

# **Social Security, Democracy and Change**

by

**Danny PIETERS & Paul SCHOUKENS<sup>1</sup>**

## ***Introduction***

In our *Quo Vadis paper* we wrote earlier concerning the difficult relation between social security policy making and democratic decision making:

“Even when social security is being considered a pillar of democracy, democracy and social security are not always easy to combine. In parliamentary democracies, the various lobby groups will try to influence social security arrangements to their own benefit, not seldom leading to an ever more complicated social security. That complication in turn may then alienate people from the fundamentals of social security.

.[...]

Just because social security is so important to people’s daily lives and thus to democracy itself, as well as because of the idea itself of social security providing (over time) security, plans to reform social security often face important social and political resistances. Hence, arrangements on which all experts agree that they have to be changed, remain quite often unchanged for many years. Preferential arrangements such as a lower pension age for certain privileged groups e.g. are largely felt to be inequitable, but it remains politically and socially hazardous to do away with those privileges.

This conservatism should not result in certain fatalism, but rather incite to better education and information on social security. Moreover, statesmanship is required to gather sufficient forces in order to give a broad support to necessary reforms and leadership to implement them once they have been decided. In this context, one might raise the question whether the structures of our democratic decision making would not need some adaptation as far as

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social security is concerned. For example, since many countries already know forms of territorial federalism, why not explore functional federalism, whereby social security issues would be dealt with by separately elected assemblies, with a greater stability than the general political structures. To put it bluntly: governments usually do not last more than four years, political generations not more than twenty years, but a pension reform decided today will produce its main effects not earlier than twenty years later. This has to be taken into account as well, when requiring political courage of politicians today.

The need to find adapted forms and channels of democratic decision making with regard to social security, is even more pressing as many CEOs reported that the role of the social partners - employers' organizations and trade unions - in the operation of the social security system is increasingly being questioned."

All this results in many social security systems showing flaws such as:

- the excessive complexity as the product of ad hoc measures to please pressure groups;
- the weakening of the impact of social partners upon social security policy development
- jumpy and/or not broadly supported fundamental reforms
- last but certainly not least: the mismatch in time between political decision making and social security reform and the resulting conservative passivity.

Yet we are convinced that social security does not only have to provide security, but if it is to survive and flourish, also has to show dynamism. If we want social security to be preserved, it will be necessary to adapt social security to the needs and circumstances of today and tomorrow. We are therefore convinced that time has come now to have a closer look at the interrelation between social security, democracy and change. New channels of democratic decision making adapted to the needs of a dynamic social security have to be explored. It is in this perspective of examining the difficult interplay between social security, democracy and change that this paper has been written.

In order to take up the challenge of improving the interrelation between democracy and a dynamic social security, we shall proceed as follows.

In Part 1 we make clear what we understand by the two key notions of present research: democracy and social security. Building further on the more modern definitions of democracy, we turn to the social security systems in order to examine their democratic quality. To do so we shall have a look at various aspects of the operation of various social security actors in Part 2 in theory and in Part 3 in the practice of selected number of European countries.

In Part 2 we examine how the three main 'powers' in relation with social security can be exercised, in order, in a next step, to explore the ways in which these powers can be exercised in a (more) democratic way. As such we shall examine consecutively:

- the making of social security policy and the corresponding law,
- the administration of social security; and
- social security dispute settlement.

In the Part 3 we shall have a closer look into how a number of selected countries have or have not been able to reform their social security systems co-involving a maximal number of actors and thus realising a broad democratic basis for the social security system and its evolution.

In Part 4 we focus on the dynamism of the social security systems and try to quantify the degree of change these have undergone over the last decennium. If we are especially interested in the interaction between on the one hand democracy and on the other hand the evolution of social security, we indeed have to pay attention to the capacity that social security systems have shown in the last decade to adapt to the new challenges they are confronted with. It will be especially interesting to examine which relations can be established between the degree of changes and structural features of the concerned social security systems, as this could give us some indications on how to make that change and democracy can go hand in hand.

In the final part, Part 5 we have tried to develop some strategies to strengthen both the democratic character of social security decision making and the ability of the social security systems to realise the changes considered to be necessary by many of the informed experts.

## ***Part 1. Social Security and Democracy***

We cannot start a research concerning social security and democracy without saying what we understand by those notions. Yet we should beware of going too much into a theoretical treatise on those concepts. Indeed it is possible to write whole books on what is social security, and whole libraries on what is democracy. This is certainly not our ambition. Let us merely in a few pages give our vision on how we see both concepts and how we shall use them in the rest of present paper.

### **1.1. Social Security**

Throughout the world, the concept of social security is interpreted in - at times - very diverse ways. Each author has somehow his own definition. In some countries, the law has defined the concept of social security; if not, there will at least have been stated which arrangements in terms of national law belong to the realm of social security law. This will often be the case in countries aiming at assembling all legislation relating to social security into one and the same code or law book. Nevertheless, many countries have to go without such a legal description of social security. In that case, the social security (law) doctrine itself will have to determine the object of its attention. Moreover, the notion of social security may even be entirely absent in a particular country; concepts such as social insurance, social assistance and the like will then show insufficient cohesion to enable one to assemble them under the umbrella concept of 'social security'.

One might expect international law to provide solace in this respect; yet even there, a definition of social security is lacking as well. International or supranational legal instruments all describe their own material scope of application: either by describing the content of the desired schemes, or by enumerating (the names of) the intended schemes of national law, or even by combining both techniques. Only exceptionally, one will find a definition based on the contents of 'social security' as such.

The description of the material scope of application of International Labour Organisation Convention no. 102 on the minimum norms in social security has had quite a wide impact. Nevertheless, it does not describe the content of social security either but rather the content of the intended schemes.

Since such a description departs from a number of (already) identified social risks, it may leave insufficient room for the development within social security of new answers to any new social problems that may arise. We can think, in this respect, of the need for care of those unable to cope. Such a description does not even allow to incorporate the evolution in terms of national law according to which certain elements of social insecurity that have been existing for a long time, are proclaimed 'social risks'. We can refer in this respect to a number of countries where arrangements providing students or tenants with financial support are held to be an integrating part of social security.

Some authors have tried to define social security as the compilation of benefits in cash and in kind, including services, granted to some persons.

A more widespread approach to social security is to be found in the Report of the International Labour Organization *Into the twenty-first Century: The Development of Social Security*<sup>2</sup>. It perceives social security as the response to the craving for security in its widest sense, rather than as the conglomerate of mechanisms warranting such security. Others adhere to this objective of providing 'security' as well. They consider the arrangements as granting protection against (the insecurity resulting from) the risks related to the ascent of the industrial society and its developments or, in short, against 'social' risks. Obviously one can wonder what kind of protection is meant and which risks are to be considered as 'social' risks.

This diversity in the conception of 'social security' does not, in general, have too negative consequences. Still, one should remain careful, when comparing social security systems, not to compare apples and oranges. As well, one often thinks about the lesson concerning the elephant: one may not be able to

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<sup>2</sup> INTERNATIONAL LABOUR ORGANISATION, *Into the twenty-first Century: The Development of Social Security: a report to the Director-General of the International Labour Office on the response of the social security system in the industrialized countries to economic and social change*, Geneva, International Labour Organisation, 1984.

draw an elephant but one will certainly recognize one when one comes to face it!

Nonetheless, at the onset, we feel obliged to formulate a working definition of social security.

In the following text and with regard to the objectives governing this report, social security will be perceived as the body of arrangements shaping the solidarity with people facing (the threat of) a lack of earnings (i.e. income from paid labour) or particular costs. Yet, we will mostly be concerned with the arrangements providing benefits in cash following the occurrence of (usually) recognized 'social risks'. The elements usually recognized as social risks are: the lack of income from paid labour affecting those people who do not (or no longer have to) work due to old age, incapacity for work or unemployment; the passing away of one's income providing partner; the particular costs related to the upbringing of one's children; the need for (a coverage of the costs pertaining to) health care; and the lack of the means necessary for a decent existence. We ought to point out here that an arrangement dealing with a definite social risk and displaying a certain unity in regulation and administration is often called a 'branch' of social security or a social security 'scheme'.

The social coverage of the need for health protection calls for some more explanation: in some countries, a social insurance covers the costs of health care, whereas in other countries, the social security system directly provides medical services. Keeping both approaches apart would be particularly artificial and would definitely not serve the objectives set in this book.

The most well-known techniques utilized by social security at present are no doubt social assistance and social insurance.

In the case of social insurance, contributions will be paid, voluntarily or (mostly) compulsorily, for and/or by the members of the solidarity systems, so that when a member of the solidarity network is affected by a social risk, he/she can be provided with a social benefit. These schemes are often supported by the government as well. Social insurance systems usually operate on the basis of specific social security contributions, but the financing of a scheme via taxation does not necessarily deprive the scheme of its social

insurance character. The law dealing with social insurance schemes pertains to public law. The participation in the social insurance system is, as a rule, compulsory. Yet, in order to be called social insurance, it does not suffice for a risk insurance to pertain to public law or to be compulsory; the compulsory third-party insurance for motor vehicles is a good example in this respect. On the other hand there are non-compulsory schemes that irrefutably qualify as social insurances, albeit as schemes creating the possibility for certain groups to affiliate with a social insurance scheme. In so far as the relation between the non-compulsory scheme and the compulsory social insurance weakens and in as much as the solidarity mechanisms of the typical social insurance are sapped, while regulations in terms of public law are reduced (e.g. due to the absence of an obligation to receive into the voluntary scheme anyone willing to get insured voluntarily and who qualifies as such), in so far, then, the social insurance character as well as social security character of the non-compulsory scheme will be eroded.

Social assistance schemes will grant benefits to people needing them. Assistance schemes are financed by means of (central, regional and/or local) government funds. They subject the adjudication of the social benefit to a means test of the potential beneficiary.

The difference between social insurance and social assistance used to be clear: if a social risk occurred, the socially insured party had a subjective right (entitlement) to the benefit, without any application of a means test. The insured person was entitled to the benefit irrespective of the fact whether he/she actually 'needed' it. On the contrary, anyone calling on social assistance had to take into account the evaluation by the relevant administration of the suitability of granting assistance, for which the available means of subsistence were always taken into consideration. In other words, one had a ('subjective') right to social insurance benefits, a 'reflexive' right to social assistance. Nevertheless, this boundary line between social security and social assistance has become less marked since some decades: one also recognizes subjective rights to social assistance nowadays whereas social insurance benefits are increasingly granted only after a means test has been performed. In a certain sense, this partial merger of social assistance and social insurance bears witness of the consolidation of the notion of social



security as such. Benefits that are not clearly identifiable as displaying either a social assistance or a social insurance character will sometimes be designated as 'mixed benefits'. In recent years however, some countries try to delimit again more clearly contributory social insurance and non-contributory social assistance. It remains to be seen which tendency will prevail in the future.

Out of the above it may become clear that notions like social security, social assistance etc. which will be used in present report, do not have the clear univocal meaning one could expect from such concepts. So be it; we have tried to specify what we shall understand by them in present work. Yet it may be difficult to find data adapted to our working definitions. That is why we have chosen in some of the later parts of this work, to go for the more stable ground of the comparative tables redacted and published under the authority of either the European Commission or the services of the Council of Europe. It is worthwhile noting that these tables providing (in principle) standardized information on the social security systems of the concerned European states, do not say what they understand by social security. This seems to be implicitly understood ... or it appeared politically impossible to reach agreement on a definition.

## **1.2. Democracy**

When we look up the word 'democracy' in a dictionary we most of times will get the explanation that the word derives from the ancient Greek : and means rule (*kratia*) by the people (*dēmos*). This is still the basic meaning of the word democracy indeed. In the Merriam-Webster On Line Dictionary, we can thus read as the first meaning of the word:

- "a: government by the people; *especially* : rule of the majority
- b: a government in which the supreme power is vested in the people and exercised by them directly or indirectly through a system of representation usually involving periodically held free elections".

As such the notion of democracy is intimately linked to that of the sovereignty of the people and the rule of parliament. Yet it would be simplistic to believe that today the notion of democracy is still limited to this first meaning. Or in other words, we do not believe anymore that necessarily and always, more power for the parliament equates more democracy.

If we browse through the more recent literature on the notion of democracy, paying special attention to what some of the higher courts of justice, like the European Court of Human Rights, have said in this respect, we find that the following features characterize a modern democracy concept:

- pluralism;
- open dialogue, characterised by the freedom of speech;
- responsibility of the authorities towards the population;
- adherence to the concept of the constitutional state;
- equality in diversity.

A parallel evolution can be seen in scientific literature, viz. through the combination of two tendencies: the erosion of the traditional principle of sovereignty and the generalisation of the (Habermasian) concept of dialogue democracy.

Obviously, this evolution does not imply that the complete heritage of concepts like people's sovereignty or national sovereignty should be considered superseded. Indeed, nobody seems to be questioning e.g. that democracy implies the identity between the maker of a norm and its addressee, which is a more technical formulation of the traditional statement by Lincoln: "government of the people, by the people and for the people".

However, the mere existence of a parliamentary system is less easily accepted as being sufficient to conclude that a democracy exists. Even more, parliament is not necessarily the primary *locus* of the democratic debate any more. It operates as one of the many forums where democratic public opinion is developed, next to others like the media or the so-called social 'midfield' or 'civil society'. Parliament plays in those cases more the role of director, or

even registrar, assessing the processes of public opinion making that have already taken place elsewhere<sup>3</sup>. Not so much the control of the government but more the possibility of participation by those governed is central in a modern plural concept of democracy, which grants every citizen an individual right to participation of the power<sup>4</sup>.

One can indeed conclude that parliaments are no longer the centre of the democratic process and that there is an evolution towards a process that favours a democratic dialogue covering the whole of the society, fed by equal citizens prepared to listen. In that sense, a real 'communicative democracy' could emerge, which does not focus on the act of voting or deciding but on the preceding processes of sharing and adjusting opinions.

Even with a more balanced view on democracy, measuring the democratic qualities of a state or a certain political domain within a state does not become easier.

Qualities like dialogue or participation cannot be easily quantified, which explains the very limited number of (convincing) attempts to do so. A notorious exception however is the work of the American academic Robert Dahl. In his landmark book *Democracy and Its Critics*<sup>5</sup>, Dahl develops his own view on democracy, which distinguishes five basic characteristics of a democratic state structure:

- effective participation of citizens in the decision making process;
- voting equality at the decisive stage;
- inclusiveness and broad access to citizenship;
- possibility of the citizens to control the agenda of the decision making;

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<sup>3</sup> On this subject and the link between this approach and the case law of the European Court of Human Rights, see: A. MOWBRAY, 'The role of the European Court of Human Rights in the promotion of democracy', *Public Law*, 1999, 073 and ff.. Also: J.S. DRYZEK, *Deliberative Democracy and Beyond*, New York, Oxford University Press, 2000, 195 p.

<sup>4</sup> See on this subject: P. POPELIER, 'Democratie in de Belgische grondwet' in M. ADAMS and P. POPELIER (eds.), *Recht en democratie. De democratische verbeelding in het recht*, Antwerpen, Intersentia, 2004, 116 p.

<sup>5</sup> R. DAHL, *Democracy and its critics*, New Haven, Yale University Press, 1989, 397 p.

- and finally 'enlightened understanding', which is closely connected to the fundamental prerequisite of the readiness to listen in the communicative concept of democracy.

In a later work, *How Democratic is the American Constitution?*<sup>6</sup>, Dahl tries to apply this view on about twenty modern industrialized countries usually considered as democratic. He does so using a score sheet with criteria such as the possibility of the judicial power to test laws, the level of autonomy c.q. federalism, the electoral system, the political party pluralism etc.. This method allows developing a broader view on the democratic level of a state structure, by analyzing on a larger scale, including elements like decentralization and the role of the judicial power. One should however ask whether Dahl's approach is not yet too unilateral, limiting itself to institutions and paying little attention to pluralism in the media, independence and relevance of the so-called midfield etc., all of which are important for democratic stability, as Robert Putnam shows in his *Making Democracy Work*<sup>7</sup>.

Knowing all the controversy that all the above reflects, we had to make simplifications and make choices in order to be able to use the democracy concept in a practical way in connection with the social security systems we examined. Generally speaking a modern concept of democracy will imply the participation of all the concerned people, of all 'stake holders' in the three main state (and thus also social security) functions or 'powers': (social security) law making, (social security) administration and the (social security) judiciary. In Part 2 we will try to present a typology in this respect; in Part 3 we refer to a number of European countries and their social security systems.

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<sup>6</sup> R. DAHL, *How Democratic is the American Constitution?*, New Haven, Yale University Press, 2001, 208 p.

<sup>7</sup> R. PUTNAM, *Making Democracy work: civic traditions in modern Italy*, Princeton, Princeton University Press, 1994, 258 p.

## ***Part 2. A typology of the interrelation between democracy and social security***

In this chapter we try to sketch the ways social security systems are being organized and operated in a way to co-involve all the concerned people and organisations. To do so we have focused on describing the ways social security policy is being developed, how this policy is being translated into law; how the administrative decisions related to social security are taken and how social security disputes are settled. In this Part we shall do so by presenting a typology to fit any European social security system. In Part 3 we shall then proceed to some fine-tuning for a selected number of countries.

### **2.1. Social security law making**

When looking at the way social security legislation emerges, we can find that normally social security law (at least the main parts of it) is decided in parliament by the majority, on proposal of government.

All countries will provide the legislative power with a central role in the shaping of their national social security systems. In some countries, regulation pertaining to (certain aspects of) social security will distinctly be restricted, by the constitution, to statutory law. That means that only the legislative power has regulative competence in this field and that no delegation is possible. If that is the case, one may be confronted with the need to pass every year a new social security statute. In other countries the constitution will distinguish between social security principles, which reside under the exclusive competence of parliament, and ordinary social security legislation, which resides under the exclusive competence of the government.

The constitutional system of many countries will (often merely implicitly) require a social security scheme to be grounded in an act of parliament, albeit with the possibility of further elaboration by the executive power. Social

security laws are therefore often nothing more than 'general' or 'rump' laws which need further development, in quite many aspects, by the head of state, the government or a competent autonomous body.

Social security regulation issuing from the executive power, head of state, government, individual ministers, and so on, does not require much explanation, except perhaps for us to point out that a vast competence such as this, which specifies the subjective rights and duties that influence to a considerable extent the daily lives of all citizens, cannot always be completely compatible with the basic principles of parliamentary democracy and the respect of fundamental - including social - rights of citizens. On the other hand, one has to note that in as much as the head of state, the government and individual ministers are politically responsible and bound periodically to be accountable to the electorate, democratic legitimacy can be considered to be, as a rule, sufficiently warranted.

It may be slightly more difficult to legitimize that regulative competence is given to autonomous agencies. In a number of national social security systems one can indeed observe that such competence is sometimes awarded to councils or governing bodies of social security administrations. These will for instance quite often be given the authority to determine the percentage of the compulsory social security contributions; they will sometimes also be given legislative competence with regard to the benefits to be distributed. If these councils and governing bodies are composed through free elections and if they are to give account to all parties involved at certain times, then the democratic principle appears to be respected. There are exceptional cases where the community of the socially insured consists for a large part of individuals who (because of their nationality) do not qualify to vote; in those cases the adjudication of legislative competence to autonomous, elected bodies may be preferable even from a democratic point of view. However, quite often the councils or governing bodies entrusted with an autonomous regulative competence are not established through elections; instead they comprise representatives of, for instance, the bodies financing the social security scheme in question, which will frequently be employer's

organizations and the employees' trade unions. In Part 3 we shall examine the democratic nature of the administrative bodies of social security in more detail; for now, it suffices to say that in as much as the democratic legitimacy of the councils and governing bodies with an autonomous regulative competence is quite doubtful, their autonomy will always have to be restricted by the higher legislative competence of a full fledged politically responsible body. Furthermore, it may prove expedient to subordinate the democratically legitimized autonomous regulation to the regulation by a politically responsible body as well; this in order to protect properly the public interest which should watch over more than just social security alone.

Collective labour agreements and their possible counterparts for self-employed professional groups constitute a special version of autonomous regulation; as from now, both will be referred to as collective arrangements. These collective arrangements do indeed quite often contain engagements about social security; these engagements can not only involve the autonomous creation of certain (often supplementary) schemes but sometimes also the enactment of certain modalities of statutory social security schemes. As far as the latter hypothesis is concerned, we only have to repeat what has been said above about autonomous regulative bodies. As to the hypothesis that it involves the creation of completely autonomous schemes: it then belongs to the contractual freedom of the social partners, c.q. the autonomy of the organized professional groups, to establish such social security schemes. Obviously, one may inquire what the legal basis is that legitimizes that the binding force of these schemes is extended to those persons who are not affiliated voluntarily with those professional organizations; but that question widely exceeds the boundaries of this introduction.

## **2.2. Social security administration**

Drawing up social security legislation may be one thing; it is another thing to implement it, to have it administered. In order to collect the necessary means

for social security and to grant the benefits to those entitled to them, one will need a social security administration. The latter is entrusted to an administrative body or, more precisely, to a varying number or even series of administrative bodies, each of which is commissioned with a specific task in the administration of the social security system. There will usually be at least as many administrative bodies as there are distinct social security systems, i.e. as there are distinct groups of social security arrangements/schemes applicable to distinct parts of the population. Hence professionally organized systems will at least comprise separate bodies for the schemes of employees and for those of civil servants and the self-employed. Other administrative bodies can furthermore be used both for the collection of contributions and for the payment of benefits, as well as for the administration of distinct social security schemes. In some countries one can find a separate administrative body in charge of the social security data management. Eventually, separate bodies can be entrusted with the investment of social security funds or the control on the correct administration of social security.

The administrative hierarchy will usually be headed by a minister who is politically responsible. This may be the minister of social security, welfare or social affairs. However, the highest responsibility in terms of administration is quite often spread over more than one government member: in addition to the minister of social affairs there can be a public health minister who is in charge of the health care system and/or a minister of employment who is in charge of the social protection in case of unemployment. Exceptionally, the ministers competent for certain areas of activities, will also be competent for the social protection of people working in those areas; concretely this may mean that the minister of transport is also competent for the social security of the railway personnel, the interior minister for the social security of policemen etc.. This may result in many ministers having some competence in social security, necessitating sometimes the creation within the government of a special social cabinet. In some countries, the words 'social security' and even 'social' have even been banned in the denomination of the competent ministers, the latter becoming e.g. 'minister of work and pensions' or alike.



Frequently, the minister(s) in charge of social security will be assisted by one or more state secretaries.

For the execution of their competence in the social security administration, ministers can rely on ministerial departments staffed by specialized civil servants. The minister's competence in the field of social security usually implies his drafting and supervising policies, as well as the preserving the common interest. He can also be bestowed with a number of legislative competences.

In some countries, it will be the ministry proper that deals with the collection of contributions and the distribution of social security benefits. But these operations do not generally take place at the central level. At the very least, the ministry will use its field organisations that may or may not be spread across the country (external and internal 'de-concentration'). Most of the time, however, one will go a step further than 'de-concentration': administration will be decentralized into functionally and/or territorially decentralized administrative bodies. We will first focus on functional decentralization and subsequently on territorial decentralization. One has to bear in mind, to begin with, that both forms are often combined and that functionally or territorially decentralized administrative bodies can also comprise the 'de-concentration' of competences.

Functional decentralization implies that competence is being transferred to specialized or non-specialized public bodies, to semi-public bodies and to profit or non-profit private bodies.

Often, public bodies with legal personality will be established to deal with certain parts of the administration of social security. Items that come to mind here are the various funds or institutions charged with the collection and/or management of social security resources, the institutions responsible for the administration of the insured, or still, the institutions in charge of laying down the rights and benefits of a certain branch of the social security system.

Those administrative bodies of public law are to be distinguished from the so-called semi-public administrative bodies. The latter also possess legal personality (under public law) and autonomy. They can be entrusted with part of the social security administration as well. But they are not purely of public

law in that their board does not exclusively or predominantly consist of representatives of the political authority: instead their board is made up of all kinds of groups involved. Very often these boards are composed by parity, e.g. the employees' trade unions and the organizations of employers jointly administering the semi-public body. Representation can be genuinely equal or give a majority to one group, which, as a rule, will be the group of employees. The political authorities quite often also take part in the administrative responsibility by appointing representatives. Sometimes this goes as well for certain interest groups directly involved in a specific branch of the social security system. Organisations of patients, associations of the disabled, trade unions or corporations representing all those providing medical care may be called upon to appoint a number of representatives - with or without decisive vote - in the boards of the semi-public administrative agencies. The governing body of such semi-public actors may as well partially or completely consist of people elected directly by the socially insured. Social security elections will have to be organized in such case. But few are the countries where this in principle utterly democratic system has proved to be a success.

It is also possible that the government entrusts the (entire or partial) administration of a social security scheme to non-profit or commercial private institutions. Having (part of) a social security scheme administered by private bodies does not deprive it of its statutory social security character. On the contrary, for in as much as they administer a social security scheme, these organically private bodies can be considered, in a number of countries, to be functionally public law bodies.

Often non-commercial or non-profit private bodies will be called upon. This may involve voluntary associations which sometimes were at the origin of certain social insurance or social assistance schemes already and which have received a further task in the administration of social security. This is the case, in some countries, for sickness funds or mutual insurance associations which are involved in the social security schemes dealing with health care. Such roles have also been handed to (private non-profit institutions in close relation to) trade unions.

Commercial or profit-making private bodies will sometimes also be called upon to be involved in the administration of the social security system.

Insurance companies have been most solicited in this respect. Such a functional decentralization towards private insurance companies has apparently occurred most often in the schemes covering the risk of industrial accidents.

All decentralized administrative bodies operate by definition under the supervision of the authorities whose competences have been delegated to them. Those competences can often be elaborate. The management of resources, the determination of the rights and duties of all parties involved, the payment of benefits, enforcement and the like: it can all be part of the task. Both bodies of functional and territorial decentralization are primarily concerned with clear administrative tasks. Sometimes, however, they also have been given their own competences by the legislator, with regard to advising higher authorities for instance, or on the subject of administrative regulation. What is more, they are in some cases entrusted with the financial responsibility for the social security scheme they administer. In other words, they are financially responsible for part of the costs (or profits) of the tasks delegated to them.

The social security system has an important role to play in present-day society. Also economically speaking, social security is of the utmost importance. By way of illustration one cannot but think of the number of people in all countries who depend on social security benefits to make ends meet, and on the share of social security expenditure in the budget deficits governments have to deal with. It is quite logical; therefore, that the social security system and notably those responsible for its regulation and administration have a ready ear for all that goes on in society today. For that purpose some countries have created special counseling bodies on the subject of social security. These advisory bodies, of which all kinds of social, economic, religious and other groups can be a member, do not participate in the administration of social security as such, but they are often invited to take part in the social security debate and to make their (important) voice heard.

### **2.3. Social security dispute settlement**

The intervention of democratic actors may also be situated when people are dissatisfied with the decisions of the social security administration. This can occur when the administration refuses to grant a benefit that has been applied for or when it grants a benefit that the person involved considers too insubstantial for instance. Hence in a state respecting the rule of law people who disagree with particular decisions of the social security administration should be provided with the necessary means to challenge these decisions: in other words, they ought to enjoy a certain form of judicial protection.

In many states, persons having a personal interest in a decision of the social security administration will have to be heard already before the decision is taken.

In most countries, the first phase of judicial protection consists of an internal checking by the social security administration that has taken the decision in dispute. The person involved may (or must at times) ask the social security administration to reconsider its decision, at least if he/she still wants to be able later to take legal actions against that decision. Such a request can be dealt with by the echelon in the administration that has actually taken the original decision but also a higher echelon may be declared competent in the matter. Sometimes special revision sections within the social security administrations will even be established. In a variant of this internal administrative procedure, not the administrative body that has taken the decision but another one, will check on the disputed decision.

The person concerned can already obtain satisfaction at this internal administrative level. When such is not the case (or when an internal administrative appeal is lacking) the person involved will mostly have to rely on protection by the court.

The social (security) courts often differ from other courts of law in terms of both the way in which they are composed and the legal procedure they follow. These social (security) courts of law can be staffed by professional magistrates, members of the regular judiciary or not. In addition to such professional magistrates, lay-judges may also be member of the social (security) courts. The latter are considered having a better understanding of

the realm of social security (and labour) and as such they are deemed able to assist the magistrate in finding solutions adequate for real life. These lay-judges mostly come from the employers' organizations and the employees' trade unions though sometimes they stem from the organizations of the self-employed as well. In general such lay-judges are not appointed for life.

### ***Part. 3 The interrelation between democracy and social security in practice***

In this Part we describe the ways a number of countries have managed or not to reform their social security systems within a complex democratic context.

We selected seven cases coming from as many European countries, being one Scandinavian, two from Western Europe, two from the former socialist Central Europe and two from Southern Europe: Finland, the Netherlands and Germany, the Czech Republic and Slovenia, and Spain and Greece. We could count for doing so on the collaboration of number of social security experts from the concerned countries: Mr. Matti Kari (Finland), Prof. Gijsbert Vonk (The Netherlands), Prof. Eberhard Eichenhofer (Germany), Prof. Martin Stefko (Czech Republic), Prof. Grega Strban (Slovenia), Prof. Cristina Sánchez-Rodas Navarro (Spain) and Ms. Maria Mousmouti (Greece). We are very grateful they made the basic texts on which our descriptions have been based.

In annex<sup>8</sup> we add for each of the countries of the cases study, also a more general description of the way democratic participation is being realized, more specifically when:

- developing the social security policy to be pursued (who is involved apart from government and how);
- establishing the law (norms) governing social security (in general; the principles; and the actual norms and application rules);
- taking the administrative decisions related to social security ( in general and in individual cases); and
- settling disputes (in administrative or judicial way).

The seven cases we present hereafter bring 'alive' how a social security reform initiative was (or was not) successfully carried on. They show the

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<sup>8</sup> See annex 1 of this report

complex relation between social security and its reform, on the one hand, and democratic participation on the other.

### **3.1. Finland: Pension reform after the Soviet Union collapsed<sup>9</sup>**

After the Soviet Union, the principle trade partner of Finland, collapsed, there were two important questions that were keeping the Fins busy: the membership of the European Union (as a result of a reorientation in its foreign policy) and the economic recession which turned into a depression. Because the unemployment was high, the tax revenues declined and social expenditure increased. The Finnish government did not want to rely too much on financial policy measures, because they feared that it would increase the deficit. They wanted to limit the growth in state debt and balance the public economy by expending less and increasing the taxation of income<sup>10</sup>. One of the reforms that was made in order to cope with the depression was the reform of the pension system. Already at the end of the eighties, a pension committee was set up in order to review the sustainability of the pension system and the financial implications of the aging population (with more people aging the pension expenditures would increase significantly, while the tax revenues would decrease). Initially, there was a lot of discussion about the report of the committee, published in 1989, but the recession made the opponents see that change was necessary<sup>11</sup>. The recession almost forced the government, the employers and the unions to come to a consensus<sup>12</sup>; a balance was reached between looking after the elderly and strengthening the link between an individual's earnings during his lifetime and his pension<sup>13</sup>. The periodically index-linked evaluation was skipped, the age limit for early retirement was raised, employees would temporarily have to contribute to

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<sup>9</sup> Text mainly developed by Mr Matti Kari.

<sup>10</sup> H. NIEMELÄ and K. SALMINEN, *Social Security in Finland*, Helsinki, 2006, 18 p.

<sup>11</sup> O. KANGAS, U. LUNDBERG and N. PLOUG, *Three routes to pension reform. Politics and institutions in reforming pensions in Denmark, Finland and Sweden*, Institutet för Framtidsstudier, 2006, 10, 17 p.

<sup>12</sup> P. VAN DEN NOORD, 'Finland. Reforming the Pension System', *The OECD Observer*, no. 208, October/November 1997, 34.

<sup>13</sup> *Ibid.*, 34.

their pension, with a contribution that would constitute three percent of their wages (this contribution was supposed to be temporary, but the law became permanent and the contributions would rise gradually)<sup>14</sup>, and the private and state sector was harmonized<sup>15</sup>. The social partners discussed these reforms, but the relationship of the center-right cabinet of Esko Aho with the trade unions was strained and the popularity of the cabinet waned<sup>16</sup>. The Center Party was politically punished for the reform measures by the electorate during the next elections, giving the Social Democratic Party the opportunity to claim an electoral victory. The parliamentary elections in 1995 thus resulted in a new 'rainbow coalition' of Prime Minister Paavo Lipponen, that was based primarily on his party, the Social Democratic Party and the National Coalition Party, with the Left-Wing Alliance, the Greens and the Swedish People's Party complementing the government<sup>17</sup>. Not only could this cabinet count on a larger majority in parliament than the government of Aho, but it also had a better relationship with the trade unions. This enabled the Lipponen government to make changes that were out of reach for the government of Aho. One of these reforms was the change in the calculation basis for pension benefits. This change came after careful negotiations between the central trade unions. The government presented the proposal to the parliament, who accepted it, stating that a rejection of the proposal would be hard to justify now that the trade unions had agreed on the issue<sup>18</sup>. The only reform in which the social partners were not participants was the reform that was prepared simultaneously and that abolished the basic national pension, which previously had been paid to all pensioners<sup>19</sup>.

The labour market partners also formed their own working group, the Puro Group. The Puro Group was supposed to work on a plan to reform the private sector pensions. All the major trade unions and employer federations were represented in the Puro Group, but the politicians were not. And after the

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<sup>14</sup> O. KANGAS, U. LUNDBERG and N. PLOUG, *o.c.*, 24.

<sup>15</sup> H. NIEMELÄ and K. SALMINEN, *o.c.*, 19.

<sup>16</sup> O. KANGAS, U. LUNDBERG and N. PLOUG, *o.c.*, 24.

<sup>17</sup> A-C. JUNGAR, 'A case of a surplus majority government: the Finnish rainbow coalition', *Scandinavian Political Studies*, 2002, 25, 1, 62-63.

<sup>18</sup> O. KANGAS, U. LUNDBERG and N. PLOUG, *o.c.*, 25.

<sup>19</sup> *Ibid.*, 25.



central labour market organizations gave their approval, the Puro Group came up with a final agreement in 2002. There was one issue that the trade unions could initially not agree on: the benefit formula based on lifetime income. But the trade union that opposed this reform at first later caved in<sup>20</sup>. The political parties and pensioners' organizations did hardly participate in the reform of national pension. The central trade unions initiated the reforms (except in the case of the abolition of the national pension basic amount) and only after they agreed on the issues could the reforms be pushed through and only based on the guidelines that were set out by the employers and trade unions.

### **3.2. The Netherlands: the 'polder model'<sup>21</sup>**

The 'polder model' stands for evolution on the basis of consensus, discussing an issue with all relevant parties and coming to a conclusion that is acceptable for all parties and that will at the same time benefit the economic welfare. In the Netherlands it started when, after World War II, the Social Economic Council (SER)<sup>22</sup> and the Labour Foundation (STAR)<sup>23</sup> were founded. Because a consensus was aimed for between the government and the social partners, the unions and the employers' associations had a fair amount of influence on the socio-economic policy making and the foundation of the welfare state. In 1982 the 'Wassenaar Agreements' were signed. A characteristic of these Agreements was that the social partners were left to deal with a lot of important issues, while the government would refrain from

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<sup>20</sup> *Ibid.*, 26-27.

<sup>21</sup> Text mainly developed under the direction of prof.dr. Gijsbert Vonk.

<sup>22</sup> The SER, founded in 1950, gives advice regarding social security policy, either upon request or at its own initiative. Characteristic for the SER is its so-called tripartite composition, reflecting the social and economic relations in the Netherlands, with members representing the employers, members representing the unions and 'crown members'. This third group exists of eleven independent members, crown members. They are appointed by the Crown, but are not accountable to the government. While appointing the crown members, an effort is made to maintain a fair balance between the different fields of interest and political views in the Netherlands.

<sup>23</sup> The Labour Foundation (*Stichting van de Arbeid*) (STAR) is a bipartite organization; it is composed of the same three employers' organizations and unions that have a seat in the SER, but there are no independent members. The STAR is recognized by the government as an official advisor on socio-economic topics. Its advisory functions were mainly taken over by the SER, but the STAR still remains a forum for discussions between its members.

interfering, unless in case of a crisis or impasse. The Agreements also aimed for wage moderation.

The influence of the 'polder mode' was less prominent on the issue of social security reforms and more prominent on issues about the guarantee that the wages would remain moderated. This was also the result of the fact that it was the central government that had to take the decisions on social security. In 1991, Prime Minister Lubbers announced some changes that would have a big impact on the social system, but some of these reforms were already implemented in 1984 (*inter alia* the measure that the benefits were no longer dependent on the minimum wage level). It was decided that small steps were to be taken in reforming the social security system and even though the decisions were taken by the central government, the possibility to consult the unions was never excluded. But these discussions with the unions never led to any changes. It could be argued that this was due to the fact that only minor changes were implemented each time, never justifying fierce objections or protests.

In 1991 the SER gave a mixed advice about the reforms of the Disablement Insurance Act (WAO) and the Sickness Benefit Act (*Ziektewet*). The representatives of the Federation of Netherlands' Trade Unions (FNV) had not been given a mandate from the unions that would allow the FNV to settle for a compromise. This mixed advice by the SER gave the government an alibi to take its own decision, disregarding the polder model. The government decided to have the Disability Volume Reduction Act accepted (*Wet Terugdringing Arbeidsongeschiktheidsvolume*) in 1992. The unions were able to make some small amendments, but on the whole the Disability Volume Reduction Act was implemented according to the wishes of the government. Some of the parties were punished politically for these reforms during the elections that followed the reforms. The outcome of the elections cleared the way for the first 'Purple' Government (i.e; a government with the social-democratic party and the right wing liberal party, but without the centrist Christian-democrats).

In the early nineties, not only the social security system was criticized, but also the 'polder model'. The policy making process was dragged out by the time-consuming advisory processes that all too often led to compromises that were adopted by the government without so much as even looking at it. There was a call for less involvement of the social partners, also because the solutions were more beneficial for the insiders than for the outsiders. The politicians, who were elected by the entire population, would have to take the decisions again. The first Purple Government took its chance and came up with a lot of reforms in the socio-economic field. However, strangely enough, while the Dutch government was trying to reduce the influence of the social partners, the 'polder model' was considered the key to success outside the Netherlands. The international flattery put an end to the self-criticism and the government decided to embrace the polder model again.

The first government under the leadership of the Christian-democrat Balkenende was formed in 2002 after the elections that saw an electoral victory for the populist *Lijst Pim Fortuyn*. Led by Pim Fortuyn, who was assassinated a few days before these elections took place, and his party criticism against the polder model flared up again and there was a general feeling that the politicians should start listening to the public again. Balkende I fell after less than a year, but Balkende II came up with a few far reaching plans that would decrease the social expenditures. In order to implement these reforms, the government adopted a policy whereby discussions and negotiations would still be possible, but it would be the government that would have the final say.

The government and the social partners crossed swords in 2004: the government did not want to follow the advice of the SER on the Disablement Insurance Act and a consensus on the early retirement and early pension was also far off. Because it seemed impossible to come up with an agreement, the agreement on the wage moderation, that was concluded late 2003, also fell through. As a result, the unions came up with new higher wage demands, but the government reacted by pushing on its own plans to reform the early retirement and the early pensions. The government added fuel to the fire,

saying that the collective labour agreements on the wage demands were not generally binding.

The crisis came to a head with two big demonstrations, one organized by the trade unions, the other by local and civil society groups as well as the left wing parties and threats to strike were made. In November 2005 a compromise was reached in the STAR, between the government and the unions. The unions would not be too pushy concerning the wage demands and the government would for the most part follow the advice of the SER concerning the Disablement Insurance Act. The agreements on wages in the collective labour agreements would become generally binding. The SER would also be asked for counsel regarding the Unemployment Benefit Act, which reaffirmed the importance of the SER as an advisory organ.

Despite the crises, the 'polder model' thus goes on playing a vital role in Dutch politics and thus on the social security reforms.

### **3.3. Germany: the Hartz reforms<sup>24</sup>**

The Hartz reforms are considered to be the most far-reaching reforms ever to be implemented in Germany history. The Hartz reforms consist of four laws, Hartz I-IV, and they were meant to fight the high unemployment rates. They were used as a tool to improve labour market services and policy measures and make them more effective and efficient by activating the unemployed. Thereto the so-called principle of 'rights and duties' (*Fördern und Fordern*) needed to be enforced and employment demand needed to be fostered by regulating the labour market.

In February 2002, Chancellor Schröder set up a Commission for Modern Services on the Labour Market, known as the Hartz-Commission, in order to reform the inefficient Public Employment Service (PES) and the labour market policy in general. The Hartz-Commission was meant to be a good

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<sup>24</sup> Text mainly developed by Prof.Dr. Eberhard Eichenhofer.

representation of society and its members were drawn from the sciences, the social partners, business consulting companies, large enterprises and politics. During his campaign, Schröder made the promise not to cut into the social security system, but when he was re-elected in September 2002, he made the Hartz reform one of his top priorities. He said that he would implement the current proposal, not giving in to the call for compromises that were made by the social partners, in particular the unions, his own party, the Social Democrats and his smaller coalition party, the Greens. Before the end of 2002 about two-third of the Hartz modules were implemented (with varying degrees of modification), the rest was dropped.

In March 2003 there was a government declaration concerning the agenda 2010, which referred to a series of reforms to modernize the social system and the labour market, including the Hartz reforms, which were proposed and would be executed by the Red-Green coalition. The industrial leaders and the Christian Democratic Union (CDU) as well as the Liberal Party (FDP) welcomed the agenda 2010 with open arms because it met their long-time demands. There was, however, a lot of criticism in Schröder's own Social Democratic Party (SPD). Schröder could only get enough approval from his coalition partner, the Greens after he threatened to resign. This political strategy of Schröder and the discontentment over the reforms of the Red-Green government, made a lot of the members of the SPD leave the party and a new socialist party (WASG) being founded. The Hartz-reforms got through, but Schröder had to resign as a party chairman due to unfavourable opinion polls. The public showed its discontentment over the reforms by demonstrating: about 500,000 people demonstrated since mid 2004, with the opposition being the strongest in the eastern part of Germany.

The main trade union, DGB, historically strongly affiliated with the SPD, upped its protests against the reforms. According to the DGB the small and medium incomes would be burdened and it had concerns about the threatening loss of life standard for long-term employment (through the new unemployment benefit 2) which was no longer related to salary or contributions as well as about the fact that people who became unemployed through no fault of their

own would be penalized. After they had spoken with Schröder in August, some of their concerns seemed to be relieved and they were less critical. On 1 January 2005 important parts of Hartz IV came into force. Hartz IV put unemployment assistance and social assistance into a single Unemployment Benefit II (UB II), doing away with the two different statutory benefit systems that existed next to each other and the fact that the costs had to be shared among the two providers: the municipalities and the federal government.

In 2006 the second book of the Social Code (SGB II) was modified on the subject of Unemployment Benefit II. This was the first time that a comprehensive scientific evaluation was performed, conducted by more than twenty economic and sociological research institutes, in order to look at possible reforms. Although the unemployment rate was declining, the costs were much higher than estimated, because the long term unemployed do not profit a lot from the growth of the German economy.

### **3.4. The Czech Republic: from socialist regime to EU member state<sup>25</sup>**

The communist regime of Czechoslovakia was faced with an increasing amount of protests from the population and when the communist police brutally put an end to a peaceful pro-democracy demonstration on 17 November 1989 the communist party all but collapsed. The communist leaders resigned in December and the leader of the Velvet Revolution, Vaclav Havel, became the president of Czechoslovakia (the Czech Republic and Slovakia were founded on 1 January 1993). The first democratic elections were held in June 1990.

The revolution also meant a change from a command economy to a market economy and in order to facilitate this, all participating actors would have to get involved in the decision making process. It was the beginning of the tripartite system and to stimulate this development the Council of Social Agreement (later renamed the Council of Economic and Social Agreement

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<sup>25</sup> Text mainly developed by Prof.Dr. Martin Stefko.

(RHSD)) was set up at a federal level, with two national tripartite bodies, one in the Czech part and one in the Slovakian part of the federation. The government, the employers and the biggest confederation were represented in this organ. After 1989 and after the Revolutionary Trade Union Movement (ROH) collapsed, a lot of independent trade unions were being founded<sup>26</sup>. Nevertheless, it is important to note that the social dialogue was still dependent on the goodwill and a consensus between the social partners and the government<sup>27</sup>. The political revolution was also the start for collective bargaining, but it is still the least developed subsystem of social dialogue, because the trade unions seem to lack a certain amount of competence and also their authority to bargain collectively is unclear<sup>28</sup>.

The new social democratic government did not only want to include the employers and employees, but also other actors, to ensure that as many people as possible had a say in the process. This meant that also non-governmental organizations, civic initiatives and independent experts would become involved in the development of social policy<sup>29</sup>.

One of the reforms that became possible after the revolution of 1989 and the liberalization which followed it, was the reform of the health care system. *In casu* it was a small group of health care workers, including both physicians and other professionals, which got the debate on the reform of the health care system going. Once this small group opened up the debate, they got the support of other health care workers, mainly because these health care workers were dissatisfied with their social status and income, especially when they compared to with the wages that people in other parts of the economy received. In 1990 some of these health care workers got high positions in the Ministry of Health, which moved the reforms forward quite a bit<sup>30</sup>.

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<sup>26</sup> EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS, *Social dialogue and EMU in the acceding countries*, Luxembourg, Office for Official Publications of the European Communities, 2003, 89 p.

<sup>27</sup> *Ibid.*, 93.

<sup>28</sup> *Ibid.*, 98.

<sup>29</sup> *Ibid.*, 93.

<sup>30</sup> WORLD HEALTH ORGANISATION, *Health Care System in Transition. The Czech Republic (preliminary version)*, Copenhagen, World Health Organization, 1996, 32 p.

There was a lot of public support for the health care reforms, privatization as a tool for quality improvement was endorsed by about 70% of the population and liberalization made it possible to introduce a new system and to start privatization. Then again, the reform clearly suffered from the fact that the Minister of Health changed five times since 1989, bringing a lack of dynamics and direction to the reforms<sup>31</sup>.

The first programme set only tentative aims; it would have to become a decentralized, public-private financed system, in which the consumer would have an input, the competition would be controlled and the health care providers would get more autonomy<sup>32</sup>. These aims were further set out in five directions and in 1994 the Minister of Health came up with some more concrete objectives. Health care was still not on the top of the list of priorities of the government, but that changed when the health care workers became really unhappy with their status and salaries and put the issue higher on the agenda by going on a strike in 1996. Not all the reforms were successful and some of them have only been partially implemented. The Czech health care system is suffering as a result of some of these reforms and the low income of the health care workers is still an issue of debate, as it does not meet the high expectations of the health care workers and the physicians have protested by resisting to reduce the number of doctors or hospital beds, creating a problem for the government<sup>33</sup>.

### **3.5. Slovenia: from socialist regime to EU member state<sup>34</sup>**

The parliament of Slovenia declared Slovenia independent in June 1991, after it had been part of Yugoslavia, since World War I. Under the Federal Socialist Republic of Yugoslavia, Slovenia had been a federated state and it did not

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<sup>31</sup> *Ibid.*, 32.

<sup>32</sup> M. W. RAFFEL and N.K. RAFFEL, 'Czechoslovakia's changing health care system', *Public Health Reports*, 1992, 107, 6, 642.

<sup>33</sup> M. ROSKOSOVÁ and P. HÁVA, *Health Care Systems in Transition. Czech Republic*, Copenhagen, European Observatory on Health Systems and Policies, 2005, 13 p.

<sup>34</sup> The text was mainly developed by Prof.Dr. Grega Strban.



have a lot of autonomy<sup>35</sup>. So in order to become compatible with the market economy, it was not only the state that needed to be organized, but also the social protection system<sup>36</sup>. At the same time, Slovenia had to deal with an economic crisis, although it was less severe than that in the other transition countries. Part of the adaptation to the new system was the establishment of four trade unions<sup>37</sup>, which especially in the beginning were internally conflicting<sup>38</sup>. In 1992 when the transformation depression hit rock bottom and lots of strikes were being organized, the Liberal Democrats took the leading role. From that year on, the (centre-left) governments and organized economic interests were a permanent part of the transition that Slovenia was going through<sup>39</sup>. It seemed to be working well, because in 1994 the economy bounced back with growth rates of between 3 and 5%<sup>40</sup>.

The national economy needed a gradual institutional transformation and the social policy needed to be activated<sup>41</sup>. During this transition two different periods could be identified: in the first period up to 1994, the political structure was pragmatic and not well institutionalized. The political elite had its hands full with listening to the core worker population that was not very content with its situation. In this first period there were four steps that were taken: massive social transfers were activated at the beginning of the transition, the law on privatization was adopted in 1992, the wages and salaries were increased significantly in 1993 and the law on labour participation was adopted in 1993<sup>42</sup>. It was the basis for the transition of Slovenia to a more capitalist state<sup>43</sup>.

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<sup>35</sup> T. STANOVNIK, 'The political economy of pension reform in Slovenia', in E. FULTZ (ed.), *Pension Reform in Central and Eastern European. Volume 2. Restructuring of public pension schemes: case studies of the Czech Republic and Slovenia*, Budapest, ILO SRO, 2002, 19 p.

<sup>36</sup> G. GEROLDI and A. MARANO, 'The pension system and the pension reform in Slovenia. A paper presented at the World Bank', Vienna, *IIASA Conference, Learning from Partners*, 6-7 April 2001.

<sup>37</sup> EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS, *o.c.*, 248.

<sup>38</sup> *Ibid.*, 252.

<sup>39</sup> *Ibid.*, 250.

<sup>40</sup> *Ibid.*, 243.

<sup>41</sup> *Ibid.*, 245.

<sup>42</sup> *Ibid.*, 250-251.

<sup>43</sup> *Ibid.*, 251.

The second period started in 1994, when the Social and Economic Council (ESC) was founded. With the establishment of the ESC the tripartite dialogue was more institutionally regulated. Tripartite negotiations had already been taking place in 1992, but the social partners were not ready to come to a consensus on some of the issues, including social security<sup>44</sup>. The first social agreement, signed in 1995 by the social partners and the government, said that in the future the tripartite body should give its opinion on issues of interest to the social partners, before the parliamentary procedure would get started<sup>45</sup>. The collective bargaining system got to be one of the cornerstones of the Slovenian system<sup>46</sup>.

One of the reforms that was set into motion, because of the change from a socialist system to a capital market system was the pension reform<sup>47</sup>. One of the central persons in this reform process was the Minister of Labour, Family and Social Affairs, Tone Rop, and when the reform needed to be sold he also played the role of political broker<sup>48</sup>. The government relied on Tone Rop to handle the pension reform and therefore never discussed it. The Minister of Finance also preferred to let the Minister of Labour, Family and Social Affairs deal with it, minimizing his own role<sup>49</sup>. The United League of Social Democrats (representing the reformed ex-communists) was the only opposition party whose influence was noticeable. This party had close ties to the Free Trade Unions of Slovenia (FTUS) and could convince the FTUS to accept their compromise solutions. As a result it so happened that the FTUS presented some solutions that actually originated from within the United League of Social Democrats<sup>50</sup>.

The trade unions, led by the Free Trade Unions of Slovenia, were not against a pension reform as such, but they did oppose some of the proposals. Their

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<sup>44</sup> *Ibid.*, 251.

<sup>45</sup> *Ibid.*, 251.

<sup>46</sup> *Ibid.*, 252.

<sup>47</sup> K. MULLER, 'Beyond Privatization: pension reform in the Czech Republic and Slovenia', *Journal of European Social Policy*, 2002, 12, 300.

<sup>48</sup> T. STANOVNIK, *l.c.*, 57.

<sup>49</sup> *Ibid.*, 58-59.

<sup>50</sup> *Ibid.*, 60.

first reaction to the White Paper was negative and they showed this by organizing a protest meeting in March 1998. It showed the government that the trade unions were supported by the public and that they were willing to organize a strike when being dissatisfied with the proposed reforms. But as much as the trade unions opposed some of the reforms, they firmly supported other reforms. The trade unions themselves did not seem bothered by their own inconsistency and they scored on a number of points<sup>51</sup>.

With the pension reform taking place in the second half of the nineties, Slovenia was also looking forward to acceding to the European Union and looked at the continental European mainstream for inspiration. Phare, a programme sponsored by the European Union did help to review the funded proposals more critically and its impact turned out to be rather significant<sup>52</sup>. Another external actor that wanted to see the pension system reformed was the World Bank. The World Bank advocated for the implementation of a multi-pillar pension system, but its influence was limited to providing support for a variety of different tasks. One of the assets of the World Bank and also the International Monetary Fund was that they also stimulated intellectual debate on the topic of pension reform<sup>53</sup>.

The experts from the Ministry of Labour, Family and Social Affairs, the Institute for Pension and Disability Insurance and the Institute for Macroeconomic Analyses and Development influenced the drafting of the White Paper the most. Other experts only had minor and specific tasks. Once the first draft of the White Paper was completed, the ruling party took the other two parties of the coalition on board. This neutralized their potential role as a veto actor and a proposal actor. As a result the White Paper had the support of the whole government<sup>54</sup>.

In 1998 the negotiating working group (later renamed the coordinating working group) for pension reform was founded. This working group was

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<sup>51</sup> *Ibid.*, 60-62.

<sup>52</sup> K. MULLER, *l.c.*, 301.

<sup>53</sup> T. STANOVNIK, *l.c.*, 62-64.

<sup>54</sup> *Ibid.*, 65.

composed of experts from the Ministry of Labour, Family and Social Affairs, the trade unions and the employers associations. Although the employers associations could veto the proposals or act as a proposal actor, in reality their role was only minor. The associations supported the White Paper and kept supporting the position of the Ministry of Labour, Family and Social Affairs<sup>55</sup>. Most of the issues were dealt with by this group, with the government and the parliament hardly being involved<sup>56</sup>. The Ministry of Finance only popped up during the coalition-building process as a veto and proposal actor. Just before the third and last reading of the proposal the Ministry of Finance asserted its role as veto actor, but in the end it decided not to use its veto power. Because the ruling coalition had a comfortable majority, the other political parties could not prevent the law passing in parliament in 1999<sup>57</sup>.

### **3.6. Spain: Pacto de Toledo<sup>58</sup>**

The Catalan nationalist parliamentary group *Convergència i Unió* (CIU) of the Spanish Parliament proposed in 1994 that the budgetary commission of the parliament would look at the structural problems faced by the Spanish social security and would publish a report on these problems. This report was approved by the parliament on March, 30 1995 and became known as 'Pacto de Toledo'. The Pacto de Toledo contained fifteen recommendations that were meant to reform the social security system to a large extent but would do so gradually. It also included the recommendation that the social security system be reviewed every five years.

This political pact was completed with social agreements, to the extent that the government felt that the social participation through the institutional representatives was vital to the acceptance of the reforms. To that effect the

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<sup>55</sup> *Ibid.*, 65.

<sup>56</sup> *Ibid.*, 67.

<sup>57</sup> *Ibid.*, 66.

<sup>58</sup> This text was mainly developed by Prof.dr.Cristina Sánchez-Rodas Navarro.

government party, the right wing *Partido Popular*, and the trade unions UGT and CCOO (the CCOO would later claim that its contribution was significant and that the Pacto de Toledo implemented a lot of the reforms that they had advocated) signed in October 1996 the agreement called *Acuerdo sobre Consolidación y Racionalización del Sistema de la Seguridad Social* that embraced the recommendations of the Pacto de Toledo. This agreement was to last four years. The agreement was not signed by the employers' associations. Although no reason was put forward for their refusal, it could be interpreted as an act of defiance, as the agreement did not contain their demand for a reduction of social contributions. The government, however, still had a broad political consensus, making it possible to turn the recommendations of the Pacto de Toledo into a legislative text. The agreement with the trade unions thus paved the way for approval of the 24/1997 Act, that introduced several reforms in the field of social security, foreseen by the Pacto de Toledo. This was the first time that a social security reform was based on political and social consensus. Because the Pacto de Toledo was supported widely, the population was aware of these reforms and accepted them as necessary to maintain the system.

However, the social agreement of 1996 was not exhaustive and some recommendations of the Pacto de Toledo were implemented by other agreements and not all of these agreements were signed by the trade unions or the employers' associations.

### **3.7. Greece : the 2001-2002 reform process under the socialist government<sup>59</sup>**

The government of PASOK (the Socialist Party) proclaimed a reform of the social security system focusing mainly on the financial sustainability of the system. The Ministry of Labour and Social Insurance proposed a draft reform plan titled 'The proposed reform of the Greek social insurance system' in April 2001. This proposal *inter alia* introduced a shift towards a three pillar system,

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<sup>59</sup> The text was mainly developed by Mrs. Maria Mousmouti and Mr. Nikolaos Kalatzis.

raised the retirement age and introduced stricter eligibility conditions for benefits as well as a national minimum pension. However, while the government and the trade unions agreed on the fact that change was necessary, they did neither converse on how much time there was still left to turn the tide, nor on the appropriate reform 'remedy'. As soon as the draft reform was made open to consultation, the opposition to the reform was incredibly fierce.

As a reaction to the reform, all trade unions, despite having different backgrounds, worked together in order to organize two general strikes. These strikes made the economy come to a standstill<sup>60</sup> and even the media participated by not broadcasting during those two days.<sup>61</sup> Trade unions were not only disgruntled by the proposed reforms, but also by the fact that they were not involved in the process from the beginning. They were not consulted before the draft reform was put on the table and they could only have a look at the methods and conclusions that were used by the experts and specialists after the reform plan was published. As a counter-action the trade unions assembled their own commission of experts, which published a different reform plan. However, when the government wanted to set up a joint body of experts, the trade unions refused.<sup>62</sup>

In the end, the reform was not accepted, because of the negative response from both the trade unions and the members of the different political parties, also those in power. The protest of the trade unions was quite remarkable, because trade unions are normally dependent on their respective political parties. In this case the trade unions showed a degree of autonomy that they had never shown before (especially the PASOK trade-unionists, who protested against a proposal of their own government).<sup>63</sup>

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<sup>60</sup> X., '24-hour general strike over social security reform', *European Industrial Relations Observatory On-line*, 28 May 2001.

<sup>61</sup> N. PETROPOULOS, *l.c.*.

<sup>62</sup> X., 'Government and unions still at odds over social security system', *European Industrial Relations Observatory On-line*, 28 June 2001.

<sup>63</sup> *Ibid.*.

In 2002, the Socialist Government finally achieved to address main problems of the existing system through the adoption of Law No. 3029/2002. The reform can be assessed as consensual, (approved or at least not opposed by social partners), comparatively balanced (e.g. shifting from previous unilateral concern with financial robustness to the distributional impact and efficiency), but partial (not addressing the mid-to-long term financial and social imbalances). Law 3029 introduced certain principles on the modernization of the domestic social insurance schemes, such as guaranteeing the public and re-distributive role of first pillar schemes; promoting the development of occupational pension funds; strengthening the tripartite funding of first pillar main and supplementary schemes; guaranteeing the adequacy and viability of pensions.

## ***Part 4. The dynamism of social security systems***

### **4.1. Measuring change**

After having examined the way social security realises the idea of democracy in general (typology) and in a number of selected countries, we are now focussing upon the other factor we are interested in this study, the ability of a social security system to adapt to new challenges, its ability to change, its 'dynamism' one could say.

It is however not so easy to measure change in social security in an objective way. Moreover, the question remains open whether the changes which were carried through were indeed the ones the new challenges called for. We realise all this, but we have to accept our limitations. We have therefore opted to restrict our measurement of change to comparing two structured pictures of the social security systems, taken under the authority of the European Commission or the Council of Europe: *MISSOC - Comparative Tables on Social Protection in the 27 Member States of the European Union (situation at 1 July 1996)*, *MISSCEO - Comparative tables of social protection systems in 21 member states of the Council of Europe, Australia, New-Zealand and Canada (situation at 1 July 1996)* and *MISSOC - Comparative Tables on Social Protection in the 27 Member States of the European Union, in the European Economic Area and in Switzerland (situation at 1 January 2007)*.<sup>64</sup>

Doing so, we introduce both an element of objectivity and an element of insecurity in our research. Indeed, if we refer to changes which occurred in these tables, we can refer to the fact that the presentation of facts on which it is based at a certain moment in time has been controlled and approved by the concerned countries, on the one hand, and the concerned European institution on the other. At the same time our research makes itself also

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<sup>64</sup> *MISSOC - Comparative Tables on Social Protection in the 27 Member States of the European Union (situation at 1 July 1996)*, *MISSCEO - Comparative tables of social protection systems in 21 member states of the Council of Europe, Australia, New-Zealand and Canada (situation at 1 July 1996)* and *MISSOC - Comparative Tables on Social Protection in the 27 Member States of the European Union, in the European Economic Area and in Switzerland (situation at 1 January 2007)*.



depending upon the quality of the information provided by the said tables. We believe however that taking the tables as starting point, is the least problematic source of data, as otherwise much may depend upon our personal appreciation. The latter is especially true for establishing the extent to which the systems were changed over the considered decade. We have opted to take as starting point the comparison, and thus the changes in the chapters and sub-chapters of the tables. These are the following chapters and sub-chapters:

- Financing, with the following sub-chapters:
  - \* financing principle
  - \* contributions of insured and employers (rates and ceiling)
  - \* public authorities' participation
  - \* financing systems for long-term benefits
  
- Health care, with the following sub-chapters:
  - \* field of application
  - \* conditions
  - \* organisation
  - \* benefits
  
- Sickness: cash benefits, with the following sub-chapters:
  - \* field of application
  - \* conditions
  - \* waiting period
  - \* benefits
  - \* taxation and social contributions
  
- Maternity / Paternity, with the following sub-chapters:
  - \* field of application
  - \* conditions
  - \* benefits
  - \* taxation and social contributions
  
- Invalidity, with the following sub-chapters:

- \* field of application
- \* risk covered
- \* conditions
- \* benefits
- \* adjustment
- \* accumulation with other social security benefits
- \* return to active life
- \* taxation and social contributions
  
- Old-age, with the following sub-chapters:
  - \* field of application
  - \* conditions
  - \* standard pension
  - \* early pension
  - \* deferred pension
  - \* benefits
  - \* adjustment
  - \* accumulation with earnings from work
  - \* taxation and social contributions
  
- Survivors, with the following sub-chapters:
  - \* field of application
  - \* conditions
  - \* benefits
  - \* taxation and social contributions
  
- Employment injuries and occupational diseases, with the following sub-chapters:
  - \* field of application
  - \* risks covered
  - \* conditions
  - \* benefits
  - \* adjustment
  - \* taxation and social contributions

- Family benefits, with the following sub-chapters:
  - \* child benefit
  - \* other benefit
  - \* taxation and social contributions
  
- Unemployment, with the following sub-chapters:
  - \* field of application
  - \* total unemployment
  - \* partial unemployment
  - \* benefits for older unemployed
  - \* taxation and social contributions
  
- Guarantee of sufficient resources, with the following sub-chapters:
  - \* entitled persons / beneficiaries
  - \* general conditions
  - \* guaranteed minimum
  - \* guaranteed amounts
  - \* recovery
  - \* indexation
  - \* measures stimulating social and professional integration
  - \* associated rights
  - \* other specific non-contributory minima

If we could establish any change in the contents of the table for a country in a chapter or sub-chapter, between the first and the second moment in time considered, we ticked that chapter/sub-chapter as 'changed'. We then compare the total number of established changes and the total number of chapters/sub-chapters and express that relation in a percentage.

We made the exercise for all fifteen countries involved in our earlier *Quo Vadis* research as well as for the countries Greece, Slovenia and the Czech Republic, which were studied in part 3 of present study.

This brings us to the following results:

- Per country we establish an over all percentage of change, as the average of the percentages of change of the various chapters. As a control we calculate per country also an over all percentage of change, as the average of the changed sub-chapters. We used thus two methods, also to avoid that many changes (at the level of the sub-chapters) in one chapter or in very few chapters would give a picture of many changes in the social security system as a whole/

We compare the results obtained by the two methods and take the average.

The details of this exercise can be found in annex 2 (2.1. – 2.18).

- Per chapter in each country we establish an over all percentage of change, as the average of change of the various sub-chapters

- Per chapter we establish an over all percentage of change, as the average of the percentage of changes in the various countries.

This provides us with the following table, showing the over all picture for all countries:

country	Over all % , 1 <sup>st</sup> method	Over all % , 2 <sup>nd</sup> method	Average over all %
<b>Austria</b>	20%	16%	<b>18%</b>
<b>Belgium</b>	23%	21%	<b>22%</b>
<b>Czech Republic</b>	32%	25%	<b>28%</b>
<b>Denmark</b>	23%	26%	<b>25%</b>
<b>Finland</b>	22%	22%	<b>22%</b>
<b>France</b>	30%	26%	<b>28%</b>
<b>Germany</b>	31%	25%	<b>28%</b>
<b>Greece</b>	15%	17%	<b>16%</b>
<b>Ireland</b>	24%	20%	<b>22%</b>
<b>Italy</b>	23%	22%	<b>22%</b>
<b>Luxembourg</b>	16%	13%	<b>15%</b>
<b>the Netherlands</b>	19%	17%	<b>18%</b>
<b>Portugal</b>	30%	31%	<b>31%</b>
<b>Slovenia</b>	24%	23%	<b>23%</b>
<b>Spain</b>	14%	13%	<b>14%</b>
<b>Sweden</b>	21%	16%	<b>18%</b>
<b>United Kingdom</b>	22%	20%	<b>21%</b>
<b>Norway</b>	28%	24%	<b>26%</b>

The overall average change for all the countries is 22,05%.

The figures reflecting per country the changes in the various chapters can be found in annex 3.

This table teaches us already that apparently, i.e. according to our quantitative approach based on the European comparative tables, the countries with 5% above the average, and thus having changed their social security systems most over the concerned period, are: the Czech Republic (28%), France (28%), Germany (28%) and Portugal (31%). The countries with 5% below the average and thus having changed quantitatively less their social security systems are: Greece (16%), Luxembourg (15%) and Spain (14%). The results may surprise the social security expert in various ways. Again, we recall the limitations of our quantitative approach. Nevertheless, one could have expected Spain to show a higher degree of change, just as we would have expected from the Netherlands (18%). Probably the main explanation remains with the fact that some very important reforms, with a considerable political impact, may lead to only punctual adaptations in the comparative tables. We come back to this question, when we compare later the change percentages with the ways the professional nature of the social insurance systems of the countries have undergone changes in between 2007 and 1996.

For understanding the changes, it is also relevant to establish the dynamism within the various chapters, on the basis of the results for all considered countries. This gives us the following result:

	Austria	Belgium	Czech Republic	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Luxembourg	the Netherlands	Portugal	Slovenia	Spain	Sweden	United Kingdom	Norway	total
Financing	7%	24%	31%	0%	24%	34%	17%	3%	69%	24%	17%	21%	10%	7%	21%	38%	0%	0%	<b>19%</b>
Health care	31%	31%	38%	23%	23%	23%	69%	8%	46%	62%	23%	54%	15%	15%	8%	31%	38%	54%	<b>33%</b>
Sickness: cash benefits	18%	9%	18%	27%	27%	9%	45%	0%	18%	9%	9%	18%	9%	9%	9%	27%	27%	36%	<b>18%</b>
Maternity / Paternity	22%	33%	11%	11%	11%	33%	11%	22%	22%	22%	11%	11%	11%	22%	22%	22%	22%	22%	<b>19%</b>
Invalidity	8%	23%	38%	54%	38%	15%	31%	15%	31%	15%	23%	38%	15%	0%	15%	23%	8%	46%	<b>24%</b>
Old age	27%	31%	44%	44%	25%	50%	13%	38%	31%	44%	19%	0%	25%	44%	13%	31%	31%	19%	<b>29%</b>
Survivors	0%	36%	64%	9%	9%	45%	36%	9%	18%	9%	9%	27%	27%	45%	9%	27%	45%	18%	<b>25%</b>
Employment injuries and occupational diseases	21%	29%	14%	21%	7%	14%	29%	14%	7%	29%	29%	0%	36%	7%	21%	0%	14%	36%	<b>18%</b>
Family benefits	30%	10%	40%	0%	0%	30%	10%	10%	0%	20%	10%	0%	50%	20%	20%	0%	20%	20%	<b>16%</b>
Unemployment	62%	8%	38%	38%	54%	62%	62%	46%	8%	15%	8%	23%	38%	62%	15%	23%	15%	54%	<b>35%</b>
Guarantee of sufficient resources	0%	17%	13%	30%	22%	9%	17%	0%	13%	0%	17%	22%	91%	30%	4%	4%	17%	0%	<b>17%</b>

Out of the previous table, we may learn something about the dynamism of the various social security branches. Indeed, three risks emerge to have undergone clearly most changes over the past period: unemployment (35%), health care (33%) and old age (29%). The most stable have shown to be the family benefits (16%), the guarantee of sufficient resources (17%), followed by sickness cash benefits, employment injuries and occupational diseases (both 18%).

Having thus established in a rather detailed way the measure in which the social security systems of the concerned countries have undergone changes, we can take the over-all results of change per country and examine whether the resulting figure seems in one way or another correlated to other features of the concerned social security system, more precisely to the factors:

- the degree of functional centralisation
- the degree of territorial centralisation
- the degree in which a specific social security judicial protection has been created
- the professional (Bismarckian) nature of the social insurance schemes.

We shall look into the detail of each of these in the following chapters.

For more details on the figures presented please consult the annexes.

## **4.2. Relating change to some specific features of the social security systems**

In this chapter, we shall try to establish some relations between the degree of change presented by the various countries and some specific features of social security in these countries. This allows us to present graphics in which the studied countries will be situated using on the vertical axis their percentage of change and on the horizontal axis the quantified expression of the considered feature. We shall provide each of these graphics with a comment.

#### **4.2.1. Degree of functional centralisation**

It is reasonable to believe that there may be a correlation between the degree in which a social security can adapt and the way that social security system is being administered in the broad sense, i.e. not only the actual management of collection of contributions, payment of benefits etc. carried out, but also the way the political decision making structures within government are being organized. Therefore we decided to examine the link between change and the degree of functional centralization of the social security of the countries under examination. To do so we again referred to the data contained in the comparative tables also used for measuring the degree of change. More precisely we counted the number of different competent ministries mentioned in the organizational part of the tables and the number of different social security institutions at a national level mentioned there. This resulted in a figure. The lower this figure, obviously the more functionally centralized that social security system appears to be.

The result of the counting is reflected in the following table for the year 1996:

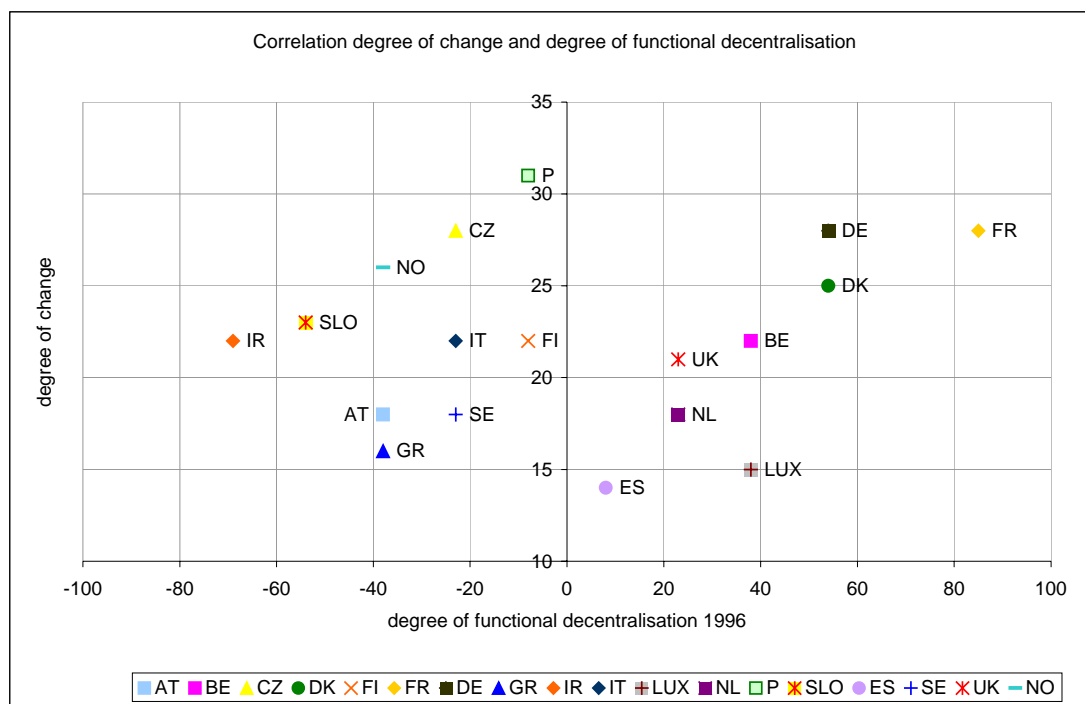
country	# ministries	# social security institutions at national level	TOTAL	% above or below the average Total
<b>Austria</b>	2	2	4	<b>-38%</b>
<b>Belgium</b>	2	7	9	<b>+38%</b>
<b>Czech Republic</b>	2	3	5	<b>-23%</b>
<b>Denmark</b>	4	6	10	<b>+54%</b>
<b>Finland</b>	3	3	6	<b>-8%</b>
<b>France</b>	3	9	12	<b>+85%</b>
<b>Germany</b>	5	5	10	<b>+54%</b>
<b>Greece</b>	1	3	4	<b>-38%</b>
<b>Ireland</b>	2	0	2	<b>-69%</b>
<b>Italy</b>	3	2	5	<b>-23%</b>
<b>Luxembourg</b>	3	6	9	<b>+38%</b>
<b>the Netherlands</b>	2	6	8	<b>+23%</b>
<b>Portugal</b>	3	3	6	<b>-8%</b>
<b>Slovenia</b>	1	2	3	<b>-54%</b>
<b>Spain</b>	2	5	7	<b>+8%</b>
<b>Sweden</b>	2	3	5	<b>-23%</b>
<b>United Kingdom</b>	3	5	8	<b>+23%</b>
<b>Norway</b>	2	2	4	<b>-38%</b>
Average			6	

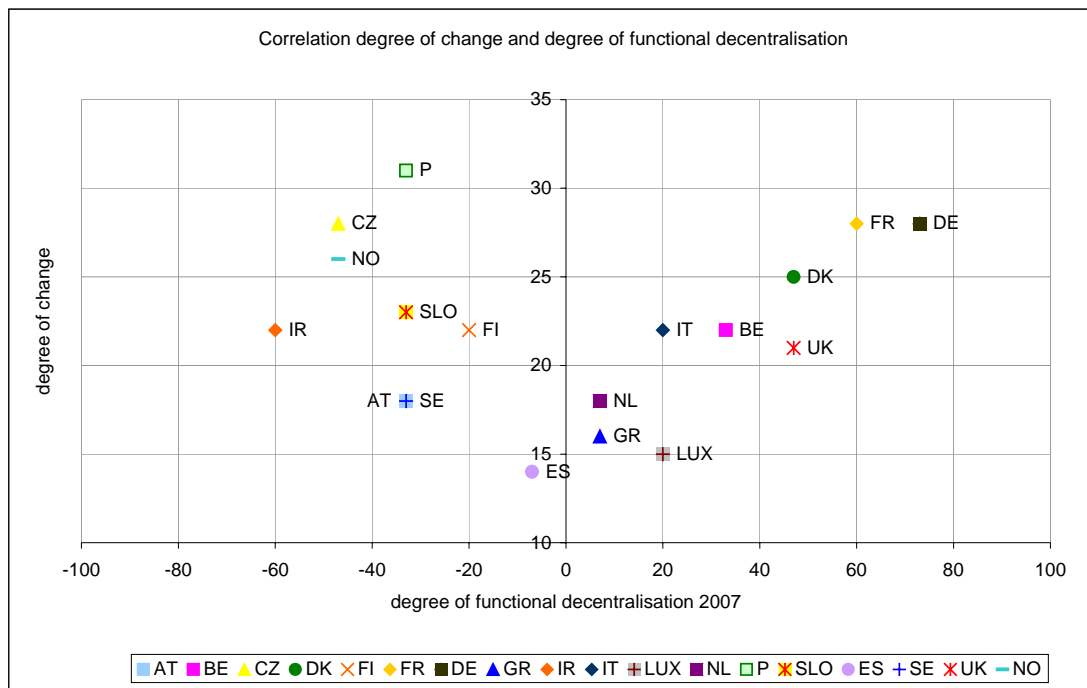


The result of counting is reflected in the following table for the year 2007:

country	# ministries	# social security institutions at national level	TOTAL	% of the average Total
<b>Austria</b>	3	2	5	<b>-33%</b>
<b>Belgium</b>	3	7	10	<b>+33%</b>
<b>Czech Republic</b>	2	2	4	<b>-47%</b>
<b>Denmark</b>	5	6	11	<b>+47%</b>
<b>Finland</b>	3	3	6	<b>-20%</b>
<b>France</b>	3	9	12	<b>+60%</b>
<b>Germany</b>	6	7	13	<b>+73%</b>
<b>Greece</b>	3	5	8	<b>+7%</b>
<b>Ireland</b>	2	1	3	<b>-60%</b>
<b>Italy</b>	4	5	9	<b>+20%</b>
<b>Luxembourg</b>	3	6	9	<b>+20%</b>
<b>the Netherlands</b>	2	6	8	<b>+7%</b>
<b>Portugal</b>	2	3	5	<b>-33%</b>
<b>Slovenia</b>	2	3	5	<b>-33%</b>
<b>Spain</b>	2	5	7	<b>-7%</b>
<b>Sweden</b>	2	3	5	<b>-33%</b>
<b>United Kingdom</b>	4	7	11	<b>+47%</b>
<b>Norway</b>	3	1	4	<b>-47%</b>
Average			8	

If we now put this in relation with the degree of changes, this provides us with the following graphic:





It appears to be difficult to establish general correlations between the degree of change and the degree of functional centralisation/decentralisation. Countries that appear to be rather centralised (showing the minus figures on the horizontal axis) can be found amongst both countries with high and low change figures. It is however striking that all the countries showing a high degree of functional decentralisation such as Germany and France are also countries with a degree of change well above the average. This suggests that a high degree of change does not presuppose functional decentralisation, but that a high degree of decentralisation results in a high degree of change. This might on the one hand surprise as one could expect that when many administrations/ministries are involved in the policy making, the carrying out of change could become more difficult. On the other hand many ministries/administrations dealing with a part of social security, might be more sensitive for the need of change in their area and thus call more often for changes, even if only punctual ones, in their field.

#### **4.2.2.Degree of territorial centralization**

Would there be a correlation between the degree in which certain competences are delegated to territorial subdivisions, such as regions or local authorities, and the dynamism of the concerned social security systems? To measure the degree of territorial centralization or not, is however a matter which might lead to much discussion and controversy. We take therefore again the simple, if not simplistic road of consulting the comparative tables and counting the number of subchapters in these tables in which there is to be found a reference to a diversity within the country, according to a subdivision of it (local authority, regional etc.). This figure is then translated in a percentage of the total number of subchapters in the concerned country.

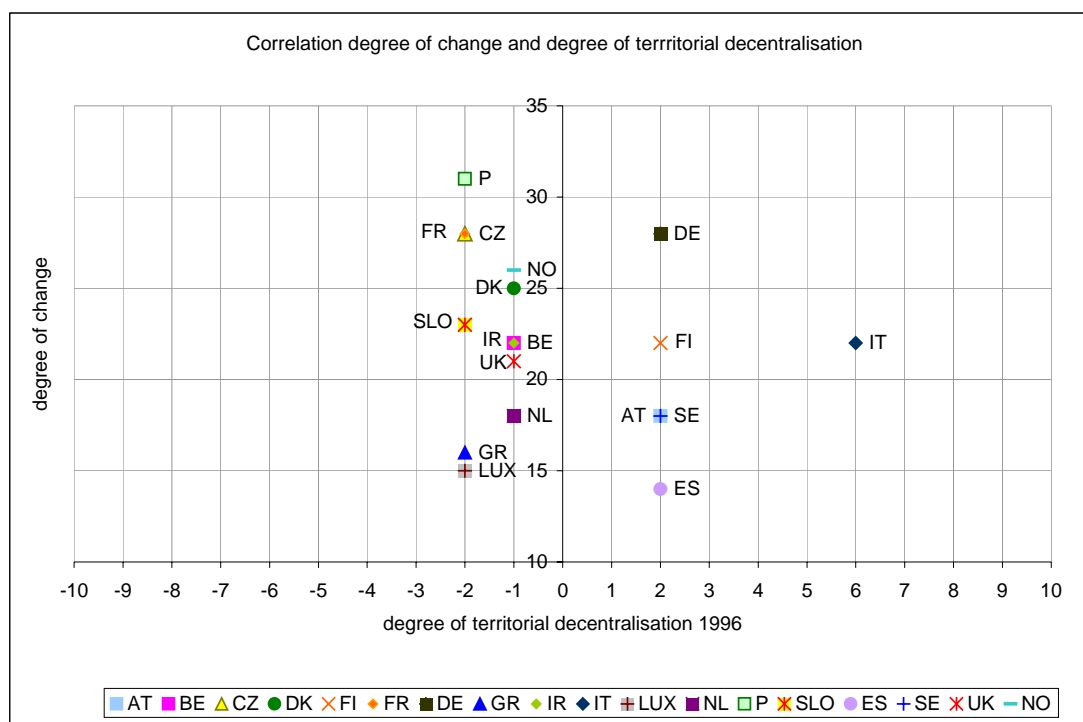
The results of the counting are reflected in the following table for the year 1996:

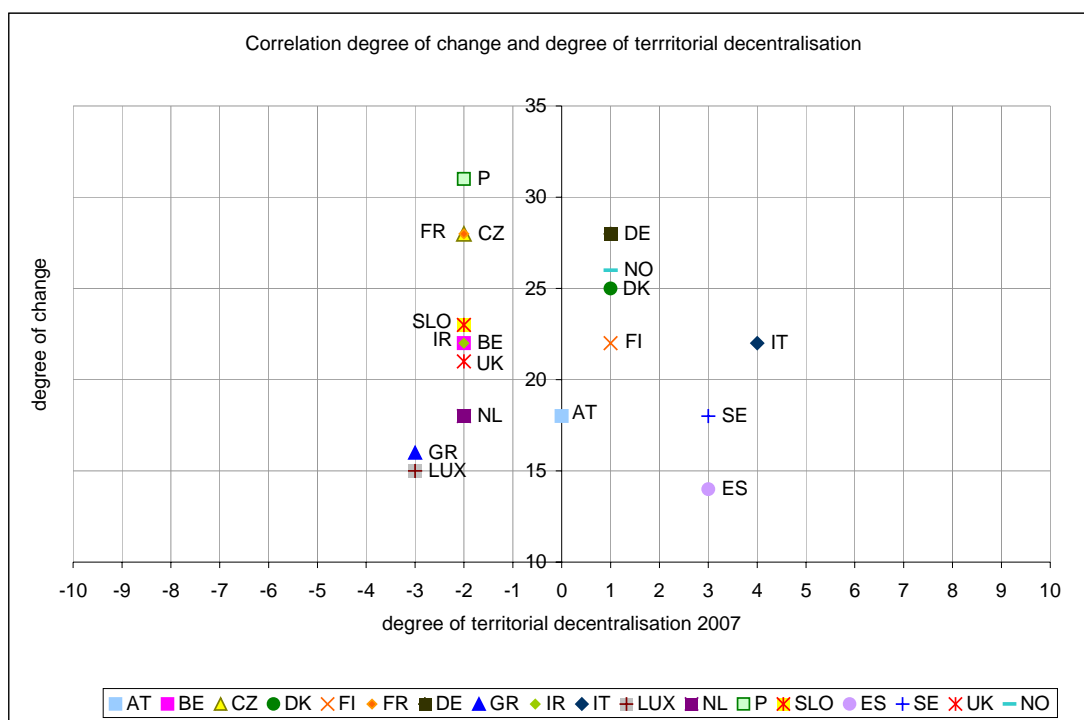
country	# of sub-chapters in which there is a reference to territorial subdivisions	% of the total number of sub-chapters	Difference between the % of the total number and the average for all countries
<b>Austria</b>	6	4%	2%
<b>Belgium</b>	1	1%	- 1%
<b>Czech Republic</b>	0	0%	- 2%
<b>Denmark</b>	2	1%	- 1%
<b>Finland</b>	6	4%	2%
<b>France</b>	0	0%	- 2%
<b>Germany</b>	6	4%	2%
<b>Greece</b>	0	0%	- 2%
<b>Ireland</b>	1	1%	- 1%
<b>Italy</b>	13	8%	6%
<b>Luxembourg</b>	0	0%	- 2%
<b>the Netherlands</b>	1	1%	- 1%
<b>Portugal</b>	0	0%	- 2%
<b>Slovenia</b>	0	0%	- 2%
<b>Spain</b>	7	4%	2%
<b>Sweden</b>	7	4%	2%
<b>United Kingdom</b>	1	1%	- 1%
<b>Norway</b>	2	1%	- 1%
<b>Average</b>		2%	

The results of the counting are reflected in the following table for the year 2007:

country	# of sub-chapters in which there is a reference to territorial subdivisions	% of the total number of sub-chapters	Difference between the % of the total number and the average for all countries
<b>Austria</b>	5	3%	0%
<b>Belgium</b>	2	1%	- 2%
<b>Czech Republic</b>	2	1%	- 2%
<b>Denmark</b>	6	4%	1%
<b>Finland</b>	7	4%	1%
<b>France</b>	1	1%	- 2%
<b>Germany</b>	6	4%	1%
<b>Greece</b>	0	0%	- 3%
<b>Ireland</b>	2	1%	- 2%
<b>Italy</b>	11	7%	4%
<b>Luxembourg</b>	0	0%	- 3%
<b>the Netherlands</b>	2	1%	- 2%
<b>Portugal</b>	1	1%	- 2%
<b>Slovenia</b>	1	1%	- 2%
<b>Spain</b>	9	6%	3%
<b>Sweden</b>	10	6%	3%
<b>United Kingdom</b>	2	1%	- 2%
<b>Norway</b>	7	4%	1%
Average		3%	

If we now put this in relation with the degree of changes, this provides us with the following graphic:





The above figures and graphs seem only to allow for a negative conclusion: the degree of change and the degree of territorial decentralisation do not show any positive or negative correlation. We could thus conclude that decentralisation does not stimulate, nor that it hinders change. We should however bear in mind that in general the comparative tables only provide us with information on (the changes in) the central social security systems, leaving us with no information on the (changes in) contents of the decentralised arrangements.

### **4.2.3. Judicial Protection**

It is widely recognized that next to the formal social policy deciders also the social judiciary may play an important role in the evolution of a social security system. One may presume that the degree of this impact of the judiciary upon the dynamics of social security will also relate to the feature to what extent specialized courts or tribunals have been created to deal with social security issues. It is now this relation between judicial protection and the changes in

social security systems; we want to go into here. The comparative tables do not provide us with information in this relation; so we had to create our own quantitative evaluation. In order to do so, we based ourselves on our earlier publications: D. PIETERS, *The Social Security Systems of the Member States of the European Union*, Antwerpen – Oxford - New York, Intersentia, 2002, 329 p. and D. PIETERS, *The Social Security Systems of the States Applying for Membership of the European Union*, Antwerpen – Oxford - New York, Intersentia, 2003, 230 p. For Norway information was gathered on various Norwegian web-sites.

In many countries the judicial protection is different when dealing with social insurances and social assistance benefits. We have focused here on the social insurances, and more specifically these applicable to wage earners.

On the basis of this information we assigned values between 1 and 5 to all the studied countries, according to the following standard:

- value 1: there is no judiciary protection provided or only the very general judiciary protection
- value 3: there has been created a special judiciary protection for social insurance litigation, but the tribunal or court is not exclusively dealing with social security issues. It deals e.g. also with labour law litigations
- value 5: there are specialised social security courts or tribunals

Intermediate values 2 and 4 are used in case of major differences between the judicial protection provided in relation with the distinct social insurance schemes; Value 2 is also used for judicial protection by undifferentiated administrative courts. Exceptionally we also used 2,5 and 4,5 when doing such was considered most appropriate to fine tune the rating, e.g. because the minor exceptions to the competence of a specialized social security judiciary (= 4,5).

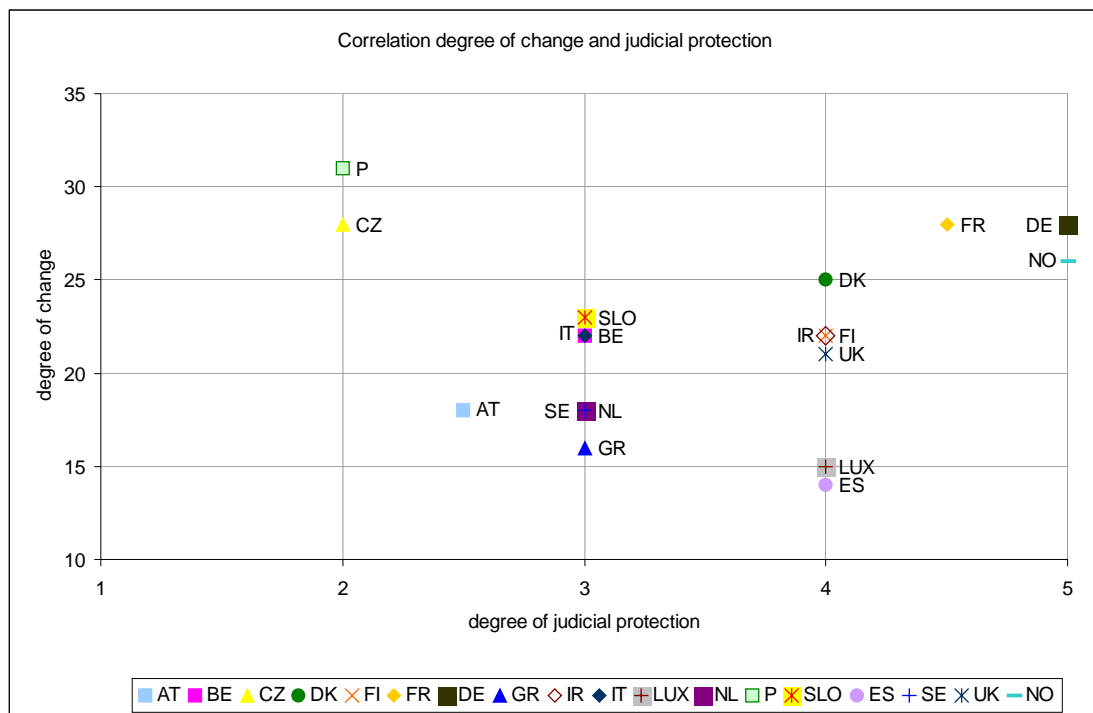
We came to the following results on the basis of our information (anno 2002/2003, except for Norway anno 2007):

country	Rating 1-5
Austria	2,5
Belgium	3
Czech Republic	2
Denmark	4*
Finland	4
France	4,5
Germany	5
Greece	3
Ireland	4*
Italy	3
Luxembourg	4
The Netherlands	3
Portugal	2
Slovenia	3
Spain	4
Sweden	3
United Kingdom	4*
Norway	5**

\*) Strictly speaking there are no social courts as part of the judiciary, but an equivalent function is performed by several specialized appeals institutions functioning outside the judiciary.

\*\*) *Trygderetten* is a specialized tribunal dealing with social security disputes.

If we now put this in relation with the degree of changes, this provides us with the following graphic:



Whereas most countries get a judicial protection value of 3 and 4, the remarkable result we get from the above is that both the countries showing low judicial protection figures (2), Portugal and the Czech Republic and the countries with high judicial protection figures (4,5 or 5), France, Germany and Norway all belong to the group of countries with the highest degree of change!

The correlation between the low judicial protection figures and the high change degree might be explained by a more political approach of problems met by the citizens. When people are dissatisfied with the social security system in their particular case they may turn to political bodies for redress, which can then lead to punctual adaptations of the legislation. It is however far from certain that this explanation would stand further research.

The fact that countries with the higher degree of judicial protection also show high change degrees, might be explained that as a consequence of judicial decision the legislators are forced in these countries to adapt and thus to introduce changes. There might be found evidence in the three countries for such statement. We should however be cautious, also in other countries judicial decisions have forced changes upon the social security legislator, so it is hard to make a direct link between the fact that the judiciary forces social security law alterations and the degree of change in the social security systems.

#### **4.2.4. Professional (Bismarckian) nature of social insurance schemes**

One of the *summae divisionis* between the social security, or rather the social insurance systems is without any doubt the distinction between 'Bismarckian' and 'Beveridgean' social insurance systems. In the 'Bismarck' (or continental) approach, social insurances are meant to cover (certain categories of) the working population - and notably the employees. The latter enjoy benefits of which the amount and sometimes also the duration are related both to the period during which they have worked and contributed as well as to the income or contributions preceding the occurrence of the social risk. The social insurance scheme is financed by means of contributions on the professional



income by the employees as well as their employers. The administration of the scheme is entrusted with the groups that are directly concerned, the trade unions of workers and employers. The 'Beveridge' (or Atlantic) social insurance scheme aims at covering the entire population. The benefits are fixed at a flat rate while financing takes place via the budget (taxes). Government is mainly in charge of the administration.

However important the distinction may be, there is a wide consensus at present that both types of social insurance do not occur in their 'pure' form anywhere and that one can hardly depart from the view that all national social security systems can be interpreted as being the outright successors of either Bismarck's or Beveridge's conceptions of social security. Most countries' social insurance systems present features of both views. Traditionally Bismarckian social security systems will e.g. often have a universal coverage of health care and the costs related to having children. On the other hand, Beveridgean social insurances have often been supplemented by statutory income related social insurance schemes in e.g. the area of old age pensions. Moreover, one should mention that a Beveridge-like approach developed independently in the Nordic countries, where one will readily speak of the 'Nordic' or 'Scandinavian' approach to social security.

Can there be established any link between the degree of rather Bismarckian social insurance and a positive or negative disposition to change? Is change easier in a Bismarckian than in a Beveridgean social security system? Or is it more difficult? These questions will retain our attention here. In order to operationalise the question we need to quantify the degree of Bismarckian, or if one prefers, professional character of the social insurance systems of the concerned countries, as none of them is purely Bismarckian or its opposite. We therefore decided to rate the national social insurance systems, as reflected in the comparative tables, according to three parameters:

- are the social insurances organized on the basis of professional activity (versus universal)?
- are the social insurance benefits related to the previous income (versus the same for all)?

- are the social insurance schemes financed on the basis of contributions on the income out of work (versus budget financed)?

For each of these 3 features, a rating was made according to whether the proposition was fully agreed with (4), largely (3), partially (2), largely not (1) or not at all (0). This rating was for the whole social insurance system of each of the studied countries, as well as per chapter relating to the various risks in the comparative tables. The exercise was done on the basis of the tables in July 1996 and the table in January 2007. For the data on each country, please consult the annex 4.

Some general observations have to be added though:

- 1) the way a social insurance is being administered is also characteristic of its Bismarckian or rather Beveridgean character. We decided however to disregard this feature, as it is already addressed in the questions on functional and territorial decentralization. Moreover, it is not easy to establish the real character of the administrative structures rather reflecting the concepts of Bismarck or not, as often the formal structures will not correspond to the real decision making structures. A similar remark can probably be made in relation with the formal position of the social partners in the administration of the social security systems. The trade unions and employers' organizations may man the boards of social security institutions, but in reality have very little policy competence; similarly the boards of social security institutions may not include any social partners, the latter however being real powers within the state to duly reckon with.
- 2) Finally we decided to disregard in the final assessment of the rather professional (Bismarckian) character of a social insurance system, some elements of the information provided by the comparative tables. This was the case for: i) the income related character of health care, which obviously would make no sense; ii) the whole chapter of the comparative tables dealing with maternity and paternity, as a too wide variety of benefits are mentioned there, also with little comparative consistency; iii) the first two features, -based on professional activity

and income related benefits-, for the chapters employment injuries and occupational diseases as well as family benefits, as these features appear to have very little discriminatory relevance for these chapters.

- 3) We made the ratings in two points in time. It will be interesting to examine if the differences in result match with the results we have established for change!

As an over-all result of the rating for the year 1996 we come to the following table:

country	Health Care	Sickness: cash benefits	Invalidity	Old age	Survivors	Employment injuries and occupational diseases	Family benefits	Unemployment	total (1)	% (2)
<i>Maximum that can be obtained</i>	8	12	12	12	12	4	4	12	76	100
<b>Austria</b>	5	10	3	9	9	3	1	8	54	71%
<b>Belgium</b>	4	11	9	9	9	4	4	9	59	78%
<b>Czech Republic</b>	3	9	9	9	9	3	3	5	50	66%
<b>Denmark</b>	0	9	1	3	10	4	0	9	36	47%
<b>Finland</b>	0	8	7	7	6	4	0	6	38	50%
<b>France</b>	6	10	12	9	10	4	2	8	61	80%
<b>Germany</b>	6	10	11	11	11	4	0	10	63	83%
<b>Greece</b>	5	9	10	10	10	3	3	8	58	76%
<b>Ireland</b>	1	5	5	5	5	4	0	4	29	38%
<b>Italy</b>	1	9	10	10	10	4	3	11	58	76%
<b>Luxembourg</b>	4	10	9	9	9	3	2	6	52	68%
<b>the Netherlands</b>	4	11	7	4	4		0	11	41	54%
<b>Portugal</b>	0	11	11	11	11	4	4	10	62	82%
<b>Slovenia</b>	4	10	9	9	9	3	0	8	52	68%
<b>Spain</b>	5	11	11	9	12	4	2	7	61	80%
<b>Sweden</b>	0	11	4	5	4	4	0	6	34	45%
<b>United Kingdom</b>	1	7	6	5	5	0	0	6	30	39%
<b>Norway</b>	3	10	4	4	3	3	0	7	34	45%

As an over-all result of the rating for the year 2007 we come to the following table:

country	Health care	Sickness: cash benefits	Invalidity	Old age	Survivors	Employment injuries and occupational diseases	Family benefits	unemployment	total (1)	% (2)
<i>Maximum that can be obtained</i>	8	12	12	12	12	4	4	12	76	100
<b>Austria</b>	6	9	9	9	9	4	3	9	58	76%
<b>Belgium</b>	6	10	10	10	10	3	3	8	60	76%
<b>Czech Republic</b>	3	11	10	10	10	4	0	7	55	72%
<b>Denmark</b>	0	10	2	4	7	4	0	9	36	47%
<b>Finland</b>	2	7	6	6	8	4	0	6	39	51%
<b>France</b>	6	10	9	9	9	4	3	8	58	76%
<b>Germany</b>	6	10	9	9	9	4	0	7	54	71%
<b>Greece</b>	6	9	10	9	9		3	3	56	74%
<b>Ireland</b>	1	7	6	7	7	3	0	3	36	47%
<b>Italy</b>	4	11	10	9	10	4	3	10	61	80%
<b>Luxembourg</b>	6	11	9	9	9	3	1	6	54	71%
<b>the Netherlands</b>	4	11	10	4	4		0	10	43	57%
<b>Portugal</b>	0	11	9	9	9	4	3	11	56	74%
<b>Slovenia</b>	5	10	9	9	9		0	1	49	64%
<b>Spain</b>	0	11	9	9	8	4	0	8	49	64%
<b>Sweden</b>	0	11	7	6	6	4	0	6	40	53%
<b>United Kingdom</b>	1	9	6	8	7	0	0	6	37	49%
<b>Norway</b>	1	12	6	7	7	4	0	10	47	62%

(1) The total is the over all result of the country.

(2) The total sub 1 is divided by the maximum amount that could have been obtained and then expressed in a %. We prefer to work with this figure as it gives a better vision on relevant information, some aspects not being relevant as explained above sub 2).

country	change %	Difference between results as to the professional character in 1996 and 2007
Austria	<b>18%</b>	+5
Belgium	<b>22%</b>	-2
Czech Republic	<b>28%</b>	+6
Denmark	<b>25%</b>	0
Finland	<b>22%</b>	+1
France	<b>28%</b>	-4
Germany	<b>28%</b>	-12
Greece	<b>16%</b>	-2
Ireland	<b>22%</b>	+9
Italy	<b>22%</b>	+4
Luxembourg	<b>15%</b>	+3
the Netherlands	<b>18%</b>	+3
Portugal	<b>31%</b>	-8
Slovenia	<b>23%</b>	-4
Spain	<b>14%</b>	-16
Sweden	<b>18%</b>	+8
United Kingdom	<b>21%</b>	+10
Norway	<b>26%</b>	+17

Let us immediately comment upon these figures. Earlier we tried to establish to what extent social security systems had shown a readiness for change. We did so on the basis of comparing the comparative tables of 1996 and 2007 and establishing the number of chapters and subchapters changed for each country. This leads to the percentages in the first column above. We have now also examined the Bismarckian, or rather professional nature of the social insurance systems of the countries and did so in two points in time, 1996 and 2007. The differences as to the professional nature of the systems of each country between the two points in time are expressed in the second column. It gives us an indication as to the nature of the change percentages: do they rather reflect punctual changes or are they the product of the presence (or absence) of fundamental reforms.

When we take first the countries with a change percentage 5% above the average, and thus having changed their social security systems most over the concerned period, the Czech Republic (28%), France (28%), Germany (28%) and Portugal (31%) we can establish that these changes are also related to a substantial change in the nature of the social insurances in Germany (-12)

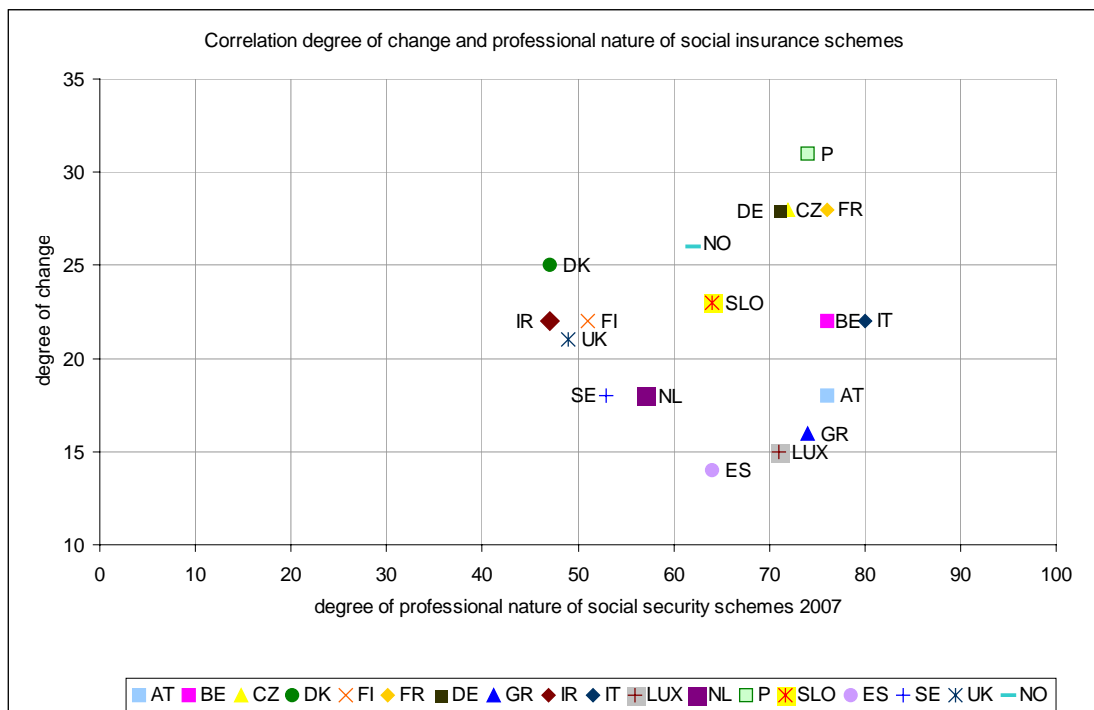
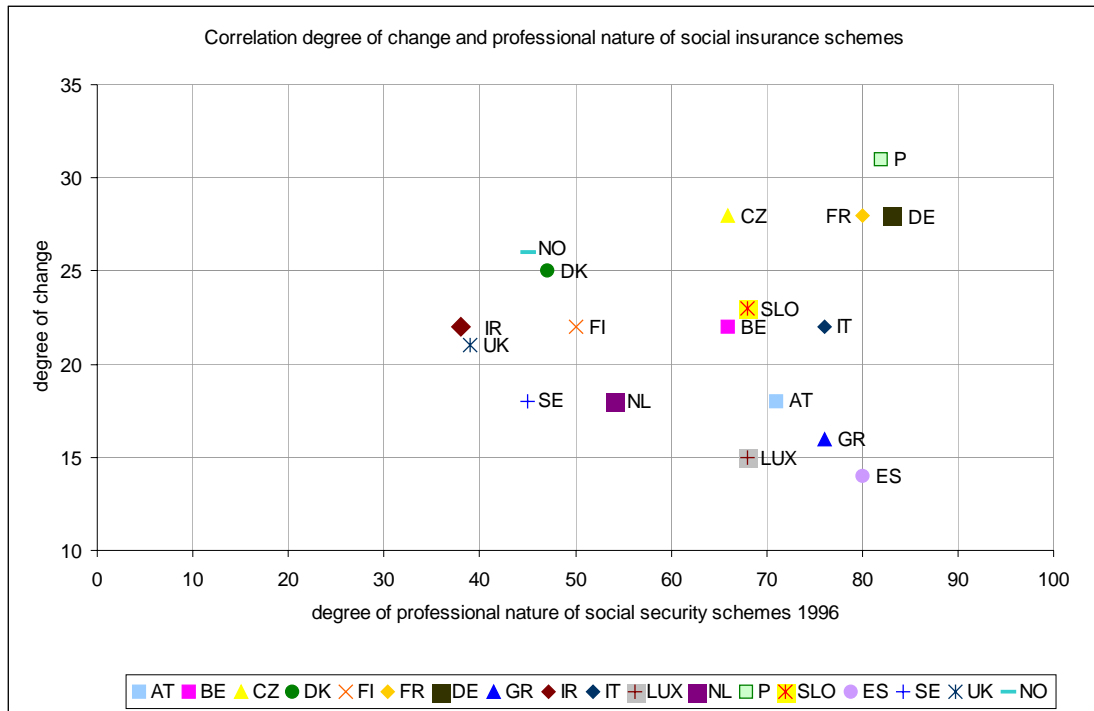
and to a certain extent also in Portugal (-8) and in the Czech Republic (+6). For France the high percentage in change seems rather related to other features than the nature of the social insurance system (only a change of -4) and thus probably more to punctual changes and changes in the social assistance sphere.

Sweden, Ireland, the United Kingdom and Norway all four show important changes in the professional nature degree of their systems, respectively +8, +9, +10 and even +17. All these countries have indeed moved away from low professional nature figures to more average ones. A closer look into the figures learns us that this is mainly due to changes in the coverage of the risks old age, invalidity and sometimes also survivorship (-in other words in reforms of the pensions system-) and occasionally also to changes in the unemployment schemes.

Spain, having a low percentage in degree of change (14%), shows here a high figure as to the change in the professional nature of the system (-16), which is more in line with our expectations.

The two other countries with 5% below the average and thus having changed quantitatively less their social security systems, Greece (16%) and Luxembourg (15%) also show small changes in the professional nature of their social insurance system (respectively -2 and +3)

If we now put the figures concerning the professional character of the scheme in relation with the degree of changes, this provides us with the following graphic:



If we look at the above graphics, we can establish that the countries with the highest and those with the lowest degree of change, respectively on the one hand Portugal, the Czech Republic, France and Germany and on the other hand, Spain, Luxembourg and Greece are all belonging to the group of countries which show an above average professional nature of their social insurances. The countries characterised by a low degree of professional nature of their social insurance systems, Ireland, United Kingdom, Denmark, Sweden, Finland and the Netherlands all show percentages of change degree around the average, notwithstanding that the whole group seems to have moved in the direction of becoming more Bismarckian.



## ***Part. 5 Some ways to strengthen democracy, the social security systems and their dynamism***

In this part we shall try to come up with some suggestions, all aiming at strengthening both the democratic contents of the social security decision making and the ability of social security to swiftly react upon new challenges. In other words we present a variety of partly combinable, partly alternate suggestions to make democracy and social security stronger and fit for the present challenges. All these suggestions proceed either from the best practices met in the countries under examination in part 3 or from the conclusions we can draw from the findings of part 4 of present research. As such they can also be seen as conclusions by the authors relating to the question which laid at the basis of this research: how to find new channels of democratic decision making adapted to the needs of a dynamic social security? How to reach an optimal interplay between social security, democracy and the need for change.

The suggestions or conclusions are seven in number:

- 1) establishing broad national consensus on reform
- 2) promote transparency and participation in the way reforms are being developed, implemented and evaluated;
- 3) promote ownership of social security reform initiatives;
- 4) make the policy makers, deciders and the entire population see the broader picture;
- 5) strengthen the role of trade unions and other representative organisations of the beneficiaries and the financiers of the social security schemes
- 6) the restricted importance of functional and territorial decentralisation
- 7) the idea to explore: functional federalism.

We shall now develop each of these conclusions.

## 5.1 Establishing broad national consensus on reform

It is obvious that in order to have substantive social security reform packages accepted and then carried out, it is often determining to be able to build on a broad consensus with the main features of the reform. Ideally this could mean that the government, the majority and minority political parties, the trade unions and the employers' organizations as well as other groups of social security beneficiaries all agree in a broad national consensus on reform. Yet we can see that some actors are more determining to reach a broad support, than others. One could basically distinguish two forms of partial consensus, able to make things move forward and co-involve also other stakeholders.

The first form of partial consensus is the one gained between the various main political parties of majority and opposition. It is obvious that it is hard for the other social forces to oppose reforms which have found a cross bench support in Parliament. In order to achieve such a cross-bench support the initiative and/or the leadership of smaller political formations (other than the main majority and the main opposition parties) may prove to be crucial. In this respect we could refer here to the role played by the smaller *Convergencia i Unió* in launching the process that would lead to the Toledo Pact in Spain.

The second form of partial consensus is based on the agreement between Government and the (main) trade unions. When the Government and the (main) trade unions reach agreement on reforming social security, -especially when this means the restriction of the rights of the socially insured and/or the workers-, it is hard for opposition parties (especially of the center and the left) to oppose the agreed reforms. We could see that an agreement of this kind could make reforms pass e.g. the Finish Parliament. Where Government and trade unions fight over a social security reform, it will become much more difficult if not impossible to rally the support of the Parliamentary opposition to the plans of Government, as illustrates e.g. some Greek experience.

We have been mentioning above the trade unions of workers, and not so much the employers organizations. Of course the latter may play an important role in the social dialogue, but their influence in the construction of a broad

consensus on the reform of social security seems less important, as might be learned from the experiences in Slovenia and Spain mentioned above.

Let us finally mention that the establishment of a broad consensus on social security reform may not so much be the product of a one-off initiative, but may be the predominant cultural factor, as was the case in the Netherlands when experiencing the so called 'polder' model.

## **5.2 Transparency and participation in the way reforms are being developed, implemented and evaluated**

In our earlier research, we could find that nearly all interviewed CEOs expressed in one way or another their concerns about the fact that social security schemes were seen in isolation from each other and from other social policy tools. Similarly, they complained that social policy makers were taking a similar narrow view and that the social security administrations hardly knew what was going on in other areas of social security and social protection.

Therefore, some CEOs advocated a holistic view on social protection, regretting that today far too often policy makers and social security administrators work in a fragmented way, neglecting to take into account what is going on in the adjacent fields of social protection.

The drawbacks of such a lack of communication, co-ordination and thus also of a lack of transparency, are especially salient when we deal with major reforms. Often it starts already with one minister hardly informing any of his/her colleagues about his/her reform intentions, until the moment that a completely developed proposal is being proposed to the colleagues in the Council of Ministers, including those of adjacent areas of competence. In some countries the competent minister is even not informed about intended reforms developed by the cabinet of the prime minister or the presidency!

Moreover, plans are often not even developed in transparency within the own administration. It is not exceptional indeed that it is only a narrow circle of personal staff members of the minister, who develops the plans, leaving the

own administration completely in the dark about the intention of 'their' minister. It goes without saying that this is not a good start for reform initiatives which will need to be followed up by experts and administrators long after the person of the minister will have changed.

It seems imperative for a substantial social security reform initiative to be developed in full transparency, allowing in this way objections to reform to be aired and thus answered by the policy makers. Setting up a perfect reform plan, but neglecting those who will have to implement it to give their suggestions and reporting about the difficulties met, equally jeopardizes the possibility of the reform to be successfully and completely implemented.

Transparency also implies the readiness to openly evaluate the various stages of the reform, to listen to the results of such an evaluation and the readiness to take the appropriate measures to maintain the basics of the reform, but re-modelling it according to the needs emerging from the evaluation.

Transparency in the three stages, development, implementation and evaluation, is also crucial to maintain public and political support for the reform. In case of lack of transparency, many will feel that things are being hidden for them, resulting in distrust in if not right-out sabotage of the reform.

### **5.3 Ownership of social security reform initiatives**

Although seemingly contradicting the previous point, it appears important for reform plans to succeed, to have prominent 'owners' or 'political brokers' of the social security reform. If one wants to establish some broad support for a reform, it appears crucial that the concerned minister, it may be the minister of social affairs, another cabinet member or even the prime minister or president to explicitly back up the reform, if not to link his/her name to the reform. It is important that someone shows ownership, to get the necessary support; or to put it more negatively, to make that someone accepts to draw the political

consequences of getting a reform passed. If democracy and social security reform are to go hand in hand, it is important that democratically legitimized leader take their responsibilities, as showed the Slovenian example. To the contrary a too cautious political leadership or a too frequent change of the minister, supposed to lead the reform, may act counter-productive, both for the needed reforms and democracy. In the case of the Czech social security reform the succession in the position of the competent minister of a series of person in a limited time frame, did not help the reform process e.g.

In the same line of thought it may show to be efficient to leave the conception and further development of a social security reform to a group of semi-independent experts. Their conclusions can then be taken over by the socio-political level. It seems important that the group of experts who are asked to come up with ideas, do show some vision, and thus are not too much connected to the existing system; academics can prove to be very useful in this context. But it is important that the experts within such groups do not discuss in the air, i.e. only following their ideas without too much caring for the socio-political feasibility of the ideas. In that sense it can be commendable to have the socio-political actors nominate 'their' experts and academics, in a way that afterwards these respective experts and academics can play an important role in persuading their own socio-political backings.

If the experts group has to show enough ties with the political life and social partners, they should nevertheless be able to think and make proposals without having to refer always to the ones who appointed them: they should be independent enough to discuss, and in a sense 'negotiate' comprehensive reforms.

Both the German and Slovenian experiences seem to illustrate the importance of such semi-independent expert groups, whereas some confirmation of what was stated above, be it in the negative, can be found in Greece.

#### **5.4 Making the policy makers, deciders and the entire the population see the broader picture**

First of all it appears to be important that the 'owners' of social security reforms keep the broader picture and also stick to the main lines of the reforms they want to be accepted; in a next stage when these main lines and the program of the implementation of the reform are agreed upon, one can start working out the details and the real implementation calendar. The successful Toledo Pact reforms illustrate the usefulness of this way of proceeding.

In our earlier *Quo Vadis* study we wrote: "If people understand better what social security is really about, their expectations towards the contents of the schemes could become more realistic as well. When a person can perceive him/herself as a part taker, a participant in the social protection arrangement, he or she will better understand that one has to pay a fair, be it not minimal contribution and/or that one is entitled to a fair, be it not maximal benefit. Of course, citizens will continue to insist upon value for money. But when one understands social security, this 'value for money' has to be evaluated at a collective level, not on an individual basis."

The information of and the comprehension by the population of the social security systems and the challenges it faces, are crucial factors in the feasibility to strengthen social security and democracy. As we insisted upon already earlier, it is therefore crucial to make that the population has a basic understanding of the comprehensive social security system. This will also allow the population to take a broader view than the one of 'what do I get today and what do I pay for it?' When people, or the opinion leaders in the population, including the press, get some broader picture of social security, if they can get a long term vision, obviously, the public debate on substantial reforms will improve considerably: reasonable reforms to be carried out will than also get better chances.

## **5.5 Strengthening the role of trade unions and other representative organizations of the beneficiaries and financiers of the social security schemes**

In our *Quo Vadis* report we already mentioned that many CEOs reported that the role of the social partners - employers' organizations and trade unions - in the operation of the social security system is increasingly being questioned. Indeed we can see in some of the countries that the trade unions e.g. lost their representatives in the Boards of major social security institutions, as was the case in the Italian INPS. But even when this was not the case and if formally the role of trade unions and employers organisations has remained the same, we can sometimes see that de facto their voice is always less taken into account when the decisions that matter are being taken. This is especially noticeable when the legal structures give the social partners some self-government in the social security institutions, but where the effect of government and parliament intervention has nearly completely eroded this self-government.

Much can be said about the reasons for this loss of impact of the trade unions, employers' organisations or other representative organisations. For instance the representativity of the trade unions and employers' organisation is questioned at the moment that the social insurance is not anymore restricted to wage earners and extended to other professionals, including to the whole population. Also the fact that various organisations compete for representing their group, may weaken their representativity as a whole. Another fact certainly is that the focal attention of the trade union will go to the actual work force, their wages and other working conditions. It is not self-evident for a trade union that needs members now, to promote social security reforms which are difficult to explain to these (actual or potential) members, the very necessary they may be. Also the technical competence of representatives of trade unions, employer organisations and other organisations may not always be up to the standards adapted to the complexity of social security issues. Other arguments for questioning the role to be assigned to the trade unions and employer organisations could be added. Whatever the truth in all these arguments may be, from a viewpoint of democratic participation, remains that

the co-involving of trade unions, employer organisations and other client organisations is valuable as such; if these organisations lose this involvement, obviously the social security will be less democratic. If the relevant competences are transferred to political authorities, who are themselves democratically legitimated, this loss of democratic participation may be compensated. If however this is not the case and private institutions take over, then there might emerge a substantial loss of democratic quality. This is indeed an aspect of privatisation which is often forgotten; as long as tasks are carried out by public or semi-public institutions, democratic participation will in one way or another be guaranteed; from the moment that private actors are in charge, the democratic element will most of times have to be looked for elsewhere, e.g. in the supervising authority. In many countries however these supervising authorities concentrate on technical matters, e.g. if the funds are invested in the right way. This is certainly a matter calling for attention.

Although national requirements may differ considerably, the legitimacy of the intervention in social security policy of all kinds of organisations, trade unions, employer organisations etc. depends to a large extent from the internal democracy of these non-state-actors. Are their leaders elected by the members in fair and free, competitive elections; are the major policy directions discussed and decided upon by the membership etc. The internal democratic structures certainly call for constant attention; over time, the organisation may indeed lose this attention and end up getting alienated from their constituency. Then of course it is easy for the political level to restrict the impact of these organisations upon social security policy.

## **5.6. Importance of functional and territorial decentralisation**

Sometimes it is being said that the more ministers, institutions etc. are involved in social security administration, the more difficult it will be to develop a policy and thus to carry out comprehensive social security reforms. Our



research does not seem to confirm this danger linked to decentralization, be it functional or territorial decentralization.

A remarkable finding of present research is that the more Bismarckian organised social security systems in which thus social partners get more often a formal role apparently can be more flexible than the more state organized social security systems. They can also be the least changing. Out of our analysis we recall that the countries with the highest and those with the lowest degree of change, respectively on the one hand Portugal, the Czech Republic, France and Germany and on the other hand, Spain, Luxembourg and Greece are all belonging to the group of countries which show an above average professional nature of their social insurance and thus where social partners in one or other way are co-involved in the management of the schemes. The countries characterised by a low degree of professional nature of their social insurance systems, Ireland, United Kingdom, Denmark, Sweden, Finland and the Netherlands all show percentages of change degree around the average. The low degree of professional nature and thus the restricted formal role assigned to the social partners, seems to stand for a more steady evolution, without peaks in one or other direction. All this in a way learns us that it would be wrong to believe that assigning a role to the social partners *per se* hinders change; but also that it might indeed do so.

In parallel with what is just said, we concluded already in relation with the importance of functional decentralization that a high degree of change does not presuppose functional decentralisation, but that a high degree of decentralisation results in a high degree of change. Many ministries/administrations dealing with a part of social security, might be more sensitive for the need of change in their area and thus call more often for changes, even if only punctual ones, in their field.

As to devolving social security powers to the regional or local authorities, territorial decentralization thus or even (territorial) federalism, we could only find that there was no correlation to be found between territorial decentralization (and federalism) on the one hand, and social security reform on the other.

The conclusion that can be drawn seems therefore to be that over all decentralization does not hinder social security systems to adapt to new needs and challenges.

## **5.7. Functional federalism**

Already in our quote in part 1 of our previous publication *Quo Vadis Social Security?*, we could read: “since many countries already know forms of territorial federalism, why not explore functional federalism, whereby social security issues would be dealt with by separately elected assemblies, with a greater stability than the general political structures.”

We should develop here some more this idea of functional federalism and explore the advantages and disadvantages it presents. First however it is important to notice the novelty of the concept and thus also to ask ourselves whether the notion as such can be valid. Indeed literature on federalism seems usually to start from the idea that federalism is territorial or is not. The theories of ‘personal federalism’ which seem to contradict this, do at a second sight rather confirm this than contradict it, which leaves us with our question: can federalism be anything else than territorial?

Traditionally a federal state is defined as a state where the sovereignty is divided between two distinct levels of power: the federation and a number of member states which are independent legal persons, with their own legal systems, institutions, competencies and means. As we know, in order to be a state, be it a federal or a federated one, one needs a territory, a permanent population and a government which has the most complete international legal personality in international law. Implicitly, but clearly, this approach implies that a federal state can only exist when the distinct territories have been granted a certain form of autonomy within a compound state. As such, it is closely related to the most traditional definitions of federalism (e.g. by Jellinek and Laband) which define a federal state as a ‘state of states’, in which non-sovereign states collaborate within the framework of a sovereign federation.

Similarly, in his book *Comparing federal systems in the nineties*<sup>65</sup>, Ronald Watts talks about a form of “*shared rule for some purposes*” combined with “regional self-rule for others within a single political system so that neither is subordinate to the other” (my underlining). An almost identical definition can be found in Preston King’s *Federalism and Federation*<sup>66</sup>, which describes a federal state as a sovereign state, in which the involvement of the ‘regional’ components in the central decision making process is guaranteed by the Constitution. Less univocal is the – nonetheless influential – Forum of Federations in its *Handbook of Federal Countries*<sup>67</sup>, which refers to Elazar<sup>68</sup> in its definition of federalism as “a system of voluntary self-rule and shared rule” and “a process of governance that establishes unity on the basis of consent while preserving diversity by constitutionally uniting separate *political communities* into a limited, but encompassing, polity” (own italics). In this definition, the concept of federalism has a broader sense, focusing more on communities than territories as the basis of the federal construction.

At first sight, this approach seems to be in keeping with the ‘personal federalism’, traditionally attributed to the Austromarxist school of Otto Bauer and Karl Renner. They did not want to take territories as a basis for the federal system, but connections of persons.

However, when looking more closely, we have to adjust this principal starting point of personal federalism. First, this model has largely remained a theoretical construction. The *Handbook of Federal Countries*<sup>69</sup> only mentions countries that have constructed their federal structures on the basis of territorial grounds.

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<sup>65</sup> R. WATTS, *Comparing federal systems in the nineties*, Kingston, Queen’s University, 1996, 126 p.

<sup>66</sup> P. KING, *Federalism and Federations*, Baltimore, Johns Hopkins University Press, 1982, 159 p.

<sup>67</sup> A. GRIFFITHS (ed.), *Handbook of Federal Countries*, Montréal and Kingston, McGill - Queen’s University Press, 2005, 488 p.

<sup>68</sup> D. ELAZAR, *Exploring Federalism*, Tuscaloosa, University of Alabama Press, 1987, 335 p.

<sup>69</sup> A. GRIFFITHS (ed.), *o.c.*.

The historical examples of personal federalism that are often quoted leave some possibilities of interpretation as well. One has e.g. to conclude that the guarantees for minorities secured in the Lebanese constitutional system (since the *Taëf* Agreement of 1989) do not lead to certain forms of autonomy for each of the groups involved; they only guarantee that these groups have a representation in the political organs that is determined beforehand. As such, they are an elaborate form of minority protection on a non-territorial basis, but do not induce any kind of autonomy for the groups involved. Hence, the Lebanese constitutional system cannot be considered as a type of federalism, and certainly not as a kind of personal federalism.

Other plans to introduce a form of personal federalism, whether they have been realized partially or not at all, did not completely abandon territorial criteria either (such as the bi-national solutions for Cyprus and Israel/Palestine). Often, these solutions boiled down to a territorial division (e.g. Northern Cyprus for the Turkish population, Southern Cyprus for the Greek one), offering to persons of the other population the possibility to participate in the political and social life of 'their' state, e.g. by means of extraterritorial rights to vote.

In other words, the traditional duality between personal and territorial federalism seems hardly relevant indeed in practice; it is even tempting to consider personal federalism as a variant of territorial federalism.

In this way, we have returned to the hypothesis – explicit or not – at the basis of the definitions mentioned earlier, viz. that federalism is essentially based on equal, autonomous and participative collaboration of regionally differentiated entities, in accordance with the so-called 'laws of federalism'.

In that respect it is questionable whether a concept like 'functional federalism' can be maintained or whether one should not consider it more as a – be it very far reaching – form of functional decentralization<sup>70</sup>. Indeed,

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<sup>70</sup> For the definitions of the terms used, see the still relevant: A. ALEN, *Poging tot een juridische begripsomschrijving van unitarisme, centralisatie, deconcentratie, decentralisatie, regionalisme, federalisme en confederatie*, Heule, U.G.A., 1975, 110 p.

decentralization is characterized by the fact that the decentralized institution does not only possess a separate legal personality and separate competencies, but also a certain level of autonomy, implying that decisions of the decentralized entity can only be submitted to a negative supervision by the higher level of power, which cannot go so far as to replace the decisions of the decentralized organ by its own decisions (as opposed to the hierarchical relations existing in forms of de-concentration).

Functional decentralisation is a well-known phenomenon in social security. However, can we cross the border that separates decentralization and federalism and conclude to a functional federalism? In order to do so, we do not have to prove that such a functional federalism already exists in social security or in any other domain, but to analyse whether it can exist. In my opinion, few principal objections can impede the recognition of the notion of functional federalism. It is indeed an unfamiliar concept for experts in federalism, but one can nevertheless discover some onsets.

A first onset, not an example, can be seen when a state or a number of states transfer some of their sovereign powers to supranational institutions. In such case, there is no real juxtaposition of powers (and hence no real federalism), but nevertheless one could see e.g. the exclusive power of the European Union to legislate in order to meet certain common objectives of the Union in certain political areas, as a functional division of powers. Functional federalism is approaching even more in the way the competencies of the European Central Bank are independent from the powers of the (usual) EU legislators. We agree that this system cannot be called a fully fledged functional federalism, but at the same time we see the possibility that the constitution grants powers not only according to the different territorial entities, but also on the basis of what should be done, i.e. on a functional basis.

Another indication of a functional federalism can be seen in the distribution of the legislative powers between the regions and communities in Belgium. Belgium is a federation of regions and communities. As such, that is not exceptional, except for the fact that the territories for which the three

communities can legislate and the territories of the regions largely coincide. Indeed, the legislation of the Flemish community equally applies to the Flemish region and the institutions of the Flemish community in the Brussels region. The legislation of the French community also applies to the Walloon region (but not eastern Belgium) and the institutions of the French community in Brussels. Only the area of application of the German-speaking community does not correspond to a region, viz. eastern Belgium. In practice, this means that to more than three quarters of the territory, not only the Belgian federal legislation applies, but also the legislations of a community and a region, which are competent for the same territory but whose competencies have been delimited functionally.

Maybe we have dwelled too long on the possibility of functional federalism; still we were obliged to do so if we want to introduce such a new approach in the theories on federalism. Eventually, what are the consequences in practice for our social security?

Let us first try to get an idea how functional federalism could be made operational in the area of social security. If the idea is to overcome the problems related to the competence in social security matters of the various governments and parliamentary majorities of the day, then obviously, one will have to constitutionally define that social security will not come under the legislative and executive powers of the usual legislators and administrator, but under a specially to be created social security lawmaker and possibly also a specialized executive. This is a possible constitutional exercise, but also a complex one. Many questions are to be dealt with.

First of all one will have to define what competence is to be given to such a specialized constitutional institutions. Probably it is to be preferred to limit the transferal of competence to the basic principles of social security, a bit similar to the distinction made by the French Constitution to delimit the competence of the National Assembly (parliament) and the government. Of course there may always be difficulties to delimit what is a principle or not, but the delimitation appears to be feasible. As to what is to be considered or not

social security, it is up to the drafter of the constitution to give a definition. We can refer here to what we wrote in part 1.

If functional federalism is to deliver better results than the present social security policy making, then we have to make sure that the decisions of the specialised constitutional institution establishing the rules governing (the principles of) social security, are not showing the same flaws as the ones we are combating: lack of courage to take the necessary long term decisions, to narrow basis for supporting the taken decision, too high degree of versatility of the policies decided etc. The composition of the specialized institution as well as its way of operating will have to reflect these concerns. The institution will in any case also have to be a democratic institution, reflecting the sovereignty of the people. As to the latter concept 'people' this may be slightly different from the one usually understood. As social security itself should protect not only the nationals, but all those for which a state has responsibility on its territory, it seems rather obvious to include all (legal) residents in the democratic process and not only the nationals.

Should the specialized institution be composed of elected representatives? We tend rather to answer this question positively. First of all corporatist 'democracy' has in the past century shown to end up in more corporatism and less democracy, and appears as less desirable. This being said one could consider to reserve a non blocking minority of seats to the most important democratic actors, such as the trade unions, employers organizations, organizations of the handicapped etc., as far as the structures of these organizations show to be internally democratic and as far as their representativity can be asserted on objective bases. So in our vision of functional federalism for social security the members of the specialized constitutional institution should be elected. In order however to make this specialized assembly really specialized and not a toy in the hands of the day to day political forces, we are inclined to propose regular but partial elections with long term mandates. One could e.g. imagine elections every four years to renew one third of the members, making the duration of the mandates of twelve years each. If this is accompanied by strict prohibitions on other

political mandates and by a good remuneration, it could result in a qualitative and stable assembly, able to work out long term policies. This is what we want, but we do also want that the social policy makers would react promptly to new challenges. How to combine both? We believe that the distinction made between the principles, which by essence are to be defined in a long term perspective, and other measures could help overcome this problem.

Another challenge will of course be to keep the population interested in social security issues and as a consequence interested in the debate in and the elections for the specialized constitutional assembly. Experiences with social security elections – be it for the boards of some social security institutions and not for a constitutional specialized assembly- which we know from countries like France or Luxembourg do not incite us to much optimism in this respect. On the other hand it needs to be stressed that the day to day politicians will stress their inability to take decisions of principle in social security, once these decisions are being taken by the specialized assembly; in other words the day to day politicians will probably draw the attention to that ‘other parliament’ in a way that the population will realize its importance.

By on the one hand assigning a specific social security competence to the specialized constitutional institution and by on the other hand making the broad public directly responsible for the long term social security policy, one may hope that the members of specialized assembly will take difficult decisions that the normal political decision makers are not able to do, due to the direct ‘political cost’ or due to action of all possible kind of pressure groups and administrations.

Of course the whole idea of functional federalism is new; its application on the area of (the principles of) social security never tried, so much of the proof of the pudding, will be in the eating.





## **ANNEXES**

### 1. Questionnaire and general country descriptions on the realization of democratic participation

- a. Finland
- b. The Netherlands
- c. Germany
- d. Czech Republic
- e. Slovenia
- f. Spain
- g. Greece

### 2. Degree of 'change'

- 2.1. Austria
- 2.2. Belgium
- 2.3. Czech Republic
- 2.4. Denmark
- 2.5. Finland
- 2.6. France
- 2.7. Germany
- 2.8. Greece
- 2.9. Ireland
- 2.10. Italy
- 2.11. Luxembourg
- 2.12. The Netherlands
- 2.13. Portugal
- 2.14. Slovenia
- 2.15. Spain
- 2.16. Sweden
- 2.17. United Kingdom
- 2.18. Norway

### 3. Changes per country on the basis of the sub-chapters

### 4. Professional nature of social insurance schemes

- 4.1. Austria
- 4.2. Belgium
- 4.3. Czech Republic
- 4.4. Denmark
- 4.5. Finland
- 4.6. France
- 4.7. Germany
- 4.8. Greece
- 4.9. Ireland
- 4.10. Italy
- 4.11. Luxembourg
- 4.12. The Netherlands
- 4.13. Portugal
- 4.14. Slovenia
- 4.15. Spain
- 4.16. Sweden
- 4.17. United Kingdom
- 4.18. Norway

## **Annex 1: Questionnaire and general description on the realization of the democratic participation**

In this first annex a general description is given of the way democratic participation is being realized in Finland, the Netherlands, Germany, Czech Republic, Slovenia, Spain and Greece and this more specifically when:

- developing the social security policy to be pursued (who is involved apart from government and how);
- establishing the law (norms) governing social security (in general; the principles; and the actual norms and application rules);
- taking the administrative decisions related to social security ( in general and in individual cases); and settling disputes (in administrative or judicial way)..

These descriptions were drawn up with the help of social security experts from the concerned countries and this on the basis of a uniform questionnaire, which can be found below. The general descriptions of the different countries follow.

**Questionnaire for national fact finding concerning the interrelation between democracy and social security**

Country concerned: .....

The questions to be tackled can be divided in 2 parts; a first part in which we try to describe the actual situation, a second, dynamic part where we investigate how the various stakeholders have been connected to major reform projects.

*The texts in italic simply illustrate (in a non exhaustive way thus) the questions which may be addressed under that item.*

## PART 1

In this part a number of issues are addressed asking for the actual situation (2007). Questions 1 and 2 are interconnected, so you best read both together.

### 1.1. Description of the actors involved in:

- 1.1.1. developing the social security policy to be pursued (who is involved apart from government and how?)

*Who are the main actors in developing ideas and points of view with regard to current and future social security in the country? What are the real actors in social policy? Is it a hot issue with (all/some) political parties? Is Government taking the lead or rather the trade unions, or other groups (see 1.2). What is the interest show by/ the impact of the media?*

- 1.1.2. establishing the law (norms) governing social security
  - o in general
  - o the principles
  - o the actual norms and application rules

*Normally social security legislation (at least the main parts of it) is decided in parliament by the majority, on proposal of government. Here it is interesting to mention all kinds of exceptions to this general situation. E.g. is the competence of Parliament perhaps limited to the general principles or is Government excluded from interference. Are special majorities or special previous advices by e.g. social partners required? Are there some areas which are not of the competence of the formal legislator, but the autonomy of the social partners?*

*For the application rules, very often there will be (a delegation of) powers to the president/king, ministers, etc. Here again it is interesting whether other actors are actively involved in making the application rules. Do the social security institutions e.g. have some regulatory powers? What is the impact of the social partners etc.*

- 1.1.3. taking the administrative decisions related to social security
  - o in general
  - o in individual cases

*The taking of decisions on the administrative level, both in general (e.g. concerning way to handle cases) as in individual cases lies generally with the administrations of social security. To what extent are other actors involved: do trade unions have an impact (e.g. when considering individual benefit claims); is there a control by the political level on the administrations? Are some actors bound to be asked for advice, before taking a decision on the administrative level?*

- 1.1.4. settling disputes
  - o in administrative way
  - o in judicial way

*The normal way of settling disputes is that the litigious decision is reconsidered at the administrative level; after that an appeal to the judiciary being possible. We are here interested to all kinds of interventions by other actors than the administration (in the administrative appeal phase) or the normal judiciary (in the judiciary appeal phase), which create some element of participation. Do the trade unions have a say in the procedure; how are social security judges appointed in a different way than other judges (e.g. are there lay judges and who appoints them)?*

Also always assess the importance of the input of the specific actor (important, marginal etc. / perhaps more in some areas than in other?) You can of course also refer to descriptions under 1.2.

1.2. Description per actor of their involvement + factual information about who they are, their importance, etc.

Should be included:

- the political parties of the majority
- the political parties of the opposition
- the trade union(s)
- the organization(s) of the self-employed or certain groups of these
- the employer's organization(s)
- the organization(s) of recipients of (certain) social security benefits
- the churches and ideological associations
- the professional organizations of people providing social and health services
- the professional organizations of people working for social security (except health care and other social services)
- patients groups
- other groups of civil society and human rights groups

*Part of the information required here, is simply a presentation of the main stakeholders in your country (what political parties? What unions? What civil society groups? + an assessment of their relative importance: e.g. when three trade unions are active what is their approx. percentage of all unionized and what is the percentage of unionized on the total work force. Please give names of organizations also in original language.*

*A second part of the information under this heading consists of an evaluation of their impact upon social security as such in the country. Here cross references to the information under 1.1. is possible.*

1.3. Internal democratic structure of actors.

*Under this heading we ask brief information concerning the way the various actors enumerated under 1.2. are themselves internally democratically structured. Who elects the boards? To whom is the leadership accountable?*

1.4. Time perspective of actors: what is their stability in time and what is the stability of their leaders? (e.g. how to assess the 'life time' of political leaders?; trade union leaders etc.)

*This question simply wants to assess how long the leadership of the various actors enumerated under 1.2 is in place. After how long does one have 'a change of the guard'? The question requires both a formal (what does the law/by-laws say?) and a factual answer: how long do the same persons in average man the various functions? Of course here a rough estimation may be given.*

1.5. How is the representation organized in case of plurality within one actor?

*E.g. if more than one organization of handicapped people is present, how to choose with whom to deal / how to compose the delegation of the handicapped?*

In giving the information it may show practical to answer the questions under 1.3, 1.4. and 1.5 per actor enumerated in 1.2

## PART 2

2. The interaction between social security and democracy can be approached both in a static and a dynamic way: In static way, the democratic decision making structures as presented in Part I; in Part 2 however we shall take dynamic approach, examining major reform initiatives in the country from the angle of the democratic quality of the reform process, including the following aspects:

- the support for the reform plans;
- the actual core reform decisions;
- the implementation of the reform
- the fate of the reform under changed political circumstances
- the over-all continuity of policy (or jumpy reforms?)
- the awareness of the population and their adaptation (or not) to the new situation.

Here we expect stories on how major reform plans were being developed and possibly carried out. Both successful and failed plans are interesting. Of course we are mainly interested in the democratic quality of the reform efforts. As a result we should be able to later select cases as illustrations of 'good practice' or 'bad practice'.

It is suggested to examine 2 to 4 cases of reforms for your country, paying special attention to the issue of the involvement of the various actors enumerated in 1.2 and addressing the issues mentioned above under this point 2.

Make a division in 2 per case (2.1, 2.2 etc.)

*Under reform efforts we may understand e.g. the development of a new old age pension scheme; the introduction of new conditions to qualify for unemployment benefit; a reform in the health care insurance etc.*

*Should at least be included in the description:*

- *what actor(s) developed the reform plan?*
- *What actors supported it (and how?) and what actors opposed it (and how?)*
- *Was the plan accepted or not by the relevant decision makers?*
- *Was the plan, if accepted, carried out as originally conceived of? What actors played a major role in this?*
- *Was there much information in the various stages of the reform enterprise about the reform (and by whom?)*
- *Did changed political circumstances impact upon the reform (project or implementation)?*
- *How to evaluate with some distance in time the success or not of the reform (intention)?*

*What the contents of the reforms were need not to be described in detail, as it is the degree of democratic participation we are interested in, not this or that concrete reform.*



## Country description: Finland<sup>71</sup>

### Developing social security policy

In Finland there is a so-called tripartite structure in which the most important actors in the field of social security are the government, the unions and the employers' organizations.

The Ministry of Social Affairs and Health defines the social security policy and prepares the national plans for the provision of social welfare and health. Social policy reforms are mainly pushed by the political parties and especially by those in power. Strangely enough, the agrarian party (nowadays named the Center Party, *Keskustapuolue*), still is a major influence, despite the fact that Finland does not have more agrarians than any of the other countries in Western-Europe. The party has had, with some minor exceptions, always a central position in the government. The Center Party also controls the most important social security administrator in Finland, the Social Insurance Institution (*Kansaneläkelaitos – Kela*), and has traditionally a great influence in most of the municipalities, which also administer part of social security and social services. The Center Party does not only represent the agrarians, but also those living in the countryside, favouring basic and flat-rate benefits.

The second biggest party, after the Center Party, is the party of the Conservatives (*Kokoomuspuolue*). The Conservatives regained some of the importance that they lost after the war and in the late eighties. They advocate private insurance and would rather see earnings-related benefits than basic ones. Another party is the Social Democratic Party (*Sosiaalidemokraattinen puolue*). Although this party has been rather influential after the war, it is under pressure nowadays from both parties from the left (the socialist and the communist parties) as the Center Party from the right. The Social Democratic Party does, however, work closely together with the unions and it represents the interests of the working population. The Social Democratic Party is in favour of earnings-related benefits and stresses the importance of work. The

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<sup>71</sup> Text mainly developed by Mr. Matti Kari.

Greens, who would like to see a citizen's wage, a benefit that is given to all people in the country, are at the moment also in the government. The influence of the communists and the socialists has significantly diminished in the last years.

In December 2006 a Committee that was to work on the reform of the basic social security was established. The Committee is chaired by the retired Secretary-General of the Ministry of Social Affairs and Health (of the Center Party) and its members represent the parties that form the government: the Center Party, the Conservatives, the Greens and the Swedish Peoples Party. But the Committee does not seem to change the dynamics, as it is still the Center Party that takes the initiative and the political differences between the different parties still make it hard to compromise. Some of the experts on the committee are representatives of the social partners and they are supposed to guard the earnings-related benefits, even though this issue should not be part of the reform. Experts from the Social Insurance Institution work for this Committee at a practical level.

The employees' and employers' organizations (the Central Organization of Finnish Trade Unions, SAK and STK) also put their stamp on social security and can do so because they are well organized. About three quarter of the workforce is a member of one of the trade unions. Quite characteristic for the SAK and STK was that they developed a so-called 'war brotherhood', having a common enemy during the war. The SAK and STK conclude collective agreements with the government. The trade unions will also try to guard the linkage between the basic and earnings-related unemployment benefits. At the moment the earnings-related benefits are increased accordingly with the increase of the basic benefits, but this link is likely to be lost in the near future, in the aforementioned Committee set up in 2006. The SAK and STK also govern the employment pension scheme and will need to defend it in the same committee, because even though it is not the competence of the Committee, some influential members still want to discuss the employment pension scheme.

Besides the government and the social partners, the non-governmental organizations (NGOs) need to be taken into account. The NGOs, playing many different roles in Finland regarding social security, have a very active office that represents them both in Finland and in the EU. Their influence does, however, depend on the political situation and the willingness to listen to them. One of their members is on the Committee founded in 2006, but the NGOs are not likely to steer the direction of the reforms.

The municipalities are represented by the Central Alliance (lead by the Center Party) and they are usually rather powerful (especially in combination with the Central Alliance and the Center Party). However, at the moment the municipalities are struggling internally with their organization, making them incapable of reforming public health, something that is normally within their realm of possibilities.

No official body represents the employment pension scheme at moments when changes are made to the pension legislation. The employment pension scheme is, however, represented unofficially, since the beginning of the nineties, in a working group, in which the CEOs of the biggest pension companies and the social partners are seated. While preparing new legislation, experts from the employment pension companies, the social partners and the central institutions are consulted. The Ministry of Social Affairs and Health could still amend the text, as well as the parliament, but they never use this possibility.

#### *Translating social security into law*

After the constitutional revision of 1995 the Constitutional Act of Finland clearly foresees that the public authorities shall provide social security rights and provisions for those in need and they will do so on the basis of acts of parliament. However, a closer look shows us that the power lies somewhere else.

The employment pension scheme is part of statutory social security and parliament adopts legislation based on the proposals of the government.

Officially the legislation is prepared by the Ministry of Social Affairs and Health, but the reforms are in reality prepared by the scheme itself (together with the social partners) and are sent to the Ministry of Social Affairs and Health, and then via the government to the parliament. The Ministry of Social Affairs and Health never feels inclined to make any changes, and neither does parliament. This process has often been criticized for its lack of democracy and transparency, but that has not resulted in a change of practice.

All other social security areas, besides the employment accidents and occupational diseases scheme and the earnings-related part of the unemployment benefits, fall under the competence of the Social Insurance Institution or the municipalities. Most of these benefits are statutory and the legislative process does not deviate from the one that is normally followed.

The workers' and employers' organizations (SAK and STK) also play a significant role in this regard. Since the seventies, these organizations have drafted, together with the government, some collective agreements. And besides that, they also govern, as has been mentioned before, the most important part of social security, the employment pension scheme.

#### *Taking administrative decisions relating to social security*

According to the law, the public administration, the state or the municipalities administer public social security. There are, however, a few notable exceptions; the employment accidents and occupational diseases scheme and the employment pension scheme are administered by private insurance companies. The EU non-life directives forced Finland to open the former scheme up to EU wide competition. The employment pension scheme also falls under the requirements of the life insurance directive, but the Finnish Treaty of Accession and the directive provide an exception for the employment pension scheme. Earnings-related unemployment benefits are administered by unemployment funds, of which membership is voluntary.

There are also various employment pension companies and institutions that distribute the pensions. The governing bodies of the companies contain the

social partners and representatives of the biggest companies. Employers and self-employed people are free to choose a company to insure their workers or themselves. And despite the fact that the companies compete against each other, their cooperation is also tight. The social partners are also represented in the Centre for Finnish Pensions and the Finnish Pension Alliance TELA. The organization of the entrepreneurs (*Suomen Yrittäjät*) is not represented in these organizations, but it would like to be.

#### Settling of social security disputes

If an individual is not satisfied with a decision taken by a social security authority, this authority should first be given the chance to reconsider its decision. If the institution does not see any reason to change its mind and confirms the earlier decision, an appeal before the independent appeal boards created within the Ministry of Social Affairs and Health is possible. There are various appeal boards; the Social Insurance Board, the Inspection Board, the Pension Board, the Unemployment Board and the Accident Insurance Board. An appeal against decisions of the Social Insurance Board should be lodged with the Inspection Board, while higher appeal against the decisions of the other boards is the competence of the Insurance Court. The Supreme Court is the court of last instance for decisions of the Insurance Court<sup>72</sup>.

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<sup>72</sup> D. PIETERS, *The Social Security Systems of the Member States of the European Union*, Antwerpen, Intersentia, 2002, 92 p.

## Country description: the Netherlands<sup>73</sup>

### Developing social security policy

The path to the development of social security is paved with various actors who will have their voices heard, the most important ones being the government and the social partners.

Social security is an important issue for the political parties and most parties have a distinctive view on it. Especially when the economy was down (in the eighties) social security was a hot topic and it was used to decrease the expenditures in social security. The left-wing parties, however, were concerned about this development.

All political parties have their own think tank. The fact that these think tanks are subsidized by the government and affiliated with a political party is a unique feature in Europe. These think tanks create new ideas, analyze current problems or propose reforms. They conduct their own research, but may also use research done by academia.

Another way for the parliamentarians to get an idea of the public's view is to have the Chamber Commissions organize public hearings. Interest groups and individuals can make their opinion known during these public hearings. Reports are made of these hearings, allowing some of these views to get more publicity.

Besides the government, the social partners mainly define social policy. The social partners consist of the representatives of the employers and the representatives of the employees. The social partners are represented in a number of organizations, the most important one being the Social and Economic Council (*Sociaal Economische Raad*) (SER).

The SER, founded in 1950, gives advice regarding social security policy, either upon request or at its own initiative. Characteristic for the SER is its so-called tripartite composition, reflecting the social and economic relations in the

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<sup>73</sup> Text mainly developed by Prof. Gijsbert Vonk.

Netherlands, with members representing the employers (there are seven seats for the Confederation of Netherlands Industry and Employers, three seats are reserved for the Association of Small and Medium-sized Enterprises and one seat for the Dutch Organisation for Agriculture and Horticulture, members representing the unions (eight seats are reserved for the Federation of Netherlands Trade Unions, the biggest labour union, representing more than a million people, the National Federation of Christian Trade Unions in the Netherlands, with about 340.000 members, has 2 seats and lastly there is one seat for the Federation of Managerial and Professional Staff Unions, representing 160.000 members) and 'crown members'. This third group exists of eleven independent members, 'crown members'. They are appointed by the Crown, but are not accountable to the government. While appointing the crown members, an effort is made to maintain a fair balance between the different fields of interest and political views in the Netherlands.

Until 1995 the government was under an obligation to ask the SER for advice, but even though this obligation no longer exists, the government still requests about the same amount of advice. If the SER is not asked for advice, it will still give an advice on its own accord, if it thinks the subject merits an advice and the advice is expected to be unanimous. About 17% of the advice is written at the SER's own initiative. The government is not obliged to follow the advice of the SER, but if the advice is not being followed, the government needs to motivate why not.

The SER also facilitates discussions between the employers, unions and 'crown' members as well as the possibility of the different actors to come to an agreement. The SER makes it possible to create a platform for the decisions that are taken.

The Labour Foundation (*Stichting van de Arbeid*) (STAR) is not a tripartite, but a bipartite organization; it is composed of the same three employers' organizations and unions that have a seat in the SER, but there are no independent members. The STAR is recognized by the government as an official advisor on socio-economic topics. Its advisory functions were mainly taken over by the SER, but the STAR still remains a forum for discussions

between its members. Some of these discussions might result in memorandums, statements or other documents, sometimes recommending the course for collective bargaining for the employers and the trade unions.

The Council for Work and Income (*Raad voor Werk en Inkomen*) (RWI) is the youngest organization, being founded in 2002, and is seen as the organization that was to make up for the fact that the influence of the employers and employees was reduced. The RWI is composed of members representing the employers, the employees and the municipalities (the latter do not have a seat in the SER or the STAR). It is a forum in which they can discuss problems on the labour market and the reintegration market. The RWI advises the Minister of Social Affairs and Employment and sometimes the parliament or other ministries. Most of its advices consists of short term policies and can be implemented almost immediately. The RWI also periodically consults with the National Client Committee (*Landelijke Clientenraad*).

The organizations that are given the task to administer the social security also have some influence on the development of social security. The National Institute for Social Insurance (*Uitvoeringsinstituut Werknemersverzekeringen*) (UWV) and the Social Insurance Bank (*Sociale Verzekeringsbank*) (SVB) are the most influential administrative organizations. They help shaping the social security policy by publishing reports, based on their expertise, for the Ministry of Social Affairs and Employment. Their main focus is to look at whether the proposed policy reforms and regulations could be implemented. The UWV and the SVB also send advising members and observers to the commission of the SER, indirectly influencing the development of social security policy. The Central Organization for Work and Income (*Centrale Organisatie voor Werk en Inkomen*) also indirectly influences the policy making process, by participating in Councils and Commissions, including the SER. The municipalities have the same level of influence, as members of the Associations of Netherlands Municipalities (*Vereniging voor Nederlandse Gemeenten*) (VNG). The executive council and employers of the VNG do consult regularly with departmental and provincial policy makers. That way the



municipalities can influence the policy making on a higher level. They also discuss their interests and negotiate with the central government, the parliament and other public organizations. The VNG also takes an active role when commenting on the reports that were written at the request of the Ministry of Social Affairs and Employment.

A recent phenomenon is 'client participation'. The National Client Committee was founded in 2002 and is a representative organization of those receiving pension and social assistance benefits and those with a handicap and chronic disease. It has two objectives: protecting the collective interests and improving client participation. In order to achieve this, the National Client Committee also tries to keep up to date with how client participation is realized and how it could be improved.

The Committee meets with the Minister of Social Affairs and Unemployment, the Council for Work and Income, the Board of Directors of the Central Organization Work and Income, the National Institute for Social Insurance and the Social Insurance Bank. These organizations each have their own client committee. Three multiplied by two is the amount of seats in the National Client Committee that is reserved for the representatives of the councils of these organizations. The municipalities are also represented in the National Client Committee, by way of local and regional representatives of the interests of the clients. There are also ten national organizations that have a seat on the National Client Committee.

The National Client Committee does give advice, both when asked thereto and at its own initiative, on (proposed) policy. Because of the interaction between the National Client Committee and the Minister of Social Affairs and Unemployment, the clients do have an influence on the social security policy.

Science also has an influence on the development of the social security policy. In the Netherlands there are three principle organs that conduct research, namely the Netherlands Institute for Social Research (*Sociaal Cultureel Planbureau*) (SCP), the Netherlands Bureau for Economic Policy Analysis (*Centraal Planbureau*) (CBP) and the Scientific Council for

Government Policy (*Wetenschappelijk Raad voor het Regeringsbeleid*) (WRR) and then there is research done by academia.

The Netherlands Institute for Social Research is a government agency that advises the government, the parliament and the senate, the ministries and other government agencies on the social aspects of all areas of government policy. It does focus on the current situation but also deals with the developments that are expected. Sometimes the SCP is also asked to evaluate the existing policy. The SCP is supported by a commission that will support and advise the SCP in carrying out its duties. Most of its members represent the different ministries.

The Netherlands Bureau for Economic Policy Analysis is an independent research institute, making independent economic analyses that are relied upon when policy is made. The CPB does its research either on request or at its own initiative. Only the cabinet, the ministries, the parliament, individual members or factions of parliament, and political parties can request that a research be carried out. The employers' and employees' organizations, the Social Economic Council and a few other institutes and organizations are also able to ask for advice, but all requests that do not originate from the government have to pass through the Ministry of Economic Affairs. It is the minister, who has to decide whether the CPB will have to comply.

The Scientific Council for Government Policy aims at providing the government with scientific analysis on future developments of great public interest. It is a way for the scientists to give their opinion on social security policy. The WRR does not necessarily have to be asked to give advice, but can also decide to provide counsel whenever it feels necessary. The task of the WRR is to provide solutions to and new perspectives on problems as well as to point out discrepancies in the policy. Another one of its tasks is to point out issues that might give problems in the future as well as possible solutions. The reports also influence the debate on a scientific level. Its research is multidisciplinary and the government is obliged to elaborate on what they will do with the outcome of the research, but it is difficult to pinpoint the exact

impact of these reports. Its influence also depends on the reports and what those, to whom the advice is directed, does with it.

Academic research might inspire politicians to ask parliamentary questions. The amount of and the interest in independent scientific research has not improved, since the Minister of Social Affairs and Unemployment decided to leave the research up to the private research institutes. Better times, however, seem to be ahead, with the new institute, *Stichting Instituut GAK*, that was created to finance independent social security research. Its board exists of persons from the side of the employers as well as from the side of the employees, but there is also an independent council.

The media claim to be impartial and objective, but oftentimes it is not difficult to place them somewhere on the political spectrum. Its specific role on the development of social security does not seem clear.

#### *Translating social security policy into law*

Acts of parliament are the main source of law, but besides these acts, there are also special acts that regulate the financing of social security, the administrative organization and the instruments to help people seek work. There is also an act that regulates the decision making process and the judicial procedures (this act is not restricted to social security). This does not mean that the parliament has a legislative monopoly, as it is quite normal that the legislative power to conclude social security acts is delegated to other institutions, such as the Crown, the ministers, the administrative authorities of the municipalities and other implementing organizations. These institutions produce a lot of regulations (substantive law), which not only concern technical details or procedural questions but also matters of content<sup>74</sup>.

The government is no longer obliged to ask the SER for advice, but the Council of the State, who needs to be advised on any draft legislation, can

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<sup>74</sup> D. PIETERS, *The Social Security Systems of the Member States of the European Union*, 249.

emphasize the need to listen to the advice of the SER or the opinion of other people, institutions or organizations. Afterwards it will be up to the parliament and the senate to approve or disapprove and there will be no room for the interference of other actors anymore.

Collective labour agreements can be concluded by one or more employers or employers' organisations and one or more labour unions (representing the employees). Labour unions should, explicitly, have the competence to draft collective labour agreements. They also need to be able to function independent from the others. Making collective labour agreements is stimulated and supported by law. Upon request by the branch, the Minister of Social Affairs and Unemployment can decide that the collective labour agreements are also legally binding on those who were not involved in the discussion leading up to the collective labour agreement.

Case law is also an important factual source of law in the field of social security. This is partly due to the complexity of social security law, but another factor is the fact that the legislator has adopted, sometimes deliberately, 'open concepts'. These open concepts need to be applied by the judiciary<sup>75</sup>.

#### *Taking administrative decisions relating to social security*

In 2001 the administration to take decisions relating to social security was changed dramatically by law. It was decided that the administration was to be organized on a regional level and that there was a need for independent supervision. Employees and employers were no longer allowed to influence decisions in individual cases and had to step out of the boards of directors and the advisory boards. The new law that was implemented in 2001 had two goals: everyone who had a right to a social security benefit should get the right benefit in time and labour participation had to be encouraged.

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<sup>75</sup> *Ibid.*, 249.

A few public institutions are given the task of administering social security. The first one is the Social Insurance Bank, which is responsible for the old age pensions, child benefits, survivor's benefits, care allowance and remigration grants and benefits. The Central Organization for Work and Income has as its main task to assist people in finding work, but those needing social security benefits also need to submit their request to the CWI. There is also the Institute for Employee Insurance Schemes which administers the employee insurance schemes, the schemes for disabled self-employed persons and young persons and the supplementary benefits acts. The municipalities are responsible for implementing most of the social provisions, of which the National Assistance Act is the most important one. The municipal executive council, the Committee of Mayor and Alderman (*College van Burgemeester en Wethouders*), is the competent body, but sometimes delegates this competence to a special commission. The Committee of Mayor and Alderman is politically responsible to the municipal legislative council and the Minister of Social Affairs.

#### Settling of social security disputes

Prior to an appeal the applicant should ask the administrative authority that has taken the decision to reconsider it. The administration will then have to look at both the legal as well as the policy aspects of the decision. Any interested party will have to be heard during this procedure. This procedure will, however, not suspend the implementation of the decision. After this administrative appeal a judicial appeal before the administrative court is possible. Appeals concerning the right to social security benefits or the liability for contributions for one of the employee insurance schemes have to be lodged with the District Court (*rechtbank*), Department of Administrative Law. Appeal is open to the Central Court of Appeal (*Centrale Raad van Beroep*). When it concerns a dispute with the Tax Inspector about contributions for general insurance schemes it is the Court of Appeal that is the competent judge. Judgment of both the Central Court of Appeal and the Court of Appeal

can be challenged in last instance before the Supreme Court (*Hoge Raad*). There are only professional judges sitting on the bench<sup>76</sup>.

The procedures before the District Court, the Central Court of Appeal and the Court of Appeal have a low threshold and are quite informal. The applicants do not need to rely on legal assistance; the court fee is small and most of the time the case is heard by a single judge. The decision could be substituted by the judgment and the appellant might get his damages compensated. The court fee might also be refunded by the administrative authority<sup>77</sup>.

If an individual is not happy with the way he was treated it is possible to lodge a complaint with the complaints committee of the offending administrative authority. After taking this step it is also possible to ask the national ombudsman (*Nationale Ombudsman*) to intervene<sup>78</sup>.

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<sup>76</sup> *Ibid.*, 266-267.

<sup>77</sup> *Ibid.*, 267.

<sup>78</sup> *Ibid.*, 268.

## Country description: Germany<sup>79</sup>

### Developing social security policy

The development of social policy begins in Germany with parliamentary discussions and is characterized by a huge variety of participating actors involved in these discussions, depending on the subject: governments both federal and state government (*Bundes- und Landesregierungen*) as well as several ministries, parliament (*Bundestag*) and its committees (*Ausschüsse*), the upper house of the German parliament (*Bundesrat*), the states (*Bundesländer*) and the local authorities (*Kommunen*), political parties and their parliamentary groups in the *Bundestag*, a strong judiciary (especially the social and labour judiciary and the Federal Constitutional Court), social insurance institutions (*Sozialversicherungsträger*), public law organizations and chambers, voluntary welfare organizations, trade unions, employers' and employees' organizations, organizations of recipients of certain social security benefits, professional organizations of people providing social and health care services and the media. The involvement of myriad of actors during the pre-parliamentary process has often been criticized for not being democratic and for being too informal, especially since comments are already welcomed before the bills are published or even put on the agenda.

But despite all these other actors, the political parties continue to play a central role in German politics. They do not just carry out the wishes of the electorate, but also shape the policy themselves and define the public opinion. The ties between the associations and the political parties are strong, despite claims to the contrary.

Another big player with regard to social security policy is the Confederation of German Trade Unions (DGB). The DGB represents the German trade union movement in dealing with the other actors when decisions on social policy have to be taken. The DGB has a democratic, bottom-up structure and consists of eight member unions. And even though memberships of trade

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<sup>79</sup> Text developed with the help of Prof. Eberhard Eichenhofer.

unions are declining, they are still very powerful. The DBG represents its eight member unions, for example in disputes, but also *vis-à-vis* the politicians. The DGB itself does not participate in collective bargaining. The DBG also has an advisory vote in the public broadcasting organizations and at the federal level the private broadcasting companies' media institutes.

Associations can participate in hearings held by the committees by giving expert advice and fostering personnel contracts. But despite monitoring and lobbying, they want to maintain formal affiliations with delegates. Associations often try to influence the government and ministries directly, during the pre-parliamentary process. Umbrella associations need to be consulted about draft legislation that would affect them. In order to meet this requirement, the federal government created standing advisory committees. In addition, there is also a vital exchange taking place between the experts of the ministries and the experts of the associations.

When there is more than one organization present, they are most likely to form a joint committee that will concentrate and coordinate the organizations internally. An umbrella organization will thus be created.

The media is mainly used to influence the public and does not seem to be able to affect the policy to a great extent.

#### *Translating social security into law*

It is the parliament (*Bundestag*) that will decide, by a majority, the direction of the social policy. Both the parliament and the federal government have the right to introduce bills. The development of a federal government bill requires the cooperation of a variety of actors, including the ministries, the parliamentary groups, the states (*Bundesländer*), interest groups and external experts. The most important bills are published even before they are put on the agenda, which gives the non-state actors (scientists, experts and interest groups) the chance to react to these proposals. Despite their importance, the participation of these actors during this pre-parliamentary process is not constitutionally laid down.



Once a bill has been put on the table, the plenary of the *Bundestag* will debate the proposal three times ('readings'). The permanent committees, made up of members from all the parliamentary groups, will perform the detailed work on the draft legislation. The permanent committee can invite representatives of interest groups and experts to public hearings. Associations are being informed and may be asked for expert advice, which is their way to keep involved. At the same time, the parliamentary groups form working groups, in which the issues are to be examined and a stance will have to be taken. The majority of the bills are revised, following the working together of the governing and opposition parliamentary groups.

The *Bundesländer* are also involved in the process through the upper house of the German parliament (*Bundesrat*). The *Bundesrat* is not allowed to make any amendments, but its consent is needed in cases of bills that impinge in a particular manner on the finances of the federal states. As a result, issues that relate to social security often require the approval of the *Bundesrat*. In case the *Bundesrat* does not give its consent, it can ask that the Mediation Committee be convened.

Social security benefits can only be granted on the basis of formal law (the principle of legal proviso). However, there are a few exceptions to the rule and some social policy details can be regulated by the executive. That means that also other actors can get involved in the establishment of norms that will govern the social security. As a result, social insurance institutions and providers of social security benefits can also contract on details concerning the conditions and reimbursement of social security benefits and the self-regulated social insurance institutions are allowed to establish their own statutes.

Collective bargaining means that collective industrial organizations can, without influence of the state, regulate some terms and conditions of employment, that fall under their responsibility. The collective agreements are legally binding and cannot be replaced by any other piece of legislation.

Formally, the collectively agreed terms and conditions of employment only apply to members of the organizations that were part of the negotiations, but unofficially, they are generally binding on all employment relationships.

#### *Taking administrative decisions related to social security*

The power to take decisions on the administrative level lies for the most part with the *Bundesländer*. The local authorities are also involved, cooperating with voluntary welfare organisations. Social welfare is produced by a broad range of intermediate agencies which are neither purely governmental nor entirely independent. They are appointed to act as providers or coordinators of welfare services and have a privileged status. Social-administrative decisions are mainly taken by the statutory social insurance agencies including the statutory health insurance institutions, the federal federation of statutory pension insurance and the statutory occupational insurance schemes. They are membership-based, self-regulated non-profit organisations that administer the health, pension or accident insurance scheme. The Confederation of German Trade Unions is also represented in the executive bodies for the self-regulation of the social insurance funds, as well as in the Federal Office of Employment and the occupational insurance schemes.

There is permanent cooperation between the public sector and non-statutory agencies. The aim is to provide effective complementary support for a particular welfare service to the benefit of the person seeking help. The non-statutory agencies are a vital part of the welfare state and the social net and they often have a long-standing tradition. If the public and non-statutory agencies are involved in this cooperation it is guided by the subsidiarity principle. Subsidiarity means that if something can be done on a lower level, the level of the individual, family, group or organized body, it should not be done by a higher authority or the state. This implies that the competence and responsibility of the respective social group is recognized, but also that these smaller entities are strengthened so they can perform these tasks properly.

#### *The settling of social security disputes*

When a dispute arises concerning a decision taken by the administration, the administrative body first needs to be given the opportunity to reconsider the legality and the suitability of its decision. An appeal to the judiciary is only possible if the administrative appeal is not successful. The court in first instance is the Social Court and an appeal is possible with the Higher Social Court. Both these courts operate within the *Bundesländer*. Cassation is also possible before the highest court, the Federal Social Court in Kassel, which is a federal court, operating for the whole of Germany.

All the courts on the different levels consist of both career judges as well as lay judges. Lay judges operate on the same level as career judges and are nominated by the relevant organizations and associations or trade unions. The lay judges are used to ensure that their specialized knowledge, which is based on practical experience, is being considered and incorporated in the decision making process. The lay judges also need to foster public confidence in the courts.

Experts of certain associations or trade unions are allowed to act on behalf of the person making the claim before court. But other than that, there, is besides the administration and the judiciary no room for other actors to intervene.

## **Country description: Czech Republic<sup>80</sup>**

### *Developing social security policy*

The political parties are the main actors to develop social policy in the Czech Republic. The governing parties are the engine behind the reforms, but that does not mean that the opposition parties cannot exert their influence. The Czech Social-Democratic Party, for example, pushed some social security reforms (for example the Social Service Act of 2006 and the Sick Leave Act of 2006) through parliament with the help of the Communist Party, even though these reforms were not supported by the Civilian Democratic Party (the major party in the coalition at that time). But, of course, this also depends on the fact of whether or not the ruling coalition has a comfortable majority, being able to implement its will.

Actors whose influence still has to grow and whose influence is growing now are the social partners, such as federations of trade unions and united employers. However, at the moment, they cannot seem to agree on matters regarding the reform of social security, which is seriously diminishing their power to influence the process. And even though the social partners have to be included in discussions on new social policy, they have never taken the initiative to propose reforms themselves. Because there is not a social security system or system that especially focuses on the self-employed, associations that would only unionize the self-employed would have no influence whatsoever on the process.

Two players that do have a substantial influence in the field of social security are the Bohemian-Moravian Confederation of Trade Unions and the Association of Industry and Transport. The Bohemian-Moravian Confederation of Trade Unions is the leading confederation of trade unions. It consists of thirty-three trade unions and is as such member of the Governmental Committee for Economic and Social Cohesion. Because membership is confidential is it not known how many members the trade unions have, but

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<sup>80</sup> Text developed with the help of Mr. Martin Stefko.

estimates say that about 32% of the workforce is unionized. The Association of Industry and Transport is a voluntary organization that unites employers and entrepreneurs in the field of industry and transportation. This association is also a member of the Governmental Committee for Economic and Social Cohesion.

The influence of the organizations of recipients of (certain) social security benefits can be considered moderate. But the power of the groups who are well organized and who also have representatives across political parties is a bit larger. This is for example the case for disabled persons.

The role of the media is primarily an informative one, whereby social reforms are at the centre of their attention.

There is no law for when a specific party of society is represented by several non-political organizations. But there are two exceptions to this rule. The first one is when the law restricts the foundation of more than one organization, by delegating some public power to a particular organization. The second exception is the Labour Code that will stipulate which particular trade union should represent someone who is not unionized. Unless the employee has chosen a specific trade union, he will be represented by the trade union that is active within his field and deals with his employer and has the most members. However, during a public hearing in March 2008, the Constitutional Court of the Czech Republic declared this rule, which favours one particular trade union, as unconstitutional and annulled it. After publication in the Collection of Laws, the judgment will become effective immediately.

#### *Translating social security policy into law*

In the Czech Republic the duty of the State to provide its citizens with social security is not put down in the Constitution but rather in the Charter of Fundamental Rights and Freedoms. However, according to the Constitution, this Charter maintains a unique position in the Czech legal order and has the same legal effect as the Constitution. It is not possible to derive the right to social security directly from the Charter, the social security rights have to be

settled in secondary social rules, regulations. These regulations have to meet three conditions. They must be explicitly set forth in primary law, they have to secure the core and sense of the social rights and are not allowed to be misused and, lastly, they should apply equally to all cases that fulfill the same conditions. In effect this means that creating social security law is the exclusive competence of the Czech parliament. This gives the political parties a primary role and it is most of the time the government that takes the initiative to propose reforms.

The government, the ministries and other administrative agencies have the competence to issue secondary legislation, which can only supplement, but not replace primary law. The government can also issue governmental decrees, even if the primary law does not expressly entitle it thereto, something that the ministries and other administrative agencies are not authorized to do. Primary legislation thus allows for secondary legislation.

The social partners have no particular legislative power in the field of social security and they cannot replace legislation with collective agreements. But they need to be involved in the discussions during the legislative process. With the Ministry of Labour and Social Affairs being the only organ authorized to issue secondary legislation in the field of social security, the administrative agencies, the health care carriers and the other institutions that deal with public social security do not have this power.

#### *Taking administrative decisions relating to social security*

When looking at the decision making process at the administrative level, one has to distinguish between the different branches, especially when looking at the impact that other actors might have on these decisions.

Both the sickness and pension insurance are administered by the Czech Social Security Administration and the local social security administrations. These administrations are state agencies that are subordinate to the Ministry of Labour and Social Affairs. They only rule in individual cases, officially without any formal influence from the social partners or the political parties.

But, in reality, it is the ruling political party that runs the Ministry of Labour and Social Affairs.

Health care insurance is managed by health care carriers, which are independent public law bodies. Currently there are nine health insurance institutions of which the General Health Insurance Company is the largest one. Each health carrier is obliged by law to establish an executive board, that is composed of five members installed by the government and ten members elected by the employers and employees, for which representative social partners will nominate candidates. The General Health Care Carrier, which is the largest health care carrier, has an executive board that is composed of ten members that are elected by the government and twenty members that are elected by the lower house of parliament. The executive council comes up with a health care plan, it determines the principles framing the contract concluded with providers of health care and decides on all other important measures, making it the most influential organ within the structure of the health care carrier.

Health care carriers' associations and associations of health care providers also negotiate about the general terms in contracts that are conducted between health care carriers and health care providers. These terms are a sort of framework that counts as the basis for particular contracts concluded between specific health care carriers and health care providers. These frame contracts will be checked by the Ministry of Health on their compliance with law and public policy.

In the negotiations on the prices of health care services the General Health Care Carrier and other health care carriers, associations of health care providers, expert organizations founded by law, scientific organizations and associations of patients are involved. The Ministry of Health will again act as a supervisor.

The other branches of the Czech social security system, the family state support policy and the welfare assistance are run by administrative agencies but none of them have established a board similar to the aforementioned executive council.

The unemployment insurance, which is seen as part of labour law, is run by the labour offices which execute the state employment policy. Each labour office also has to establish a board, which comprises experts from large employers, academics and representatives of associations for disabled persons and trade unions, but these boards only have an advisory role.

It could be argued that there is some public representation in the development of the general rules concerning the way cases are dealt with through their management boards. Even though there is no legal duty for the administrative agencies or other social security bodies to seek advice from outside when ruling in a particular case, representatives of the trade unions, employers or civilians may be called to check the administration of social security. They cannot, however, check the administrative rulings.

#### Settling of social security disputes

Those who have to rule in administrative proceedings, such as the administrative agents and other subjects, also bear the responsibility for their rulings. Therefore, the administrative agency or the agency to whom the power to decide cases is delegated to, are not legally bound to refer to any expert or a representative of some sort.

Judges might specialize in social security law, but there are no special courts that deal with social security, not even in appeal or cassation. The judge sitting on the bench is a professional judge. The law also does not foresee that any other organ, besides the judge, participates in the process of the judicial proceedings. There are also no professional organizations that need to be heard before the decision is made. This again follows from the principle of independency.

There is the possibility of further appeal to the Upper Court. Decisions by the Upper Court are legally binding and final and the administrative bodies must adhere to it. The Minister of Labour and Social Affairs does have the possibility to intervene. When he considers someone deserving of a benefit,



he has the discretion to grant this benefit, even though the person does not fulfill all the qualifications that are laid down by the law<sup>81</sup>.

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<sup>81</sup> D. PIETERS, *The Social Security Systems of the States applying for Membership of the European Union*, Antwerpen, Intersentia, 2003, 43 p.

## Country description: Slovenia<sup>82</sup>

### Developing social security policy

The competent ministries or the government are mainly responsible for the development of the social security policy. They decide the direction and develop the legislative initiatives. As a consequence, social policy development is in line with the preference of the governing political parties. The government has several advisory offices that will assist with these tasks. Some of these advisory offices have been given more general tasks (for example the Government Office for Growth or the Institute of Macroeconomic Analysis and Development), others offer their expertise on specific areas of social security and social protection (for example the Council of the Government of the Republic of Slovenia for the Disabled or the Social Protection Institute of the Republic of Slovenia). The Government Office for Growth was the last to be established, but it plays a vital role in the coordination and development of social security policy. It was this office that suggested in its papers a reform of the Slovenian social security system. Some of the documents written by the Government Office for Growth were adopted by the government. The Institute of Macroeconomic Analysis and Development monitors, evaluates and analyses the current situation and also takes a look at the long-term economic, social and environmental developments. It gives advice on policies that could be followed and measures that could be taken. In that regard, the Institute does have an impact on the social policy of the government.

The government might also ask independent experts, both internal and external to give their view on social security and to evaluate the current system. These experts usually convene in a committee, council or an *ad hoc* working group. Sometimes they are not only asked to review the draft written by the government, but also invited to draft the law themselves.

Although it are mainly the governing parties that set out the social policy, that does not mean that the opposition parties do not express their own opinion on

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<sup>82</sup> Text developed with the help of Prof. Grega Strban.

certain initiatives or policies that are being looked at. Social security has become a hot topic, making the opposition more pro-active and stimulating it to present its own, alternative, programme. The influence of the opposition normally increases when the elections approach.

The trade unions often not only react to governmental proposals, but also propose their own social security initiatives. They are arguably quite influential when it come to social security policy and legislation and can get a lot of people moving when they organize protest marches. Approximately 44% of the work force is unionized. There are also cases in which the social insurance carriers (and groups of insured persons and employers represented in their bodies) take the lead in developing social security strategies for the future.

There are many associations of health service providers and it could be argued that two kinds of organizations are important with regard to social security. On the one hand, there are certain chambers or associations that can conclude general agreements or agreements for a specific branch with the mandatory health insurance carrier, the Health Insurance Institute of Slovenia, and the Ministry of Health concerning the provision of medical benefits as of right from the mandatory health insurance. On the other hand, there are associations of health services' providers which will try to guarantee the quality of the health care services and the social and economic position of the health care providers.

The impact of the patients' groups, of which there are many, differs. They try to pinpoint the weak features of the system and try to ensure that the medical benefits are of a good quality.

The Slovenian media does pay close attention to the social policy and the efforts to reform the social security system. Their impact is quite significant, especially since they publish interviews with various people who are either experts in the field or who are involved in the reform process. If the public opinion gives a clear sign that they are either very much in favour or very

much against a certain proposal, the government will normally be inclined to adapt its proposal accordingly.

The two main churches in Slovenia are the Roman Catholic Church and the Evangelical Church. One of their most important issues concerning social security is that they want to see the social security contributions for their priests being paid out of the state budget. The role of the churches seems to grow in the service sector; they establish homes to look after the elderly or pregnant women and also offer assistance to those who need it. The latter is also offered by the Red Cross.

There is a fair amount of civil society and human rights groups active in Slovenia, but their influence on the social security policy varies. They usually focus on their own area of interest.

There can be more than one actor representing a specific group, but it is only one organization that will represent the interests of the group in a dialogue with the state and at other occasions. That does not mean, however, that the other groups are not given the opportunity to give their opinion on certain issues.

#### *Translating social security policy into law*

A legislative act has to be proposed by either the government, any member of the parliament, or at least five thousand voters. Only the parliament can regulate rights and duties, such as the social security rights and duties. After the draft proposal is written the public is invited to give its opinion, during the public deliberation period. This public deliberation period not only gives the general feeling of what the public is thinking, but it also gives the opportunity to gather some more information. This may also take the form of a working body that will invite experts to provide relevant information. The invitation to join the debate may either be personal or be collectively, which means that it will be announced in the media.

As a rule, legislative acts only need a simple majority of the members of the parliament that are present to pass. But before the acts are forwarded to the President, the National Council of the Republic of Slovenia has a look at the legislative act. The National Council is made up of representatives of social, economic, professional and local interests. It is composed of forty members, who are all elected and consists of representatives of the employers, representatives of the employees, representatives of farmers, crafts, trades and independent professions, representatives of non-commercial fields and representatives of local interests.

The National Council does not have to adopt the act, but it can use its (suspensive) veto. If the National Council uses its veto power, the parliament will have to organize another vote and will need to pass the act with an absolute majority. After the act has been passed by an absolute majority, the National Council cannot use its veto again.

Application rules on social security are issued by the minister. These application rules cannot contain new rights and obligations, because that is the sole competence of the Slovenian parliament. The application rules can only contain more detailed legislative obligations, rights and their limitations, to allow for the application of the law.

When talking about the legislative social security process in Slovenia the Economic and Social Council (ESC) should be mentioned. The ESC was established in 1994 by the representatives of the employers and employees and the government in order to create a platform to discuss the economic and social policy. The ESC might suggest that there is a need for reform or give its opinion on legislative drafts. In addition it may also conclude social agreements. The decisions of this Council are binding for the organs and working bodies of all three parties: the employers, the employees and the government. It follows from this that the government may only propose legislative acts that are in line with the ESC's decisions, because otherwise (one of the) social partners might start to complain or even organize major strikes.

The social insurance carriers, with the employers, employees and insured persons being represented in their organs, have a certain normative power. They can pass autonomous acts, which will not only have an internal, but also an external effect. These autonomous acts may determine legislative obligations, rights and their limitations in a more detailed way, but they cannot extend beyond the goal(s) of the statutory text. Some acts of the social insurance carriers still require the consent of the government or the minister in order to become applicable. The requirement for consent reduces the above described principle of self-government and democratic participation in this field<sup>83</sup>.

If the ministerial regulations or social insurance carriers' autonomous acts are contrary to the legality and constitutional principle, the Constitutional Court of the Republic of Slovenia can annul these regulations or acts or parts of them.

#### *Taking administrative decisions relating to social security*

Some special social-administrative procedures are regulated by law, but most matters are regulated according to the general administrative procedure. Besides the government and parliament, the social insurance carriers also issue some general and abstract procedural norms. In the field of social assistance and social services procedural rules are issued by the competent minister.

In individual cases the decisions in first instance are usually taken by the branch office of the social insurance carrier, the competent physician or by the responsible centre for social work. A person with full capacity does not need to be represented, but if one chooses to be represented, the principle of free representation applies. This means that it is not only possible to be represented by a natural person with full capacity, but also by a juridical person, which is registered for activities that are directly related to the claimed right. In other words, not only a person within the trade union or any other

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<sup>83</sup> G. STRBAN, 'Slowenisches und deutsches System der gesetzlichen Krankenversicherung. Ein Rechtsvergleich aus slowenischer Sicht', *Zeitschrift für ausländisches und internationales Arbeits- und Sozialrecht*, 2004, 18, 4, 405-409.

organization can represent someone before the social insurance or social assistance carrier, but also the trade union itself.

The competent minister exercises control over the administrative decisions in specific cases, such as the pension and invalidity insurance, as well as the unemployment insurance, but not those taken in individual cases. If the minister believes that the decision is illegal or contrary to the fiscal plan of the institute, the budget or active employment policy, he can withhold the decision taken by the council of the insurance carrier. If this happens, the minister needs to notify the government, so that the necessary steps can be taken. Supervision in individual cases is foreseen by the second instance bodies and ultimately the social court.

#### Settling of social security disputes

The administrative decisions are normally subject to an internal review<sup>84</sup>. The employer has a special procedural position when it concerns short- or long-term incapacity cases. An employer may request that the decision on work capacity be assessed by a physician of the Health Insurance Institute of Slovenia. If the employer does not agree with this decision, he can lodge an appeal with the Health Commission of the Health Insurance Institute. The outcome of this appeal will be the last and final decision on the administrative level. During the administrative appeal procedure, there is again the principle of free representation, which means that the trade unions can also represent a worker during the administrative appeal procedure.

Slovenia has special labour and social courts. There is one social court that decides in first instance, which operates as a department of Labour and Social Court in Ljubljana, but also hears cases from other parts of Slovenia. In the majority of cases the claim is decided on by a senate consisting of three judges. One of these judges is a professional judge, who will also preside the senate, the other two are lay judges. One of the lay judges has to be selected from the list of insured persons and the other from the list of public institutions.

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<sup>84</sup> D. PIETERS, *The Social Security Systems of the States applying for Membership of the European Union*, 210.

The representative trade unions and the associations of insured persons, in accordance with the scope of their membership, suggest candidates for the list of insured persons. Both the trade unions and the associations of insured persons have to cover the whole of Slovenia's territory, and not be just regional organizations. In order to be qualified as an association of insured persons, the law and statute of the carrier need to allow that the members of the organs of the social insurance carriers are elected. Public institutes – carriers of social insurance schemes (the Pension and Invalidity Insurance Institute of Slovenia, Health Insurance Institute of Slovenia and Employment Service of Slovenia) - and the government of Slovenia compose a list with suggestions for the list of candidates of public institutions.

The new Labour and Social Courts Act from 2004 enhanced the democratic participation; the new Act introduced a selection of the judges that is distinct for labour and social disputes, whereas previously it used to be the case that only representatives of trade unions and representatives of employers could act as lay judges. This gives credit to the fact that social security is not only organized for workers. At the same time, though, this new Labour and Social Courts Act reduced the democratic participation, because it introduced a number of cases in which instance an individual judge would have to take the decision instead of a senate composed of three judges. This is the case when a dispute concerns monetary claims up to 4.173 euro or certain social security rights, such as the right to nursing allowance, the right to supplemental disability benefit and the right to spa treatment. Because this individual judge is a professional judge, there are, in these cases, no longer lay judges participating in the process.

An appeal is possible with the Higher Labour and Social Court in Ljubljana, where a senate of three professional judges will decide on labour and social disputes. The Supreme Court, which has a special Labour and Social Department, also does not have lay judges sitting on the bench. In judicial proceedings before the Supreme Court only a barrister (attorney at law, advocate) is normally allowed to represent a party in a proceeding. However, in social disputes the party may execute procedural actions also through the



plenipotentiary, who is a representative of the trade union, of the association of the insured persons or of the employers. There are two conditions. The first one is that the person is hired to represent members in proceedings and the second is that one should have passed the State exam for lawyers.

The Constitutional Court can review whether the statutes and other regulations and legal sources are in conformity with the Constitution, this is also the case for those regulating social security. If not, they can be annulled by the Constitutional Court. Its decisions are binding and have an *erga omnes* effect.

It is always possible to file a complaint with the ombudsperson. The ombudsperson can investigate the case and if need be can publish a report on the matter.

## Country description: Spain<sup>85</sup>

### Developing social security policy

Social security has been the cornerstone of political debates for more than twenty-five years, with the trade unions as well as the political parties being concerned about where social security is headed. Lately it has been the political party of the government, *Partido Socialista Obrero Español*, that has taken the lead, but since the nineties, the social security reforms are based on the social dialogue. This means that the reforms are based on the interaction between the trade unions, employers' associations and the government. Nevertheless, it should be noted that the social dialogue only has a political effect and no legal effect.

There are only two trade unions, *Comisiones Obreras (CCOO)* and *Unión General de Trabajadores (UGT)* and only two employers' organisations, *Confederación Española de Organizaciones Empresariales (CEOE)* and *Confederación Española de Pequeños y Medianos Empresarios (CEPYME)*, that take part in the social dialogue, because they are the only ones that are considered representative enough on a national level to take part in the discussions. The trade unions and employers' associations do not all play the same role; some trade unions have been leading the majority of the recent reforms, but that does not mean that the influence of employers' associations should be underestimated. In order to elect the leaderships of the political parties, the trade unions and the employers' associations, the affiliates will first elect representatives and those representatives will elect the leaderships, which then must be either confirmed or replaced. The leadership is accountable to the competent organ that is foreseen in the statute of the organization. The influence of trade unions is not derived from the number of affiliates, which is generally very low, as a result of the *erga omnes* effect of the collective agreements, but from the results in the syndical elections.

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<sup>85</sup> Text developed with the help of Prof. Cristina Sánchez-Rodas Navarro.

The role of the media should not be overstated: while it informs the people of the reforms of social security, its information is rather simplified and only focuses on the topics that might be interesting for the public in general. Nevertheless, the media could influence the people into accepting the reforms or not. This will also depend on the political ideology of those who control the different media.

Other social actors like churches, religious groups, patient groups, professional organizations of people working for social security, NGOs and consumers' associations have either not taken an interest in social security or their influence is hardly existing. The organizations of the self-employed, with as the most important one the *Asociación de Trabajadores Autónomos* (ATA), have not yet played a significant role either in the social security reforms.

#### *Translating social security into law*

Normally social security legislation is decided on by parliament, on proposal of the government. The government cannot interfere during legal procedures in which the political parties take centre stage, but it can always withdraw its draft proposals. There are, however, two exceptions to the fact that the parliament needs to decide on social security legislation. The first one is the possibility laid down in article 96 of the Constitution that gives the government the opportunity to, in case of an urgent and extraordinary need, to be confirmed by the parliament, adopt acts with legal effects called *Decreto-Ley* in a very short period of time. The other exception is the possibility that the parliament has to delegate to the government the ability to adopt acts that will have legal effects, so called *Decreto-Legislativo*. The current social security legislation is a *Decreto-Legislativo*, meaning that the text was not elaborated upon by the parliament and that the government acted as a delegation of the parliament. The government can also adopt regulations that develop the social security legislation. And the Minister of Labour and Social Affairs is allowed to adopt ministerial orders.

A simple majority will be enough to adopt social security laws, seeing as it is not a fundamental right, requiring a special majority. There is also no

requirement to seek advice of the social partners, but the last decade the social security reforms have been based on social dialogue, which means that the trade unions and employers' associations have had a chance during the development of the social security reforms to put in their two cents. But although the social partners do not need to be consulted, the government is under an obligation to seek the advice of the Social and Economic Council, if the proposals relate to social and labour law. The Social and Economic Council is composed of sixty-seven members, of whom twenty are trade union representatives, twenty belong to the employers' association representatives, and another twenty represent agricultural organizations, consumer organizations and organizations of cooperative societies. The other members of the Council are elected by the government. But despite the obligation to be consulted, its decisions are not binding, which follows from the Constitution that says that supplementary assistance or service is optional.

Some subjects are not always suitable for collective bargaining and because social security is a state competence and needs the approval of parliament, the role of collective agreements is minor.

#### *Taking administrative decisions relating to social security*

Decisions with regard to social security are taken by the social security administrations and the social actors do not need to be asked for advice before the decisions are being taken. The role of the social partners and the trade unions in this respect is almost non-existent. There is only one exception, which is the participation in the management of the social security organisations. This follows from the principle of democratic management of social security that is laid down in the Spanish Constitution. But despite this constitutional principle the possibilities are limited and do not concern the way cases are handled by the administration. The administrations are also not subject to political control.

#### *Settling of social security disputes*

If an individual wants to bring a matter before court, he first needs to file a complaint with the social security institution that took the decision. If after

forty-five days no decision is taken on the complaint, it is assumed that the original contested decision is confirmed, the so called 'negative administrative reticence'.

Once this possibility is exhausted, the applicant can go to the social court. The social courts consist of one judge. Judges sitting on the bench of social courts are not appointed in the same way as other judges. There are two ways in which one could become a judge of a social court: the first possibility is by seniority, and the second possibility is by passing an exam that will get someone the title of a magistrate that is specialized in social affairs. Promotions during a judicial career can help someone to get promoted to a specialized magistrate.

It is possible to lodge an appeal against a decision of the social courts. The Social Chamber of the *Tribunales Superiores de Justicia de las Comunidades Autonomas* and the *Social Chamber of the Tribunal Supremo* have several judges each, as described by the legal provisions<sup>86</sup>. "The judgments of the *Tribunales Superiores de Justicia* are subject to a limited appeal in cassation<sup>87</sup>". If the applicant can argue that the statutory provision on which the litigious decision was based is not compatible with the constitution he may also bring his case before the Constitutional Court (*Tribunal Constitucional*<sup>88</sup>).

In Spain there is also a sort of ombudsman (*Defensor del Pueblo*) to whom people can complain or give suggestions concerning the way the administration works.

The trade unions do not have any part to play: social security does not fall under the legal workers' representatives' competence and there is no legal provision that establishes the right of trade unions or any other kind of social agent to intervene in the procedure to settle disputes related to social security.

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<sup>86</sup> D. PIETERS, *The Social Security Systems of the Member States of the European Union*, 312.

<sup>87</sup> *Ibid.*, 313.

<sup>88</sup> *Ibid.*, 313.

## Country description: Greece<sup>89</sup>

### Developing social security policy

The Ministry for Employment and Social Protection (State Secretariat on Social Insurance) officially coordinates and supervises the social insurance system. All recent social security reforms are promoted by the Ministry, which also leads the process of public consultation.

The social security reform agenda is set by the government (competent ministries) but other actors can also influence the agenda-setting, especially when they have strong links with the trade unions (as was, for example, the case in the previous reform under the Socialist Party (PASOK) in 2002 when fractions within the socialist party aligned with the trade unions blocked the reform process).

The fact that the agenda is mostly set by the government does not mean that other stakeholders, including the social partners, the political parties, the scientific community (*inter alia* academics, think tanks) and international organizations or networks of expertise, cannot promote certain ideas and possible policy approaches. The influence of the social partners is strong as veto players but rather weak when it comes to reform initiatives. The General Confederation of the Employees of the Private Sector (G.S.E.E.) and the Union of the Employees of the Public Sector (A.D.E.D.Y.) play an important role, since they have considerable lobbying capacity and they tend to become less dependent on the policy proposals of specific political parties.

The Economic and Social Committee (OKE) is a formal tripartite consultative body representing employers, employees and farmers, representatives of the independent professions, local government and consumers. It expresses the view of the social partners on draft law proposals. However, despite the constitutional consolidation of the Economic and Social Committee (OKE), its impact remains dubious. The interventions of civil society actors remain

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<sup>89</sup> Text developed with the help of Ms. Maria Mousmouti and Mr. Nikolaos Kalatzis.

limited to an *ad hoc* basis, which partly derives from the fact that they rather poorly coordinated.

Social partners affiliated expertise think-tanks (INE-GSEE for employees and IOBE for employers) are involved in the public debate but not through official institutional mediation and negotiation forums. The social security agenda can also be influenced by media coverage or electoral polls. More often than not, this negatively influences the quality of both the negotiation process and outcomes, resulting from a rather loose and unstructured debate. The reliance on proposals emanating from international commitments and experts (soft and hard EU 'acquis', OECD, ILO, IMF, W.B.) is significant.

The main official bodies established with the aim to provide expertise to the government on social security issues are a) the Board of Experts on Employment and Social Security, which was created in 2000 with the mandate to provide advice and expertise on employment and social security issues. This body has mainly advisory functions and relatively low political impact and b) the National Committee on Social Protection established according to article 2 of Law 3144/2003 on "Social dialogue for the promotion of employment and social protection and other provisions". The Committee is composed of representatives of all competent ministries (mostly at the level of Secretary General), representatives of local administration, social partners and NGO's. The mandate of the Committee includes the promotion of social dialogue on combating poverty and social exclusion, the development of a network for social protection and social integration and the delivery of opinions on the elaboration, monitoring and evaluation of the National Action Plan on Social Inclusion. However, very often the consultation and negotiation on possible future reforms, is officially delegated to *ad hoc* consultants and expert groups, such as the 'Expert Committee on Pensions', nominated in 2006 by Joint Ministerial Decree of the Government in charge.

### Translating Social Security policy into law

Sources of the national legal order consist of constitutional principles on social rights, legislation and administrative acts that enforce constitutional norms, general unwritten principles of law and collective labour agreements. These sources form the national social insurance legal framework combined with international norms and standards of the International and European Social Security legal framework.

The Greek constitution proclaims that Greece is a social state governed by the rule of law and in addition, several constitutional provisions exist that consolidate explicit social rights.

This highly protective constitutional environment contrasts the rather loose and fragmented institutional reality of legal entities entrusted to *regulate social insurance provision*. The legislator, in this respect, has delegated certain regulative powers to the executive, entrusted to give further rules concerning specific parts of social insurance law. This regulative practice is to be understood in the context of a complex and 'kaleidoscopic' system of social security schemes and regimes, obliging the legislator to delegate extended powers to administrative bodies for the direct regulation of detailed subjects. Such delegated legislation is typified as Presidential Decree, Ministerial Decision or Decision of the social insurance administration. In the case of delegation to an administrative body, the previous approval of the competent Minister or of a supervisor body is in most of the cases required.

In reality, legal entities are entrusted to regulate social insurance provisions. Most of the times this is done on the basis of sectoral interests, thus resulting in a rather loose and fragmented regulation. Some legislative powers are delegated by the legislator to the executive. This legislation results in a Presidential Decree, Ministerial Decision or Decision of the social insurance administration. In most cases the competent Minister or the supervisory body has to give its approval beforehand.

Since 1990 collective labour agreements can deal with social insurance issues, as long as they do not address pension issues or interfere with or



violate the constitutional order or the public social insurance policies. In 2002 the powers of the social partners to adopt measures in the field of social insurance were extended and the social partners became entitled to initiate second pillar occupational funds.

The jurisprudence plays an important role in social security. If the highest courts overrule a precedent in a certain case, the relevant social insurance institution will have to review every case that could be influenced by this judgment.

#### *Adoption of administrative decisions relating to social security*

The different social security funds/agencies have been delegated the competence to deal with administrative decisions concerning legislative norms or to make decisions in individual cases (such as individual benefit claims and entitlement decisions). Each fund has its own statute describing how the administration should be managed and each fund is accounting and financially autonomous. It is the aim of the main insurance funds, which are legal persons of public law, to cover employees for social risks. There are also subsidiary insurance agencies, which can either be legal persons of public law or legal persons of private law and mutual assistance unions (private insurance organizations of subsidiary insurance that are established by the employees' professional unions), which ensure the supplementary coverage of the first pillar. These subsidiary agencies mostly deal with pension allocation due to retirement, invalidity and death. The allowances granted by the main and the subsidiary bodies are in money or in kind and are paid periodically or as a lump sum. At the moment there are some positive developments in this area, as the rules are under codification and simplification 'screening', making therefore the procedure more transparent and providing more legal certainty.

Trade unions or politicians are not directly involved in the decision making procedure, when it relates to social security. Indirectly they may play a role through public political pressure or awareness-raising.

### Settling of social security disputes

The litigious decision first needs to be reconsidered by the administrative body that adopted it and only after is an appeal to the judiciary possible. If an individual wants to challenge a decision by the social insurance institution the proof of illegality needs to be put forward, otherwise it is presumed that the possible deficiencies in the decision are covered by the presumption of legality of legal actions under public law. The case can be reconsidered by a body higher in hierarchy than the body that took the decision or the same body that took the decision (hierarchical appeal), or, if this is foreseen, it can be dealt with by a different body within the same institution that was set up for this purpose (request for redress). In most of the cases there is no specific body to deal with a request for redress, and it will be dealt with by the Management Board of the Institution. If the decision is being reconsidered, the factual elements of the case are reconsidered, but sometimes legal issues are also taken into consideration. The internal appeal procedure results in a new decision that either reaffirms, nullifies or modifies the old decision.

An appeal to the judiciary is possible before the administrative courts, and this is also possible when the administrative body has failed to act. The administrative courts consist of three judges and they may confirm, nullify or modify the decision that was reached after the internal administrative appeal. When the disputes concern contribution liability and benefit, the administrative courts hear appeals in first and last instance. Their judgment is final, but appeal, only on points of law, is possible before the Council of State. If the case is based on a claim for damages, the proceedings are subject to appeal to the Administrative Court of Appeal and Cassation to the Council of State (Supreme Administrative Court).

The Greek Ombudsman, in cases relating to individual administrative actions or omissions or material actions that might have infringed or violated rights or legal interests of individuals or entities, and the Deputy Ombudsman on Health and Social Welfare and the relevant department, in cases relating to social insurance, welfare and health care, can also assess internal remedies. Following a complaint, the Greek ombudsman investigates the actions and

decisions that were taken (or were omitted) by the government departments or public services. After the internal review by the Ombudsman it is still possible to appeal to the administrative courts.

## **Annex 2. Degrees of 'change'**

## ANNEX 2.1. Degree of 'change': AUSTRIA

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>2</b>	<b>29</b>	<b>7%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	2	9	22%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>4</b>	<b>13</b>	<b>31%</b>
II.1. field of application	1	3	33%
II.2. conditions	1	2	50%
II.3. organisation	0	2	0%
II.4. benefits	2	6	33%
<b>III. Sickness: cash benefits</b>	<b>2</b>	<b>11</b>	<b>18%</b>
III.1. field of application	0	3	0%
III.2. conditions	1	3	33%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	0	3	0%
IV.4. taxation and social contributions	2	2	100%
<b>V. Invalidity</b>	<b>1</b>	<b>13</b>	<b>8%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	1	3	33%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>4</b>	<b>15</b>	<b>27%</b>
V.1. field of application	0	1	0%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	0	1	0%
V.6. benefits	2	4	50%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	1	1	100%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>0</b>	<b>11</b>	<b>0%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	0	2	0%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>3</b>	<b>14</b>	<b>21%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	1	3	33%
VIII.3. conditions	0	2	0%
VIII.4. benefits	2	5	40%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>3</b>	<b>10</b>	<b>30%</b>
IX.1. child benefit	1	3	33%
IX.2. other benefits	2	5	40%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	8	13	62%
X.1. field of application	0	1	0%
X.2. total unemployment	1	3	33%
X.3. partial unemployment	4	4	100%
X.4. benefits for older unemployed	3	3	100%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	0	23	0%
XI.1. entitled persons/beneficiaries	0	1	0%
XI.2. general conditions	0	7	0%
XI.3. guaranteed minimum	0	4	0%
XI.4. guaranteed amounts	0	3	0%
XI.5. recovery	0	1	0%
XI.6. indexation	0	1	0%
XI.7. measures stimulating social and professional integration	0	1	0%
XI.8. associated rights	0	2	0%
XI.9. other specific non-contributory minima	0	3	0%

<b>overall % of change as the average of % of change of the chapters</b>			<b>20%</b>
<b>overall % of change as the average of change of the various sub-chapters</b>			<b>16%</b>

<b>Degree of 'change' for Austria</b>			<b>18%</b>
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## ANNEX 2.2. Degree of 'change': BELGIUM

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>7</b>	<b>29</b>	<b>24%</b>
I.1. financing principle	1	8	13%
I.2. contributions of insured and employers (rates and ceiling)	4	9	44%
I.3. public authorities' participation	2	8	25%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>4</b>	<b>13</b>	<b>31%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	4	6	67%
<b>III. Sickness: cash benefits</b>	<b>1</b>	<b>11</b>	<b>9%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	0	2	0%
III.5. taxation and social contributions	1	2	50%
<b>IV. Maternity / Paternity</b>	<b>3</b>	<b>9</b>	<b>33%</b>
IV.1. field of application	1	2	50%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	1	2	50%
<b>V. Invalidity</b>	<b>3</b>	<b>13</b>	<b>23%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	2	3	67%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	1	2	50%
<b>VI. Old-age</b>	<b>5</b>	<b>16</b>	<b>31%</b>
V.1. field of application	1	1	100%
V.2. conditions	2	3	67%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	1	5	20%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	1	2	50%
<b>VII. Survivors</b>	<b>4</b>	<b>11</b>	<b>36%</b>
VII.1. field of application	1	1	100%
VII.2. conditions	0	2	0%
VII.3. benefits	2	6	33%
VII.4. taxation and social contributions	1	2	50%
<b>VIII. Employment injuries and occupational diseases</b>	<b>4</b>	<b>14</b>	<b>29%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	1	2	50%
VIII.4. benefits	1	5	20%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	2	2	100%
<b>IX. Family benefits</b>	<b>1</b>	<b>10</b>	<b>10%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	1	5	20%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	1	13	8%
X.1. field of application	0	1	0%
X.2. total unemployment	1	3	33%
X.3. partial unemployment	0	4	0%
X.4. benefits for older unemployed	0	3	0%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	4	23	17%
XI.1. entitled persons/beneficiaries	0	1	0%
XI.2. general conditions	0	7	0%
XI.3. guaranteed minimum	0	4	0%
XI.4. guaranteed amounts	1	3	33%
XI.5. recovery	0	1	0%
XI.6. indexation	0	1	0%
XI.7. measures stimulating social and professional integration	1	1	100%
XI.8. associated rights	1	2	50%
XI.9. other specific non-contributory minima	1	3	33%

<b>overall % of change as the average of change of the chapters</b>			<b>23%</b>
<b>overall % of change as the average of change of the sub-chapters</b>			<b>21%</b>

<b>degree of 'change' for Belgium</b>			<b>22%</b>
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## ANNEX 2.3. Degree of 'change': CZECH REPUBLIC

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>9</b>	<b>29</b>	<b>31%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	7	9	78%
I.3. public authorities' participation	2	8	25%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>5</b>	<b>13</b>	<b>38%</b>
II.1. field of application	1	3	33%
II.2. conditions	0	2	0%
II.3. organisation	1	2	50%
II.4. benefits	3	6	50%
<b>III. Sickness: cash benefits</b>	<b>2</b>	<b>11</b>	<b>18%</b>
III.1. field of application	1	3	33%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>1</b>	<b>9</b>	<b>11%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>5</b>	<b>13</b>	<b>38%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	1	3	33%
V.4. benefits	3	3	100%
V.5. adjustment	1	1	100%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>7</b>	<b>16</b>	<b>44%</b>
V.1. field of application	0	1	0%
V.2. conditions	2	3	67%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	0	1	0%
V.6. benefits	3	5	60%
V.7. adjustment	1	1	100%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>7</b>	<b>11</b>	<b>64%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	1	2	50%
VII.3. benefits	6	6	100%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>2</b>	<b>14</b>	<b>14%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	2	5	40%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>4</b>	<b>10</b>	<b>40%</b>
IX.1. child benefit	2	3	67%
IX.2. other benefits	2	5	40%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	5	13	38%
X.1. field of application	0	1	0%
X.2. total unemployment	2	3	67%
X.3. partial unemployment	3	4	75%
X.4. benefits for older unemployed	0	3	0%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	3	23	13%
XI.1. entitled persons/beneficiaries	1	1	100%
XI.2. general conditions	1	7	14%
XI.3. guaranteed minimum	0	4	0%
XI.4. guaranteed amounts	1	3	33%
XI.5. recovery	0	1	0%
XI.6. indexation	0	1	0%
XI.7. measures stimulating social and professional integration	0	1	0%
XI.8. associated rights	0	2	0%
XI.9. other specific non-contributory minima	0	3	0%

<b>overall % of change as the average of change of the chapters</b>			<b>32%</b>
<b>overall % of change as the average of changed sub-chapters</b>			<b>25%</b>

<b>Degree of 'change' for Czech Republic</b>			<b>28%</b>
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## ANNEX 2.4. Degree of 'change': DENMARK

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>0</b>	<b>29</b>	<b>0%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	0	9	0%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>3</b>	<b>13</b>	<b>23%</b>
II.1. field of application	0	3	0%
II.2. conditions	1	2	50%
II.3. organisation	0	2	0%
II.4. benefits	2	6	33%
<b>III. Sickness: cash benefits</b>	<b>3</b>	<b>11</b>	<b>27%</b>
III.1. field of application	0	3	0%
III.2. conditions	1	3	33%
III.3. waiting period	1	1	100%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>1</b>	<b>9</b>	<b>11%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>7</b>	<b>13</b>	<b>54%</b>
V.1. field of application	0	1	0%
V.2. risk covered	1	1	100%
V.3. conditions	2	3	67%
V.4. benefits	2	3	67%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	1	1	100%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	1	2	50%
<b>VI. Old-age</b>	<b>7</b>	<b>16</b>	<b>44%</b>
V.1. field of application	1	1	100%
V.2. conditions	2	3	67%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	1	1	100%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>1</b>	<b>11</b>	<b>9%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	1	2	50%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>3</b>	<b>14</b>	<b>21%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	1	3	33%
VIII.3. conditions	0	2	0%
VIII.4. benefits	2	5	40%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>0</b>	<b>10</b>	<b>0%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	5	13	38%
X.1. field of application	0	1	0%
X.2. total unemployment	2	3	67%
X.3. partial unemployment	0	4	0%
X.4. benefits for older unemployed	3	3	100%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	7	23	30%
XI.1. entitled persons/beneficiaries	0	1	0%
XI.2. general conditions	4	7	57%
XI.3. guaranteed minimum	1	4	25%
XI.4. guaranteed amounts	0	3	0%
XI.5. recovery	0	1	0%
XI.6. indexation	0	1	0%
XI.7. measures stimulating social and professional integration	1	1	100%
XI.8. associated rights	0	2	0%
XI.9. other specific non-contributory minima	1	3	33%

<b>overall % of change as the average of change of the chapters</b>			<b>23%</b>
<b>overall % of change as the average of change of the sub-chapters</b>			<b>26%</b>

<b>Degree of 'change' for Denmark</b>			<b>25%</b>
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## ANNEX 2.5. Degree of 'change': FINLAND

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>7</b>	<b>29</b>	<b>24%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	6	9	67%
I.3. public authorities' participation	1	8	13%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>3</b>	<b>13</b>	<b>23%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	3	6	50%
<b>III. Sickness: cash benefits</b>	<b>3</b>	<b>11</b>	<b>27%</b>
III.1. field of application	1	3	33%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	2	2	100%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>1</b>	<b>9</b>	<b>11%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>5</b>	<b>13</b>	<b>38%</b>
V.1. field of application	1	1	100%
V.2. risk covered	0	1	0%
V.3. conditions	1	3	33%
V.4. benefits	3	3	100%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>4</b>	<b>16</b>	<b>25%</b>
V.1. field of application	1	1	100%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	3	5	60%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>1</b>	<b>11</b>	<b>9%</b>
VII.1. field of application	1	1	100%
VII.2. conditions	0	2	0%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>1</b>	<b>14</b>	<b>7%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	1	5	20%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>0</b>	<b>10</b>	<b>0%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	7	13	54%
X.1. field of application	1	1	100%
X.2. total unemployment	2	3	67%
X.3. partial unemployment	1	4	25%
X.4. benefits for older unemployed	3	3	100%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	5	23	22%
XI.1. entitled persons/beneficiaries	0	1	0%
XI.2. general conditions	0	7	0%
XI.3. guaranteed minimum	0	4	0%
XI.4. guaranteed amounts	2	3	67%
XI.5. recovery	0	1	0%
XI.6. indexation	0	1	0%
XI.7. measures stimulating social and professional integration	1	1	100%
XI.8. associated rights	0	2	0%
XI.9. other specific non-contributory minima	2	3	67%

<b>overall % of change as the average of change of the chapters</b>			<b>22%</b>
<b>overall % of change as the average of change of the sub-chapters</b>			<b>22%</b>

<b>Degree of 'change' for Finland</b>			<b>22%</b>
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## ANNEX 2.6. Degree of 'change': FRANCE

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>10</b>	<b>29</b>	<b>34%</b>
I.1. financing principle	4	8	50%
I.2. contributions of insured and employers (rates and ceiling)	6	9	67%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>3</b>	<b>13</b>	<b>23%</b>
II.1. field of application	0	3	0%
II.2. conditions	1	2	50%
II.3. organisation	0	2	0%
II.4. benefits	2	6	33%
<b>III. Sickness: cash benefits</b>	<b>1</b>	<b>11</b>	<b>9%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	0	2	0%
III.5. taxation and social contributions	1	2	50%
<b>IV. Maternity / Paternity</b>	<b>3</b>	<b>9</b>	<b>33%</b>
IV.1. field of application	2	2	100%
IV.2. conditions	0	2	0%
IV.3. benefits	0	3	0%
IV.4. taxation and social contributions	1	2	50%
<b>V. Invalidity</b>	<b>2</b>	<b>13</b>	<b>15%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	0	3	0%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	2	2	100%
<b>VI. Old-age</b>	<b>8</b>	<b>16</b>	<b>50%</b>
V.1. field of application	1	1	100%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	0	1	0%
V.6. benefits	4	5	80%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	2	2	100%
<b>VII. Survivors</b>	<b>5</b>	<b>11</b>	<b>45%</b>
VII.1. field of application	1	1	100%
VII.2. conditions	1	2	50%
VII.3. benefits	2	6	33%
VII.4. taxation and social contributions	1	2	50%
<b>VIII. Employment injuries and occupational diseases</b>	<b>2</b>	<b>14</b>	<b>14%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	2	5	40%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>3</b>	<b>10</b>	<b>30%</b>
IX.1. child benefit	1	3	33%
IX.2. other benefits	2	5	40%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	8	13	62%
X.1. field of application	0	1	0%
X.2. total unemployment	2	3	67%
X.3. partial unemployment	3	4	75%
X.4. benefits for older unemployed	3	3	100%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	2	23	9%
XI.1. entitled persons/beneficiaries	0	1	0%
XI.2. general conditions	0	7	0%
XI.3. guaranteed minimum	0	4	0%
XI.4. guaranteed amounts	0	3	0%
XI.5. recovery	0	1	0%
XI.6. indexation	0	1	0%
XI.7. measures stimulating social and professional integration	1	1	100%
XI.8. associated rights	0	2	0%
XI.9. other specific non-contributory minima	1	3	33%

<b>overall % of change as the average of change of the chapters</b>			<b>30%</b>
<b>overall % of change as the average of change of the sub-chapters</b>			<b>26%</b>

<b>Degree of 'change' for France</b>			<b>28%</b>
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## ANNEX 2.7. Degree of 'change': GERMANY

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>5</b>	<b>29</b>	<b>17%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	4	9	44%
I.3. public authorities' participation	1	8	13%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>9</b>	<b>13</b>	<b>69%</b>
II.1. field of application	2	3	67%
II.2. conditions	1	2	50%
II.3. organisation	1	2	50%
II.4. benefits	5	6	83%
<b>III. Sickness: cash benefits</b>	<b>5</b>	<b>11</b>	<b>45%</b>
III.1. field of application	1	3	33%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	2	2	100%
III.5. taxation and social contributions	2	2	100%
<b>IV. Maternity / Paternity</b>	<b>1</b>	<b>9</b>	<b>11%</b>
IV.1. field of application	1	2	50%
IV.2. conditions	0	2	0%
IV.3. benefits	0	3	0%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>4</b>	<b>13</b>	<b>31%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	1	3	33%
V.4. benefits	1	3	33%
V.5. adjustment	1	1	100%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	1	2	50%
<b>VI. Old-age</b>	<b>2</b>	<b>16</b>	<b>13%</b>
V.1. field of application	0	1	0%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	0	5	0%
V.7. adjustment	1	1	100%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	1	2	50%
<b>VII. Survivors</b>	<b>4</b>	<b>11</b>	<b>36%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	1	2	50%
VII.3. benefits	3	6	50%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>4</b>	<b>14</b>	<b>29%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	1	3	33%
VIII.3. conditions	0	2	0%
VIII.4. benefits	3	5	60%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>1</b>	<b>10</b>	<b>10%</b>
IX.1. child benefit	1	3	33%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		8	13	62%
X.1. field of application		0	1	0%
X.2. total unemployment		2	3	67%
X.3. partial unemployment		3	4	75%
X.4. benefits for older unemployed		3	3	100%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		4	23	17%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		0	7	0%
XI.3. guaranteed minimum		1	4	25%
XI.4. guaranteed amounts		1	3	33%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		0	1	0%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		2	3	67%

<b>overall % of change as the average of change of the chapters</b>				<b>31%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>25%</b>

<b>Degree of 'change' for Germany</b>				<b>28%</b>
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## ANNEX 2.8. Degree of 'change': GREECE

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>1</b>	<b>29</b>	<b>3%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	1	9	11%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>1</b>	<b>13</b>	<b>8%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	1	6	17%
<b>III. Sickness: cash benefits</b>	<b>0</b>	<b>11</b>	<b>0%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	0	2	0%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	1	2	50%
<b>V. Invalidity</b>	<b>2</b>	<b>13</b>	<b>15%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	1	3	33%
V.5. adjustment	1	1	100%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>6</b>	<b>16</b>	<b>38%</b>
V.1. field of application	0	1	0%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	1	1	100%
V.6. benefits	2	5	40%
V.7. adjustment	1	1	100%
V.8. accumulation with earnings from work	1	1	100%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>1</b>	<b>11</b>	<b>9%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	1	2	50%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>2</b>	<b>14</b>	<b>14%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	1	5	20%
VIII.5. adjustment	1	1	100%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>1</b>	<b>10</b>	<b>10%</b>
IX.1. child benefit	1	3	33%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	6	13	46%
X.1. field of application	0	1	0%
X.2. total unemployment	0	3	0%
X.3. partial unemployment	3	4	75%
X.4. benefits for older unemployed	3	3	100%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	0	23	0%
XI.1. entitled persons/beneficiaries	0	1	0%
XI.2. general conditions	0	7	0%
XI.3. guaranteed minimum	0	4	0%
XI.4. guaranteed amounts	0	3	0%
XI.5. recovery	0	1	0%
XI.6. indexation	0	1	0%
XI.7. measures stimulating social and professional integration	0	1	0%
XI.8. associated rights	0	2	0%
XI.9. other specific non-contributory minima	0	3	0%

<b>overall % of change as the average of change of the chapters</b>			<b>15%</b>
<b>overall % of change as the average of change of the sub-chapters</b>			<b>17%</b>

<b>Degree of 'change' for Greece</b>			<b>16%</b>
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## ANNEX 2.9. Degree of 'change': IRELAND

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>20</b>	<b>29</b>	<b>69%</b>
I.1. financing principle	4	8	50%
I.2. contributions of insured and employers (rates and ceiling)	7	9	78%
I.3. public authorities' participation	6	8	75%
I.4. financing systems for long-term benefits	3	4	75%
<b>II. Health care</b>	<b>6</b>	<b>13</b>	<b>46%</b>
II.1. field of application	2	3	67%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	4	6	67%
<b>III. Sickness: cash benefits</b>	<b>2</b>	<b>11</b>	<b>18%</b>
III.1. field of application	0	3	0%
III.2. conditions	1	3	33%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	2	3	67%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>4</b>	<b>13</b>	<b>31%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	1	3	33%
V.4. benefits	3	3	100%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>5</b>	<b>16</b>	<b>31%</b>
V.1. field of application	0	1	0%
V.2. conditions	1	3	33%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	0	1	0%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	1	1	100%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>2</b>	<b>11</b>	<b>18%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	0	2	0%
VII.3. benefits	2	6	33%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>1</b>	<b>14</b>	<b>7%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	1	5	20%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>0</b>	<b>10</b>	<b>0%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		1	13	8%
X.1. field of application		0	1	0%
X.2. total unemployment		1	3	33%
X.3. partial unemployment		0	4	0%
X.4. benefits for older unemployed		0	3	0%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		3	23	13%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		0	7	0%
XI.3. guaranteed minimum		0	4	0%
XI.4. guaranteed amounts		1	3	33%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		1	1	100%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		1	3	33%

<b>overall % of change as the average of change of the chapters</b>				<b>24%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>20%</b>

<b>Degree of 'change' for Ireland</b>				<b>22%</b>
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## ANNEX 2.10. Degree of 'change': ITALY

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>7</b>	<b>29</b>	<b>24%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	5	9	56%
I.3. public authorities' participation	2	8	25%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>8</b>	<b>13</b>	<b>62%</b>
II.1. field of application	3	3	100%
II.2. conditions	1	2	50%
II.3. organisation	0	2	0%
II.4. benefits	4	6	67%
<b>III. Sickness: cash benefits</b>	<b>1</b>	<b>11</b>	<b>9%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	0	2	0%
III.5. taxation and social contributions	1	2	50%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	1	2	50%
<b>V. Invalidity</b>	<b>2</b>	<b>13</b>	<b>15%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	1	3	33%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	1	2	50%
<b>VI. Old-age</b>	<b>7</b>	<b>16</b>	<b>44%</b>
V.1. field of application	0	1	0%
V.2. conditions	2	3	67%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	1	1	100%
V.6. benefits	1	5	20%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	1	1	100%
V.9. taxation and social contributions	1	2	50%
<b>VII. Survivors</b>	<b>1</b>	<b>11</b>	<b>9%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	0	2	0%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	1	2	50%
<b>VIII. Employment injuries and occupational diseases</b>	<b>4</b>	<b>14</b>	<b>29%</b>
VIII.1. field of application	1	1	100%
VIII.2. risks covered	1	3	33%
VIII.3. conditions	0	2	0%
VIII.4. benefits	2	5	40%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>2</b>	<b>10</b>	<b>20%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	2	5	40%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		2	13	15%
X.1. field of application		1	1	100%
X.2. total unemployment		1	3	33%
X.3. partial unemployment		0	4	0%
X.4. benefits for older unemployed		0	3	0%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		0	23	0%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		0	7	0%
XI.3. guaranteed minimum		0	4	0%
XI.4. guaranteed amounts		0	3	0%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		0	1	0%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		0	3	0%

<b>overall % of change as the average of change of the chapters</b>				<b>23%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>22%</b>

<b>Degree of 'change' for Italy</b>				<b>22%</b>
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## ANNEX 2.11. Degree of 'change': LUXEMBOURG

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>5</b>	<b>29</b>	<b>17%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	3	9	33%
I.3. public authorities' participation	2	8	25%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>3</b>	<b>13</b>	<b>23%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	3	6	50%
<b>III. Sickness: cash benefits</b>	<b>1</b>	<b>11</b>	<b>9%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>1</b>	<b>9</b>	<b>11%</b>
IV.1. field of application	1	2	50%
IV.2. conditions	0	2	0%
IV.3. benefits	0	3	0%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>3</b>	<b>13</b>	<b>23%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	2	3	67%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	1	2	50%
<b>VI. Old-age</b>	<b>3</b>	<b>16</b>	<b>19%</b>
V.1. field of application	0	1	0%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	1	2	50%
<b>VII. Survivors</b>	<b>1</b>	<b>11</b>	<b>9%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	0	2	0%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	1	2	50%
<b>VIII. Employment injuries and occupational diseases</b>	<b>4</b>	<b>14</b>	<b>29%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	3	5	60%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	1	2	50%
<b>IX. Family benefits</b>	<b>1</b>	<b>10</b>	<b>10%</b>
IX.1. child benefit	1	3	33%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		1	13	8%
X.1. field of application		0	1	0%
X.2. total unemployment		1	3	33%
X.3. partial unemployment		0	4	0%
X.4. benefits for older unemployed		0	3	0%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		4	23	17%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		2	7	29%
XI.3. guaranteed minimum		0	4	0%
XI.4. guaranteed amounts		1	3	33%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		1	1	100%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		0	3	0%

<b>overall % of change as the average of change of the chapters</b>				<b>16%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>13%</b>

<b>Degree of 'change' for Luxembourg</b>				<b>15%</b>
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## ANNEX 2.12. Degree of 'change': THE NETHERLANDS

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>6</b>	<b>29</b>	<b>21%</b>
I.1. financing principle	1	8	13%
I.2. contributions of insured and employers (rates and ceiling)	5	9	56%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>7</b>	<b>13</b>	<b>54%</b>
II.1. field of application	3	3	100%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	4	6	67%
<b>III. Sickness: cash benefits</b>	<b>2</b>	<b>11</b>	<b>18%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	2	2	100%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>1</b>	<b>9</b>	<b>11%</b>
IV.1. field of application	1	2	50%
IV.2. conditions	0	2	0%
IV.3. benefits	0	3	0%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>5</b>	<b>13</b>	<b>38%</b>
V.1. field of application	1	1	100%
V.2. risk covered	0	1	0%
V.3. conditions	2	3	67%
V.4. benefits	1	3	33%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	1	1	100%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>0</b>	<b>16</b>	<b>0%</b>
V.1. field of application	0	1	0%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	0	5	0%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>3</b>	<b>11</b>	<b>27%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	1	2	50%
VII.3. benefits	2	6	33%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>0</b>	<b>14</b>	<b>0%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	0	5	0%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>0</b>	<b>10</b>	<b>0%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		<b>3</b>	<b>13</b>	<b>23%</b>
X.1. field of application		0	1	0%
X.2. total unemployment		2	3	67%
X.3. partial unemployment		0	4	0%
X.4. benefits for older unemployed		1	3	33%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		<b>5</b>	<b>23</b>	<b>22%</b>
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		2	7	29%
XI.3. guaranteed minimum		1	4	25%
XI.4. guaranteed amounts		0	3	0%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		1	1	100%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		1	3	33%

<b>overall % of change as the average of change of the chapters</b>				<b>19%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>17%</b>

<b>Degree of 'change' for the Netherlands</b>				<b>18%</b>
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## ANNEX 2.13. Degree of 'change': PORTUGAL

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>3</b>	<b>29</b>	<b>10%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	0	9	0%
I.3. public authorities' participation	3	8	38%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>2</b>	<b>13</b>	<b>15%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	2	6	33%
<b>III. Sickness: cash benefits</b>	<b>1</b>	<b>11</b>	<b>9%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>1</b>	<b>9</b>	<b>11%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>2</b>	<b>13</b>	<b>15%</b>
V.1. field of application	1	1	100%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	1	3	33%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>4</b>	<b>16</b>	<b>25%</b>
V.1. field of application	1	1	100%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	0	1	0%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>3</b>	<b>11</b>	<b>27%</b>
VII.1. field of application	1	1	100%
VII.2. conditions	0	2	0%
VII.3. benefits	2	6	33%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>5</b>	<b>14</b>	<b>36%</b>
VIII.1. field of application	1	1	100%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	3	5	60%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	1	2	50%
<b>IX. Family benefits</b>	<b>5</b>	<b>10</b>	<b>50%</b>
IX.1. child benefit	3	3	100%
IX.2. other benefits	2	5	40%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment	5	13	38%
X.1. field of application	0	1	0%
X.2. total unemployment	2	3	67%
X.3. partial unemployment	3	4	75%
X.4. benefits for older unemployed	0	3	0%
X.5. taxation and social contribution	0	2	0%
XI. Guarantee of sufficient resources	21	23	91%
XI.1. entitled persons/beneficiaries	0	1	0%
XI.2. general conditions	7	7	100%
XI.3. guaranteed minimum	4	4	100%
XI.4. guaranteed amounts	5	3	167%
XI.5. recovery	1	1	100%
XI.6. indexation	1	1	100%
XI.7. measures stimulating social and professional integration	1	1	100%
XI.8. associated rights	1	2	50%
XI.9. other specific non-contributory minima	1	3	33%

<b>overall % of change as the average of change of the chapters</b>			<b>30%</b>
<b>overall % of change as the average of change of the sub-chapters</b>			<b>31%</b>

<b>Degree of 'change' for Portugal</b>			<b>31%</b>
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## ANNEX 2.14. Degree of 'change': SLOVENIA

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>2</b>	<b>29</b>	<b>7%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	2	9	22%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>2</b>	<b>13</b>	<b>15%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	1	2	50%
II.4. benefits	1	6	17%
<b>III. Sickness: cash benefits</b>	<b>1</b>	<b>11</b>	<b>9%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	1	2	50%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>0</b>	<b>13</b>	<b>0%</b>
V.1. field of application		1	0%
V.2. risk covered		1	0%
V.3. conditions		3	0%
V.4. benefits		3	0%
V.5. adjustment		1	0%
V.6. accumulation with other social security benefits		1	0%
V.7. return to active life		1	0%
V.8. taxation and social contributions		2	0%
<b>VI. Old-age</b>	<b>7</b>	<b>16</b>	<b>44%</b>
V.1. field of application	1	1	100%
V.2. conditions	2	3	67%
V.3. standard pension	0	1	0%
V.4. early pension	1	1	100%
V.5. deferred pension	0	1	0%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	1	1	100%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>5</b>	<b>11</b>	<b>45%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	1	2	50%
VII.3. benefits	4	6	67%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>1</b>	<b>14</b>	<b>7%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	1	5	20%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>2</b>	<b>10</b>	<b>20%</b>
IX.1. child benefit	2	3	67%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		<b>8</b>	<b>13</b>	<b>62%</b>
X.1. field of application		1	1	100%
X.2. total unemployment		2	3	67%
X.3. partial unemployment		3	4	75%
X.4. benefits for older unemployed		2	3	67%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		<b>7</b>	<b>23</b>	<b>30%</b>
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		4	7	57%
XI.3. guaranteed minimum		0	4	0%
XI.4. guaranteed amounts		1	3	33%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		1	1	100%
XI.8. associated rights		1	2	50%
XI.9. other specific non-contributory minima		0	3	0%

<b>overall % of change as the average of change of the chapters</b>				<b>24%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>23%</b>

<b>Degree of 'change' for Slovenia</b>				<b>23%</b>
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## ANNEX 2.15. Degree of 'change': SPAIN

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>6</b>	<b>29</b>	<b>21%</b>
I.1. financing principle	2	8	25%
I.2. contributions of insured and employers (rates and ceiling)	3	9	33%
I.3. public authorities' participation	1	8	13%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>1</b>	<b>13</b>	<b>8%</b>
II.1. field of application	1	3	33%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	0	6	0%
<b>III. Sickness: cash benefits</b>	<b>1</b>	<b>11</b>	<b>9%</b>
III.1. field of application	0	3	0%
III.2. conditions	0	3	0%
III.3. waiting period	0	1	0%
III.4. benefits	0	2	0%
III.5. taxation and social contributions	1	2	50%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	1	2	50%
<b>V. Invalidity</b>	<b>2</b>	<b>13</b>	<b>15%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	1	3	33%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	1	2	50%
<b>VI. Old-age</b>	<b>2</b>	<b>16</b>	<b>13%</b>
V.1. field of application	0	1	0%
V.2. conditions	1	3	33%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	0	5	0%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	1	2	50%
<b>VII. Survivors</b>	<b>1</b>	<b>11</b>	<b>9%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	0	2	0%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	1	2	50%
<b>VIII. Employment injuries and occupational diseases</b>	<b>3</b>	<b>14</b>	<b>21%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	1	3	33%
VIII.3. conditions	0	2	0%
VIII.4. benefits	1	5	20%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	1	2	50%
<b>IX. Family benefits</b>	<b>2</b>	<b>10</b>	<b>20%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	1	5	20%
IX.3. taxation and social contributions	1	2	50%

X. Unemployment		2	13	15%
X.1. field of application		0	1	0%
X.2. total unemployment		2	3	67%
X.3. partial unemployment		0	4	0%
X.4. benefits for older unemployed		0	3	0%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		1	23	4%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		0	7	0%
XI.3. guaranteed minimum		0	4	0%
XI.4. guaranteed amounts		0	3	0%
XI.5. recovery		1	1	100%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		0	1	0%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		0	3	0%

<b>overall % of change as the average of change of the chapters</b>				<b>14%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>13%</b>

<b>Degree of 'change' for Spain</b>				<b>14%</b>
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## ANNEX 2.16. Degree of 'change': SWEDEN

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>11</b>	<b>29</b>	<b>38%</b>
I.1. financing principle	6	8	75%
I.2. contributions of insured and employers (rates and ceiling)	5	9	56%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>4</b>	<b>13</b>	<b>31%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	0	2	0%
II.4. benefits	4	6	67%
<b>III. Sickness: cash benefits</b>	<b>3</b>	<b>11</b>	<b>27%</b>
III.1. field of application	0	3	0%
III.2. conditions	2	3	67%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	1	2	50%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>3</b>	<b>13</b>	<b>23%</b>
V.1. field of application	1	1	100%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	2	3	67%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>5</b>	<b>16</b>	<b>31%</b>
V.1. field of application	0	1	0%
V.2. conditions	2	3	67%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	1	2	50%
<b>VII. Survivors</b>	<b>3</b>	<b>11</b>	<b>27%</b>
VII.1. field of application	0	1	0%
VII.2. conditions	0	2	0%
VII.3. benefits	2	6	33%
VII.4. taxation and social contributions	1	2	50%
<b>VIII. Employment injuries and occupational diseases</b>	<b>0</b>	<b>14</b>	<b>0%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	0	3	0%
VIII.3. conditions	0	2	0%
VIII.4. benefits	0	5	0%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>0</b>	<b>10</b>	<b>0%</b>
IX.1. child benefit	0	3	0%
IX.2. other benefits	0	5	0%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		3	13	23%
X.1. field of application		1	1	100%
X.2. total unemployment		2	3	67%
X.3. partial unemployment		0	4	0%
X.4. benefits for older unemployed		0	3	0%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		1	23	4%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		1	7	14%
XI.3. guaranteed minimum		0	4	0%
XI.4. guaranteed amounts		0	3	0%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		0	1	0%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		0	3	0%

<b>overall % of change as the average of change of the chapters</b>				<b>21%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>16%</b>

<b>Degree of 'change' for Sweden</b>				<b>18%</b>
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## ANNEX 2.17. Degree of 'change': UNITED KINGDOM

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>0</b>	<b>29</b>	<b>0%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	0	9	0%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>5</b>	<b>13</b>	<b>38%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	2	2	100%
II.4. benefits	3	6	50%
<b>III. Sickness: cash benefits</b>	<b>3</b>	<b>11</b>	<b>27%</b>
III.1. field of application	1	3	33%
III.2. conditions	1	3	33%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	0	2	0%
IV.2. conditions	1	2	50%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>1</b>	<b>13</b>	<b>8%</b>
V.1. field of application	0	1	0%
V.2. risk covered	0	1	0%
V.3. conditions	0	3	0%
V.4. benefits	1	3	33%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	0	1	0%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>5</b>	<b>16</b>	<b>31%</b>
V.1. field of application	1	1	100%
V.2. conditions	1	3	33%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	1	1	100%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	0	1	0%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>5</b>	<b>11</b>	<b>45%</b>
VII.1. field of application	1	1	100%
VII.2. conditions	2	2	100%
VII.3. benefits	2	6	33%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>2</b>	<b>14</b>	<b>14%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	1	3	33%
VIII.3. conditions	0	2	0%
VIII.4. benefits	1	5	20%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>2</b>	<b>10</b>	<b>20%</b>
IX.1. child benefit	1	3	33%
IX.2. other benefits	1	5	20%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		2	13	15%
X.1. field of application		0	1	0%
X.2. total unemployment		2	3	67%
X.3. partial unemployment		0	4	0%
X.4. benefits for older unemployed		0	3	0%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		4	23	17%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		1	7	14%
XI.3. guaranteed minimum		1	4	25%
XI.4. guaranteed amounts		1	3	33%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		1	1	100%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		0	3	0%

<b>overall % of change as the average of change of the chapters</b>				<b>22%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>20%</b>

<b>Degree of 'change' for the United Kingdom</b>				<b>21%</b>
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## ANNEX 2.18. Degree of 'change': NORWAY

Risks: chapters and sub-chapters of MISSOC tables	# changes	reachable #	% of change
<b>I. Financing</b>	<b>0</b>	<b>29</b>	<b>0%</b>
I.1. financing principle	0	8	0%
I.2. contributions of insured and employers (rates and ceiling)	0	9	0%
I.3. public authorities' participation	0	8	0%
I.4. financing systems for long-term benefits	0	4	0%
<b>II. Health care</b>	<b>7</b>	<b>13</b>	<b>54%</b>
II.1. field of application	0	3	0%
II.2. conditions	0	2	0%
II.3. organisation	2	2	100%
II.4. benefits	5	6	83%
<b>III. Sickness: cash benefits</b>	<b>4</b>	<b>11</b>	<b>36%</b>
III.1. field of application	0	3	0%
III.2. conditions	3	3	100%
III.3. waiting period	0	1	0%
III.4. benefits	1	2	50%
III.5. taxation and social contributions	0	2	0%
<b>IV. Maternity / Paternity</b>	<b>2</b>	<b>9</b>	<b>22%</b>
IV.1. field of application	1	2	50%
IV.2. conditions	0	2	0%
IV.3. benefits	1	3	33%
IV.4. taxation and social contributions	0	2	0%
<b>V. Invalidity</b>	<b>6</b>	<b>13</b>	<b>46%</b>
V.1. field of application	1	1	100%
V.2. risk covered	0	1	0%
V.3. conditions	2	3	67%
V.4. benefits	2	3	67%
V.5. adjustment	0	1	0%
V.6. accumulation with other social security benefits	0	1	0%
V.7. return to active life	1	1	100%
V.8. taxation and social contributions	0	2	0%
<b>VI. Old-age</b>	<b>3</b>	<b>16</b>	<b>19%</b>
V.1. field of application	0	1	0%
V.2. conditions	0	3	0%
V.3. standard pension	0	1	0%
V.4. early pension	0	1	0%
V.5. deferred pension	0	1	0%
V.6. benefits	2	5	40%
V.7. adjustment	0	1	0%
V.8. accumulation with earnings from work	1	1	100%
V.9. taxation and social contributions	0	2	0%
<b>VII. Survivors</b>	<b>2</b>	<b>11</b>	<b>18%</b>
VII.1. field of application	1	1	100%
VII.2. conditions	1	2	50%
VII.3. benefits	0	6	0%
VII.4. taxation and social contributions	0	2	0%
<b>VIII. Employment injuries and occupational diseases</b>	<b>5</b>	<b>14</b>	<b>36%</b>
VIII.1. field of application	0	1	0%
VIII.2. risks covered	2	3	67%
VIII.3. conditions	0	2	0%
VIII.4. benefits	3	5	60%
VIII.5. adjustment	0	1	0%
VIII.6. taxation and social contributions	0	2	0%
<b>IX. Family benefits</b>	<b>2</b>	<b>10</b>	<b>20%</b>
IX.1. child benefit	1	3	33%
IX.2. other benefits	1	5	20%
IX.3. taxation and social contributions	0	2	0%

X. Unemployment		7	13	54%
X.1. field of application		1	1	100%
X.2. total unemployment		2	3	67%
X.3. partial unemployment		2	4	50%
X.4. benefits for older unemployed		2	3	67%
X.5. taxation and social contribution		0	2	0%
XI. Guarantee of sufficient resources		0	23	0%
XI.1. entitled persons/beneficiaries		0	1	0%
XI.2. general conditions		0	7	0%
XI.3. guaranteed minimum		0	4	0%
XI.4. guaranteed amounts		0	3	0%
XI.5. recovery		0	1	0%
XI.6. indexation		0	1	0%
XI.7. measures stimulating social and professional integration		0	1	0%
XI.8. associated rights		0	2	0%
XI.9. other specific non-contributory minima		0	3	0%

<b>overall % of change as the average % of change of the chapters</b>				<b>28%</b>
<b>overall % of change as the average of change of the sub-chapters</b>				<b>24%</b>

<b>Degree of 'change' for Norway</b>				<b>26%</b>
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### Annex 3: Changes per country on the basis of the sub-chapters

<b>Country 1: Austria</b>	% changes on the basis of sub-chapters
Financing	7%
Health care	31%
Sickness: cash benefits	18%
Maternity / Paternity	22%
Invalidity	8%
Old-age	27%
Survivors	0%
Employment injuries and occupational diseases	21%
Family benefits	30%
Unemployment	62%
Guarantee of sufficient resources	0%

<b>Country 2: Belgium</b>	% changes on the basis of sub-chapters
Financing	24%
Health care	31%
Sickness: cash benefits	9%
Maternity / Paternity	33%
Invalidity	23%
Old-age	31%
Survivors	36%
Employment injuries and occupational diseases	29%
Family benefits	10%
Unemployment	8%
Guarantee of sufficient resources	17%

<b>Country 3: Czech Republic</b>	% changes on the basis of sub-chapters
Financing	31%
Health care	38%
Sickness: cash benefits	18%
Maternity / Paternity	11%
Invalidity	38%
Old-age	44%
Survivors	64%
Employment injuries and occupational diseases	14%
Family benefits	40%
Unemployment	38%
Guarantee of sufficient resources	13%

<b>Country 4: Denmark</b>	% changes on the basis of sub-chapters
Financing	0%
Health care	23%
Sickness: cash benefits	27%
Maternity / Paternity	11%
Invalidity	54%
Old-age	44%
Survivors	9%
Employment injuries and occupational diseases	21%
Family benefits	0%
Unemployment	38%
Guarantee of sufficient resources	30%

<b>Country 5: Finland</b>	% changes on the basis of sub-chapters
Financing	24%
Health care	23%
Sickness: cash benefits	27%
Maternity / Paternity	11%
Invalidity	38%
Old-age	25%
Survivors	9%
Employment injuries and occupational diseases	7%
Family benefits	0%
Unemployment	54%
Guarantee of sufficient resources	22%

<b>Country 6: France</b>	% changes on the basis of sub-chapters
Financing	34%
Health care	23%
Sickness: cash benefits	9%
Maternity / Paternity	33%
Invalidity	15%
Old-age	50%
Survivors	45%
Employment injuries and occupational diseases	14%
Family benefits	30%
Unemployment	62%
Guarantee of sufficient resources	9%

<b>Country 7: Germany</b>	% changes on the basis of sub-chapters
Financing	17%
Health care	69%
Sickness: cash benefits	45%
Maternity / Paternity	11%
Invalidity	31%
Old-age	13%
Survivors	36%
Employment injuries and occupational diseases	29%
Family benefits	10%
Unemployment	62%
Guarantee of sufficient resources	17%

<b>Country 8: Greece</b>	% changes on the basis of sub-chapters
Financing	3%
Health care	8%
Sickness: cash benefits	0%
Maternity / Paternity	22%
Invalidity	15%
Old-age	38%
Survivors	9%
Employment injuries and occupational diseases	14%
Family benefits	10%
Unemployment	46%
Guarantee of sufficient resources	0%

<b>Country 9: Ireland</b>	% changes on the basis of sub-chapters
Financing	69%
Health care	46%
Sickness: cash benefits	18%
Maternity / Paternity	22%
Invalidity	31%
Old-age	31%
Survivors	18%
Employment injuries and occupational diseases	7%
Family benefits	0%
Unemployment	8%
Guarantee of sufficient resources	13%

<b>Country 10: Italy</b>	% changes on the basis of sub-chapters
Financing	24%
Health care	62%
Sickness: cash benefits	9%
Maternity / Paternity	22%
Invalidity	15%
Old-age	44%
Survivors	9%
Employment injuries and occupational diseases	29%
Family benefits	20%
Unemployment	15%
Guarantee of sufficient resources	0%

<b>Country 11: Luxembourg</b>	% changes on the basis of sub-chapters
Financing	17%
Health care	23%
Sickness: cash benefits	9%
Maternity / Paternity	11%
Invalidity	23%
Old-age	19%
Survivors	9%
Employment injuries and occupational diseases	29%
Family benefits	10%
Unemployment	8%
Guarantee of sufficient resources	17%

<b>Country 12: the Netherlands</b>	% changes on the basis of sub-chapters
Financing	21
Health care	54%
Sickness: cash benefits	18%
Maternity / Paternity	11%
Invalidity	38%
Old-age	0%
Survivors	27%
Employment injuries and occupational diseases	0%
Family benefits	0%
Unemployment	23%
Guarantee of sufficient resources	22%

<b>Country 13: Portugal</b>	% changes on the basis of sub-chapters
Financing	10%
Health care	15%
Sickness: cash benefits	9%
Maternity / Paternity	11%
Invalidity	15%
Old-age	25%
Survivors	27%
Employment injuries and occupational diseases	36%
Family benefits	50%
Unemployment	38%
Guarantee of sufficient resources	91%

<b>Country 14: Slovenia</b>	% changes on the basis of sub-chapters
Financing	7%
Health care	15%
Sickness: cash benefits	9%
Maternity / Paternity	22%
Invalidity	0%
Old-age	44%
Survivors	45%
Employment injuries and occupational diseases	7%
Family benefits	20%
Unemployment	62%
Guarantee of sufficient resources	30%

<b>Country 15: Spain</b>	% changes on the basis of sub-chapters
Financing	21%
Health care	8%
Sickness: cash benefits	9%
Maternity / Paternity	22%
Invalidity	15%
Old-age	13%
Survivors	9%
Employment injuries and occupational diseases	21%
Family benefits	20%
Unemployment	15%
Guarantee of sufficient resources	4%

<b>Country 16: Sweden</b>	% changes on the basis of sub-chapters
Financing	38%
Health care	31%
Sickness: cash benefits	27%
Maternity / Paternity	22%
Invalidity	23%
Old-age	31%
Survivors	27%
Employment injuries and occupational diseases	0%
Family benefits	0%
Unemployment	23%
Guarantee of sufficient resources	4%

<b>Country 17: United Kingdom</b>	% changes on the basis of sub-chapters
Financing	0%
Health care	38%
Sickness: cash benefits	27%
Maternity / Paternity	22%
Invalidity	8%
Old-age	31%
Survivors	45%
Employment injuries and occupational diseases	14%
Family benefits	20%
Unemployment	15%
Guarantee of sufficient resources	17%

<b>Country 18: Norway</b>	% changes on the basis of sub-chapters
Financing	0%
Health care	54%
Sickness: cash benefits	36%
Maternity / Paternity	22%
Invalidity	46%
Old-age	19%
Survivors	18%
Employment injuries and occupational diseases	36%
Family benefits	20%
Unemployment	54%
Guarantee of sufficient resources	0%

## Annex 4. Professional nature of social insurance schemes

### ANNEX 4.1. Professional nature of social insurance schemes: AUSTRIA

<b>MISSOC tables 1996</b>										
	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	4		3	3	3			3	18
income related benefits		3		3	3	3			3	15
contribution financing	3	3		3	3	3	3	1	2	21
overall total (all risks + all parameters)										<b>54</b>
maximum reachable amount										<b>76</b>
percentage (overall total / maximum reachable amount)										<b>71%</b>
<b>MISSOC tables 2007</b>										
	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	3	3		3	3	3			3	18
income related benefits		3		3	3	3			3	15
contribution financing	3	3		3	3	3	4	3	3	25
overall total (all risks + all parameters)										<b>58</b>
maximum reachable amount										<b>76</b>
percentage (overall total / maximum reachable amount)										<b>76%</b>
<b>Over all result of Austria (average over the 2 relevant moments of measurement and all benefits)</b>										<b>56</b>
<b>Over all percentage of Austria (over all result / maximum reachable amount)</b>										<b>74%</b>

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.2. Professional nature of social insurance schemes: BELGIUM

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	4		4	4	4			3	21
income related benefits		3		3	3	3			3	15
contribution financing	2	4		2	2	2	4	4	3	23

overall total (all risks + all parameters)	<b>59</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>78%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	3	4		4	4	4			3	22
income related benefits		3		3	3	3			2	14
contribution financing	3	3		3	3	3	3	3	3	24

overall total (all risks + all parameters)	<b>60</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>79%</b>

**Over all result of Belgium (average over the 2 relevant moments of measurement and all benefits)**

**59,5**

**Over all percentage of Belgium (over all result / maximum reachable amount)**

**78%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

### ANNEX 4.3. Professional nature of social insurance schemes: CZECH REPUBLIC

#### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	3		3	3	3			0	12
income related benefits		3		3	3	3			2	14
contribution financing	3	3		3	3	3	3	3	3	24

overall total (all risks + all parameters)	<b>50</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>66%</b>

#### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	1	4		3	3	3			0	14
income related benefits		3		3	3	3			3	15
contribution financing	2	4		4	4	4	4	0	4	26

overall total (all risks + all parameters)	<b>55</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>72%</b>

**Over all result of Czech Republic (average over the 2 relevant moments of measurement and all benefits)**

**52,5**

**Over all percentage of Czech Republic (over all result / maximum reachable amount)**

**69%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits



## ANNEX 4.4. Professional nature of social insurance schemes: DENMARK

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		0	1	4			3	12
income related benefits		3		1	0	4			3	11
contribution financing	0	2		0	2	2	4	0	3	13

overall total (all risks + all parameters)	<b>36</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>47%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		0	2	3			3	12
income related benefits		3		0	0	2			3	8
contribution financing	0	3		2	2	2	4	0	3	16

overall total (all risks + all parameters)	<b>36</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>47%</b>

**Over all result of Denmark (average over the 2 relevant moments of measurement and all benefits) 36**

**Over all percentage of Denmark (over all result / maximum reachable amount) 47%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.5. Professional nature of social insurance schemes: FINLAND

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	2		2	2	2			3	11
income related benefits		3		2	2	2			2	11
contribution financing	0	3		3	3	2	4	0	1	16

overall total (all risks + all parameters)	<b>38</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>50%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	2		2	2	3			2	11
income related benefits		2		2	2	3			2	11
contribution financing	2	3		2	2	2	4	0	2	17

overall total (all risks + all parameters)	<b>39</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>51%</b>

**Over all result of Finland (average over the 2 relevant moments of measurement and all benefits) 38,5**

**Over all percentage of Finland (over all result / maximum reachable amount) 51%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.6. Professional nature of social insurance schemes: FRANCE

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	3		4	4	4			3	20
income related benefits		3		4	3	4			2	16
contribution financing	4	4		4	2	2	4	2	3	25

overall total (all risks + all parameters)	61
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	80%

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	3	4		3	3	3			4	20
income related benefits		3		3	3	3			2	14
contribution financing	3	3		3	3	3	4	3	2	24

overall total (all risks + all parameters)	58
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	76%

**Over all result of France (average over the 2 relevant moments of measurement and all benefits) 59,5**

**Over all percentage of France (over all result / maximum reachable amount) 78%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.7. Professional nature of social insurance schemes: GERMANY

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	3		4	4	4			4	21
income related benefits		4		4	4	4			4	20
contribution financing	4	3		3	3	3	4	0	2	22

overall total (all risks + all parameters)	<b>63</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>83%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	3	3		3	3	3			3	18
income related benefits		4		3	3	3			2	15
contribution financing	3	3		3	3	3	4	0	2	21

overall total (all risks + all parameters)	<b>54</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>71%</b>

**Over all result of Germany (average over the 2 relevant moments of measurement and all benefits) 58,5**

**Over all percentage of Germany (over all result / maximum reachable amount) 77%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.8. Professional nature of social insurance schemes: GREECE

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	3	3		4	4	4			3	21
income related benefits		3		3	3	3			2	14
contribution financing	2	3		3	3	3	3	3	3	23

overall total (all risks + all parameters)	<b>58</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>76%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	3	3		4	3	3			4	20
income related benefits		3		3	3	3			3	15
contribution financing	3	3		3	3	3	NA	3	3	21

NA = not applicable

overall total (all risks + all parameters)	<b>56</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>74%</b>

**Over all result of Greece (average over the 2 relevant moments of measurement and all benefits)**

**57**

**Over all percentage of Greece (over all result / maximum reachable amount)**

**75%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.9. Professional nature of social insurance schemes: IRELAND

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	3		3	2	3			2	13
income related benefits		0		0	1	0			0	1
contribution financing	1	2		2	2	2	4	0	2	15

overall total (all risks + all parameters)	<b>29</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>38%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		3	4	4			2	17
income related benefits		0		0	0	0			0	0
contribution financing	1	3		3	3	3	3	0	3	19

overall total (all risks + all parameters)	<b>36</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>47%</b>

Over all result of Ireland (average over the 2 relevant moments of measurement and all benefits)

**32,5**

Over all percentage of Ireland (over all result / maximum reachable amount)

**43%**

## ANNEX 4.10. Professional nature of social insurance schemes: ITALY

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	3		4	4	4			4	19
income related benefits		3		3	3	3			4	16
contribution financing	1	3		3	3	3	4	3	3	23

overall total (all risks + all parameters)	<b>58</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>76%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		4	4	4			4	20
income related benefits		3		3	3	3			3	15
contribution financing	4	4		3	2	3	4	3	3	26

overall total (all risks + all parameters)	<b>61</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>80%</b>

**Over all result of Italy (average over the 2 relevant moments of measurement and all benefits)** **59,5**

**Over all percentage of Italy (over all result / maximum reachable amount)** **78%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.11. Professional nature of social insurance schemes: LUXEMBOURG

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	4		3	3	3			3	18
income related benefits		4		3	3	3			3	16
contribution financing	2	2		3	3	3	3	2	0	18

overall total (all risks + all parameters)	52
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	68%

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	3	4		3	3	3			3	19
income related benefits		4		3	3	3			3	16
contribution financing	3	3		3	3	3	3	1	0	19

overall total (all risks + all parameters)	54
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	71%

**Over all result of Luxembourg (average over the 2 relevant moments of measurement and all benefits) 53**

**Over all percentage of Luxembourg (over all result / maximum reachable amount) 70%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits



## ANNEX 4.12. Professional nature of social insurance schemes: THE NETHERLANDS

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	4		2	0	0			4	12
income related benefits		3		2	0	0			3	8
contribution financing	2	4		3	4	4	NA	0	4	21

overall total (all risks + all parameters)	41
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	54%

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	1	4		4	0	0			4	13
income related benefits		3		3	0	0			2	8
contribution financing	3	4		3	4	4	NA	0	4	22

overall total (all risks + all parameters)	43
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	57%

**Over all result of the Netherlands (average over the 2 relevant moments of measurement and all benefits)** **42**

**Over all percentage of the Netherlands (over all result / maximum reachable amount)** **55%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.13. Professional nature of social insurance schemes: PORTUGAL

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		4	4	4			4	20
income related benefits		3		3	3	3			2	14
contribution financing	0	4		4	4	4	4	4	4	28

overall total (all risks + all parameters)	<b>62</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>82%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		3	3	3			4	17
income related benefits		3		3	3	3			3	15
contribution financing	0	4		3	3	3	4	3	4	24

overall total (all risks + all parameters)	<b>56</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>74%</b>

**Over all result of Portugal (average over the 2 relevant moments of measurement and all benefits)**

**59**

**Over all percentage of Portugal (over all result / maximum reachable amount)**

**78%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.14. Professional nature of social insurance schemes: SLOVENIA

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	4		3	3	3			3	18
income related benefits		3		3	3	3			3	15
contribution financing	2	3		3	3	3	3	0	2	19

overall total (all risks + all parameters)	<b>52</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>68%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	4		3	3	3			3	18
income related benefits		3		3	3	3			3	15
contribution financing	3	3		3	3	3	NA	0	1	16

overall total (all risks + all parameters)	<b>49</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>64%</b>

**Over all result of Slovenia (average over the 2 relevant moments of measurement and all benefits)**

**50,5**

**Over all percentage of Slovenia (over all result / maximum reachable amount)**

**66%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.15. Professional nature of social insurance schemes: SPAIN

<b>MISSOC tables 1996</b>										
	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	2	4		4	4	4			3	21
income related benefits		4		4	3	4			2	17
contribution financing	3	3		3	2	4	4	2	2	23
overall total (all risks + all parameters)										<b>61</b>
maximum reachable amount										<b>76</b>
percentage (overall total / maximum reachable amount)										<b>80%</b>
<b>MISSOC tables 2007</b>										
	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		4	4	3			3	18
income related benefits		4		3	3	3			2	15
contribution financing	0	3		2	2	2	4	0	3	16
overall total (all risks + all parameters)										<b>49</b>
maximum reachable amount										<b>76</b>
percentage (overall total / maximum reachable amount)										<b>64%</b>
<b>Over all result of Spain (average over the 2 relevant moments of measurement and all benefits)</b>										<b>55</b>
<b>Over all percentage of Spain (over all result / maximum reachable amount)</b>										<b>72%</b>

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.16. Professional nature of social insurance schemes: SWEDEN

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		1	2	1			2	10
income related benefits		3		1	1	1			2	8
contribution financing	0	4		2	2	2	4	0	2	16

overall total (all risks + all parameters)	<b>34</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>45%</b>

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		2	2	2			2	12
income related benefits		3		2	2	2			2	11
contribution financing	0	4		3	2	2	4	0	2	17

overall total (all risks + all parameters)	<b>40</b>
maximum reachable amount	<b>76</b>
percentage (overall total / maximum reachable amount)	<b>53%</b>

Over all result of Sweden (average over the 2 relevant moments of measurement and all benefits)

**37**

Over all percentage of Sweden (over all result / maximum reachable amount)

**49%**

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.17. Professional nature of social insurance schemes: UNITED KINGDOM

### MISSOC tables 1996

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		3	1	1			4	13
income related benefits		0		0	1	1			0	2
contribution financing	1	3	1	3	3	3	0	0	2	16

overall total (all risks + all parameters)	31
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	41%

### MISSOC tables 2007

	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		3	3	3			4	17
income related benefits		2		0	2	1			0	5
contribution financing	1	3		3	3	3	0	0	2	15

overall total (all risks + all parameters)	37
maximum reachable amount	76
percentage (overall total / maximum reachable amount)	49%

Over all result of United Kingdom (average over the 2 relevant moments of measurement and all benefits)

34

Over all percentage of United Kingdom (over all result / maximum reachable amount)

45%

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits

## ANNEX 4.18. Professional nature of social insurance schemes: NORWAY

<b>MISSOC tables 1996</b>										
	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		0	0	0			4	8
income related benefits		3		1	1	0			3	8
contribution financing	3	3		3	3	3	3	0		18
overall total (all risks + all parameters)										34
maximum reachable amount										76
percentage (overall total / maximum reachable amount)										45%
<b>MISSOC tables 2007</b>										
	risk II	risk III	risk IV	risk V	risk VI	risk VII	risk VIII	risk IX	risk X	total per parameter
professional activity	0	4		2	2	2			4	14
income related benefits		4		2	2	2			3	13
contribution financing	1	4		2	3	3	4	0	3	20
overall total (all risks + all parameters)										47
maximum reachable amount										76
percentage (overall total / maximum reachable amount)										62%
<b>Over all result of Norway (average over the 2 relevant moments of measurement and all benefits)</b>										<b>40,5</b>
<b>Over all percentage of Norway (over all result / maximum reachable amount)</b>										<b>53%</b>

this final assessment table disregards the following elements:

- \* the income related character of health care
- \* the whole chapter of comparative tables dealing with maternity and paternity
- \* the first two features, based on professional activity and income related benefits, for the chapters employments injuries and occupational diseases as well as family benefits





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