



EUROPEAN COMMISSION  
EMPLOYMENT AND SOCIAL AFFAIRS DG

Horizontal and international issues  
**Communication**

## **Modernising the European social model**

**Europe's employment and social policies go hand in hand with its economic policies and are a vital component of its modernising agenda. With the EU facing economic slowdown and governments grappling with unemployment and pensions reform, the value of Europe's social model, centred on investing in people, is greater than ever. The challenge facing us now is to continue the efforts to modernise our social model, which is based on economic and social progress. Failure to do so we will cost us dear, both in the current EU-15 and in the enlarged European Union of tomorrow.**

These efforts were enhanced in 2000 when the Social Policy Agenda was launched as the EU's roadmap for implementing the Lisbon Strategy which is aimed at economic and social renewal and a return to full employment. The Commission's Mid-term Review of the Social Policy Agenda in June this year shows that it is on course.

The focus is now on getting results by ensuring that Europe's substantial body of social legislation is implemented, in all 25 present and future Member States. It is just as important in the new Member States as in the EU-15 in improving conditions for workers and providing a level playing field for business.

The Commission has also flagged up new actions between now and 2005 under the Social Policy Agenda's six main policy headings endorsed at the Nice Summit in 2000.

- A top priority is to realise Europe's full employment potential. The next three years will see the implementation of the new, revamped European Employment Strategy, which is supported by the European Social Fund. Some 2.5 million new jobs were created in 2001-2002 despite the economic downturn. However, some 20 million more jobs need to be created in the EU-25 by 2010 to meet the Lisbon goals for the EU-25.
- In the field of social protection, the Commission wants to establish a single set of common objectives for social protection policies and social cohesion by 2006.
- National targets should be set, in the new National Action Plans, to reduce poverty and social exclusion by 2010. Fundamental social rights and combating discrimination will be key areas of EU policy.
- The Commission will shortly be recasting the Working Time Directive. It will pursue the health and safety at work strategy. It also wants to improve industrial relations and dialogue between the social partners. Corporate social responsibility will be promoted.
- The drive to mainstream equal rights for women and men across all policy areas is being stepped up, in response to this year's Brussels Spring European Council.

- With the focus on enlargement, measures to help the new Member States integrate into the EU are being stepped up. On the international scene, the EU is being proactive in promoting the social dimension in its co-operation with international organisations and in bilateral relations.

The Commission has seized the initiative and is taking a proactive approach by demonstrating the added value of quality in Europe's social model. It sees social policy as a productive factor, emphasising that it is required as a short-term investment and highlighting the future costs of *not* having social policy.

Basic minimum social standards are vital to underpin the Lisbon Strategy, adopted in 2000, which aims to make the EU the most competitive and dynamic knowledge-based economy in the world by 2010. To increase profitability and productivity we need not just more jobs but better jobs. "Better" jobs means, for example, improving health and safety at work. Poor or unsafe working conditions cost the EU economy some 3 % of GNP and some 500 million working days a year.

However, whilst progress in reforming social and employment policy has been encouraging, there is still much to be done and the Member States, employers' organisations and trade unions must show courage in pushing ahead.

The Commission is also setting the agenda in putting forward new and better forms of governance for social policy. This means involving the different actors – unions, employers, local and national authorities and non-governmental organisations – more fully in shaping and implementing the policies and creating the right mix of policy instruments. The so-called open method of co-ordination used for employment and social policies steers policy-making by the Member States. It provides a new basis for co-ordination, using comparisons and peer group pressure, backed by common guidelines, benchmarks and – in the employment field – recommendations. It has already proved useful in, for example, reforming labour markets, fighting poverty and looking at pension systems.

It is clear that an effort at EU level is what people want. A recent poll shows that almost 90 per cent of EU citizens want the fight against unemployment, social exclusion and poverty to be a priority for EU action.

**Please find attached background fact-sheets on the following areas:**

- The European Employment Strategy: more and better jobs
- Creating a new balance between flexibility and security at work
- Eradicating poverty and combating discrimination
- Modernising social protection
- Mainstreaming gender equality
- Employment and social policy is key for seizing enlargement benefits

**Background documents:**

Commission Communication on the Mid-Term Review of the Social Policy Agenda  
COM (2003) 312:

[http://europa.eu.int/comm/employment\\_social/news/2003/jun/spa\\_adoption\\_en.html](http://europa.eu.int/comm/employment_social/news/2003/jun/spa_adoption_en.html)

Scoreboard on implementing the Social Policy Agenda COM (2002) 89

[http://europa.eu.int/comm/employment\\_social/social\\_policy\\_agenda/social\\_pol\\_ag\\_e  
n.html](http://europa.eu.int/comm/employment_social/social_policy_agenda/social_pol_ag_e<br/>n.html)