Social reality stocktaking

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The integrated “Open Method of Co-ordination” or OMC was introduced in 2006. Its purpose is to strengthen the EU’s ability to support the Member States in their drive for greater social cohesion in Europe. In so doing, the EU is highlighting its attachment to social values and making its social policies more visible to European citizens. Further, the OMC is helping to deepen mutual learning and to widen the involvement of interested parties at both a national and a European level. OMC work has increased awareness of the multi-dimensional nature of exclusion and poverty and has forged a shared approach to social protection reforms based on the principle of accessibility, adequacy, quality, modernisation and sustainability. For the first time healthcare and long-term care are addressed. The national reports submitted to the Commission, illustrate how joint consideration of all the objectives improves policy effectiveness and the quality of public spending. The new working methods of the OMC is starting to bear fruit.

Based on the national reports sent to the Commission by the Member States, the following key messages have emerged:

- Member States have managed to reduce child poverty and have made clear commitments to breaking the cycle of deprivation. At the same time, however, the situation of immigrants and ethnic minorities requires further attention.

- Most Member States champion a balanced approach to social inclusion and combine personalised labour market support and accessible, high-quality social services. Nevertheless, more attention must be given to ensuring adequate levels of minimum income.

- The Member States identify health care and long-term care as a major priority. This includes the need to ensure equal access to all; a reduction in health inequalities; the need to offer safe and high-quality health care and to manage the introduction of new technologies for health and independent living.

- In most Member States long-term care needs need to be expanded and put on a sound financial footing.

- Many Member States are adapting pension systems to increases in life expectancy in a bid to create a transparent relationship between contribution and benefits.

- Despite current reforms, ageing will continue to put pressure on pensions, health and long-term care by 4% points of GDP by 2050. A recent Commission report shows that six Member States face a high risk, ten a medium risk and nine a low risk. Coping with this is a key policy challenge and requires a three-pronged strategy to reduce public debt, raise employment and reform the social protection systems.

- Member States are beginning to take more account of linkages between social, economic and employment polices at a national level, in particular through pension reforms largely by reducing access to early retirement schemes and increasing incentives and opportunities to work longer. This policy has resulted in increased employment rates of older workers.

- The governance of EU and national social policies is being strengthened. Those directly affected are increasingly involved in preparing social reforms. However, the quality of involvement could be improved and the role of stakeholders should be extended to implementation and follow-up. Across all strands of European co-operation there is much scope for mutual learning.

The overarching issues for social protection and social inclusion policies include: greater social cohesion; a closer interaction between jobs and growth and improved governance. The key challenges facing the work of the OMC include: fighting poverty and exclusion by breaking the transmission of poverty from one generation to the next and promoting the active inclusion of the disadvantaged; offering excellent health care and long-term care; improving healthcare standards; and achieving financial and long term sustainability. On a final point, the report examines sustainable pensions.