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THE EVOLUTION OF SOCIAL PROTECTION IN 2011

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I. Introduction

This report describes developments in social protection in all MISSOC countries for 2011; reference may also be made to issues and initiatives that are planned but not implemented. Drawing upon MISSOC Tables and bi-annual returns from MISSOC National Correspondents, key themes will be identified and placed in the context of broader European trends including the Europe 2020 Strategy and especially its monitoring through the 'European Semester' via the Annual Growth Survey, National Reform Programmes and country specific recommendations. The nature and impact of national austerity measures which are frequently dominant in the field of social protection and social inclusion will also be noted. Reference will be made to documents published by the European Union, including the European Commission, Social Protection Committee and European Council. Where appropriate, reference will also be made to material published by other international agencies and institutions including the Council of Europe, ILO, OECD and ISSA. When reference is made to individual countries there will be no attempt to evaluate or express judgment about either a policy or its impact.

The six monthly returns submitted by National Correspondents from each MISSOC country have been examined for reported changes and represent the primary source of information about development at the level of individual Member States. It should be noted that in the period under review (i.e. the calendar year 2011) not all countries reported significant change or development in their social protection system and in consequence not all countries are referred to in the text: countries are therefore not referred to if there have been no significant developments. A number of general observations, however, are to be noted: first, routine adjustments in the level (value) of individual benefits are not commented upon in this review other than when the up-rating formula has been amended (that is, when there has been a change from one index of inflation to another); second, detailed changes to text, reflecting refinement in translation or meaning, have also been routinely ignored; third, significant change in policy or administration have been noted and grouped according to risk: it is to be noted however, that not all risks were evidenced by such change during the period under consideration and as a result some risks have been grouped together; finally, the most reported and substantive change concerned policy and administration in the field of pensions followed by changes in the field of labour market activation.

The policy context for this report is dominated, in three respects, by the financial crisis and its implications: social protection programmes may be regarded as having been part of the problem (for example, spend on social protection has increased in many countries as a proportion of GDP); the need and demand for social protection has been stimulated by the impact of the financial crisis and its social consequences (for example, rising unemployment and poverty); social protection expenditure is being curtailed and re-structured as austerity programmes are implemented (benefit conditionality rules tightened; national minimum wage levels reduced; pension age increases and final salary schemes closed; activation and flexicurity programmes initiated). However, the immediacy of the current political economy and its correlates are not the only factors impacting on the shape and prospects for social protection. Deeper, structural, imperatives are also at work: demographic change, low birth rates, population mobility and ageing are all shifting the dynamic of demand, and capacity to pay, for social protection. The shifting balance between personal responsibility and public obligation, especially in the fields of health and social care, add to the complexity and intractability of the policy challenge. Advances in medical technology and pharmaceutical innovation have created opportunity for increased life expectancy and enhanced quality of life but at a significant growth in cost. Taken together, the prospects for social protection are both challenged and challenging as never before: there is increased need, rising demand, complex reform agendas and contested capacity to meet the cost from both public and private resource.

The Social OMC (three strands: social inclusion, pensions and health care & long term care), in seeking to promote policy coordination in the European Union, has facilitated new legislation in some Member States in areas such as long-term care, active inclusion, the phasing out of early retirement and the social economy and in efforts to make social protection systems more adequate, resilient and sustainable. In part this has been made possible by the development of common indicators to strengthen both statistical and analytical capacity in the social field. Following a review of the Social OMC during 2011 it was agreed that the overarching objectives of the OMC for social protection and social inclusion are to promote:

“ (a) social cohesion, equality between men and women and equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies:

(b) effective and mutual interaction between Europe 2020 objectives of smart, sustainable and inclusive growth, taking full account of the relevant provisions of the Lisbon Treaty;

(c) good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy.”

II. Europe 2020 Agenda

Against the background of financial crisis, the Europe 2020 Agenda aims to help the EU become stronger through the development of a ‘smart, sustainable and inclusive’ economy delivering high levels of employment, productivity and social cohesion. The importance of social protection is emphasised in one of the five headline targets within the 10 years strategy: to fight against poverty and social exclusion (and thereby to lift at least 20 million people out of the risk of poverty or exclusion). This will be facilitated, in part, by the creation of a European Platform against poverty and social exclusion as one of the strategy's seven flagship initiatives: supporting voluntary policy coordination and mutual learning, as well as providing EU-wide rules and funding.

During 2012 the Commission will present a Communication providing an in-depth assessment of the implementation of active inclusion strategies at national level, including the effectiveness of minimum income schemes and of the way in which EU programmes can be used to support active inclusion.

Europe 2020 is underpinned by a suite of Integrated Guidelines for the employment and economic policies of Member States and they provide a framework for the devising, implementing and monitoring of national policies in the context of overall EU strategy. National Reform Programmes report on actions taken on a country-by-country basis, one strand of which relates to 'promoting social inclusion and combating poverty'[1]. It falls to the Social Protection Committee, within the framework of the Social OMC, to receive and evaluate these reports. An EU Network of Independent Experts also review the National Reform Programmes and they have concluded, with a more critical perspective, that in general the steps taken to achieve Europe 2020 targets regarding poverty and social exclusion are 'quite small'. Indeed, the Summary Report states:

> *"The reality is that in most NRPs economic growth is the dominant consideration with the emphasis essentially on smart and sustainable growth and only marginally on inclusive growth. There is a lack of effort in most Member States to develop different policies which will reduce inequalities and lead to inclusive development. Very often, social protection and social exclusion issues are largely treated as a side aspect of the economic growth strategy and are given quite limited attention except in so far as they impinge on economic growth. Insufficient attention is given to addressing inequality and guaranteeing a fairer redistribution of resources in society so as to ensure greater inclusion. The absolutely key role played by social protection systems (and particularly the level of minimum payments) in reducing poverty and social exclusion goes largely unaddressed. Looking to the next round of NRPs, in 2012, it will be crucial that the growing importance of EU economic governance (Euro-plus-pact) does not jeopardise or supersede the balanced*

[1] (Guideline No 10): Council Decision 2010/707/EU of 21 October 2010.

> *objectives agreed upon in June 2011 when the Europe 2020 Strategy was launched by the European Council."* [2]

The 'European Semester' is a new working method within the European Union that seeks to ensure that coordinated action on key policy priorities is at the EU level. Beginning in 2011 Member States presented their Stability or Convergence Programmes (which set out plans for sustainable public finances) and the National Reform Programmes (key policy measures to sustain growth, promote employment and reach the Europe 2020 targets) simultaneously. This has enabled the EU to evaluate growth/employment and budgetary plans in an integrated manner. The Annual Growth Survey begins the European Semester in January of each year and the Country Specific Recommendations are then announced in June. Social Protection programmes are among the key policy areas that are addressed and, in particular, attention is paid to the reform and sustainability of pensions, measures to support job creation and help the unemployed return to work. The Recommendations are specific to each country because the challenges being faced do vary. Recommendations have not been addressed to the five Member States in receipt of financial assistance from the EU and IMF: euro area countries Greece, Ireland and Portugal and non-euro countries Latvia and Romania. The assistance these countries receive is tied to pre-existing policy programmes focused on fiscal consolidation and structural economic reform.

The European Commission has published the first annual review of Employment and Social Developments in Europe.[3] The report has evidenced that the financial crisis has aggravated such existing structural weaknesses as income inequality and labour market change including the loss of middle-paying jobs in the manufacturing and construction sectors. Rising inequality is especially noticeable in those countries that were historically more egalitarian (e.g. Scandinavia). Analysis of poverty data suggests that the most severe material deprivation is to be found in Eastern European countries. The elderly, lone parents and low-work intensity households are most vulnerable to poverty and social exclusion. Almost 10% of those employed in the labour market – the working poor – are at risk of poverty.

The Commission has also published a review of Annual Growth in the EU and made a series of proposals and recommendations. Growth slowed during 2011 and the prospects are, at best, uncertain for the immediate future with growth forecast to be 0.6% in 2012 and unemployment to remain high at around 10%, impacting significantly on the social sphere. Three priority areas for action were identified:

(a) fiscal consolidation and enhancing macroeconomic stability;
(b) labour market reform to promote higher employment;

[2] Frazer, H. and Marlier, E., September 2011, Assessment of Progress Towards the Europe 2020 Social Inclusion Objectives. Synthesis Report, p.12.
[3] Employment and Social Developments in Europe 2011, European Commission, 2012.

(c) growth enhancing measures.

Within the field of social protection the Commission[4] recommends that attention is paid to activation strategies and pension reform:

> *"Pursuing the reform and modernisation of pension systems, respecting national traditions of social dialogue to ensure financial sustainability and adequacy of pensions, by aligning the retirement age with increasing life expectancy, restricting access to early retirement schemes, supporting longer working lives, equalising the pensionable age between men and women and supporting the development of complementary private savings to enhance retirement incomes. This modernisation should be coupled with a reform of health systems aiming at cost efficiency and sustainability."*

In response to the increasing numbers of those who are experiencing or are at risk of poverty the Commission considers that Member States should:

> *"Further improve the effectiveness of social protection systems and making sure that social automatic stabilisers can play their role as appropriate, avoiding precipitate withdrawals of past extensions of coverage and eligibility until jobs growth substantially resumes.*

> *"The implementation of active inclusion strategies encompassing labour market activation measures, and adequate and affordable social services to prevent marginalisation of vulnerable groups."*

On 1 December 2011 the EPSCO Council held a policy debate on the implementation of the Europe 2020 Strategy in the field of employment and social policy. Attention was drawn to the possibilities and ways in which social security schemes and labour costs would be reshaped to increase both labour supply and demand, while also improving the sustainability of public finances. The objective of 'fostering employment' had triggered a total of 48 commitments including initiatives to enhance flexicurity and promote active labour market policies (especially directed at young and long-term unemployed). Over half of all Member States are taking measures to make work pay and/or decrease benefit dependency through the reform of tax and benefit systems. In addition there were commitments to increase the retirement age and to increase the employment of older workers by reducing access to early retirement schemes. However, a recently published study from the European Foundation for the Improvement of Living Conditions concluded that 'more consideration should also be paid to aligning social security systems with the idea of the flexicurity concept.'[5]

[4] Annual Growth Survey 2012, 2011-815 final, p.4.
[5] The second phase of flexicurity: an analysis of practices and policies in the Member States, European Foundation for the Improvement of Living and Working Conditions, Dublin, 2012 p.3.

III. Pensions and Financial Sustainability

Pension reform has been the dominant focus for austerity policies targeted at social protection systems. Proposals and policies have focused on: increasing the retirement age; equalising the retirement age between men and women; restrictions on conditions of eligibility for early retirement; higher contribution rates; provision of incentives to remain in the labour market and linking pensions to projected cohort life expectancy. The following are illustrative examples of policy development. As part of the draft 2012 budget the Bulgarian Minister of Finance indicated that the Government was intending to increase the pensionable age for both men and women by one year from 2012; from 2021 it is intended that the minimum age for retirement will be 67 years for both men and women; debate continues in the National Assembly. Similarly, there is debate in Cyprus about restructuring the public pension system: proposals under consideration include the introduction of contributions towards their pensions for civil servants, changes in the method of calculation and indexation of pensions.

In Estonia, where the age for retirement will increase to 65 years by 2026, work continues to reform special pension schemes, with legal provisions to be in place by early 2012. Similarly Lithuania is progressing a gradual increase in the retirement age. In June 2011 the Lithuanian Parliament amended the law on State Social Insurance Pensions (SSIP) providing for an increase in retirement age (effective January 2012) whereby the retirement age will increase for women by 4 months and for men by 2 months every year until it reaches 65 in 2026. Initial steps have been taken to migrate to a new procedure for the calculation of the SSIP. In the Netherlands government and social partners have agreed (September 2011) to increase the retirement age to 67 years by 2025. In addition, contributions to voluntary early retirement and pre-funded flexible schemes are no longer deductible from taxable income.

In Poland ‘bridge pensions’ have been introduced with the aim of limiting early retirement from the labour market. In addition to proposing an increase in the statutory pension age moves have been made towards establishing Personalised Pensions as a third pillar. In Belgium active ageing initiatives for older people are being implemented at the regional level. For example, from April 2011 the Flemish public employment service extended its ‘encompassing activation policy’ to the unemployed aged between 52 and 55 years. In addition, income earned by persons over the age of 65 years is to be taken into account in the calculation of pension entitlement. In Bulgaria length of service conditions of eligibility have been increased from 25 to 27 years for members of the army and police force. There are also proposals to provide incentives to delay retirement with the value of pensions being increased by 4% per year. Since the end of 2011 the retirement age has started increasing by 4 months per calendar year until reaching 63 years of age for women and 65 years for men. Similarly the required length of insurance has started to increase by 4 months per calendar year until it reaches 37 years for women and 40 years for men. [In an interesting and very specific reference, ballet dancers acquire a right to a pension after retirement regardless of their age after 25 years insurance in the profession.] A guarantee pension was introduced in Finland in 2011, intended to top-up the minimum pension and the age limit for a part-time pension is being increased from 58 to 60; the minimum age for the unemployment path to retirement is being increased from 57 to 58 years. In France, there is to be an increase in the minimum statutory retirement age from 60 to 62 years by 2018 and an increase in the minimum age to get full pension without penalty from 65 to 67 years. The minimum pension will be increased by 25% in 2012.

In Greece, where special measures have had to be introduced in response to the sovereign debt crisis, pension reform has been especially close to the top of the reform agenda. Pensions have been re-structured, better integrated, with lower replacement rates and pensionable income calculated on the basis of average career earnings; stricter conditions have been introduced for early retirement and measures taken to equalise arrangements as between men and women. New social security contributions have been levied on pensions, with a rate of 3% for monthly pensions between € 1,400 and € 1,700 and 10% on pensions over € 3,500. For pensioners who are under 60 there is an additional Social Solidarity Contribution levied on pensions exceeding € 1,700 per month. Survivor’s benefits have also been changed: the surviving spouse (man or woman), irrespective of age, is entitled to a survivor’s pension for the first three years after their spouse’s death. If the surviving spouse works or receives a pension in their own right, s/he is entitled to 50% of the normal survivor’s pension until the age of 65. After that age s/he is entitled to 70% of the normal survivor’s pension. If the surviving spouse is suffering from a physical or mental disability of at least 67%, s/he is entitled to the full survivor’s pension for as long as the disability lasts. Finally, it is anticipated that cohort longevity will be linked to the age of retirement from 2021.

Although the level of public debate about pension reform has not been intense in Italy, there have been significant changes. For example, a full pension can now be drawn when a man has 42 years and 1 month of contributions; for a woman it is 41 years and 1 month; the standard retirement age for men in the private sector and self-employed is 66 years; for women in the private sector it is 62 years; the pensionable age for women in the public sector has increased from 61 to 65 years by 2012. From 2015, the retirement age will be adapted every three years to adjustments in cohort longevity.

Debate about social protection reform in Ireland, as elsewhere, has been framed by the fiscal and banking crisis. The National Pensions Framework, published in March 2010, has set the context for policy for the next generation. The state pension age is to be increased on a phased basis to 66 years in 2014, to 67 in 2021 and to 68 years in 2028. Under the national Recovery Plan current public service pensioners have had their pensions reduced by 4% on average; future public sector pensions are to be based on career average rather than final salary. In the 2011 Budget and subsequent Finance Act there were additional short term measures: reductions were made to the annual earnings limit for tax relief, to the tax free lump sum on retirement and to the standard funding threshold; the earnings ceiling (previously € 75,036) for social insurance contributions has been removed.

Latvia has reformed its pension policies to achieve long-term financial sustainability of its state social insurance system. There will be a gradual increase in the retirement age from 62 years up to 65 years for both men and women in 2021 and opportunities for early retirement will be abolished. The minimum insurance period will be increased from 10 years to 15 years from 2016 and from 2020 it will be 20 years. There will be no indexation of pensions in either 2012 or 2013. In the UK the default retirement age was abolished in October 2011 and the phased increase in the state pension age from 65 to 66 has been brought forward to 2018. In France, complementary pensions become eligible between 65 and 67 or upon receipt of the basic pension at the full rate. In addition, there are no flat-rate supplements for dependent spouses in respect of pensions due since January 2011. In Hungary employee contributions have been re-directed from 2nd pillar pensions to the 1st pillar scheme between November 2010 and the end of December 2011. As from 1 January 2012 contributions to private pension funds have been terminated and at the same time members of private pension schemes are obliged to make a 10% pension contribution to the state-managed pension fund. With the exception of women with 40 years contributions and members of the armed forces aged over 57 years, the former early retirement pensions will not be awarded after 31 December 2011.

IV. Employment Targets in Context of Europe 2020

The European Union is challenged to create 17.6 million new jobs if an employment rate of 75 per cent is to be achieved by 2020 and this target will not be met unless policy change and structural reform are implemented. Of particular concern are the rising levels of youth unemployment and the employability prospects of the long-term unemployed. The EPSCO welcomed work by the Social Protection Committee[6] and underlined the need for policies that would facilitate escape from in-work inequalities and strengthen social cohesion, but also to ensure growth in the future; [that] the utmost attention needs to be paid to the quality of consolidation measures which should be responsive to social needs and preserve the effectiveness of social protection while improving its efficiency through a better design and stronger focus on those in greatest need.”

[6] The Europe 2020 Social Dimension: Delivering on the EU commitment to poverty reduction and social inclusion (2011) Opinion of the Social Protection Committee – Endorsement.

V. National Reform Programmes

Taking into account the importance of the principle of subsidiarity and having reviewed the National Reform Programmes for 2011, the Employment and Social Protection Committees 'confirmed a strong policy convergence towards the achievement of the EU headline objectives on employment and poverty.'

The review of the National Reform Programmes underlined the continued importance of the European Social Fund in promoting labour market participation and strengthening the active inclusion of vulnerable groups. The NRPs also underlined the importance of 'in-work' benefits as a means to help second income earners and the significance of increasing the retirement age and reducing access to early retirement schemes to facilitate the participation of older workers. In addition, efforts to reduce the extent of undeclared work would help extend access to social security benefits to previously excluded workers. Overall, the need for adequacy and sustainability are key elements in the NRPs but more needs to be done if the European Council commitment to lift 20 million people out of the risk of poverty and exclusion is to be achieved.

The review drew attention to the need for a better interaction between employment and social protection policies. For example, there could be better alignment of social assistance schemes and labour market support 'through stronger coordination between social services and services managing unemployment benefits and public and private services, including work incentives, training and job-search conditionality are identified as success factors.'

Despite financial constraint, however, there continues to be regular up-rating of social security benefits to compensate for the effects of inflation: different measures of inflation are used to trigger up-rates and there are examples where up-rating is on a sliding scale: in Austria, for example, lower value pensions increased by 1.2%, whereas higher value pensions increased on a decreasing scale to zero. In Germany up-rating is now conducted according to an index derived from a mixture of inflation of prices for goods & services on the one hand and adjustments in average wages. In the UK benefits are up-rated according to the Consumer Price Index (CPI) rather than Retail Price Index as recorded in September of each year (both are consumer price indices but among other things the CPI excludes housing costs).

In Belgium, the so-called 'work bonus' (in existence since 2000) was increased and an additional tax credit for the lowest wage earners was introduced, effective from April 2011. In Ireland, and implemented as part of the May 2011 Jobs Initiative, it is intended that until the end of 2013 there will be a 50% reduction in employers' social insurance contributions for low earners (less than € 356 per week). However, the self-employed will no longer be exempt from compulsory social insurance. In Italy a reform of the social assistance system is planned. In the Netherlands there is a commitment to "increased activating of social security and reduced dependency on unemployment benefits through the introduction of a scheme to reform existing schemes for the lower end of the labour market." This has been progressed through the launch of the 'Work Capacity Act' which is aimed at reforming the Work and Social Assistance Act, Invalidity Insurance (Young Disabled Persons) Act and Sheltered Employment Act and moving towards a locally implemented scheme for the lower end of the labour market. It is hoped that the new legislation will be effective as from 1 January 2013.

Unemployment: In Hungary changes to the Job-Seeker Benefit have capped its value at the level of the minimum wage and 60% of the previous average wage. Furthermore, 1 day of Job-Seeker Benefit is paid for every 10 (previously 5) days of previous insurance up to a maximum of 90 days (previously 270). The duration of entitlement to Unemployment Benefit has been amended in Italy: for those aged under 40 years entitlement is limited to 12 months; to 24 months for those aged between 40 and 50 years; 36 month for those aged over 50 years.

In Romania, graduates who obtain a full-time job are entitled to an Employment Bonus equivalent to the Reference Social Indicator; graduates who get a full-time job while in receipt of Unemployment Indemnity are entitled to an Employment Bonus equal to the Unemployment Indemnity; the unemployed who get a job more than 50 km from their home while in receipt of Unemployment Indemnity are entitled to an Employment Bonus payment. The minimum job duration to be entitled to an employment Bonus is 12 months.

In the United Kingdom Jobseekers who participate in prescribed programmes can continue to receive Jobseeker's Allowance as long as they continue to meet the qualifying conditions: The Work Programme provides personalised support delivered by private companies to help jobseekers find and remain in employment; Work Clubs are designed to encourage people who are out of work to exchange skills and share experiences with others who are also unemployed; Work Together helps jobseekers develop work skills through volunteering opportunities in local charities and voluntary organisations; the Work experience programme helps young people get work experience through a placement with a local business.

In Latvia there have been amendments to the duration of Unemployment Benefit. From a position where entitlement for all recipients lasted for 9 months, henceforward the duration of payment will depend on the social insurance record of the person: for persons with an insurance history of between 1 and 9 years the duration will be 4 months; for persons with a history of 10 – 19 years the duration will be 6 months; for those with contributions over 20 years the duration of benefit entitlement will be 9 months.

In Finland sanctions, equivalent to suspension of unemployment benefit for 15 days, have been introduced for job-seekers who fail to attend an appointment for making a job-seeking plan or its up-dating. In addition the government intends to build up a social guarantee scheme. Between 2012 and 2013 all young people under 25 years and all recently graduated people under 30 years will be provided with a job or training, study placement, workshop or rehabilitation placement no later than three months into a period of unemployment: a budget of EUR 60 million has been allocated for this purpose. There have been increased contribution rates in Greece. The qualifying period for Unemployment Benefit in Liechtenstein has been increased from 6 months to one year. In France, and as a means of tackling long-term unemployment, public employment services have to organise, within a 3-month window, an interview with all those who have been unemployed for more than one year. In addition a new daily allowance has been introduced (for a maximum of 21 days or 42 days in the case of part-time work) for those employees on compassionate leave to provide palliative care.

In Greece there have been increased insurance contributions (effective from August 2011 and up from 4% to 5%, proportionately shared between employees and employers) to meet the cost of unemployment benefits. Spain has introduced a new out-of-work benefit for the self-employed.

Disability, Invalidity and Sickness: In Hungary, a new Act, effective from 1 January 2012 seeks to promote the rehabilitation of recipients of disability benefits: accordingly, disability pensions, accident-related disability pensions, rehabilitation annuities and regular social annuities for people with ill-health, temporary invalidity annuities and health damage annuities will not be awarded after the Act's implementation date. Future applicants will be subject to a personal (functional) assessment. Strict criteria for the reporting of changes in circumstances have also been introduced. In Lithuania the formula for determining the value of the Lost Working Capacity Benefit has been amended: for those experiencing a 60-70% loss of capacity for work will have the benefit limited to 110% of the basic pension (previously 120%); for those with 45-55% of loss of capacity the pension will be limited to 55% as opposed to the previous level of 60%.

In Sweden a new Sickness cash benefit has ben introduced as from 1 January 2012 and requires residence in the country. It can be paid if a person does not have an income qualifying for sickness cash benefit or this income is below SEK 80,000. In addition the applicant must also have received temporary sickness compensation for the maximum time period and be registered with the Social Insurance Agency. Meanwhile, in Norway, provisions have been introduced to require employees to cooperate with their employer to find ways of preventing long-term absence from work due to illness. The employee must participate in the preparation and implementation of the follow-up plan and participate in appropriate meetings. The employee must provide information about their own work capacity and try out work-related activities.

In Germany the common contribution rate for all statutory sickness funds has been fixed at 15.5%. This contribution rate also applies to sickness insurance for pensioners; the pension insurance covers a part of the sickness insurance contributions equal to 7.3% of the pension for compulsorily insured pensioners; the remaining contribution element (of 8.2%) is paid by individual pensioners.

In Hungary, and since January 2011, the value of the Rehabilitation Annuity has been halved if average income during a three month period exceeds double the amount of the Annuity and exceeds the value of the Minimum Wage.

Family benefits: In Spain a new benefit has been introduced for carers of children who have cancer or other serious illness. The benefit is for parents (including adoptive and fostering parents) who are working and who reduce their working hours by at least 50% in order to provide direct, continuous and permanent care to the affected child; the right to receive the benefit will only be granted to one of the parents.

In Norway if the mother is in receipt of disability benefits the father is now entitled to take 12 weeks of parental leave regardless of the mother's activities or health status.

In Ireland and following the removal of Child Benefit from children aged 18 years, the remaining special payment for those in receipt of a social welfare payment or family income supplement has also been removed with effect from January 2011.

In the UK, the Education Maintenance Allowance (previously paid to those aged 16-19 years, participating in full-time education or training and from low income families) was abolished.

Health Care: In Finland the principle of patient choice has been extended so that patients can access health centre services beyond their municipality of residence if they visit or stay in another municipality on a regular basis. The patient must have a care plan, drawn up by the home municipality that prescribes the treatment to be received.

In Ireland access to a range of dental procedures has been restricted for those making pay-related social insurance contributions: this is explicitly intended to contain expenditure on dental treatment. Similarly, whereas there was formerly no charge, persons with full eligibility pay a prescription charge of € 0.50 per prescribed item, up to a maximum of € 10 per family per month.

In Slovakia there is a new law on the scope and conditions of payment for medicines, medical devices and foods covered on the basis of public health insurance.

Guaranteed Minimum: Austria is one of the few countries to have engaged in a reform of the existing social assistance scheme. The aim of the new benefit is to provide a decent standard of living for those who are unable to cover their daily costs or those of their family members from within their own resources. The 'Needs-oriented guaranteed minimum resource' is a general non-contributory scheme for the whole population. There is some variation between Lander, with some granting higher benefits to specific population groups, such as the disabled or those who are chronically ill. In Germany there were amendments to the Social Code in March and May 2011. A new social compensation payment (*Sozialausgleich*) has been introduced and entitlement is established if the 'average additional contribution of the sickness fund' exceeds the limit of 2% of the member's contributory earnings. Finally, a new education-related package has been introduced (*Bildungs- und Teilhabepaket*) for children and young people, covering the costs of their participation in school trips, school transport, personalised school supplies, community lunches, sports, culture and leisure time activities and under certain circumstances also learning/study support.

VI. Conclusion

The financial crisis has placed social security near to centre stage in the policy arena; attention has focused in particular upon the sustainability of pension schemes. As contributors to an ILO Report have written: "The crisis has highlighted the need to review social security policies and governance structures in order to ensure that the design and financial architecture of social security are conducive to ensuring sufficient stability and flexibility even during major shocks." [7] It is widely recognised that social security continues to be an important economic stabiliser, helping to maintaining levels of aggregate demand in the economy, balanced growth and social cohesion. That this is, in principle, recognised by the European Union is evidenced in the 'European Semester' agenda and in the analysis and inter-dependence of economic and social policies to be found in current EU thinking. However, the real challenge will be to ensure that Member States through the National Reform Programmes, and the actions that result, mainstream a commitment to make use of social protection strategies in pursuit of the Europe 2020 goals. To date, attention and policy action has concentrated on the reform of public pension schemes with secondary attention to the promotion of active labour market strategies. A majority of MISSOC countries report no significant social protection developments during 2011. Analysis of National Reform Programmes and evidence from the bi-annual MISSOC returns confirms that the promise of policy reform out-weighs the reality of policy reform in practice.

Prof. J. S. Ditch
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[7] Behrendt C., Bonnet, F., Cichon, M. and Hagejer, K. in ILO (2011), The Global Crisis: Causes, responses and challenges, p.171.