Social Investment Package

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Contents of the Social Investment Package

- **Social Investment for Growth and Cohesion** - including implementing the ESF 2014-2020 (COMM)
- **Investing in Children** - Breaking the Cycle of Disadvantage (REC)
- Evidence on Demographic and Social Trends – Social Policies' Contribution to Inclusion, Employment and the Economy (SWD)
- Follow-up on the implementation by Member States of the 2008 European Commission Recommendation on Active Inclusion of People Excluded from the Labour Market (SWD)
- 3rd Biennial report on Social Services of General Interest (SWD)
- Long Term Care in Ageing Societies – Challenges and Policy Options (SWD)
- Confronting Homelessness in the EU (SWD)
- Investing in Health (SWD)
- Social Investment through the European Social Fund (SWD)
A larger approach...

The social investment package is a self-standing document but it is also part of a wider approach to modernise Europe's social systems.

- White Paper on Pensions
  - Adequate, safe, and sustainable pensions
- Employment Package
  - Towards a job-rich recovery
- Youth Employment Package
  - Moving youth into employment
  - Youth guarantees
- Social Investment Package
- Discussions on strengthening the EMU
Challenges: short and medium term

**Economic and financial crisis**
- **Increased levels of poverty/social exclusion**
  - 119.6 million people at AROPE, 24.2%
- **High unemployment**
  - 26 million people, 10.7%
- **Youth inactivity**
  - 7.5 million people aged 15-24, 12.9%

**Demographic changes**
- **Increased ageing and dependency ratios**
  - Economic dependency ratios projected to increase from 1.29 to 1.44 between 2010-2030
- **Projected skill mismatches**
  - Demand for high skilled workers to increase 19.7% by 2020
  - Demand for low-skilled workers to decrease 20.1% by 2020

**Fiscal constraints**
- **Deficit reduction efforts**
- **Refocusing of public spending**
Policy focus

The social investment package highlights the three functions of social policies:

• **Investing** in human capital, strengthening people's current and future capacities

• **Protecting** against life's risks, ensuring adequate livelihoods and preserving previous investments in human capital

• **Stabilising** the economy by consumption smoothing, cushioning the impact of economic shocks
Framework

1. *Social investment throughout the individual's life*
2. *Activating and enabling policies through targeted and more effective support*
3. *Increase the sustainability and adequacy of social systems through simplification of administration and delivery of services and benefits*
1. Social investment throughout the individual's life

Focusing on people's specific needs arising in life, rather than focusing on 'target groups'

• Investing as early as needed to allow people to prevent disadvantage from compounding
  • Child policies, including early childhood education and care (ECEC)
  • Reducing early school leaving
  • Implementing youth guarantee schemes

• Investing throughout life to allow people to adapt to changing circumstances
  • Work/life reconciliation measures
  • Lifelong learning
  • Active ageing
  • Long term care (LTC)
Investing in Children

Children are generally more at risk of poverty or social exclusion than the overall population (27.1% compared to 24.2%)

Tackling disadvantage early can prevent adverse outcomes later on:

• Eliminating school segregation and misuse of special needs education

• Early child education and care (ECEC)
  • Childcare and preschool education
  • Health, nutrition and social services

• Adequate income support through efficient family and child benefits

• Supporting parents' access to the labour market
  • Support the participation of parents in paid work
  • Adapt childcare services to increasingly diverse working patterns
Influence of pre-primary education policies on PISA results, 2009

Source: OECD (2012)
2. Activating and enabling policies

*Combining benefits and services*

- Adequate income support through reference budgets
- Activating services to enhance people's skills and opportunities (e.g., skill training, lifelong learning, rehabilitation)

*Removing barriers to people's participation in society*

- Making work pay and aligning tax/benefit systems
- Promoting accessible (child)care services to reconcile work/life and remove barriers to women's employment
- Youth guarantee schemes to improve young people's opportunities

*Promoting inclusive labour markets*

- Addressing workplace discrimination (e.g., gender, migrant status, Roma)
- Flexible workplace arrangements
More accessible childcare is linked to greater female employment rates

Share of children aged 0-3 in formal childcare and employment rates of women 20-49 with young children (2010)
3. Increase the sustainability and adequacy of social systems

Simplifying the administration of benefits and services to avoid unnecessary overlaps, reduce error and fraud, and make it easier to access support (e.g., through setting up one-stop shops)

Making some benefits conditional (e.g., unemployment benefits on participating in job training)

Better targeting of benefits and social services (e.g., progressively universal access to child benefits)
Similar public budgets for social protection lead to very different outcomes
Implementing the SIP (I)

European Semester

- Informing the annual growth survey, national reform programmes and country-specific recommendations

Social Protection Committee, the Social OMC, Peer Reviews

- Promoting mutual learning and sharing of best practices
- Monitoring the social situations through the Social Protection performance Monitor (SPPM)

Platform against Poverty and Partnerships

- Involving stakeholders in dialogue on implementation (including through the Annual Convention)
Implementing the SIP (II)

European Social Fund (ESF) and European Regional Development Fund (ERDF) in 2014-2020

- Implementing programmes with a social investment focus
- SWD on 'Social Investment through the ESF'
- Integrated guidance note (forthcoming)
- €84 billion in ESF funding available

PROGRESS/Programme for Social Change and Innovation (PSCI)

- Financially supporting social policy innovation with the aim of scaling up successful programmes
- Micro-financing to provide start-ups for entrepreneurs
- €958 million in PSCI funding available

Fund for European Aid to the Most Deprived (FEAD)

- Helping Member States provide adequate livelihoods by addressing material deprivation
- €2.5 billion in FEAD funding available
Implementing the SIP (III)
Complementary EU actions (I)

Stimulating funding in social investment
• Proposing European Social Entrepreneurship Funds, PSCI microfinancing facility

Supporting adequate livelihoods
• Developing a methodology for reference budgets, proposing directives on basic bank accounts and on credit agreements for residential property

Investing in children and youth
• Implementing the 2011 Recommendation on Policies to reduce Early School Leaving, implementing Youth Guarantees, improving access to ECEC with the Recommendation on Investing in Children
Implementing the SIP (IV)

Complementary EU Actions (II)

Improving monitoring

• Using longitudinal data to better capturing situations across the life course, disaggregating data based on relevant characteristics (gender, migrant status, etc.), using EUROMOD to simulate the impacts of social policies

Enabling more sharing of knowledge

• Developing a knowledge bank with Member States and Eurofound to share lessons learned, including good practices from ESF and ERDF funds.

Improving citizens' awareness of social rights

• Proposing a directive on the accessibility of public sector bodies' websites, revamping MISSOC guides to improve accessibility
Thank you for your attention!