



Social inclusion policies in the Europe 2020 context

**DG Employment, Social
Affairs and Inclusion,
European Commission**

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EU targets agreed for 2020

Proposed by the Commission and agreed by the European Council in March 2010: all Member States were invited to set national targets on this basis.

POVERTY

At least 20 million people lifted out of poverty

EMPLOYMENT

75% of the population aged 20-64 should be employed

INNOVATION

3% of the EU's GDP should be invested in R&D

CLIMATE / ENERGY

A reduction of greenhouse gas emissions by 20%

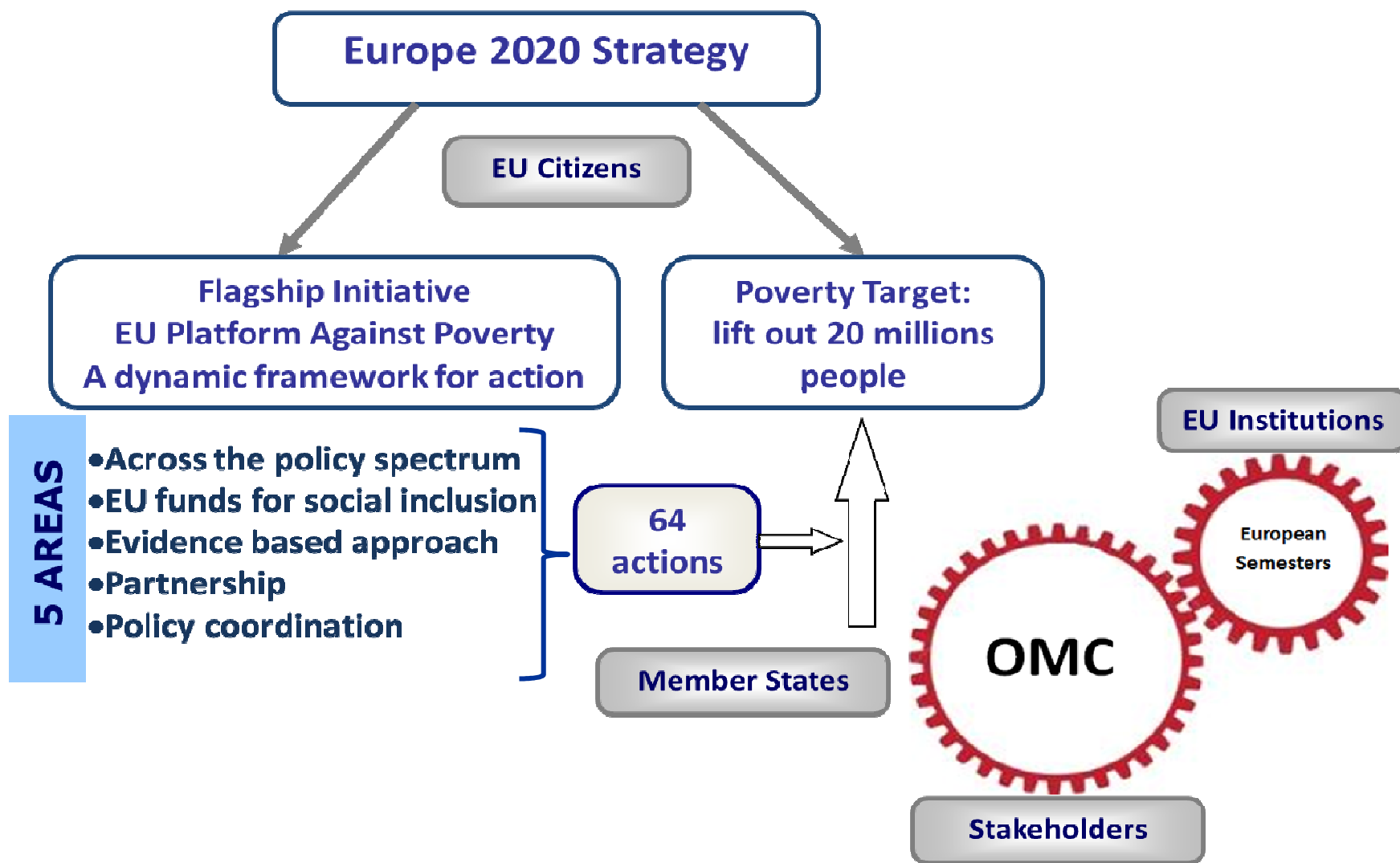
A share of renewable energies up to 20%

An increase in energy efficiency by 20%

EDUCATION

The share of early school leavers should be under 10%

At least 40% of the younger generation should have a degree or diploma



Stocktaking of implementation of the Platform's actions

		Status	Examples
64 actions	30 across the policy spectrum	15 – completed 14 – on-going 1 – delayed	<ul style="list-style-type: none"> • Energy efficiency • Health inequalities • Active inclusion report • Non-formal learning • Basic Banking Services
	14 EU funds for social inclusion	6 – completed 8 – on-going	<ul style="list-style-type: none"> • Multi Financial Framework • 20% ESF • Micro-credit facilities
	3 evidence based approach	1 – completed 2 – on-going	<ul style="list-style-type: none"> • Social innovation and digital inclusion
	12 dialogues & partnership	4 – completed 7 – on-going 1 – delayed	<ul style="list-style-type: none"> • Social Business Initiative • Annual Convention • EU Stakeholders group • 14 NGOs Networks funded
	5 policy coordination	1 – completed 3 – on-going 1 – delayed	<ul style="list-style-type: none"> • European Semester EU 2020 • SPC • Peer review



Context of the Social Investment Package

Economic and financial crisis

- **Increased levels of poverty/social exclusion**
125 million people in 2012 (25% of the population)
- **High unemployment**
25,5 million people, 10.5 %

Demographic changes

- **Increased ageing and decreasing fertility**
Working-age population is expected to decline by 14.2 % between 2010-2060.
- **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**





The Social Investment Package

Investment in people to secure lasting social and economic returns, through:

- **Activating and enabling benefits and services** to support people's inclusion in society and the labour market
- Social protection systems to respond to people's needs **throughout their lives**
- More **effective and efficient** spending to ensure adequate and sustainable social protection





Implementation

Primarily at Member State level

- National, regional, local authorities
- Social Partners, NGOs, social enterprises, civil society, etc.

The **EU supports and complements** the activities of the Member States.

- Guidance, monitoring, exchange of good practices, financial support
- Coordination, not harmonisation





Policy instruments

European Semester

- Annual Growth Survey
- National Reform Programmes
- Country-Specific Recommendations

Social Protection Committee, the Social OMC, Peer Reviews

- Mutual learning and sharing of best practices
- Social Protection Performance Monitor





Supporting implementation through EU Funds

European Social Fund (€84 billion)

- Main budgetary instrument for supporting structural reform and investment across EU Member States in the area of employment and social policy.

PROGRESS/Programme for Employment and Social Innovation (€815 million)

- Financially supporting social policy innovation with the aim of scaling up successful programmes
- Micro-financing to provide start-ups for entrepreneurs

Fund for European Aid to the Most Deprived (€2.5 billion)

- Helping Member States provide adequate livelihoods by addressing material deprivation





The active inclusion approach

Target group

“people excluded from the labour market” [Art, 153(1)(h) of TFEU]: working-age population suffering from multiple disadvantages (at-risk-of-poverty or social exclusion as a proxy): approximately 120 million people in the EU-27 in 2011, nearly 2/3 of this group (77 million) were of working age)

Strategy:

1. Adequate income support
2. Inclusive labour markets
3. Access to quality services which are essential to supporting active social and economic inclusion policies: social assistance services; employment and training services; housing support and social housing; childcare; long-term care services; health services.

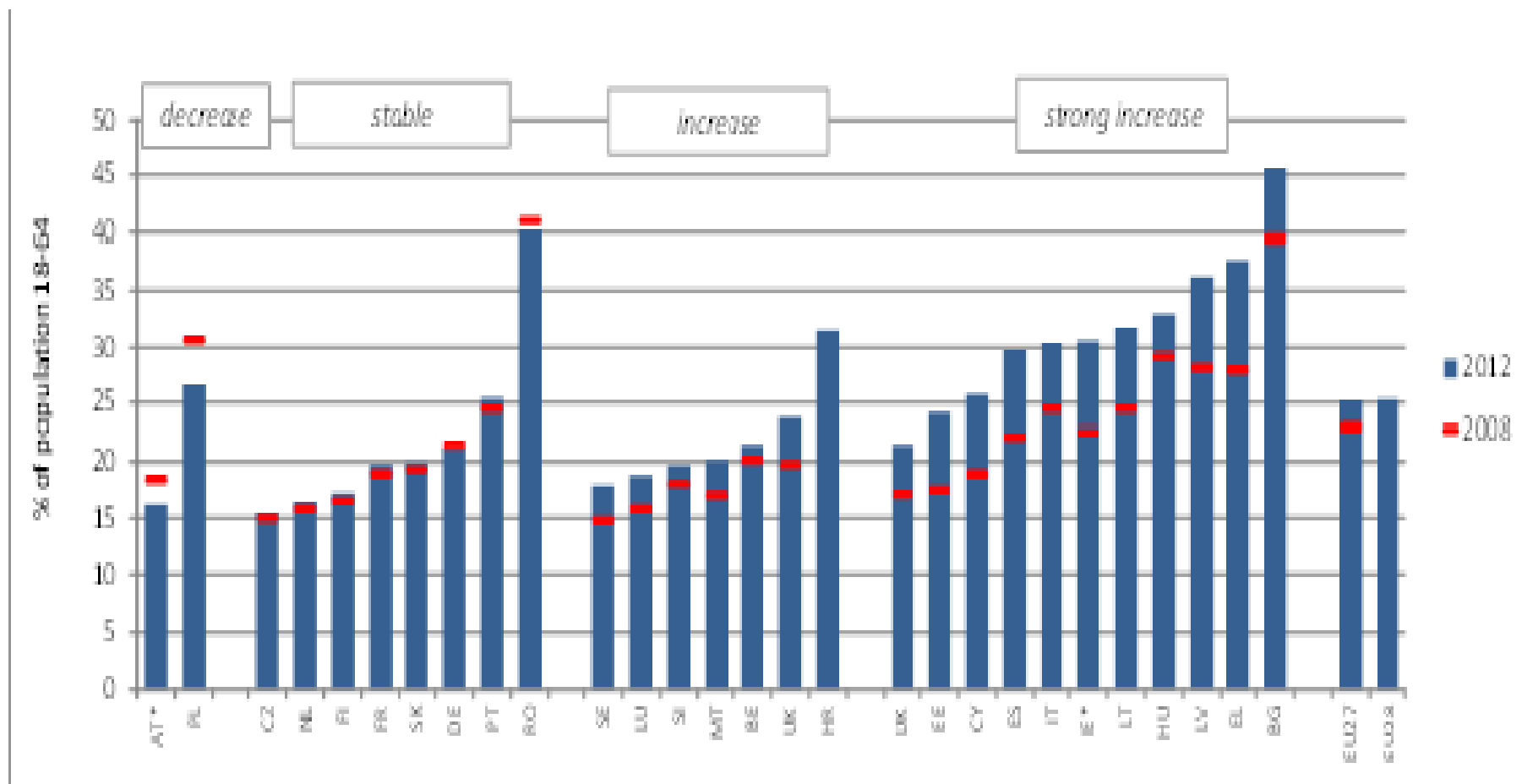
Key steps:

- Council Recommendation 92/441/EEC
- Recommendation on Active Inclusion 2008/867/EC
- Council Conclusions 17 December 2008
- European Parliament Resolution – May 2009
- COM (2010) 2020 – Europe 2020 – A strategy for smart, sustainable, and inclusive growth
- COM(2010) 758 – The European Platform against Poverty and Social Exclusion



European
Commission

Share of working age (18-64) population at risk of poverty and social exclusion (%); 2008-2012



Source: Eurostat; EU-SILC (2012 income year 2011). *Data for IE and AT refer to EU-SILC 2011

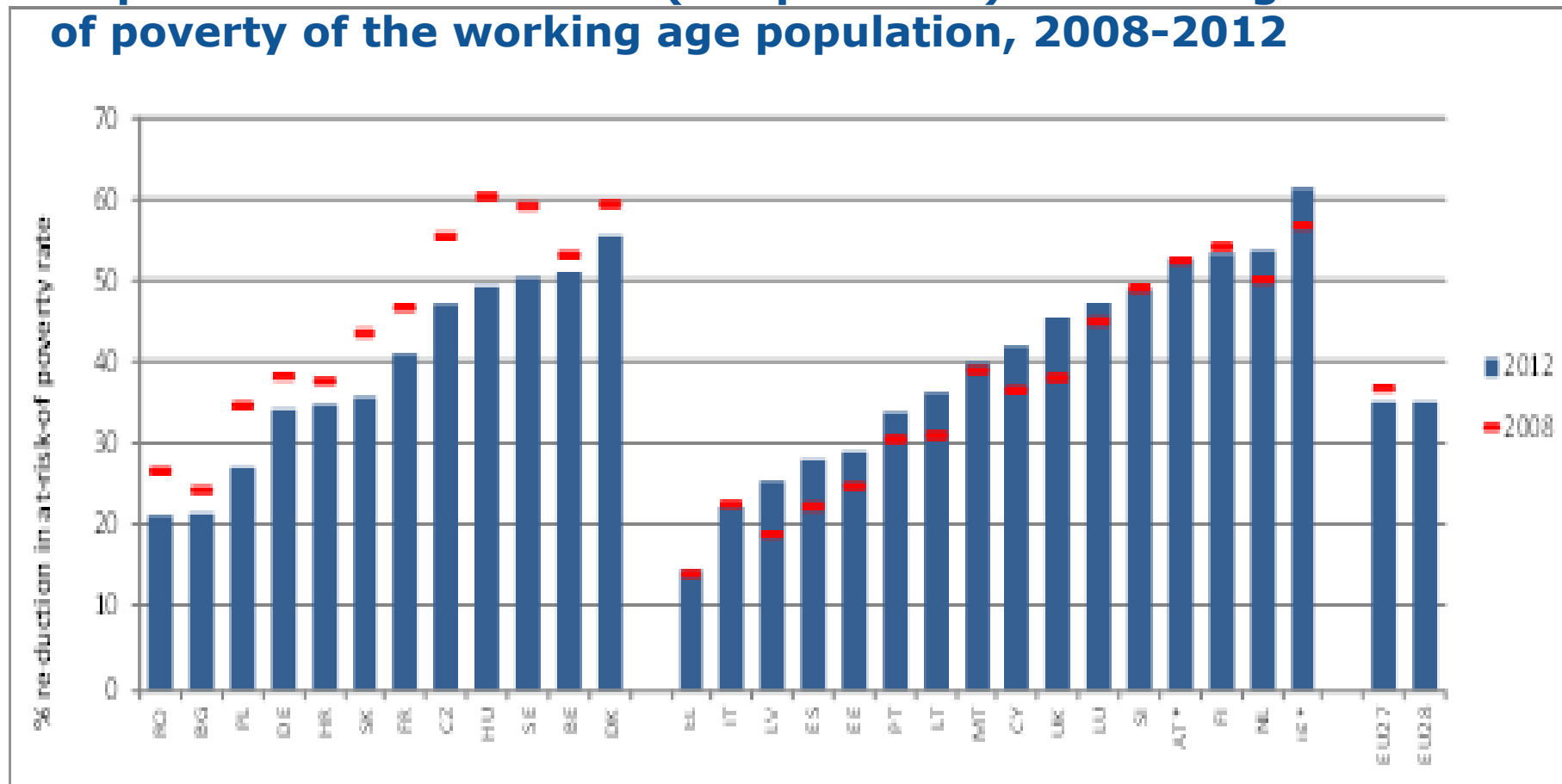


Adequate income support

- Why do we need income support?
- Challenges of minimum income schemes:
 - **Adequacy**
 - **Coverage**
 - **Non-take up**
 - **Work disincentives**
- Relationship between minimum income and minimum wage
- Designing proper incentives: benefit reduction rates, harmonizing tax and benefit system



Impact of social transfers (not pensions) in reducing the risk of poverty of the working age population, 2008-2012



Source: Eurostat; EU-SILC (2012 Income year 2011). *Data for IE and AT refer to EU-SILC 2011



Minimum income in the context of the Social Investment Package

- The SIP Communication calls on Member States to: "Set **reference budgets** that ensure adequate livelihoods by considering consumption patterns, costs of living, different life situations and types of households on the basis of the methodology designed by the Commission in cooperation with the SPC. Progress should be reflected in the NRPs."
- The Communication further states that "the implementation of the Active Inclusion Recommendation and Guidance is key in this respect. Measures must match the need of the individual rather than be tied to the nature of the benefit or the "target group" a person happens to be in. One stop shops and individual contracts are examples of a simplified approach that matches people's needs. Setting reference budgets are part of this."





Labour market activation

- Jobs are the best way to move out of poverty
- MSs have been focusing on activation in recent years
- Linking adequate income support with labour market activation: recent examples (RSA in France)
- Coordination between Public Employment Services and Social Assistance Services, designing effective employment programmes
- Challenges:
 - **In-work poverty**
 - **Activating the most disadvantaged**





Access to services

- Services play an important role in reducing poverty (OECD-EC study on the role of publicly provided services)
- They should be provided in an integrated manner with adequate income support and support for labour activation
- Role of specific enabling services such as housing, healthcare, childcare, and education
- Delivery:
 - **Universal vs. targeted (including means tested)**
 - **Cash vs. in-kind**



Experts' assessments on the implementation of integrated comprehensive active inclusion strategy

Individual experts' assessments of the extent to which an integrated comprehensive active inclusion strategy has been developed in their Member State (for those who can/ cannot work)												
	Comprehensive policy design			Integrated implementation			Vertical policy coordination			Active participation of relevant actors		
	Yes	Some-what	No	Yes	Some-what	No	Yes	Some-what	No	Yes	Some-what	No
For those who can work	DK, FI, FR, MT, NL, PL, SE	AT, BE, BG, CY, CZ, DE, ES, HU, IE, LU, PT, RO, SI, SK, UK	EE, EL, IT, LT, LV	BE, DK, FR, MT, SI, SE	AT, BG, CY, CZ, DE, FI, HU, IE, LU, NL, PT, RO, UK	EE, EL, ES, IT, LV, LT, PL, SK	BE, DK, FI, LU, NL	AT, BG, ES, CY, CZ, DE, IE, IT, LV, MT, PL, RO, SI, SK, SE, UK	EE, EL, FR, HU, LT, PT	BE, BG, DK, ES, FI, LU, NL, SI, SE	AT, CY, CZ, DE, FR, IT, LV, MT, PL, PT, RO, SK, UK	EE, EL, HU, IE, LT
For those who cannot work	DK, NL, SI	AT, BG, CY, CZ, ES, FI, FR, HU, LU, MT, PT, RO, SK, UK	BE, DE, EE, EL, IE, IT, LT, LV, PL, SE	LU, MT, SI	AT, BE, CY, CZ, DK, FI, FR, HU, IT, NL, PT, RO, UK	BG, DE, EE, EL, ES, IE, LV, LT, PL, SK, SE	BE, DK, FI, LU, NL	AT, CY, CZ, ES, IT, LV, MT, RO, SE, SI, SK, UK	BG, DE, EE, EL, FR, HU, IE, LT, PL, PT	BE, CY, DK, FI, NL, SI	AT, BG, CZ, ES, FR, IT, LU, LV, MT, PL, PT, RO, SE, SK, UK	DE, EE, EL, HU, IE, LT
Section of report in which more detail can be found	2.1			2.2			2.3			2.4		

Source: EU Network of Independent Experts on Social Inclusion (Frazer, H. and Marlier, E. 2012).
Assessment of the implementation of the European Commission recommendation on active inclusion.



Effective active inclusion policies

- Should aim at **integrating** the three pillars of active inclusion: income support, employment support, and access to enabling services
- Integration:
 - Focus on the administrative aspects: one-stop-shops
 - Implementation of integrated information systems to better coordinate among services
 - Efforts to link various services (or pillars)
- Reaching out to the disadvantaged clients: training on high **quality social workers**
- Support services that enable the disadvantaged groups to take up employment (such as **childcare, long-term care, healthcare, transportation**, etc.)
- Involvement of **relevant stakeholders**



Thank you!