COMPARISON AMONG THE EUROPEAN SOCIAL PROTECTION SYSTEMS

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Abstract: In this paper I try to show that are significant differences among the European social systems even that both issues and perspectives which are facing are almost similar. I structured this paper so the past, present and future evolution to be put in value by figures and certificated data. The main goal is to determine how the Romanian social protection system acted and how it would be necessary to act to became sustainable on a medium and long term. I also had in mind that the old European population, regardless of nationality, creates the premises of trouble in the future.

1.INTRODUCTION

The growth of the number of the European Union member implies straight and concise measures in the population level of living uniformization, as well as a new system of action regarding the European social protection. Through constitutive treaties were established bold objectives, derivated from the functioning of the European unique market. Thus, by the initially Treaty of the European Economic Community was established that the organization has the obligation to take measures needed to ensure to the citizens a superior level of prosperity, the states members taking the commitment to act in order to grew the accessibility of the workers on the labor unique market.

The six founders of the community agree that the prosperity of the citizens cannot be only assured without an objective, rules which to guide the action, and therefore being in stated a cohesion policy.

The cohesion policy has two fundamental elements, both social and economic space, elements which could be used to stimulate the Romania economic expansion. The goal of this cohesion policy was to support the states, the undeveloped economic regions, in order to recover the gap and increase competitiveness of the human resources from the respective regions within the unique market. Also the Treaty of Rome creates the financial instruments needed in order to achieve the social protection goals, the members agreed to set an European Social Fund, a fund from which Romania can benefit and which it can lead to the growth of the human resource adaptation to the world economy evolution.

Through this fund the Community understood to act in order to achieve both economic and social cohesion and to grow the economic competitiveness of community to world economy level.

In other words, the main beneficiary of the European cohesion policy is the European worker, this one being guaranteed, with some exception, free access to the unique labor market, and free circulation in Europe.

Today we find interconnections among the cohesion policy and the European social policy. The social protection policy, in a certain measure, rests on the common cohesion policy, and establishes the legislation framework which the member states are obliged to follow, and the cohesion policy assures the main financial support of the programme.

The member states have the obligation to apply the European regulations and directives, the method of application following the specific of each country. The European Union enlargement involves a huge institutional effort. This one it lies that any enlargement of the organization involves and a certain review of the constitutive political treaties, thus an eventually enlargement to more than 27 countries involves and a review to both treaties Maastricht and Nice, concomitant with a huge institutional reorganization, while the a part of the Community of the Independent States of the former countries of Yugoslavia declared their intention to join the European Union.

2. THE EVOLUTION OF THE SOCIAL PROTECTION SYSTEM IN EUROPE

The social protection systems within the European Union are not homogenous and don't have the same features all over Europe. Also they developed, on a certain socio-economic evolution, according to the historical features of the nation. Thus within the European Union we cannot speak about homogeneity on matters of social protection of an any pillar.

It is clear that the member states are obliged, according to the European legislation, to apply certain parts which is considered mandatory by the European Commission. Thus, we got in the European Union countries with, liberal, social-democrat and conservative social protection systems.

Even the former socialist countries have submitted on the market economy, there are some differences on matters of both nations development and social protection systems. We remark the heterogeneity of the European social protection systems mentioning that until now we cannot speak of an integrated social protection system but rather a set of common values and principles which the countries engaged to follow and apply.

The heterogeneity of the European social protection systems reside from the cultural differences within the organization. The national social protection system takes on the first hand Romania specific influences and on the other hand it is being improved from the other community practice. Romania, as a new member of the European Union, has a system , which has resulted due of an unique geo-political factor. The main factor lies on history and the geo-strategical location of the country.

To exemplify the heterogeneity which characterizes this field of the European daily life, social protection, we present a centralization of the ratio with the social social protection in the European nations GDP, as follow from table no. 1:

Table no. 1. The ratio with the social protection expenditure on GDP in the European Union countries   (%)

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Media
EU	:	:	:	:	:	:	:	27,07	26,63	25,73	26,70	29,51	**27,13**
EURO area	:	:	26,65	26,76	27,32	27,72	27,61	27,64	27,21	26,76	27,45	30,19	**27,63**
Belgium	26,56	26,37	25,44	26,31	26,66	27,39	27,41	27,32	27,06	26,78	28,14	30,44	**27,16**
Bulgaria	:	:	:	:	:	:	:	15,10	14,21	14,15	15,49	17,21	**15,23**
Czech Republic	17,95	18,61	18,82	18,68	19,37	19,40	18,62	18,37	17,99	18,04	18,04	20,43	**18,69**
Denmark	30,02	29,83	28,86	29,23	29,69	30,88	30,72	30,24	29,24	28,76	29,64	33,44	**30,05**
Germany	29,07	29,50	29,60	29,67	30,32	30,74	30,09	30,03	28,90	27,79	27,97	31,38	**29,59**
Estonia	:	15,39	13,86	13,00	12,66	12,54	13,00	12,56	12,13	12,11	14,87	19,19	**13,75**
Ireland	15,09	14,45	13,79	14,73	17,04	17,67	17,89	17,95	18,25	18,76	22,04	27,88	**17,96**
Greece	21,65	22,75	23,48	24,30	23,99	23,47	23,62	24,85	24,72	24,80	26,27	27,97	**24,33**
Spain	20,19	19,78	20,00	19,70	20,03	20,29	20,34	20,58	20,53	20,68	22,12	25,04	**20,77**
France	30,12	29,92	29,50	29,62	30,47	31,05	31,38	31,52	30,88	30,62	31,01	33,06	**30,76**
Italy	24,56	24,81	24,71	24,95	25,31	25,81	25,99	26,38	26,64	26,73	27,81	29,82	**26,13**
Cyprus			14,84	14,92	16,28	18,45	18,15	18,35	18,53	18,17	18,49	20,93	**17,71**
Latvia	16,10	17,25	15,68	14,75	14,25	14,01	13,20	12,80	12,70	11,28	12,70	16,85	**14,30**
Lithuania	15,07	0,00	15,71	14,70	14,02	13,51	13,37	13,23	13,36	14,40	16,07	21,25	**14,97**
Luxembourg	21,19	20,47	19,59	20,88	21,58	22,13	22,29	21,69	20,44	19,31	20,25	23,11	**21,08**
Hungary	:	20,64	19,94	19,47	20,43	21,33	20,78	21,90	22,47	22,69	22,88	23,41	**21,45**
Malta	17,94	17,82	16,59	17,47	17,58	17,90	18,58	18,42	18,34	18,02	18,46	20,01	**18,09**
The Netherlands	27,80	27,08	26,38	26,49	27,57	28,26	28,34	27,86	28,81	28,31	28,48	31,60	**28,08**
Austria	28,30	28,79	28,30	28,59	28,97	29,42	29,09	28,72	28,24	27,77	28,42	30,76	**28,78**
Poland	:	:	19,66	20,97	21,13	21,02	20,09	19,71	19,38	18,15	18,56	19,71	**18,03**
Portugal	20,23	20,61	20,92	21,93	22,86	23,31	23,92	24,59	24,59	23,89	24,35	26,94	**23,18**
Romania	:	:	13,03	12,78	13,56	13,06	12,82	13,44	12,82	13,55	14,25	17,08	**13,64**
Slovenia	23,97	23,92	24,14	24,38	24,33	23,65	23,27	23,02	22,70	21,30	21,35	24,26	**23,36**
Slovakia	20,03	20,16	19,38	18,94	19,09	18,39	17,20	16,50	16,33	16,03	16,02	18,81	**18,07**
Finland	27,10	26,33	25,07	25,01	25,69	26,61	26,66	26,70	26,42	25,37	26,16	30,26	**26,45**
Sweden	31,11	30,73	29,87	30,43	31,26	32,23	31,57	31,14	30,37	29,21	29,52	32,12	**30,8**
United Kingdom	26,32	25,73	26,42	26,84	25,71	25,74	25,88	26,26	26,02	23,28	26,28	29,20	**26,14**

Source:

http://epp.eurostat.ec.europa.eu/tgm/web/_download/Eurostat_Table_tps00098FlagDesc.xls

As it can be seen from table 1 the ratio of the social protection expenditure on the European Union GDP has know, during the period 2005 – 2009, a growth by 2,44%. We observe that the previous result was not generated by a gradual increase but rather by a 2,81% growth from 2009.

Having in mind the previous results we conclude as follow:
− the ratio of the expenditure was maintained constant around to an average of 26,53% during the period 2005 - 2008;
− the level of the funds allocated to the both national and European programme of social protection was in a close correlation on the first hand with the evolution of the national economies, on the second hand European economy and finally with the evolution of the global economy. The allocation of a percentage of 29,51 %, in 2009, shows a decrease of the general economic environment and a growth of the number of the social protection systems beneficiary;
− the evolution of the social protection expenditure during the period 2008 – 2009 has influenced decisively the average, the overall media of the period 2005 – 2009 being 28,02%.

Also,[1] we observe that the social protection within the European Union is grouped by the regional ownership of the states, thus we have:
− Baltic:, where the ratio of the social protection expenditure on GDP   has the lowest values from the entire organization. The member countries of this group are: Latvia, Lithuania and Estonia;

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[1] Not to be confused with Stephan Leibfried classification in Preda Marian, Politica socială românească între sărăcie şi globalizare, Editura Polirom, Iaşi, 2007, pag., 49: Scandinavian, Bismarckian, Anglo-saxon and Latin;

‒ Scandinavian: where the both social security and social assistance expenditure are significant, the values recorded being the highest from the entire organization. The member countries of this division are Denmark, Sweden and Finland;

‒ Saxon[2]: the social protection has a central role in the Government programmes and the ratio in the national GDP in above the organization average. Representatives of this type are: Germany, Ireland, Belgium, The Netherlands, Luxembourg, Austria and United Kingdom;

‒ Latin: usually, with an average expenditure for both social security and social assistance. The group is formed by: Italy, France, Greece, Portugal and Spain;

‒ Central and East European: the expenditure is lower than the European average and it can be traced in the former countries of the of the communist bloc.

On this way we remark that 5 from European Union members were in danger to stop their payments, so called PIIGS countries, from which 4 states, Portugal, Italy, Spain and Greece are from the group of the countries with latin social protection system .

Also, analyzing in close correlation the European system of social protection, and having in mind the above classification and the evolution of the national economies, we found that only a country belongs to the saxon social protection system has faced difficulties in financing his deficit. Romania can be placed in the category of the countries which have central and east European social protection, a group which until now, even that he had inherent problems due of the organization system, had no country in economic failure.

The Romania social protection system is still underfinanced being quoted, according to the average media, as the last of the 27 countries which was taken into consideration. Analyzing the evolution of the Romanian social protection system we find a contradictory evolution, inconsistency, and the ratio of the social protection on GDP places Romania among the last state members.

We conclude that Romania has still additional resources to straight the social protection system by the increase of both benefits in kind and cash.

Also we can say that it would be required to adopt laws in order to discourage fraud in the social protection field, so the public funds would be used judiciously and wisely. The financial reserve which it could appear can be computed as a difference between the actual ratio of the expenditure with social protection on GDP and the European average.

This should be used for direct interventions of the state in the economy, by creating the legislative frame needed for a competitive and stable business environment and not least by stimulating the workforce employment. We do not consider that the subsidies from public funds of the jobs is efficient, appreciating this measure counterproductive and without effect over the state budget.

 Financing the social in the European Union in affected by the global financial crisis. Today, due of both the increased budget deficits and public debt, the financial sustainment of the national social protection was gradually reduced.

3. ACTUAL SOCIAL PROTECTION SYSTEMS IN THE STATES MEMBERS OF THE EUROPEAN UNION

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[2] Not to be confused with the anglo-saxon. The saxon are a confederation of germanic tribes which are documented starting with the 3-rd century meanwhile the anglo-saxon are the germanic tribes which had colonized the United Kingdom starting the 5-th century.

According to the United Nations Development Programme, were established 8 objectives to be achieved until 2015 to the promotion of a healthy durable development of the human society. These objectives are: "poverty and hunger eradication; ensuring education for all; promoting equal opportunities; reducing child mortality; pregnant women health improvement; increasing the fight against HIV/AIDS, malaria and other diseases; ensuring the environment protection; stimulation of the global cooperation for development."[3]

Without a set of quantitative indicators, uniform at international level and known by all the involved parties, it cannot be made any comparison among the different welfare regimes.For this purpose and in order to remove the disadvantages of the comparison of welfare states on financial indicators bases were introduced, at international level, the human development index.

„To assess the human development stage is computed a complex indicator, the human development index (HDI), in order to make a hierarchy of the countries from this point of view. For HDI calculation are taken into consideration the following three essential elements: life, education and income which express the access to the resources needed to a convenient living standard"[4]

The human development index can have values between 0 and 1 and the value must be interpreted as follows:
─ the values closed in 0 are associated with a reduced level of development;
─ the values which are closer or are equal to 1 express a high level of development.

The calculation of the three elements of the HDI assumes the following steps:
─ minimum values are defined for each part;
─ by international statistical series are determined the maximum values of the indicators;
─ the current value of the indicator is computed.

$$\text{Value} = \frac{VA - V\min}{V\max - V\min} \quad [5]\text{where },$$

VA=the current value of the indicator;
Vmax= the maximum value of the indicator;
Vmin= the minimum value of the indicator.

Besides the steps previously mentioned to HDI determination is used the geometric average of the three computed indexes.

The United Nations establishes that the elementary education is determined as an average of the years of scholarization for individuals with an age of 25 years, as well as the projected years of scholarization for school age children which are enrolled in educational institutions. The data for the determination of this component are collected through national scholar censuses and from the UNESCO database.

The life expectancy is computed by determining a minimal value over the a period of 20 years in which the maximum, value which it could be achieved is 83,4 years.

The standard of living is represented in the HDI calculation through Gross National Income (GNI) per capita.

The components and action of HDI are represented within figure 1:

[3]   http://www.undp.org/content/undp/en/home/mdgoverview.html
[4]   Poenaru Maria, Politică socială şi indicatori sociali, Editura ALL, Bucureşti, 1998, pag., 17
[5]   http://hdr.undp.org/en/media/HDR_2011_EN_TechNotes.pdf
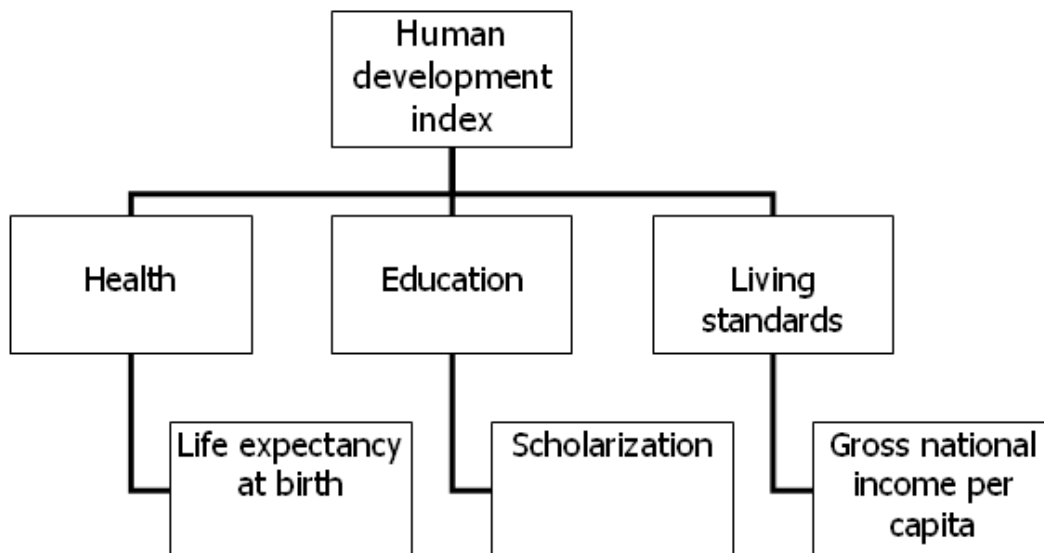
Source: Made by author after http://hdr.undp.org/en/statistics/hdi/

Figure no. 1. The HDI components

As it can be seen from figure 1, HDI has as component both economic and social indicators. The economic indicators reside on the potential of the national economy to generate added value year by year, and not the last, to generate higher living standards to citizens. The social indicators must be analyzed closely correlated with each other, because the education without health cannot give the expected results, vice versa, being also valid.

Thus, starting in the analyze of these indicators to the premise that the national economy can generate added value only if the national human resource incapable to adapt to the international market evolution(labor, capital, high technology transfers).

Making an analyze using HDI, we can observe that the state members of the European Union are quoted to a high level, existing only two exceptions, Romania and Bulgaria. Both of them are situated on the border of a high HDI which can lead to the group of countries with high HDI.

Thus the, human development index, computed according to the United Nations, in the period 1980-2011, is presented according Table 2:

Table no. 2. The European Union HDI

No. Crt.	Development index	1980	1990	2000	2005	2006	2007	2008	2009	2010	2011
..	Very high human development	0.766	0.81	0.858	0.876	0.879	0.882	0.885	0.885	0.888	0.889
..	High human development	0.614	0.648	0.687	0.716	0.721	0.728	0.733	0.734	0.739	0.741
..	Average human development	0.42	0.48	0.548	0.587	0.595	0.605	0.612	0.618	0.625	0.63
..	Low human development	0.316	0.347	0.383	0.422	0.43	0.437	0.443	0.448	0.453	0.456
3	The Netherlands	0.792	0.835	0.882	0.89	0.897	0.902	0.904	0.905	0.909	0.91
7	Ireland	0.735	0.782	0.869	0.898	0.904	0.909	0.909	0.905	0.907	0.908
9	Germany	0.73	0.795	0.864	0.895	0.898	0.901	0.902	0.9	0.903	0.905
10	Sweden	0.785	0.816	0.894	0.896	0.898	0.899	0.9	0.898	0.901	0.904
16	Denmark	0.783	0.809	0.861	0.885	0.887	0.89	0.891	0.891	0.893	0.895
18	Belgium	0.757	0.811	0.876	0.873	0.877	0.88	0.882	0.883	0.885	0.886
19	Austria	0.74	0.79	0.839	0.86	0.866	0.87	0.876	0.879	0.883	0.885
20	France	0.722	0.777	0.846	0.869	0.873	0.877	0.879	0.88	0.883	0.884
21	Slovenia	..	..	0.805	0.848	0.858	0.868	0.875	0.876	0.882	0.884
22	Finland	0.759	0.794	0.837	0.875	0.878	0.881	0.883	0.877	0.88	0.882
23	Spain	0.691	0.749	0.839	0.857	0.862	0.866	0.871	0.874	0.876	0.878
24	Italy	0.717	0.764	0.825	0.861	0.866	0.869	0.871	0.87	0.873	0.874
25	Luxembourg	0.728	0.788	0.854	0.865	0.863	0.868	0.867	0.863	0.865	0.867
27	Czech Republic	..	..	0.816	0.854	0.858	0.861	0.864	0.863	0.863	0.865
28	United Kingdom	0.744	0.778	0.833	0.855	0.853	0.856	0.86	0.86	0.862	0.863
29	Greece	0.72	0.766	0.802	0.856	0.861	0.86	0.862	0.863	0.862	0.861
31	Cyprus	..	0.747	0.8	0.809	0.814	0.819	0.827	0.837	0.839	0.84
34	Estonia	..	0.717	0.776	0.821	0.829	0.834	0.832	0.828	0.832	0.835
35	Slovakia	..	0.747	0.779	0.81	0.817	0.825	0.831	0.829	0.832	0.834
36	Malta	0.703	0.753	0.799	0.825	0.825	0.826	0.829	0.827	0.83	0.832
38	Hungary	0.7	0.706	0.775	0.803	0.808	0.809	0.811	0.811	0.814	0.816
39	Poland	..	..	0.77	0.791	0.795	0.8	0.804	0.807	0.811	0.813
40	Lithuania	..	..	0.749	0.793	0.798	0.803	0.806	0.802	0.805	0.81
41	Portugal	0.639	0.708	0.778	0.789	0.791	0.798	0.802	0.805	0.808	0.809
43	Latvia	..	0.693	0.732	0.784	0.793	0.800	0.803	0.798	0.802	0.805
50	Romania	..	0.7	0.704	0.748	0.757	0.767	0.778	0.778	0.779	0.781
55	Bulgaria	..	0.698	0.715	0.749	0.753	0.758	0.765	0.766	0.768	0.771

Source:
http://hdrstats.undp.org/en/indicators/display_cf_xls_indicator.cfm?indicator_id=103106&lang=en

We remark that in table 2 the highest value of HDI is registered in The Netherlands and the smallest in Bulgaria. Even if Romania is cataloged as belonging to the developed group of states I consider that are needed measures which it could put us on the first half of this ranking. Analyzing the content of both, table 1 and table 2, it can be observed, in spite that the European Union wants a healthy development within his external borders are still huge socio-economic differences due to the unequal economic development of the different regions or in the way in which the national human resource is able to face the world market competition. The developed countries within the European Union are quoted as develop from the point of view of the GNI per capita. According the United Nations the highest GNI per capita is recorded in Luxembourg, The Netherlands and Sweden. It shouldn't be neglected that the that the European Union is still a global pole of power and due to that the economic efficiency must bear in mind this fact. Having in mind the intra-community situation and the differences among the member states regarding the economic development, the organization faces an ample legal and institutional reorganization process. It is clear that without the help of the European

developed countries the newly integrated countries can not develop enough to recover the economic gap which separates them from the major European economic powers.

4. CHALLENGES IN ASSURING THE WELFARE STATE FINANCES

Financing the contemporary welfare is increasing much more difficult due to the socio-economic conditions which were at the basis of him cannot be found now. Today the Earth population as well as the ratio of social protection is growing in an accelerated way.

"Among the most sensitive issues which face the European Union are:
— aging in general of the population and specially of the workforce;
— deepening economic dimension which it creates new social issues, particularly unemployment with straight effect over the economic phenomenon;
— the European Union enlargement which induce the growth of the problems regarding the workforce circulation and the legal alignment;
— the necessity and the possibility to provide adequate standards of social protection, etc."[6]

Each of the previously mentioned problems could have straight and a negative effect over the organization, unless are adequately managed. An older population uses significant resources which the state has to procure to a certain price, which it could not appeared id the active population would have an important ratio within the total population. Due to the increased public debt and in some cases has reached three digits and due of a negative natural growth of the population, in future financing will be hardly assured. The world public debt is growing (Japan's public debt will reach, in 2013, a level between 210 and 230% from the GDP),the requests of finance are growing due of an economy which is unable to generate a strong growth which will allow the reduction of the public debt and supplementary funds needed to the social protection system.

The European Commission has estimated that the ratio of the public debt over the organization GDP, in 2013, will be stabilized to a level close by 90% according to the graphic 1:
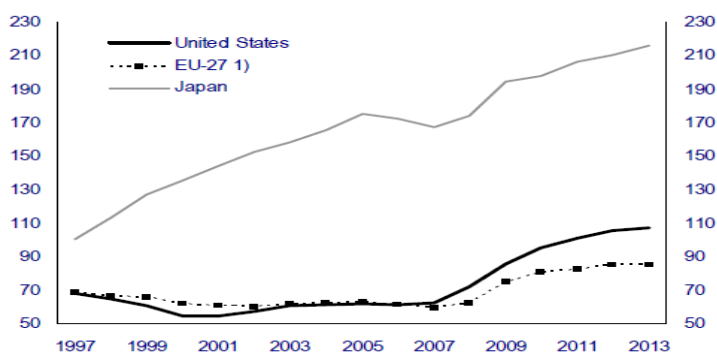
Source: http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/annex_2_en.pdf

**Graphic no. 1. The evolution of the ratio of the public debt over the GDP during the period 1997 - 2013**

Analyzing both the evolution of the elderly and able to work population we observe that the European population is old being in a continuous growth. This negative

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[6]   Matei, Gh., Protecţia socială în România, Editura Didactică şi Pedagogică, Bucureşti, 2007, pag. 30 – 31

natural evolution due to the retirement of many payees of taxes will generate issues in assuring the financial resources needed to sustain the entire social protection system.

Starting 2011 is predicted that the demographic evolution of the European Union , especially of the population which can perform an activity payed by wage will have the following dynamics according to the graphic 2:
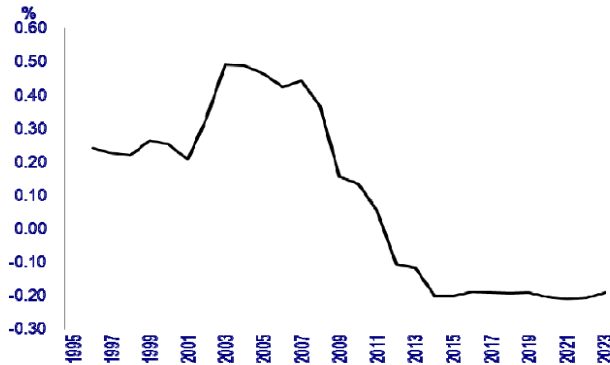
Source: http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/annex_2_en.pdf

Graphic no. 2. The population able to work in the European Union

In the nearby future, the European Union considers that both the ratio, actual and adjusted of economic growth , will have the following dynamics which is according to the graphic 3:
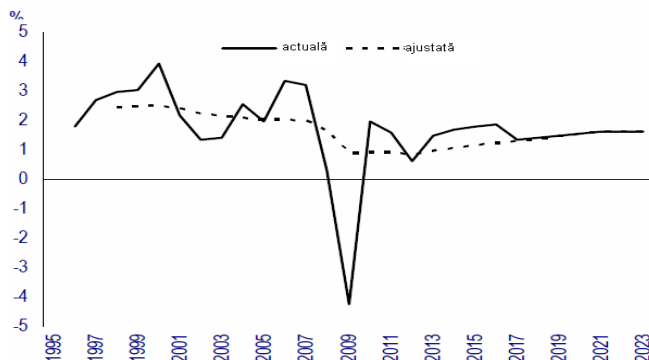
Source: http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/annex_2_en.pdf

Graphic no. 3. The evolution of the economic growth ratio within European Union during 1995 - 2023

Having in mind the graphs, 1., 2., 3., it can be seen that the European social protection will face, in the next decades, the following issues:

− a decrease of the population able to work and an increase of the dependent population by the social assistance of the state;
− the increase of the elderly ratio which cannot contribute, due of taxes, to the social protection finance;
− the increase of the public debt in GDP;
− until 2023 is predicted that the economic development of the organization will have a maximum of 2%.

Taking into account this problems it would be required some measures which could stimulate both social development and European entrepreneurship. Also it will be useful to grant facilities to the people which want to put up a business or wish to associate in order to create added value.

5. CONCLUSION

I believe that the issues which are affecting today's European protection systems are due of the misunderstandings appeared in the public opinion as well as to the political level regarding the reform of the welfare state. Even that the welfare is an important objective of the European Commission, we can see that the level of the economic development is not the same within the organization. The unequal repartition of income involves an unequality in financing the national social protection systems. Romania and the Central and East European states, unlike the West European countries, have a more reluctant state in providing social protection.

Having into account the fundamental treaties which were the basis of the European Union the main issues which makes the social protection of the citizens is the unique market. In the future, due of the demographic evolution, it could be possible to find a solution into assuring the financial resources of the states and his institutions.

I consider that only by an unique European social protection, that will stimulate the socio-demographic development of the Europe, funding can be provided to an optimal level. Equally important for the future of the Europe it would be and the way in which the European institutions will manage the effects of the economic-financial crisis over the socio-economic environment. Also only by an unique European social protection, that will stimulate the socio-demographic development of the Europe, funding can be provided to an optimal level. Equally important for the future of the Europe it would be and the way in which the European institutions will manage the effects of the economic-financial crisis over the socio-economic environment.

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