



**POSITION PAPER** 

# EAPN Assessment of 2013 Country-Specific Recommendations (CSRs) and proposals for Alternative CSRs (National and EO Members)

# **Country Fiches**

### **COMMON KEY MESSAGES:**

- 1) Ensure coherence of CSRs balancing social/economic objectives
- 2) Require a comprehensive multi-annual national anti-poverty strategy
- 3) Set ambitious, effective poverty and social targets, with subtargets for key groups
- 4) Reduce social and economic inequality
- 5) For working-age, prioritize integrated Active Inclusion Strategies
- 6) Ensure adequacy of minimum income that reflect real costs
- 7) Tackle unemployment especially those furthest from the labour market with multiple difficulties, through tailored approaches
- 8) Ensure key public services are accessible to all, defending universal services combined with targeted support
- 9) Give increased priority to national integrated strategies to tackle key thematic priorities and groups at worst risk of poverty
- 10) Embed meaningful dialogue with national stakeholders, including NGOs and people experiencing poverty at all stages of the NRP and actively build social capital

March 2013

This document is the 2<sup>nd</sup> part of EAPN's full 2013 assessment, which consists of a pack of 3 documents:

- EAPN 2013 Assessment of Country-Specific Recommendations (CSRs) and proposals for Alternative CSRs from National and EO Members
- 2. Detailed Country Fiches
- 2013 country-specific recommendations to Member-State Governments made by EAPN National Networks and European Organisations

Find all these documents online here:

http://www.eapn.eu/en/news-and-publications/publications/eapn-position-papers-and-reports/eapn-produces-an-assessment-of-country-specific-recommendations-and-proposes-its-own

or here: <a href="http://tinyurl.com/cjxhdbf">http://tinyurl.com/cjxhdbf</a>

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# Belgium (EAPN BE/BAPN)

# Contact details: Elke Vandermeerschen, elke.vandermeerschen@bapn.be, +32(0)2.265.01.53 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc) 1. Activation measures without quality job creation are not a way out of poverty, but risk being a way into poverty. Invest in quality jobs (sustainable, well-paid and accessible) and support excluded people into these jobs. 2. Austerity Measures are not re-launching the economy. A better option is to invest in minimum income systems, secure social protection systems and services and embed a more equal tax system to provide the necessary finances for realizing this. 3. Develop clear concrete targets and sub-targets, with related indicators. 2. Comparison with Commission/Council Country-Specific Recommendations for your country a) CSR positive proposals for poverty reduction and similarities with EAPN proposals There are no real direct proposals for positive poverty reduction. Some proposals, e.g. related to labour market policies could have an indirect positive effect on poverty, and also 'boost competition in retail sector and energy market'. b) Commission's negative proposals for poverty reduction and main differences with EAPN Reduce the high tax and social burden on the labour market; Curb age related expenditure; Reform the system of wage bargaining and indexation. c) The main gaps in the Commission/Council's CSRs for your country, what is missing The recommendations are not aiming at (social) progress, neither at social inclusion, but are all aiming to correct the budget deficit. Most of the recommendations are not proposals for poverty reduction, but are on the contrary proposals that -if followed- would create more poverty. 3. Implementation of CSRs - Commission's and EAPN's How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012? Fortunately, only partially and thanks to the influence of trade unions. The system of indexation has been more or less maintained, but changes in the system (new calculation methods) result in a loss of +/- 85 euro a year for an average wage. Unemployment benefits for long term unemployed have been decreased. How far the EAPN Recommendations have been implemented? Only on a rhetorical and symbolical level (discussions on wealth & income taxes, Tobin tax, social protection systems not weakened too much but not enforced either...) Social partners have an agreement on benefits and minimum wages (increase related to increased cost of life), but government has not executed nor confirmed this agreement. 4. New Developments and New Alternative CSR proposals from EAPN members Main new policies by your government likely to impact on poverty (positive and negative) a) since NRP (April 2012)

- The Federal Action Plan against Poverty with 118 measures: however the main strategy is activation! (This means little impact on poverty, or in some cases even negative impact)
- Some policies/ measures could have a positive impact, but still very vague, no impact analysis has been carried out. Although there has been a lot of declarations & announcements, plans that foresee plans ... (for example in the Action Plan against Poverty: announcement of many other plans: Plan Against Child Poverty, Agreement on the fight against Homelessness...)
- Enforced degressivity (→ decrease) of unemployment benefits (These will clearly have a negative impact on poverty).
- b) EAPN 2013 Proposals of CSRs:3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

The recommendations we gave last year, are still very relevant, so we repeat and complete our proposals

- 1. Activation measures without quality job creation are not a way out of poverty, but risk to be a way into poverty. Invest in quality jobs (sustainable, well-paid and accessible) and support excluded people into these jobs.
- + 2013: Households with low work intensity are suffering extreme poverty in Belgium. A job is not a realistic short term perspective for many of these households. Strengthening the income and support to these households should be a top priority for this government. All benefits should be increased above the real poverty line (calculated with the method of budget standards).
- 2. Austerity Measures are not re-launching the economy. A better option is to invest in minimum income systems, secure social protection systems and services and embed a more equal tax system to provide the necessary finances for realizing this.
- 3. Develop clear concrete targets and sub-targets, with related indicators. Evidence shows (latest EU SILC and others) that Belgium is clearly not progressing on the targets, so we need a renewed engagement, a confirmation that Belgium is still aiming at fighting poverty (decrease with at least 380.000 persons) & we need (yearly) intermediary targets. The goal should be the complete eradication of poverty.

# **Bulgaria (EAPN BG)**

# Contact Details: Douhmir Minev/Maria Jeliazkova, perspekt@tradel.net, +359 29.885.448

- 1. EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc)
  - 1. Improve the weak EU Governance/participation of stakeholders by strengthening direct democracy.
  - 2. Elaborate and enforce income policies and mechanisms for income distribution, including reconsidering of regressive taxation.
  - 3. Reformulate the whole design of Structural Funds as public funds including reconsidering groups who have access to them.
  - 4. Reformulate poverty lines in an honest way.
  - 5. Develop clear monitoring of the political measures to alleviate poverty and social exclusion by answering the question: How many people have escaped poverty and social exclusion thanks to them.
  - 6. Develop Youth policy addressing the collapse of educational, social, and economic policies that led to the saying that "young people in Bulgaria have two survival strategies: Terminal 1 and Terminal 2 of Sofia Airport".
  - 7. Reconsider the deep de-regulation of business environment leading to its criminalization.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) Commission's positive proposals for poverty reduction (if any) and similarities with your own proposals above (specify)

In the CSR we read:

(13) "Bulgaria has the highest rate of people at risk of severe material deprivation in the Union, with the elderly and children being particularly affected. Comprehensive measures are needed. Priority should be given to making social transfers more effective."

However no comprehensive measures are outlined. Our proposal includes such measures.

The almost only positive proposal that we find in the CSR is: "Improve the quality and independence of the judicial system and speed up the introduction of e-government".

- b) Commission's negative proposals for poverty reduction (if any) and main differences with your own proposals (specify)
  - 1. The CSR follows and very slightly tries to improve the undertaking made by the government measures. It lacks an adequate vision to reduce poverty.
  - 2. "Measures undertaken by the Government to freeze public sector wage bill in 2010-2012 have constituted a relevant and adequate response, also contributing to bring labour costs closer to productivity levels". This statement that we find in the CSR is the best example that the CSR is just repeating our (already resigned) Financial Minister. And this statement is absolutely not true. The productivity level of Bulgaria is around 45% of EU average while the average salaries are around 10% of the average EU average labor incomes.
  - 3. "The tax system in Bulgaria is characterised by significant tax evasion and low administrative efficiency." This statement could be true but does not reflect the main problem of the tax system which is the fact that Bulgaria has imposed regressive 19

century model of taxation (by tax wedge - combination of flat tax and ceilings on the labor incomes for which insurances are paid).

- 4. "Take further steps to reduce risks to the sustainability and to improve adequacy of the pension system by making the statutory retirement age the same for men and women with full career contributions. Introduce stricter criteria and controls for the allocation of invalidity pensions." The basic problems of the pension system the fact that people who have worked for 30-40 years receive pensions at such levels that is not possible to survive are not addressed
- 5. "Take measures to remove market barriers, guaranteed profit arrangements and price controls. Ensure the independence of transmission and distribution system operators; complete the market design in particular for the energy exchanges and balancing markets. Improve electricity and gas connections, boost energy efficiency and enhance the capacity to cope with disruptions." These measures are absolutely not adequate to solve the problems with the monopolies that provoked the start of mass spontaneous protests.
- c) The main gaps in the Commission/Council's CSRs for your country, what is missing

There is no pro-developmental prospect. The CSR does not identify the real problems of the country (impoverishment, high poverty rates, severe attacks on wellbeing, migration, etc.) and does not focus on how to overcome them.

# 3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

There is no substantial difference between the national documents and the CSR – thus the government follows the direction of the CSR proposals although maybe at a slower than expected speed. However there are pronounced deficiencies in these proposals.

### How far the EAPN Recommendations have been implemented?

When EAPN presented an alternative approach to the NRP we received a formal answer by the official responsible stating, without any arguments, that this is different approach – although what we have insisted on was policies for inclusive growth. So the consultation process is a clear imitation of participation, in which the only aim is to report that there was "a consultation".

### 4. New Developments and New Alternative CSR proposals from EAPN members

a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

The effects of the policies are quite clear: rise in poverty, unemployment, youth migration, etc. and people in spontaneous protest movements in the streets. The question here is who is responsible for this state of affairs? The government resigned but its policies have been supported by the CSRs as well.

- b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)
  - **1.** Be serious in addressing wellbeing and poverty reduction as basic aims. Ask why Bulgaria (the poorest EU member state) is the country with the highest income inequalities in EU

together with Latvia; Reconsider the results of imposing regressive 19th century taxation; Define a real poverty line based on price levels;

- **2.** Make a common and public template for CSRs for all the EU countries a general model, a standard and follow it everywhere; Make transparent who is preparing the CSR and in what relations are the authors with the national governments. Define responsibilities for example if CSR proposals are implemented and no real positive effects are reached.
- **3.** Establish a process to make possible the impact on country specific recommendations by different stakeholders (EAPN National networks included) in the process of their preparation.

# Cyprus (EAPN CY)

# Contact details: Marina Koukou, marina@peo.org.cy, +357.9948.6147

- 1. EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc)
  - 1. Embed meaningful participation of stakeholders in the design and full implementation of the NRP.
  - 2. Invest in creating decent, quality jobs to fight unemployment.
  - 3. Ensure adequate minimum income for all, as a means to preventing and fighting poverty.
  - 4. Use Structural Funds better to finance projects that fight poverty for all vulnerable categories. Ensure that funding is also available to (targeted at) projects at the grass-root level, involving NGOs. Fighting discrimination and inequalities must also be ensured.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN above (specify)
  - 1. Improve tax compliance and fight against tax evasion.
    - This is definitely a move in the right direction in increasing public finances, as long as it will at the same time secure funds for the social protection system and not be used only towards fiscal consolidation.
  - 2. Further improve the long-term sustainability and adequacy of the pensions system and address the high at-risk-of-poverty rate for the elderly.
    - This part of the recommendation is in the right direction and falls under our alternative specific recommendation 1.3 above. Nevertheless it includes a next sentence which we mark as negative [please see point 2 under b)].
  - 3. Complete and implement the national healthcare system without delay, on the basis of a roadmap, which should ensure its financial sustainability while providing universal coverage.
    - We totally agree with this recommendation but we are afraid that ensuring financial sustainability in the way the Commission regards it, will rather impose an added financial burden to the less privileged.
  - 4. Improve the skills of the workforce to reinforce their occupational mobility towards activities of high growth and high value added. Take further measures to address youth unemployment, with emphasis on work placements in companies and promotion of self-employment. Take appropriate policy measures on the demand side to stimulate business innovation.
    - This is in line with our alternative recommendation 1.2 above.
  - 5. Improve competitiveness, including through the reform of the system of wage indexation, in consultation with social partners and in line with national practices, to better reflect productivity developments. Take steps to diversify the structure of the economy. Redress the fiscal balance by restraining expenditure.
    - A sound recommendation as long as the wage indexation includes both the private and the public sectors, especially if it is to take into account productivity developments and aims to increase quality of work. Diversifying the structure of the economy is an unclear recommendation that needs further elaboration.

# b) Commission's negative proposals for poverty reduction (if any) and main differences with your own proposals (specify)

Further harmonize the supervisory and the regulatory framework for the cooperative credit societies in line with the standards applied for the commercial banks. Strengthen regulatory provisions for the efficient re-capitalisation of the financial institutions in order to limit exposure of the financial sector to external shocks.

The cooperative credit societies, since their creation, have served mainly the less privileged offering secure investments and low interest loans especially for housing purposes. Harmonisation in line with commercial banks will be a major blow against low-waged working people who might eventually lose their homes. Cooperative societies should remain independent of the commercial banking system and continue to serve their purpose: provide low cost funding to everybody.

Re-capitalisation of the financial institutions should be seen as separate and outside the country's fiscal consolidation. Commercial Banks should be re-capitalised directly and not through government funds, otherwise we could totally lose the social state and the fight against poverty would be an illusion.

Ensure an increase in the effective retirement age, including through aligning the statutory retirement age with the increase in life expectancy.

There has been a lot of debate regarding raising the retirement age, especially when one realizes the huge gap in the general population unemployment rate and the youth unemployment rate. We are against the raise and we totally disagree with the alignment of the retirement age with the increase of life expectancy.

Remove unjustified obstacles in services markets, in particular by improving the implementation of the Services Directive in service sectors with the most growth potential (including tourism) and by opening up the provision of professional services.

Cyprus being a small country and having already a huge influx of non-Cypriot EU citizens seeking jobs and residence status suffers disproportionately to other EU member states. What the Commission regards as "unjustified obstacles" might well be vital to sustaining local employability and we strongly doubt that opening up the provision of professional services would be to the benefit of the people – it might help the economy (number wise) but will not contribute to the fight against poverty or the decrease of unemployment.

### c) The main gaps in the Commission/Council's CSRs for your country, what is missing

- 1. Investing in and strengthening the social protection system to fight poverty and inequalities and to face social situations arising from the current crisis.
- 2. Investing in education and re-skilling of the unemployed to suit new market demands, using ESF and other EU funds.
- 3. Addressing inequalities between the public and the private sectors in terms of pay and productivity levels.
- 4. Involving NGOs and social partners from the planning to the implementation phase of all measures against poverty, exclusion and unemployment.

### 3. Implementation of CSRs – Commission's and EAPN's

# a) How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

There has been a serious effort to fight tax evasion by strictly implementing the laws already in place. There was no amendment in the Law. A new measure to collect amounts due to the

state (once there is a relevant court decision) was enforced halting people travelling abroad unless they have settled their dues. This was heavily questioned since small amounts could be easily retrieved but payment of large amounts is still to be negotiated.

The property tax has been raised in September 2012. There are plans to raise it even more and to change the base on which it is estimated (now on 1980 prices, proposed is today's market value). This measure will definitely increase public revenues but if the base is lowered to the total value of property proposed, it will affect thousands of home owners making it impossible to sustain their homes. Discussion is ongoing.

The pensions system has been and still is a major concern of the government and there are serious efforts to eliminate inequalities and provide pensions above the poverty line. Nevertheless, due to the crisis not much has been done during the past 6 months and reform is pending.

It seems that the government has progressed in finally implementing a National Health Care System. We still question some of the provisions that might only impose an added burden to the working class without offering substantially more than what is already in place.

A number of re-training and re-skilling programmes have been implemented in 2012 but they were not enough to lower youth unemployment rates. We feel that the private sector has not been cooperative enough to help towards the creation of new, sustainable jobs and the crisis was used as an excuse in many instances to fire rather than to hire people. Most of these programmes were funded through ESF funds.

Restructuring the economy and cutting public expenditure was a major concern in 2012 and after July we have seen some changes in the right direction. Nevertheless, the public sector has reacted heavily to salary cuts and freezing of benefits and new recruitments and we feel that the government did not succeed as planned. The fact of the presidential elections (February 17<sup>th</sup>) has hindered this process.

Fortunately, there is a universal agreement that cooperative credit societies should be regarded outside the commercial banking system and continue providing services placing emphasis on aiding the working class and not only the wealthy.

There is an ongoing discussion to raise the retirement age but we hope that no political party will finally agree to link it to life expectancy.

### How far the EAPN Recommendations have been implemented?

Participation of NGOs in the design and implementation of the NRP was not achieved, even though other stakeholders (Unions and Professional associations) were consulted.

Creating new, sustainable jobs was central in the government's efforts to address the current crisis.

A universal minimum income scheme is not yet in place but there have been efforts to regulate minimum salaries in different professions, especially the ones on the lower scale affecting primarily unskilled women.

We are not aware of the plans on how the new ESF will be used but we shall continue lobbying to ensure that a sound percentage is used towards the fight against poverty and exclusion.

### 4. New Developments and New Alternative CSR proposals from EAPN members

# a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

Due to the discussion with the Troika and in expectation of the relevant memorandum we are not in a position to really comment on these. What we know is that if the Memorandum

follows the measures taken in Greece we are sure they will have a direct and negative impact on all and will increase poverty.

# b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

In addition to the 4 recommendations we made last year, we need to clearly ask for the following:

- 1. Maintain the social face of the state making sure that the impact of the crisis on the people is counterbalanced.
- 2. Thoroughly examine every new measure's impact on people to ensure that it does not contribute to raising poverty and exclusion.
- 3. Embed meaningful participation of stakeholders in the design and full implementation of the NRP.
- 4. Invest in creating decent, quality jobs to fight unemployment.
- 5. Ensure adequate minimum income for all, as a means to preventing and fighting poverty.
- 6. Use Structural Funds better to finance projects that fight poverty for all vulnerable categories. Ensure that funding is also available to (targeted at) projects at the grass-root level, involving NGOs. Fighting discrimination and inequalities must also be ensured.

# **Denmark (EAPN DK)**

# Contact details: Per K. Larsen, pkl@unikon.dk, +45.3266.1560 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc) 1. Give higher priority to growth and jobs. 2. Give access to holistic services, rehabilitation and proper jobs for long term unemployed with complex difficulties. 3. Set an official poverty line and minimum income reflecting the actual living costs. 4. Address growing inequality. It is a process that is threatening social cohesion and increasing social and health costs. 5. Make the EU2020 process more visible and democratic; involve stakeholders more effectively, as with the former awareness-raising programmes funded by PROGRESS in the National Action Plans on Inclusion and the Social OMC. 2. Comparison with Commission/Council Country-Specific Recommendations for your country a) CSR positive proposals for poverty reduction and similarities with EAPN proposals 1. The Commission's proposals seems to be mainly based on neo-liberal economic principles, presupposing that removing of market regulations and cuts in subsidies will lead to more jobs and less unemployment among all groups of unemployed, regardless of the many different structural or individual causes of unemployment. EAPN DK fears that these suggestions in general lead to more poverty, inequality and social exclusion. 2. The Commission has from 2008 recommended Active Inclusion, based on 3 pillars: Minimum income, quality services and decent jobs. Nevertheless there are no recommendations concerning any of these subjects. 3. The only positive suggestion seems to be reduction of school drop-out rates, in particular within vocational education, and increasing the number of apprenticeships. The Danish government has in general followed the Commission's proposals, aside from the one of increasing vocational training and apprenticeships. CSR negative proposals for poverty reduction and main differences with EAPN proposals b) Same answer as in point a) above. The main gaps in the Commission/Council's CSRs for your country, what is missing c) It is difficult to find agreements between the Commission's proposals and EAPN DK's understanding of methods/policy solutions leading to reduction of poverty and to social inclusion. The Commission's recommendations are worsening the situation for poor people. 3. Implementation of CSRs - Commission's and EAPN's How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012? The Danish government has in general followed the Commission's proposals, aside from the only positive one of increasing vocational training and apprenticeships. How far the EAPN Recommendations have been implemented?

The government has made improvements on 3 themes, suggested by EAPNDK.

- 1. Better access to holistic rehabilitation through local authorities.
- 2. Acceptance of the need for an official Danish poverty threshold.
- 3. A more visible and democratic EU 2020 process, involving stakeholders more effectively, has evolved in 2012.

# 4. New Developments and New Alternative CSR proposals from EAPN members

a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

See point 4b, below.

- b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)
  - **1.** There is an obvious need for many more proper jobs for long term unemployed with complex difficulties.
  - **2.** How to involve NGOs more in rehabilitation and job creation for those far from the labour market should be considered.
  - **3.** Economic and social inequality is growing in DK, even if nobody wants it. The social welfare system needs to be reformed and adapted to the new realities.

# Finland (EAPN FI)

# Contact details: Marjatta Kaurala, marjatta.kaurala@krits.fi, +358 50-3447.582 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc) 1. Enhance the purchasing power of low income families with children 2. Use structural Funds to develop new measures for alleviating poverty 3. Expand the social guarantee for youth addressing the risk of social exclusion 2. Comparison with Commission/Council Country-Specific Recommendations for your country CSR positive proposals for poverty reduction and similarities to EAPN's a) a) Social guarantee for young people b) Skills programmes for young adults c) Raising the employment rate of older workers d) Lengthening working careers b) Commission's negative proposals for poverty reduction (if any) and main differences with your own proposals (specify) There were no negative proposals. The main gaps in the Commission/Council's CSRs for your country, what is missing c) Enhancing the purchasing power of low income families is missing. 3. Implementation of CSRs - Commission's and EAPN's How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012? Government has introduced a new measure to reduce youth and long term unemployment. A Social Guarantee for young people was implemented at the beginning of this year. Every young person under 25 years or recently graduated under 30 years old will be offered a job, on-the-job-training, a period in a workshop or rehabilitation within three months of becoming unemployed. A goal is to guarantee a place of study for every young person who completes basic education e.g. education in high school, vocational school or apprenticeship training. Municipalities have responsibility for the guidance of young people. Also skills programmes for young adults and a pilot project to reduce long term unemployment have started in some municipalities. Employment will be promoted by new models based on local partnership and multiprofessional co-operation. How far the EAPN Recommendations have been implemented? The Social Guarantee for young people has been expanded. Some social benefits have been raised, but the indexation of child allowance has been frozen at the beginning of 2013. 4. New Developments and New Alternative CSR proposals from EAPN members a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012) At the beginning of 2012, the National Development Programme for Social Welfare and Health Care was launched (KASTE II). The aim of the programme is to reduce health inequalities and place structures and services on a more customer-oriented basis. A long-term homelessness reduction programme continues.

# b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012 in italics)

- 1. Reduce health inequalities which have sharply increased. *The excess share of expenses of medicines and travelling* have increased at the beginning of 2013. This further undermines the possibility of access for low-income people to health care. Also investment in prevention of health (and social) problems reduces health inequalities.
- 2. Alleviate the situation and enhance the purchasing power of low income families with children, which were badly hit by the increase of consumption tax and freezing of the indexation of child allowance at the beginning of 2013. Safeguard the universal social services and benefits, which reduce poverty in families with children.
- 3. Improve the employment of disabled people. Raising the employment rate of disabled people has also impact on lengthen the working careers.

# France (EAPN FR)

# Contact details: Jeanne Dietrich, jdietrich@uniopss.asso.fr, +33 (1) 5336.3500 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 1. Set in place a multi-annual (5 years) and multi-dimensional plan to fight poverty (employment, housing, health, reinforcing access to care, adequate income for a life in dignity, education for all, access to culture, citizenship). This plan would be drafted with the participation of people experiencing poverty. It would contain clear targets, quantifiable objectives (number of measures taken, results, gap between set objectives and what was achieved, and explanations for this gap). 2. Raise social benefits to the level of needs, in order to allow people to live in dignity. 3. Build 150.000 social dwellings per year, for a period of five years. 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)CSR positive proposals for poverty reduction and similarities with EAPN proposals. a) - Better follow-up and accompaniment of job seekers, by the Public Employment Services, is needed; - More training is needed for those furthest from the labour market; - More proposals on how to favourise that older workers stay in employment longer, if so they desire. CSR negative proposals for poverty reduction (if any) and main differences with your own b) proposals (specify) - Abandon certain reduced VAT rates (we ask for the opposite in social housing to be able to build 150.000 social dwellings); - Minimum wage can't increase much for competitiveness reasons (we ask for the increase of the Révenu de Solidarité Active, so we operate in a different logic). The main gaps in the Commission/Council's CSRs for your country, what is missing c) - We wish to see a reinforcement of the participation of people, something the Council's Recommendations do not touch upon. 3. Implementation of CSRs - Commission's and EAPN's How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012? - The recruitment of 2000 additional agents for the Public Employment Services has been launched in September 2012; - The national plan announces increased training for those furthest from the labour market, but it is unclear for the moment how that will be implemented; - The creation of job-sharing contracts (young worker/older worker) can contribute to encouraging older people to stay on the labour market for longer. 4. New Developments and New Alternative CSR proposals from EAPN members Main new policies by your government likely to impact on poverty (positive and negative) a) since NRP (April 2012)

- raising the Revenu de Solidarité Active in the framework of the plan to fight poverty from January 2013, but only by 10% over 5 years, not at the level of 50% of minimum wage, which is what we ask for;
- entry into force, in January 2013, of the law about building 150 000 social dwellings per year, but with an allocated budget which seems insufficient;
- creation of a multi-annual national plan, with a budget of 2.5 billion euro made available over 5 years, but the exact allocation of these funds is not known.
- **b)** EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

Same as 2012; Clarifications about implementation are in italics:

1. Set in place a multi-annual (5 years) and multi-dimensional plan to fight poverty (employment, housing, health, reinforcing access to care, adequate income for a life in dignity, education for all, access to culture, citizenship). This plan would be drafted with the participation of people experiencing poverty. It would contain clear targets, quantifiable objectives (number of measures taken, results, gap between set objectives and what was achieved, and explanations for this gap).

This programme should be accompanied by clearly earmarked funding in the national budget, with funding for each year and each theme.

- 2. Raise social benefits to the level of half of the net minimum wage.
- 3. Build 150.000 social dwellings per year, for a period of five years, *supported by adequate funding for this objective*.

# **Germany (EAPN DE)**

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- 1. EAPN 2012 <u>Alternative Country-Specific Recommendations</u> for your country (from the 2012 doc)
  - **1.** The promotion of employment must be accompanied with existence-securing wages and obligation to contribute to social insurance.
  - 2. In poverty measurement, transparent procedures must be found that for instance take participation and periods spent in the job market into the view. Beyond that, further factors (the at-risk-of-poverty rate, material deprivation etc.) must be considered rather than only the number of long-term unemployed people.
  - **3.** To promote the social integration of disadvantaged target groups, appropriate financial means must be made available. Amongst other things this could be realized by the 20 per cent appropriation of payments of development funds from the ESF.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN proposals
  - The Commission proposes tax reduction for low wage earners in order to take them out
    of risk of poverty. EAPN Germany recommends a minimum wage for the same reasons.
  - Measures for active inclusion and labour market integration especially for long term unemployed should be more individualized and not reduced.
  - Development of wages linked to the increase of productivity (and inflation).
  - Segregational effects of the German education system should be reduced.
  - Child care facilities should be enlarged to full-day offers (same for schools).
- b) Commission's negative proposals for poverty reduction and main differences with EAPN proposals.

See comments above/below.

### c) The main gaps in the Commission/Council's CSRs for your country, what is missing

Poverty and social exclusion as such are not mentioned in the CSRs but only in the staff working paper.

Integration into the labour market is not a guarantee for getting out of social exclusion and poverty. The objective should be to integrate people into sustainable quality jobs and not into any job that is available (low wage sector).

# 3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

Social security contributions for employees have been reduced since the beginning of 2013 but only on a very small scale.

Starting from August 2013 there will be a legal right for parents in Germany to get child care places for children older than one year. The expansion of child care is behind the original planning and not sufficient for the real need (approx. 200.000 places are missing).

How far the EAPN Recommendations have been implemented?

The discussion about a minimum wage has finally arrived in the German government (at least in the conservative party, CDU) but an implementation in the current legislative period is not likely. However, in several branches (e.g. construction), social partners negotiated minimum wages.

# 4. New Developments and New Alternative CSR proposals from EAPN members

a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

There is no strategy to fight poverty and social exclusion except for the reduction of unemployment which is accomplished by the positive economic development, so far. The increase of employment over the last year consists of above-average number of low wage earners. The responsibility for the development of wages is left to the social partners.

# b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

- 1. The promotion of employment must be accompanied with existence-securing wages and obligation to contribute to social insurance.
- 2. In poverty measurement transparent procedures must be found that for instance take participation and periods spent in the job market into the view. Beyond that, further factors (the at-risk-of-poverty rate, material deprivation etc.) must be considered than only the number of long-term unemployed people.
- 3. To promote the social integration of disadvantaged target groups, appropriate financial means must be made available. Amongst other things this could be realized by the 20 per cent appropriation of payments of development funds from the ESF.

(same as in 2012)

# Ireland (EAPN IE)

# Contact details: Paul Ginnell, paul@eapn.eu, +353 1874 5737 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 1. Ensure active and meaningful consultation with all stakeholders in the development and implementation of the NRP. 2. Implement poverty and inequality impact assessment in a transparent and constructive manner across all areas of policy, including the annual Budget, to prevent the negative impact of policy on the most vulnerable and those experiencing inequality. 3. Implement policies to address the growing levels of inequality, including measures aimed at the greater redistribution of wealth through progressive taxation. 4. Implement an integrated active inclusion approach to policy development. Specifically: I. Reforms to the welfare system and activation services should ensure that at all times people have access to a decent income and to services and supports to meet their needs. It should also recognize the first large-scale activation of women, particularly mothers from welfare. II. The focus on growth and job creation should prioritise quality jobs and ensure that everyone benefits. Within this it is important to adopt an approach to tackle the problem of in-work poverty and the existence of poverty traps. III. Cease the cuts in services to the most vulnerable. This includes services that are provided by community groups with huge voluntary community input so "good value for money". 2. Comparison with Commission/Council Country-Specific Recommendations for your country CSR positive proposals for poverty reduction and similarities with EAPN proposals a) b) CSR negative proposals for poverty reduction and main differences with EAPN proposals The Commission's proposals do not address the issue of Poverty reduction. The single recommendation for Ireland as a Troika country is to implement its Memorandum of Understanding with the Commission as part of the Troika programme. c) The main gaps in the Commission/Council's CSRs for your country, what is missing Apart from the elements of the Commission/Council's background comments which are common to all other Member States there is no mention of Europe 2020 in the note accompanying the Recommendations for Ireland. The only focus in on Ireland's Stability Programme and the Commission's Memorandum in the Troika programme. 3. Implementation of CSRs - Commission's and EAPN's How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012? The Troika Memorandum is the key focus of Government policy. How far the EAPN Recommendations have been implemented? There has been no focus on this area but the Government says it is still committed to protect the most vulnerable. Actual policy is undermining this goal. New Developments and New Alternative CSR proposals from EAPN members 4.

# a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

There were a range of changes in Budget 2013 (announced in December) which will have a negative poverty impact. These include:

- The reduction in the Child Benefit by €10 per child for the first two children; €18 for the third child and €20 for the fourth and subsequent children;
- The reduction in the Back to School Clothing and Footwear Allowance by €50 per child. This small saving removes a vital support for families on very low incomes;
- Removal of workers' weekly PRSI tax-free allowance, which will result in a reduction in take home pay of over €5 per week;
- A cut in the Household Package for people with disabilities and older people;
- The prescription charge for medical card holders tripled from 50c to €1.50 per item
   The monthly threshold for the Drugs Payments Scheme increased from €132 per
   month to €144 per month;
- Reducing the annual Respite Care Grant from €1,700 in 2012 to €1,375 for 2013.

There are potentially positive developments in relation to dealing with over indebtedness.

# b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012) (Changes from 2012 are in italics)

- 1. Ensure active and meaningful consultation with all stakeholders in the development and implementation of the NRP. *This must be resourced.*
- 2. Implement poverty and inequality impact assessment in a transparent and constructive manner across all areas of policy, including the annual Budget, to prevent the negative impact of policy on the most vulnerable and those experiencing inequality. *This should be done in conjunction with stakeholders.*
- 3. Implement policies to address the growing levels of inequality, *including measures aimed* at the greater redistribution of wealth through progressive taxation.
- 4. Implement an integrated active inclusion approach to policy development. Specifically:
  - I. Reforms to the welfare system and activation services should ensure that people have access to a decent income and to services and supports to meet their needs. These services and supports need to take account of the very different starting points for specific groups particularly those furthest from the labour market and those with low educational qualifications and literacy difficulties. All activation policies and programmes should be accessible to people with disabilities and should also incorporate the impact of the first large-scale activation of women, many of who are mothers. Activation of mothers, and in particular lone parents, should only proceed if services, such as quality, affordable childcare, are put in place.
  - II. The focus on growth and job creation should prioritise quality jobs and ensure that everyone benefits. Within this it is important to adopt an approach to tackle the problem of in-work poverty and the existence of poverty traps.
- 5. **Cease the cuts in services** to the most vulnerable. This includes services that are provided by community organisations, many of which involve a large voluntary input.

6. Social inclusion should be a cross-cutting goal for the Structural Funds Programmes for Ireland for the 2014-2020 period and NGO's, including anti-poverty organisations, must be key partners in the design and delivery of programmes.

# Italy (EAPN IT)

# Contact details: Vito Telesca, <a href="mailto:irfedi@tin.it">irfedi@tin.it</a>, +39 097122771

- 1. EAPN 2012 <u>Alternative Country-Specific Recommendations</u> for your country (from the 2012 doc)
  - 1. The reality of the situation of poverty confirms that the comprehension of the phenomenon and the efficacy of policies is not possible if the government does not promote active and meaningful civil dialogue and consultation with all stakeholders, in particular NGOs implicated in policies to fight poverty, and assure that the contribution is reflected in the content of the NRP.
  - 2. Employment is only one of the instruments of the inclusion strategy; the first way is through the support of an adequate minimum income for all people that live in poverty and for the real activation of these, but not through workfare. In the Italian system, social transfers are not efficient in reducing poverty, as the level of the transfers is very low. For the efficacy of the fight against poverty it is necessary to have a multi-dimensional and multiannual strategy and integrated policies: (adequate income, housing, health and employment) with real involvement of people living in poverty and of NGOs.
  - 3. The promotion of quality employment is necessary with support to those (enterprise, social economy, voluntary organisations) that invest in the qualification of employees or support high level profiles (graduates, specialized) in particular for young people.
- 2. Comparison with Commission/Council <u>Country-Specific Recommendations</u> for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN proposals

The Commission has recommended to the Italian government to concentrate its effort on youth employment and to incentivize labour market participation of women; see next Commission recommendations:

- 1. Take further action to address youth unemployment, including by improving the labour-market relevance of education and facilitating transition to work, also through incentives for business start-ups and for hiring employees. Enforce nation-wide recognition of skills and qualifications to promote labour mobility. Take measures to reduce tertiary-education, dropout rates and fight early school leaving.
- 2. Adopt the labour market reform as a priority to tackle the segmentation of the labour market and establish an integrated unemployment benefit scheme. Take further action to incentivize labour market participation of women, in particular through the provision of child and elderly care. To boost cost competitiveness, strengthen the link between wages set at sectoral level and productivity through further improvements to the wage setting framework, in consultation with social partners and in line with national practices.
- b) CSR negative proposals for poverty reduction and main differences with EAPN

The result of the *first* Commission recommendation is the inability of the government to find the resources to invest in the fight against poverty:

- 1. Implement the budgetary strategy as planned, and ensure that the excessive deficit is corrected in 2012. Ensure the planned structural primary surpluses so as to put the debt-to-GDP ratio on a declining path by 2013. Ensure adequate progress towards the medium-term budgetary objective, while meeting the expenditure benchmark and making sufficient progress towards compliance with the debt reduction benchmark.
- c) The main gaps in the Commission/Council's CSRs for your country, what is missing

The Commission/Council have centered the recommendations on the budgetary strategy, governance, fight against tax evasion, fight against shadow economy and undeclared work, implement liberalization and simplification measures in the services sector.

The Commission/Council recommendations have overlooked completely the fight against poverty and social exclusion and the polities related to this objective, with the exception of youth unemployment.

# 3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

The government has partially implemented the 2011 Cohesion Action Plan leading to improving the absorption and management of EU funds, in particular in the South of Italy (see recommendation n. 2).

How far the EAPN Recommendations have been implemented?

**Nothing** 

# 4. New Developments and New Alternative CSR proposals from EAPN members

# a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

The last pension reform had a very negative impact on the people in a pre-pension situation (the extension of the retirement age and the lack of funding for these persons after the agreed coverage with companies, will bring many people to living in poverty for the years that are missing to their effective retirement);

Another negative effect will be the low level of retirement benefits of those young people who start working later in life, because of unemployment and who therefore won't reach an adequate level of coverage, putting them, once retired, very close to the poverty line.

# b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

1.

- Give the possibility to stakeholders to contribute effectively to the elaboration of the National Reform Programme and involve them in the implementation of antipoverty policies and measures;
- b. Promote an active, meaningful, effective and structured dialogue with the NGOs and other stakeholders engaged in the fight against poverty and social exclusion;
- c. Assure that this contribution is reflected in the contents of the NRP and the NSR.

(this alternative recommendation is similar to and completes the first one from 2012)

2.

- a. Change the vision about social inclusion policies by moving from "non-assistance" to the promotion of Active Inclusion measures, in particular for young people.
- a. Improvement, reclassification and efficacy of expenditure in social protection and decrease additional costs that are 1, 74% compared to a EU-7 average of 0.83 (additional costs incurred to implement policies such as accompanying measures).
- b. In order to fight poverty and social exclusion and for activating Active Inclusion Measures that may lift people out of poverty, it is crucial that Italy puts in place a

- national scheme for Adequate Minimum Income that is still lacking in the country and that access to services is delivered in full.
- c. To obtain this result it is important that the government shifts its priorities in public spending raising the amount of money spent for "unemployment; housing and support to fight against exclusion" improving its social spending so as to match the social spending of the major EU Member States.
- d. For the efficacy of the fight against poverty it is necessary to have a multi-dimensional and multiannual strategy and integrated policies with real involvement of people living in poverty and of NGOs engaged. In short, we need an anti-poverty strategy, which we never had.

# (this alternative recommendation is similar and complete the second from 2012)

- 3. Put in place an employment strategy focusing on:
- a. developing high quality work through major investments in research, development and innovation and by raising the rate of graduates in science;
- b. local development through investments in new sectors and the recovery of traditional activities and crafts which have been abandoned by young people but may offer new employment opportunities;
- c. reducing administrative costs and taxes on labour, both for employers and workers, which in Italy are among the highest in Europe;
- d. increasing net wages which are very low and therefore increase the number of working poor.

(this alternative recommendation is similar to and completes the third one from 2012)

# Lithuania (EAPN LT)

# Contact details: Giedre Kvieskiene, giedre.kvieskiene@gmail.com

- 1. EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc)
  - 1. Include a clear definition of Social Economy and Social Clustering in Lithuanian law and National Programme:

NOT DONE YET. But we have a discussion with 2 Ministries and decision about future collaboration.

2. Include in National Law an obligation to have a permanent consultation with EAPN Lithuania and other umbrella stakeholders and NGO organisations before finalizing the NRP and NSR and prioritizing Structural Funds' needs:

NOT DONE YET. We have had 2 Public consultations with stakeholders and NGOs about social partnership and collaboration between Ministries and Civic organisations.

3. National Government should make obligatory the organisation of public Consultations with civil society organisations.

There are some steps forward from the Social Affairs Ministry.

- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN
- b) CSR negative proposals for poverty reduction and main differences with EAPN

Tackle high unemployment, in particular among youth, low-skilled and long-term unemployed, by focusing resources on active labour market policies while improving their efficiency. Enhance the effectiveness of apprenticeship schemes. Amend the labour legislation with regard to flexible contract agreements, dismissal provisions and flexible working time arrangements.

National Government should make it obligatory for the organisation of public consultations involving civil society organisations, and start simulation and business programmes in Universities and Colleges.

- c) The main gaps in the Commission/Council's CSRs for your country, what is missing
  - Increase work incentives and strengthen the links between the social assistance reform and activation measures, in particular for the most vulnerable, to reduce poverty and social exclusion.
  - With the Social Affairs Ministry begin debates with stakeholders and Social & Civic NGOs.
  - Implement all aspects of the reform package of state-owned enterprises and in particular
    ensure a separation of ownership and regulatory functions and a separation of
    commercial and non-commercial activities. Install appropriate monitoring tools to assess
    the effectiveness of the reforms and ensure compliance of all state-owned enterprises
    with the requirements of the reform.
  - Step up measures to improve the energy efficiency of buildings, including through removing disincentives and a rapid implementation of the holding fund. Promote competition in energy networks by improving interconnectivity with the Member States for both electricity and gas.

We have a lot of discussion about energy efficiency of buildings, including through removing disincentives and a rapid implementation of the holding fund. Political discussion

	is not convincing the public, because they do not use participation with Umbrella NGO and Civic Society organisations.
3.	Implementation of CSRs – Commission's and EAPN's
	How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?
	Commission could study the EAPN recommendations more.
	How far the EAPN Recommendations have been implemented?
	We are lobbying on implementation.
4.	New Developments and New Alternative CSR proposals from EAPN members
a)	Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)
b)	
5,	EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)
, b)	, , ,
6,	Recommendations for your country (highlight any differences from 2012)

# **Luxembourg (EAPN LU)**

### Contact details: Robert Urbé, robert.urbe@caritas.lu, +352/402.131.230

- 1. EAPN 2012 <u>Alternative Country-Specific Recommendations</u> for your country (from the 2012 doc)
  - 1. Make out of the NRP an integrated strategic programme, better coordinated with the NSR and involving all stakeholders in the drafting, implementation, monitoring and evaluation.
  - 2. Combine the employment, research, climate/energy and education target-related measures with the ones for reducing poverty and also evaluate for each measure its contribution to the poverty/social exclusion target and make sure that the sum of the effects of all the measures reaches the target.
  - 3. Take strong action in the field of social housing, regarding both the provision of housing at affordable prices in general, as well as the provision of special social housing. At least as an intermediary measure introduce rent subsidies for those parts of the population that cannot afford the high lodging prices; such a measure should be accompanied by a strong control of rent prices in order to avoid that the amounts spent on the measure will not end up in the pockets of the tenants.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN proposals

There are no similarities.

The only positive proposal in the CSRs is to ask for tackling youth unemployment by assuring that skills are matching the ones asked for on the labour market:

Continued efforts to reduce youth unemployment by reinforcing stakeholders' involvement, and by strengthening training and education measures, in particular for those with low education levels, with the aim of better matching young people's skills and qualifications to labour demand.

b) Commission's negative proposals for poverty reduction (if any) and main differences with your own proposals (specify)

One is the request to assure sustainability of public finances which may mean austerity measures which are aggravating the risk of falling into poverty.

The other is the requested change of wage bargaining and wage indexation systems, which would lead to lower salaries and as such may again aggravate the risk of falling into poverty.

c) The main gaps in the Commission/Council's CSRs for your country, what is missing

All 3 of the recommendations under 1 are missing in the Commission ones.

3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

Nothing has been implemented yet (except some further budget cuts in November/December 2012), but some measures are on the way or in the planning phase:

- the youth guarantee
- special / updated insertion schemes for young people
- a project to identify and understand NEETs
- a reform of the minimum income scheme

- reduce some possibilities of early retirement
- a national strategy against homelessness.

# How far the EAPN Recommendations have been implemented?

Only the rent price subsidy, but we are not happy with the conditions and the amounts projected.

# 4. New Developments and New Alternative CSR proposals from EAPN members

- a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)
  - a reform of the public employment service
  - a reform of the pension system
  - some ideas/measures against youth unemployment

All are positive, but the pension system reform was not deep enough.

# **Netherlands (EAPN NL)**

# Contact details: Sonja Leemkuil, sonjaleemkuil@kpnplanet.nl, +31 610658315

- 1. EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc)
  - 1. The Dutch Government should not only focus only on employment and social counselling there are more unemployed people than jobs: We also have a job as parent(s) for our children, as grandparents for our grandchild(ren), as a child or carer for our (grand)parent(s), as a human being to another human being.

Work-private life balance = adequate balance.

- 2. Stop creating a large group of people in poverty in the future (ensure social rights for self-employed): Self-employed people often work too many hours at a low rate, have no money for insurance against occupational disease and to pay a pension premium.
- 3. **Stop the penalization of poor households** with the introduction of household income penalties/sanctions on the benefits of parents when the young people in the family, living at home manage to get work. Young people should not be dependent on their families, nor families dependent on young people. Recognize the independence of young people and of their families by **defending individual rights to adequate income.**
- 4. **Stop social dumping:** workers from other countries are paid below the minimum wage: back a minimum wage and adequate and more equal income, decent housing and facilities and dignity for everyone who lives and works in the Netherlands.
- 5. **Stop inequality**: decentralization of local policy creates inequality in Dutch municipalities. Talk with people with direct experience of poverty and social exclusion about the realities of poverty and about solutions.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN.

Enhance participation in the labour market, particularly of older people, women, and people with disabilities and migrants, including by further reducing tax disincentives for second-income earners, fostering labour market transitions, and addressing rigidities.

Proposal 3 is positive for people experiencing poverty, but care should be taken to counter current trends where Dutch people are being made unemployed and forced to come back to work as self-employed, without social rights, working for the minimum wage, competing for low wages which migrants are prepared to accept because they do not have any alternative.

b) CSR negative proposals for poverty reduction and main differences with EAPNs

Take steps to gradually reform the housing market, including by: (i) modifying the favourable tax treatment of home ownership, including by phasing out mortgage interest deductibility and/or through the system of imputed rents, (ii) providing for a more market-oriented pricing mechanism in the rental market, and (iii) for social housing, aligning rents with household income.

Abolition of mortgage support will be a major financial problem/concern for many people who are unemployed in the crisis.

c) The main gaps in the Commission/Council's CSRs for your country, what is missing
The Dutch Government should not only focus on employment and social

**counselling – there are more unemployed people than jobs**: We also have a job as parent(s) for our children, as grandparents for our grandchild(ren), as a child or carer for our (grand)parent(s), as a human being to another human being.

# Work-private life balance = adequate balance, this must be made a priority.

Respect for all people, with or without paid work, is vital for human dignity and social cohesion. There also needs to be support for social participation as a volunteer and recognition of carer work that should be valued and respected.

### 3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

### How far the EAPN Recommendations have been implemented?

They have done nothing with the recommendations. EAPN NL would like more contact and financial support from the Dutch government to help the network engage people experiencing poverty in the dialogue process and to support the anti-poverty network

# 4. New Developments and New Alternative CSR proposals from EAPN members

# a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

- Increases in the cost of health and reductions in health allowances means that more poor people do not go to the doctor/dentist.
- Tax increases and reductions in allowances makes the cost of living very expensive, particularly with the loss of social security and all its consequences.
- Increased retirement age and reduction in unemployment benefits in 2014 will mean less money, leading to less healthy eating as well as hardship, poorer health with the consequent social, health and employment costs.
- The introduction of the reduction to 110% Minimums Policy (where allowances to poor people at local level cover real costs of living) are capped at 110% regardless of their real costs) will lead to more poverty and social exclusion.

# b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

- Ensure social rights for the self-employed to prevent the creation of a large group of people in poverty in the future: Self-employed people often work long hours at a low rate and have insufficient income to pay insurance against occupational disease and a pension premium.
- 2. Don't blame the pensioners. Raising the pension age to 67 for people who have worked for more than 40 years, often in hard, physical jobs is unfair and counter-productive, rather than giving their jobs to the new generation.
- **3. Ensure the affordability** of basic services: health care, dentist, daily healthy meals, rent, gas, water, electricity.
- **4. Guard against growing inequalities with decentralization to municipalities creating a poverty trap.** Ensure national policy and national adequate minimum income and wage and allowances that cover the costs of health care, education, etc. With regard to the cap to income support to 110%, (regardless of real costs i.e. of housing, children etc), support a gradual tapering off system with minimal policies applied to the target groups over the 110%, i.e. gradual reductions (110-120% = 75%; 130-150% = 50%; 150-170 = 25%). This will reduce poverty and support incentives to work. Calculate charges and income for the net income plus rent and care supplements minus paying rent/mortgage and health insurance premium.

# Poland (EAPN PL)

# Contact details: Ryszard Szarfenberg, r.szarfenberg@uw.edu.pl, +48 602 200 282 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc) 1. Take seriously the proposals made by NGOs in a meaningful consultation process on the NRP. 2. Develop a comprehensive strategy to fight poverty and social exclusion that is evidence-based. 3. Ensure that the poor and excluded are protected from the impact of austerity measures. 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)CSR positive proposals for poverty reduction and similarities with EAPN proposals. a) There is only one recommendation concerning poverty explicitly – combat in-work poverty. Other positive recommendations are: Reduce youth unemployment Make childcare more accessible Increase labour market participation of women Counteract segmentation of the labour market Improve tax compliance However, it is not a comprehensive antipoverty strategy, but only a loose set of positive proposals. They are not intended to protect people at risk of poverty from the impact of austerity measures. Participation of social NGOs and people experiencing poverty were not mentioned at all. b) CSR negative proposals for poverty reduction and main differences with EAPN proposals. Priority is given to fighting the deficit. Cuts in pension schemes for miners and farmers. Cuts in early retirement schemes. c) The main gaps in the Commission/Council's CSRs for your country, what is missing Focus on those at risk of poverty and in poverty is missing. Social enterprises, social economy, public sector in the context of innovation friendly environment are missing. Participation of social NGOs and people experiencing poverty and exclusion in drafting and implementing the NRP is missing. 3. Implementation of CSRs – Commission's and EAPN's How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012? The most advanced seems to be work-family balance policy with childcare accessibility (kindergartens under local governments' responsibility) and maternity and paternity leave reforms.

There is an ongoing debate on labour market regulation and policy reform, but main and most advanced proposals are for more flexible labour law for employers justified by the threat of unemployment due the recession or crisis.

There are proposals for the reduction of non-labour code (i.e. irregular) work contracts from the Trade Union side, but there are no government initiatives in that direction.

In-work poverty is not names as an issue at all, it is ignored.

Fighting tax evasion seems also to be ignored.

# How far the EAPN Recommendations have been implemented?

There is a small improvement in line with our first recommendation. Representatives of the Polish NGO movement are members of the committee established by the Prime Minister in early 2012. This committee seems to function better now with several meetings and open discussions. Maybe this time our proposals for updating NRP will be treated with greater respect.

By late 2012 income testing for cash social assistance scandalously failed. Official poverty thresholds applied to entitlement decisions became lower than the subsistence minimum calculated independently with the basket of goods and services method. The consequence was that some of the extremely poor families lost their entitlement to cash social assistance (still guaranteed only at 50% see below).

# 4. New Developments and New Alternative CSR proposals from EAPN members

# a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

Updating official poverty thresholds in late 2012 should alleviate some extreme poverty addressed by cash social assistance. Having said this, a major failing is that cash social assistance is only guaranteed at 50%. If your family income is lower than the official poverty threshold, which is only slightly higher than subsistence minimum, you are entitled to only 50% of the difference between your income and official poverty threshold.

Updating family benefit thresholds and increasing some of family benefits from late 2012 was a positive step. Having said this, it is regrettable that family benefits are still very low and not provided as a universal measure for all children, but only for those who live in poor families.

Cutting entitlement to childbirth grant for the better off is a move in wrong direction, but the decision to not increase it from 2005 is even worse. It means a significant decrease in its real value.

Finally, cuts for the better off are not translated into increases for the rest of the population, which is evidence that austerity is being used as asmoke screen by the better targeting discourse.

# b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

# 1. Develop a comprehensive strategy to fight poverty and social exclusion that is evidence-based and rights-based:

- A comprehensive strategy means an integrated approach embracing cash, tax and services for the benefit of the people experiencing poverty and at risk of it.
- Cash means increasing guaranteed minimum income to 100% of the poverty gap.
- Tax means substantially raising an amount of income free of income tax.
- Services means ensuring more of them in quantity and quality, and guaranteeing access. This means substantially increasing employment in social services.

- Evidence-based means a strategy based on quantitative and qualitative assessments that draws regularly on gathered experiences and views of those who live in poverty or at risk of it.
- Rights-based means that it is a priority before public finances concerns, and all instruments of international and national law are ratified, respected and enforced (e.g. In Poland the Revised European Social Charter is signed but still not ratified).
- **2.** Secure and adequate housing is an important base for human wellbeing and economic security. Prevention of housing insecurity, rent arrears, evictions and homelessness is crucial for an effective anti-poverty strategy and it should be prioritized in public policy. Ensure that experiences and views of people with housing problems are adequately gathered and applied in policy making, policy monitoring and evaluation.
- **3.** Take adequate actions to decrease in-work poverty. Do not force the unemployed to take any jobs which leave them in poverty after removing social benefits. The main measures should be increasing the minimum wage, lowering taxes and contributions on low wages, without losing or decreasing benefits in the future. Another measure is allowing people on low incomes to combine income from work with cash benefits, especially those connected with social assistance, family, housing, disability. Experiences and views of people who are working and poor should be recognized as the main information base for reforms.

# Portugal (EAPN PT)

Cont	Contact details: Helder Ferreira, helder.ferreira@eapn.pt, +351.964.131.800		
1.	EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012		
	doc)		
	In 2012, the Alternative Country-Specific Recommendations for Portugal were:		
	- although not obliged, Portugal should present a NRP that could follow the implementation of the poverty target and adjacent commitments and allow the participation of civil society;		
	- urgent need to implement employment measures, particularly for the young and the working poor, bearing in mind the quality of employment;		
	- recognize the role of Social Economy, not just limited to emergency action, but supporting its work and fostering its participation.		
2.	Comparison with Commission/Council Country-Specific Recommendations for your country (2012)		
a)	The CSR positive proposals for poverty reduction and similarities with EAPN proposals.		
	The Commission/Council Country-Specific Recommendations only stated the need for Portugal to implement the Memorandum of Understanding (with IMF, ECB and EC).		
b)	CSR negative proposals for poverty reduction and main differences with EAPN proposals		
	The Commission/Council Country-Specific Recommendations only stated the need for Portugal to implement the Memorandum of Understanding (with IMF, ECB and EC).		
c)	The main gaps in the Commission/Council's CSRs for your country, what is missing		
	The Commission/Council Country-Specific Recommendations only stated the need for Portugal to implement the Memorandum of Understanding (with IMF, ECB and EC).		
3.	Implementation of CSRs – Commission's and EAPN's		
	How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?		
	The Memorandum of Understanding is being implemented, with social consequences of its policies considered to be very negative.		
	How far the EAPN Recommendations have been implemented?		
	- Nothing has been done to address the problem of the working poor;		
	- "Youth Impulse" programme, designed to fight youth unemployment, is not achieving its goals;		
	- Other measures, targeted at the unemployed (Employment 2012), are also not working.		
4.	New Developments and New Alternative CSR proposals from EAPN members		
a)	Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)		
	- huge increase in taxes and cost of living;		
	- stricter conditionality on benefits;		
	- economic recession;		
	- decreasing employment and increasing unemployment;		
	- further deregulation of the labour market;		

The only positive measures are the announced unemployment benefits for independent workers and employers, although they are not currently being implemented.

### b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

We reinforce the need for Portugal to present a NRP that could follow the implementation of the poverty target and adjacent commitments and allow the participation of civil society.

In this context, our **3 key proposals** for Alternative Country-Specific Recommendations for Portugal in 2013 are as follows:

- **1.** The need for a National Anti-Poverty Programme, including a specific strategy against child poverty we need to go beyond emergency programmes;
- **2.The need to fight unemployment** (including the LTU) and promotion of growth, based on quality jobs, with fair pay, adequate training policies and incentives for the inclusion of young and older workers;
- 3. More tax justice and better policies targeted at fighting inequality.

### Romania (EAPN RO) Contact details: Sebastian Nastuta, sebastian.nastuta@gmail.com, +40755.038.380 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 Starting from the proposals already drafted: 1. A better control on human resource investments and analysis of possible effects. 2. Human capital development measures should be increased with compulsory measures for iob creation. 3. All measures should start from the local context and conditions and not from a general idea. 2. Comparison with Commission/Council Country-Specific Recommendations for your country CSR positive proposals for poverty reduction and similarities with EAPN a) Quoting the recommendations made to Romania by the European Commission ("Implement the measures laid down in <u>Decision 2009/459/EC</u>, as amended by <u>Decision 2010/183/EU</u>, together with the measures laid down in Decision 2011/288/EU and further specified in the Memorandum of Understanding of 23 June 2009 and its subsequent supplements, and in the Memorandum of Understanding of 29 June 2011 and its subsequent supplements.") we can easily observe that none of these 3 decisions directly approach poverty reduction. The interest of the EC Recommendations is to partially adjust the current accounts, because of remaining structural weaknesses in Romania's GDP and labour markets, which make the country sensitive to international price shocks. There were no similarities between the alternative CSRs made by EAPN and the EC's CSRs to Romania. Commission's negative proposals for poverty reduction (if any) and main differences with b) your own proposals (specify) See above. The main gaps in the Commission/Council's CSRs for your country, what is missing c) From all 3 proposals made to Romania, the social dimension is missing. As the interest is focused on structural deficit reduction, the people aren't taken into account, even if they discuss poverty, social inclusion or employment. 3. Implementation of CSRs - Commission's and EAPN's How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012? The national Governmentled previously by prime-minister Emil Boc (2009-2012) paid special attention to implementing these negative recommendations and to reducing the social spending from national budget. Still for 2012, Romania's macro-indicators (deficit, etc.) were not respected, due to international financial influences on European economies. On the other hand, as we specified, these proposals had no social dimension to be respected. How far the EAPN Recommendations have been implemented? There was no direct or indirect approach towards these recommendations by the Romanian government. The financial jam concerning all Structural Funds implemented in Romania

(especially from OPHRD, which is directly connected to social inclusion, unemployment and poverty reduction) and the delayed refunding starting from the first months of 2012 until

January 2013, created serious organisational and financial problems for most of the NGOs and the social sector overall, that inevitably affected their social activities. As the EAPN recommendations were about these social activities, and connected to ESF implementation, we conclude that the EAPN Recommendations haven't been implemented.

- 4. New Developments and New Alternative CSR proposals from EAPN members
- a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)
- b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)
  - 1. A careful and real involvement of Romanian Government in increasing the Structural Funds' absorption (this can have a positive effect on national budget, infrastructure, social inclusion, etc.)
  - **2.** A special attention to long-term national strategies to fight poverty and social exclusion and orientation to durable effects and results. A better control on human resource investments and analysis of possible effects.
  - **3.** All measures should start from the local context and local conditions, in consultation with local people and civil society, and not from a general idea.

#### Slovakia (EAPN SK)

### Contact details: Magdalena Gramblickova, gramblickova@foe.sk, +421 911 304 051

- 1. EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc)
  - 1. The Government should acknowledge the necessity of adequate minimal income and base its level on evaluation and estimation of real living costs. The minimum income should be guaranteed to all the people, with no conditionality.
  - 2. The NRP should acknowledge other dimensions of social exclusion and poverty, apart from unemployment, such as material deprivation, access to housing, access to education and other public services, discrimination and marginalization of regions. Re-assessment of contribution of some social expenses, especially investments in housing and their contribution to economic development of the society, is necessary. Employment policy should focus not only on creation of jobs, but quality of jobs also.
  - 3. The NPR should include specific measures and commitments in the area of social inclusion. The inputs, such as height of investments and other resources should be included, as they present important commitments in the area of social inclusion and the fight against poverty.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN proposals.
  - Commission's proposals (4) and (6) to take active measures to improve access to and quality of schooling and preschool education of vulnerable groups and to ensure targeted employment services and second chance education is in line with our recommendation No. 2.
  - Commission Proposal "to adapt the benefit system" (in 4) is too flexible in its interpretation to take it as being similar to our proposal No 1 (adequate minimum income).
- b) CSR negative proposals for poverty reduction and main differences with EAPN proposals
  - Commission proposes "efficiency of public spending" without emphasis on the necessity to protect minimum income and access to services supporting active inclusion. This in practice means:
    - 1) Cuts in public spending
    - 2) Limiting tax deductions and increasing property taxation
    - 3) "Adjustments" of the PAYG pension pillar that mean less favourable calculation of pensions and less favourable indexation.
- c) The main gaps in the Commission/Council's CSRs for your country, what is missing
  - The Recommendations do not address the issue of adequate minimum income reflecting real living costs and ensuring decent living as the important part of active inclusion of disadvantaged groups (our Recommendation No. 1)
  - For the most part, the Recommendations put emphasis on tackling the problem of unemployment and do not address (or address only marginally) other problems related to social exclusion (access to housing, healthcare, material deprivation, discrimination etc.)
- 3. Implementation of CSRs Commission's and EAPN's

### How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012

The Slovak Government has adopted the <u>NRP Action plan</u>, which specifically reacts to CSRs and proposes the time schedule of the tasks with clearly set responsibilities in order to conform to the CSRs.

#### How far the EAPN Recommendations have been implemented

**CSR 2:** "distortions in taxation of labour across different labour types" were already reduced – this means increased burdening of short-term job contracts and self-employed by increased social security and health payments and increased and complicated administration for registered unemployed and people on parental leave engaged in short term contracts.

**CSR 3**: "Adjustment of the PAYG pillar", that has introduced less favourable calculation and indexation of pension has been implemented by the amendment of the Social Security Act and is already in force.

**CSR 4:** extensive amendment of the Employment Services Act has been already submitted to the Parliament without being based on serious evaluation of ALM services; the proposal of "more individualised employment services" was implemented as cancellation of eligibility of several measures for all disadvantaged jobseekers and turning them to facultative ones (special committees will judge entitlement of claimants for given measures or contribution). The 2013 budget for employment services has been cut by Euro 15 million compared to 2012.

The benefit reform (new act on material need benefit) is planned for February 2013. There are plans to cut the basic benefit further (to Euro 30 per month) in case of "repeated job refusal". The MLSAF has promised to invite an EAPN Slovakia representative into the working group drafting the bill.

Tasks related to recommendations to increase the availability of childcare facilities are postponed until 2014.

**CRP 5**: Drafting national projects aimed at increasing youth employment was recommended to the Ministry of Economy – information about the present state of affairs is not available.

**CSR 6:** In 2012, several pilot projects for increasing access to quality education and preschool care of Roma children have been launched; work on improvement of pupil diagnostic tools and community centre standards continued.

#### 4. New Developments and New Alternative CSR proposals from EAPN members

### a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

**Positive**: Slovakia belongs to the countries that can shift part of 2007-2013 Structural Funds and use them for supporting employment. In February 2013, the Anti-Discrimination Act, which allows the implementation of positive action (possibly based on ethnicity) was adopted.

**Negative**: Cuts in public spending hit negatively resources for employment services, several measures are less available (reduced entitlement) and contributions were lowered; in 2012 several projects stagnated due to lack of funding (project of health assistants in Roma communities); increased burden of social security and health care contribution for self-employed and those working on short-term contracts might worsen situation of poor households; repeated engagement in small community work (condition of part of minimum income) was cancelled.

- 1. Revise the institute of subsistence minimum on the basis of living standards research and set the minimum pension for person with sufficient work record as (at least 1.2) at the subsistence minimum; adapt the benefit system with consideration to the Active Inclusion Recommendation (to guarantee modest but decent life to those living on minimum income).
- **2.** Involve NGOs and people experiencing poverty in the design and evaluation of active employment services on central and local levels.
- **3.** Make clearer commitments (with quantitative controllable indicators) in regard to improvement in access and quality of pre-school education of vulnerable groups, including Roma.

#### Spain (EAPN ES)

### Contact details: Graciela Malgesini, gmalgesini@hotmail.com, +34 917 860 411

- 1. EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc)
  - The social chapter and the poverty targets of EU2020 should be reintroduced with full political strength and consequent funding. It should also be included as addenda for 2012. It is a guideline indicated by the EC Annual Growth Survey (priority 4).
  - The effort of the way-out of the crisis should be redistributed more equally, with a bigger effort on the part of the wealthy and the big companies (including the banks that took us into this chaotic situation). The austerity cuts should not touch the red lines of the welfare system, although reforms to improve their efficiency and efficacy are welcome. Vulnerable people, families and children, cannot be neglected any longer. It is urgent to deliver a major strategic plan, with the participation of all stakeholders, to address the nearly 2 million jobless households and those living under the poverty threshold.
  - The participative governance of the NRP involving stakeholders should be urgently implemented, and the participation of the whole society should be promoted to get innovative ideas and proposals for solutions.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN proposals

"Improve the employability of vulnerable groups, combined with effective child and family support services in order to improve the situation of people at risk of poverty and/or social exclusion, and consequently to achieve the well-being of children".

b) | CSR negative proposals for poverty reduction and main differences with EAPN proposals

Those referring to macroeconomic adjustment and particularly deficit control: cutbacks in fundamental public social protection, services and pensions; raising of the retirement age; deeper de-regulation of the labour market; wage moderation or cuts in order to increase competitiveness.

- c) The main gaps in the Commission/Council's CSRs for your country, what is missing
  - Reestablish the poverty target (as related to EU2020). "To increase the employability" of the most vulnerable groups is not a synonym.
  - Retrieve the 2011 Protocol which established the governance/dialogue with the most representative NGOs.
  - Effective, large scale measures to combat poverty.

#### 3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals have been implemented by your national government since July 2012

The Spanish government has not devoted much effort to its accomplishment. In November they signed a Memorandum for the banks' bailout, with more severe austerity measures. The budget for 2013 reflects this aim to reduce public expenditures and many key items (training and labour insertion programmes, the social services framework, immigrant integration programmes for example) were severely cut back.

Although "fighting unemployment" is mentioned in some political speeches, the reality shows very small steps towards its delivery. Instead, unemployment rates keep on rising, up to 27%

(active population) and 55%, in the case of youth. A recent survey conducted by the Red Cross showed that 71% of vulnerable adults were unemployed (<a href="http://www.sobrevulnerables.es">http://www.sobrevulnerables.es</a>).

On the other side, negotiations and dialogue with the main NGOs and networks have intensified in the last months. We have been passed the draft of the National Social Report and the government has taken into consideration many of our comments to it. We have provided inputs for a Child Poverty strategy. A "Commission for Civic Dialogue" has been set up in February (with the Platform of the Third Sector) to have dialogue on these matters in a more formal and structured fashion.

#### How far the EAPN Recommendations have been implemented

The only progress is towards more civic dialogue/governance.

#### 4. New Developments and New Alternative CSR proposals from EAPN members

### a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

Mostly negative: Income revenue, VAT and other consumption taxes have been raised. No measures to promote economic activity which lead to more unemployment and poverty. Reduction of social benefits (for example for dependent people), reduction of unemployment benefits, increase in conditionality to access those benefits. Cuts and privatization of health services. Reduction of school and university grants. Increase in the prices of public transportation, electricity and other services. Increase in the judiciary and university fees.

A Memorandum was signed at end of 2012 for the banks' bailout, which increases the conditionality and the austerity policies.

- The social chapter and the poverty targets of EU2020 should be reintroduced with full political strength and consequent funding. It should also be included as addenda for 2012. It is a guideline indicated by the EC Annual Growth Survey (priority 4)
- The effort of the way-out of the crisis should be redistributed more equally, with a bigger effort on the part of the wealthy and the big companies (including the banks that took us into this chaotic situation). The austerity cuts should not touch the red lines of the welfare system, although reforms to improve their efficiency and efficacy are welcome. Vulnerable people, families and children, cannot be neglected any longer. It is urgent to deliver a major strategic plan, with the participation of all stakeholders, to address the more than 2 million jobless households and those living under the poverty threshold.
- New Recommendation for 2013: To prioritize and to apply urgent measures to tackle unemployment which now surpasses 27% of the active population, and youth unemployment, reaching 56%. In particular, to tackle the unemployment of the vulnerable groups, combined with effective flanking services which also support the family, in order to improve the situation of people at poverty and social exclusion.

#### Sweden (EAPN SE)

### Contact details: Gunvi Haggren, gunvi.haggren@verdandi.se +46 8 649 12 35

- 1. EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 doc)
  - 1. Address growing inequality. It is a process that is threatening social cohesion and increasing social costs.
  - 2. An active job creation strategy is needed, which should not only focus on the labour supply side.
  - 3. A more active housing policy which in itself can create new jobs, and reduce household debts due to non-affordable housing, and reduce social costs for segregation etc. There should be no more privatization of public housing.
- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) CSR positive proposals for poverty reduction and similarities with EAPN proposals.

Take further measures to improve the labour market participation of youth and vulnerable groups e.g. by improving the effectiveness of active labour market measures, facilitating the transition from school to work, promoting policies to increase the demand for vulnerable groups and "improving the functioning of the labour market".

b) CSR negative proposals for poverty reduction and main differences with EAPN.

CSR 2.

The meaning of "improving the functioning of the labour market" should probably be interpreted that the Commission/Council wants to see a bigger inequality introduced in the wages on the labour market. According to the original Commission Staff recommendations, the wages should be lower. ... In the Commission's supporting document it says: "encouraging increased wage flexibility, notably at the lower end of the wage scale, and reviewing selected aspects of employment protection legislation like trial periods to ease the transition to permanent employment".

CSR 3.

"...and tackling constraints in housing supply and rent regulations..." The Commission is losing the poverty perspective. It is not only a question of increasing the supply of housing in general, the need is to provide decent housing that people can afford. The Commission's background document is instead focusing on practical issues such as lengthy planning processes, local planning monopoly etc.

- c) The main gaps in the Commission/Council's CSRs for your country, what is missing
  - 1. Address growing inequality. It is a process that is threatening social cohesion and increasing social costs.

Reading the Commission's supporting document it seems that they want to increase inequalities: "encouraging increased wage flexibility, notably at the lower end of the wage scale..."

3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

The areas of the CSRs has been addressed, but not sufficiently, and sometimes also with the wrong methods.

#### How far the EAPN Recommendations have been implemented?

The areas 2 and 3 have been addressed, but not sufficiently, and sometimes also with wrong methods.

### 4. New Developments and New Alternative CSR proposals from EAPN members

### a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

Consistently obvious disinterest in cooperating or conducting a dialogue with NGOs, both when it comes to the NRP process itself and when it comes to NGO-activities, where the government seems to prefer to look at NGOs as an instrument to try to influence people, and not as an equal and vital sector in a democratic society.

- **1.** Address growing inequality (economic/income as well as in health, in education etc.). It is a process that is threatening social cohesion and increasing social costs.
- **2.** An active job creation strategy is needed, which should not only focus on the labour supply side.
- **3.** A more active housing policy which in itself can create new jobs, and reduce household debts due to non-affordable housing, and reduce social costs for segregation etc. There should be no more privatization of public housing and more possibilities to rent housing and not be forced to buy.

#### **UK (EAPN UK)**

### Contact details: Katherine Duffy, k.b.duffy@talktalk.net, +44 1530 245310

- 1. EAPN 2012 <u>Alternative Country-Specific Recommendations</u> for your country (from the 2012 doc)
  - 1. Develop a more balanced approach to economic management which includes macro targets for employment and growth as well as inflation reduction. Strong financial regulation is essential to governments' powers to exercise their democratic authority.

A comprehensive and sustainable growth strategy will not rely on deregulation but have a step change in ambition and resources for a transformative approach to innovation and business growth (including not-for-profit enterprise), a low-carbon economy, sustainable housing and transport infrastructure and health and care services for older people and children.

- 2. Rising inequality is inhibiting growth capacity and balance. Reverse the increasing shift of income and wealth to the top by rebalancing the fiscal consolidation strategy to improve tax justice and prevent a race to the bottom on corporation tax. Reversal of the rise in VAT, in cuts in support for children and families and benefit cuts and caps to the vulnerable would produce an immediate stimulus to domestic demand and cut rising poverty.
- 3. Loss of regional agencies and introduction of local strategic partnerships with limited powers inhibits rebalancing regional and sectoral wealth imbalance. Many major cities in the UK have a majority of low-income residents, low skills, high unemployment and little job-rich inward investment. The power and resources for local government to implement city-region and rural development strategies are required.
- 4. A step change in employment policy is needed, linked to a growth strategy focused on sufficient quality, sustainable jobs. Positive active inclusion that integrates adequate income, employment support and quality of services is more likely to lead to sustainable employment.
- 5. The Social Justice strategy should be complemented by an ambitious UK antipoverty strategy that commits to reducing inequality of income and 13 eliminating absolute poverty. It should address the EU poverty target and indicators and benchmark performance against good achievement in other Member States. A strengthened OMC process with a strong national stakeholder dimension would assist in developing such a strategy, monitoring progress and sharing good practice and service innovation in the new climate.

Where there are tough economic ceilings, these must be balanced by strong social floors. Minimum income standards at least at the at-risk of-poverty thresholds and minimum wage and fair employment regulation adjusted to this change are central to anti-poverty strategy and to stimulating quality employment and workplace skills development.

- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) | CSR positive proposals for poverty reduction and similarities with EAPN proposals.

There are no comparisons, except that EAPN UK and the EC both call for growth and jobs. Commission proposals identify some real problems in UK, but the call to continue the budget cuts strategy provides the wrong framework for tackling them. There is no focus on poverty *reduction* and no recognition of the importance of the distribution and level of domestic income in driving growth and jobs.

Re the European Commission's CSRs for the UK and the actual UK government strategy

1 Budget: the government has continued, as recommended by EC, with the budget strategy on deficit reduction.

UK has the highest ratio of spending cuts to tax increases of any "austerity" programme in Europe — more than 80:20. But severe cuts to capital and current spending, private investment strike and inadequate export-led growth despite a big drop in the value of the pound sterling, means the UK risks triple-dip recession. Administrative and import-led inflation has added to the squeeze on incomes. Tax revenue is down and debt is up. The income squeeze means current incomes are now down to what they were ten years ago and may not reach 2008 levels till 2027.

### 2. EC advised action on house prices and household debt through housing reform and increased supply.

Affordable house-building, public or private, is at its lowest level ever. Since 2007, home ownership has decreased from 71% to 65% and private landlords have increased their share of the housing stock by 42%. There are now more private renters than social housing tenants. Households with mortgages are being supported through lower mortgage rates due to very low Bank of England interest rates, "quantitative easing" (increase in money supply) and the funding for lending scheme, but many households with mortgages are at risk if interest rates rise.

Households in social housing are being hit by housing benefit caps — meaning they have to find part of the rent in more expensive localities. Camden Council in London has written to about 700 households in its borough who have three children or more telling these families they won't be able to afford to rent there or anywhere else in the South-East of England and they will have to move North. Other Councils are even buying housing in cheaper regions to ship out their poor families.

Social housing tenants also face a "bedroom tax" – their rent support is reduced if they are considered to "under-occupy" a house. Children of the same sex must share a room till 16 and opposite sex to age 10. There is limited provision for a separate room for carers (e.g. for disabled people) but no provision for one of two divorced parents to have a room for their children to visit. The government estimates that 660,000 households will have their benefit cut, roughly a third of social sector claimants. Only those of working age will be affected. As a typical example, in the city of Hull, 4,700 tenants are going to be affected by this penalty, but they've only got 73 one or two-bed properties still available to rent.

Re household debt: households are "deleveraging" – paying down debt – but this is further reducing spending power in the economy.

### 3 and part of 4: The Commission called for an improved employability strategy, especially for young people and for measures on jobless households.

There are various schemes, but they are not better than the schemes they replace and are having little effect. A recent Parliamentary report on the government's "Work Programme" showed it is getting 3.5% of its clients into paid work of sufficient duration for the contractors who run the programme to get paid (payment is by results).

While graduate unemployment is lower than school-leaver unemployment, many graduates are in non-graduate jobs.

There are two basic problems with employment policy: a) the EC and UK government focus only on the supply-side (worker skills and motivation) but there are not enough jobs overall and b) there are too few "good jobs" that provide pay that keeps people out of poverty, good conditions and prospects. Workers are relatively so cheap that capital investment is very low. Although unemployment is below the EU average, a total of 214,000 people (non-seasonally adjusted) who are being counted as employed but are actually on government training and back-to-work schemes (Guardian 15 January 2013) . A 2012 report by the TUC estimated

underemployment including involuntary part-time unemployment at 3.3m a 42% increase since 2008.

The EC emphasised basic skills – the government's reforms to schools are creating a two-tier education system to match the two-tier labour market yet social mobility is already much lower than it used to be.

# Rest of 4: The only EC recommendation that directly relates to addressing poverty is that the welfare reform programme should not impact negatively on child poverty levels and that access to childcare should be improved.

Despite the poverty target in Europe 2020, there is no recommendation on tackling poverty. The UK government has cut most cash benefits for families and cut services including services for maternity and children. The welfare reforms of 2010 will add 800,000 to the number of children in relative income poverty. The recent benefit uprating of just 1% when price inflation is nearer 3% will add another 200,000. UK government has just completed a consultation on measuring child poverty which plans to downgrade income poverty in favour of a range of factors that privilege a behavioural explanation of poverty and proposes instead a composite measure of eight factors that will be impossible to interpret. This despite the strongly expressed concerns of almost every NGO and academic expert in the field.

Cost of childcare is now close to 30% of income for a couple on double the average wage, and 48% for lower income groups. 2013 reports by the Children's Charity Barnado's and also the Daycare Trust shows that due to changes in welfare benefits combined with childcare costs, many low income families will be worse off if they increase work hours and some will even have to "pay to work".

To make care cheaper, the government is proposing that child carers can look after more children than the current legal maximum despite the opposition of almost all parents' and childcare organisations and experts. Sure Start centres which offer universal services but also target families needing support are being closed down in some regions or kept open with fewer and less qualified staff and fewer services, targeted on most in need/ troubled families, with risk of stigma and lack of social mix.

### 5.The EC calls for improved bank financing to the private sector, especially for SMEs and more competitive, transparent and better regulated banks.

Lending to SMEs has not increased, but fallen. Despite the Funding for Lending scheme focused on SMEs, lending is lower and the main beneficiaries of it seem to be private landlords in the expanding private rented sector. This has the negative effect of driving up house prices for first time buyers and also rents.

Banking reform is being watered down. Even state-owned bank bosses are taking big bonuses, despite a succession of mis-selling scandals such as payment protection insurance and criminal activity including fixing the Libor rate and enabling money-laundering.

### 6 The EC calls for better infrastructure in energy and transport including by changing planning laws and getting private and public funding.

Planning laws have been weakened in favour of developers.

It is difficult to see a coherent energy or transport strategy.

The government has pulled back from green energy, except by planning to import it, e.g. from wind farms in Ireland. It turned to nuclear energy "to keep the lights on" but private backers have pulled out. There is also an interest in getting gas "fracking" underway, as in the USA fracking has cut gas prices significantly. But consumers may accept fracking because utility and fuel prices in the UK are very high and rise several times per year. The bills are hurting

households whose real incomes have fallen 7% on average since 2008 and more for those on modest incomes.

The government has announced a new rail network - High Speed 2, which will not be completed – if ever built – till 2034. It cuts journey times between London and four cities in the north and midlands. However, there are many commentators who think it much less useful in improving transport and trade networks than would be better connections within the North and Midlands of England and across the four nations of the UK.

There is also a pressing need to reinstate capital cuts in public infrastructure in health, education and local authority services.

### b) Commission's negative proposals for poverty reduction (if any) and main differences with your own proposals (specify)

The main negative proposal from the EC is for the UK Government to fully implement its budget strategy despite the evidence that it is undermining the sustainability of public finances and the outlook for growth.

### c) The main gaps in the Commission/Council's CSRs for your country, what is missing

There is a complete absence of recognition in the CSRs of the weaknesses in the UK government's approach to addressing poverty, particularly the negative combined impact of austerity measures and the programme of welfare reform.

The EC does not call for poverty reduction or for reducing income inequality. It does not call for an anti-poverty strategy or minimum income standards that meet at-risk-of poverty thresholds. It refers only to not increasing child poverty due to welfare reforms.

The EC calls for better employability and more action on jobless households but it does not call for a strategy of more and better jobs and active inclusion.

The EC does not call for green or social growth, regional or industrial strategy.

The EC does not draw attention to the very unequal, indeed devastating, impact of government measures on women and children, people with a physical or mental disability and minority ethnic groups.

The EC does not address the impact of the 30% average front-loaded cuts and legal reform such as the misnamed "Localism" bill and education reforms that take education out of local authority control, in severely damaging local authority capacities to provide local services and prevent and ameliorate poverty.

#### 3. Implementation of CSRs – Commission's and EAPN's

### How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

Only one of the CSRs mentioned poverty directly (that welfare reform must not impact on poverty, and that access to childcare should be improved). UK Government has not implemented the Recommendation on child poverty.

As indicated in the answer to Question 1, the UK Government is pressing ahead with changes to Housing Benefit which will lead to increases in poverty. In addition, having cut most benefits in 2010-11, UK government are bringing forward measure to restrict increases in the level of most welfare benefits. This will ensure that the value of these benefits will decline in comparison to prices. This measure alone is expected to increase child poverty by 200,000 by 2015/16.

How far have the EAPN Recommendations been implemented?

They have not.

#### 4. New Developments and New Alternative CSR proposals from EAPN members

### a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

See mention of Benefits Uprating Bill above. This Bill is expected to be passed very soon and will hurt people from April 2013.

Changes to disability payments that restrict access and force many people onto lower rate benefits, plus the latest change which will restrict access to Disability Living Allowance which helps with the additional costs of disability, and therefore prevent many disabled people getting or retaining independence.

Continuing failure to implement credible policies to fund and provide adult social care including care of frail elderly people.

- 1. The programme of welfare reform must be halted. Specifically we call for measures to reduce the uprating of benefits below prices to be abandoned; for a National (English) scheme to be introduced to replace Council Tax Benefit; for the introduction of Universal Credit to be further delayed until the labour market improves and for the increased sanctions associated with the benefit to be scrapped.
- 2. The UK must retain the child poverty reduction target and the four measures of child poverty in the Child Poverty Act of 2010.
- 3. The UK government should re-establish stakeholder dialogue with NGOs on the development of its anti-poverty policies. This should sit alongside the Commission on Social Mobility and Child Poverty, and would enable engagement on the development of strategy overall. Such mechanisms must also involve people with direct experience of poverty.

#### **EUROPEAN ORGANISATIONS**

#### **FEANTSA's General Recommendations**

- 1. Support the European Parliament's call for the "development of an ambitious, integrated EU strategy, underpinned by national and regional strategies with the long-term aim of ending homelessness" by building on the measures highlighted in the National Reform Programmes (twelve countries made explicit reference to homelessness in their 2012 NRPs), through tools such as peer reviews, research, social policy experimentation, transnational exchange projects, and general policy coordination between ministries responsible with homelessness and housing exclusion (meeting under the Irish presidency of the EU on 1 March 2013).
- 2. Further develop national actions on homelessness based on evidence-based strategies; set targets on homelessness to make visible and measurable progress in reducing poverty; promote access to mainstream services (health, housing, employment) for all, especially vulnerable groups. Country-specific recommendations from the European Commission could encourage countries without measures to tackle homelessness to actually develop a homelessness strategy/policy/programme (as is already the case in half of the EU Member States).
- 3. Ensure that adequate financial investment is made in social and health services now in order to avoid spiraling costs of homelessness for society in the future. Social services are a fundamental pillar of any strategy promoting active inclusion of people furthest from the labour market, including homeless people who often represent a high proportion of the people behind long-term unemployment figures. Social services are also an important sector for job promotion and economic growth (as highlighted in the European Commission's 2012 employment package). Countries which are slashing budgets in social and health services should be invited to reconsider these decisions and have better targeted social investments. 4. Take wider measures to prevent homelessness such as increasing social housing stock, promoting access to housing solutions for vulnerable groups, prevent over-indebtedness, and prevent evictions or repossessions (in line with requests from the European Parliament calling for http://www.europarl.europa.eu/meetdocs/2009\_2014/documents/budg/dv/2013\_com\_firs t interim report /2013 com first interim report en.pdf(p.13) on the right to housing). Countries with very strict eviction laws (which go against fundamental human rights) should amend these laws according to the social and economic rights laid down in EU and international covenants.

### **EUROCHILD's General Recommendations**

- 1. Recognise that child poverty and social exclusion is a key barrier to achieving Europe 2020 objectives and targets. Every Member State should set a specific child poverty target in its NRP and NSR as part of its agreed national target contributing to the EU target to reduce poverty and social exclusion.
- 2. Though child poverty and social exclusion features as a priority in some countries' NRPs in 2012, too often measures were piecemeal and a rights-based approaches were hardly visible. Member States, all of whom are signatories to the UN Convention on the Rights of the Child, should develop more comprehensive approaches to tackling child poverty and social exclusion and promoting child well-being as part of overall national strategies for poverty reduction and social inclusion.
- 3. Increase efforts to identify and protect the most vulnerable groups of children and their families from the worst effects of the economic & financial crisis and austerity measures. Member States should ensure that policy areas covered in the NRP and NSR are proofed (eg. through impact assessments) to express their potential impact on children so that their positive contribution to

- tackling child poverty and social exclusion can be maximized and the risk of having a negative impact can be minimised.
- 4. The long-term EU budget (2014-2020) makes even stronger links to the Europe 2020 process, therefore Member States should ensure that EU structural funds are used to support measures that promote the social inclusion and well-being of children, and prevent and tackle educational disadvantage.
- 5. Develop a set of standards or guidelines for the meaningful involvement of stakeholders, in particular civil society in the social dimensions of the Europe 2020 process and monitor their implementation by Member States. Children and young people must be recognised as actors in their own right and actively consulted on policies and practices to promote their social inclusion and well-being at local, regional and national level.

#### **EFTA AND CANDIDATE COUNTRIES**

#### Norway (EAPN NO)

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1. EAPN 2012 <u>Alternative Country-Specific Recommendations</u> for your country (from the 2012 doc)

Regarding growth and jobs – Norway has already had this for many years and is very open to immigrants which are a resource to take up all the available jobs. People in Norway who have been far away from the labour market for many years have not been give full strength tools by the government to support them. The Active Inclusion tools are not sufficiently present in Norway's current social policy. The Inclusive Labour market strategy has in many ways been a failure because of the lack of will to employ people who are not "perfect" but the private sector is more open to their employment than the public sector.

Good social and inclusive labour market policies + adequate income have not been implemented. The new legislation for social welfare recipients is not an improvement, the fundamental basis has not changed from the previous ones. The Qualification Programme (topic of one of the Peer Reviews 4 years ago) reaches 25% *less* people now than 18 months ago because now the municipalities receive the money as a framework package in their budgets, unlike before when the allocations from the State budget were ear-marked for the programme. The municipalities use the money which before was ear-marked for other purposes.

Norway still has no national minimum income legislation and will not get it with the politicians we have today. The interest is in only maintaining the Status Quo. We therefore hope for a Directive from the EU for all Member States regarding this matter. The will to invest in adequate tools which are recommended by EAPN are not present from the Government. We are sorry for this.

- 2. Comparison with Commission/Council Country-Specific Recommendations for your country (2012)
- a) Commission's positive proposals for poverty reduction (if any) and similarities with your own proposals above (specify)

Our crisis lasted for 2 weeks in 2007 - since then our economy has boomed. We had our crisis like the EU, but in 1991 the government put people first, not banks. They have to secure themselves in good times and then not spend money like drunken sailors. Let the Market decide which banks which shall survive - since they demand free competition and a free market space otherwise.

### b) Commission's negative proposals for poverty reduction (if any) and main differences with your own proposals (specify)

- 1. First invest in people through active inclusion tools The austerity measures which affect the poorest people living under the poverty threshold will cost much more in the future for the Member States through rehabilitation costs if they don't invest in active inclusion measures now.
- 2. Growth and competitiveness is not promoted through spending lots of money as subsidies for the financial market, but growth is coming through *people* who can create innovation. Therefore... *put people first so they can create and grow* key-words are integrated active inclusion tools. People are not expenses; they are the necessary tools to reach growth targets.

### c) The main gaps in the Commission/Council's CSRs for your country, what is missing

First- introduce a binding EU directive on adequate minimum income. Be aware of working poor traps and introduce a Directive for adequate remuneration.

### 3. Implementation of CSRs – Commission's and EAPN's

How far the Commission/Council's CSRs (particularly the positive CSRs) proposals been implemented by your national government since July 2012?

The Norwegian government follows their own pathway, meaning marginal reduction of people living under the poverty threshold in the period from 2009 – 2012. And still households with children are affected by the negative policies and lack of adequate tools. The figures of households with children living under the poverty threshold has doubled since 2005 from 50.000 to 102.000 in 2011. It is only lack of will, based on myths about people. So we, as in many other countries, request evidence based policies which draw on people experiencing poverty's concrete experience, which can create inclusion, not exclusion through cuts in the budget.

### How far the EAPN Recommendations have been implemented?

None – we still have the NAP from 2007 which continues and has not been renewed since then. Mainly it was not adequate then and is not adequate now. Poverty has not been reduced by 0,2 percent because of the plan, but because the labour market has been improved for some groups which before were facing poverty.

### 4. New Developments and New Alternative CSR proposals from EAPN members

a) Main new policies by your government likely to impact on poverty (positive and negative) since NRP (April 2012)

There are no good policies which include active inclusion on poverty. Those outside, remains outside.

b) EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012)

Not relevant for the policies in Norway.

### **FYROM (EAPN Macedonia)**

### Contact details: Kristijan Nushkov, kristijan.nushkov@sos.org.mk, +389 2 265.1653 EAPN 2012 Alternative Country-Specific Recommendations for your country (from the 2012 1. Adaptation of the Europe 2020 and EU national inclusion strategies within the national polices for poverty and social inclusion. 2. Ensuring sufficient financial sources for implementation of the national action plans for social inclusion polices. 3. Development of National Policies for active inclusion and minimum income. New Developments and New Alternative CSR proposals from EAPN members 4. Comments on achieved progress The national strategy for alleviation of poverty and social exclusion for 2010–2020 has been adjusted to EU 2020 priorities. However, poverty remains high and inclusion of socially excluded people is limited. Unemployment rate remains very high, 31.6% in the first quarter of 2012. Employment in the grey economy has not been reduced. EAPN 2013 Proposals of CSRs: 3 key proposals for Alternative Country-Specific Recommendations for your country (highlight any differences from 2012) 1. To increase prioritization and increase coverage for socially vulnerable groups with effective active labour measures and employment programmes. 2. To increase the minimum income scheme that will guarantee income sufficient to live with dignity. 3. To increase access to high quality social services for vulnerable groups by governmental support of CSOs and through the introduction of minimum standards for delivering social services for different vulnerable groups for government as well as CSO sector.

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The European Anti-Poverty Network (EAPN) is an independent network of nongovernmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, established in 1990.



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