

## EUROPEAN CONFERENCE

***ESF+, a PLUS for our Future!***

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**The National Library**

**\*\*\*Background Paper\*\*\***

### Opening session

#### ***Benefits of ESF investments for all Union citizens and ESF+ challenges***

*In the context of the political opening towards "a more social Europe" and having a Social Pillar assumed at European level, the ESF must obtain the necessary force and flexibility to face adequately the needs of all European citizens and to anticipate the future challenges.*

*The human capital investments are the starting point of all European policies and by investing in people, in their skills and knowledge helps respond to global challenges, maintain social fairness and drive Europe`s competitiveness.*

*The new ESF+ is a strategic asset in the face of today`s challenges: population ageing, technological progress, migration, globalization, climate change etc.*

*The ESF+ provides an opportunity for stepping up reforms aiming at improving the inclusiveness, resilience and fairness of labour markets and social protection systems, thus fostering convergence towards better living and working conditions in the EU.*

*The new ESF+ should be the Europe`s pathway to the future. It should create the proper framework to build solid education systems at European level, to provide opportunities for young people, to ensure efficiency and balance on the labor market and to support those less fortunate to become more integrated into society.*

*ESF+ is the most valuable policy tool that can support our societies to become more cohesive, more inclusive and as prosperous as possible.*

Building and negotiating the new Multi-annual Financial Framework post-2020 is a crucial moment for upgrading the European Social Fund to the future challenges and to the requirements of a social and competitive market economy.

Investing in people must remain a strategic priority for the European policies in order to ensure an inclusive, competitive and sustainable growth in Europe.

For the next programming period, the European Commission proposed a new ESF architecture through the European Social Fund Plus that brings together all the previous initiatives developed for different specific target groups: YEI, EaSI, Health Programme. It is hoped that this approach will bring coherence to the investments in the social area, will ensure complementarity and efficiency of interventions, and will simplify the implementation process.

The new instrument must provide with priority appropriate pathways to respond to the current social challenges, as the Joint Employment Report 2019 highlights:

- Technological progress, the speed of change in the labour market, the evolution of productivity and globalization crucially require adapted education and training system for upskilling and reskilling of the working age population.
- Although the job creation has a sustained growth, the unemployment remains high in a number of Member States like Greece, Spain, Italy, Croatia, which impose more predictability and adaptability on the labor market, according to the regional/local needs;
- Despite the last decreasing, the rates of long-term unemployment and youth unemployment remain high at European level, with even problematic situations in some Member States. In this context, the most vulnerable groups on the labour market (older worker, low-skilled workers, young people, women, people with a migrant background, disadvantaged people) needs for personalized measures and innovative actions helping them to integrate into the labour market and to contribute to society;
- On the back of robust economic and labour market recovery after the crisis, the number of people at risk of poverty or social exclusion is still high at European level (113 million people or 22.4% of the total population in 2017). The risk of poverty or social exclusion remains a challenge especially for children, people with disabilities and migrants. These trends require an integrated approach of social inclusion at local level, with focus on the personal needs.

In this context, the ESF+ should continue to play a key role in supporting the creation of new and quality jobs and promoting social inclusion in the EU, especially for vulnerable groups.

ESF support must continue to focus on traditional objectives, but more attention should be paid to the **synergy and complementarity of interventions** in order to ensure a comprehensive and integrated approach of the major challenges in society.

In this context, synergies between ESF and Erasmus is a key topic in the new programming period, in order to support young people to experience transnational mobility.

In the light of the new Policy Objectives of the European Union, the ESF+ must contribute with priority to the **creation of a more social Europe** and to the **implementation of the 20 principles assumed in the European Pillar of Social Rights**. At the same time, the ESF+ must contribute to all other Policy Objectives, particularly challenging being the Objective of *a Europe closer to the citizens*. In this context, a high importance should be paid to the **innovative approaches** of the local issues, in line with the needs of the communities and the most disadvantaged or marginalized groups. **Social innovation** should occupy a prominent place in the design of future ESF+ interventions. In this context, synergies and coordination between the ESF+ and the other Funds (in particular ERDF and CF) becomes an important efficiency factor in achieving the ESF+ objectives. To this end, synergies between the ESF and with other funding instruments should be explored to support the **social infrastructure** (education, health, social) when this is indispensable for achieving the objectives of the ESF+.

The European Semester and the Country Specific Recommendations create the main framework for programming and prioritizing the ESF+ investments, taking into consideration the territorial disparities and the specific problems that some Member States/ regions are facing (e.g. high unemployment among young people, lack of skilled work force, labour shortages in certain economic sectors etc.). The ESF+ must have also sufficient **flexibility** to identify the priorities and areas where national / regional or management authority investment is needed.

### **Questions:**

- ***What is the exact role of the ESF+ in the architecture of cohesion policy and what are the most important priorities for the ESF+ to have a better impact on our societies?***
- ***Which are the key areas (sectors / type of interventions / target groups) that should benefit from ESF support in the context of the expected changes?***

## Panel 1

### **Opening of the ESF+ to the future by investing in young people (approach after 2020)**

*Young people are a valuable resource for the labour market and for society as a whole, being a key vector for valorizing technological progress, for implementing the research results and for strengthening the socio-economic cohesion at European level.*

*Access to the labour market of the young people, improving their skills and knowledge have always been at the heart of ESF investments, but now, more than ever, in the context of the rapid changes on the labour market, the European policy must focus on the potential of young people, creating more opportunities for them to study and train in order to be able to face the challenges on the labour market.*

#### **Topics for debate:**

##### **1. Investing in youth employment - a strategic priority for the ESF+**

One of the challenges that current societies are facing is youth unemployment. While it has been dropping by 1.4 pps year-on-year from 24% in 2013 down to 15.2% in Q3-2018 (17% in the euro area), according to the Joint Employment Report 2019, youth unemployment remains still high in some Member States, with rates above 30% in Spain, Italy and Greece.

Moreover, overall in the EU, almost 6 million young people aged 15-24 were neither in employment, education or training (NEET) in 2017.

These young people represent a workforce that is not being used at its full potential but once activated could significantly help address the reduction of the long-term workforce deficit.

Supporting young people not in employment, education or training (NEETs) is particularly challenging because of the diversity of the group and the fact that these young people often present multiple and complex support needs.

In the last years, a number of policy (the Youth Guarantee Council Recommendation) and financial (the Youth Employment Initiative) tools have been dedicated to this target group, but the phenomenon persists and in some Member States it even remains alarming.

The new ESF+ aims to retain a strong focus on young people. It is proposed that the countries with high youth unemployment rates (above the EU average) allocate at least 10% of their ESF+ resources towards actions to address youth unemployment. At the current juncture, in view of programming these resources for the 2021-2027 period, the panel is an occasion to hold a wide discussion **on the specific challenges countries and regions are facing and the most appropriate types of measures that need to be developed for this target group.**

Based on past policy experience, **integrated measures** (combining outreach, counseling, apprenticeship, employment subsidies, networking, etc.) have been the most effective approach, but the NEET group characteristics are rather diverse and therefore require specific actions.

The ESF+ must create the opportunity to develop **innovative and complex measures particularly for the disadvantaged NEET group**, not limited to employment, but targeting a wider scope of support, including the area of education and training, entrepreneurship or participation in society. Holistic approaches such as those promoted in the contexts of Youth Guarantee schemes have proven to create more sustainable results in terms of supporting NEETs' transition into education, training or jobs.

Several main actors have a key importance in implementing youth policies. One of them is the **Public Employment Service**. In order to ensure the sustainable activation of NEETs, the PES processes and capacity need to be adapted to cater for the different NEET sub-group profiles. Moreover, successful outreach strategies should be combined with tailored activation and follow-up measures which in most Member States are delivered through the public and private employment services.

**Employers** also have an important role to play to increase the recruitment of young people and to generate new jobs. By enabling internships and first work experience, employers can also be engaged in career development. An important challenge is engaging with and motivating employers to get more actively and consistently involved in training and guidance of young people. This calls for designing and implementing relevant strategies and partnership processes.

Last but not least, in the context of rapidly changing labour markets due to technological development ("the 4<sup>th</sup> industry revolution"), preparing a young people for working life is an ever greater challenge. The digital world is reshaping jobs in each sector, at every level, and this calls for at least basic digital competences and urgently upgrading school curricula. Young people may rather need to prepare for "portfolio" type careers, requiring them to shift between various jobs and sectors throughout their working lives. Therefore special attention should be paid to the effectiveness of career guidance services, in order to help young people make sense of the labour market and to offer them pathways to a positive future.

In this context, holistic and tailor-made approaches, adaptability, partnership and innovation should be the key words in developing the future interventions for NEETS.

### Questions

- *Which are the most appropriate types of intervention that need to be developed for NEETs in order to overcome their vulnerability but also to become an asset for the economic environment?*
- *Which are the benefits and the risks of using the traditional approaches versus the innovative actions?*
- *How can ESF+ resources (2021-2027) best be utilized to support youth employment and in particular long-term unemployed and inactive NEET?*

## ***2. Promoting youth entrepreneurship and financial instruments opportunities***

Young people face various barriers to becoming self-employed or to starting a business. They often experience problems to access financing, having little work experience, weak professional networks (of potential clients and cooperation partners) and signaling insufficient maturity solely through their young age.

Moreover, in the context of the Future of Work, it is even more difficult for less advantaged young people to make a smooth and sustained transition to adult working lives.

Self-employment can be, however, a viable employment option for young people having a range of skills or who have training in different sectors. Developing entrepreneurial skills and attitudes can help young people to gain greater confidence and resilience.

Youth entrepreneurship programs usually provide financial support for setting up new businesses, as well as the necessary training and mentoring to increase their survival rate.

At the same time, interventions to promote youth entrepreneurship typically target the best educated and advantaged young people, calling for facilitating measures to enhance accessibility of start-up grants for the more disadvantaged youth. While some Member States have used ESF funding to that end, including through financial instruments, such measures are still not widely explored or are still perceived as financially too risky. Under the Youth Guarantee schemes almost two thirds of the Member States preferred to put in practice different types of employment subsidies but, to a lower extent, programs to facilitate access to credit in general and low interest loans, in particular, or start-up grants.

In this context, the ESF+ should aim to improve and widen the access to support measures for young people from all backgrounds, to start a business. Well-designed grant schemes are still needed to promote youth employment, minimize skills mismatches and to pave the way for a sustainable and flexible career.

ESF+ can be an effective vehicle to create opportunities by combining different measures such as entrepreneurship training, counselling, and mentoring, financial assistance, access to financing, networking opportunities and follow-up services.

### **Questions**

- ***What are the most important factors/actors for a successful implementation of the young entrepreneurship programs and how can the ESF+ best intervene to support such actions?***
- ***Which would be the proper way to combine the ESF+ support with financial instruments?***

## Panel 2

### *Towards a more social Europe through an integrated approach of the social inclusion*

*One of the most ambitious goals but extremely hard to reach is combating poverty. We all know that poverty is a complex process that involves several areas and affects people/ communities from material deprivation to different forms of discrimination.*

*Despite more than 5 million people exited from the risk of poverty or social exclusion since the recovery started, there still remains a long way to reach the Europe 2020 poverty and social exclusion reduction target. There are regions in Europe with the at-risk-of poverty rate declining only slowly or with very poor communities concentrated in some areas or cities. The risk of poverty or social exclusion remains a challenge for groups, such as children, people with disabilities and people with a migrant background.*

*Living in dignity, benefiting for a family environment or community based living are not only human rights recognized at international level, but also key principle for ensuring an equitable, fair and progressive social and economic environment.*

#### *Topics for debate:*

##### *1. Addressing poverty and social exclusion through tools developed in local communities (CLLD)*

Reducing poverty and social exclusion represents one of the most ambitious desiderata of the European Union but also extremely hard to achieve. For the current programming period, the proof of EU`s commitment is the Europe 2020 Strategy. One of the goals proposed is to reduce by at least 20 million the number of people affected by poverty or social exclusion at EU level. By establishing an indicator in 2020 Europe Strategy, the EU commits to consolidate its efforts towards achieving decent life conditions for all European citizens.

Despite all the efforts made at European Union level, including by setting up thematic concentration regarding social inclusion objective, many of the Member State are still struggling with high rates of poverty.

According to Eurostat database, in 2017 there were **53.5 million people** in the EU-28 **living in households that faced income poverty** (but neither severe material deprivation, nor very low work intensity). **13.8 million persons experienced severe material deprivation** (but neither of the other two risks) and **11.9 million people were living in households with very low work intensity** (but facing neither of the other two risks). An additional 26.5 million people lived in households facing two out of three of these risks, while a further 7.1 million people lived in households where all three of these risks were present.



Although people are considered to be at risk of poverty or social exclusion as soon as they face one of the above risks, **33.6 million people faced a combination of two or even all three of these risks**. This represents almost one third (**29.8%**) of the **total number of people at risk of poverty or social exclusion within the EU-28 in 2017**.

In this context, active measures must be taken in order to reduce the number of people exposed to poverty or social exclusion by creating adequate, decent living conditions and facilitating equal access to employment, education from early childhood care to tertiary level, housing, health care system, social services or to any other measures that are considered to be needed in order to achieve social inclusion.

It is crucial that the measures to be taken are also aiming at creating the adequate socio-economic conditions and they will contribute to the economic growth of the society.

The new ESF+ proposes 25% earmarking from the ESF+ resources for social inclusion and at least 2% for addressing material deprivation. Beyond this focus, a special attention should be paid to **the types of interventions proposed for the poor and disadvantaged people**: like tailor made/ personalized interventions, interventions developed bottom-up, based on partnership involving such as the Local Action Groups and designed in a comprehensive way, under a community led local development strategy which supports both hard and soft interventions according to the specific community needs.

In this context, **social innovation** occupies a prominent place in the future ESF+ and MS should dedicate at least one priority to the innovative instruments including social experimentations. Moreover, the ESF+ aims to further enhance innovation by enabling citizens and civil society to lead local change initiatives through community-led innovation, as also recommends the Social Innovation Declaration.

### Questions:

- *People affected by poverty or social exclusion are experiencing varying degrees of degradation of different life areas, which implies multi-dimensional interventions in a coordinated manner. Having in mind your experience, what is the most efficient instrument that the EU has to address the social inclusion of marginalized communities?*
- *What do you think is the key to ensuring the successful implementation of Local Development Strategies dedicated to the marginalized communities?*
- *What do you think should be improved at the level of CLLD mechanism in order to facilitate ESF+ investments in this area?*



## ***2. Promoting the right to independent living***

Driven by the concern to cater for the wide range of needs of vulnerable persons, residential institutions were created where needs such as care, shelter, food could be covered. As a result, large-scale institutions were built but they were incapable to deliver personalized services based on the specific needs of individuals. Moreover, the separation from family led to social exclusion and marginalization, and also to degradation of life in general.

The evidence is proving that leaving isolated and segregated or in deprivation of a family/ community environment causes lifelong physical and psychological trauma. Promoting the development of services that ensure independent living is essential to guarantee the dignity, well-being and inclusion of individuals at all stages of life.

As a response to the negative effects of institutionalization and with a view to improve the life of those affected by the institutionalization effects, an ample reform was initiated at the European level through the European Structural and Investments Funds, in particular as from the current programming period 2014-2020. Consequently, important steps have been made towards ending the institutionalization and promoting the transition to community-based services, in particular through ESF investments complemented by ERDF.

Yet, there are still hundreds of people with disabilities, mental problems, abandoned elderly people, abandoned children or vulnerable people at the level of many Member States who are still institutionalized or are in risk of institutionalization.

In this sense, the social care system must be diversified in delivering quality and personalized services in order to be able to substitute those given in institutions. Moreover, the services delivered at community level will contribute at increasing the chances of an independent life of people suffering from different vulnerabilities. The new ESF+ creates the opportunity for Member States to continue their investments in order to fulfill the de-institutionalization process in a more efficient manner.

In this context, strengthening the references to the transition from institutional to family and community-based care is an important PLUS point for the ESF+ Regulation in order to continue the work on deinstitutionalization and to make it more efficient through the increased involvement of the social partners and the civil society organizations.

### **Questions:**

- In your opinion, what are the main challenges in closing the residential institutions? How could these challenges be overcome?***
- How ESF+ can further support the transition from the institutionalized care to the community care? What aspects can be improved?***
- Which are the most efficient ways to ensure an active inclusion of those ex-institutionalized people?***