Programme for Employment and Social Innovation (EaSI) 2014-2020

2011/0270(COD) - 06/10/2011 - Legislative proposal

PURPOSE: to establish a European Programme for social change.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: the recent economic and financial crisis, which hit all Member States and regions in the Union, has forced the EU to face complex problems, such as:

- high unemployment rates, especially among the low-skilled, the young, older workers, migrants and people with disabilities;
- an increasingly fragmented labour market, in which more flexible work patterns and other challenges are emerging and which have an impact on job security and working conditions;
- a shrinking workforce and increasing pressure on social protection systems as a result of demographic change;
- difficulty in combining work and caring responsibilities and achieving a sustainable work-life balance, hampering personal and family development;
- an unacceptably high number of people living below the poverty line and in social exclusion.

The crisis also highlighted the close links and spill-over between EU-27 economies, especially in the euro area. **Coordinated action at the Union level is more effective** in addressing these challenges than individual actions of single Member States. To be cost-effective, reforms also need to be as far as possible based on evidence. The involvement of policy-makers and other stakeholders in a collective learning process and in developing and testing new approaches is likely to lead to greater acceptance and ownership of, and commitment to the Europe 2020 strategy. In this context, social innovation, and in particular social experimentation, can be a powerful tool for shaping the reforms and policy adjustments needed to implement Europe 2020.

While tackling socio-economic problems is primarily the responsibility of the Member States and regions and decisions have to be taken closest to the citizen, the Union has a role to play in putting the need for specific reforms on the agenda, identifying barriers to change and ways of overcoming them, ensuring that existing Union level rules are complied with, stimulating sharing of good practice and mutual learning, and supporting social innovation and Europe-wide approaches.

The European Union Programme for Social Change and Innovation is based on three existing instruments: (i) the Progress Programme; (ii) EURES (European employment services; (iii) the European Progress Microfinance Facility for employment and social inclusion.

IMPACT ASSESSMENT: the impact assessment considered three options:

- **Option 1: no policy change**: under this option, the Progress programme, EURES and the Progress micro-finance facility, would continue to exist as separate instruments running alongside the European Social Fund.
- **Option 2: a new integrated programme for social change and innovation**: the new programme is made up of three separate albeit complementary axes: Progress, EURES and microfinance and social entrepreneurship.

- **Option 3: a single instrument for employment and social affairs**: such an instrument would have a shared management strand (the European Social Fund) and a direct management strand.

The impact assessment has concluded that **option 2 is the preferred option** that would bring about the most benefits in terms of efficiency gains, critical mass, coherence and effectiveness, while avoiding political and institutional risks.

LEGAL BASIS: Article 46(d), Article 149, Article 153(2)(a) and the third paragraph of Article 175 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposal aims to establish a new agenda for social change and social innovation. The proposal contains a set of common provisions applicable to each part of the Programme and the special provisions applicable to each instrument.

(**1) Common provisions**:

Subject matter: the proposed Regulation establishes a European Union Programme for Social Change and Innovation which aims to contribute to the implementation of the Europe 2020 Strategy, its headline targets and Integrated Guidelines by providing financial support for the European Union's objectives in terms of promoting a high level of employment, guaranteeing adequate social protection, combating social exclusion and poverty and improving working conditions. The Programme shall run from 1 January 2014 to 31 December 2020.

Structure of the Programme:the Programme shall be made up of the following three complementarity axes:

1. The Progress axis, which shall support the development, implementation, monitoring and evaluation of Union employment and social policy and legislation on working conditions and shall promote evidence-based policy-making and innovation, in partnership with the social partners, civil society organisations and other interested parties;
2. The EURES axis, which shall support activities carried out by the EURES network, i.e. the specialist services designated by the EEA Member States and the Swiss Confederation, together with other interested parties, to develop information exchanges and dissemination and other forms of cooperation to promote workers' geographical mobility;
3. The Microfinance and Social Entrepreneurship axis, which shall facilitate access to finance for entrepreneurs, especially those furthest from the labour market, and social enterprises.

General objectives of the Programme: these include:

- strengthening ownership of the Union objectives in the employment, social and working conditions fields among key Union and national policy-makers, as well as other interested parties in order to bring about concrete and coordinated actions at both Union and Member State level;
- supporting the **development of adequate, accessible and efficient social protection systems** and labour markets and facilitate policy reform, by promoting good governance, mutual learning and social innovation;
- **modernise Union law** in line with the Smart Regulation principles and ensure that Union law on matters relating to working conditions is effectively applied;
- **promote workers' geographical mobility** and boost employment opportunities by developing Union labour markets that are open and accessible to all;
- promote employment and social inclusion by increasing the availability and **accessibility of microfinance for vulnerable groups and micro-enterprises**, and by increasing access to finance for social enterprises.

Types of actions: the following types of actions may be financed under the Programme:

- **Progress**: (i) gathering of data and statistics, as well as development of common methodologies, classifications, indicators and benchmarks; (ii) evaluations and impact assessments; (iii) preparation and implementation of social experimentation as a method for testing and evaluating innovative solutions with a view to scaling them up; dissemination of the results of these analytical activities. Mutual learning, awareness and dissemination activities including, inter alia, (i) Council Presidency events, conferences and seminars; (ii) training of legal and policy practitioners, and EURES advisers; (iii) drafting and publication of guides, reports and educational material; etc. Support for main actors in regard to: the operating costs of key Union-level networks whose activities relate and contribute to the objectives of the Progress axis; networking and cooperation among specialist bodies, national, regional and local authorities, and employment services at European level; funding of European-level observatories.
- **EURES**: actions to promote mobility of individuals in the Union, in particular the development of a **multilingual digital platform for the clearance of job vacancies and applications**, and targeted mobility schemes to fill vacancies where labour market shortcomings have been identified and/or to help specific groups of workers such as young people.
- **Microfinance**: support to microfinance and social enterprises in particular through the financial instruments (grants).

(2) Specific provisions: this part focuses on the implementation measures of each of the axes concerned. These include:

- specific objectives as regards each of the actions;
- technical provisions as regards the participation by eligible actors;
- measures as regards third countries and international organisations;
- implementing measures conferred on the Commission;
- transitional measures.

Evaluation and follow-up: with a view to regular monitoring of the Programme and making any adjustments needed to its policy and funding priorities, the Commission shall draw up biennial monitoring reports and send them to the European Parliament and the Council. A mid-term evaluation of the Programme shall be carried out by the end of 2017 to measure progress made in meeting its objectives, to determine whether its resources have been used efficiently and to assess its Union added value.

BUDGETARY IMPLICATION: the financial appropriations for implementing the Programme for the period from 1 January 2014 to 31 December 2020 will amount to EUR 958.19 million (in current prices):

- 60% to the Progress axis, of which at least 17% shall be allocated to promoting social experimentation as a method for testing and evaluating innovative solutions with a view to scaling them up;
- 15% to the EURES axis;
- 20% to the Microfinance and Social Entrepreneurship axis.

The remaining 5% shall be apportioned among the axes on an annual basis in line with policy priorities.