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SOCIAL AGENDA



Social investment

I focus on

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2014-20
EU BUDGETARY
FRAMEWORK

*A boost to the Youth
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QUALITY OF LIFE

*Optimism and trust
in decline*



EDITORIAL



The Social Investment package, which the European Commission put forward on 20 February 2013, is very much about turning challenges into opportunities. It provides an integrated framework for social policy reform to help individuals, families and society adapt preventively to challenges such as changing career patterns, new working conditions and an ageing population.

It might sound quite daring, in the face of such challenges - made all the more daunting by a prolonged economic crisis which has given rise to budgetary austerity - to call for prioritising human capital formation, flexibility and adaptability.

Yet several EU countries, to a varying extent, have already demonstrated that social investment is critical for achieving growth and cohesion. They started before the crisis broke out in 2008 but the crisis actually reinforces the social investment case, as evidence clearly shows that smart systems result in better social and economic outcomes.

The social investment case is also supported by the results of the latest Employment and Social Situation Quarterly Review. The social crisis in Europe keeps on worsening and the poorest are very often the hardest hit.

At the beginning of the crisis, social protection spending played a compensating role, stabilising the economy but since mid-2010, its impact has kept declining. This reduction of social spending is much stronger than in past recessions, partly reflecting the exceptional needs for fiscal consolidation in the context of the euro crisis.

“Turning challenges into opportunities”

But it is clear that governments need to invest in order to find the way to inclusive growth. Public investment like childcare, education, or support to active and healthy ageing must stay at the core of policies, even when national budgets are tight. Without such investment, many people are unable to participate in society or develop their (economic) potential, with negative effects on human capital, GDP and prosperity as a whole.

Koos Richelle

Director General of the European Commission's Employment, Social Affairs and Inclusion department

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NEWS IN BRIEF

22 March: EU help to redundant workers

The European Commission has made payments to Austria, Denmark, Finland, Italy, Romania, Spain and Sweden from the European Globalisation adjustment Fund. The total amount of €24.3 million will help 5 271 workers in those countries back into employment, following their dismissals in a wide variety of sectors including automotive, motorcycles, mobile phones, metal products, electronic equipment and social work activities.



Globalisation adjustment: EU contributes to helping metal workers back into employment.

21 March: implementing ILO domestic workers convention

The European Commission has presented a proposal for an EU Council of Ministers Decision authorising Member States to ratify the International Labour Organisation 2011 convention concerning decent work for domestic workers. Countries ratifying this convention agree to ensure fair and decent conditions for domestic workers by protecting their fundamental labour related rights, preventing abuse and violence and establishing safeguards for young domestic workers. They must also ensure

equal treatment between domestic workers and other workers as regards compensation and benefits, for example in the case of maternity. The convention also introduces an obligation to inform workers of the terms and details of their employment. On many issues, EU law is more protective than the convention. However, the Convention is more precise than EU law in the coverage of domestic workers by legislation and in other particular aspects of domestic work.

8 March: International Women's Day



Gender gap: almost a third of women having a young child worked part-time in 2011.

Almost a third of women and 5% of men having a young child worked part-time in 2011. A third of managers in the EU-27 were women. There were fewer female than male managers in all EU countries, with the highest proportions of female managers recorded in 2011 in Latvia (45%), Hungary (41%) and France (40%), and the lowest in Cyprus (15%), Greece (23%) and Malta (24%). In 2011, 85% of primary education teachers in the EU were women, with the highest percentages in the Czech Republic and Slovenia (both 97%), Italy, Lithuania and Hungary (all 96%), and the lowest in Denmark (69%), Luxembourg (74% in 2010) and Spain (75%). While there are also more female than male teachers at upper secondary education level in the EU, the pattern is less pronounced. On the other hand, at tertiary education level, there are fewer female than male academic staff (including lecturers and researchers) in the EU. In 2011 the proportion of female academic staff was 40% in the EU, with the highest percentages in Latvia (59%), Lithuania (55%) and Finland (50%), and the lowest in Malta (30%), the Czech Republic, France and Italy (all 36%).

NEWS IN BRIEF

4 March: European Commission launches Grand Coalition for Digital Jobs

European Commission President José Manuel Barroso called on Europe's digital businesses, governments, training and education sectors to join a Grand Coalition for Digital Jobs to address up to 900 000 job vacancies expected to exist in Europe in Information and Communication technologies (ICT) by 2015. Despite the current levels of unemployment, the number of digital jobs is growing by more than 100 000 per year. Yet the number of fresh ICT graduates and skilled ICT workers is not keeping up. President Barroso said: "The Grand Coalition we launch today is an essential

part of getting Europe's economy back on track and finding jobs for some of Europe's 26 million unemployed. I applaud those companies who have signed up today. If, together, we can turn the tide and fill the growing number of ICT vacancies, we will see a much wider impact across the whole economy. We want to empower Europeans to fill the jobs that will drive the next ICT revolution." The Commission also launched Startup Europe, a single platform for tools and programmes supporting people wanting to set up and grow web start-ups in Europe.

27 February: Women in Europe work 59 days 'for free'

16.2%: that is the size of the gender pay gap, or the average difference between women and men's hourly earnings across the EU, according to the latest figures released by the European Commission. The news came ahead of the 2013 European Equal Pay Day on 28 February. The EU-wide event marked the extra number of days that women would need to work to match the amount earned by men: currently 59 days, meaning this year the day falls on 28 February. To help tackle the pay gap, the Commission is highlighting a series of good practices by companies in Europe which have taken on the problem.



16.2%: the average difference between women and men's hourly earnings across the EU.

20 February: Commission urges EU countries to focus on growth and social cohesion

The European Commission called on EU Member States to prioritise social investment and to modernise their welfare states. This means better performing active inclusion strategies and a

more efficient and more effective use of social budgets. The call features in a Communication on Social Investment for Growth and Cohesion adopted by the Commission (see pages 14-22).

1 February: business and trade unions from across the EU discuss wage developments

László Andor, European Commissioner for Employment, Social Affairs and Inclusion, welcomed the first ever meeting at EU level of representatives of national trade unions and business organisations to exchange views on wage developments. They discussed

how wages have evolved in recent years in relation to productivity and what this has meant for domestic demand and employment in individual countries and the EU as a whole. They also discussed inequalities in wage distribution across income groups.

2014-20 EU BUDGETARY FRAMEWORK

A boost to the Youth Guarantee

The European Council has put forward
a Youth Employment Initiative



EU-wide guarantee: within four months of leaving formal education or becoming unemployed, young people up to the age of 25 must receive a good quality offer for a job, continued education, an apprenticeship or a traineeship.

A strong political signal was sent by the EU Heads of State and Governments (European Council) when on 7-8 February 2013 they agreed to a Youth Employment Initiative (YEI), with a budget of €6 billion for the period 2014-20. They did so as they negotiated their position on the EU's multiannual financial framework (MFF) for the next budgetary period.

The YEI's aim would be to add and reinforce the support to EU countries' action against youth unemployment and inactivity already provided by the EU structural funds, such as the European Social Fund (ESF) and the European Regional Development Fund. It would be open to all regions with levels of youth unemployment above 25%, on the basis of EU figures for 2012.

At least €3 billion would come from targeted investment through the ESF: Member States would have to top-up the

sums invested through this channel. The other €3 billion would come from a dedicated YEI budget line: this matching amount would not be subject to capping rules.

The European Council conclusions on the MFF explicitly refer to the Youth Employment Package adopted by the European Commission on 5 December 2012, which includes a proposal for a Recommendation on establishing a Youth Guarantee scheme - ensuring that within four months of leaving formal education or becoming unemployed, young people up to the age of 25 receive a good quality offer for a job, continued education, an apprenticeship or a traineeship.

The European Council also refers to two other proposals contained in the Youth Employment Package: a quality framework for traineeships, about which the European Commission is consulting the European trade unions and employer organisations;



Target group: supporting young people who are neither in education nor in employment or training.

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and a European Alliance for Apprenticeships which will bring together national and regional authorities, business and social partners, vocational education and training researchers and practitioners as well as youth representatives, in order to pool various streams of existing actions under a common umbrella and build up successful apprenticeship schemes (see *Social Agenda* n°32).

Just like the Youth Guarantee, the YEI would particularly support young people not in education, employment or training (NEETs, see box). If setting up the youth guarantee costs money, every month in unemployment costs even more money both to the young people themselves and to society at large. Hence the importance of acting quickly, within a maximum of four months after young people have left school or become unemployed.

Through the European Social Fund

The European Council also makes an explicit link between the YEI and the European Social Fund, in a context where for the first time, it agreed on a reduced overall EU budget and, in particular, on a reduced budget for cohesion policy.

Indeed, the YEI reinforces the case for the European Social Fund: the European Council makes it crystal clear that the YEI is designed to strengthen and accelerate the implementation of the Youth Guarantee. The extra €3 billion provided by the dedicated YEI budget line would be injected straight into European Social Fund programmes, knowing that NEETs will be an investment priority for the European Social Fund for the years 2014-20. This will be done in a transparent way, so that full visibility is granted to YEI initiatives.

Of course, even €6 billion is not enough to solve the youth unemployment issue in Europe. Yet channelling the YEI and the Youth Guarantees through the ESF system ensures complementarity with national funding and measures. It will encourage Member States to give priority and focus to this issue.

On 12 March, the European Commission proposed operational rules to implement the YEI and allow the Member States to

start using the resources immediately, as soon as the new 2014-2020 budget framework comes into force.

At the time of printing, the ball was in the hands of the European Parliament which, since the Lisbon Treaty came into force on 1 December 2009, has powers of co-decision on the MFF. The European Parliament has made repeated calls in favour of youth guarantee schemes, an area where there is clearly consensus among all EU institutions and at all levels of governance.

For more information:

Website: <http://ec.europa.eu/social/youthemployment>

Video: <http://ec.europa.eu/social/main.jsp?catId=669&langId=en>

NEET or unemployed?

In January 2013, the youth unemployment rate in the EU was more than twice as high as the adult rate, at 23.6%. There are 7.5 million young Europeans (aged 15-24) not in employment, education or training (NEET) in the EU.

Although the two statistical concepts of “unemployed” and “NEETs” partially overlap, they reflect differences which are significant of the difficult transition from school to work.

Some young people will not qualify themselves as “unemployed” because they have not yet made the transition to the labour market. The term “NEETs” will cover all those who are not employed and also not in education or training. Alternatively, some can consider themselves as “unemployed” whilst being in education and training, e.g. a student who is looking for a part-time job to finance his/her studies. These young people will not be covered by the “NEETs” figures.

EMPLOYMENT POLICY

EU skills panorama now on-line

Information in one click about trends in skills requirements in all EU countries



© Imageglobe
Matching skills: The EU Skills Panorama contains an in-depth analysis of the Information and Communication Technologies sector.

Since December 2012, an on-line EU Skills Panorama provides an overview of the skills in demand and on offer in each EU country, as well as the short and medium term skill trends in a number of sectors and occupations. It allows users to compare this information with the EU average and with other EU countries.

The Panorama also contains an in-depth analysis of the top growing and bottleneck occupations, of the Information and Communication Technologies (ICT) sector, as well as of skills that are key for Europe's competitiveness – ICT of course but also STEM (science, technology, engineering and maths), entrepreneurship, literacy and numeracy, and environmental awareness.

Analysis produced by European Sector Skills Councils (which bring together the employer and trade unions organisations and education and training institutions) will further update the Panorama. These sectoral fora will develop a better understanding of current and future trends in skills across economic sectors.

For the time being, the Panorama is mainly intended for policy-makers, researchers, recruitment and guidance services and practitioners. In the future, it will further develop to meet

the needs of jobseekers, employers and students, and inform career choices.

An EU skills strategy

By drawing together the relevant skills intelligence, the Skills Panorama lays the foundations for an EU skills strategy which will help the Member States design and implement their own national policies.

Despite record unemployment in Europe, 1.46 million job vacancies registered by the public employment services and published on the EURES Job Mobility Portal are unfilled throughout the EU - a figure that could in fact be as high as 4.5-5 million, if one takes into account the estimated number of vacancies not covered by public employment services! In 2011, long-term unemployment among low-skilled workers was four times higher than it was for highly skilled workers. The groups hardest hit by the crisis are the young, low-skilled and men.

But the crisis is only exacerbating a longer trend of decline in the share of low skilled workers in employment. Skill needs are constantly evolving. For example, hotel porters have had to adapt to on-line booking systems and electricians need to know how to install solar panels, which was not the case 15 years ago.



Skills governance

This is a structural challenge which calls for further up-skilling of the EU workforce. Hence the need to move away from the purely quantitative notion of “human capital”, measured in years of formal education and qualifications obtained, and to focus instead on the “skills” people actually use on the labour market (see box).

Based on the evidence collected and analysed through the Skills Panorama, the EU will better integrate skills policies in the European Semester process of economic policy coordination.

In the context of the next EU budgetary framework for the years 2014-2020, the European Social Fund (ESF) will be used to pro-actively guide and influence skills policies and investments according to the needs of the European labour market. Between 2007 and 2013, the ESF already proved to be a key source of skills investment, with over €30 billion programmed for skills acquisition and life-long learning.

For more information:

EU skills panorama website: <http://euskillspanorama.ec.europa.eu/>

Addressing the communication gap

Whereas education and training systems used to consider “learning” according to the time spent on learning and where the learning took place, employers were increasingly concerned with what workers actually knew, understood and were able to do in practice, rather than by formal qualifications.

This communication gap has been addressed. The world of education is increasingly describing qualifications with the knowledge, skills and competences they lead to. Moreover, there is a growing understanding on both sides of the importance of transversal skills and competences, such as communication skills, the ability to learn and entrepreneurship.

In 2008, the EU created the European Qualifications Framework (EQF): a translation device to make national qualifications more readable across Europe, thus promoting workers' and learners' mobility between countries and facilitating their lifelong learning.

The EQF aims to relate different countries' national qualifications systems to a common European reference framework. Individuals and employers can use the EQF to better understand and compare the qualification levels of different countries and different education and training systems. Since 2012, all new qualifications issued in some EU countries carry a reference to an appropriate EQF level.

The EQF is complemented by a classification of European Skills/Competences, qualifications and Occupations (ESCO) which the European Commission is developing together with stakeholders. ESCO will be the common language to make skills and competences understandable throughout Europe. It will go live in the autumn of 2013 and will enable skills-based online job matching.

According to the EQF and ESCO, “skills” means “the ability to apply knowledge and use know-how to complete tasks and solve problems”. They can be “cognitive” and involve the use of logical, intuitive and creative thinking, or “practical” and involve manual dexterity and the use of methods, materials, tools and instruments.

EUROPEAN SOCIAL FUND

Linking jobs and biodiversity

Workers will need new skills to help meet Europe's biodiversity objectives

Biodiversity describes the variety of living organisms on our planet and the many different ecosystems and habitats needed to support them. Preserving biodiversity is important because once a species becomes extinct, then it is lost forever – as are the benefits it offers.

Without bees to pollinate crops, the risk of food shortages is higher; loss of forests and wetlands lowers the capacity of natural systems to regulate climate change; and the extinction of plant species reduces our capacity to discover natural sources for new medicines – both aspirin and penicillin come from nature. Some 25% of European species and 62% of habitats are at risk.

For this reason, the EU Biodiversity Strategy published in 2011 aims to reverse the loss of biodiversity and preserve

the benefits this natural capital offers – both environmental and economic, including employment opportunities. The 'EU biodiversity objectives and the labour market' report investigates how the challenge of preserving biodiversity can create jobs. It also looks at the skill gaps in today's workforce that need to be closed if this challenge is to be met.

It identifies and analyses three job categories: Jobs involved in preserving biodiversity, such as conservation managers and wardens in natural parks; jobs which impact significantly on biodiversity, such as farmers and fisheries inspectors; and jobs which depend on biodiversity, such as biotechnologists, tourism operators and pharmaceutical researchers.

Strategic approach needed

The report points out that mapping skills shortages and training needs in biodiversity-related employment has only just begun in some EU countries. A more strategic approach to training opportunities is needed, it concludes. However, it sees important potential benefits for the labour market with a good number of higher-skilled, knowledge-intensive jobs required to meet biodiversity targets.

Better quality of jobs is also desirable to attract young, urban job-seekers into the field; and more diverse biodiversity skills among farm, fishery and forest workers will help sustainable employment in these declining sectors.

EU funding – including the European Social Fund – has an important role to play in cementing the links between employment and biodiversity preservation across all three job categories. The report highlights the opportunities that biodiversity jobs offer to unemployed and disadvantaged groups of job-seekers.



Bearing fruit: more diverse biodiversity skills among farm workers will help sustainable employment in this sector.

For more information:

<http://ec.europa.eu/esf/main.jsp?langId=en&catId=67&newSId=8086>

Dismantling barriers to effective EU citizenship

2013 is the European Year of Citizens



Dialogue with citizens: European Commission Vice-President Viviane Reding at a European Year Citizens' Dialogue. Such dialogues will continue into 2014, European Parliament election year.

On 1 November 1993, the Maastricht Treaty on the European Union came into force and created the notion of citizenship of the EU, with an accompanying set of concrete rights. Today, 8 out of 10 citizens of the EU Member States know that they are also citizens of the EU but only a third is aware of the specific rights attached to their EU citizenship. The aim of the European Year is therefore to raise awareness of those rights.

The European Year also aims to fight the remaining barriers preventing EU citizens from exercising these rights, an issue that will receive particular attention in the 2013 edition of the EU Citizenship Report, to be published by the European Commission on 9 May 2013.

And the third aim of the European Year is to engage in a direct debate between European Commissioners and citizens about where citizens want the EU to be in ten years' time. The Commission has therefore begun a large-scale, open and EU-wide debate about the future of the EU and about what has been achieved so far. The resulting series of 'Citizens' Dialogues'—high-profile town hall debates—will continue into 2014, the European Parliament election year, and cover all EU Member States.

A key partner for the Commission is the European Year of Citizens Alliance (EYCA), a grouping of approximately 60 European networks of Non-Governmental Organisations (NGOs) interested in European citizenship issues, themselves representing hundreds of civil society organisations across the EU. The Alliance's national branches meet regularly with the European Commission's Representation Offices, the national authorities and the European Parliament's Information Offices in each EU country, to organise workshops, seminars, celebratory events and social media actions for the European Year.

The EYCA Alliance will present the EU institutions with policy advice from the point of view of civil society, on three issues in particular: civic dialogues and citizens' participation; social, economic and political citizenship; and inclusive citizenship for all.

Genuine economic and monetary union

In addition to EU citizenship, the Maastricht Treaty also paved the way for a European Economic and Monetary Union (EMU) and its single currency, the Euro. But the present crisis has revealed that the EMU needs to be reformed.



Life cycle: the social investment package adopted by the European Commission on 20 February aims to empower citizens throughout their life course.

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In 2012, the European Commission produced a Blueprint for EU Treaty change. The presidents of the EU Council, European Commission, Eurogroup and European Central Bank then produced a report entitled “Towards a genuine Economic and Monetary Union”. The Commission will follow up with its own proposals for Treaty change. In the first quarter of 2014, the European Commission will produce a policy report based on

the outcomes of the European Year’s activities, to help inform this process.

For more information:

<http://europa.eu/citizens-2013>

Looking for work abroad: an EU right

In general, in order to receive unemployment benefits, you need to stay in the country which pays your benefits. However, under certain conditions you can go to another EU country - in this case, the 27 EU Member States plus Iceland, Liechtenstein, Norway and Switzerland - to look for work and continue to receive your unemployment benefits from the country where you became unemployed.

You can stay in another country for up to 3 months but the employment services of the country paying the benefits might let you stay away for up to 6 months if you ask. You can only do this if you are wholly unemployed (not partially or intermittently) and entitled to receive unemployment benefits in the country where you became unemployed.

Before leaving, you must have been registered as an unemployed jobseeker with the employment services in the country where you became unemployed for at least four weeks (exceptions can be made). You must also apply for permission (a U2 form) to export your unemployment benefits from your national employment services. This authorisation is valid for one country only. If you wish to export your unemployment benefits to another country, you need to apply for another U2 form. Ask your job centre whether you will have to go back home to apply

for this new authorisation or whether you can do it remotely.

On arrival in the new country, you will need to register as a jobseeker with the national employment services within seven days from the date on which you ceased to be available to the employment services in the country you left. You will then be paid the same amount as before, directly to your bank account in the country where you became unemployed. If you want to keep your entitlement to the unemployment benefits, be sure to return to the country paying your unemployment benefits before or on the day your entitlement expires. If you come from Romania or Bulgaria, there may be rules temporarily restricting your right to work in some other EU countries.

When looking for work abroad, you have the same rights as nationals of your host country with regard to access to work, support from employment services and financial support to help you find work. Your new country might wait until you have established a genuine link with the local employment market before granting some types of financial support to help you find work — such as low-interest loans for unemployed people starting a business. Being in the country and looking for work for a reasonable amount of time may count as a genuine link.

http://europa.eu/youreurope/citizens/work/job-search/transferring-unemployment-benefits/index_en.htm#

Optimism and trust in decline

The first EU-wide quality of life survey to come out since the present crisis broke out



Single parent households: It is important to address not only their income situation but also their social and employment integration.

In November 2012, the Dublin-based European Foundation for the Improvement of Living and Working Conditions (Eurofound) published the third wave of the European Quality of Life Survey since 2003. The overview report of the Survey examines a range of issues such as unemployment, income, housing and living conditions, family, health, work-life balance, life satisfaction and the perceived quality of society.

Based on the interview of 35 516 people in all EU countries, the Survey shows that while overall life satisfaction levels have not changed much since the previous Survey, which was published in 2007, optimism about the future and trust in institutions have declined markedly in those countries most affected by the downturn. Declines of over 20% in levels of optimism and

happiness are reported in some countries and over a third of people indicate a deteriorating financial situation over the past five years. Optimism about the future was expressed by fewer than 30% of people in Greece, Slovakia and Portugal and by over 80% in Denmark and Sweden.

Compared to 2007, more people who had good income and were in good quality housing are now struggling with unemployment, debts, housing insecurity and access to services. Groups that were already vulnerable – the long-term unemployed, older people in Central and Eastern Europe and single parents – report the highest level of material deprivation and dissatisfaction with their life situation.

More difficult to make ends meet

7% report “great difficulty” in making ends meet, with large differences between Member States, ranging from 22% in Greece to 1% in Finland. When asked to whom they would turn when urgently in need of money, most Europeans (70%) would ask a member of their family or a relative for a loan. Another 12% would ask a friend, neighbour or someone else, while 8% would turn to a service provider or institution. One out of ten report they would not be able to ask anybody: this was particularly true among people in the lowest income quartile (15%). Not surprisingly, people not only default on payments to formal creditors (banks, utility providers) but also, for 8% of them, to friends and family.

People with low incomes are more likely to have experienced negative financial consequences in the previous twelve months and to report more difficulties in making ends meet. This group also reports more problems with work-life balance, health and access to health services. Unemployment has a negative impact on subjective well-being. The highest level of social exclusion is found among the long-term unemployed.

Levels of satisfaction with one’s personal situation remain relatively high across the EU, higher than satisfaction with the quality of society or the local environment. Yet over one in three



No longer: Since 2007, more people who had good income and were in good quality housing are now struggling with unemployment, debts, housing insecurity and access to services.

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respondents said that their financial situation was worse than twelve months previous – particularly people with low incomes and those in the 50 to 64 age bracket. The most vulnerable groups – the lowest income quartile, the unemployed, older people in central and Eastern Europe – show the greatest decline in subjective well-being between the surveys.

Family continues to play a major role in all countries as the basis of social contacts and the main source of support in meeting daily or urgent needs. Involvement in unpaid work, notably childcare and care of the elderly, remains at a high level. There is declining trust in public institutions, specifically

in governments and parliaments at national level. This is particularly evident in the countries most affected by the economic crisis.

Further reports on subjective well-being, social inequalities, quality of society and public services and trends in quality of life over the three survey waves, will follow in the months to come.

For more information:

<http://www.eurofound.europa.eu/surveys/eqls/2011/>

From quality of life to social investment

Several of the policy pointers that emerge from the third Quality of Life Survey confirm the recommendations put forward by the European Commission when it adopted a Social Investment Package on 20 February 2013 (see the special feature, pages 14 to 22):

- **Health** inequalities in general but especially the poor health of older people in Central and Eastern Europe, demands attention.
- While the focus for policy-makers should be primarily directed at vulnerable groups, attention should also be paid to the situation of people who, at first sight, seem advantaged but who are in fact struggling with problems related to **employment, debt, housing insecurity and access to services**.
- There is a need to recognise workers, generally **women**, who have the burden of regular eldercare responsibilities.
- Social tensions are experienced in particular by the **most disadvantaged** and trust in institutions is particularly low among them.
- While quality of **housing** appears to have improved for many, perceived security of tenure has declined, particularly among people with a mortgage, and this was noticeable in all income groups. Measures are needed to increase housing security, and prevent hardship.
- **Single parent households** are shown to be disadvantaged in most domains of quality of life. It is important to address not only the income situation of these households but also their social and employment integration.

Social investment for growth and cohesion

Using scarce resources better by investing in human capital and social protection

On 20 February, the European Commission put forward a Social Investment Package for Growth and Cohesion urging EU Member States, within existing budgetary constraints, to shift their focus to investing in human capital and social cohesion.

This special feature provides an explanation of the overall social investment approach called for by the Commission, which a few EU countries have already adopted to a certain extent but which, in any case, requires constant reviewing and adaptation.

It is about overcoming the crisis and using scarce resources better by investing in social protection as a productive factor, so that the most disadvantaged people receive a boost when they need it most.

It is also about creating a new gender-balanced and enabling society, in the face of challenges such as a rapidly ageing society and a shrinking work force.

Life-cycle approach

The special feature then puts the spotlight on key aspects of the Package: investing in children, an issue which epitomizes the life-cycle approach of social investment; the enabling and activating characteristics of social investment; and health, long term care and homelessness, which require a much more integrated, preventative and holistic approach than is presently the case.

Finally, it puts into context the conference on the implementation of the Social Investment Package which the Irish Presidency of the EU Council is organising, together with the European Commission, in Leuven (Belgium) on 2-3 May. The aim here is to help Member States take ownership of the social investment approach and implement it by deeply involving as many stakeholders as possible.

For more information:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1807&furtherNews=yes>



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Investing in children: social investment is a life-cycle approach which starts with easy access to quality childcare and early schooling.



Children-friendly: increasing pre-schooling education of children by one year leads to a ten-fold increase in school outcome at the age of 15.

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Breaking the economic and social silos

Win-win social investment benefits individuals, society at large and the economy

The social crisis keeps worsening, poverty and inequalities are increasing and unemployment is reaching record heights, while budgets are under pressure. At the same time, Europe's population is ageing and dependency ratios are increasing. This double challenge calls for re-examining how we can sustain our welfare systems. Furthermore, the EU is off track in its endeavour to reach the Europe 2020 targets on increasing employment, reducing poverty and social exclusion and tackling early school leaving.

Inaction is not an option. In order to preserve our social models and reach the Europe 2020 targets, Member States must focus on investment in human capital and social cohesion. The Social Investment Package offers a strategy for achieving this.

Early childhood education

Social investment means policies aimed at strengthening people's skills and capacities, while facilitating their participation in society and the economy. Examples of social investment are early childhood education and care, prevention of early school leaving, promotion of lifelong learning, training and job-search assistance, housing support, accessible health services and making it easier to live independently in old age.

For instance, increasing pre-schooling education of children by one year leads to a ten-fold increase in school outcome at the age of 15, better employment prospects and, in the long run, a more competitive and inclusive economy. Investing in quality childcare and education therefore produces returns for the child itself but also for the parents, the economy and society as a whole.

Countries that have made the most sustained commitment to social investment have weathered the challenges best. They have lower rates of people at risk of poverty or social exclusion, higher educational attainment, higher employment, lower deficits, and higher GDP per capita. For example, the Nordic countries and the Netherlands have applied a social investment paradigm. Other countries are implementing certain aspects of it, e.g. Belgium and France for family policies.

Guidance and support

Sound social spending must be viewed not as remedial action, but as an investment in the future. That is the basic idea behind the Social Investment Package for Growth and Cohesion which the Commission adopted on 20 February 2013. The Package provides guidance and support for Member States to reform

SPECIAL FEATURE

their social welfare systems and reach the Europe2020 targets. It also highlights ways to render social protection more adequate and sustainable, invest in people's skills and capabilities, and increase the efficiency and effectiveness of social spending.

The Package consists of a Communication which provides the policy framework and a Recommendation on "Investing in children – breaking the cycle of disadvantage". It also contains a series of "Staff Working Documents" which develop different aspects of social reforms needed: active inclusion, health, homelessness, long term care, social services of general interest, evidence on demographic and social trends, and how EU countries should implement the Social Investment Package with the help of EU funds, in particular the European Social Fund.

The Youth Guarantee, which the European Commission put forward in December 2012 - schemes ensuring that at least within four months of leaving formal education or becoming unemployed, young people up to the age of 25 receive a good quality offer for a job, continued education, an apprenticeship or a traineeship (see p.6) – is another example of social investment.

Better use of scarce resources

As President Barroso said in his State of the Union address in September 2012, *"it is precisely those European countries with the most effective social protection systems and with the most developed social partnerships that are among the most successful and competitive economies in the world."* There is indeed a close correlation between well-designed social spending and competitiveness. The fact that some countries have better social outcomes than others, while having similar

budgets, shows that there is room for improved efficiency in social policy spending.

Multiple benefits, agencies, and assessment methods in some countries lead to extra administrative costs, a waste of time and effort for the beneficiaries and difficulties in taking up benefits by those who are entitled to support. It also makes it harder to provide individualised, integrated support that responds to people's complex situations. Simplifying benefit systems through, for example, one-stop-shops to access benefits and services, addresses these problems and leads to efficiency gains. Improving the targeting of social policies can ensure that those most in need receive adequate support while reducing the burden on public finances.

Gender disadvantage

The Package also highlights the need to address the challenges posed by continued gender disadvantage. Women today earn considerably lower pay for work of equal value, and are also concentrated in jobs that pay less. More women also work part-time, and many women do not have the opportunity to work at all because of difficulties in reconciling work and family life. As a result, 12 million more women than men are living in poverty across the EU-27.

The package calls on Member States to take measures to close the gender pay gap and address barriers to women's ability to achieve economic independence and fulfil individual aspirations. This includes labour market regulations to address workplace discrimination, measures to reconcile work and family responsibilities, and quality, accessible childcare services.



Simplification: Having one-stop shops for social services and benefits would help deliver the right kind of service to the people who need it most and when they need it most

SPECIAL FEATURE

Alongside the need to come to efficiency gains in social spending, there is an equal need to ensure that people in direst need of support have a basic income. Such an income must ensure a decent life while helping people to be motivated and activated to work.

To this end, the Commission will develop a methodology for “reference budgets”. These are based on evaluating the cost of a basket of basic goods and services that a family of a specific size and composition needs to be able to live, at a designated level of wellbeing, along with the estimated costs thereof. This allows administrations and governments to provide adequate income support to people, according to their particular situation (e.g. unemployed, with two children etc.).

30-40% of the public budget

The present crisis has demonstrated that policy silos need to be broken and that it is no longer relevant to perceive social and economic policy as two separate strands. Rather, it is a matter of making the most of the available financial resources and of better using the human resources – the people of the European Union. In some EU Member States, social policies amount to 30-40% of the public budget. They are bound, therefore, to have a considerable impact on the macro-economic balance and on the fiscal situation of these countries.

The fact that similar social budgets produce very different outcomes, from one country to another, puts the spotlight on how these policies are designed and interact between themselves,



Filling in the tax form: In some EU countries, social policies amount to 30-40% of the public budget and have a considerable impact on the fiscal situation.

as well as with other policies. Action or inaction in one EU country has an impact on the others. Investing in human capital creates a catalyst for competitiveness and economic growth in a globalised world.

Since 2010, the European Commission has been rallying together its different services, the other EU institutions and European civil society organisations in a bid to achieve the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth: in particular ensuring that 75% of the EU working age population be employed and that the number of people living in poverty or at risk of poverty be reduced 20 million by 2020.

European governance

With the Social Investment Package, the European Commission sets out a policy framework for Member States to redirect policies, where needed, towards social investment throughout life. Progress will be monitored in the framework of the European Semester. In addition, the Commission will provide Member States with policy expertise, capacity building and support for exchange of good practice and co-operation through the Social Protection Committee.

Moreover, the Commission has made EU funds available to support the implementation of the SIP. For the next multi-annual financial framework 2014-2020, the Commission has made a number of proposals in this direction. It has proposed increasing the share of cohesion policy funding to the ESF, corresponding to at least €84 billion for the ESF budget, and that at least 20% of total European Social Fund (ESF) resources will be used for ‘promoting social inclusion and combating poverty’. Further financing is available from the European Regional Development Fund, notably for investing in health, social, childcare, housing and education infrastructure.

The proposed new Programme for Social Change and Innovation, with a budget of €958 million, will support the development of social investment policies, sharing of best practices, capacity-building, and testing of social innovations, with the aim to scale-up the most successful. Lastly, the Commission has also proposed a new Fund for European Aid to the Most Deprived with a budget of €2.5 billion to complement EU Member States’ action for providing food and clothes to the poorest children and homeless people.

For more information:

<http://ec.europa.eu/social/main.jsp?catId=750&langId=en&newSId=1807&moreDocuments=yes&tableName=news>

Investing in children

Early childcare and education are key to breaking the cycle of disadvantage



Empowering children: The very first years of childhood, between 0 and 3 years old, have a very strong impact on children's outcome later.

Failure to “socially invest” in children’s up-bringing and education would make it difficult for many to live up, as adults, to their full human, social and economic potential. This in turn could jeopardise the prosperity of the next generations of Europeans and generate higher costs to the EU countries’ welfare state. Hence the title of the Recommendation the European Commission adopted on 20 February as part of the Social Investment Package: “Investing in children: breaking the cycle of disadvantage”.

Beyond addressing the issue of material disadvantage, the Recommendation is about investing in children and empowering them. The very first years of childhood, between 0 and 3 years old, have a very strong impact on children’s outcome later. The Commission is therefore pushing for better access to early childhood education, an area where the EU countries are lagging behind for this age group - with huge differences between each country.

Disadvantaged children suffer most from this situation because, in many cases, their parents are not working. Besides, many children of migrants will stay with their family until quite late and therefore lag behind in acquiring the language and social skills of the welcoming country by the time they are 3 or 4.

Mobilising EU instruments

The European Commission advises to look closely at the impact of policy reforms on children. The Europe 2020 strategy can play an important role in this respect. The Commission and the national governments are thus monitoring progress in the EU countries that have received specific recommendations in this area (such as Bulgaria, the UK or Spain) and the Commission is assessing to what extent new recommendations should be issued this year.

Improving monitoring tools is also essential and current EU level indicators could be improved in four areas: childcare (the present indicator shows how many children are in formal child care but it does not explain why, e.g. it does not address the issue of affordability); children deprivation (work is on-going at EU level to develop such an indicator); children’s health (data on health inequality and its impact on children is scarce); and on children in the most vulnerable situations (e.g. Roma children, homeless children, children from migrant families).

The future 2014-2020 EU budget should provide opportunities for social investment in children, with a strong focus for both the European Social Fund and the European Regional Development Fund on issues such as early childhood education and care and quality alternative care, not to mention the up and coming Fund for European Aid to the Most deprived (see Social Agenda n°32) which, from 2014 onwards, will address children’s material deprivation, through the provision of food and goods adapted to their needs.

SPECIAL FEATURE

Integrating enabling and activating policies

The countries that have the best social inclusion record combine income support, inclusive labour markets and access to services

Social investment seeks to develop human capital, thus improving people's ability to participate in the labour market. It prevents the greater social and economic costs that arise from an unskilled workforce and people experiencing social exclusion.

One way of doing this is to pursue "enabling" policies that help individuals get back into society (through health care, early child care and education, and access to services such as basic payment accounts, internet, transport) and "activating" policies (such as job placement services, training and job creation programmes).

In times of crisis, it is particularly important to invest in human capital, especially for the people who are the furthest away from the labour market, providing them with skills and ensuring that those skills remain up-to-date so that they may find a job as soon as possible.

Active inclusion

One of the documents included in the Social Investment Package adopted by the European Commission on 20 February 2013, assesses how the EU Member States have implemented the Commission Recommendation on Active Inclusion of 2008. This Recommendation called for an integrated approach combining adequate income support, inclusive labour markets and access to quality services.

The assessment looks at coverage, adequacy and take-up rates of the various benefits, the amount of money spent on activating labour market policies, the rate of participation in activating measures and the way activity and unemployment traps interact. It also looks, for instance, at the rate of participation in various services, e.g. the use of formal childcare, or the participation in education of low-income people.

Four years later, there have been disappointingly little policy developments along those lines. However, the countries that have the most solid social protection systems (income support



The key to success: combining adequate income support, inclusive labour markets and access to quality services.

but also activating policies and accessible services) are also the ones where the active inclusion indicators are most positive, by a long way.

Closing the gaps

No EU Member State has a perfect record. This is why the Social Investment Package calls, *inter alia*, for better income support through the reference budgets methodology (the cost of a basic basket of goods and services), as well as one-stop shops to make services more accessible, and individual contracts that set out the rights and obligations between service providers and the participants.

The European Commission, in cooperation with the Member States, will support these efforts by developing a common methodology for the reference budgets. It will also provide technical and financial support for the implementation of one-stop-shops to reduce administrative burdens and provide better targeting of benefits and services. And it will explore the possibilities of having individual contracts to strengthen mutual responsibility between State and citizen.

Investing in health throughout life

A value in itself, health is also a precondition for economic prosperity

Investing in health can lead to smarter spending while securing better health outcomes. Social inclusion and economic productivity can be substantially improved by universal access to safe, high-quality and efficient healthcare services, better cooperation between social and healthcare services, as well as effective public health policies that prevent chronic disease. "Investing in health" is in fact the title of a "Staff Working Document" included in the Social Investment Package.

For the same amount of money, some EU Member States attain very different clinical results, e.g. in the treatment of cancer. Addressing such discrepancies requires exchanging good practices between countries and more cooperation between the health, social protection and financial authorities. It is clearly not simply a matter of how much you spend in health but of how you spend it. Health is now addressed in a comprehensive way through the EU's European Semester annual economic coordination process.

Human capital

It is also important to invest in people's health to protect the EU's human capital. A well-functioning work force requires timely access to quality healthcare, in a preventative approach. This in turn entails looking at lifestyles and working conditions.

In policy terms, healthcare should go hand in hand with social policies in the wide sense: health condition largely depends on the level of education, employment, wages, and living conditions. There is a strong connection between low skills, bad living conditions, unhealthy lifestyles, bad teeth (dental treatment is badly reimbursed in all EU Member States) and being subject to obesity. Fighting health inequalities therefore requires combining a host of different policies, with a focus on ensuring access to basic services for those who are the furthest away from the labour market.

Long term care

Moreover, low skills and low income entail lower healthy life expectation and, as a result, longer care. In another document specifically dedicated to long-term care in ageing societies, the Social Investment Package looks into the way EU countries deliver care and how they can continue to do so as the number of people above 80 years-old triples.

Good returns can be provided by a social investment strategy combining a strong emphasis on prevention and rehabilitation, with measures to enable people to live independently even as they develop functional limitations, as well as a substantial rise in the productivity of care delivery.



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Healthy work force: timely access to quality healthcare, in a preventative approach, entails looking at lifestyles and working conditions.

SPECIAL FEATURE

Tackling homelessness at the roots

An integrated and preventative approach to a phenomenon on the rise



Homeless football world cup: on the increase in the EU, homelessness affects ever younger people and entire families.

Homelessness is probably the most severe form of poverty and deprivation. Having a home is a pre-condition of a dignified, healthy and productive life. However, common policy responses, including shelter-based approaches or criminalization, tend to maintain rather than eliminate homelessness.

Different parts of the Social Investment Package point out the need to improve access to housing as part of active inclusion policies, or call for the prevention of child homelessness. The Package also contains a document specifically devoted to this particularly dramatic issue.

Homelessness often occurs due to a combination of risk factors: unemployment, intensive migration, turbulences in the housing and mortgage markets leading to evictions...

It seems to have risen almost everywhere in Europe since the onset of the crisis. In 2009 already, about 410 000 people were sleeping rough or in an emergency shelter on any given night

in the European Union. It has also changed in nature, affecting ever younger people, entire families even, Roma people and migrants.

Prevention is the key

Prevention has shown to be the most cost-efficient and harm-minimising approach to homelessness. General prevention programmes should target the root causes of homelessness.

For example, providing people leaving public institutions - such as orphanages, hospitals or prisons - with advice and support can help them avoid homelessness.

Evictions may successfully be avoided through early intervention, supporting services and protective financial schemes. In fact, the European Commission has proposed a law on credit agreements related to residential property and urged Member States to revise their safeguard measures against evictions.

Welfare and other supportive policies as well as public, private and non-profit sector actors need to be mobilised in a coordinated manner to successfully address the complex causes of homelessness. Therefore Member States, who have the primary competence to fight homelessness, are called to implement integrated strategies, aimed at the permanent re-housing of homeless people and their full reintegration into the society.

The first step in view of implementing an integrated evidence-based strategy against homelessness, is improving the quality of data. To this end, the European Commission encourages the use of the ETHOS (European Typology of Homelessness and Housing Exclusion) common reference framework throughout the EU.

The European Commission continues to support Member States in many ways in their efforts to tackle and monitor homelessness. Different EU funds such as the European Social Fund, the European Regional Development Fund or the European Commission's PROGRESS programme can (co-)finance targeted actions enabling e.g. a better access to affordable housing, quality homelessness services or subsidising EU homelessness networks.

SPECIAL FEATURE

The partnership approach

The key to implementing social investment is involving a wide range of stakeholders

How best to give practical effect to the principles and actions outlined in the social investment policy package, put forward by the European Commission on 20 February 2013?

On 2 and 3 May, the European Commission and the Presidency of the EU Council of Ministers are organising a conference on "Investment, innovation and involvement" in Leuven, Belgium. It brings together potential social investment actors from all EU countries: national officials from various departments (social affairs, education and finance...), elected representatives, civil society, social partners, the private sector...

Indeed, the key to social investment implementation is national governments' capacity to involve a wide range of stakeholders in the process. This is the case already in Denmark and Sweden, where the social investment approach is most advanced, but also Ireland, which happens to hold the rotating EU Council presidency.

The first day of the conference will look back at the EU's achievements so far in the area of social policy and stress the necessity of reforming welfare systems in line with a social investment approach. The second day will be devoted to workshops on the investment, innovation and involvement aspects. The final plenary sessions will draw the conclusions on the next steps to be taken to implement the Social Investment Package.

Early consultation

In December 2012 already, as part of an early consultation on the Social Investment Package, the European Commission had

paved the ground by giving stakeholders the opportunity to air their views on issues such as the gender dimension of poverty and how digital technologies can contribute to social inclusion (see Social Agenda n°31).

This took place during the second Annual Convention of the European Platform against Poverty and Social Exclusion, the flagship initiative created by the European Commission to achieve the inclusive growth target of reducing the number of people living in poverty and social exclusion by 20 million, by 2020.

Successfully implementing the Social Investment Package will require working together with all stakeholders. The European Commission is discussing this issue with representatives of the EU countries in the Social Protection Committee and in broader Council formations.

Moreover, the Commission is preparing guidelines to help future European Social Fund activities support the implementation of the Package. It will also engage further with civil society, especially through the Platform against Poverty, to encourage a wider debate.

For more information:

Video of the second annual convention: <http://ec.europa.eu/social/main.jsp?catId=961&langId=en>



First concerned: the key to social investment implementation is national governments' capacity to involve a wide range of stakeholders in the process.

ACTIVE AGEING AND SOLIDARITY BETWEEN GENERATIONS

Beyond European Year 2012

The aims identified during the European Year will be implemented through the Social Investment Package

The European Year for Active Ageing and Solidarity between generations 2012 may be over but more efforts are needed to improve the conditions for active ageing in European societies. Thus, the European Commission will promote active ageing in the employment, social affairs and inclusion policy area in several ways.

In the main policy paper of the Social Investment Package which the European Commission adopted on 20 February 2013 (see special feature, pages 14 to 22), changing demographics is listed as the number one challenge, requiring a new approach to social policy. The document specifically refers to healthy and active ageing policies that enable people to make the most of their potential. The Package also contains a specific analytical document devoted to long-term care (LTC) which addresses the question of how to create better conditions for independent living.

The policy paper also refers to the Guiding Principles on Active Ageing, which were endorsed by the EU Social Affairs ministers on 6 December 2012 (see box). They were addressed to the EU countries, regions and cities, companies etc., which all have a role to play in further improving the conditions for active ageing over the coming years. The Guiding Principles could serve as a useful basis for discussions between different authorities and stakeholders on how they can get together and reach certain goals.

Indeed the European Year has shown that promoting active ageing calls for integrated policy-making, involving many levels of government as well as departments and agencies responsible for many different policy areas. To facilitate this process, the Commission plans to offer financial support for the development of comprehensive active-ageing strategies, through a call for proposals.

New Active Ageing Index

Setting goals for integrated strategies requires good indicators. As part of the legacy of European Year 2012, the European Commission, the United Nations Economic Commission for Europe (UNECE) and the Vienna-based European Centre for Social Policy and reform have developed an Active Ageing Index (see box). Its aim is to point to the untapped potential of older people for more active participation in employment and in social life, as well as for independent living. This is crucial to ensure prosperity for all generations in ageing societies. It will help the EU countries identify challenges and unrealised potentials and monitor progress in the area of active ageing.

In the coming years, together with the World Health Organisation, the European Commission is planning to set up a European network of age-friendly cities. This project would bring together



Untapped potential: an Active Ageing Index now monitors progress in fulfilling the potential of older people for more active participation in employment, in social life and for independent living.



Pension reform demonstration: the European Commission sends recommendations to the Member States through the European Semester of annual economic policy coordination.

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key stakeholders with the aim of overcoming potential barriers to innovation. It would feed into the European Innovation Partnership on Active and Healthy Ageing, which aims to increase the average individual's healthy lifespan by two years by 2020.

Active ageing is also critical for the sustainability of pension systems. In a context of rising life expectancy, combined with a shrinking working-age population, decent pensions at a reasonable cost can only be ensured by maintaining a good balance between the years spent working and the years spent in

retirement. The general thrust of the White paper on pension reform, published by the European Commission in February 2012, has been translated into specific recommendations addressed to several EU countries through the European Semester process of annual economic policy coordination.

For more information:
<http://europa.eu/ey2012/>

Guiding principles

Nineteen guiding principles in the areas of employment, social participation and independent living were adopted by the EU Council of Ministers at the end of the European Year for Active Ageing and Solidarity between Generations 2012.

As far as employment is concerned, the first recommendation is to offer women and men of all ages access to (and participation in) education, training and skills development allowing them (re-)entry into (and to fully participate in) the labour market through quality jobs.

Income security comes first under "participation in society", with a recommendation to put in place systems that provide incomes in old age, preserving the financial autonomy of older people and enabling them to live in dignity.

While the section on independent living starts with health promotion and disease prevention: taking measures to maximise healthy life years for women and men and reduce the risk of dependency through the implementation of health promotion and disease prevention, as well as providing opportunities for physical and mental activity adapted to the capacities of older people.

Active Ageing index

The Active Ageing Index ranks countries by the scores achieved overall and in four specific domains: contribution through paid (employment) and unpaid (participation in society) activities, independent and autonomous living and the capacity for active and healthy ageing (enabling environment).

The Beatles wondered whether we would still be loved at 66 but 55 is the marker as far as the Active Ageing Index is concerned. Indeed, its fourth domain measures remaining life expectancy and the share of healthy life expectancy at 55, as well as mental well-being, the use of information and communication technologies, social connectedness and educational attainment at that age.

Sweden ranks first in the overall Active Ageing Index but only leads in two of the domain-specific indices: employment and the capacity for active ageing. Ireland and Denmark fare best in the "social participation" and "independent living" domains.

OTHER
VOICES

A growing Europe is a **social investment** Europe!



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Anton Hemerijck: "The belief that unfettered markets are key to prosperity, and income inequalities inevitable if we are to reap the fruits of globalization, should really be shelved".

The Social Investment Package put forward by the European Commission on 20 February convincingly shows how social investments "crowd in" private economy initiative through high long-term employment and productivity returns. This is a paradigm shift, away from the hegemonic economic policy proposition that there has to be a "trade-off" between social equity and economic efficiency.

However, to Euro zone member countries in dire fiscal straits today, the social investment message is lost. Fiscal consolidation requires them to slash active labour market policies and retrench preventive health care programs. This, in the long run, critically erodes job opportunities for men and women and, thereby, the capacity of the economy to shoulder the ageing burden. Cuts in family and child care services and in working life/private life reconciliation measures, by the same token, hamper future female employment and, as a result, intensify child and family poverty in the most vulnerable economies of the European Union.

On the basis of the well-researched comparative study contained in the Package, the belief that unfettered markets are key to prosperity and income inequalities inevitable if we are to

reap the fruits of globalization, should really be shelved! Active social spending does not "crowd out" growth, and generous welfare states are not recipes for economic declines, as the Nordic experience testifies.

Social investment can no longer be dismissed as a "fair weather" policy when times get rough. European policy makers are confronted with the truly existential economic, political and social challenge of addressing prevailing trade and competitiveness asymmetries by forging viable economic adjustment strategies that do justice to the important macro-economic returns of the social investment approach.

Because of ageing, human capital cannot be allowed to go to waste through semi-permanent inactivity, as was the case in the 1980s and 1990s in many mature continental European welfare states. For these reasons, social investment must be anchored in a Euro zone macroeconomic and budgetary governance in order to support sustainable growth in the real European economy.

However, there is a real risk that the balanced set of objectives contained in the Social Investment Package, will be lost in the urge for front-loading (pro-cyclical) austerity, conjuring up a spectre of a lost decade for Europe, worse than the one experienced by Japan since the early 1990s.

The EU needs a New Deal between countries which are in better budgetary shape and have pursued social investment strategies more consistently in the past, and countries which have been less consistent with regard to social investment than one may have wished and therefore experience dramatic budgetary situations.

The macro-economic policy regime that is required is one wherein all governments pursue budgetary discipline and social investment over the medium and long run, and are effectively supported therein. To convince the larger European democratic publics, in terms of political legitimacy and in a way that is consistent with standards of social fairness, such a macro strategy should be tangibly based on a well-articulated vision of a 'caring Europe' – a Europe that cares about people's daily lives and future social wellbeing.

Anton Hemerijck

Dean of the Faculty of Social Sciences
VU University, Amsterdam

Detlef Eckert: "By moving within the EU, young people will get a job and we will get more Europe".

INTERVIEW



Detlef Eckert is European Commission Director for Employment policies since 1 January 2013

Focusing on where the EU can make a difference

You were previously a director at the Information Society and Media department of the European Commission. Information and communication technologies (ICT) are one of those areas with the greatest employment potential!

Indeed, the whole economy is now becoming digital, so the labour market will also be affected. We need to be part of it. We need more people with ICT skills. On 4-5 March, together with the three other Commission departments (Communications networks, content and technology, Education and Culture and Enterprise), we launched a Grand Coalition for ICT jobs. Together, we want to tackle the paradox that we have so many unemployed people and yet so many unfilled jobs! The key here is skills development (see page 8) and geographical mobility within the EU.

Soon after you took up your position as Employment policy Director, the European Council agreed to a Youth Employment Initiative for the next EU budgetary framework 2014-20, giving a boost to the Youth Guarantee that the Commission put forward in December 2012 (see page 6).

Here we have an opportunity to focus our resources in an area where the EU can make a difference. Generating youth employment is probably one of the most needed and urgent thing to do. A commitment has been taken at the highest possible level, against which the Member States will be measured. Fighting youth unemployment can only come from a combination of measures, such as the ones we have put forward in our Youth

Employment package: the Youth Guarantee but also the quality framework for traineeship and the European Alliance for Apprenticeship. The Youth Employment Initiative will reinforce the European Social Fund's focus on youth. We will also support mobility, because the jobs are not always in the same part of the EU as the unemployed happen to be. By moving within the EU, people will get a job and we will get more Europe: the two aspects are really important. The experience is that of a Europe without borders.

What about mobility beyond the EU? From 2002 to 2006, you took personal leave to work for Microsoft as Director responsible for the implementation of the Trustworthy Computing initiative in Europe, the Middle East and Africa.

When you go to the Middle East, you see not only workers from Asia but a lot of skilled labour, for instance software engineers from India and all over the world. We are competing with other regions to get brilliant people to come to Europe. The Middle-East and Africa have young and growing populations, whereas Europe's population is ageing and declining in numbers. So yes, personally I believe we do need mobility beyond the EU from all over the world. It will also help us understand other regions and connect with other markets. And our demography is such that intra-EU mobility will not suffice to fill in all available job vacancies, e.g. to care for the elderly. With these software engineers, architects, physicians and mathematicians in mind, our universities can play a big role by offering good courses in these areas.



Social Europe - Current challenges and the way forward - Annual Report of the Social Protection Committee (2012)

The present report has been prepared as part of the mandate given to the Social Protection Committee (SPC) by the Treaty on the Functioning of the European Union to monitor the social situation in the European Union and the development of social protection policies (art. 160 of TFEU). The Directorate-General for Employment, Social Affairs and Inclusion provided the necessary analysis and calculations used in the report with the extensive assistance and data provision of Eurostat. This publication is available in printed format in English.

Catalogue No: KE-BG-12-001-EN-C



EU Employment and Social Situation Quarterly Review - March 2013

According to the EU Employment and Social Situation Quarterly Review, divergence continues to increase across Member States, translating into persistently growing labour market and social challenges, marked by ever higher unemployment at EU level and a deterioration of the situation of many households, and of young people in particular. Employment has been trending down again since mid-2011, with positive developments only noticeable in part-time work. Unemployment rose further in January 2013, to 26.2 million in the EU, accounting for 10.8% of the active population, and concerns nearly one in four economically active young people. This edition highlights the effects recent government spending cuts have had on the employment and social situation in a number of Member States, the diversity in terms of labour market matching and recent trends in posting of workers across the EU. This edition also analyses the specific situation in Bulgaria and in the sectors of manufacture of basic metals and motor vehicles. It finally dedicates a Special Supplement to the analysis of recent demographic trends in the European Union. This publication is available in electronic format in English.

Catalogue No.: KE-BH-13-002-EN-N

What do you think of *Social Agenda*?

Thank you very much to all those who replied to the readers' survey inserted in issue n°31 of the magazine! 34.8% of the respondents made free text comments and suggestions, which was very useful.

Most of the respondents work in the areas of education and research. 22% come from the public sector and 12.3% from the private one. 20% are stakeholders (8% belong to trade unions, 4.1% to employers' associations and 7.2% to NGOs).

And most would like to keep *Social Agenda* as it is, with a bit more comparison between countries and links to further/background information, as well as an index of articles published over the years. Most also prefer keeping it in its present format (paper and on-line in pdf format). A web version ranks third. A minority would like to have an e-book version for tablets or for smartphone use.

We will keep you informed of the decisions stemming from this survey.

Be aware, though, that the present issue is the last one to be sent via the old mailing list. **The next issue will only be sent to those who, when answering the readers' survey, asked to carry on receiving *Social Agenda*.** If you did not do so but wish nevertheless to carry on receiving *Social Agenda* on paper or on line, **please renew your subscription at the following on-line address:** <http://ec.europa.eu/social/main.jsp?catId=740&langId=en>

Useful websites

The website of Commissioner Andor: http://ec.europa.eu/commission_2010-2014/andor/index_en.htm

The home page of the Commission's Directorate-General for Employment, Social Affairs and Inclusion: <http://ec.europa.eu/social/>

The website of the European Social Fund: <http://ec.europa.eu/esf>

To download or to order these publications, please go to <http://ec.europa.eu/social/main.jsp?catId=738&langId=en>

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