

Opinion of the German Association for strengthening the social dimension of EU policy – establishing effective and reliable welfare provision systems

The opinion (DV 28/15) was adopted on 15 December 2015.

**Deutscher Verein für öffentliche und private Fürsorge e.V.
(German Association for Public and Private Welfare) – the forum for
the social sector since 1880.**

The German Association for Public and Private Welfare (Deutscher Verein für öffentliche und private Fürsorge e.V.) is the joint forum of local governments and social welfare organisations and their institutions in Germany, the federal states (Länder) and representatives from science and academia for all fields of social work and social policy. Through its expertise and experience, it monitors and shapes developments in child, youth and family policy, social and old people's welfare, basic social security provision, care and rehabilitation.



Deutscher Verein
für öffentliche
und private Fürsorge e.V.

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I. Preliminary remarks

In his speech on the State of the European Union (EU) in September 2015, President Jean-Claude Juncker announced the development of a “European pillar of social rights” with regard to the forthcoming work of the European Commission.¹ The European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, joined his announcement that Europe will strive for a “Triple A Social Rating.”² The European Union is currently also undertaking a midterm review of the European 2020 strategy thus creating the opportunity for readjustment. The German Association for Public and Private Welfare (Deutscher Verein für öffentliche und private Fürsorge e.V.) hereby repeats its call for the strengthening the social dimension in the EU³ and calls for a greater use of existing policy instruments for focusing on urgent social problems in EU Member States. In its function as a consultative body of the European Union, the European Economic and Social Committee (EESC) has also issued an opinion⁴ on “Principles for effective and reliable welfare provision systems.”⁵

In line with this EESC opinion the German Association also calls for a stronger social dimension in the European Union, while preserving the social policy responsibilities in the Member States. The principles proposed by the EESC were already discussed by German Association members in advance.⁶ The German Association supports the 17 principles drawn up by the EESC and supplements these with some more principles (see III.). The German Association calls on the European Commission to have a common public discussion about social policy to formulate social policy priorities for its own work and to draw up recommendations for European minimum requirements of welfare provision systems. Building on the long-term experience with existing measures and standards, the German Association proposes with this opinion an impetus that can help to change the situation in Member States. E.g. Germany has had good experiences with the principle of subsidiarity, including an active role of civil society, as well the financing of welfare systems through solidarity. Based on its experiences with the German system, the German Association here provides recommendations for principles of welfare provision systems – whilst being fully aware that the political conditions in Europe are different and therefore the recommendations must be tailored for avoiding an one-size-fits-all solution. The German Association is addressing the Member States with the request that regional and

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1 http://europa.eu/rapid/press-release_SPEECH-15-5614_en.htm (5 November 2015).

2 https://ec.europa.eu/commission/2014-2019/thyssen/announcements/speech-seminar-new-start-social-europe-luxembourg_en (20 October 2015).

3 Sozialpolitische Erwartungen des Deutschen Vereins an die Europäische Union“, available at <https://www.deutscher-verein.de/de/empfehlungen-stellungnahmen-2013-sozialpolitischen-erwartungen-des-deutschen-vereins-an-die-eu-1179,50,1000.html> (20 October 2015).

4 Opinion of the European Economic and Social Committee on Principles for effective and reliable welfare provision systems from 17 September 2015 (SOC/520), published under <https://webapi.eesc.europa.eu/documentsanonymous/eesc-2015-01011-00-02-ac-tra-en.docx> (30 October 2015).

5 In this paper the EESC stresses the diversity of welfare provision systems in Europe, and “considers welfare provision that is wholly or partly financed through taxes or social insurance systems and that falls within the scope of public social policy under social legislation or joint (employer/employee) agreements [...]. ‘Welfare provision’ [...] may be delivered by central and local administrations, social insurance bodies, independent social businesses and charities or undertakings with various legal forms. [...] The concept ‘welfare provision’ embraces all types of service and benefit here, including services and cash payments in the social and healthcare sector.”, see footnote 4.

6 <https://www.deutscher-verein.de/de/presse-2015-diskussion-zu-guten-sozialleistungssystemen-in-europa-1858,460,1000.html> (21 October 2015).



local players, the social insurance bodies and the civil society, such as the non-statutory welfare organisations, are involved in the implementation. The German Association also calls on the Member States not to use this discourse for a reduction of existing social standards in order to pursue an ambitious level of a social policy convergence of European welfare provision systems. In this sense, the German Association generally requests the European Commission, the Council and the Member States to coordinate their positions for a social Europe and to avoid adverse developments at various levels across the European system.

II. Making use of existing instruments and frameworks

The German Association agrees with the EESC opinion, that European social policy is already part of the European Union. The EU sees itself as a community of values; these values of freedom, justice, solidarity and social objectives act as the basis and guidelines for joint action.⁷ The Commission should therefore build on existing foundations such as “the principle – enriched in the Treaties – of the single market economy, the goals of the Europe 2020 strategy [...] the duty to combat poverty, the social, employment and health policy chapters of the Treaties, the objective of social cohesion and the common competition rules in Article 3 TEU.”⁸ International agreements such as the Convention on the Rights of Persons with Disabilities also serve as a basis.

However, their potential is not yet being used at top level or in their entirety for a social policy convergence. Although the competence of social policy lies and must remain within the Member States, the European Union can set the impetus for Member States, using its own instruments such as recommendations, e.g. as a White Paper, Structural and Investment Funds or the Open Method of Coordination (OMC) as well as the European Semester. The German Association calls on the European Commission to set itself a binding priority in social policy and to use the named instruments consistently to achieve this priority. The aim is not a Europe-wide harmonisation of social policy, but rather the development of common social policy principles for effective and reliable welfare provision systems in Europe. The need to take account of different social policy traditions and systems in the Member States is achieved by respecting the Member States' competences.

Based on the existing instruments and processes, the German Association puts forward the following demands to the European Commission and provides suggestions for a meaningful focus on European instruments that can be used to counter social problems:

- *Multi-level governance*: The German Association calls on the European Commission and the Council to formulate social policy priorities and to involve the Member States and civil society, social partners and social insurance bodies in the development of these objectives. The German Association is particularly in favour of “a better accessibility to the tools of political coordi-

⁷ See Article 3 TEU.

⁸ See footnote 4.

nation in order to be able to reshape policies within the Member States and better involve the national parliaments and the European Parliament.”⁹ The German Association furthermore emphasises that the principle of local self-government must be fully respected and that the municipalities must be involved in decision-making processes, particularly through the Committee of Regions. After all, the municipalities secure reliable subsistence protection through services of general interest¹⁰ and thus form an essential part of the welfare provision systems.

- *Europe 2020 strategy*: The German Association calls on the European Commission to continue to pursue the social objectives of the Europe 2020 strategy. Joint efforts of the European Commission and the Council are required to achieve the objective of social cohesion and solidarity between the EU Member States.¹¹ Member States are to be committed to include in their National Reform Programmes details on social investments and active inclusion strategies, such as minimum income, inclusive labour markets and access to high-quality social services.¹²
- *OMC on social protection and social inclusion (social OMC¹³)*: The German Association argues that the OMC has to be used more effectively¹⁴. The German Association believes a consistent implementation of the idea of mutual learning requires an appropriate involvement of national, regional and local stakeholders at the level of both of the state and the civil society¹⁵. This broad approach bears great potential for the acceptance of principles which are aimed towards achieving effective and reliable welfare provision systems.

III. Principles for effective and reliable welfare provision systems in Europe

The German Association agrees with the statement of the EESC that the “internal market policy should be complemented by social policy elements”¹⁶. The European Union with its 28 Member States is a heterogeneous union in both economic and social terms in which one Member State’s economic and social problems have an immediate impact upon other Member States and the entire Union.¹⁷ The differences between the EU Member States have particularly increased with the economic and financial crisis.¹⁸ In German Association’s assessment, the imbalance between the economic and social policy of the European

9 See footnote 3.

10 See footnote 3.

11 Stellungnahme des Deutschen Vereins „Sozialinvestitionen für Wachstum und sozialen Zusammenhalt“, NDV 2013, p. 298.

12 See footnote 3.

13 „Since 2000, the Open Method of Coordination (OMC) has been used for the further development and convergence of the political objectives in Europe. The Member States here have a forum that allows them to learn from each other by exchanging good practices, practical experiences and political approaches and receiving the Member States and European Commission’s reports. The social protection and social inclusion OMC (Social OMC) is used for social inclusion, pensions policies, LTC and healthcare policies, i.e. for areas for which the Member States or their territorial units are responsible.“, see footnote 3.

14 See footnote 3.

15 Siehe Fußnote 3; Stellungnahme des Deutschen Vereins zur Europäischen Plattform gegen Armut und soziale Ausgrenzung, NDV 2011, p. 152

16 See footnote 4.

17 See footnote 11.

18 See footnote 11.

Union has contributed to the on-going crisis.¹⁹ Some Member States have reduced their spending on social services and social security²⁰, which has increased “the hardship of the most vulnerable groups”²¹, according to OECD figures. In addition, global developments such as increased migration from war and crisis zones, intensify the challenges of each Member State and the European Union as such. Acceptance of the European Union and its action for meeting these challenges is related to the situation and subsistence protection of EU citizens, among other things. Setting stronger social policy priorities and common European principles for welfare provision systems offer basic provision to individuals and support the citizen-wide acceptance of the European Union. EU social policy priorities support social policy developments in Member States which contribute to counteracting a one-sided internal migration due to the imbalance between Member States. A brain drain is to be avoided as is the concentration of migration in just a few regions/municipalities in Europe.

From the perspective of the German Association, a stronger social policy dimension of the European Union is also to be understood as an effective long-term investment in the competitiveness of the Union and in society, as it has already been recognised by the European Commission in the Social Investment Package (2013)²². The principles for the provision of high-quality, accessible and affordable services not only provide reliable and available assistance in adverse life situations and for disadvantaged groups, but also increase their labour market participation, particularly in disadvantaged regions. At the same time, welfare provision systems contribute to the achievement of the European Union’s goals and values (high levels of employment and social protection, a high level of health protection, equality between men and women, social and regional cohesion).²³

The German Association agrees with the statement of the EESC, that social policy may both contribute to growth and employment and that it “should be a pillar of EU policy [...] in its own right.”²⁴ Social services make important contributions to enable people to develop their potential and to overcome social problems and thus secure social conditions for successful economic development. Benefit systems should have a rights-based approach. The social economy is an increasingly important part of the economy today, being one of the largest employers, with more than 14.5 million paid employees²⁵.

From the perspective of the German Association, the EESC’s proposal has already created a solid basis upon which the Commission can expand. The German Association calls on the European Commission to take on the principles

19 See footnote 3.

20 See footnote 11.

21 OECD (2014): Society at a glance 2014: OECD Social Indicators, English summary available at <http://www.oecd.org/els/societyataglance.htm> (21 October 2015).

22 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020”, COM (2013) 83 final, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52013DC0083&from=EN> (05 November 2015).

23 See footnote 11; Stellungnahme des Deutschen Vereins zur Entwicklung eines europäischen freiwilligen Qualitätsrahmens für soziale Dienste, NDV 2010, p. 481.

24 See footnote 4.

25 European Commission (2013): Social economy and social entrepreneurship – social Europe guide, Volume 4.

proposed by the EESC²⁶. In addition, the German Association adds the following principles for effective and reliable welfare provision systems and supplements this with aspects of important policies:

- *Public responsibility*: The German Association believes that public responsibility is essential in providing reliable and sustainable social services. This does not rule out free competition among service providers. The provision of services may well be carried out in a market that connects the user's right to choose with the security of supply. However, the relevant requirement for this is the public responsibility to ensure the framework conditions, including reliable funding in particular, but also the guarantee of accessibility to services. Private funding for social innovations is not ruled out; however, this should only be used as complementary funding and not as a substitute for regular funding.

Example: In the so-called social-law triangle which frequently occurs in Germany, "all potential service providers that are able to meet the statutory (quality) criteria are entitled to get approval for providing the service questioned"²⁷. The social-law triangle includes the user's right to choose. At the same time the financing of social services falls to public funding agencies. The social-law triangle thus represents a contribution model, which strengthens good quality through competition between providers and allows a user-driven development of the service provisions.²⁸

- *Subsistence protection/minimum income*: The German Association reiterates that the Europe 2020 objective to reduce poverty should be pursued in a reinforced manner. Measures for subsistence protection/minimum income are making a fundamental contribution to this cause. They can protect people against social exclusion and enable them to realise their individual potential. "This approach is based upon a preservation of the dignity of each and every human being [...] and upon the basic concept of solidarity. All action has to aim at preventing people from falling below the poverty line in the first place or at supporting them on their way out of (sometimes for many years) poverty"²⁹. The German Association confirms the EESC note that "collective financing and legal safeguards sometimes need improving"³⁰ in the Member States although a right to a decent existence laid down at EU level.³¹

26 Social protection floor, principle of Need, Precise definition of aims, principle of accessibility, proportionality principle, solidarity principle, principle of personal responsibility, principle of participation, structural principle, the principle of user's right to decide, principle of legal certainty, the principle of public interest focus, principle of transparency, principle of Joined-up approach, principle of level playing-field, quality principle, coordination principle; see footnote 4.

27 See footnote 11.

28 See „Stellungnahme des Deutschen Vereins zum Referentenentwurf des Bundesministeriums für Wirtschaft und Energie für ein Gesetz zur Modernisierung des Vergaberechts (Umsetzung der EU-Vergaberichtlinien 2014)“, <https://www.deutscher-verein.de/de/download.php?file=uploads/empfehlungen-stellungnahmen/2014/dv-27-14-umsetzung-eu-vergaberichtlinien.pdf> (20. Oktober 2015); „Stellungnahme zu den Vorschlägen der EU-Kommission für Richtlinien zur Modernisierung des europäischen Vergaberechts für öffentliche Aufträge und Dienstleistungskonzessionen“, <https://www.deutscher-verein.de/de/download.php?file=uploads/empfehlungen-stellungnahmen/2012/dv-11-12.pdf> (20. Oktober 2015).

29 Stellungnahme des Deutschen Vereins zu den Schlussfolgerungen des Rates der Europäischen Union über gemeinsame Grundsätze für die aktive Eingliederung zugunsten einer wirksameren Armutsbekämpfung, NDV 2009, 304.; Stellungnahme des Deutschen Vereins zur Europäischen Plattform gegen Armut und soziale Ausgrenzung, veröffentlicht unter <https://www.deutscher-verein.de/de/download.php?file=uploads/empfehlungen-stellungnahmen/2011/dv-03-11.pdf> (21. Oktober 2015).

30 See footnote 4.

31 Article 35 of the Charter of Fundamental Rights of the European Union.

Subsistence protection/minimum income can and should make a significant contribution to enabling participation. In Germany this is already implemented, there is also basic security in old age for vulnerable elderly people.

- *Pension provision*: A sustainable pension system contributes to poverty prevention. On an individual level, it is primarily the assurance of a retirement income which facilitates a decent standard of living for the elderly.³² The German Association considers that the German statutory pension insurance is the most important pillar in securing adequate retirement income. It is supplemented by the possibilities of company and private pension schemes.
- *Long-term care*: In the course of demographic change across Europe the number of people who need assistance and care in daily life increases. A guarantee of access to care services is fundamental. From the perspective of the German Association, people who require care should be able to live in their familiar/familial environment for as long as possible. This requires ensuring support in coping with everyday life, medical care, home care and social participation. Moreover, the prevention or reduction of long-term care is of great importance.³³
- *Work-life balance*: Measures to improve the work-life balance have positive impacts for family members and their well-being, but also increase the employment rates, especially among women. Here, the German association is in favour of reconciliation throughout a person's lifetime. Since work-life balance refers not only to the phase of raising children, but also to the phase of caring for older/dependent relatives.

Example: The German Association therefore calls for a significant relief for the reconciliation of work and care.³⁴ The expansion of childcare facilities is essential for reconciling work and care. The German Association recommends high-quality day care for children, as well as high-quality day care for school-age children.³⁵

- *Rights and support for persons with disabilities*: With the UN Convention on the Rights of Persons with Disabilities (UN CRPD), which has not only been signed by EU Member States but also by the European Union itself, measures to strengthen the rights of people with disabilities as well as measures for inclusion are to be introduced. Although the implementation of the UN CRPD contains major challenges for the signatory states, welfare provision systems must be geared toward persons with disabilities and adapted in a way that ensures inclusion. The support structure for persons with disabilities should be financed collectively.

The German Association encourages the European Commission and the Council to use these principles, together with those recommended by the EESC as a

32 Stellungnahme des Deutschen Vereins zum Weißbuch der Europäischen Kommission „Eine Agenda für angemessene, sichere und nachhaltige Pensionen und Renten“, NDV 10/2012, p. 465.

33 „Pflegesystem den gesellschaftlichen Strukturen anpassen! Empfehlungen des Deutschen Vereins zur Weiterentwicklung der Pflege“, NDV 11/2015.

34 „Stellungnahme des Deutschen Vereins zum Referentenentwurf des Bundesministeriums für Familie, Senioren, Frauen und Jugend und des Bundesministeriums für Arbeit und Soziales über ein Gesetz zur besseren Vereinbarkeit von Familie, Pflege und Beruf“, NDV 11/2014, p. 466.

35 „Empfehlungen des Deutschen Vereins zur öffentlichen Erziehung, Bildung und Betreuung von Kindern im Alter von Schuleintritt bis zum vollendeten 14. Lebensjahr“, NDV Mai 2015, p. 199.

basis for the formulation of social policy priorities for their own work and to recommend that the Member States further develop their welfare provision systems on this basis to ensure an effective and reliable protection system in their countries. The further development of the principles is of course subject to a changing discourse. In this respect, the list is not exhaustive, but based on the current view of the German Association it is indispensable in order to noticeably shape the social dimension of Europe as an economic and social area.



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