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Supporting the sustainability of social and employment projects in the EaSI programme

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Structure of presentation

- 1. Overall socio-economic context for the EaSI programme**
- 2. The EaSi Programme**
- 3. Key Factors of Sustainability**
- 4. Sustainability in the EaSi Programme**
- 5. Risks and Barriers to sustainability**
- 6. Conclusions**

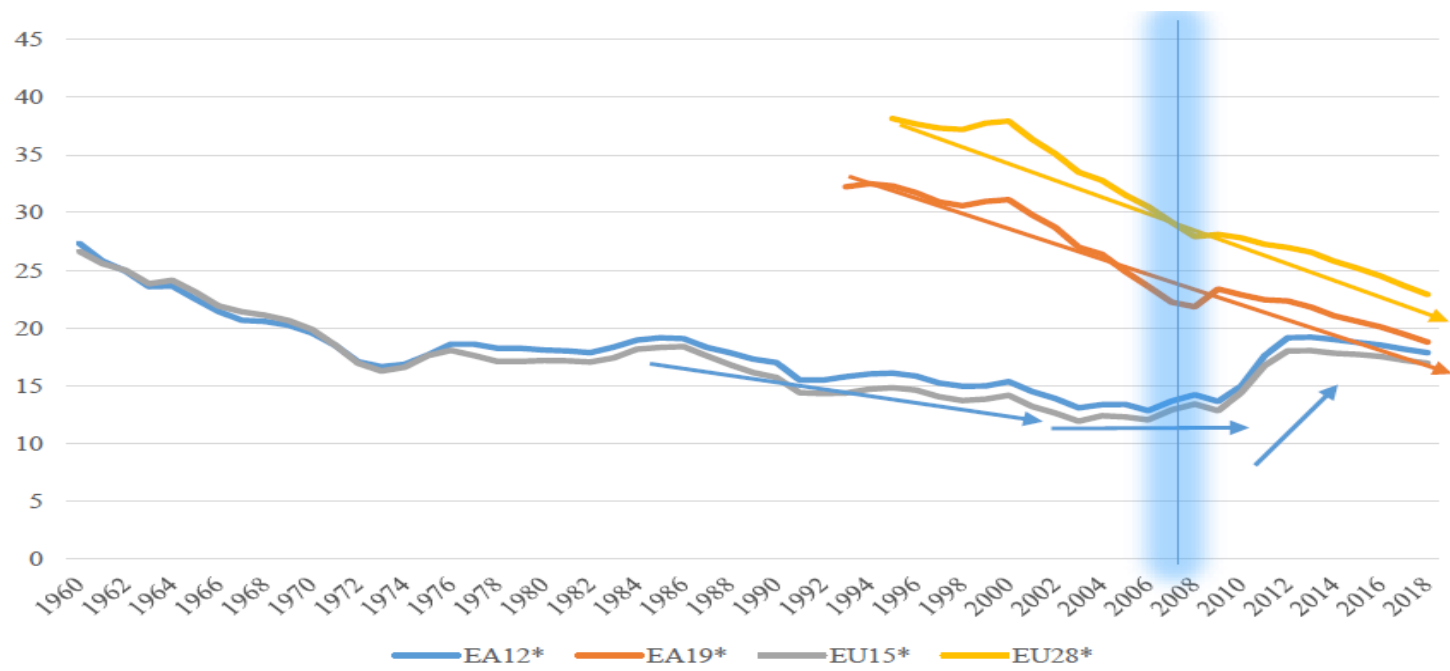
1.1 Upward convergence and improvement of living conditions is at the heart of the EU

- The 1950 Schumann Declaration already highlighted the need *„for equalisation and improvement of the living conditions of workers“*
- Article 158 of the Treaty Establishing the European Community **says:** *„in particular, the community shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions ... including rural areas“*
- **Convergence not an automatic outcome of the single market:** market forces often increase inequalities due to the effects of specialisation and centre-periphery dichotomies
- **Therefore the need of cohesion policy, social experimentation and mutual learning**

Offen im Denken

1.2 The financial crisis halted or even reversed some of the convergence trends in the EU

Coefficient of variation* of GDP per capita at PPS** 1960 -2018



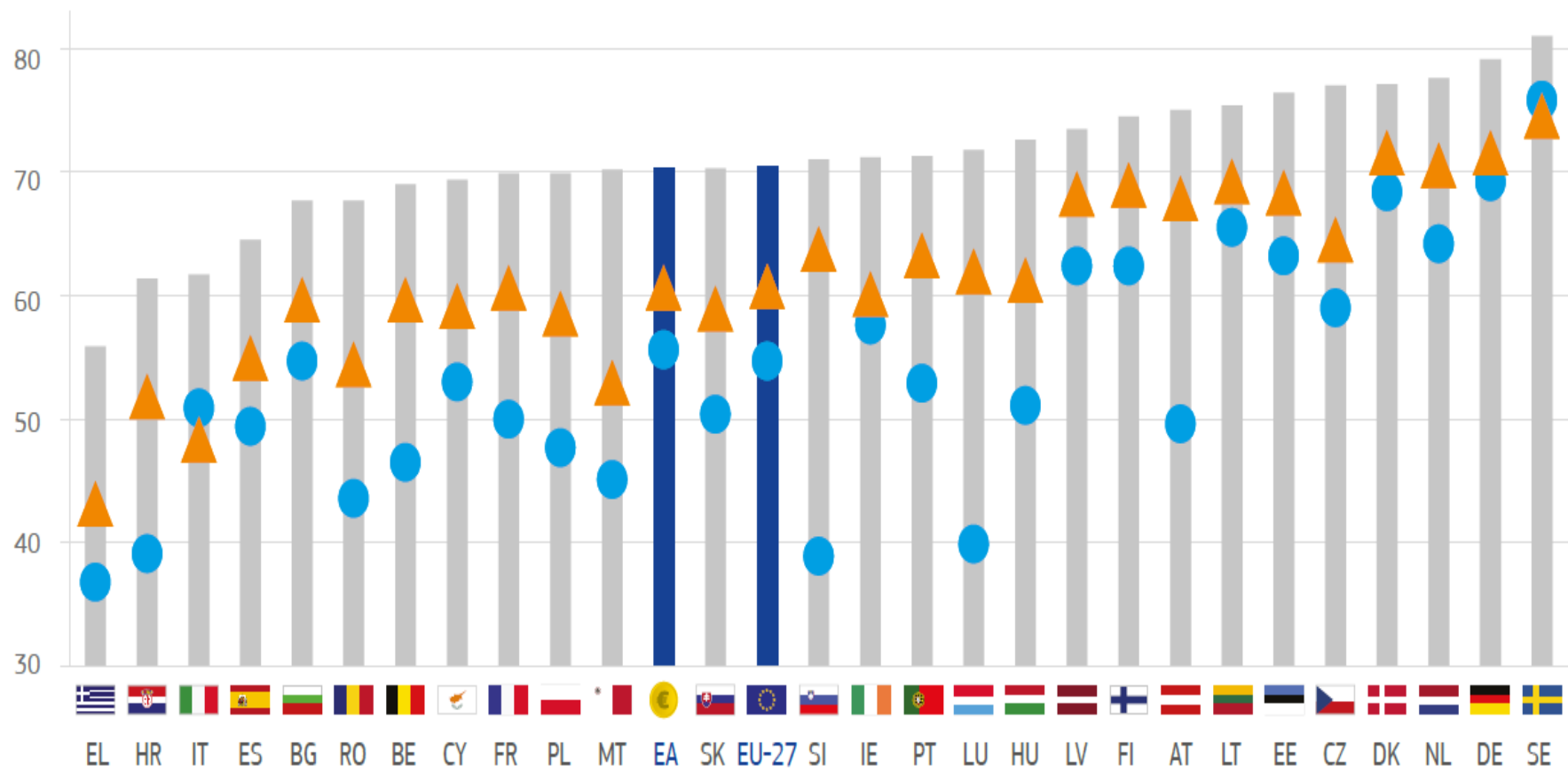
* All averages exclude the Cyprus, Ireland, Luxembourg and Malta because their GDP numbers are distorted by very large offshore financial centres

Source: AMECO and authors' elaboration.

* A lower value mean less income dispersion; ** Purchasing Power Standards

Offen im Denken

1.3 Employment rates are increasing but remain lower and highly divergent across the EU for women and older workers



Legend: Total (Grey bar), Women (Orange triangle), Workers aged 55-64 (Blue circle)

Source: European Commission (2017). Reflection Paper on the Social Dimension in Europe, p. 10.

1.5 Strengthening the social dimension - response to the damaging impact of the 2008 economic crisis on EU society

- **2017: Rome declaration of the head of states calling for a stronger social Europe** "based on sustainable growth, promotes economic and social progress as well as cohesion and convergence".
- **2018: European Pillar of Social Rights with 20 principles in the form of rights to increase resilience to economic shocks by increasing upward convergence. Principles grouped in three categories**
 - **Equal opportunities and access to the labour market** (*education, LLL, non-discrimination, active support to employment ...*)
 - **Fair working conditions** (*secure and adaptable wages, protection in case of dismissals, social dialogue, OHS, work-life balance ...*)
 - **Social protection and inclusion** (*childcare, unemployment benefit, pensions, health and long term care, inclusion of persons with disabilities, access to essential services ...*)

2.1 The European Union Programme for Employment and Social Innovation (EaSI)

The EaSI umbrella federates *three axes* to contribute to the European 2020 Strategy and the Pillar of Social Rights:

Progress axis	EURES axis	MF/SE axis
<ul style="list-style-type: none">• 1. Evidence-based EU policies and legislation• 2. Effective and inclusive information sharing, mutual learning and dialogue• 3. Better conditions for social policy innovation• 4. Greater capacities of national and EU organisations	<ul style="list-style-type: none">• 5. Transparent labour market information• 6. Effective provision of services for recruitment and placing of workers	<ul style="list-style-type: none">• 7. Better access to, and availability of, microfinance• 8. Better access to finance for social enterprises• 9. Stronger institutional capacity of microcredit providers

EaSI programme managed directly by the EC (Directorate-General for Employment, Social Affairs and Inclusion) – *precondition for Mutual Learning from the EaSI experiences*

2.2 EaSI strong focus on Guidance and Cooperation

EU tools in the field of employment and social policies

Legislation

- Minimum requirements
- Free movement and mobility
- Harmonisation of basic standards

Guidance

- Policy recommendations
- Exchange of best practices
- Support for reform

Funding

- Skills
- Youth
- SME financing
- Poverty reduction
- Regional and rural development
- Research and development

Cooperation

- Dialogue with social partners
- Engaging with civil society
- Working with national actors and international institutions

3.1 Key factors of sustainability

- **Sustainability is defined by the OECD as ‘the continuation of benefits from a development intervention after major development assistance has been completed; the probability of continued long-term benefits; the resilience to risk of the net benefit flows over time’.**
- **Sustainability is achieved**
 - when the activities have lasting results durable over time, after the public funding has stopped:
 - lasting results could mean: Funding by other actors, or influence on overall policy framework and concrete practices at EU level or in EU member states
- **Sustainability requires a „Reflective Policy Approach (RPA)“ based on independent evaluations of the governance, the implementation, the outcome and the impact of the programme**
- **RPA especially important since the EaSI programme funds social experimentation and mutual learning**

3.3 Key factors of sustainability

Sustainability has to be supported in all project phases



“Impact” can be understood through an example: *To increase employment, government invested X amount of money for Y years (Inputs) to conduct vocational training (activities) for enhancing the employability of Z number of people (output) resulting into rise in income by K% (Outcome). Now Impact goes beyond that. It is what the person is doing with that new or surplus income. Is she/he focusing on better education/health services for her/his family or started buying drugs for himself? Impact could be either intentional or unintentional or both.”**

3.3 Key factors of sustainability

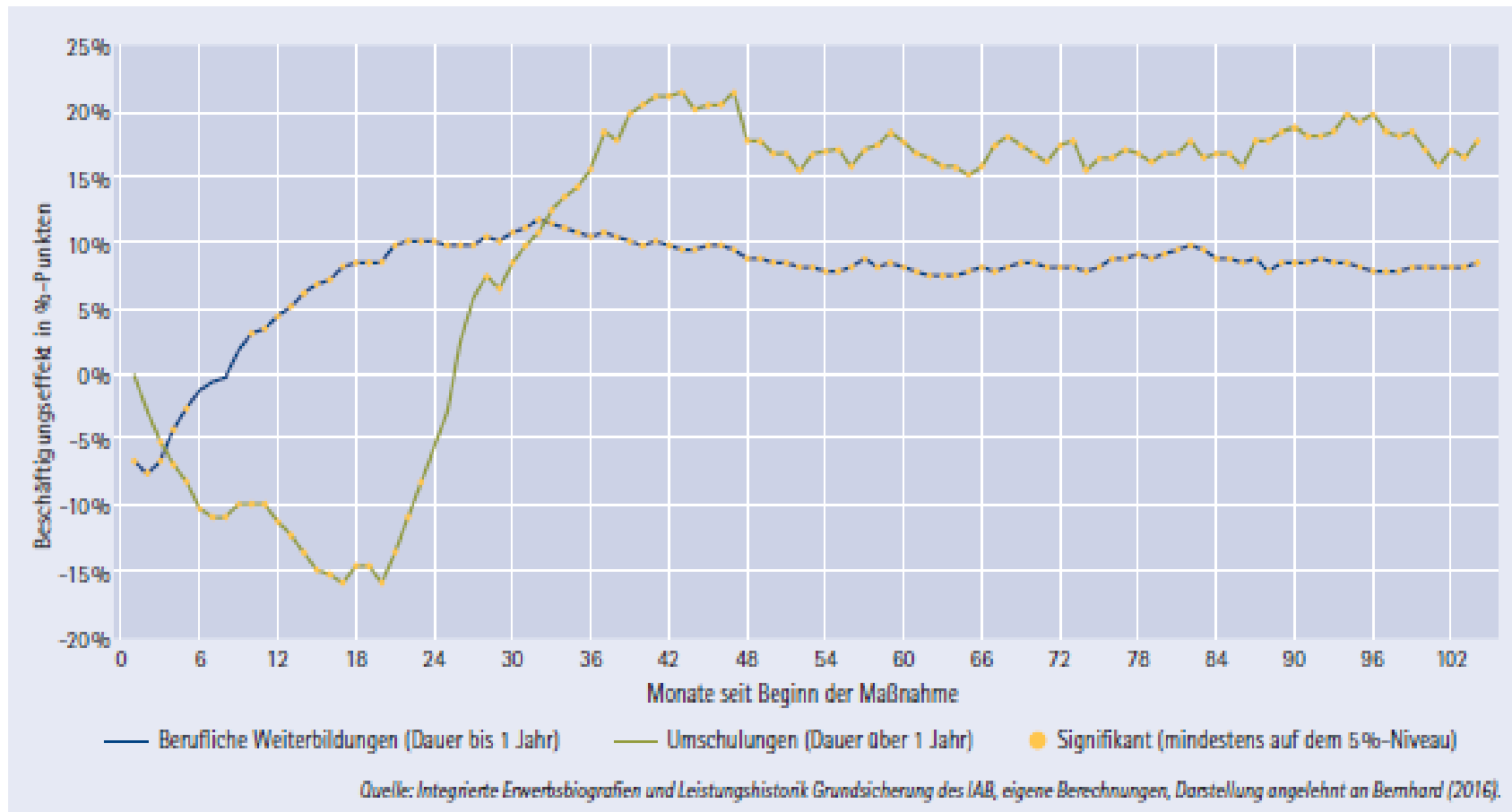
- Because of time-lags positive outcome and impact often not adequately measured
- Main barrier in many programmes: Political pressures to get positive short-term effects

Example: Long-term retraining programmes (more than 1 year) in Germany have negative outcomes on employment and wages in the short-term, neutral outcome in the mid-term and significant positive outcome in the long term

The wider impact may be higher productivity, higher job stability and satisfaction, less inequality and less unemployment etc. and is yet not evaluated.

Long-term impact often difficult to measure with quantitative causal analysis

3.4 Employment effects of long-term re-training (more than 1 year) - new entrants February – April 2005 in comparison to control group



3.5 Key factors of sustainability

Sustainability a big challenge for programm and project management

The probability of lasting effects increase if the following questions are asked*:

- Are the goals clear and achievable?
- Is there an ownership of the project results?
- Is there an commitment to maintance of equipment or technology?
- Is there lasting institutional capacity (*adequate and trained staff, suffcient budget and equipment*)?
- Are the benefits inclusive (*diversity, gender equality...*)?
- Are there policy or legislative changes that impact on results?

4.1 Sustainability in the EaSI programme – across all three axes

Design/Programming:

- Indication, how sustainability will be insured
- Committed actors forming a network – owners of the project and the dissemination of the results
- Lasting institutional capacities of actors
- Sufficient resources dedicated to dissemination

Implementation:

- Carrying out the work-programme designed to sustainable results
- Dissemination, mainstreaming

Follow up

- Continuation of project with own resources or other funding
- Scaling up successful practices with further EU funds

But sustainability also has different meaning in the three axes and its projects

4.2 Sustainability in the EaSI programme –Progress axes

Sustainability refers to: (1) policy maker's use of the evidence and knowledge produced, (2) the take up of innovations, (3) its feeding into the policy cycle, (4) which leads to reforms

Crucial factors:

- Projects should respond to a strong demand for their outcomes at EU, national or local level
- Involvement of key actors from government and public bodies
 - which have the capacity to social experimentation,
 - can facilitate the dissemination of results and
 - take ownership after the funding
- But also explaining the context in which the innovations work – the broad literature on the Varieties of Capitalism has shown that innovations/institutions from other countries cannot be copied 1:1 but have to be adapted to the specific national conditions

4.2 Sustainability in the EaSI programme –EURES axes

Sustainability refers to: (1) lasting labour market outcomes for workers and employers , (2) measurable macro-effects through filling vacancies and reducing labour market shortages, (3) EURES activities are taking up into mainstream practices of the participating organisations

Crucial factors:

- Strong and inclusive partnerships across borders
- Strong and continuous engagement of the main labour market stakeholders during the project
- Close contact between partners and their national PES
- Further funding if time-horizon of a single EURES-project is too short

4.2 Sustainability in the EaSI programme – Microfinance and Social Entrepreneurship axis

Sustainability refers to (1) an increase in the supply of financing for both microfinance and social enterprises, especially for vulnerable groups, (2) improving the services by combining financing with mentoring and training services to the beneficiaries, (3) high survival rates with early break even point of the supported micro and social enterprises

Crucial are:

- Institutional capacity and high quality provided by the financial intermediaries
- One-stop-centres for micro-businesses
- Connections of the projects with policy makers to provide advice what works/doesn't work (*like upcoming EaSI workshop on social enterprise finances in Vienna*)

5.1 Risks and Barriers to Sustainability

Genuine projects always carry risk – i.e. uncertainty. *Without accepting risks programmes/projects cannot be innovative.*

- **Long lists of project risks in the Internet: For example:**
<https://management.simplicable.com/management/new/130-project-risks>
- **Often not very helpful – since they do not differentiate between issues and risks**
- **Risks are in the future and carry uncertainty, they may or may not happen at some time in the future.**
- **Issues are known problems (no uncertainty) and can be resolved by good governance of the programme and good project management: Examples of issues: ill defined-scope, unclear expectations of stakeholders, under-communication, unfeasible programme or project governance, resource-shortfalls, too high work-load**

Most risks in relation to output, outcome and impact, most issues in relation to goals, input and activities

5.2 Risks and Barriers to Sustainability

Risks of EaSI activities:

- Change of the political demand in participating countries which led to the project
- Lack of funding (from EU or other sources) for continuing or upscaling the project – especially in smaller countries with limited resources

Issues of EaSI activities:

- Better dissemination of the EaSI results
- Strengthening stakeholder involvement
- Better use of current governance structure of EaSI to feed outcomes in the national political cycles ...

Conclusions

- European Pillar of Social Rights strengthens the social dimension of the EU and defines new goals for sustainability
- Sustainability is achieved when the activities have lasting results durable over time after the funding
- Sustainability has a different meaning in different policy fields
 - also in the three axes of EaSI
- Sustainability has to be supported in all project phases and when it comes to impact often beyond the projects
- Innovative projects and social experiments bear risks – without accepting risks no innovation
- Main barriers to sustainability often not risks but unsolved issues