Modernising and improving social protection in the European Union

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Social protection expenditure accounts for 28% of EU total GDP. In the United States, net expenditure is 27% of GDP. EU social protection expenditure increased in the 1980s and 1990s at a slower rate in relation to GDP than it did in the 1970s. The Committee has consistently upheld the view that social protection can help stimulate and reinforce economic performance. The negative, downward spiral, of bad economic performance being transposed into social protection cut-backs and therefore lower consumption and reduced demand, can be turned around into a positive integrated approach, concentrating on transforming passive into active expenditure, generating jobs, services and growth. The potential growth areas for such a turn-around in making social protection more employment-friendly are predominantly in the sectors where public-private partnerships can be nurtured. For example, the care sector, transport, energy and the environment are all areas where investment, through the use of non-wage income support mechanisms and accompanying safeguards, could enable other pressing needs (such as those of the elderly) to become more economically sustainable, and could be beneficial to growth and jobs. In order to promote employment, there is a widespread agreement on the "need to reverse the trend in taxation structures towards an increasing burden on labour compared to other tax bases". This is why the Committee acknowledges the importance of the global view of the whole area of taxation undertaken by the High Level Tax Policy Group. Proposals in the Commission Communication in favour of a more flexible transition from work to retirement, especially through the use of voluntary part-time pre-retirement schemes, have been consistently supported by the Committee, subject to legislative safeguards and a strong framework of collective agreements adapted to the sectors concerned. The Committee has already supported meeting new care needs for older people. Health care expenditure, especially for the very old, can be partially offset by preventive medicine, guidance and home care. The concern over containing health care costs must be tempered by concern to ensure equitable access to high-quality health care for all. Measures allowing the selection of risks (cream-skimming) would endanger solidarity and jeopardize the provision of effective care.The Committee has endorsed all up-dates of Regulation 1408 /71, enabling closer coordination of statutory social security arrangements for people moving within the EU. It has already specifically called for similar provisions for occupational pension schemes, including a legal framework safeguarding assets and individual rights, comparable EU-wide transfer values, and an EU coordination framework for occupational pension schemes.