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23rd CEIES Seminar

"SOCIAL PROTECTION STATISTICS"

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BACKGROUND PAPER

A social and democratic system is based upon an efficient security mechanism which provides protection against major risks to all its citizens and offers them an equal opportunity to achieve self-reliance and personal responsibility. The existence of this system is the most important prerequisite for the functioning of the economic and social mechanism in democratic countries. Social protection encompasses all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved.

By convention, we can identify the following areas:

- Sickness/Health care
- Unemployment
- Disability
- Children/family
- Old age
- Housing
- Other aspects of social exclusion (e.g. poverty)

In the European Union, there is an increasing call for further development and modernisation of the social protection system. There is a feeling that the quality of social protection must be improved and that the objectives should be made clearer and the system more equitable. In this context, there might be a need to review the 'economics' of social protection and in particular its financial basis so as to ensure fairness, efficiency and sustainability.

For several decades there has been broad agreement about the nature and scope of the social protection system, which has mainly been operated by the state, private parties or a combination of both. In more recent discussions on this topic, however, a more sceptical note has been heard and there is now a definite demand for the private sector to become more actively involved in financing and supplying social services, thus reducing the part played by state-controlled authorities.

The following political milestones have been reached by the European Institutions in the development of the European system of social protection:

In 1999, a Commission Communication outlining a “Concerted Strategy for Modernising Social Security”¹ identified four key objectives which should underpin the social security systems of the Member States. These systems must guarantee:

- to make work pay and to provide secure income;
- to make pensions safe and pension systems sustainable; and furthermore
- to promote social inclusion and
- to ensure high quality and sustainable health care.

The **Lisbon Process**², initiated by the European Council in March 2000, received its impetus from the conclusion that the European Union was confronted with a quantum shift resulting from globalisation and the challenges of a new knowledge-driven economy. The strategic goal which was set was to make Europe „the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.“

Socio-political objectives have long been in the forefront of EU concerns, emphasising the close connection between the economic strength of Europe and its social structure. The main goal of social and economic policy as formulated by the European Institutions in Lisbon is a return to full employment. The Lisbon Process was developed against a background of high unemployment, insufficient labour market participation of women and of older persons, structural long-term unemployment and other problems.

At the **European Councils of Lisbon, Nice and Stockholm**, Member States made a commitment to promote sustainable economic growth, social cohesion and quality employment which will reduce the risk of poverty and social exclusion in the Union 2001-2010. Furthermore, the Council established a new open method of co-ordination which encourages Member States to work together to improve the impact on social inclusion of policies in fields such as social protection, employment, health, housing and education.

In this context, the **Social Agenda**³ of June 2000 emphasised the central importance of the European social model in the development and strengthening of the European economy. In this document, the reform and modernisation of social security and social protection was identified as a key measure in strengthening social policy.

¹ Communication of the Commission concerning a concerted Strategy for the Modernisation of Social Security, COM(99) 347 fin. and Bull. 7/8-1999, point. 1.3.6. The Communication was approved by the Council on 17. December 1999, ABl. C 8 of 12. January 2000, Bull. 12-1999

² <http://www.europa-web.de/europa/03euinf/10counc/lisbrat.htm>

³ http://europa.eu.int/comm/employment_social/general/com00-379/com379_de.pdf

The European social model is based on good economic performance, a high level of social protection and education and social dialogue. An active welfare state, so the Social Agenda states, should encourage people to work, as employment is the best guarantee against social exclusion. The European Council considers the Social Agenda agreed at Nice to be an important vehicle reinforcing the European social model.

The **Barcelona European Council 2002**⁴ offered the opportunity for an in-depth review of progress in bringing about these objectives. This Agenda is intended to serve as an agreed starting-point, making it possible to confront the new challenges set by the economic and social changes in Europe. The rapid progress made towards completing economic and monetary union, the development of the European employment strategy and the enlargement of the EU, all imply significant changes in social protection systems. Since these changes necessitate a common response on the part of the Member States, they also increasingly involve closer co-operation at European level. In accordance with the principle of subsidiarity, the organisation and financing of social protection are the responsibility of the Member States.

As part of the follow-up to the Lisbon Process, the European Council, at its annual spring summit on economic and social policy, monitors the progress made towards achieving these goals and agrees upon further measures. Its main attention is concentrated upon the key general objectives outlined above.

In addition, the further development of this process is under discussion. Members of the European Convention have recently proposed a constitutional treaty for a social Europe, which incorporates the right of European citizens to social protection of a high level and standard.⁵

Because of the EU-focus on social protection and the wide range of the related policy areas, statistics on this topic are of paramount importance. Statistics has to take up this challenge to provide the public with information. Statistics has to be seen as the basis for policy decisions, but it also allows monitoring the effects of political measures and the degree of compliance with political targets⁶. This implies that statistics has to supply the users with harmonised, international and cross-national data of high quality on all fields of social protection as there are old-age pensions, disability pensions, sickness insurance, unemployment benefits, health care and care leave and others mentioned before.

At EU-level, social protection statistics is covered for instance by ESSPROS (*European System of Integrated Social Protection Statistics*), for OECD countries SOCX is published, and many more databases and surveys from other international (WHO, ILO,...), national and even regional organisations exist as well.

⁴ http://europa.eu.int/comm/barcelona_council/index_all_en.html

⁵ European Convention, CONV 190/1/02 REV 1: Sylvia-Yvonne Kaufmann, "A constitutional treaty for a social Europe" and CONV 232/02: Caspar Einem, Maria Berger, "Towards a Social Union".

<http://register.consilium.eu.int/pdf/de/02/cv00/00167d2.pdf> ; <http://register.consilium.eu.int/pdf/de/02/cv00/00189d2.pdf>

⁶ Also see: J. Lamel: *CEIES vision of the future of the ESS*, item1.2 of the Agenda at the 12th meeting of the CEIES, November 2002.

Aims of the seminar

The seminar on Social Protection Statistics follows a trend set in earlier seminars organised by the subcommittee on Social Statistics to discuss in depth social issues that require input from varied statistical fields. Precursors are the seminar on Social Exclusion (1999), Education and Training Statistics and the Functioning of the Labour Market (2000), Life Long Learning (2001) Active Ageing Statistics (spring 2002) and Labour Market Statistics – towards enlargement (autumn 2002)⁷.

The aim of this seminar is to:

- bring together data users and producers to discuss user needs, statistical deficiencies, limitations of currently available data and their treatment in the light of new policy needs and priorities;
- consider what can be done to respond more effectively to the changing needs and policy context in the future; and to
- Improve data quality and availability.

Participants

The seminar is addressed to those producing and using systematic information on social protection statistics in relation for instance with the labour market, financing the welfare state, structure of expenditure of the welfare system, fiscal constraints and the state and growth of public welfare, especially:

- The European Union Institutions and Agencies⁸;
- International organisations (WHO, OECD, ILO, Council of Europe, ETUC and similar organisations);
- National/regional administrations of European countries (EU-Member States, EEA and EU Candidate Countries) and of comparable countries in other parts of the world;
- The research community;
- European and national level professional and civil society organisations and associations;
- Social Partners; and
- The private sector and the business world.

A total of about 80 people are expected to attend the seminar: data users and data producers from the European Institutions, national/regional administrations of EU, Candidate and third Countries, from international and national organisations and associations, from the private sector and the research world. Invitations will be taken care of by CEIES. All papers will be sent to the participants in advance via Internet.

⁷ <http://europa.eu.int/comm/eurostat/Public/datashop/print-product/EN?catalogue=Eurostat&product=ceies-EN&file=seminars.htm>

⁸ http://europa.eu.int/comm/employment_social/missoc2001/index_en.htm

Approach and structure

Five plenary sessions are planned for the two-day seminar, each of which will try to articulate the view of both producers and users from different contexts.

The opening session will be followed by a session reviewing the state of art on the international level. New developments and international studies will be presented. In this session, attention will be paid to current and new methods of measuring the organisation and the financing of social protection systems, both at a cross-national and at a European level. Internationally comparable methods will be investigated for measuring the revenues and expenditures of pension schemes and the resulting balance. The same applies for the area of sickness insurance.

In this session, the floor is open to international organisations which have a proven track record in the area of social protection statistics. Speakers in this session are asked to give an overview of social protection statistics at the international and cross-national level.

The third and final session of the first day will pay attention to some of the hard-to-measure aspects of special relevance for the evaluation of the social protection system and social protection policy, such as:

- trend and number of benefit receivers and other persons involved;
- (changing) level of benefits; and
- the duration of the benefits.

Special emphasis will be placed upon the presentation of cross-national, harmonised data related to pensions, sickness insurance, unemployment benefits and health care.

The fourth session will focus on the redistributive effects of social benefits, with evidence from surveys, analysis and research at national and international level.

- are existing statistics adequate to (dis-) prove the effectiveness of the social security system or is there a need for new methods to be developed?

The aim of the fifth session will be to identify methods for the statistical measurement of new administrative and political developments in Social Protection.

The following questions may come up:

- is the assumed increase in private arrangements for pensions and sickness insurance sufficiently reflected in statistics?
- are changes in the public sphere made accurately and swiftly visible?
- How adequate are statistical tools in dealing with current problems; how can we cope with policy and its needs?
- how can indicators on this topic be improved for the evaluation of social protection policies to give a comprehensive picture of social effort within and across countries as well as over time?
- Methods for measuring the financing of social protection systems on the national level should be taken up.

Throughout all sessions, importance might be attached to the following statistical issues:

- How far may data from administrative sources be used for international comparisons without encountering problems as a result of differences in administrative and technical procedures?
- How can such differences in the systems involved be conveyed in the form of metadata so that comparisons are possible in spite of these differences?
- Comparisons are frequently used to gain insight into the relative efficiency of a certain sector. However, they only make sense if the differences between or inside individual countries are due to true differences in their values and not to statistical distortions, such as for example the following:
 - Definitions of terms are not uniform throughout different organisations; therefore data related to it, such as health expenditure, may vary. Though some organisations try to harmonise these data, it remains problematic to connect data from different sources.
 - National data reflect only national organisational structures. They are not intended to serve international comparisons. Organisational or legal changes can also cause breaks in time series.
 - Up to the beginning of 2002 (and also afterwards, for Member States outside the Euro area), monetary variables had to be converted into a common currency for comparison purposes for comparisons. The process of conversion can result in distortions.

In particular, the seminar should lead to recommendations for improvements in social protection statistics at both national and international levels. The seminar will end with an open discussion, a reaction from Eurostat, a summing up by the chairperson of the subcommittee and the closing up by the Vice-chairman of CEIES.

Organisation

The seminar will take place under the auspices of the 2003 programme of the CEIES and will be jointly sponsored by the CEIES and Eurostat.

The seminar will be held on 2 and 3 October 2003 in Lisbon, Portugal.

Simultaneous interpretation will be provided from/to English, French, German and Portuguese.

Session Chairpersons

Each session will have a chairperson. Each chairperson will receive relevant working documents in due time in advance of the seminar. Chairpersons of thematic sessions will instruct speakers with respect to their presentation and keep a close watch on the timetable. They will also provide qualified vocal comments on the presentation of the speakers, highlight common or conflicting issues and act as catalyst to the floor discussion.

Session speakers

There will be approximately six speakers for each thematic session. Speakers should provide substantial input in terms of working documents before and presentation during the seminar. Speakers will receive timely instructions from the chairpersons from each session with respect to deadlines, the length of their working document, the mode of presentation and the need to highlight statistical aspects when discussing substantive issues. Speakers will have to restrict their presentation to 15 minutes. Equipment for the projection of transparencies and PowerPoint presentations will be available.

Proceedings

The seminar proceedings will be published in the form of a Eurostat publication, within the series “Studies and Research”: CEIES: Proceedings of the 23rd seminar.

Questions?

For any **technical** questions concerning the content of the seminar, please contact the chair of the CEIES Subcommittee on Social Statistics:

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For **administrative/organisational** questions, the CEIES Secretariat will be happy to answer any questions that you may have.

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