Making progress on Social Europe? Poverty reduction, social rights and standards

EAPN Assessment of the Country Reports and Proposals for Country-Specific Recommendations 2017

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1. INTRODUCTION

2017 is the seventh year of the implementation of the Europe 2020 Strategy for smart, sustainable, and inclusive growth, through the European Semester. The Semester continues to give priority to macroeconomic stability and growth, reconfirming the 3 priorities of the Annual Growth Survey 2017 on investment, restructuring and fiscal sustainability. However, more emphasis has been given to the need to ensure positive social outcomes and to deliver President Juncker’s promise of a ‘Social Triple A’. In the Press Release to the launch of the ‘Winter Package’ with the Communication on the Country Reports, Commissioner Marianne Thyssen, in charge of Employment, Social Affairs, Skills and Labour Mobility, highlighted: “Europe is making real progress. Employment continues to grow and we see that wages are starting to move up. With moderate growth returning, we must now use the opportunity to combat more forcefully the risk of poverty, inequality of income and of opportunities.” With the launch of the European Pillar of Social Rights in April, expectations were also raised to see how the social dimension and a social rights approach would be mainstreamed in the Country Reports in 2017.

In 2017, nearly 1 in 4 people, around 118.7 million people, continue to be at risk of poverty (Eurostat March 2017/2015 data). This represents 23.7% of the EU population: 17.3% is at risk of relative income poverty, 8.2% is severely materially deprived, and 10.5% is living in households with very low work intensity (Eurostat December 2016). Although this is a slight decrease from 2016 (from 24.5%) there is still little progress on the original target (23.8%). There is also an alarming gap between and within European countries, with between 11.0% and 17.0% of the population at risk of poverty or social exclusion in Czechia, the Netherlands, Sweden and Finland, whereas 37% or over are at risk in Bulgaria and Romania (Eurostat – SILC Database March 2017). Children (0-17) have a particularly high rate of poverty or social exclusion at 26.9%. One-parent households and those with dependent children have the highest poverty risk, ie 47.8% (Eurostat November 2016). The risk is also particularly high among young people (16-24) at 30.9% (Eurostat March 2017), also for women, minority ethnic groups, especially the Roma, immigrants including undocumented migrants, homeless, people living in or leaving institutions etc. For example, with 2015 data, 40.2 % of the non-EU-born population in the EU was assessed to be at risk of poverty or social exclusion (AROPE), compared with 21.7 % of the native-born population (Eurostat February 2017). Although unemployment remains a key risk factor, a job is not a guaranteed route out of poverty. In 2015, 9.5% of the people in employment were living under the poverty threshold.

The EC Communication on the Country Reports reflects a greater focus on the social dimension in the European Semester: it explicitly mentions Europe 2020 and the lack of advance on the Europe 2020 poverty target, recognizing that, despite reductions since 2014, little progress is actually being made on the 2020 target of 21.6 million. Moreover, it recognizes that structural changes have resulted in “growing inequalities in the distribution of income, wealth and opportunities”, as well as increased perception of “unequal opportunities and unfair-burden sharing”. For the first time, it stresses that “distributional effects” have to be taken into account, particularly with regard to tax/benefit policies. It underlines social investment as a pre-requisite for successful growth, and the need for integrated approaches.

to activation, access to adequate social protection and quality social services (Active Inclusion).

However, what has not changed is the main objective of budget consolidation and restructuring, with little evidence so far of mainstreaming distributional or social impact on poverty and inequality, or concrete proposals on how to promote fairer distribution or redistribution. While social investment is more clearly acknowledged, it is primarily related to leverage of private investment, rather than public investment in quality social protection and social infrastructure. Neither is explicit reference made to the new European Pillar of Social Rights or for the need to guarantee social standards. Although the Communication gives stronger attention to the importance of social dialogue, almost no mention is made of the key role of civil society organisations in the process or delivery.

EAPN believes that the European Semester could be an effective instrument to deliver on Social Europe. However, it needs to put economic and social objectives on a par, and work to build a transformative economic strategy that aims to develop a social and sustainable Europe. This means effectively mainstreaming social rights, social and environmental standards in all policy areas, including macroeconomic, and embedding distributional and social/equality and environmental impact analysis at all stages. Such slow progress on reducing poverty and inequality also requires urgent action! EAPN will expect increased Commission proposals for Country Specific Recommendations (CSRs) in 2017 to reduce poverty reduction, through integrated, rights-based strategies, which ensure access to adequate income support and social protection, quality services and jobs, and additional tailored strategies for key at-risk groups. A continued explicit focus on Europe 2020 targets, as well as on social rights and standards, needs to be prominent if people are to be convinced that Social Europe and ‘Triple A’ is working in their interests.

Finally, EAPN strongly regrets the continuing lack of recognition or support to the participation of national civil society organisations (CSOs) in the European Semester process. Although the Commission recognizes that ownership of the Strategy by stakeholders is crucial, as highlighted by the Annual Growth Survey 2017, the Communication on the Country Reports and the package on a European Pillar of Social Rights, mention is only made of engaging social partners and regional and local authorities, in reality. This not only misses a key opportunity to involve organisations that work with people facing poverty, with real know-how on developing effective solutions to tackle poverty, but also threatens to alienate the very people who are already feeling distanced from the EU project. This is surely a risk that the EU cannot afford to take in the current context. EAPN would hope to see strong advice within the overall CSR Recommendation to increase the quality of engagement with grass-roots CSOs, including taking steps to engage directly with people facing poverty.

In this report, EAPN presents our members’ assessment of the 2017 Country Reports, trying to assess to what extent the analysis and recommendations included in them impact on poverty and social exclusion, in light of current policy developments in their own countries. On the basis of this assessment, EAPN members’ own proposals for CSRs in 2017 are presented. An Annex of full individual country fiches is also available online.

Specific responses were received from 13 national networks (AT, BE, HR, CZ, FI, DE, IE, LV, PL, PT, ES, SE, UK) and other views were incorporated from a mutual learning session during the EAPN EU Inclusion Strategies Group meeting involving EAPN members (UK, HU, HR, DE, ES,
RO, BE, CZ, IT, CY, FR, NL, MT, LV, LU, PT, LT, SE, IE, GR, NO, IC, MK, SR, Eurodiaconia, AGE Platform) in Valladolid on 16 and 17 March 2017. The present report equally includes information from FEANTSA, European Organisation in membership of EAPN, from their Second Overview of Housing Exclusion in Europe 2017 report.

7 Priorities for Country Specific Recommendations in 2017

1. Refocus on the fight against poverty and social exclusion, through EU and national, comprehensive, rights-based integrated anti-poverty strategies, and through comprehensive poverty, social and equality impact assessment, in order to reach the Europe 2020 target
2. Shift the narrative from austerity to social investment in social rights and standards and finance adequate and sustainable welfare states through tax justice and progressive taxation
3. Raise the levels of social protection, including minimum income, as a cornerstone of guaranteeing dignified lives, free of poverty
4. Guarantee universal access to affordable, quality services, including health and housing
5. Invest in inclusive labour markets, featuring pathway approaches to quality, sustainable employment for all groups
6. Don’t leave anyone behind – design complementary support and integration strategies for groups at particular risk of poverty and exclusion
7. Take active steps to promote meaningful civil dialogue including people experiencing poverty in the European Semester
2. EAPN Members’ Assessment of the 2017 COUNTRY REPORTS

This chapter summarises the assessment made by National Networks in membership of EAPN of the 2017 Country Reports. The analysis highlights positive elements, as well as potentially negative ones, and missed opportunities in the document put forward by the European Commission for their country.

Overall assessment of the Country Reports 2017

Several members note that the Report refers strongly to their country’s implementation on the Country-Specific Recommendations (AT, BE, CZ, DE, IE, ES, UK) and to a lesser extent their progress towards reaching the Europe 2020 targets (AT, BE, CZ, FI, DE, IE, LU, PT, PL, ES). However, and rather alarmingly, a number of EAPN national members (AT, BE, HR, LU, FI, DE) remark that poverty is not being prioritised in their Country Report, nor is it given the same attention as other aspects (such as, for instance, macroeconomic or employment and education), or indeed, other targets under Europe 2020 (AT, BE, LU). While most Reports do acknowledge that poverty and inequality are high (AT, DE, LV, IE, IT, RO) and/or point out to specific groups at increased risk of poverty (AT, BE, CZ, IE, PT), many members remark that the text does not go beyond mere descriptions to propose solutions and make connections to existing policies.

On a more positive note, a few members remark that their Country Report is more comprehensive (HR, FI, HU, IE, LV, LU, PT, ES, SE, UK). However, most (AT, BE, FI, FR, HU, IT, LU, MT, PL, PT, ES, UK) also stress that, sadly, the focus continues to be on macroeconomic issues, and the impact of these issues on social outcomes is not taken into account or explored. Some countries were praised for their macroeconomic performance (BE, HR, ES), however the recovery does often not reach those most in need (BE, ES), and regional disparities are not taken into account in global figures (CZ). In Croatia and Spain, EAPN members condemn the fact that the overall negative socio-economic situation of the country is ‘excused’ in the Report by political instability. In Czechia and Spain, the fiscal legislative framework are praised.

While material deprivation and at risk of poverty indicators may seem to register progress in some countries (BE, IE, PT, ES, UK), the rates are still high and reason for concern, and different groups are at more risk than others, such as children (BE, DE, IE, NL, PT, SE, UK), young people (BE, IE, SE) or older people (LT, PT, SE, UK), the low-skilled (BE), people with a disability (BE, IE, UK), migrants (BE, PT, SE), Roma (CZ, HU), single parents (DE). This situation requires urgent action, which is not generally recommended in the Country Report. Czechia registers some of the lowest poverty and unemployment rates in the EU, but, equally, this should not mean complacency regarding what still needs to be done to provide everybody with dignified living. In Poland, the new generous child allowance (universal from the second child, while available for the first child on a means-tested basis) is seen as a step forward for families with children and is expected to significantly reduce poverty of these families – however, adults without children and single households are still at significant risk, which is not acknowledged.

The importance of cash transfers in reducing poverty is highlighted (BE, IE, PT, RO). Conversely, the UK Report accurately points out the heavy poverty burden incurred by
continuing welfare cuts, such as the introduction of the Universal Credit and the Welfare Reform Act of 2016, which create disincentives to work while simultaneously bringing about a decline in household income. In Sweden, more people than ever before are excluded from social security, because of tightened eligibility, complicated bureaucracy, and insufficient schemes.

Inequality is high and a matter of concern in a number of Member States (IE, LT, PT, RO, ES, SE), which is acknowledged in most Reports, however comprehensive solutions are not generally proposed. For example, in Ireland, proposals on how to address this are lacking, or regressive ie likely to increase the inequality gap, such as cutting personal income tax. The urgent need for investment in social infrastructure was given much more prominence in the Irish Country Report of 2016, as compared to this year. Growing income gaps are also acknowledged in the Swedish Report. In Spain, inequality is recognised as being one of the highest in the EU, attributed to soaring unemployment and persistent labour market segmentation, with increasing insecurity for those engaged in new, precarious forms of work. In the UK, the Resolution Foundation has estimated that the richest people will get 80% of the rewards from tax and benefit changes that come into effect from April 2017. In Romania, the fact that the country has the highest level of income inequality is mentioned, as well as the Government’s efforts to address poverty through a comprehensive package.

In what concerns employment, most EAPN respondents (AT, BE, HR, DE, HU, IE, LT, MT, PT, PL, ES, UK) feel that this area is given significant attention in their Country Reports, although this is not always done in ways that would lead to a sustainable and real reduction in poverty and exclusion. Reported increases in employment rate are often due to a proliferation of precarious jobs (atypical, part-time, temporary etc), as pointed out by many members (BE, DE, PT, ES, SE, UK). In Spain, the widespread use of temporary contracts may impact negatively on the social situation and hinder productivity growth, while weaknesses in activation and social policies hinder a fast reduction in poverty. In Germany, for instance, mini-jobs (now held by 4.8 million people) and involuntary part-time work often feature low wages, which fuels a low-paid sector, bringing about more in-work poverty and worsening inequalities (CZ, DE, IE, LT, MT, NL, PL, ES, UK). The Irish Report fails to mention the issue of the need for living wages in connection with making work pay. While the Polish report encouragingly mentions in-work poverty, it also sees flexibilisation of the labour market as a productivity asset. Conversely, in Portugal, efforts are being made to improve the situation of precarious state employees, and there was an increase in the national minimum wage – however, in-work poverty and labour market segmentation are still a problem. The UK Report recognises the extensive scale of low wages, low wage growth (now below inflation), wage compression and low productivity and new forms of work, as well as a rise in low-skill insecure work.

Women continue to face obstacles in the labour market (CZ, DE, HU, IE, ES, UK), including due to low availability and affordability of quality childcare, but also pay and pension gap, as well as other groups, such as low-skilled workers, the long-term unemployed, people with disabilities, youth, migrants (BE, FI, DE, HU, IE, PT, ES, UK). However, while most Reports acknowledge this, they do not spell out what supportive measures need to be put in place to comprehensively support these populations, through integrated Active Inclusion approaches.

Some members (BE, FI, DE, HU, NL, PL, UK, SE) raise concerns about pervasive negative activation practices, which feature tight conditionality, sanctions and a removal of ‘disincentives to work’, which, in their view, have a profound negative effect on both
activation as well as wellbeing. In Finland, tightening eligibility and withholding benefits are reported as a good practice, while the impact on poverty is overlooked, and the potential of positive incentives not explored. Furthermore, social benefits are not regarded as a social right, or at the very least as social investment, but, rather, instrumentalised only as an activation tool. More encouragingly, in Portugal, conditionality on the unemployed has been replaced by personalised accompaniment measures, including for the long-term unemployed, as well as income support once unemployment benefits run out. In Spain, while some progress was achieved in providing individualised support, there is still insufficient coordination between employment and social services and addressing levels and gaps in benefits. In the UK, new provisions regarding restricting eligibility for disability benefits have meant a cut in real income for recipients, as well as more stringent conditionality. Some members (FI, DE) equally demand more resources and more capacity for Public Employment Services to provide personalized, wrap-around support to job seekers, particularly the long-term unemployed and other groups facing multiple difficulties. Our Hungarian members appreciate that workfare is condemned by the Report.

The education target is also dealt with in a number of Country Reports (AT, BE, CZ, HU, IE, PT, RO, ES), with some progress reported (BE, CZ, IE, PT) regarding inclusive education. However, concerns persist (BE, DE, IE, PT, UK) about the impact poverty and social exclusion has on educational attainment, and the little attention paid to this aspect in the analysis. In Ireland, as raised in the 2016 Report, cuts to budgets dedicated to groups such as Travellers are having a damaging impact on the educational integration of this group. Cuts to education budgets are also a reality in the UK, and there are concerns that the re-introduction of grammar schools might have a negative impact on educational outcomes of children from poor households. Regional disparities are not taken into account in Belgium. In Hungary, territorial differences on poverty and huge absolute poverty of Roma are mentioned, as well as school segregation.

Regarding access to services, the current housing crisis and shortage of available dwellings is recognised in some Reports (CZ, IE, LU, SE, UK), but they could be stronger on recommendations to address the lack of affordable housing particularly in what concerns stemming housing costs (IE, LU, MT, NL), housing inequality, and cuts to housing benefits as well as lack of social housing (UK). Unemployment and precarious work also prevent people from accessing mortgages, or paying deposits (SE). Some Reports also mention health (HU, IE, UK), but from a cost-effectiveness perspective, without focussing enough on unmet health need, primarily due to rising costs and weakened coverage and health inequalities. In Portugal, efforts to improve access to quality healthcare are praised, however there are still limits to access to primary health care. Lack of adequate, affordable child care facilities are highlighted in Ireland and the UK, as well as deficiencies in the long-term care system in Poland and the UK – while some progress regarding the latter is reported in Spain. In the UK, public services continue to be hit by austerity cuts, at the same time as social assistance changes cut real incomes. In Hungary, spending on health is noted as below the EU average. The Irish Report highlights the announcement of a new Single Affordable Childcare Scheme in Budget 2017, which, if implemented properly and adequately resourced has the potential for a real step forward in childcare, as the Report also mentioned improving quality.
What is missing in the Country Reports 2017?

The most important missing dimension identified by most EAPN respondents (AT, BE, HR, FI, DE, PT, ES, SE, UK) is the lack of attention given to poverty throughout the report. Specifically, what is strikingly absent is the lack of recognition of the impact of access to social protection, quality services and jobs on poverty and social exclusion. Concerns were raised by our members about how sections on pensions (AT), healthcare (AT), employment (AT, BE, PL), housing and energy (BE, PL), taxation (BE), education (HR), disability (PL), social benefits (UK) do not include a poverty-proofing element or an awareness about the impact of measures in these areas on increased risks of poverty and social exclusion. Poverty is not considered in the ‘big picture’, and cross-overs to other policy measures and their effects is missing, as is a detailed assessment about the root causes of poverty and how it can be both prevented and tackled (AT, BE, HR, FI, PT, ES, SE, UK). Additionally, aside not mainstreaming poverty in other fields, the Reports equally do not put forward integrated strategies, based on rights, to effectively combat poverty and social exclusion and reach the Europe 2020 target.

Austria, for instance, laments that the very useful findings of the Austrian Social Report 2016 are not mainstreamed in the analysis, thus jeopardizing achieving the Europe 2020 goals. Portugal would like to see more emphasis on the ear marking of 20% of the European Social Fund for combatting poverty and social exclusion – this should be underpinned by the ex-ante conditionality requirement of an antipoverty strategy, based on integrated Active inclusion approaches. Poland regrets the lack of references to important EU strategies, such as the Active Inclusion and Investing in Children Recommendations, and Spain the absence of any mention to the upcoming European Pillar of Social Rights. Sweden remarks that naming problems is not enough if concrete solutions are not put forward. Spain and the UK both highlight that a discussion about continued austerity and cuts and their damaging impact on reducing poverty, social exclusion and inequality is also missing. Finally, the UK deplores the absence of any references to Brexit and its impact on a wide ranging set of rights and policies, such as employment, social protection, migration, inflation, pensions, etc, as well as Britain’s continued participation in the Europe 2020 Strategy and European Semester processes.

Issues related to the adequacy, coverage and take-up of social benefits are pointed out as an overlooked dimension by a number of EAPN National Networks (DE, HU, IE, LV, SE, UK), including pensions (DE, LV, SE, UK), minimum income (HU, IE), disability benefits (LV, NL). Germany expects pension adequacy to continue to deteriorate, while Ireland stresses that current minimum income levels are below the poverty line and do not provide a minimum essential standard of living. In Sweden, no attention is paid to people who are outside the social security system altogether.

Another very important dimension which is regrettably missing from a number of Country Reports (DE, LV, PL, PT) in our members’ assessment, is universal access to healthcare. Our German members stress that this is particularly a concern in the context of extending working lives, where working conditions and older workers’ health are not discussed at all. This is also a concern in Portugal, alongside migration. EAPN Ireland laments that attention is paid to cost-effectiveness, rather than tackling inequalities in the health system and ensuring access for marginalised and low-income groups, while Latvia deplores lack of affordability of healthcare, and Germany considers that public health indicators need to feature in the Country Report as a pre-requisite to overcome poverty.
Housing is reported as a missing dimension in (CZ, PL, PT), as well as homelessness and energy poverty (BE, PL, PT). Czechia particularly points to the absence of references to the limited access to housing, the on-the-rise trend of commercial dormitories, difficulties in accessing housing allowances. Luxembourg deplores that the housing solutions presented are market-oriented, instead of tackling lack of supply of affordable, quality housing. The lack of investment in more affordable, social housing is a key concern for several (CZ, ES, SE, UK).

Our members FEANTSA highlight that homelessness is on the rise and evictions have skyrocketed, as the private rental market perpetuates a cycle of unaffordable accommodation, while housing expenditures take a devastating toll on those already living on feeble resources. The price of housing increased faster than incomes over the last 15 years in European countries, with the exceptions of Finland, Germany, and Portugal. In the European Union as a whole, poor households are overburdened by housing costs as they spend 42.5% of their disposable income on housing. Despite these realities, there is little comprehensive analysis on access to housing carried out at the European level, including its role in increasing poverty, social inequality, and exclusion. If homelessness is indeed a key concern for EU, as it has been repeatedly stated by EU institutions, all Country Reports should refer to it. Equally, homelessness is a complex phenomenon, with links not only to housing, and it should be dealt with in a comprehensive, integrated manner.

Several EAPN networks who responded (CZ, IE, PL, ES) highlight that a number of issues regarding quality and sustainable employment are lacking from the analysis in their Country Report, specifically in-work poverty (CZ, ES), wages (CZ, IE, ES), long-term unemployment (CZ, PL), precarious work (IE, ES).

Another missing dimension is the necessary attention paid to specific groups facing an increased risk of poverty and exclusion, such as migrants and ethnic minorities, gender issues (PT), as well as families with children, single parents, older people on low pensions (PT, SE).

The issue of debt continues to be highlighted by some members as a concern, particularly over-indebtedness (BE, CZ, SE). Czechia mentions a focus on the latter as a key missing aspect of the Country Report, underlining that people do not have sufficient income to cover their basic expenses, and debt relief and advice should be better tackled, for example through revising the Insolvency Act and the Act on Bailiffs and Executory Activities, to ensure that people in poverty are not put at risk. Private debt (HR) and public debt (ES) are also referred to by members as absent in the Report.

The issue of stakeholder engagement is generally absent from the Country Reports. Some EAPN respondents (BE, HR, MT, PT) stress that their Country Report does not include any useful references in support of greater ownership and better stakeholder engagement, particularly in what concerns the key role of civil society in both identifying, as well as implementing policies with a direct impact on the lives of the people these organisations represent.

Members (BE, PT) would like to see more attention paid to EU funds, particularly money ear marked for the fight against poverty, and other financial instruments like the Fund for European Aid for the Most Deprived (FEAD).

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3 FEANTSA, Second Overview of Housing Exclusion in Europe 2017
3. ALTERNATIVE Country Specific Recommendations: common messages

This chapter provides an overview of the 2017 alternative Country-Specific Recommendations put forward by our National Networks, which are listed in the country profiles at the end of the report, teasing out common messages of our members, equally based on their analysis of their Country Reports and national situation in the previous sections.

1) Refocus on the fight against poverty and social exclusion, through EU and national, comprehensive, rights-based integrated anti-poverty strategies, and through comprehensive poverty, social and equality impact assessment, in order to reach the Europe 2020 target

The vast majority of EAPN National Networks who contributed to this report (AT, BE, HR, FI, FR, DE, IE, PL, PT, ES) identified the fight against poverty, social exclusion, and inequality as the first priority in their alternative Country-Specific Recommendations, to be delivered through an overarching, comprehensive, integrated national strategy. Members (DE, IE, PL, PT) highlight the central role in a strategy of implementing integrated Active Inclusion strategies, combining adequate minimum income, access to quality services and inclusive labour markets with quality jobs. Such a strategy needs to feature a rights-based approach (BE, IE, LV, PL, ES, UK), as well as ex-ante poverty, equality and gender impact assessment, which must be carried out on all relevant policies, including economic policies (BE, FI, IE, PT, ES, UK). Persistent austerity measures (cuts to social investment, social protection, services etc) continue to endanger efforts towards poverty reduction (FI). Members (FI, IE, PT, ES) highlight that, in absence of such a strategy, the national objectives underpinning the Europe 2020 poverty-reduction target will not be met. There is a pressing need also to ensure coherence across policy domains (AT, BE, FR, IE, UK), as well as for Government to assume real ownership and commitment to the implementation of such a strategy (IE, PT). Some countries (FI, PL) point to microsimulation evidence that current measures and budgets in place will lead to a rise in poverty and inequality. The development of an EU strategy to fight poverty and social exclusion is seen as an important pre-requisite to ensuring policy coherence in national strategies across the EU.

2) Shift the narrative from austerity to social investment in social rights and standards and finance adequate and sustainable welfare states through tax justice and progressive taxation

A number of members (BE, HR, DE, IE, UK) call for the reform of the tax system to ensure more fiscal justice as both a key pre-requisite of combatting income inequality, as well as to sustainably finance welfare systems and investment in adequate social protection, and quality jobs and services. Members (BE, FR, IE, LV, ES, UK) also denounce continued austerity measures, despite the changing rhetoric, which translate into cuts in social investment to vital services and benefits, key to guaranteeing social standards. Belgium reports that the shift from labour taxes to consumer taxes has a significant negative impact on poverty, due to their regressive nature, while social expenditure is being curtailed. Croatia, Germany, and Ireland call for higher investment in social protection and public infrastructure, and Germany for more social security contributions from capital income. The UK demand a broadening of the tax base and fairer and more progressive taxation, to ensure both fairness as well as help
close the budget deficit, and highlights the importance of wealth taxes and closing business
tax loopholes. At an EU level, a stronger focus should be given to tax as a redistribution
instrument, including international corporate tax justice, together with social investment in
social protection and social infrastructure, as part of an EU strategy to reduce inequality.

3) Raise the levels of social protection, including minimum income, as a cornerstone of
guaranteeing dignified lives, free of poverty

Virtually all EAPN respondents (BE, HR, CZ, FI, DE, HU, IE, LV, PL, PT, ES, SE, UK) highlight the
need to guarantee adequacy of universal social protection, at a level that allows people to
escape poverty and live in dignity. Many members (BE, HR, DE, HU, IE, LV, ES, SE, UK)
particularly stress the key role of adequate minimum income schemes. Adequacy should be
put in practice by raising benefits above the poverty threshold of 60% median income, while
also taking into account reference budgets (BE, IE, ES, SE, UK), and coverage and take-up
should also be improved (IE, LV, PL, ES, SE, UK). Some members also refer to benefits
concerning specific groups, such as universal child allowances (BE, CZ, DE, IE, PL, ES, UK),
benefits for low-income people (LV, PL), or for people with a long-term sickness or disability
(BE, CZ, LV, ES, UK), pensions, particularly for women (AT, HR, PT, ES, SE, UK), as well as
benefits for young people (BE, IE, SE). To ensure real disposable income, over-indebtedness
should be tackled (BE, CZ, SE). The need for better adequacy, duration, and coverage of
unemployment benefits is also stressed by a number of members (HU, UK). The European
Pillar of Social Rights provides key principles on adequacy of social protection which would be
strengthened by concrete benchmarking (ie in relation to the 60% median income and
reference budgets), the new legislative proposals on access to social protection and by the
development of an EU framework directive on minimum income, and a Golden rule to ensure
adequate levels of social protection.

4) Guarantee universal access to affordable, quality services, including health and housing

Most EAPN members who responded (BE, CZ, FI, DE, HU, IE, LV, PL, PT, ES, SE, UK) underline
the importance of high-quality, affordable services, that are accessible to all groups and
reach those most in need. Housing and homelessness are particularly identified as crucial
areas requiring immediate attention by a number of National Networks (BE, CZ, IE, ES, FR, PL,
SE, UK), with concrete proposals to build more housing, including social housing (CZ, SE, UK,
ES). Social housing and other forms of accessible accommodation are seen as key in terms of
increasing affordability (CZ, IE, SE, UK), particularly in the light of market failure (IE, UK). Other
proposals include improving the quality of dwellings (UK), promoting housing first strategies
to support the homeless and those at risk of homelessness (UK), and involving as well as
clarifying the rights of all stakeholders (CZ, SE). In this context, concerns are also raised about
tackling energy poverty (BE, IE, PL, PT, ES, UK) and transport issues (IE, UK), which severely
impact one’s quality of life. Health, as well as care (BE, FI, HU, IE, LV, ES) and childcare (PL,
ES) are also highlighted as priorities for investment and policy-making, especially in what
concerns their affordability (FI, IE, LV, UK), quality (ES, UK), provision and accessibility (FI, IE,
PL, UK). In this context, some groups are particularly affected by inequalities of access to
health and care, including long-term care, and need dedicated attention, such as migrants
(ES), women, at risk of gender-based violence (ES), people with disabilities (LV, UK), older
people (LV, UK), low-income people (FI, IE, LV, PL). Investment in education, as well as


rendering it more inclusive for all, including children from households experiencing social exclusion, including Roma children, is also a key requirement (AT, BE, DE, HU, IE, PT, ES, UK). Over the EU, the implementation of the Europe Pillar of Social Rights framework will be key in relation to ensuring benchmarking on adequate and equal access to quality services for all groups.

5) Invest in inclusive labour markets, featuring a pathway approach to quality, sustainable employment for all groups

A common demand for many EAPN members (BE, HR, CZ, FI, DE, IE, ES, SE) concerns the realisation of inclusive labour markets, which include improved access and support for key groups to access employment, as well as for said employment to be of quality and sustainable, in order to ensure a true way out of poverty and hardship. Members equally call for an end to negative, punitive activation practices in favour of personalised, integrated support and positive incentives (BE, FI, DE, IE, PL, SE, UK). Several groups furthest from the labour market are highlighted, such as migrants (BE, FI), young people (BE, HR, FI), older workers (BE, SE), the long-term unemployed (FI, DE), the low skilled (CZ, HU, SE), people with a disability (SE), and women still face obstacles (CZ, DE, HU IE, PT, ES, UK), including due to low availability and affordability of childcare, as well as the pay and pension gap. Low wages are also a concern in many countries (CZ, DE, IE, LT, MT, NL, PL, ES, UK), as well as rising or persistent in-work poverty (CZ, DE, PT, ES, UK). Increased precariousness, flexibilisation, and atypical work, including involuntary part-time, are highlighted by several EAPN respondents (BE, DE, IE, PL, PT, ES, SE, UK). Calls are also made for improving working conditions, including the fight against undeclared work (CZ), and more financial support for active labour market policies and services, including the Youth Guarantee (FI, DE). A key EU demand is the need for extension of consolidation of employment rights in the EU Pillar of Social Rights and EU framework on minimum wages.

6) Don’t leave anyone behind – design complementary support and integration strategies for groups at particular risk of poverty and exclusion

Inequalities in accessing services, benefits, or the labour market persist, as highlighted in the sections above, which means that all of our members who contributed to this report (AT, BE, HR, CZ, FI, DE, IE, LV, PL, PT, ES, SE, UK) highlight that specific groups continue to face a disproportionate risk of poverty and social exclusion in their countries. These groups require specific investment beyond the universal approach and support to overcome the multiple barriers they face in accessing their human rights, in order to ensure equal opportunities and social justice. Some of the populations referred to by our members are: children (AT, BE, CZ, DE, IE, NL, PL, PT, ES, UK), young people (AT, BE, HR, FI, LV, LT, PT, ES, SE, UK), older people (AT, BE, HR, FI, LV, LT, PT, ES, SE, UK), migrants and ethnic minorities (AT, BE, CZ, FI, HU, PT, ES), people with a health problem or disability (BE, CZ, LV, ES, SE, UK), people experiencing homelessness (IE, PL, PT, ES, UK), women (CZ, DE, HU, IE, LT, PT, ES, UK), single parents (AT, BE, DE, ES, SE, UK), low-skilled workers (AT, BE, CZ, HU, IE, NL, PT, SE), the long-term unemployed (CZ, FI, DE, PT), adults without children (PL), widows, large families (ES). Common EU strategies are needed to deal with the specific challenges raised by all groups. Where strategies exist, a clear road map is needed for their implementation, i.e. Investing in Children, Roma inclusion, Long-term unemployed.
7) Take active steps to promote meaningful civil dialogue including people experiencing poverty in the European Semester

A general message from EAPN members is the need to increase the amount and quality of civil society organisations’ engagement in the dialogue processes related to the European Semester, particularly at national level, including the involvement of people with direct experience of poverty (IE, LV, MT, PT, Eurodiaconia). This needs to move beyond one-way ‘information’ meetings to regular, structured dialogue with a chance to impact on the final policy proposals. Effective engagement implies adequate resources and taxation base to ensure delivery (IE). Such engagement needs to be effectively monitored and evaluated as part of the European Semester Process i.e. the Country Reports should dedicate a specific section to stakeholder engagement and make explicit the key role of civil as well as social dialogue. Promoting more effective intergovernmental cooperation including civil and social dialogue is also seen as key (PT) as well as ensuring that such civil society participation extends to on-going engagement in national policy processes. At EU level, concrete guidelines and indicators need to be agreed to monitor progress on quality participation in the design, delivery and evaluation of policies.
4. Proposals for 2017 CSRs from EAPN NATIONAL NETWORKS AND EUROPEAN ORGANISATIONS

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<tr>
<th>Member State</th>
<th>Country-Specific Recommendations (National Networks)</th>
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| Austria      | 1. Risk of poverty or social exclusion target.  
              2. Take steps to improve the educational achievement of disadvantaged young people, in particular those from a migrant background.  
              3. R&D target: 3.76% of GDP. |
| Belgium      | 1. Upgrading the minimum income to ensure a life in dignity for all citizens  
              BAPN and the Regional Networks against poverty reaffirmed in June 2016, just before the national budget negotiations, the need to increase the social allowances in benefits above the European poverty threshold (60 % of the median income). In addition to this demand the pleaders for the increase, advocate also the use of reference budgets to approach the real needs of the households living in precariousness. This requirement was a reminder for the Belgian authorities to their commitment written down in the federal government agreement of 2014. Until this day, insufficient measures were taken to respond to this commitment. The main policy undertaken by the federal government to tackle poverty is to reorder the labor market, convinced that the only true way to avoid poverty is by work. Combined with budgetary austerity, this policy tends to pull down different social rights or to condition more the access to those rights (decrease of unemployment allowances, liberalization or flexibility of labor market,). It is the conviction of BAPN that work is essential for the socio-economic development of each person. Yet, living in poverty and the ways to get out of it are multi-dimensional and increasing jobs quantities cannot be the only accurate response. There are indeed much more areas that should be taken into account to undertake an effective policy (such as a good housing policy, a good and fair health system, the automatic access to social rights (right base approach), a truly inclusive labor market,)  
              2. Build and strengthen an inclusive market  
              This recommendation has already been made during the last NRP assessment. Yet, it is regrettable to read that little progress has been made to integrate the vulnerable groups in society into the labor market. The conditions wherein migrants, for example, most work (precarious contracts) are not to favor stability in their daily lives. The dropping of the insertion allowances for younger people and the unemployment rates of the older workers, are not necessarily the result of a booming labor market, but also the consequences of a hardening employment policy. BAPN and its members plead for an inclusive labor market where employer’s benefits are not the only element to take into account and not given without counterparty: the wellbeing of the |
workers should be of primary concern. The upcoming segment of temporary contracts is a worrying trend.

3. **Restructure the taxation system towards fiscal justice**
The tax shift does not actually improve the economic wellbeing of the most vulnerable citizens. The shift from labor taxes to consumer taxes does not ease the existence of the poorest among us. It is noted that, despite the austerity policy of the government and the failing tax shift, the government has to search repeatedly new incomes to answer to the CSR-recommendation of the EC. Sadly, the government tends to respond to those expectations by cutting back the social expenses, to reduce social security. BAPN and the networks advocate for a fair fiscal redistribution system. Fiscal incomes should not mainly come from labor or consumption, but also with taxes on profit and capital. It is a matter of equity.

| Croatia | 1. Reduction of the population at risk of poverty or social exclusion  
2. Reduction of the proportion of young people not in employment  
3. Increase the public investment in social protection - ensure a minimum income for all as a means to preventing and fighting poverty. |
|---|---|
| Czechia | Access to social protection:  
1. Introduce **means-tested measuring and enforcement of alimony payments**, establish an **adequate level for required resources that allow all children to realize all rights of the child** and establish **financial mechanisms** (i.e. including financial support by the State in case one parent does not pay) **that ensure that all parents or legal guardians meet their obligations**.  
Access to quality services:  
2. Guarantee the implementation of the Act on Social (affordable) Housing within the foreseen time schedule, which should ensure adequate legislative regulation of the rights and obligations of all stakeholders, and allocate sufficient resources in a timely manner as well as through the timeous allocation of resources.  
Inclusive labour markets:  
3. Increase the level of the minimum wage to CZK 12,000 and impose **stricter controls on employers’ compliance with labour legislation** (e.g. safety standards, over-time compensation, and undeclared work).  
Other:  
4. Revise the Insolvency Law and the Law on Court Executors and Execution so that Czech legislation provides adequate conditions to reduce the high levels of private over-indebtedness. |
| Country  | 1. Decrease poverty and social exclusion in the line of Europe 2020 national target. That could mean raising the level of basic income security benefits, building more affordable housing especially in big cities and improve the position of low income families and older people.  
2. Improve the situation of long-term unemployment (including youth, refugees/migrants/immigrants) and decrease unemployment. It is important to increase resources for active labour market policies, especially for wage substitutes and Youth Guarantee.  
3. The social and health care reform should be done so that it would decrease health and wellbeing inequalities and secure good and accessible services also for vulnerable people and people who need many services. The present proposal about “the freedom of choice” does not promote equality and cost-effectiveness. |
| Finland  | 1. Making active inclusion more attractive and more compulsory (well organised jobcentres coordinating job offers and job seekers in an effective way – active labour market policy; high quality social services; adequate and decent minimum income).  
2. Using the national budget surplus for an increase of the per-capita integration budget for long-term unemployed recipients of unemployed benefit II.  
3. Collecting more capital for social security contributions, including capital income. |
| Germany  | 1. Introducing immediately an adequate minimum income system in Hungary firstly to stop the absolute poverty (but a proper system of minimum income can't stop at this level), and the duration of the unemployment benefit - which is the shortest in the EU (maximum 3 months) - must last longer to really cover the time of finding a proper new job!  
2. Effective spending on health care should be increased, proper salaries for people working in health care and education is necessary!  
3. Measures should be implemented for the social inclusion of the Roma people taking into account the school disadvantages Roma children have to face (e.g. segregated education) and the struggles of many Roma people living in rural poverty having extra difficulties in terms of access to services, proper education. |
| Hungary  | 1. The Irish Government needs to develop and implement a five-year anti-poverty strategy to replace the current extended strategy which comes to an end in 2017. This must be an integrated all of Government strategy which is based on human rights, dignity and equality and addresses:  
- Access to adequate social welfare levels to meet a minimum essential living  
- Access to quality jobs for all |
- The provision of affordable and accessible quality public services including housing, health, care, education and training, utilities and transport.
- The strategy must involve a delivery infrastructure which includes poverty and equality impact assessment, the resourcing of a community infrastructure which supports the effective participation and engagement in decision making of those experiencing poverty and social exclusion and a taxation base to adequately resource the delivery of the strategy.

2. **Implement a meaningful process for transparent ex-ante poverty, equality and gender impact assessment which must be carried out on all relevant policies, including economic policies such as the national Budget.** This will ensure consistency in the policy making process and recognise the integrated nature of social, economic and environmental policy.

3. **Benchmark social welfare rates to a level which raises people out of the risk of poverty and to the amount required to allow people to meet a minimum essential standard of living.** These rates should apply to everyone.

4. **The necessary steps must be taken to broaden the tax base and increase tax levels towards the EU average while strengthening the fairness and progressiveness of the taxation system.**

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<tr>
<th>Latvia</th>
<th>1. GMI should be increased significantly to at least 400EUR per person per month and it should be state guaranteed, immediately available and to be free of lot of bureaucratically procedures</th>
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<td>2. Non-taxable minimum should reach at least 600EUR per person a month</td>
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<td>3. Free medical services and for disability certification should be available at least for children, pensioners and others in work-age, in need with low income and at risk of poverty (under 600EUR per person per month).</td>
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<tr>
<th>Poland</th>
<th>1. Substantially expand childcare for 0-3 year-olds and pre-school 3-5 year olds with special programs for children from disadvantage families. Increase in financing government Program Toddler (Program Maluch) should be at least from 151 million zł to 500 million zł per year.</th>
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<td>2. Make new child allowance (program 500+) more redistributive and equitable by exclusion of rich families (at income test 1922 zł net per person in family) and introduce of gradual withdrawal of allowance for families with income above income test (50 gr for 1 zł).</td>
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<td>3. Change focus in antipoverty policy from families with children to families without children but with dependent adults and single person households in working age and retirement age.</td>
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### Portugal

1. **Definition and implementation of a national and a European strategy to fight poverty and social exclusion** with particular attention to specific groups, like elderly, children, homeless, ethnic minorities, among others.

2. **The need to implement a strategy of active inclusion** with a close attention to young people and NEET.

3. **Promote intergovernmental cooperation and involving civil society organisations.**

### Spain

1. **A Comprehensive Plan to Combat Poverty** should be put in place, with three perspectives:
   - Protection and promotion of those fundamental aspects whose possible deterioration has a greater incidence in triggering processes of social exclusion (employment, housing, minimum incomes ...).
   - Protection of those particularly vulnerable groups (Single-parent households with children, unemployed adults and those without income or income, households with no income, households with large families, households with widowed and low-income households, households that cannot provide the basic needs of children and grandchildren, households with people with disabilities, with great unmet needs, support for their autonomy, homeless people, migrants and refugees).
   - Objective (ex ante) evaluation of the potential (regressive) impact of policies that are implemented at all levels (social screening), in order to avoid negative consequences on people with fewer resources and opportunities.

Poverty and social exclusion are multidimensional and complex phenomena. Risk factors interact, generating synergistic dynamics that enhance and activate processes, creating spirals of upward or downward social mobility. Based on this conception, we understand that a plan to combat poverty, in the current context, must contemplate three fundamental human rights, support in the exercise and enjoyment of all others that entails human dignity for all people: Income Guarantee, Housing Guarantee and Active Social Support.

**2. INCOME GUARANTEE**

2.1. Increase in the number of persons receiving minimum income through the Autonomous Communities and Social Security, compared to 2016, making the income system compatible with part-time or temporary employment, in a complementary way, thus facilitating labour market reinsertion. The goal should be to increase 230,000 new recipients of minimum incomes, up to at least 550,000 in total.

2.2. Increase of 20% in the amounts of non-contributory, welfare, disability, sickness and disability benefits, to combat the poverty of these groups.

2.3. Increase of 20% of widows’ pensions, to combat the poverty of these women, prioritising those with family burdens, with a disability of 65% or more; and other specific situations. Estimated: 2,400,000 beneficiaries.
2.4. 20% increase in orphans and permanent disabled pensions, to tackle disadvantages and poverty of these groups. Estimated: 1,280,000 beneficiaries.

2.4. Child benefits extension up to a 1,200 Euro per child (0-17) per year. This monthly amount is similar to what would be the average of these benefits in Europe (and would lift many families from the poverty line). This amount would be contributed to the salaries or benefits of the father, mother or guardian. In the case of persons affiliated to the Autonomous Workers' Regime (self-employed), it could be deducted from VAT and / or Social Security contributions. Estimated: 3,000,000 children and young people from 0 to 17 inclusive.

2.5. Bring the Minimum Wage closer to the Average Salary, and not to the Poverty Threshold.

2.6. Establish systems of bonus to employment, when the person has a job, but it does not ensure a decent life. Establish a tax credit system for the precarious middle classes, to complete a decent income.

3. HOUSING GUARANTEE
Spain has one of the lowest public spending on social housing in the EU. In recent years, this has been reduced even more. The plan we propose would be aimed at guaranteeing housing for the sectors in most social exclusion (homeless), families in AROPE (especially single parents), young people, people with disabilities and low income, low employability groups and non-contributory benefit recipients, among others. The current housing stock should be increased up to 15,000 homes.

a. We also propose an "individual second chance law", for cases of people and families who have lost their home and, moreover, have been left with a debt that they cannot pay. This figure exists in most European countries, in addition to the United States, and would mean a financial respite for thousands of households.

b. This Plan should serve to combat energy poverty, which particularly affects the poorer sectors. Specifically, the Government should ensure that no handicapped person with disabilities is deprived of their access to basic subsistence goods, such as electricity and gas, as they constitute a particularly vulnerable group.

4. SOCIAL ACCOMPANIMENT
Social accompaniment is a privileged tool to deal with problems and fragilities derived from situations of vulnerability and social exclusion already existing, as well as a prevention measure to avoid chronification of severely excluded people. In general terms, we believe that it is imperative to allocate more resources to allow personalized attention and follow-up after the actions received, especially for the most vulnerable groups, with the aim of reducing future abandonment and inactivity. In addition, the development of psychosocial intervention programs (especially those aimed at families with minors in situations or at risk of social disruption) and the implementation of preventive coordination protocols for the detection and management of risk
situations may have a very positive impact on the fight against poverty and child exclusion. Key guidelines are:

c. Improvement of Social Services and Long-term care for dependent persons
d. Fighting school failure and early school leaving
e. Strategy for citizenship and integration of people of foreign origin, and their descendants
f. Strategy against Gender Violence

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<tr>
<th>Sweden</th>
<th>1. Increased social security - fill the gaps in the system. The received amount levels should cover not only basic needs, but also the cost of a decent life.</th>
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<td>2. A more human and secure labour market. Create jobs for everyone, i.e. people with different skills, age, health etcetera.</td>
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<td>3. Housing. Build more houses - and at a cost that give people a chance to pay the rent. Increase the dialogue between all relevant stakeholders, in order to develop new ideas and constructive solutions.</td>
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| United Kingdom | 1 Social assistance:  
|               | I. Unfreeze welfare benefits now, uprate with RPI and aim for progressive realisation of adequate minimum income for all groups, based on consensual reference budgets  
|               | II. Reverse the 2-child benefit policy so that all siblings are of equal value  
|               | 2 Health and social care:  
|               | I. Invest heavily in provision of social care for elderly and disabled people, both at home and in other settings and rapidly produce a new mechanism for long-term funding that is efficient and equitable and recognises the diseases of old age on the same basis as other chronic illnesses  
|               | II. Increase hospital bed numbers to reduce bed-occupancy from 95% to 85% for better bed management, lower hospital acquired infection risks and to enable maintenance of single-sex wards  
|               | 3 Housing:  
|               | I. Launch a large-scale social house-building programme of energy-efficient, environmentally friendly homes at affordable rents, with due regard to local transport and employment and services  
|               | II. Reverse the sell-off and rent increases in social housing. Provide greater security in the private rented housing sector and put controls on rent increases. Literally put back minimum floor space into housing requirements, to avoid ‘rabbit-hutch’ studios and tiny homes  
|               | III. Provide ‘housing first’ solutions for homeless people and those at risk of homelessness |
### Other important priorities

- **Make taxation** more progressive, equalise taxes on employees and self-employed in line with better access to benefits for self-employed, introduce wealth tax and close business tax loopholes to pay for public services and social assistance.

- **Brexit:** Protect the rights of EU 27 and UK nationals; protect employment and social rights in the Repeal Bill and afterwards; aim for a ‘soft Brexit’ deal and give Parliament and the public a vote at the end of the negotiation process.
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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