

**What is the European Social Model?  
An Approximation Based on the Spanish Case**

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## **Introduction**

What is the European social model? What is the public perception of European integration? The aim of this study is to explore these two questions that arise in the uncertain process of European integration and the expansion of the EU to include Eastern European countries. The two questions are interlinked and there is no simple or single answer. The European social model and the public perception not only belong to the world of imagination but are based on specific realities of daily life that can be illustrated with a few indicators. I will therefore refer to the Spanish case, as we will see below.

The European social model refers to the community heritage of economic and social cohesion. To some extent it refers to the role of the welfare state as an institution of integration and correction of social inequalities. The welfare state is a political, social and economic reality in Europe offering a level of economic development that guarantees employment and incomes for the population. The welfare state is a system of assignation of resources that covers basic services and satisfies needs that are not satisfied by the market. In other words, it should aim to achieve economic efficiency and equity. By equity we understand a certain level of equality and a guarantee of minimum resources that are essential, basic and priority (Gutierrez, 2000).

The process of European construction has been based on the market, free competition, and the free circulation of capital, goods and services. However, this market orientation has eroded the mechanisms of social cohesion of the welfare state through successive reforms. Since the early 1990s, unemployment, the ageing of the population and the increase in life expectancy have led to an increase in the economic burden on the pension and welfare systems. This has led to demands for reform of the welfare state and regulation of the labour market. In short, the falling birth rate points to a gloomy future, though it may be palliated by immigration (see the Delors Report, Growth, Competitiveness and Employment).

1. Where is the European social model going? The response of the

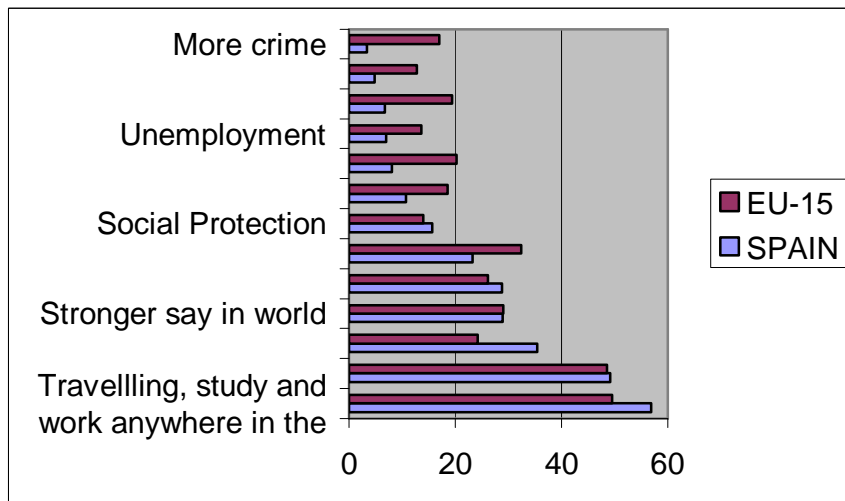
European institutions to the first question tends to underline the idea that the European social model should be maintained and preserved in the future as a model of capitalism different from the American one. The European social model is characterised by the notion of a “social market economy”, which is expressed particularly in the Rhenish model of capitalism (Albert, 1992). Its main features are the long-term orientation of capital through the link between financial capital and industrial capital, a social commitment through mechanisms of social cohesion by means of redistribution within the welfare state and industrial relations systems with legal guarantees. This model tends to be set against market capitalism, which is mainly short-term oriented through the funding of companies on the stock exchange, which Sennet (2000) calls “impatient capitalism”. This neo-liberal market capitalism is characterised by a welfare-based system and a weak legal regulation of industrial relations.

These are the two poles of reference of the debate. The first model offers a greater degree of social cohesion and supposedly less efficiency. The second model involves greater social inequality but greater efficiency and flexibility. These models are important references in the orientation of social reforms in the member countries of the European Union (EU).

2. What is the perception of the general public? The answer to the second question is ambivalent. On the one hand, the public associate European integration negatively with reforms in the pension schemes, the reduction in public expenditure and budget restrictions imposed by the Stability Plan that has been applied since the Treaty of Maastrich in 1992. According to the survey of the Eurobarometer (2002), for the Spanish the EU means less social protection, of which only 14% of the respondents have a positive view. The public also perceive other problems such as the increase in the competitiveness of companies, the risks of delocalisation of companies, and the resulting loss of employment. On the other hand, they have a positive view of European integration in terms of political democracy, provision of structural and cohesion funds, economic growth thanks to the existence of a wide market and the reduction in mortgage interest rates. Economic prosperity is one of the most highly valued

aspects, with 35.4% of the respondents viewing it positively. This is higher than the EU average (24.2%). The public also have a positive view of the euro (49.2%). Analysts and scholars value job creation and particularly female job creation, and the right to equal opportunities arising from the "strong European directives". The Eurobarometer shows that 66% of the Spanish consider Spain's membership of the EU to be a good thing, though 27% of this group recognise that they pay little attention to news on the EU.

**Figure 1**  
**Meaning of EU. Eurobarometer**



Source: Eurobarometer (2002)

In short, the public vision of the European Union varies and is highly sensitive to the reforms that are introduced by the EU. These reforms follow four lines, which we examine below:

1. A study of projections on the future viability of transfers, with special concern about demographic factors.
2. Reforms of the pension schemes.
3. Reforms of public services to control expenditure.
4. Reforms of the labour market in accordance with the objectives of the European Employment Strategy, aimed at raising the participation

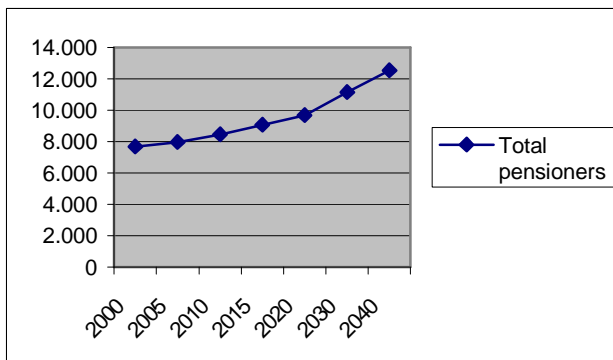
rates.

## Projections on the Social Transfers: an Uncertain Future?

The subject of social transfers is highly controversial. The viability of the pension system beyond the year 2020 has been a central question in Spain and in the member countries of the EU. Due to the uncertain future, the European institutions have made proposals of reform to the member countries.

The projections of the European Commission on the ageing of the population and the increase in life expectancy point to an increase in the number of pensioners due to retirement and permanent disability. The problem of greatest concern is the increase in the relation of dependence. The number of pensioners is expected to rise from 7.6 million in 2000 to 9.7 million in 2020 and to 12.5 million in 2040, which involves a major economic burden for the government. An optimistic forecast by the Ministry of Labour estimates that expenditure on pensions would rise from 8.4% of GDP in 2000 to 12% in 2040. A less pessimistic forecast is that offered by the European Commission, which estimates that expenditure would rise from 9.4% in 2002 to 17.7% in 2050.

**Figure 2**  
**Projection numbers of pensioners in Spain (in millions)**



Source: European Commission (2004)

However, perhaps the most realistic forecast is that which takes into account relations of dependence and the falling birth rate (Table 1). This indicates the ratio of persons over the age of 65 to persons of working age (aged 16 to 64). In the Spanish case this relation would rise from 20.2 to 26.8%, which is similar to the figures for France but higher than those for the United Kingdom. Because of the gloomy picture painted by the increase in the relation of dependence, many analysts feel that there is a need for immigration to compensate for the falling birth rate and to cover the manpower needs of the labour market.

**Table1**  
**Comparative relation of dependence**

	Spain	France	Italy	United Kingdom
1990	20.2	21.1	21.5	24.0
1995	22.3	23	24.1	24.3
2000	24.6	24.6	26.6	23.9
2001	24.7	24.7	27.1	-
2010	26.8	26.8	31.3	24.2

Source: European Commission (2003)

In fact, this tendency is already apparent in the Spanish labour market with the increase in the employment of immigrants and their increasing contribution to the pension scheme. The growth of the volume of employment in the last decade has palliated the problem indicated in the forecasts for the year 2040. Nevertheless, the current public pension system is unviable and must be modified to favour individual saving initiatives. This situation of an uncertain future is being used by some to promote an individual scheme of capitalisation as an alternative to the model of wealth distribution. This has met with criticism, as in the recent study by CCOO on these reforms (Serrano et al., 2004).

## **Reforms of the Pension System**

The above study commissioned by the trade union recognises the beneficial effects of the reforms of 1985 and 1997. The reform of 1997, known as the Toledo Pact (signed by the government, the trade unions, the

employers and the political parties) reinforced the contributory nature of the system by increasing the number of years required for pension entitlement. The value of the number of years used to calculate the regulatory base was also modified. However, the main question is that “one must reduce expenditure and increase income”. The main lines of action are:

- ?? **Increasing the period of contributions.** The first line of action is taking on increasing importance in the debate: the correspondence of pensions to the contributions paid, which will possibly involve an increase in the number of years of contributions used as a basis for calculating pensions. This criterion of toughening eligibility for pensions has changed in recent years. In 1985, with the Socialist government it was raised from 2 to 8 years. In 1997 the PP government and the trade unions agreed to progressively extend the period of calculation from 8 to 15 years. In short, the tendency seems to be that pensions should be calculated on the basis of the whole working life. This idea was already put forward in the drafts of the political parties and in the pact signed in 2001 by the PP, the CEOE and CCOO. A similar tendency can be observed in other countries of the European Union (EU). In France the reform of pensions means that as of 2008 workers will need 40 years of contributions and as of 2020 they will need 42 years.
- ?? **Private pension plans.** The second line, also proposed by the European Commission, is to promote private pension plans as a complement to the public pension system. These plans have received little promotion in Spain and their profitability in recent years has been low (it has fallen by 4.57% in the last 12 months). In comparison, in Italy there are plans to provide incentives for private professional schemes and pension funds, in addition to the possibility of shifting contributions to compulsory plans to provide compensation for dismissal.
- ?? **Increase in the number of contributors.** The revision of the Toledo Pact deals with the increase in income arising from the increase in the number of contributors. This mainly involves bringing



the contributions of workers under the self-employed scheme in line with those of the general scheme. The increase in the number of contributors has been stimulated by the increase in the participation rate of women, though it is still one of the lowest in Europe. The massive inflow of immigrants in the last few years has also contributed to the increase in the number of contributors. In the last two years at least one out of every four new contributors has been foreign. It is hoped that women and immigrants will compensate for the progressive ageing of the Spanish population.

?? **Limiting pre-retirement.** The fourth line of action consists in limiting pre-retirement in large companies before the age of 60. At present in Spain there are 1.2 million persons who have retired early voluntarily or involuntarily.

?? **Later retirement.** This proposal consists in introducing incentives for later retirement, even beyond the legal age of 65. It is aimed at attenuating the impact of increasing life expectancy. At present the average retirement age is 63. Other countries of the European Union also seem to be following this tendency. Germany wishes to raise the legal retirement age from 65 to 67, and to raise part of the contributions of some retired persons who now only pay 50%. France plans to provide incentives for those persons who agree to continue working until the age of 65.

?? **Pension supplements.** This is an old debate of the Toledo Pact, which is still ongoing. The idea is that social contributions should be used to pay contributory pensions (those that a worker receives after making social security contributions) and that non-contributory benefits should be paid from taxation. However, the minimum supplements, which bring the pensions of those who have not contributed sufficiently to an acceptable level, are still partly funded by contributions.

Public pensions have improved considerably as result of this reform. The percentage of pensions lower than the national minimum wage has fallen from 89 to 59% during the last twelve years. However, the average

pension is still low (528.61 euros in 2003). There are also great differences according to the type of pension and the type of contribution scheme. For example, retirement pensions are 40% higher than widowhood pensions, and the pensions of the general scheme are 60% higher than those of the self-employed scheme (Serrano, 2004: 214).

The average income replacement rate rose from 34.5% in 1982 to 46.5% in 2002, but is still low. A more detailed analysis of the types of contribution and types of scheme shows different levels of cover. At the top end, the income replacement rate of pensions for workers retiring on the self-employed scheme is equivalent to 43.3% of their net pay, but at the bottom end it is only 37% for workers retiring on the special agricultural scheme.

Income has followed the same line as expenditure. It has increased thanks to the increase in the number of contributors as a result of job creation. The balance is positive and allows the expenditure to be met. It also generates a surplus of which part is added to the Reserve Fund set up by the recently renewed Toledo Pact.

**Table 2**  
**Evolution of numbers of Social Security contributors. Absolute figures in millions**

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
12.5	12.6	12.2	11.9	12.1	12.3	12.5	13.0	13.8	14.5	15.2	15.7	16.1	16.5

Source: Ministry of Labour and Social Affairs, [http://: www.mtas.es](http://www.mtas.es)

In view of the demographic projections mentioned in the previous section, it is not clear whether the system will be able to continue providing fair pensions. The study by Serrano et al. (2004) is in disagreement with the gloomy forecasts. These authors argue that 2040 is a long way in the future, and that there is sufficient time to seek alternatives and to introduce specific measures. They also consider that it is essential to maintain the framework of bargaining and consensus that has been shown by the Toledo Pact and its renewal. The current method of distribution is better than that of individual, privatised capitalisation, which is often proposed for ideological reasons in addition to the technical ones. Both models are

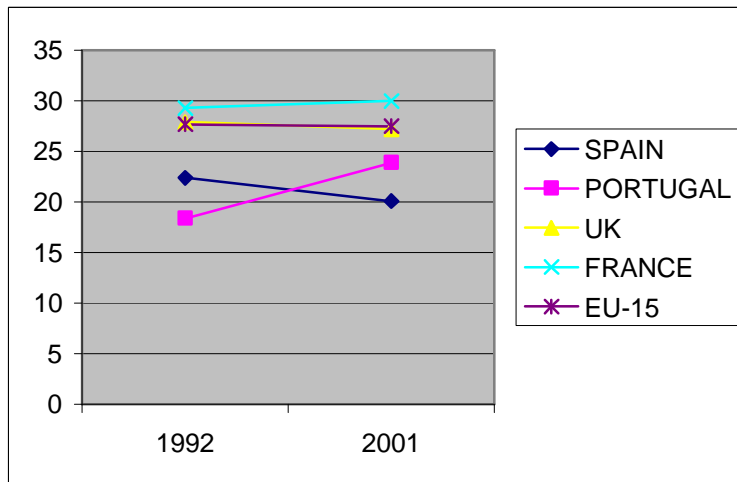
mechanisms of redistribution, but they are also both affected by demographic change. The relevant variable is the present and future income, which depend on growth of GDP and affects both models equally. It is a fallacy to argue that the profitability of the capitalised system is greater, for the simple reason that it cannot be calculated due to the uncertainty of economic growth. Finally, the authors state that the capitalisation system involves financial risks and depends on the cycles of profitability of capital.

In few words, it can be inferred that the general tendency of the pension system is towards an increase in cover, which is related to the growth of the welfare system, the fight against the social exclusion of risk groups affected by long-term unemployment, the diversification of single-parent families and the increase in the number of single-person homes, and providing security for groups who are unable to obtain employment (Adelantado, J., 2000: 84-88).

### **Reform of Public Services**

The economic policy followed after the Maastricht Stability Pact (1992) has led to the reduction of public expenditure and public-sector borrowing. An indicator of the degree of development of the welfare state is the amount of public funds devoted to transfers. The percentage of expenditure in Spain (20.1%) is lower than the average for the EU-15 (27.3%). Public expenditure as a percentage of GDP has been decreasing in Spain since 1993, but also in the EU-15, though in this last case to a lesser extent (Table 3). Spanish expenditure was also lower than that of the UK (26.8%) and France (29.7%) in 2000.

**Figure 3**  
**Social expenditure in % of GDP**



Source: Eurostat, quoted by the European Commission (2004)

**Table 3**  
**Public social expenditure as a percentage of GDP**

	1993	2000
Spain	24.0	20.1
EU-15 average	28.8	27.3

Source: Eurostat, quoted by the European Commission (2004)

Another frequent indicator for comparative studies is the percentage of population working in the public sectors of health, education and family care services. In Spain it is far lower than the European average (5.8% compared with 12% for the EU-15), indicating the insufficient level of the Spanish welfare state in comparison with countries with a social-democratic tradition such as Sweden, where 20% of workers are employed by these public services (see Navarro, 2003).

The social deficit in Spain is a consequence of the reduction of the budget deficit in order to comply with the restrictive policy of the Stability Plan. However, one must not place the blame only on European convergence. The social deficit was also aggravated by the regressive policy of tax reduction followed by the People's Party (1996-2003).

The reform of the health service has been carried out through the

decentralisation of services to the autonomous communities (regional governments) and the rationalisation of expenditure, co-payment, prescription of generic drugs and pharmaceutical supplies. However, the demand for services has increased as a consequence of the ageing population and the increase in immigration. The greater need for expenditure also stems from the high technological cost of modern medicine. The reduction in expenditure has led to a deterioration of public services in large industrial cities, with some exceptions. This has led to a process of privatisation of health. For example, a recent study shows that 37% of the population uses private health services, which are particularly common among the middle and upper classes<sup>1</sup>, whereas 60% use the public services. Though many use both services, the polarisation of classes has increased (Sánchez, C., 2003).

The reform of the education system has also involved a reduction in expenditure. In 2000 the average expenditure in Spain was 4.3%, compared with 5.4% for the EU-15 (5.4%, see Calero, J.; Bonal, X., 2003). The consequences of the low public expenditure can be seen in indicators such as the lower number of hours in secondary education (559 hours per year compared with 678 hours per year in the EU-15), which is reflected in the knowledge acquired by the students. The reform of the education system has also been oriented towards privatisation through the increase in the number of direct-grant schools in primary education.

The system of transfers to families is another aspect that has received little attention in Spain. Only 8% of the children under the age of three go to public nurseries, compared with 40% in Sweden, 44% in Denmark and 23% in France. In general the countries with a social-democratic tradition have developed these services, which favour equal opportunities and gender policies (Navarro, 2003). Home care services for elderly and disabled persons is another weak public service in Spain. Only 1.5% of the population over the age of 65 receive a weekly service of 4.7 hours, contrasting with the high percentages in Scandinavian countries (Sweden 30%, Denmark 20% and Finland 28%). The consequence of the low level of transfers is that women find it difficult to combine work with family life or

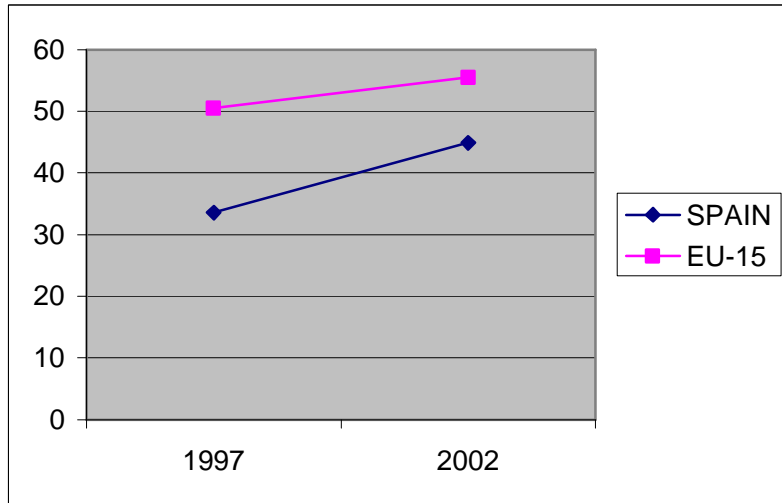
even to enter the labour market.

## **Reforms of the Labour Market**

The regulatory intervention by the government has shown a clear tendency towards deregulation in recruitment. The need to justify the use of certain types of contract has been eroded since the Law of 1982. However, the European Employment Strategy (EES) has had certain positive effects on the Spanish labour market. The four pillars of the policy have given rise to a process of reform with varying results.

Pillar I, Employability, was expressed in the reform of 1997 (the AIEE), which was introduced with the agreement of the trade unions. Attempts have also been made to transform temporary employment into stable employment. The results of this process have been encouraging (the number of people in stable employment increased by 2.4 million from 1996 to 2002) but insufficient. There has only been a modest reduction in temporary employment, from 32.9 to 31% in the same period. A factor that has contributed to the increasing interest of the government in achieving employment stability has been the coordination of the European employment policy and the evaluation of the National Employment Plans by the European Commission and the Council of Ministers. In their recommendations these bodies criticised the high level of temporary employment in Spain, which may be a case of social dumping aimed at improving the competitiveness of companies through low pay. Another factor of concern for the social partners is that temporary employment is very vulnerable to variations in the economic cycle. A crisis may lead to a reduction in consumption and destroy jobs, as happened between 1990 and 1993.

**Figure 4**  
**Tax rate female employment in Spain and EU-15**



Source: Eurostat, quoted by European Commission (2004)

The most important positive change arose from the objective of the Lisbon Summit in 2000 to raise the participation rates of women and persons over the age of 55 to 60 and 70% respectively by 2010. The employment rate of women rose from 28% in 1977 to 44.9% after 25 years of democracy in Spain. This has been one of the most important transformations of Spanish society in the last 25 years. The employment rate of persons over 55 has also increased. In both cases the results have come close to meeting the objectives laid down at the Lisbon Summit, which were based on participation rates rather than unemployment because the definition and meaning of the latter varies between European countries.

**Table 4**  
**Indicators for the assessment of the European Employment Strategy**  
**Objectives of the Lisbon Summit. Percentages**

	1995	2000	2001	2002	Increase 1995- 2002	EU Average Rate	EU Objectives 2010
Employment rate, age 16-64	45.9	57.1	58.7	59.5	+13.6	63.9	70

Female employment rate, age 16-64	31.2	42.0	43.8	44.9	+11.7	54.8	60
Employment rate, age 55-64	36.8	37.0	39.2	39.7	+2.9	38.2	50
Growth of GDP		4.2	2.7	2.0	-	1.1	3.0

Source: Consejo Económico y Social (Economic and Social Council), 2003. Memoria sobre la situación socioeconómica y laboral de España. Madrid, CES, 263 p.

Unemployment has fallen since the mid-1990s. In 1995 the unemployment rate was 22.9% of the active population, compared with 11% in 2003. Unemployment is composed mainly of the long-term unemployed, persons aged 16-24 who have suffered school failure, and women.

Despite the reduction in unemployment, this pillar still shows a quantitative approach to employment. According to Amparo Serrano (2002), this means that female employment has grown to a large extent in low-pay sectors. A precarious type of employment has been created in new sources of employment and in services such as hotels and catering, retailing, cleaning, housework and care for the elderly. The percentage of workers on low pay is 13% compared with the EU average of 15%. Most of them are women and their low pay is due to factors such as part-time employment (32% of workers compared with 43% in the EU), low pay per hour (54% of workers compared with 37% in the EU), and the combination of part-time employment and low pay per hour (7% of workers compared with 11% in the EU). The percentage of wage-earners on low pay per hour is 12% compared with 9% in the EU (Caprile; Escobedo, 2002: 213). The development of low-pay employment has been stimulated by local policies, in collaboration with the town councils and regional governments.

Pillar II, on Entrepreneurship, technological innovation and new forms of work organisation, with the aim of increasing the productivity and competitiveness of companies, shows fairly negative results. The modernisation of companies has been limited to large and medium-size enterprises in certain sectors. Small companies, which represent the majority of employment, have been more reluctant to modernise. The



Spanish economy is still competing internationally on the basis of low pay, but as a result of European expansion some large, manpower-intensive companies are moving to Eastern European and North African countries. There have recently been several well-publicised cases of delocalisation, such as those of Samsung (number previous feature), Phillips, Panasonic and Siemens. A recent balance shows that in total 15 thousand jobs have been lost and the tendency seems to be on the increase. In response to this problem, the trade unions urge employers to facilitate the development of human capital and foster stable employment. This can be achieved by investing in research, quality, new products, technological innovation, new forms of work organisation, and training and professional requalification of workers. At the recent Congress of CCOO one of the main topics was the demand for modernisation of companies in order to avoid delocalisation. The response of the CEOE was to call for more flexibility in recruitment<sup>2</sup>.

Pillar III, on Adaptability of the industrial relations system, was expressed in the 1997 labour reform, which followed the steps of the earlier reform of 1994. A recurring subject in the two reforms was the decentralisation of collective bargaining to adapt it to the levels of productivity and the specific economic situation of companies. An optimistic reading of this reform is that the decentralisation of bargaining has led to an increase in its content. It now deals with employment, and therefore temporary employment, and establishes limits to the use of temporary employment agencies, subcontracting and outsourcing. Decentralisation has also led to greater participation. The principle of subsidiarity that guides EU policy is a powerful factor that has contributed to the decentralisation of collective bargaining, but it also involves the risk of disarticulation between levels and contents of bargaining and therefore the risk of microcorporatism and development of company-level trade unionism (Martín Artiles, A.; Alos, R., 2003).

The introduction of the euro led the social partners to reach three Multi-Sector Agreements for Collective Bargaining (AINC) in 2002, 2003 and 2004. The aim of these agreements was to moderate wage growth in order to control inflation. The agreed formula consisted in the retail price

index+productivity+wage guarantee clauses. Nevertheless, between 2001 and 2003 wages lost 0.8 points of purchasing power.

Private pensions plans complementary to the public scheme are also being developed through collective bargaining, but this only takes place in large companies in the primary sector of the labour market. The secondary segment fails to take private pensions into account.

Pillar IV, on Equal Opportunities, has met with favourable assessments from analysts and scholars. The European Directive on Equal Opportunities and its transposition to Spanish law has led to a considerable improvement in the working conditions of women, which is a cause for some optimism. Through collective bargaining progress is being made towards the elimination of gender discrimination in pay, recruitment, training, promotion, occupational classification, reconciliation of work and family life, health and safety at work, and sexual harassment. This topic is increasingly found in collective agreements and some equality committees have even been set up (Bonino; Aragon, 2003).

In summary, the European perspective has been incorporated in the agenda of the trade unions. The priorities include the euro, purchasing power, employment and recently the equal opportunities, which is a highly sensitive subject. The temporary employment rate of women is 25% higher than that of men, their unemployment rate is double that of men (12%) and they earn 30% less than men. Despite the precarious nature of their jobs, which is usually a disincentive for membership, women tend to join trade unions. Since 2000, 49.8% of the new members of CCOO have been women. The figure for UGT is 35.7%<sup>3</sup>.

The strong agreements that give rise to "reinforced directives" follow the provisions of Article 137 of the Treaty of the Union, which states that once the agreements have been signed by the social partners, they should be promoted as a Directive by a decision of the European Council at the proposal of the European Commission. These agreements may be understood as a legislation negotiated under the principle of subsidiarity that expresses the political will of the actors and of the European institutions. There are five relevant experiences of this: parental leave

(1995), part-time employment (1997), work for a fixed period (1999), work organisation for people of the sea (1999) and working time of civil aviation flight staff (2000). The Community decision makes these agreements binding, thus making it less difficult to apply them in the member states.

On the other hand, the weak agreements, which follow the provisions of Article 139 of the Treaty of the Union, are subordinated to the collective autonomy of the actors. These agreements do not have a sufficient regulatory framework and it is therefore extremely difficult to carry out European projects based on them, as is the case of collective bargaining and citizenship rights. The main problem is the democratic deficit, and the unequal strength and will of the EU players.

## **Conclusions**

The reform of the welfare state has been encouraged by the demographic projections of European institutions. These projections have been misused, and some analysts claim that projections beyond a period of 25 years are subject to a considerable margin of error. The most accurate forecasts and projections are those made by the social security experts, regardless of what party is in office. The reform of pensions shows positive aspects, through the results will only be seen in the long term. The situation of the welfare state has deteriorated, but the situation is by no means catastrophic. However, it is highly likely that reforms will follow their course, including cuts and even social dumping between countries. The European expansion towards Eastern Europe involves risks of this type, though it also may offer opportunities of economic growth.

The coordination of the employment policy through the European Employment Strategy is a way of learning multi-level government by sharing common objectives such as the increase in participation rates. This coordination also makes it possible to promote a culture of assessment through the Joint Reports of the European Commission and the Council of Ministers, and to establish common indicators. However, the employment policies are too open and lack definition, being mainly oriented towards flexibility and the deregulation of employment, which offers a negative

image of integration. The orientation of the policy is quantitative, so the principle that “any job is better than nothing” has been an excuse for flexibilising recruitment. Today the precariousness and legal vulnerability of employment is one of the worst aspects, and there is an urgent need for a new, qualitative approach to employment.

Employment policy has also had positive effects on certain groups, such as women and groups at risk of social exclusion. In the Spanish case the integration of women in the labour market has been highly significant. The equal opportunities policy is also having a great influence. In both cases the European policy has had positive effects. However, part of the new employment is temporary, precarious and in low-pay sectors. The EU is associated in the public image with risks in the mechanisms of social protection and the risk of unemployment, but also with opportunities for economic growth and greater political influence on the international stage.

Another important –and largely negative aspect– is the fact that macroeconomic policy is not linked to employment policy. Many analysts stress that European construction tends to emulate the American economic model, based on the market and a low level of social cohesion. Overcoming this risk in the framework of a complex and multicultural Europe requires more far-reaching policies. However, the macroeconomic social dialogue between the EFTU, UNICE, ECOFIN and the Commission has not advanced. In order to save and maintain the European social model it may be necessary to link employment policy to a more decisive macroeconomic policy, to reinforce the participation of the social partners, and to reinforce cooperation between the different levels of government.

## Notes

1. For example, 30-40% of persons in Catalonia with a high income use private health. These social classes with a high level of influence on the media and policy-making ignore or are simply unaware of the situation of the public

- service (Navarro, V., 2003: 9).
2. Eighth Federal Congress of CCOO, *El País*, 22-4-2004.
  3. *El País*, Sunday 25-4-2004.

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