socialplatform

Bi-annual meeting between the Committee on Employment and Social Affairs and Social Platform

May 29, 2012

Position paper

1. Social Dimension of the EU Budget: discussion with MEPs on the EMPL Committee reports/ opinions on:

a. The Common Provisions Regulation on the European Funds (ERDF, ESF, CF, EAFRD and EMFF)

Our main focus in the proposal goes to the following five key issues:

1) Uphold the General Ex-Ante Conditionality in the Annex IV

In particular:

- Promoting social inclusion and combating poverty
  - uphold the inclusion of "measures for the shift from residential to community-based care"
- Anti-discrimination
- Gender equality
- Disability

Why?

- **The ex-ante conditionalities allow for a process which ensures that the objectives of the Structural Funds are achieved by the beneficiaries and respected in coherence with the EU Treaties and legal frameworks.**

- **The general ex-ante plays a central role in bringing the EU closer to the Europe 2020 goals by supporting the impact of the Structural Funds on employment, education and social inclusion.** The EU Structural Funds are capable of activating the full participation of the most vulnerable people living in Europe, in particular those at risk of discrimination, poverty and social exclusion.

- **The general ex-ante on anti-discrimination, gender equality and disability can help member states to comply with EU commitments on the;**

  - **Principles of the Lisbon Treaty and the Charter of Fundamental Rights** to *eliminate inequalities and to promote equality between men and women*, as well as to *combat discrimination*[1]. The EU and the majority of member states are also

[1] as recognized in Article 2 of the Treaty on EU, Article 8, 10, 19 of the Treaty on the Functioning of the EU, and Article 21 of the Charter of Fundamental Rights

party to the **UN Convention on the Rights of Persons with Disabilities** which requires an effective implementation

- **Headline targets of the Europe 2020 Strategy;** by investing in diversity and equality which can be a driving force leading to economic development, growth and social cohesion

- **Uphold the inclusion of "measures for the shift from residential to community-based care" to** as residential settings can sometimes be segregating, deny the users' fundamental right to self-determination, and can have a negative impact on their self-confidence and autonomy[2]. It is also a more costly form of care service provision as it will prolong the time people require support[3]. During the Current and past Structural Funds programming periods it has been shown that an appropriate combined use of the ERDF and the ESF can play an important role in supporting member states' efforts in moving from institutional to community-based care ('deinstitutionalization') and in extension to reach the social inclusion objectives of the Europe 2020 Strategy.

Social Platform supports the call by:

- **Our members EWL, EDF, EAPN, ENAR and others** (see their letter; *Important provisions for social cohesion, economic growth employment and poverty reduction under threat in Council discussions on the Structural Funds legislative package for 2014-2020*)
- **The European Expert Group on Transition from Institutional to Community-based Care (EEG)** (see their letter: *Parliament and Council of the European Union have a duty to support community care*)

2) Remove the macro-economic conditionality from all structural funds

The European Parliament should oppose the application of macroeconomic conditionality – such as requirements related to excessive deficits, macroeconomic imbalances - to the structural funds.

Negative social impact of austerity measures will be further exacerbated by the suspension of payments and commitments from Cohesion Funds, particularly the Structural Funds. People in the EU under economic pressure should not be penalised for actions or situations beyond their control.

These Funds are the most important financial instrument for the social and economical development of the European Union. In many European regions they will represent the main source of public funding both at national, regional and local level.

a) ESF: Ensure support for people experiencing poverty: why the European Social Fund should be excluded from macroeconomic conditionality:

- **"Social inclusion and combating poverty" is one of the four thematic priorities of the ESF**

[2] Our member AGE Platform Europe has developed a *European Charter of the rights and responsibilities of older people in need of long-term care and assistance*
[3] FEANTSA, *Empowering ways of working,* September 2009

- **People worst affected by the crisis will suffer a double punishment:** reduction of their incomes through austerity measures and deprivation of financial support to combat poverty due to the fiscal conditionality. Member states under austerity measures are cutting wages, pension benefits, social security and social services. Not getting the support of the ESF will work against social cohesion and the achievement of the Europe 2020 poverty target

- **A concrete example of what can happen in 2014**: In Greece, as a result of the austerity measures and the wider recession, 5% of the population saw their 2010 incomes fall below the 2009 poverty line, swelling the ranks of those who were already – and remained – in poverty (another 20% of population)[4]. Yet despite the austerity measures adopted in the last two years, the public deficit is above the demands from the EU and the IMF (8,5% instead of 7,6). The potential suspension of ESF funds due to this situation will only make things worse for people in poverty.

b) ERDF: Ensure support to the most vulnerable groups to reduce their energy bills

Why:

- **The ERDF foresees that the most developed EU regions will have to dedicate at least 20% of their operational programmes to investment in supporting the shift towards a low-carbon economy in all sectors.** In particular investment should be made to support energy efficiency in the public buildings and housing sector. Energy efficiency will decrease the energy bill of those living in the refurbished houses.

- **Between 50 million and 125 million people in Europe are estimated to be energy poor[5].** This number will inevitably increase in the future in line with rising energy prices and increased fuel bills.

- **Energy poverty disproportionately affects those on low household incomes –** retired people, those out of work or in poorly paid jobs, and those dependent on social security benefits. This general economic disadvantage is exacerbated by the poor energy efficiency standards of their homes; fuel-poor households are likely to occupy properties with inadequate thermal insulation and expensive and inefficient heating systems[6].

- Depriving a member states from investing in energy efficiency due to macroeconomic conditionality **will impact on the most vulnerable who cannot afford their increasing energy bills.**

c) Ensure accessibility of transport for most vulnerable groups and the mobility of workers: why Connecting Europe Facility for transport, energy and ICT should be removed from macroeconomic conditionality

- The thematic objective 7 of the general regulation is "promoting sustainable transport and removing bottlenecks in key network infrastructures"

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[4] ETUI, Issue 5/2011, Inequality, poverty and the crisis in Greece

[5] Tackling Fuel Poverty in Europe, Recommendations Guide for Policy Makers, EPEE Consortium, page 4

[6] Tackling Fuel Poverty in Europe, Recommendations Guide for Policy Makers, EPEE Consortium, page 4

- Concrete example: some of EU funds will be used for the renovation of the rail infrastructure in Poland. Why preventing the mobility of workers with blocking the allocation of funds? Why depriving people with disabilities from boarding on newly accessible train and not supporting the implementation of the UN Convention on the Rights of People with Disabilities?

3) Thematic priorities of the EU structural funds: Use in a more strategic way EU money to achieve the social targets of the Europe 2020 strategy

- **We support the priority n°9 on "promoting social inclusion and combating poverty"**

- **Use the EU funds to develop sustainable and quality employment**. Member states have committed to promote job quality In line with the Employment integrated guideline no. 8. According to these guidelines that the EU funds should support "member states that should step up social dialogue and tackle labour market segmentation with measures addressing precarious employment, underemployment and undeclared work. The quality of jobs and employment conditions should be addressed. Member States should combat in-work poverty and promote occupational health and safety. Adequate social security should also be ensured for those on fixed-term contracts and the self-employed"[7].

4) Separate the allocations to the ESF from the one to the food aid programme

- **Food aid programmes do not serve the same objective as "promoting social inclusion and combating poverty":** the latter aims at long term, trans-formative programmes that will enable people to lift themselves out of poverty and exclusion.

- **The current proposal of earmarking 20% of the ESF allocation** for the social inclusion and combating poverty priority is needed to support programmes to fight against poverty and social exclusion and to contribute to reach the poverty reduction target.

- **Therefore the Food Aid programme should be continued after 2013 within the structural funds with sound legal basis along with adequate funding found outside the European Social Fund.**

5) Include civil society organisations as full partners in the preparation, implementation, monitoring and evaluation of the programmes (Partership Contract)

- **We fully support the inclusion of non-governmental organisation in the article 5 dedicated to partnership, together with the social partners.** The European Parliament should ensure the inclusion of partnership in all the relevant articles of the regulation as proposed by Social Platform.

- **It should be made clearer that not only a territorial approach should be applied but also all groups of people facing discrimination, poverty and social exclusion**

[7] Integrated guidelines for the economic and employment policies of the Member States, EUROPEAN COMMISSION, 2010

should be better targeted while preparing partnership contracts in a view of comprehensiveness for setting up the integrated approaches aiming at combating poverty and social exclusion.

Why?

- **Given their sound knowledge of the reality on the ground, the needs of different target groups,** on how to successfully run integrated projects funded by Structural Funds and the key role played by Structural Funds in delivering on the poverty reduction target, relevant stakeholders and especially social inclusion NGOs should clearly be seen as real partners and thus should run also be involved prior to the adoption of the European Code of conduct.

- **The implementation of Europe 2020 strategy requires it:** Recital 16 of the integrated guidelines requires the involvement of representatives of civil society. It states that the Europe 2020 strategy "should be implemented, monitored and evaluated (..) closely (..)with representatives of civil society, ...

b. The European Social Fund

As we already indicated during the exchange of views in the EMPL Committee on January 26, Social Platform welcomes in general the proposal for a new ESF regulation as it has been put forward by the Commission.

Our main focus in the proposal goes to the following five key issues:

1) **Social inclusion and combating poverty as a main priority:** We welcome the identification of "social inclusion and combating poverty" as one of the four thematic objectives of the ESF and the insertion of the mainstreaming clauses on equality between women and men and as well as on non-discrimination.
   - See in particular on **article 2 (Mission)** our proposal for amendment no. 1
2) **Quality employment:** When it comes to the promotion of employment the ESF should not only foster the creation of and the access to employment, but it should also promote quality employment, in line with the Employment Guidelines n°7.
   - See in particular on **article 3.1 (Scope of support)** our proposals for amendment no. 4 and 5
3) **Earmarking for the social inclusion and combating poverty priority:** In order to ensure a minimum budget for this essential priority in line with the poverty target of the Europe 2020 strategy, we support the proposed earmarking of 20% of the ESF budget.
   - See in particular on **article 4.2 (Consistency and thematic concentration)** our proposal for amendment no. 7
4) **Partnership with NGOs in implementing the ESF programme:** We fully support the inclusion of non-governmental organisation in article 6 of the regulation dedicated to partnership, together with the social partners.
   - See in particular on **article 6.1 and 6.3 (Involvement of partners)** our proposal for amendment no. 8-9
5) **Ensure the participation of NGOs in the ESF for the implementation of the social inclusion priority:** We welcome the proposals on flat rate, contribution in kind

and lump sums as these target in particular the small organisations applying for ESF support.

- See in particular on **article 6.1 (Involvement of partners)** our proposal for amendment no. 8

Concerning the draft ESF report, we have noticed how the rapporteur for the ESF, Elisabeth Morin-Chartier, is putting forward amendments to increase the focus on employment in the provisions on social inclusion and poverty. We welcome the support expressed in the report to the allocation of a minimum overall share of the cohesion fund for the ESF, the disapproval of applying macro-economic conditionalities and the addition of quality when improving quality. We are however concerned about the suggested limitation of the objective to fight discrimination to employment situations and the additional conditions for social partners and NGOs to receive grants for participating in ESF programmes.

c. The European Union Programme for Social Change and Innovation

We very much appreciate the draft report on the European Commission proposal for the European Union Programme for Social Change and Innovation of Jutta Steinruck, rapporteur for the Programme.

In addition to the report, we want to put forward the following suggestions for amendments:

1. Set a specific priority for promoting social protection and inclusion, and fighting poverty, separated from the priority on employment

Why?
116 million people in the EU are at risk of social exclusion and poverty: some may never enter employment; some need targeted, specific support to enter employment (active inclusion); levels of working poor are increasing and employment cannot provide, in many cases, the most adequate solutions to combating poverty and social exclusion. For the excluded and vulnerable groups, increasing their participation in society and reducing exclusion are often a prerequisite for employment.

Other EU strategies and programmes recognise the need to separate employment and social inclusion:

- **The Europe 2020 strategy:**
  - Requires that at least 20 million are lifted out of poverty by 2020
  - Foresees separate objectives on employment and social inclusion
- **The ESF identifies "social inclusion and combating poverty" as one of its four thematic objectives and has an earmarking of 20% of the fund**
  - active inclusion is distinguished from employment policy.

How?
- Refer in particular to our proposals for amendments from 1 to 4.

2. Keep the original proposal from the Commission to allocate 60% of the total amount of the programme to the Progress axis:

Why?
We consider that the original proposal from the Commission more adequately reflects the real need for support.

If the increase of the total amount of the programme proposed by you is not accepted, while the proposed percentages of allocations to the three axes are kept, this would result in a decrease of the budget for the Progress axis.

How?
- Refer in particular to our proposal for amendment no. 5.

3. Include civil society organisations as full partners, together with social partners and public authorities, in the preparation, implementation, monitoring and evaluation of the programme (partnership principle)

Why?
We call for the recognition of civil society organisations as full partners, in the preparation, implementation, monitoring and evaluation of programmes, in order to make an added value of their sound knowledge of the reality on the ground, the needs of different target groups, on how to successfully run integrated projects funded by EU Funds and the key role played by previous programmes such as Progress and other EU funds in the fight against poverty and social exclusion and in delivering on the poverty reduction target.

In the text there are some inconsistencies; our proposals aim at ensuring coherence throughout the whole regulation and with the provision on a partnership contract of the proposal for a regulation laying down common provisions on structural funds (art. 5).

How?

- Refer in particular to our proposals for amendments from 6 to 10.

4. We propose some changes in the definitions proposed by you on "social innovation" and "social policy experimentation":

Why?
Social innovations should prove to be effective before they can be scaled-up. However, evidence of effectiveness cannot be a pre-condition for innovation.

If all social innovations have to be "evidence based" as a pre-requisite, the risk is that some social innovations cannot be considered as such, simply because they do not have enough financial means or other resources to assess that they comply with this requirement. It could also be understood that all social innovations must prove that they are evidence based by the means of social policy experimentations, while evidence based can be proved in other ways, for instance by available statistics and research, evaluation of the impact on beneficiaries, etc.

Social policy experimentation should be developed with the direct involvement of stakeholders and beneficiaries and should lead to the long-term and sustainable financing to ensure the scaling-up of effective approaches. Long-term financing of pilot projects is not the goal of social innovation or the programme. Pilot projects serve to test an innovation and should by definition be limited in duration. If testing shows an innovation that proves to

be effective, then adequate financing needs to be provided to implement scaling up. Scaling up will require links to other financial instruments such as ESF and ERDF.

How?

- Refer in particular to our proposals for amendments no. 11 and 12.

d. The Rights and Citizenship Programme

In order to respond to the political era of our time with an enlarged Union facing a long affecting financial, economic and social crisis we need a solid financial regulation in line with the Treaty and Charter of FR commitment to promote and protect equality and non-discrimination.

Equality is not only an aim in itself but it is also a way to achieve sustainable, economic and inclusive growth and therefore the framework needs to be clearly designed with equality as the main objective.

When determining equal treatment legislation is being politically blocked in the Council since many years, such as the Article 19 anti-discrimination directive and the maternity leave directive it is even more crucial that the regulation enables long-term policy work to promote equality. Only through comprehensive awareness raising and increased knowledge about the beneftis of investing in equality will we be able to advance towards a complete legal procetion against discrimination on all grounds and mainstream equality into all policy areas.

On this basis we call on Committee on Employment and Social Affairs to take into consideration the following proposals for amendment in the committee report.

Article 1 (Establishment), 3 (General objectives)

- **State by the name and the general objective of the regulation that its scope is to contribute to the promotion and protection of equality, equality between women and men and the principles of non-discrimination**. In this way it clarifies that the programme is about promoting individual rights as well as to tackles structural inequalities and discrimination in Europe

Article 4.1, 4.2 (Specific objectives), 5.1 (Actions), Recital 8

Present a consistent framework of actions for all grounds of discrimination to be protected and for equality and fundamental rights to be promoted by;

- **Explicitly state that all grounds of discriminations are equally protected and promoted** to avoid that priorities are made based on an understanding that some grounds and groups are not equally important and can be disregarded
- **The promotion and protection of rights encompass all people residing in the EU** and not be limited to EU citizens
- **Activities where synergies between fighting poverty and discrimination are supported and promoted**; especially in times of economic crises when vulnerable groups are severely hit

Explicitly include actions to combating violence against women, children and other vulnerable persons, i.e. the objectives of current Daphne Programme (in Article 4.1), both in the Rights and Citizenship Programme *(as well as the Justice Programme)*

- The Commission has ensured that the current Daphne Programme *to prevent and combat violence against children, young people and women and to protect victims and groups at risk* will partly be taken up by the Rights and Citizenship Programma and partly by the Justice Programme. It is crucial that this is 'put in writing' to ensure that the knowledge and practices gained from the Daphne Programme is protected, sustained and continued within the new frameworks. To be protected against violence is a fundamental human right that should under all circumstances be a visible priority for the EU.

Article 5.2 (Actions), 7 (Budget), 8.2 (Implementing measures)

Ensure sufficient operating funding to enable European level networks to realize the promotion and protection of equality and non-discrimination in the EU on all grounds by

- **Aknowledge European level networks of rights holders as real partners** of the overall comittment to equality and fundamental rights as enshrined in the Treaty and the Charter. European Equality NGOs has through their national members a sound knowledge of the reality on the ground and great experience of reaching out to people in need and gain trust when authorities fail. They also have a long-standing knowledge on how to successfully run equality and anti-discrimination projects.

- **Ensure sufficient funding for running costs and activities.** It is surprising that the Commission is proposing a decrease in funding for the Programme which most likely will on long-term be more costly than it would have been to ensure sufficient funding to continue to work preventively and promotively. Considering the economic and social crises the costs of inequality, social exclusion and discrimination is growing; The numbers of people who are pushed into poverty and homelessness are rising. People are losing their jobs, unstable working conditions are increasing and the number of 'working poor' is growing. Whilst at the same time social services are being cut and access is made more difficult.

- **Ensure that the Commission's annual work programme dont jepordise the long-term strategic work** by the beneficieries by prioritiesing some objectives and activities above others. All grounds of discriminations shall be equally protected and promoted and the framework shall state that the Commission can not disregards Article 4 and 5, inline with our proposal (above).

2. The social dimension of the Economic Governance

a. The implementation of the European Semester and the social consequences of the reinforced economic governance (six pack, two pack and new Treaty)

Against the background of the meeting of the European Council last March, we called on the Heads of State and Government to ***integrate a social pact in the European economic governance to counteract the social consequences of fiscal consolidation and austerity measures***.

We reiterated our great concern on the overall economic orientation of the EU and its resulting social consequences. After two years of austerity measures, our members feel that the EU is not taking the right path to fulfil its objective *"The Union's aim is to promote peace, its values and the well-being of its peoples"* as set out in the Treaty on the European Union (article 3).

For the same reason we reiterate our opposition to the new intergovernmental Treaty on stability, coordination and governance in the economic and monetary union. International organisations such as the OECD, the ILO, and the IMF have issued warnings on austerity measures which do not address the causes of the crisis, or their social consequences.

In addition to rejecting the new Treaty we asked to commit, within the framework of the European Semester, to the integration of a social pact in the European economic governance in order to counterbalance the social consequences of the austerity measures and fiscal consolidation.

This pact should comprise a set of concrete actions for protecting the vulnerable and for supporting the employment of young people, and other key target groups, with difficulty in accessing sustainable, quality employment, and social services. The pact will therefore also create the necessary conditions for social and sustainable growth.

The development, implementation and evaluation of these actions should be done through the National Reform Programmes, **in partnership with all relevant stakeholders** at the national level, including non-governmental organisations.

The concrete actions should be achieved within 12 months and clearly reported on in the National Reform Programmes and Social Reports.

As a starting point for developing such a social pact, these actions should include:

- **Defend social protection, further improve the effectiveness of social protection systems,** and make sure that social automatic stabilisers can play their role as appropriate, avoiding precipitate withdrawals of past extensions of coverage and eligibility until jobs growth substantially resumes;

- **Implement integrated Active Inclusion strategies** encompassing measures on supporting people into inclusive labour markets, adequate minimum income and

universal access to adequate and affordable social services to prevent marginalisation of vulnerable groups;[8]

- **Ensure access to affordable quality services,** supporting the integration of the vulnerable in the labour market and in society, through ensuring: access to a basic payment account; electricity supply to vulnerable customers; access to affordable housing; and access to care services for children, elderly and dependent family members. The role of Stuctural Funds in terms of capacity building for both authorities and project promoters, will be crucial in supporting these services. Special attention should be given to those member states who have received financial assistance from the EU and in which social services are purely and simply disappearing because of EU and domestic policy choices. In those countries, Structural Funds should mobilized with a 100% co-financing rate to support both the public administration in charge of those services and the grass root organisations that deliver those services.

- **Identify the most urgent needs and propose concrete actions, targeting in particular young people who are not in employment, education or training**. Identify as well commitments to promote quality apprenticeships and traineeship contracts and entrepreneurial skills.

WHY?

- **The EPSCO Council in February called on the European Council to tackle increasing poverty and social exclusion**, through active inclusion strategies combining adequate income, inclusive labour markets and access to quality services.[9]

- **The EPSCO Council stressed that fiscal consolidation efforts should be accompanied by enhanced employment and social policies** stating that fiscal consolidation should not increase poverty or hamper efforts to tackle unemployment.[10]

- **The ECOFIN Council recalls that "when designing reforms, equity considerations and distributional effects should be taken into account"** since "public acceptance of budgetary consolidation and major structural reforms is key to succesfull implementation".[11]

- **The European Commission, in the AGS 2012, calls on Member States to prioritise the "protection of the vulnerable"**. "The social tissue of the EU is being put to the test" and "the crisis has disproportionately hit those who were already vulnerable and has created new categories of people at risk of poverty. There are also clear signs of increases in the number of people at risk of income poverty, notably child poverty, and social exclusion, with acute health problems and homelessness in the most extreme cases. People with no or limited links to the labour market – such as pensioners or vulnerable people dependent on social benefits, for instance single parents – are also exposed to changes affecting the calculation and eligibility of their source of income."[12]

- **The European Parliament calls on you to ensure policy coherence and increasing ambition to achieve the Europe 2020 targets, to improve the quality**

[8] As stipulated also by the Commission in its Recommendation on Active Inclusion of October 2008.
[9] EPSCO Council conclusions, February 17, 2012
[10] EPSCO Council, Employment and social policy (press release), February 17, 2012.
[11] ECOFIN Council conclusions, February 21, 2012.
[12] Annual Growth Survey 2012, section 4, page 12.

of employment and to tackle poverty and social exclusion in your decisions on the guidance for the European economy at the Spring Council.[13]

- **The AGS 2012 progress report sends out the warning that, as the situation is now, the target of lifting 20 million people out of poverty will not be met.** The numbers Member States provided on their national poverty targets last year show a commitment to lift only 12 million people out of poverty by 2020.[14]

b. The Europe 2020 Strategy and its social targets (poverty, education and employment) and equality as a tool to reach these targets

-- THE EUROPE 2020 STRATEGY AND ITS SOCIAL TARGETS --
See also section above under 2. a)

The AGS 2012 progress report has send out the warning that, as the situation is now, the targets on poverty and social exclusion, employment and education: [15]

- ***Poverty reduction target:*** *The EU target of lifting at least 20 million people out of poverty and social exclusion by 2020* ***will not be reached*** *based on current national targets. According to a first preliminary estimation of the cumulative ambition around 12 million people would be lifted out of poverty and social exclusion by 2020. If spillover effects of strategies focusing on, for example, combating child poverty or reducing long-term unemployment are taken into account, this number can be increased by 25%. However, this would still fall short by at least 5 million or 25% of the EU headline target.*

- ***Employment target:*** *If all Member States achieved their national target, the EU as a whole* ***would still fall short*** *of the 75 % target by 1.0-1.3 percentage points. In the course of 2011 there has been no substantial progress. With the recovery stalling and only marginal overall employment growth during the first half of the year, the EU-27 employment rate for 2011 is likely to be only slightly above the 2010 level of 68.6% and to remain well below its pre-crisis high of 70.3%. The challenge remains to bring an additional 17.6 million people into employment between now and 2020.*

- ***Education target:*** *The global EU target of early school leaving* ***will not be reached*** *on the basis of current national commitments. The national targets suggest that a rate of 10.5% early school leavers would be achieved by 2020, thus missing the common European target of 10%. Early school leaving still averaged 14.1% across the EU in 2010 compared to 14.4% in 2009. However, the figure hides considerable differences between and within countries. On tertiary education attainment (among 30-34 year olds), the cumulative effect of achieving the existing national targets set by Member States would on its own only lead to an attainment level of around 37% in 2020.*

-- EQUALITY --
In order to respond to the political era of our time with an enlarged Union facing a long affecting financial, economic and social crisis we need to acknowledge Equality, not only as an aim in itself and a fundamental rights to be enforced – but also as

[13] European Parliament Resolution on the contribution to the Annual Growth Survey 2012, February 15, 2012.
[14] Annual Growth Survey 2012 - Progress report on the Europe 2020 strategy, page 3-4.
[15] Annual Growth Survey 2012 - Progress report on the Europe 2020 strategy, page 3-4.

a way to achieve sustainable, economic and inclusive growth and to each reach **the Europe 2020 Strategy social headline targets: employment, social inclusion and education**

Civil society works closely with people in need. We work to understand what barriers they face in contributing to society. We assess and identify together with them the barriers that block access to employment, social inclusion and education. These barriers are wide and varied. For example:

- How can people with disabilities accept a job if they don't have access to education (schools, training facilities), housing nearby the place they want to work, public transport to reach their company?
- How can someone with talent and expertise accept a job in an EU country if that country does not recognise their same-sex partner and children?
- How can smart young people, who are denied access to mainstream education because of their religious beliefs, have the same opportunities as others?
- How can single mothers accept a job if they cannot afford childcare?
- How can women take maternity leave when their job is at risk if they do?

Examples on Employment

- Inclusive education not only enables more people later on access to the labor market but also improves the quality of education. Example from France: In 2001 the French University Sciences Po launched a pioneer program for Equal opportunities: Conventions Education Prioritaire (CEP). 10 years later a comparative survey was made among 172 graduates of Master in Sciences, who were recruited through the Priority Education and Conventions entire class of 2009. The survey concludes among others that the graduates do as well or better than average; they access employment very fast (42% of students selected through the CEP were recruited before graduation, 39% of all graduates in 2009); their pay is comparable if not better, they are more integrated into the private sector but less represented in the public sector; the proportion of students on scholarship has increased.

- (---) Women are both employees and users of the public services – to a much higher degree than men. Cuts in these areas of public budget do have an immediate impact on women's position both in employment and as users of services (---) The actual stimulus packages and other programmes are heavily concentrated in stabilizing manufacturing industries and construction industries, mostly male-dominated segments of the labour markets. *(Re-cession or He-cession – gender dimensions of economic crisis and economic policy, Fredrike Maier, ETUI 2011)*

Examples on Education

- In Ireland more than half of all the students that are either lesbian, gay, bisexual or transgender (58%) reported homophobic bullying in their schools, more than a third reported homophobic comments (34%) by teachers and other staff members and a quarter had been physically threatened by peers (25%) (GLEN 2010)

- Exclusion of Roma children from formal schooling, often as a result of direct or indirect discrimination, is reported in several EU member states. In France (ECRI, 2010) Roma have been excluded from or have dropped out of school, often as a result of discrimination. In Poland (ECRI, 2010) more than 50% of Roma children do not attend school. In countries such as Hungary and the Netherlands (Council of Europe, 2012) Roma children are excluded from mainstream education and are over-represented in alternative systems, such as in schools for children with intellectual disabilities in the Czech Republic (Czech School Inspection Thematic Report, 2010). Early school drop-outs

of Roma girls is particularly high and has been reported across Europe including Hungary, Lithuania, Portugal and Romania (Council of Europe, 2012). In central and eastern Europe the enrolment rate in primary school for Roma girls is 64% compared to 96% in non-Roma communities with a similar socio-economic situation (UNICEF, 2011: 196).

- "Not being able to go to school regularly results in illiteracy. Not being able to read and write means not being able to learn about your rights and duties; it means not being able to defend yourself, and not being able to get a job. Illiterate people cannot do the simplest things like finding their way around the hospital, filling in a form, knowing what road they are in, or understanding what medicine they have in their hands. At that point poverty is inevitable, and so is alienation. This is the crux of the matter – we have to choose whether to fight poverty or whether to fight the poor." (quote from an article)

Examples on social inclusion

- A report from ATD Belgium shows that when a person loses her home she also loses access to a wide range of fundamental rights. Without an address she cannot get an identity card or open a bank account. She cannot vote because she won't get notification by mail and she cannot receive social and unemployment benefits or her pension

- Generally Roma have poorer education level, lower literacy rates, worse health, poorer housing conditions and higher level of unemployment than the rest of the society. This is a result of widespread and systematic racial discrimination taking place across Europe (Council of Europe, 2012).

When the Commission released its annual report **Report on the Application of the EU Charter of FR** (on April 16) they stated that **'Improving equality between women and men is essential to the EU's response to the current economic crisis**... Studies have shown that gender diversity pays off and companies with higher percentage of women on corporate boards perform better than those with all-men boards'

Unfortunately the report lack a further assessment of how respecting the Charter contributes to improving equality. The report presents the development issue by issue without showing the interlinks between them, in particular in relation to other policy areas and DGs (such as the importance of investing in equality to reach the headline targets of the Europe 2020 Strategy).

It speaks on 'success stories' of how the Charter been used is on security scanners at EU airports, EU rules on Data Retention, Hungarian media law and its Constitution. It also talks about EU competitiveness, partners and investors but do not mention the pressing concerns on the consequences of the crises and how it affects the most vulnerable – neither does it recognise the role of civil society as a key actor to report on violations of fundamental rights and in reaching out to people to inform about their rights and give support.

To move forward on this, there is the need to adopt of:

- **The Article 19 anti-discrimination Directive**; the need to complete the equal treatment legislation by providing protection for goods and services (in line with the Employment directive) education – discrimination outside employment hinders access to the labor market itself (access to education, public transport, housing etc.)

- **The Maternity leave directive**; to enable women to go back to work after leave by providing protection against dismissal and tackle the gender pay gap by providing

women their full salary during their leave. Crucial measures to promote equality within the labor market as well as in society in large

- **A strong Multi-annual Framework for the Fundamental Rights Agency**; giving the Agency a clear mandate to assess and provide recommendations on how to tackle economic, social and cultural barriers to fundamental rights to enable the poorest people in the EU to access their fundamental rights; as well as to monitor the UN Convention on the Rights of Persons with Disabilities

- **A solid financial regulation** (Rights and Citizenship programme) **for 2014-2020 that contribute to the promotion and protection of equality, equality between women and men, and the principle of non-discrimination**; a consistent framework of actions for all grounds of discrimination to be protected and for equality and fundamental rights to be promoted; explicitly include to combating violence against women, children and other vulnerable persons and that ensure sufficient operating funding to enable European level networks

- **Call for the Equality Summit to be used as an opportunity - as 'stepping-stone' - to prepare messages to be delivered at the EPSCO Council in December** on how investing in equality supports the Europe 2020 Strategy's headline targets of employment, social inclusion and education. As we learned from the Governmental Expert Group meeting on May 3 this is inline with the ideas of the Commission and the Presidency; to look at the synergies with the Europe 2020 Strategy's targets. We welcome this approach and also the ambition to make this Summit 'high-level' the way it was intended to be from the start.
  - Building on our work and the diversity of our members and their concrete experience of what is happening on the ground we will prepare our messages to the EPSCO Council in December. We believe we can contribute to make the Summit deliver by showing how diversity and equality can be a driving force and lead to economic development and growth; this will also support to attract the high-level attendance that is foreseen.

c. Youth and employment: follow up to the Council recommendation of January 31 and March 2, 2012

In the context of the informal EPSCO meeting on April 23-25 in Horsens, Denmark, we communicated proposals for the sustainable inclusion of youth in education, society and employment and the effective implementation of the Youth Guarantee to the Ministers for Employment and Social Affairs.

1. Establish an inclusive education system that provides for the specific requirements of today's diverse youth and guarantees equal access to quality education and training without distinction of cultural and social origin.

How?

a. **Adopt the European Quality Charter on Internships and Apprenticeships.** Presented by the European Youth Forum this charter is a set of basic quality principles to ensure that internships and apprenticeships become a valuable and quality experience across Europe and beyond. Concrete proposals include existence of a written and legally binding contract outlining the length, remuneration of the internship, a description of

learning objectives and tasks to be attached to the contract and decent remuneration for work carried out additional to the requirements outlined in the internship or apprenticeship contract, including compensation for overtime.[16]

b. **Recognise officially and validate "hard" and "soft" skills and competences gained through non-formal and informal education** i.e. in social relationships, in youth work and volunteering - that are important for the employability of young people, for our society and for a knowledge-based, innovative economy.

c. **Adopt the Article 19 anti-discrimination Directive blocked for the last four years in the council**. Tackling discrimination within the labour market cannot be achieved without tackling it outside the labour market, particularly in access to resources and services including education and training. This should include ensuring equal and universal access to and availability of quality education for all children and concerns public education and training measures, lifelong learning, qualification and skills upgrading and retraining. Any education and training opportunities scheme should be accompanied by a scholarship to cover minimum expenses and/or reimbursement of incurred costs, including also extra costs incurred by youth with disabilities.

d. **Reform education systems to promote social mobility and reduce early school leaving.** Teacher training and support should equip teachers with the necessary skills to respect and respond to the diversity of children and young people's backgrounds, learning styles, interests and capabilities.

e. **Improve the transition from schools and training systems to the labour market -** in close coordination between educational establishments, governments, educational and social service providers and social partners - by setting up:
   - job counselling centres providing personalised support, already on campuses and within schools;
   - synergies between practical activities, workplace learning and classroom work;
   - job placements.

Why?

- **One out of six young people does not finish secondary education, and early school and university leavers are highly susceptible to social exclusion and marginalisation,** according to the European Youth Forum. Additionally, students whose parents have a low level of education or a low socio-economic status are more likely to leave school early.

- **Children from lower socio-economic backgrounds are a higher risk of dropping out of school.** According to the Commission, more than 30% of children living in poverty have parents who did not complete a secondary education (against 16% for all children), and only 16% of children living in poverty have a parent who has completed higher education[17]. In addition, a high proportion of students with disabilities do not reach third level education.

- **Internship outside formal education is frequently replacing quality employment for young people**. The lack of clear quality guidelines undermines the main purpose of

[16] Qualityinternships.eu - This document has been elaborated by a broad number of experts and stakeholders and it is available online with the aim of gathering further support and commitment.
[17] Thematic study on policy measures concerning child poverty, European Commission, 2008.

internships and apprenticeships as educational opportunities that give practical skills to young people and help avoid the skills mismatch. This trend prevents young people in Europe and in other regions of the world from earning a decent wage, and from having access to social security and health insurance.

- **Exclusion of Roma children from formal schooling, often as a result of direct or indirect discrimination, is reported in several EU member states.** In Poland more than 50% of Roma children do not attend school.[18] In countries such as Hungary, the Netherlands and the Czech Republic, Roma children are excluded from mainstream education and are over-represented in alternative systems.[19] In central and eastern Europe the enrolment rate in primary school for Roma girls is 64% compared to 96% in non-Roma communities with a similar socio-economic situation[20].

- **In many European countries, young undocumented migrants are denied access to internships and vocational training in contradiction with the Fundamental Rights Charter,** even when it is an integral part of their compulsory education and prevents them from completing their studies. Denying undocumented youth access to some forms of education is discriminatory and limits their skill development and opportunities on the labour market in Europe or elsewhere. Undocumented pupils are also often denied formal certification of their studies, which further restricts their opportunities to continued education and work, and can lead to early school leaving.

2. Ensure that all young people - especially those who are neither in employment, nor education and training - have appropriate means to be socially included.

How?

a. **Ensure access to social security schemes,** such as adequate minimum income schemes, already approved by the European Parliament, as a fundamental step that prevents young people from being at risk of poverty, without eligibility criteria linked to previous working periods. To this end, fully implement key provisions included in the Revised European Social Charter and relating to the right to social security and decent working conditions, include fair remuneration.

b. **Ensure access to affordable, high-quality services for young people** to support them in bridging social and labour market transition phases and to avoid social exclusion. For example, provide personalised job counselling and other types of counselling, according to needs.

c. **Build enough units of affordable rental housing across all territories and increase the supply especially in booming regions and university towns where there is an outstanding concentration of young people.** Empty houses, vacant office spaces and empty dwellings can be converted into housing accommodation for young people.

d. **Support mediation services between young people and their families**. Early intervention allows avoiding young people leaving home and thus being outside any education or training system. Preventing youth homelessness by strengthening the

[18] ECRI, 2010.
[19] Council of Europe 2012; Czech School Inspection Thematic Report 2012.
[20] UNICEF 2010: 196.

relationships between young people and their families helps tackling the problem of young people being socially excluded.

Why?

- **In 2010, young adults not in employment nor in any education or training reached 7.5 million people**, putting them at risk of exclusion from the labour market as they gain neither work experience nor skills useful to obtain employment[21].

- **The level of in-work poverty among young people in the EU is 9%** [22]. These people work for low salaries, with little social protection and in precarious working contracts. This situation does not allow these people to lift themselves out of poverty.

- **High skills are no guarantee for obtaining a quality job.** The number of Portuguese graduates, who are unemployed or underemployed, for example, rises every year[23].

- **Social protection is a prerequisite** for allowing people to alternate in a more flexible way between periods of employment and unemployment, training and re-skilling.

- **According to the ILO, first-time job seekers are usually not covered by unemployment benefits.** Young unemployed women and men who have some work experience are less likely to be eligible for statutory unemployment benefits as compared to older workers. Young women are less likely to access unemployment benefits than young men because of the gendered employment patterns of young people.[24]

- **Young people are increasingly squeezed out of the housing market**; affordable housing in both the private and social rented sector is in short supply and buying a home is out of reach of many. Finding accessible housing for persons with disabilities is an increased challenge as costs of adaptations are high, and other tenants rarely accept to share the costs to adapt common areas. Delayed adulthood as a social phenomenon produced by housing conditions, is considered a problem that employment and social policies should take seriously; in terms of the potential negative effects it can have on family life, labour market mobility and on the economy.

3. Ensure that 75% of young people available on the labour market are employed, in line with the employment target and guidelines of the Europe 2020 strategy.

How?

a. **A tailored Youth Guarantee for all**, as foreseen by the Europe 2020 Youth on the Move Flagship Initiative together with a quality framework that goes beyond providing a first job or traineeship. Personalised career counselling – taking into account the needs of specific groups and guidance should be available to help finding a tailored solution to unemployment. Creating a youth guarantee without a strong anti-discrimination and inclusion focus bears certain risks. Too often we have seen that special programmes

[21] Eurofound (2011), Young people and NEETs in Europe: first findings.
[22] Eurofound (2010), Working Poor in Europe.
[23] Instituto Nacional de Estatísticas, Portugal.
[24] report for the ILC, 2012.

designed for inclusion to the labour market have not established real integration in society because they took a form of special workplaces or separate trainings programmes. Such approaches still exclude young people from actually participating in society and consequently form a pseudo-labour market that does not prepare them for the regular labour market.

b. **Elaborate the Youth Guarantee and a further European Youth Employment Strategy in cooperation with all different stakeholders -** including young people and their representative organisations, civil society organisations and social partners - and provide adequate financial support for its implementation to accompany the youth employment target and to ensure that no young person is out of the labour market, nor education or training, for longer than four months.

c. **Actively look for good practices that can be transposed into youth employment policy**, such as the "Youth social guarantee" in Finland. It applies to young unemployed people under the age of 25. It mandates that within three months from the start of unemployment, a young person is offered a job, an educational opportunity, or some other measure to improve their employability. Actions are based on a personalised employment plan. The system facilitates early intervention, emphasises regional equality, and is concrete and goal-oriented. The evaluation of the programme showed that it had accelerated the pace in which personalised plans were drawn, and that it had decreased unemployment.

d. **Implement an 'Individual Placement and Support Approach' for the inclusion of disadvantaged groups into the labour market,** such as the 'place and train' method that has been developed specifically for young people that experienced severe mental health problems. It combines health care services, educational and social services that aim to place young people with psychosocial disabilities on the regular labour market. The young person is therefore placed directly within a regular work environment or vocational setting with individualised and intensive support to accessing competitive, paid employment followed by time-unlimited in-work support. The results show the young people can get and retain paid employment, which implies there are no strains on the disability benefit funds. This good practise has been used and evaluated in the United Kingdom, and already has gone through excessive evaluations in Australia, Canada, China and the United States. It could be applied mutatis mutandis to other groups of young people.[25]

e. **Invest in the creation of and access to sustainable and quality jobs for young people** in line with Guideline 7 of the Integrated Guidelines[26] and apply it to all EU legislative proposals. Ensure that job quality comprises living wages, working conditions, job security, employment protection, social protection and health insurance, and reconciliation between private and professional life, among others for women as well as for men.

f. **Ensure sustainable funding for employment in the social and health care sector**, provide adequate information on employment opportunities and improve salaries and working conditions in the sector to create and promote jobs in this sector.

[25] Rinaldi et al. (2004), Bacon and Grove (2010), Rinaldi et al. (2010).

[26] "The quality of jobs and employment conditions should be addressed. Member states should fight in-work poverty. Adequate social security should also be ensured for those on fixed-term contracts and the self-employed". Member states should also "increase labour market participation, combat segmentation and gender inequality".

g. **Encourage youth entrepreneurship policies and create stable, enabling, and supportive environments through which youth can enter the field of entrepreneurship** to allow young people to consider entrepreneurship as a real option on how to be active on the labour market. This requires access to personalised counselling services accompanying young people and helping them to be self-employed in a sustainable way and paying special attention to the young entrepreneurs' income, social protection, health insurance, and the ability to reconcile work and family life.

h. **Look into the role of discrimination** (stereotypes, prejudices) at recruitment stage but also in all forms of vocational & education training (e.g. that could explain lower participation rates of young people with ethnic/migrant background in apprenticeship schemes in AT and DE) as a strong determinant for high youth unemployment in some specific territories (e.g. suburbs, overseas departments, ..) – including multiple barriers such as origin, family names and place of residence.

i. **Undertake an in-depth investigation of the regional/ local disparities of youth unemployment rates**, i.e. looking behind the national average rates that are hiding appalling situations.

Why?

- **Youth unemployment has currently reached an average of 22.4% in EU countries, meaning that 5.5 million of young persons do not have a job.**[27] It rose to almost 50% in Spain and Greece and exceeds 30% in Slovakia, Italy, and Portugal.

- **Precarious contracts are on the increase while decent work and quality employment are a precondition for fair, sustainable and inclusive growth.** According to the Commission, in several EU countries a large share of hiring takes place via temporary contracts, mainly involving young workers. Temporary jobs account for 40% young workers' contracts in the EU, against 13% for the overall working-age population[28].

- **Although women in the EU are better educated than men, they are less employed.** 36.8% of women aged 25-29 are high-skilled, whereas for men this figure is 27.1%. However, their employment rate is 2.8 percentage points lower than that of men. In addition, in 2009, 29.2% of young women were involuntarily in part-time employment, compared to 25.4% of young men. Furthermore, the gender gap in the youth employment rate is marked across the EU: for the EU27, a youth employment rate in the first quarter of 2010 was 35.1% for young men and 31.7% for young women.[29] This is also particularly relevant for women facing multiple discriminations.

- **There is overwhelming evidence that persons with disabilities who are in transition from school to employment are prevented or hindered from accessing employment and/ or sustaining themselves in the workplace.** They face barriers which hinder their full and effective participation in society on an equal basis with other citizens.[30]

[27] Eurostat (2012): Euro area unemployment rate at 10.7%.
[28] EC, Employment in Europe 2010 Report.
[29] European Commission, Recent developments in the EU-27 labour market for young people aged 15-29, September 2010.
[30] As specified in the new EU Disability Strategy 2010-2020.

- **Self-employment and entrepreneurship can be helpful in improving the youth employment situation; however currently serious obstacles prevail to make it a real option of earning income.** These obstacles include too complicated administrative procedures, lack of tailored guidance and support structures, lack of support in acquiring the necessary knowledge and skills, insufficient start-up support and help in maintaining and expanding the enterprise, and social protection and health insurance systems adapted to news ways of earning income that are therefore less favourable and supportive. This form of employment also leads more often to low income, precariousness, indebtedness and insufficient social protection. Self-employed persons in the EU25 have a three times higher risk of being working poor than employees: 18% compared with only 6%.[31]

- **Volunteers can not be used a cheap alternative to replace workforce.** Volunteering does not discharge policymakers and social partners of their duties of ensuring decent jobs for the active population.

- **While job opportunities in the general labour market decrease, there is a growing staff and skills shortage in the social and health care sector**, this due to the growing need for health and social services across Europe. Nevertheless youth do not easily find their way towards the social sector because of a lack of information, low salaries and unsatisfying working conditions.

[31] Eurofound, European Working Conditions Observatory, Doris Hanzl-Weiß/Hermine Vidovic: Working poor in Europe, April 2010, http://www.eurofound.europa.eu/ewco/studies/tn0910026s/tn0910026s.htm.

3. Social Dimension of the Internal Market

a. The public procurement directive

State of play: we are currently working on amendments to the public procurement directive

SOCIAL PLATFORM KEY MESSAGES ON THE REVISION OF PUBLIC PROCUREMENT DIRECTIVE (Summary of our response to the Green Paper)

A) Proposals on how to include the specific features of social services, including the promotion of alternatives to public procurement:

Our main recommendations from our response to the Green Paper on the modernization of EU public procurement policy:

- To amend the existing rules to recognise in law the specific characteristics of social services of general interest. Procurement rules should be designed to fit with the specific characteristics of social services such as service user choice, quality, sustainability, continuity, personalisation, integration of services, users involvement and empowerment, partnership with communities and other actors

- To adopt a consistent approach with the one shown in the recent Communication "Reform of the EU state aid rules on Services of General Economic Interest": simplify the application of state aid rules to small-scale public services of a local nature with a limited impact on trade between member states, such as social services.

HOW?

- In the revision of public procurement directives, maintain the distinction between A services and B services list. **Social services must continue to follow the regime currently in place for B-services**, to subject them to only specific rules of the Directive (see our answer to questions 4-5, p. 2).

- We are in favour of **raising the thresholds**, especially for contracts for the delivery of social services (see our answer to question 6, p.2).

- In the specific area of social services, **the award criterion of the lowest price only has to be abolished**. Public procurement rules set out at EU level should take into account that quality is an essential dimension - and not an extra added value - in the provision of social services. Therefore, while tendering for social services, **when the award is made to the most economically advantageous tender, the criterion of quality has to be compulsory** and should be given a mandatory weight which is higher than the one that is given to the other criteria (see our answer to questions 97, 97.1, 97.1.1, p. 7).

- Our experience and the discussions held at the 3rd Forum on SSGI highlighted that in the area of social services there are different ways to select providers but also different forms of service delivery, which in comparison to public procurement allow to a better extent to manage flexibility, personalization of services and innovation, which are essential for quality social services. **Our recommendation to the Commission is**

therefore to clarify when the existing alternatives to public procurement are allowed (see our answer to question 113, p. 9).

B) Proposals on how to use public procurement to achieve social, societal and sustainable development goals:

Our recommendation is to take the opportunity of the revision of public procurement laws to make public procurement a tool to support the achievement of overall societal goals, in particular the promotion of fundamental rights, social inclusion and sustainable development. Public procurement rules should be used to deliver on the social targets of the Europe 2020 strategy.

HOW?

- **The new rules on technical specifications should clearly allow including social considerations.** So far the EC interpretation of the current EU rules allows public authorities to define what products and services they want to buy on the basis of economic or environmental considerations. The Wienstrom case confirms that technical specifications could include production characteristics. Therefore, it is important to allow social considerations relating to the production process of the product or service at stake in the technical specifications of the tender (see our answer to question 62, p. 3).

- Encourage public authorities that **technical specifications address the issue of accessibility for people with disabilities and design for all** (see our answer to question 64, p. 4).

- **Social criteria should play a greater role in the selection process and assessment of the quality of a tender** (e.g. contributing to the provision of effective active inclusion approaches, decreasing unemployment, guaranteeing a decent quality of work, combating discrimination and promoting equality including gender equality, contributing to social cohesion and inclusion within the communities concerned) – see our answer to question 69, p.4.

- We would suggest the European Commission, as already foreseen in the "Buying social" Guide, keep on **encouraging public authorities to include, where suitable, in contract performance clauses social considerations** intending to promote, for instance, on-site vocational training, the employment of people who are the furthest from the labour market, the recruitment of long-term job seekers, the compliance with the provisions of the basic International Labour Organisation (ILO) Conventions, to recruit more disabled persons than are required under national legislation (in the countries where quota systems exist) – see our answer to question 74, pp.5-6.

- **The condition that requirements imposed by the contracting authorities must be linked with the subject matter of the contract should be softened or dropped.** This could allow for instance employing unemployed people, people with disabilities, etc. We recommend a more flexible and proportionate approach by loosening or eliminating the link with the subject matter of the contract throughout the different stages of the procurement procedure to improve the achievement of other policy objectives (see our answer to questions 79-82, p.6).

b. The Social Business Initiative

We welcome the Communication on a Social Business Initiative, as we believe, if properly implemented, it can stimulate the development and consolidation of social economy and social entrepreneurship across the EU.

What we recommend?

We advocate for a social cohesion policy to accompany the single market to achieve a "social market economy" (art. 3.3 TEU) and we consider that public services and the social economy play an essential role in achieving this goal.

We suggest that European decisions on "social business" and "social enterprise" rely on the way they work and function rather than on their statues, legal forms and designations: as at present their concepts, definitions and designations are unstable and even contradictory, even at national level.

We recommend that the actions foreseen in the Communication include measures to support the well-established social economy players in Europe, as social economy and social entrepreneurship have been developed in the EU - at least in many member states - and beyond, for decades. All the actions foreseen in the Communication should be based on a preliminary collection of good practices existing in member states.

We consider the involvement of social economy organisations, including those representing users, an essential element for the success of this initiative. Therefore, we would like to be part of the consultative multi-stakeholder group on social business - to share our expertise on this topic with the Commission and the other members of the group.

How?

- **Facilitate access to private funding**: we support the creation of a European Social Investment Fund to help attract private investors, but think it premature to set out an EU regulatory framework for national social investment funds.

- **Facilitate access to EU funds**: The new Structural Funds and the EU Program for Social Change and Innovation in particular.

- **Increase visibility of social enterprises:** We consider it premature to develop a European label for social enterprises, considering the diversity of concepts, legal frameworks and level of development across the EU. We encourage a step by approach and welcome the proposal to create a data-base of existing labels at national level. The Commission, in cooperation with relevant stakeholders, including CSOs, could issue a guide containing non binding criteria that could be taken account by member states while defining a national label.

- **Reinforce the managerial capacities, professionalism and networking of social businesses:** Both formal and informal education should play a pivotal role in raising interest in entrepreneurship, specifically social entrepreneurship, at an early age. Encouraging creativity, self-confidence, critical thought, societal values and participation.

- **Improving the legal environment:** We do not support the creation of a European statute for social enterprises, but do call for a European statute for associations, foundations and mutual societies, and the revision of the European statute for cooperatives.

c. The implementation of the revised rules on state aid for services of general economic interest (SGEI) "Almunia package" at national level

Social Platform welcomes the Vice-President Almunia package, opening the way to a better recognition of the specificities of SSGI.

We appreciate that the Commission has taken into account the specific characteristics of social services in the definitive measures. We consider the "Almunia package" to have opened the way to a better recognition of the specificities of SSGI by the Commission in other important measures which will be now discussed in the Parliament and the Council: the public procurement directives, the directive on concessions and the draft regulations on structural funds and other financial instruments. Furthermore the "Almunia package" and the new public procurement directive can be seen as a first step towards the use of art. 14 TFEU, in the form of a regulation governing the financing of SGEI.

We are also glad that some of our recommendations on the draft version of the package have been taken into account in the definitive measures.

On the decision:

In particular we welcome that:

- The scope of application of the decision has been clarified, and that the list of social services which are exempted from notification beyond the threshold has been extended to include long term care and reintegration into the labour market (art. 2.c).

- The adjective "essential" referring to social needs has been deleted and the term "vulnerable groups" only refers to social inclusion and care (art. 2.c). We strongly advocate for a wide definition of SSGI, based on their universal character and linked with the access to fundamental rights for all, even if access for the most vulnerable groups should be guaranteed.

- The requisite that the exemption from notification was applicable only to entities whose activities are limited to one or more of the services referred to the social services listed in the draft decision has been deleted.

On the de minimis regulation:

We appreciate that:

- A specific threshold for SGEI has been set out. However, we wonder if the amount of 500.000€ over three years is the right one. Other criteria could have been used to determine the local character of a service: for instance the fact that users of a public service come from the same local area.

- The condition that aid is granted by local authorities representing a population of less than 10.000 inhabitants has been deleted. As we highlighted in our recommendations on the draft package, the local character of a service is not necessarily linked with the size of the population of a local authority. The new provision takes also in consideration the situation of different governance levels sharing the responsibility and financing of social services.

- The condition that the undertaking entrusted with a SGEI has an average annual turnover before tax of less than 5 million during the two financial years preceding that in which the aid is granted, has been deleted.

- The conditions for cumulating de minimis aid under this regulation with de minimis under Regulation 1998/2006 have been clarified.

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