



Social security models in selected European countries

Changing lives, opening minds.



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Authors: Nicolò Triacca, Bert Wissink, Aurora Gomez Garcia, Elżbieta Szczygieł,
Radosław Pyrek, Pavel Smulski, Maria Kovacs

Reviewer: prof. Giancarlo Rovati, Università Cattolica del Sacro Cuore, Milano

Editing: Alberto Manzo

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Volontariato Torino
Via Giolitti, 21
Torino 1023
Italy
centroservizi@volontariato.torino.it
+39 0118138711
Torino 2015

The Europe 2020 strategy set ambitious goals to achieve in the European Union by the end of the decade, among which fighting poverty and social exclusion by reducing the number of people in or at risk of poverty and social exclusion by at least 20 million. While this goal is a shared one, the policies adopted in different Member States to tackle and prevent poverty are different: there are differences in terms of the regulations, strategies, and mechanisms to access the social security system (for a comparative view at the European Union EU level, see the MISSOC database¹).

¹<http://www.missoc.org/MISSOC/INFORMATIONBASE/COMPARATIVETABLES/MISSOCDATABASE/comparativeTableSearch.jsp>

Welfare frameworks

National context - POLAND

Social security system in Poland consists of three elements: social security, health care and social assistance. The main legislation on social security is Polish Constitution of 2 April 1997, which guarantees the right to social security by providing special health care to children, pregnant women, people with disabilities and the elderly, support for families in difficult financial situation, especially families with many children or those that are incomplete, assistance to mothers before and after birth, conducting policy which answers the housing needs of citizens, prevents homelessness and supports the development of social housing.

The main program to combat poverty and social exclusion in Poland is National Anti-Poverty Program and Social Exclusion 2014-2020 from 12th of August 2014. This is the first program of its kind which fits into medium-term Polish social policy and referring to the assumptions of the European Commission until year 2020.

National context – SPAIN

The social security system in Spain has two levels or types of protection: the contributory system and the non-contributory system.

Contributory system has two types of schemes in the Spanish social security system:

- a general scheme applicable to all employed persons who are not covered by special schemes, plus certain categories of civil servants;
- three special schemes for: the self-employed, coal miners and sea workers (sailors and fishermen) and students who are covered by a special protection plan (school insurance).

There is also a **special contributory scheme for civil servants**.

Non-contributory system embraces persons who are in a specific situation of need, and whose income is below a certain legally defined level. These people may be entitled to receive support even if they have never paid social security contributions, or have done so but are not entitled to receive benefits under the contributory system.

The main program to combat poverty and social exclusion in Spain is National Action Plan for the social inclusion of Kingdom of Spain 2013-2016. It has been prepared in response to the Spanish Government's will. It provides a response to poverty and social exclusion related needs that have been exacerbated because of the economic crisis. It is in line with the framework of the European Union targets set in the Europe 2020 Strategy for smart, sustainable and inclusive growth.

National context – ESTONIA

Eligibility for social security and social assistance rights in Estonia is primarily based on residence. Nationality is not a criterion, so that the sizeable foreign born proportion of Estonia's population is also covered. In 2004, when Estonia entered European union, "Regulation (EEC) No 1408/71 of the Council of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community together its implementing regulation" was in force (now replaced by the new regulations). This regulation came part of the Estonian Legal System when accessing EU as EU law takes precedence over internal law. There was no need to implement regulations as EU regulations are directly applicable.

An integrated comprehensive strategy for the active inclusion of people excluded from the labour market combining, in a balanced way, adequate income support, inclusive labour markets and access to quality services has not yet been designed in Estonia and therefore not implemented either. However, quite integrated and comprehensive approach to the active inclusion of people excluded from the labour market was typical of reforms, measures and activities introduced since 2008 under each of the three strands.

As Europe 2020 National Reform Programme 'Estonia 2020' (NRP) focuses mainly on economic growth and increasing the competitive ability of the state, then the active inclusion is there mainly discussed in the context of labour market, including actively involving all groups in society and offering qualified workforce and the quality and availability of education at all educational levels.

National context – ITALY

The law 328/2000 entitled "Framework law for the realization of the integrated system of interventions and social services" is the law for the assistance, aimed at promoting social interventions, health and social welfare to provide assistance to individuals and families in need. The law aims at overcoming the concept of welfare considering the citizen as a passive spectator, on the contrary it considers him as active and bearer of rights. Each intervention has to be targeted to remove barriers in marginalized cases. The areas of services provided are: individual projects for people with disabilities, home care support for elders not independent, enhancement and support of family responsibilities (maternity benefits, economic benefits for housing, care services for children, etc.).

The Italian model for the fight against poverty is normally associated with different category of need. In Italy the access to social protection has been based on a labour market position of the "the male breadwinner"; benefits consist in earning-related transfer and financial mechanism are mainly funded by social contributions. At the same time Italy exhibits the typical features of the Southern European welfare state" characterized by primary role of families in providing informal welfare. In this framework the fight against poverty and social exclusion has traditionally had a residual role and benefits are addressed to people excluded from labour market. The weakness of the public system in this regard has been partially off-set by large scale intervention of non profit organization and Church.

National context – ROMANIA

The Romanian Constitution of 31 October 2003 guarantees equality among its citizens regardless (among others) of wealth or social origin. The right to education is guaranteed, and the State provides social scholarship to children and youth from disadvantaged family background or from institutional care. Access to healthcare is guaranteed: organization of medical assistance and the social insurance for illness, accidents, maternity leave and recovery, and other protection measures for the physical and mental protection of persons are regulated by law. The right to work is guaranteed by the Constitution: employees have the right to social protection: security and safety of employees, work regime of women and youth, minimum gross salary, weekly break, paid vacation, measures for work in special situation, professional training and others are established by law. For equal work, men and women are guaranteed equal pay.

Article 47 of the Constitution stipulates that the State is obliged to take measures for economic development and social protection meant to ensure a decent living conditions for its citizens. Citizens have the right to pension, paid maternity leave, medical assistance in public healthcare units, unemployment benefit and other forms of social insurance. The citizens have the right to benefit from social assistance measures according to law.

The National Strategy for Social Inclusion and Poverty Reduction (2014-2020) is the document that reflects the national-level policy in this area. It includes a structured set of measures for ensuring the objectives that - within the context of Europe 2020 - Romania committed to, namely to reduce the number of people at risk of poverty after social transfers by 580,000 persons, from 5.01 million in 2008 to 4.43 million in 2020. The strategy ensures complementarity and coordination with other sectorial strategies (e.g. remediation of poverty among children, reduction of discrimination among the Roma, integration of marginalized communities).

National context – THE NETHERLANDS

The Rutte-II Government has been in office since 5 November 2012 . The Government has submitted proposals for structural reforms in various areas, including the labour market, the housing market, pensions, long-term care, and energy supply.

The Coalition Agreement states that people who can work should not be relying on benefits. People who through no fault of their own are unable to find work are assured of receiving assistance at the subsistence level, at the very least. The Government wants to maintain this agreement. Therefore, it will actively tackle abuse and fraud, and organise benefit schemes so as to keep them viable and accessible as demographic ageing increases and the labour force shrinks.

The Netherlands, compared to other Member States, has a relative good position when it comes to the number of people facing the risk of poverty and social exclusion.

For the field of social inclusion/poverty, interest groups concerned with social inclusion/poverty were consulted during the process of negotiation about the agreements mentioned before. This consultation produced mixed reactions. Most reactions from civil society organisations were critical in tone.

- The organisations are worried, among other things, about the developments on pensions. They foresee that hardly any people will be able to build up 75 percent of the average salary in pension, due to many temporary jobs and work as self-employed persons without personnel.
- The extramuralisation initiated is considered a good development, but the organisations do worry about simultaneous spending cuts in home care.
- The importance of labour participation/inclusion is recognised, but it is argued that this does not provide a short-term solution in the current economic situation. The civil society organisations suggested creating approximately 50,000 jobs, such as the so-called 'Melkert jobs', i.e. jobs for the long-term unemployed.
- With regard to poverty in families, attention was drawn to the balance between work and care, to ensure that "the financial poverty of children does not turn into 'loneliness poverty'".
- And for the working poor, attention was drawn to the high travelling expenses and the maximisation of the travelling allowance in many collective labour agreements. This is part of the poverty trap.

The functioning of social security models

Research tool

The leading question of our qualitative research was: What are policy-makers' perceptions about how the institutions of the social security system operate to alleviate poverty and social exclusion?

The tool used for data collection was a structured interview guide (comprising 33 questions) with elements of a survey questionnaire applied to representatives of institutions of the social security system (both private and public), recruited on the basis of an opt-in strategy.

Exploratory field research report

1. How do policy-makers describe the role of the institution / organization they are affiliated with and their own role within that agency in relation to the beneficiaries of their services?

*„[...] our institutions offer various forms of financial and material assistance, legal counselling and psychological services for the elderly, the disabled, social work in an families requiring social assistance, support groups, educational workshops of various types.”
[Poland]*

„[...] because many people are our clients and we help them to find jobs. I am specialist in career information and work with database to help people create own CV, to prepare to interview and find information about job opportunities. I work with groups and also with individuals.” [Estonia]

„We supply service directly, we are against the provision of money to people needed, and at the same time we don't ask for tips or money for what we do, we are a volunteering association and we are all volunteers. We deal with the complex set of issues related with the senior age, mainly +75 years old; poverty and social exclusion are often related with age and loneliness that could be associated to that age. We don't offer any course related with entrepreneurial skill but currently we are focusing on the role of cultural activity (reading,

cinema, theatre, etc.) to the social wellbeing of the person. In my opinion what is missing is a close link between research and implementation. At the same time the effectiveness of the implementation is strictly related with the effectiveness of the multi-agency work, we must put together social welfare, health system and free time managing. That works for seniors, for young and adult people we have to add education, vocational and employment actions. Currently the welfare system in Italy is not effective enough, there is a lack of source that causes delay in the welfare services provisions.” [Italy]

„ We deliver job vouchers and basic goods as clothes and food, we have recently opened a soup kitchen. We help seniors, families, lonely people, young mothers and generally unemployment under the poverty line. The target is extremely various, the main aspects in common between the beneficiaries are the lack of economical and cultural sources. We collaborate with listening centres and we ask for the ISEE certificate (equivalised income). We strongly believe in that measures that match economical help and job, because people need first of all the feel themselves active and useful.” [Italy]

„I represent the Social Assistance Direction within the Directorate for Social and Medical Assistance [...], which is part of each territorial administrative unit in Romania. Each local government has such a service, which is either still subordinated to the Mayor, or set up as a direction under the Local council. The role of this office is to instrument social benefits.” [Romania]

„[...] The services are too centred on providing money. [...] I think the services of social security system are not designed to be effective. They are designed to ... so we can tick off an issue... we are pretending to be helping. They are not designed to truly help the people who need them.” [Romania]

„When in 2015 there new laws were introduced, we were forced to integrate these departments in our city to a new organization, because that will stimulate us to develop just one counter for the inhabitants – making us real visible.” [The Netherland]

„Namely, all departments have to integrate, to realize one counter for all inhabitants and being able to operate effective. That is why we work together with all the official organizations and ask them also to offer discounts and funds for the inhabitants.” [The Netherland]

2. How do policy-makers discuss other institutions of the social security system and their own agency’s cooperation with them, including in terms of multi-agency work to alleviate poverty and social exclusion?

*„[...] Tasks similar to Local Social Services Centre, but involving a different group of people, e.g. inhabitants of small towns and villages, Caritas helps everyone, even those who do not want to report to Local Social Services Centre, they help the needy, and not just women”.
[Poland]*

„We collaborate with other associations working in our same sector or, for specific situations and other pathologies (disability, Alzheimer, Parkinson, etc.) we ask for experts. We try to cooperate to deal with the general lack of economical sources. There is too much bureaucracy, fragmentation of competences and not enough collaboration [...] We often figure out new services to improve our answers to our users' the needs. But the requests are really a lot, we manage to fulfil only the 60%, for the other 40% we try to cooperate with other partner and stakeholders, doing network.” [Italy]

„The County Agency of Payments and Social Inspection [our note: in Romanian, the acronym is ASPIS]; we check the files, and say this person deserves the assistance, and ASPIS makes the payments. The other thing they do is accredit the NGOs who work for fighting poverty. So in addition to government offices, we also talk about NGOs. However, for social assistance issues, we talk strictly about state institutions.” [Romania]

„The General Direction for Social Assistance and Child Protection – they also have a residential component; so poor people are placed in institutions. They run the elderly people's shelters, which also is a response to poverty issues; in Romania we don't yet use these elderly people's homes for convenience, but because the family cannot afford to look after the elderly, or they are left without relatives; there are few families who institutionalize their elderly family members because they are too busy to look after them – this is something that just begins in Romania.” [Romania]

„In our city a kind of umbrella organisation was founded by the council of the municipality. Our colleagues working there are coordinating the answering of all the questions from inhabitants about support and other issues. But it is also working for the organizations that are focusing on the distribution of primary live needs, as the food bank and clothing bank, but they are even involved in activities as the work of the debt Associates, the budget coaching, and so on.” [The Netherland]

„ We are the central point for all inhabitants, weather it is for poor people, addicts, children, refugees, immigrants or unemployed people. That is good news for them. But the most difficult parties in the Netherlands to work with are the banks and the internal revenue service, for the taxes. They have their own rules and laws, and are not really interested in the

problems from the people. They just want to become their taxes and rents. Maybe that is inherent with the current economic situation, the crisis and the way they have to play a role in our society. So, the contrast between the goal of the Participation Law and the Tax Law is that big, that people have to sit down on their blisters, so to say... before you can get help. So, there is still a lot of work to do, but we are on own way..." [The Netherland]

3. What do policy-makers perceive as effective solutions to alleviate poverty and social exclusion, including those applied in other countries?

„Depression because people want to do something. There's no sustainable financial support, debts, change of living places, etc. Social status, gender, nationality, knowledge of local language." [Estonia]

„I am aware about some good initiatives as micro credit, small grants for entrepreneurship, etc. By my side I think in Italy there is need for greater coordination between public and private. We must improve the welfare, more efficiently to overcome the cuts that recently has damaged the welfare state. Reduce the taxes on work to increase hiring." [Italy]

„We should introduce a basic income guarantee measures that in Italy is not effective and we should reduce the fragmentation of the laws and policies related to welfare." [Italy]

„[...] Work with the family to teach them how to change, provide complex assistance. You cannot do education on an empty stomach... or if you are barefoot, so I provide some financial support, and educate the poor people." [Romania]

„Provision of support, sustainable support. It's much worse when you help out for a short time, and then you let them go back to where they were, then the beneficiaries will feel abandoned, disheartened." [Romania]

„There have been all sorts of measures we promoted. E.g. the most recent was providing a free meal for the after-school activities. We did after-school activities in the Central Development region [...], and three local authorities took over the funding of the activities after the project was over. At the beginning of the project, however, they had committed that they would go on funding the free meals for the poor Roma kids." [Romania]

„I think that it can be sustainable when is part of the policy plan for the period of at least 4 years." [The Netherland]

„We have to realize ourselves – and that is really necessary - that at first we have to offer them effective solutions for their debts and a basic income. Why? This gives them rest in their

heads, so then can make up their mind. The next step is to design a program how to work on a better future for yourself, knowing that there is always a possibility to get help” [The Netherland]

4. What do policy-makers perceive to be the main barriers to alleviating poverty and social exclusion?

„[...] It is the reluctance of people to the employees of these institutions.” [Poland]

„[...] From our site is not sufficient funding.” [Poland]

„[...] They do not use, because they are afraid that it need not apply.” [Poland]

„Some time we could hear about that migrants and people from abroad have much more help from the State compare to Italians. The problem of poverty affects even Italians who have little but not enough to live in a proper way, and above all do not have a reliable job (for example freelance with VAT numbers). But the Italian welfare system is made to help those who have nothing while the other social security measures are work-related. For this reason you get the impression that migrants who arrive without family and without any good receives more than Italians that own something but they can't even use it. For example I am thing to a people that own an old unusable car, she sell it but due to that ownership she is excluded from some welfare system or she has a lower rate in the social house list. That shows that Italian welfare system has to be updated.” [Italy]

„I believe that the main barrier is the bureaucracy, fragmentation of skills and family breakdown. Other structural problem is that we have not made an adequate social housing building. Concerning services for the elderly that is what I deal with: there is a lack of timeliness and financial support.” [Italy]

„[...] We are not consistent. If we have a country project, then you have to work hard and sustain it to be believable – so the poor people trust the system. It is important to be aware and to wish to take responsibility and get involved by those who can make decisions.” [Romania]

„[...] The absence of jobs – or badly paid jobs are not an incentive either. Why would someone work for 600 RON if they make almost that much from the guaranteed minimum income? And get to be bullied by the employer? They are exposed to all sorts of behaviour and encounter difficulties.” [Romania]

„ Our limited budget does not give us the possibility to help everybody, which is a fact where we have to deal with.” [The Netherland]

„ Yes, that is we have to deal with as civil servants, working for the municipality. It is reality know, people with somewhat more income, let us say, 125% of the social minimum, cannot become any support by us...” [The Netherland]

5. What is policy-makers view on entrepreneurship (including training for the development of entrepreneurial attitudes and skills) as a means of fighting poverty?

„We pay enterprises salary support to take these people to work there and cover training expenses. We also support disabled people and help to find own working place.” [Estonia]

„I believe that our Department of unemployment is an example where people can find services, doesn't matter what economical status they have. If they need, we send them for consultation to solve problems with debts, we help to communicate with local municipality, etc. The first priority is to guarantee stable income for person.” "Person have to start his/her working life from internship / practice on working place.” [Estonia]

„[...] the welfare system can no longer be restricted to providing money and goods.” [Italy]

„ This competence could work only if people are already set for this type of action.” [Italy]

„[...] the development of entrepreneurial skills in people in poverty or at risk of social exclusion can't work because they are out form the labour market since long time, too much.” [Italy]

„My beneficiaries go to courses, I have that procedure for them to get the GMI, they have to do community work, and when they go to a course, they don't have to work, but after the course, nothing happens. So I am not sure. Theoretically I should say >yes<” [Romania]

„When you start as an entrepreneur, all your income is set off to your benefit. That is the case now. I know that there are initiatives in some regions to have another construction for this, so we are looking at the effects of that. We need more entrepreneurial people, even before they are aware of the fact that in the near future poverty can be a threat...” [The Netherland]

„ As an entrepreneur you need money to invest in your activities, now you become less money from the government, so you cannot invest in your business. One of our ideas is to give those people an earmarked loan with very low or maybe no rent for starting up. And then we can make agreements about the terms of paying back the loan - when the company is going well.” [The Netherland]

Conclusions

The research highlights the framework and – to some extent – changes in the welfare system in Europe within this critical historical period we are living in. The Welfare State is different in all the countries analysed but interviewing the policy makers we have been able to identify some recurrent key issue. First of all, in all the six countries the system of law and policies that run the social and assistance services are changing. The global economic crisis which started in 2008 has had deep consequences on the capacity of the states to provide resources to solve social problems, the resource allocations for the social welfare systems were cut, and consequently not only did some of the types of problem changes, but the number of people in need of support also grew. Analysing the answers provided by 61 different policy-makers or experts from the six different countries, we realise that addressing this change needs to be ruled and oriented within a common European framework to allow the countries to succeed in achieving the EU2020 goals. Even if a common framework lacks, many organizations are trying out new solution, innovative services and new methodologies. Unfortunately, if the strengths put within this reforming movement are not coordinated and summarized in key messages, the risk is to lose a lot of time and resources. Many organizations, in all the six countries, complain about not being able to fulfil all the requests, and meet all the needs which are growing day by day.