The Social Contract and Demographic Change

European attitudes on welfare systems and the implementation of the Council Recommendation on Access to Social protection

Ana Carla Perreira, Cabinet Expert, Cabinet of Commissioner Nicholas Schmit
Demography is changing in Europe

• Demographic change impacts our social market economy and puts the social contract under pressure.

• Drivers include longer life expectancy, fewer births, an ageing population, smaller households, a more mobile Europe and a changing population size.

• Demographic changes affect Europe’s place in the world.

• Welfare states across Europe are adapting to new circumstances, and the Council Recommendation on Access to Social protection is an answer to the need for European coordination.

• Pandemic puts pressure on welfare and health systems, and the social economy as a whole.
The social contract is impacted by demographic developments

- Europe’s welfare and healthcare systems are **the most advanced globally**.

- The **European population is ageing**, leading to **pressures** caused by rising expenditures and shrinking revenues.

- Need for larger and more inclusive **labour market**, as well as enhanced **productivity through skills and education**.
EU policy responses

• Demographic developments puts pressure on social systems also because of the changes in the composition of the labour market.

• Council Recommendation on Access to Social has the objective of supporting people in non-standard forms of employment and self-employment. Includes a three-year programme with
  • the establishment of a monitoring framework by November 2020
  • National plans to be submitted by May 2021
  • A review by the Commission by November 2022
  • The pandemic is accelerating national responses...but not on a systemic basis
United in diversity – citizens’ attitudes towards the social contract

- **Strong legitimacy** for the European-style welfare state
- **Vast majority show concern** for the well-being of others
- **Strong support** for a social contract where governments intervene
- Attitudes also reflect the ‘deservingness’ principles
- **Country specific contexts** impacts attitudes
The future sustainability of the European welfare state model

- The process of **adjustment, redesign** and **reform implementation** needs an understanding of citizens’ preferences.

- Demography drives changes in the world of work, making reforms **especially difficult** for national governments in the EU.

- **Attitudes and trust** builds for a future of sustainability and transition.

- **Strong support** for the European welfare model paves the way forward.
Thank you