

EN



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 2.7.2008
SEC(2008) 2157

COMMISSION STAFF WORKING DOCUMENT

accompanying the

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Renewed social agenda:
Opportunities, access and solidarity in 21st century Europe**

SUMMARY OF THE IMPACT ASSESSMENT

{COM(2008) 412 final}
{SEC(2008) 2156}

IMPACT ASSESSMENT SUMMARY

1. INTRODUCTION

In its Communication *A citizens' agenda: Delivering results for Europe*¹, the Commission pointed out that the European Union needed to analyse the radical changes under way in our societies and develop sustainable responses at all levels if it wanted to tackle the challenges facing Europe's economies and societies. On that basis, the Commission undertook a comprehensive stocktaking of Europe's social reality² to ascertain the major changes under way in employment, family structure, lifestyles and traditional support structures and which reflect the growing pressures of demographic changes.

Building on the results of this wide-ranging consultation, the crucial question that now needs answering is whether the existing approaches provide adequate responses to the new challenges. The Communication on *Opportunities, Access and Solidarity: Towards a new social vision for 21st century Europe*³ sets the Commission's initial response to the new challenges emerging from the results of the consultation on Europe's social reality. The November Communication on the new social vision also indicates that the Commission will prepare a renewed social agenda for mid-2008 - which is the subject of this impact assessment - to help deliver concrete results for European citizens.

Given the essentially political nature of this initiative, this impact assessment is proportionate to the purpose set. As such, it does not claim to quantify the impacts precisely, but confines itself to a general qualitative analysis of the likely impacts. This impact assessment also takes account of the comments of the Commission's Impact Assessment Board.

2. BACKGROUND

One of the starting points for the renewed social agenda is the social agenda for 2005-10 adopted by the Commission in 2005⁴. The Commission has now implemented all the actions planned under the social agenda 2005-10. Furthermore, a public consultation on Europe's social reality was launched in February 2007. Building on the initial results of the consultation, a Communication *Opportunities, Access and Solidarity: Towards a New Social Vision for 21st Century Europe* adopted in November 2007 sets out a range of possible responses to the societal challenges at work in the European Union. Building on this consultation, the Commission announced that it would prepare a renewed social agenda for mid-2008. On the basis of approximately 150 contributions received by mid-March 2008, the Commission published a summary report⁵. The Commission also listened to the views of the

¹ COM(2006) 211.

² "Europe's social reality, A consultation document from the Bureau of European Policy Advisers" available at:
http://ec.europa.eu/citizens_agenda/social_reality_stocktaking/docs/background_document_en.pdf

³ COM(2007) 726.

⁴ COM(2005) 33.

⁵ See http://ec.europa.eu/citizens_agenda/social_reality_stocktaking/index_en.htm#, SEC(2008) 1896, or a short version in Annex 2 of the impact assessment report.

other European Institutions and bodies and of the relevant stakeholders, including on the occasion of the Social Agenda Forum organised on 5-6 May 2008⁶.

3. PROBLEM DEFINITION

In the November 2007 Social Vision Communication, the Commission provided a first overview of the social realities on the basis of the ongoing Social Reality Stocktaking. It noted that European societies are undergoing fast-moving, profound changes in both the economic and social spheres. These changes are driven by powerful external forces such as globalisation and climate change, as well as by internal forces such as demographic and social developments. As a result:

- Young people are not getting the best start in life: despite the fact that young people in the EU currently enjoy a wealth of opportunities, today's young generation were in a particularly fragile situation. In 2005, 19% of children were at risk of poverty in the EU, against 16% for the total EU population. Too too many young people are not able to develop their full potential and to successfully enter the job market and leave school without a formal qualification. Youth unemployment remains a serious problem.
- Citizens are not equipped with the skills needed for fulfilling careers in the knowledge society: although the EU is well placed to take advantage of globalisation, the benefits of globalisation are not equally shared and globalisation creates apprehension. The EU needs to support its citizens by equipping them with tools that can help them adapt to changing realities and to show solidarity with those who are affected negatively in order to ensure that the most vulnerable are kept on board.
- The EU has not risen up to the demographic and health challenge: as a result of better health and working conditions, a growing proportion of Europeans now enjoy longer and healthier lives, and longer and more active retirement. In spite of migration from third countries, the total population of the EU will fall slightly and become much older. As a result, ensuring the sustainability of pensions is a crucial challenge for the future of social protection systems.
- Social exclusion persists in many parts of European societies: Life chances are not equally distributed in today's societies. Effective, equal access to employment, lifelong learning, social and healthcare services varies markedly across the EU, with a significant proportion of the EU population facing severe difficulties in achieving a decent living and finding a job. In 2004, around 100 million Europeans earned less than the EU median income of around €8 000 per year.
- Continued discrimination on gender and non-gender grounds: Europe has made significant progress over the years in the field of gender equality. Nonetheless, marked inequalities still exist on the labour market, in reconciling work and private life, in social protection and social exclusion, in health, entrepreneurship, political and economic decision-making, and in science and technology. Furthermore, protection provided against discrimination outside the field of employment on grounds of disability, age, sexual orientation and religion or belief varies across the Member States.

⁶ http://ec.europa.eu/employment_social/emplweb/social_agenda/ec_conference_en.html

- The EU needs to better promote the social dimension of globalisation: the ILO reports that despite growth in the economy and jobs, many people in the world, in particular women, do not have access to appropriate jobs and working conditions. An estimated 487 million workers — or 16.4 percent of all workers — still do not earn enough to lift themselves and their families above the US\$1 per person, per day poverty line. The EU should continue to take decisive action to shape the international agenda so that it reflects our interests and values, including as part of the "Decent Work Agenda".
- EU policies and instruments need to be mobilised to respond to the new social realities: Many policies other than employment and social policies, such as environmental, macro-economic, internal market, educational or research policies, have a major social impact. In response to the new social realities which are multi-faceted and complex, the question is to know whether there is scope for more joined-up cross-cutting action at EU level bringing together between all relevant policies and whether the tools at the disposal of EU for supporting and complementing the activities of the Member States should be revisited.

4. OBJECTIVES

In response to the problem definition, the EU should aim to improve the well-being and quality of life of European citizens, while respecting the principle of subsidiarity and proportionality through:

- Improving the life chances of young people;
- Promoting new skills for new jobs, fulfilling careers and better employment;
- Fostering longer and healthier lives;
- Combating poverty and social exclusion;
- Taking gender equality and equal opportunities further;
- Shaping the international agenda to promote European values;
- Ensuring the appropriate policy mix and increasing the effectiveness of EU instruments

The above-mentioned objectives are fully consistent with, and in support of other EU policies and strategies, and in particular with Renewed Lisbon Strategy for Growth and Jobs, the EU Sustainable Development Strategy and the Single Market.

5. MAIN POLICY OPTIONS

Under the EC Treaty, EU Member States bear the main responsibility for the policy changes needed to respond to the new social realities and to meet the corresponding objectives in section 4. The fundamental question is therefore to know whether the EU should continue support and supplement the activities of the Member States, and if so how. The impact assessment considers three options:

- Option 1: 'no change in approach – no change in policy': this mean continuing with the implementation of the Community *acquis* and considering that the Community *acquis* already adequately responds to the new social realities and that there would be no need for i) new (or review of) European legislation, ii) review of the existing instruments at EU level, iii) more joined-up work between EU policies.
- Option 2: 'no change in approach – change in policy': As in option 1, the Commission would keep implementing the existing Community *acquis*. However, by contrast to option 1, option 2 would mean considering that existing Community *acquis* does not adequately respond the emerging social realities and presenting a revised Social Agenda (comprising legislative and non-legislative initiatives) to take account of the new social realities focused on the employment, social affairs and equal opportunities. New actions in other policy areas (for example, education, health, information society and internal market) which have a social impact would also be taken, although independently from the revised Social Agenda.
- Option 3: 'change in approach - change in policy': as in options 1 and 2, the Commission would keep implementing the existing Community *acquis*. However, by contrast to option 2, option 3 would mean considering that the cross-cutting nature of the problems emerging from the new social realities requires the mobilisation of all relevant EU policies in a holistic way going beyond employment, social affairs and equal opportunities and extending to health, education, information society, internal market, macroeconomic policies, environment and external policies. Option 3 would mean presenting a renewed Social Agenda bringing together all relevant policies and capitalising on the so untapped potential between them based on three pillars: Opportunities, Access and Solidarity.

6. COMPARISON OF OPTIONS

Under Option 1, the current Community *acquis* and policies would be maintained in their present form, while taking account of the *new* social realities would be left mainly to the Member States. Failure to adapt EU policies to new social realities is likely to have a negative impact across the four dimensions (economic, social, environmental, and political) in the medium and long term. The EU would no longer play its role as a catalyst for change and would fail to take account of evolving issues. From an EU-governance point of view, the Commission would fail to demonstrate its commitment to improving the well-being of European citizens, in spite of their expectations. This could seriously undermine the legitimacy of the EU.

Under Option 2, the Commission would present a revised social agenda limited to the employment, social and equal opportunities fields. The analysis of the economic, social and environmental dimensions has shown that the overall impact would be positive. Although the EU would be seen to address to the concerns of EU citizens, the overall impact of EU action is likely to be limited, because of its lack of comprehensiveness (failure to mobilise other policies in response to the new social realities) and responsiveness (failure to take account of all citizens' expectations).

Under Option 3, the EU would mobilise *all* its relevant policies to respond to the new social realities. This will enable synergies between EU policies. Furthermore, EU action would be highly comprehensive (it would go beyond the employment, social affairs and equal opportunities fields), responsive and consistent. It would not create a new process at EU level.

Rather, it would support the existing processes, including the renewed Lisbon Strategy for "Growth and Jobs".

It would support Member States' activities and respect the principle of subsidiarity and proportionality. Lastly, the analysis of impacts clearly shows that a review of existing tools would maximise the effectiveness and efficiency of EU action.

In conclusion, Option 3 ('A renewed social agenda for opportunities, access and solidarity') is the preferred option.

7. VALUE ADDED AND SUBSIDIARITY

Member States have the main responsibility for the policy changes needed to respond to the new social realities. However, the consultation on Europe's social reality has confirmed that the confidence of citizens in the European project depends on credible social policies at European level. EU action should remain conditional upon proven added value, in line with the subsidiarity and proportionality requirements.

But this does not preclude a more pro-active role at EU level to catalyse change and to steer, support and accompany necessary reforms. As part of the renewed Social Agenda, the Commission intends to present concrete new initiatives either at the same time as the Communication or to be adopted at a later date. Where appropriate, the Commission will carry out impact assessments of the specific initiatives in accordance with the Commission's impact assessment guidelines⁷. The individual impact assessments will deal with the aspects related to subsidiarity and value added in more detail.

EU value added primarily consists in:

- Setting policy frameworks for action;
- Upholding Europe's values and ensuring a level-playing field;
- Sharing experiences and good practices;
- Supporting action at local, regional and national level;
- Raising awareness and building a strong knowledge base.

8. MONITORING AND EVALUATION

The renewed social agenda for 'opportunities, access and solidarity' does not create a separate process. It supports and is closely linked with on-going processes such as the Lisbon Strategy for 'Growth and Jobs', the 'Sustainable Development Strategy', the Single Market, and the processes of open method of coordination in the fields of social protection and social inclusion, of education and of youth. Separate monitoring, reporting and evaluation mechanisms exist for all these processes. This should continue to be the case without adding an extra reporting mechanism for the implementation of the renewed social agenda.

⁷ SEC(2005) 791

The renewed social agenda is backed up by a number of legislative and non-legislative initiatives, often with their own impact assessments and monitoring and evaluation mechanisms. As a result, there will be no additional process to monitor and evaluate the individual initiatives, although coherence between them will be ensured.

The Commission will present a report on the implementation of the Renewed Social Agenda in 2010. This report should include an evaluation of the implementation of the new horizontal social clause in the Lisbon Treaty. On that basis, the Commission will present a Communication on the review of the renewed social agenda for 'opportunities, access and solidarity'.