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## Reforms are paying off, but don't forget the most vulnerable – EU report

*Social protection reforms and active inclusion policies have visibly contributed to higher growth and more jobs in Europe over the past year. Still, more needs to be done to ensure that these benefits reach those at the margins of society and improve social cohesion, says a Commission report to be discussed by Employment and Social Affairs Ministers on 29 February. The 2008 'Joint Report on Social Protection and Inclusion' focuses on priorities and progress made in the areas of child poverty, working longer, private pension provision, health inequalities and long-term care. Once adopted by the Council, the report will go to the Spring European Council on 13-14 March to highlight the social dimension of the jobs and growth package.*

"Our social protection reforms and social inclusion policies are paying off: they promote social cohesion and growth by bringing more people into the labour market and making public finances more sustainable," said Vladimír Špidla, EU Commissioner for Employment, Social Affairs and Equal Opportunities. "But healthy growth and job creation do not automatically improve the situation of those most marginalised within our societies. We need joined up policies to make sure we fully include the most vulnerable."

This year's report focuses on a number of key themes – a recent innovation that has added value to the EU's 'Open Method of Coordination' in the field of social policies. It has increased understanding, promoted mutual learning and encouraged better monitoring and more focussed reporting. Overall, progress has been promising, but the report highlights a series of areas to focus future efforts:

- Employment rates have risen for all categories of **older workers**. The overall employment rate of those aged 55-64 has risen from 38% in 2001 to 44% in 2006 and the Lisbon target of 50% in 2010 has been reached by nine countries (Denmark, Estonia, Ireland, Cyprus, Latvia, Portugal, Finland, Sweden and the United Kingdom), although it is still as low as 30% in some. Active inclusion measures, as well as pension and labour market reforms, have improved incentives to work but still more people need to work. Together with efforts to improve productivity this will contribute to a sounder base for social protection systems and adequacy and sustainability of pensions, provided that labour markets are opened up to older workers.
- While **pension reforms** are well under way, they need to be monitored regularly as regards their impact on future sustainability and adequacy, particularly for those with atypical career patterns. Awareness of the risks associated with different pension schemes should be raised, thereby promoting informed choices.

- 16% of EU citizens remain at risk of **poverty** while some 8% are at risk of poverty despite being employed. Out of the 78 million Europeans living at risk of poverty, 19 million are children. Ensuring equal opportunities for all through well-designed social policies, and strengthening educational outcomes for each child, are needed to break the cycle of poverty and exclusion. Inclusion and anti-discrimination policies need to be reinforced, not least in relation to immigrants and their descendants and to ethnic minorities.
- When children are poor, it is because they live in jobless or low work-intensity households or because their parents' jobs do not pay sufficiently and income support is inadequate to ward off the risk of poverty. Fighting **child poverty** therefore requires a combination of quality job opportunities allowing parents to integrate and progress in the labour market, adequate and well-designed income support and the provision of necessary services for children and their families. The appropriate balance must be struck between helping families and targeting children in their own right. The best performers target the most disadvantaged children within a broader universal approach supporting all children.
- Social policies have a major impact on health and health is an important determinant of life chances. There are currently wide **disparities in health outcomes** across the EU, with men's life expectancies ranging from 65.3 years (Lithuania) to 78.8 (Cyprus and Sweden) and those for women from 76.2 (Romania) to 84.4 (France). Health concerns should be adopted in all policies, including promoting healthy life styles, while social protection should ensure access for all to quality healthcare and long-term care and promote prevention, including for those most difficult to reach.
- Demographic and societal change trigger rising needs for **long-term care**. Member States are committed to increasing access to quality services but providing such quality services remains a challenge. The right balance needs to be struck between public and private responsibilities and formal and informal care, including ensuring support for informal carers.

## Background

The EU's system of common objectives, assessment and reporting for social protection and inclusion – the 'open method of coordination' – operates in parallel with the strategy for growth and jobs. The Joint Report on Social Protection and Social Inclusion will be presented to EU leaders together with the Joint Report on Employment and will feed into the conclusions of the Spring European Council.

Joint Report on Social Protection and Social Inclusion (Commission proposal):  
[http://ec.europa.eu/employment\\_social/social\\_inclusion/news\\_en.htm](http://ec.europa.eu/employment_social/social_inclusion/news_en.htm)

Joint Commission/Council Report, publication on 29 February 2008:  
[http://ec.europa.eu/employment\\_social/social\\_inclusion/jrep\\_en.htm](http://ec.europa.eu/employment_social/social_inclusion/jrep_en.htm)

Study on child poverty:  
[http://ec.europa.eu/employment\\_social/spsi/publications\\_en.htm#childpoverty](http://ec.europa.eu/employment_social/spsi/publications_en.htm#childpoverty)