

EAPN 2015 NRP and European Semester Assessment



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Background



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- EAPN annual analysis of NRPs – part of detailed engagement in Semester process
 - 21 National EAPN networks -BE, HR, CZ, CY, DK, EE, FI, FR, DE, ES, HU, IE, IT, LV, LU, MT, NL, PL, PT, SE, UK
 - Plus input from EAPN Iceland, as a benchmarking exercise
 - Inputs also from FEANTSA, AGE-Platform and Eurodiaconia.

Summary Scoreboard



65%	The NRPs are primarily aimed at macroeconomic and financial management not on Europe 2020 targets
76%	Austerity is still the dominant focus of NRPs and is generating more poverty and social exclusion.
88%	The burden of the crisis is not being equally distributed.
88 %	The NRPs do not have poverty as a main priority, and employment (with increased conditionality) is proposed as the only solution to fight against poverty.
71%	The NRPs lack an integrated strategy on poverty, supporting active inclusion – access to quality jobs, services and adequate minimum income.
65%	The NRPs are more focused on investment, but not on social investment.
88 %	Social protection is seen as a cost not a benefit, nor a social investment.
53%	Agreed that no progress has been made on implementing key EU social investment priorities – particularly investing in children and tackling homelessness.
53%	Considered that the employment measures proposed in the NRPs are not the right ones to ensure access to quality jobs for all.
76 %	The NRPs do not mention increasing quality jobs and tackling in-work poverty as key priorities.
59 %	The education and training measures are primarily aimed at increasing skills not at ensuring a comprehensive quality education system.
53%	The National Social Reports (NSRs) do not underpin and strengthen the delivery on poverty in the NRP.
Only 35%	Structural Funds are being used effectively to reduce poverty and deliver on 20% of ESF.
76%	Anti-poverty NGOs were not taken seriously into account in the NRPs.
47%	Of anti-poverty NGOs were consulted in the development of the NRPs.

Macro-economic Analysis



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- The dominant trend continues to be **fiscal consolidation** concentrated on cuts to benefits and services,
 - Movement to **investment** and growth-friendly measures, particularly in the area of tax and restructuring labour markets but with **little sign of a social investment** as a priority.
 - But some **signs of social investment**, in some with increase in investment in adequate income support systems (DE, ES IE, IT, MT, SE, UK/Scotland – although in UK all benefits have been frozen or cut)
 - Several members highlight an **increased focus on tax policy** (BE, CZ, EE, HU, IE, IT, LU, MT, ES, UK). Priority is ‘growth-friendly’ taxation rather than recognition of the key redistributive role of taxation to reduce inequality
 - **Services of more a focus** but priority is placed on removing barriers to the internal market in services as a driver for growth, rather than investing and defending affordable, quality services (DE, HU, IT, LV, NL, PT, ES, SE, UK).
 - **None have put into place ‘a poverty, gender or equality impact assessment’**

Macro-economic country examples



Positives:

- **Denmark** - There is a growing investment in public health, also for poor people
- **Germany** - Introduction of a statutory minimum wage @ €8.50 per/hr

Negative:

- **Hungary:** The tax system is still not in favour of people experiencing poverty, for example VAT (27%) is still one of the highest in the EU.
- **Spain-** Deficit reduction under the Macro-Economic Imbalance Procedure implies more cuts in social services, an overall reduction of €18 billion.

Missing:

- **Ireland** - The end to seven years of austerity policies is welcome but there is no mention of poverty, equality or gender impact assessment of economic policy.

Poverty



General

- Despite the guidelines, not all NRPs provide a specific section dedicated to progress on the poverty target, and the policies to deliver it.
- Some highlight progress (BE, HU, PL). More members highlight increases in poverty (CY, DK, FI, IE, LU, MT, PT, ES).
- **Use of indicators** an issue - Several MS still fail to use EU indicators (e.g. DE, SE and UK).

Policy responses

- General **lack of an overall systematic, integrated approach** – but some examples of integrated approaches (CZ, FR, ES).
- **Work is seen as the most important route out of poverty** (EE, DE, HU, PT, ES, SE and UK), despite the rise in in-work poverty to 8.7% (2013)
- Increasing **participation in the labour market is mainly about activation** and removing disincentives to work (BE, DK, PT,) as well as restricting access to early retirement.
- There is a split between those with an explicit focus on **reducing costs of social protection** systems (HR, UK), and those where NRPs consider issues of **adequacy and accessibility** (BE, EE, FI, FR, PT, ES), although cost-cutting is an underlying driver in all.

Poverty



Policy Responses (Contd)

- Although **some evidence of an active inclusion strategy** is seen in a minority of countries (HR, CZ, FR, IE, ES), the majority highlight no signs of implementation - but mainly interpreted as 'activation' only,
- Whilst there are encouraging signs of new **more integrated plans to investing in children to fight child poverty** (BE, IE, ES) the commitment to delivery is undermined by budget restrictions. Access to early learning and childcare, is seen as a growing priority (BE, CZ, NL, PL, UK). However, the issue of affordability and quality remain.
- Where **access to services** is mentioned, it is most often around education (HR, CZ, EE, FR), but often restricted to specific groups (i.e. low income and disabled)
- **Rising homelessness is seen by many members as a key unmet priority**, in the context of shrinking incomes and supply of affordable housing. Whilst several members highlight plans on homelessness (BE, CZ, IE, LU, PT, SE, with ES being finalized) doubts are raised about financing and the implementation process.
- The **selection of target groups for antidiscrimination and support action is seen by most members to be piecemeal**, and not based on current data and evidence related to which groups face the greatest risk of poverty and exclusion.

Poverty – Country Examples



Positive

- **Cyprus:** The introduction of the Guaranteed Minimum Income (GMI) in July 2014.
- **Poland:** The youth guarantee programme includes measures for young people with disabilities
- **Iceland:** The Welfare Watch Platform was reactivated.

Negative:

- **Luxembourg-** Budgetary cuts in social services and benefits e.g. abolishing the education allowance or reducing mobility and reinsertion credits in the unemployment benefit

Employment



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- Missing quality dimension in employment (BE, DE, HU, IE, MT, NL, PL, PT, ES, SE, UK)
 - In-work poverty also missing despite it being seen as a national problem (CZ, DE, HU, IE, LU, MT, SE, UK).
 - Downward pressure on wages, or lack of progress towards decent income from paid work (BE, CY, MT, NL, ES)
 - Concern over a continuation of negative activation policies, based on increased conditionality, tightened eligibility, and harsher sanctions (BE, IE, NL, PT, UK) – despite lack of sufficient jobs
 - Other countries report steps toward a more supportive approach, providing pathways to social and professional inclusion (HR, CZ, DK, FR, DE, HU, MT, ES) but still concerned that measures are not comprehensive enough or reach those most in need (DK, FR, HU, SE, IE)
 - Mixed in terms of focus on supports for specific groups and tackling discrimination
 - Implementation of integrated, comprehensive Active Inclusion strategies is completely missing from the 2015 NRPs.

Employment – Country Examples



Positive

- **Portugal:** The priority given to youth is positive since youth unemployment is particularly significant at national level.

Negative

- **Finland:** Pension reform, which raises the retirement age and decreases coming pensions.

Missing

- **Malta:** A true political will to bring about social justice in the work place.

Education



- Trends indicate that inclusive access to education remains challenging, particularly for key groups and people in poverty, - positive approaches are marred by insufficient funding,
- Most EAPN members report that attention is paid to curbing early school leaving and that a number of supportive measures have been implemented or are proposed (HR, CZ, FI, HU, IE, LU, NL, ES, SE, UK). However, some networks (FI) express reservations that these positive steps will be sufficient to achieve meaningful, sustainable results.
- Some networks (DE, MT, PL, PT, PL, UK) point out the strong link between the social and economic situation of the children (and their families) and poor educational attendance and attainment - this is not adequately explored in NRPs.
- Much less attention seems to be paid by Governments to the target on lifelong learning and improving tertiary education outcomes.
- Still a significant number of EAPN members (BE, HR, IE, MT, ES, SE) report that their Governments still pursue a narrow interpretation of education and training - linking it primarily to the needs of the labour market and of the economy rather than a tool for broader personal and human development.

Education – Country Examples



Positive

- **Croatia:** the Ministry of Science, Education and Sports has allocated funds for co-financing textbooks and accompanying supplementary teaching materials for primary and secondary school students, who are members of households that are beneficiaries of guaranteed minimum benefit and of social welfare assistance.

Negative:

- **Luxembourg:** Despite reform subsidies for students are still more in favour of students from better off parents than for those living in more vulnerable conditions.
- **Spain:** The new Education Law is not fully enforced. The budget has been reduced, although the measures are meant to be implemented.

Structural Funds



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- Several NRPs appear to give little priority to Structural Funds and even less to the priority on 20% of ESF to be spent on social inclusion and poverty.
 - However most members are positive about the 20% ring-fencing of ESF which appears to be included in all Operational Programmes
 - Several members highlight that much of the money will be spent on existing programmes (IE, PT, SE).
 - Most members underline that small social and anti-poverty NGOs face increasing difficulties in accessing Structural Funds, including ESF in the current round as well as participating in Monitoring Committees (BE, EE, DE, HU, IT, NL, PT, SE and UK).

Structural Funds – Country Examples



Positive

- **Czech Republic:** There is some honest interest in allocation 20% of ESF on social inclusion and poverty, i.e. tackling discrimination for key target groups, investing in social infrastructure - early learning and quality childcare, affordable housing, health

Negative

- **Croatia:** There is a lack of targeted measures and programmes that have a real potential to change the situation of particularly vulnerable groups - people with disabilities, the homeless, single parents, the long-term unemployed and others.
- **Sweden:** Most of the money goes into the public sector and the results of the programmes are not that good. One reason for this is that the programmes run by Structural Funds are almost never implemented and mainstreamed into national systems, but end when they run out of funding.

National Social Reports



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- Low priority and weak delivery undermining impact.
 - Weak participation of stakeholders
 - Provides additional, more comprehensive social monitoring that deepen the focus on social protection and social inclusion. However, not clear how the key priorities and groups are followed up or mainstreamed into Europe 2020 and the Semester.
 - NSR is primarily a monitoring report rather than a political one - scope is merely descriptive (BE, PL, PT)

Participation



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- Many see the NRP itself as largely a report on past and future actions and not a plan, simply reflecting the main policy decisions which have been taken by national governments and parliament at a different stage.
 - The majority of members highlighted some kind of stakeholder process in the NRP although generally with low quality: (BE, HR, CZ, DK, FR, DE, HU, IE, PL, PT, ES, SE).
 - A minority stressed the lack of any process at all (EE, FI, IT, LU, UK – but some process in Scotland).
 - Several members have highlighted some small improvements even in the more limited processes (NL, SE, PT, DE)
 - 6 EAPN members are engaged in a more structured regular dialogue process in their NRPs and the Semester: (BE, DK, FR, IE, PL, ES)
 - DK and IE have noticed the positive results on engagement and profile arising from their national pilot cross-sectoral alliances on the European Semester in 2014 - funded by a Joint Action project by the Commission
 - There is a wide variation and no common approach, emphasizing the lack of common guidelines and monitoring
 - All networks highlight concerns about the impact, questioning whether the extreme effort and expenditure of time, resources and hope... is worth it.

Participation – Country Examples



Positive

- **Denmark:** EAPN DK is a member of the Government's Contact Committee for the EU 2020 Strategy with 3 – 4 meetings per year. The first in February – March is about a draft for the NRP, which we received 1 – 2 weeks before. We can react at the meeting and then have maybe 2 – 3 weeks to give written comments.
- **Spain:** The influence reached by the Platform of the Third Sector's (PTS) inputs is higher than in 2014. The PTS is recognized to have played "a very active role in the development of 2015 NRP".

Negative

- **Bulgaria:** No dialogue with government. Any participation is on the periphery. Involved in consultation and working groups, but they have no important impact on the reports, and the dynamics of poverty and inequality continue to grow.
- **France:** The obstacles remain the short time-scale and the complexity of the document which does not encourage a quality participation. But the take-up by the National Council for Combatting Exclusion (CNLE) of EAPN concerns was strong, and the views of the CNLE are produced as an Annex to the NRP, which gives it a strong visibility.

Key Messages



1. Ensure macroeconomic policies deliver on social objectives

- **Put macroeconomic objectives on a par with social objectives and at the service of social inclusion and cohesion.** Europe 2020 goals/targets restored to heart of the Semester.
- **Transparent ex-ante social impact assessment carried out on all policies**, including austerity measures, to ensure a coherent approach that invests in inclusive and sustainable growth and prevents negative impact on people.
- **Social policy must be seen as an investment not a cost**, and as a pre-requisite for high quality growth and social inclusion, combined with equitable tax/benefit systems that can redistribute wealth more fairly and reduce inequality.

Key Messages



2. Demonstrate a strong social dimension: an integrated poverty strategy and investment in social standards

- **The Semester must demonstrate an explicit social dimension**, with specific sections in the AGS and in NRP proposing policies to deliver on the Europe 2020 poverty and other social targets, with CSRs on poverty for all countries.
- **Propose an integrated rights-based anti-poverty strategy to tackle the multidimensionality of poverty for all groups**, based on personalized, integrated Active Inclusion (inclusive labour markets, adequate minimum income and access to quality services) underpinned by rights to quality social protection and linked to thematic strategies for all at-risk groups.
- **EU social standards must be progressed to ensure an *adequate income throughout the life cycle for all***: with priority given to EU frameworks for adequate minimum income and social protection, living minimum wages and quality jobs.

Key Messages



3. Get serious about participation and NGO involvement!

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- **Effective civil society involvement at all stages of the Semester process** (design, delivery and evaluation) is crucial and must demonstrate policy impact.
 - A process must be launched to **develop common guidelines and indicators to measure the effectiveness of stakeholder dialogue**, monitored/reviewed annually through the Semester.
 - **Transform European Semester Officers into ‘participation officers’** with resources to support NGO involvement, including people with direct experience of poverty while promoting exchange of inspiring practices.