

EAPN First Response to the European Flagship Platform against Poverty and Social Exclusion:

A European Framework for social and territorial cohesion

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Introduction

On the 16th of December 2010, the European Commission published its long-awaited proposals for a European Platform against Poverty and Social Exclusion. This is one of the 7 Flagship Initiatives proposed by the Europe 2020 strategy. The Flagship Platform aims to help delivery on the EU target to take at least 20 million people out of poverty by 2020, through its vision of “*A European framework for social and territorial cohesion*”, which can ensure “*that the benefits of growth and jobs are widely shared across the European Union and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.*” To achieve this goal **5 areas of action** are proposed, backed by the Staff Working Paper with specific initiatives:

- 1) Delivering actions across the policy spectrum
- 2) Greater and more effective use of the EU funds to support social inclusion
- 3) Promoting evidence-based social innovation
- 4) Working in partnership and harnessing the potential of social economy
- 5) Enhanced policy coordination among Member States.

EAPN generally welcomes the Commission’s proposals for the Platform, which have picked up many of [EAPN’s own proposals](#)¹ and believes that they could offer a basis for making substantial progress on the goals to reduce poverty and promote social and territorial cohesion. However, if this new framework is to be effective it must reinforce the European Social Model which provides the cornerstone of European values, and provide more concrete actions to deliver social rights, particularly in relation to the crisis and governments’ austerity cuts. This should include strengthening the Social OMC and putting stakeholder involvement, especially people experiencing poverty and social exclusion and NGOs at the heart.

¹ EAPN, *EAPN Proposals on the European Platform against Poverty*, July 2010.

Key messages

- **Poverty and social exclusion cannot be sustainably reduced, nor inclusive growth achieved, without tackling inequality and discrimination, particularly in the context of the crisis.** Reducing inequality in income and wealth, as well as fighting discrimination in access to rights, services and jobs, needs to be made a key priority. Trends in inequality must be actively monitored and urgent actions proposed to close the gap, as part of an integrated approach.
- **Embed a rights'-based approach that implements the Charter of Fundamental Rights and the Horizontal Social Clauses, including by developing more effective Social Impact Assessment at EU and country level to ensure that all policies contribute to, rather than undermine, the goal to reduce poverty and social exclusion.** The EU must publically invest in the Social Impact Assessment (SIA) process at EU and national level and monitor it through the Platform, making SIA more transparent, meaningful and effective across all policy fields – including economic. A first step is to publically monitor the social impact of the crisis, to prevent an increase in poverty through government's austerity measures driven by the EU Stability and Growth pact requirements.
- **Set out more concrete actions to implement social rights that can lead to a real improvement in the lives of people experiencing poverty, particularly through a road map for implementing the Active Inclusion strategy and setting a goal to establish an Adequate Minimum Income Guarantee, at least above the poverty threshold, by 2020.** This means concretising, with a timeline, the implementation of active inclusion– access to decent, quality work, quality services including affordable housing, health and education, and setting the goal of an EU guarantee for an adequate minimum income at least above the poverty threshold by 2020, as a first step towards a Framework Directive. A working group with the SPC should progress on developing a common approach, building common definitions, criteria and indicators, building on best practices.
- **Employment alone does not guarantee a route out of poverty. Develop a strategy to combat in-work poverty and ensure access to quality, sustainable employment, preventing social dumping and strengthening social protection systems for those who cannot work.** Creating and ensuring access to quality jobs which provide decent, living wages, quality work conditions, combat discrimination and ensure an inclusive labour market accessible to vulnerable groups. This must be matched by investment in strengthened and more effective social protection systems which can provide adequate income and service support for those who are unable to work, and actions to prevent social dumping. The crisis should not be used as an excuse that it is not affordable.
- **Put people experiencing poverty and the NGOs that support them at the heart of the Platform, at national and EU level. Provide strong backing for the Social OMC as a participative, integrated strategy developed through multi-annual national strategies for social protection and social inclusion (backed by action plans) linked to the national policy cycle. The strategies and action plans must engage national, regional and local stakeholders in meaningful dialogue at every stage.** Participation is not an add-on. It plays an essential role in ensuring ownership, visibility and accountability for Europe 2020 and the flagship platform as well as ensuring better policies. Engaging stakeholders at national and local level in developing multi-annual national strategies to promote social

protection and social inclusion (backed by action plans), linked to national policy cycles will ensure more comprehensive, integrated and effective strategies to combat and alleviate poverty and social exclusion. These strategies and plans should be based on the Common Objectives (2006) of the Social OMC and backed by the full-set of indicators to feed into the National Reform Programme. People experiencing poverty must be at the heart, with backing for the annual EU meeting of people experiencing poverty, support for national and local meetings of people experiencing poverty, and integration into all EU policy-making processes.

- **Evidence-based social innovation can be crucial in developing new solutions or responding to new challenges, but NGOs/community organisations representing people experiencing poverty and social exclusion must be able to engage and access funds. Innovative solutions should also not replace effective solutions that work.** Invest in research/mutual learning and capacity building on what works in reducing poverty at grass-root, national and EU level and defend sustainable funding, particularly in the case where community services and projects developed by NGOs are threatened by cuts.
- **Give priority to building a more socially responsible economy. Provide a clearer definition of Social Economy and its role, supporting the development of new community services as well as Work Integration Social Enterprises (WISE) rather than a narrow labour market approach.** Care must be taken to ensure that the social economy is not used to undercut mainstream public service delivery. Clear funding guidelines must ensure access to grass-roots social enterprises supporting an inclusive labour market and delivering new community services, (eg housing, social and health services) in the context of active inclusion. The Social Business Initiative should provide support for businesses that open up quality jobs to excluded groups and pursue social objectives.
- **Make targeting of EU financing on poverty and social exclusion a binding priority, ensuring a more holistic delivery model, increased transnational exchange, ensuring stakeholder involvement and access to financing by community-based NGOs.** Delivery on the poverty target needs priority funding and binding commitments. A more holistic delivery model is needed focussing on active inclusion, including support to strengthened social protection and public services, with a stronger transnational dimension and a new social innovative fund for grass-roots projects accessible to community-based NGOs with 100% co-financing guaranteed in global grants.

What EAPN welcomes

- The recognition that poverty is “unacceptable in 21st Century Europe”, and that “combating social exclusion, promoting social justice and fundamental rights have long been core objectives of the EU founded on values of respect for human dignity and solidarity”.
- The idea of the Platform as a dynamic European Framework with engages all actors to deliver on a joint commitment to prevent as well as alleviate poverty.
- The recognition of the need to move beyond social policy to deliver on the poverty target by mobilising all policies through cross-cutting policy measures and effective social impact assessment.
- The commitment to a “new partnership approach” including all European national, regional and local stakeholders, recognizing the crucial role of NGOs as essential actors and the “participation of people experiencing poverty as a “paramount objective of inclusion policies” and commitment to develop guidelines.
- The recognition of the value-added of the Social OMC and the commitment to follow up on key priorities: active inclusion, child poverty, homelessness and housing exclusion, migrants and ethnic minorities.
- The recognition that low pay and under-employment can lead to in-work poverty, undermining the role of employment as a key route out of poverty and the commitment to the implementation of active inclusion strategies at national level including ensuring the effectiveness of minimum income schemes.
- The key role given to the social economy and to social innovation, as tools for inclusion as well as the support to create a more socially responsible economy through the Social Business Initiative.
- The recognition of the importance of ensuring access to network services and ensuring their affordability (eg energy/fuel services, the digital gap and financial services) and mainstreaming social objectives into internal market and consumer policies.
- The increased support for EU funding to support the objectives of reducing poverty and social exclusion, particularly ESF and PROGRESS and the European Agricultural Fund for Rural Development, with specific focus on supporting the engagement of NGOs in delivering active inclusion projects.

EAPN Main Concerns and Recommendations

1) Poverty and Social exclusion cannot be sustainably reduced, nor inclusive growth achieved, without tackling inequality and discrimination.

Increased growth and employment in the period from 2000–2009, did not have a substantial impact on poverty, whilst inequality increased in many countries. Poverty is likely to increase because of poor policy choices on recovery packages. Expenditure cuts are having a devastating impact on services and benefits and are falling more heavily on the poor, with little commitment to new, fairer and more redistributive taxation measures to increase Government revenues. As the DG Research recent report² highlights “egalitarian societies are associated with higher levels of economic growth and political inclusion, whilst unequal societies experience higher rates of crime, ill health, drug abuse and persistent poverty”³. Increasingly compelling evidence supports the view that more equal societies do better. This has been backed by evidence on poverty as one of the key social determinants of health. Ensuring that the benefits of growth are widely shared requires concrete actions to monitor the trends on inequality, more effectively, particularly in relation to income and wealth but also in terms of discrimination in access to social, health and other services. Urgent actions must then be proposed as part of integrated and sustainable approaches to reducing inequality.

Recommendations

- In section 1, establish a key objective to reduce inequality in income/wealth and access to services as part of the aim to tackle the multiple dimensions and causes of poverty.
- Ensure that indicators to measure inequality are prioritised in the National Reform Programmes and are included as a key aspect of the monitoring of the social assessment and in national strategies and action plans on social inclusion (See below). Ensure that Social Integration Indicators developed through European Migration policy are fully integrated.
- Propose a Joint Commission/SPC report to better understand the link between poverty and inequality in the various Member States and assess the trends. This report should build on existing work by DG Research, the OECD and the work of Atkinson and Marlier (Income and Living Conditions in Europe,(2010) and assess the role of public policy in reducing inequality, particularly in income and wages, but also in ensuring equal access to services. It should further assess the potential of redistributive measures related to tax and investment in public services and propose urgent recommendations for an EU strategy to reduce inequality. Social Impact Assessment could also be used to assess how far policy proposals are redistributive and are reducing the inequality gap.

² European Commission, DG Research, *Why social-economic inequalities increase: Facts and Policy papers in Europe* (EUR 24471. EN), 2010.

³ R. Wilkinson and K. Pickett, *The Spirit Level – why more Equal Societies almost always do better*, 2009.

- Adopt the Anti-Discrimination Directive and provide protection for all groups on the grounds listed under Article 21 of the EU Charter of Fundamental Rights, and develop proactive measures to ensure equal access to services and resources as well as employment.

2) Embed a rights' based approach that implements the Charter of Fundamental Rights and Horizontal Social Clause, developing more effective Social Impact Assessment at EU and country levels to ensure that all policies contribute, rather than undermine, the poverty-reduction goal.

The Communication confirms the commitment to social justice and fundamental rights, but fails to highlight the significance of the crucial new Horizontal Social Clause (Article 9)⁴ or Horizontal Clauses 8 and 10, and the legal obligation to mainstream social objectives in all areas. In this regard, access to social rights should be enhanced especially for the most vulnerable groups of people. In the case of migrants, the new European Integration Agenda should be used as an opportunity to make progress on the social inclusion of migrants regardless of their legal status (documented or undocumented). The failure to urgently analyse the social impact of the crisis and consider how far EU and government policies are contributing/or undermining the goals is particularly worrying. The EU Social Impact Assessment process is currently a largely invisible process which does not provide the necessary confidence for ordinary people in the EU's methods of checks and balances to deliver on its legal social obligations. Although Social Impact Assessment is mentioned, no specific actions are proposed for improving its process and impact. The Platform must make more explicit its role as the social face of Europe 2020, spearheading steps to ensure a more meaningful, participatory, transparent and legitimate Social Impact Assessment process (ex-ante and ex-post), at EU and Member State level which engages stakeholders including NGOs and people experiencing poverty. Findings should be publically debated in the European Parliament (and national Parliaments at MS level) and decision-makers held accountable. A high-profile trial of a new participative method on the social impact of the crisis is urgently needed to restore credibility to the EU.

Recommendations

- Explicitly confirm the role of the Platform and the SPC as the guardians of the social face of the EU and the Europe 2020 strategy, responsible for ensuring the implementation of the Social Clause and for driving and monitoring a more effective social impact assessment process at EU and national level (P.12).
- In the list of key initiatives (Staff Working Paper), establish a working group involving all key stakeholders, to develop an integrated proposal for improving the Social Impact Assessment process on all policies (including economic) at EU and national level. The group should have the following priorities:

⁴ "In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion and a high level of education, training and the protection of human health"(Article 9 TFEU).

- developing a more meaningful, effective, transparent and participative process, that engages relevant stakeholders at all stages at EU and national level
 - deepening existing work and supporting the development and systematic exchange on tools, methods and data sources.⁵
 - involving the European Parliament (and national parliaments at national level) in the decision-making process, so as to ensure accountability and confirm the legitimacy of decisions taken in the process.
 - monitoring and reporting regularly on the use of Social Impact Assessments by Member States in the context of the National Reform Programmes.
- Propose a high-profile participative Social Impact Assessment on the social impact of the crisis which will engage stakeholders in an assessment of national and EU policies on crisis recovery packages, including austerity cuts, and engaging the European Parliament in decisions on the findings. Promote a debate on alternative strategies to recovery from the crisis and reductions of public deficits, including fairer, more redistributive tax policies, tackling tax evasion and avoidance and support to new taxes, including a financial transactions tax.
 - Ensure that the process is not overburdening and that financial and other resources are provided to support the engagement of NGOs and people experiencing poverty in the process.
 - Propose a participative ex-post social impact assessment on the social impact of liberalization of the electricity and gas markets and the role of the EU.

3) Set out concrete actions to implement social rights that can lead to a real improvement in people experiencing poverty's lives, particularly through a road map for implementing the Active Inclusion strategy and setting an Adequate Minimum Income Guarantee, at least above the poverty threshold.

The Flagship Platform will only be credible if it promotes concrete actions which lead to real improvements in the lives of people experiencing poverty. The Commission's proposal rightly highlights the priority of integrated Active Inclusion approaches, but appears to undermine the broader approach of the Active Inclusion Recommendation, particularly in the emphasis on *well-designed income support* (P.6), rather than *guaranteeing adequate income support for a dignified life*⁶, with insufficient emphasis on how to ensure equal access to core social services, particularly affordable housing, health and education, but also key Services of General Interest (SGI) like energy. Concrete steps and a timeline for implementation is vital. The other Flagship initiatives have proposed concrete actions which can have a concrete impact e.g. the Youth Guarantee in the Flagship Platform: Youth on the move. The Flagship Platform on Poverty and Social Exclusion would benefit from a concrete '*key practical initiative*', for example: guaranteeing an adequate minimum income above the poverty

⁵ E. Marlier and D. Natali with R. Van Dam, *Europe 2020: Towards a more Social EU?*, 2010.

⁶ European Commission, Active Inclusion Recommendation, Oct 2008.

threshold. This could be seen as the first step to developing a Framework Directive which could provide an equal playing field across Europe and base for inclusive growth and participation. The Crisis should not be used as an excuse for lack of finance. Alternative sources of income to finance minimum income should be explored, including new and fairer taxation, recognizing its key role as an automatic stabiliser and ensuring a sustainable social investment.

The only initiative proposed on Social Services is the development of a European Quality Framework at a sectoral level in the field of long-term care and homelessness, without proposing next steps for implementation. Access to affordable Social Services of General Interest (SSGI) as of Services of General Interest (SGI) need to be made a cross-cutting area for action. For example: tackling Energy Poverty is vital and requires an integrated and comprehensive approach tackling the 3 main causes: inadequate income, high energy prices and bad energy performance of dwellings and appliances. Links should be made between the National Action Plans to fight energy poverty with the broader national strategies to promote social protection and social inclusion (and action plans for inclusion).

Recommendations

- Develop a Communication assessing the implementation of Active Inclusion by Autumn 2011, setting out a road map for coherent implementation until 2020, with concrete proposals on how community funds can be used to support national, regional and local integrated approaches. This should set out an integrated approach to Active Inclusion promoting an inclusive labour market through personalised, pathway approaches to quality sustainable jobs, adequate income support and access to affordable, quality services. This should include adequacy, coverage and take-up of minimum income.
- Establish an EU goal for every Member State to offer an Adequate Minimum Income Guarantee, which should be at least above the poverty threshold, by 2020. Establish a stakeholder working group, together with the SPC to agree a common approach and make further progress on common definitions, methodologies and indicators for establishing adequacy, building on the Peer Review on reference budgets held in November 2010, as the first step in building consensus towards a Framework Directive that can provide an equal playing field across the EU.
- Progress on an EU framework to guarantee access to basic financial services, including access to bank accounts and fair credit services.
- Monitor the progress on implementation of the quality framework through national strategies on social protection and social inclusion (and action plans for inclusion) and in the National Reform Programmes. Create a thematic cross-cutting working group to develop a strategy and recommendations for an effective EU framework to ensure affordable access to quality services.
- In proposals on Sectoral Policies (P. 5 Staff Working Paper: List of Initiatives), propose a more pro-active approach i.e. by setting up a joint multi-stakeholder working group to develop proposals for the implementation of the Energy Poverty requirements of the new Energy Package, and measures for the new National Energy Action Plans, linked to the Social OMC and national strategies and action plans for social inclusion and in the National Reform Programmes.

4) Employment alone does not guarantee a route out of poverty. Develop a strategy to prevent social dumping, combat in-work poverty and create access to quality, sustainable employment for all. Strengthen social protection systems for those who cannot work.

The proposal relies too heavily on employment per se as the “safest route out of poverty”. When over 25% of people in poverty are in work, (in some countries as much as 50%, and 8% of workers experience in-work poverty), any job cannot be the answer to poverty reduction, particularly in the current context of job loss, rising unemployment, as well as degradation of working conditions (especially, in Member States like Ireland, where the crisis is being used to reduce the minimum wage, undermine wage levels and increase the precariousness of contracts). A strategy needs to be developed for creating quality, sustainable employment that provides decent, living wages as well as working conditions, setting out specific actions to reduce in-work poverty by combating the rise in short-term contracts, as well as temporary and unwanted part-time work, ensuring work/life balance, combating discrimination and ensuring that an inclusive labour market is opened up to vulnerable groups. Training and education provided must also be meaningful, especially if unemployed people are obliged to undertake courses in order to retain their benefits. The definition of quality, as proposed in the New Skills for New Jobs flagship initiative, is too narrow, focussing on working conditions and health and safety, while not paying due attention to the critical issue of low pay. Stronger commitment must be made to strengthening social protection systems to provide security to those who are unable to work, as well as acting as an important automatic stabiliser for the economy, and a key element in preventing people from poverty and social exclusion.

Recommendations

- Revise the wording (p. 6) Getting a quality, sustainable job could offer one of the best routes out of poverty for those who can work. Achieving by 2020 the 75% employment rate target for both women and men, coupled with enhanced job quality with living wages, would represent a strong contribution to lifting 20 million out of poverty. Investment must be made in strengthening social protection systems for those who cannot work or find decent jobs. New public investment should be made in new areas of green and social service jobs.
- Develop improved and enhanced criteria and indicators at the EU level for defining and measuring quality of work and employment, covering all aspects (including living wages and security) and building on previous work done at EU and international level, such as the ILO Decent Work agenda. This will ensure that achieving the employment target will not undermine efforts towards the poverty-reduction target.
- Develop a Commission White Paper, preparing the ground for a future, comprehensive EU strategy to reduce in-work poverty.
- Develop a European-level assessment of the performance of Public Employment Services, which focuses not only on quantity (i.e. number of people successfully activated), but

especially on the quality of the services and job counselling offered, in order to insure personalised approaches to bring people closer to the labour market.

- Provide Community Funding support, particularly through ESF, to develop pathway approaches that offer meaningful training and support into quality jobs, as part of integrated Active Inclusion approaches, with the support of social economy initiatives.

5) Put people experiencing poverty and the NGOs that support them at the heart of the Platform, at national and EU level. Provide strong backing for the Social OMC as a participative, integrated strategy developed through multi-annual national strategies for social protection and social inclusion (backed by action plans) linked to the national policy cycle, engaging national, regional and local stakeholders at every stage.

The current proposal highlights the need for a new partnership approach involving different stakeholders, including NGOs and people experiencing poverty. However, whilst EAPN strongly supports the need to engage stakeholders in thematic clusters to follow up on priority fields, including homelessness and housing exclusion, child poverty, migrants and ethnic minorities, we are concerned about the lack of link to national policy and the role of national stakeholders in the development of national integrated strategies to combat poverty and social exclusion. In the Commission's proposal, the Social OMC is referenced only in passing, with no commitment made to the continuation of the National Strategic Reports on Social Protection and Social Inclusion and the National Action Plans. The only concrete proposal is to continue the discussions on how working methods can be adapted, resulting in a Commission report at the end of 2011. This appears to seriously undermine the achievements of the Social OMC and the commitment to develop meaningful national strategies on social protection and social inclusion, with the active participation of stakeholders.

NGOs and people experiencing poverty are recognized as crucial, but no reference is made to their engagement in the national strategy development at national level nor to the strengthening of the EU People Experiencing Poverty meetings as best practice. People experiencing poverty and social exclusion must be given priority as partners to all processes, at national and EU level, building on the annual EU Meeting. Their knowledge is indispensable for developing good policy solutions.

Engagement of national, regional and local stakeholders including NGOs and people experiencing poverty and social exclusion is crucial to the success of Europe 2020, to provide accountability, ownership and better policy solutions. Some of the current weaknesses of the National Strategic Reports can be overcome by developing participative national multi-annual strategies on social protection and social inclusion (backed by action plans) which follow the national policy cycle providing a more integrated, comprehensive base for the social input into the yearly National Reform Programmes. These strategies should deliver on the Common Objectives of the Social OMC, focussing on preventing as well as alleviating poverty and reducing inequality, based on a broader concept and definition of poverty and social exclusion, backed by the full set of OMC indicators. They should build on the more successful

engagement of the Social OMC of grass-root stakeholders in meaningful structured dialogue at all phases of the policy process.

Guidelines for successful participation are vital, but these must be compulsory and applied to all the EU's own processes, i.e. to the national strategies on social protection and social inclusion and action plans as well as in the National Reform Programmes. Resources need to be invested in deepening mutual learning on good governance and participation practices, and facilitating engagement of key actors, like people experiencing poverty and NGOs in the development and monitoring of these plans, with community funding support.

Recommendations

- Make structured, meaningful involvement of people experiencing poverty and the NGOs that support them, as well as other key stakeholders, a cross-cutting priority in all areas of policy development and project delivery in the Platform, at national and EU level, including in the thematic priority fields. The priority of delivering meaningful participation should be supported by a multi-stakeholder, cross-departmental steering group which should include people experiencing poverty and NGOs, to drive delivery which should be responsible for delivering a bi-annual review of how mainstreaming participation has worked.
- Explicitly confirm the importance of a strengthened Social OMC, based on the three pillars, with common objectives and indicators and rooted in reporting mechanisms on multi-annual national strategies on social protection and social inclusion (backed by action plans on inclusion) which follow the national policy cycle. These strategies should be developed with national stakeholders including people experiencing poverty and NGOs, as a base for the social input for the yearly National Reform Programmes. A joint Commission/SPC assessment of these national strategies, should contribute to the mid-term review of the Europe 2020 strategy and their contribution to the National Reform Programmes.
- Confirm concrete proposals for a structured consultation involving all key national and EU stakeholders on how to reinforce the working methods of the Social OMC rooted in multi-annual national strategies for social protection and social inclusion, in the new governance of Europe 2020. The process should include a major stakeholder conference, regular dialogue meetings and written contributions. (Building on p.10 of the Staff Working Paper: List of Key Initiatives).
- Develop compulsory guidelines for stakeholder involvement in policy development, particularly in national strategies for social protection and social inclusion and action plans as well as in the National Reform Programmes. Provide practical tools to support the development of effective practices for national, regional and local authorities. These guidelines should stipulate minimum standards on types of stakeholders to be involved, underlying principles and participative methods for meaningful engagement building on successful good practice, backed by practical examples and tips for implementation.
- Confirm, in the List of Initiatives (Staff Working Paper), the commitment to strengthening the annual EU People Experiencing Poverty meeting, ensuring its better integration into the decision-making process of the Social OMC and Europe 2020, ensuring participation of people experiencing poverty and providing recommendations to the Annual

Convention and to the EPSCO Council. Mirror the EU mechanisms on participation at national level by formalizing at least annual national meetings/councils of people experiencing poverty in all Member States and an annual convention monitoring delivery on Europe 2020 and the European Platform against Poverty to feed into the EU Annual Convention.

- Invest in mutual learning on best practices on how to promote participation through peer reviews and enlarged, broader stakeholder exchanges and other mechanisms to encourage transfer of best practice at national and local level. Develop practical tools and set up a multi-stakeholder working group involving people experiencing poverty and NGOs that support them to oversee and develop the work.
- Ensure meaningful engagement of stakeholders, including people experiencing poverty and the organisations that represent them, in the drafting, implementation and evaluation of the National Reform Programs (at least in the sections dealing with the headline targets and flagship initiatives), implementing Recital 17 in the Integrated Guidelines.

6) Evidence-based social innovation can be crucial in developing new solutions or responding to new challenges, but NGOs/community organisations representing people experiencing poverty and social exclusion must be able to engage and access funds. Innovative solutions should also not replace effective solutions that work.

Invest in research/mutual learning and capacity building on what works in reducing poverty at grass-root, national and EU level and defend sustainable funding. Social innovation can be a useful approach particularly when it enables grass-roots solutions to be developed to local problems. Such approaches can identify new target groups, or new threats and risks to poverty as well as new needs and ways of working. Community based-organisations and NGOs have a key role to play in diagnosing and developing bottom-up local solutions to such challenges, but will need specific support to access funding and other resources, as well as commitment to evaluating performance, mainstreaming and follow-up. However, concerns are raised about the criteria for success, and accountability of such decision-making. The decision to focus on social assistance schemes raises some concerns, as to the aim to reduce benefits and drive people into unsatisfactory jobs, training and education rather than the objective of supporting people out of poverty and into social inclusion, through integrated support.

Social innovation should also build on existing solutions that have been proven to work. Care must be taken to ensure that funding is not just switched to “new, innovative projects” undermining sustainable funding/support for current approaches that have been proven to be effective. This is particularly crucial at a time when basic social and other services are under threat from cuts including community services/projects delivered by grass-root organisations. Research is needed at EU and national level to evaluate the effectiveness and impact of current approaches, in terms of delivery on poverty reduction highlighting the long-term negative impact of cuts to such services, compared to short-term fiscal gain. Investment must also be made in promoting mutual learning at grass-root, national and EU

level on what works to reduce poverty, ensuring adequate funding to enable engagement of grass-root projects and stakeholders.

Recommendations

- The Social Innovation Initiative should ensure that the definition of common principles are underpinned by the commitment to values, human rights and the preservation of human dignity and the aim to reduce poverty and social exclusion, as expressed in the new Lisbon Treaty, and particularly in Art 2, 3 and 5, and the horizontal clauses.
- The programme to test out innovative actions should be made accessible to community-based NGOs working with people experiencing poverty, and they should be included as stakeholders in the steering committee.
- European Research Projects should evaluate how far social innovation proposals are effective in reducing poverty and compare results with existing mechanisms. This should be used to provide an evidence-base supporting the case for sustainable funding for solutions that work.
- Funding should be provided to promote mutual learning and exchange on best practice on fighting poverty and social exclusion (on innovative as well as current effective practice) at grass-root level, including NGO projects, as well as national and EU level.

7) Give priority to building a more socially responsible economy that provides access to decent jobs and defends social rights and services .Provide a clearer definition of Social Economy and its role, supporting the development of new community services as well as work integration social enterprises rather than a narrow labour market approach.

Promoting a more socially responsible economy must be the main priority, developing clear criteria for support to Social Businesses which provide access to quality jobs to excluded groups and promote social objectives. Support for the social economy is also vital, particularly as an effective tool for supporting inclusion through work integration social enterprises and non-profit making community businesses. However, there is a lack of clarity on the scope and definition, particularly important when proposing a strengthening of the legal and financial framework. Often support for social economy is reduced to a narrow labour market focus rather than a broader approach to developing new local services through community enterprises. Care must be taken to ensure that support to social enterprises is not used to undercut mainstream public service delivery. Clear funding guidelines should be given to ensure access of grass-root social enterprises, in the context of active inclusion.

The connection to volunteering is also not clear. Volunteering must continue to be seen as an expression of active citizenship and not replace real, quality employment opportunities. It also should not result in public services being under cut/or delivered on the cheap with threats to quality, accessibility and accountability.

Recommendations

- Ensure that the Social Business Initiative prioritises support to businesses which provide access to quality jobs, with living wages and promote social objectives.
- Propose a Communication to develop a strategy for the strengthening of the social economy in its role in supporting active inclusion, giving particular focus to Work Integration Social Enterprises (WISE) and the development of new community services. Initial work should be carried out to build consensus on the definition and key principles.
- Facilitate the access of social economy enterprises to Structural Funds by tackling financial obstacles (increased pre and co-financing rates) and enhance their eligibility for global grants, technical assistance and capacity-building support, while developing and disseminating common guidelines, good practices and checklists for partnerships, building upon the positive experience of EQUAL.
- Improve coordination between social inclusion, employment, enterprise and competition policies, as well as the Directorates (DGs) in charge of them, and support more research and exchanges on the cross-cutting nature of social economy and its benefits.
- Support concrete initiatives that create a level playing field between social economy enterprises and profit-making companies, while taking into account the explicit social added-value of the former.
- Foster closer cooperation between the private, public and third sector (including social economy), particularly by supporting and promoting the use of social clauses in public procurement.

8) Make targeting of EU financing on poverty and social exclusion a binding priority, ensuring a more holistic delivery model, increased transnational exchange, ensuring stakeholder involvement and access to financing by community-based NGOs.

On the whole, the proposals on making EU funding deliver on social inclusion and social cohesion are an important step forward, particularly the priority given to targeting poverty and social exclusion objectives in Structural Funds, simplifying access and financing for small NGOs, particularly through global grants, given that high self financing demands (10-20%) are often the major obstacle for NGO project development. We further support the proposals of a Common Strategic Framework (CSF) providing enhanced coherence between European Regional Development Fund (ERDF), European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD). However key elements need to be strengthened. Making social inclusion and poverty reduction a binding priority and specifying requirements for a more holistic and comprehensive approach, through active inclusion, prioritising more and better jobs and strengthened social protection and public services are crucial, especially access to affordable and quality housing . Global grants are an important support to enable effective engagement of grass-roots projects developed by NGOs but could benefit from specific technical assistance at EU and national level and ring-fenced financing or a specific fund for small projects to support the mainstreaming of social inclusion at EU and national level, as well as more commitment to transnational exchange which can stimulate

the sharing of innovative and successful solutions. Embedding better stakeholder involvement in the programming cycle is also crucial. Microfinance initiatives, if they are to play a useful role for inclusion, need an appropriate outreach strategy, backed with integrated support services throughout the project development process if they are to benefit excluded groups.

Recommendations

- Make social inclusion and poverty reduction a binding priority for all community funds in the revision of Cohesion Funds and in the Operational Programme, including the European Agricultural Fund for Rural Development.
- Develop guidelines and support proposals for a more holistic and comprehensive delivery on the objective to promote social inclusion, through integrated active inclusion approaches, specifying more and better jobs, strengthened social protection and public services.
- Ensure that Structural Funds' Technical Assistance Support Units at EU, and national level support the mainstreaming of social inclusion through Structural Funds and promote the involvement of social NGOs as partners in the effective delivery of projects to promote social inclusion and in the fight against poverty, including initiatives led by NGOs. Technical assistance money should also be available within Member States and at EU level for NGO-led technical assistance projects to better support social NGOs to access and deliver effective social inclusion projects with Structural Funds support.
- Encourage Member States to ensure the further integration of ESF and ERDF programmes through the re-launching of the multi-fund approach aimed at delivering community-based projects by small NGOs capable of strengthening the social inclusion of local people, creating integrated pathways to the labour market for those currently excluded and the development of social, health and community facilities, neighbourhood services and community development of social services (education, training, counselling, employment support).
- Embed stakeholder involvement, including people experiencing poverty and their NGOs, in the programming process, developing common guidelines and promoting, as well as carrying out a regular evaluation on how far the funds have contributed to better governance, promoted better engagement of stakeholders like NGOs in delivery and contributed to achievement of the objectives of social inclusion.
- Invest in a dynamic transnational component to Structural Funds, based on participative principles to stimulate and share innovative and successful solutions.
- Propose a targeted use of Structural Funds to ensure that the green revolution will benefit the poorest people and have a decisive impact on decreasing their energy bills by setting up detailed targets for energy efficiency improvements.
- Consider ring-fencing or establishing a specific fund for grass-roots projects delivering new community needs and services accessible to NGOs with 100% co-financing.

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For more information on EAPN Positions on Europe 2020, see:

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For more information:

www.ec.europa.eu/employment_social/progress/index_en.html

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