Social Investment in Europe

Examples, policy analysis and recommendations

April 2015

Eurodiaconia

Eurodiaconia is a **dynamic**, Europe wide **community** of organisations founded in the **Christian faith** and working in the tradition of Diaconia, who are committed to a Europe of **solidarity**, **equality** and **justice**. As the **leading network of Diaconia in Europe**, we connect organisations, institutions and churches providing **social and health services and education** on a Christian value base in over 30 European countries.

We bring members together to **share practices**, **impact social policy** and **reflect on Diaconia in Europe today**.

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Eurodiaconia is a network of social and health care organisations founded in the Christian faith and promoting social justice.

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INTRODUCTION

About the report

Social investment has been a "hot" topic in Europe for the past few years. Recently with the release of European Commission President Juncker's Investment plan to boost economic and job growth in Europe, the policy topic of investment, both economic and social, has risen to the forefront of political debates.

In order to present an overview of the implementation of the social investment approach at national level, stemming from the recommendations in the 2013 Social Investment Package, Eurodiaconia has carried out a study amongst its members. From these insightful and comprehensive responses, **Eurodiaconia has** formulated the following report which shows that on the **national level a social investment approach has had some positive impacts on social policy reforms**, but overall, this approach is being hindered *by strict austerity cuts in the social expenditure of national governments, a lack of understanding throughout the union on the social investment approach as a political alternative to austerity measures, and local governments being unable to carry out much needed reforms of their social protection frameworks due to political and financial pressures*.

The first section will give an overview of what social investment is about, provide a political analysis on the implementation of the social investment package in policy at EU level and describe what challenges the implementation of this approach at national level faces as experienced by Eurodiaconia members. The next section highlights case studies of individual Member States and gives a more detailed input on how Eurodiaconia members experience the social investment approach in their country. In addition, after the presentation of the case studies, key conclusions resulting from this report will be drawn, including an analysis on whether the Social Investment Package is endangered, followed by policy recommendations for Member States and the EU and future steps for Eurodiaconia.

What is Social Investment?

Social investment focuses on the idea that social policies should be implemented in a way that invests in people and in the wider society. Due to the financial and economic crisis throughout the last five years, Europe has tended to focus on "reactive" social policies which seek to help people by repairing damage already done, while still trying to reduce public expenditures and implement austerity measures[1]. This type of reactionary social policy usually attempts to handle the current social issue but not provide any deeper solutions such as preventative measures or policies that address the root of the social problem. For example, with this current social "repair" approach, if a young person is unable to find employment and seeks public support for housing assistance or food allowances, many times these provisions are given to the person in need by the government with the help of the social frameworks set up in that particular country.

1 http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7684

In contrast to social "repair" policies, a social investment approach focuses on preventing the entire social issue in the first place. Instead of assisting that same person who is unemployed with material provisions, a social investment approach would implement anticipatory measures that help prevent the person experiencing this social problem in the first place. These measures would include employment trainings for youth vulnerable to social exclusion and incentives for pupils to stay in school, learn more skills and therefore, have a better chance of finding and keeping a steady job.

Within the last three years, much research in the field of social policy, including highly regarded experts in the European Commission, have emphasized that changing governmental policies in this area from a "repair" approach to an "investment" approach will result in long-term savings and end up assisting the growth of the nation's overall economy[2]. In a time where Europe's economy receives a lot of media and political attention, the idea of social investment and the concrete way it can economically and socially assist European nations should be stressed.

The Context: what is the SIP, and why is Eurodiaconia working on this topic?

To respond to the increasing social challenges Europe is facing, the European Commission encouraged governments to move from austerity and budget cuts **to an investment based approach**, with the "Social Investment Package". Eurodiaconia supports this approach and seeks to monitor its implementation by disseminating the following report: a mapping of the implementation and effects of social investment approaches in key EU Member States.

What is social investment, why is it important now?

The European Commission released the Social Investment Package (SIP) in February 2013 to guide EU countries in implementing a social investment approach. This approach advocates for governments to not cut funds from their social budget, but to use these budgets more efficiently and effectively through various reforms and new programs.

The Social Investment Package proposed by the European Commission encourages governments to adopt **integrated packages of benefits and services that help people throughout their lives** to achieve lasting positive social outcomes. It also puts an emphasis on **investing in children and young people**. The idea is to invest in people, especially to support the most vulnerable in society, such as jobseekers, the elderly, children and young people as well as people with disabilities, but also society as a whole.

A social investment approach is centred on prevention, i.e. to develop policies that are **"preparing" people** to handle new, emerging social challenges rather than merely **"repairing" already existing social issues** that threaten the well-being of many individuals. Furthermore, a social investment approach **is designed to strengthen people's skills and capacities and support them to participate fully in employment and social life**. To summarise:
Social investment includes:

2 http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7684, Chapter 6

- Simplifying the process of accessing welfare / benefits / identifying ways in which the access to welfare systems and services can be simplified for beneficiaries
- Reducing administrative burdens with social policies/social protection systems
- Supporting social innovation and enabling a social economy through social entrepreneurship
- Guiding EU countries in using their social budgets more efficiently and effectively to ensure adequate and sustainable social protection
- Seeking to strengthen people's current and future capabilities and improve their opportunities to participate in society and the labour market
- Focusing on integrated packages of benefits and services (simplification) that help people throughout their lives and achieve lasting positive social outcomes
- Stressing prevention rather than cure, by reducing the need for benefits- that way, when people do need support, society can afford to help
- Calling for investing in children and young people to increase their opportunities in life

Why is this relevant for diaconia and Eurodiaconia?

Eurodiaconia is a network of social and health care organisations founded in the Christian faith and promoting social justice. Our members work through the values of service, equality, justice and the dignity of all people and include churches, non-public welfare organisations and NGOs. Many of our members provide support to vulnerable and marginalized people groups that often need to use the social protection system in their country. Our members' work gives them a unique, grass roots perspective on social investment and whether or not this approach is being implemented at the national level.

In order to advocate for a social investment approach at the EU level, it is important for Eurodiaconia to know whether this approach, stemming from recommendations from the European Commission (i.e, the Social Investment Package), are being implemented at national (Member State) level.

Being a network of social and health care service providers, our members are immediately affected by social policies reforms in their respective countries and therefore have an interest in shaping and influencing the political environment in this area. Social investment is high on the EU agenda, but has the approach been adopted by Member States?

A POLITICAL ANALYSIS ON THE IMPLEMENTATION OF THE SOCIAL INVESTMENT PACKAGE IN POLICY AT EU LEVEL

The Social Investment Package (SIP) was published in February 2013, providing policy guidance and information directed at national governments on the importance of investing in social and health infrastructure and services, looking at a diversity of topics such as social enterprise, child well-being, health, social innovation, homelessness, active inclusion and long-term care. The overall message of this comprehensive strategy for structural reform was that social policy must be understood as a productive asset, and not only a cost.

The Social Investment Package's main objective is to have a substantial impact on the ground, at local and national level. However, Eurodiaconia decided to conduct this short analysis of the implementation of the Social Investment Package at European level in order to assess the follow-up given to the "political incentive" to Member States to pursue social investment. This policy analysis does not intend to be exhaustive but aims to present an overview of some examples of what has visibly worked in the implementation of the SIP at EU level and secondly, present some examples of what is lacking in SIP implementation, especially in terms of follow-up though the overarching EU policies.

The Social Investment Package has been a successful start

The launch of the Social Investment Package provided a strategic response to the crisis, aiming at re-launching growth through support to social policies. Two years on, it is already bearing fruits.

» **Financial instruments to support social objectives**:
As underlined by the European Commission's February 2014 memo on the achievements of the SIP one year on[3], the European Union is providing continued funding for social inclusion objectives through the new Employment and Innovation (EaSI) programme as well as the European Social Fund (ESF). The innovation is twofold: the ESF funding now very importantly includes **at least 20% in each Member State to be used for social inclusion**, and the European Fund for Aid to the most deprived (FEAD) has been reshaped and is now compulsory for all 28 Member States.

» **Recommendation for Investing in Children**:
The Recommendation for Investing in Children appears to be the strongest document of the Social Investment Package even if not legally binding. Its implementation will mostly be seen at national level, but it is interesting to see how it has been followed-up at EU level.

At national level, following on the Recommendation, several EU countries (such as Germany, France, and Hungary) took significant steps for better early childhood education and care[4]. Belgium in particular referred to the recommendation in its

3 Social Investment Package: taking stock of achievements one year on: http://europa.eu/rapid/press-release_IP-14-179_en.htm

4 Austria Federal Chamber of Labour: The EU Social Investment Package and what remained of it!

2013 national child poverty action plan, which presented 140 concrete measures to facilitate access to adequate resources and affordable high quality services, while the Austrian government decided to invest significantly in this way by 2017. This will also be shown through the Children Alliance implementation handbook to be released in 2015.

To support the implementation of the Recommendation at European level, the European Commission has financed and set up a "European Platform for Investing in Children" to "*collect and disseminate evidence-based innovative good practices in such areas as early childhood education and care or parenting support*".

Amongst other things, the alliance has regularly been calling for the prioritisation of children in EU policies, organised workshops on the recommendation and prepared a handbook for examples of implementation of the recommendation at national level[5].

» **Long Term Care (LTC) in Ageing Societies**:
Following on the Staff Working document included in the SIP, the European Commission issued a joint report with the Social Protection Committee in June 2014 on "Adequate social protection for long-term care needs in an ageing society". This document presents a balanced approach to the different challenges that are associated with increasing demand for quality long-term care and the need for adequate social protection to ensure access to such care.

The report takes a rights-based perspective and addresses the issue of dignified ageing, as well as stressing the importance of the quality of long-term care and the need for better integration between social and health care services. It highlights the risk of poverty for older people and their carers when social protection for LTC is inadequate and provides useful questions for considering whether a social protection is adequate.

» **Active Inclusion Recommendation**:
In its main communication "**Towards Social Investment for Growth and Cohesion", the European Commission clearly urges Member States to** "fully implement the Commission Recommendation on Active Inclusion (2008)". As a follow up, the European Commission commits to "monitoring reforms towards active inclusion in the framework of the European Semester, developing a methodology for reference budgets in 2013 and monitoring the adequacy of income support, using the abovementioned reference budgets once these are developed together with the Member States"[6]. The Commission has indeed now started its work on "reference budgets", to support Member States in designing efficient and adequate minimum income support.

5 What has the EU Alliance for Investing in Children achieved in 2014?

6 Page 12, Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020 (2013)

» **Financial Inclusion**

The Social Investment Package committed the European Commission to work for better legislation in order to facilitate financial inclusion and prevent over indebtedness. It delivered on its commitment through the directive on credit agreements related to residential property and the bank account directive, both adopted in 2014.

As can be seen from these points, the European Union is taking forward steps towards its commitment to facilitate Member States' implementation of the Social Investment Package, providing financial assistance, and following up to its commitment on analysis and facilitation of exchanges. More of these initiatives are listed in the "Policy Roadmap for the 2014 Implementation of the Social Investment Package"

However, most of these initiatives remain non-binding, as the Social Investment Package is itself a soft law instrument. These steps are encouraging seen in this limited context, but their impact is yet to be seen, particularly when other European Union major instruments do not take into account the social investment objective.

CHALLENGES TO SOCIAL INVESTMENT AT NATIONAL LEVEL

Budget cuts leading to ineffective, stagnant social policies, resulting in social reforms being unable to be carried out

Through the last five years, strict austerity measures have pressured Member States to implement harsh budget cuts as a response to the 2008 financial crisis. According to our members, these cuts and the increasing pressure to successfully implement these cuts have negatively affected the social sector budgets of many Member States, leaving them unable to make necessary social reforms and implement a social investment approach that is recommended in the Social Investment Package (SIP).

Although all of the Member States have agreed to the SIP in theory, in reality, our members see that political and economic pressures from the EU have caused the social sector budget in many Member States to be dramatically reduced. This reduction of expenditure within the social arena may solve the immediate issue in relation to carrying out austerity cuts, but it also leaves the social sector of governments at a standstill: unable to carry out true reform to existing, outdated social policies and an inability to implement any new social strategies that focus on investing in people rather than fixing a current, short-term social issue.

Furthermore, our members have highlighted that the social investment approach recommended by the SIP is supported in rhetoric by national politicians, but are not actually carried out because these policies usually require a higher cost on the government's part in terms of finances, personnel, and resources when first implemented than many policies that seek to simply "repair' the solution by offering immediate aid rather than long-term, investment initiatives.

For example, **Diaconia Valdese, a Eurodiaconia member in Italy**, states that the **current national government is open to increasing social spending and investing in social projects, but because of pressure from the EU to properly balance its budget**, the national government has had to implement various austerity cuts within the last few years, mainly in the social sector because of the high government expenditure within this area. However, according to our member, Italian politicians and the general public are vehemently aware that the complicated bureaucratic system governing is confusing, ineffective, extremely expensive and in need of being reformed.

New technologies have advanced rapidly in the last five years and many of these new tools should be utilized to help current social programs within Member States become more effective and reduce administrative overlap. **Our member in France**, Federation de L'Entraide Protestant, has emphasized the fact that in many government programs, **online services are still not being fully utilized, costing the government money, time and resources it does not have**. Our members also explain that often times those in need are shuffled back and forth between government agencies, assuring a person that the "other" government sector can help them. This overlap and confusion is not only unnecessary and costly, but it exemplifies the need for new reforms that can reduce the level of bureaucracy and scale down ineffectiveness within these sectors at Member State level.

Instead of focusing on keeping these systems at a standstill or even watching them deteriorate further with continued budget cuts to these sectors, **a financial injection in the social sector of Member States would follow the guidelines of the SIP and allow governments to fully implement effective, social policies that will produce both positive economic and social outcomes for the Member State**.

The Social Investment Package (SIP) is not well known as a political alternative

Although scholars, policy officials, and politicians at both the national and EU levels have continuously discussed the concept of social investment and the potential benefits of a social investment approach within the last few years, our members emphasize that among most EU Member States not only is the SIP not an understood policy but the wider concept of a social investment approach, which views social policies as an investment in people and as a political alternative to austerity measures, is not widely known to the general public. According to Eurodiaconia members, if the topic of social investment and the long-term economic benefits that correspond with it was better understood, there would be more of a political will to change outdated, ineffective social policies. With a thorough education of both the process and benefits of adopting a social investment approach within national and local social policies, the recommendations from the SIP would be much more likely to be carried out at the national level.

One of Eurodiaconia's members, **Diakonie Austria**, emphasizes that the Social Investment Package is well-known in Austria, but only among a small number of experts within social policy and academic fields. **Diakonie Austria explains that these experts are well versed in what the SIP is and what the potential benefits are for the country**, but the **work among these few elite policy experts has not had any kind of visible or practical impact on social policies** carried out on the ground at local level.

If the SIP and the wider concept of social investment was well-known, promoted and explained in easily understandable terms as a concrete political alternative to strict austerity measures, the general European public would know the economic and social benefits of these types of policies and would be able to properly pressure both national and European politicians to implement them. However, without any kind of public education campaign to clearly illustrate the positive effects of a social investment approach, it will be nearly impossible to successfully advocate for these kind of reforms in a context where budget cuts in the social sector are continually increasing.

Localization of responsibilities within the social field without financial or political backing from national government, makes social investment reforms impossible to carry out

Our members believe that **social and healthcare services must respond to the individual needs of people and must take place as close as possible to where people actually live**. With this in mind, our members are excited to see that many Member States are transferring the duty to reform outdated social policies from the national level to the local or municipal level, allowing concrete reccomendations from the Social Investment Package to be carried out with more visible benefits for the end-user.

For example, according to **Kerke in Actie**, the Eurodiaconia member in the Netherlands, one of the current goals of the national government is to decentralise the systems of care and social services and expect more from a participative society where people first look at their own social network, and then seek the help of their local government. Therefore, there **have been proposals for new laws to be implemented at local level that require these government personnel to handle more responsibilities in social assistance sectors**. An example of one of these new policies in the Netherlands is the implementation of local "case mangers" who will work for the public social sector among several government agencies who will be able to holistically understand the needs of a person experiencing poverty or social exclusion.

However, **Kerke in Actie** highlights that when these duties were transferred recently to the local government, the national government was able to drastically cut their own social sector budget, allowing them to fall in line with EU austerity measures. Consequently, local governments who were then responsible for implementing the social "case manager" project were not **given proper training, guidance or financial support from the higher levels of government**, leaving them unable to fully carry out this helpful social program. Without proper restructuring, financed and supported by the national level of government, local municipalities are unable to properly implement needed social reforms and assist those in need effectively.

Furthermore, many of our members see that there is not a political will for these policies at the national level due to the austerity cuts that are being promoted by both politicians at the EU level and within many Member States. This political pressure has resulted in many budgets being drastically cut within the social sector, as explained above in item #1 within this section, and leaving local governments completely unable to practically implement these important reforms.

In summary, **our members believe that there is a theoretical belief and rhetoric among national governments that investing in the social field** will benefit the society in many ways, including economically; however, in reality, **because of the drastic budget cuts and the lack of guidance or political will from the national government, local levels of government do not have the ability to practically carry out the any social reformation tasks they are responsible for**.

CASE STUDIES FROM EURODIACONIA MEMBERS

Austria

Diakonie Osterreich www.diakonie.at

Policy topics addressed

From our member, Diakonie Austria, we learned that the Austrian government has mentioned in their 5-year programme (2013 – 2018)[7] the positive effects of social investments, especially regarding the employment possibilities for women. It has plans to carry out a social investment approach but there is no concrete strategy or timeframe for this, as the implementation of activities laid out in the 5-year programme depends on budget availability. Efforts by the government that have a social investment component include support for children and young people through education programmes, programmes for the prevention of school-dropout, and inclusion strategies for older people and people with disabilities.

In the area of homelessness, the city of Vienna has implemented the housing first approach since 2013 in a project with Caritas. Also, the Ministry for Social Affairs has implemented a project providing job coaching to young people furthest away from the labour market to combat youth unemployment since 2013. Additionally, there have been components of social investment in the area of long-term care as well, as the Ministry for Social Affairs is planning to develop a strategy on dementia from mid-February 2015. Miteinander Leben GmbH, a member of Diakonie Austria, have commissioned a study in 2013 investigating the social and economic benefits of their assisted living project for elderly people. The results showed that the social return on investment valued 2.26, meaning that for every euro invested a monetary equivalent of 2.26 euros was gained

"In Austria, the administrative authorities have leeway in the decision on the receipt of social assistance. Therefore, the implementation (the actual granting of social assistance by officials and the way officials treat people in poverty) needs to improve. This would already create significant relief."

Challenges to social investment

Budgetary constraints were mentioned by Diakonie Austria as one of the main hindrances to the implementation of a social investment approach in Austria, Recently, in the winter of 2014-2015, there have been further financial cutbacks in the area of social care. These budget cuts have created even more barriers for accessing social and healthcare services in Austria as it is now more difficult to have access to care allowances for the lowest care levels.

This is criticised by Diakonie Austria as these two care levels have a preventative function in that they provide early intervention types of care. Wealth is growing faster than wages in Austria, and these inequalities have had a negative impact on the social and economic situation of Austria. People who are in need of assisting technologies have had to approach three different places to receive assistance

7 Arbeitsprogramm der österreichischen Bundesregierung, Vienna, December 2013 : 2013–2018 https://www.bka.gv.at/DocView.axd?CobId=53264

and are sent from one to another; assisting technologies are not publically financed 100% and it takes a long time until one receives adequate public support. The Austrian government wants to create a one-stop-shop for services as it is aware of this problem but until now nothing has happened.

Social Investment Package (SIP) on the ground

The SIP is known in Austria only by a small number of experts and personnel in politics and administration, and no visible effects have occurred since its implementation. According to Diakonie Austria, none of the goals of the SIP are being reached. The organisation believes that Austria can improve its social policies by adding a social investment dimension, especially when it comes to reforming ineffective social-political measurements, and making social benefits easier to access for those in need.

Germany

Diakonie Deutschland www.diakonie.de, & Diakonie Michaelshoven www.diakonie-michaelshoven.de

Policy topics addressed

The German government is using the term social investment specifically when it comes to child policies. With the introduction of a right to early childhood education for all children from the age of one in 2013, the German government has set a milestone for a needs-based day care. Moreover, the quality of the day care facilities is planned to be further improved.

"For Germany, a substantial argument for a social investment approachis demographic change. In orderto cope,social services need to have the highest possible impact."

Furthermore, activation for long-term unemployed is another policy area that has increased due to recent efforts to further a social investment approach. Finally, the federal government continues to pursue the aim of providing low-skilled, long-term unemployed people a minimum standard of living, to qualify and accompany them accurately, and, if necessary, to support them even after successful integration into work. Finally, health insurance companies are also provided bonuses from the government for taking preventative action in healthcare with citizens.

Challenges to social investment

In Germany, the government realises that sustainable and meaningful investments need to be made in the areas of social care, education and social inclusion. However, Eurodiaconia's **German member, Diakonie Michaelshoven** emphasises that investments in these areas are exclusively carried out at the communal or local level. The federal government is not involved. As the regions in Germany are no longer allowed to get into debt, which has also been incorporated into the constitutional, national law, German regions are forced to cut their budgets and sometimes act against the actual will of the federal government. Although the political will to implement social investment policies might be there at national level, regions are left without the means to put theory into practice. As an example, Diakonie Michaelshoven mentioned the area of youth work, where youth welfare services have had to been cut due to budget constraints.

Also, our member informed us that a high percentage of financial means for social services in Germany are being used for regulatory and bureaucratic processes and therefore do not trickle down to benefit the end user. As part of the Social Investment Package published by the European Commission, the reduction of red tape was suggested, which would result in a reduction in spending in this area of administration. Nevertheless, our member, Diakonie Deutschland, emphasizes that a reduction of bureaucracy must not result in a reduction of quality, as the quality of social services are still the most essential aspect of these services.

Social Investment Package on the ground

Diakonie Germany and Diakonie Michaelshoven both testified that both the Social Investment Package and the broader idea of social investment as an alternative to austerity are not well known concepts in Germany. Neither the general public nor the press is showing much awareness or interest in this topic. This might be due to the fact that Germany has been implementing investment type policies already even before the publication of the SIP. Therefore, the topic was not seen as something new or important.

Italy

Diaconia Valdese, www.diaconiavaldese.org

Policy topics addressed

Our member Diaconia Valdese has informed us that one of the main policy areas the Italian government is focussing on at the moment is youth unemployment. While many of the best educated and motivated university graduates are leaving Italy to work in other European countries, those with fewer skills and options are getting by on short term jobs. Italy has taken action to implement the EU Council's invitation of April 2013 to create a system of Youth Guarantee by passing legislation in September of that year which: a) allocated funds for strengthening the guidance system in secondary schools; b) provided for work-based learning in secondary schools- an apprenticeship approach; and c) defined a programme to define new models for tertiary education, in part through partnerships with private companies and higher technical colleges.

"The Italian constitution requires government to provide a series of traditional welfare services to citizens and at the moment, these services are provided scantily if at all in some regions. A social investment approach could ensure the satisfaction of citizens' basic needs and rights in a less costly and more effective manner."

In 2013, the Italian government decided to provide incentives to employers for recruiting young workers (ages 18 to 29). Meanwhile, research bodies have prepared tables showing the proportion of unemployed young people from ages 15-24 and from ages 15-29 on a region by region basis. Once again, however, the economic and fiscal crisis has made it difficult for many regions in Italy to carry through with some of the policies agreed upon.

The Italian national government and many of its regional authorities support programmes, often run in cooperation with third sector

organizations, for helping elderly people remain in their own homes, rather than having them move into a residential care facility. This emphasis on "domiciliarita', cynics say, is favoured by governments in part because this kind of systematization has a lower cost to them, but it also permits older people to have a higher quality of life by remaining in their own neighbourhoods, a factor of particular importance in much of Italian society. Other simple, low-cost means of ensuring the continued integration of elderly people are provided at the local government level through measures such as afternoon ballroom dancing, boccie clubs, etc.

As for persons with disabilities, Italy has had a policy for many years that requires government offices, schools and universities to provide employment for a certain number of people with mild disabilities, but this policy predates the SIP guidelines.

In relation to SIP guidelines, Italy is doing best in the area of social entrepreneurship, often tying this concept into the Youth Employment dimension. Not only are university researchers and third sector actors, like NGOs, aware of the dangers of high youth unemployment, **but national politicians have understood this as well and have taken some appropriate action**.

These actors in the third sector are keenly aware of the issues of social investment and are attuned to the necessity of monitoring, improving and innovating in social services.

Challenges to social investment

According to our member, Italy continues to be sharply divided between the policies and attitudes of politicians and citizens on the right of the political spectrum and those on the left. While those on the right tend to be critical of social spending and often sceptical about the utility of spending on social projects, those on the left and in particular teachers, professors, social workers and others in "the caring professions" see social projects as a cornerstone of the Italian republic. The present national government is under pressure from the EU to balance its budget and is making efforts to cut the budget of the sectors that are generally the deliverers of social services.

Two other areas where citizens are suffering daily from under-spending by government authorities are transportation and health care and issues with these two areas are regularly covered in the national and regional news, showing that there is a need/call for change from the citizens, but this media attention has not translated to any actual policy changes from politicians

A social investment approach, advocated for by the Social Investment Package, is not being properly implemented in regards to healthcare as quality healthcare is being increasingly hard to gain access to. In Italy, emergency rooms bear the brunt of a health system which increasingly lacks the resources to deliver timely health care and preventive care to citizens. Periodically, the nightly news programmes show hospital corridors lined with stretchers as sick and elderly people wait hours to receive care or a hospital bed.

Social Investment Package on the ground

Our member, **Diaconia Valdese**, observes an awareness of a social investment approach as proposed by the Social Investment Package among professionals in the social and health care community. It was however noted, that tracing impacts of the various aspects of the package is quite difficult. The main daily newspapers hardly mention the topic and the subject seems to rarely be fully explained in major mass media outlets.

Some progress has been made in facilitating citizens' and residents' access to services but much remains to be done. Third sector actors and some health care administrations are well aware of the "case manager" or "one stop shop for social services" idea pioneered in Northern Europe, unfortunately, there is little pressure on politicians to move forward on legislation in these areas.

Italy's citizens and even its politicians are all too aware that a long tradition of bureaucratic complications in almost all areas makes interacting with "the system" time consuming and often frustrating. According to our member, at the regional healthcare level, **new rules now make it easier for citizens to get appointments for tests and specialist services, tasks that used to require waiting in at least three lines**. The increasing provision of online services has not only made life easier for citizens (and residents) to access care, it has also started to change the mind set and preconceptions of administrators. A break on such a positive evolution comes from the fact that Italy has long used its various bureaucracies as a means for reducing unemployment and thus many areas offices were over-staffed by people understandably keen to retain their jobs. To such men and women, reforms and improvements can seem like threats.

Denmark

Kofoed's Skole www.kofoedsskole.dk

Policy topics addressed

In Denmark, municipalities at the local government level are calling for a social investment approach in a number of social policy areas. The Local Government Denmark (LGDK) an interest group of Danish municipalities with 98 members, is calling for a preventive approach to social services in a report from 2013 titled '**Invest before it happens**'. With this report LGDK, sent a clear message to the country's municipal councils, daring them to take the lead, to prioritize social investment. This message advocates for a preventative rather than a reactive approach to social challenges, particularly child poverty, youth unemployment, persons with disabilities and elderly people.

Our member in Denmark, Kofoed's Skole emphasizes that research is being carried out in Denmark to study the effects of social investment, partly initiated by the Ministry of Social Affairs. The research mainly concerns the possibility of economic savings for the government if various forms of social exclusion are reduced. Our member has seen an increase in this type of research conducted in recent years.

In 2003, a proposal from the Danish government stated that "to break the negative social legacy is a community investment". Since then, major legislative changes in social policy have often been explicitly labeled by the term "investment"; this proves that the government is achieving some success in implementing a social investment approach and promoting the idea of social investment. Kofoed's Skole found that government ministries are using estimates of expected effects

of social investment to advocate for a strong proposal supporting social investment. As the municipalities implement large parts of social policy, the effects of social investments are felt most strongly at the local level.

"In Denmark, there is a much more widespread rhetoric on social policy, health, education, child and youth policy, psychiatry policy etc. as investments in the future. In major policy proposals presented by ministers and members of parliament, the term "investment" is often used."

Challenges to social investment

Kofoed's Skole emphasised that there are no structural challenges hampering the implementation of a social investment approach, but there are political disagreements about investments, for instance about whether more resources should be allocated to tax reduction or investment in social services. Our member believes that both short and long-term investments in the public sector are crucial to ensuring a high employment rate and prevention of future social exclusion.

In times of crisis, our member emphasizes that public investments are more effective than tax cuts to create jobs even in the short term. In looking long term, education is the most central growth engine to combat social exclusion. From the experience of our members in Denmark, it has been found that there are good research instruments available in Denmark to calculate the overall effects of a social investment approach but these pieces of research do not automatically mean that any kind of political change with social investment has taken place because of their findings.

Social Investment Package on the ground

According to our members, the general public in Denmark is aware of social investment and the cost of not having social investment type of policies, especially with the growing problem of youth unemployment. However, our members in Denmark have not witnessed growing interest or discussion among members of the public regarding the SIP. They stress that as a specific EU term, this idea is not known or understood by the general public. The concept is well known by researchers, civil servants and policy makers, but it is not talked about outside of those circles.

The Netherlands

Kerk in Actie www.kerkinactie.nl

Policy topics addressed

Kerk in Actie, a Eurodiaconia member located in the Netherlands, explains that since the adoption of the SIP the national government has emphasized the need for non-profit services and encouraged local citizens to engage in a more "participative society".

To illustrate, since the Commission advocated for a social investment approach in its Social Investment Package (SIP), Kerk in Actie has witnessed national authorities investing more in local non-profit services that utilize volunteers to provide necessary social and healthcare services to those in need in the community. For Kerk in Actie, they have witnessed "financial injections (from the government) in diaconal projects with volun-

teers" in debt services, services that support elderly people, and other social services that engage the community. By financially strengthening organizations like Kerk in Actie, the Dutch government is following through with one of the key recommendations of the Social Investment Package, helping those in need of social support create a social network that can help prevent them from future social problems.

Furthermore, there is currently a campaign within the Dutch social sector to decentralise systems of care and social services from national agencies to local, regional or municipal groups. The idea is that with this type of system a person will acquire what social assistance they need from their own social networks, including local non-for-profit services, before seeking assistance from any form of government. However, if a person does eventually need government help, the government could give that person social assistance at local level, making quality, individual care more probable. This localization of services and financial help to non-profit groups is helping those socially excluded people develop a strong informal social network and access services that can be much more individualized, local and efficient than the larger public run systems.

"There is a lot of over spending in the social and healthcare sectors in the Netherlands. We want the entire system to be structured so that the system is more effective and costs less."

Challenges to social investment

Although, our member in the Netherlands sees some positive "social investment" policies being implemented in the Netherlands, they also have seen continued austerity measures being put in place by the national government that have caused serious implementation issues for the attempted social sector reforms.

Kerk in Actie sees that the government is quite concerned with the continued high cost of care for social and healthcare services, so there is constant attention in the media and political discourse on trying to decrease these costs. Recently, when budgets have been cut in the social sector, reforms that put local government agencies in charge of social care responsibilities are unable to be carried out, leaving some of the social policies in the Netherlands at a standstill. In theory, the Dutch government is doing a good thing by transferring social sector duties to the local government, but in actuality, so many budget cuts are happening that these changes are unable to be implemented.

Our member agrees that there is a lot of over-spending currently in the field of social and care systems because of overlapping agencies, miscommunications, and a confusing, large bureaucracy to navigate. If these systems were able to be restructured and further decentralised, which correspond with the recommendations of the SIP, the Dutch government would end up saving millions of euros and not have to slash the budgets of local and national social care services.

Social Investment Package on the ground

According to our member in the Netherlands, the specific Social Investment Package and its corresponding reccomendations for a social investment approach are not well known concepts among the general public in the Netherlands. However, **Social Affairs Minister Lodewijk Aascher of the Dutch Parliament has advocated among**

Dutch officials and EU officials for "effective (social) reforms so that problems in one country do not migrate to another". He has also publically emphasized the need for national social policies to be improved to eliminate inefficiency, overspending and high levels of bureaucracy[8].

It is necessary that the dialogue about social investment does not just stay with political elites in the Netherlands. According to our member, if more people knew and understood social investment, its goals and its potential benefits, there could be a stronger political will to stop the budget cuts within public social care sectors and implement true restructuring of this field.

Sweden

The National Association of City Missions in Sweden: Gothenburg City Mission
www.sverigesstadsmissioner.se

Policy topics addressed

Eurodiaconia's member, **the National Association of Swedish City Missions** has been able to shed some light on whether or not social investment reforms recommended from the SIP are being implemented at the national level in Sweden. According to our member, the national government in Sweden has decentralised some social services, so that their operations can take place on a more individualized basis. With this decentralisation, more problems that people encounter when seeking public social assistance can be handled effectively and directly.

"Sweden struggles in all areas of the social sector when it comes to implementing more of a 'social investment' approach."

Furthermore, our member explains that the new national government wants to appoint a national coordinator for struggling intra-EU mobile citizens in order to better handle this growing problem and hopefully prevent further destitute intra-EU mobile citizens. In addition, Sweden has specifically designated certain funds from the new EU food-aid **program FEAD (the Fund for European Aid to the Most Deprived)** to go directly towards helping intra-EU citizens become more socially included in Sweden.

These funds in the FEAD will provide intra-EU mobile citizens with necessary material needs, like food from local food banks, as well as other social inclusion activities. These types of initiatives prove that Sweden is actively working towards implementing a social investment approach that focus on holistically helping people with their social problems, not just attempting to bandage their issues with a quick-fix solution like limited food or material aid.

Finally, our member sees that **housing first approaches**, which immediately give a person struggling with homelessness a permanent home without having to first go through the many levels of social housing or temporary public housing, are beginning to be implemented more throughout Sweden. The housing first approach has shown to be a success in Sweden in the last few years as it helps those struggling with homelessness permanently stay in housing. This approach follows many of the key guidelines recommended in the **SIP that focus on investing in people even at a higher initial cost**.

8 http://www.rijksoverheid.nl/bestanden/documenten-en-publicaties/kamerstukken/2013/03/12/verslag-vande-raad-wsbvc/verslag-van-de-raad-wsbvc.pdf

Challenges to social investment

Sweden has made certain improvements in their social sector since the release of the Social Investment Package and its recommendations for a social investment approach; however, according to our members, this Member State is still dealing with political and financial pressures to cut social sector budgets that are hindering their social reform efforts. Our member emphasizes that despite some of the great improvements made in the last few years, "Sweden generally sees spending in the social field as a cost to be cut".

In Sweden, the real responsibility **for social services is on municipality level**. There are 290 municipalities in Sweden and according to our members, when a Swedish municipality needs to cut their budget, they will often cut welfare services first as a result of pressure from national authorities.

Not only do budget cuts happen at the local level in the social sector, but they also occur at the national level. For example, with homelessness, there was a national coordinator on combating homelessness appointed from 2012-2014, but the budget given to this national coordinator was not substantial enough to enact any true reforms in this area.

With healthcare services, responsibility is given to the regional level, and there are over twenty different regions in Sweden. At the regional level, a new system has been implemented to help keep track of healthcare data, needs and procedures, but according to our members, this new system **is so complicated and overburdened with administration that it is difficult for any kind of effective reform to take place**.

According to our members, "Sweden needs a paradigm shift in several areas in the social sector, both in the way they see the users and the way they are treated!"

Social Investment Package on the ground

According to our members, the idea of social investment is known, but the idea that a social investment approach could be an alternative to austerity measures is not understood by the general public. Much of the media attention in Sweden is devoted to the need to reduce budgets in the social sector because of the high cost of care, because of this, the general public in Sweden does not see social investment or a social investment approach as a concept to be advocated for, as it requires more financial investment in the current social sector in order to implement proper reforms.

The Czech Republic

Diaconia of the Evangelical Church of the Czech Brethren (ECCB) www.diakonie.cz & Slezská Diakonie www.slezskadiakonie.cz

Policy topics addressed

Over the last few years, our members have seen more European funds being used to invest in the betterment of social policies and programs. For example, European Structural Funds have been quite widely used in the Czech Republic **for investment in education of professionals, for quality management of services, for social inclusion and for deinstitutionalization in the field of services for people with disabilities**. The government has particularly focused on improving residential care for people with disabilities by creating more "investment" type

activities within these care homes that help foster more individualized and quality care for the end user.

Because the SIP is well-known in the Czech Republic, social investment reforms have also been able to take place in the field of long-term care for elderly people. Many residential care programs and services were subsequently able to be merged to eliminate inefficiency and extra costs as well as make the whole system easier for the end user to navigate.

"The ministry of social affairs within the Czech Republic government has created many strategies but most of them have failed before even beginning because of missing finances."

Furthermore, all of the discussions on a social investment approach, stemming from the recommendations from the SIP within the last few years in the Czech Republic have allowed for new social entrepreneurship programs to be developed. According to our members, these types of programs hardly existed in the Czech Republic before the talk of "social investment" began in the country a few years ago. Now, the ideas of social enterprises, social economy and social entrepreneurship are widely known and discussed, making new and more effective social programs possible.

Challenges to social investment

Our members have highlighted that in the Czech Republic social investment is known and has had some positive impact on social sector programs and policies within the last few years; unfortunately, the recession that the Czech Republic is still dealing with has hindered the implementation of many of these new social investment developments and widely-discussed ideas. Furthermore, social spending is seen as a cost to be cut and as economically hurting the country.

According to our members, there are many proclamations from politicians on the importance of social investment and reforming the social field, but the budget cuts being implemented within the social sector do not allow for proper reforms or changes to be implemented. Our members highlight the fact that many politicians talk about promoting social investment, but their actual decisions with social policies do not reflect a strong support of social investment or investing in social policies. Our Czech member **Slezska Diakonie** stresses that social investment should be supported by Czech politicians through concrete policy actions because social investment is "**an investment for our future- without social investment there is no moving forward**".

Furthermore, our members stress that in the Czech Republic, social care providers are being met with increasing demands for their services throughout the nation. More and more people are needing their services, yet there still is not adequate public support for these social care providers. Furthermore, because life expectancy has dramatically increased in the last decade, our members feel that real reform will have to come to the social care system in the Czech Republic in order to adequately care for the growing number of people who will need some sort of social support in their old age.

Social Investment Package on the ground

According to both of our members in the Czech republic, **ECCB and Slezska Diakonie**, the SIP is known to the general public, and the entire infrastructure for social

care and social services has slowly improved within the last five years. This improvement has been noticed by the general public and has helped further promote the importance of social investment all throughout the nation.

Furthermore, a social investment approach, recommended from the Social Investment Package, has helped decentralise some of the larger social service agencies in the Czech Republic. By localizing some of these agencies and programs, care for people in need is able to be done on a more individualised basis. This localization has been noticed by the general public and has helped promote the entire idea of social investment in the Czech Republic.

Hungary

The Reformed Church in Hungary
www.reformatus.hu

Policy topics addressed

In Hungary, our members have witnessed more social investment type of policies being implemented throughout the country within the last few years through various social policies and programs. For example, the program, a new law on education requires classes for children to last two hours longer each day than in years before (ending around 16:00, instead of 14:00). Furthermore, this law mandates that children from the age of three must be enrolled in some sort of school in order to make sure that all children, even those from socially excluded families, have a chance to be properly educated and develop proper socialization skills[9].

Furthermore, a new public employment programme has been launched recently that aims to provide work experience and vocational training to unemployed people. This program previously just provided financial support to unemployed people, but now this financial support is being furthered through subsequent social inclusion activities like vocational trainings[10].

Challenges to social investment

Although Hungary has made some advancements in implementing social investment reforms, issues with administration and budget problems are still causing challenges to restructuring the social sector and implementing new social investment type of programs.

According to our members, Hungary needs a complete overhaul of its administrative and bureaucratic system within its social sector in order to be able to create a social sector that invests in people rather than repairs existing situations. Our member explains that the current amount of paper work and bureaucracy is making the social care sector ineffective and hindering the effects of some of the new SIP laws that have been passed in recent years.

Furthermore, concrete data from the Hungarian government exemplifies the fact that in the last three years, there has been an ever-increasing demand on social and healthcare services due to the ageing population, the effects of the financial crisis and an overall increase in inequality[11]. **This increase**

9 http://www.gyerekesely.hu/childpoverty/

10 http://en.munka.hu/engine.aspx?page=en_full_afsz_en_modernising_empl_service

11 http://www.ksh.hu/stadat_eves_6_2 & http://www.ksh.hu/social_protection

further emphasizes the need for a true restructuring of Hungary's social sector to adequately provide for the increasing number of people in need.

Social Investment Package on the ground

Although the general public in Hungary does not know the term "social investment" or "Social Investment Package", there is consistent talk of the need for administrative reforms among society. According to our members, most people are well aware that the social system as it is currently is not as effective as it could be and needs to be reformed to deal with the increasing demand for social and healthcare services.

France

Fédération de l'Entraide Protestante
www.fep.asso.fr

Policy topics addressed

In July 2014, a new law was adopted in France, "**Lois l'économie sociale et solidaire** (Social economy law)"[12]. Eurodiaconia's French member, **Fédération de l'Entraide Protestante**, explains that this law helps guarantee the economic sustainability of businesses that have a social connection. Because of this law, those actors that operate social activities in the form of a business and are not "profit centred" entities can benefit from financial incentives through tax breaks and public subsidies. Through the implementation of this law, France is following some of the key recommendations put forth in the SIP on investing in social policies and encouraging NGOs to operate social enterprises.

According to our French member, the French government has also increased investing in children in the last five years by conducting an extensive NGO consultation on child poverty and family poverty. These consultations are now being used to help the government reform social policies and adapt their programs to current needs in these areas.

Finally, our member has witnessed the French government focusing on "prevention" rather than "repair" with their homelessness strategy in the last few years and the adoption of the **housing first approach**. This approach, described in previous Member State profiles, has proven to be successful in keeping those that struggle with homelessness off the streets permanently. This approach is thoroughly in line with the recommendations from the SIP as it **focuses on investing in the person struggling with homelessness by giving them a permanent home** instead of having them go through the burdensome public housing process with multiple stints of temporary housing.

Challenges to social investment

Unfortunately, our member from France also highlights that expenditure in the social field is seen by the French government overall as a cost to be cut. For example, budgets for health and social services, implemented by public or private not-for-profit operators, have been reduced particularly in 2014 and 2015 in order to reduce the national budget's deficit.
Furthermore, administrative burdens still pose a problem for those needing to access welfare benefits in France. According to our members, the system to register for welfare

12 http://www.vie-publique.fr/actualite/panorama/texte-discussion/projet-loi-relatif-economie-socialesolidaire.html

benefits is complicated and frustrating. Our French member stresses the fact that often times, a person must visit five or six different government agencies and fill in dozens of documents in by hand in order to be properly "registered" for public assistance.

"The French government should implement a SIP approach because it can economically benefit the state! Prevention is cheaper than repair!"

To improve access to welfare benefits, our member proposes that this process should utilize online technologies so that multiple public assistance agencies can access the information of a person in need. Simplifying access to welfare and social assistance is essential because currently there is a growing movement of people who simply do not register to claim benefits because the process is so complicated[13].

Social Investment Package on the ground

The new law on social economy, which addresses some of the key recommendations of the Social Investment Package and falls in line with a social investment approach (i.e. reforming outdated social policies and investing in social structures to help prevent future social exclusion) is being talked about by NGOs in France. These NGOs, many of which are social and healthcare service providers, have disseminated important information on this law to their members, their clients and staff. However, outside of this "social service" bubble, the new law and the wider concept of social investment is not well-known.

The on-the-ground end-users of social and healthcare services that are looking to becoming more socially included most likely will not have any knowledge about social investment and any positive, "investment-type" of changes to social policies. The only way a vulnerable person looking to become more socially included may have the opportunity to interact and benefit from new social policies that follow a social investment approach is if they are directly involved with an NGO that has been educated about this concept and knows how to go forward with implementing its procedures. Only those NGOs that are already plugged into the existing social service structure in France will be able to have a working knowledge of this new policy.

13 https://odenore.msh-alpes.fr

CONCLUSIONS

Is the Social Investment Package endangered?

The Social Investment Package has responded to its initial commitments but its impact will only be fully assessed in the long term as it will take time for investment impact to be visible. However, as of today, it is already possible to see the fading focus given to "social investment" in the main European Union strategies and guidance. The strategy for "social investment" seems to be slowly replaced by a broader investment perspective not particularly in support of social policies.

Looking back: the European Semester

The impact assessment of the SIP at European level must look at its impact on the European Semester. Looking at the European Semester from the perspective of the SIP offers a broader understanding of its (lack of) implementation and reveals contradictions between the European Commission "proclaimed ambitions" and the actual budgetary and policy priorities.

Looking back, the European Semester appears to have advocated for fiscal consolidation strategies and reform of the social security systems, without providing necessary safeguards for social protection. The social consequences of such policies have been claimed by many, including the IMF, as damaging.

» **The Annual Growth Survey 2015**

The Annual Growth Survey does not make a reference to the Social Investment Package or to social investment in general. It strongly focuses on investment as a tool to re-launch economic growth, not as a preventive tool.

The AGS 2015 rightly focuses on the need to boost investment, and Eurodiaconia welcomes the focus on investing in education. However, investing in human capital and preventing poverty and social exclusion requires a broader social investment approach, which the AGS lacks. Investments in adequate social protection systems, as an inseparable part of social investment, need to be maintained and improved to prevent further deterioration of the social situation and prevent higher costs in the long-term.

The AGS 2015 has failed to reflect the need to achieve both economic and social progress in the European Union and to give social wellbeing as much importance as economic development.

One possibility for the European Commission to show this commitment to social investment would have been to allow Member States to use social policies utilizing a social investment approach to acquire more flexibility from the existing rules of the Stability and Growth Pact.

» **Country Specific Recommendations**

The Country Specific Recommendations are the occasion for the European Commission to emphasize some of its policy directions. Eurodiaconia has monitored the Country Specific Recommendations addressed to Member States over the years. Even if there had been some very positive CSRs from the perspective of the fight against poverty and social exclusion, Eurodiaconia members' conclusion is that the European Semester has given a disproportional focus to macroeconomic trends, growth and competitiveness, drifting away from the Europe 2020 inclusive growth objective. For example, there is a small number of Country Specific Recommendations addressed to Member States focusing on poverty reduction (e.g. in 2014, only 12 Member States were addressed CSRs on poverty and exclusion.) Additionally, too often these recommendations have actually focused on activation measures or short term costs rather than on the strategic direction of long term investment. This is clearly not in line with the message of the Social Investment Package in general, and even less in line with the staff working document focusing on homelessness.

» **Specific focus on child poverty**

As highlighted above, the European Alliance on investing in children has been highlighted by the European Commission in its "Policy Roadmap for the 2014 Implementation of the Social Investment Package" as one of the key examples of the implementation of the Recommendation for Investing in Children and, therefore, also as one of the successes of the SIP. However, the funding for the alliance has stopped under the new Commission. This could be interpreted as a step back for the implementation of the SIP and a symbol of the fading prioritisation given to social investment at EU level.

However, the 2014 Annual Convention of the European Platform against poverty hosted a very interesting side event on the implementation of the Recommendation for Investing in Children. There, speakers (including Mr. Thomas Dominique, Chair of the Social Protection Committee) insisted on the significant first step in the implementation of the Recommendation, but also the fact that this implementation needs to be accompanied by the creation of a monitoring instrument for the recommendation. Mr. Raffaele Tangorra, Director General for Social Inclusion and Social Policies, Ministry of Labour and Social Policies of Italy, regretted that the national authorities do not always take investment in children into account. The side event recalled that 14 countries received country-specific recommendations related to investing in children in 2014, and showed the Recommendation as instrumental in promoting certain messages such as investment in early childhood[14].

Therefore once again, there is a call for Member States to take immediate and significant steps towards concrete implementation of the Recommendation, but this is mitigated by a meek presence of social investment in the wording of overarching European strategic documents.

14 4th annual convention of the European Platform against poverty, side event ''investing in children''

Looking forward: Juncker's investment plan for Europe:

Announced as a "ground breaking investment plan" "offering hope to millions of Europeans" by Mr. Junker[15], the "Investment Plan for Europe" has been criticised by many for not providing new money but rather relying on financial engineering based on the re-organisation of existing funds as €21 billion of public monies is used to lift fifteen times as much in capital. This raises several challenges from a social investment perspective.

This "Investment Plan" makes no reference to either the "Social Investment Package" or even to "social investment" and does not look at the economic benefit of social public spending. As rightly underlines by Professor Dr. Reinhilde Veugelers in her Bruegel's article on "the Achilles' heel of Juncker's investment plan"[16], *"After all, what matters is not just how much private investment can be leveraged, but how much growth and employment can be created from these investments."* Moreover, as she underlines, the money for the EFSI has been reallocated from other sources including Horizon 2020. What mechanism will ensure the money spent under the new Juncker's plan will both present a better (or at least equal) return on investment than the other planned investment would have brought, and that it takes into account the social impact of the project selected?

The 315 billion euro of the EFSI must support projects that are in line with the EU's social policy priorities, including financing projects actively promoting social inclusion or cohesion.

The inherent fragility of the SIP as a soft law instrument put it at the mercy of both its implementation at national level following on the willingness of Member States, and the follow-up given to it by the European Institutions at EU level, to maintain pressure for implementation to happen. The occasion of the Europe 2020 midterm review will be the next step in assessing how much is social investment still a priority for the European Union, or how it has been forgotten.

The recent dynamic to focus on investment (as shown by the Social Investment Package and the proposal for a European Fund for Strategic Investments) is warmly welcomed but imperatively needs a strong social dimension, focusing not only on instruments to go back to growth and employment but also on the objective of "inclusive growth" and poverty reduction. This would enable deep structural reform to take place in a fair manner, and work toward the objective of better social cohesion. Eurodiaconia recommends not to multiply financial tools in place but to implement existing strategies and policy directions with a strong focus on the overarching objective of "inclusive growth."

Having analysed some of the major challenges to the implementation of social investment type policies, conclusions can be drawn on what can be done to mainstream a social investment approach at Member State level.

Below are examples of policy recommendations that can be put forward to EU and Member State officials working within this field. They can be used by interested stakeholders when addressing European or national authorities working on social policies and legislation.

15 Investing in Europe: speech by President Juncker in the European Parliament plenary session on the € 315 billion Investment Plan http://europa.eu/rapid/press-release_SPEECH-14-2160_en.htm

16 The Achilles' heel of Juncker's investment plan, Prof Dr. Reinhilde Veugelers, Bruegel

Recommendations to the European Union

1. Reinforce the social dimension of the European Semester through a broader and more socially balanced set of priorities in the Annual Growth Survey and Country Specific Recommendations

2. Make the Investment Plan and European Fund for Strategic Investments include a clear social dimension, including the promotion of investment in measures developing strong and integrated social protection systems and social services, in line with the 2013 Social Investment Package.
   a. Request the inclusion of a social dimension and a social investment approach in the investment guidelines, strategic policies and asset allocation of the EFSI, which is decided by the fund's Steering Board.
   b. Call for the appointment of specialists in social policy to the EFSI Investment Committee, including from the European Commission, to ensure the implementation of the social dimension of the EFSI and to assess the social impact and rate of return of submitted projects.

3. Ensure the new European Commission initiatives and follow-up to key instruments such as the Social dimension of the Economic and Monetary Union and the Europe 2020 review will strongly encourage Member States to value and develop meaningful social policies, i.e. investment policies geared toward positive social impact as a fundamental priority.

4. Encourage the implementation of the "Investing in Children" Recommendation by establishing an effective monitoring framework on its implementation at national level.

5. Continue to explore the potential for a European Strategy to end homelessness, following-up on the numerous European Parliament calls to this aim in 2008, 2010, 2011, and 2014[17].

Recommendations to Member States

- Take a long-term approach to budgeting and take into account the social (and potential economic) return on investments in social protection and social and health care
  - Focus on the quality of government spending and potential social impact of initiatives when developing actions to tackle the national debt
  - Inform local and regional governments of the social investment approach and its benefits
  - Ensure sufficient funding to public authorities with responsibility to finance social and health services

- Focus resources and research on prevention of social needs and developing people's skills and capabilities
  - Services and initiatives that work towards this end must receive sufficient finance.

17 2014 Resolution on an EU Homelessness Strategy; 2011 Resolution on an EU Homelessness Strategy; 2010 Declaration on an EU Homelessness Strategy; 2008 Declaration on Ending Street Homelessness

- Examine public administration systems in order to reform bureaucratic inefficiencies and root out corruption that wastes resources

- Participate in and facilitate exchanges of good practice in social services and policies in order to improve their effectiveness, including analysing success factors

- Implement systems that facilitate the integrated provision of services at all levels, including budgeting, cross-departmental coordination or integration of ministerial departments

- Renew their commitment to Active Inclusion, stepping up policy efforts to ensure an integrated approach to social inclusion ensuring accessible quality social services, and inclusive labour market and a guaranteed adequate income for all (starting with comparative reference budgeting).

- Research the potential of e-services for increased efficiency, whilst ensuring that the welfare system maintains a human face

Future Steps for Eurodiaconia

- Continue to support members in understanding and promoting the social and economic impact of their actions

- Further develop mutual learning activities in order to support increased effectiveness of members' services

- Continue to raise awareness of the social investment approach and call for it to be mainstreamed in social and economic policy frameworks

FURTHER INFORMATION AND HELPFUL LINKS

Social Investment: Commission Urges Member States to Focus on Growth and Social Cohesion- link to European Commission Documents on Social Investment and the 2013 Social Investment Package
http://ec.europa.eu/social/main.jsp?catId=750&langId=en&newsId=1807&moreDocuments=yes&tableName=new

Social Investment Package: taking stock of achievements one year on:
http://europa.eu/rapid/press-release_IP-14-179_en.htm

Friends of Europe Report- Unequal Europe Recommendations for a more caring EU Final report of the High-Level Group on 'Social Union', stressing the importance of Social Investment
http://www.friendsofeurope.org/media/uploads/2015/02/Social-Report-2015-WEB.pdf

European Commission 2013 brochure- "Investing in Social Europe"
http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7515&type=2&furtherPubs=yes

European Commission publication, "Employment and Social Developments in Europe 2013"
http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7684

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