

EAPN's Approach to the Social Investment Package

8th February 2013

Introduction

The European Commission will adopt its proposals for a Social Investment Package on the 20th February 2013. László Andor, European Commissioner for Employment, Social Affairs and Inclusion presented the upcoming package at the 2nd Annual Convention of the European Platform Against Poverty and Social Exclusion in December 2012, confirming that: *"We need to modernise the European social model, so that it mobilizes a larger share of Europe's human capital, while at the same time ensuring social inclusion of disadvantaged people and an adequate level of social protection. This is why the Commission will present early next year a Social Investment Package for Growth and Cohesion."*

"The Social Investment Package will provide concrete guidance for the modernization of welfare states, on the shape of such reforms and on how the EU can support Member States in this context."

The Commission's proposals are expected to cover **5 key areas**:

- 1) Increasing the sustainability and adequacy of budgets for social policies (including Social Protection)
- 2) Pursuing activating and enabling policies and provide adequate livelihoods (including the Active Inclusion Implementation Report)
- 3) Intervening across the life course, starting with children and youth (including the Child Poverty Recommendation)
- 4) Innovating and reforming social policy based on evidence (including social experimentation)
- 5) Promoting a strong social investment approach within the EU funds allocation (EU funds/SF)

EAPN's input so far

EAPN has volubly supported the idea of a Social Investment Package, focused on the need to invest in social infrastructures, social protection and social capital in order to prevent, as well as alleviate, poverty for all groups across the life cycle. This formed part of EAPN's General Assembly Declaration in June 2012, letters to the European Council, the EAPN 2012 NRP Report Recommendations, and the EAPN Key Messages to the Annual Convention in December 2012. (For example see <http://www.eapn.eu/en/news-and-publications/press-room/eapn-press-releases/eapn-urges-eu-leaders-to-demonstrate-that-they-have-a-social-vision-for-europe> and www.eapn.eu)

EAPN proposals have focused on:

- 1) Investment in quality and sustainable job-creation, accessible services and high-level social protection systems, including adequate minimum income schemes as part of integrated active inclusion strategies, preventing austerity cuts from undermining this investment.
- 2) Backing the role of the State to provide common goods, ensuring inclusion and social cohesion, and measuring their social impact.
- 3) The pursuit of tax justice – prioritizing progressive income tax, wealth tax, financial transactions tax, and tackling tax evasion and avoidance by closing down tax havens.
- 4) Saving the Euro and reinforcing European economic stability, but not at the cost of social rights.
- 5) Measuring social progress, not just economic performance – beyond GDP.

In the following section we present EAPN's detailed Key Messages, set within 5 proposed priorities of the Social Investment Package.

Overarching Concerns

- The Package must set out a **positive vision of social investment** at the heart of all EU policies built on Fundamental Rights and existing EU Treaty commitments including Article 3, 9 and 10.
- The SIP should propose a **coherent, comprehensive integrated package** investing in: - quality jobs and social economy/enterprises; social, health and care services; social protection and minimum income; promoting participation in society and in decision-making processes as part of a commitment to better democracy. These should be seen as pre-requisites to promote inclusive growth and a fairer, more prosperous EU that puts people before markets.
- **Poverty reduction and target should not become invisible!** It should be clear the role that the SIP will play in delivering on the poverty target. At the heart of the SIP there needs to be a commitment to develop **comprehensive EU and national integrated strategies for preventing and fighting poverty and social exclusion**. This should be based on the active participation of stakeholders, including civil society, in the decision-making process at national and EU level, including people experiencing poverty and their organizations. It should provide an overarching framework for EU/national strategies on thematic priorities including: child poverty, active inclusion and homelessness.
- **The SIP must offer some concrete response to the social emergency** in the EU. Austerity isn't working, as demonstrated by recent IMF and other reports, and is responsible for generating increasing poverty and social exclusion¹. EU credibility is being severely damaged because of its role in driving austerity approach.²Urgent action needs to be taken to counteract current austerity measures which are attacking basic social rights and infrastructures by defending social investment and protection as investment priorities. The SIP must urgently counteract the negative impact arising from the reduction of social protection and welfare expenditures particularly in indebted EU countries, targeting relief measures for the millions of no -income jobless and their families, and particularly the vulnerable social groups in the Troika countries.
- It will be crucial to **counter fears that social investment could be an argument for governments to reduce support for public social services**, in order to increase market-control, at the expense of social rights.
- Investment must reach the **levels closest to the community**, with a commitment to delivery to national, regional and local level working in partnership with local authorities, civil society and social partners.
- If Europe is to be seen as working in people's interests progress towards a concrete example of defense of social investment that defends social rights – for example an EU **framework directive on adequate minimum income** could be the ideal instrument.
- The core recommendations and approach **must be mainstreamed into all instruments of the Europe 2020 and overall economic governance** to ensure that social investment priorities can contribute to a clear shift towards reducing poverty and social exclusion and a more coherent balanced approach to social and economic objectives.

¹ (119,6 million¹ in 2011 against 115 million in 2010 – EU SILC 2011).

² Eurobarometer 2012.

Proposals related to Specific Areas of SIP Proposal

1) Increasing the sustainability and adequacy of budgets for social policies (Social Protection)

- Demonstrate political commitment to the Welfare State, including universal adequate social protection and minimum income, as well as increasing participation and enlarging social capital, as the basis of the EU social model.
- Marshall evidence and promote new research into the benefits of adequate, stable investment in social infrastructures, including economic/health, and social impacts.
- Embed more effective and transparent social impact assessment of the costs of non-investment, including austerity measures. These should be both ex-ante and ex-post, and integrated into the decision-making processes being developed to implement the Six- and Two-pack proposals³ and in the Troika MOU negotiations.
- Establish a target to ensure adequate overall spending on social protection systems, as well as quality criteria in relation to the effectiveness of social spending in eradicating poverty.
- Promote mutual learning on why some social protection systems reduce poverty more successfully than others, ensuring that users and people experiencing poverty, are part of the assessment process. Widen the debate in Peer Reviews and other beyond exchange of “experts”, public authorities and the Commission – engaging civil society and social partners and broadcasting through social networks and media.
- Promote investment in adequate minimum income and social protection systems as automatic stabilizers, and provide a foundation for social inclusion and integration. Follow up on the European Parliament’s proposals for investigating the viability of an EU framework to ensure EU social standard on minimum income, as well as concrete work on instruments to ensure adequacy, coverage and better take-up. Consensualized reference budgets can provide a key instrument, but based on common EU principles and guidelines to ensure adequacy, and linked to a benchmark of the at risk of poverty threshold.
- Mainstream the commitment to social investment throughout Europe 2020 and economic governance, defending investment in social protection and inclusion as key priorities in the AGS, the guidance note on the NRPs, the Country-Specific Recommendations including through the Social Protection Performance Monitor and the Joint Assessment Frame. This priority should be mainstreamed as a key element of the proposed social pillar of the EMU.
- Back fair financing for quality social protection systems through tax justice – prioritize inclusive and fair growth-friendly taxation, through progressive income tax, wealth tax, financial transactions tax, and tackle tax evasion and avoidance by closing down havens and loopholes through EU regulation.

2) Pursuing activating and enabling policies and provide adequate livelihoods (Active Inclusion)

- Demonstrate political commitment to implement integrated Active Inclusion approaches, beyond activation and labour-market measures, compiling and demonstrating evidence of the need to integrate the 3 pillars, including the vital pillars on adequate minimum income, as well as access to quality services.
- Promote support for positive activation including through case management approaches, providing personalized, tailored solutions, which make the person’s needs the starting point, and which take a holistic approach to the obstacles faced not focusing on employment only.

³ These should include compulsory Euromod simulations.

- Invest in integrated pathways to social inclusion and participation, as well as employment, with a focus on personal and collective empowerment.
- Strengthen the capacity to engage in collective solutions in the local communities and to engage in social networks and social/community initiatives, social economy and social enterprises, including WISE. (Work Integration Social Enterprises). Support capacity to engage in policy-making processes and civil dialogue.
- Address and correct the regressive taxation affecting low-income wages in many EU countries and focus on creating and increasing access for all to quality jobs, rather than activation to any job, investing in lower skilled, white/social as well as green jobs.
- Give Structural Funds backing for integrated pathway approaches to integrated Active Inclusion approaches towards quality, sustainable employment, as well as integrated support to social inclusion/ participation for those who cannot work or access decent jobs.
- Mainstream the AI concept throughout all instruments of Europe 2020, as above and at national level, and within employment as well as in social policy.

3) Intervening across the life course, starting with children and youth (child poverty)

- Include a pre-requisite to invest in overarching EU and national strategies to fight poverty, based on prevention as well as alleviation ensuring universal access to rights, resources and quality, affordable services, as a basis for targeted EU strategies to support the social inclusion for specific target groups.
- Ensure personalized support to all across the life cycle, starting with children, from early childhood, based on children's rights, comprehensive and integrated family support, rooted in the 3 pillar approach (support to adequate income, access to services and children's rights and participation) and building towards well-being.
- Support the development of an EU strategy on homelessness responding to the demands of the European Parliament, EESC, Committee of the Regions and the EPSCO.
- Give priority to developing EU and national strategies to tackle specific barriers to inclusion of other key groups which are highlighted as priorities in national assessments and indicators (e.g. migrants, ethnic minorities, women, people with disabilities, single parents etc).
- Promote synergies and common approaches between the discrimination and poverty agendas.
- Broaden the current youth guarantee approach to promote the social inclusion of youth, particularly NEETs, through the creation of active inclusion pathways, ensuring access to adequate income support as well as quality services, towards quality training and jobs and/or social inclusion and participation. This should include support to empowerment, networking, clustering, informal and non-formal training and participation in community initiatives as well as in decision-making processes, rather than only youth employment.

4) Innovating and reforming social policy based on evidence (social experimentation)

- Invest in effective policies and practice rather than innovation for its own sake, guarding against the danger of cuts to existing proven 'good practices', through robust evaluation and monitoring mechanisms⁴.
- Go beyond investment in new products and services to embed better and more participative processes including in policy and decision-making process and management of services, ensuring adequate resources to fight poverty and social exclusion.

⁴ For example Social Return on Investment – see www.thesroinetwork.org

- Ensure a focus on effective policies and practice, not innovation for its own sake, particularly when proven effective policies are cut – this means having clear evaluation criteria for what works.
- Social innovation beyond social experimentation. Serious concerns are raised about the current limited focus on randomized control group trials as the only method for trialing new approaches.
- More support and financing for bottom-up innovation – evolving organically from community and NGO projects, trying to deliver better policy solutions adapted to the need of their communities.
- Evidence should be drawn from more than ‘scientific research’ – greater validation of qualitative evaluation drawing from perspectives of beneficiaries – ie people with direct experience of poverty.
- Investment in improving the effectiveness of evaluation including better partnerships between different government layers and NGOs, particularly as part of networks, in trialing and evaluating new approaches, then rolling out and scaling up.

5) Promoting a strong social investment approach within the EU funds allocation (EU funds/SF)

- Defend an ambitious budget for EU funds as key instrument to prevent and reduce poverty through integrated strategies with a strong ESF (underpinned by a minimum budget of at least 25% of Cohesion Funds and 20% of ESF earmarked for poverty reduction).
- Back the FEAMD with a separate budget/ external to ESF of 2,5 € Billion, supporting a broadening of its role for integration measures, with a focus on priority groups – children and homeless, and linked to more integrated social inclusion strategies.
- Ensure that NGOs are part of the process, as crucial partners in the OP management, as well as able to access project financing – with support to global grants, technical assistance, targeted pre-financing and reduced demands for co-financing.

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