



Social dimension of EU.

- Competencies, Policies.
- Europe 2020, Targets
- Social situation, SIP

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Europe 2020: Social Policies

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Social Policy and the European Union

Social policy is a Member State's competence but a number of instruments are available at EU level, such as:

- Charter of fundamental rights
- Treaties
- Anti-discrimination directives
- Directives on health and safety in the workplace
- Regulations on Member States' social security coordination
- EU Funds (ESF, European Globalisation Adjustment Fund, PROGRESS)



Social Policies and the Treaties

TEU Art 3: Combat social exclusion, promote social justice and protection, economic, social and territorial cohesion, and solidarity among member states.

TFEU Art 5.3: The Union may take initiatives to ensure coordination of Member States' social policies

TFEU Art 151 and 153: Improving knowledge, exchange of information, best practices, innovative approaches, evaluating experiences

TFEU Art 160: A Social Protection Committee monitoring the social situation and development of social protection policies in MS and the Union

SOCIAL POLICIES AND COORDINATION

2000: The Lisbon Strategy

Strategy:

“to make a decisive impact on the eradication of poverty and employment ”

A method: the Social Open Method of Coordination

2006: "Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union"

Integrating 3 policy strands: social inclusion, pension reforms, healthcare

2009: The Lisbon Treaty

2010: Europe 2020 a strategy for smart, sustainable and inclusive growth

Europe 2020: a strategy for smart, sustainable and inclusive growth

Macro-economic & fiscal surveillance

Regulation of financial services

Targets and guidance for structural reforms

Flagships for smart, sustainable and inclusive growth

Digital Agenda

Youth on the Move

Innovation Union

New Industrial Policy

New Skills and new Jobs

Platform against Poverty

Resource Efficiency

Modernised EU levers for growth and jobs

Single Market Act

Trade and external policies

Structural Funds and future EU budget

Europe 2020 and Social Policy Coordination

Guidelines for the employment policies of the Member States (IG10: Promoting social inclusion and combating poverty).

Arrangements for social policy coordination at EU level are non-binding (Social Open Method of Coordination), resulting in an imbalance in the coordination of economic, employment and social policy.

- Social monitoring index
- Potential for enhanced voluntary harmonization and cooperations

2012 European Semester Results: Country Specific Recommendations

Tackling poverty and exclusion: BG, CY, ES,LT, LV

Pensions: AT, BE, BG, CY, CZ, ES, LT, LV, LU, MT, NL, SI, SK, PL, DK, FI

Inclusion of Roma: BG, HU, SK

Social dimension better integrated in the outcome of this European Semester



Europe 2020 and macroeconomic governance instruments

Strong and codified economic coordination but adequacy and at MS level within OMC.

Six-pack, two-pack: and role of Council formations (EPSCO AND ECOFIN).

Proposals for a Banking and Fiscal Union lack a social dimension

PS.4 Oct. Call for Social Pact and Social Union



EU Actions to Tackle the Social Dimension of the Crisis

Employment Package: Job creation, restore labour markets dynamics, enhance EU governance

Youth Opportunities Initiative: Preventing early school-leaving, training, access to labour market

Proposed 20% of European Social Fund 2014-2020 on promoting social inclusion and combating poverty

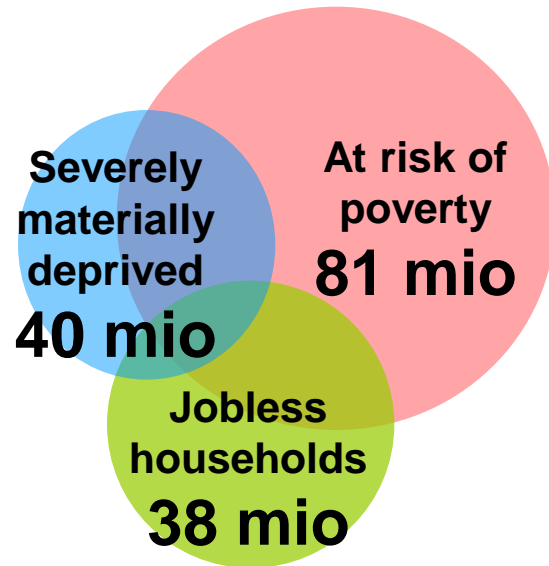
Are We Likely to Meet our Targets for 2020?

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 CO2 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	✗
POVERTY	20 million fewer people should be at risk of poverty	✗

116 Million (23.5%) of Europeans were Living at Risk of Poverty or Social Exclusion in 2010

Population at risk of poverty or social exclusion, 2010

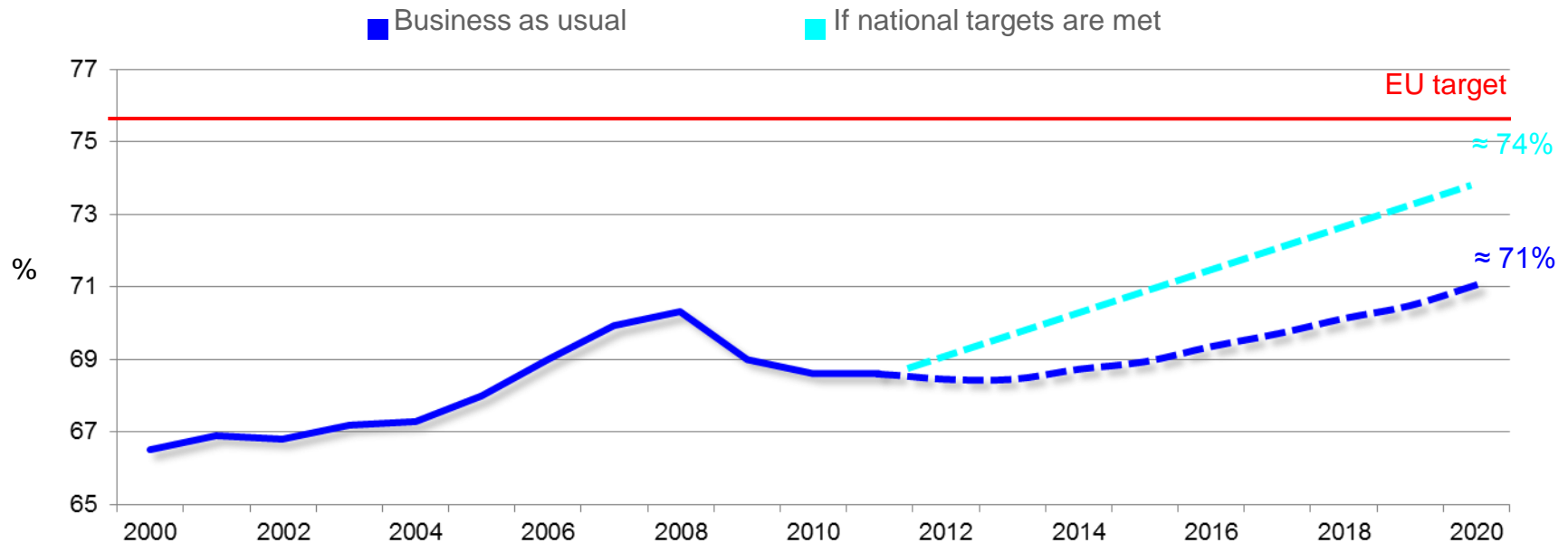
EU goal by 2020



« To reduce the number of people at risk of poverty and social exclusion by 20 million »

Progress on Employment Rates Stalling

EU employment rate: past trends and scenario for 2020
(share of people employed in the 20-64 age group)

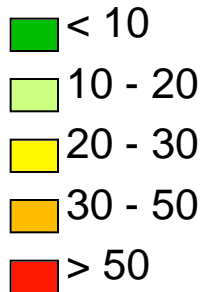


On the basis of current commitments, the Europe 2020 target of a 75% employment rate will not be met. The EU would need around 17 million new jobs to meet its target.

Very High Youth Unemployment in Some Countries

Youth unemployment rates
(March 2012)

% of labour force

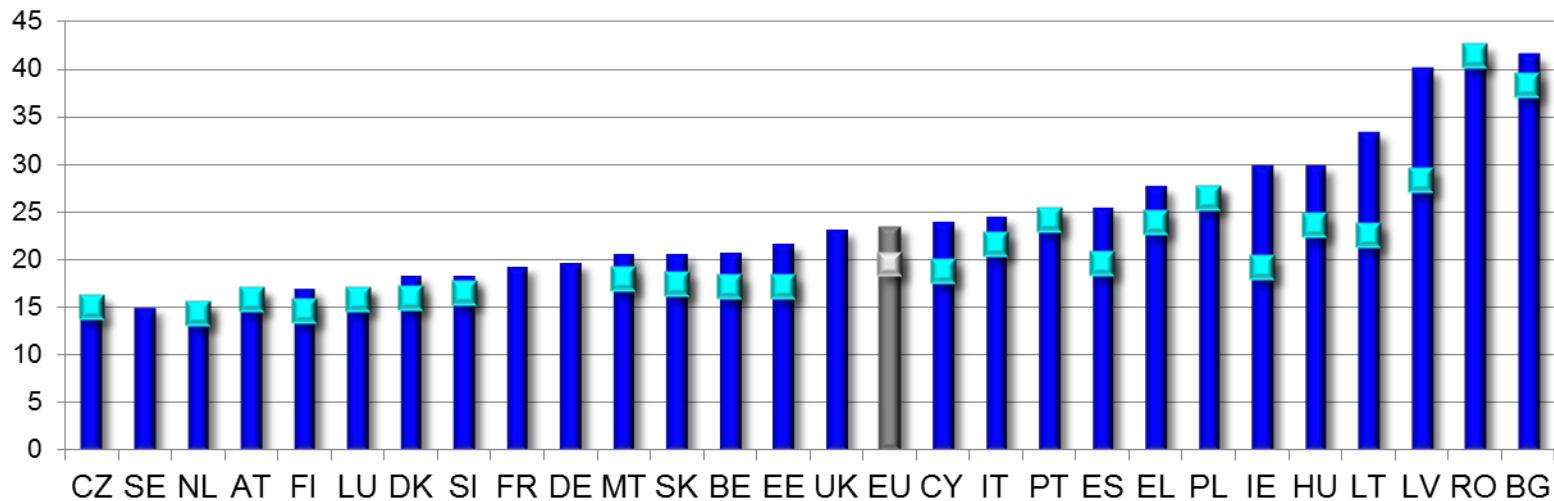


22.5% total youth
unemployment rate in the EU

The Social Situation is Very Different across Member States

■ Population at risk of poverty or social exclusion* in 2010

■ 2020 target**

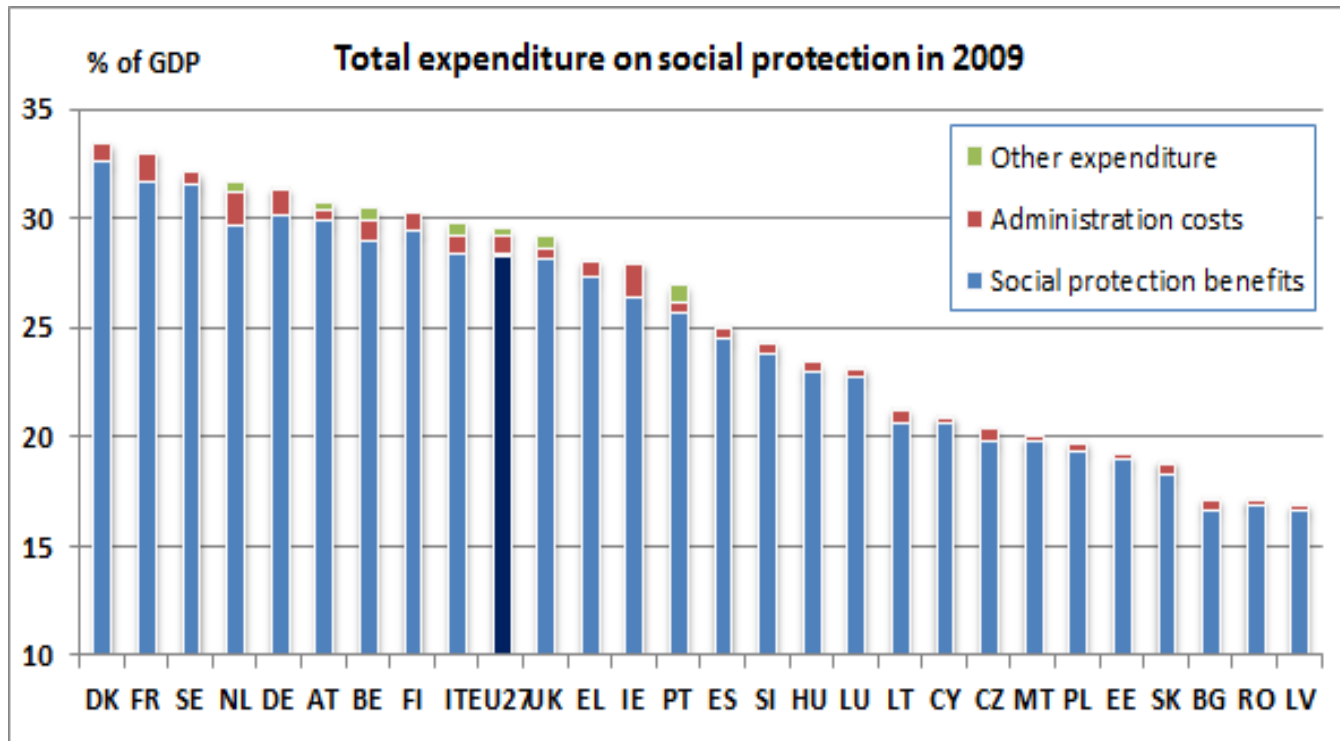


Source: European Commission

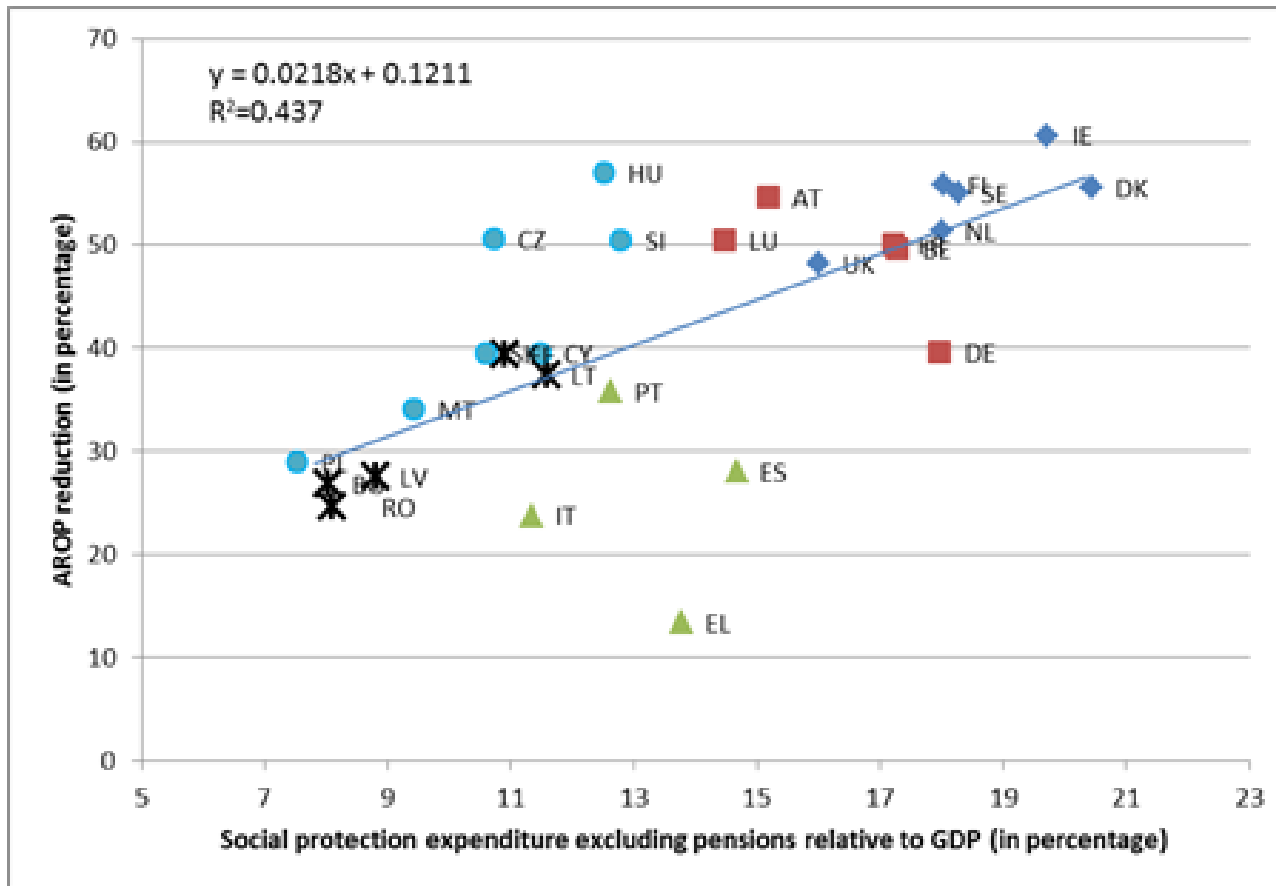
* People at risk of poverty or social exclusion are at least in one of the following three conditions: at-risk-of-poverty, severely material deprivation or living in a jobless household.

** Member States without a marked national 2020 target have chosen to use a different monitoring indicator which does not directly translate into a comparable indicator at the EU level.

Total Expenditure on Social Protection in the EU Member States (2009)



Similar Levels of Expenditure Achieve Very Different Poverty Reduction



Relation between social protection budgets (excl pensions, relative to GDP) and relative reduction in the share of population (aged 0-64) at risk of poverty (in percentage) (2009)

The Case for Social Investment

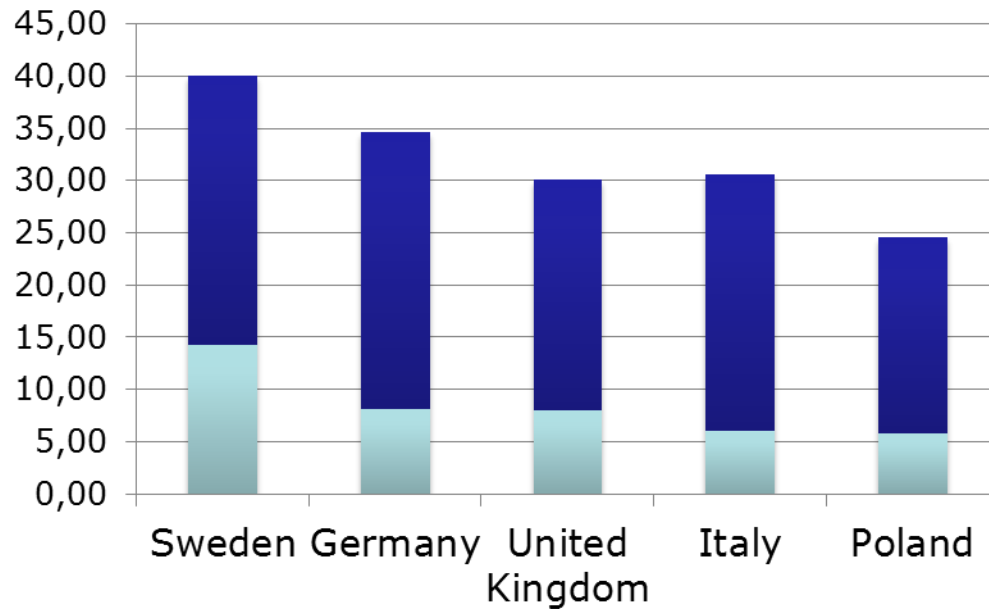
Individuals and society benefit from investments in:

- childcare, health care and long term care.
 - education, competence development and retainment and life-long learning.
 - Active labour market reforms and female participation
 - Social inclusion and reduction of poverty.
- A 2011 Eurofound estimated the annual cost for NEETS(not in employment, education or training) to be approximately 100 billion (1% aggregated GDP) for 21 countries.

5 Pillars of Social Investment Package

1. Increase efficiency, effectiveness and adequacy of social investment and protection budgets and reforms
2. Pursue activating and enabling policies
3. Secure adequate livelihoods and social inclusion
4. Advance social policy innovation based on evidence
5. Streamline monitoring, governance and information

Expenditure in Activating and Enabling policies (selected countries)



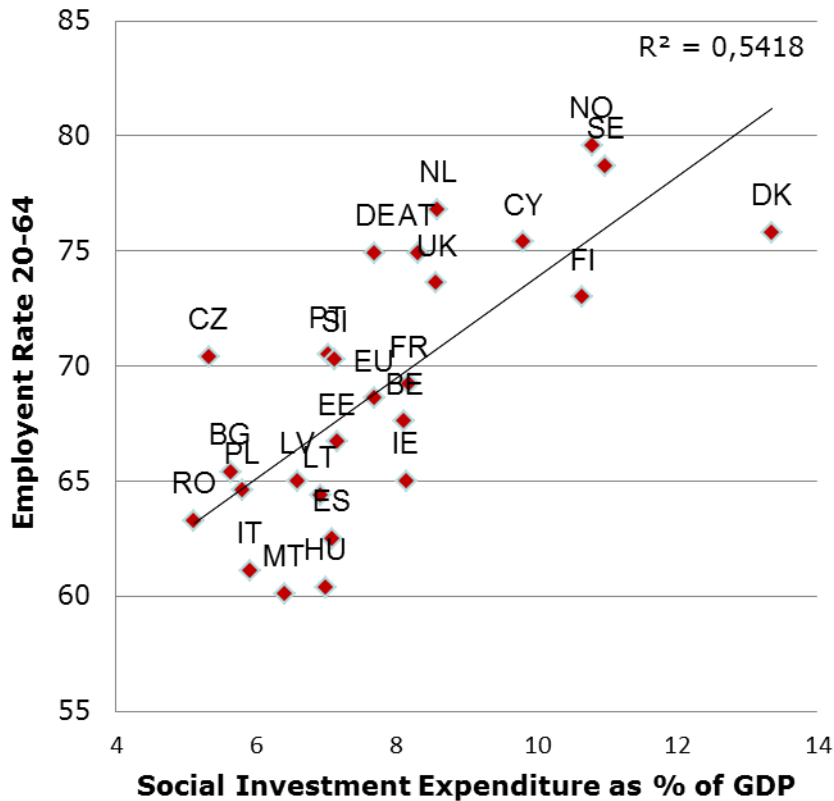
■ Non-social investment
■ Social investment

	Social investment	Non-social investment	Ratio
Sweden	14,30	25,80	55
Germany	8,10	26,50	30
United Kingdom	8,00	22,10	36
Italy	6,10	24,50	25
Poland	5,80	18,80	31

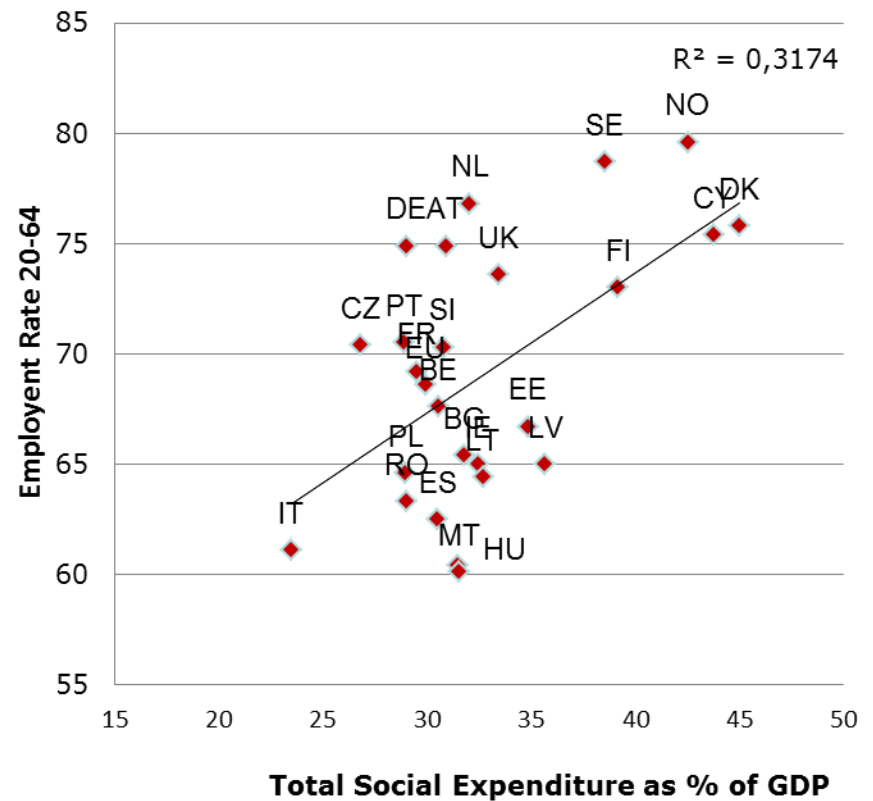
Sources: Maurizio Ferrera, University of Milan; Anton Hemerijck, University of Amsterdam

Positive employment outcomes

Social investment expenditure and employment across the EU (2010)

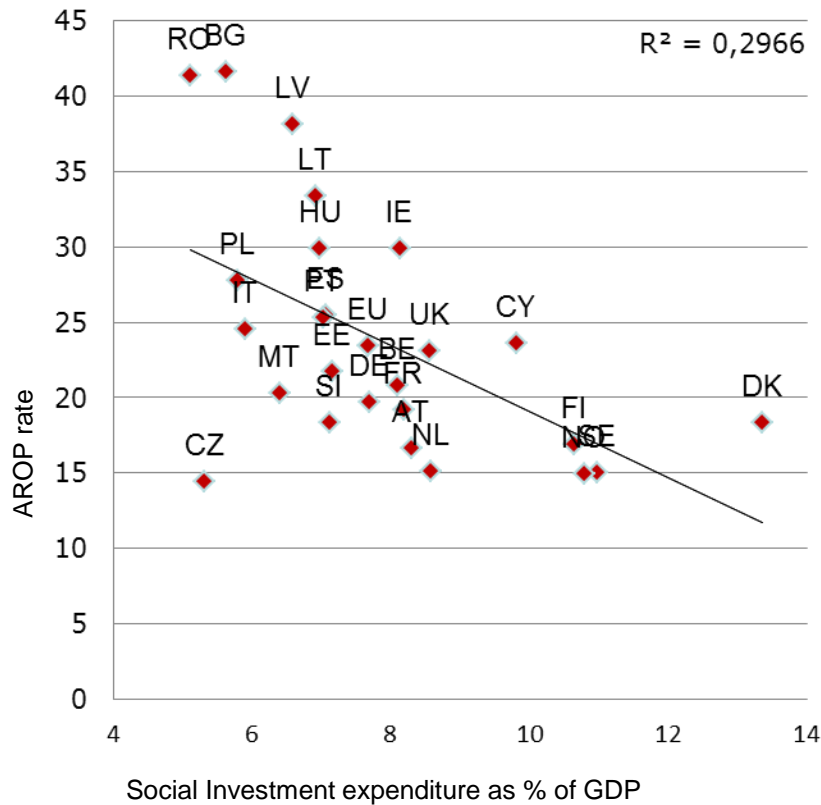


Total social expenditure and employment across the EU (2010)

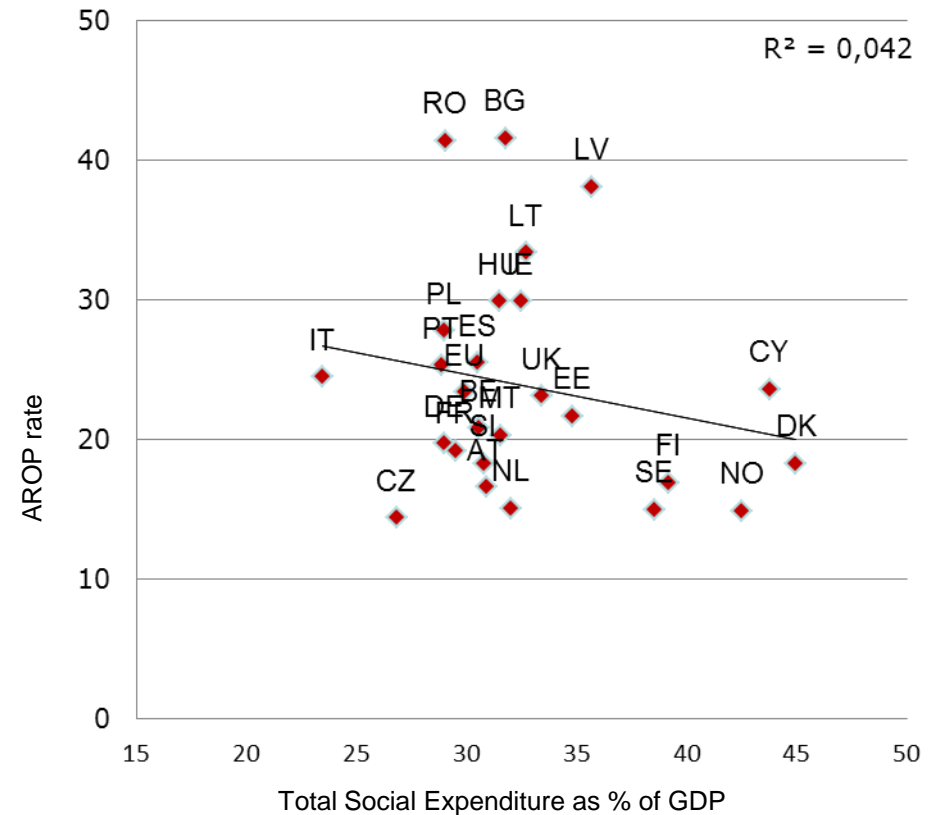


Positive poverty reduction outcomes

Social investment expenditure and risk of poverty across the EU (2010)



Total social expenditure and risk of poverty across the EU (2010)



Activating and Enabling policies

Help prepare for (re)entry into the labour market

- Job and skills training, lifelong learning opportunities

Create incentives for labour market participation

- Aligning tax and benefit systems to eliminate inactivity traps
- Make care, transport, etc more accessible and affordable

Promote inclusive labour markets

- prevent workplace discrimination
- ensure living wages
- Promote flexible workplaces (though the creation of childcare facilities, adapted workplaces, embracing part-time work, etc.)

A Social Investment: Tackling Child Poverty

Children in poverty have lower education achievement rates, lower future earnings potential, lower social mobility and limit countries competitiveness.

Demographic change in Europe also will require strong investment in all children.

Significant irreversible cost for society and the economy

- UK study estimated cost of 12 billion pounds a year

Pre schooling is among the most effective means of improving educational performance and the likelihood of breaking the intergenerational poverty cycle.

Securing Adequate Livelihoods

Adequate support aims to ensure a dignified life to those – either fit or unfit to work – that are not endowed with sufficient resources to live in a manner compatible with human dignity.

Three principal types of support

- Monetary support

Minimum income schemes, disability benefits, family benefits, etc.

- In-kind benefits

Services, Housing, healthcare, etc.

- Enabling support

Basic bank accounts, internet, transport, etc.



Increased fiscal integration as an opportunity
to improve Social Investments in Europe
Use the existing instruments such as
European Semester, OMC, Budgets and
Cooperation to the maximum