

2010 and Beyond
EAPN Proposals on a legacy for 2010 and the EU strategy for post 2010.
Discussion Paper
Draft

Introduction

This paper is intended as a discussion paper, preparing the ground for the Seminar. It sets out EAPN initial proposals on the way forward for an EU strategy for post 2010, based on existing EAPN positions and drawing from on-going debates within EAPN working groups. The debates and conclusions from the seminar will be used to finalize an EAPN position and contribution to the Post 2010 debates which are taking place in the summer and autumn of 2009. At the same time, EAPN is working together with the Social Platform in developing a [Spring Alliance](#) manifesto, involving environmental organizations (EEB) and trade unions (ETUC), to deepen proposals on a sustainable vision and strategy for the EU. EAPN fully supports this broader manifesto. This EAPN paper focuses more specifically on the social dimension.

What we think

Rising to the challenge of 2010

2010 is a crucial moment for the EU. It marks the 2010 EU year against poverty and social exclusion and the date fixed by the Lisbon Strategy in 2000 to make a decisive impact on the eradication of poverty. It is a vital moment to assess how far has the EU been successful in reducing poverty and social exclusion, how far the growth and jobs strategy and the Social OMC have been effective instruments and tools and what changes need to be made if social progress is to be made.

An economic model that cannot deliver prosperity for all

The economic crisis however poses new questions. Not only is there an increased risk of new groups being driven into poverty, primarily through loss of jobs and homes, but those already in poverty face deepening hardship as the public deficits used to finance bank bail-outs start to be recouped through cuts in public services. The crisis has highlighted not only the dangers of an unregulated financial market, but a basic weakness in the economic model that has promoted economic growth at the expense of social cohesion. Competition and the rule of the internal market has been held sacred over the defense of fundamental rights, and growth has not resulted in less poverty but has increased inequalities between regions, as well as between rich and poor – converting inequality in a key driver of unstable, and an unsustainable economy at a global level.

No more business as usual - Time for change

The crisis raises severe challenges for the EU, but it is also an opportunity to shape a new vision for the EU and its role in the world. The starting point must to analyse openly the *causes of the crisis and the role that the Growth and Jobs model has played*. A new vision for the EU will challenge the assumptions of ever-increasing growth and whether this can be compatible with environmental sustainability and global equity. It will invest time and resources into alternative approaches. Above all it will ensure that a new model is proposed that puts the *economy at the service of societal needs* (both for the environment and for people) and actively reduces inequalities and poverty, rooted in a rights-based approach. Such a model is vital to prove that the EU can deliver on its promises of security, and deliver a coherent and sustainable vision which people can rely on defend their interests and the public good – for the benefit of people and planet.

What we need

AN EU WE CAN TRUST

- to put people and planet first, before profit.
- to put the economy at the service of social and sustainable development.
- to recognize the fight against poverty, inequality and social exclusion and the defense of fundamental rights, as a priority challenge and pre-requisite for progress (at EU and global level).

1. An EU we can trust: a new social and sustainable post 2010 EU strategy which makes progress on poverty and inequality a pre-requisite.

- New overarching objectives prioritizing social cohesion and the defense of fundamental rights, delivered through a balanced architecture (economic, employment, environmental and social), which strengthens and reinforces the role of the Social OMC.
- New tools to ensure implementation, including EU and national poverty targets, new multiple indicators to measure progress beyond GDP, and effective use of Structural Funds to deliver social inclusion.

2. A Social Progress Pact – Delivering on Rights and Solidarity

- Challenge the causes of poverty – reducing inequality/sharing wealth.
- Transform social protection into a springboard: Guaranteeing adequate income and access to quality social services.
- Create a pathway to inclusion: Making integrated Active Inclusion approach a reality.
- New jobs for new needs: Investing in quality social/green jobs and social economy.
- Challenge discrimination and promote diversity.
- Promote global social justice and equity.

3. Building a dynamic partnership for change

- Implementing participative and effective governance involving NGOs and people experiencing poverty, at all levels and stages of the EU policy cycle.
- Ensure financial and other support to NGO's as agents facilitating the empowerment of people experiencing poverty, and as service providers.

1. An EU we can trust – a new social and sustainable post 2010 EU strategy making progress on poverty and inequality a pre-requisite.

The current crisis must not only be dealt with through better financial regulation nor as a temporary blip in the boom and bust economic model. Lessons must be learnt to correct the fundamental weaknesses of the model itself. In reality, the growth-first model has contributed to the current situation. The growth model has not delivered on its commitments to make a decisive impact on poverty, because the trickle-down model does not work. Whilst economic growth may have raised overall living standards in some countries, the gap between rich and poor has increased with no significant impact on the 79 million people in poverty in 2007. At a global level, the drive for growth and the unregulated expansion of the market promoting the economic interests of the North has widened the gap and exacerbated poverty and inequality in the South. A fifth of the world's population now earns just 2% of global income concentrated in the developed world. Meanwhile the pursuit of profit and the impact on the global economy has devastated the world's environment and people's lives.

The challenge is not just to respond to the consequences, but analyse the causes and to establish a new vision for 2010. The new post 2010 Strategy should launch this vision which puts people at the centre and the delivery of fundamental rights, with new overarching objectives, strategy, architecture and tools - confirming the economy as an instrument to promote the public good and committing itself to building shared global prosperity and a sustainable future.

Recommendations

- **Launch a new Strategy for 2010 - 2020 to promote “an integrated EU strategy for global prosperity, social and sustainable development”:** with a new mission and objectives which restore priority to sustainable development and social cohesion. *Growth must no longer be an absolute objective*, but serve a sustainable model promoting prosperity and well-being for all.
- **Make the implementation of the Charter of Fundamental Rights and the reduction of the poverty and inequality (in the EU and globally), a pre-requisite for progress post 2010.** The EU must give priority to implementing rights and making progress on reducing poverty and social inequality. Economic and employment strategies must contribute to this end, if the EU social model is to be strengthened not undermined.
- **A new explicit Architecture and Guidelines delivered through 4 equal pillars.** The strategy should be delivered through 4 equal pillars: economic (macro/micro), employment, social protection and social inclusion, and environment with the promotion of global equity as a cross-cutting strand. New Integrated Guidelines should reflect the overarching social and sustainable goals.
- **New prominence for a Reinforced Social OMC with responsibilities for pro-active promotion of the new social objectives across all pillars.** The Social OMC should be reaffirmed as a key social pillar, reaffirming the Common Objectives and commitment to delivering fundamental rights, building on the Recommendations in the Commission’s Communication for reinforcing the OMC, particularly on:

- **Implementation:** set specific poverty related targets and require annual national implementation reports/ scoreboard mechanisms, which highlight progress/ and obstacles, linked to Commission Recommendations and Points to Watch.
- **Governance:** reinforce the National Action Plans and Strategic Reports as active planning processes engaging all stakeholders including people in poverty, reinforcing the link to the regional and local level through agreed Benchmarks. Engage EU and national parliament in the monitoring implementation.
- **Mutual learning:** develop new instruments to exchange learning (successes and difficulties) related to thematic fields like child poverty as well as on integrated, multidimensional approaches and participation methods, at national and EU level. Use new instruments like consensus conferencing where little policy consensus exists eg homelessness. Ensure mechanisms for follow up.
- **Mainstreaming: ensuring effective coordination with the other pillars to promote social inclusion,** establish a cross-cutting working group to promote stakeholder involvement in supporting the delivery of participative social impact assessment, to ensure a yearly assessment of positive and negative impact in all policy areas.

- **Financial tools:** ensure Structural Funds deliver social inclusion. Integrate the objectives of the Social OMC in new cohesion policy programming from the start, using OMC indicators and targets as success indicators. Promote a new community programme to fight poverty, inequality and exclusion at national level.

- **New EU and national targets on Poverty**
Establish new explicit EU targets on all key objectives of the new social and sustainable strategy, including poverty and social inclusion targets. Agree a roadmap for implementation. A target should be to reduce at risk of poverty level and intensity of poverty by 50% by 2015 with the goal of eradication by 2020. Sign national agreements and an individualized road map with member states to establish national targets with yearly, transparent monitoring through scoreboard mechanisms.
- **Beyond GDP - New indicators for social and sustainable progress**
Move beyond GDP as a narrow indicator of economic progress. Develop multiple-indicators which redefine prosperity: beyond growth, and chart progress in well being, the eradication of poverty, inequality (between regions, rich and poor) as well as the promotion a quality, sustainable development of the environment.
- **Embed progressive and participative Social Impact Assessment** as part of the overarching Impact Assessment procedure. This should include a specific focus on the impact on poverty and inequality and ensure the active involvement of stakeholders, including NGOs and people experiencing poverty in the assessment process.
- **Cohesion policy as a tool to fight social inequalities**
Make social inclusion and the fight against inequality an overall objective of the reformed cohesion policy (2014-2020). In line with the recently published Barca report¹ which acknowledged no automatic correlation between growth and reduction of income inequality. Earmark a high proportion of ESF money for projects targeting those further away from the labour market, including through investment in services.
- **A new model of governance** must accompany these changes. The Strategy must no longer remain the domain of finance ministers and employment departments, but promote genuine stakeholder involvement in each stage of the policy cycle – a new Guideline should be developed which explicitly requires this governance model linked to agreed benchmarks. The European Union should develop and redirect some of its mechanisms to help people experiencing poverty and social exclusion exercise active citizenship. *An EU we trust* should be more inclusive and supportive of all those living in it. (see last section)

2. A Social Progress Pact – delivering on rights and solidarity

A new post 2010 Strategy needs to sign up to a **Social Progress Pact**, based on rights and solidarity. This should set out how the EU will deliver on specific policy commitments, essential for the new social and sustainable vision. This must set out how key rights will be delivered, confront the causes of poverty and the link to inequality, and ensure a consistent and coherent approach to promoting global equity. This pact would be part of the the Commission's post-2010 strategy document, and be monitored through cross-cutting inter-departmental thematic working groups. EAPN sets out 6 key interlinking areas where social progress is vital:

¹ http://ec.europa.eu/regional_policy/policy/future/pdf/report_barca_v2104.pdf (p.73, 144)

- 2.1 Challenge the causes of poverty** – reducing inequality/sharing the wealth.
- 2.2 Transform social protection into a springboard:** Guaranteeing adequate income and access to quality social services including decent housing.
- 2.3 Create a pathway to inclusion:** Making integrated Active Inclusion approach a reality
- 2.4 New jobs for new needs:** Investing in quality social and green jobs for all.
- 2.5 Challenge discrimination** and promote diversity.
- 2.6 Promote coherent EU approach to promote global social justice and equity.**

2.1 Challenge the causes of poverty – share the wealth/reduce inequality

The crisis has highlighted that the structural causes of poverty are rooted in inequality. The credit gap was driven by untenable aspirations for material wealth and goods, fuelled by the markets drive to increase consumption, regardless of a person's capacity to pay. Relative poverty is largely a measure of social inequality. Unless wealth can be better shared and the gap between rich and poor reduced, a sustainable foundation for the economy cannot be established, and rights and social cohesion will continue to be undermined. Not only are social inequalities increasing,² but new evidence underlines the damaging consequences for the whole of society, not just the poor. Whilst the poor have shorter lives, suffer worse health and other social problems resulting in higher social and economic costs, recent studies³ highlight that more unequal societies are bad for almost everyone, with almost every modern social and environmental problem (ill health, lack of community life, violence, drugs, obesity, mental illness etc) more likely to occur.

The new post 2010 Strategy must highlight the need to achieve shared prosperity and a better life for all, and develop new tools to measure this progress, beyond GDP. This means prioritizing sharing wealth and reducing income and wealth inequality. This requires that both distributory and re-distributory mechanisms with measures for reducing income and wealth differences as well as promoting effective redistribution and solidarity systems for social protection. Tax must be recognized as a key redistributive mechanism for social progress, with tax evasion and avoidance outlawed as social crime.

Recommendations

- **Make promoting a better life for all: sharing the wealth and reducing inequality a clear EU objective**
Specify the goal of reducing inequality as part of the new EU vision for a better life for all in the post 2010 strategy, necessary for guaranteeing social cohesion, promoting prosperity, defending rights and reducing poverty. Specify delivery through better distribution and redistribution mechanisms.
- **Support progressive forms of financing social protection systems**
Support EU research into alternative financial mechanisms to ensure sustainable financing for social protection systems through progressive taxation systems including targeted capital and company taxation, as a key form of redistribution contributing towards the goal of eradicating poverty and reducing inequality.

² OECD: Growing inequalities.

³ R. G. Wilkinson and K.E. Pickett, 'The Spirit Level: why equal societies almost always do better'. Allen Lane. UK 2009

- **Adjust the Stability Pact and set Macro/Micro-economic guidelines to support public investment in social protection and services and support better distribution and redistribution.**

The Stability Pact should not be forcing unrealistic targets on Member States to reduce rapidly public deficits. The current deficits have not been caused by the poor or abuse of social protection systems, but the greed of bankers benefiting from largely unregulated financial markets. Effective public investment in social protection and social services is vital to guarantee a socially sustainable economic recovery. Develop new Integrated Guidelines which support reducing income and wealth inequality, encourage progressive taxation, proactive and coordinated approaches to tackling tax-evasion and avoidance. At micro-economic level promote the reduction of wage inequalities and sustainable ratios of wages to profit levels.

- **Monitor wealth and income inequality trends**
Develop new data and indicators of wealth and inequality as part of the Social OMC and Post 2010 strategy. Require Member States to monitor trends on wealth/inequality and other signs of unequal societies.
- **Promote integrated EU action against tax-havens/ and international tax-evasions**
Build on the EU Economic Recovery plan to require transparency on tax declarations, outlaw tax havens and a specific action plan monitored through the Open Method of Coordination to counter internal as well as transnational tax evasion and avoidance.

2.2 Transform social protection into a springboard: Guarantee adequate income and access to universal services.

Social Protection systems have been recognized and supported by the Economic Recovery plan as an “automatic stabilizer” in the crisis. But they are more than this. Services of General Interest (social services like housing, health and education as well as other key basic services like water, electricity, transport) are fundamental rights⁴ and essential parts of the EU social model. However, the priority given by the EU to the expansion of the internal market in services, actively promoting liberalisation and privatisation of even basic key services, is being made at the expense of people’s rights. [The 8th People Experiencing Poverty Meeting](#) this year raised the alarm bells: people in poverty are already in crisis. Many cannot afford or access decent housing or health care; they can’t pay exorbitant energy bills to heat their homes, they are being driven into further and further into debt without the support of fair banking or credit services. And this before the crisis! For many people, the **EU social model is ceasing to have any meaning**, if these vital universal services are not affordable, accessible and actively safeguarded. Effective Social Protection systems are accepted by the Commission as the **single most effective means for reducing poverty (by 38%)**⁵, and provide an essential springboard for social inclusion and cohesion. But they need to be strengthened not undermined. Universal services benefit everybody, prevent stigmatization and encourage take-up. Dismantling such universal services has a direct impact on poverty: in terms of the increase in deprivation, poverty and inequality, decline in health and loss of vital social cohesion and social capital. These high costs of non-action must be calculated and taken into account. In the post 2010 agenda, progress must be made in guaranteeing fundamental rights to universal services, as an essential basis for shared prosperity and a concrete defence of the EU social model.

⁴ New Charter of Fundamental Rights.

⁵ Joint Report on Social Protection and Social Inclusion 2009.

The right to an adequate minimum income for a dignified life⁶

In a context where the job supply is shrinking and purchasing power is subsequently decreasing, adequate minimum income schemes become crucial to ensure the dignified survival of families, as well as promoting demand and activating consumption. Three countries in the EU still do not have minimum income schemes in place. In the countries which have them, benefit levels still make little attempt to reflect real needs, and there are serious issues of accessibility, eligibility and non-take-up. Moreover, the lack of a solid rights base to adequate income is enabling Governments to instrumentalize benefits, tightening eligibility and forcing people into employment which is often precarious, by threatening cuts in benefits. This situation fuels the increasing stigmatization of people in poverty.

The right to a decent home, education, health and other services

The EU theoretically defends the right to access all universal services of general interest. However, in reality this right is not adequately defined nor guaranteed. People in poverty's daily experience ⁷ demonstrate how liberalisation and privatisation in the internal market are undermining affordable services. In the current crisis, ordinary people are paying the price – unable to afford decent housing, to pay the price of health or long-term care; to pay rising transport or fuel bills... leading to increasing homelessness or housing exclusion and indebtedness. So far the EU has asserted the dominance of market freedoms over social rights and taken an adhoc and sectoral approach to the fulfillment of these public service obligations. It is unacceptable that these rights now depend on the case by case interpretation of the European Courts. A consistent, coherent approach which can reassure ordinary people that the EU can enforce social standards demands a better EU Framework. The new Protocol in the Reform Lisbon Treaty provides the EU with a new legal basis.

Recommendations

- **Develop an EU Directive on Adequate Minimum Income schemes**
A Framework Directive should guarantee a right to an adequate income, building on the 92 Recommendation and the Active Inclusion Recommendation endorsed by the EPSCO in December 2008. It should provide an EU definition of adequacy and establish a standard of adequacy related to relative EU living standards and at least above the poverty threshold and guidelines for the development and updating of adequacy at national level through independent budget standard participative methodologies.
- **Develop a Framework Directive on Services of General Interest, and sectoral directives on social and health services.**
An EU framework directive on Services of General Interest and sectoral directives on social and health services should be developed, which guarantee priority of social rights over the internal market. These should guarantee the right for all to access affordable, quality key public services which are essential to live in dignity, including health, education and lifelong learning, housing/accommodation, care services as well as basic utilities and establish effective mechanisms for redress. An action plan should be agreed to move forward on developing these proposals based on the new protocol in the Reform Treaty and Article 14.
- **Launch an independent study to assess urgently the impact of privatization and liberalization on the accessibility and affordability of key services of general interest**
Promote an independent social impact assessment of the impact of liberalization on public service obligations, which includes national stakeholder assessments through participative

⁶ 92 Recommendation and Active Inclusion Recommendation endorsed by EPSCO Council in December 2008

⁷ See Report of the 7th and 8th People Experiencing Poverty Conference.

forums as well as objective data. Link the Social Impact Assessment to the Social OMC and assess and monitor the impact at national level through the National Strategic Reports.

- **Recognize Financial Services as a fundamental Services of General Interest** and move towards an EU legislative framework to guarantee the right to an affordable bank account and fair banking and credit services.
- **Reinforce support to adequate social protection systems through the Macroeconomic Guidelines and in the Stability Pact**
Include new Guidelines and explanatory text in the Integrated Guidelines to ensure Member State defend fundamental rights and provide adequate financing for adequate income and social protection systems.
- **Move towards establishing an obligatory quality standards framework for social services**, building on the effective mutual learning through the Social OMC, and the SPC work on voluntary quality frameworks, which could be underpinned by the EU Directive.
- **Establish an Intergroup on Services of General Interest, and give DG Employment specific responsibility for championing the monitoring of the social impact of current policies on SGI**, chair an interdepartmental and institutional working group on SGI responsible for developing a detailed Action Plan to develop an EU Directive.

2.3 Create a pathway to inclusion – implement Active Inclusion

The [Recommendation on Active Inclusion](#), endorsed by the EPSCO Council in December 2009, is an important step forward in supporting integrated strategies to promote the inclusion of people who are excluded from the labour market. [EAPN's findings](#)⁸ however highlight severe shortcomings in its current implementation. Most countries continue to pursue narrow activation strategies rather than fully integrated approaches which support access to adequate income and to quality services as well as access to quality jobs. There still seems a lack of a clear analysis of the strategic function of “flanking services”, which play a key role in removing obstacles to sustainable work. Positive activation measures are often marred by punitive conditionality – resulting in reduced or cut benefits when people fail to get or take up jobs offered. This is particularly acute in the current context, when reduced job opportunities exist. The main priority too often appears to be getting people off benefits rather than into a decent job. Many approaches fail to recognize the complex multiple barriers that people on the edges of the labour market face or to take pro-active measures to support the demand side, either in the creation of jobs or in challenging discrimination by employers in access processes.

Although several important steps have been taken to raise visibility and support mutual learning to promote the Recommendation, there is still an insufficiently coherent roadmap to ensure effective implementation and above all mainstreaming through all policy fields, particularly in the European Employment Strategy and the Lisbon process. The strong proposals voiced in the European Parliament Report should be fully taken on board.

Recommendations

- **Develop a well-publicised Road Map to implement Active Inclusion**

⁸ Will the economic crisis force a stronger social dimension. EAPN Social Inclusion Scoreboard on the National Reform Programmes. 2008

This should focus on measures to promote both the integrated approach and to deepen and strengthen the progress on the individual pillars particularly on the need to establish social standards on minimum income and access to services (see 2) and should involve: raising visibility at national and EU level, promoting mutual learning on best practice, and delivering.

- **Ensure that the Economic Recovery Plans give specific focus to the Active Inclusion Recommendation.**

The Plans should emphasize the need for integrated approaches and actively counter the current encouragement to pursue activation without sufficient recognition of the current constraints, ensuring that commitments to provide adequate income and access to quality services and decent work are at the core of proposed actions.

- **Mainstream the concept into the European Employment Strategy and in general in the post-2010 architecture.**

The Integrated Guidelines should be revised to ensure a full reference to the integrated approach of active inclusion, primarily in the Employment Guidelines 19 and in all documents related to post-2010.

- **Implement the Recommendations of the European Parliament's Active Inclusion Report**

Specific support should be given to deepening the effectiveness of delivery on adequate minimum income and access to quality services, in line with the European Parliament's recently adopted report. Particularly note should be taken of the clauses related to the need to reduce punitive activation, the need to make progress on a road map to establish targets for adequacy for minimum income above the poverty threshold and work towards a Directive on Services of General Interest. (See point 2)

2.4 Invest in new Social and Green Jobs for New Needs: defending quality jobs and promoting social economy

The current crisis highlights new challenges, many related to the shrinking supply of jobs. Most member states are taking urgent steps through the economic recovery plans to defend existing jobs and promote access to new areas of employment. But many of these jobs are short-term, with poor working conditions and often in unsustainable industries. Defending employment can not mean making compromises when it comes to job security and quality of work. With 8% of people at work already suffering from in-work poverty before the crisis, the aim must be to invest in sustainable jobs which can provide quality employment, a reasonable standard of living, and respond to new social and environmental needs. Although some welcome new measures are being advanced to tackle in-work poverty, these are often limited to increasing access to professional education and training, rather than implementing and improving minimum wage levels and working conditions. While a job is still promoted by many as being "a sure route out of poverty", not enough is done to ensure the quality and stability of these jobs, as well as living wages, as a primary route to counter hardship and in respect for human dignity. Too often, flexicurity strategies are undermining rather than reinforcing employment rights, reinforcing the flexibility over the security pillar. Long periods of inactivity and losing touch with the labour market are not desirable outcomes, but forcing people into unstable, precarious employment is not a sustainable solution, but a direct attack on the fundamental rights of individuals to a life in dignity.

When looking at new job creation, many Recovery Packages put a strong emphasis on using public investment to promote smart green growth. These measures could be taken further to ensure they deliver on social inclusion, by ensuring new jobs are created in deprived areas and access guaranteed for currently excluded groups. Particular attention needs to be paid to

vulnerable groups , at risk of exclusion and marginalisation. Discrimination needs to be tackled in a pro-active and comprehensive manner in order to ensure an inclusive labour market. New social and other services offer key new opportunities for sustainable job creation, whilst also delivering quality services of general interest. Public investment can be seen as part of a long-term investment in human resources, with a pay-back through the reduction in costs in other services (particularly in social and energy-efficient housing, preventative health care services, innovative education schemes to counter school dropout, childcare and elderly dependent services...). **People can not be treated as mere economic units.** Quality, sustainable employment should also ensure that people can achieve a proper work/life balance . This is particularly crucial for women who still carry the main responsibility for care in the family and the community.

Social economy initiatives, particularly Work Integration Social Enterprises (WISE), have proven to be successful instruments for supporting excluded groups into work, particularly in areas of new social and sustainable services, and their potential needs to be thoroughly explored and supported.

Recommendations

- **Reshape the European Employment Strategy**
The European Employment Strategy is a useful tool, but it needs to be restructured and with new objectives and actions. The new approach to employment needs to take into account the key role of a job to provide people with adequate wages and working conditions for a dignified life, as well as to ensure their full participation to society. It needs to create virtuous circles between economic productivity and social protection, fully respecting fundamental rights.
- **Ensure decent, quality work principles are at the core of the European Employment Strategy and the post-Lisbon architecture**, and that the European Employment Strategy expands and implements the current criteria on quality work in the Employment Guidelines. Specific priority must be given to strategies to tackling working poverty, and to counter low-quality, temporary and precarious employment.
- **Develop a Directive on Minimum Wage:** to guarantee a decent, minimum wage in all Member States and an agreed methodology for setting adequacy levels, established together with Social Partners.
- **Give priority in the Economic Recovery Plans and post Lisbon to increased public investment in social and green jobs**, provide positive incentives to member state investment. Support the development of studies which demonstrate the trade-offs with impact on other services.
- **Provide support framework to expand role of social economy/inclusive entrepreneurship** through the provision of an adequate EU legislative framework, to ensure their good functioning, sharing of best practices and access to resources, and through actively promoting public investment, including the targeted use of Structural Funds.

2.5. Combat discrimination, promote diversity

The current crisis is impacting worse on the most vulnerable and many member states are witnessing increased outbursts of racism and xenophobia against migrants and ethnic minorities. But successive National Strategic Reports have highlighted that these groups were

already one of the most vulnerable groups facing exclusion and poverty. The EU made good progress with the 2007 Year of Equal Opportunities, and with the proposals for a Directive on Anti-Discrimination. But steps must now be urgently to strengthen anti-discrimination legislation and policies against all groups that suffer discrimination, including those beyond the employment sphere, in a view to ensure access of all to goods and services. This should seek to tackle the specific situation of third country migrants (included undocumented migrants), who are currently being made the scapegoat when jobs are cut, are denied fundamental rights and are still left off the EU equality agenda. The EU approach to migration and discrimination must be consistent. The EU cannot proclaim the importance of the EU's role in the world without working actively to rectify the inequality in development between North and South. This includes working to develop a consistent, integrated approach towards migration and development, which will provide pathways to legalization and citizenship for the millions that come to the EU for a better life for themselves and their families.

Recommendations:

- **Strengthen EU anti-discrimination legislation**, including the fight against discrimination based on social origin, and adopt a comprehensive anti-Discrimination Directive providing protection against all forms of discrimination, including on the grounds listed under Article 21 of the EU Charter of Fundamental Rights.
- **Develop better systems to enforce existing legislation** and promote pro-active policies to address all forms of discrimination and the value of diversity and integration.
- **Develop new studies on the link between discrimination and poverty**, through the Social OMC and specific indicators on impact of discrimination and link with poverty, the social integration of migrants.
- **Develop a new integrated migration policy consistent with EU Social Model**, and the defense of fundamental rights, which ensures access to rights, resources and services and aims to provide a transparent pathway to citizenship.

2.6 Champion global equity and social justice through social standards

The current global financial and economic crisis, has fed on the inequalities between North and South. This is not only ethically unacceptable, but is a primary cause for the continuing increase in poverty levels, as well as undermining cohesion at a global level. Despite the fine rhetoric, the EU has continued to pursue an aggressive competition strategy against the interests of the developing world, whilst the International Funding agencies (IMF and World Bank) have too often insisted on development for export, geared to Northern markets. This has particularly undermined food sovereignty – undermining local communities' capacity to feed people first. The EU response must be to develop consistent policies which promote the equitable development of the South through locally-controlled aid programmes, ensuring consistency and coherence across all EU policies including: trade, promotion of economic growth and the internal market. The vision of "increasing EU competitiveness against the world" cannot be the only basis for an integrated equitable vision. The EU has a key opportunity to become a genuine champion for promoting global equity, ensuring greater collaboration rather than competition and giving priority to establishing International mechanisms to regulate markets and invest in the public good, promoting common global social standards.

Recommendations

- **Implement the Aid commitments of 0.7% of GDP** make steps to abolish the debt which continues to trap many countries in the developing world in poverty.
- **Back local development and local decision-making**, empowering local communities in the South to be in charge of their own development, particularly in relation to decisions on agricultural and trade development and food sovereignty.
- **Back effective International Regulation** through the auspices of the UN of financial and economic markets, and a transparent and independent review the role of the current financial organisms (eg World Bank and IMF develop new financial organisms) in defending social rights and contributing to local autonomy and equality.
- **Promote Global Social Standards** – both through the ILO and EU platform for decent work, but also to promote a Global Pact on Social Protection, providing minimum income to all, and access to quality jobs.
- **Establish a high-level cross-cutting working group** in the Council and the Commission linked to a Parliamentary Group, to monitor and evaluate policy coherence in promoting global equity.

3. Building a Partnership for Change

The EU is facing a grave credibility gap. The current Eurobarometer survey highlights a declining confidence in the EU and its ability to make a difference to ordinary people's lives. Active Citizenship is part of the current Commission's tool kit for increasing ownership and legitimacy. This should not be focused only on one-off encounters between decision-makers and citizens' but used to strengthen on-going, regular structured governance mechanisms which reinforce a genuine partnership between key stakeholders at local, regional, national, as well as EU level. The Social OMC and many EU-funded projects have demonstrated that good governance and participation are vital instruments for more effective policy making, but that this participation needs to be accompanied by adequate financial mechanisms.

Good governance means strengthening horizontal and vertical coordination, partnership and participation. This means better horizontal coordination between government departments, and link to parliaments at national and EU level, increasing the transparency of decision-making processes. It should also embed a systematic process for policy design and delivery, with key stakeholders, strengthening the accountability and ownership of social policies among citizens whose lives are directly affected by each decision. Civil society – including NGO's but also people experiencing poverty are vital actors, but will never be fully integrated in the policy-making process unless adequate methods and mechanisms are systematically put into place. The Social Open Method of Coordination has proven a useful but imperfect mechanism for supporting such a governance process. However, this commitment to active governance is not reflected in the Employment OMC, nor in the pensions, health and long-term care pillars of the Social OMC to the same degree. No OMC has consistently invested in dynamic and structured on-going stakeholder engagement at national level, sufficient to provide ownership and provide effective dialogue on policy gaps and proposals, nor have good practices been publicized or capitalized on.

In recent years, NGOs have been facing increasing obstacles in accessing funding at national and EU level, and in particular in accessing Structural Funds. While these funds are meant to deliver on cohesion, the good practices that NGOs have developed in the past have been bypassed in the new regulations. Despite recommendations to facilitate NGO participation in the Funds through simplifying procedures and access, setting up global grant systems and technical assistance, these have been taken up only in a few Member States. Anti-Poverty NGOs are key stakeholders in developing and monitoring the impact of the structural funds delivery, and this should be recognized by giving them a place on the monitoring committees. Partnership with NGOs will also enhance the social inclusion-proofing of the funds delivery.⁹

Real partnership also means recognizing the inequality of resources and access to power. Democracy does not come free of charge. Currently NGOs are key actors promoting the empowerment and the voice of people in poverty, supporting their active participation in the policy process in addition to providing crucial social services. They also make vital contributions to policy making by monitoring the impact of policies on the daily realities of people experiencing poverty. In the current crisis, NGO's are faced with increasing demands, which is not being matched by increased funding, and in some case, cuts. To show recognition of this vital role in practice, the EU should promote the development of a clear legal and financial framework for their sustainable development, and actively support their continuous engagement in policy-making processes by strengthening the EU governance framework and financing mechanisms to support NGOs in all policy fields.

Recommendations

- **Set benchmarks through EU Guidelines on active governance and participation** in policy decision-making processes at EU and Member State level, setting out common objectives, criteria and methodology for effectively engaging all key stakeholders, including NGO's and people experiencing poverty. Ensure these are implemented and monitored through the OMC processes, evaluate their impact and build on the good practices.
- **Ensure that EU economic policy decision-making moves beyond financial ministers**, and social partners, to ensure the equal active engagement of civil society and social economy actors. Governments should enhance coordination between all ministries and services whose decisions have an impact on poverty. All policies should be poverty-proofed to ensure that they are not detrimental but conducive to poverty eradication.
- **Recognize the specific value and rights of People Experiencing Poverty as service users and strengthen the transparency** of the governance framework by including clear guidelines for participation of people experiencing poverty and their organizations in policy making at all levels. In 2010 ensure that all major stakeholder events promote participation, and invest in the development of a clear framework for on-going dialogue and participation of people experiencing poverty in the National Action Plans for Inclusion, Programmes for 2010, National Reform Programmes based on new Guidelines.
- **Promote mutual learning, exchange, evaluation and capitalization of good practice** on effective methodologies and the value added of the good governance and participation mechanisms in policy-making processes at national and EU level, through Social OMC.

⁹ EAPN has already produced a manual for anti poverty NGOs to engage with Structural Funds, including case studies and guidelines to developing social indicators for evaluation of the Funds, strengthening the partnership with monitoring committees and providing critical feedback on the Funds' reducing inequalities and delivering cohesion.

Give political recognition to the importance of good governance practices and visibility through a specific website page on participation on the Europa Site and ensure follow up.

- **Reinforce financial support to NGOs and civil society associations in the fight against poverty**, as facilitators of the voice of people in poverty and service providers and ensure the development of adequate legal infrastructure and adequate financing for the NGO sector.
- **Support the continuous training and capacity building of NGO's** to better deliver these functions, as well as direct funding to the active participation of people in poverty in policy decision-making processes, through Structural Funds and other financial mechanisms.

*For more information or comments on the draft, contact Sian Jones,
Policy Coordinator, EAPN
Sian.Jones@eapn.eu.*