
A Social Europe, Responsive to Change

Column

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After seven years, the Netherlands has the European presidency again. It might be a nice opportunity to map the future course of the European social dimension. Under the present circumstances though, it certainly will not be an easy task. Like our own country, Europe is faced with enormous challenges: stagnating economic growth, rising unemployment, an ageing population, and questions on the affordability and sustainability of social security. All this makes it difficult to achieve the ambitious objectives of the Lisbon strategy. At the same time, we are confronted with important institutional changes at the European level this year, an enlarged European Union since 1 May, a newly elected European Parliament in June, and a new European Commission in November. In other words, vast social dynamism and a changing political force field are shaping the manoeuvring space for the Dutch presidency.

In this context, the Netherlands' ambition will be to help engender a modern and activating social policy that can contribute to positive and lasting economic development in Europe. Our intention is to help supply the building blocks for a new European social agenda for the years to come. The European Commission has already announced it will issue a policy paper next year on the contents of a social agenda of this kind. Taking into account the consensus on the Lisbon objectives as a road map for future European social policy, it is obvious that this agenda will be designed within the framework of the Lisbon strategy.

Full employment, quality and productivity at work, and social cohesion and inclusion are ambitious objectives. The European Employ-

ment Taskforce, chaired by Wim Kok, has underlined the need for an integrated approach to address the structural challenges of globalisation, economic integration and the ageing population. To promote economic growth and reduce poverty and social exclusion, more jobs are to be created and filled.

In preparing a practical input in the preparatory phase of the social agenda, the Netherlands' presidency is focusing on social and employment policies: on making Europe responsive to change. It is not a matter of setting new targets but of converting the ambitions we already have into concrete policies. This emphasises the need for implementation, best practices, commitment and the cooperation of all the stakeholders. There are four policy priorities in this connection.

The *first* priority is to strengthen labour market adaptability and attract more people to the labour market. On a transitional labour market, flexibility and security are in the interest of employers and workers alike. This not only pertains to the need for flexible working arrangements to combine work and care or respond to personal preferences and lifestyles. It also includes a new dynamism in labour market arrangements and institutions, enhancing the quality and effectiveness of employment services to promote economic growth and reduce poverty and social exclusion and improve workers' capacities by investing in lifelong learning as part of the transformation to a knowledge economy. And it includes a culture shift away from early retirement and towards more comprehensive active ageing strategies.

The *second* priority is to modernise social protection systems and promote social cohesion. An urgent question nowadays pertains to

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the financial and social sustainability of social security systems facing new developments such as demographic changes, individualisation and life course aspirations. How to preserve adequate protection for the weakest in our societies, how to promote inclusion? In order to ensure financial sustainability and more efficiency, many Member States are trying to establish a more self-regulatory system, e.g. by introducing private elements into the supply of social services. Examples include private employment services, sometimes operating on a procurement basis, or the use of private enterprises for second pillar pension funds and education funds. Also, a more client oriented supply can be realised by the introduction of more flexible service-levels.

A *third* point concerns the growing labour force diversity and the promotion of equal opportunities. The issue of the extent of employment in Europe will be crucial to economic and social prosperity in the future. In order to be competitive in a globalised economy, women and men, the old and the young, the healthy and the handicapped, and people of any number of ethnic descents all have to contribute. This means combating discrimination is an essential objective. The integration of ethnic minorities on the labour market will call for active policies to facilitate access to education and training. Improving the recognition of acquired competences and qualifications can be a key matter. Improving integration on the labour market also means more openness to greater diversity in living and working patterns, allowing people to develop their personal life styles and combine work with care and other responsibilities. In this respect a life course approach might be interesting.

A *fourth* priority is to invest in human capital and improve productivity. Facing the challenges of technological innovation and economic transformation is the key to productivity and employment growth in a knowledge economy. Promoting worker employability is in the interest of employers and employees alike. Employers can enhance labour productivity and their company's profits at the same

time. To increase productivity at the work site level, special attention will have to be devoted to health and safety policies as well as the introduction of innovative and flexible ways of organising work. Employees can respond to changing labour market requirements and continue working longer with the help of greater investments in human capital and lifelong learning. Unfortunately, until now progress in this area has been too limited. A primary responsibility is at the company level, where awareness of the importance of education and training sometimes seems to be lacking. Promoting partnerships to mobilise the support and participation of social partners and various stakeholders could be helpful in this respect.

A programme like the one briefly outlined here contains many of the agenda points we want to discuss with all the European stakeholders during our presidency. Of course, quite a lot has already been done to analyse and address the four priority areas cited above. Now it is time to put the prescribed therapies into practice: it is time for action! The need for implementation is not a matter of concern for the governments alone. Successful dialogue between the governments and the social partners is of crucial importance, as is the input of non-governmental organisations. So at the meetings and conferences we will organise under the Dutch presidency, a great deal of attention is to be devoted to implementing existing policies and necessary reforms. In this respect the informal ministers' meeting in July has been a starting point for the discussion, identifying the main social and employment challenges Europe is facing. I consider this meeting a very successful one, since there was a clear consensus on the urgency of concrete measures. Especially issues like the enhancement of labour market participation and pensions and ageing were considered vital. Taking this into account, I am confident the Union will respond positively to our motto during this second half of 2004, 'a social Europe, responsive to change!'