



Social Inclusion and social dimension of Europe 2020

Explanatory Meeting on the Acquis with Albania and North Macedonia

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union

Agenda

1) General information

2) European social inclusion policy

- Active inclusion approach
- Open Method of Coordination
- EU 2020 monitored by the European Semester



Marianne Thyssen

Commissioner for
Employment, Social Affairs,
Skills and Labour Mobility

"The European social model has been a success story.

But this is not a given.

*We need to make sure that economic and social developments go hand in hand and Europe continues to be a **world-class place to live and to work.**"*

European social model is never a given

- **Trends**
 - ageing, automation, new forms of work, migration, climate change, globalisation, rise of populism, etc.
- **Social sustainability challenges**
 - Achieving socially-inclusive growth and leaving no-one behind
 - Achieving upward social convergence throughout Europe
 - Ensuring the sustainability of our European welfare model

Who is responsible for what?

Title X of the TFEU: SOCIAL POLICY SHARED

- **Member States**

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

-> Social policy is first a Member States' competence

- **The European Union**

Guidance, Monitoring

Mutual Learning, Exchange of good practices

Financial support

Examples of the EU level actions - Legislation

- **European "*Acquis*" on labour/social: Directives on**
 - ✓ **Working conditions: Working time, Fixed-term contracts, Part-time and temporary agency work, Dismissals, Working conditions in some sectors ...**
 - ✓ **Health and safety at work ...**
 - ✓ **Anti-discrimination ...**
 - ✓ **Coordination of social security...**
- ✓ **European accessibility Act**
- ✓ **Work-life balance**
- ✓ **Transparent and predictable working conditions**

Examples of the EU level actions - Policy guidance

- **Commission Recommendation on the active inclusion of people excluded from the labour market (2008)**
- **Social Investment Package** - Recommendation on Investing in Children (2013)
- Council Recommendation on Youth Guarantee (2013)
- Council Recommendation on the integration of long-term unemployed (2015)
- New Skills Agenda for Europe (2016)
- The European Pillar of Social Rights (2017)
- EMPL. Guidelines for macro-economic surveillance (2018)
- Social protection for non-standard workers and self-employed (2018)



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*"The provision of adequate minimum income schemes is non-discriminatory and should go hand in hand with the access to services and employment activation, in line with the **Active Inclusion approach**."*

Policy area: Active Inclusion

- social protection systems are key for tackling poverty
 - *social risks, such as job loss, weak health conditions, or old age, and contribute to prevent and alleviate poverty*
- focus is on the poverty of the working age population
 - *and their families, taking into account of long term consequences of*
 - *high levels of unemployment and long term unemployment and*
 - *high risks of exclusion from the labour market*
- design and policy mix of income support, activation policies and social services
 - *significant variety of social protection systems across the Member States*
 - *specific challenges regarding proper coverage and adequate income and service support*
- assessing implementation and progress under EU framework
 - *comprehensive approach (looking at design, implementation, and evaluation)*
 - *tackle the particular challenges (legislative action, indexation, etc.)*

Policy framework for Active Inclusion

- ***Commission Recommendation 2008/867/EC on active inclusion***
 - Based on Council Recommendation 92/441/EEC on common criteria concerning sufficient resources and social assistance in social protection systems , first recognizing this basic right
 - 1. adequate income support,**
 - 2. inclusive labour markets and**
 - 3. access to quality services**
 - Important overarching elements
 - integrated approach
 - simplified administrative procedures
 - coordinating policy between local, regional, national and EU authorities

1) Adequate Income Supports

= linking out-of-work and in-work benefits

= helping people to access the benefits they are entitled to

- **unemployment benefits and minimum income**
- other benefits include disability, pensions, family benefits
- usually target people of working age
- aim to ensure a minimum standard of living for individuals with no other means of financial support
- essential instrument across EU countries to **sustain income, decrease inequalities** and **reduce poverty**

2) Active Labour Market Policies

- **Inclusiveness** = everyone of working age can participate in paid work, especially vulnerable and disadvantaged people
- Goal is to increase employment opportunities by **matching**
 - making it easier for people to join (or re-join) the workforce
 - removing disincentives to work
 - promoting quality jobs and preventing in-work poverty
 - helping people stay in work and advance in their careers
- **Public Employment Services in the Member States are key actors**
- Case manager approach – engage with jobseekers
- Long-term unemployed represent a particular challenge
- Importance of **early intervention** to reduce scarring effects

3) Access to social services

- More work needed to develop a common framework at EU-level for
 - a) what and how services should be delivered and
 - b) how they can be linked to ALMPs and income supports.
- needs-based personal targeted services
- **Challenges** to social services in the future
 - Rising demand- Ageing!
 - Increasingly diverse demand
 - Inconsistence between providers of cash benefits and of social services providers
 - Pressure on the funding of social services

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)

The package emphasises the important functions of social policies:

- ***Protecting people from hardship***
- ***Stabilising the economy against shocks***
- ***Investing in people's skills and capabilities to enhance their participation in society and the labour market.***

Framework:

3 Integrated Pillars

- *Spending more effectively and efficiently to ensure adequate and sustainable social protection.*
- *Investing in people's skills and capacities to improve their opportunities to integrate in society and the labour market.*
- *Ensuring that social protection systems respond to people's needs at critical moments during their lives.*

Open Method of Coordination

- **Established** officially named, defined and endorsed at the Lisbon Council in 2000 (*Point 7 of the Council Conclusions*)
- **Voluntary process for political cooperation** based on agreeing common objectives and common indicators
- Framework for coordinating policies between EU countries on issues relating to **three main objectives**:
 - *the eradication of poverty and social exclusion;*
 - *adequate and sustainable pensions;*
 - *accessible, high-quality & sustainable health & long-term care*
- Work is carried out through the **Social Protection Committee** (SPC)

Open Method of Coordination

- **Promoting mutual learning and sharing of best practices through**
 - Thematic reviews
 - Peer reviews
 - Social Reports or Thematic reports
- **Monitoring the social situations through the Social Protection performance Monitor (SPPM)**

Social Protection Committee (SPC)

- Legal basis is Art. 160 TFEU, formally established by a Council Decision (EU) 2015/773 of 11 May 2015 establishing the Social Protection Committee and repealing Decision 2004/689/EC.
- EU advisory policy committee for Employment and Social Affairs Ministers (EPSCO Council)
- Delegates from national ministries meet usually in Brussels
- Tasks:
 - **Monitoring of social conditions** in the EU and the development of **social protection policies** in member countries.
 - **Promoting discussion and coordination** of policy approaches among national governments and the Commission (also: ex-ante coordination of reforms).
 - **Producing reports** and opinions on its own initiative

Reports of the Social Protection Committee

Pension Adequacy
in the European Union
2010-2050



**Adequate social protection
for long-term care needs
in an ageing society**

Report jointly prepared by the
Social Protection Committee
and the European Commission



**Review of recent social
policy reforms for a fair
and competitive Europe**

2014 REPORT OF THE SOCIAL PROTECTION COMMITTEE



The Europe 2020 strategy

- **Strategy for smart, sustainable and inclusive growth**

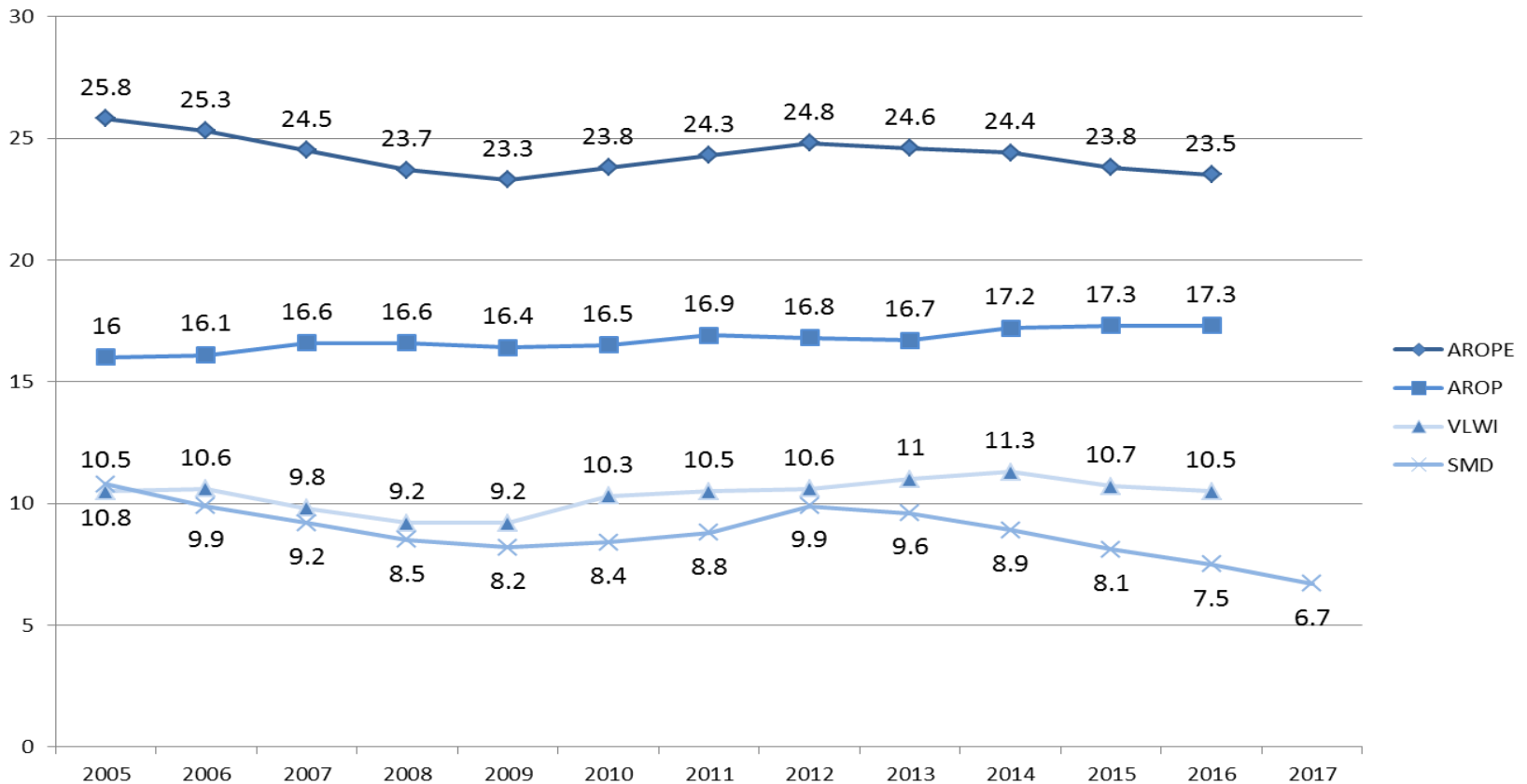
→ 5 ambitious targets (*including poverty target*)

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

Measuring poverty and social exclusion

- At risk of poverty or social exclusion (**AROPE**)...
- At-risk of poverty (**AROP**)...*People in a household with an equivalised disposable income below 60% of the national median*
- Severe Material Deprivation (**SMD**)...*Enforced inability to pay for at least 4 of 9 items, considered to indicate decent living standards*
- Households with very low work intensity (**VLWI**)...*Individual in households where working age individuals worked less than 20%*

AROE has reached pre-crisis levels...



Situation in the EU

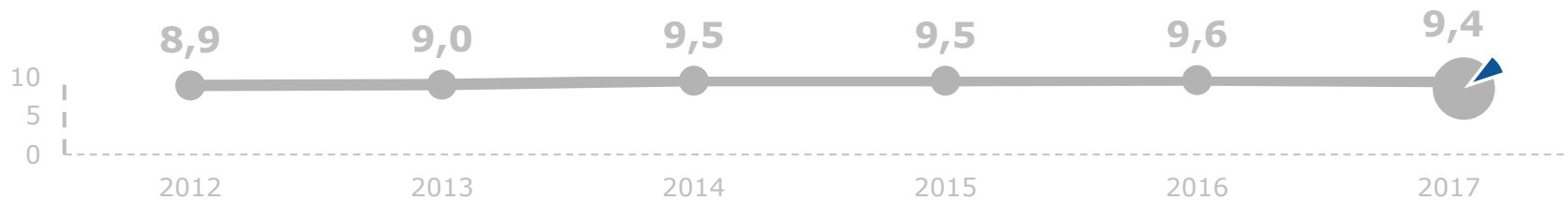
Improving employment and social situation

...but remaining relatively high poverty and social exclusion

...significant differences among the Member States

Some of remaining challenges

- In-work poverty



- Child poverty and young people not in education, employment or training (NEET)
- Income inequality

EU 2020 and the European Semester

In-depth analysis of economic, employment and social policies in the EU Member States

- ❑ **Macro-economic surveillance and**
- ❑ **Monitoring the Europe 2020 Strategy** for smart, sustainable and inclusive growth, adopted in 2010

Proposal of country-specific recommendations

Annual process and timeline:

- Commission adopts Annual Growth Survey: overall policy priorities for the year
- Member States and Commission review implementation of previous years' CSRs in the Committees
- Commission publish Country Reports (February)
- MS submit national reform plans (April)
- Commission publishes country-specific recommendations (May)
- CSRs endorsed by European Council at June meeting

European Semester: CSRs 2018



"This year's recommendations have a greater than ever focus on employment, education and social issues. This shows the Commission's determination to focus on the implementation of the European Pillar of Social Rights in all the Member States and improve working and living conditions for all European citizens."

Marianne Thyssen

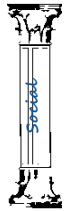
63% *of 2018 country specific recommendations focus on social issues.*

Thank you for your attention.

Semester work-relevant CSRs

BG	Introduce a regular and transparent revision scheme for the minimum income and improve its coverage and adequacy.
EE	Improve the adequacy of the social safety net, in particular for old age persons and people with disabilities.
ES	Improve family support and address coverage gaps in income guarantee schemes, by simplifying the system of national schemes and reducing disparities in access conditions to regional ones.
HR	Consolidate social benefits and improve their poverty reduction capacity.
HU	Improve the adequacy and coverage of social assistance and unemployment benefits.
IT	Reduce the share of old-age pensions in public spending, starting from the high pension entitlements not matched by contributions, thereby reinforcing other social spending.
LT	Improve the design of the tax and benefit system to reduce poverty and income inequality.
LV	Improve the adequacy of minimum income benefits, minimum old age pensions and income support for persons with disabilities.
RO	Complete the minimum inclusion income reform.

1) Adequate Income Supports

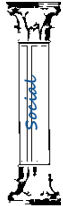


principle 14:

"Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services.

For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market."

2) Active Labour Market Policies

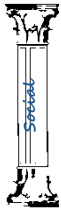


principle 4:

"Everyone has the right to timely and tailor-made assistance to improve employment or self-employment prospects. This includes the right to receive support for job search, training and re-qualification. Everyone has the right to transfer social protection and training entitlements during professional transitions."

3) Access to social services

= helping people participate actively in society, including getting back to work



principles:

- Principle 11 (Right to childcare)
- Principle 15 (Right to healthcare)
- Principle 17 (Inclusion of people with disabilities)
- Principle 18 (Long-term care)
- Principle 19 (Access to social housing or housing assistance)
- Principle 20 (Access to essential services – water, sanitation, energy, transport, digital)

Spending more effectively and efficiently

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)

Investing in people's skills and capacities to improve their opportunities

Combining benefits and services to enhance people's capacity to participate in society and the labour market, e.g.

- **Adequate income support**
- **Activating services to prepare (re)entry in the labour market**

Creating incentives and remove disincentives (e.g. taxes, benefits) for labour market participation

Promoting inclusive labour markets, e.g.

- **Addressing workplace discrimination**
- **Flexible working arrangements**

Responding to people's needs at critical moments during their lives

Targeting policies to the risks that people face over different stages of their lives, which often compound.

Investing as early as possible is the best way to ensure that people live up to their full potential

- **Child policies, including early childhood education and care (ECEC)**
- **Youth guarantee schemes**
- **Lifelong learning**
- **Active ageing**

Implementing the Social Investment Package (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)**