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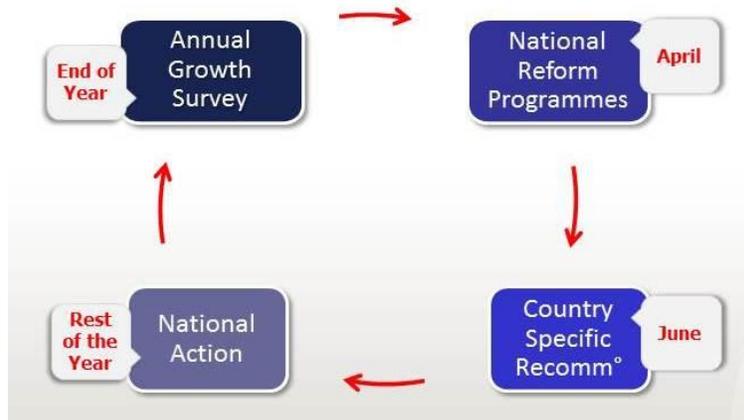
The EU Semester and the Social Investment Package

Eurocarers briefing

The EU Semester

All Member states have committed to achieving the targets of the Europe 2020 strategy for smart, sustainable and inclusive growth and have translated them into national targets and growth-enhancing policies. But in order to achieve the desired impact, this process needs to be focused and coordinated. The European Commission (EC) has therefore set up a yearly cycle of economic policy coordination called the European Semester. Each year, since 2011, the EC undertakes a detailed analysis of EU Member States' programmes of economic and structural reforms and provides them with recommendations for the next 12-18 months.

The European semester starts when the Commission adopts its Annual Growth Survey, usually towards the end of the year, which sets out EU priorities for the coming year to boost growth and job creation. In March, EU Heads of State and Government issue EU guidance for national policies on the basis of the Annual Growth Survey. It provides policy orientations covering fiscal, macroeconomic structural reform and growth enhancing areas, and advises on linkages between them. In April, Member States submit their plans for sound public finances (Stability or Convergence Programmes) and reforms and measures to make progress towards smart, sustainable and inclusive growth, in areas such as employment, research, innovation, energy, social inclusion, health and Long-term care (National Reform Programmes). In May/June, the Commission assesses these programmes and provides country-Specific Recommendations as appropriate. The Council discusses and the European Council endorses the recommendations. Policy advice is thus given to Member States before they start to finalise their draft budgets for the following year. Where recommendations are not acted on within the given time-frame, policy warnings can be issued. There is also an option for enforcement through incentives and sanctions in the case of excessive macroeconomic and budgetary imbalances.



Why is this instrument for economic governance relevant to the work of Eurocarers?

Our activities aim to contribute to the development of effective and sustainable social protection, health and long-term care systems in which informal carers would play a central role, both in their elaboration and implementation at EU and national level. The European Semester Process offers great opportunities to do this.

Our interest in the EU Semester process is reinforced by the fact that -while the EU institutions have in principle no power to legislate on issues directly related to health and LTC services- the EC's country specific Recommendations do increasingly address questions related to the priorities and investments of member states in these fields. It is therefore important to make sure our sector is represented and heard in this process.



The Social Investment Package

Back in February 2013, in a laudable attempt to contain steep budget cuts in crucial elements of the EU social protection model (including health), the EC adopted its Social Investment Package (SIP) for Growth and Cohesion. The SIP aims to encourage Member States to approach social expenditure as an investment and therefore to enhance people's capacities and participation in society and the labour market. It involves *spending more effectively and efficiently to ensure adequate and sustainable social protection; investing in people's skills and capacities; and ensuring that social protection systems respond to people's needs at critical moments during their lives*. The SIP consists of a series of documents addressing seven key social challenges, including on [Child poverty](#)^I, [Active Inclusion](#)^{II}, [Social Services of General Interest](#)^{III}, [Long-Term Care](#)^{IV}, [Homelessness](#)^V, [Investing in Health](#)^{VI} and the use of the [European Social Fund](#)^{VII} to address the above-mentioned topics.

The Social Investment Package builds on the idea that *“Welfare systems have contributed to improving social outcomes but are confronted with the consequences of demographic change and of the financial and economic crisis”* and that in the context of a shrinking labour force and increasing dependency ratios, it is essential to *'prepare' people to confront life's risks, rather than simply 'repairing' the consequences (i.e. prevent rather than cure)*. To do so, the SIP encourages Member States (through the European Semester, Country-Specific Recommendations, the European Social Fund, etc.) to invest in human capital and develop new social security schemes which maximize the potential of every citizen (i.e. activation measures). For example, it is expected that Member States should draw inspiration from the Social Investment Package when drafting their National Reform Programmes, as part of the EU Semester process.

Investing in Children: Breaking the cycle of disadvantage

Children that grow up in poverty are more likely to suffer from social exclusion and health problems in the future, and also less likely to develop to their full potential later in life. Breaking the cycle of disadvantage in early years and investing in children through a preventative approach allows reducing the risk of poverty and social exclusion. This implies not just providing children with adequate living standards: it also means helping them live up to their full potential through an integrated approach bringing them the best educational and health outcomes.

The Social Investment Package and the Recommendation "Investing in children: breaking the cycle of disadvantage" stress the importance of early intervention and preventative approaches. They call on EU countries to:

- Support parents' access to the labour market and make sure that work 'pays' for them
- Improve access to affordable early childhood education and care services
- Provide adequate income support such as child and family benefits, which should be redistributive across income groups but avoid inactivity traps and stigmatisation
- Step up access to quality services that are essential to children's outcomes – improve access to early childhood education and care including for children under 3, eliminate school segregation, enhance access to health, housing, social services

- Support children's participation in extra-curricular activities and in services and decisions affecting children such as social services, education, and alternative care.

Active Inclusion of people excluded from the labour market

Active inclusion means enabling every citizen, notably the most disadvantaged, to fully participate in society, including having a job.

In practical terms, that means:

- Adequate income support together with help to get a job. This could be by linking out-of-work and in-work benefits, and by helping people to access the benefits they are entitled to
- Inclusive labour markets – making it easier for people to join the work force, tackling in-work poverty, avoiding poverty traps and disincentives to work
- Access to quality services helping people participate actively in society, including getting back to work.

The Social Investment Package underlines the importance of reducing administrative burdens and simplifying the benefit systems through mechanisms such as "one-stop shops". Individual contracts between service providers and participants, setting out their rights and obligations, empower the individual and contribute to developing human capital.

Social Services of General Interest

In the EU, social services of General Interest play a crucial role in improving quality of life and providing social protection. They include:

- Social security
- Employment and training services
- Social housing
- Child care
- Long-term care
- Social assistance services
- Health services

These services are a vital means of meeting basic EU objectives such as social, economic and territorial cohesion, high employment, social inclusion and economic growth. The EU encourages cooperation and the exchange of good practice between EU countries to improve the quality of social and health services, and provides financial support for their development and modernisation (e.g. from the European Social Fund).

Long-Term Care

With rising life expectancy, more people now reach an age where declining physical and mental health make them dependent on help from others. Most of this social care is currently provided by relatives, spouses and children in particular, mostly women.

The availability of informal social care by family members can be expected to decline, however, as people are having fewer children, who may also live further away from their elderly parents and be unable to

provide intensive care. Only a few EU countries provide comprehensive social protection to cover the need for care in old age.

The EU promotes cooperation between EU countries in this field in particular on closing the gap between the supply and demand for long-term care by exploring how to extend or restore older people's autonomy and capacity to live independently.

Homelessness

Beyond sleeping rough, homelessness may include situations of living in temporary, insecure or poor-quality housing. Typical causes of homelessness are:

- unemployment and poverty
- migration
- ageing
- health problems
- relationship breakdowns
- lack of affordable housing for rent and for sale
- inadequate support for people leaving care facilities, hospitals, prisons or other public institutions.

Homeless people may face reduced life expectancy, health problems, discrimination, isolation and barriers to access to basic public services and benefits.

EU Member States have primary responsibility and competence to address homelessness. The EU's Social Investment Package encourages them to:

- Adopt long-term, housing-led, integrated homelessness strategies at national, regional and local level
- Introduce efficient policies to prevent evictions.

Effective homelessness strategies may cover:

- Prevention and early intervention
- Quality homelessness service delivery
- Rapid re-housing
- Systematic data collection, monitoring and using shared definitions

Investing in Health

As briefly described above, the Social Investment Package includes a Staff Working Document specifically dedicated to health. The *Investing in Health* paper establishes the role of health as integral to the Europe 2020 strategy for Smart, Sustainable and Inclusive Growth and reaffirms that health is a value in itself as well as a precondition for economic prosperity. Health spending is described as 'growth friendly' expenditure. The paper does note that *financial sustainability may require cuts to healthcare budgets as some Member States need to curtail health costs in the short term* but also warns that *sudden significant reductions in healthcare budgets risk creating new inefficiencies, undermining access to and the quality of care, damaging health outcomes and ultimately jeopardising the sustainability of the health system even more by increasing costs*. The document therefore suggests a careful assessment of effectiveness of

measures and notes that *evidence shows that the relationship between healthcare expenditure and health outcomes is not linear.*

The Investing in Health document is articulated around four main elements:

- Investing in sustainable health systems
- Investing in people's health as human capital
- Investing in reducing health inequalities
- Investing in health through adequate support from EU funds

The Social Investment Package not only provides a new EU policy framework for reforming, sustaining and strengthening EU social protection and health systems. In doing so, it also offers numerous opportunities to promote and defend the increasingly added value provided by informal carers.

References

I [Investing in children: breaking the cycle of disadvantage](#)

II [Commission recommendation on active inclusion of people excluded from the labour market - Towards a social investment approach](#)

III [3rd Biennial Report on Social Services of General Interest](#)

IV [Long-term care in ageing societies - Challenges and policy options](#)

V [Confronting Homelessness in the European Union](#)

VI [Investing in Health](#)

VII [Social investment through the European Social Fund](#)