



All Policies for a Healthy Europe

Improving citizens' well-being



Outcomes of multi-stakeholder
roundtable on

The Economy of Well-being

The content of this document reflects the collective work of the All Policies for a Healthy Europe coalition and not the individual views or priorities of each member.

"The Union's aim is to promote peace, its values and the well-being of its peoples."

Treaty on European Union

(Article 3.1)

"Ensure healthy lives and promote well-being for all at all ages."

Sustainable Development Goal 3

Good Health and Well-being

"Investing in health is investing in human development, social well-being and wealth."

The Tallinn Charter: Health Systems for Health and Wealth

WHO Europe Member States, June 2008

"We will always uphold the principle of fairness, whether it be in the labour market, in welfare, in the economy or in the digital transformation.

We will further reduce disparities between us and we will always help the most vulnerable in Europe, putting people before politics."

Sibiu Declaration of EU leaders

9 May 2019

Introduction

All Policies for a Healthy Europe (AP4HE) is a multi-stakeholder initiative calling for a cross- and inter-sectoral approach to health and well-being at EU level. The AP4HE [manifesto](#), endorsed by 20 organisations active in the field of health and well-being, was launched at the European Parliament on 20 March 2019. In particular, the manifesto calls for inter-sectoral collaboration within three health and well-being policy clusters: *i. Healthy Societies; ii. Healthy Environments; and iii. Healthy Care Systems*. Relevant to each cluster, is a fourth cross-cutting theme: *Digital for all policies and digital inclusion (see Figure 1)*.

On 20 June 2019, the All Policies for a Healthy Europe initiative convened a multi-stakeholder roundtable on ‘The Economy of Well-being and EU Economic Governance’. The Finnish Presidency of the Council of the EU opened the meeting by explaining how it plans to take forward a focus on ‘The Economy of Well-being’ over the next six months, emphasising the need for continuity between Presidencies. The Office of the Secretary General of the OECD then presented the conceptual framework that informed its background paper on The Economy of Well-being – prepared at the request of the Finnish Presidency.

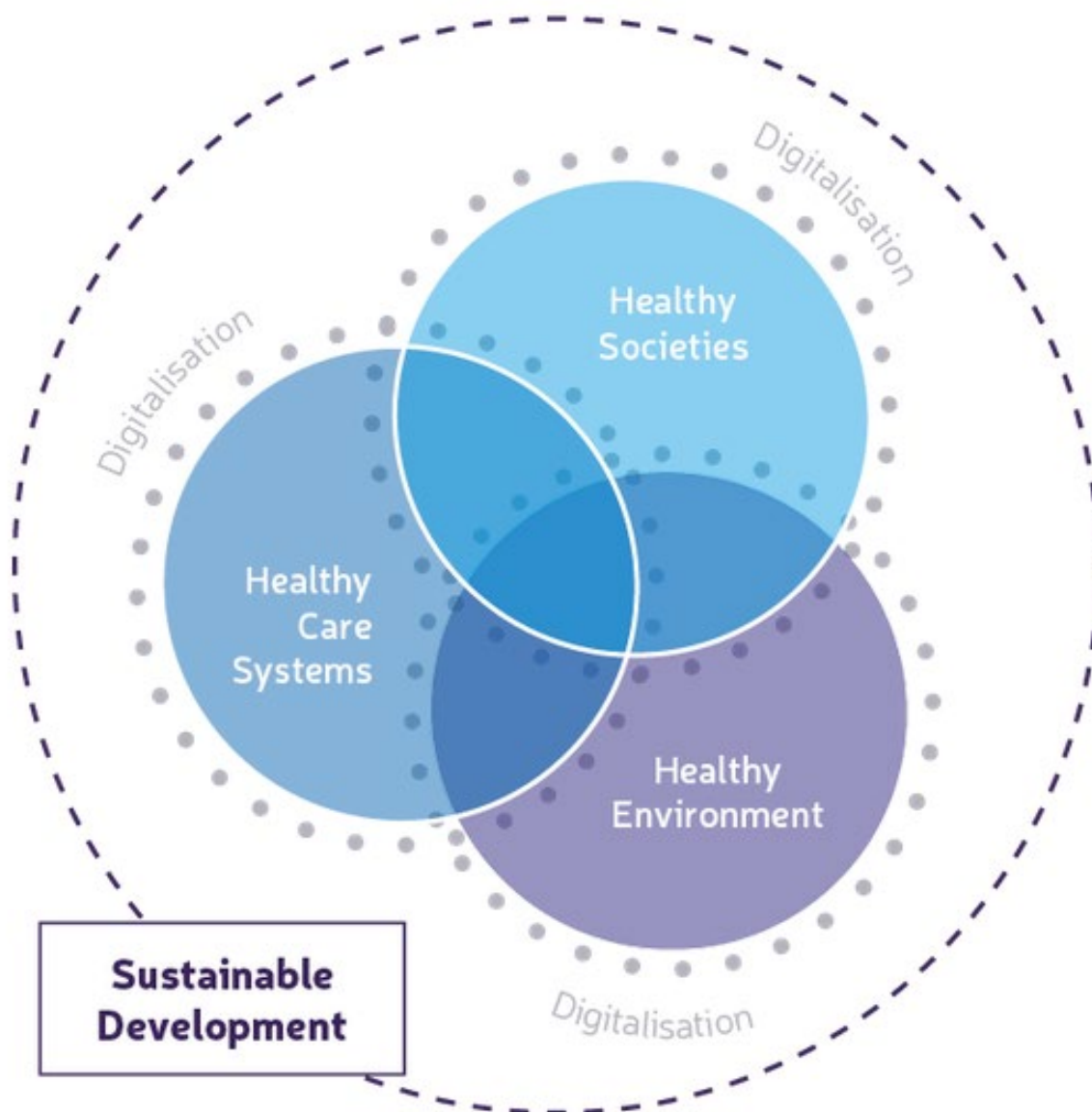
A second key theme of the roundtable was the need to strengthen the well-being focus of EU economic governance arrangements – in particular the European Semester. This was also one of the ‘governance’ recommendations of the All Policies for a Healthy Europe manifesto.

The outcomes of the roundtable are set out in this paper. In particular, **five key messages** are emphasised:

- 1. Well-being must be at the centre of EU priorities for the next 5 years:** The EU should set measurable well-being targets, recognising that health and well-being are inextricably linked. To that end, the new European Commission should also adopt a coherent definition of well-being, in line with the OECD’s Well-being Framework.
- 2. Policy action on well-being requires inter-sectoral collaboration within a ‘whole of government’ approach:** The new Commission should ensure joined-up policy-making across sectors, with a strong coordinating role at the centre. A strong focus on inequalities in well-being outcomes is also essential.
- 3. Integrate environment into ‘The Economy of Well-being’:** Human and environmental well-being are inseparable. Environmental concerns should be fundamental to EU policy action on well-being, and therefore included in ‘The Economy of Well-being’ approach.
- 4. Enhance implementation of the European Pillar of Social Rights (EPSR):** Stronger EPSR implementation mechanisms are needed within the European Semester. Proposals include: i) a ‘Social Imbalances Procedure’; and ii) minimum standards for social protection.
- 5. Strengthen governance for health aspects of the European Semester:** Health is a major focus of the European Semester, but governance arrangements are inadequate. Health ministries should play a more active (and formal) role, and wider health stakeholders should be consulted.

Introduction

Figure 1: Health and well-being clusters



Well-being must be at the centre of EU priorities for the next 5 years

The past decade has seen a surge in new thinking on how to assess economic and societal progress. In many cases, the concept of well-being is at the forefront. For example:

- › **UN 2030 Agenda for Sustainable Development:** human and environmental well-being are the core of the Sustainable Development Goals
- › **OECD Inclusive Growth Initiative:** as the OECD stated in advance of its 2018 ministerial: “Growth as we know it doesn’t work for all and is putting everyone’s well-being at risk. We need to develop new and improved models and focus on ensuring [that] growth actually improves lives.”
- › **New policy frameworks** on well-being are being developed at national level – the most prominent is the ‘well-being budget’ in New Zealand, which promises a more balanced approach to defining policy priorities and resource allocations.

At the heart of many of these well-being agendas is a paradigm shift: GDP is seen as an enabler of people’s well-being rather than an end in itself.

To date, the concept of well-being has not been systematically embedded in EU policies and action. Different Directorates-General within the Commission define well-being in relation to their respective departmental priorities, thereby reinforcing departmental silos. There is an urgent need to agree and apply a consistent definition of well-being across policy areas, which would improve policy coherence and highlight connections between different sectors.

The OECD’s ‘Well-being framework’ provides the basis for a consistent definition, as well as indicators that can be used to measure and assess well-being within the EU. These include: health status; work-life balance; education and skills; social connections; environmental quality; subjective well-being; income, jobs and earnings; and housing. The framework also provides a strong focus on the distribution of well-being across different population groups, thereby capturing economic and societal inequalities.

In line with the SDG 3 ‘Health and Well-being’ and the OECD Well-being Framework, it should be recognised that health is fundamental to the attainment of well-being. Articles 6 and 168 of the Treaty on Functioning of European Union provide a clear basis for EU action on public health. In particular, Article 168 states that: “*a high level of human health protection shall be ensured in the definition and implementation of all Union policies and activities*”. That treaty commitment should be realised by mainstreaming health across policy areas through an inter-sectoral approach (see Key Message 2).

To ensure well-being remains at the heart of EU priorities, clear **objectives/targets** should be established for the next 5-10 years. While little is now said about Europe 2020 Strategy, it had the clear advantage of defining specific goals (on employment, research and development, climate and energy, education, and poverty and social exclusion). Elaborating such goals creates a strong focus for policy action and the possibility to assess whether priorities have or have not been met.

The new European Commission should propose well-being focused objectives/targets for adoption by Member States. Reducing inequalities in well-being – including income, gender and health inequalities – present a threat to the social and political cohesion of the EU, and must be integral to any targets.

Policy action on well-being requires inter-sectoral collaboration within a ‘whole of government’ approach

The multi-dimensional nature of well-being requires action across sectors and, crucially, collaboration between different policy areas.

- In its report on the **governance implications** of inclusive growth, the OECD stresses the need for policies to reinforce each other, avoiding administrative silos, with a ‘strong co-ordinating role for central government’. Furthermore, a ‘whole of government’ approach is required – combining a high level of policy coherence, aligned budgetary practices, coordination across different levels of government, and ‘balanced participation’ of stakeholders.¹
- The **All Policies for a Healthy Europe** manifesto is based on similar principles: it calls for the new EU institutions to promote inter-sectoral collaboration on health and well-being. Governance recommendations include: a strong coordinating role at the centre of the Commission (for example, through a Commission Vice-President); aligning resources (EU funds) with well-being priorities; multi-level cooperation (i.e. between local, national and EU authorities), and systematic stakeholder participation.

Participants at the roundtable placed particular emphasis on cross-cutting policy linkages in relation to the following thematic priorities:

- **Prevention of non-communicable diseases (NCDs):** NCD prevention provides a clear example of the potential for inter-sectoral collaboration at EU level to improve to citizens’ well-being. One third of the EU population aged 15 and over, and nearly a quarter of the working age population, lives with a chronic disease. Across the EU, €700 billion is spent on treating NCDs each year, and work-related direct costs amount to €610 billion per year – including costs to employers, lost economic output and social welfare spending. At the same time, public health prevention constitutes a high-yielding public investment: every Euro invested in public health provides an average return of €14 to the economy (see Annex III).

An inter-sectoral approach to NCD prevention should include: designing financial instruments to support investments in public health; a pan-European data system for policy analysis and evaluation; and ‘flagship initiatives’ where the co-benefits of collaboration offer the greatest potential returns (for example, through the connections between environment and health). Air quality, diet and nutrition, physical activity, smoking cessation, the reduction of alcohol-related harm, and health promotion in schools and workplaces, all have a crucial role to play in NCD prevention. From a digital perspective, emphasis was also placed on the role of Artificial Intelligence and federated data systems.

¹ OECD, ‘The Governance of Inclusive Growth’ (2016), available at: <https://www.oecd.org/governance/ministerial/the-governance-of-inclusive-growth.pdf>

Policy action on well-being requires inter-sectoral collaboration within a ‘whole of government’ approach (cont)

- **Mental health and well-being**, whilst part of NCD prevention, also requires specific attention in its own right. Each year, mental health conditions affect one in six people in the EU. The economic cost (including employment, productivity, and care costs) is estimated at over €600 billion – more than 4% of GDP.² EU action on mental health – including depression, anxiety, alcohol and drug use disorders, and suicide – should be upgraded, recognising that social determinants play a crucial role in mental health outcomes. These determinants include: access to employment, quality jobs, risk of poverty, work-life balance, social participation and loneliness. An EU Mental Health Strategy is necessary to ensure strong coordination across policies affecting mental health outcomes.
- **Digital inclusion:** Digital literacy and skills, as well as access to the internet, play an increasingly important role in people’s well-being. The changing nature of work threatens to leave behind those with limited proficiency, while access to educational opportunities, health services and social support networks are all increasingly linked to the internet. A recent study in the Netherlands found that 2.5 million people face barriers to using the internet, and one million people have not used the internet at all.

Investment in digital inclusion is essential to avoid creating new societal inequalities based on ‘digital divides’ – related to age, socio-economic status, and/or locality. At the same time, digital tools can be used to improve access to well-being related services – including education, health and social services – for people in remote areas. The European Network on Rural Development’s ‘Smart Villages’ theme, part of its programme on ‘Smart and Competitive Rural Areas’, highlights initiatives seeking to revitalise rural services using digital tools.³

² OECD, European Commission, Health at a Glance: Europe 2018

³ See European Network for Rural Development: https://enrd.ec.europa.eu/enrd-thematic-work/smart-and-competitive-rural-areas/smart-villages_en

Integrate environment into ‘The Economy of Well-being’

Many participants expressed concern that ‘The Economy of Well-being’ approach does not consider the close relationship between environment and health (see Annex IV). Environment, health and well-being are intimately linked. Not only is Europe’s high carbon, resource and energy intensive growth ecologically unsustainable, it is creating an increasingly toxic environment, leading to premature deaths. For instance, if adequate steps were taken to address air pollution in Europe’s 25 most polluted cities, life expectancy in those cities could improve by almost two years.

Protected areas and ‘green infrastructure’ can contribute to improving air quality, cooling cities, and reducing noise, as well as improving opportunities for physical, recreational, and sporting activities (see Annex IV). The best available evidence also shows that:

- Human contact with nature can help to address a range of health challenges, including many priority ones – such as obesity, cardiovascular disease, depression, and anxiety.
- Access to nature increases the time spent outdoors (independent of age, sex, marital and socio-economic status), which in turn positively affects physical and mental health.
- The benefits of nature encompass physical, psychological, emotional and socio-economic aspects and can be identified at both the individual and community level.
- Natural features and open spaces play an important role in social cohesion at the community level.

As part of an ‘Economy of Well-being’ approach, the new European institutions should further strengthen synergies between health and environmental policies. This can be achieved through a comprehensive **environmental health strategy**, providing a coherent framework for environmentally-related public health threats, including: air; water; noise pollution; unhealthy and unsustainable food consumption; and heat waves. The strategy should also seek to harness the benefits of access to nature, which increases time spent outdoors, with benefits for physical, psychological, and emotional health. ‘Green taxation’ is also relevant in this context.

Leaving no one behind: targeted actions are also needed to protect vulnerable populations from pollution (in particular, the poor, the elderly and children), especially in Europe’s eastern and southern regions. The EU should also fund and promote research to close the knowledge gaps regarding the connections between health, poverty, inequality and sustainability in Europe.

The IPBES⁴ Global Assessment and the reports of the Intergovernmental Panel on Climate Change demonstrate the urgent need for enhanced EU action on biodiversity and climate.

⁴ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services: <https://www.ipbes.net/>

Enhance implementation of the European Pillar of Social Rights

Participants disagreed as to whether the proclamation of the EPSR has led to an improved focus on well-being (in particular health and social protection) within the European Semester.

- One view was that the EPSR, in combination with the Semester, constitutes a ‘game changer’. That can in part be demonstrated by the increase in country-specific recommendations (CSRs) related to EPSR rights/principles. In addition, the ‘social investment’ toolbox has been significantly strengthened by the linkage between EU funds and country-specific investment needs, plus the technical support now available through the Structural Reform Support Service.
- On the other hand, it was argued that reference to an EPSR right/principle did not mean that a CSR was positive from a well-being perspective. Health care was an obvious example of this: many of the recommendations focus on fiscal sustainability (even ‘cost containment’). It could not be claimed that such CSRs were necessarily beneficial for health. A similar consideration applied to the ‘targeting’ of social protection funds: some people’s well-being might benefit; others with important needs might lose out. In addition, it was argued that the Social Scoreboard fails to capture the complexity of the social situation within Member States.⁵ Additional indicators are needed.

Participants agreed that more needs to be done to strengthen EPSR implementation. Two proposals were advanced: i. a Social Imbalances Procedure (SImp); and ii. minimum standards for social protection.

i. A Social Imbalances Procedure (SImp)

This proposal, which has been developed by the European Social Observatory, is intended to ensure a greater balance between economic and ‘social’ priorities in the Semester – in particular by complementing the existing Macroeconomic Imbalances Procedure.

The SImp would proceed three stages (more detail, see Annex V):

- Monitoring and identification of imbalances in education, healthcare, housing, poverty and social exclusion, and unemployment. Member States showing ‘excessive imbalances’ could request that a SImp be applied.
- European Commission and implementation could be assisted through technical support from the Commission’s Structural Reform Support Service (SSRS), as well as financial support linked to structural reform funds.
- Implementation and follow up of agreed actions/reforms would then be monitored on an annual basis via the European Semester.

ii. Minimum standards for social protection

In line with EU leaders’ Sibiu Declaration pledge to ‘always protect the most vulnerable’, a second proposal was to define minimum standards for social protection. Minimum standards would help to ensure a more systematic focus on citizens’ rights – in particular, those enshrined in the European Pillar of Social Rights and the European Charter of Fundamental Rights (CFR).

Enhance implementation of the European Pillar of Social Rights (cont)

Today, EPSR rights/principles are inconsistently addressed in the Country Reports, and there is no guarantee that urgent issues will be highlighted in CSRs. A mechanism is needed to ensure that political attention is *automatically* directed to the most pressing cases. Minimum standards would mean that if a country falls below a certain (pre-defined) threshold or benchmark, it would automatically receive a country-specific recommendation on that issue.

Two specific rights were highlighted as candidates for such minimum standards:

- **Access to health care (EPSR principle 16):** Universal access to health care is a fundamental principle of European health systems. The most recent data shows that, in eight EU Member States, 5% or more of the population are not covered for a core set of services (Bulgaria, Cyprus, Estonia, Hungary, Lithuania, Poland, Romania, and Slovakia). Out of pocket payments exacerbate the detrimental relationship between health and poverty. In seven Member States, 5% or more of households are affected by ‘catastrophic spending on health’ – a measure of financial hardship defined by ability to pay.⁶
- **Homelessness (EPSR principle 19):** There is today a homeless crisis in the EU. Estimates by the European Federation of National Organisations working with the Homeless (FEANTSA) indicate that, on any given day, at least 700,000 people are homeless (on the streets or in shelters). That is a 70% increase in 10 years. Homelessness is also a health issue. Homeless people experience higher levels of physical and mental illness than people in housing, and the life expectancy of a homeless person that moves between the street and shelter is less than 50 years (30 years below the population average).

⁶ See Social Scoreboard Indicators in Annex 1 of the Joint Employment Report 2018: <https://ec.europa.eu/social/BlobServlet?docId=18624&langId=en>

Strengthen governance for health aspects of the European Semester

Participants also stressed that there is a need to review the governance arrangements for health within the European Semester.

Health/healthcare has become a major theme in the Semester: in 2019, 26 (of 28) Member States received CSRs covering health and/or long-term care (up from 22 in 2018). However, health ministries still do not participate in the process in any direct way. In particular, there is no health counterpart to the Economic Policy Committee, Employment Committee, or Social Protection Committee – all of which directly participate in the Semester for their respective sectors.

The absence of health ministries poses risks for the governance of health systems reform. Finance ministries are a key audience for the CSRs, and it is therefore vital that health ministries contribute to shaping the policy guidance generated. As the EU is currently at a moment of institutional and policy transition, now would be the appropriate moment to address the omission of health ministries from the Semester process.

A similar consideration also applies to health stakeholders. A formal mechanism should be established which would enable patient representatives, public health institutes, and other health experts to provide input on the health content of the Semester.

Finally, participants argued that greater transparency is needed in relation to the work of the Structural Reform Support Service (SSRS), which assists Member States reform efforts in line with Semester priorities. One-third of the work of the SSRS is currently directed towards health system reforms. However, there is virtually no public scrutiny of what is taking place. Good governance principles require a greater level of transparency, discussion, and accountability around the work of the SSRS.

Content of the health-related CSRs

It was generally agreed that the orientation of the health-related CSRs has improved over time. In the early years, the predominant focus had been fiscal sustainability. Recent years, however, had seen a more balanced approach, with a greater emphasis on quality of care and access to care. At the same time, a number of specific suggestions were made as to how the health focus of the Semester could be further improved:

- **Prevention:** consideration could be given to identifying prevention priorities, which may in turn help to direct resources where they are most needed. Priorities are likely to vary across Member States, and so country-specific data would be needed on the relative importance of different health determinants.
- **Digital health literacy** currently does not feature in the Semester, but is crucially important from a health equity perspective. Digital health literacy encompasses not only electronic health devices and apps, but also how people engage with health information online. As with digital literacy more broadly, failure to address digital divides could exacerbate existing (or create new) societal inequalities.
- **Long-term care:** The more balanced approach to health-related CSRs still does not apply in the case of long-term care, where the focus remains firmly on fiscal sustainability – to the detriment of access, quality, and a pressing need to de-institutionalise care in some parts of Europe.

⁶ OECD, European Commission, Health at a Glance: Europe 2018

Annex I

Multi-stakeholder Roundtable

The Economy of Well-being and EU Economic Governance

Thursday 20 June | Microsoft Executive Briefing Centre | Rue Montoyer 51, Brussels | 12.45pm – 4.30pm

12.45pm	Networking Lunch
1.30pm	Welcome and Introduction <ul style="list-style-type: none">Tamsin Rose, Moderator
1.40pm	The Economy of Well-being, the European Pillar of Social Rights, and the European Semester <p>'The Economy of Well-being': Update from the Finnish Presidency</p> <ul style="list-style-type: none">Pasi Korhonen, Social Policy Counsellor, Finnish Permanent Representation to the EU'The Economy of Well-being': an OECD perspectiveRomina Boarini, Senior Adviser (Office of the Secretary-General) and Coordinator of the Inclusive Growth Initiative, OECDThe European Pillar of Social Rights and the European SemesterKim Henriksson, Policy Officer, Employment and Social Aspects of the European Semester, DG EMPLBart Vanhercke, Director, European Social Observatory <p>Discussion moderated by Tamsin Rose</p>
2.30pm	Employment & Social Policy <p>Structured discussion, including interventions on:</p> <p><i>Housing and homelessness</i></p> <ul style="list-style-type: none">Freek Spinnewijn, European Federation of National Organisations Working with the Homeless (FEANTSA) <p><i>The Economy of Well-being: a Finnish perspective</i></p> <ul style="list-style-type: none">Petri Lahesmaa, Finnish Federation for Social Affairs and Health (SOSTE) <p><i>Quality employment</i></p> <p>Discussion moderated by Tamsin Rose</p>
3.00pm	Coffee Break

Annex I (cont)

3.10pm	Health Systems & Policies Structured discussion, including interventions on: <i>Health care quality and access</i> <ul style="list-style-type: none">• Usman Khan, Executive Director, European Patients' Forum (EPF) <i>Public health and disease prevention</i> <ul style="list-style-type: none">• Zoltan Massay-Kosubek, Policy Manager for Health Policy Coherence, European Public Health Alliance (EPHA) <i>The environment and public health</i> <ul style="list-style-type: none">• Hans Van Gossum, Head of Biodiversity Programme, Institute for European Environmental Policy (IEEP) Discussion moderated by Tamsin Rose
3.40pm	Digital Inclusion & Well-being <ul style="list-style-type: none">• Caroline Costongs, Director, EuroHealthNet• Bleddyn Rees, Vice Chair, European Connected Health Alliance (ECHA) Discussion moderated by Tamsin Rose
4.20pm	Conclusions Discussion moderated by Tamsin Rose
4.30pm	Close

Annex II - Participants

Laura Batchelor

AP4HE Secretariat

Kim Henriksson

*Policy Officer – Employment and Social Aspects of the European Semester (DG EMPL)
European Commission*

Romina Boarini

*Senior Advisor (Office of the Secretary-General) and Coordinator of the Inclusive Growth Initiative
OECD*

Kunegonde Carpentier

*Director, External Affairs
Johnson & Johnson*

Caroline Costongs

*Director
EuroHealthNet*

Alessandro Da Rold

*Policy Manager
EU40*

Darren Ennis

AP4HE Secretariat

Daniel Furby

AP4HE Secretariat

Ariane Gatti

*Communications Officer
Federation of the European Sporting Goods Industry (FESI)*

Hans Van Gossum

*Head of Biodiversity Unit
Institute for European Environmental Policy (IEEP)*

Usman Khan

*Executive Director
European Patients' Forum (EPF)*

Pasi Korhonen

*Social Policy Counsellor
Finnish Permanent Representation to the EU*

Petri Lahesmaa

*Director EU Affairs
Finnish Federation for Social Affairs and Health (SOSTE)*

Zoltán Massay-Kosubek

*Policy Manager for Health Policy Coherence
European Public Health Alliance (EPHA)*

Caroline Moesen

*Senior Manager, External Affairs & Alliance Development
Johnson & Johnson*

Bleddyn Rees

*Deputy Chair
ECHAAlliance*

Timea Rezi-Kato

*Manager Government Affairs & Public Policy
MedTech Europe*

Tamsin Rose

Moderator

May van Schalkwyk

*Policy Assistant
European Public Health Alliance (EPHA)*

Freek Spinnewijn

*Director
European Federation of National Organisations Working with the Homeless (FEANTSA)*

Maciej Surowiec

*EU Government Affairs Manager
Microsoft*

Tim Bastiaens

*Treasurer
Erasmus Student Network*

Konstantinos Giannidis

*President
Erasmus Student Network*

Bart Vanhercke

*Director
European Social Observatory*

Towards an EU Strategic Framework for the Prevention of Non-communicable Diseases (NCDs)

With 70% of the EU citizens wanting to see more European Union (EU) action on health according to a recent Eurobarometer and with epidemic levels of NCDs undermining people's well-being, healthcare systems, and Europe's economic and social prosperity, preventing NCDs should be a main priority for the European Commission.

A joint paper by the European Chronic Disease Alliance (ECDA), the European Public Health Alliance (EPHA) and the NCD Alliance calls for the creation of an **EU Strategic Framework for the Prevention of NCDs** towards 2030.

The paper proposes basic principles, priorities and actions for such an EU strategic framework, setting out a roadmap for policy-makers to make change happen.

EU Strategic Framework for the Prevention of NCDs

Enable and facilitate action to tackle NCDs

"Best Buys" implementation

Health Check Study

Finance

Data System

Establish synergies with other policy areas

Coordination

Health in All Policies

Co-benefits

Priorities

Create health-enabling environments

Implement the WHO 'Best buys'

Address the commercial determinants of health

Tackle health inequalities

Adopt a rights-based approach

Pursue an integrated approach to mental health

Basis

NCD commitments & principles from the WHO Global Action Plan on NCDs

Action 1: Support the implementation of WHO 'Best Buys'

DELIVERABLES:

- > A set of **technical toolkits** setting out different design options for the national implementation of each of the policy measures included in the WHO 'best buys', tailored to the EU context.
- > A list of **'impact indicators'** that Member States can use to support progress monitoring.
- > A **mechanism** for periodically analysing gaps in NCD policy at EU level and initiating legislative procedures where needed, possible and appropriate.
- > A **risk assessment** on the occurrence of conflicts of interest across EU institutions and an action plan with measures to prevent undue influence by vested interests over policy-making processes.

Action 2: Conduct a 'health check' study to identify EU barriers to the implementation of national NCD prevention policies

DELIVERABLES:

- > A comprehensive **legal 'health check' inventory** of EU and international barriers to the implementation of effective NCD prevention policies at national and local levels.
- > An **action plan** to alleviate these barriers or guidance for designing national NCD prevention policies in a way to enhance their chance to be upheld under legal scrutiny.

Action 3: Design EU financial instruments to support national investment in prevention programmes and measures

DELIVERABLES:

- > A **cross-sectoral expert group on Financing for Health**, which will assess and propose different options to enhance societal returns on investment by increasing programmes to fund NCD prevention.

Action 4: Elaborate a pan-European system for data collection, policy evaluation and accountability

DELIVERABLES:

- > An **EU-wide system for health data collection and information sharing** containing registries for key NCD indicators.
- > An **extensive study** putting forward methodologies for new health policy evaluation tools.
- > A process of **'shadow reporting'** where civil society can contribute with their assessments on the progress made towards fulfilling NCD-related commitments.
- > An **assessment** of how health systems can better address primary prevention.
- > An **evaluation of the added value of past research funding** and possible a proposal for ex-ante conditionalities in the area of health-relevant projects and funding.

Action 5: Ensure inter-institutional coordination on health and well-being and a policy home for health within the European Commission structure

DELIVERABLES:

- > A new **EU high-level coordination mandate**, such as a European Commission vice-president, that will ensure inter- and intra-institutional policy coordination for health and well-being.

Action 6: Launch a 'Health in All Policies' online policy portal

DELIVERABLES:

- > A **'Health in All Policies' online policy portal**, which should:
 - > Present an overview of ongoing, health relevant initiatives in all policy areas;
 - > Publish the results of all health impact assessments and provide the opportunity for continuous improvements in methodology;
 - > Monitor national implementation of health-related policies to promote better compliance with EU health-related policies;
 - > An updated methodology for health impact assessment and a process for regular updates to the methodology.
- > An **analysis of compliance** with a select number of key policy files, in particular those related to the national implementation of policies focused on children and youth.

Action 7: Pursue 'EU flagship initiatives' in areas that can deliver co-benefits for NCD prevention and other SDGs

DELIVERABLES:

- > A series of **action plans to pursue EU 'flagship initiatives'** in areas where clear co-benefits can be achieved between NCD prevention and other policy areas.

Why an EU Strategic Framework for the Prevention of NCDs?

NCDs are a major health issue of the 21st century. **Over 85% of all deaths** and 75% of all diseases in Europe are attributable to NCDs.

The right to health is a fundamental right of every human being. Health and social security are the second most important national concerns across Europe, according to recent EU surveys.

Today, approximately **one third of the EU population aged 15 and over**, and nearly a quarter of the working age population lives with a chronic disease.

€700 billion is spent on treating NCDs in the EU annually.

More than half a million people under the age of 65 die of NCDs in the EU each year.

Premature mortality from NCDs results in a loss of €115 billion per year to the economy, or 0.8% of EU GDP.

While progress is made on reducing premature mortality from NCDs, longer lives do not necessarily translate into healthy lives. On average, women in the EU spend almost a quarter (23%) of their lives in ill health; for men this figure is almost a fifth (19%).

Work-related annual direct costs of NCDs to the European economy add up to €610 billion per year, including costs to employers, lost economic output and costs to social welfare systems.

Many chronic diseases are to a considerable degree preventable. It is estimated that at least 80% of all heart disease, stroke and diabetes, and 40% of cancer could be prevented.

Public health prevention policies are a high-yielding public investment.

The median rate of return on investment for public health interventions is 1 to 14, meaning that every Euro invested in public health gives an average return of €14 to the economy.

Over 1.8 million lives of people between the ages of 30 and 70 could be saved in the EU by 2025 if only the World Health Organization 'best buys' for NCD prevention are implemented.

The EU's main aims are to promote "peace", "its values" and "the well-being of its peoples". The EU has wide soft law powers to act for health promotion, a duty to mainstream health in all policies and extensive powers to ensure the functioning of the internal market based on a high level of human health protection.

[*References available in the full paper](#)



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MAY 2019

Annex by IEEP on environment and public health

Who we are: The Institute for European Environmental Policy (IEEP) www.ieep.eu is a not for profit sustainability think tank, which is entirely dedicated to the advancement of European environmental policies. For over 40 years, IEEP has been working with stakeholders across the EU institutions, international bodies, academia, civil society and industry to produce evidence-based research and analysis to advance impact-driven sustainability policy across the EU and the world.

What we observe: After more than half a century of peace and rising living standards, Europe's current economic, political and social model is heading for a crisis. Europe's economy is failing to eliminate poverty, provide employment for all and address rising inequalities. The message from scientists is unequivocal: the high-carbon, resource and energy intensive nature of Europe's growth is unsustainable. It is also creating an increasingly toxic environment, leading to premature deaths: for instance, life expectancy in Europe's 25 most polluted cities could increase by almost 2 years, if air pollution was adequately addressed. In a context of a rising global population and accelerating environmental degradation, the intensifying competition over natural resources is also becoming a major threat to Europe's peace and security.



Wedding cake: One of the graphical presentations of the Sustainable Development Goals often is referred to as a wedding cake with natural capital the foundation that allows for social, human and economic capital to be possible. Strikingly, much decision-making puts financial capital at the core, taking other capitals for granted. Rightly, a priority objective of the 7th Environment Action Programme is to protect, conserve and enhance the Union's natural capital.

Think 2030: In response to what we observe we initiated #Think2030 which is an evidence-based, non-partisan platform of 100 policy experts from European think tanks, civil society, the private sector and local authorities, which have elaborated a 30-point action plan for Europe. These 30 action points have been allocated to five domains that cover together all of the 17 SDGs: prosperity, well-being, nature, peace and security and governance. Our 30th point of action resonates exactly with "All Policies for a Healthy Europe" advising on Europe's semester process for capturing well-being stronger in the recommendations to the Member States.

IEEP study on the Health and Social Benefits of Biodiversity and Nature Protection

Protecting nature and biodiversity brings many often-overlooked benefits for humans and society. This IEEP-led study analysed the role of nature in addressing physical and mental health challenges in highly urbanised societies, and its contribution to social cohesion across the EU. The study shows how protected areas and wider green infrastructure can contribute to, for example, improving air quality and cooling cities, reducing noise, offering exercise and recreational opportunities, and bringing citizens together from all walks of life, for example through various forms of volunteering.

Nature and public health:

- According to the best available evidence, human contact with nature offers considerable promise in addressing a range of health challenges, including many priority ones – such as obesity, cardiovascular disease, depression, and anxiety.
- Access to nature increases the time spent outdoors (independent of age, sex, marital and socio-economic status), which in turn positively affects physical and mental health.

- Contact with nature offers promise both as prevention and treatment across the human life course.
- Most conventional medications lack the potential advantages that nature provides. This includes low costs (relative to conventional medical interventions), safety, practicality, lack of need of dispensing by highly trained professionals, and multiple co-benefits.
- The benefits of nature encompass physical, psychological, emotional and socio-economic aspects and can be identified at both the individual and community level.
- Natural features and open spaces also play an important role in social cohesion at the community level and have been found to increase the likelihood of informal interactions and the promotion of community spirit.
- Finally, nature can have cultural and aesthetic value, which, in turn, can improve the sense of wellbeing and health.

European Semester recommendations:

- Utilise Europe's Semester process to increase momentum, coherence and transparency in reaching a transition that integrates well-being metrics into the process.
- Align the EU's and Member States' budgetary resources to sustainability through tighter environmental conditionality – thereby positively affecting public health
- Integrate sustainability considerations in the reforms of income and wealth taxation and social protection systems, which will be necessary to address rising inequalities and demographic changes.
- Make greater use of targeted economic instruments such as green taxation and public procurement policies at all levels of governance to shift individual and collective behaviours.
- Push for an accelerated implementation of the sustainable finance action plan, in order to reorient capital flows towards a more sustainable and prosperous economy.

IEEP broader recommendations for a sustainable and healthy Europe:

- Develop synergies between health and environmental policies as part of Europe's SDG implementation strategy:
 - Design a comprehensive environmental health strategy, providing a coherent framework for environmentally-related public health threats incl. unhealthy and unsustainable food consumption; air, water, noise food pollution; heat waves, etc.
 - Adopt regulations for chemicals, pesticides and medicines that protect both health and the environment.
 - Assess the environmental impact of the healthcare system and identify opportunities for sustainable innovation (e.g. reduced impact on biodiversity; digitalisation and carbon emissions; usage of plastics).
- Protecting Europe's natural capital:
 - Adopt an ambitious EU biodiversity post2020 strategy.
 - Recognizing that access to nature is a fundamental human right.
- Leaving no one behind:
 - Targeted actions to protect vulnerable populations from pollution (the poor, the elderly and children), especially in Europe's eastern and southern regions.
 - Build the resilience of cities, rural communities and the wider environment through more effective adaptation strategies to climate change.
 - Ensure the adequate representation of the interests of both youth and future generations, by establishing an EU Guardian for future generations.
 - Close the knowledge gaps regarding the connections between health, poverty and inequality and sustainability in Europe through research and funding for socially innovative projects.
 - Strengthen the European Social Pillar of Rights to support a just transition towards sustainability.

Further reading:

- http://ec.europa.eu/environment/nature/ecosystems/pdf/Green%20Infrastructure/GI_health.pdf
- Oxford Textbook of Nature and Public Health (2018) Edited by Matilda van den Bosch and William Bird
- Ten Brink P. et al. (2016). 'The Health and Social Benefits of Nature and Biodiversity Protection'. A report for the European Commission (ENV.B.3/ETU/2014/0039), Institute for European Environmental Policy:
 - <https://ieep.eu/publications/new-study-on-the-health-and-social-benefits-of-biodiversity-and-nature-protection>
 - <https://www.foeeurope.org/sites/default/files/biodiversity/2017/briefing-nature-health-and-equity-march-2017.pdf>

5.3 Towards a Social Imbalances procedure

5.3.1 Defining social imbalances and defining the scope of the Social Imbalances procedure

The first challenge in setting up the SImP would be to define a social imbalance. A good starting point is the definition proposed by Vandenbroucke *et al.* (2013:5), i.e. excessive social imbalances as '[a] set of social problems that affect member states very differently (thus creating "imbalances") but should be a matter of common concern for all Eurozone members' insofar as they have negative spill-over effects. Examples provided by the authors are youth unemployment and child poverty. This said, this definition, with its focus on the notion of spill-over among Member States and on the eurozone, appears rather narrow. It does not consider adequately the economic, social and political effects that a deteriorated social situation has within the Member States, and then the implications for social cohesion within the countries. Furthermore, following Vandenbroucke *et al.* (2013), the term 'social imbalances' would only refer to a limited set of specific social problems, those likely to have spill-over effects.

In this report, we use a broader definition of social imbalances, which does not take account of their possible spill-over effect. In our understanding, social imbalances are primarily social problems that, given their social, economic, and political implications, threaten social cohesion *within* a Member State. Consequently, instead of adopting a 'functionalist' approach, we adopt a rights-based one (in line with the rationale of the EPSR), by referring to policy areas defined as rights in the EPSR and in other EU and international Declarations of Rights. Thus, to start with, one should consider the rights to live a life in dignity and to have a decent job. Consequently, the phenomena to be considered in the SImP would be high rates of unemployment and of poverty or social exclusion. Other policy domains which could be included in the definition of social imbalances are education and healthcare. Education, firstly, is fundamental to raising the quality of human capital, thus increasing employment opportunities and preventing unemployment and poverty. Second, and equally importantly, education has a function of forming citizens, thus having a beneficial effect on the functioning of democratic systems. As for healthcare, access to quality healthcare services has a clear fundamental role for citizens' well-being. Another area of intervention of a possible SImP would be housing exclusion. Importantly, rights concerning housing, healthcare and education are included in the Universal Declaration of Human Rights (art. 25 and 26), in the Charter of Fundamental rights of the European Union (art. 14, 34, and 35), and in the European Pillar of Social Rights (principles 1, 16, and 19). The promotion of good health and well-being and access to quality education are also included in the United Nations' Sustainable development goals (no. 3 and 4).

Of course, phenomena such as poverty and social exclusion and unemployment are multi-dimensional, with multiple causes. Thus, it would be unrealistic for the EU to intervene in all the aspects related to them. A choice is needed, concerning the division of tasks in the domain of social policies between the EU and the MS. Our proposal is that the EU should intervene, in addition to and

facilitating MSs' efforts, in policy initiatives more strictly linked to the notion of social investment³¹. Indeed, on the one hand, social investment is a notion sufficiently shared at the EU level and pushed by the European Commission (Ferrera 2015a), as shown by the adoption of the Social Investment Package in 2013. On the other hand, social investment is a key orientation of the EPSR. At least 8 rights and principles of the Pillar are directly linked to the notion of social investment (Principles 1, 2, 4, 9, 11, 17, 18, and 19), while the principles more directly linked to social protection also contain elements of social investment. This is, for instance, the case of the principles on unemployment benefits (principle 13) and of minimum income, with their focus on promoting reinsertion in the labour market, activation and access to enabling services, but it is also true of the principle concerning healthcare (Baeten *et al.* 2018).

Having defined the broad areas of intervention of a possible SImP, in the next section we will focus on its governance procedures, and look at national and EU actions in this context.

5.3.2 The Social Imbalances procedure: governance arrangements

Step 1. Identifying and understanding social imbalances

The first step of the SImP should be to identify the countries experiencing excessive social imbalances and the policy areas affected by these imbalances. For poverty and social exclusion and unemployment, solid indicators exist at the EU level and are included in the Social Scoreboard of the EPSR. Similarly, indicators linked to education and healthcare are present in the Pillar Scoreboard – early leavers from education and training and self-reported unmet need for medical care- though these appear rather narrow and should be enhanced in order to fully cover issues related to the quality, access and affordability of the healthcare and educational systems. Finally, there are no housing exclusion indicators among the Social Scoreboard's headline indicators. In any case, although the Social Scoreboard has some limitations (see below), it is used as a basis for the annual Joint Employment reports (JER) published by the Commission and the Council. In that document, the situations in the MS in relation to a number of social policy issues (including those potentially covered by the SImP) are assessed, distinguishing between 'best performers', 'better than average', 'on average', 'good but to monitor', 'weak but improving', 'to watch', and 'critical situations'. Our proposal is that, based on the JER, the SImP would be limited to those countries experiencing critical situations in one or more of the five macro-areas identified in Section 5.2.1. Using this criterion and drawing from the Joint Employment report 2019 (European Commission 2018a), seven countries would potentially be eligible for a SImP (see Table 1).

Table 1. Countries potentially concerned by a SImP in 2019

Country	Critical situations
Spain	- Early leavers from education and training

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This said, we are fully aware that social investment is not a substitute for social spending and that, without strong social protection and redistributive systems, it would not be sufficient (Cantillon 2019; Vandenbroucke 2018). Yet, in our view, EU social-investment-oriented initiatives should complement social protection systems set up at the national level.

Romania	- Early leavers from education and training
Greece	- At risk of poverty or social exclusion rate
Bulgaria	- At risk of poverty or social exclusion rate
Italy	- Early leavers from education and training
Latvia	- Self-reported need for medical care
Lithuania	- At risk of poverty or social exclusion rate

Source: authors' elaboration on European Commission (2018a: 21)

Once the excessive social imbalances have been identified (i.e. after the publication of the JER), there would be two possible ways of opening a SImp. First, the Commission could invite a MS to apply. Second, the MS concerned could submit a request to the European Commission to open a SImp. In other words, unlike the MIP – an exclusively top-down process – the SImp could also have a bottom-up element.

After the request, the next stage of the procedure should be to identify the main reasons behind the poor outcomes in the areas concerned. The Semester's Country reports could be a good analytical basis for this exercise, even though more in-depth analysis may be needed. For instance, an in-depth review could be carried out, similar to that used in the MIP (attached to the Country Reports).

Step 2. Defining interventions

Once a MS applies for the SIMP, and after an in-depth analysis of the causes of the critical (social) situation at stake has been performed, the second step of the SImp should be to define the actions needed in order to improve those situations: a Multi-annual national Action Plan (MAP) should be drafted, jointly by the national governments (who will hold the pen) and the European Commission³². The Commission's country desks and the Structural Reform Support Service should be involved in this exercise on the Commission side (see Section 3). As for the MS, in order to facilitate the implementation of the initiatives/reforms included in the plan, they should involve social partners and other stakeholders active in the area(s) covered by the SImp in the elaboration of the MAP.

In drawing up the MAP, a delicate balance should be reached between the national government's preferences, and the consistency of the initiatives proposed by national governments with the policy orientations defined at the EU level. Indeed, the MAP should contain: a) a list of initiatives/reforms to be implemented by the MS in the years to come (at least a three-year time span); and b) EU actions to support the implementation of those initiatives. Possible intervention of the EU should therefore be conditional on the respect of the social policy principles and orientations defined at the EU level through processes such as the Social OMC, the European Employment Strategy and the European

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The MAP has some similarities with the notion of 'contractual arrangements' between EU institutions and the Member States discussed at the EU level a few years ago (cf. Vandenbroucke with Vanhercke 2014; Ferrera 2015b).

Semester, and then further elaborated in policy documents such as the 2013 Social Investment Package³³.

When defining the initiatives to be included in the multi-annual plan, importantly (and in order to be credible), the MAP should also include an assessment of how macroeconomic and fiscal policies can help to achieve the social objectives identified, as well as indications of the available budgetary scope.

Various kinds of support can be provided by the EU, including:

- a) *Technical assistance* in defining the contents of the reforms needed (through the Structural Reform Support Service and the Commission country desks) and activation of the ‘learning instruments’ available at the EU level, including, for instance, various kinds of peer reviews.
- b) *Targeted financial support*. In this respect, first, the main instruments would be the ESI funds, in particular the new European Social Fund + and the EFRD: a set amount of their resources could be concentrated on the priorities and initiatives defined in the MAP and, in implementing initiatives foreseen in those documents, the co-financing rate of the ESI funds could be increased. Additionally, it would be important to use the EU funds earmarked for social innovation under the EaSI programme, in order to experiment, on a small scale, reforms in the policy domains concerned before up-scaling them to the national/regional level. Second, financial support could be also provided through the newly proposed Reform Support Programme. Third, a reinforced European Fund for Strategic Investment and the proposed Social Investment and Skills window could be used to enhance social investments in the MS under the SImP, in particular investment in social infrastructure. Furthermore, for the countries of the euro-zone, further resources could be provided from a possible euro-zone budget, if the latter included a quota for social policies (see Section 3)
- c) Besides direct EU financial interventions, the so-called *silver rule* could be applied (i.e. some social-investment related expenditure could be excluded from the calculation of the national deficit). This would facilitate the MS’s initiatives in the policy areas covered by the SImP. The latter option would be particularly important for the euro-zone countries, subject to particularly stringent budget requirements.

As already mentioned above, EU financial support should not concern financial transfers such as unemployment or minimum income benefits. Rather, it should be focussed on the implementation of policy initiatives more directly related to social investment, such as, for instance, activation measures and social infrastructure. Taking the form of technical assistance and direct or indirect financial support, the SImP – unlike the MIP – should be predicated on an incentive-based rather than a punitive logic.

If no agreement on the MAP is reached between the Commission and the MS, the SImP is closed and the MS would agree to do without extra support offered by the EU. Conversely, if agreement is

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Just to provide a few examples, minimum income initiatives should follow the principles of the 2008 Recommendation on the Active inclusion of people excluded from the labour market and of the Social Investment Package. Initiatives targeted at young people should follow the principles of the Youth Guarantee and include actions included there.

reached on the initiatives and reforms to be undertaken, the MAP should be scrutinised by the Council. In particular, it should be discussed and possibly amended by the relevant Council Committees and then approved, with a qualified majority, by the EPSCO and ECOFIN Council formations. The former Council formation should have the last word in the approval of the document. To ensure the involvement of stakeholders, the EESC and the Committee of the Regions should be asked to draft an Opinion on the MAP as agreed between the Commission and the MS, before it is discussed by the EPSCO and the ECOFIN.

Step 3. Monitoring system

In order to avoid excessive reporting and monitoring procedures, monitoring of the SImp should be conducted through the documents already produced in the framework of the European Semester. In particular, the Member States should report on progress in the initiatives/reforms identified in the MAP in a specific Annex to their NRPs, and the Commission should annually monitor the situation in the Country Reports and recommend further action through the CSRs.

This said, consistency should be ensured between the actions foreseen in the MAPs and the macro-economic and fiscal initiatives. Consequently, on the one hand, the Member States should explain, in a specific section of their Stability or Convergence programmes, how fiscal policies will facilitate the implementation of the initiatives/reforms foreseen in the MAP. On the other hand, the European Commission should explain, in a specific section of the Country Reports, the consistency between actions recommended in the macro-economic and budgetary domains and the possibility of implementing the initiatives/reforms contained in the MAPs (especially for countries subject to a MIP or an EDP).

Finally, every year, the European Commission should assess if and to what extent the MS is complying with the actions foreseen in the MAP. In case of serious and repeated non-compliances, and after asking the MS to urgently implement corrective actions, the Commission can autonomously decide to close the SImp. In this case, increased support from the Structural funds, exemptions deriving from a possible silver rule or extra support from the EMU budget (if set up) would be terminated.

Table 2. Key components of the SImp

Step	Instruments
1. Identifying and understanding social imbalances	EPSR Scoreboard – Joint Employment Report Country reports
2. Defining interventions	MAPs
3. Monitoring	Semester documents (Country Reports etc.)

5.4 A ‘Social Imbalances Framework’ as an intermediate step?

Establishing a Social Imbalances procedure would mean overcoming a number of technical, political and legal obstacles.

The first obstacle to setting up a SImP would be of a technical nature. As mentioned in Section 5.1.2, not all the Social Scoreboard's headline indicators in the 5 policy areas included in the SImP are comprehensive enough to properly describe the relevant phenomena (e.g. education and healthcare), and there are no headline indicators concerning housing. In Annex 6, we identify alternative healthcare and education indicators used in the various social scoreboards available at the EU level. Other potentially relevant indicators are contained in the dataset used to monitor the implementation of the Sustainable Development Goals. More in general, the Scoreboard – that currently looks only at yearly changes - should be complemented with longer term trends, like in the EPM and SPPM. Finally, data in the Scoreboard should go beyond general population figures, which may conceal diverging trends between population subgroups.

Second, politically-speaking, a procedure attributing more EU resources to some Member States would require an enhanced sense of solidarity between the MS and the political will to redefine national and EU competences and responsibilities in the domain of social policies, thus making a step forward in the integration process. However, in the current context, a political appeal for more solidarity and 'more Europe' is at least questionable. Furthermore, the setting up of a SImP would entail rethinking the role and function of economic, fiscal and social policies. During the crisis, the emphasis was on fiscal consolidation, with a view to relaunching growth and competitiveness. In such a context, social policies have often been considered as adjustment factors, helping to achieve the two key, economic objectives. The setting up of a SImP would require a reversal of this understanding, putting citizens' social well-being at the centre and using macro-economic and fiscal policies as means to achieve such an objective. In other words, the order of priority between the sometimes-competing objectives of high-levels of growth and competitiveness, high social (and, possibly, environmental) standards should be rethought (cf. Vanhercke *et al.* 2018). If this is not done, a SImP could paradoxically be counterproductive, increasing the risk of a further subordination of social objectives to economic goals.

One political argument against a SImP could be the lack of democratic legitimacy of social policy decision-making at the EU level. This is often based on soft governance instruments that give a predominant role to technocratic institutions such as the Commission, without the involvement of the European Parliament. Consequently, the obligation for the Member States to follow EU orientations in defining actions/reforms in their MAPs could be challenged. However, in order to attenuate this risk, in our proposal, first, the MAP should be discussed with a vast array of national stakeholders and, second, a MS could withdraw from the SImP at any moment.

In addition to this, increasing EU competences in the domain of social policies would have important legal consequences. First, under the principle of subsidiarity, the bulk of competences for social policies are attributed to the MS. However, as explained in Section 2, the process of European integration, and in particular the EU macro-economic and fiscal policy reforms undertaken at the beginning of the crisis, have made it more difficult for MS to define social policy measures, especially

for the eurozone countries. As Maurizio Ferrera (2015b: 2) points out, with the establishment of the EMU the Union has made an unprecedented quantum leap as a political entity: '[i]t has acquired novel properties which operate at the systemic level and make it increasingly difficult to separate out what is determined by (and at) the national level and by/at the EMU level'. In order to take these developments into account, the principle of subsidiarity should be revised, allowing for an enhanced role of the EU in social policies.

Second, combating social exclusion, promoting social justice, social protection and social cohesion are among the objectives of the EU. Furthermore, the 'horizontal social clause' (Article 9, TFEU) states that '[i]n defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health'. This said, it is well known that the instruments available at the EU level in order to directly implement these provisions are limited. Against this background, giving a possible SImP the same status as the economic and budgetary procedures would require the enactment of EU regulation (as was the case for the MIP) or a Treaty change (the EDP, for instance, is a Treaty-based procedure).

Enacting new legislation on a possible SImP, or changing the Treaties, is a matter of political will, and the extent to which this would be possible in the short term is at least questionable. This considered, it would be possible to establish a softer version of a SImP than the one sketched above: a *Social Imbalances Framework* (SImF), defining guidelines on how to intervene in the event of social imbalances in the Member States. Such a framework would follow the steps described in Section 5.2, however, it would exclusively rely on political commitment. After all, the EPSR is not a legally binding document but, rather, a political framework whose implementation mainly relies on the willingness of EU institutions and of the MS. The Inter-institutional Proclamation of the Pillar should ensure a minimum level of political commitment in order to allow more incisive EU intervention in supporting Member States experiencing imbalances in key areas of the Pillar, even without a legal obligation. It should therefore be possible to create a non-binding instrument such as a Social Imbalances Framework. Admittedly, the SImF could be considered as a second-best solution: this framework would not be at the same legal level as the MIP and EDP and, thus, its activation would be highly discretionary. However, it might be more politically-feasible and it could be an intermediate step towards a fully-fledged SImP.

6. Conclusion: the need for responsible and visible EU solidarity

In this report we have explored the possibility of establishing three policy instruments aimed at implementing the EPSR and at rebalancing the economic and social dimensions of the E(M)U: a) a social budget for the EU and for the eurozone; b) a European Unemployment Benefit Scheme; and c) a Social Imbalances procedure. For each of them, we have identified the main features, their feasibility as well as the possible obstacles to their creation. Our proposals entail an increase of the EU budget devoted to social policy, more funds and targeted assistance for some MS (e.g. those potentially eligible for the SImP), and risk-sharing (the EUBS). Most of the obstacles to the establishment and implementation of these initiatives are political in nature, insofar as they entail an

