

EMPLOYMENT AND SOCIAL SECURITY COMMITTEE: SOCIAL POLICY

**Presented to the States on 12th November 2002
by the Employment and Social Security Committee**



STATES OF JERSEY

STATES GREFFE

120

2002

R.C.47

Price code: B

SOCIAL POLICY

1.

Introduction

During discussions on the Machinery of Government (and, in particular, P.70/2002), the Employment and Social Security Committee put forward the view that there should be clear authority and accountability for social matters in the new departmental structure (P.70 refers). This view was endorsed by the Social Policy Strategy Group and subsequently appeared to find favour with many States' Members.

An Act from the Policy and Resources Committee advised that the Employment and Social Security Committee should present these ideas to the States as a report for information. The following report, therefore, outlines the proposals which were put to the Policy and Resources Committee and which underpin the amended Section 1.10 of Appendix 2 of P.70/2002.

2.

Principles

One of the key guiding principles behind the new departmental structure is to eliminate “*fragmentation of functions*” and “*ensure clear accountability at ministerial level for defined functions and areas of public service as perceived by the community at large*”.

The underpinning planks of any modern policy framework are: economic, fiscal, environmental and social. Whilst the first three are identified in the report and accountability clearly set out, the Employment and Social Security Committee expressed the view that the social policy aspect would still be too fragmented and accountability obscure in the new structure.

In discussions at the time, the Committee expressed its conviction of the need to give due recognition to social policy. Such a view was clearly advocated in the recent report by Professor Robert Walker (circulated to States Members), entitled: Aiming for a Fairer Society. In that report, the importance of having a cohesive policy framework, and clear accountability, in the key areas - economic, fiscal, social and environmental - were stressed.

To illustrate this, in 2000, the European leaders set the target within the next decade to be -

“the most competitive and dynamic knowledge based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”.

3.

Worldwide trends

Attempts have only recently been made in Europe to develop a cohesive social agenda. The European Commission set up an Employment and Social Affairs Directorate in July 1999. They quickly identified four broad objectives -

- to make work and pay provide a secure income;
- to make pensions safe and pension systems sustainable;
- to promote high quality and sustainability of health care;
- to promote social inclusion.

More recently, the European Council emphasized the need for modernising social protection schemes, investing in people and combating social exclusion. The six guiding principles, for future E.U. policy, were agreed as follows -

- fighting poverty and all forms of exclusion and discrimination in order to promote social integration;
- modernising social protection;
- promoting gender equality;

- helping the most vulnerable;
- more and better jobs;
- anticipating and capitalising on change in the working environment by creating a new balance between flexibility and security and good practice.

In short, heavy emphasis is being placed on employment and better jobs as a way out of social exclusion with supporting social systems to underpin this. Across the E.C., Governments are increasingly looking at ways to combine effective policies for the promotion of social inclusion and a high level of social protection within a dynamic, job creating economy.

There is growing literature on poverty and income dynamics that looks not so much at who is poor but why they are. At the same time, social policies in both the U.K. and U.S. are beginning to focus on changing people's life course trajectories, by emphasising the role of education and lifelong learning and also promoting work opportunities as a means of tackling poverty.

Thus, social policies throughout the world are now focussed much more on 'active' interventions (i.e. helping people train, improve their skills, aspire to better prospects) rather than 'passive' ones (such as simply handing out benefits month after month). In the case of the passive policies, much emphasis is being placed on a more integrated approach to social protection, in its widest sense.

Countries have been reorganising services on that basis and actively pursuing strategies of integrating labour market and social protection policies, broadly emulating the way in which Jersey showed a lead some years ago in bringing together 'Employment' and 'Social Security'. More recently, emphasis is also being placed on integrating key social policy areas under one Department/Ministry.

There are now many 'Labour and Social Security' and 'Social Affairs' Ministries throughout the world. In Canada, the Ministry of Human Resources Development, takes a wide overview of social policy. In the recent U.K. reorganisation, the employment function (but not the skills aspect) was taken away from the Department of Education and largely attached to the Social Security Department, and renamed the 'Department for Work and Pensions'. ('The Department for Education and Employment' then became the 'Department for Education and Skills'.)

On the service side, benefit administration and employment services are also being integrated, or about to be, as single points of access. 'One stop shops' are already to be found in the U.K., New Zealand, Australia, Germany and the Netherlands, to name but a few.

Perhaps one of the most interesting reorganisations has been that in New Zealand. A new 'Ministry of Social Development' has been set up with responsibility for providing the government with strategic social policy and has under its wing, employment and income support services which trade under the title 'Work and Income' as well as the Department of Child Youth and Family Services.

These approaches are evaluated in a recent publication, "*Labour Market and Social Protection Reforms in International Perspective*" which emphasised that -

"The linkages between labour markets and social protection systems are extremely important factors in the successful functioning and overall well-being of modern societies. Together, labour markets and social protection systems determine the distribution of resources within a society and the types of incentives available to individuals in their economic choices, as well as affecting social developments, such as the economic emancipation of women, the increase in life expectancy and fluctuations in the birth rate. The proper management of the relationship between the labour market and social protection is an extremely important challenge. The price of failure can be very high in terms of unemployment, poverty and social exclusion".

4.

Key issues for Jersey

The issues for Jersey are fundamentally the same as those being addressed in other developed countries, as are the challenges of an ageing population, the impact of new technology and the global market place and the growing skills gaps. The important added dimension in Jersey is that of housing and immigration which impacts considerably on

the community as a whole.

Though much work still remains to be done, in many respects, the route taken by Jersey in the last 5 years has been at the forefront of E.C. developments, particularly in relation to -

- modernising social protection systems;
- improving the sustainability of pensions (increasing contributions and building up a pension fund);
- integration of social protection, work and training policies.

5.

The way forward for Jersey

A first step in the direction of integrating social policy in Jersey has been the creation of the Social Policy Strategy Group (SPSG) involving representation from Employment and Social Security, Health and Social Services, the Comité des Connétables, Housing and the community. The SPSG was set up in 1996 to ensure that social policies are co-ordinated and some important gaps filled. However, it is limited in its scope, with no direct staffing or financial resource, and has to operate back through its constituent committees.

The New Zealand approach appears to the Employment and Social Security Committee to be a model on which Jersey should build its current and future services. Already, the Employment and Social Security Department provides many of the work and income services.

The Committee believes that the new Social Security Ministry would be best placed to take the lead on (and accountability for) social policy matters, though a forum involving other bodies with an interest as well as the community and relevant representative groups, who would still be required to help develop and deliver that policy.

As part of any social policy development, the guiding principals would be that -

- social programmes must be sustainable;
- programmes and services must be inclusive;
- both active and passive measures should be used;
- programmes and services must be responsive to changing times;
- delivery systems must be flexible;
- programmes and services must be developed in partnership to be truly effective.

In addition, there must be a framework that ties together economic and social initiatives that ensure growth, sustainability and security for all Islanders.

6.

Conclusion

Many individuals need specialised help and support if they are not to feel excluded or marginalized from society. Often they have to go from one service to another to obtain the help they need. Experience has also shown the existence of many poverty traps and disincentives caused by policies working against each other. Economies of scale and the abolition of duplication will only be achieved by having policy at the 'macro' level in the hands of one Ministry, a Ministry which is 'people-centred'.

The Committee believes that a more appropriate title for such a Ministry would be the Ministry for Social and Employment Support.