

Public Policy Exchange

Tackling Poverty and Social Exclusion in Europe

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National Social Investment Strategies in the Shadow of the Economic Crisis

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I. Introduction

- Present key results of a co-authored ‘Synthesis Report’ produced in context of the ‘European Social Policy Network’ (ESPN)
 - Denis Bouget, Hugh Frazer, Eric Marlier, Sebastiano Sabato & Bart Vanhercke
- ‘Study of national policies’ covering 28 Member States (country reports)
- Providing *flesh on the bones* of the SI ‘quasi-concept’ which – some hope – may shape the directions of future policy interventions

'A' definition of Social Investment

Social investment can be seen to encompass:

'the set of policy measures and instruments that promote investments in human capital and enhancement of people's capacity to participate in social and economic life as well as in the labour market'

[Ambiguous words are useful when there is no fundamental agreement]

II. Overall trends

- **Three broad groupings:**

1. Historically well-established SI approach

- but often not explicit (concept not generally embraced)
- AT, BE, DE, FR, NL; DK, FI, SE; SI

2. Lacking explicit or predominant SI approach but some policies have significant elements

- ES, MT, PT; HU, PL, SK; IE, UK; LU

3. Historically very limited SI approach

- BG, CY, CZ, HR, RO; EE, LT, LV; EL, IT
- but some moving somewhat in a SI direction (e.g. CY, EE, HR, LT, RO)

II. Overall trends

- **Interactions between policy areas**

- overall integrated approach to investing in human capital is not very evident in many countries
- Integrated approaches across a broad range of policy areas are more common in specific policy areas

- **Use of EU Funds**

- Some interesting examples of how EU Funds have or will be used to support SI policies
 - EU's economic governance
- Merits looking into in more detail than possible in this report (research agenda)

III. Support for early childhood development

A. Early childhood education & care: illustration of ambiguities in MS' policies

- MS with fairly well-developed systems (e.g. DE, DK, FI, NL, SE, SI) have maintained these during crisis
 - some efforts to extend quality/coverage (e.g. DK, FI)
- Several MS with less developed systems have been taking some steps to address deficits
 - e.g. AT, BE, BG, CY, EE, EL, HU, IE, LV, LT, MT, PL, UK)
- Significant disinvestment in some MS
 - E.g. ES, IT, PT
- Some MS historically v. limited services & rates of enrolment
 - e.g. BG, CZ, HR, RO, SK

III. Support for early childhood development

B. Parenting services

- Most common types: parental education, family counselling offices, maternal and child health clinics, outreach visits to mothers and babies by midwives, services of family assistants to support vulnerable families, psychological therapy, and support for parents with disabled children
- MS with extensive services include:
 - AT, CY, EE, FI, SI, UK
- MS with lack of sufficient services include:
 - EL, HR, HU, IE, LT, PL, PT
- Positive developments highlighted in several MS:
 - BE, EE, FI, FR, IE, LT, LU, NL, PT, UK

IV. Parents' labour market participation

- **Long-term care**
- Tension between growing care-needs & reduction in potential informal supply of care
 - Traditional model of family solidarity: CY, HR, EL, PT, SK, BG, RO, PL, EE, LV
 - More comprehensive universal welfare state: SE, DK, FI, NL, BE, FR, UK
 - Even in MS with LTC policy care of elderly largely provided by family members
- Creation & extension of home care sector common priority across MS
 - some reducing number of residential homes: deinstitutionalisation (BG, CZ, HU, LT, LV)
- Some key issues
 - Fragmented development of LTC : health v social care
 - lack of vertical coordination (levels of government)
 - Underdeveloped LTC = non-formal market in care
 - Immigrants in precarious work
 - Financial consolidation halted trend to increase LTC services: some downsizing E.g. AT, EE, IE, IK
 - tighter eligibility and access & only greatest needs met
 - weakened preventive policies
 - threatens women's labour market participation

V. Policy measures to address social & labour market exclusion

- **Unemployment benefits**
 - Recent changes reducing the level and/or duration and/or tightening eligibility conditions
 - e.g. BE, CZ, EE, EL, ES, IE, HU, PT, RO
 - But extension of coverage in a few: EL, PT, SI

V. Policy measures to address social & labour market exclusion

- **Minimum income schemes**
 - Inadequacy of benefits in most MS but worse in some – e.g. BG, EE, PL, RO
 - Reforms implemented (AT, ES, HR, HU, PT, SI, UK) or announced (FR, LU) in several MS or pilot experiments (EL, IT) since 2010
 - broadly positive: AT CY SI
 - broadly negative: ES, HU, PT, UK

Policy measures to address social & labour market exclusion

- **Active Labour Market Policies (ALMPs)**
 - Despite comparatively low spending: a recent increase in the attention given to ALMPs
 - CY, EE, EL, IE, HR, LU, LV, MT, SI
 - Some develop synergies between employment and social services and create one-stop-shops – HR, IE, SI
 - EU funds (notably, ESF) support ALMPs
 - BG, EE, EL, ES, LV, PL, SI

Conclusions

- The European Commission embraced the Social Investment approach in its 2013 ‘Social Investment [Package](#)’ (SIP)
 - Has been ‘on and off the agenda since then (AGS 2016!)
- Negative impact of financial consolidation
 - Cuts in SI budgets & thus in scale / quality of services
 - Move from successful universal to more targeted/conditional policies (less effective; more stigmatising)
 - Postponing or cancelling of new SI investments
 - Prioritisation of passive short-term measures over more enabling & active services
- But, some positive SI developments
 - Often mix of positive in some areas & negative in others
 - ambiguity within countries and within European Semester
 - Financial consolidation not necessarily anti SI: depends on how it is applied
 - Some positive SI developments highlighted
- Until it is being replaced by another agenda, SI seems a useful paradigm for policymakers and stakeholders alike