

POPULATION & EMPLOI



EU Presidency Portugal - 2007: Social Protection revisited in Lisbon¹

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In some respects and in some periods the European Union may seem a success, yet in other respects or in other periods it is more of a challenge. At this moment rather the latter applies with respect to social cohesion and social governance. The EU is in fact confronted with a double societal challenge. On the one hand it has to cope with the effects of economic transition and to bolster its position in a globalising world. On the other hand it is confronted with its own identity and the future it wants to strive for after the accession of the new member states and its enlargement towards the east. Together these developments raise questions as to whether the EU and its member states are able to uphold their societal model, whether they can guarantee social cohesion within and among them and whether they dispose of the right instruments of social governance to do so.

Moreover, there might be something even more important at stake. In one of the many conferences and workshops which the Portuguese EU-Presidency organised in 2000, in preparation of the Lisbon Summit, a representative of the World Bank suggested that in the new environment of a globalizing world Europe, once again, would have to be very creative to mould the social complement that could make the technological,

economic and financial development of globalisation acceptable, sustainable and even legitimate. The underlying reasoning, so the World Bank representative explained, was that the natural development towards a globalising world, needed a men-made and men-friendly complement. And he reckoned that Europe was well placed to device the anti-dote for an otherwise highly unilaterally market and profit oriented development. The ultimate discussion of the Portuguese Presidency of 2007 may then be devoted to whether and how the EU might be taking responsibility for moulding this social complement. But before embarking on such a discussion more information is needed on the European approach, on its challenges and on the responses it elaborated so far.

Yet, before dealing with these issues it looks appropriate to remind the focus and competence division with respect to social policy in Europe. Traditionally social policy in European countries has been associated on the one hand with working conditions that resulted to the larger extent from the system of labour relations and on the other hand with income protection that was organized through social protection systems. Working conditions refer both to wages and additional, occupational provisions; social protection to

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both minimum income schemes and earnings related provisions that are aimed at safeguarding the acquired standard of living.

It should be stressed that all these systems used to be organized at the level of the individual Member States. Moreover, according to the principle of subsidiarity, the competence on them remains with the Member States. Initiatives in these fields by the EU are not based on full, formal competences by the EU, but rather on gentlemen's agreements and the goodwill of the individual Member States. (Only in the area of safety on the work place were far reaching competences given to the EU-level from the start, as the absence of common regulations on it might otherwise undermine fair competition in the common EU-market.) Yet, the last decades have shown a double evolution. Inadequacy of existing provisions as testified by enduring and multidimensional situations of unemployment, poverty, deprivation and social exclusion have urged the EU to put social policy issues more explicitly on its agenda. And secondly, many Member States, developing from an industrial towards a post-industrial setting, have become aware of the need to coordinate much better their employment and incomes/social protection policies with education policies and training initiatives, safety measures at the working place and risk prevention.

Meanwhile, the awareness of the need to foster such transition towards a post industrial, knowledge based society, has culminated in the Lisbon Summit. The latter was not only path breaking in conceptualising the ambition of the EU to modernise itself, it also conceptualised a new method of decision making, called the "Open Method of Coordination – OMC". We will have to come back to that.

In line with these two focuses of the 2000 Lisbon Summit we regrouped the issues of the European approach, its challenges and responses under three headings. Under 'social cohesion' we will first deal with issues of substance before shifting to 'the social governance' aspects that refer to the policy making procedures and policy instruments that are deployed

to make policies work. The future will be covered under a third heading.

Social Cohesion

Although 'social cohesion' is very rife and popular in policy documents, even at the European level, the concept lacks a clear interpretation. But this should not bother us too much, because no less than three meanings that are attributed to it are significant for our analysis.

1. Three meanings of social cohesion

In the first place social cohesion refers to an economic aspect. Phenomena like rising unemployment, poverty and income deprivation are interpreted as side-effects of a one-dimensional economic policy. Social cohesion then refers to the containment of social inequality, operationalized in terms of income inequality. Yet, it is not income inequality as such but its ideological context that is of relevance for social cohesion.

A second meaning relates to the institutional-organizational aspects of society. Apparently conflict mediating macro institutions play an important role in reaching consensus about shared interest. Social cohesion then refers to horizontal mediation or conflict regulation between different segments in society. Closely related to mediation are procedural rules. They should be legitimate and guarantee procedural justice. (Lockwood, 1999: 64)

Finally, social cohesion is connected with what nowadays is called 'social capital': the organizations that are situated between the individual and macro-institutions. It refers to the organizations and social networks that give shape to the social midfield, to 'civil society'. A legitimate horizontal macro system where mediation between (representatives of) organisations takes place, presupposes a vertical axis that is able to group common interests.

Summarising, social cohesion does not really concern social inequality in itself but its relative importance. It depends on the values and norms in which it is embedded, on the pro-

cedural rules that are available and that may channel the crucial social interests in order to reach enough consensus and cooperation between their segments. The question then arises as to what the European recipe has been to guarantee this, as to what characterizes the European social model. So, let us have a look.

2. The European social model

I prefer to argue that the European Social Model presents itself, not as a monolithic reality, but as a dynamic and possibly even dialectic process in which two things are combined: a diversity of national welfare regimes that nevertheless testifies of a common patrimony, on the one hand, and a shared EU social policy profile that remains fragile but is gradually getting shape, on the other (Berghman & Sakellariopoulos, 2004: 242). Questions then arise as to how the common patrimony can be safeguarded when the national welfare regimes have to adapt to the actual socio-economic developments and whether the shared social policy profile can be of help to do so. So, let us have a look at the common patrimony of the European Social Model.

Beneath the normative, cognitive and institutional commonality that might be found among European Welfare States, it was rather the collective decisions on the labour-income nexus which underpin the welfare systems, that are of importance. Some simple indicators help to make the point, starting from a comparison between the European Union (EU-15) and the United States with respect to productivity. For the sake of clarity I take figures from the 90's when the EU had still its old shape and longstanding approach.

Table 1 shows that gross domestic product per capita was 30 percentage points higher in the US than in the EU-15. Per employed person this difference was much smaller, however. The difference in numbers of hours worked per capita provides the explanation: not because the hours worked by individual workers was higher in the US, but because more Americans were allowed to

work, yielding a higher aggregate number of hours worked per capita. GDP per hour worked, by contrast, was lower than in the EU, suggesting that the lower skilled workers that are still given access to the labour market are decreasing the average hourly productivity level. In fact, while average remuneration per hour was at a similar level, productivity per unit of remuneration was lower in the US than in the EU (*Berghman, 1997*). Implicitly, therefore, the EU had 'chosen' for a strategy of high productivity by giving only the most productive workers access to the labour market.

Yet, while implicitly and collectively deciding to be very productive, the Member States of the EU also opted for guaranteeing adequate living conditions to those not capable of being productively inserted in the labour market because they did not yet, or no longer, have the capacity to work. According to table 2 EU countries typically spent between 27% and 30% of their GDP on gross social expenditures, whereas Japan and the US spent only about 15% in this way. (In net terms these figures are somewhat lower to the extent that part of these expenditures return through direct and indirect taxes and social contributions. The latter have a considerable impact on social expenditure levels in e.g. the Netherlands and in the Nordic countries. See also Adema, 2001).

However, when tax expenditure and private expenditure on the same 'social' contingencies are added, the picture changes fundamentally. It then appears that all countries spent more than a quarter of their GDP on social expenditures. Hence, the member States of the EU and the US spent more or less the same share of GDP to provide various social services and benefits, the difference being that in the EU this was done more through obligatory and statutory schemes. By doing so the EU countries found it easier to counter adverse selection mechanisms and thus to be more effective than the US in reducing poverty (*cf. figure 1*). So, the common patrimony seems to reside in the combination of productivity with solidarity; the latter inspiring the broad, obligatory, solidaristic welfare institutions.

3. The sub-models

Yet, the institutions that are deployed by the EU-countries differ. This can be explained by referring to the basic social policy logic and to the way the different European welfare state sub-models locate themselves to it (*Berghman, 1997*). The social policy logic holds that we educate and train people to ensure that they are able to enter the (paid) labour market and thereby have the opportunity to gain a primary income. Social protection, then, basically operates as a by-pass mechanism in those cases where insertion in the labour force is no longer possible or desirable. In such cases their aim is to mend the situation by guaranteeing the availability of (replacement) income in

order to safeguard social integration. Yet, social protection policy cannot confine itself to the mere provision of income protection, be it at a minimum or at an earnings related level. Income schemes have to be complemented by re-integrative actions like retraining, work mediation and rehabilitation schemes. Thus, the location of social protection within its broader socio-political context makes us aware of the intrinsic connections that exist between social protection, labour demand and labour supply. For society, social protection is a productive factor to the extent that it upholds the basic logic and that it does so in an efficient way.

Social protection, and in a broader interpretation the European wel-

T₁ Productivity indicators - % differences (EU = 100)

	US	EU
GDP/capita	130	100
GDP/employed person	108	100
Number of hours worked/capita	144	100
GDP/hour worked	89	100
Remuneration/hour	101	100
Productivity/remuneration	87	100

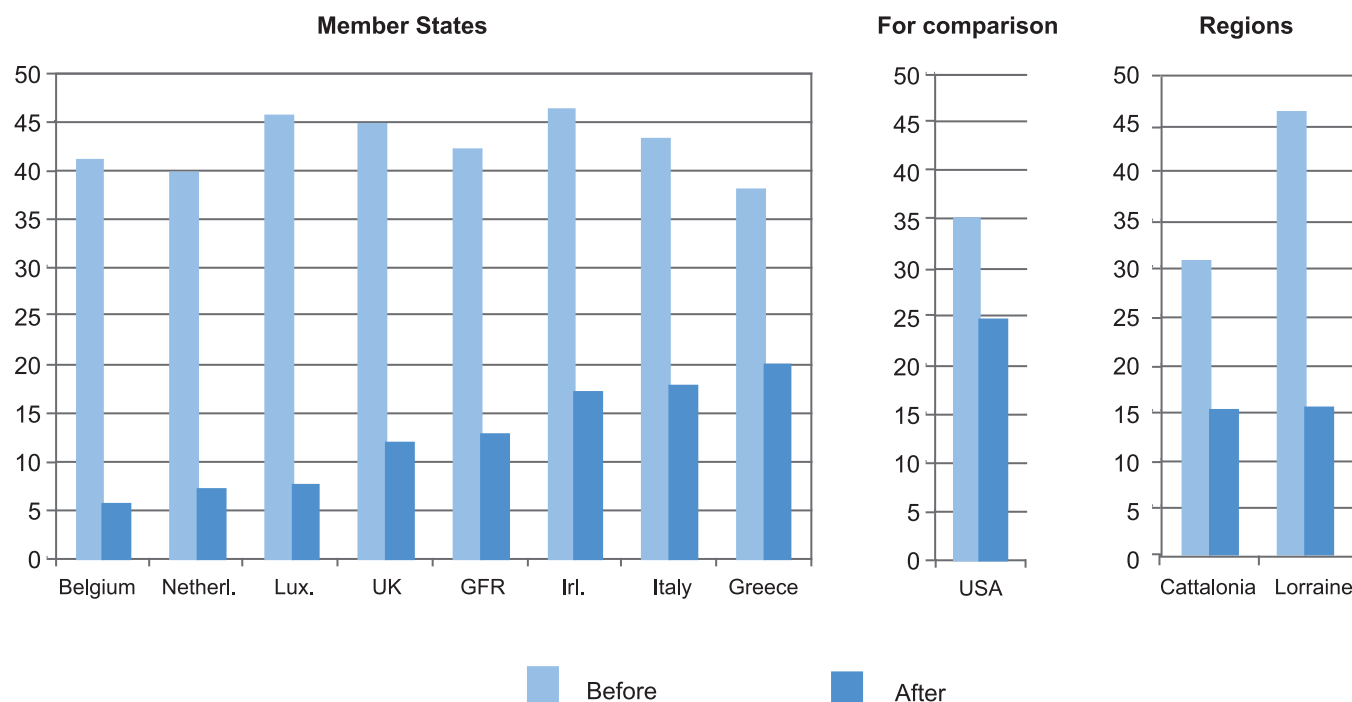
Source : Cichon, M. (1997) Can Europe afford the future financing of the Welfare state?, in A. Bosco & M. Hutsebaut (eds.) Social Protection in Europe: Facing up to changes and challenges. Brussels: ETUI, pp.82-84.

T₂ Gross and net public and private expenditure for social protection (including health care) as % of GDP, 1990's

	Public gross	Public net	Private	Total
Belgium	27.3	n.a.	1.9	n.a.
Denmark	31.0	26.8	1.7	28.4
Germany	28.3	26.6	4.4	31.0
The Netherlands	30.2	25.1	5.0	30.1
UK	23.4	23.2	4.7	27.9
Sweden	38.0	34.1	2.9	37.0
Japan	12.4	n.a.	n.a.	n.a.
USA	15.6	15.5	11.9	27.4

Source : Nederland-Tweede Kamer (Netherlands-Parliament), Sociale nota (Social Report) 1997, nr 25002, 1 & 2, p.112 and further references.

F₁ Households with incomes below the poverty level, before and after social protection



Source : Hausman, P. (1993) The impact of social security in the European Community, in J. Berghman & B. Cantillon (eds.) The European Face of Social Security. Aldershot: Avebury, pp. 113-114.

fare state, may then be considered to bear three explicit objectives: to guarantee minimum protection (the Beveridge legacy of the anglo-saxon submodel) and to provide earnings related income protection (the Bismarck legacy of the continental sub-model), in ways that do not counteract reintegration (the Scandinavian legacy of the Nordic sub-model). In this context a fourth, Southern European sub-model is considered as a less elaborate continental model that is still more relying on family solidarity. With the accession of the new EU Member States two additional sub-models seem to present themselves: the Visegrad countries, comprising Poland, the Czech and Slovak Republics and Hungary, and one may add Slovenia) that present themselves as a combination of the continental and Southern European sub-models on the one hand and the Baltic Republics that seem to elaborate a sub-model on their own on the other hand (Török, 2006).

4. The European dream

The structural necessity to recalibrate social policies might be helped by a common vision on where to go

to and how to make use of an EU collaboration to facilitate this. Yet, the referenda on the constitution and the discussion they engendered, have pointed to the necessity of a major overall vision on the future of the Union on the one hand and to the limited confidence with citizens on the social, one even can say: social cohesive, relevance of the EU, on the other hand. Although a recent Eurobarometer shows that 42% of the European citizens never think of themselves as European and that only half of them finds that their country's membership of the EU is a good thing, social issues rank highest among the actions to which the EU should give priority. Fighting poverty and social exclusion for 44% of the respondents and fighting unemployment for 43% of them are on top of the list. (*Eurobarometer 64*, 2006: 43, 52 and 99; see also Van Oorschot, 2006: 23-42). It is comforting then to see that the fight against unemployment and against social exclusion were among the targets which the Lisbon Summit decided to address by the Open Method of Coordination. But that brings us to our second heading of social governance.

Social governance

Before dealing with the recent developments with respect to social governance in the EU, it should be reminded that the major instruments that for a long time have been deployed in the social field are the structural funds.

1. The Open Method of Coordination

Yet, the Lisbon Summit was not only path breaking in conceptualising the ambition of the EU to modernise itself towards a social knowledge based society, it also conceptualised a new method of decision making, called the "Open Method of Coordination" (OMC). This points to the mid-way position that had to be taken by the EU in the social policy field: confronted with the new challenges of globalisation, ageing, technological change... a concerted action was thought to be necessary, but the formal competences would continue to reside with the national authorities. As an inter-governmental device the OMC tried to reconcile both elements.

In retrospect one has to admit that the original enthusiasm that was yielded by the OMC in different social policy fields has gradually lost its momentum. This can partly be attributed to the heavy administrative and consultative process that had to be put in place in order to elaborate valid NAP's and a reliable and feasible monitoring system. The social policy actors are, however, more depressed by the overriding influence of Ecofin, by the diminishing commitment of the Council to social objectives and by the Commission's option to degrade the social angle of the Lisbon triangle.

Meanwhile it has been decided recently to renew the strategy for growth and jobs within a framework where economic, employment and social policy mutually reinforce each other, to bring the social OMC's on social inclusion, pensions and health and long term care together in a tri-annual process and to reinforce its mainstreaming at the EU level. Yet, among social policy actors heavy doubts remain on the awareness and commitment of the EU for social cohesion and for its European social model but, most of all, for the ability of the EU to define an appealing vision on the renewed way in which productivity and solidarity can be combined in the future, and so on the new way in which the European social model can be revitalised.

2. Bolstering civil society

Social governance is not only a matter of EU institutions and of the governmental (national, regional and local) levels of and within the Member States. As the OMC already hopes for with its 'open' character, all relevant policy actors should be linked and committed to the cause. Especially the NGO's that constitute the social midfield and secure the vertical axis of social cohesion are at stake here. The picture they provide is ambiguous. The traditional one's like the social partners, social movements, voluntary associations and charitable initiatives do not all flourish. Especially trade unions that have constituted the prime promoters of social policies and have been the spokesmen of labour in the negotiations on the labour-income

nexus have had difficulties to keep their membership level. Yet, their importance differs from country to country. In continental countries they are traditionally strong and have had difficulties to keep their strength. In Southern European countries with a less outspoken continental regime they show a similar developmental pattern. In the Nordic countries, on the contrary, their position was and remained strong. But in the Atlantic countries where their position has never been very strong it certainly did not improve.

Yet, the risk society and reflexive modernity confront us with new aspirations, interests and needs. In the fields of labour and income distribution and in line with the social policy chain that was introduced earlier, recent research has pointed to the importance of updating professional skills of citizens. Sharpening of what is called their 'capabilities' and offering plenty of opportunities to bring and to keep their capabilities up to standard will induce a much more preventive way of activation than has become general practice so far. Yet this new and broader focus engenders new movements and initiatives, new NGO's and action groups that claim their place in the decision making process. In our more atomized society these forms of organization tend to be more fluid than the traditional social partners and social movements. The NAP's testify of the difficulty Member States encounter in giving room to them in the policy making process. Yet, by stressing the necessity of partnerships with these newer forms of civil society, the OMC acts as a path breaking social policy governance laboratory. (*Berghman and Sakellariopoulos*) Similar challenges for social governance are encountered when environmental aspects complicate socio-economic bargaining and policy making.

The future of social cohesion and social governance

The concept of social cohesion referred to three meanings. What will they bring and how will the Lisbon Strategy help us in coping with them? It will have become clear by now that the first meaning in terms of income

inequalities is not a very fundamental one in its own right. Ultimately it is the relative importance of (the lack of) inequality for the legitimacy of governance that is at stake. Yet, it is through the second and third meanings of social cohesion, through the legitimacy that is provided by the horizontal coordination of policy fields and through the alertness of policy actors and their representation in the vertical social cohesion axis, that inequalities do not turn into polarization and dualism.

1. The horizontal social cohesion axis of social policy coordination

If there is any need to revitalize the European social model in terms of the Lisbon Strategy and taking into account the challenges by which the latter was triggered, and even to have the broader lines of this revitalisation defined and voiced at the EU level, what might then be the substance of such endeavour? From what precedes it will be obvious that it is not only the "social protection" area but also the "wage-labour nexus" area that are traditionally at stake when dealing with the European social model. From the actual discourse on social policy it becomes clear, however, that also the "education" and "competence and skills" areas have to be intrinsically taken into account (*Allmendinger & Leibfried, 2003*).

The transition from an industrial to a post-industrial, reflexive, information...society has yielded important shifts in the conceptual and policy framework on social policy and the welfare state. The traditional attention that was given to curative transfer systems has been put into question by the high unemployment rates in the late 70's and 80's. This has embroadened attention towards re-integrative policy initiatives. Yet, the success of such initiatives which focus labour supply, quickly reached its limits because of the lack of labour demand. So, the following policy phase has witnessed initiatives to enlarge labour demand. The latter may be welcome to appease labour market problems in the short and medium term but are no final solution. In the longer term, on the contrary, attention has to shift to capabilities, capacity building,

transitional labour market-, human resources- and career management (Estevez-Abe *e.a.*, 2001). So, there is a need for a convincing commitment of both the national and the EU level to operationalize reliable formulas of flexicurity.

In doing so, the redistribution which the social protection and welfare state systems are meant to generate, witnesses an important embroadening of its scope. In fact, the horizontal redistribution that was aimed at by the original social insurances was later complemented by vertical redistributive objectives of the social protection systems. Yet, the pronounced levels of training and expertise that are needed in the highly developed knowledge based society make investments in training of the younger cohorts and in re-training schemes for those on active age an additional priority. So, not only education and training programmes, but also income protection during periods of retraining and parental leave and kindergarten become crucial for a European social strategy.

All this leads to a more pronounced intergenerational redistribution whereby the actual generation has to invest in the new cohorts, not only to make them fit for insertion in the production process and upholding economic growth in Europe, but also to guarantee that the coming generation of Europeans will be able to continue the horizontal and vertical redistribution devices of their respective welfare states tradition, or at least to operationalize once again the productivity-solidarity nexus that represents their common patrimony.

2. The vertical social cohesion axis of governance

So then, is there any meta-type of capitalism that is or should underlie the Lisbon agenda? From a social policy point of view two elements come to the front. The first relates to the European social model and the social policy framework this is asking for at this moment. They urge for a meta-type that liberates the welfare state from its traditional curative focus, but manages to incorporate re-integrating and activating policy initiatives. In this sense the Lisbon

strategy holds. It bears two weaker points, however. The first is that the social angle of the Lisbon Strategy triangle should be more reliable, should be trusted as being fully part of it and not just "the third son that has to wait somewhat for attention". If the employment policies and welfare state are the second and third parts of the Lisbon triptych that allow the first part to flourish and enable the productivity-solidarity nexus of the European social model to be revitalised, then they should be given attention and materialised as such. A longer term but clear and reliable vision, embracing attention for intergenerational and flexicurity perspectives are most needed. The second weak point is that the European citizens should be convinced that it is worthwhile to invest in such an approach, to back their national governments in it and to commit their organizations of the civil society into that direction.

The second element that comes to the fore is the actual development of the national welfare states. The meta-type that is envisaged in the Lisbon strategy is most in line with the traditional Nordic welfare state sub-model and its emphasis on universal coverage, re-integrative drive, high labour market participation, also of women and its facilitating of the latter by child oriented facilities. This is not to say that all member-states should copy the Nordic sub-model; that sub-model is in further development itself. But many elements of a Lisbon-proof meta-type are reminiscent of the Nordic tradition. Yet, the promising finding is that many Member States are aware of this challenge and in fact are in a full process of taking initiatives in this direction. For the continental, conservative sub-model where changes in this direction may be supposed to be hardest to come by, recent research on the northern-tier conservative welfare states could convincingly corroborate this trend (Vlemminckx, 2006). Added to this, Johansson and Hvinden (2004), scrutinizing social policy development in the Nordic, so-called socio-democratic welfare states, found some trends that converge with developments in other welfare state sub-models. The development in the

new Member States is less crystallized, yet a striking trend seems to present itself. Countries with hardly any foreign debt (like Slovenia, Czech Republic and Estonia) were apparently able to launch their own social policy route. Slovenia and Czech Republic could bolster the Bismarckian roots of their systems, be it adapting them to safeguard their sustainability; Estonia opted for a Nordic approach, be it in a slimmer version. Countries, on the contrary, with a large foreign debt (like Hungary, Latvia, Lithuania, Bulgaria, Poland, and similarly also Croatia and Macedonia) had to use the help (loans) of the World Bank to adapt their systems very radically in line with the philosophy of this organisation and so focussing on funded pension schemes, privatisation of health care and on a social assistance approach. The later meant typically that family allowances systems were retuned into family assistance schemes. More recently these countries are confronted with the dysfunctional effects of this approach. They now ratify conventions of the ILO and of the Council of Europe to restrict a further shrinking of their social protection systems below minimum standards.

In an incremental way, convergence towards a common active welfare state regime seems underway. Yet, of course, differences continue to exist and provide further justification for subsidiarity; but at the same time the common vision, the common commitment, the European social model, that what unites the Member States remains underdeveloped, under-voiced and under-backed. This is a pity because the European social model may represent much more for Europe than is thought at first sight.

3. The ultimate relevance

In preparation of the Lisbon Summit under the Portuguese Presidency, Manuel Castells (2002: 234-235) argued that there is a need of 'a common European identity on whose behalf citizens around Europe could be ready to share problems and build common solutions'. Yet, only in the realm of values could he identify a cluster of elements that looked

promising. This cluster referred to the welfare state. It consisted of 'shared feelings concerning the need for universal social protection of living conditions, social solidarity, stable employment, workers rights, universal human rights, concern about poor people around the world, extension of democracy to regional and local levels, with a renewed emphasis in citizen participation, the defence of historically rooted cultures, often expressed in linguistic terms. If European institutions would be able to promote these values, and to accord life with these promises for all Europeans, probably the "project identity" would grow'. So, in identifying the welfare state as a common value carrier he pointed to a possibly crucial role of it for the EU itself.

Yet, M.J. Rodrigues (2006: 2) rightly wrote that 'in order to sustain the European social model, we need to renew it as well as to renew its economic basis by focussing on knowledge and innovation'. In the actual context of a globalizing world we can only agree with her. Moreover, we might take the opportunity of the new Portuguese Presidency to take stock of the situation and pave the way for any timely initiatives that could be taken at the EU level to back the national attempts to adjust to the new knowledge and innovation focussed orientation. Yet, it would even be better if these initiatives could at the same time visualize a common European Social Model.

4. The short term horizon

Taking these perspectives into account, and seen from a social protection point of view, different initiatives, with quite differing scopes, can be conceived which the Portuguese presidency could either embark on or foster.

The way the European Social Model presented itself so far was interpreted as a combination of a productivity drive with publicly organised solidarity. Following on from this the introduction of a European minimum wage system may be highly decisive, especially for the CEEC's. This would not mean, however, that a single EU-wide minimum wage should be

fixed. One could find inspiration, on the contrary, in the tradition that has grown in poverty research, to define the poverty line as country specific but based on a common methodology².

Shifting the focus of European social policy from social inclusion to an activating, capabilities approach could be a second line of action. Almost by sheer accident the EU came to pay attention to poverty, and later to social exclusion and inclusion. Competence and legitimacy constraints and political arguments may explain this. Yet, even when up to the 2000 Lisbon Summit this focus represented merely peanuts in the fight against poverty and social exclusion, it hardly made sense in the light of the subsidiarity principle. Since the Lisbon Summit the OMC on social inclusion may have had some more indirect impact through the monitoring of social inclusion via the NAP-incl's. Yet, it remains astonishing that the most outspoken discretionary, local and multifaceted part of social policy figures highest on the EU agenda. This is not to criticize the attention for social inclusion, but to advocate complementary attention by the EU governance level for the policy realm that is at the heart of the Lisbon agenda, that is for activation, a capabilities approach and knowledge building. In a rather dispersed way parts of this field are covered in employment policy, but large and crucial parts that refer to the major social security schemes, to education and training, to monitoring labour supply and labour organisation, are not really taken aboard. The effect of it is that the poor may feel addressed by the EU, but the bulk of the citizens and of the working population is not. For the latter the EU is not really taking care of the major social correction devices that have to cope with the dysfunctional effects of economic development and the common market in a globalising world. Yet, when the major institutions in the social field are taken care of, the lower end of them that is directed to social exclusion will automatically be taken aboard. The other way round, however, is not automatically working. The fight

against social exclusion provides no guarantee for safeguarding the major social protection devices.

In line with the previous points the presidency may try to visualize the Lisbon Agenda by launching a proper EU-initiative. Some kind of credit scheme to underpin life-long-learning is an obvious candidate. It visualizes the productivity drive of the EU-model, gives shape to the knowledge and innovation focus of the Lisbon agenda and may hence convince the European citizens that they are worth the investment. Part of the budget that is needed and most of the policy competence may be found in the existing European funds. Yet, regrouping them as a life-long-learning scheme may represent a timely visualisation of Social Europe.

Finally, one could plead for an integrated OMC for total social protection. What we had so far were originally isolated OMC's for employment, social inclusion, pensions and parts of health care. Even when these were later more or less integrated into more encompassing OMC's, they remain the integration of only a selection of the relevant social policy sub-fields. Hence a plea for an OMC that provides evidence on the totality of social protection. Also this may visualize the European social model by showing that the EU is eager to complement its common market policy by a common social correction system. If social protection, as was argued, is an important mediator that allows the economy to flourish, we should give it the opportunity to do so, also in the new area of globalisation and the Lisbon agenda. Let us show by an integrated social protection OMC that the EU has not just four social footnotes to its common economic union policy but a full social complement.

We should not be afraid to show this to the world and to show how we can keep it functional in the new economic context.

² Starting point here is the country specific amount of 60% of median net disposable equivalised income on which an equivalence scale of 1.0/ 0.5 /0.3 is applied.

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