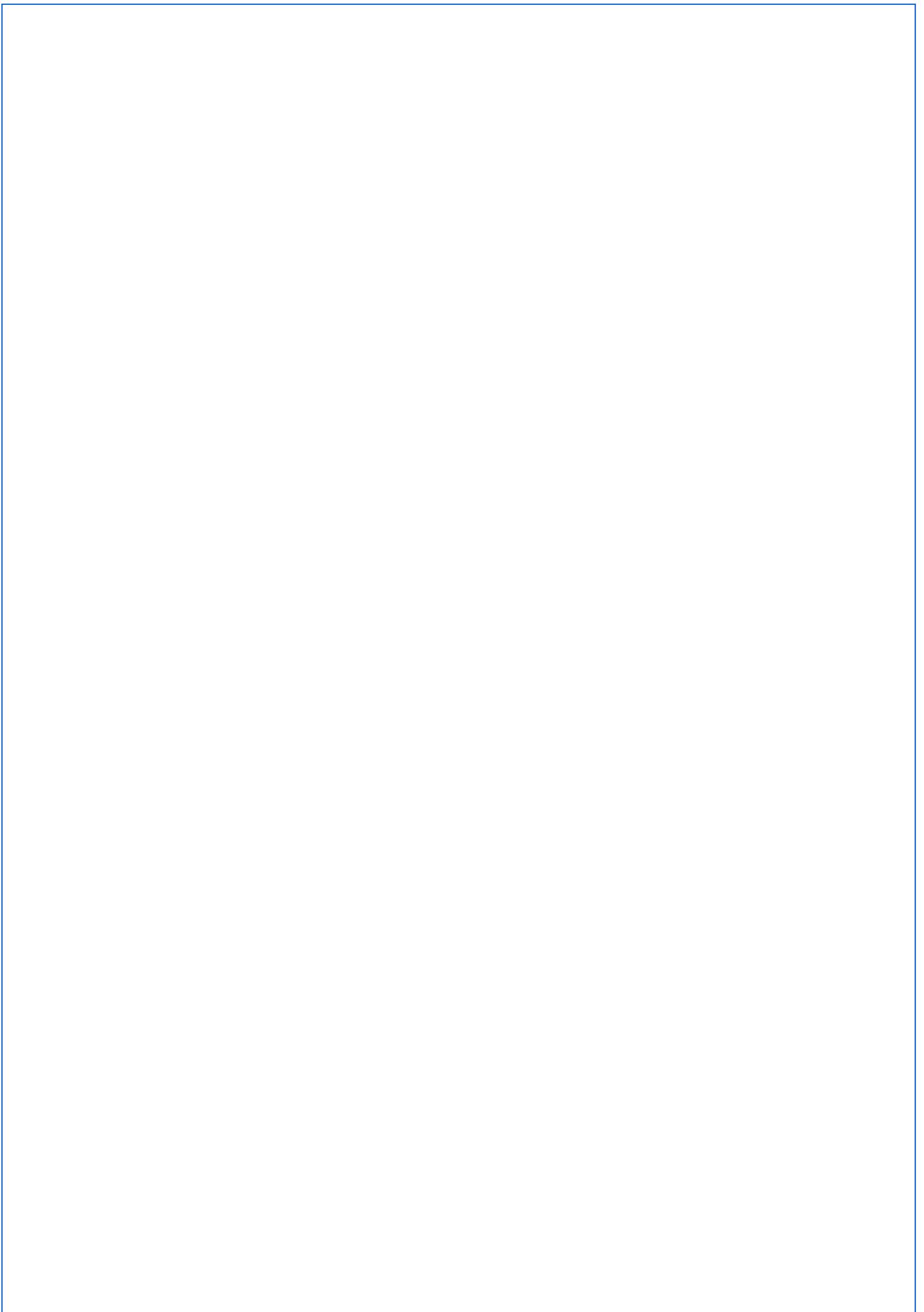


# EAPN Response to the Flagship Initiative *An Agenda for New Skills and Jobs*

## Key Messages

1. Mainstream Inclusive Growth and provide comprehensive social impact assessment.
2. Invest in comprehensive, integrated Active Inclusion strategies.
3. Job quality is about more than working conditions and health and safety!
4. Guarantee equal access to skills upgrading for vulnerable groups, and ensure that training leads to decent employment and enhanced capabilities.
5. Exit measures from the crisis and austerity cuts are seriously endangering the quality and delivery of training.
6. Extend stakeholder involvement and create structures of opportunity for people experiencing poverty, the unemployed and their non-governmental organisations.
7. Making best use of EU funds to ensure a full delivery on the social targets of Europe 2020.

20 APRIL 2011



## Introduction

In December 2008, the European Commission released its **New Skills for New Jobs** communication, providing a first assessment of labour market and skills needs up to 2020, as well as a mapping of existing anticipation instruments at national and European level. The document also proposes a more effective approach to ensure anticipation and matching between labour demand and supply, through synergies between employment, training and education policies. In March 2009, the EPSCO adopted Conclusions on this Communication, endorsing the Commission proposal, stressing the need for upgrading skills and providing access to quality education and lifelong learning for all, as well as for mapping-out and anticipating the labour market needs, in order to ensure better skills matching. The Spring Council Conclusions have also given additional impetus to this approach, viewed as the main medium and long-term response to the crisis aftermath.

On March 3<sup>rd</sup>, 2010, the European Commission presented the **Europe 2020 Strategy**, highlighting “smart, sustainable and inclusive growth” as overarching priorities for the next decade. The Strategy is based on 5 headline targets, including an employment target (raising the employment rate of the population aged 20–64 to at least 75%) and a poverty reduction target (lifting at least 20 million Europeans out of poverty and social exclusion). At the European level, these targets are to be delivered through a set of 7 European Flagship Initiatives. On November 23<sup>rd</sup>, 2010, the European Commission launched the **An Agenda for New Skills and New Jobs: A European Contribution towards Full Employment**, as one of the seven Flagship Initiatives, designed to support the implementation of the Europe 2020 priorities. Particularly, the Initiative is aimed at supporting the achievement of the Employment target.

Unlike the original **New Skills for New Jobs Communication**, the Flagship Initiative is much broader, and contains other elements, aimed at improving labour market functioning and participation. Skills upgrading and matching with demand needs represent only one of the 4 pillars of the proposal, the other three dealing with flexicurity on the labour market, job creation, and the improvement of working conditions. There are clear links between this Flagship Initiatives and at least two others, namely **Youth on the Move** and the **European Platform against Poverty**. These should be mutually reinforcing and complementary, to ensure mainstreaming of the social dimension across Europe 2020, and that all policy and flagship initiatives contribute to the overarching goal of reducing poverty and social exclusion.

EAPN’s main concern is that the employment proposals in Europe 2020 should act as instruments for effectively promoting inclusion and combating hardship. To this end, we believe in creating fruitful synergies and complementarities between the headline targets, as well as in their joint delivery, playing on the positive interdependence between objectives and promoting concerted action to reach them. This is only possible if shared ownership is achieved, supporting the participation of all stakeholders, including people experiencing poverty and their non-governmental organisations. However, the release of the Annual Growth Survey was not encouraging, as most actions remain subsumed to a growth- and competitiveness oriented vision of Europe, which potentially contradict the commitments to social inclusion and cohesion.

In its recent position papers, EAPN has flagged up the dangers of sidetracking the social dimension and of prioritising a narrow approach of frontloading growth-enhancing initiatives – please see **EAPN’s response to the Platform against Poverty**<sup>1</sup>, **EAPN’s press release on the Annual Growth Survey**<sup>2</sup> and **EAPN’s response to the Joint Employment Report**<sup>3</sup>. Moreover, our members working on the ground highlight increased hardship and difficulties in people’s lives, brought upon by the economic crisis, by austerity measures, and by continuing to pursue policies that don’t take into account rights and dignity, and an equal distribution of benefits reaped - see **EAPN’s assessment of the economic crisis and exit packages**<sup>4</sup> for more details and country-specific examples.

EAPN welcomes a number of positive elements in the Agenda for New Skills and Jobs, which pick up on our own concerns, especially regarding much-needed references to social protection, job creation, improved security, more positive activation measures, comprehensive lifelong learning strategies and the involvement of stakeholders, among others. However, a number of points represent hidden dangers in the communication, which might undermine the achievement of the poverty target and hinder efforts towards inclusive growth.

Employment can not be achieved at all costs, especially if the said cost means people being forced into work, rather than being adequately supported, and if the jobs offered are of low-quality and precarious nature. With underemployment on the rise and in-work poverty not declining since 2005, there is a real danger that activation at all costs will result in increased poverty and exclusion, and more jobs will not mean better jobs.

This paper details these areas of concern and proposes steps forward to address them, in order to ensure the coherence between the targets of the Europe 2020 Strategy, as well as to deliver on the promised reduction of poverty and social exclusion, to guarantee a better life for all European citizens.

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<sup>1</sup> “EAPN first response to the European Flagship Platform against Poverty and Social Exclusion: A European Framework for social and territorial cohesion”, EAPN, 19 January 2010, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2011-EAPN-response-Flagship-Platform-en.pdf>

<sup>2</sup> “First steps in Europe 2020 Strategy ignore inclusive growth”, EAPN press release, 14 January 2010, <http://www.eapn.eu/images/stories/docs/press-releases/PR14-01-Annual-Growth-Report-en.pdf>

<sup>3</sup> “EAPN Response to the Draft Joint Employment Report 2010”, EAPN, 20 February 2010, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2011-EAPN-response-to-Draft-Employment-Report-2010.pdf>

<sup>4</sup> “Is the European project moving backwards? The social impact of the crisis and of the recovery policies in 2010”, EAPN, 23 February 2011, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/crisis-report-2011-en.pdf>

## EAPN welcomes that:

- The document takes into account **the role of benefits in alleviating poverty** and suggests improvements of coverage for those most at risk, while also supporting adequate pensions, although adequate minimum income as such is, regrettably, missing from the approach.
- One of the four pillars is dedicated to **job creation**. It is a welcome change of focus towards the demand side, which was much needed in a context of shrinking job opportunities.
- One of the four pillars is dedicated to **quality of work**. While the new focus on quality is welcome, the scope should be much broader than just improving health and safety at work and working conditions (see below).
- There are references throughout the document to **more targeted job search assistance and job counselling** for vulnerable groups<sup>5</sup> – which we hope means personalised, pathway approaches, in line with the Active Inclusion recommendation.
- The concept of “making transitions pay” is understood as **providing people with the necessary security**, so that they are shielded against poverty and exclusion while outside of a job.
- The document recommends **increased social protection and unemployment benefits** for vulnerable groups, as well as adequate and sustainable pensions, including for workers with gaps in pension savings due to unemployment, sickness, caring duties or short-term contracts. However, adequate minimum income is, again, not mentioned.
- There is positive rhetoric on **lifelong learning, both outside and inside employment**, as well as validation of non-formal and informal learning.
- There is a significant **focus on migrants and the Roma**, and their integration in the labour market, dealt with in quite comprehensive terms and providing a rather integrated approach.
- Acknowledges the **importance of care, health and other services** and their job creation potential, and speaks about regularising social and domestic care. Regrettably, there are no references to childcare.
- **NGOs are mentioned amongst stakeholders**, including in partnerships with employment services, but nothing is said about consulting people experiencing poverty and the unemployed.
- There are **clear references to targeted measures supported by EU Funds** for key vulnerable groups. However, these need to be comprehensive and integrated, based on a bottom-up and participative approach, to ensure successful pathways to employment and inclusion.

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<sup>5</sup> Cf. page 5: “Public Employment Services (PES) should provide career guidance and well-targeted and adapted training and work experience programmes”; page 6: “individual job counselling, job search assistance, measures to improve skills and employability”; page 7: “employment services can play a more comprehensive role as lifelong service providers, delivering services in skills assessment, profiling, training delivery, individual career guidance and client counselling (workers and employers), matching people to job profiles, and offering services to employers, as well as catering for the challenges of those furthest away from the labour market”.

## EAPN Main Concerns and Recommendations

### ***Mainstream Inclusive Growth and provide comprehensive social impact assessment***

Despite the equal footing given by the Europe 2020 Strategy to Inclusive Growth, alongside Smart and Sustainable, a number of social concerns are missing from the document. As outlined in the introduction to this paper, the success of the Strategy depends on the joint implementation of its objectives, and should build upon a constructive, positive interplay between priorities, making sure that each of them is given its appropriate place. There is a very real danger, judging by the documents which have been released so far as part of the European semester, that the race to increase growth, productivity and competitiveness at any cost will overshadow the delivery on social inclusion. In EAPN's initial appraisal, it is clear that the target on reducing poverty and social exclusion has been given little priority both in the Draft National Reform Programmes, as well as in the Annual Growth Survey. The social dimension has not been adequately mainstreamed in the Annual Growth Survey, which remains, as the title suggests, primarily growth-oriented. Fiscal consolidation measures and austerity packages focussing on cuts in public spending take priority over much-needed measures to improve people's access to rights, to basic services, to decent employment, to well being and to a dignified life in general.

In this respect, this Flagship Initiative is no exception. While vulnerable groups and people furthest from the labour market are mentioned in the document, as well as the positive role of social protection, there are a number of missed opportunities to integrate social aspects effectively and comprehensively throughout the Communication. The poverty target is not mentioned, nor taken into account at any point in the document, and no social impact assessment is proposed for the initiatives comprised in the Agenda, to measure how far it will contribute to the achievement of the poverty target, or potentially undermine its delivery. Not only is the poverty target not seen as part of a set of mutually reinforcing targets, but account is not taken on how proposed measures might actually hinder the achievement of the social inclusion objectives under Europe 2020.

Ensuring better access to affordable, high-quality education and training can lead to significant improvement in social inclusion, and can facilitate the successful integration into quality, sustainable employment, but only if it is part of an integrated, multidimensional active inclusion approach. These are important benefits, which can contribute to building more cohesive and egalitarian societies, where people can lead dignified lives and contribute to their communities. Regrettably, this dimension is not developed in the document, and investment in human capital is seen primarily in economic terms.

#### ***Recommendations:***

- ***Mainstream social concerns and provide for ex-ante, as well as ex-post, social impact assessments, as part of the SIA on Europe 2020 carried out as a whole and monitored by the Social Protection Committee, the Social OMC (SP&SI) and the European Flagship Platform against Poverty.***
- ***Make sure that the poverty target is not being undermined by efforts to achieve other targets, particularly the employment target, and foster positive interplay in delivery.***

## ***Invest in comprehensive, integrated Active Inclusion strategies***

The Active Inclusion Strategy has the potential to make a crucial contribution to achieving both the employment and the poverty targets. Its proposed integrated approach, providing for adequate income support, access to quality services and inclusive labour markets, delivers a comprehensive response to challenges faced in supporting people's social inclusion and professional integration. The underlying concept of the Strategy – providing coordinated support towards decent employment for those who can work, and opportunities for social participation and inclusion and a chance to live a dignified life for those who can't – ensures that both employment and poverty are dealt with in a coherent, integrated manner, making sure that no one is left behind.

Adequate minimum income schemes can provide people with the necessary security and dignity to engage into both training and employment search, while supporting their social participation and preventing hardship. Universal access to high-quality, affordable services, particularly social services, are essential to fight poverty and exclusion, and to overcome the specific obstacles to accessing work or training. In particular, affordable and accessible flanking services (including housing, training, transport, and childcare) are a necessary pre-requisite for people to be able to take up employment and educational opportunities. Finally, personalised support and tailored pathways to guarantee access to both education and training will ensure that the most vulnerable are not left behind. At the same time as bringing the people closer to the labour market, the Active Inclusion approach is committed to opening up labour markets to the people, by rendering them more inclusive through fighting prejudice and discrimination in access to employment, while supporting the creation of quality jobs. A comprehensive package of these elements needs to be implemented in an integrated manner.

However, the Active Inclusion Strategy is noticeably absent from this Flagship Initiative. There are positive references to combating discrimination and to providing support services to the unemployed, but none of the three strands of Active Inclusion are given their due importance in the context, nor is the integrated approach backed. This is particularly worrying, as EAPN's assessment of the current situation<sup>6</sup>, marked by the implementation of drastic austerity measures and recovery packages, indicates that the level and duration of benefits has been reduced in many countries, while services (delivered both the public and the third sector) have suffered massive cuts in funding. Last but not least, harsh conditionality is being attached to benefits, as well as punitive measures and sanctions, often forcing people to take up jobs which not only do not take them out of poverty and exclusion, but actually perpetuate these conditions.

### ***Recommendations:***

- ***Make the integrated Active Inclusion Strategy central to success of this Flagship Initiative and to progress on achieving both the employment and the poverty target.***
- ***Support the development of a clear implementation roadmap for Active Inclusion, in conjunction with the SPC and in the delivery of the Flagship Platform against Poverty, while coordinating the implementation across all other Flagship Initiatives.***

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<sup>6</sup> "Is the European project moving backwards?", see particularly pages 12, 15, 19, 21-22, 24-27.

## ***Job quality is about more than working conditions and health and safety***

EAPN welcomes the positive rhetoric on improving working conditions, health and safety in the workplace, information, consultation and participation of workers, reinforcing gender equality and non-discrimination and promoting reconciliation between professional and private life. These are all extremely important elements in defining quality of work. At the same time, EAPN has always stressed that the only way a job can provide a safe route out of poverty is by providing, as much as possible, adequate living wages, as well as security of employment<sup>7</sup>.

Despite the listing of the positive elements above, the section on quality is not addressed as a contributing factor to inclusion, but, rather, in order to promote productivity and competitiveness. Any debate on job quality can not leave out essential aspects such as remuneration and the duration of contract, which are main components leading to in-work poverty, together with forced part-time, atypical and temporary work, and other forms of precarious employment. A recent Report of the Network of Independent Experts on Social Protection and Social Inclusion highlights a number of factors which can contribute to in-work poverty, related to inadequate minimum wage levels, unfair taxation and taxation/benefit traps, lack of benefits, conditionality on benefits, and lack of affordable access to services such as childcare and transport<sup>8</sup>.

The impact of stalling wages on people's lives is mentioned only once, in passing, while the impact of the crisis and particularly austerity measures, which are affecting wage levels, is not explored. EAPN members report increased flexibility in hiring and firing (Romania, Spain) and a significant downward pressure on wages (Ireland, Spain)<sup>9</sup>. There is also no mention or consideration of the role that the EU itself plays in this objective, such as the worrying current proposals from the Annual Growth Survey to moderate wages and review indexation clauses<sup>10</sup>. This has been further emphasized in the Euro Plus Pact. Under the flexicurity chapter, the single-end contract is proposed as a manner to tackle labour market segmentation, but the security dimension is not taken into account under quality of work. There is an underlying assumption that improving skills will automatically trigger better job quality. However, this can not be an excuse not to address the issue of quality employment for all jobs, including the so-called "low-skilled".

### ***Recommendations:***

- ***Include the key aspects of adequate living wages and employment security in the announced revision of the "job quality" concept, and develop indicators to monitor their implementation, jointly with the Social OMC.***
- ***Devise a clear European strategy to combat in-work poverty, and to ensure that jobs are decent and sustainable, together with the European Platform against Poverty and the Social OMC.***

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<sup>7</sup> See EAPN's proposals in *"EAPN first response to the European Flagship Platform against Poverty"*, page 12.

<sup>8</sup> "Institutional factors such as the lack of regulations establishing an adequate minimum wage, relatively high taxes on low wages, the lack of in-work benefits, the forcing of people off benefits and into low paid work, inadequate child income support, the lack or high cost of essential services (e.g. child care and public transport) can contribute to in-work poverty." *In-work Poverty and Labour Market Segmentation in the EU: Key Lessons*, Hugh Frazer and Eric Marlier (Social Inclusion Policy and Practice, CEPS/INSTEAD), December 2010

<sup>9</sup> *"Is the European project moving backwards?"* see particularly pages 24-27.

<sup>10</sup> *"Annual Growth Survey: advancing the EU's comprehensive response to the crisis"*, European Commission, page 5.

***Guarantee equal access to education and life long learning for vulnerable groups, and ensure that training leads to decent employment and enhanced capabilities***

Learning is, first and foremost, part of an individual's personal and social development, and hence it should go beyond the narrow focus of responding to narrow labour market needs. Lifelong learning is essential to enable the development of people's capabilities in all spheres (vocational, social, community, cultural, political etc), and can be more effective in developing integrated abilities. Empowerment skills and life coaching also constitute an essential step in contributing to people's social inclusion and sense of personal worth, particularly in the case of groups facing multiple disadvantages. They are essential for ensuring people's full participation in their communities and seizing of existing opportunities, including on the labour market. Finally, training for employment policies have to be aimed at responding to concrete needs, building on already existing capital and capacities of the individual, and focusing on those skills which facilitate access to sustainable, quality jobs, which effectively constitute a sure route out of poverty.

Access to training in general is not smooth for all, so targeted approaches for vulnerable groups need to be devised. Especially the low-skilled, young people, people in poverty, migrants and minority groups (including the Roma), people with disabilities and other disadvantaged categories need to be able to access education and training as part of a lifelong learning approach, as well as specific skills and capacity building training, which can link directly to enabling people currently excluded from the labour market to access employment. Increased attention should be paid also to flanking services, which are necessary to enable many of the unemployed people to access suitable learning experiences, for instance by ensuring access to affordable childcare, with adapted hours, or support for transportation.

Policies affecting education and training need to ensure that tailored responses are in place to address the specific obstacles faced by people excluded from the labour market. In the same time, on-the-job training and qualification should not be neglected, particularly in the case of people holding low-skilled jobs, which usually do not include a training component. Comprehensive access and high-quality training require investment in integrated strategies to ensure that especially those who need them most can access them.

***Recommendations:***

- ***Ensure that the European Strategic Framework invests in the quality of training and guarantees minimum standards to ensure equal access and opportunities, as well as freedom from discrimination, as part of a lifelong learning approach, both inside and outside the labour market.***
- ***Monitor soft outcomes of training, such as progress towards social inclusion and empowerment, as well as job outcomes, in terms of accessing sustainable, decent work.***

## ***Exit measures from the crisis and austerity cuts are seriously endangering the quality and delivery of training***

Throughout the document, there are relatively few references to the economic crisis and recovery packages, and most are regarding the past, under the Flexicurity chapter. While the credit crunch might be in the past, the present is marked by harsh austerity measures, in most countries prioritizing cuts in public spending. EAPN has conducted a full inquiry into the social impact of the crisis and of the recovery policies in 2010<sup>11</sup>, which highlights that a sustainable recovery is undermined by lack of investment in essential services. During the crisis, a well-known strategy for protecting jobs has been to invest in short-time working arrangements, combined with stepped-up training. Subsequently, resources were directed at maintaining jobs, while not enough support has been given to training for the unemployed, especially those who have been excluded from the labour market for a long time.

In some countries, training centers are being closed, because there is not enough money to support them. In Germany, public expenses were cut for vocational training. In Denmark, 2010 has seen a ceiling on job spending for job training, which means that about 800 retraining programmes for the unemployed were unable to continue functioning. Low-skilled workers are particularly hit. In other countries, private training companies tend to focus on profit, rather than on prioritizing results, which leads to a training market which presents increased competition. Also, the education sector was one of the most hit by wage cuts, for instance, in Italy. This fits within the general tendency of undercutting public sector wages and investment in public services mentioned above, actively promoted by the EU as part of the strive to reduce public deficits in line with the Stability and Growth Pact.

However, investment in education and training, as well as lifelong learning, in improving its quality and accessibility for all groups, with particular attention to hard to reach groups, as well as affordability, is a necessary pre-requisite of achieving the Flagship's goals. This needs to be done through comprehensive inclusion strategies, which look beyond the mere provision of training courses. Individual costs are not obvious when education is free of charge, but the lack of decent income and the appropriate services, such as transport or childcare, are serious obstacles to accessing training. Cutting on benefits and essential services is not the way forward if the goal is to support people towards full social inclusion, as well as meaningful participation in both training and the labour market.

### ***Recommendations:***

- ***Give a strong recommendation to Member States on the need to reinforce investment in lifelong learning, as well as education and specific training, as part of a comprehensive and sustainable recovery package.***
- ***Support investment, in Member States, in other basic services, as well as adequate minimum income schemes, to ensure dignified lives, including through accessing training and education opportunities.***

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<sup>11</sup> "Is the European project moving backwards?", EAPN, 23 February 2011.

## ***Extend stakeholder involvement and create structures of opportunity for people experiencing poverty, the unemployed and their non-governmental organisations***

EAPN is encouraged by the explicit references to consulting non-governmental organizations at different points of the document. Dialogue with stakeholders and their representatives, beyond social partners, is crucial for a correct assessment of needs and the elaboration of the right policy solutions. People experiencing poverty and exclusion are the best placed to assess the effectiveness of the policies set in place to respond to their needs. The non-governmental organizations working with them have acquired, through the direct experience of their members on the ground, a direct link to the realities in countries. Decades of working with people and policy-makers have also provided NGOs with a deep understanding of the phenomenon and with invaluable expertise.

Non-governmental organisations are also crucial actors in the implementation of the outlined Flagship priorities. NGOs provide on-the-job qualifications and professional learning experiences, geared to developing the capacities of different target groups – an excellent example are the Work Integration Social Enterprises (WISEs). In addition, NGOs offer social services, ranging from basic in-kind aid to support and counselling, on issues like access to housing, financial inclusion, access to health and other types of care. These are essential to support individuals in their social participation, as well as personal development, providing non-formal education support for those outside the labour market or alienated from traditional training and job searching efforts. Evidence from the ground shows equally that the demand for these services has increased in the aftermath of the crisis, and that funding for organizations has dramatically shrunk as an effect of public spending cuts<sup>12</sup>.

Given their important role and direct experience, the position of European NGOs as expert interlocutors could be strengthened. The involvement of people experiencing poverty and the unemployed themselves can also be meaningfully integrated in the delivery of the Flagship, through regular dialogue mechanisms, linked to the NRPs, but also by specific stakeholder meetings, including the European Meeting of People Experiencing Poverty. Based on Recital 16 of the Integrated Guidelines, which provides for the partnership principle in the delivery of Europe 2020, and building on the successful practices and indicators developed as part of the social OMC, this Flagship needs to develop guidelines for extended stakeholder consultation in policy design, implementation, and development<sup>13</sup>. This should link and build on the guidelines being developed by the European Flagship Platform against Poverty. Clear mechanisms for consultation need to be set in place, accompanied by specific opportunities for input.

### ***Recommendations:***

- ***Produce clear guidelines for civil society involvement, particularly people experiencing poverty, the unemployed and the NGOs representing them, in the delivery of Europe 2020, including this Flagship Initiative.***
- ***Invite NGOs working with people experiencing poverty and the unemployed to the announced Flexicurity Stakeholder Conference (mid-2011) the Tripartite Social Forum, as well as other relevant high-profile events.***

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<sup>12</sup> "Is the European project moving backwards?", EAPN, 23 February 2011.

<sup>13</sup> For more information about this, please see the rationale and suggested process in "EAPN First Response to the European Flagship Platform against Poverty", pages 13-14.

## ***Making best use of EU Funds to ensure a full delivery on the social targets of Europe 2020***

EAPN supports the key role given in the Communication to ESF and other EU funds to financially back the social objectives of the Europe 2020 Strategy (i.e., the employment and the poverty reduction targets). The reference to targeted measures supported by EU Funds for key vulnerable groups (such as the Roma, for instance) in the fields of the Communication is welcomed, provided that it is done in a comprehensive and integrated way, based on a bottom-up and participative approach, to ensure success pathways to decent employment and social inclusion.

Regarding the four priorities listed in the Communication to serve as guidance for strengthening the contribution of the EU funds<sup>14</sup> and the EU budget to the Agenda for New Skills and Jobs, EAPN would like to raise the following points, to ensure that the poverty reduction target would not be undermined:

- On the issue of **thematic concentration** on a limited number of priorities, based on a criterion of wealth, as proposed in the 5<sup>th</sup> Cohesion Report, this so-called thematic concentration could lead Member States to sideline social inclusion. EAPN would argue that the priorities should match the 5 headline targets, and especially the poverty reduction target.
- On using **structural conditionality** through Structural Funds: the social objectives of the Europe 2020 Strategy could be in danger if Cohesion Policy is used to push Member States to implement structural reforms of the labour market, with a focus only on Active Labour Market Policies, upgrading skills and creating job opportunities, at the expense of a broader objective of social inclusion, which can ensure access of disadvantaged groups to rights, resources and services. EAPN would be more in favour of putting into place a social conditionality and incentive system, aiming at ensuring progress towards the agreed targets, and especially the poverty reduction target.
- On the more **result-oriented approach**: EAPN would support the Communication in so far as the targets and indicators agreed between the Commission and Member States give a higher profile to social inclusion indicators, to monitor and assess the fulfilment of the social objectives of this strategy. These should be linked to the Social OMC indicators.
- On the establishment of the **development and partnership investment contracts** between the Commission and Member States: EAPN would underline the need to actively involve social NGOs in the discussion between Member States and the Commission on the development strategies presented by Member States in their NRPs (and, as argued above, in broader National Strategies for Social Protection and Social Inclusion and National Action Plans for Inclusion<sup>15</sup>), given their sound knowledge of the main challenges and difficulties of the most vulnerable groups of people and how to develop effective, integrated and innovative solutions for them.

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<sup>14</sup> 1) concentrating financial resources in a fewer number of priorities; 2) strengthening conditionality and incentives to stimulate Member States to achieve institutional reforms announced in the National Reform Programmes; 3) focusing on results, through a set of clear and measurable targets and indicators agreed between the Commission and Member States; and 4) establishing development and partnership investment contracts between the Commission and Member States.

<sup>15</sup> More details on EAPN proposals for the future of Cohesion Policy are available in “EAPN Contribution to the European Commission consultation on the fifth Cohesion Report”, EAPN, 28 January 2011, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/eapn-2011-response-to-the-5th-cohesion-report-en.pdf>

**Recommendations:**

(following the 4 proposed fields)

- ***ESF and other EU Funds should promote integrated active inclusion strategies, rather than focusing only on flexicurity.*** A pro-active role for the Commission is needed, which goes beyond monitoring, by supporting social experimentation and social innovation, as well as bottom-up initiatives accessible to small NGOs. The ESF should also be used to actively support the setting up of new transnational projects on active inclusion, and to introduce a community of practice on active inclusion.
- ***Enhancing coordination between EU Funds (ESF, ERDF Life Long Learning...) is crucial to ensure tailored-made and integrated training and education programmes, providing a successful pathway to social inclusion for people who are the furthest away from the labour market.*** More focus should go on use of funds for personalised approaches to support people on the pathway to inclusion, helping access to work and participation. ESF programmes should also target low paid workers, to provide adequate training in work and support lifelong learning approaches.
- ***The role of the ESF with regard to improving quality of work and working conditions should deal first and foremost with supporting access to decent jobs and security of employment.*** Apart from gender equality (that has been mentioned in the Communication), anti-discrimination should also be promoted throughout the ESF, so as to foster inclusive labour markets.
- ***The jobs created with the support of EU Funds should be quality, sustainable and available to the most vulnerable.*** In that respect, EAPN supports the targeted use of the new European Progress Micro-Finance Facility for people experiencing poverty and social exclusion. But, to make it happen, this instrument should be combined with the ESF, to provide accompanying measures (coaching, counselling, and mentoring) and adequate outreach strategies built up in partnership between financial intermediaries, Employment agencies and NGOs. The Communication omits to mention the role that the ESF could play to foster the creation of green jobs (also white jobs, community services which can respond to local needs as well as create better access to quality jobs). For EAPN, these new jobs should be made accessible for all excluded groups. The European Commission should provide guidance to Member States on the role that Structural Funds can play in supporting their development.





## INFORMATION AND CONTACT

For more information on this publication, contact:

**Amana Ferro**, EAPN Policy Officer

[amana.ferro@eapn.eu](mailto:amana.ferro@eapn.eu) – 0032 2 226 58 60

**Vincent Caron**, EAPN Policy Officer

[vincent.caron@eapn.eu](mailto:vincent.caron@eapn.eu) – 0032 2 226 58 54

For more information on EAPN positions, publications and activities:

[www.eapn.eu](http://www.eapn.eu)



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