



Social Investment Package

Presentation to Cities for Active inclusion

Barcelona, June 7 2013

István Ványolós, Policy Officer
Unit D2 Social Inclusion and Poverty Reduction
DG Employment, Social Affairs and Inclusion

Context of the Social Investment Package

Economic and financial crisis

- **Increased levels of poverty/social exclusion**
 - 119.6 million people, 24.2%
- **High unemployment**
 - 26 million people, 10.7 %
- **Youth inactivity**
 - 7.5 million people aged 15-24, 12.9%

Demographic changes

- **Increased ageing and decreasing fertility**
 - Working-age population is expected to decline by 14.2 % between 2010-2060.
- **Projected skill mismatches**
 - Demand for high skilled workers to increase 19.7% by 2020
 - Demand for low-skilled workers to decrease 20.1% by 2020

Fiscal constraints

- **Deficit reduction efforts**
- **Refocusing of public spending**

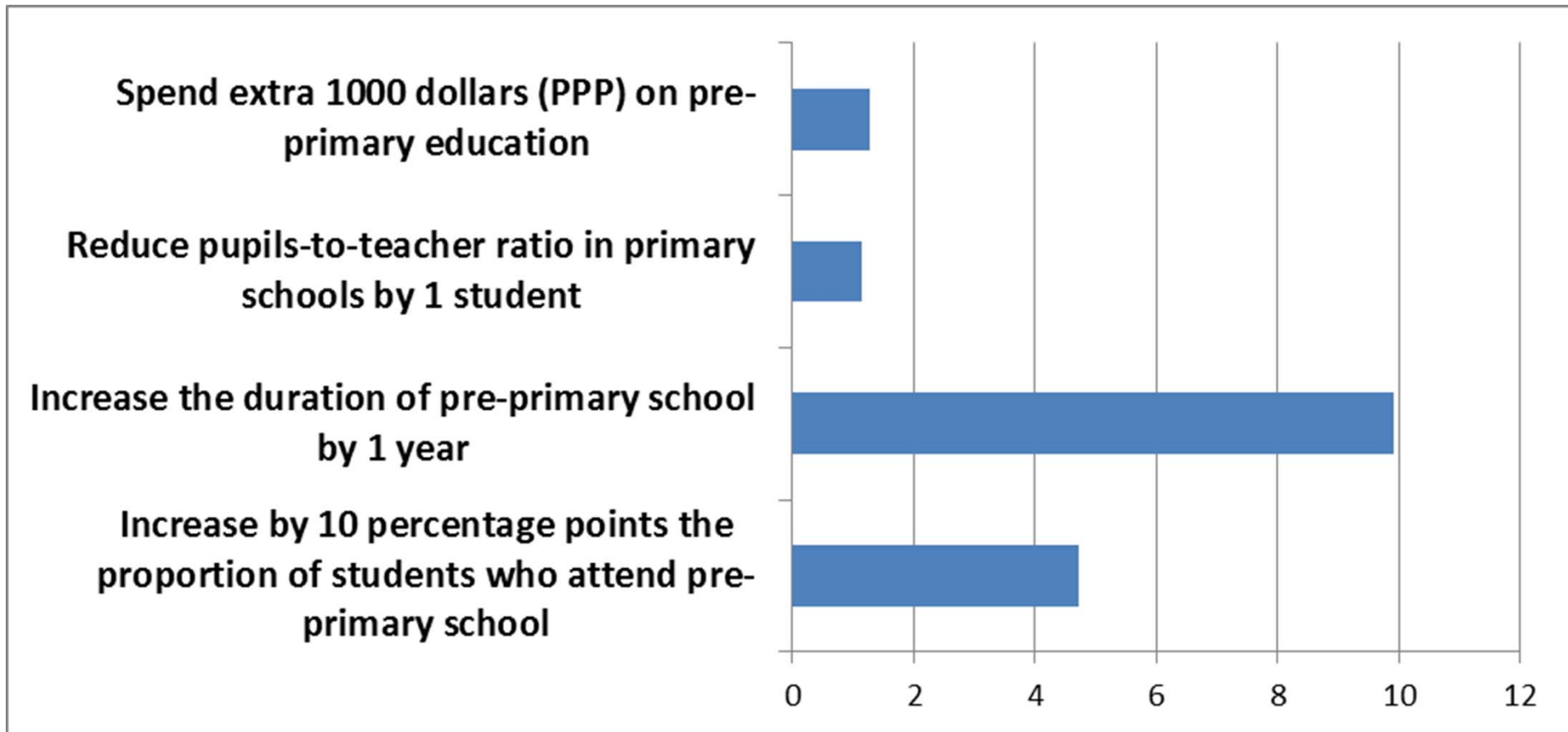
Responding to people's needs at critical moments during their lives

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**

Influence of early education policies on PISA assessment scores



Score point increase in PISA reading assessment tests

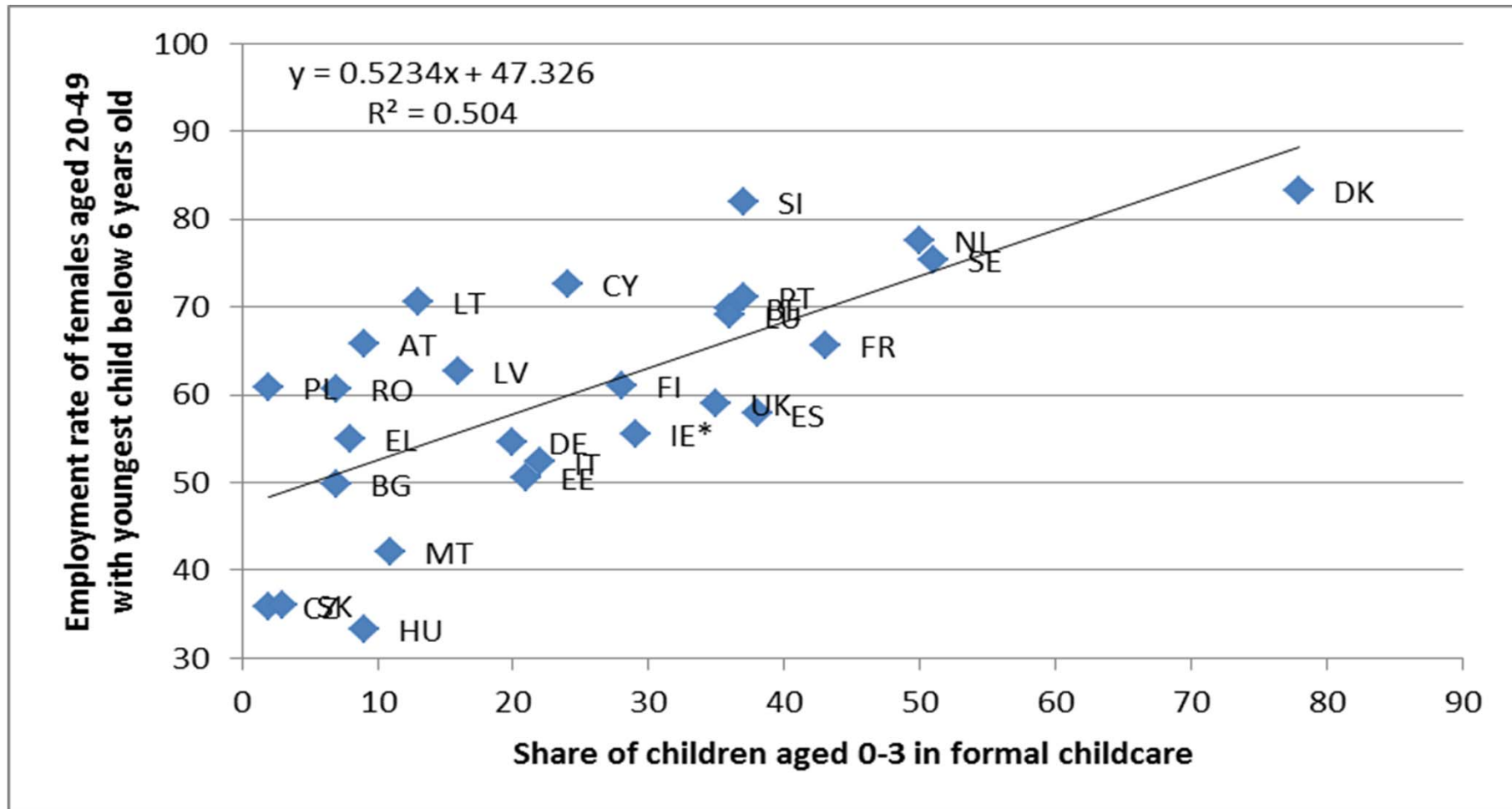
OECD (2012)



European Commission

More accessible childcare is linked to greater female employment

Share of children aged 0-3 in formal childcare and employment rates of women 20-49 with young children (2010)



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

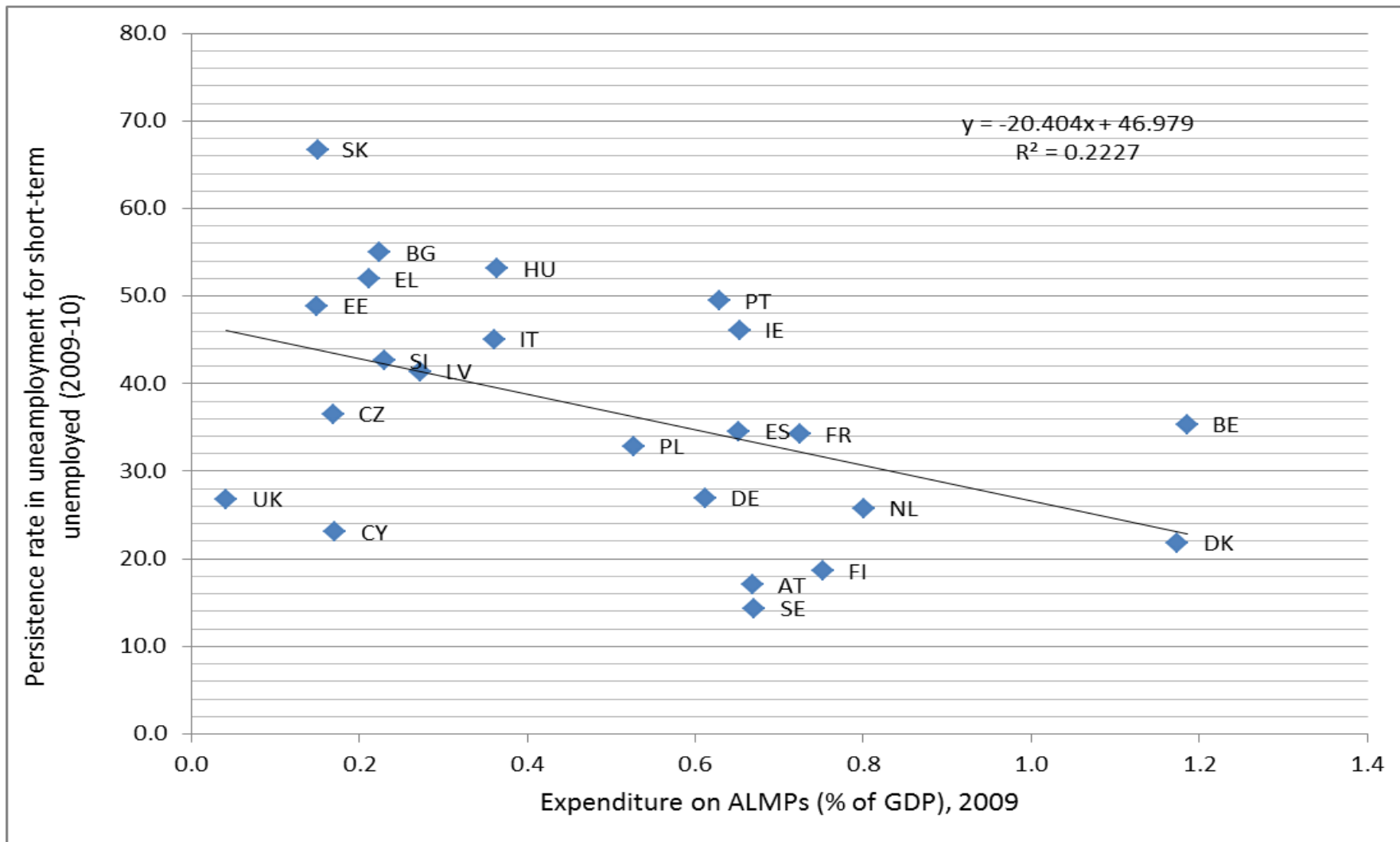
Combining benefits and services to enhance people's capacity to participate in society and the labour market, e.g.

- **Benefits and services to ensure adequate livelihoods**
- **Activating services to prepare (re)entry in the labour market**
- **Preventative measures to safeguard against risks**

Promoting inclusive labour markets, e.g.

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

The relationship between activating policies and persistence of unemployment



Spending more effectively and efficiently

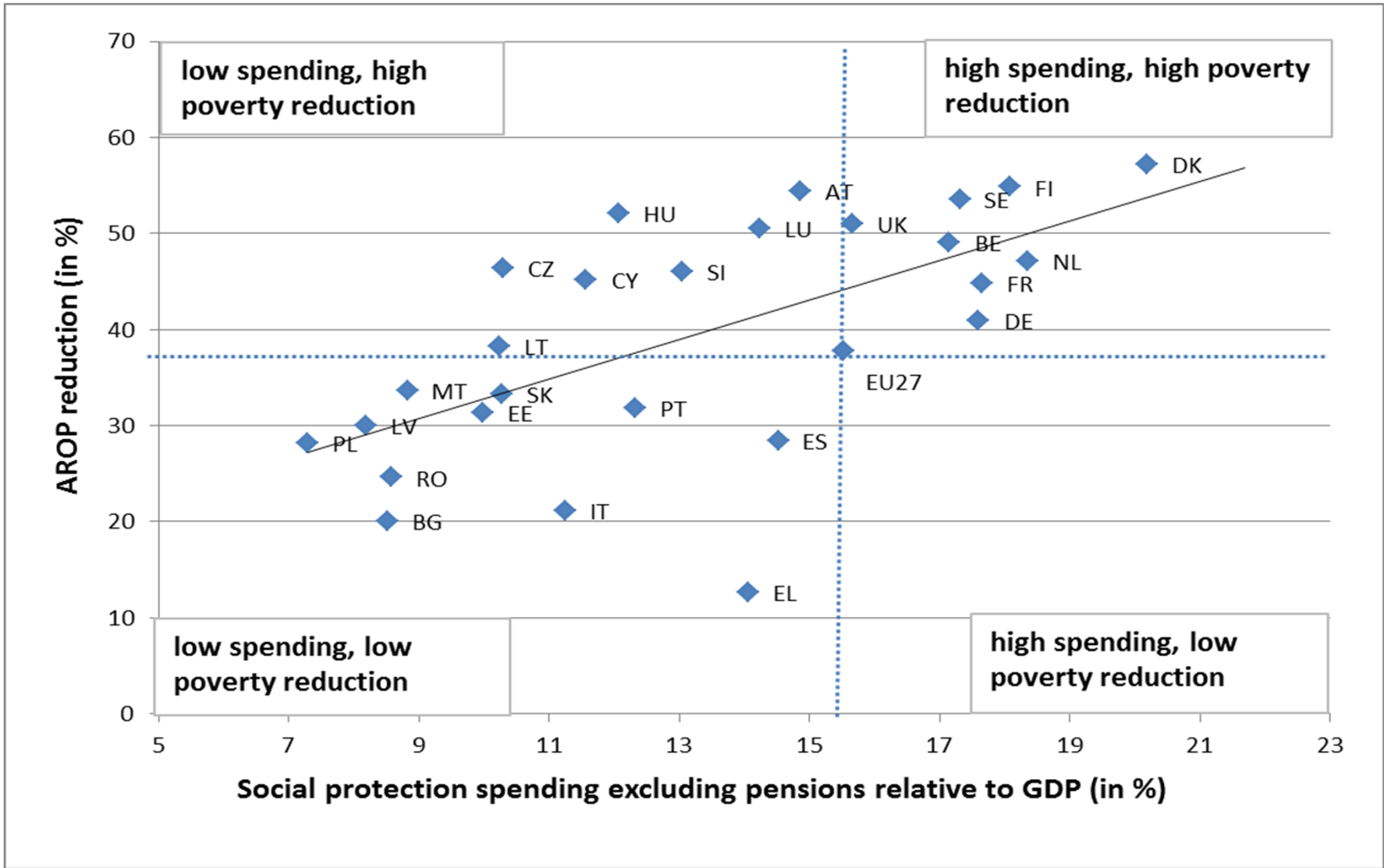
Simplifying the administration of benefits and services to avoid unnecessary overlaps and make it easier to access support

- **One-stop-shops to access benefits/services**

Removing tax and benefit disincentives to entering the labour market and addressing poverty traps

- **Creating tax and benefit incentives to make work pay**
- **Tapering income thresholds of means-tested benefits**

Similar budgets for social protection lead to very different outcomes



EU Financial Support to Support Implementation

European Social Fund

- €84 billion

PROGRESS/Programme for Social Change and Innovation

- €815 million

Fund for European Aid to the Most Deprived

- €2.5 billion

EU Initiatives to Support implementation

- Methodology for **reference budgets**
- Methodology to measure **efficiency and effectiveness** of social protection systems
- **Knowledge bank** to share policy experiences
- User-friendly **social protection guides**
- **Capacity building and training** for social entrepreneurs



Thank you for your attention!