

**Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions — Social protection in European Union development cooperation’**

COM(2012) 446 final

(2013/C 161/16)

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On 12 October 2012, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

*Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Social protection in European Union development cooperation*

COM(2012) 446 final.

The Section for External Relations, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 21 February 2013.

At its 488th plenary session, held on 20–21 March 2013 (meeting of 20 March), the European Economic and Social Committee adopted the following by 102 votes with 3 abstentions.

## 1. Comments and recommendations

1.1 The European Economic and Social Committee (EESC) welcomes the European Commission’s Communication on *Social protection in European Union development cooperation*<sup>(1)</sup> and the European Council’s Conclusions<sup>(2)</sup> on this document, and makes the following comments and recommendations.

1.2 It voices its concern that, given the limit of a maximum of three sectors in EU development cooperation (DC) programming, social protection may be neglected in both programming and in its actual implementation. It therefore calls on the Commission and the Member States to take the necessary steps to ensure that social protection is effectively included in DC programming and its actual implementation

1.3 The EESC upholds the principle that a minimum of 20 % of total EU aid should be devoted to social integration and human development and that its funding be increased by re-allocating resources not utilised in other areas. Moreover, it is concerned that this percentage also includes the education, health and social protection sectors, without any assurances of funds being distributed and allocated separately, with the result that there is no guarantee that social protection will not be edged aside. The concept of social protection may include health but can hardly include education, except as a basis for, or an addition to, certain social protection programmes. A balance should thus be sought which would allow these three basic aspects to be coordinated.

1.4 It supports the International Labour Organisation’s (ILO) recommendation 202 regarding social protection floors (SPFs)<sup>(3)</sup>, which includes decent work, of which social protection forms one of the basic pillars. The principles of SPFs should be considered as a minimum threshold, intended to bring about improvement towards developing systems in the future that comply with the rules set out in ILO Convention 102<sup>(4)</sup>.

1.5 It believes that social protection should be considered as a fundamental investment for social cohesion and inclusive and sustainable development. Development cooperation policy should therefore focus on aspects that support social protection systems: decent employment (including dimensions such as gender or people with disabilities), distribution of wealth, population growth and the universal provision of social services and the State’s fundamental role in achieving these objectives.

1.6 It believes it is necessary for DC to support the establishment of social protection systems for regular workers, including those with insecure jobs, the self-employed, the economically dependent and those in the agricultural sector, together with systems of assistance catering for all of the population including the informal economy. It therefore advocates combining contributory systems with non-contributory

<sup>(1)</sup> COM(2012) 446 final.

<sup>(2)</sup> Council Conclusions on Social Protection in European Development Cooperation, 15 October 2012, 14538/12.

<sup>(3)</sup> Recommendation 202 concerning the National Social Protection Floors, 101st session of the International Labour Conference, Geneva, 14 June 2012.

<sup>(4)</sup> *Social Security (Minimum Standards) Convention*, number 102, 35th session of the International Labour Conference, Geneva, 28 June 1952.

systems funded by taxes. In this way, ODA should boost States' institutional and tax-raising capacity for securing the necessary resources for meeting their social obligations.

1.7 It highlights the need for social protection systems to prevent and reduce risks, including natural disasters or post-conflict situations. In this respect, it calls for DC to be used for this purpose.

1.8 It considers that the partner States have primary responsibility for creating and implementing their social protection systems and that EU cooperation should help to strengthen their institutional, tax-collecting and management capacities for achieving self-sufficiency and being able to develop sustainable and durable public systems.

1.9 Nevertheless, for the purposes of strengthening SPFs in low-income countries, it is not opposed to multi-annual financial aid being made available via direct transfers to partner States, monitored via the appropriate control mechanisms.

1.10 It believes that, although DC for social protection should be given as a priority to low-income countries, middle-income countries with serious domestic poverty and inequality problems - which in some cases are worsening - should not be overlooked. Seventy-five percent of the world's poor currently live in middle-income countries. EU aid should be channelled through sectoral and thematic programmes, in particular, to broaden the cover and improve the efficiency of existing systems by boosting their public institutional capacity. Specific programmes for areas with large migration flows should also be set up.

1.11 The EESC calls for the gender dimension to be a cross-cutting approach given priority in the EU's development policy with a view to allowing women greater access to social protection, which would help combat individual and family poverty.

1.12 It suggests that the EU's DC include components in its programmes with sufficient resources to encourage social and labour-market inclusion for people with disabilities and provide adequate social protection for them. The EESC thus supports the idea that EU DC include in its objectives the requirement for member countries to ratify and properly implement the UN Convention on the Rights of Persons with Disabilities (5).

1.13 It calls for social protection to be taken into account and form a programming priority in the chapter on DC in the future Multiannual Financial Framework.

(5) Convention on the Rights of Persons with Disabilities, United Nations General Assembly, New York, 13 December 2006.

1.14 It believes that the EU should provide the technical and economic means to strengthen the exchange of good South/South practices on social protection.

1.15 It calls for a chapter on social protection to be included in Association Agreements, trade agreements and Stabilisation and Association Agreements signed by the EU.

1.16 It points to the advisability of encouraging Regional Development Associations in the social protection sphere.

1.17 The EESC recommends setting up a network of social protection experts from Europe (from national ministries and development and civil society agencies) using instruments such as the Technical Assistance, Information and Exchange (TAIEX) programme to allow the inclusion of professional experts. This network's first task would be to draw up a map of the support the EU provides for social protection. This would encourage the exchange of best practices and help with the division of the work by highlighting shortcomings and overlaps or identifying possible comparative advantages.

1.18 The EESC recalls its recommendation that civil society organisations (CSOs) should be part of the process for identifying, drawing up and monitoring cooperation programmes and strategies. For this purpose, it calls for social protection to be included in the "roadmaps for engagement with CSOs" set out in the Commission Communication *The roots of democracy and sustainable development* (6). Moreover, it stresses the need for the social partners and other SC organisations to play a real part, consistent with their characteristics, in the advisory and management bodies of the social protection institutions which provide either financial benefits or material assistance.

## 2. Background

2.1 In accordance with the joint principles of the Busan Partnership for Effective Development Cooperation (7), the European Commission Communication *An Agenda for Change* (8) and the ILO recommendation on SPFs, the Commission Communication on social protection in EU development cooperation, subsequently endorsed by the Council, represents a significant step forwards in European development cooperation.

2.2 The joint Busan goals are in line with the objective that the EU should adopt a more general approach to human development in accordance with the Commission Communication on *An Agenda for Change*, which emphasises support for health and education, decent work and systems that develop social protection, and reduce inequality of opportunity.

(6) Commission Communication "The roots of democracy and sustainable development: Europe's engagement with civil society in external relations" COM(2012) 492 final.

(7) 4th High Level Forum on Aid Effectiveness, Busan, 29 November – 1 December 2011.

(8) COM(2011) 637 final.

2.3 These approaches are also in keeping with the ILO recommendation concerning SPFs, which include four basic social security guarantees: minimum levels – defined by individual countries – of security of earnings during childhood, working life and old age, together with access to basic, affordable health care.

2.4 Furthermore, this approach is endorsed by the Council Conclusions, which call for growth characterised by the equitable distribution of wealth, full employment and universal access to basic social services, such as health and education. In this respect, the Conclusions state that "Social protection policies can play a transformative role in society by fostering equity, promoting social inclusion and dialogue with social partners".

2.5 All these declarations, agreements and conclusions concur in including social protection in the EU's DC within a concept of inclusive and sustainable growth – that is to say as something more than quantitative economic growth of GDP.

2.6 It is similarly worth noting that EU citizens also support the need to continue with European DC policy endeavours. According to a Eurobarometer survey<sup>(9)</sup>, the majority of European citizens (85 %) continue to support the provision of aid to developing countries in spite of the economic crisis, and a large percentage (61 %) advocate an increase in aid to lift large numbers of people out of poverty.

### 3. The need to meet the challenge of social protection in the context of globalisation

3.1 World GNP has risen ten-fold and per capita income has increased by 2.6 % since the Universal Declaration of Human Rights (UDHR) was approved in 1948<sup>(10)</sup>. Nevertheless, the social protection situation for the large majority of the world's population, which continues to live without social protection, has barely altered. The following figures are significant<sup>(11)</sup>:

3.1.1 Around one third of the world's population, 1 750 million people, suffer from poverty on several levels, characterised by a lack of earnings, opportunities for decent work, healthcare and education;

3.1.2 A total of 9.2 million children under five die as a result of preventable health problems;

3.1.3 Approximately 5 100 million people, i.e. 75 % of the world's population, lack adequate social protection;

3.1.4 Fewer than 30 % of the economically-active people in the world are covered by unemployment insurance and only 15 % of the unemployed receive unemployment benefits;

3.1.5 Only 20 % of the world's population of working age have access to full social security systems. In many countries, workers in the informal sector, farm workers and the self-employed have no social protection whatsoever;

3.1.6 By contrast, the level of poverty and inequality in the most developed countries of the Organisation for Economic Cooperation and Development is roughly half of what is to be expected where there are no social protection systems.

### 4. Social protection's potential for inclusive and sustainable development

4.1 This opinion refers to social protection in its broadest sense, which encompasses both social security in the strict sense and social assistance. Social protection can be considered to include both policies and measures intended to improve the capacity of every person, particularly those from vulnerable groups, to avoid falling into poverty or succeed in rising out of poverty, and policies and measures that can offer income security, facilitate lifelong access to basic health services and encourage equality and dignity.

4.2 Included in this definition, therefore, are social security services in coin or in kind covering sickness, maternity, old age, incapacity, accidents at work and occupational illnesses, survival benefits, family allowances and unemployment benefits, together with social assistance services which are fundamentally intended to provide protection in generic or specific cases of need, regardless of their causes.

4.3 The EESC consequently supports the principles set out in Article 25 of the UDHR, which stipulates that: "Everyone has the right to [...] medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or the lack of livelihood in circumstances beyond his control. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, should enjoy the same social protection".

4.4 Although education is recognised to be an essential public policy in Europe, it is not included in either social security or in social protection in the broadest sense. Nevertheless, some successful programmes, such as the "Family Allowance" Programme in Brazil, make the granting of family allowances (social protection) conditional on the requirement to participate in school programmes (education policy).

<sup>(9)</sup> *Special Eurobarometer 392, Solidarity that spans the globe: Europeans and development*, October 2012.

<sup>(10)</sup> United Nations General Assembly, December 1948.

<sup>(11)</sup> Data collected by the World Bank, the UNDP, the FAO, UN-Habitat, UNESCO, UNICEF, WHO, ILO.

4.5 Whilst it is appropriate to make the most of and even extend these and other different experiences, which might be included under a broad definition of SPFs, including education as a component of social protection may reduce the distribution of funds intended for social protection in the EU's operative DC programmes. It may also lead to confusion between benefits and social protection, equating a part to the whole.

4.6 There needs to be a clearer definition of what is meant by assistance policies within social protection systems. The latter are structural systems providing universal protection, whilst the former can use components of social protection, such as economic transfers, to achieve an educational goal, as in the case of the "Family Allowance" programme in Brazil, and can thus form a part of SPFs.

4.7 Social protection plays a fundamental role in periods of economic growth and acts as an economic stabiliser in times of crisis. As the Commission Communication points out, social protection increases access to public services, provides people with risk management tools, encourages stability in earnings and demand, acts as a macro-economic stabiliser, reduces inequalities by contributing to inclusive and sustainable growth, encourages inter-generational bonding and can make a powerful contribution to achieving the Millennium Development Goals.

4.8 Thus, social protection is an investment rather than a cost. It is not a mere factor for redistributing earnings, disconnected from wealth-creating mechanisms, but rather an factor of production that is essential for increasing wealth. It is just as important - perhaps even more important - a tool as monetary policies or innovation policies, especially in a world in which ageing populations, particularly in the major developing countries, will increase significantly and constitute a key challenge for their future, which could prove to be terrible without social protection systems.

## 5. Comments on the European Commission's proposal

5.1 The EESC believes that recognising social protection as a key component of DC reflects the values and principles of the EU as set out in the EU Treaty<sup>(12)</sup> and in the EU Charter of Fundamental Rights<sup>(13)</sup>.

5.2 The Committee deems it positive that the Commission has included social protection in the EU's DC policy, as has been repeatedly called for by a number of bodies, including the EESC<sup>(14)</sup>.

<sup>(12)</sup> Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union, Official Journal of the EU, 2010/C 83/01, 30.3.2010.

<sup>(13)</sup> Charter of Fundamental Rights of the European Union, Official Journal of the EU, 2010/C 83/02, 30.3.2010.

<sup>(14)</sup> EESC opinion on *The External Dimension of EU Social Security Coordination*, point 1.10, OJ C 11, 15.1.2013, p. 71-76.

5.3 On the whole, the Committee supports the main thrust of the proposal. It particularly welcomes the importance given to the structural obstacles preventing the eradication of poverty in situations associated with exclusion and marginalisation; the importance placed on decent work and adequate fiscal systems; the desire for everyone to have equal access to social protection, combining social protection with inclusive and sustainable development; the role of development cooperation in both lesser-developed countries and middle-income countries; the gender dimension and SPFs; and the support for civil society involvement and the importance of the social partners and social dialogue.

5.4 The EESC stresses the need for greater coordination between the bodies responsible for EU development cooperation and the other players involved in the process, including international bodies and organisations, together with greater cohesion between development cooperation and other EU policies. Similarly, as a result of the inclusion of new approaches linked to social protection (resilience, reducing the risk of catastrophes) in the EU's DC, progress should be made towards a better conceptual definition of these approaches and making the most of the synergies that can be derived.

5.5 The EESC emphasises the goal of placing social protection at the heart of national development strategies through national policies. It is also necessary to boost the institutional capacities of the partner States, to which end EU technical cooperation would be useful. Mention should also be made of the need for international coordination of social protection rights.

5.6 The Committee believes that the concept of "transformative social protection" referred to in the Commission Communication should be understood as being a means for strengthening the ownership and empowerment of those benefiting from social protection, particularly the vulnerable, who suffer most from poverty and social exclusion, by giving them the necessary resources for achieving this.

5.7 In terms of public-private partnerships, the EESC would have liked the Commission to have emphasised the essential role of the State in developing and implementing social protection systems. Cooperation between the private and public sectors is also necessary, particularly in the sphere of complementary social protection<sup>(15)</sup>. The Committee does not believe that voluntary corporate social responsibility should form a basic component of an area such as social protection, which should be based on binding rules and policies.

<sup>(15)</sup> We call for the legal obligations concerning financing of social protection to be complied with, following the guidelines on multinationals and international organisations.

5.8 It is furthermore regrettable that in its reference to the goals of the Europe 2020 strategy the Communication does not mention the imbalance between these goals and the "internal devaluation" policies and structural reforms being advocated by the EU. In fact, the actual policies that have been implemented bear little relationship to the goals of that strategy: they have created unemployment, poverty, inequality and social exclusion. At the same time, the reforms implemented have not resulted in a more competitive and cohesive EU, but in an increase in insecure employment and a deterioration in public services.

Brussels, 20 March 2013.

*The President*  
*of the European Economic and Social Committee*  
Staffan NILSSON

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