# EUROPEAN PLATFORM AGAINST POVERTY AND SOCIAL EXCLUSION STAKEHOLDER DIALOGUE

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## Europe 2020 and future of the social OMC

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Social Protection, social inclusion strategy

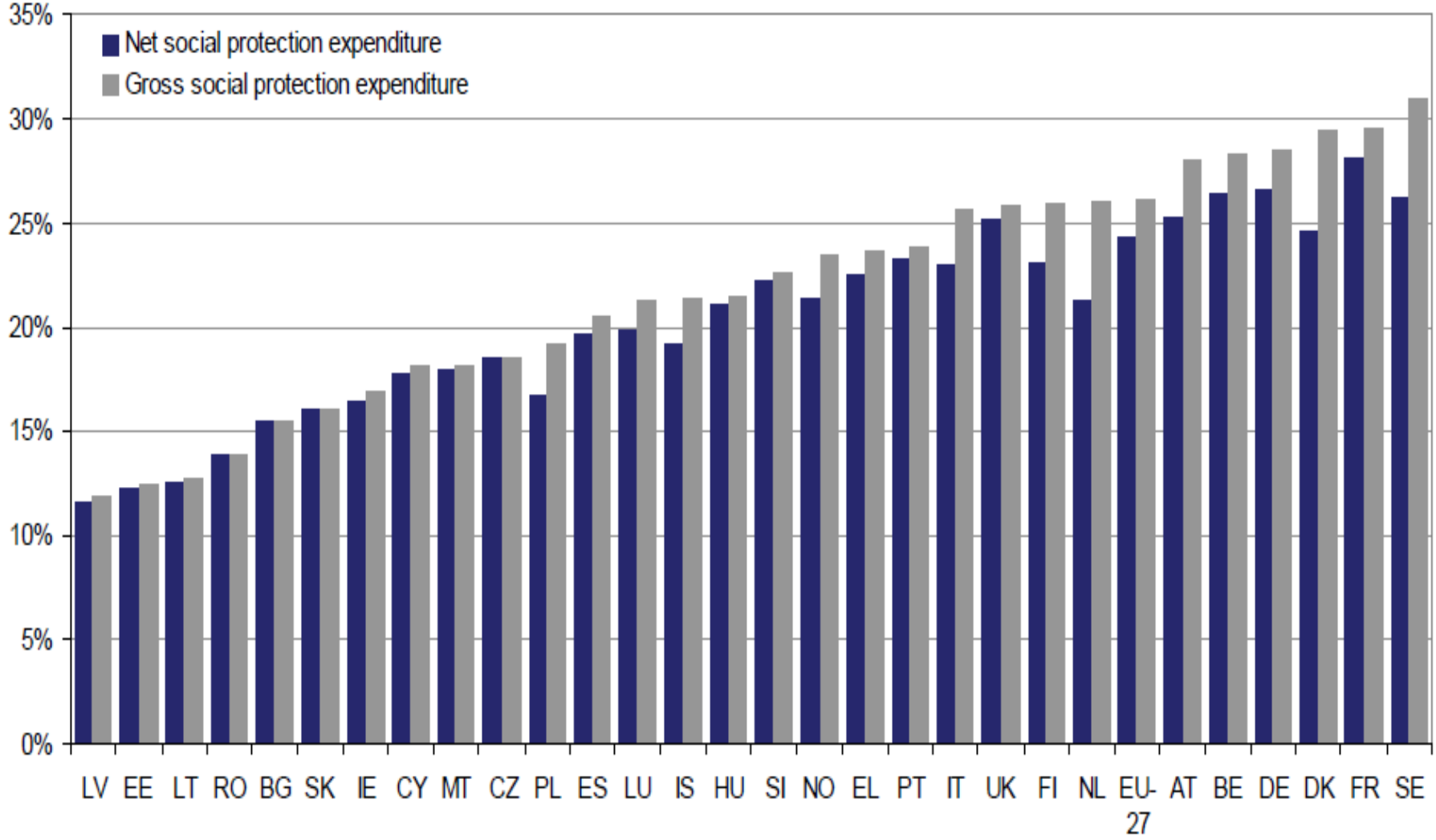
# Social inclusion in European perspective

- 2000: The Lisbon Strategy and the EU social inclusion Strategy:
  - "*to make a decisive impact on the eradication of poverty*"
  - A method: the Open Method of Coordination
  - "Programmes to fight social exclusion" and PROGRESS
- 2006: The EU Social Protection and Social Inclusion Process: a modernisation agenda
  - Integrating 3 policy strands: social inclusion, pension reforms, health care
- 2009: the Lisbon Treaty (social market economy, horizontal social clause, SSGI, etc)
- 2010: Europe 2020 a strategy for smart, sustainable and inclusive growth

# Poverty reduction and the role of social protection in the EU

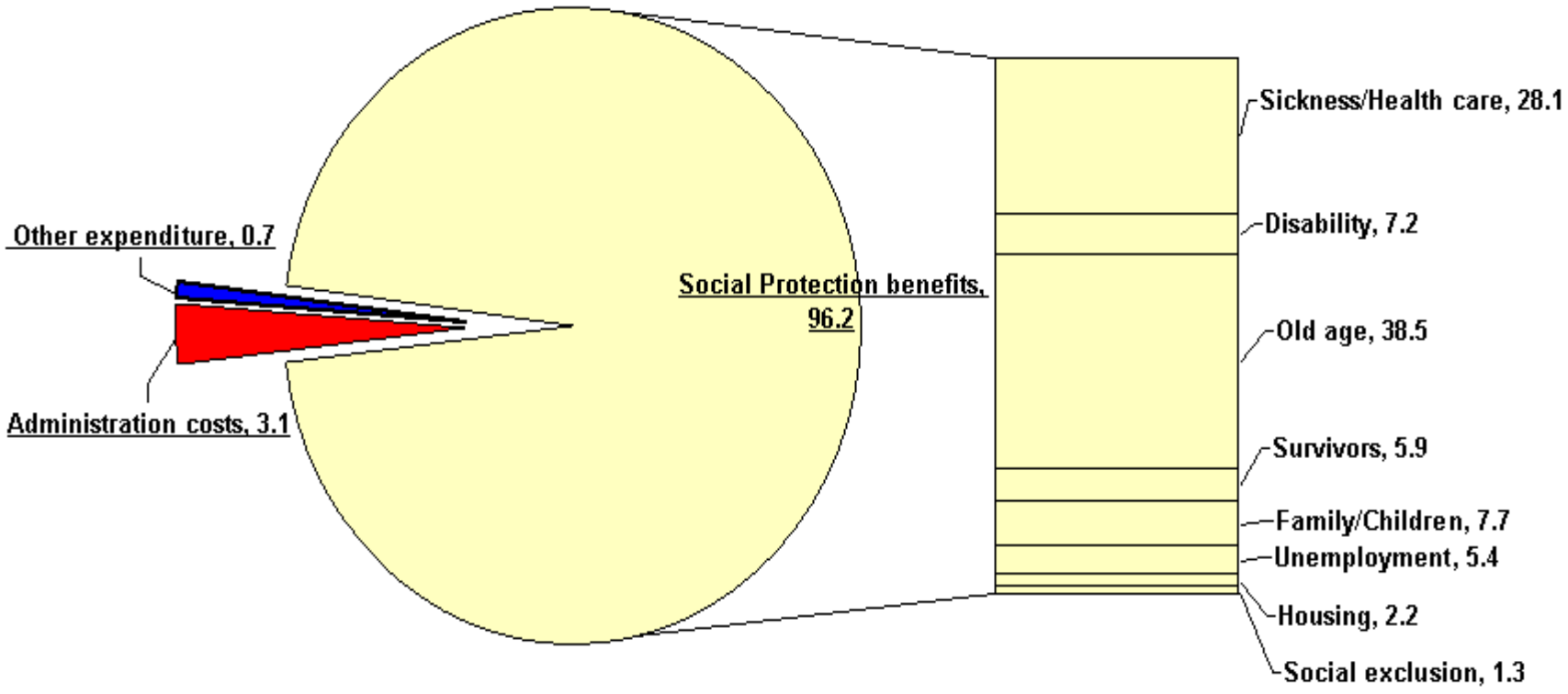
- Social protection/SP designed to protect people against the risks associated with unemployment, parental responsibilities, sickness/healthcare and invalidism, the loss of a spouse or parent, old age, housing and social exclusion
- MS responsible for organizing and financing SP within their borders. Models vary from country to country: EU to ensure that people who move across borders continue to receive adequate protection.
- EU promotes efforts by MS to combat poverty and social exclusion, and to reform social protection systems on the basis of policy exchanges and mutual learning: *the social protection and social inclusion process.*
- Europe 2020 promotes a more inclusive Europe. It is widely argued that this is necessary to help the EU achieve sustained and sustainable economic growth, create more and better jobs, and promote greater social cohesion

## Figure 2: Net and gross expenditure on social protection benefits as % GDP




Note: All data should be considered as provisional. Data for some countries may not be fully consistent with the methodology
IT – 2006 data; EL – results based on incomplete coverage

# The structure of social protection expenditure in EU27 in 2006



# Governance of the Europe 2020 strategy

**Europe 2020 five headline targets**

**Europe 2020 Integrated Guidelines (IG)**

**Macro-economic surveillance**

**Thematic surveillance**

**Stability and Growth Pact**

**Fiscal surveillance**

*National level*

**National Reform Programmes**

**Stability and Convergence Programmes**

*EU level*

**Commission's Annual Growth Survey**
**EU annual policy guidance and recommendations**
**EU flagship initiatives and levers**

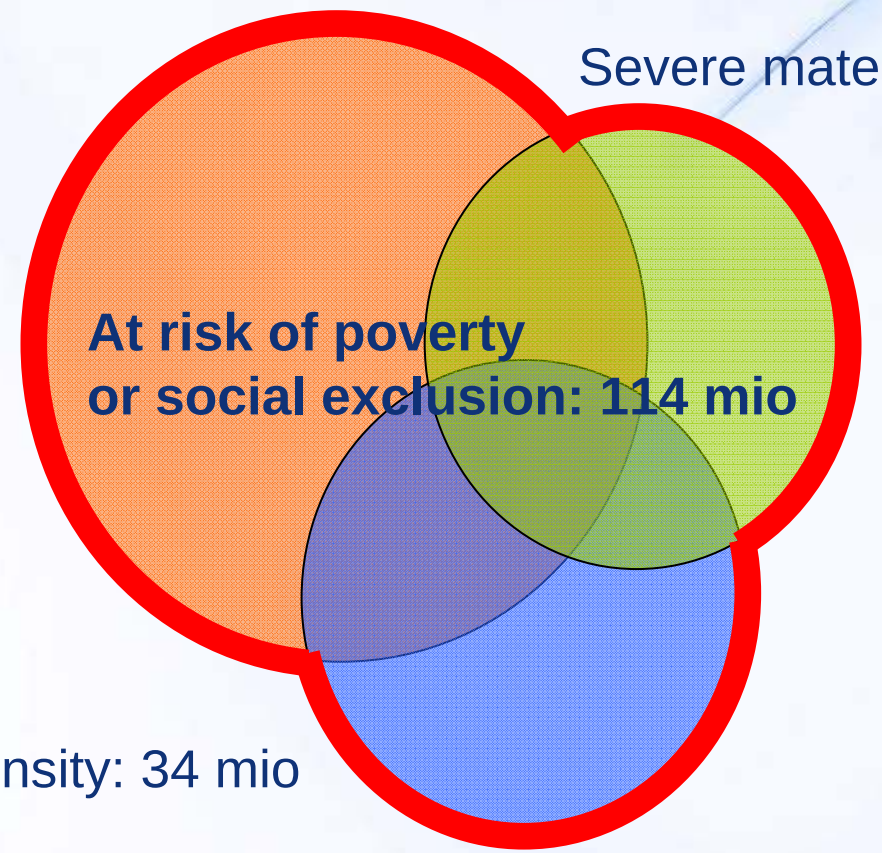
# Targets

| | EU headline target | Current *estimation* based on draft NRPs |
|---|---|---|
| **Employment (20-64)** | **75%** | **72.8-73.8%** |
| **R&D (% EU GDP)** | **3%** | **2.7-2.8%** |
| **-Tertiary achievement (30-34)**<br>**- School drop-out** | **at least 40%**<br>**under 10%** | **38.1%**<br>**11.3%** |
| **Social inclusion/fight against poverty** | **20 million people out of poverty** | Target will not be met, but exact calculation N/A |
| **Energy efficiency increase** | **20%** | **10%** |

# EUROPE 2020 HEADLINE INDICATOR ON AT RISK OF POVERTY OR SOCIAL EXCLUSION, EU 27, 2009

At risk of poverty : 80 mio

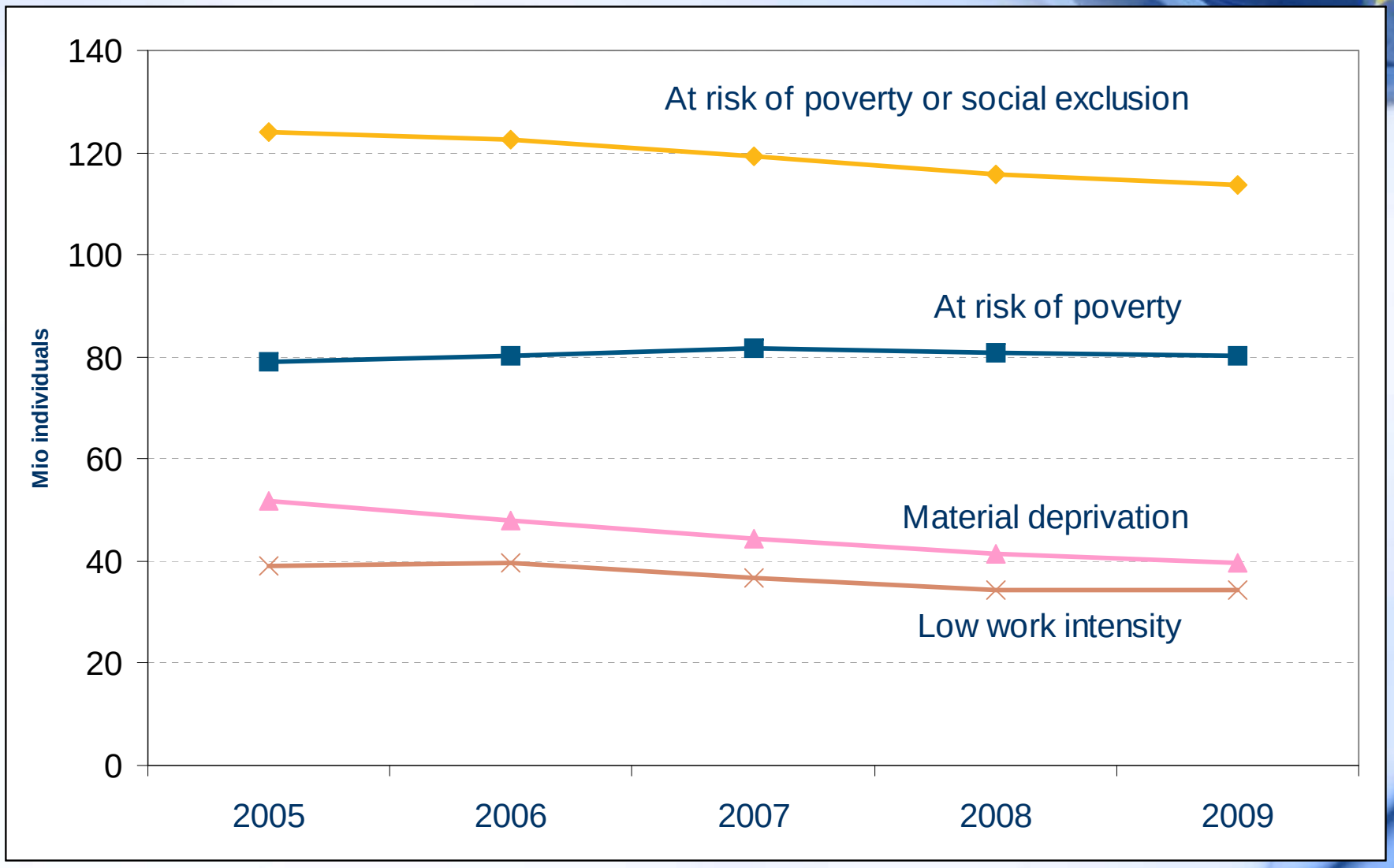
Severe material deprivation: 40 mio



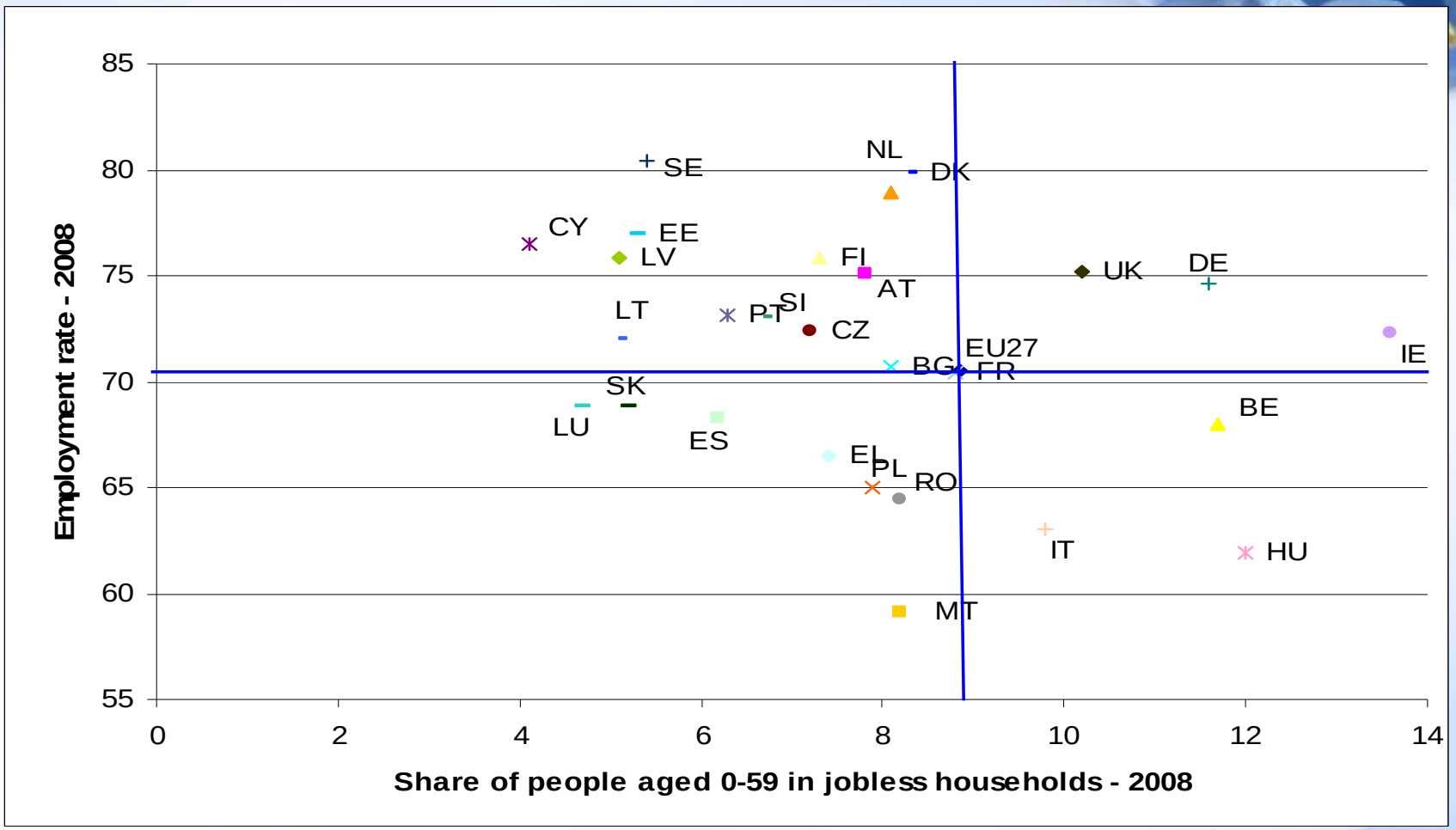

Low work intensity: 34 mio

Source: EU-SILC

# EUROPE 2020 HEADLINE INDICATOR ON AT RISK OF POVERTY OR SOCIAL EXCLUSION, EU 27

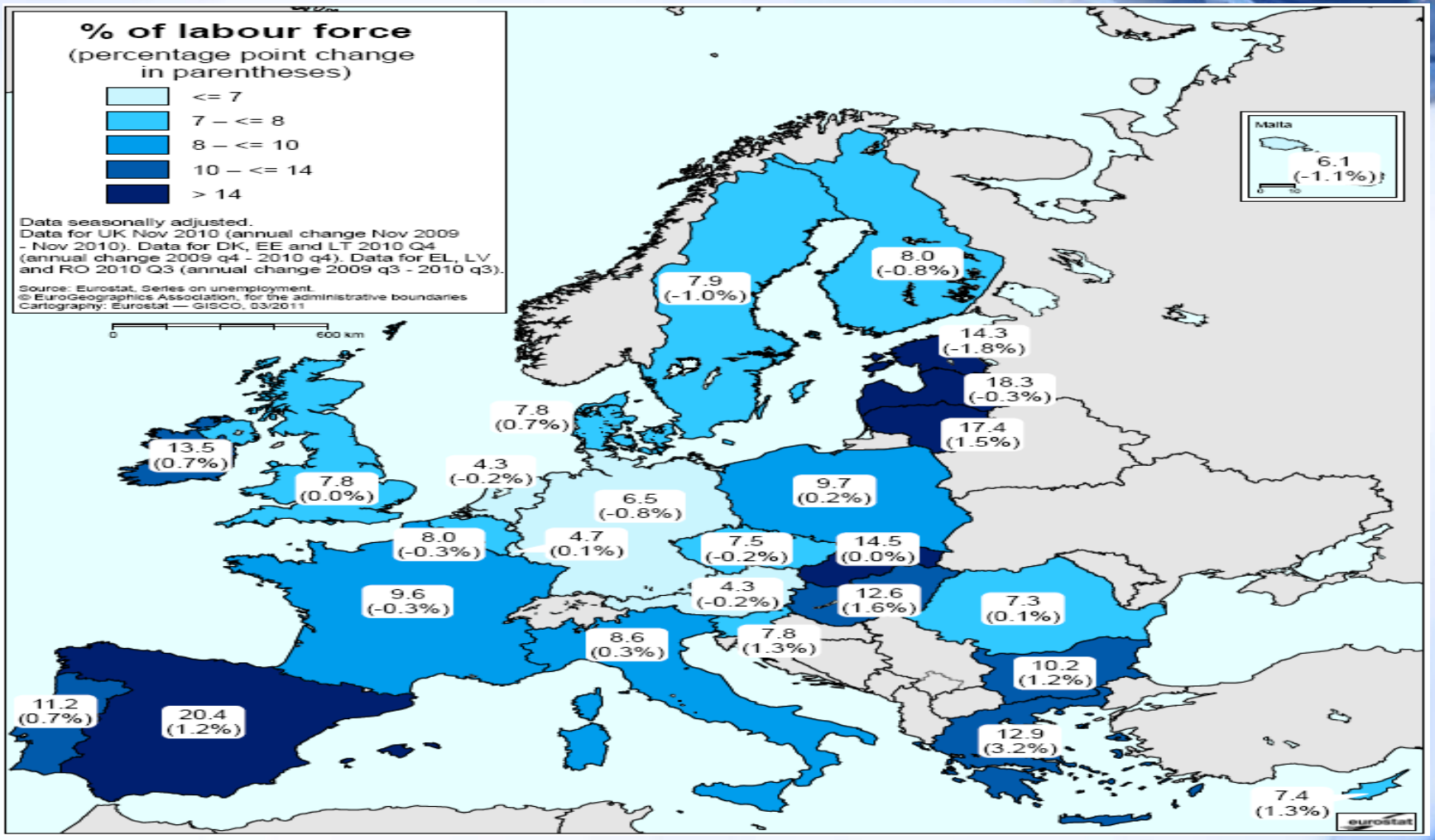


# People living in jobless households vs employment rates 2008



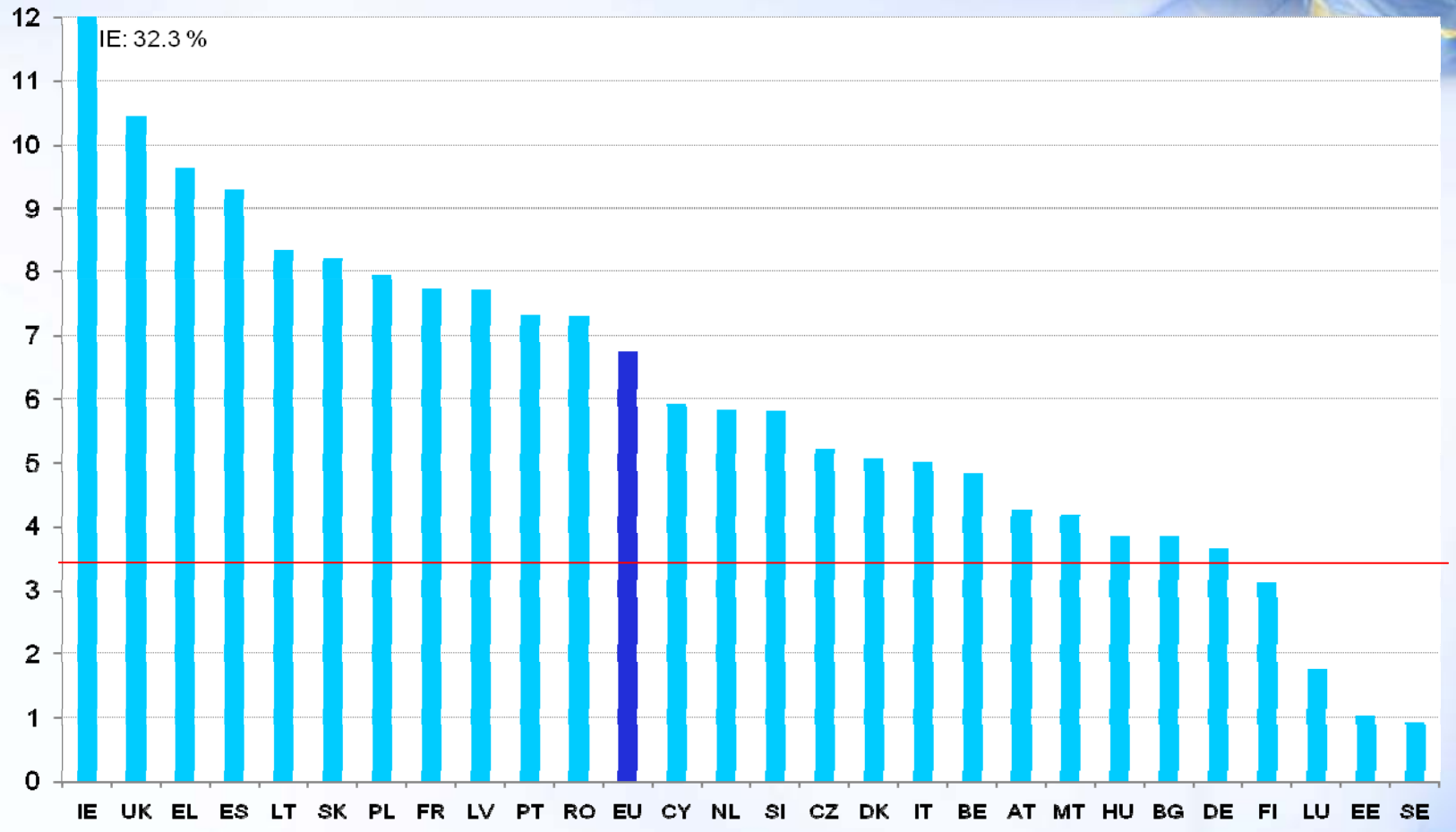

Source: LFS and EU-SILC (2008); income year 2007; except for UK (income year 2008) and for IE (moving income reference period 2007-08);

# Reducing poverty in times of high unemployment (January 2011)



# Net borrowing of general government in 2010

(in percentage of GDP, excessive deficit procedure)




Source: EC.

# Challenges and priorities

- Impact on multiple dimensions of poverty through **action across the whole policy spectrum**
- **Address needs of groups particularly at risk**, tackle severe exclusion and new vulnerabilities
- Break the cycle of disadvantage and **step up prevention efforts**
- **Do better and more efficiently** in times of budget constraints

➢ *The Poverty Platform: A framework for action, building on 10 years of cooperation and finding new, participative approaches*

# Do better and more efficiently in times of budget constraints

- Expected GDP growth for 2011 remains modest
- Unemployment > 9% and expected to stay high
- Social protection around 26% GDP (EU 27)
- Fiscal consolidation will affect social expenditure: a challenge for social polices aimed at addressing poverty and exclusion
- Consolidation must be designed to minimise short-turn costs and maximise long-turn benefits to prevent that social protection deteriorates and poverty increases.

# Instruments available

- Social policy is still and will remain a Member State's competence but a number of instruments are available at EU level:
  - Charter of fundamental rights
  - Anti-discrimination directives
  - Laws on social and employment standards
  - EU Funds (ESF, European Globalisation Adjustment Fund, PROGRESS)
- Social Open Method of Coordination
  - policy coordination between MS based on common objectives, indicators, regular reporting, joint assessment and mutual learning

# Future of the Social OMC: views stakeholders

- Social dimension should be upgraded to counterbalance the cooperation in economic matters.
- Restore the focus on results instead of the process, better dissemination knowledge gathered
- Integrate the social OMC with the national policy cycle
- Ensure distinct reporting on social protection and social inclusion and make it more strategic
- Improve stakeholder involvement especially at national, regional and local level at an early stage

# Further information

General Europe 2020

http://ec.europa.eu/news/economy/index_de.htm

Social protection & social inclusion

http://ec.europa.eu/social/main.jsp?langId=en&catId=750

Beyond GDP

http://www.beyond-gdp.eu/