedure completed
Social reality stocktaking		
Subject		
4 Economic, social and territorial cohesion		
4.10.05 Social inclusion, poverty, minimum income		
4.10.10 Social protection, social security		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>EMPL</b> Employment and Social Affairs		21/03/2007
		ALDE <a href="#">LYNNE Elizabeth</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ENVI</b> Environment, Public Health and Food Safety		12/06/2007
		PPE-DE <a href="#">MIKOLÁŠIK Miroslav</a>	
	<b>FEMM</b> Women's Rights and Gender Equality		
European Commission	Commission DG	Commissioner	
	<a href="#">Employment, Social Affairs and Inclusion</a>	ŠPIDLA Vladimír	

Key events			
26/02/2007	Non-legislative basic document published	<a href="#">COM(2007)0063</a>	Summary
06/06/2007	Committee referral announced in Parliament		
09/10/2007	Vote in committee		Summary
18/10/2007	Committee report tabled for plenary	<a href="#">A6-0400/2007</a>	
15/11/2007	Results of vote in Parliament		
15/11/2007	Debate in Parliament		
15/11/2007	Decision by Parliament	<a href="#">T6-0541/2007</a>	Summary
15/11/2007	End of procedure in Parliament		

Technical information	
Procedure reference	2007/2104(INI)

Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/6/49155

## Documentation gateway

Document attached to the procedure		<a href="#">COM(2007)0013</a>	19/01/2007	EC	Summary
Non-legislative basic document		<a href="#">COM(2007)0063</a>	26/02/2007	EC	Summary
Committee draft report		<a href="#">PE388.570</a>	15/05/2007	EP	
Amendments tabled in committee		<a href="#">PE390.627</a>	12/06/2007	EP	
Committee opinion	FEMM	<a href="#">PE391.978</a>	02/10/2007	EP	
Committee opinion	ENVI	<a href="#">PE392.191</a>	03/10/2007	EP	
Committee report tabled for plenary, single reading		<a href="#">A6-0400/2007</a>	18/10/2007	EP	
Text adopted by Parliament, single reading		<a href="#">T6-0541/2007</a>	15/11/2007	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2007)6527</a>	18/12/2007	EC	

## Social reality stocktaking

The integrated 'Open Method of Co-ordination' or OMC was introduced in 2006. Its purpose is to strengthen the EU's ability to support the Member States in their drive for greater social cohesion in Europe. In so doing, the EU is highlighting its attachment to social values and making its social policies more visible to European citizens. Further, the OMC is helping to deepen mutual learning and to widen the involvement of interested parties at both a national and a European level. OMC work has increased awareness of the multi-dimensional nature of exclusion and poverty and has forged a shared approach to social protection reforms based on the principle of accessibility, adequacy, quality, modernisation and sustainability. For the first time healthcare and long-term care are addressed. The national reports submitted to the Commission, illustrate how joint consideration of all the objectives improves policy effectiveness and the quality of public spending. The new working methods of the OMC is starting to bear fruit.

Based on the national reports sent to the Commission by the Member States, the following key messages have emerged:

- Member States have managed to reduce child poverty and have made clear commitments to breaking the cycle of deprivation. At the same time, however, the situation of immigrants and ethnic minorities requires further attention.
- Most Member States champion a balanced approach to social inclusion and combine personalised labour market support and accessible, high-quality social services. Nevertheless, more attention must be given to ensuring adequate levels of minimum income.
- The Member States identify health care and long-term care as a major priority. This includes the need to ensure equal access to all; a reduction in health inequalities; the need to offer safe and high-quality health care and to manage the introduction of new technologies for health and independent living.
- In most Member States long-term care needs need to be expanded and put on a sound financial footing.
- Many Member States are adapting pension systems to increases in life expectancy in a bid to create a transparent relationship between contribution and benefits.
- Despite current reforms, ageing will continue to put pressure on pensions, health and long-term care by 4% points of GDP by 2050. A recent Commission report shows that six Member States face a high risk, ten a medium risk and nine a low risk. Coping with this is a key policy challenge and requires a three-pronged strategy to reduce public debt, raise employment and reform the social protection systems.
- Member States are beginning to take more account of linkages between social, economic and employment policies at a national level, in particular through pension reforms largely by reducing access to early retirement schemes and increasing incentives and opportunities to work longer. This policy has resulted in increased employment rates of older workers.
- The governance of EU and national social policies is being strengthened. Those directly affected are increasingly involved in preparing social reforms. However, the quality of involvement could be improved and the role of stakeholders should be extended to implementation and follow-up. Across all strands of European co-operation there is much scope for mutual learning.

The overarching issues for social protection and social inclusion policies include: greater social cohesion; a closer interaction between jobs

and growth and improved governance. The key challenges facing the work of the OMC include: fighting poverty and exclusion by breaking the transmission of poverty from one generation to the next and promoting the active inclusion of the disadvantaged; offering excellent health care and long-term care; improving healthcare standards; and achieving financial and long term sustainability. On a final point, the report examines sustainable pensions.

## Social reality stocktaking

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**PURPOSE:** to present an interim report on 'Social Reality Stocktaking', 2007

**CONTENT:** in spite of increased affluence across the EU new patterns of inequality are emerging, as are new challenges such as the rise in obesity and a rise in mental health problems. These changes present challenges for the EU. An open Europe based on the free movement of trade and goods has helped to create the jobs and prosperity on which well-being and a better quality of life ultimately depend. However, in recent years it has become clear that many Europeans are beginning to question whether the net effect of globalisation, liberalisation and the drive for greater competitiveness adds to their overall 'well-being'. To better understand why this is the case the Commission, in 2006, suggested that a 'Social Reality Stocktaking' be done. The purpose of this report, therefore, is to present an interim report on progress to date in the stocktaking exercise.

The aim of the exercise is to explore Europe's social reality and to build a consensus on common social challenges. The EU has always had a 'social' dimension. The Union has played an important role in reinforcing social cohesion, tackling regional inequalities and assisting adjustment to economic change. These elements have been carried through into the Lisbon strategy for growth and jobs. Many social policy initiatives were conceived for an industrial society, where the nature of work was characterised by a mass manufacturing economy, large firms and high levels of union membership and density. Today, however, Europe has an increasingly knowledge based and services oriented society. Whilst the economic dynamic underlying the emergence of the 'new' economy in a global work have received attention, the social situation and social challenges are less well understood and analysed. There is no shared diagnosis of these social challenges and how they should be met in the long run. The social reality stocktaking exercise aims to develop that diagnosis and to generate a debate on Europe's social situation. The results of that debate will feed into the mid-term review of the social policy agenda.

The Commission is, therefore, launching a wide ranging consultation on the social issues and challenges facing Europe. The aim is to reach out to different constituencies to discuss what constitutes Europe's 'social' reality. The Report states that the Commission is in 'listening' mode and is not yet testing policy options. Views are being sought on social trends, the main factors driving Europe's social transformation, 'well being' and what contributes to it. This consultation will involve the organisation of different events, a Eurobarometer survey focused on issues of well-being and various types of consultation, including an internet consultation.

Taking on board the results of the consultation exercise the Commission will then issue a report. The report, to be completed by the end of 2007, will be a snapshot of Europe's changing social reality, it will examine social trends and their implications and it will map out key issues facing Europe. It will also set out ideas on how best to promote access and opportunity in Europe.

## Social reality stocktaking

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The Committee on Employment and Social Affairs adopted the initiative report by Liz LYNNE (ALDE, UK) which supports the general approach of the Commission's communication on social reality stocktaking. The report notes that social inclusion and social protection are a basic value of the European Union and a fundamental right for all individuals, regardless of ethnic origin, age, gender, disability, sexual preference and religion. Europe today is a multi-ethnic, multi-faith society and Member States must ensure that their laws reflect that diversity, protecting all individuals from violence, discrimination and harassment.

The report emphasises that employment must be viewed as one of the most effective safeguards against poverty and social exclusion and therefore calls on the Commission and Member States to effectively implement the Employment Directive 78/2000/EC which provides a legal framework for equal treatment in employment.

The report takes into account previous reports of the Parliament, which stress the importance of social policy having an equal status and fully interacting within the Community policy triangle (economic, employment, social policies). In this regard the Commission should reinforce and clarify the original Lisbon target of eradicating poverty by the adoption of a clear headline target for the EU to reduce the levels of poverty measured against GDP by 2010 and to develop a set of social inclusion standards against which to judge the results of the social inclusion strategy.

In particular, the committee calls on the Member States to make optimal use of the potential offered by the Open Method of Coordination. It stresses that strengthening social cohesion, the eradication of poverty, and social exclusion must become a political priority for the European Union and welcomes in this regard the forthcoming proposal from the Commission to make 2010 the European Year of Combating Poverty and Social Exclusion.

The resolution also concentrates on two major areas of social policy: social inclusion and social protection, which are also basic values of the European Union.

**Social inclusion:** the committee firmly believes that a decent living minimum wage should be established at Member State level in cooperation with the social partners where applicable, in order to make work financially viable. It recognises that in many Member States the minimum wage is set very low or at below subsistence level; at the same time, rejects the argument that setting a minimum wage discourages employers from creating jobs.

The report considers that efforts to combat poverty and social exclusion must be sustained and extended to improve the situation of those people most at risk of poverty and exclusion. The Commission is called upon to incorporate equality and disability issues more closely in all relevant policy areas. Special attention should be paid to single parents and single older women, who are a particularly vulnerable group and are often the first to fall into poverty when there is an economic downturn. The report calls on all Member States to ensure full gender equality in all state pension schemes. They should also aim to adapt their social security systems to help provide a transition between periods of paid work or training and unemployment, in order to avoid the so-called 'poverty trap' but also to reflect the changing nature of employment.

Provisions should be made to help people back into work by ensuring that they receive personalised, targeted assistance and support to help them build confidence and learn new skills.

The report calls on Member States to tackle multiple discrimination, which has a serious and often overlooked impact on social inclusion. MEPs note that there is a strong and complex link between poverty and crime and that extreme poverty and social exclusion may lead to criminal activities and that imprisonment without adequate rehabilitation and education often only lead to further social exclusion and unemployment. That is why they stress for a need to provide education, training and employment within correctional institutions.

The committee believes that a lack of decent and affordable accommodation in all Member States is an important contributing factor to driving people into poverty and trapping them there and it calls on the Commission to respect the prerogative of Member States to define and finance social housing, given the vital role played by the latter in social inclusion policies.

The Commission and the Member States, in cooperation with those representing disabled persons' organisations, are urged to develop national, regional and local initiatives to promote feasible employment opportunities for disabled persons.

As regards the ageing population, the Member States are asked to address issues faced by carers, including the right to choose freely whether they want to be a carer and the extent of the care that they provide, the possibility of combining caring with paid work and employment as well as access to social security schemes and old age pensions, in order to avoid impoverishment as a consequence of caring.

The Commission is called upon to launch a study on discrimination against trans-gendered persons in the employment market and in the area of social security. Member States should address this form of discrimination.

Member States and the Commission are called upon to provide adequate resources to facilitate access to life-long learning programmes as a means of limiting the exclusion of elderly people among others from employment and to foster their continuous participation in social, cultural and civic life. There should be a move towards the provision of high quality and affordable personal care for elderly people and people with disabilities.

The report stresses that educational institutions should show greater flexibility regarding the early abandonment of education by young people and should provide assistance for those, who, in addition to their studies, have family responsibilities. Member States are urged to ensure that its citizens are literate and have the skills and knowledge to gain useful employment and to participate fully in society.

Lastly, the committee urges the Commission and the Member States to reject the misleading blurring of economic migration with asylum-seeking, and of economic migration and asylum seeking with illegal immigration.

Social Protection: MEPs believe that more action should be taken to tackle domestic violence and the abuse of children and elderly people. Gender-based violence increases women's social and political exclusion, thereby preventing them from enjoying their human rights.

Member States are called upon to:

- consider the adequacy and sustainability of their pension systems and provide clearer guidelines and advice to ensure that people receive the information they need to plan their retirement;
- provide more effective child protection systems which include early intervention services to respond to the needs of vulnerable children and the provision of therapeutic services to help maltreated children overcome the effects of abuse;
- develop a more constructive approach to drugs policy with the emphasis on prevention, education and treatment for addiction rather than criminal sanctions;
- prioritise public health measures which seek to tackle head-on the inequality that exists in health and access to health-care;
- adopt specific measures targeting the needs of ethnic minorities;
- actively pursue policies to reduce ill health caused by alcohol, tobacco and other legal as well as illegal drugs;
- agree quantifiable targets, along with the Commission, towards the goal of eradicating the complex phenomenon of child poverty and allocating adequate resources in order to meet that target in order to prevent poverty and social exclusion from being passed down from one generation to the next, giving special consideration to abandoned children, street children and children in institutions;
- pay special attention to social protection of lone parent families, which are at higher risk of poverty;
- ensure that children have access to the services and opportunities that will ensure their present and future well-being and to include basic financial education in school curricula;
- ensure the collection of data on child poverty and to analyse the situation of children at risk of poverty, in particular as regards those at high risk such as children with disabilities, Roma children, children in institutions, migrant children and street children, and to monitor and evaluate their policies in that field and ensure the systematic assessment of the impact of those policies;
- increase the profile of credit unions to help offer individuals a safe and regulated environment for people to save and borrow money and to counter increasingly problematic personal debt;
- enforce anti-trafficking and anti-discrimination legislation, reintegrate the victims of trafficking into society, enhance cross-border cooperation, and, in particular, to sign, ratify and implement the Convention on Action against Trafficking in Human Beings;
- prioritise the protection of victims of trafficking in particular child victims and the implementation of their fundamental human rights;
- bring forward legislation and better implement existing European legislation to prevent the exploitation of vulnerable workers by gang masters and to sign and ratify, if they have not yet done so, the Convention on the Protection of the Rights of All Migrant Workers and Their Families;
- safeguard human rights based asylum policy in accordance with the Convention relating to the Status of Refugees and other relevant human rights law, whilst working to end asylum seekers' dependence on benefits by allowing them to work and consider the development of more legal immigration routes;
- eliminate the deficiencies in the provisions made for social groups which cannot be integrated into the job market and in the services targeting them, and to ensure that those provisions and services are equitable, universally accessible and sustainable.

## Social reality stocktaking

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The European Parliament adopted a resolution based on the own-initiative report drafted by Liz LYNNE (ALDE, UK) which supports the general approach of the Commission's communication on social reality stocktaking. The report was adopted by 345 votes in favour to 14 against with 2 abstentions. It notes that social inclusion and social protection are a basic value of the European Union and a fundamental right for all individuals, regardless of ethnic origin, age, gender, disability, sexual preference and religion. Europe today is a multi-ethnic, multi-faith

society and Member States must ensure that their laws reflect that diversity, protecting all individuals from violence, discrimination and harassment.

The report emphasises that employment must be viewed as one of the most effective safeguards against poverty and social exclusion and therefore calls on the Commission and Member States to implement the Employment Directive 78/2000/EC which provides a legal framework for equal treatment in employment.

The report takes into account previous reports of the Parliament, which stress the importance of social policy having an equal status and fully interacting within the Community policy triangle (economic, employment, social policies). In this regard the Commission should reinforce and clarify the original Lisbon target of eradicating poverty by the adoption of a clear headline target for the EU to reduce the levels of poverty measured against GDP by 2010 and to develop a set of social inclusion standards against which to judge the results of the social inclusion strategy.

In particular, Parliament calls on the Member States to make optimal use of the potential offered by the Open Method of Coordination. It stresses that strengthening social cohesion, the eradication of poverty, and social exclusion must become a political priority for the EU and welcomes in this regard the forthcoming proposal from the Commission to make 2010 the European Year of Combating Poverty and Social Exclusion.

Parliament regrets that in its communication on social reality stocktaking, the Commission gives the impression that many social policy initiatives are outdated and stresses instead that social security and social policy are forces favouring productivity and innovation and essential as a basis on which to build a successful and broad knowledge economy;

The resolution also concentrates on two major areas of social policy: social inclusion and social protection, which are also basic values of the EU.

**Social inclusion:** Parliament firmly believes that a decent living minimum wage should be established at Member State level in cooperation with the social partners where applicable, in order to make work financially viable. It recognises that in many Member States the minimum wage is set very low or at below subsistence level. At the same time, it rejects the argument that setting a minimum wage discourages employers from creating jobs.

The report considers that efforts to combat poverty and social exclusion must be sustained and extended to improve the situation of those people most at risk of poverty and exclusion. The Commission is called upon to incorporate equality and disability issues more closely in all relevant policy areas. Special attention should be paid to single parents and single older women, who are a particularly vulnerable group and are often the first to fall into poverty when there is an economic downturn. The report calls on all Member States to ensure full gender equality in all state pension schemes. Member States should also aim to adapt their social security systems to help provide a transition between periods of paid work or training and unemployment, in order to avoid the so-called 'poverty trap' but also to reflect the changing nature of employment. Provisions should be made to help people back into work by ensuring that they receive personalised, targeted assistance and support to help them build confidence and learn new skills.

The report calls on Member States to tackle multiple discrimination, which has a serious and often overlooked impact on social inclusion. MEPs note that there is a strong and complex link between poverty and crime and that extreme poverty and social exclusion may lead to criminal activities and that imprisonment without adequate rehabilitation and education often only lead to further social exclusion and unemployment. That is why they stress for a need to provide education, training and employment within correctional institutions.

Parliament believes that a lack of decent and affordable accommodation in all Member States is an important contributing factor to driving people into poverty and trapping them there and it calls on the Commission to respect the prerogative of Member States to define and finance social housing, given the vital role played by the latter in social inclusion policies.

The Commission and the Member States, in cooperation with those representing disabled persons' organisations, are urged to develop national, regional and local initiatives to promote feasible employment opportunities for disabled persons.

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The Commission is called upon to launch a study on discrimination against trans-gendered persons in the employment market and in the area of social security. Member States should address this form of discrimination.

Member States and the Commission are called upon to provide adequate resources to facilitate access to life-long learning programmes as a means of limiting the exclusion of elderly people among others from employment and to foster their continuous participation in social, cultural and civic life. There should be a move towards the provision of high quality and affordable personal care for elderly people and people with disabilities.

The report stresses that educational institutions should show greater flexibility regarding the early abandonment of education by young people and should provide assistance for those, who, in addition to their studies, have family responsibilities. Member States are urged to ensure that its citizens are literate and have the skills and knowledge to gain useful employment and to participate fully in society.

Lastly, Parliament urges the Commission and the Member States to reject the misleading blurring of economic migration with asylum-seeking, and of economic migration and asylum seeking with illegal immigration.

**Social Protection:** MEPs believe that more action should be taken to tackle domestic violence and the abuse of children and elderly people. Gender-based violence increases women's social and political exclusion, thereby preventing them from enjoying their human rights

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- develop a more constructive approach to drugs policy with the emphasis on prevention, education and treatment for addiction rather than

criminal sanctions;

prioritise public health measures which seek to tackle head-on the inequality that exists in health and access to health-care;

- adopt specific measures targeting the needs of ethnic minorities;

- actively pursue policies to reduce ill health caused by alcohol, tobacco and other legal as well as illegal drugs;

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- increase the profile of credit unions to help offer individuals a safe and regulated environment for people to save and borrow money and to counter increasingly problematic personal debt;

- enforce anti-trafficking and anti-discrimination legislation, reintegrate the victims of trafficking into society, enhance cross-border cooperation, and, in particular, to sign, ratify and implement the Convention on Action against Trafficking in Human Beings;

- prioritise the protection of victims of trafficking in particular child victims and the implementation of their fundamental human rights;

- bring forward legislation and better implement existing European legislation to prevent the exploitation of vulnerable workers by gang masters and to sign and ratify, if they have not yet done so, the Convention on the Protection of the Rights of All Migrant Workers and Their Families;

- safeguard human rights based asylum policy in accordance with the Convention relating to the Status of Refugees and other relevant human rights law, whilst working to end asylum seekers' dependence on benefits by allowing them to work and consider the development of more legal immigration routes;

- eliminate the deficiencies in the provisions made for social groups which cannot be integrated into the job market and in the services targeting them, and ensure that those provisions and services are equitable, universally accessible and sustainable.

Lastly, Parliament notes that inequalities in health outcomes, both between and within Member States, remain wide and urges Member States to tackle those inequalities, notably by ensuring effective access to healthcare for all.