

SOCIAL INCLUSION AT THE LEVEL OF THE EUROPEAN UNION

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...To live the social inclusion is to be an E.U. citizen...

***Abstract:** This paper reviews the social inclusion issue at the level of the European Union. The main idea of the EU social policy is how there can be created new ways for everybody's well being, this meaning creating an European social model for an European active welfare state. The objectives of social policy are targeting not only the promotion of employment but also the improvement of living and working conditions, an adequate social protection, social dialogue, human resources development, all of that in order to permit a high and stable level of employment and to combat any kind of exclusion. The European Commission is encouraging cooperation between social partners in issues such as vocational training at European level, as well as the initiative to draft a multi-annual program for social dialogue. The European social systems are nowadays considered to be competitive, having real net costs comparable to those of the USA but with a more equitable distribution of the benefits and a similar level of productivity. All these results have been achieved mainly due to the political commitment of the EU to implement economic and social reforms.*

***Key words:** social inclusion, social integration, society, social policy, exclusion*

In this article we want, through a short description, to show how European social policy evaluated. Beginning with 1957, which one may consider as the birth of social policy of the EU, and until now, the main idea has been how Europe can create new ways for everybody's well being. In that case the essence has been to develop an *European social model* for an *European active welfare state*. Priority has also given to enhancing social integration and to the need of intervention in this field. At community level, develop mental actions to eradicate poverty have already taken place.

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Evolutions in the European Union's social policy

The social policy of the EU has debuted ever since 1957, with the signing of the founding treaty of the European Union itself. As such, the Roma Treaty has laid the foundation of social policy stipulating the free circulation of workers and their freedom to decide where to settle, given the context of creating a common market. The same treaty has also stipulated the creation of the European Social Fund, an instrument designed to finance social policy and at the same time one of the oldest structural funds.

The next step was taken towards adopting *The Single European Act*, in 1986. The Act contains measures related to ensuring healthy and safety workplaces and introduces social dialogue as well as the concept of social and economic cohesion, a concept that has materialized into the establishment of *Social and Economic Cohesion Fund*.

The year of 1989 marks an important moment in the European social construction since it is when the first programmatic social policy document was adopted – The Social Charta. It stipulates fundamental social rights and draws the main action lines for social policy.

One year later, in 1990, The Maastricht Treaty (ratified in 1992) settles some of the most important objectives of the EU – a high level of employment and of social protection, equality between men and women [...], increasing the standards of life and the quality of life..." (Article 2). *The Social Policy Protocol* was adopted in 1992 and annexed to the Maastricht Treaty. The Protocol sets the objectives of social policy (already sketched in the Social Charta): promoting employment, improving the living and working conditions, combating social exclusion, developing human resources, etc. The Protocol has been signed by 11 countries, but not by Great Britain.

The Green Paper was launched in 1993, and opened the debate on the future of social policies at community level. It was followed, in 1994, by the *White Paper* that set the priorities of social policies until the year 2000. Such priorities were materialized into social action programmes designed to cover the periods of 1995-1997 and 1998 -2000.

In 1997, *The Amsterdam Treaty* (ratified in 1999) abrogated the *Social Protocol* and launched the *Social Policy Agreement*. A new article is included into the EU Treaty, an article known as *Title VIII* and which regulates the employment of the labor force. 1998 is also known to be the year when Great Britain signed the Social Policy Agreement and decided to participate in the social policy of the EU.

Once the Amsterdam Treaty came into force, the employment of the labor force became a priority objective and more than that, it turned into "an issue of common interest".

Without lessening competitiveness, the target is “to achieve a high level of employment”. In order to achieve this objective it is necessary to develop a “coordinated strategy” in the field. The Amsterdam Treaty has re-established the unity and coherence of social policy. It emphasizes the fact that social policy is in the competence of both the community and of each member state.

The objectives of social policy are targeting not only the promotion of employment but also the improvement of living and working conditions, an adequate social protection, social dialogue, human resources development, all of that in order to permit a high and stable level of employment and to combat any kind of exclusion.

Article 137 of the Treaty stipulates that decisions are to be taken together with the European Parliament and only after consultation with the Social and Economic Committee, as well as with the Committee of Regions in areas such as:

- Health and social security;
- Working conditions;
- Integrating the excluded persons into the labor market;
- Informing and consulting the employees;
- Equality between men and women concerning the opportunities to enter the labor market and the treatment received at their place of work.

It maintains the stipulation according to which unanimity is required in matters such as:

- Security and social protection for the employees;
- Protection of the employees in case their work contract is cancelled;
- Collective representation and defence of the interests of both the employees and the employers;
- Employment conditions for third countries citizens who are legally established within the EU territory;
- Financial contributions targeting employment and the creation of new jobs.

As concerns the remuneration, the right to associate, the right to strike and all these issues remain outside the competence of the EU as a community. The Amsterdam Treaty recognizes the fundamental role played by social partners. Such recognition is applied at two levels:

- At national level, where member states can assign the social partners to implement certain regulations (art. 137, p. 4);
- At community level, where the European Commission is responsible for promoting consultancy with social partners and for taking adequate measures to

facilitate dialogue and to provide unbiased support to all the parts involved. The Amsterdam Treaty has also placed equality between men and women among priority objectives. This new approach is aiming at enlarging and deepening the concept of gender equality.

The year 2000 marks a major moment in the evolution of social policy since it is the year when the *Lisbon Strategy* was designed. It sets the 10 years objective to transform the economy of the EU into the most competitive, knowledge-based economy. In the same year, the *Social Policy Agenda* was adopted; reiterating those specific objectives and elements of the strategy and converting them into a five years action programme which is currently the framework of social policy. A global strategy is taken into account in order to allow the EU to accomplish the above-mentioned objectives:

- Preparing the transition to a knowledge-based economy and society;
- Promoting those economic reforms leading to an increased competitiveness and pertaining innovation;
- Modernizing the *European social model* by investing in human resources and combating social exclusion;
- Maintaining an adequate balance between the macro-economic policies in view of achieving a sustainable growth.

The strategy was tried to be implemented mainly by means of the so-called “the open method of co-ordination at all levels”, a method which has already been employed in the strategy to promote employment.

The open method of co-ordination was accompanied by a strengthening of the role played by the European Council as a guide and a coordinator. The European Council is to examine the social and economic issues in order to ensure a global coherence and to closely monitor the progresses achieved. It has been emphasized that the economic, social and employment policies need to be interconnected¹.

The conclusions of the Lisbon Summit are pointing out to the need to take measures in ten specific fields, starting with the informational society, business environment, economic reforms, education and vocational training, employment – with a stress on creating new jobs – modernizing social protection and promoting social integration. The accent is on modernizing the *European social model* and on the establishment of a *European active welfare state*. Priority is also given to social integration and to the need of intervention in this field. At community level, actions to eradicate poverty have already been taken.

¹ Cace, Corina (2004), *Social Insurances: Management, evolutions and tendencies*, Ed. Expert, Bucharest.

The strategy must be conceived such as to allow the EU to create the adequate conditions for full employment and to strengthen regional cohesion.

The conclusions of the summit are also mentioning a communication of the EU endorsing a new programme for social policy.

The European Council in Nice (December 2000) endorsed the European Social Agenda that defines, in accordance with the conclusions of the Lisbon Summit, the actual priorities for action in the field of social policy until 2005.

With regard to the European strategy to combat social exclusion as well as all forms of discrimination, the European Council in Nice endorsed the objectives to combat poverty and social exclusion, recommending all member states to develop policies tailored to these objectives. As for modernizing social protection, the European Council in Nice has taken notice of the reports concluded by the High-Level Group assigned on social protection of the retired ("Social Protection") as well as those concluded by the Committee on economic policies. Both reports are drawing attention with regard to the implications triggered by the aging of the population. As a result, a global approach of the pensioning systems has been endorsed.

Important progress has been made at European level concerning negotiations on the project to enforce consultancy with workers and their informing.

On 20th of December 2000, The Council on "Employment and social policies" assembled to finalize the dossier regarding the European society, as a result of the recommendations of the European Council in Nice.

The European social policy has played a most significant role in the imposing of the economic power of Europe due to the development of a unique social model. Such model has been characterized to have the necessary qualities of flexibility and dynamism in order to adapt and react to the rapid changes in the European economy and society in general.

The conclusions of the Summit in Laeken (13-15 of December 2001) emphasize the fact the economy of the EU is going through a period of uncertainty and of slow growth due to a process of general slow down and of a decrease in the demand.

After analyzing the general economic situation of the EU, on the occasion of the Barcelona Summit, (15-16 of March 2002), the analysis extended to the progresses made with regard to the strategic objective set in Lisbon.

The emphasis is on the need to implement the structural reforms decided upon in Lisbon and Stockholm. Structural indicators are to be used in the assessment of the progresses made and in order to concentrate the actions to be taken.

After the assembly of the European Council in Stockholm, progress has been made with regard to various points contained in the Lisbon Strategy. After 30 years of debate an agreement was finally reached regarding the European society. Several structural economic and social indicators were adopted, including with regard to quality jobs, to combating poverty and social exclusion as well as key-indicators regarding sustainable development. Such indicators are to provide a better image of the progresses made by each of the member states.

The first objective in the European employment strategy is the increasing – until 2010 – of the employment rate up to 70%, as agreed in Lisbon.

An agreement was reached and endorsed by the Council with regard to main employment policies designed for 2002 and individual recommendations were made to the member states.

As for the actual implementation of the European social model and of the social legislation, the European Council has emphasized the political agreement between the Council and the European Parliament with regard to the directives to inform and consult the employees and to protect them in case the employer is insolvent. The stress was on preventing and solving social conflicts as well as transnational social conflicts.

The Council encouraged the Commission to establish a framework for allotting state funds to those institutions assigned to provide services of general interest. The importance of taking into account the gender equality when designing the economic policies was also emphasized and, within the euro-Mediterranean partnership, the stress was on defining a cluster of common indicators for social integration.

The European Council in Laeken took notice of the political agreement regarding extended coordination of the social security systems designed for third countries citizens and invited the Council to take, as soon as possible, the necessary measures. Correlating pensions, sustainability of the pension systems as well as their modernizing, were key issues to be discussed on the occasion of the summit. A similar approach was requested in view of preparing the report on social assistance provided to the elderly. A special attention needs to be paid to the impact the European integration shall have on the health care systems of member states.

On the occasion of the Summit in Gand (19 October 2001), the EU reaffirmed its commitment to accelerate the implementation of the measures stated in the Lisbon Strategy.

The report for the year 2001 regarding the social situation in member states focuses on four large fields:

- population;

- living conditions;
- income distribution;
- reliance on the society and participation in the social life.

A cluster of social indicators, which practically cover all the fields of social policy, accompanies the analysis: economy, demography, income and poverty, gender equality, health and social security.

The social summit held on 13 December 2001, focused on the joint declaration presented by the social partners in view of the European Council in Laeken. 15 years after the launching of the social dialogue at the European level, the summit drew several conclusions with regard to the social dialogue and identified methods for change management and for strengthening the social dialogue.

The objective stated by social partners and formulated in their joint declaration, is to develop a working programme for social dialogue for the period left until 2002. The joint declaration of the social partners assembled in Laeken Summit refers to:

- the specific role played by social partners in European government;
- improving the integration into the Lisbon Strategy of the tripartite concentrated efforts;
- a more autonomous management of social dialogue;
- social partners from candidate countries need to prepare for joining the EU starting with now.

A new community action programme was launched in January 2002. The programme was designed to encourage cooperation between member states in view of combating social exclusion. The European Commission, Council and Parliament allowing a deeper understanding and analysis, a more strengthened political cooperation as well as experience exchange and networking in the field of poverty and social exclusion also adopted the plan.

There are three fundamental principles guiding the concept of a “more social globalization”:

- promoting partnership and a “better democratic government”
- emphasizing the challenge of achieving full employment of the labor force.
- solidarity and social cohesion

Europe is defined by the values of fundamental rights. As stated in Nice, the objective of the EU is to promote absolute integration of fundamental rights into all policies and actions.

The European social model is one of the pillars of a wider strategy whose basis was laid ever since Lisbon and strengthened in Brussels on the occasion of the social summit.

For the past for years and since the launching of the great European employment strategy, 10 millions new jobs have been created and especially in the new sectors of advanced technology. The unemployment rate has dropped under 8% and inflation has decreased.

The European social systems are nowadays considered to be competitive, having real net costs comparable to those of the USA but with a more equitable distribution of the benefits and a similar level of productivity. All these results have been achieved mainly due to the political commitment of the EU to implement economic and social reforms.

Modernizing and reforming the markets at national level, the labor market systems and pension systems, the measures to combat poverty are mirroring increased capacity for change management. Another favouring factor is given by the improvement of industrial relations. A better government is an objective stated on a large scale.

The European Commission is encouraging cooperation between social partners in issues such as vocational training at European level, as well as the initiative to draft a multi-annual programme for social dialogue.

In spite of the progresses made, industrial relations are still considered to be a weak point. Those companies, which invest in their human capital, obtain better results. Still, it is considered that the management of human resources has not reached yet the desired level. The efficient cooperation at the workplace needs to be improved. In Brussels it was stated that some of the institutions and symbol-companies could have been saved if active measures had been taken in due time.

The European Commission decided to launch a consultative Document regarding anticipation of change and change management in order to strengthen a more dynamic approach of the social aspects triggered by restructuring.

The EU pledged to respect the total autonomy of social partners as well as the responsibilities of member states in the implementation of the open coordination method in the fields of employment and social policy reforms.

In the horizon of 2010, the level of employment should reach 70%, as stated in the Lisbon Strategy.

The question raised on the occasion of the social summit was related to the harmonization of short-term objectives with the long term ones in a manner that would allow continuous investment in quality, in humans, in places and services in

spite of changes. The process of restructuring is a complex one, it is transnational, it is increasing and too often it implies different procedures.

At European level it is necessary to create a climate of positive support and to set several healthy principles. The positive experience accumulated must be fully applied and so must the social partners' new ideas.

A mid term evaluation of the Social Agenda was performed in 2003 and as a result, the priorities on the agenda were adjusted according to the progresses made until recently and taking into account the political economic and social changes at the level of the EU Community. The above-mentioned evaluation revealed a visible change in the economic and political situation of the community as compared to the year 2000 (when the Agenda was launched). In 2003 Europe is characterized by a long term slow down of the economic progress sequential to a slow down in job creation and an increase of the unemployment rate. These are the new challenges social policy has to cope with for the next period of 2003-2005 if it is to accomplish the objectives set in 2000.

The problems identified during this evaluation spin around the *demographic tendencies* (the aging of the population and of the labor force), the fact that *gender inequities* are still present, the *nature of family* has changed (an increase in the number of mono-parental families which leads to the need to adjust the social protection accordingly), *technological changes*, *social disparities and poverty*. To all these issues we may as well add the challenges brought by the enlarging of the EU that is foreseen for 2004 when 10 more states will join the EU. On the other hand, while the economy of the EU is regressing, the economies of these 10 new states are experiencing a constant growth, fact that may give an impulse to the economic progress of the whole European community.

One of the main challenges in the social field brought by the enlargement of the EU has to do with the discrimination of ethnic minorities, and especially of the Roma (for new members) minority, a challenge which requires the finding of common solutions at the level of the European community. To this challenge we may as well add the migrating potential of the labor force and the manner in which the social scene of the European community will be affected. We can still expect that such a migration effect will be of a short duration and that the migration phenomenon will also happen in a reversed direction taking into account that the ex-migrant workers may choose to go back to their countries of origin once they have joined the EU. Going back to the general situation of social policy at the level of the EU, we may notice the tendency to heighten the role of "corporative social responsibility" – that is, the acceptance of a company to justify its decisions to the all parties involved and which are directly affected by such decisions.

Such a new concept of an economic-social nature has taken shape at the beginning of the 90's and it leads to the formation of socio-responsible companies, which take, into account the impact of their actions on the community and on the environment they operate in as well as on their employees and consumers. These companies choose to balance their economic profit with the needs of all parties involved. Promoting this new type of social responsibility is one of the main preoccupations of the EU targeting a combined approach of the economic, social and environment protection sectors.

Those are only a few of the elements around which social policy shall evolve in the years to come and to which we may add the continuous preoccupation for improving the quality of industrial relations (by developing quality indicators and promoting an understanding of industrial relations). Also, the development of the objectives set in 2000 is to be continued: increasing the number and quality of jobs, developing flexibility and security in the context of a changing environment, modernizing social protection, promoting gender equality, and combating poverty and social exclusion.

Constitutive elements of the Lisbon Strategy:

Table 1 - Policies, European instruments and concrete measures

Policies	European Instruments	Some Concrete Measures
Information Society	e-Europe Action Plan	- Internet access in schools, public services, companies - e-commerce
Enterprise Policy	Multi-annual Programme for Enterprise and Entrepreneurship European Charter for Small Enterprises	- Support to start-ups - Cutting red tape
Innovation Policy	Framework of Common Objectives	- Developing the national systems of innovation
Research Policy	6th Framework Programme European Research Area Towards 3% of GDP Action Plan for Research	- Networks of excellence - Integrated projects
Single Market Single	Market Agenda Financial Services Action Plan Risk-Capital Action Plan	- Telecommunications package - Energy - Single sky - Community patent - Galileo
Education	Common objectives and targets E-Learning Bologna Process for High Level	- New tools for lifelong learning - Convergence of degrees

Policies	European Instruments	Some Concrete Measures
	Education Copenhagen Declaration for lifelong learning Action Plan for skills and mobility	and recognition of qualifications
Employment	European Employment Strategy: Joint Employment Report, Employment guidelines and Recommendations for Member States employment policies	- Better employment services - Adaptability with security - Equal opportunities - Active ageing
Social Protection	Common objectives for pension provision Integrated approach for safe and sustainable pensions	- Coping with ageing
Social Inclusion	Common objectives Community Action Programme to combat discrimination Framework strategy on gender equality	- Targeted measures for the National Action Plans
Environment	Environment EU strategy for sustainable development 6th Community Action Programme for Environment Community Eco-label working plan	- Community Eco-label awards - Environmental inspections
Macroeconomic Policies	Broad Economic Policy Guidelines Stability and Growth Pact	- Redirecting public expenditure for growth and employment

Social Policy Agenda

The Social Policy Agenda represents both a programmatic document and the framework for the implementation of EU social policies for the period of 2000-2005. The Agenda was adopted in 2000 as a consequence of the Lisbon Strategy, which was also developed in the same year, under the presidency of Portugal. The Strategy sets the 10 years objective to transform the economy of the EU into the most competitive, knowledge-based economy and describes the strategy designed for its accomplishment, a strategy which mirrors almost all the economic, social and environmental activities of the EU. In other words, the objective of the EU for the following decade is to increase economic performance, to create more jobs (and better jobs), and to fully exploit the possibilities offered by a knowledge-based society.

The Social Policy Agenda takes over those objectives and elements of the Strategy and converts them into a 5 years action programme which in turn represents the

framework of the current social policy and whose basic principle is that of strengthening the role of social policy as a productive factor. In addition, the *Agenda* reflects the transformation of social policy and the switch from an approach based on minimizing the negative social consequences (which are due to structural changes) to an approach focused on quality and on “modernizing the social system and the investment in humans” and which integrate social policies with economic policies and employment policies.

A. Social policy priorities

The priorities for social policy for the period of 2000-2005 mirror the orientation towards quality and are given by:

- *a high level of employment* – targeting the creation and promoting of new jobs;
- *the quality of work* – it refers to better jobs and better way to combine professional life with private life. It implies the existence of better employment policies, reasonable wages, and an organizational labor scheme tailored both to the needs of the companies and to those of the individuals;
- *the quality of social policy itself* – implying a high degree of social protection, the existence of quality social services within the entire territory of the EU, equal and actual opportunities for all individuals and ensuring their fundamental and social rights by combining productivity with personal-professional satisfaction;
- *the quality of industrial relations* – implies a successful adaptation to the industrial changes and mirrors the impact of “knowledge”- that is, of the new technologies and research - upon economic progress.

These priorities reflect the current needs of the European society and are cross points of the new social policy. Adequate instruments accompany them and action plans specially designed in order to fulfil the above-mentioned priorities.

B. Social policy action plans

The major challenge faced by social policy at the beginning of a new millennium is given by the fulfilment of the above-mentioned priorities. That is why it is necessary to structure the priorities into specific objectives and to adopt several concrete action measures according to the identified situations.

As such, given the fact that the first two priorities - *a high level of employment* and *quality of work* – have to do with the dynamics of the labor market and with the professional sphere and are therefore treated together in joint action plans targeting:

- *better and more jobs creation*, to the purpose of increasing the general employment rate up to 70% and the women employment rate up to 60%;
- *anticipating change and change management*, as well as adapting to the new work environment (given by a knowledge-based society and by technological development) – by efficiently and accordingly informing of both the employers and the employees to the purpose of balancing flexibility and security at the workplace;
- *exploiting on the opportunities* provided by a knowledge-based society - by promoting continuous learning, promoting new forms of work schemes and increasing the employment opportunities for persons with disabilities;
- *promoting the mobility of labor force*, by implementing free circulation of workers and eliminating geographical obstacles, and by developing mechanisms to facilitate mobility (including the development of new technologies)

Improving the quality of social policy in itself is represented by measures focusing on various fields of the social life and it is closely related to the way in which social life interacts with professional life. The action measures adopted in order to fulfil this priority:

- *modernizing and improving social protection* in order to ensure a stable and secure income for individuals, to secure pensions and create sustainable pension systems and lead to the development of a competitive health system;
- *promoting social inclusion* – the objective is to prevent and eradicate poverty as well as to promote participation in the social and economic life;
- *promoting gender equality*, by encouraging the participation of women in the economic, scientific, social, political and civic life;
- *strengthening the fundamental rights and combating discrimination*, by ensuring the development and preserving of fundamental social rights.

Promoting quality in the industrial relations is perhaps the most important priority and the most innovative one targeting the intensification of social dialogue and promoting competitiveness and solidarity at this level. Other two development action lines are to be added to the above mentioned, corresponding to the extra-community dimension of social policy: preparing the enlargement of the EU and promoting international cooperation.

Selective Bibliography

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