

*Response of ESIP
to the Consultation paper of the Bureau of European Policy
Advisers on **Social Reality in Europe***

**Joint Position Paper
of the European Social Insurance Platform**

submitted in 22. 01. 2008

About the *European Social Insurance Platform* (ESIP)

The *European Social Insurance Platform* (ESIP) represents the social insurers of over thirty organisations from thirteen Member States and Switzerland, active in the field of health insurance, pensions, family benefits, occupational safety and accident insurance and unemployment insurance. The aims of ESIP and its members are to preserve high-profile social security for Europe; to reinforce solidarity-based social insurance systems and to maintain European social protection quality. ESIP builds strategic alliances for developing common positions to influence the European decision-making process and is a consultation forum for the European institutions and other multinational bodies active in the field of social security.

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I. Background

The European Commission initiated a consultation process on “Europe’s social reality” on 27 February 2007 using a questionnaire. The answers may be used in current or future initiatives at European level such as reviewing the European Social Agenda. With its Communication of 20 November 2007, COM (2007)726 final, the Commission published a condensed version of the findings and postponed the delay for replies to 15 February 2008.

II. Comments

Current social challenges are analysed and future options for action are presented, based on a description of the social well-being as perceived subjectively by Europe’s citizens. These options will make up a range of approaches, which will represent in a thorough and meticulous way the schedule of European (and international) social and economic policy aims and methods which already has been continually updated in recent years.

The aim of the process initiated by the consultation paper is to comprehensively build a consensus between the EU and its Member States on the “common social challenges.” This approach implies however the premise, often found in other European papers, that common (social) challenges are best tackled jointly. The inbuilt tendency of this approach could be to reduce artificially the range of possible answers to a single standard at European level, maybe one day even at global level. Many questions allow for more than one solution, and they can easily co-exist in a pluralistic Europe with democratic societies. In particular, common social challenges may also effectively be approached nationally, building on existing traditions, preferences and institutional/social structures.

In addition, for the sake of plurality it should be avoided to present basic orientations and benchmarks to be “without alternative.” Otherwise, one could easily assume that the search for common challenges only anticipates already pre-formulated answers and solutions, thus replacing the evaluation of social reality by a construction of social reality, whereas its diversity and dynamics must firstly be understood. So the European Social Insurance Platform (ESIP) welcomes the accent in the Commissions Communication of 26. 2. 2007 – COM (2007)63 final – met on diversity. In between this frame, awareness building and construction of a strong knowledge base is welcomed.

Many of the issues dealt with are of major importance for the future of social security and of course need to be discussed throughout Europe at all levels of civil society. However, due to the general nature of the questions, it seems almost impossible to address the issues in detail at this stage. In the view of ESIP only some of the premises should be addressed in respect of their significance for social protection and social security.

The mere assumption of a transition to a post-industrial knowledge and service society in relation to the concepts of an “affluent society” and “customer sovereignty” suggests the need for a fundamental realignment of the social state. But contrary to this, in terms of the need to protect people against fundamental risks, little has changed in comparison to the so-called “industrial age.” In fact social changes have created new risks or threaten to make return old risks. So child and family poverty owe growing concern, and old age poverty will do the same in the near and middle term future. The expansion of the knowledge and service society has created a need of social protection for additional sections of the population as a consequence of the reorganization of production and added-value creating chains. Several decades ago, many people affected would have been able to organize appropriate social protection on their own. Today, that is no longer the case, and in future more and more people will need access to public social security.

The premise of a transition to a post-industrial society can only be accepted in this sense. And only in this context the premise of a shift towards “universal social protection” can be accepted. However, when the idea is repeatedly raised that the transition of economic and social relationships requires a reorganization of the social state aimed at the integration of only the particularly disadvantaged and marginalized sections of the population, this is a clear indication of far-reaching changes in political priorities and not just a description of the transition to a post-industrial society. ESIP clearly reiterates its commitment to a social security, based on the principles of solidarity, universality, equity, accessibility and social cohesion will continue to cover the whole society and not only the most disadvantaged.

Also in the future, the possibilities for “educating” citizens in order to become “**enlightened consumers** and users” of basic social services of general interest will be subject to important limitations. This applies in particular to healthcare services and old-age pension provisions. The state will continue to have to define the main framework conditions for social protection and social security. This includes the assumption of responsibility for achieving social security and protection goals and needs. This cannot simply be passed on to individuals. At the same time, individual freedom of choice should not be restricted more than necessary. Thus, we consider customer sovereignty as just one element of the more central concept of “sovereign citizenship”. To reach this broader goal, public social security is essential also in the future.

The fact that tension arises in this regard is nothing new. To give just one example, there are trends in the healthcare sector to make health awareness compulsory in the context of a lifecycle-oriented employment strategy, which, with a certain tendency to predominance, would encroach more and more into personal lifestyle and choice. A health-conscious lifestyle becomes a “service in return” for protection in the framework of a healthcare system. While there is an undoubted need to extend preventative strategies – which includes beyond health aspects lifelong learning as well – careful consideration must be given to how much pressure the state can exert with regard to the pursuit of preventative strategies. The answers will not just be found in efficiency criteria at expert level. They depend to a great extent on fundamental values and might be supported, but not be steered by allegedly “neutral” indicators.

ESIP welcomes and supports the European initiatives concerning **equality between men and women**. The social security systems have adjusted to a large extent to the changed role of women in society and in the economy. The most significant modernisation measures in this respect are individualisation of pension rights for women, the gradual harmonisation of retirement age for men and women and the linking of certain social services to the actual

performance of parenting and care activities instead of linking them to the family status. There are concerns however over another aspect of the modernisation process. The increasing shift of social security from public to private systems, and even to completely voluntary systems, often systematically results in disadvantages for women due to the tradition of structuring premiums according to sex. European regulators have tried to counter this in the past, but we are still only on a half way.

In one more area the modernisation process has the potential to threaten the results already achieved and progress under way in the field of equal rights for men and women. The premise formulated in the consultation paper concerning a shift in values towards **secularisation and the decline of religious commitments** cannot be supported in its linearity. Globalisation and migration have also seen the emergence of parallel communities with often strong religious commitments who have some very firm concepts of a “good” life, particularly where family matters are concerned, and who are not always willing to leave compliance with these principles to the discretion or conscience of individuals. This may subject the consensus in Europe of human freedoms including the progress made by women in public and professional life to a stiff test in the future. Europe will therefore be unable to avoid a debate about its future as a community of values. Unfortunately, the consultation paper itself is an example how poorly the EU is prepared in this respect, even at the level of relevant “Think Tanks”. This may be because any necessary debate on values can hardly be based on firm indicators.

This observation provides an opportunity to add a few final remarks. The study’s real potential, in particular as it may be developed in future in a similar way, lies in **benchmarking the social systems of the Member States (in the widest sense)** – far beyond what was agreed in the framework of the “open method of coordination.” The European Economic and Social Committee (EESC) has already requested new indicators on the development of “welfare performance” in its opinion of 17/18 January 2007 on “Taking stock of the reality of European society.” Such a process should however not lose sight of the fact that “firm indicators” only represent snapshots which do not provide information on cultural backgrounds including the underlying values, on the (objective) quality of the systems analyzed or even on anticipated trends.

The recourse of the consultation paper to a broad-based analysis of **subjective “wellbeing”** in the various Member States is therefore welcomed in principle. Such an analysis offers – provided the same questions are asked in the interviews in the respective individual Member States – interesting insights into similarities and differences in the subjective perception of the social environment and of one’s own location in this environment. Therefore the analyses should definitely be carried on and progressed. However, political conclusions on backgrounds and determining factors can only be drawn with great care. Single-cause explanations, as enticing as they may be at first glance, rarely give a full explanation of complex social and cultural factors. In this respect we would warn against taking individual perceptions of the social situation as a direct indicator for failures or successes of social policy intervention or even quality of performance of social protection systems. This is the reason why the members of ESIP have repeatedly opposed the use of indicators to measure self-reported health status and unmet need for the purpose of benchmarking healthcare systems. The same care has to be applied in other social fields.

This position paper has the support of the following organisations in so far as the matter lies within their field of competence:

AUSTRIA	HVSVT	Hauptverband der österreichischen Sozialversicherungsträger, Vienna
BELGIUM	ONP/RVP	Office National des Pensions/Rijksdienst voor Pensioenen, Brussels
CZECH REPUBLIC	CSSZ	Czech Social Security Administration, Prague
FINLAND	ETK	The Central Pension Security Institute of Finland, Helsinki
	FAII	Federation of Accident Insurance Institutions, Helsinki
	TVR	Finish Unemployment Insurance Fund, Helsinki
France	FNMF	Fédération Nationale de la Mutualité Française, Paris
	CNAF	Caisse Nationale d'Allocations Familiales, Paris
	CNAM	Caisse Nationale d'Assurance Maladie, Paris
	CNAV	Caisse Nationale d'Assurance Vieillesse, Paris
	CCMSA	Caisse Centrale de la Mutualité Sociale Agricole, Paris
GERMANY	AOK-BV	AOK-Bundesverband, Bonn
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	IKK-BV	Bundesverband der Innungskrankenkassen, Bergisch Gladbach
	LKK-BV	Bundesverband der landwirtschaftlichen Krankenkassen, Kassel
	VdAK	Verband der Angestellten-Krankenkassen, Siegburg
	AEV	Arbeiter-Ersatzkassen-Verband, Siegburg
	Kn	Knappschaft, Bochum
	DGUV	Deutsche gesetzliche Unfallversicherung, Berlin
	BLB	Bundesverband der landwirtschaftlichen Berufsgenossenschaften, Kassel
	DRV	Deutsche Rentenversicherung Bund, Berlin
	GLA	Gesamtverband der landwirtschaftlichen Alterskassen, Kassel
ITALY	INPDAP	Istituto Nazionale di Previdenza per i Dipendenti Dell'Amministrazione, Rome
	INPS	Istituto Nazionale della Previdenza Sociale, Rome
LUXEMBOURG	ALOSS	Association Luxembourgeoise des Organismes de Securite Sociale, Luxembourg
THE NETHERLANDS	SVB	Sociale Verzekeringsbank, Amstelveen
	CVZ	College voor Zorgverzekeringen, Amstelveen
POLAND	ZUS	The Social Insurance Institution of Poland, Warsaw
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