

Social Rights or Social Plight?

EAPN Assessment of the 2017 National Reform Programmes

1. Make macroeconomic policies coherent with social rights
2. Prioritize social rights and an integrated strategy to effectively reduce poverty
3. Make the employment target deliver on well-being for all
4. Foster equal access to education for all groups
5. Ensure ESF 20% has an impact on poverty!
6. Make the NRPs a true and participatory driver

September 2017

CONTENTS

PART 1: OVERVIEW	5
Introduction	5
Executive Summary.....	5
Key Messages.....	7
PART 2: EAPN MEMBER’S ASSESSMENT OF THE 2017 NRPS	9
EAPN Summary Scoreboard.....	9
General Scoreboard on the NRPs	10
Thematic Assessment of 2017 NRPs	13
1. Members overall positive/negative assessments of 2017 NRPs	13
2. MACROECONOMIC POLICIES	28
Key Concerns.....	29
Key Messages.....	34
3. POVERTY & SOCIAL EXCLUSION	35
Key Concerns.....	36
Key Messages.....	50
4. EMPLOYMENT POLICIES.....	51
Key Concerns.....	51
Key Messages.....	57
5. EDUCATION & LIFELONG LEARNING	58
Key Concerns.....	58
Key Messages.....	63
6. EUROPEAN STRUCTURAL & INVESTMENT FUNDS.....	64
Key Concerns.....	65
Key Messages.....	69
7. GOVERNANCE & PARTICIPATION OF STAKEHOLDERS IN THE NRP	70
Key Concerns.....	70
Key Messages.....	77

PART 1: OVERVIEW

Introduction

In 2017, the crisis continues in the EU, following BREXIT, with a growing divide amongst Member States over their approach to the EU in terms of migration, security in the light of growing terrorist threats, or how to counter populist movements feeding xenophobia and racism. The EU has tried to show resilience launching its proposals for the Future of Europe, with 5 scenarios. The adoption of the European Pillar of Social Rights has been an important demonstration of a will to deliver on the promises of the “Social Triple A”, promised by President Juncker. In this context, the European Semester has shown a positive shift to take social concerns more on board, arguing more visibly for *‘inclusive growth’* and to *‘achieve an economic recovery that benefits all, notably the weaker parts of our societies and strengthens fairness and social dimension’* (AGS 2018). The commitment in 2016 to mainstream Agenda 2030 and the Sustainable Development Goals also provides some reason for optimism. However, the challenge of poverty and social exclusion remains undimmed, with only marginal reductions in people facing poverty or social exclusion (119 million), still nearly 1 in 4 of the population, a widening inequality gap, and no progress still on the Europe 2020 target to reduce poverty by at least 20 million set in 2010. EAPN’s concern is to highlight how far the approach at EU and national level is effectively tackling poverty, promoting social rights and investment in quality jobs, services and social protection? Are there signs of a shift away from the dominance of macroeconomic policies prioritizing growth and competitiveness without consideration of who benefits and who loses? Achieving a real re-balancing of the approach is a central challenge for the EU and key to achieving support for the future of a Social Europe with social rights at its heart.

This report provides a synthesis of EAPN members assessment of the 2017 National Reform Programmes, assessing how far Member States have pursued policies which contribute to key social targets of Europe 2020 (poverty, employment and education), investing in social rights and standards to ensure inclusive and sustainable development and growth, and demonstrating an increased commitment to quality participation of civil society organisations and people experiencing poverty. It is based on questionnaire and scoreboard responses from 20 national networks as part of the EAPN EU Inclusion Strategies Group (BE, CY, CZ, DK, EE, FI, FR, DE, IE, IT, LV, LT, LU, NL, PL, PT, RO, ES, SE, UK), and incorporates inputs from other members in the workshop exchange held in Brussels on the 16th June. It was drafted by the EAPN Policy Team: Sian Jones, Policy Coordinator, Amana Ferro, Senior Policy Officer and Matteo Mandelli, Policy Intern.

Executive Summary

The main message from the report is that despite some welcome increased profile for poverty and social exclusion in some countries, the overarching frame of the NRPs remains predominantly focussed on macroeconomic priorities, with social concerns too often sidelined. Europe 2020 goals, particularly the poverty target, continue to have low visibility and be inadequately addressed. There is frustration from members around the limited role of the NRP, seen as a mere report rather than an action plan, with an unclear role in the overall

European Semester, and with the continuing lack of seriousness in establishing effective plans to achieve the poverty and other social targets. Stability and Growth continue to be the overarching frame, with any job too often proposed as the magic bullet to solve poverty, without systematic consideration of quality, sustainability nor in-work poverty and increasing conditionality linked to income support causing real hardship and undermining the link to the labour market. Alarm bells are raised about a “*whitewashing of the real extent and impact of poverty*” as well as a failure to analyse and tackle the structural causes. Members particularly highlight the failure to consider distributional impact and actively promote progressive redistribution of wealth and resources. Although investment is meant to have overtaken austerity, members raise concern about the social impact of continuing cuts in benefits and services and failures to address sufficiently the adequacy of income support, despite new initiatives. Clear policy gaps are also highlighted e.g. failures to address growing problems of inequality, to ensure the human rights of migrants and take integrated actions to ensure their social inclusion, demographic trends and effective financing of welfare states. Even when positive measures are proposed, there is widespread concern about implementation, with proposals remaining a paper exercise as well as the overdependence on EU Structural Funds. The inconsistent approach and failure to consult civil society in a meaningful way, is highlighted by most, despite some improvements in some countries.

On a more positive note, some members highlight a more explicit social, political narrative in some countries, with some clearer attention to poverty and social exclusion issues. For many, more attention is given to strategic approaches to tackle key target groups – e.g. child poverty or investing in children, tackling issues of housing exclusion, and in some cases homelessness. Also for youth, particularly those who dropped out of school, migrants and people with disabilities. In some countries, progress is highlighted on increasing adequacy of income either through income support – minimum income/unemployment benefit/child benefits increasing or indexing pensions or increasing minimum wages.

In terms of what’s missing, the main gap is still the lack of an overarching social vision or new thinking, showing clear political commitment to reduce poverty and mainstream social rights rather than getting more people into any kind of work and complying with macroeconomic adjustment policies. There are limited signs of a more rights-based approach, despite the context of the new European Pillar of Social Rights initiative. Whilst there are some welcome examples of an integrated anti-poverty strategy, it often fails to tackle poverty in all its forms or promote strategies for key target groups. Key issues needing more attention include quality work, including access for excluded groups and pay, adequacy of minimum income and other benefits. New emerging problems needed to be more clearly addressed e.g. growing indebtedness, the lack of affordable housing, the shocking rise in homelessness, the impact of emigration on poverty, social exclusion and social cohesion, as well as on sustainable societies and welfare states. With little progress on more meaningful stakeholder engagement, taking concrete steps to make civil society organisations a key partner and resource in the NRP and the Semester is a notable priority for most EAPN members.

Key Messages

1. Make macroeconomic policies coherent with social rights

- Mainstream distributional and social impact assessment in the Semester monitoring process at EU and national level, including in the country reports.
- Stop austerity and increase social investment in social rights and standards.
- Invest in progressive tax and tax justice as key instrument to tackle inequality and poverty through fairer distribution.

2. Prioritize social rights and an integrated strategy to effectively reduce poverty

- Require use of the Europe 2020 multiple poverty indicator by all Member States (MS) with clear triggers for policy recommendations (CSRs) when sufficient progress isn't made.
- Prioritize an ambitious rights-based integrated anti-poverty strategy ensuring access to quality social protection, services and jobs for all groups, linked to thematic strategies for key groups.
- Mainstream social rights and standards, starting with adequate minimum income, living wage and universal social protection through the life cycle.

3. Make the employment target deliver on poverty reduction and social inclusion

- Ensure indicators for national statistics adequately reflect quality and sustainability of work, as well equality of access to employment for all groups and regions.
- In line with the principle of the European Pillar of Social Rights, support decent work with adequate wages and curb precariousness, including through dedicated strategies to combat in-work poverty.
- Implement comprehensive, Active Inclusion approaches guaranteeing access to adequate income support and quality, affordable services, instead of punitive activation, marred by sanctions and conditionality that breach human rights.

4. Foster equal access to education and lifelong learning

- Remove financial obstacles to education and invest in adequate income and wrap-around support for pupils, students, and their families.
- Better integrate socio-economic background in educational policies and budgets and end discrimination and segregation on all grounds.
- Ensure access for both workers and jobseekers to relevant upskilling that takes into account both personal and market needs and which leads to sustainable, quality jobs.

5. Ensure ESF 20% has an impact on poverty!

- Ensure delivery on ex-ante conditionalities on an integrated strategy based on active inclusion and anti-discrimination.

- Refocus funding priorities to local initiatives, ensuring access for NGO projects working with people experiencing poverty, providing technical assistance and global grants.
- Pro-actively enforce the code of conduct on partnership in the ESF, increasing the quality of engagement of NGOs.

6. Make the NRPs a true and participatory driver of positive social change

- Establish clear, compulsory and common guidelines on the governance processes, involving all relevant actors, and improve the transparency of the processes.
- Ensure full and meaningful participation of civil society organisations, and people experiencing poverty in particular, including by providing them with the capacity and financial resources needed to contribute effectively.
- Improve the effectiveness and impact of the NRP by taking contributions of policy beneficiaries on board and incorporating them as solutions.

PART 2: EAPN MEMBER'S ASSESSMENT OF THE 2017 NRPS

EAPN Summary Scoreboard

70 %	NRPs are primarily aimed at macroeconomic and financial management not on Europe 2020 targets. (40% strongly agree + 30% partly agree)
55 %	Austerity is generating more poverty and social exclusion and is still the dominant focus of NRPs. (40% strongly agree + 15% partly agree)
60%	The NRPs are more focused on investment, but not on social investment. (40% strongly agree + 20% partly agree)
75 %	The burden of the crisis is NOT being equally distributed and reducing inequality is NOT a priority. (55% strongly disagree + 20% partly disagree)
70 %	The NRPs does not have poverty as a main priority, and employment (with increased conditionality) is seen as the only solution to fight against poverty. (50% strongly agree + 20% partly agree)
55 %	The NRPs lack an integrated strategy on poverty, supporting active inclusion – access to quality jobs, services and adequate minimum income. (40% strongly disagree + 15% partly disagree)
60 %	No progress has been made on implementing key EU social investment priorities – particularly investing in children and tackling homelessness. (30% strongly disagree + 30% partly disagree)
50%	There are signs of an increased concern about social rights and standards. (15% strongly agree + 35% partly agree)
85%	Increasing quality jobs and tackling in-work poverty are not key priorities in the NRPs. (55% strongly disagree + 30% partly disagree)
55 %	The employment measures proposed in the NRPs are not the right ones to ensure access to quality jobs for all. (20% strongly disagree + 35% partly)
70 %	The education and training measures are primarily aimed at increasing skills not at ensuring an inclusive quality education system. (40% strongly agree + 30% partly agree)
70 %	Social protection is seen as a cost, not a benefit, nor a social investment. (40% strongly agree + 30% partly agree)
40%	Structural Funds are NOT being used effectively to reduce poverty and to deliver on the 20% ear-marking of ESF. (20% strongly disagree + 20% partly disagree)
60%	Anti-poverty NGOs were NOT consulted in the development of the NRPs. (40% strongly disagree + 20% partly disagree)
70%	Antipoverty NGOs views were NOT taken seriously into account in the NRPs. (55% strongly disagree + 15 % partly disagree)

General Scoreboard on the NRPs

Questions	Strongly Agree	Partly Agree	Strongly Disagree	Partly Disagree	Not sure
1. The NRP is primarily aimed at macroeconomic and financial management not on Europe 2020 targets	40%	30%	10%	20%	-
2. Austerity is still the dominant focus, and is generating more poverty and social exclusion	40%	15%	20%	25%	-
3. There is more focus on investment, but not on social investment	40%	20%	15%	15%	10%
4. The burden of the crisis is being equally distributed and reducing inequality a priority	10%	-	55%	20%	15%
5. Poverty is not a priority, and employment is seen as the only solution with increased conditionality	50%	20%	5%	25%	-
6. An integrated strategy on poverty, supporting active inclusion – access to quality jobs, services and adequate minimum income is proposed.	15%	25%	40%	15%	5%
7. Progress has been made on implementing key EU social investment priorities – particularly investing in children and tackling homelessness	5%	25%	30%	30%	10%
8. There are signs of an increased concern about social rights and standards	15%	35%	15%	30%	5%
9. Increasing quality jobs and tackling in-work poverty is a key priority in the NRP	5%	5%	55%	30%	5%
10. The employment measures proposed are the right ones to ensure access to quality jobs for all	5%	20%	20%	35%	20%
11. Education and training measures are primarily aimed at increasing skills not at ensuring an inclusive quality education system	40%	30%	5%	20%	5%

12. <i>Social Protection is seen as a cost not a benefit, or a social investment</i>	40%	30%	5%	25%	-
13. <i>Structural Funds are being used effectively to reduce poverty and deliver on 20% of ESF.</i>	10%	25%	20%	20%	25%
14. <i>Antipoverty NGOs were consulted in the development of the NRPs</i>	15%	15%	40%	20%	10%
15. <i>The opinion of Antipoverty NGOs was taken seriously into account in the NRPs</i>	5%	5%	55%	15%	20%

Thematic Assessment of 2017 NRPs

1. Members overall positive/negative assessments of 2017 NRPs

Positive / Negative
<p>BELGIUM</p> <p>Positive measures</p> <p><i>The awareness of all entities that there must be investment in people with a migrant background. Youth-unemployment and education is also a major topic for all entities. All regions and communities want to tackle school dropout. Therefore, several plans have been elaborated including refinancing the school system and help those schools which are most confronted with difficulties such as drop out, grade repetition...</i></p> <p><i>The Housing First Lab has positive outcomes.</i></p> <p>Negative measures</p> <p><i>The chapter on poverty and social inclusion on federal level is merely a summary of good results (higher employment through austerity measures) and intentions (putting back to work the incapacitated waged workers) of the government's policy regarding unemployment. On the other hand, the intention to level up the minimum benefits to the European threshold remains unclear regarding timing and operationalization. The Government additionally warns that increasing the minimum schemes must not lead to unemployment and inactivity traps. Every policy level has a plan to tackle poverty, mainly child poverty. Those measures are not treated extendedly as for the other issues. There is little view on the implementation of those measures and the impact on the poverty. The message on all policy levels concerning the fight against poverty confines itself mostly to job training, job creation and growth.</i></p> <p><i>Civil society is hardly consulted. Throughout all the document, only one NGO has been mentioned by name.</i></p>
<p>CYPRUS</p> <p>Positive measures</p> <p><i>Cyprus returned back to the normal European Semester Process. So the "tolerance" for austerity measures will be limited. Also in February 2018 we will have the presidential elections, so 2017 is a pre-election period and some announcements and benefits will be given to "soften" the situation.</i></p> <p>Negative measures</p> <p><i>They declare and they believe it, that they are doing their best and the policies taken are the most appropriate to tackle the huge problems that Cyprus society is facing after a long period of a profound</i></p>

economic crisis. That means that they do not realize the challenges/problems they have in front of them, so there is not a lot to expect from such approach.

CZECHIA

Positive measures

Steps to reduce unemployment.

Negative measures

Government focuses on issuing measures, not on reducing poverty and social exclusion. The government has seen the improvement of the situation as an improvement of the situation mainly in the approval of documents and legislation, not in the actual improvement of the situation of the poor (see table in Annex 1, pages 40-43). The poverty reduction was only 9% according to Table 1 (page 31), which we consider to be inadequate, even if the target of reduction of 100,000 people was achieved.

Reducing the unemployment rate for low-skilled and young people is still not sufficient, even if it goes evenly.

There is insufficient interconnection of social and health services.

The law on social housing was not approved in the Parliament, so there is no system of social rental housing in the Czech Republic, the current practice is based on the principle of ownership housing (80% of apartments). There is an extreme shortage of cheap rental apartments, and so the poverty-stricken business continues: many poor people live in unsatisfactory overpriced hostels where the state pays a high rent and actually subsidizes apartment lenders.

Support for small and medium-sized enterprises is insufficient. The system favours large entrepreneurs.

Protection of citizens from debt is insufficient.

DENMARK

Positive measures

Regarding the poor and excluded, there are no good news.

Negative measures

They are treated with the same medicine as has been given since 1990th: lower minimum income to still more groups, even if it has shown more negative than positive effects.

ESTONIA

Positive measures

Growth of GDP is accelerating

Unemployment rate is low, wages and salaries are growing rapidly.

New left-centrist government coalition is planning and implementing fairer social and taxation policy.

Negative measures

-This document has no effect.

- Like in previous year topic of poverty is in with one indicator: at-risk-of-poverty rate after social transfers on the same page (7)

- Explanation of the failure to reach the target is searched excuse, but the implemented and planned measures are listed and positive.

An increase in the poverty threshold as a result of increased employment and incomes raised the relative poverty rate to 21.6% in 2014; 2015 saw a slight decline in this indicator for the first 8 time in the last four years (21.3%), although the target set for 2015 – 16.5% – was not achieved. In the Estonia 2020 strategy, Estonia has aimed to decrease the at-risk-of-poverty rate primarily through increasing employment and increasing the general educational level. For Estonia, it is important to reduce the at-risk-of-poverty rate after social transfers to 15% by 2020. Special attention is being paid to children's poverty, as well as improving subsistence for people with a lower income and the elderly through targeted social policy measures. Social policy measures include increasing family allowances, including a new allowance for large families, the establishment of a maintenance allowance scheme, differentiated income tax exemption for employees, and allowances for pensioners living alone. Increasing the participation rate in lifelong learning activities among adults.

FINLAND

Positive measures

Not anything really.

Negative measures

NRP tells a lot about competitiveness and savings: "economic policy is aimed at levelling off fiscal indebtedness and bridging the EUR 10 billion sustainability gap through savings as well as measures to boost growth and enhance public service provision." Social targets are secondary: there is no analysis about how different cuts on benefits and services will affect poverty target.

FRANCE

Positive measures

NGOs welcome the use of indicators on earnings inequalities to assess some aspects of social and fiscal policies on poverty.

Negative measures

France should have 160 000 poor people less between 2008 and 2018, but it has 1 million more between 2008 and 2012 and 70 000 more each year till 2014.

The NRP puts forward the idea that incentives would contribute to resolve unemployment issues. NGOs disagree with this idea. NGOs consider it would be more useful to focus on the need for tailored accompanying disposals.

GERMANY

Positive measures

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Negative measures

Overall, the report whitewashes/embellishes the situation in Germany in reference to poverty and exclusion. The "Fifth Report on Poverty and Wealth" of the Federal German Government has shown immense problematic developments on that topic. The extent of poverty and its significance for the individual as well as the society is not clear in the NRP.

IRELAND

Positive measures

The NRP outlines the integrated, whole-of Government approach to tackling child poverty that is contained in the national Better Outcomes Brighter Futures framework. This framework is informed by the EU Recommendation on 'Investing in children: Breaking the cycle of disadvantage' based on the three pillars of access to resources, access to affordable, quality services and children's right to participate. However, the focus of access to adequate resources is dependent on parent's access to the labour market rather than access to adequate resources irrespective of the labour market status of the parent (s).

The Government announced a new Single Affordable Childcare Scheme in Budget 2017 which will subsume and replace all existing childcare programmes, both targeted and universal (with the exception of the ECCE Programme). Most of the funding for the Affordable Childcare Scheme will go into the means-tested subsidies, with a strong focus on low-income, disadvantaged families. The Affordable Childcare Scheme will include subsidies for full-time childcare, including "wrap-around" care for children who are in school or in the ECCE free pre-school programme. This scheme will run alongside other measures to improve the quality of childcare delivery.

Negative measures

The 2017 NRP, as with previous ones does not address the adequacy of minimum income/social welfare supports. Instead it focuses again on the fact that social transfers in Ireland are the most effective in the EU in reducing poverty. (In 2015 social transfers reduced the at-risk-of-poverty rate from 36% to 16%, a poverty reduction effect of 55%. Ireland's performance in reducing poverty was far in excess of the EU-28 norm of 33.5%). While this is very much welcomed it ignores that poverty levels are much higher than the EU average before transfers and that social welfare levels are inadequate to lift people above the poverty line and provide them with a minimum essential standard of living.

ITALY

Positive measures

There are many positive points in the 2017 NRP, especially if compared with the past. Even if slower than most EU countries, there are signs that Italy is coming out of the crisis and the PNR rightly focuses on work, youth and women unemployment, poverty, inequalities. The text reads, "We need a

multidimensional, coherent and effective approach that goes beyond income and widens its scope towards other key dimensions of well-being. Inequalities can be effectively fought and we may go back to a sustainable, balanced and inclusive growth only through an integrated vision. " And, "the crisis and, more than this, the globalization processes highlighted the limits of economic policies that are exclusively geared to GDP growth. The increasing inequalities in Italy and in most advanced countries in recent decades and the ongoing lack of attention to environmental sustainability, require a shift in the public debate and in economic policy strategies."

Within this context, in August 2016, the Parliament introduced, "within the reform Law on Public Accounting and Finance, the fair and sustainable well-being as one of the goals of the government's economic policy. The Economic and Financial Planning Document will assess the evolution of the main dimensions of well-being of the previous three years, it will anticipate the future trends as well as the impact of the implemented policies. Italy is the first advanced country to give itself such a task."

A new focus is also given to the safeguard of that big part of the country at risk of earthquake, with a specific project called Casa Italia, launched after the earthquake of August 2016. Too bad that, PNR or not, Casa Italia or not, the reconstruction of the affected areas is mostly lagging behind due to endless bureaucratic impediments.

Negative measures

Bearing in mind that it is mainly an economic and financial document, though geared towards the objectives of Europe 2020, the PNR is a good document, well-articulated and giving the due attention to solving the main knots of the Italian economy. It is true, however, that the most important labor market reform adopted by the previous government, i.e. the Job's ACT, begins to give the first signs of distress since, with the end of the special tax reductions for hiring young people with permanent contracts, businesses are starting to lay off. It is equally true that many other reforms have remained on paper; that some of these reforms were approved in a real rush, they were not well written and at times contradictories (and therefore of difficult implementation), the citizens were not consulted and, too often, the laws passed without a real involvement of the Parliament. Many of the reforms approved in the last two years are likely to remain on paper, such as the one simplifying the public administration and bureaucracy which is the root cause, as we have already said, of the slow reconstruction in the earthquake areas.

Still standing are the by now-legendary chapters "Less Taxes for Everyone" and "Fighting Tax Evasion", two pipe dreams that few still believe in. As a matter of fact, every time the state lowers a little some tax, the local authorities must increase theirs in order to survive. The fight against tax evasion is now, in the eyes of many honest citizens, a mantra that has been way too often called for without any appreciable success.

At last, we underline that according to many observers and experts, the 19 billion euros of flexibility that the European Commission granted to the Italian government have been more harmful than positive to the economy as they were mostly used on current spending and various bonuses instead of long-lasting investments.

LATVIA

Positive measures

The measures are more transparent and technical intensions clear, some concrete benchmarks appeared.

Negative measures

The implementation and realization of reforms is difficult, even impossible without clear political support and suggestion.

LITHUANIA

Positive measures

This year's NRP report highlights the new social model. The amendment to the Employment Law, as a composite part of the social model, is presented. The amendment is very important and can be considered as moving in the right direction since active labour market policy instruments that have been used to date are ineffective and need to be changed. It is expected that the new employment programmes will rearrange the current public works system which is one of the most popular active labour market measures that does not ensure a permanent and qualified job for unemployed people. The Ministry of Social protection and Labour released recommendations to municipalities on how public works should be replaced or be supplemented by other measures.

Improved adequacy and cover of unemployment benefits is also a positive thing. It is very important to strengthen the social protection of the unemployed, particularly because of liberalization of the new Labour Code that entered into force on 1 July.

The amendment to the Law on State Social Insurance Pensions is also important. Pension system is now moving towards automatic indexation of pensions. It will also help to decrease manipulations on social protection system by the government, which happens often the in the pre-election period. Therefore, indexation of other benefits should be considered.

Growing focus on families raising children. It is especially important for Lithuania because of the very high rates of children poverty. The coverage of child benefits is expanding. However, there is still a lack of development of preventive services, positive parenthood, non-formal education.

Negative measures

The prospects for the macroeconomic development that reflects in the NRP are quite optimistic. As in the last year's NRP, it does not take into account the uncertainty caused by Brexit, which is still a threat to the economic and social stability of the whole of the EU.

It is emphasized that financial situation of households is improving. That is associated with the growth of consumption expenditure, but there is not enough emphasis on the increase of prices of goods and services.

It is also highlighted that average monthly wage has notably increased, but there is no mention of extreme income inequality in Lithuania, which is one of the highest in the EU. Income growth is the fastest among the most earning people, while the low earners do not feel the difference due to the tax burden. Latest research showed that fifteen percent of the poorest population gained 4-5 percent of the total national income growth in 2005-2015, while fifteen percent of the richest people gained 30-

40 percent¹. There is a lack of attention to this problem in the NRP and there are no measures proposed to tackle it.

Moreover, it is noted that unemployment rates continue decreasing due to the economic growth, but there is no mention of the high rates emigration in Lithuania, which are still growing and causing many problems in the short-term and long-term period. Also, statistics show that most of the emigrants were unemployed in Lithuania.

Speaking of unemployment problem in Lithuania and the new employment programmes that were mentioned above, there is a big concern about how the new law will be implemented, since municipalities have no clear vision yet on how to do it. Therefore, these changes are causing confusion. Sadly, the NRP does not mention the involvement of the non-governmental sector and its potential to provide services that respond to the needs of their receivers. Furthermore, involvement of NGOs' in the implementation of the new employment programmes would stimulate closer cooperation between NGOs and self-government in other areas also.

Finally, it is important to note that a long-term plan to reduce the dependence of social and employment services on EU structural funds should be foreseen and national resources should be envisaged, bearing in mind that Structural funding is going to an end.

LUXEMBOURG

Positive measures

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Negative measures

It is still only a writing and editing exercise, it is not a strategic plan!

NETHERLANDS

Positive measures

1. The fact that there is 100 million per year extra to find new ways to support children in poverty.
2. The fact that the Law on the Statutory Minimum Wage is changed on the 1st of July 2017. From now on a person who is 22 years (was 23) or older is unentitled to receive the minimum wage of 1565€ brut per month (was 1552€).
3. The fact that the ministry of SA&E asked EAPN NL to do a research on the involvement of PEP within the local social domain.

Negative measures

The nearly 100% focus on paid work as the way out of poverty.

¹ Navickė J. 2017. Pajamų nelygybės dinamika ir veiksniai Baltijos šalyse. Presentation at the Ministry of Social Security and Labour.

POLAND

Positive measures

After introduction of the new generous child benefit (500+ Program) in the second quarter of 2016 together with some other new measures (new family benefit for uninsured mothers for the first 12 months after giving birth) the relative and absolute poverty rates dropped. Official data from household budgeted survey confirmed that relative poverty rate decreased from 15,5% in 2015 to 13,9% in 2016 and absolute poverty rate accordingly from 6,5% to 4,9%. For children it was from 20,6% in 2015 to 16,4% in 2016 and from 9,0% to 5,8%. These are rates calculated according Polish methodology and related to expenditures not incomes.

Negative measures

Novelty of some measures announced by government as planned for 2017 and 2018 is questionable e.g. an act establishing of new child allowance from early 2016 has still status of planned for 2017 and 2018.

PORTUGAL

Positive measures

- 1. the reinforcement of social benefits, namely:
 - a) Update of family allowance amounts;
 - b) Resetting the reference amount of the social insertion income which in 2017 raised to 183.84 €/month;
 - c) Increase of the reference values of the Social Complement for the Elderly (5084.3€/year/elderly; 8897.5€/year/couple);
 - d) Extraordinary financial support for the long-term unemployed;
 - e) Increase in the Index of Social Support to 421.32€. This index is used as a reference to calculate other benefits like the social insertion income;
 - f) Increase in the amounts of Disability Bonus.*
- 2. Specific attention to children and their families by supporting the definition of a Strategy to fight poverty and social exclusion.*
- 3. Reinforcement of the network of "Inclusion Desks" (specialized care service on the disability or disability issue).*
- 4. Implementation of the new social benefit for the inclusion (Support for people with disabilities).*
- 5. Implementation of the new Independent living support model.*
- 6. Fight inequalities giving priority to a new Agenda for Equality in the labour market and companies, with proposals to fight gender pay gap; fight occupational segregation; parenting promotion and better balance between personal and professional life.*
- 7. Progressive updating of the minimum wage (557€ in 2017) and the elaboration of regular reports on the impact of its progressive updating.*
- 8. More and better coverage of basic needs like health; education water/energy, transports and culture.*
- 9. The organisation of an inter-ministerial group for the promotion of an active and healthy ageing.*

Negative measures

See what's missing section.

ROMANIA

Positive measures

The positive aspects in the 2017 NRP Romania are connected to the fact that the anti-poverty policies and measures are paramount for the Romanian Government and this is reflected in the document by the way which these anti-poverty and inclusion objectives have been set and projects to be implemented, as well as how the European Structural Funds are allocated.

Negative measures

The major negative aspect in the 2017 NRP Romania is the fact that there is a high probability that most measures will remain on the paper or they will be considered overambitious. For example, as most of the funding to support the anti-poverty measures/ projects comes from the European Structural Funds and there is a huge delay in opening the calls and actually utilising the funding, it's possible that most projects' implementation will have to be postponed for the following year. Also, the level of investing (including social investment) is very low.

SPAIN

Positive measures

- 1. New plans: The National Strategy for Prevention and Fight against Poverty and Social Exclusion will be launched. Other existing strategies are the Comprehensive Plan to Family Support and a National Comprehensive Strategy for the Homeless. There is a proposal of a mapping of social resources through a new "Social Card". Youth Strategy 2020 y Action Plan 2017-2020.*
- 2. The new Housing Plan 2018-2021, supported by Structural Funds, will promote the rehabilitation of buildings, and the regeneration and renovation of urban and rural areas, with special attention to energy efficiency. Particular attention will be given to the most disadvantaged sections of the population and young people.*
- 3. Education: The government intends to provide a strong political impetus to educational reform by reaching a State, Social and Political Pact for Education.*

Negative measures

- 1. Insistence on employment as the magic bullet: The government insists that "the most effective way to combat poverty, inequality and social exclusion is job creation and job placement". However, new jobs are 92% precarious or temporary. The share of in-work poverty is very high. Long-term unemployment, particularly of young people, is over 40%.*
- 2. New plans are weak for 2 reasons: because they collide with regional competences (subsidiarity) and because they do not have resources allocated: There is no budget and little room for new social policies which may lead to a strong impact in reducing poverty. A weak approach to social investment, in general.*
- 3. Social Card: Despite the idea could be useful for mainstreaming social resources and facilitating access to them, there is a chance that it may become a social control tool, and introduce further stigmatization of the card holders.*

SWEDEN

Positive measures

The Government underlines that their objective is to “achieve equality, development and cohesion throughout the country. Sweden shall remain a pioneering country that takes international responsibility for the climate, gender equality and democracy.”

An appendix is included to this year's programme presents contributions received from social partners, regional and local actors and organisations in civil society. This is included as a part of the official programme.

Negative measures

There are not enough concrete measures, especially on reducing poverty and inequality.

UK

Positive measures

- 1. The strengths and weaknesses of the UK economy and policy are those also identified in the CSR report.*
- 2. There is explicit recognition of lack of housing affordability and of increasing in-work poverty.*
- 3. There are a few positive developments in employment and social policy such as an expansion in apprenticeships and an increased offer on childcare for three and four-year olds.*

Negative measures

- 1. No change in the neoliberal approach to deficit reduction – fiscal austerity and very loose monetary policy, but positively, some extension to the date for deficit reduction and slightly less concern with quick progress on the debt to GDP ratio, which may signal a slowing of austerity measures.*
- 2. Child poverty is rising and expected to rise significantly by 2020 due to the welfare reforms announced in Summer Budget 2015 and 2016, still being rolled out; with no let-up*

What's missing

BELGIUM

There is a need for a more extensive chapter on poverty. An approach that takes into account the needs of people living and a more holistic way to deal with the issue. What is the impact from bad housing in the search of work? In what extend do low minimum schemes affect the integration of poor people? Those concrete questions should be developed in the NPR with concrete measures undertaken by the governments with tangible results, which confirms the will of the governments to tackle down poverty and social exclusion.

There should be a more right-based argumentation in the text. At this moment the right to social protection is based on grounds of merit.

Civil society (and certainly organisations where people in poverty take the floor) should be consulted and given a chance to co-write the NRP.

CYPRUS

Social vision and effective policies to fight inequalities and poverty.

CZECHIA

/

DENMARK

A decent minimum income, and a more effective and holistic rehabilitation + cheaper housing in Copenhagen, especially.

ESTONIA

Other forms and problems of poverty.

FINLAND

Coherence of different policies and their effects to different targets.

FRANCE

NGOs propose that the definition of social utility could be used to allocate funds in the framework of social investments proposed by President Juncker.

Social investments could be taken into account for the evaluation of national public deficit.

The social impact of some disposals foreseen in the NRP should be monitored before and after their implementation (for instance Law on Work).

Migrants policy is not enough tackled. It should be systematically tackled in a more detailed way in the future in the NRPs. There is no transversal approach of this matter. Only 3 600 migrants have been welcomed in France, that is to say only 10% of France foreseen involvement.

NGOs would like NRPs to remind each State of its objectives in terms of sharing welcome of migrants and would like a pluri-annual monitoring of expenses concerning migrants.

GERMANY

See comment on what's negative.

IRELAND

While the NRP mentions the importance of tackling low-pay, increasing the minimum wage and the work of the Low Pay Commission it does not address the issue of decent work. This is despite concrete evidence that there is a problem of 'if and when' employment contracts in Ireland.

ITALY

The NRP is definitely a good document, but it does not deal with the strong political instability of the moment, the lack of an electoral law, the endless bickering of the political parties (among and within them) that block this country.

There is a lack of attention towards organised civil society as an important stakeholder both in the preparation, implementation and monitoring of the many issues developed in the NRP, even though many steps forward have been made especially with reference with the consultation of civil society in the fight against poverty. Despite this new and welcome attention, the NRP does not make any specific reference to the poverty of children, to that of the most vulnerable groups, such as the homeless or the Roma. We prefer to believe that this lack of mention is due to the fact that all these groups will naturally be part of the structural measures to combat poverty.

LATVIA

Still concrete benchmarks and concrete criteria missing, no concrete terms of implementation mentioned.

LITHUANIA

There is no mention of the strategy for reducing income inequality, which is one of the largest in the EU.

There is no strategy nor concrete measures for dealing with growing poverty and social exclusion, there is neither long-term nor short-term strategy to improve these indicators. For example, there is a huge

problem of indebtedness among people experiencing poverty in Lithuania. According to the Ministry of Justice, one out of ten people in Lithuania has debts. Since the arrears are being deducted from minimum wages, pensions and other regular income, the current practice of enforced debt recoveries affects the poor, creates “poverty trap” and associates with other problems that cause poverty rise. So, a wider approach, as well as a comprehensive strategy, are urgently needed.

There is no mention of a still rising emigration problem, which is causing different issues. A huge part of the country's labour force is lost, and this leads to an unbalanced wage fluctuation. Furthermore, a large part of the revenues in Lithuania is made up of remittances from private individuals, which contributed to a rise of prices of basic consumer goods, which greatly affects the purchasing power of people who do not receive such remittances. From a long-term perspective, demographic crisis in Lithuania is very likely to cause many social problems not only related to unbearable burden of taxes that would maintain an expensive social assistance system, but also a huge brain drain, labour market distortion, etc.

LUXEMBOURG

A chapter about over-indebtedness.

NETHERLANDS

A vision how, thinking in a broad coalition, we all can work together to find new ways out of poverty and exclusion. This also includes the PEP themselves and their organisations.

POLAND

- *Integrated strategy for reduction of poverty in all its forms. Government decided to include only Family 500+ Programme (one type of child benefit however very generous) as poverty reduction measure in the NRP planned for 2017-2018 period. Anti-Poverty Strategy enacted by previous government in 2014 was not mentioned at all.*
- *Housing and homelessness issues.*
- *Strategy for rising employment of people with disabilities.*
- *The macroeconomic scenario. It is ongoing practice that we received the NRP draft for consultation without macroeconomic scenario. It is added later by Finance Ministry.*
- *Reform of the income tax introducing higher tax exemption for lower incomes.*

PORTUGAL

1. *As we said in the previous questionnaire: there isn't a concrete definition of a national and integrated anti-poverty strategy. EAPN Portugal continues to recognize that the proposal for a national programme to fight child poverty is important and very welcomed but to be consistent and able to deliver it must be part of an overall national strategy involving transversally other publics and sectors. The exact question we've been making over the last years remains: how can we tackle child poverty if there isn't an integrated and transversal national strategy (no matter the priorities or groups identified)?*

2. *The promotion of an active and healthy ageing seems only connected to the need to reduce the burden of disease and the use of the national health system. This is important but also very narrow because the promotion of an active ageing requires a social strategy/Intervention. It's important to recognize that poverty among the elderly has risen since the crises, after having dropped considerably*

ROMANIA

In the 2017 NRP Romania the major missing elements relate to setting up objectives and measures as well as targeted interventions and actions to tackle the massive emigration especially among youth, healthcare and education professionals, different specialists and emigration's socio-economic effects: children left behind, depopulation, lack of qualified personnel in healthcare, education and social services, great disparities between rural and urban areas, women and elderly left behind, labour market shortages.

SPAIN

1. *Political commitment to reducing poverty and social exclusion, as a strong priority, is clearly missing. The NRP's key targets are getting more people into the labour market, and to comply with the macroeconomic adjustment policies. Social Investment is weak, or not present.*
2. *Policies towards tackling discrimination and gender inequality are missing.*
3. *Beyond the political discourse, the abovementioned plans and measures do not bring important fresh funds, except when they are related to the Structural Funds.*
4. *The almost overall transference of competences to the Autonomous Communities in social services, social protection, including education and healthcare, waters the importance of any new plans or strategies formulated at the State level.*

SWEDEN

Concrete strategies and measures for reducing homelessness are missing, though the government is stating that A home is a key prerequisite for social inclusion. The primary measure is that The National Board of Health and Welfare has been instructed by the Government to perform a national survey in 2017 to acquire better understanding of the extent of homelessness and exclusion from the housing market.

In work poverty and the growing insecurity on the labour market is not addressed.

There are not enough concrete examples of powerful measures to lift the poorest people's economic levels. Vulnerable groups are, for example, poor pensioners (mainly women), single parents (mostly women), low income, unemployed and sick people (mainly those who have been this under a long time).

There is also insufficient action to combat the increasing gaps, for example through increased taxes for the rich. Most parties say no to property taxes, increased taxes on companies (instead, countries compete to lower taxes on companies), and taxes on capital and a sufficiently progressive taxation of earned income.

UK

- *New thinking and ambition for a modern, productive, green economy*
- *An integrated strategy and sufficient resources to combat poverty and social exclusion, especially child poverty. The UK government abandoned its child poverty strategy of 2010 and child poverty is set to rise substantially by 2020*
- *At present, there is only an employment insertion strategy; there is an increase in statutory minimum wages (The National Living Wage for those aged over 25, and eligible because they have conventional employment contracts) but there is no attention to quality or sustainability in work or sufficient quality services. There is harsh conditionality to push people to the labour market and to more hours of paid work*
- *A full response to the Country-Specific Report 2017 commentary on social and health matters (see Appendix 1 for summary of CSR social and health comments).*

2. MACROECONOMIC POLICIES

Introduction

The Macroeconomic Chapter in the National Reform Programme (NRP) sets the overall framework for the NRP. However, as this section overlaps with the parallel **Stability and Convergence** Programme (SCP), the macroeconomic chapter in the NRP often lacks detail on specific macroeconomic policies. This tends to disguise the **dominance of macroeconomic and fiscal priorities within the overall Semester**.

According to the NRP Guidelines from the European Commission, Member States are **expected to focus their NRP on an assessment of their delivery on the 2016 CSRS and projected plans**. As the number of CSRs has been reduced (1-5), the main CSR 1 therefore is normally the dominant focus.

EAPN positively recognizes the **significant shift in rhetoric in the AGS 2017**.² Although the key priority is on strengthening competitiveness, **'social fairness'** was also highlighted as a means to deliver *'inclusive growth' and 'achieve an economic recovery that benefits all, notably the weaker parts of our societies and strengthens fairness and social dimension'*³ **Social policy is also mentioned as a productive factor**, and a call is made for **progress on social standards** e.g. adequate minimum income systems and pensions, quality work as well as support to universal access to health and care services, rather than just cost efficiencies. A recognition is also made that **tax system should play a role in combating inequality**. Explicit references were also made to **Europe 2020 and the targets, and need to tackle the high poverty and inequality rate**.

However, unfortunately **this shift was not reflected in the overall AGS priorities** which remained almost the same since 2015: 1) Boosting investment 2) Pursuing structural reforms and 3) Responsible fiscal policies. Although the priorities are slightly reversed with greater focus on increasing investment and pace of structural reforms i.e. in reforming labour market, social and health systems, whilst striving for balanced budgets, (debt and deficit reduction). However, there is no specific social objective nor mention of the European Pillar of Social Rights proposal.

In the chapeau Communication⁴ supporting the 2017 Country-specific Recommendations, the positive trend was continued, with explicit calls for social investment in social infrastructure, education, early childhood education and care, lifelong learning and referencing the European Pillar of Social Rights. An important reference was made to the need to take into account **'distributional impact', with a new focus on income inequality, "including tax/benefit systems through "progressiveness of tax systems, good tax collection and provision of adequate social benefits"**. However, as this was produced after the 2017 NRPs were presented it may be too early to seem impact.

² EAPN: Delivering on the promises of a better Social Europe? EAPN response to the Annual Growth Survey 2017 (December 2016)

³ European Commission: Annual Growth Survey 2017

⁴ European Commission: Communication on 2017 European Semester – Country Specific Recommendations (22 May 2017)

This chapter therefore assesses EAPN members' views on how far the macroeconomic policies are supporting or undermining the commitment to reduce poverty through the poverty target, and the implementation of the European Pillar of Social Rights. Members were keen to see how far there has been a visible shift to a more balanced and progressive economic and social approach as promised in the AGS 2017, also in line with the approach of the 2017 CSRs.

From our survey of EAPN members, 70% worry that the **European Semester continues to be a tool primarily for macroeconomic/fiscal management rather than to ensure delivery on the Europe 2020 targets**, particularly the poverty target. There is also concern about the **growing divide** between and within Member States, which the Country-specific Recommendations are seen as partly contributing, as **75% of members think that the burden of the crisis is still NOT being equally distributed**. Members see some negative **increase in austerity policies** (55%, compared to 38% in 2016) seeing the NRP macroeconomic policies focussed mainly on austerity (40% strongly and 15% partly agree), with a significant number of countries where austerity continues to increase poverty. 60% compared to 50% last year, say that there are **more examples of investment, but still too few prioritize social investment**, 70% that **social protection is seen as a cost not a benefit, or social investment** (compared to 60% last year).

Key Concerns

Rebalancing economic with social priorities but only for a few

Most of the responses felt that the **overall focus of the macroeconomic chapter remained little changed** from previous years, following the same economic model that has contributed to rising poverty (CY, CZ, BE, DK, ES, FI, DK, LT, LV, LU, UK). The chapter mainly provides a description of the economic shape of the country, tested only with an econometric model (LU). **The focus is on reducing deficit and public debt, growth and competitiveness, not on distributional or social impact** (ES, FI). In Czechia, although there were rhetorical signs of change, the overall model remains a neo-liberal perspective. The continued dominance of the Stability programme focused on deficit/debt reduction also was causing increased difficulties with regions e.g. in Belgium where the lack of an inter-federal agreement on the Stability Pact agreed by the national government had to tensions with the regional authorities e.g. Wallonia decided to invest in health services despite demand for sustainable finances. In some cases, the **Macroeconomic scenario was added AFTER consultation** process, which meant stakeholders were unable to comment. (PL). Some **positive signs of rebalancing** were highlighted by some members (CZ, IE, IT, PL, RO) with Ireland highlighting increased focus on **investment on employment** of people with disabilities, low-work intensity, national skill strategy and **action plan for housing** and homelessness, consultation on a new national action plan for social inclusion and **reforms in childcare**, but highlighting that the fiscal still dominates (IE). Poland highlighted the introduction of the **Family 500+ programme** which will cost 17 billion zloty in 2016, also the increase in minimum wage and minimum pensions, limiting abused in temporary employment agencies (PL). Whilst Romania, referenced the important objective to **increase efficiency/effectiveness of public investments in health, education, environment, transport** and use national and EU funds to repair and modernize

infrastructure, increasing accessibility and service provision (RO). In Czechia, the government support measures that increase inclusion in the labour market and thus contribute to increasing accessibility, quality and sustainability of basic resources and services including decent housing and education. EAPN IT gives an overall positive verdict, although underlining doubts about implementation. *“Overall the NRP does not contain any negative macro-economic policy, but most is not implemented or too soon to judge, it looks like the decision-makers finally realized that economic and social priorities must go hand in hand”*.

Weak policy coherence and consistency

Several members highlighted the problem of **lack of policy coherence** in the overarching macroeconomic approach, with **little consideration of social impact** of the policy measures proposed or on poverty or evidence of a pro-active concern to mainstream social objectives. (CY, DK, DE, IE, RO, ES). Members highlight that growth alone is not sufficient, unless measures are taken to ensure that the benefits of growth are fairly distributed. (DE, ES, LT, IE). *“Even when the economy going well – not everybody benefits with high poverty rates, but this is not addressed* (DE). Spain highlighted a recent report (FOESSA/CARITAS) showing the lack of trickle down benefit for vulnerable households – (FOESSA/CARITAS⁵) with only 9% benefiting. Others underlined the **continuing contradictory commitments within the macroeconomic priorities focused on deficit/debt reduction which undermine social investment** and risk generating increased poverty, often driven by the first Country Specific Recommendation. Ireland points out the lack of consistency between commitments to investment, while cutting taxes and limiting opportunities to access resources to investment. The CSR 1 also recommends using windfall gains to reduce debt rather than investing in infrastructure including social (IE). In other cases, where positive economic measures have been taken in order to increase people’s living standards (reducing VAT, increasing wages), concerns are raised by that pressure is brought to bear to switch direction, in order to meet the budget deficit target (RO). **Where stakeholder proposals are annexed to the NRP, some interesting proposals are made** which could help to increase this coherence. For example, in Spain where trade unions propose a positive social/macroeconomic approach including progressive tax reform, minimum guaranteed income and higher levels of aid to low income families.

Austerity still evident, but some positive strengthening of social protection

Although the AGS 2017 signals a **reduced focus on fiscal consolidation for most countries**, very few members highlight an explicit rejection of austerity cuts (SE). Estonia notes that the new government is considering abandoning 25 years of politics of austerity, but it’s not clearly mentioned in the NRP. However, welfare and public services reducing poverty are mentioned only superficially, and in the context of financial capacity for public social spending. Several members highlight a **continuing trend towards cuts in benefits, with no assessment of the impact of poverty**. (FI, ES, UK). Spain continues under the excessive deficit procedure following warning by Council August 2016 but with more flexibility, however cuts are not ruled out (ES). Budget cuts due to deficit target have not allowed the recovery of social expenditures to pre-crisis levels (2008). In the UK, the government aims to reduce public

⁵ FOESSA: Análisis y perspectivas 2017. Desprotección Social y Estrategias Familiares. Datos de la Encuesta sobre la resiliencia de hogares de la Fundación FOESSA (ENREFOESSA 2017)

spending to 35% of GDP. The main cuts are due to benefits freeze (reducing government spending by 3bn pa, cuts to child and family tax credits (reduced spending by 5bn pa, rollout of less generous universal credit (reduced 5bn pa). *“If all 2015 cuts were carried out 3 million working households with children would be 2, 500 pounds pa worse off”*. However, some proposed cuts will not now be carried out in context of minority government – e.g. cuts to pensioners’ benefits, free school lunches, and general weakening of austerity measures. *“There is a widespread view that the UK election results show disillusion with the effect of austerity on access to and quality of housing, health, education and stagnant incomes”*. (EAPN UK). In other countries, there are **positive developments in social protection, regarding income support**. (BE, IT, LT). In Lithuania, automatic indexation of pensions has been introduced, but it is not being applied to other benefits nor social insurance (LT). The adequacy of minimum income is also highlighted. The NRP mentions the possibility of linking the amount of state income support to the calculation of the minimum needs of a person. *“Currently this is 238 Euros, when existing social benefits only pay 102 Euros and covers only 0.42 of minimum needs (LT)”*. However, doubts are raised about likelihood of implementation in the context of fiscal consolidation. Whilst in Belgium/Wallonia and pensioner’s autonomy insurance is being introduced financed by contributions.

Investment in job creation but flexible labour market risks more poor jobs

The overall narrative in the NRP macroeconomic chapters are that **investment in jobs is the magic bullet** for reducing poverty and inequality and fostering growth, but **quality job creation is generally not a priority**, with most jobs created being precarious, involuntary part-time, temporary or seasonal, although some streamlining of existing system is noted to make more effort with long-term unemployed and unemployed youth in response to the CSR. (ES). **Some positive investments** in women’s employment are also seen (IT) where resources or support to women’s employment have been doubled (20 to 40 million) and those for self-employed women have been more than tripled (2 to 10 million). In Germany, **a law to limit temporary work** was introduced but there are too many exceptions and loopholes, also a law creating a legal requirement to return part-time to full time work has not been implemented, which particularly affects women (DE). However, the **overall priority of the AGS is pursuing structural reforms particularly through restructuring labour markets**. This is primarily focused on creating more flexibility. Several members highlighted the **implicit threat to social rights and the contradictions with the new Commission initiative of the European Pillar of Social Rights**. (ES, LT, NL). In Lithuania the main focus is on the liberalization of the Labour Code making it more favourable to employers, facilitating dismissal. The argument used is that this will help create new jobs, but without consideration of the quality of jobs. Neither are measures taken to guarantee access to adequate social protection, as new systems make jobs less stable (LT). Some countries, whilst continuing the approach attempting to put in safeguards to maintain the purchasing power of low incomes (NL). In Estonia, there is a strong emphasis on rebalancing/restructuring the labour market and education but only in this context.

Cost-cutting priority in social/health services challenge focus on reducing inequalities

Modernization of health and social services is a clear priority in all Member States, **primarily focused on reducing costs** (UK, ES, FI, IE, BE). In many cases this is being carried out through **decentralisation** and devolution of health and social services to the regions, with battles over

adequate financing (UK, ES, BE). In other cases, like Finland, services are being centralised to the regions from the municipalities. The evidence of **hidden health cuts** is often difficult to track. For example, in the UK, although health spending increased in real terms, it reduced the trend for increased investment from 1955 (i.e. 1.3% compared to average of 4.1% pa), putting UK only at EU average well below equivalent countries like Germany and France (9.8% compared to 11.1 and 11.0%). **On a more positive note**, several members highlight pro-active health goals around promoting **well-being and reducing inequalities in health** and access to services. (FI, IE, ES). But how far are the approaches consistent? In Ireland, EAPN welcomes the government's aim to **reduce health inequalities** as well as addressing cost effectiveness, despite the fact that CSR 1 only focussed on cost effectiveness. The Irish NRP emphasizes:

This goal requires not only interventions to target particular health risk, but also a broad focus on addressing the wider social determinants of health – the circumstances in which people are born, grow, live, work, and age – to create economic, social, cultural and physical environments that foster healthy living. Healthy Ireland takes a whole government and whole of society approach. (NRP 2017 Ireland)

A concern for the Irish network however is the lack of evidence of how this goal will be achieved.

In Spain, the NRP focuses on **ensuring a minimum level of services in all areas**, i.e. in relation to financing of autonomous region, with the aim to ensure all citizens access same level and quality of basic public services regardless of place of residence which is very important to reduce inequality. In Finland, however, they underline that although the NRP aims to reduce disparities, the **overarching concern appears to be to reduce spending** “one key objective of the health, social services and regional government reform is to bridge the sustainability gap in general government finances by curbing growth in healthcare and social welfare costs” (FI).

Uneven signs of social investment

Overall there are **few signs of a major shift towards increased public spending in social investment**, even in countries with a surplus or minimal deficit. In countries with a deficit, no real flexibility is allowed. In Spain, public spending in relation to GDP is 5% lower than EU average and the NRP doesn't change this. Left parties have proposed increasing this % to reduce the 'social deficit'. In some countries, **concrete investment measures are proposed**. (BE, DE, IE, FR). In Belgium, the Social Cohesion plan is reformed and simplified with actions to fight poverty, with an increase in budgets for local authorities (BE/Wallonia). There is also an increase in funds for key public services (water, gas, electricity). In Flanders, there is more public money for welfare, housing, schools, youth counselling, welfare, childcare (BE/Flanders). In Germany, investment in educational and social sector is positive but not high enough given the extra demands from the refugee crisis. In France, the NRP focuses on access to health, housing, new technologies and public transport, but an explicit focus on social investment is not taken into account. Several countries have been allowed greater flexibility in the deficit and investment limits related particularly to spending on refugees, but it is not sufficient. (See more details in Poverty Chapter).

More investment in housing, but fail to ensure access to affordable homes

Several countries highlight **positive investment in housing, often in response to the CSRs**, however the main focus is not on ensuring affordability or access to secure, stable housing for people on low incomes (IE, SE, UK). In Ireland, the NRP response to CSR 1 is Rebuilding Ireland – an Action Plan for housing and homeless with 5.35bn investment until 2021 to deliver 47.000 social houses and to measure progress on supports for people on low incomes in private rented accommodation. However, there are already delays in delivery and the **overall investment is not enough to deal with housing crisis and rising homelessness** (IE). In Sweden, a CSR was received on housing, highlighting that **increasing** housing indebtedness poses a risk to macroeconomic stability. **However, the Swedish Government does not support the CSR**. They agree with EAPN SE that a transition to more market-based rents will not increase the supply for low income households. The present system aims to strike a balance between security, reasonable rents.

The UK government recognizes that the housing market is ‘broken’.⁶ The NRP responds to CSR 2 covering housing and planning with commitment to build more housing, with the biggest affordable housing programme since 1970s. But the investment is too low, with low annual completions and is inadequate to meet needs of low income families in terms of demand, affordability or security of tenure.. Access to social housing has continued to decline, with increased ‘right to buy’ of social housing, and a replacement rate of only 1 in 3. The concept of affordability does not reflect the needs of low income households. The Government changed the definition of affordable from 50% to 80% of market rents. Meanwhile, according to a study by the Resolution Foundation,⁷ average incomes grew only 2% compared to housing costs 25% (for people aged 25-44). Tenants in the private houses spend over 50% of their income on rent, excluding benefits and 45% including benefits. The inability to access new homes after losing private rental tenancy is responsible for 78% of rise in homelessness since 2011 (SHELTER).⁸

Tax reforms miss opportunity to promote tax justice and reduce inequality

Several members **highlight tax reforms but few aim for redistribution nor favour poverty reduction** (BE/Flemish, DE, IE). In Belgium, the flat rate regional tax of £89 has been abolished and a reduction of personal income tax since 1st January, which is positive for people on low incomes (BE/Brussels region). In Ireland, even though it received a positive CSR to broaden the tax base, the NRP shows no response, and the proposals actually narrow the tax base including the reduction of the universal social charge (USC) which is in reality a progressive income tax on gross income. Cuts in USC are regressive and government is committed to ending it. **Few members highlight stronger action to tackle tax fraud**. In Spain, the problem of submerged economy and tax fraud accounts for 25% of GDP. Some positive measures are proposed to prevent and combat tax fraud mainly in VAT through reinforcement and modernization of control and management, but no proposal is made of fiscal reform which will redistribute the burden more fairly amongst citizens. However, proposals of tax reform

⁶ Dept for Communities and Local Government/UK Government (2017): Fixing our broken housing market.

⁷ Clarke,S; Corlett, A and Judge, L (2016) The housing headwind: the impact of rising housing costs on UK living standards, Resolution Foundation.

⁸ SHELTER (2017), Shut out: the barriers low income households face in private renting.

with progressive and redistributive criteria is proposed and included in the annex by Trade Unions.

Key Messages

Make macroeconomic policies coherent with social rights

- Mainstream distributional and social impact assessment in the Semester monitoring process including in country reports at EU and national level.
- Stop austerity and increase social investment in social rights and standards.
- Invest in progressive tax and tax justice as key instrument to tackle inequality and poverty through fairer distribution.

3. POVERTY & SOCIAL EXCLUSION

Introduction

There has been a slight decline overall in overall poverty and social exclusion. In the latest Eurostat figures (2015), almost **119 million people, or 23.7 %** of the EU population, **were at risk of poverty or social exclusion (AROPE)**. This is still one in four people in the EU⁹. This compares to 24.1% with 2014 data. However, **there is a widening gap** across the EU. Whilst some **countries face poverty rates of less than 17%** e.g. Czech Republic (14.0 %), Sweden (16.0 %), the Netherlands (16.4 %) and Finland (16.8 %); at the other extreme some Southern and Eastern European countries, in particular Greece (35.7 %), Romania (37.4 %) and Bulgaria (41.3 %), where **more than a third** of the population was affected by poverty or social exclusion.

17 Member States (nearly 2/3), have increased poverty since 2008, (the start of Europe 2020), making no progress on their national targets. 19 Member States have used a target based on the EU Europe 2020 aggregate indicator ‘people at risk of poverty or social exclusion’ (AROPE) and four (Bulgaria, Denmark, Estonia and Latvia) base their targets on one or more of its sub-indicators. The remaining countries (Germany, Ireland, the Netherlands, Sweden, and the United Kingdom) defined their targets based on nationally developed indicators and generally focussed on unemployment. **Three countries using the ‘AROPE’ indicator or one of its sub-indicators (the Czech Republic, Poland and Romania) had already reached their national poverty targets by 2015**, but despite this, Romania still has one of the highest rates of people in poverty or social exclusion in the EU. Poland and Czech Republic are seen as having set unambitious targets. 3 southern European countries have experienced the biggest increases in risk of poverty and exclusion (Greece, Cyprus and Spain).

The groups that face the greatest risk of poverty and social exclusion are women, children, young people, the unemployed, single-parent households and those living alone, people with lower educational attainment, long-term unemployed, Roma and migrants, as well as in the majority of Member States people living in Rural Areas. Homeless people are clearly a main group, but are still not captured from lack of EU common indicators and comparable data.

This year, the European Commission continues to **bring pressure** to Member States to report on poverty in the NRP. **A specific section is required to report progress on poverty reduction**, and in particular on the national poverty target and its contribution to the overarching Europe 2020 poverty target. The European Pillar of Social Rights is so far not visibly mainstreamed. However, there continue to be considerable problems with the lack of consistent treatment or **priority given to the national poverty targets** as well as their achievement, with 2/3 of Member States still with higher levels of poverty than in 2008.

This section highlights EAPN members’ assessment of the effectiveness of the policies and measures to fight poverty of the NRP.

In our scoreboard survey, **70% of EAPN responses say that in the NRP poverty is not a priority, and that employment is seen as the only solution, with increased conditionality** (50%

⁹ The Europe 2020 AROPE (at risk of poverty and/or social exclusion target combines 3 indicators: at risk of poverty, severe material deprivation and low work intensity, with the target to reduce poverty by at least 20 million by 2020.

strongly and 20% partly agree), a slight reduction from 2016 (75%). 60% say Austerity continues to generate more poverty (40% strongly agree and 20% partly agree). 70% say that **Social protection is seen as a cost not an investment**. However, 50% say there are **signs of an increased concern about social rights and standards**. Although 55% say the NRPs **lack an integrated strategy based on active inclusion**, this is an improvement from 75% last year. 60%, however, say there is **no progress on implementing EU social investment priorities** like investing in children and homeless (30% strongly disagree and 30% partly).

Key Concerns

Small decline in poverty but little ambition to reach poverty targets

Most members **cite a chapter in the NRP on poverty** (BE, CY, DK, DE, FR, FI, IE, LT, LU, NL, PL, PT, ES, SE, UK), although the chapter may not name poverty specifically and is often very short. In most of the sections the poverty target is referenced and the EU AROPE indicators, however 4 members **highlight the lack of reference to the EU indicators, and the continued focus on the national indicators and distinct target**, usually related to unemployment or jobless households (DE, DK, NL, SE).

Denmark: The target is to reduce number of households with very low income (LWI) by 22.000 by 2020. Since this was set, the number grew from 400.000 in 2008 to 470.000 in 2015. However, there's been a decline of 25.000 from 2014-5, and the hope is that this will continue.

Sweden: *Only the % of people not in the labour force is mentioned with a target to reduce below 14% by 2020, although some reference is made to the AROPE indicator, as it has declined.*

Netherlands: *The target is 100.000 fewer people in jobless households than in 2008. In 2015, there were 40.000 more people in jobless households but 27.000 fewer than in 2014.*

Germany: *There is a section on poverty but only refers to long-term unemployment target which they have achieved, however it has not reduced poverty, in fact risk of poverty and material deprivation have increased, along with in-work poverty. This is contrasted with the 5th German report on Poverty and Wealth where the federal government used relative income poverty, as well as the Agenda 2030 material deprivation indicator as core indicators.*

Ireland: *different sets of indicators are used, with an Irish target focused on lifting 200.000 people out of combined poverty (either at risk of poverty **OR** in material deprivation). This figure increased dramatically in 2013, reduced in 2014 and 2015. 350.000 will have to be lifted out of combined poverty by 2020 to achieve the target. But the national target is to reduce consistent poverty (both at risk of poverty **AND** in material deprivation) to 4% by 2016 and 2% or less by 2020.*

Luxembourg: *The combined EU indicator AROPE is no longer questioned, although it was for years. This was due partly to the fact that the Ministry of Family commissioned a study for reference budgets that came up with a higher threshold than AROP, but EAPN LU points out that a poverty threshold based on real needs (i.e. reference budgets) would be very important for wealthier countries like Luxembourg.*

Estonia: *There has been an increase in the relative poverty rate to 21.6% in 2014, with a slight decline for the first time in 4 years in 2015 to 21.3%, although the target set for 2015 (16.5%) has not been achieved. The main instrument is by increasing employment. For Estonia it's important to decrease the rate after social transfers by 15% by 2020.*

Belgium: The autonomous regions have different targets for example in Flanders/BE talks of poverty and social exclusion chapter and presents target to reduce poverty to 10.5% (650.000) from the current rate of 15% (960.000) in 2015. This provides vital data on realities, but currently regional level is not well reflected at national level nor in the exchange at EU level.

Czechia: The target is to reduce the number of people at risk of poverty, material deprivation and/or low work intensity by 100.000 by 2008. There has been a decrease of 122.000.

France: The number of people facing poverty is almost the same, with people experiencing poverty having 800 Euros a month. The poverty rate of working people and young people is also the same, whilst the rate of independent workers, unemployed people, family with one parents, is growing. The poverty rate for retired people is reducing slightly.

“Poverty has many reasons and many ways of showing itself, so there has to be multiple indicators and the federal government must use coherent indicators to measure poverty”.
EAPN Germany

The **majority of members see little progress on the EU poverty target**, particularly at risk of poverty and material deprivation. 4 members cite worse rates (BE, CY, LT, UK), but little sign that their governments have given no priority or urgent measures. **There is also a widening gap between Member States**, for example in Cyprus, where poverty increased from 27.4% in 2014 to 28.9% in 2015. In Lithuania, the poverty rates are also worse, and the government has made no progress on a very unambitious target. **EAPN LT has proposed a new objective last year, to be set no lower than the average in the EU.** UK’s rates have also increased, however it has refused to set a Europe 2020 national target rejecting *“top down targets as a performance management tool”*. Although UK has a high employment rate, the AROPE is high and will rise as well as material deprivation, **showing that a job isn’t a sufficient route out of poverty.** Although there was a slight fall in AROPE 2014/5, relative poverty is expected to rise from 21.3% in 2014-5 to 23.6% in 2021-22, 2/3 of increase can be explained by faster earnings growth for middle income households and 1/3 due to benefit cuts (According to the study by Hood and Waters, March 2017). In other cases, although small reductions are apparent since 2015, 2/3 countries have not recuperated their 2008 levels. In Spain, for example the AROPE rate has declined, as has the Gini co-efficient for inequality, but it is still higher than the average for the Eurozone.

In a few countries, the target has been reached. This is seen as due to the choice of indicator or the decision to set a low or unambitious target e.g. Germany and Poland. Latvia comments that the benchmarks have not changed since 2009, with a continuing focus on economic priorities, rather than the need to respond to the needs to achieve a dignified life.

Poland: Social partners and NGOs led by EAPN PL proposed to increase target as early as 2013, from 1,5 million to 3 million people at risk of poverty and/or exclusion (AROPE). Although the previous government rejected this. The new government is even more optimistic and has set a target of 1.5 million predicting 4 million.

Neither is there a **consistent attempt to analyse the trends and the causes (FR, LV).** For example in Finland, although the AROPE figure is quoted, there is no analysis on how poverty indicators will evolve even though it comments that *“There are significantly more people on low incomes than at the beginning of the 2000s...”*(NRP FI) but offers no explanation or solutions.

Lack of consistency in measurement of the poverty target with few signs of social rights

There is a **wide variation of the approaches towards delivery on the poverty target**. This underlines the problem of the lack of a clear, consensus on an integrated rights-based strategy at EU and national level to fight poverty and social exclusion. In many countries, particularly those under pressure to reduce deficits and public debt, the overall approach is an avoidance of the **structural causes of poverty, and a tendency to promote "less state, blaming the poor and transferring the burden to the person and their family"**, EAPN CY. As EAPN CY points out, this fails to recognize that *"people need financial support and a complete protection network and services. That is why the state exists"*. Most focus on employment, often as the only route out of poverty, despite the evidence to the contrary. In some cases, this is interpreted as a focus on social mobility (DK). Disappointingly, **there are few signs of Social Rights being mainstreamed yet in the NRPs**, according to the majority of responses (CY, DK, EE, FR, FI, DE, ES, IE, IT, LT, LU, LV, NL, PL, UK). As highlighted by EAPN Poland *"The language of social rights and standards is not present in NRP, as its mainly language of policy reforms subordinated to the CSRs, Europe 2020 and Semester logic"*.

In a few Member States, **members find some reference to rights** (BE, PT, SE). In Belgium, the autonomous regions have different approaches. The Federal government mentions that some people fail to *exercise* their rights, and focus on investing in better computerised systems, and making the social system more efficient. But as BAPN points out *"Social security is no longer a system of rights, but only to ensure an inclusive labour market and a tool for the economy"* (BE). However, some of the autonomous regions make other references – i.e. rights for children (Walloon), automatization of rights for the most vulnerable and non-discrimination. In the Brussels region, a thematic report has been produced with the non- use of rights as a main topic. However, many would agree with EAPN Sweden *"there are words but no big reforms"*.

Even where **more positive strategies are proposed** (ES, IT, PT, SE) (see below section), the **lack of a clear rights base and budget backing often weakens potential impact**, particularly in countries facing excessive deficit procedures. *"Social standards are mentioned in relation to the market union, mainly around labour mobility.... Social investment is weak, and most of the social plans are 'soft law' i.e. strategies already developed by ministries with little or no funds. Stronger, more powerful policies are needed. As social competences are transferred to the Autonomous Communities, they will need to become legislation granting social rights, to reduce the huge inequalities"*. (EAPN ES).

More on Income inequality, but more distributional/social impact assessment needed

Some members note an **increased focus on inequality**, perhaps in response to the AGS, and Guidelines. Whilst this is generally a positive development, there are some **concerns about the way it is presented, the solutions proposed as well as worries that inequality would replace, rather than compliment the focus on poverty reduction**. (ES, IE, UK). In most of these countries inequality is highlighted as going down, and the governments are quick to use the data as evidence of the effectiveness of their current policy approach. However, most of these countries have **high inequality rates, and the long-term, historical trends are not always underlined**, nor the contradictions with poverty data. In Ireland, the NRP highlights that income inequality is at its lowest rate in 2015 for a decade with a Gini coefficient of 30.8.

However, this is well above the rate of 29.3 in 2009. (EAPN IE). In Spain, Gini has declined from 34.7 to 34.5, justifying the decline due to economic recovery and job creation. However, Spain still continues to have one of the highest inequality rates (compared to the EU average of 30), and the Europe 2020 poverty indicators are far from good, with 27.9% at risk of poverty and social exclusion.

Positively UK and IE both are already implementing distributional impact analysis particularly on tax/benefit policy, highlighting the results in the NRP. (IE, UK). For example, in UK, in the Budget 2017, the NRP highlights that the bottom two income quintiles gain most, with smaller gains for middle and top. In Ireland the NRP highlights that income inequality is lowest in 2015 than in the decade with a Gini coefficient of 30.8, but well above the rate of 29.3 in 2009. Unemployed lone parents and couples with children gain most. However, EAPN IE points out that there is only slight progressiveness, when most budgets have been regressive. In the UK, according the Independent Office for Budget responsibility and key expert institute, Institute of Fiscal Studies (IFS) **Government policy is responsible for increasing poverty and inequality**. Distributional impact assessment of tax/benefit reform has shown that the cuts proposed in 2015 (Browne 2015 and Browne, Hood and Waters 2017¹⁰) will see most loss of income for the poorest deciles (6-8%) with 3rd decile losing 5%. Lone parents out of work are worst hit 15%, before counting the impact of price rises/inflation (UK.) This is argued as due to faster earnings growth for high income households and benefit cuts to low income. A key issue is how this approach links to or is **integrated into a broader social impact or poverty impact assessment**, particularly as an ex-ante and well as an ex-post instrument. In Ireland, a new development is a commitment to budget and policy “**budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights**”, but the impact is not clear. As EAPN IE points out “*Existing Poverty Impact Assessment (PIA) is not transparent and not effective.*” (IE). A new ex-ante social impact assessment is being proposed as first step towards a comprehensive assessment of impacts of budgetary measures on household incomes, and is designed to complement distributive analysis of proposed tax/benefit measures in the Budget each year.

Missed opportunity to promote Active Inclusion as positive support into employment

Most members highlight the continuing **prioritization of a focus on any job as the main route out of poverty**, despite the contrary evidence of rising in-work poverty and difficulties of access for most groups. (BE, ES, DK, DE, NL, BE, IT, FI, UK). However, several members highlight Active Inclusion in the NRP although the approach is **not always seen as a positive, person-focused, integrated approach based on the 3 pillars, underpinned by social rights**. (BE, IE, DE, FI).

In Ireland, the NRP says that the National Action Plan for Social Inclusion is based on **active inclusion** – “*enabling every citizen to fully participate in society including having a job*’. But the plan itself doesn’t always follow this integrated approach (IE). In Belgium, Active inclusion forms the basis of an individualized social integration project since 2016. This involves an individual contract between the minimum income recipient and the public centre for social welfare. This help however, is contingent on willingness to find work and people can be

¹⁰ Browne, Hood and Waters (2015), The impact of proposed tax, benefit and minimum wage reforms on household incomes and work incentives, IFS report R111.

compelled to accept community services. Although this is not meant to be obligatory NGOs question this (BAPN). **Activation based on conditionality of this kind undermines a rights based approach** (EAPN DE). The difference in the approach, is a clear policy choice. Too often the deciding factor seems an aim to reduce benefit expenditure. In Finland, a study on active social security (Feb 2017) examined how the social security system, particularly unemployment benefits and adult social work could be used to develop skills of unemployed more extensively, with an experiment to develop social work, however EAPN comments “*this is likely to mean more obligations and negative incentives or more personalized services.... But the latter would mean more resources, and the government line is the opposite*”. (FI)

Some positive examples highlighted include the use of social economy as a means to support vulnerable people into work (BE, RO) as well as approaches to strengthen informal personal networks (BE/Flanders). Others highlight positive action to tackle transitions to work, and personalized support rooted in local communities (NL/RO) (See employment section more). For examples, EAPN NL highlights an increase in tax credits for workers and financial incentives to employers to hire excluded people, with more intensive guidance for unemployed, and experimentation under the Participation Act.

Minimum Income focus but needs rights-based approach to ensure adequacy and take up

Several responses highlight **a focus on Minimum Income in the NRPs, but insufficient priority to adequacy, take-up and coverage or a rights-based approach.** (BE, CY, DE, ES, DK, IE, IT, FI, PT, UK). The overall approach is often linked to increasing ‘incentives’ to work often through conditionality, rather than ensuring sufficient income for a dignified life, as a right. In some cases, **minimum income is being lowered to make it more profitable to work** (DK). In the UK, research by the Joseph Rowntree Foundation on the Minimum Income Standard (MIS) has demonstrated that no benefits meet this standard and the gap is rising. 1/3 of families live below the MIS in the UK. The risk is also worsening, due to rising inflation, lower growth and risk to jobs, but most importantly the further roll out of welfare benefit cuts already announced in 2015, 2016 and 2017 as well as cuts to public and subsidised services from health to transport.

Where countries are investing in higher minimum income (BE, CY, DE, IT, ES, RO, PT) there are still concerns raised about still inadequate levels, increased targeting and conditionality (BE, CY, DE, ES.) Some positive developments are noted regarding **disregards** (LT), and take up (FI) as well as a basic income experiment (FI) but **robust and transparent evaluation** is urgently called for to assess the impact on people’s right to a dignified life.

Belgium: The NRP talks of an increase minimum income up to the European threshold, but there is also **increased means testing** and warnings about unemployment and inactivity traps. “This is not a rights based approach but a merit approach” (BAPN).

Cyprus: The Guaranteed Minimum Income (GMI) was started 3 years ago, but it is still not enough to cover real needs. They highlight a new problem of ‘**targeting**’ other benefits e.g. child benefit, student, etc which is excluding many families.

Germany: The Federal Government has increased the monthly amount of MI, but it is still too low (150 Euros per adult) and does not cover basic needs. It can also be reduced and cancelled.

Portugal: The increase in social benefits is welcomed, particularly social insertion income, but it is still far from being adequate.

Ireland: The NRP approach is not focused on adequacy - providing a minimum essential standard of living. Rates were increased by 5 Euros (working age) in budget 2017 from 188 to 193 Euros a week, which is still insufficient and with smaller increases for those under 26 who are already on lower level.

Lithuania: The level is only 102 euros, more than twice below minimum needs. However, some positive developments have been introduced regarding new disregards when taking active labour market or socially useful activities, however conditionality and sanctioning is still a problem, which is likely to increase in non-take-up. EAPN LT highlights “number of beneficiaries are decreasing while poverty is increasing.. so conditions must be relaxed” and calls for **comprehensive research on the impact of these measures**.

Italy: A more positive evaluation is given. Although there is **not yet a universal guaranteed minimum income**, there have been a significant increase in the budget to fight poverty from 50 million to 1 bn Euros and a new minimum income REI – (traditional inclusion income) from March 2017 replacing SIA (support of active inclusion). This has a broader base and more financial resources, based on the existence of generalized economic need rather than categories (i.e. elderly, disabled etc..) However, EAPN IT points out major **problem of implementation/bureaucracy** which poses a threat to beneficiaries and managing agencies, and gaps regarding single people, particularly women.

Finland: New initiatives are also being taken to increase take up and coverage, and to tackle geographical inequalities of access and treatment. Basic social assistance was transferred from local authorities to national level, at beginning of 2017 to ensure equal footing, to help reduce non take up, and to free local social worker’s time. However, it is still too early to assess impact. EAPN FI highlights that no mention was made regarding the big problems of implementation at the beginning, when the new system was not managing applications within the legal timeframe (7 days). The **Basic income experiment is also highlighted**, although EAPN points out it is only for 2000 unemployed people, so any bigger impact on poverty will only be seen after 2018, depending on the government decision.

Modernizing social protection must safeguard adequacy of income through the life cycle

EAPN members are concerned about the **impact of the ‘modernization/reform/restructuring of social protection’** on overall income support and living standards. The overriding objective is seen to be a drive towards cost efficiencies resulting in a rolling back of the quality and universality of social protection systems.

Whilst minimum income is crucial, the need is to ensure the right to an **adequate income support throughout the life cycle and regardless of employment status**. Whilst some positive trends are seen in supporting transitions to work, other benefits and pensions are not always being maintained nor strengthened. As summed up by EAPN Cyprus “there is a lack of wrap around support – people are desperate as social welfare system is reformed without a vision, so poverty is increasing. People ask for support (not only financial) and the answer is that we are at the stage of reform and don’t have the personal to reply to your demands. The issue of **tapering of benefits and earning disregards** in transition from unemployment to work is seen as positive, both to ensure adequacy and positive incentives to work. (NL, IE, LT). In Netherlands, disregards have been increased when working on minimum wage after coming off benefit, working an extra day a week is now more profitable for second earners means benefiting more single people, single parents and 2nd earners with young children can work. In Lithuania, a positive additional benefit for long-term unemployed has been introduced for

those who return to LM, however they highlight insufficient support for single parents. In Ireland, there has been a partial reversal of cuts made to income disregard for lone parents in receipt of One Family Payment and Job seeker's transition, who return to work. Now they can earn up to 110 Euros a week without it impacting on the weekly social welfare payment. However, EAPN IE points out that disregard was over 140 Euros before 2013! **Several members highlight some welcome increases in pensions and other benefits (FI, IT, NL, IE)** e.g. in Ireland the old age pension was increased; in Finland the minimum level of young people's rehabilitation allowance for vocational, whilst in. Whilst in Italy, Funds to support people with severe disabilities and family support has been increased, together with reorganisation of legislation on social services. Nevertheless, **de-indexation of pensions and benefits is a growing concern, resulting in hidden cuts to benefits and income adequacy (FI, IE)**. In Finland, the national pension index was lowered by 0.85% from 2016 affecting all pensions and linked benefits, i.e. disability benefits, labour market support, child increment and housing allowances. The single parent supplement of child allowances was maintained at the 2016 level, but otherwise child allowances were reduced by 0.91% with no analysis of impact of cuts on poverty. The normal index adjustment was made only to the basic component of social assistance; it was increased by 0.4% in 2017.

Ensuring the right to energy, food, health and social services not just enabling services

Ensuring access to key services is key to embedding a social rights approach, as well as preventing and tackling poverty. **Whilst 'enabling services' are given some focus** in the NRP e.g. education, employment, childcare (See education and investing in children chapters below), there is much less evidence of priority to ensuring access to other key services – like **energy, transport, health, but also increasing access to food**. With the growth of Food Banks and the implementation of the expanded FEAD programme, it would have been expected that the NRP poverty chapter would provide an assessment of delivery. This is only highlighted by Spain and Luxembourg. In Spain, attention is drawn to the FEAD programme (2014-2020) established with royal decree in Dec 2016, putting in place for the 1st time a direct subsidy to food distribution organisations. In Luxembourg, the NRP praises the benefits of social groceries although these were not introduced by government but NGOs. Some positive developments are highlighted in **Energy Poverty** (ES and BE/Flanders). In Spain, a social bonus has been introduced with discounts for vulnerable consumers and additional protection, i.e. the especially vulnerable can't be cut off and an increased deadline for other vulnerable consumers extended from 2-4 months. The electricity market will have to co-finance part of the costs. In Flanders/Belgium, an Energy poverty programme has been introduced in 2016 – based on social protection and energy saving, whilst in BE/Wallonia there is increased protection for consumers of gas/electricity and social water fund. However, there is **no assessment of the effectiveness of these measures, nor the shortfalls and gaps in terms of the demand**.

Ensuring **access to universal, quality and affordable Health and Social Services** are seen as growing concerns. (ES, CY, PT, IT, UK). **Universal health services** are facing a major crisis. In Spain for example, 1 out of every 10 Spaniards finds it difficult or very difficult to pay for health. 2 out of 10 who have a dependent person are not covered by this assistance. This is the result of the royal Decree of 2012, which restricted access to universal health care and the lack of implementation of the Law of Dependency. Whilst **some positive steps have been taken often in response to CSRs, they are often shackled by underfunding** and unwillingness

to invest under the constraints of deficit and debt reduction strategies. In Cyprus, a new law setting up a national health system with universal health care coverage will be implemented from June 2019 and hospital autonomization law to start immediately. This aims to tackle problems of access to public hospitals due to under staffing, and long waiting times, where people are being forced to go to private hospitals. In Portugal, positive steps are being taken to enhance proximity and internal capacity of the National Health Service. Particularly highlighted is the **improvement and expansion of dental health**, as well as the expansion of integrated care network and pilot experiences on mental health integrated care, the improvement and reinforcement of primary care. However, the implementation and impact is so far unclear. A major challenge for **universal services is how to provide equal services to all regardless of geographical location (Postcode lottery)**. Most countries demonstrate a disturbing lack of territorial equality (IT, ES, FI, UK). The challenge is to ensure minimum package of standards for all regardless of location, whilst recognizing the autonomy of regions and municipalities. For example, in North and South in Italy there is a new commitment to offer same quality of medical care, creches, long-term care for all residents, but the challenge is the funding and implementation. (EAPN IT).

De-institutionalization are popular trends, linked to the development of **community services and increased prevention** supported by EU funds. However, few guarantees are being made that sufficient investment will be put in place to ensuring effective delivery staffing and resourcing at local level. (RO, CY, PT). In Romania, there is an increased focus on increasing access of vulnerable people to health services, as well as preventative programmes especially in women and health (RO). They have developed a network of community nurses and health mediator in rural communities, 45 community health centres and 7 integrated community centres. **Similar community approaches are being developed with social services** (RO, CZ). Romania highlights some positive developments regarding the use of EU funds for integrated community teams with a package of methodologies, training for social assistance experts and in every village 1 full time social worker. However, others highlight the overall **Problem of lack of investment in long-term social services support**, with the provision of services to a narrow set of groups based on an unchanging list of services in last 10 years, despite changing realities. Little priority is given to develop collaborative relationships with specialized NGOs who could offer high quality services, personalized services– particularly regarding long term unemployed, families, children and risk, former convicts, persons suffering addictions, refugees and Roman.

Embedding a rights-based, integrated strategy to fight poverty

EAPN underlines the importance of the **lack of an explicit rights-based integrated strategy to fight poverty across the life course, based on access to quality services, social protection and quality jobs, and linked to specific strategies for key target groups**. Although members highlight positive developments with national, regional and local integrated strategies, few demonstrate a rights-based approach, or are sufficiently comprehensive or integrated. Concerns however are raised about the **tendency to re-package existing measures as strategies**, or where **coordination mainly appears to benefit the institutions simplification agenda rather than the beneficiary**. (ES, BE, IT, NL, RO).

Spain: A new National strategy for prevention and fight against poverty and social exclusion will be launched (ES). This was preceded by National Inclusion Plan up to 2016, which had little

success, and is pending evaluation. The main aim is to ‘coordinate’ what is currently being delivered, but not as a tool to fight poverty.

Belgium: There are plans at different territorial levels, e.g. the Federal Plan to combat poverty (2016-19) with 6 strategic objectives: social protection, reduction of child poverty, fight against homelessness, right to healthcare, access to public services. It will be monitored at the Council of Ministers at end of 2017. BAPN has made a response, highlighting that it is too focused on getting people into work in order to finance a sustainable social system e.g. disabled people. There is also the Flemish poverty reduction plan, a Brussels Capital Action to reduce poverty. However, in all a clear integrated, rights-based approach is missing.

France: There was an integrated strategy to fight poverty until May 2017, but a new President has now been elected with a new government. Until now the new Ministry for Social Affairs does not seem ready to involve herself in an integrated strategy with a plan.

Ireland: The NRP says that National Action Plan for Social Inclusion is based on active inclusion – ‘enabling every citizen to fully participate in society including having a job’. But the plan itself doesn’t always follow this integrated approach.

Italy: The NRP provides strong support for a National Plan against Poverty, as well as measures for women and youth employment, support for entrepreneurship, right to study and access to health, measures for families, the disabled and equal opportunities. The financial allocation has increased considerably from 50 million to 1 billion Euros. However, the issue of territorial inequality between North and South is a major challenge.

Netherlands: Local integrated strategies - City deals are being established providing **integrated**, personalized solutions at the local level. These integrated alternative arrangements include access to housing, work, income, healthcare, youth assistance and social support with emphasis on the most vulnerable households. There is also a more comprehensive approach to tackling poverty and debt. Strengthening collaboration between public/private to reach target groups.

Portugal: A direct reference is made to the implementation of a strategy to fight poverty and social exclusion, ensuring the sustainability of the social protection system, recovering social standards, and through access to public basic needs as important measures to defend and strengthen the welfare state, but still falls short of a comprehensive strategy to meet needs of all groups. It is set within the NRP Pillar on strengthening social cohesion and social equality, which has 3 priorities – fight against poverty and social exclusion activation of vulnerable groups, reduction of inequalities by increasing disposable income, and access for all citizens to basic public goods and services.

Romania: There is a national strategy on social inclusion and poverty reduction, supported by ESF Fund of 21 million, financing technical assistance to Local authorities to operate public services.

More focus on child poverty, but lack of rights-based integrated approaches

New actions to tackle child poverty are highlighted by the majority of responses (BE, CY, EE, ES, IE, NL, IT, LT, LV PT, PL, SE, UK). However, many are concerned that the approach continues to be **piecemeal, lacking a rights-based approach**, and without **an integrated Investing in Children approach**, (which invests in adequate resources, quality services and children’s participation). EAPN underlines that poor children rarely grow up in rich families, so the need to ensure families as a whole are supported, whilst respecting a children’s rights approach.

Some countries are introducing new measures to **improve children/family income**, in some cases these are responding to CSRs (BE, IE, LT, NL, RO, SE), involving significant increases in budget. In BE/Wallonia reform of family allowances with supplements for vulnerable families. In Ireland, Child poverty is addressed under the CSR 2, aiming to lift over 70.000 children out of consistent poverty by 2020, a reduction of at least 2/3 on 2011 level. This includes **improvements in social welfare** supports for those in work or in transition (see above section on benefits). In Sweden, there is an increase in maintenance support of SEK 300 per child and month and basic level of parental benefit to SEK 250 day. **Adequacy of child and family benefits is however not always guaranteed.** EAPN LT highlights the problems of adequacy and the need to disregard child benefits etc for means tested benefits. In Poland, the Family 500+ programme was introduced in the early part of 2016, with a new child benefit, which has impacted on poverty. **However, the aim was not to fight poverty but to increase the birth rate.** In other cases, **financial measures** are being introduced to support a wide range of actions, with the aim of reducing child poverty i.e. in Romania, tax deductions are promised for families with children, increase of the insertion incentive payment, and parent assisting mechanisms. This adds to previous measures e.g. increased child allowances, childrearing indemnities, family support allowances, social vouchers for kindergartens.

Some highlight support for increasing **access to childcare**, (IT, PL) but it is unclear how far the focus is on quality early learning. For example, in Italy, a voucher is provided supporting fees to attend public/private nurseries for children born after 1 Jan 2016, also extended to self-employed mothers. (IT). In Poland, some efforts are made to expand childcare for children up to 3.

De-institutionalization and increased investment in prevention, are positive developments, but highly dependent on EU funds, with uncertain implementation. For example, in Romania, de-institutionalization of youth, and children in foster care is being promoted to ensure good transition, financing the social service infrastructure in the community - day centres and family houses. But as it is all dependent on EU funds, it is not clear how implemented or when. (EAPN RO). EAPN Lithuania further highlights the need for more emphasis on preventative programmes not just emergency and on positive parenting, not just families at risk, through a local, case management approach (LT)

The trend towards decentralization, offers opportunities and threats. (NL, BE, CY). In the Netherlands, 100 million Euros extra is allocated for child poverty from 2017. 85 million is spread over the municipalities who have to create new rules/processes to prevent social exclusion and future disadvantage. However, the implementation and impact is not clear. EAPN NL). **In Cyprus**, parenting support is highlighted but these are not new measures. Here, local authorities are being forced to carry out budget cuts to family programmes as the government has reduced financial support (before LA's provided family support programmes as part of their social policy – e.g. childcare, summer school) (EAPN CY).

There are some **signs of strategic approaches, with some mention of rights**, although not specifically Investing in Children. (BE, ES, UK), but concerns are raised about their overall effectiveness.

Belgium: Reducing child poverty is a Federal Plan objective, interpreted differently by the regions. In Flanders, the focus is on families with young children with additional funds to local authorities to develop an efficient/effective local policy, this includes providing accessible,

children centres with all basic services at Local Authority level. In Wallonia, there is a specific Action plan on the rights of the child (2016) with 70 concrete actions in 3 areas 1) access to rights, 2) information, training and education on rights of the child, 3) governance of children rights.

Ireland: An integrated approach is being followed in Ireland, which is positive. However, there are inconsistencies with income policy for adults (particularly in this context non-working parents), and groups such as asylum seeker children, but I think it is still important to highlight.

Spain: The Comprehensive Family Support Plan (PIAF) remains in force. It is the main instrument for coordinating actions to support the family, including tax credits. 2 new measures have been approved according to the NRP - a supplementary pension for those who have had children and are beneficiaries of pensions, widowhood or disability. (140.000 beneficiaries., extension of paternity benefit from 13 days to 4 weeks). Social support programmes have been strengthened, giving 48 million Euros to the Autonomous Communities, but it is not enough, with low social investment, piecemeal and unequal. Only 43.7% of children under 3 attend childcare – over half pay services in full, with only 22.2% free. 22.5 % of families have difficulty in caring for their children under 12. An alarming amount of children are at risk of poverty, particularly single parents, with an AROPE rate of 53%, 4 points higher than the EU average...

UK: In the UK, absolute child poverty after housing costs is expected to rise from 27.5% to 30.3% due to tax and benefit changes, including a freeze on child benefits for 4 years. This will hit 1 million children with 2.1 million families at risk, with 70% in work (Policy In Practice 2016). Although the UK ended the 2010 child poverty act commitments, the devolved nations continue their commitments to a strategic approach e.g. Scotland commits to end child poverty and a new duty to work consistently towards its antipoverty goals, including committed paying the voluntary Living Wage. The Welsh strategy sets 2030 as the goal for eradicating child poverty puts more emphasis on food poverty, affordable childcare, housing, in-work poverty and mitigating impacts of welfare reform.

Whilst many of these initiatives are welcomed, EAPN members continue to stress the overall **inadequacy of the response to deal with the challenges, with over 1 in 4 children in poverty, wide disparities across the EU and child poverty increasing** in many countries.

Some progress on tackling homelessness and housing exclusion, but more needed

The **growing number of homelessness, is a major concern for EAPN members**. EAPN Denmark, highlights homelessness amongst the young as a particular concern highlighting an 85% increase amongst 18-24 year olds between 2009-15. This crisis is **strongly linked to the collapse of the supply of affordable housing for low and middle income households and with the decline in the offer of social housing**, as well as **discrimination** for some key groups e.g. migrants and refugees.

Measures to promote **affordable housing**, are highlighted such as initiatives to increase housing allowance support and regulation of rents, but there is **increasing evidence of market failure in the private rental sector**, and the need to increase supply and access to **social housing**. (BE, IE, CZ, LV, FR). In Belgium, there are initiatives to harmonise rent allowances, promote social housing and evaluate social letting agencies, (BE/Flanders.) In Wallonia, there are reforms to housing access, with creation of a rental guarantee fund, and the fight against insecure and unhealthy housing. In Czechia, the NRPs mention the Social Housing act which

will establish a legal framework for the social housing system. It is linked to the provision of social work and social benefits for housing. It is supported from national sources and the SF Regional operational programme where the beneficiaries may be municipalities, NGOs or religious organisations. However, it is very controversial from NGO perspective and not approved yet by parliament. In France, a 5year plan to tackle better housing was foreseen, but with no additional money or number of houses to be constructed. In Latvia, it's a serious issue, particularly affecting single parents, large families, elderly and single people.

However, some members **highlight increased risk of housing exclusion from home owners, involving home loss due to failure to make mortgage payments.** In Spain, the mortgage loan default rate of individuals increased from 3% in 2009 to 5% in June 2013. This has led to an increase of evictions particularly amongst low to middle income households. According to the General Council of the Judiciary (CGP) up to 2006, there were just 20.000 foreclosures annually, in 2012, there were 91, 622 and in 2013, 198, 166 pending.

In terms of homelessness, individual measures are highlighted, but are too often piecemeal (LT, PL, SE). The focus is on shelters that do not provide services or help people get on their feet (LT). Sweden highlights that **concrete strategies to reduce homelessness are missing**, although government states that 'a home is a pre-requisite for social inclusion'. The main measure is the launch of a national survey in 2017 to understand better the extent of homelessness and exclusion, but with insufficient focus on how to provide affordable housing for low and middle income households (EAPN SE). In Poland, housing exclusion and homelessness are not mentioned despite housing plus programme. It includes homelessness but the focus is on expanding shelters not housing measures.

Several members highlight more positive examples of integrated strategies to tackle homelessness, particularly related to housing first. (BE, IE, ES, UK), however the resourcing is not always clear, and the NRP rarely highlights the evaluation of the effectiveness of the approaches.

Belgium/Wallonia: *There is a Global plan on homelessness (2017-19) and Housing First projects in Liege, Charleroi, Namur and initiatives to guarantee housing access. In the Brussels region, access for homeless people is promoted through adapted housing, the fight against vacant property, an increase in social housing with strengthening of social housing agency. 2 separate agencies have been created for reception, urgent social care and guidance of homeless people.*

France: *There was an objective to build 150.000 social housing a year, which has not been reached, only 126.000 has been produced in 2016. There's been an increase in low rental housing, but the rent still remains much higher than the earnings of people facing poverty. More affordable housing is needed.*

Ireland: *Housing and homelessness are also targeted as a major priority for the government but due to the size, complexity and historical approach they struggle to make progress. Housing First is a key policy approach outlined in Rebuilding Ireland Action Plan for housing and homelessness, but much of the current homelessness relates to the shortage of private and public housing and to the resulting high cost of rental and housing. This leads to housing exclusion. 64% of all homeless families are single parent families.*

Spain: *In 2015, a national comprehensive strategy for the homeless (2015-20) (ES) came into force and NRP mentions it but doesn't evaluate the impact. A new Housing plan (2018-21,*

supported by Structural Funds will promote rehab and regeneration, with special attention to energy efficiency.

Portugal: *The Council of Ministers recently announced the approval of a national strategy for the inclusion of homeless people (2017-23), although it was not mentioned in the NRP. (EAPN PT).*

UK: *Homelessness in England has risen by 33% between 2010-16. This is mainly due to loss of tenancies following problems of benefits cuts/or administration of benefits. NGOs Shelter and Crisis call for UK government to follow Welsh government policy which places a legal duty on local authorities to help people in housing crisis. This has led to a 67% fall in homelessness in 9 months (Homeless Link). Rough sleeping has also increased by 134% since 2010 and 1% 2015-16. Affecting 4134 in 2016. Chancellor provided 115 m to tackle rough sleeping, but doesn't tackle the root causes i.e. insufficient housing, rising rents and benefits cuts/administration. Housing First studies in UK in 9 services show the approach is successful in rehousing ¾ and reducing ill health from 43% to 28% (Housing First in England Study).*

New priority needed for rights-based approach to tackling discrimination

The issue of **gender** in the NRP is highlighted by several members (CY, CZ, DE, DK, EE, IT, PL, PT, SE, ES, UK) but comments are made that it is mainly focused on women's employment and the work place – gender pay and pension gap. (See Employment chapter). Measures to fight **discrimination against other key target groups**, (people with health and disability problems, ethnic minorities including Roma, migrants and refugees etc) who are often facing some of the highest risks of poverty and exclusion, is generally absent. (IT, PT, SE, UK, PL, LT, FI, DE). Where it is mentioned (CZ, SE) it is focussed on legal migration, and mainly focused on employment. In some cases, like Sweden, this is particularly surprising given its main overarching goal named in the NRP to achieve equality of development and cohesion throughout the country including right of public access and public services, good accessible health care, long-term care. *"This shall not remain a dream, but shall be a reality for everyone in the entire country"* (Swedish NRP). However, no analysis is made of the groups encountering major barriers to accessing their rights. **Roma Inclusion** also has a low profile, although mentioned in a few countries. (RO). Surprisingly, even where a national strategy for inclusion of Roma communities is in place it is not always mentioned. (PT). In Romania, the 2015-20 Strategy on social inclusion of Roma is highlighted, citing the continued implementation of a pilot social housing programme for Roma communities. A draft legislation is planned aiming at building 280 social housing for Roma. However, no evaluation is made the challenges faced nor the impact of current policy measures. Some focus is given to **people with disability** (EE, PT) but mainly in relation to increase/adjustment of allowances (See above section). In Portugal, there is a reinforcement of 'inclusion desks' i.e. specialized care services for people with disabilities and the implementation of a new social benefit for inclusion, as well as a new independent living support model. In Estonia, there is a focus on long-term care for the elderly and disabled, but mainly through the lens of the labour market, to prevent the withdrawal of the person, with the provision of special welfare and support service, and improving independent coping. Czechia highlight the focus on **older people** in relation to changing people's and society's approach to aging, in order to improve the participation of older people in society and to promote active ageing as a means of preventing social exclusion and health problems. EAPN Latvia highlights the increased risk of poverty for

older, particularly single people and people with disabilities to achieve a dignified standard of living, but inadequate measure proposed.

UK: *A major gap in the poverty section of the NRP relates to people with health conditions and disabilities, as in the NRP assessment this is the group that has suffered most from welfare cuts. The study by Gregg and Finch¹¹ state that 22% of working age adults living with a person with a disability live in poverty, compared to 12% of those without. This is partly due to the poor implementation of the conditionality-based testing regime for welfare benefits. People face higher costs because of their health, which was previously recognized in the benefits systems, but now it has been scaled back. Support for the costs of living with a disability has been reduced as well e.g. Removal of Disability Living Allowance and replacement with Personal Independence payment, has tightened eligibility particularly related to mental health. Most people are significantly worse off. (EAPN UK)*

There is more focus on **migrants and refugees/asylum seekers** (BE, CY, DE, IT) but mainly in relation to the extra demands on spending and need for flexibility under the deficit/debt rules (See macroeconomic chapter). Where more detail is provided the focus it is on **integration measures**: providing language support, social services and health care and support for inclusion (BE, DE). For example, in Belgium, living labs for migrants from 3rd countries are established to facilitate integration, also into school. (French community). In Flanders, there are new centres offering social services and health care for marginalized population – homeless, migrants/Roma. Specific support is offered to migrants for language learning, helping mother in care of children. In the Brussels region there is a legal framework making a programme for newcomers mandatory.

Most members highlight the lack of **‘valid migration policy’ which deals with the reality of the situation of migrants of all types – at the point of entry, in accessing their rights, getting support for inclusion and integration, gaining reunification for their families.** Italy highlights the inability to face the overwhelming demands of desperate migrants arriving on their shores, without shared responsibility from other member states. The focus only on determining migrant status, based only on the country they are from, is threatening the provision of basic humanitarian support and human rights (BE, CY, DE, IT, PL). Several highlight the lack of concrete action to combat **the big rise in discriminatory media** action against Muslims and Asylum seekers, which is supporting the rise of hate speech (CY, PL, DE).

EAPN Germany: *Integration measures for German language are only for refugees from Syria, Iraq, Iran, Eritrea, Somalia. Others wait months for a decision on their asylum application and cannot learn German. Large groups of rejected asylum seekers are tolerated, but are not supported into integration and excluded from social participation. (33.000 rejected asylum seekers for more than 6 years.) There are also legislative barriers, with the prolongation of the obligation to live in reception facilities, limiting labour market integration (e.g. deportations of refugees in vocational training). There is also a lack of affordable (social) housing and poor public schools.*

EAPN Cyprus: *Those who are accepted, are still excluded from minimum guaranteed income and face barriers in accesses to services, also disrespect. In Cyprus, 30% of population and 25%*

¹¹ Gregg, P and Finch, D (2016): Employing new tactics: the changing distribution of work across British households, Resolution Foundation, January 2016.

of labour force are not Cypriots. The decisions over migrant status favours asylum seekers and refugees over economic migrants who have no rights at all. But neither are considered citizens. This creates poverty, homelessness, cheap labour putting migrants in the hands of reckless employers and turning them into a downward lever for labour rights for the permanent local work force. .It is also creating misanthropy and racist/fascist behaviour which are feeding populist movements across Europe”. (EAPN CY)

Key Messages

Prioritize social rights and an integrated strategy to effectively reduce poverty

- Require use of the Europe 2020 multiple poverty indicator by all MS with clear triggers for policy recommendations (CSRs) when sufficient progress isn't made.
- Prioritize an ambitious-rights based integrated anti-poverty strategy ensuring access to quality social protection, services and jobs for all groups linked to thematic strategies for key groups.
- Mainstream social rights and standards, starting with adequate minimum income, living wage and universal social protection through the life cycle.

4. EMPLOYMENT POLICIES

Introduction

The Employment chapter of National Reform Programmes is dedicated to an analysis of the measures implemented and those further proposed for reaching the employment target of the Europe 2020 Strategy, defined as “75% of the 20-64 year-olds to be employed by 2020”. According to Eurostat figures, the employment rate for EU28 in 2016 was 71.1%, in a slight increase of one percentage point since 2015 (70.1%).

A look at the realities behind the figures tells a different story. While the numbers may be showing that more people are employed, not enough attention is paid to qualitative aspects of the process. Increases in employment figures heavily rely on a proliferation of low paid, unsustainable jobs, with reduced workers’ rights. These concerns are not adequately reflected in the Country Reports of 2017, in our members’ assessment earlier this year.

20 Member States received an activation-related Country-Specific Recommendation in 2015, but job creation is not mentioned and quality of jobs is not prioritized. Encouraging elements are CSRs addressed to some countries about stable and secure contracts, tapered withdrawal of benefits combined by provision of quality, affordable childcare, but are undermined by references in other countries to negative activation, reducing wages to encourage competitiveness, and curtailing unemployment benefits to push people into work.

This chapter sets out in detail our members’ assessment of their national employment policies, as defined in the 2016 National Reform Programmes, as well of the perceived consequences of these measures on people experiencing unemployment, poverty, and exclusion.

Key Concerns

Mixed messages regarding the employment target

Some of our members state that their NRPs report **progress on achieving the employment objective** under Europe 2020 (CY, IE, LU, NL, PT, SE). However, **concerns are raised** as to the quality and sustainability of employment created (CY, LU, PT), the creative use of statistics to achieve objectives (CY, NL), or the fact that, while the overall figure may appear positive, some groups are left behind and not captured, such as women (IE), older workers (LU), migrants (SE). Conversely, the situation is less positive in other Member States (FI, UK) where there are **fears that the target will not be reached in time**, due to inadequate policies. 55% of EAPN respondents disagreed that the employment measures proposed are the right ones to ensure access to quality jobs for all, with 20% strongly disagreeing. Only 5% of respondents strongly agree that the policies their Governments are pursuing are the right ones.

Cyprus: *The proposed policies do not help achieve the employment target in a meaningful way. In 2016, employment increased to 68.6% compared to 67.9% in 2015, but the main goal*

is to reduce the number of registered unemployed, not factoring in emigration, people who are in education, or those taking up precarious, low paid job for short durations. There is no focus on creating decent and quality jobs.

Low priority to quality and sustainable employment, in-work poverty rising

A vast number of our members (CY, FR, IE, LT, LU, LV, MT, PT, ES, UK) indicate **a lack of attention paid by their countries' NRPs to decent work**. 85% of EAPN respondents disagree that increasing quality jobs and tackling in-work poverty was a key priority in the NRP, where 55% strongly disagree.

In Lithuania, proposed employment policy reforms include a new Labour Code which undermines employment rights and does not ensure quality jobs. In Cyprus, underemployment is prevalent, as well as a worsening of working conditions. In the United Kingdom, weaker regulation of atypical working arrangements mean limited access to social security and rights, translating in rising insecurity. In Spain, Private Collaboration Agencies assist companies in externalising labour relations with the employees, leading in a loss of bargaining power for trade unions. While the Spanish NRP only takes up proposals to some extent, it publishes the full contribution of social partners in its annex, including some very helpful suggestions on bettering quality of work and employment in the country.

Spain: *In the Annex to the NRP, Trade Unions propose some measures to improve the quality of jobs:*

- *Reduce temporality by limiting the use of temporary contracting based on justified causes, reinforcing the equality between temporary and indefinite workers, limiting the chain of contracts, and eliminating the indefinite contract of support to the entrepreneurs.*
- *Review the regulation of contracts for training and learning and change the regime of the part-time contract.*
- *Provide the Public Employment Services (SPE) with the investment, human resources and tools needed, and strengthen their leadership in the control of the integration processes.*
- *Establish a crash plan for long-term unemployed people (PLD) with personalized attention, redirecting bonuses and subsidies to the PLD collective, and a combination of economic aid, active policies and professional itineraries to guarantee their social protection.*
- *Carry out specific actions for people over 55 years of age who are not employed: (i) rescuing people affected by discouragement from a lack of public services; (ii) use the remainder of the budget heading of the Accompanying Programme for Employment for people over 55 who are unemployed and without benefits.*
- *Domestic work: to conclude the creation of a tripartite group of experts to study the possibility of establishing a system for the protection of unemployment and to review the formulas for terminating the contract for objective reasons.*
- *Wages and collective bargaining. Wage policy should be directed towards three objectives: to strengthen economic growth, to help change the productive model, and to reduce levels of inequality and poverty. To do this, it is necessary to: (i) increase the inter-professional minimum wage, (ii) increase the wages agreed in the agreement above inflation, (iii) exercise greater control over agreements to derogate from the agreements, (iv) recover the purchasing power of public employees, (v) prioritize the permanent and full-time employment of women, (vi) and strengthen collective bargaining through a series of additional measures.*

- *Protection of unemployment: reform the system of protection of unemployment so that it is more inclusive and extensive; Recover the allowance for those over 52; And increase the coverage of people aged 55 or over so that they retain their pension rights. (pages 86-87).*

The **low level of wages** is a crucial negative aspect mentioned by EAPN members (BE, CY, FR, IE, IT, LV, LU, MT, UK). In Cyprus, salaries dramatically decreased, as did both purchasing power and competitiveness, though the unit labour cost is one of the lowest – this indicates that profit margins are increased at the expense of consumers and workers. In Ireland, stated commitments by Government to tackle low-pay are not accompanied by concrete measures to ensure workers and their families are able to access dignified lives. In the United Kingdom, real pay lags behind inflation and stands at 5% lower than 2008, while cuts in benefits and tax credits will further reduce disposable income, with the increased in the National Living Wage only compensating for 26% of losses. In France, the Commission CSR and the Government are putting pressure on minimum wage, against the recommendations of civil society.

In-work poverty continues to be a dire reality in many countries (BE, CY, FR, IT, LU, LV, PT, ES, UK). In Cyprus, in-work poverty stands at a historical high 9% in 2015, a significant increase from 7.8% in 2014. In Luxemburg, the rising employment rate has not brought down the percentage of working poor, which has increased to 11.6% in 2015, one of the highest in Europe. In Spain, it currently stands at 13.1% (in 2016). In the United Kingdom, poverty in work is now higher than for those out of work. Romania is the Member State with the highest rate of in-work poverty, at a staggering 18.6, nearly double the EU average of 9.5% (2015).

Belgium: *A recent study by HIVA - Research Institute for Work and Society – indicates that, although the number of employment placings increased over the last years, poverty did not decrease. This points out that a significant number of workers are, in fact, working poor (due to temporary work, part-time jobs, social dumping, etc.). This gives another perspective to the mantra "work, work, work" of the federal Government.*

Better news come from Poland, where the minimum hourly wage introduced for the main type of civil contracts in use on the labour market has led to both a reduction in income poverty, as well as an increase in the quality of employment, as the NRP acknowledges. In Portugal, minimum wage was increased, though it is still considered insufficient to meet needs.

Another key concern referred by our members (BE, CY, DE, IT, FR, NL, ES) in their analysis of their countries' NRPs, related to quality of employment, is the **increased precariousness on the labour market**. In Belgium, a new law on flexible working attracted criticism from trade unions. In Cyprus, there is a proliferation of flexible and insecure work placements, with 92.9% of fixed-term employees stating in 2015 that they wished they had a permanent contract instead. In Germany and the Netherlands, legislation aimed at curbing temporary work and ensuring transition from part-time to full-time work is inadequately implemented. In Spain, the NRP does not address the issue of temporary and precarious jobs, although the Country Report of 2017 had urged the Government to take action, stating "Too often, temporary jobs fail to be a stepping stone into stable careers and might be associated with poorer working conditions and higher poverty risks."

On a slightly brighter note, also in Poland, the Government has responded to the 2016 CSR on labour market segmentation by progressing work on a new Labour Code and better regulating the reliance of Temporary Employment Agencies. A further good example comes from Portugal.

Portugal: *The Programme for the regularization of the precarious contracts in the public administration, launched in April 2017, is an important step towards reducing precariousness among people who have been working for several years in this type of conditions. According to recent news, more than 18 400 precarious workers requested integration in the public administration board, the majority in the health sector (5 796 requests), education (5 123), science/technology and higher education (1964), and employment/solidarity and social security (1 555). (Full article in Portuguese: <http://www.dn.pt/dinheiro/interior/mais-de-18400-precarios-do-estado-pediram-para-serem-integrados-nos-quadros-8595444.html>).*

Conditionality and sanctions continue to dominate activation practices

Most EAPN respondents (BE – Brussels Region, FI, FR, DE, DK, IE, LT, RO, UK) tend to report **very negative activation practices** mirrored in the NRP in their country, instead of a supportive, personalised approach, based on the three mutually reinforcing strands of the Active Inclusion strategy, combining adequate income schemes, access to affordable, quality services, and inclusive labour markets offering quality jobs. Our members point out specifically to **increased conditionality** and obligations placed on the jobseeker (BE – Brussels Region, DK, FI, IE, LT, UK), **pressure to accept any job** (BE – Brussels Region, FI, IE, LT, LU, RO), reduced duration (FI) or amount (DK, UK) of benefits, and other **financial sanctions** (BE – Brussels Region, DK, IE, LT, LU, RO, UK). The concept of **‘make work pay’, which translates in practice in tapering welfare benefits**, has a devastating impact on poverty and wellbeing, yet is being heavily favoured in some countries (BE, IE, UK). The United Kingdom underlines that strict **conditionality would also apply to low pay workers** who receive top-ups. Some members also point to **the use of private employment services as a damaging practice** (ES), or as not suitable for many of its clients (IE), as payment-by-results leads to a lack of attention to the quality and sustainability of both the process, and the work placement proposed, while creating unfair competition to not-for-profit providers. Latvia also reports that most **training and upskilling measures are inadequate** and don’t lead to decent jobs, and the feeling of NGOs in France is that the Government is not doing enough on apprenticeships – numbers of beneficiaries are decreasing since 2011.

Denmark: *The employment policy is dominated by control, sanctions, increasing conditionality, lower benefits and more unqualified rehabilitation for those who are in need of help.*

Some of our Networks (BE, IE, LT, PT, RO, ES, SE, SK) report **more encouraging activation practices**, including comprehensive support programmes for some target groups (BE, RO, ES, SK), improved adequacy and coverage of unemployment benefits (LT, PT), new in-work supports (IE), or better coordination between public employment actors and other entities (ES). However, while these measures are welcome, they are also deemed insufficient, or sometimes in contradiction with other existing, negative practices. For example, Ireland’s new “Pathways to Work Strategy for labour market activation for 2016-2020” could prove positive, if implemented in the right way, or very damaging, if it keeps with the current rhetoric of

negative conditionality and sanctions. In Slovakia, the focus on young and older workers is positive, but there is a sense that those in between, such as women of working age, are left behind.

Sweden: *The NRP states that “Ongoing labour market policy reform and reinforcement of education and training initiatives are intended to make it possible to offer unemployed people active labour market policy measures or education and training, based on their individual needs, in order to improve their potential to find a job or begin to study.”*

In our members’ assessment, **very little is said about job creation** in this year’s NRPs (BE, EE, ES, SE). In Belgium, the circular and digital economies will potentially create more jobs, and the same is expected in Estonia, through improving education and the business environment. In Italy, new jobs are not created, but pressure is put on still recovering enterprises to take on more staff. In Spain, bogus self-employment (collaborators, freelancers, outsourced workers) does not constitute actual job creation, but instead perpetuates regimes with traditionally precarious conditions. In Sweden, subsidised employment is one of the main labour market instruments. In the United Kingdom, increased job polarisation according to skills level is reported. Regarding **social economy**, supporting initiatives are reported by Belgium and Slovakia, but also Poland and Lithuania, where new laws on social entrepreneurship are being discussed, though neither NRP mentions it.

Are key populations receiving adequate, comprehensive support?

The vast majority of EAPN respondents (BE, DE, FI, IT, HU, IE, LU, NL, RO, PL, PT, ES, SE, UK) refer to their NRP mentioning **specific measures to support the employment of different segments** of the workforce, deemed in a less favourable situation when it comes to accessing jobs. Some countries have also opted for broad strategies for key groups in a vulnerable situation (BE – Walloon Region, RO), or in addition to individualised interventions for a specific category.

Belgium – Wallonia: *For the most vulnerable groups on the labour market, a framework agreement between the federation of the Public Centre for Social Welfare and the FOREM (the Walloon Agency for employment and training) is renewed in 2016. This enables the financing of training and socio-professional integration for the most vulnerable persons.*

The category most mentioned is youth, according to our members’ assessment of the NRPs (BE, FI, IT, PL, RO, PT, ES, SK, UK). Regarding measures proposed, the Youth Guarantee is prevalent in most reports (BE, FI, PL, ES), as well as special attention paid to young people not in employment, education, or training (BE, FI, PL, RO, PT). While youth unemployment decreased in some countries (IE, NL, PT), the situation is worsening in Cyprus, which currently ranks 4th worst in the EU, with the rate of youth unemployment rising to 28.9% in 2016, compared to 25.3% in 2015. Our Finnish members also point out that there is no mention that the Youth Guarantee has been cut, nor to the impact of this cut to poverty and social exclusion. In Poland, while the Youth Guarantee has been more successful, overall, than other employment programmes, issues remain around the quality of jobs accessed. In Romania, encouragingly, youth programmes contain specific measures and initiatives aimed at the integration of vulnerable youth, including those leaving state institutions, those with

disabilities, and those with dependent children. In Spain, resources for the Youth Guarantee have been stepped up.

Several NRPs (BE, DE, HU, IE, IT, LU, PL) are reported to **prioritise the female employment rate**, mostly through supporting better access to childcare (BE, UK) and attention to work-life balance (BE). However, in Italy, our members state that women receive less attention in employment policies than young people and older workers, and that it is too early to draw conclusions on the impact of these policies. In Ireland, there is a gender employment gap of 12.4%, with the rate for men at 76.5% (2016) and women at 64.2% (2015). In Poland, a call for gender anti-discriminatory projects in small enterprises will be financed, but standards have been lowered for childcare. In Spain, some new and flexible forms of labour, like hotel cleaners or domestic services, are completely 'feminised', which reinforces gender inequality in labour rights, as compels workers to pay their own Social Security contributions, but does not provide them with maternity and sickness leaves, nor unemployment benefits. In the United Kingdom, the doubling of childcare support for three and four-year olds is only available to those in work and eligible to pay income tax, and the resources offered by the Government are likely to be insufficient, as are the availability and quality of providers.

Another group being prioritised by several NRPs (BE, DE, FI, IE, ES, SE) are the **long-term unemployed**. In Belgium, for instance, the Flemish Region is backing schemes to enable long-term jobseekers to gain temporary work experience, to facilitate their re-entry to the labour market. In Spain, the "Joint Action Programme for the Improvement of Care for Long-term Unemployed Persons" and the "Employment Activation Program" seek to provide care and counselling to this group. In most countries above (CY, DE, FI, IE), the long-term unemployed are considered a particular worry, with rates increasing and unemployment duration growing. Rates have diminished in Sweden, but remain high.

Efforts to support better professional integration of **people with disabilities** are also underlined in some countries' NRPs (BE, IE, LT, NL, SE, UK), according to our members. These include a "Comprehensive Employment Strategy for People with Disabilities" in Ireland. Concerns are expressed in Lithuania about how subsidies provided to companies for employing working with a disability have not yet delivered. Subsidised employment for this category is also being reviewed in Sweden. In the Netherlands, while the "Participation Law" intends to bring about 125.000 persons with a handicap to the regular labour market, between 2016 and 2026, and employers fulfilled their part, the Government lacks behind by about 2400 jobs. In the United Kingdom, the new "Work and Health Programme" aims to focus on meeting complex needs for beneficiaries, but features much reduced resources, compounded by substantial cuts in income support for recipients.

Attention is also paid by some NRPs (BE, DE, IT, LU, NL, SK) to **older workers**, though our member in Luxemburg highlights that their employment rate remains low.

Migrants are only mentioned by our members in Belgium, France, and Sweden, while Germany deplores that current employment indicators do not include broken down information for this group. Belgium features an increase in budget for the socio-professional integration of newcomers in the Walloon and Flemish Region, and additional anti-discrimination measures in the Brussels Capital Region, including through situational testing and mystery shopping. In Sweden, the Government is betting on labour market integration of

new arrivals, for both high skilled and low skilled workers. The **Roma** are mentioned as receiving specific employment support in Hungary, Czechia, and Slovakia.

On a more positive note:

***Ireland:** The NRP highlights the further reversal of the cuts made to the income disregards for those in receipt of either the One-Parent Family Payment or Jobseeker's Transition payment. Organisations representing **lone-parent families** have highlighted that the cuts to income disregards had a direct negative impact on the employment levels of these parents. Levels are still not back where they were before the cuts were made.*

Key Messages

Make the employment target deliver on poverty reduction and social inclusion

- Ensure indicators for national statistics adequately reflect quality and sustainability of work, as well as the different employment situation of groups and regions.
- In line with the principle of the European Pillar of Social Rights, support decent work with adequate wages and curb precariousness, including through dedicated strategies to combat in-work poverty.
- Implement comprehensive, Active Inclusion approaches guaranteeing access to adequate income support and quality, affordable services, instead of punitive activation, marred by sanctions and conditionality that breach human rights.

5. EDUCATION & LIFELONG LEARNING

Introduction

The Education and Training chapter of National Reform Programmes defines national policies aimed at achieving the education target of the Europe 2020 Strategy: 1) Reducing the rates of early school leaving to below 10%, and 2) Having at least 40% of 30-34-year-olds complete third level education. Eurostat shows that good progress has been made towards reducing early school-leaving, which stood at 10.7% in EU 28 in 2016 – a steady decrease since 14.7% in 2008, and edging closer to the target of 10% by 2020. Regarding tertiary educational attainment, the figure for EU 28 in 2016 is 39.1%, a substantial increase since 31.1% in 2008, and, again, seemingly on track to reach 40% in the next years.

In 2016, 15 Member States received a Country Specific Recommendation on education, 9 of these dealing with aspects which are not part of the Europe 2020 targets, such as upskilling and improvement of professional training. However, a few CSRs do pick up on some important aspects deemed crucial by our members, such as better integration of specific groups, for instance migrants and Roma children, and improving the quality and inclusiveness of education systems. This is echoed in our members' analysis of the Country Reports of 2017, where they note that, although good progress was made on the targets, concerns persist about the little attention paid to the impact of poverty and social exclusion on educational attainment, and more investment in education for groups from a disadvantaged socio-economic background is a key requirement for a number of our National Networks.

This chapter reviews our members' analysis of the educational policies put forward in their Governments' National Reform Programmes in 2017, as well as the adequacy of the proposed measures and initiatives for reaching people experiencing poverty and exclusion, taking into account last year's CSRs and the analysis provided in the 2017 Country Reports. EAPN respondents report general good progress on the targets, with some exceptions, but not much seems to be included in the NRPs about wrap-around support for families, comprehensive and coordinated approach to recuperation mechanisms, and supporting professional, personal and community development ensuring access to education for excluded groups. While the targets may be on track, are educational policies ensuring that nobody is left behind, particularly the most vulnerable?

Key Concerns

Targets on track: most countries report progress on both educational objectives

Most EAPN members (BE, CY, EE, FI, FR, IE, IT, NL, PT, ES) report that their NRPs highlight that **the country has met or will meet the early school-leaving target under Europe 2020**. In Italy, the drop-out rate fell from 19.2% in 2009 to 15% in 2014, which means the country has reached its national target of 16%, while remaining far from the European target of 10%. In Spain, the Government expects the early dropout rate to fall from 18.98% in 2016 to 15% in 2020, achieved through the implementation of a "Plan for the reduction of early school

leaving", currently under review. Ireland has also achieved its 8% national target, registering 6.9% in 2015. France currently reached its target, registering 9.5%.

Ireland: *The Delivering Equality of Opportunity in Schools (DEIS) Strategy has been important in targeting resources at schools in disadvantaged areas, with the aim of improving outcomes, and the plan for 2017 foresees new targets, including improving retention rates at second level in DEIS schools, from their current rate of 82.7% to the national norm, currently 90.2%, by 2025.*

However, **progress on targets should not mean abandoning positive policies**, our members urge. In Cyprus, while the target is very much on track (the country having achieved, in 2015, a reduction to 5.2% from 11.9% in 2009), a strategic plan adopted by the Ministry of Education resulted in an increase to 7.7% in 2016. In Sweden, the school-leaving rate rose slightly to 7.5 per cent in 2016, which is better than the EU target, but falls short of Sweden's national target of 7%. The rate of early school leavers, while low, is also on the rise again in Luxemburg, while no new measures are foreseen to tackle this in the NRP. In the UK, the NRP does not include the education targets, however, in the first quarter of 2017, 11.5% of 16-24-year-olds were not in education, employment and training, particularly those with disabilities.

Regarding the **policy initiatives underpinning delivery on the school leaving target**, the Netherlands praises Government measures as having been successful, while Portugal also refers to a set of different policies to tackle early school leaving, such as the elaboration and implementation of a "National Programme to Promote School Success", the progressive free adoption of school books, and the reinforcement of social support mechanisms for students. Belgium also reports positive measures regarding drop-out rate and grade repetition in all its communities, including more financial resources, as well as individualised personal and educational support. A comprehensive set of good practices is also highlighted in Romania, where, encouragingly, measures are linked to and seen in the context of the national, integrated anti-poverty strategy.

Romania: *In conjunction with the measures in the Government's integrated package to combat poverty, an evaluation of the School after School interventions was conducted at national level. The aim was to replicate prevention and intervention measures tackling early school leaving and revising the methodology for organising this programme (November – December 2016). Two calls for competitive projects were launched: 1. "School for all" (finances integrated socio-educational measures targeting family, school and community) 2. "Motivated teachers in disadvantaged schools" (dedicated call for schools with highest degree of disadvantage which fail to attract or retain qualified teachers).*

The Ministry of Education continues to run annual social programmes to support pupils and students from disadvantaged areas:

- *School supplies (provided for 55,234 beneficiaries during the school year 2016-2017)*
- *Monthly scholarship for pupils from economic and social disadvantaged families, for continuing their studies after completing secondary education (approved for the school year 2016-2017 for 44,701 beneficiaries).*
- *Reimbursement of transportation costs (full payment from the state budget of subscriptions for the transport of students on distances of up to 50 km).*

- The "Hot meal" pilot programme adopted for 29,695 students and 14,544 pre-school teachers) from 50 state undergraduate education units.
- Monthly scholarship for students attending 3 year professional education.

See here for an advocacy campaign run by Human Catalyst (organisation in membership of EAPN Romania), calling for the School after School programme to be financed by the Romanian state budget, as per the Law of Education: <https://www.youtube.com/watch?v=CkkSV27ZnBk&t>.

Most EAPN respondents also indicate progress on the target concerning improving tertiary education (CY, BE, EE, FI, IE, NL, PT, ES, SE). In Spain, the rate currently stands at 40.2% in 2016, above the European target of 40%, but below the national target of 44%. While Ireland is the third in the EU28, with a rate of attainment of 52.3% in 2015, the national target stands at 60%, and measures include a range of reforms and actions with particular focus on disadvantage, including through the Action Plan for Education 2016 – 2019. Cyprus also features a very high national rate at 53.4% in 2016, however, there is a downward trend, as the rate for 2015 was 54.5%.

There are **encouraging proposed policies to improve better educational attainment for adults** in a number of countries (BE, FI, PT, ES, SE). In Belgium, in the Flemish Region, a concept paper was launched in 2016, where adult education is seen as a provider of education full of opportunities for life-long learning, integration and qualification. In Finland, measures to improve learning results and foster lifelong learning range from reforming selection procedures, encouraging flexibility, supporting digital learning environments, and promoting a new, comprehensive education programme – but the implementation of these measures is not detailed. In Portugal, the Qualifica Programme and Centres, supported by EU funds, aim at improving adult education and training. In Sweden, the *Knowledge Boost* programme aims at bettering adult education to improve their career opportunities, as well as to empower themselves for fuller participation in society and for personal development.

Spain: The *InFórmate: Learn throughout the life portal* has been launched, offering information on the formal and non-formal training throughout the national territory, aimed at adults who left the education system without the required minimum qualification, as well as resources for learning.

How far are quality and inclusiveness prioritised and backed?

Disparities in results between regions and groups in what concerns equal access to education has been a long-standing concern for EAPN. Our members have, for a long time, advocated for a **strengthened link between education and poverty-reduction initiatives**, supporting an educational environment that looks at the big picture and fosters **high quality and inclusion for all**. In our survey, a staggering 70% of EAPN respondents feel that education and training measures are primarily aimed at increasing skills, rather than at ensuring an inclusive, quality education system.

Some encouraging policies are reported in some countries' NRPs by our members (BE, CZ, IE, PT, ES). In Belgium, the Flemish community adopted measures for pupils with special educational needs, the French community adopted a *Pact on Excellence*, which emphasises

quality for all, as well as inclusiveness and diversity, and the German community supports equality and improving quality in education as main missions. In Ireland, the “Action Plan for Education 2016-2019” focusses on disadvantaged pupils. In Portugal, a tutoring programme will be implemented for students who fail repeatedly, but nothing is said about Roma children and the obstacles they face at school. The Spanish NRP refers to scholarships and study grants aimed at eliminating socio-economic obstacles to education, and to the proposed reform of the Organic Law for the Improvement of Educational Quality (LOMCE).

***Czechia:** Currently, projects Quality - Inclusion - Advice - Development are being implemented to improve the quality of school counselling services and to introduce standards in the counselling system, as well as inclusive and quality education in areas with socially excluded localities and children and pupils from disadvantaged backgrounds. In the framework of the Call II Individual Projects System II, projects supporting schools and teachers were introduced in 2016, which are currently under evaluation with the expected start in April 2017. The area of social inclusion in education is also supported these calls for primary, secondary and tertiary vocational schools.*

However, other members (DE, LT, LV, LU, PL) report a **lack of attention to quality and inclusion in what concerns educational measures**. Our German members highlight that educational success is directly dependent on the socio-economic background and educational level of the parents, and that more support is needed for the inclusion of children with disabilities. 7.5 million people aged 18-64 were “functional illiterates” (unable to read or write properly) in 2012, and 58% of them had German as mother tongue – despite the “decade of literacy” announced in 2015, as it is not embedded in a comprehensive, integrated strategy to tackle poverty and social exclusion. Latvia deplores the lack of focus to quality and inclusive education, while Lithuania wishes more cooperation with civil society and social partners took place and laments the absence of references to informal education. Our member in Luxembourg reports that the measures are inadequate and not well prepared, and reforms have not changed anything fundamental. This is echoed by Poland, where EAPN points out that impact of reforms is not clear, and they are not sensitive to vulnerable groups, or to education / income inequalities.

More encouragingly, some of our Networks (BE, IT, PT, RO, ES, SE) point to **stepped up investment in education**. For example, the French community in Belgium pledges higher budget for remediation mechanisms and to better account for the socio-economic context of a school, while the Brussels Capital Region invests in improving physical infrastructure and provides schools with additional resources, supplemented by European funds, to combat failure, drop-out, and violent behaviour.

***Sweden:** The NRP states that “The Government’s objective is knowledge-based education in equal schools for all. To achieve this goal, resources must be allocated according to need to a greater extent, support interventions must be established earlier and we must further enhance the attractiveness of the teaching profession. The additional allocation of SEK 10 billion to welfare is supporting local authorities, along with the Government’s investments in smaller classrooms, more staff in the early years of compulsory school, a reading-writing-arithmetic guarantee, reinforced special needs education, leadership in the classroom, teacher training and teacher pay. The Government is investing a total of SEK 11 billion in the schools in 2017.”*

Conversely, Finland persistently points to **cuts in educational budgets**, not mentioned in the NRP. A specific issue raised by some of our members (CY, UK) is that **education is not free at the point of use**, and more and more pupils and students coming from households living in poverty have a very hard time meeting educational costs, thus forcing them to abandon or curtail their studies. In Cyprus, reforms to studying allowances exclude some students. The UK echoes concerns about the burden of student debt.

Increased investment in professional training, but doubt whether it truly delivers quality employment prospects

While not included in the educational targets of Europe 2020, a number of NRPs refer to **education in direct correlation to the labour market**, in what concerns providing the necessary professional skills that people need to access quality and sustainable employment.

Measures to **provide both better access to, as well as better quality of training and upskilling**, both on the job as well as for jobseekers, are highlighted in a number of countries (BE, EE, IT, SE, ES), though their real impact in changing people's lives and prospects of good employment is not always clear. In Belgium, efforts across all federal structures are aimed at improving technical and vocational training, offering financial incentives for the continuous training of workers, promoting work-study programmes and dual learning and fostering better links between all stakeholders, including education and labour market actors. Estonia bets on improved career information and counselling, as well as on the importance of non-formal education, youth work, and digital skills. Ireland features a *National Skills Strategy 2025*. In Sweden, a national coordinator for young people not in employment, education or training was appointed in 2015, to ensure better coordination among stakeholders involved in delivering initiatives for this group.

***Spain:** The NRP indicates that, in 2016, the regulatory reform of university education initiated in 2014 and 2015 has been continued, it facilitates that universities can form varied training offerings adapted to the economic and social demands of training. It also promotes the collaboration between universities and companies so that students engage in practices that complement their learning and enable them to acquire competencies that prepare them for the exercise of professional activities, facilitate their employability and promote their entrepreneurial capacity. It improves the quality of teaching and research, favouring higher productivity and employability of graduates.*

Some countries (BE, EE) also invest in **improving linguistic competences**, particularly in the country's official language.

***Belgium:** The Brussels authorities invest resources in people with a migrant background:*

- *Encourage migrants and newcomers to have the diplomas they acquired abroad accredited one of the two Communities. The employment and training agency of Brussels (Actiris) signed a partnership with two reception agencies.*
- *A new tool is developed to test the language ability of newcomers. This is done with the support of European Asylum, Migration and Integration Fund and will be used in the public Social Welfare Centres.*

- *Reform of the language vouchers: language learning in small groups if the lack of knowledge is a burden on the job market, or individually if a person is suited for a job and recruited, but needs to refine their knowledge.*

Strong concerns are expressed by some of our members (AT, BE, CY, IT, LV, UK) that **training offered to jobseekers is sometimes not appropriate and appears more an end in itself**, than a process to equip people with the right competences for progressing into quality jobs. In Latvia, an issue of overlearning combined with in-work poverty is signalled by our members, as re-qualification programmes tend to be formal and not needs-based, catering to the commercial needs of private education providers, with little long-term sustainability and added-value of the actual training offered. Equally, Cyprus points to the fact that 35% of tertiary education graduates are underemployed, performing duties which are below their level of qualification. In the UK, there is renewed support for apprenticeships, though it is doubtful that this will deliver the expected results. Conversely, in France, despite efforts, the withdrawal of activities in the construction sector and the Government's 2014 decision to cut subsidies to employers for taking on apprentices are producing worrying results.

United Kingdom: *The Government has a fairly loose interpretation of apprenticeship. While a degree takes 3 years, an apprenticeship can take as little as 12 weeks. Funding is doubling to £2.5b by 2019-20 and the new 'English Apprenticeships' are more business-led and oriented. Provision is employer-led rather than training provider-led; the employer chooses the training partner and can source their own apprentices. There is a centralised brokering service, but no Government leadership on what kind and how many training places are provided for an industrial strategy in the national interest. An increase in quality training is really needed in the UK, low investment in training a long-standing problem. The increased funding for apprentices comes after years of severe cuts to funding for further education colleges, which increasingly compete with private for-profit providers for contracts. From 2010-2015, funding for further education was cut 12% in real terms. To 2014, total government spending on adult education was cut 22%.*

Key Messages

Foster equal access to education and lifelong learning

- Remove financial obstacles to education and invest in adequate income and wrap-around support for pupils, students, and their families.
- Better integrate socio-economic background in educational policies and budgets, end discrimination and segregation on all grounds.
- Ensure access for both workers and jobseekers to relevant upskilling that takes into account both personal and market needs and which leads to sustainable, quality jobs.

6. EUROPEAN STRUCTURAL & INVESTMENT FUNDS

Introduction

EAPN's main concern in relation to European Structural and Investment Funds (ESIF) is to see EU funds are used to support delivery on poverty. Specifically this means seeing **how the ear-marking of 20% of the European Social Fund (ESF) on social inclusion and poverty**, is being carried out, particularly at project level. However, members are also concerned about use of other funds – e.g. ERDF, EARDF etc, particularly their coordinated use. A further concern is to evaluate the **effectiveness of the engagement of antipoverty NGOs and Social NGOs** in the monitoring committees overseeing the implementation of the Partnership Agreements and Operational Programmes. In 2015, EAPN carried out its own **Barometer Assessment** on the 20% earmarked funding for poverty and the new code of conduct on partnership: [Monitoring the implementation of the 20% of the European Social Fund that should be devoted to fight against poverty 2014-2020](#). An [Executive Summary](#) and [Infographics](#) document are also available. (Mar 2016). EAPN is currently updating this assessment with information from the project level. The main findings in 2015 were that although at least 20% was on average being spent across the EU, **there were concerns about how the money was being spent i.e. the quality of the measures proposed, and their impact on poverty and social exclusion, beyond short-term training and employment measures**. The report was also concerned about how far ex-ante conditionalities in the Regulations requiring that an anti-poverty strategy based on active inclusion should be put in place, as well as other key strategies i.e. Roma Inclusion, Gender, Discrimination strategies; as well delivery on key funding priorities i.e. active inclusion, combating the discrimination of marginalized groups, upgrading social services. In terms of participation, the Barometer showed that only a **few EAPN Networks are succeeding in gaining access to the Monitoring Committees or to accessing funds**. (DE, ES, RO). In others, EAPN is working in alliance with other NGOs who participate in the Monitoring Committees e.g. Ireland, where all monitoring committees have a representative from the Community and Voluntary Pillar, which EAPN actively participates in. For the majority of EAPN members, ESIF funds and monitoring processes remain frustratingly inaccessible, undermining the potential of grass-root organisations to contribute innovative and effective solutions to combat poverty.

In the Guidance note for the NRPs, **a dedicated section is meant to be included**, setting out the use of ESIF in support of the Europe 2020 and European Semester Priorities, including implementation of the Country-Specific Recommendations. However, as the **majority are very short sections**, with little detail on their role in delivery on the 20% ear-marking or in promoting partnership, it is difficult to get a strong idea of how EU funds are effectively being used to combat poverty at project level. However, some insights and promising practices can be highlighted.

In our survey, **only 35% of responses** thought that **Structural Funds are being used effectively to reduce poverty and deliver on 20% ear-marking of ESF**, (25% partly agree and 10% strongly agree), with 25% not sure. This also reflects the fact that **only a small number of EAPN networks are managing to engage in ESIF**, either in the monitoring committees or in accessing funding to deliver projects. This failure to reach grass-roots organisations indicators

a **serious obstacle to effective use of the funds to deliver on poverty reduction**. ESF is seen as giving too much **priority to employment-related activities, without assurances about the quality of work, rather than promoting an integrated active inclusion approach**. Training is also primarily **labour-market** focused. However, some progress is noted, around integrated approaches, although there are missed opportunities to use the funds to **tackle discrimination and promote diversity** particularly for key groups (i.e. Roma, migrants, disabled). Increased focus is given to the role of ERDF and other funds, as key instruments in the fight against poverty, and in particular to reinforce **access to social rights and services**. A general question is raised about the **future role of EU funds** to promote a more effective strategy to fight against poverty.

Key Concerns

Short sections with little focus on poverty

All the NRPs assessed by members had sections dedicated to use of EU ESIF funds, however the majority said the sections were **very short**, with little detail. This made it **difficult to know how the funds were being spent, particularly in relation to the 20% ESF earmarking**. The overarching justification is linked to the CSRs, rather than the 2020 targets (BE, CY, CZ, DK, EE, FI, DE, IE, IT, LT, LU, NL, PL, PT, RO, ES, UK (Scotland)). For example, in Belgium, the national government spent 14% of SF on social inclusion, whilst in Cyprus, 9.7% of was spent on Employment and 5.8% on social inclusion and poverty. But no clarity was given about how much of this was related to the 20% earmarking on poverty. In Finland, it was more explicitly confirmed that 70% of ERDF and 80% of ESF is spent on projects related to the CSRs. Within this limited sections, where poverty is mentioned, there is generally **very little mention of social inclusion, beyond employment and training**. (CY, DK, IE, FI, DE, EE, FR IE, ES, LV). As Sweden and Latvia remark there is little **evidence that it is being used to effectively fight poverty**. This is partly due to the objectives established in the NRP and for the funds, with the focus firmly linked with the CSRs. Spain remarks that the **funding priorities are consistent with the reforms envisaged**, focused on growth and employment and responding to the CSRs – Access to the labour market for young people, unemployed, and then active inclusion. Germany highlights the problem that as long-term unemployment was chosen as the national poverty indicator, no measures are proposed to fight poverty, beyond employment. There is also a problem of the **lack of detail of the presentation**, as pointed out by France, the NRP only mentions big thematic priorities and does not permit to see how they were used in reality to fight poverty. There is also a **tendency to channel this money to support existing services** rather than innovative, grass-root initiatives, (IE, ES, LU, LV) and more worryingly to substitute for national funds, a major problem in Eastern European countries (LT, RO). Neither was there any information on the **evaluation of their effectiveness or impact on poverty**. Latvia highlights, ESF funds activation and other programmes as mostly formal, tick-box operations, with little clear intention to support stable integration, sustainability and growth.

On a more positive note, some members **highlighted more funds being dedicated to Poverty and social inclusion, delivering on 2020 targets and reducing inequalities between regions** (BE, IE, IT, PT, UK).

Belgium: The NRP makes an explicit mention of tackling social inclusion and fighting discrimination. (BE Walloon). In Brussels region ERDF has been used to fight poverty and social exclusion through financing of *Medecins du Monde* support for migrants through ERDF.

Czechia: The section highlights that ESF is being implemented as an instrument to deliver on the Europe 2020 and other targets, e.g. reducing the number of people at risk of poverty and social exclusion by 100.000 by 2008

Ireland: 35% of ESF was allocated to promoting social inclusion, combating poverty and discrimination. Although EAPN IE points out the vast majority of the fund goes directly to government departments and agencies for education and activation.

Portugal: There is a specific section explaining the link to Europe 2020, NRP and Portugal 2020, with 25.8 million Euros allocated in 4 Operational Programmes. However, no information is available about monitoring the 20% ESF earmarking and the focus is still quite narrow on activation of vulnerable groups and sustainable employment of the Ops. The NRP indicates that there were a set of constraints in the implementation of Portugal 2020, particularly due to *requirements imposed by Community rules*, but it also indicates that *during 2016 these constraints were overcome and there was an increase in the approvals of Operational Programmes*. Although a *Culture for All* programme is also proposed, to promote social inclusion and employment through cultural practices, until this moment there is no additional information about it and when it will, in fact, start.

Italy: ESIF was used to reduce territorial inequalities with the poorer South – creating ‘Pacts for the South’. All yet to be implemented.

UK/Northern Ireland: EU funds were used to support cross-border projects supporting the PEACE programme between the Republic of Ireland and Northern Ireland.

UK/Scotland: Fairer Scotland Action Plan with 29m pounds programme, including 12.5 from ESF to tackle poverty – but no details are available.

Increasing access to work, particularly for youth, but not quality jobs

Several members highlighted the use of Structural Funds for employment (BE, DE, IE, IT, LT, RO, ES, SE). Although there was generally little detail, the use of the funds was largely focussed on increasing **access to employment for the unemployed**, targeting at risk households (BE, IT, DE, ES, LT, PT). Common target groups were **low work intensity households** (BE/Flanders), **or long-term unemployed** and inactive (BE/ES). **Youth were a key focus**. This is often linked to the Youth Guarantee, or the Youth Employment Initiative. Other target groups highlighted are women (DE), and older people/workers (LT). In Lithuania, funds are used for the 54+ programme. In Portugal, although the AGE + programme has been approved, it is not mentioned in the NRP. Few details are given about who benefits from these programmes, whether the most disadvantaged are targeted, what the results have been, and how it contributes to poverty reduction.

Spain: *There is a Youth Employment Operational Programme with 2.4 bn from ESF for 2014-20, ie 27.3% of ESF to help young people find a job. This includes 39 million Euros to promote training and aid youth recruitment in the digital agenda and tourism, through 230 courses benefiting 450 young people. However, major problems of red-tape have prevented more vulnerable young people from accessing the Youth Guarantee.*

Job Creation is given more focus. In Spain, there is more positive support to **entrepreneurs**, with the provision of co-working spaces, also transnational entrepreneurship in collaboration with 17 training centres in EU to support Spanish start-ups. To what extent such services are accessible and used by groups who are furthest from the labour market is not clear. The issue of **quality of work** is however not raised. **Sustainability** is looked at more in terms of the functioning of the labour market, than in ensuring stable, well-paid, quality jobs. For example, in Sweden the focus is on making more efficient labour markets and sustainable employment.

Lifelong learning focus needs to be a broader instrument for inclusion.

According to the NRP sections assessed, the main use of ESF, is for **job-related training either for access to work or professional training** (BE, DK, ES, IE, IT, LT, RO). Whilst good quality professional training is crucial to support people in poverty into quality and sustainable employment, questions are raised both about the '**effectiveness of the training** to secure quality employment, and also the **missed opportunities to develop broader life skills**, which can ensure participation in society and broader personal development. This is also demonstrated in the approach to **Lifelong learning, which is highlighted as a specific OP objective** by 3 members (BE/Brussels, LT and RO). Specific target ages include early school leavers (BE/Flanders, RO), Basic skills (BE/French community) and Second Chance (RO). Some members note an important use of funds to promote **better access to quality education**. For example, in Romania, funds are used to promote equal access to quality pre-school, primary and secondary educations. This includes measures to attract/maintain qualified teachers, also in atypical teaching contexts e.g. schools and hospitals as well as positive approaches to increasing coordination with families and schools, through socio-educational measures (School for all) (RO). However, whilst ensuring access to education is a **key pre-requisite for social inclusion**, it is essential to ensure that the most disadvantage areas and pupils are benefiting, which is not often clear from the funding focus. Some concerns are also raised that funds are being used to reinforce **current education and training infrastructure** rather than new programmes and grass-root projects. (IT, BE/FR, LT, RO). For example, in Belgium/Brussels there is an OP to develop and promote an effective system of training and education, investing in current public infrastructure.

Active inclusion focused on employment, with some signs of more integrated approaches

Active inclusion is a clear **thematic priority** in the Regulation and in the Operational programmes, underpinning the ex-ante conditionality requirement for an integrated strategy to fight poverty. Several members highlight a clear reference to the term in the Structural Fund section. (BE, IT, ES, LT). Whilst there is still a **general tendency for the main focus to be on employment alone/activation** approaches (BE/Brussels, ES), some members highlighted some more signs of support to broader inclusion focus for example in Lithuania, with the OP on Inclusion, although no details are forthcoming. In Spain, one of the priorities is Active Inclusion, promoting equal opportunities and active participation, to improve employability with a 15.8% of ESF allocation. Whilst the focus is still employment, there is more focus on **pre-labour preparation and participation**. In Italy, there is more of a signs of a more **integrated active inclusion approach across the 3 pillars** (adequate income support, access to quality services and quality jobs). The territorial services are to be reinforced through ESF, based on the guidelines **support to active inclusion** (SIA). 500 million has already been

allocated to local authorities to implement individually tailored inclusion projects, working with people on minimum income benefits. The Employment centres will be expanded with an extra 600 employees, specifically dedicated to working in a joined up fashion with social services for the reintegration of beneficiaries. However, more needs to be done to increase consistency with this broader approach across the ESF programmes. As highlighted by EAPN ES Structural Funds working group *“ESF is too strongly focused on labour market integration, so new multiannual financial framework, should be broader based on integrated social inclusion, based on active inclusion, helping people out of poverty and support participation in society. It should be open to all target groups facing poverty e.g. homeless, etc. and those who need support to access services, single parents, migrants etc. (EAPN ES).*

Use of ERDF to ensure access to Services and sustainable development

EAPN members increasingly highlight the importance of the integrated use of different **EU ESIF funds to support inclusion and poverty reduction**. The **role of ERDF** is crucial to reinforce infrastructure particularly in relation to key services of general interest, and to ensure that low income and vulnerable households benefit. **Energy efficiency** is highlighted as a key example of positive use of ERDF funding as long as it is targeted to benefit poor households (RO, ES). In Romania, ERDF is being used to promote energy efficiency, in residential buildings and public building, with a focus on improving energy efficiency for communities with low incomes. This is also supported by work financed through the Global Environmental Facility of the UNDP. In Spain, there is an Operational Programme with ERDF on **sustainable growth**, helping Spain use resources more efficiently e.g. transition to low carbon economy, including energy efficiency in housing and public infrastructure, companies, as well as sustainable transport, however it is not clear who benefits. There are also important investments in improving water quality. Spain further highlights the importance of considering other EU funds like **the European Agricultural Fund for Rural Development (EAFRD)** as resources for the fight against poverty. In Spain, 17 regional rural development programmes have been established with a total allocation of 8, 059 million, as well as a national rural development programme with 238 million Euros. These funds include a priority on social inclusion, although is not very evident how this is being implemented. This focus on local development, as with community led development offers important opportunities to promote bottom up local development to support inclusion, involving the beneficiaries and local communities in partnership with local and regional authorities. In Romania, ESF and ERDF are being used to facilitate integrated local development in marginalized communities, with one specifically targeted at the Roma community.

Concerns about the future use of Cohesion funds to deliver on poverty

For many of the Eastern European Member States, receiving the largest proportions of Structural Funds, a key concern is the **degree of dependency** on the funds, with complete lack of planning by their national governments to replace SF with national funding in the medium to long-term (LT, RO). This means that EU funds are being used as the primary source of funding for mainstream public services. As highlighted by EAPN Romania, Structural Funds are considered the panacea for all Romania's problems and represent the only funding available particularly in relation to funding for social inclusion. This is reflected in the NRP in Romania where the wide-ranging objectives on social inclusion, poverty, inclusive labour market,

access to quality social services, health care for Roma and for people living in rural areas. A further concern is the **low level of attracting EU funds** (only 1%) which means that current projects are only at the very initial planning stages. An **overarching concern for all EAPN members is the need for a new approach on fighting poverty and social exclusion for cohesion policy**, in the context of the next programming period. As highlighted by EAPN Spain:

ESF funding is strongly linked to labour market integration. It is therefore desirable that the outlook for future Cohesion policy be broader and focused on tackling poverty and integrated social inclusion based on active inclusion, to support people out of poverty and towards participation in society. This should be open to all target groups that face poverty, such as homeless, dependent people with addictions, as well as those in need of support to access key services, social protection and participation in society,) e.g. families, single parents, immigrants, ethnic minorities.

Delivering on the code of conduct on partnership

Only a small number of EAPN networks are managing to engage directly in the monitoring committees at national level. However, there is important learning to be gained from those that do manage to engage. EAPN is preparing an assessment in 2017 of this engagement and follow up on the 20% earmarking. We highlight below an excerpt from the assessment drawn up by EAPN Spain's working group on Structural Funds, with members participating in several monitoring committees at autonomous region level (ES).

EAPN Spain: The autonomous communities complied with all the requirements of the Commission for the implementation of the OPs; The composition corresponds to the requirements of the EC, representing 3 administrations, European, national and autonomous, as well as social agenda and civil society and Third Sector representatives (disability sector and social exclusion). However, there are some major concerns: the delay and lack of information available to members on the Committees of the ESF operations, a lack of coordination with other programmes and departments; red-tape affecting the Youth Guarantee which make it hard for vulnerable young people to access; shortage of civil servants dedicated to management of Structural Funds which makes it to implement; and finally a lack of global vision.

Key Messages

Ensure ESF 20% has an impact on poverty!

- Ensure delivery on ex-ante conditionalities on integrated strategy based on active inclusion and antidiscrimination.
- Refocus funding priorities to local initiatives, ensuring access for NGO projects working with people experiencing poverty, providing technical assistance and global grants.
- Pro-actively enforce the code of conduct on partnership in ESF, increasing the quality of engagement of NGOs

7. GOVERNANCE & PARTICIPATION OF STAKEHOLDERS IN THE NRP

Introduction

EAPN has been actively engaging with inclusion strategies since its creation in 1990, throughout the Lisbon Strategy and the Social Open Method of Coordination. Since the beginning of Europe 2020, EAPN members on the ground have been relentlessly trying to get involved with the processes of the European Semester in their countries, and to get concrete impact on the shaping, delivery, and monitoring of policies enacted in the framework of this Strategy. EAPN has also steadfastly mapped the success of this engagement every year, and this chapter reviews our members' engagement with the European Semester and with the National Reform Programmes in 2017.

Unfortunately, in 2017, no mention to the role of civil dialogue can be found in the main publications delivered under the European Semester. There are no explicit references to civil society as a key stakeholder in Europe 2020 in the 2017 Annual Growth Survey – there is only one reference to the governance process around the National Reform Programmes, which only mentions social partners. The main Communication accompanying 2017 Country Reports does not contain any references to civil society, despite wording in support of ownership and stakeholder consultation. The document only explicitly mentions social partners, national parliaments and local authorities, as well as an ambiguous “other stakeholders”.

In this chapter, we highlight important areas where improvement is still needed to ensure meaningful, quality stakeholder engagement – including of people experiencing poverty and their civil society organisations – with these important policy processes. Most EAPN members, with the exception of the Dutch network, report some criticism regarding how National Reform Programmes have been designed. These issues range from the governance process of the NRP, to the involvement of stakeholders in the process, to the lack of impact of civil society organisations and people experiencing poverty on the final outcomes.

Key Concerns

Lack of a transparent and fully comprehensive governance process for the NRPs

From our members' assessment, National Reform Programmes are mainly the **reflection of governments' positions** (LV). In some countries, the NRP is drafted mainly, or exclusively, by the Minister of Finance (CZ, FI), while in others the process is more of a collegial effort, that involves other authorities from several levels of policymaking. It is usually complicated for EAPN networks to identify precisely who is in charge of preparing the National Reform Programmes, but in some cases, for example in Spain, they have been able to confirm the involvement of the Ministry of Social Affairs, and most probably of the Ministry of Labour as well.

Italy: The 2017 NRP is signed by the Chairman of the Council of Ministers, Mr. Paolo Gentiloni and by the Minister of Economy and Finance, Mr. Pier Carlo Padoan. The National Reform Programme is the result of a collegial work involving the participation of all central and

regional administrations. Political forces, local authorities, the National Council on Labor (CNEL) and the social parties are also consulted. Each competent ministry carries out its own consultations with civil society. The State Department for European Policy coordinates the activities.

In various cases (BE, ES, IT), **local authorities** and representatives of autonomous communities were also involved in the drafting of the NRPs. In Belgium, for example, regions (Walloon, Flemish and Brussels Capital) and Communities (French and German) were key stakeholders consulted at a federal level on the NRPs. National **parliaments** were able to have an impact on the decisions regarding the content of the National Reform Programmes in some countries (IT, IE, LU, RO). Particularly relevant is the case of Luxembourg, since this marks the first time the Parliament treated the NRP in a plenary session. In other countries, like Spain, parliaments were reportedly not engaged.

Many respondents point out how National Reform Programmes are not formulated as strategic and forward-looking plans. This may be due to the fact that the governance process behind these documents **lacks transparency and/or collective agreement**. Several EAPN members (BG, CY, CZ, EE, HR, HU, IT, LV, MT, SE, UK) complain about the lack of a well-structured, public and systematic consultation process that involves as many stakeholders as possible, whereas some others (AT, CY, SE, SK) lament a lack of information on how the consultation processes is carried and on how to engage with it. On the other hand, other Networks notice an improvement from last year in the governance processes for the NRPs (IE, LU, LT, PL, RO).

Without clear and common guidelines, the involvement of actors in the preparation of National Reform Programmes is ultimately a matter of political willingness of the government in place. A change of government, hence, could either improve the process, as was the case for Ireland this year, or worsen it, as in the United Kingdom. However, in Ireland, the improvement in the process is mainly due to the fact that no Government was in place last year – otherwise, it is rather similar to two years ago, apart for there being more time to provide input. The UK Government, in fact, does not consult on the NRPs: the Report states that ‘since the NRP does not contain any new policy announcements, it is not subject to formal consultation’.

Ireland: *The NRP governance process reverted to the process in place in 2015 (in 2016 no Government was in place following elections) with organisations invited to make submission and then to comment on a draft. More time was available for both stages of the process than in previous years. All submissions are on the Government’s website with the NRP. The NRP also highlights that the Joint Oireachtas Committee on European Union Affairs was also provided an opportunity to share their views on the European Semester process, a draft of the NRP was provided to the Committee, and the Minister of State for European Affairs briefed the Committee on developments in the European Semester and on the NRP at its meeting on 12 April. The NRP highlights other opportunities engagement with sectors, including civil society organisations on relevant areas outside the NRP itself. These includes a range of events linked to the All-Island Civil Dialogue on Brexit and the National Economic Dialogue and the Department of Social Protection’s Pre-Budget Forum which are both consultations which take place in advance of the annual Budget. It is difficult to determine the impact of the pre-Budget consultations on the actual Budget. The NRP also highlights funding for local organisations to*

mark the 17th October UN International day for the eradication of poverty and the holding of the Social Inclusion Forum.

Civil Society Organisations still struggle to participate

60% of EAPN respondents report that anti-poverty NGOs were not consulted in the development of the National Reform Programmes (with 20% partly agreeing and 40% strongly agreeing with the statement). This is a worrying result, given that last year 56% of the respondent to the same questionnaire gave the opposite answer, assessing that anti-poverty NGOs had been consulted for the same purpose. It is a clear sign of an **overall deterioration of civil dialogue mechanisms at the national level, further deepening the already-wide gap between institutions and citizens, and eroding the legitimacy, accountability and effectiveness of national authorities, as well as of policies adopted by them.**

Some anti-poverty networks had no opportunity to be involved (EE, FI, HR, HU, IT, LU, LV, UK). This is due to the fact that the national Government consistently consults the same set of NGOs when it has to develop the NRP, arbitrarily excluding other actors that could be relevant intermediaries for the disadvantaged fringes of the population. This is the case for Malta and, to a less extent, for Croatia. In Luxembourg, civil society organisations used to be consulted on a regular basis, but the elimination of the Social Inclusion Group in 2015 coincided with the disappearance of civil society consultation in the NRP processes. A relevant case comes from the experience of the Latvian EAPN, which has always fought against inequalities in the country. Since in Latvia workers employed in the public sector earn considerably more on average than those that work for private companies, EAPN has denounced this wage gap, causing public administrators to try to hinder EAPN from accessing consultation processes. Another seriously worrying sign comes from Hungary, where the government is trying to silence non-governmental organisations that work on the ground, including those working with people experiencing poverty and social exclusion. **The above-mentioned obstacles caused activist and civil society workers to lose their enthusiasm in engaging with the European Semester.**

Luxembourg: Since 2015, the former “social inclusion group”, which used to meet twice in spring, is no more convened. As the “social inclusion group” comprised the different Ministries, the local social offices of the municipalities, the social partners and CSOs, this means that participation of civil society is now zero! The fact that a civil society participation is no longer desired by the government led also to a general demobilization of CSOs. And as the NRP is from year to year only more of the same, CSOs opinions being ignored, the vast majority of CSOs does no longer see any use to engage with the NRP.

Finland: EAPN has tried to engage with the people working in Ministry of Finance and Ministry of Social Affairs and Health that NGOs are interested in commenting and having impact on Semester process and NRP. For example, we organised, with arranged with SOSTE (the Finnish Federation for Social Affairs and Health, a national umbrella organisation) a seminar about European Semester, after the Country Reports were published, involving speakers from Ministry of Finance, the Ministry of Social Affairs and Health, and the Semester Officer. We were told by someone from Ministry of Finance that they didn't see that there was much place

for NGO involvement, that the process was fast-paced, and that it might be better to try to have an impact on the governmental programme.

Even where consultation processes are in place, **engagement with the preparation of the NRPs at the national level is still challenging and of low quality**. Some members report that the situation had become worse compared to previous years (LU, SE). Anti-poverty organisations and people experiencing poverty are sometimes discouraged from being involved, given what they consider to be the “*fake, demonstrative and distortive channels of participation*” in place in some countries (BG).

The lack of quality of participation channels may be due to different causes: the **deadlines were too short** to provide any input (DE, ES); **civil society organisations lack the capacity and the necessary information** to be able to engage in the process or meaningfully assess the content of the NRPs (AT, CY, SK, SE); **participations channels are only formal or largely inadequate**, making it ineffective for anti-poverty organisations and people experiencing poverty to be involved if they wish to see policy results (BG, CY, FI, PT, RO).

***Cyprus:** In some social policy issues we were called to express an opinion but this is not systematic and we don't receive feedback on whether, or any, of our suggestions have been taken into account. Moreover, we are not aware of who else is being consulted and/or participated in similar consultations or what their expressed views are. “Numbers and Documents” are sent to us a couple of times per year and some meetings are called including a large number of NGOs/individuals, but only in civil service working hours. There was no preparatory process to enable NGOs to “read” i.e. interpret the numbers and the highly “technical and specialized” documents and as a result, NGO participation is low and ineffective. EAPN Cyprus actively participates in European Anti-Poverty Network (EAPN) meetings and through them we get information on our government's decisions, especially in what concerns the European Semester and the NRP. We are actually asked to assess them by EAPN whilst we are not in any way part of formulating them. We believe that the Electronic Consultation, recently put in place by the Government, does not work adequately whilst, unfortunately, provides an “alibi” and actually “absolves” the state from its obligation to call “face-to-face” discussions and expression of views. We notice that in recent years even the statutory process of consulting, for example, with the social partners is diminishing and we really question how the state will “feel the need” to include NGOs in the preparation process for such documents. **Suggestions for improvement:** Transparent procedures like public consultations and discussions on general issues of poverty and social exclusion, on a regular basis.*

Many networks report **that social partners were involved** (BE, CY, ES, IT, LT, LU, PL, RO), **sometimes to a much larger extent than civil society organisations**, since consulting with social partners is a statutory procedure in policymaking in the European Semester, and in some member states, whereas the participation of civil society is not. Even though being recognized as official partners in consultation processes at the same level as social partners would be fundamental for civil society organisations and for those representing people experiencing poverty in particular, it has to be said that even social partners sometimes do not have chances to have impact on the NRP in countries like Cyprus.

Despite the negative situation depicted above, **some Networks report accounts of better improvements compared to previous years** (IE, LT, PL, PT). In Portugal, a new procedure called the Balanced Report was put in place by the Government to assess the implementation of the NRP. This Report could help activists having a better understanding of the European Semester. EAPN Netherlands and EAPN France, despite considering the status of civil dialogue in their countries unchanged from previous years, give encouraging accounts of more effective and comprehensive channels of participation.

Portugal: *In November 2016, the Government presented a Balance Report of the first semester of NRP implementation (<http://www.portugal.gov.pt/pt/o-governo/pnr/pnr.aspx>). This procedure was quite new and important since it allowed understanding of the state of art of each measure. In the beginning of this year a set of different thematic workshops were promoted (a topic was chosen in each of the sections of the program) involving experts and civil society entities. There was one workshop on child poverty. There were also two public consultations concerning two different and new measures on disability: one concerning a new benefit – social benefit for inclusion and another one concerning a New model for supporting an independent life. EAPN Portugal was present in the workshop on child poverty as participant. We were invited to this specific workshop but not as a speaker. However, some of the speakers were experts who are members of our group on child poverty and they spoke about EAPN work and about a new study that will be implemented in 2018 on child well-being in which we are also partners. EAPN Portugal has also prepared and disseminated an assessment document in the beginning of this year about Portugal's social scenario 2016, i.e, we wanted to demonstrate some of the measures implemented in 2016 and with direct impact on poverty and social exclusion. After this, in the beginning of April we prepared a position paper highlighting some of the measures of 2016 NRP, some of the comments and assessment of the Commission Country Report and recommendations for the 2017 NRP update. It would be different if EAPN Portugal could comment a draft of NRP and if there were specific debates around inclusion issues involving civil society organisations and also people experiencing poverty.*

France: *This was a specific year as far as a new president had to be elected in May and the NRP process had to be done before the end of April. But civil society stakeholders were consulted in the framework of the CNLE (National Council of actors fighting against poverty). Same process as previous year. EAPN was able to make proposals and comments in that framework by attending a meeting of the CNLE and contributing during the meeting. Then the CNLE produced a paper which has been attached to the French government document.*

Stakeholders' contributions are not taken on board, causing weak policy impact & discouragement

In spite of prevailing negative trends, the section above shows that some of our Networks managed to get involved, in different ways, in the preparation of the National Reform Programmes. Nonetheless, when it comes to the actual policy impact of their contributions, respondents to the questionnaire are more pessimistic. 70% of respondents believe that the opinion of anti-poverty NGOs was not taken seriously into account in the NRPs (with 55% strongly agreeing with the statement and 15% partly agreeing). The negative trend is even more evident considering that only two Networks (NL, PT) out of twenty are the opinion of anti-poverty NGOs was taken seriously into account in the NRPs). The concern is that

Governments are not doing enough to establish real, meaningful partnerships, that lead to collaborative, transparent, inclusive and democratic policy-making in the framework of the European Semester and in general.

Some networks assess that **even when their voice is heard, the contribution they brought to the discussion is not translated in the National Reform Programmes** (DK, PL, ES). EAPN Belgium and EAPN Lithuania point out how there is no explicit mention of civil dialogue in the NRPs. EAPN Spain reports that, for the first time in the past four years, the proposals of the Platform of the Third Sector, which EAPN Spain is member of, were not included in the NRP Annex. The Danish Network and the Luxembourg one highlight how the lack of impact of NGOs on the National Reform Programmes has caused civil society actors to **demobilize and engage less in the European Semester Processes**. The issues of low capacity and resources are elements that many networks identify as detrimental to their engagement (AT, BG, CY, HU), making it harder for them to be impactful, especially if the Governments are not keen to take their contributions on board. EAPN Finland has spoken to a representative of the national Ministry of Finance, which is responsible for drafting the NRP, who explicitly told them that NGOs should focus more on national governmental policies and programmes, instead of the European Semester. This kind of un-cooperative attitude may be explained by the nature of the National Reform Programmes themselves, as EAPN Poland also points out: so far, they are documents that activists find hard to approach, since fully understanding them inevitably requires economic and policy capacity, which needs to be built and resourced.

Spain: *The Economic Office of the President of the Government has requested contributions from civil society, receiving proposals from the business organisation CEOE (Spanish Confederation of Business Organisations), trade unions UGT (General Workers' Union) and CCOO (Trade Union Confederation of Workers' Commissions), The Platform of the Third Sector, CERMI (Spanish Committee of Representatives of Persons with Disabilities) and the Autonomous Communities. The Economic Office of the Presidency asked for inputs to the Platform of the Third Sector (PTS). There was a face-to-face meeting with two consultants writing with the NRP, and representatives of CERMI (disability), EAPN ES (anti-poverty) and Caritas Spain (poverty). EAPN ES oversaw the preliminary document, which was reviewed by the rest of PTS' members. Their comments were introduced to the document, and then it was delivered to the government. The deadline was extremely short, less than one week. This impeded the chance of further participation, for example with people experiencing poverty. However, the recommendations produced during the last Meeting of People Experiencing Poverty, in Valencia, in 2016, were mainstreamed to the document. However, this is the first year in the last four, that the PTS' proposals are not included in the NRP's Annex. Instead, only the CERMI's proposals on disability - which were delivered separately to the government- were incorporated, together with the Trade Union's and the Employers' (social partners). The Economic Office of the Presidency assured that this was due to a "paper misplacement", and not a deliberated intention to exclude the PTS' Recommendations.*

Poland: *We sent our comments to the Country Report and to the NRP update draft. We participated in several meetings of the official body responsible for Europe 2020 implementation and in two meetings with representatives of European Commission in their fact finding mission. We got detailed answers to our comments and proposals and we have an opportunity to discuss them with government representatives. Our impact is strongly limited by the nature of the NRP. It is the government's report about selected government*

activities decided in national political processes separate from European Semester reporting tools. Meaningful involvement of social NGO activists in that processes and tools is very difficult. It is a task for economic and policy experts mainly.

On the other hand, some EAPN networks (IE, FR, NL, SE) report cases of successful impact of NGOs and anti-poverty organisations on the National Reform Programmes. In Sweden, NGOs' contributions are included in the official report, showing that, civil society has been considered as a relevant stakeholder. The Irish NRP includes some of the issues highlighted by EAPN and by the Better Europe Alliance. Nonetheless, the Irish network still expresses concerns on the actual impact of these measures, for example, the NRP refers to an integrated active inclusion strategy but does not address the issue of an adequate minimum income in a satisfactory way. EAPN Netherlands has been invited, among other stakeholders, to comment on the NRP draft, and this year they are mentioned in the NRP for the first time ever.

Netherlands: *Stakeholders, amongst them EAPN NL, were invited to comment on the draft. This is a good way of working, since it gives us the opportunity to involve other organisations within the network whom we work with, to bring in their views as well. In 2016, EAPN NL published a report and handbook, commissioned by the Ministry of Social Affairs and Employment, on how municipalities can use experts by experience in the field of poverty and we are, for the first time, mentioned with this important work in the NRP. This report and handbook of EAPN NL confirms that for an integrated approach, it is important to involve experts by experience and make participation of these experts part of the policy making and executing system and of the improvement of this.*

Sweden: *There was a decreased number of participants and very little information and discussion about the content of the NRP 2017. But there was a positive discussion about how the process could be improved, also in connection to the process to develop the new goals for 2021 and forward. The fact that the NGO contributions are included in the official report is an improvement and a sign of that the NGOs are regarded as relevant stakeholders. We attended the stakeholders meeting. And we also gave a written contribution to the report, presenting some of the work of EAPN Sweden work.*

Benchmarking with other non-EU countries

Macedonia drafts every year a Progress Report as candidate country to the European Union. In the previous years, EAPN Macedonia has had difficulties in communicating with institutions, including local authorities, but this might change, as there is a new government in place.

Serbia also produces a Progress Report as a candidate country, but this is not monitored by anyone. 2017 Progress Report was mostly the same as last year. The status of civil participation in the country is worsening: while the Government seems to be open to NGOs' contribution on paper, in reality civil society actors are completely excluded from policymaking.

EAPN **Iceland** is currently working on mobilizing activists in other cities beyond the capital, Reykjavik. They host a group of people experiencing poverty and social exclusion, which is very active. They have been invited to the President's House last fall and they participated in

a competition aimed at drawing pictures of poverty in Iceland. The network has also appeared on national television, being interviewed on the topic of poverty in the Iceland.

Key Messages

Make the NRPs a true and participatory driver of positive social change

- Establish clear, compulsory and common guidelines on the governance processes, involving all relevant actors, and improve the transparency of the processes.
- Ensure full and meaningful participation of civil society organisations, and people experiencing poverty in particular, including by providing them with the capacity and financial resources needed to contribute effectively.
- Improve the effectiveness and impact of the NRP by taking contributions of policy beneficiaries on board and incorporating them as solutions.

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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.



EUROPEAN ANTI-POVERTY NETWORK

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This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>

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