Social policy agenda: following the European Councils of Lisbon and Feira, Council of Nice, December 2000

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The Social Policy Agenda was born out of the Lisbon Agenda and is intended to modernise and improve the European social model. It seeks to create a dynamic interaction amongst those policy makers shaping the EU's economic, employment and social agenda. This is the fourth scoreboard presented by the European Commission to the European Parliament and Council. Its purpose is to assess and analyse progress made in relation to the Social Policy Agenda. Its objective is not to provide a ranking scoreboard of Member States' performance, but rather to monitor how the social policy agenda is being transformed into concrete action. In terms of the EU's economic, employment and social situation, the Report offers a bleak perspective on 2003. In the first half of 2003 the EU's economic performance continued to be weak. This is the third year in a row that economic growth has remained well below potential. In other words the social policy agenda has been active only during a period of economic malaise. In 2003, the average GDP growth is expected to be 0.8%, compared to 1.1% for 2002 and 1.7% for 2001. The Autumn Economic Forecast predicts that the average GDP for 2004 will reach 2%. Reaching higher employment targets against such an economic backdrop has been a real challenge. Unemployment is expected to rise to 8% in 2003 - up fro, 7.7% in 2002. Unless further labour market reforms are implemented the Report predicts that employment will continue to stagnate in 2004. As a result, the Commission thinks it is highly improbable that the EU will be able to reach the 2005 67% employment target set by the Stockholm Council. On the positive side, the Stockholm intermediate target for women in employment by 2005 appears to be attainable. The target set in Stockholm is 57% and the total number of women in employment in 2003 amounted to 55.6%. As far as older workers are concerned the Commission reports a substantial increases but notes that the 50% target of total older workers employment by 2010 is some way off. Lastly, unemployment is expected to remain high, reaching 14.3% in 2003. Concerning the EU's social situation, the latest available data shows that about 15% of the EU population or about 55 million individuals are at risk of poverty in 2001, thus living below a threshold of 60% of the national median equivalised income. At least 9% of these are in persistent risk of poverty. Within the EU differences between countries do exist. For example, the risk of poverty was 10% in Sweden compared to 21% in Ireland. The Commission reports that the focus of the social agenda has started to shift from initiating new measures to monitoring implementation. An absolute top priority for the agenda is to work towards full employment as defined in the Lisbon agenda - namely, 70% by 2010. Given that it looks increasingly unlikely for this target to be reached the renewed social agenda strategy will be based on three overriding objectives: - Full employment. - Improved productivity and quality at work. - Strengthening social cohesion and inclusion. In line with this policy the Commission established, in 2003, a "European Employment Taskforce", which was headed by Wim Kok. The key message of the report was that success in creating more employment hinged on four key requirements: - Adaptability - Attracting more people to the labour market - Investing in human capital and - Implementation of reforms through better governance. To conclude, the Commission has identified two key initiatives for 2004: 1) Consolidating social standards throughout the EU by ensuring the correct transposition and application of the acquis communautaire - in other words to ensure a level playing field for businesses operating in the EU. In conjunction with this policy the Commission will make compliance with the social acquis a top priority. 2) Implementation of the objectives set for the social policy agenda set by Heads of State in Lisbon and endorsed by the Nice European Council.