

**Well-being 2030  
A new vision for 'Social Europe'**

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'Well-being 2030' is a two-year research project, co-funded by the EPC and the European Commission, which started running in April 2009. Based on a belief that policy can shape our future, the project is seeking to establish a strategic vision for the long-term development of social policy in Europe. To that end, the project investigates what policy choices are most inclined to deliver a higher level of well-being for European citizens by the year 2030. The reflection on the future of Europe's economic and social models including the trends, challenges and constraints framing policy choices for improving citizens' quality of life are at the core of the project.

The reflection of this forward-looking project is stimulated through a range of activities, from analysis to research, panels and communication activities, which aim to deliver three key outputs:

- to bring the insights of the research on well-being definition and measurement into the policy debate over the long-term future of Social Europe;
- to analyse Europeans' values and preferences in order to sketch a picture of a future society delivering higher level of well-being for its citizens;
- to identify the strategic policy choices (social, economic and environmental) reflecting Europeans' preferences and considering the current challenges as well as resources available to deal with these challenges.

The project analyses the main policy areas that impact on citizens' quality of life, with a particular emphasis on areas where there is a specific European policy interest. This includes labour market policies, health/lifestyles, education, demographics/migration, integration and inequalities, and public finances/financial sustainability. The key question of how to 'measure' well-being, the challenges and factors which influence social conditions, and what kind of social provision citizens want in the European Union of the future is also addressed. Moreover, the project pays particular attention to highlighting trade-offs or synergies among policy areas.



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## Citizens' Guide

What policies can be put in place to enhance the well-being of European citizens by 2030? That is the key question, which 'Well-being 2030', a two year research project co-funded by the European Commission and the European Policy Centre, has aimed to answer by analysing the potential of social policy – employment, health, education, migration and actions to address inequality and poverty – in Europe. This citizens' guide summarises the key recommendations of the project, aiming to show what social policy actions can have maximum impact on citizens' well-being.

'Social Europe' is going through very difficult times, with social policy in Europe at a crossroads. Already existing challenges, such as demographic change and globalisation, already impact increasingly on people's daily lives and the financial and economic crisis has added new difficulties, which have exposed the weaknesses of European welfare states, highlighting the need for reforms. Preserving the European social model and enhancing the well-being of Europeans by 2030 will therefore require joint efforts, both at national and EU level.

At both levels, policy-makers will have to make sure that social policy both contributes to increase people's resilience to cope with social risks and has a positive impact on the key determinants of individual and societal well-being – income level, employment, health, education and the need to live in a cohesive society where key values and principles are respected – without compromising the sustainability of our welfare models. This will require reconsidering the role of social policies in Europe, looking at them differently, and making sure they can act:

1. As drivers of future competitiveness, i.e. helping Europe to compete effectively in a global economy; and
2. As investment into future economic performance, i.e. providing real returns which justify the expenditure even when public finances are tight.

Given the increasing interdependence of Europe's economies and a European objective of promoting people's well-being, enhancing citizens' life satisfaction will also need strong support from the EU. The Well-being 2030 project recommends that the EU should take the following actions:

- A more ambitious European employment strategy with a stronger focus on smart investment in skills and policies which increase labour market participation.
- A fully functioning Single European Labour Market where citizens' mobility can both provide companies with the opportunity to better meet their human resource needs and also offer more employment possibilities to Europeans.
- The introduction of certain common social standards such as a common approach to minimum wages across the EU to complement the horizontal rights which already exist to make European societies more cohesive and equal.
- A stronger focus on equal access to and affordability of public services in Europe, not least in the field of health and education.
- Investments in the quality of public services without compromising the universality of such services.
- A greater attention to health promotion and disease prevention at EU level and the creation of a European internal market for health.
- A European migration policy to sustain our European social model and make Europe an attractive destination for migrants.

- More incentives for social innovation in the public sector.
- The creation of a new category of public investment in national accounts to separate out investments for the future from current expenditure.
- An ambitious research programme to go beyond what is currently known about well-being.

Undoubtedly, it will take time to implement these recommendations, to develop EU competences in certain policy areas and to remove barriers which prevent us from achieving win-win situations. Certain actions will clearly require huge efforts and even changes in the way Europe considers its welfare model. But all this can be achieved by 2030 if actions start now. The European Commission has a key role to play to make Europe the place in the world where people enjoy high life satisfaction, and success in achieving such an objective will very much hinge on the capacity of the European Union to take initiatives and offer an ambitious vision for the future of Social Europe.

Such a vision will require having a political debate on the development model Europe wants to promote and answering key questions which have been central to the Well-being 2030 project, such as: What kind of societies do Europeans want to live in? What kind of growth do Europeans want and what are their perceptions of 'social progress'? What price are they willing to pay to achieve societal progress? And what is the role of the European Union in all this? They are all political questions which will require a politicised debate, including elected representatives at all levels. Only through developing Europe's political priorities in the social policy field can well-being be enhanced in the long-term.

## Introduction – The project

This report summarises the key findings of 'Well-being 2030', a two-year research project that started in April 2009 and which has been co-funded by the European Commission and the European Policy Centre. The project aimed to find a strategic vision for the long-term development of social policy in Europe in light of current constraints by exploring the policy choices that are most likely to deliver a higher level of well-being for European citizens by the year 2030. In short, the project explored how social policy in Europe can maximise Europeans' well-being through their positive impact on well-being determinants. The three key aims of 'Well-being 2030' can be summarised as below:

- to bring the insights of the research on well-being definition and measurement into the policy debate over the long-term future of Social Europe;
- to analyse Europeans' values and preferences in order to sketch a picture of a future society delivering a higher level of well-being for its citizens;
- to identify the social and economic strategic policy choices reflecting Europeans' preferences and consider the current challenges as well as resources available to deal with these challenges.

These three research strands of the project have been supported through a wide range of activities, ranging from analysis to discussion panels and communication activities, and culminating with several key publications and events.<sup>1</sup>

The evolving context in which 'Well-being 2030' has taken place has had a significant influence on the project's activities and outcomes. While already existing challenges, such as globalisation, transformation of the economy, the changing nature of the labour market and demographic ageing, have strengthened in impacting on people's daily lives, new difficulties have also emerged over the last few years. The financial and economic crisis has made a huge impact on European welfare states and it is likely to have immense implications on policy-making in the years to come. Not only has the crisis exposed the economic weaknesses of European states and the urgent need to reform our economic and social models, it has also revealed Europe's inability to address current challenges. In this context, distrust and divide between national governments have been growing and Member States have been tempted to act unilaterally instead of finding common European solutions.

With the economic and political context changing rapidly and the challenges becoming stronger, there is less room for manoeuvre and fewer possibilities for win-win solutions. At the same time, to address current challenges and people's dissatisfaction, there is now an increased interest for reflecting on what constitutes social progress and quality of life. For instance, the year 2008 saw the creation of the Commission on the measurement of economic performance and social progress. Known as the Stiglitz Commission, it was designed to address concerns about how economic performance is currently measured, and particularly about the relevance of GDP figures as measures of societal well-being. The Commission set out to examine the limitations of GDP as an indicator of prosperity and well-being and to consider how a more accurate representation of real economic performance and social progress could be produced. In short, the report of the Commission has highlighted the need to better look at the distribution of income and consumption instead of GDP and production levels, to take both objective and subjective dimensions of well-being into account, and to develop indicators measuring sustainability in order to preserve the well-being of future generations.<sup>2</sup>

This trend of going 'beyond GDP' seems widely supported. In 2007, the European Commission organised a high level conference meant to explore the possibilities of improving the measurement of well-being and progress.<sup>3</sup> Although recognised as an important tool for economic policy, the GDP indicator was regarded as being unfit to reflect current European challenges, like climate change, resource depletion, health and quality of life. Consequently, the European Commission's 2009 Communication, entitled

"GDP and beyond: Measuring progress in a changing world",<sup>4</sup> suggested five key actions designed to develop more inclusive indicators of progress, in order to better reflect citizens' concerns regarding, for instance, environmental and social aspects.

More recently, in May 2011, the OECD presented an interactive index that allows citizens to measure and compare their well-being by going far beyond the limited GDP per head indicator. The so-called "Your Better Life Index"<sup>5</sup> is based on eleven aspects – housing, income, jobs, community, education, environment, governance, health, life satisfaction, safety and work-life balance – and allows people to give different importance to these dimensions, according to their preferences.

In addition to the importance given to these questions by the European Union, it also has a clear objective to enhance people's well-being and place well-being at the centre of its political agenda. It is indeed one of the objectives laid down in the Lisbon Treaty, which states that: 'The Union's aim is to promote peace, its values and the well-being of its peoples'.<sup>6</sup>

As a result, the EU institutions have recently made more and more explicit reference to their role in improving the well-being of its citizens, although their competences in the social policy area remain limited. There is no doubt that EU efforts in setting the political agenda, benchmarking and disseminating best practices through the Open Method of Coordination have led to some progress, at least in specific social policy areas such as, for instance, gender/employment related issues. But these soft-law mechanisms have also clearly shown their limits.

To meet its overarching objective – the well-being of its citizens – it is clear that the EU needs to go beyond what it has been achieved so far in the social policy area and to turn its commitment into concrete policy actions. This is the reason why 'Well-being 2030' has focused its efforts on looking into how the European social model could better contribute to Europeans' quality of life.

Changing the European social model to fit with interconnected challenging trends like globalisation, the ageing society or rapid technological advances calls for sustained efforts and reforms both at national and EU level, and more than ever, requires evidence-based policy making. Bringing new evidence while at the same time highlighting the findings of the project and drawing some concrete policy recommendations lie at the heart of this final report.

Chapter I reviews the challenges of the project and highlights the main difficulties associated with drawing concrete policy recommendations on the basis of existing research on well-being.

Chapter II presents the common findings on well-being which emerge from the research.

Chapter III analyses the implications the findings highlighted in Chapter II have for policy making and proposes a new way of thinking about social policy in Europe.

Chapter IV looks into the role of the European social model and formulates several policy recommendations for enhancing the impact of EU policies on Europeans' well-being.

Finally, the paper assesses the way ahead and concludes with some reflection for the future.

## I. The challenges of the project

The ambitious goals set at the beginning of 'Well-being 2030', and the methodology chosen, had to deal with several difficulties in order to achieve the expected results.

In particular, it is relevant to outline here three types of complexities which have shaped the development of the 'Well-being 2030' project. Firstly, from a methodological perspective, the research was hindered by gaps in data and information. Secondly, several difficult issues arose with regard to defining and pinning down the object of the study, i.e. well-being and its measurement. Thirdly, the current context of social policy in Europe and its fragmentation has made it more difficult to discuss policy implications and recommendations at European Union level.

### Gaps in data and information

The project has been concerned since the outset by the need to discover which data is available in order to determine the factors which influence citizens' well-being, and the possible consequent policy choices. In this respect, it became clear that the research needed goes beyond outlining how satisfied citizens are with their lives, but it also needs to explore what aspects of quality of life are most important in shaping perceptions of satisfaction. In addition, there is a need for policy-makers to know more about the values and preferences of European citizens, in order to make effective policy-choices likely to improve the overall level of well-being.

Against this background, an important part of the project has been dedicated to analysing European values and preferences as revealed by several international surveys.<sup>7</sup> Such research has allowed identification of those areas and issues where information on people's preferences linked to social policy are still lacking.

Analysis had to deal with the fact that surveys are not usually designed specifically to measure well-being, although different indices exist with regard to 'quality of life'. Also, many surveys do measure different elements of well-being, but due to the usage of a variety of styles of questions and different measurement scales, any comparison over time is very difficult. Moreover, it is very difficult to identify surveys which, at the same time, address the values' aspect and the policy implications/linkages. Each database only focuses on one of the two, and makes therefore the task of analysing causalities even more difficult.

In addition to the above, data gathering suffers from a problem of coverage, in two main respects. First of all, data is rarely related to the 27 Member Countries, but rather to Europe as a geographical entity. In the case of Eurostat, statistics include non-member countries like Norway and Switzerland, but also candidate countries. In contrast, OECD data excludes a range of EU member states. Secondly, datasets on European countries are generally based on national averages. For the purposes of our research, an organisation by particular socio-economic and demographic groups would have been far more useful. This is true both for statistics analysing values and level of life satisfaction and for data exploring the different determinants of life satisfaction

All in all, the state of play with regard to available data resembles a patchwork which only allows drawing limited conclusions. Moreover, and with regard to different areas of social policy, experts and stakeholders have often underlined that statistics do not reflect the changes in society. For instance, data on unpaid work and childcare facilities are poor, both at European and national level. The increasing participation of women in the labour market has altered the work-family balance, and requires policy-makers to take appropriate actions in order to reflect their role in the active population: comprehensive data on access to childcare facilities would be very helpful in elaborating effective policy solutions in this area.

### The concept of well-being

The main object of study of the project is individual and societal well-being. Far from being a straightforward concept, well-being has been used with different meanings, in different contexts and



disciplines. Therefore, one of the first methodological challenges of the project has been to identify the characteristics of the phenomenon, and to provide a definition apt to formulate policy recommendations on how to influence it. In other words, it was important to verify if and how there are causal links between policy actions and (individual and/or societal) well-being.

In order to overcome this definition issue, the project took stock of the research results achieved on social progress and quality of life. In studies on social progress, the focus has progressively shifted from GDP to the investigation of those factors likely to explain the well-being of individuals in societies. A significant amount of research has been done since the 1990s, starting from the measurement of subjective well-being. In this respect, it has been indicated that two components form the core of well-being: life satisfaction, and the presence of positive feelings (and/or the absence of negative feelings). For the purpose of 'Well-being 2030' we decided to focus on life satisfaction/quality of life and its determinants, rather than base our definition on emotional evaluations relying on people's feelings, given that policy-making only seems to have a very indirect impact on them.

Our project on well-being went beyond the consideration of material resources, broadening the scope to other aspects of quality of life which are likely to improve the overall level of well-being. This choice has proven difficult when confronted with the measurement issue: subjective well-being very largely depends on individuals' aspirations, which also tend to change/increase over time. The preliminary investigations have quickly shown the extent to which the concept of well-being is subjective, multifaceted and non-linear.

As a result of the above, connections and correlations between policy inputs and individual/societal outputs are particularly difficult to identify and this constitutes a major limitation for the project. Therefore, the project has focused on those determinants most likely to affect well-being (as indicated by the limited evidence/data which exists) and, at the same time, amenable to be influenced by policy choices.

With regard to the determinants of individual well-being, these were analysed with respect to income, employment, health and education as these factors appear to be the main determinants of well-being which can be influenced by social policy. But the debate on the extent to which aspects of Europeans' lives are most pertinent to their well-being is ongoing and further research is necessary to help European policy-makers to make informed choices.

Indeed, even if we know that income levels, employment, health, and education are factors which have a strong influence on life satisfaction, it is difficult to determine which one is more important than the others, i.e. their relative importance. A better understanding of the relationship between different aspects of quality of life is also required. For example, the research suggests that income is associated both directly with life satisfaction and indirectly through, for example, health. Policy-makers need to know whether this link is coincidental or causal, e.g. if one causes the other. Such complex links of causality are true for most determinants.

Geographical and cultural factors also play an important role in shaping citizens' aspirations. Europe is far from being a culturally homogeneous region, and some countries tend to be more pessimistic than others. Surveys have shown that Member States with similar standards of living have very different levels of life satisfaction. Furthermore, the relative impact of well-being determinants on life satisfaction can differ among people, according to their age and socio-economic group. For instance, having a good income for some people is more important than having flexible working hours and time for leisure. As mentioned when discussing the challenges linked to the lack of data, statistics focusing on specific socio-economic groups rather than national averages would have higher usage in identifying causal correlations at national and European levels. Finally, it is important to stress that personal situation and experiences greatly influence individual well-being, and preferences with regard to what constitute well-being can change as a result of external circumstances.

## **A complex and diverse landscape for social policy in Europe**

In addition to methodological issues, defining the framework for social policy with a 2030 horizon has to take account of the extremely diverse nature of welfare states and social models across the European Union. Both at citizens' and policy-makers' levels, there are different preferences and expectations with regard to what social policy should deliver and what choices are likely to induce the highest well-being. While all European countries are faced with common challenges which reduce choices and impose trade-offs, as far as citizens' values are concerned, the analysis of several international and European surveys<sup>8</sup> clearly showed that there is no single set of 'European values' and no single answer to the question 'what do European citizens want?'.

Such diversity of Europeans' preferences also exists with regard to the delivery models of social outcomes, and the EU's involvement in social policy. The European Union has limited competence in matters related to well-being and its determinants (e.g. social policy), and Member States are very reluctant to pool additional sovereignty at EU level in areas at the heart of their welfare systems. This institutional setting, combined with a lack of clear evidence that citizens would like the EU to have a greater role, has led to the project identifying policy recommendations both at national and European level.

Differences in values and preferences are just one of the variables determining the context within which policy-makers operate. The diverse social models existing across countries, the variations in demographic and socio-economic groups, the different stages of countries in relation to the well-being of their citizens, the reforms already undertaken to ensure the sustainability of social models and the state of public finances, are yet more country-specific elements to be taken into account when analysing policy options. As much as experts and academics have tried to define a 'European social model', the reality shows that many different national social models exist and that even broad country groupings (Scandinavian, continental, anglo-saxon etc.) are misleading. While there are some common features in Member States welfare states – a relative high level of social protection/spending, importance of social dialogue, services of general interest vital for social cohesion – the analysis of social policies and public policy interventions should treat national differences carefully.

Beyond the internal diversity, two main external variables have further shaped the policy framework in which 'Well-being 2030' has developed its policy recommendations. The economic crisis has put the financing of social policies in many Member Countries in jeopardy, and at the same time competition from countries like China has put pressure on Europe's high standard of social protection. Such a difficult global context represents an additional challenge, but also an additional motivation for effective reform of social policy.

All European economies are confronted with poor public finances and with the need for austerity and public finance consolidation, frequently at the expenses of public investments in the social field. Scarcity of resources requires Member States to prioritise their spending, in a way that can maximise output and, most importantly, citizen's well-being. Along this line of thinking, the project has looked closely at the issue of prioritisation, outlining the trade-offs which are faced by policy-makers when deciding where to invest public money.

## II. Europeans' well-being: common values?

As mentioned earlier, there is a clear need for further research. Nevertheless the Well-being 2030 project has identified a number of common findings across Europe which can help to better design EU social policy and maximise its positive impact on Europeans' well-being. This section discusses these common findings, which can be grouped into three elements:

1. Common fears in response to common challenges
2. The importance of societal values
3. Common perceptions of priorities

### Common fears across Europe

A qualitative Eurobarometer<sup>9</sup> has been carried out in connection to the Well-being 2030 project. Its main objectives were to ask Europeans about how they envisage their future life by 2030, what are their priorities for societal well-being in 2030 and what are the choices they would make when presented with specific scenarios. The qualitative research was conducted in eight Member States – Estonia, Germany, Greece, France, Poland, Romania, Sweden and the UK – through a workshop, which was reconvened after the results of the first workshop were analysed. Given its qualitative nature, the results are not representative, but nevertheless give some indication of the top concerns shared by Europeans and their capacity to think what choices should be made to improve their well-being by 2030 (this point will be discussed later on in the report). Most importantly, it can show how people think, react and make decisions when faced with concrete trade-offs.

The top concerns voiced by the participants of the qualitative Eurobarometer refer to four broad themes:

- The future financing of our welfare systems
- The consequences of the globalisation process
- The rise in inequality

Environment and climate change were also mentioned by participants but they will not be treated here, as social policy has only an indirect and limited impact on addressing those issues.

### *The financing of European welfare states*

The maintenance of the European welfare systems is of most concern for most people interviewed in the qualitative survey. People generally feel that the welfare state will have difficulties in offering the same quality of social services to its citizens as in the past, be it with regard to education, healthcare or pension benefits. Obviously, this fear has been exacerbated by the recent economic crisis and the austerity measures undertaken by most Member States, as shown by the social unrest taking place in some countries.

It is clear that, even with the immense efforts being made by governments to consolidate public finances and boost long-term growth rate, it will take a number of years to steer public finances back onto a sustainable path. As a result, the provision of public services and/or the quality of social protection systems risk being profoundly affected.

In addition to the cuts in social spending most EU governments have undertaken, Member States are also facing demographic changes that will challenge the financing of a number of social services. Europe's population-ageing is explained by two parallel trends: the increase in life expectancy combined with a low fertility rate. According to Eurostat projections, the old-age dependency ratio – a demographic indicator that measures the proportion of people over 65, i.e. people who generally do not contribute to the financing of the welfare systems, over the working-age population – is expected to grow from 25.9%

in 2010 up to 50.4% in 2050 in the EU as a whole. However, old-age dependency does not capture the fact that many people of working age are actually not working. Another indicator: the Labour Market Adjusted Dependency Ratio (LMADR) proposes a different ratio and calculates the proportion of people who are not in work as a proportion of the total population. The new measure gives a different picture of current and future EU performance: the average LMADR in the EU would grow from to 47.7% in 2010 up to 56.3% in 2050<sup>10</sup>. This phenomenon will have major implications for social policy and more specifically for the financing of pension benefits and public healthcare.

### **Globalisation**

The issue of globalisation and the consequences it may have on people's lives is also of particular concern for Europeans. While globalisation has helped European economies to develop and has had a positive influence on the living standard of most Europeans, it is also clear that globalisation poses many challenges Europe will have to address in the coming decades.

Globalisation is likely to accelerate the transformation of the economy, in part due to increased competition on a global level. More jobs will be exposed to global competition, which will lead to more outsourcing and accelerate the decline of certain sectors/jobs. While the transformation is not a negative development in itself, it can challenge the employability of the more vulnerable who do not have the skills to adapt to this change.

In this context, not only do Europeans fear to see a rise in unemployment in the coming years but also a long-term impact on the labour market. The increased internationalisation of economic processes will indeed require more flexibility on European labour markets. It means that people will need to be more flexible in geographical terms, to move quicker between jobs or even sectors and to be less demanding as regards the type of contract they get, for example doing more project-based work. Europeans are profoundly afraid of these changes, as employment is a key determinant of people's well-being and it remains an important source of income and personal development.

### **Inequality**

Rising inequality is perceived by Europeans as another possible consequence of global competition. The changing nature of the labour market described earlier is indeed likely to create even more pressure on wages in low-skilled jobs, which can lead to rising inequalities, as those at the lower end of the labour market are generally unable to switch to a new type of job and to compete with better-educated sections of society.

Inequality has already been rising in most Member States over the past decades. Usually measured as the ratio of the top 20% of the population to the bottom 20% on the income scale, the gap between rich and poor has been growing since 2000: up from a ratio of 4.5 in 2000 to 4.8 in 2008 across the EU as a whole. As voiced by a German participant in the Eurobarometer, who said : *'I think the gap between the rich and poor is already very significant. There will hardly be any middle-class in the future'*, Europeans are particularly concerned by this trend.

Generally, the level of income inequality in a country also indicates the level of poverty, as the most equal societies in Europe tend to have the lowest levels of poverty. As a result, and linked to the fear of rising inequality, having a decent standard of living and enough money is a real issue for a number of Europeans, especially in countries affected by the economic crisis. A British interviewee declared: *'I think the roof over your head and getting food in your mouth and clothes on your back are going to be too expensive and those are the things that you can't do without'*.

Beyond the issue of poverty, maintaining the same standard of living or even improving it is crucial for Europeans' well-being. Therefore, the importance of the income level and other economic factors in general remain a major determinant of people's life satisfaction, which should not be neglected.

## **Societal values**

Not only does people's well-being stem from factors which are strictly personal such as income, employment, health or the level of education, but it also largely depends on other factors which characterise the society which the individual is living in. In fact, the quality of society is an important driver of people's life satisfaction and it is referred in this paper as 'societal well-being'.

As mentioned earlier, the results of the Well-being 2030 project have confirmed previous research showing that there is no single set of European values and preferences towards issues related to social policy. It is well-known that European societies have different approaches as regards the role of public spending and who should bear the main responsibility for providing insurance against risks. These differences of preferences are very much rooted in historical, institutional and political traditions and explain the existing diversity of social models across Europe.

There is, however, a clear indication that our European societies are based on common societal values. These values are at the core of the European social model and remain omnipresent when citizens describe the kind of society they want to live in.

### ***Social cohesion***

According to the qualitative Eurobarometer, social cohesion is perceived as a key driver for societal well-being. This reflects Europeans' desire to live in a harmonious social environment, despite going through a time of greater diversity where social dysfunctions such as unemployment, loosening of social ties, crime, poverty and exclusion tend to rise.

Social cohesion is a concept describing outcomes of social harmony which has been defined by Jenson (1998) as the 'shared values and commitment to a community'.<sup>11</sup> Europe's citizens seem to pay great attention to it as they generally want to feel positive about the community they live in, where challenges are faced together, with institutions that can support the community and especially the most vulnerable. This also entails a concern for what kind of society Europeans live in, for example being concerned about environmental degradation/climate change, unsustainable public finances and the absence of intergenerational equity in an ageing society.

Beyond the importance people allocate to outcomes of social harmony, some studies have also proved that cohesive societies are more effective in realising collective goals such as integrating minorities but also in terms of economic return. Indeed, factors such as trust in others' reliability or confidence in national-level institutions are likely to enhance innovation, risks taking and market exchanges.<sup>12</sup>

### ***Equality of opportunity***

Not only are Europeans concerned by the growing disparity between rich and poor as mentioned earlier, they are even more worried by the issue of inequality of opportunity. While people accept that those who work harder, take risks, and are more innovative than others get more economic returns, they consider inequality of opportunity as being clearly unfair.

The relationship between income inequality and inequality of opportunity remains blurred. The research on well-being has shown that satisfaction with health and education is in general positively correlated to income satisfaction. But is it a high level of education which influences the income level or the good economic conditions of the parents which have a positive impact on the level of education of their children? In other words, does income inequality lead to inequality of opportunity or the other way around? While it is obvious that equal opportunity is not the only factor to achieve more income equality, it remains, however, a precondition for reducing income inequality.

## **Solidarity**

Solidarity comes out as one of the key principles which need to be preserved in Europe according to Eurobarometer surveys. In the survey entitled 'poverty and social exclusion' carried out in 2010, participants were asked to respond to the question 'why in your opinion are there people who live in poverty?'. 48% of participants surveyed see injustice in societies as the reason why people live in poverty and 16% think that it is 'an inevitable part of progress'. When asked about what could be the possible solutions to addressing poverty, 85% of respondents express the desire for governments to make sure that the wealth of the country is more fairly distributed and 79% think that people who are well-off should pay higher taxes so that governments have more means to fight poverty. Although these figures do not tell us what kind of government transfers Europeans would be willing to see, they confirm that the principle of solidarity is important to people and should be further maintained.

### **Common perceptions of priorities needed in the future**

In the qualitative Eurobarometer, citizens were asked to name policy priorities for societal and personal well-being in 2030. Not surprisingly, one can observe that the policy priorities picked up by Europeans are both in line with the key individual determinants of well-being, i.e. employment, living standard, health and education, and also the societal values described in the previous part.

#### ***Investing in our economies for jobs creation***

For most people surveyed, investing in the economy is perceived to be the most important factor in driving the well-being of society in the future. Citizens see a well-functioning economy as being the foundation on which the other factors depend and, therefore, on which the well-being of society hinges. In that vein, a British interviewee declared '*Everything depends upon it, education, employment benefits, council's budgets*'.

But the purpose of investing in the economy is also explained by personal motivations and the impact it may have on personal employment status and, later in life, on pension benefits. Therefore, most participants agreed that the focus of public spending should be on creating employment. Employment is indeed perceived to be the *condicio sine qua non* for economic security, health and education services but also has psychological benefits. As a French interviewee declared: '*Employment is the first lever: when you have an income you invest, you consume if everyone had a job that would relaunch the economy, you feel better in your head. Income opens the floodgates on many things*'.

All this points to the centrality of work for people's well-being – with work being defined broadly, for example including unpaid jobs. Exclusion from the labour market or from meaningful occupation is the single biggest factor in reducing well-being.

#### ***Ensuring equal access to quality public services***

It is clear that public services have a significant impact on a number of determinants of life satisfaction and affect people throughout their lives, ranging from childcare services to quality education and care for the elderly. As shown by the European Quality of Life Survey, effective public services are perceived as a key component of the quality of society and the perceived quality of public services appears to be positively correlated to life satisfaction.

When confronted with scenarios and asked about priorities for spending in the key areas of concern,<sup>13</sup> most participants of the qualitative Eurobarometer picked actions aimed at preserving or reinforcing universal and affordable access to public services. In the health sector, for instance, the scenario which was most rejected by people was the possibility that treatment would not be accessible to all. As regards education,<sup>14</sup> access again emerged as the key driving principle for societal well-being and reactions to

scenarios introducing any kind of trade-off between quality and equal access were clearly negative. These fundamental public services are seen as a right for all and there is a widespread support of the idea that government has the responsibility to provide such rights.

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### III. What implications for policy-making? A new way of thinking

Despite the shortcomings in our knowledge of well-being, especially with regard to policy choices, starting with the concept of well-being as the central tenant for policy making has nevertheless a number of important implications.

#### **Involving citizens in policy choices**

Using subjective well-being or happiness as a guideline to determine policy is still tricky, not least at the European level. Comparisons of subjective well-being across countries are fraught with difficulties, compounded by a lack of good data which makes between country differentiation according to age, gender, socio-economic or educational groups impossible. But the same does not apply to the determinants of well-being. Here, there are some similarities across the EU as shown in the previous section: the importance of work (albeit with a different emphasis between the richer and poorer Member States) or the focus on equality of opportunity especially in terms of access to education and healthcare coupled with an understanding of the significant challenges which the EU is facing.

The implication of the qualitative Eurobarometer is clear: citizens can make choices in light of constraints, albeit reluctantly. There is thus no reason why Europe's citizens cannot be more directly involved in providing direction to decision-making processes. This will entail further data collection and research to ensure that citizens' choices take place in the context of the resources and constraints which determine the framework for policy decisions. At the same time, there is a need to address certain misconceptions, such as the belief that the number of jobs in an economy are limited and thus migrants take away jobs from the unemployed (lump of labour), or that a positive trade balance and a strong currency are always healthy for an economy. The aim should be to enable citizens to make informed choices in light of existing constraints.

#### **Protecting Europe's social model**

What already emerges strongly from the qualitative Eurobarometer study is that citizens are unwilling to compromise on certain principles underpinning Europe's social model. As explained in the previous part, there are some values – the centrality of work, the importance of equal opportunity and its implication on access to public services and the need to live in a cohesive society – which are at the heart of citizens' concerns concerning future well-being and which have some implications for decision-makers. These implications are:

- It is essential to incentivise, support and promote people's access to labour market opportunities. Addressing worklessness is likely to have a major positive impact on well-being. Achieving higher labour market participation through targeted incentives and active labour market policies, for example for females, new entrants, older age groups or marginalised groups, is an essential component of increasing well-being, while also contributing to the enhanced sustainability of European welfare states. At the same time, the quality of work matters and, especially as income increases, more emphasis is needed to ensure better and more flexible working conditions. But attitudes need to be addressed as well: avoiding work or exiting the labour market does, in general, lower individuals' well-being as well as having a detrimental impact on the rest of the economy. More needs to be done to reinstate the value of work in the public discourse. To this end, several actions should be undertaken such as enabling people to work beyond official retirement ages if they wish to do so and are able to carry on, recognising and promoting non-paid work as well as improving quality of work. Especially as income increases, more emphasis is needed to ensure better and more flexible working conditions.
- Inequality matters especially where it is seen as restricting individuals' opportunities to participate in society. Not being able to access/afford healthcare and education is incompatible with Europe's social model. Growth must be seen in conjunction with social distribution of benefits and the maintenance of public services for all, which are crucial factors to eliminate disadvantage. With increasing mobility



and identification with 'Europe' young people might also increasingly reflect on inequality between countries, not just within countries.

- Societal values are important. Citizens' well-being is enhanced by living in a fair, green society which takes care of the most vulnerable and where there is a feeling of community. The pursuit of individual happiness needs to be balanced by social considerations. Reconciling the increasing diversity of communities (which is happening regardless of future migration flows) with individuals' desires for cohesiveness is crucial. Shared public services, used by all parts of the community, have a crucial role here.

There are, of course, still significant differences between European countries. For example, while in poorer countries the level of income associated with work still plays the predominant role, in richer countries the quality of work has become more important. But the importance of work, of equality of opportunity, and of society are shared. This makes addressing Europe's common social policy challenges even more important.

### **The need for reforms**

To ensure that Europe's societies can meet citizens' needs with regard to well-being, reform is unavoidable. The current functioning of European welfare states is not sustainable for a number of reasons:

- Globalisation and in particular global competition from economies with significantly lower wage levels and with lower social, environmental and labour standards;
- The long term impact of the current economic crisis which includes the deterioration of public finances;
- The impact of ageing in public service delivery costs, labour market participation<sup>15</sup> and growth;
- The changing nature of European society, with different family structure, significant diversity and mobility/migration all requiring shifting patterns of public support;
- The need to invest in the transformation of Europe's economy towards a lower carbon and environmental impact;
- The increasing global competition for resources, resulting in higher food and energy prices but also labour market limitations.

What are the implications of these challenges? The challenge is in essence threefold:

1. an increase in the demand for public services, interventions and spending, for example through higher demands on pension and healthcare systems;
2. lower economic dynamism accompanied by growing inequalities; and
3. a lack of resources to deal with societal challenges.

There are obvious ways to address these issues without ignoring the underlying trends: increasing efficiency and effectiveness, limiting access/eligibility or changing the way services are provided for example by leveraging in private/household spending can all assist.

But this creates a conflict at the heart of Europe's social model. On the one hand, there is a clear need to focus on the most vulnerable. Here, those affected by multiple factors of disadvantage are clearly least resilient to the changes which Europe is going through. Targeted support which tackles key individual barriers simultaneously is most promising. On the other hand, most Europeans value the idea of a shared society, where key public services and social provision are equally available to everyone, for

example through a shared education and healthcare system. In other words, Europe's social model consists of both targeted support and a social safety net for the most vulnerable and universal services for everyone.

Many of the current solutions to the challenges Europe's social model is facing will weaken one element of this model to sustain the other. For example, limiting eligibility through means-testing clearly removes universality. But this endangers Europe's social consensus: public services are for all, not just the most vulnerable. Overcoming this contradiction at the heart of social policy means reforms must be more ambitious; it will not be enough to change policies in the margins and to try to address the challenges by cost-cutting and by limiting eligibility/access alone.

Society does, of course have a number of resources it can draw from, including technology and innovation, private sector/household assets, unused capacity in the labour market and the wider economy and, in most countries, functioning governance. But to activate these resources will require significant reforms, often altering the way policy is made and implemented. A starting point must be to become more outcome oriented and to remove artificial distinctions between different policy areas. Social policy is not a distinct category but intrinsically linked to macroeconomic stability, public finance sustainability, future economic growth and structural reform. Delivering social policy outcomes will require policy action across a number of policy areas.<sup>16</sup>

### **Rethinking social policy**

To find solutions which can be sustainable in the long term will require rethinking social policy fundamentally, starting with the low hanging fruit. Why are some obvious win-win situations not happening consistently across Europe?<sup>17</sup> These include better functioning labour markets, which can achieve high participation rates, school systems which intervene early and provide all-day care, a more consistent application of technological and innovative solutions, investments into future productivity and human capital, prevention rather than cure<sup>18</sup> and using the tax system to incentivise work and discourage unsustainable activities. All are obvious benefits which can enhance the well-being of citizens while also enhancing the long term sustainability of public systems.

The reality is that there are a number of important barriers:

1. The initial investment required: often these solutions require significant upfront investment.
2. Path dependency: many can only be introduced if prior steps have already been taken.
3. Resistance to change: many see change as a threat, making it difficult to take away public provisions, once granted.
4. Transition costs: many reforms result in winners and losers, creating significant transition costs for some sections of society.
5. Doubts over the feasibility of some of the proposed solutions: there is significant uncertainty over the effectiveness of certain policies.
6. Vested interests: there are many groups which will resist change as they have a vested interest in maintaining the *status quo*.
7. Lack of policy instruments to drive change: many of the key outcomes are not directly deliverable by public policies.
8. Variations in national and regional circumstances and in traditions/cultures: these create different conditions which can make a solution feasible in one place but not in another.

9. Risk/uncertainty: this is pervasive in many social policy areas, as the unintended consequences of policies can negate positive impacts.
10. Lack of positive incentives to change: many public organisations and public budgets are not geared towards delivering such change.

Much more attention both at national and European levels needs to be paid to how these underlying barriers can be addressed. Solutions are likely to include:

- innovative finance solutions which can facilitate the initial investment required;
- focused and targeted research to determine what policies work and in which countries;
- the creation of positive incentives to reform in the public sector, including addressing the way budgets are set for public sector organisations;
- increased responsibility of policy-makers to address long-term challenges; and
- ensuring that there are mechanisms to support those who lose out in the transition.

In addition to tackling these barriers, social policy needs to be fundamentally reconsidered. This involves looking at and accounting for social policies differently:

1. as drivers of future competitiveness; and
2. as investment into future economic performance.

In future, Europe's economies will have to rely increasingly on human capital as the key driver since competition from countries with very low wage levels and labour standards is growing. But there will also be global competition for the kind of people who can add significant value<sup>19</sup> and Europe's attractiveness as a destination is already under challenge. Europe's social systems could be a key factor in an overall package which could make coming to (or staying in), living and working in Europe attractive. Education provision for dependent children, diverse and safe communities, low levels of inequality or good quality of life in general could all increase Europe's competitiveness in a global war for talent. But the benefits go beyond attracting and retaining talent. Having a functioning social model which delivers quality public services and high levels of education will also increase the productivity of all citizens not least in promising sectors such as the knowledge-based economy, as well as extending effective working life which would be a crucial component in addressing the challenge of population ageing.<sup>20</sup> This is especially crucial in the context of a changing labour market.

The importance of human capital also reinforces the notion of social investment. Here, the key concept is that investments into areas such as education, health or housing should not be seen as a drain on the public purse but as factors which can contribute to future economic performance – in other words, there is a real return for society from investing in people both in economic and financial terms. Investing in human capital is the only way to mobilise the productive potential of citizens, to make them more resilient to social risks such as long-term unemployment and become therefore an asset for the economic development of a country. If these social returns are taken into account, more investments will lead to better outcomes for society as a whole and will be financially sustainable as they will increase the number of taxpayers and reduce the need for future corrective interventions.

Applying the ideas of social policy as investments and drivers for competitiveness has certain consequences. Firstly, much more of an evidence-based outcome focus is needed to demonstrate that the returns are delivered in practice. This entails showing what works and what doesn't in delivering the desired social outcomes, and what return investments bring in reality. Secondly, given the lack of public

investment, new ways will have to be found to generate private/household investments to generate social benefits. Thirdly, social expenditure needs to be spent more effectively. Gross public social expenditure on average across OECD countries increased from 15.6% of GDP in 1980 to 19.3% in 2007 – but inequality has been growing over this time. It means that the redistributive effect of government expenditure is no longer sufficient to redress socio-economic current trends. Indeed, most policy interventions tend to focus on how to redress socio-economic outcomes through tax instruments instead of addressing the underlying causes.<sup>21</sup> In other words, social policy needs to intervene much earlier and to focus on the early phases in life.<sup>22</sup> And finally, activities which do not contribute to competitiveness or do not constitute investment will be under severe pressure and will need to be curtailed unless other strong public policy rationales and results can be demonstrated (such as, for example, reducing poverty and inequality).

By involving citizens more in decisions, by protecting and reforming our welfare states and rethinking the role of social policy, Europe's social model can remain a key driver for Europeans' well-being despite the significant challenges which Europe faces. But without significant redirection, Europe's governments will quickly come to the point where the costs of social systems escalate despite reform programmes, which already weaken the underlying foundations of the social model, universal social services and support to the most vulnerable.

Redirecting Europe's social policies is a mammoth task, with significantly different starting points across Europe. The question is: what role is there for the EU to help Member States on the road to a renewed social policy which can deliver high levels of well-being for Europe's citizens?

## IV. What role for the EU?

Answers to the question 'Do European citizens want more or less decision-making at the EU level?' vary significantly according to policy areas and citizens' home country.<sup>23</sup> This difference in citizens' preferences on whether the EU should get more involved in decision-making justifies why there is such diversity in the means and tools used to deliver the key outcomes that define the European social model. However, it is clear that the EU has also a central role to play in optimising the impact of social policy on Europeans' well-being and this responsibility should not be denied. Not only because there are some significant similarities which exist across Europe as regards what determines well-being (as shown in Chapter II), but also because maximising citizens' well-being through a strengthened European social model can become a significant competitive advantage in the future. To achieve this, different actions will be required at EU level.

### A coherent vision on 'Social Europe'

Although there is a real shift in the European political discourse towards putting citizens' well-being at the centre of the political agenda, more concrete actions need to follow to strengthen 'Social Europe'. In the aftermath of the crisis, actions have been inconsistent. On the one hand, the EU has introduced some major references to 'Social Europe' in some of its key strategic frameworks, such as the Europe 2020 strategy.<sup>24</sup> Inclusive growth is indeed one of the key objectives of the strategy in which three out of the five headline targets are pertaining to social issues. On the other hand, it seems that restoring economic recovery and budget consolidation through cuts in social expenditure has come back as the ultimate imperative. Indeed, other EU strategic frameworks such as the Euro Plus Pact,<sup>25</sup> the Annual Growth Survey<sup>26</sup> or the Multi Financial Framework proposals<sup>27</sup> have essentially given importance to fiscal consolidation without considering measures to cushion their impact on social issues.

In this context, it is hard to identify the EU's strategic vision, and what role it wants to allocate to social policy for exiting the current crisis. While structural reforms of public services, labour markets, pensions and taxes feature prominently in the European Semester, the Annual Growth Survey and the Euro Plus Pact and have become central topics at EU level, there is no common vision developed at EU level on how Member States should cushion the impact of such reforms. The role of the EU should not be limited to be a punitive, fiscal disciplinarian, forcing Member States to adopt painful reforms, but it should develop a strategy which combines long-term social investment with short-term fiscal consolidation. Such a strategy needs to be reflected in a coherent way in the different EU strategic frameworks.

### A Europeanisation of strategic policy-areas

A coherent strategy as regards 'Social Europe' and its impact on citizens' well-being will require some concrete actions in specific areas where there is either a pan-European interest and/or a common concerns shared by Europeans. So far, EU competences in social policy areas are generally limited to the exchange of good practices and the voluntary cooperation of Member States, with the exception of two areas: issues linked to the freedom of movement and the protection of rights as well as health and safety at work. Such limited competences are clearly not sufficient to respond to European challenges, and ten priority action areas will have to be advanced if Europe wants to promote a society that maximises Europeans' well-being:

- Although efforts have been already made in the field of employment policy at EU level – for instance, through the promotion of the 'flexicurity model' as part of the Lisbon Agenda or the use of structural funds to reform certain labour market policies – European labour markets have significant difficulties to adapt to economic realities. The EU will have to use the existing tools established in the field of employment and education to make the European employment strategy more ambitious. As regards education, the EU needs to push for investment in the quality of education systems as participation in education alone does not guarantee that students will acquire the skills that countries need. This should include smart investment in skills that fit with the technological needs of the labour market, better EU coordination to

identify the future skills needed, and also a strong focus on early education as it provides the general skills' foundation for learning more later in life.<sup>28</sup> As regards employment policy, the EU needs to give stronger emphasis to labour market participation as it is a key driver of well-being. Priority should therefore be given to job creation and mechanisms creating the conditions where people can easily move between jobs and sectors.

- To tackle unemployment and help the EU exit the crisis, developing a fully functioning Single European Labour Market is essential. More citizens' mobility could both provide companies with the opportunity to better meet their human resource needs and also offer more employment possibilities to Europeans. But clearly, some barriers, including recognition of qualifications, impact of brain drain/brain gain, portability of benefits and 'packages' of benefits to attract high value added/scarce labour, need to be overcome at the EU level for making such a project feasible.
- The introduction of certain common social standards across the EU to complement the horizontal rights which already exist will be a way to achieve the inclusive objective of the Europe 2020 strategy and to address the issue of rising inequalities by helping to lift people out of poverty and compressing the wage structure from below. Introducing a European minimum wage will not be possible given the huge difference in living standards across Europe, but defining common standards or norms for national minimum wages would be a solution which needs to be further investigated.
- There is an urgent need to give a stronger focus on equal access to and affordability of public services in Europe. Not only because this principle, which lies at the heart of the European social model, seems to be, in the current economic context, put in question, but also because some public services, such as healthcare and education, have a huge impact on people's life satisfaction and determine, to a great extent, their resilience to change. In this context, the EU should emphasise the need for equal access to those services and make sure that there is a common understanding on the economic returns of investing in such services. To this end, Europe should establish output measurements, which will enable comparison of public services' performance across borders and measure their capacity to deliver equal opportunity to citizens. But the EU has also a role to play where cross-border activity can potentially enhance European social systems, for example in the case of cross-border healthcare or trans-European education.
- Being in good health is the determinant of well-being, the importance of which all Europeans agree on irrespective of age, cultural or socio-economic differences. EU actions in this field need to go even further, therefore, than ensuring equal access to health care, and greater attention to health promotion and disease prevention needs to be given at EU level. In this respect, a more frequent use of EU legislative tools to promote healthy behavioural change would be a measure that would have a huge impact on people's life satisfaction and European states' public finances.<sup>29</sup> Such actions could contribute to the creation of a European internal market for health that promotes greater patient choice in cross-border treatment, increases research co-operation, encourages healthy behaviour, and achieves cost savings by bundling procurement across borders.
- A European migration policy is urgently needed to sustain our European social model. In the current context of demographic ageing and reduced labour force, the EU will be increasingly in need of new talents. To attract and retain these new talents, the EU will have first to address the imbalances of its current migration policy. Progress in this policy area should include a set of general rules regarding the legal admission of third country nationals, an extension of the intra-EU mobility rights to third country nationals as well as a more strengthened co-operation with third countries in areas such as the recognition of diplomas. Such measures would both help assess EU needs and also make Europe an attractive destination for migrants who have the potential to add significantly to Europe's economic and social sustainability.
- Beyond the need to intervene earlier and to eliminate measures which may have perverse side effects on productivity, European social policy will have to deal with limited resources. In other words, social policy

will have to find innovative solutions to deliver better outcomes with less means. In this context, social innovations, i.e. addressing social demands innovatively through for example the contribution of charities, social entrepreneurs or even large corporations, would be a way to overcome a number of barriers described earlier. To facilitate this process, a fund which finances and rewards public innovation and helps overcome initial investment barriers (similar to venture capital for private innovation) should be established.

- On the macroeconomic level, Europe should establish a new category of 'public investment' in national accounting to separate investments for the future from current expenditure. The EU strategic frameworks mentioned earlier should also include differentiation between both types of expenditure, and investments for the future should not be constrained by austerity programmes. Therefore, the European Commission should take a close look at what constitutes Member States' public deficits and base its recommendations on the nature of the spending and not just the overall balance.
- Europe needs an ambitious research programme to go beyond what we currently know about well-being. Research needs to be developed in specific areas, including citizens' preferences regarding trade-offs, the nature of the relationship between life satisfaction and aspects of quality of life, and determinants of life satisfaction for particular groups of society. As part of such a programme, links between well-being and specific policy choices will need to be further explored. Also, surveys will have to go beyond merely asking citizens how important an aspect of a policy or life is and will need to consistently include constraints and trade-offs.
- Preserving the universality of key public services should also go hand in hand with investing in quality. Quality healthcare services or education are, for instance, a crucial factor that not only determine citizens' well-being but also the quality of their contribution to the welfare system. Healthy and educated citizens are indeed more likely to actively participate in society, contribute to growth and increase labour market participation, which is key for sustaining European welfare models. Such investment in quality should not happen at the expense of maintaining the universality of such services. Reforms in the public sector should rather lead to less bureaucratic burden, more efficiency, more focus on preventative measures including changes in reimbursement models and incentives for leveraging in private investment in public services.

Undoubtedly, it would take time to implement all these recommendations, to develop EU competences in certain policy areas, and to remove the current barriers. Certain actions will clearly require huge efforts and changes in the way Europe is used to addressing certain issues or considers its welfare model. But all this can be achieved by 2030 if actions start now. The European Commission has a key role to play to make Europe the place in the world where people enjoy high life satisfaction. Indeed, the European Commission benefits from significant advantages in taking the lead. Not only is its vision not limited by current budget constraints, but the Commission is also better placed to think globally and longer term. The exchange of good practice between Member States also provides the Commission with significant expertise in a large number of areas needed for adopting an integrated approach. But it also means that the European Commission and the EU in general will have to think differently. Putting citizens' well-being at the centre of policy-making will require moving away from existing silos in European economic and social policy-making and to mainstream well-being in all policy areas. This will also include a change in the way certain EU mechanisms, such as funding, are delivered. Much EU funding is still shared out on the basis of level of GDP or priorities of particular sectors, which is in contradiction to the EU's apparent willingness to consider social progress differently and to put citizens' well-being at the centre of policy-making. The allocation of EU funds should, therefore, not depend on economic performance or historical, sectoral priorities, but what can deliver the highest level of well-being, be it through the economic, social or environmental aspects that matter most to European citizens.

## The way ahead

The Well-being 2030 project has afforded the opportunity to put citizens' well-being at the centre of the political debate and to raise awareness about the need to adopt a cross-sectoral approach in this field. It is in the nature of such research that a lot of questions have emerged from this joint initiative – and that many of them still remain without a definitive answer. In addition to all the policy recommendations made throughout the project, which are summarised and developed in this final report, a key underlying issue will need to be addressed to ensure that enhancing citizens' well-being is an achievable central objective of policy-making in Europe.

Having a political debate on the development model Europe wants to promote is a precondition to revitalising the European social model and reconciling citizens with the European project. Key questions that have been central to the Well-being 2030 project are: What kind of societies do Europeans want to live in? What kind of growth do Europeans want and what are their perceptions of 'social progress'? What price are they willing to pay to achieve societal progress? And what is the role of the European Union in all this? In the final analysis, these are not questions that can be answered by research or by experts; they are political questions which should be debated in our political processes, at local, regional, national and European level. But there is very little public debate on such topics. Policy-makers will have to find the answers to these questions if they want to meet people's expectations, and the EU should take a leading role in fostering such a debate. This will need to be a politicised debate, including elected representatives at all levels. Only through developing Europe's political priorities in the social policy field can well-being be enhanced in the long term.



## Endnotes

1. All reports and publications of the project can be downloaded from [www.epc.eu/prog\\_forum.php?forum\\_id=8&prog\\_id=2](http://www.epc.eu/prog_forum.php?forum_id=8&prog_id=2)
2. J. Stiglitz, A. Sen, and J.-P. Fitoussi, (2009) Report by the Commission on the Measurement of Economic Performance and Social Progress, Paris. Available at [www.stiglitz-sen-fitoussi.fr](http://www.stiglitz-sen-fitoussi.fr)
3. See: [www.beyond-gdp.eu/download/bgdp-summary-notes.pdf](http://www.beyond-gdp.eu/download/bgdp-summary-notes.pdf)
4. See: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0433:FIN:EN:PDF>
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8. E. Harrison, E. Sibley, S. Theodoropoulou and B. Guerzoni, op. cit. In this issue paper, Eric Harrison and Elissa Sibley sourced and analysed data from several waves of international surveys: the European Social Survey, the European Values Study and the European Quality of Life Survey. Sotiria Theodoropoulou and Benedetta Guerzoni studied data from several Standard Eurobarometers.
9. See Qualitative Eurobarometer: [http://ec.europa.eu/public\\_opinion/archives/quali/wellbeing\\_aggregate\\_en.pdf](http://ec.europa.eu/public_opinion/archives/quali/wellbeing_aggregate_en.pdf)
10. See: B. Guerzoni and F. Zuleeg, *Working away at the cost of ageing: the labour market adjusted dependency ratio*, EPC Issue Paper, No.64, April 2011.
11. J. Jenson, *Mapping Social Cohesion: The State of Canadian Research*, Canadian Policy Research Study, 1998.
12. Many studies have demonstrated the positive impact of social cohesion on the economy. See for instance the work of the Shared Societies Project of the Club de Madrid on [www.clubmadrid.org/en/programa/the\\_shared\\_societies\\_project](http://www.clubmadrid.org/en/programa/the_shared_societies_project)
13. The areas of concern were identified in the first stage of the qualitative Eurobarometer and were: health services, education and employment.
14. Here it is important to mention that there was a difference between school education and higher education with a strong emphasis on school education.
15. Meeting labour market requirements in an ageing society with, eventually, a shrinking workforce will also entail migration as well as activating groups currently outside the labour market. More efforts are needed to ensure that Europeans understand how migration can reinforce the sustainability of labour markets. At the same time, new forms of migration need to be explored. See: S. McLoughlin, R. Münz with R. Bünte, G. Hultin, W. Müller and R. Skeldon, *Temporary and circular migration: opportunities and challenges*, EPC Working Paper, No.35, March 2011.
16. See: F. Zuleeg, *The long-term growth crisis: what implications for economic governance and Social Europe?*, *EPC Challenge Europe*, Issue 21, May 2011, pp. 70-75.
17. See: F. Zuleeg with C. Dhéret and B. Guerzoni, *Enhancing the well-being of Europe's citizens: hard choices?*, EPC Working Paper, No.34, December 2010.
18. See: A. Ahtonen and B. Guerzoni, *Promoting health – should the EU have a role?*, EPC Policy Brief, June 2011.
19. Migration should, however, not be seen as the 'silver bullet' answer to Europe's challenges. The scale of migration we are likely to see and which citizens are willing to accept will limit how much impact it can have on the labour market. At the same time, migrants (and their descendants) need to be integrated far more effectively in Europe's labour markets to increase their positive contribution.
20. See: B. Guerzoni and F. Zuleeg, op. cit.
21. See: C. Dhéret, *How to reduce socio-economic inequality in Europe?*, in *Growth, well-being and social policy in Europe: trade-off or synergy?*, *EPC Challenge Europe*, Issue 21, May 2011, pp.46-52.
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23. See: E. Harrison, E. Sibley, S. Theodoropoulou and B. Guerzoni, op. cit.
24. See: [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)
25. See: [www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/120296.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/120296.pdf)
26. See: [http://ec.europa.eu/europe2020/pdf/en\\_final.pdf](http://ec.europa.eu/europe2020/pdf/en_final.pdf)
27. See: [http://ec.europa.eu/budget/biblio/documents/fin\\_fw1420/fin\\_fw1420\\_en.cfm](http://ec.europa.eu/budget/biblio/documents/fin_fw1420/fin_fw1420_en.cfm)
28. See: S. Theodoropoulou, *Skills and education for growth and well-being in Europe 2020 : are we on the right path?*, EPC Issue Paper, No.61, October 2010.
29. EU legislation could, for instance, be developed in the field of food labeling or food content. On this, see: A. Ahtonen and B. Guerzoni, op. cit.