

The Social Investment Package





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Introduction

The Social Investment Package (SIP) was adopted by the European Commission on 20th February 2013.

The SIP sets a new framework for policy reforms, “to render social protection more adequate and sustainable, to invest in people’s skills and capabilities and to support people throughout the critical moments experienced across their lives.”

The package of documents included in the SIP is headed by the Commission Communication, “Towards Social Investment for Growth and Cohesion- including implementing the European Social Fund (2014-20).”

The SIP will be the cornerstone of the European Commission’s social policies during the next years.

The present paper communicates the views of EMN on the SIP and consists of a Summary of the SIP and the EMN position on the SIP.



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The SIP consists of a main Commission Communication, plus a Commission Recommendation on Child Poverty and 8 Staff Working Documents (SWD). Through these documents, the Commission urges EU countries to put more emphasis on social investment. Social investment means enhancing people's capacities and supporting their participation in society and the labour market. This will benefit individuals' prosperity, boost the economy and help the EU emerge from the crisis stronger, more cohesive and more competitive.

■ What are the main challenges?

1. **The economic crisis** – Unemployment, poverty and social exclusion levels have reached record highs, placing people outside the labour market and society, while public budgets are under pressure. This threatens the achievement of the EU target to lift at least 20 million people out of poverty and social exclusion by 2020.
2. **Demographic changes** – The size of the working-age population in Europe is shrinking, while the proportion of older people is expanding. EU governments are looking for ways to ensure sustainable and adequate social protection systems.

■ What does the SIP involve?

1. The SIP guides EU countries in using their social budgets more efficiently and effectively to ensure adequate and sustainable social protection;
2. It seeks to strengthen people's current and future capacities, and improve their opportunities to participate in society and the labour market; examples of this are education, childcare, healthcare, training, job-search assistance and rehabilitation;
3. It focuses on integrated packages of benefits and services that help people throughout their lives and achieve lasting positive social outcomes;
4. It stresses prevention rather than cure by reducing the need for benefits. That way, when people do need support, society can afford to help; and,
5. It calls for investing in children and young people to increase their opportunities in life.

● **Strengthened social investment will particularly benefit the following social segments:**

- **Children and young people** – early intervention and other measures to break inter-generational cycles of disadvantage.
- **Jobseekers** – integrated and more accessible support for finding work.
- **Women** – more equal opportunities and fewer barriers to the labour market.
- **Older people** – opportunities for longer participation in society and economy.
- **Disabled people** – enhanced independent living and adapted workplaces.
- **Homeless people** – better chances of reintegration into society and employment.
- **Employers** – a larger, healthier and more skilled workforce.
- **Society as a whole** – higher productivity, higher employment, better health and social inclusion which will spur growth and ease pressure on social protection budgets.

● **Why is it a justified intervention of the EU?**

- Social and health policies are primarily the responsibility of national governments. Yet, the crisis has shown that the economies of EU countries are highly interdependent.
- The EU will provide financial support for EU countries to enact the needed reforms, in particular through the European Social Fund (ESF).

● **What are the expected results?**

1. Greater focus on policies that strengthen people's capacities and skills while removing barriers to finding work.
2. More effective and efficient use of resources, helping to ensure adequate and sustainable social protection.
3. Better results – ensuring greater productivity, employability, health, assistance for people to get out of poverty and social exclusion and ensuring appropriate living standards.

EMN position

EMN welcomes the SIP package as an important commitment from the Commission to progress on a stronger EU social dimension.

SIP's main message is that social policy should be seen as investment by using budgets more efficiently to increase employment/economic and social returns, nevertheless:

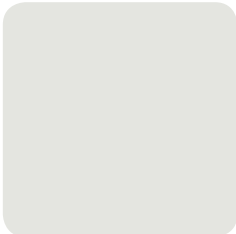
1. A positive reference to "Exploring the use of new financial instruments", and particularly Microfinance is present in the SIP. Nevertheless, EMN has already expressed in a previous Policy paper its concerns regarding the new EU funds to enhance the microfinance sector within the EU.
2. A proper follow-up of the Commission Directive proposal on access to payment accounts will be done by EMN as one of the key aspects for the promotion of the financial inclusion strategy in the continent.
3. It is unclear what concrete support will be given for Member States to achieve the expected results, or how these recommendations will be mainstreamed. There is a lack of concrete measures symbolizing what the SIP stands for and which measures might have an immediate impact on social and financial inclusion across Europe.
4. The implementation of the SIP is also unclear. The impact will depend on how the SIP priorities are mainstreamed through national policies and European framework programmes, including the new EU Programme for Employment and Social Innovation (EaSI).



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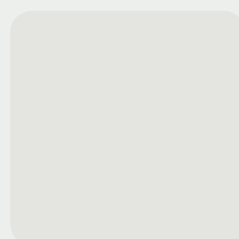
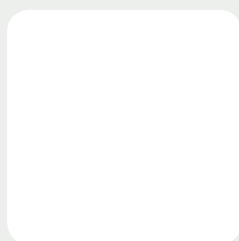


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5. As austerity continues to dominate government strategy, social investment must avoid the risk of being used to justify cuts to basic social protection and income support, and instead social investment should propose actions that have a positive impact on society. A positive impact for the SIP depends on the Commission giving clearer signs that the SIP backs integrated, multidimensional, anti-poverty strategies that combine social protection and social investment rather than giving priority only to 'investment', as was indeed underlined earlier in the SIP Communication.
 6. Social investment, including social and financial inclusion, should be at heart of Europe's Growth Strategy "EU 2020."
 7. The SIP should make explicit how social investment will reduce social and financial exclusion. An EU integrated strategy should be elaborated in collaboration with EU stakeholders (including European NGOs), which demonstrates how social investment can be used as part of a larger strategy to prevent, as well as tackle, financial and social exclusion. Active inclusion must be a key pillar of such strategies.
 8. The SIP looks for harmonized implementation of a number of EU and non-EU Funds and Programmes to increase its positive social impact. Nevertheless, this complicated architecture could result in more confusion. One-stop shops should improve personalized, integrated services that benefit people and create trust, not increase surveillance.
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