

EAPN proposals for New Integrated Guidelines for Europe 2020

Introduction

On the 26th of March 2010, the Spring Council endorsed the main outline, priorities and targets of the Europe 2020 strategy for smart, sustainable and inclusive growth. The precise targets in the poverty and education areas have been delayed until the June Council. The Commission has been charged with rapidly developing new “more focused” draft Integrated Guidelines, including the broad economic and employment guidelines (due on the 27th April), that will provide the basis for the country reporting and regular monitoring of progress on these priorities and targets. Initial information highlights that the Commission will propose 10 guidelines to cover the macro-micro economic area, employment, poverty and education targets.

In this document EAPN sets out its key messages and proposals for the new integrated guidelines to ensure that the strategy delivers on the goal of social and territorial cohesion and the agreed objective and target to reduce poverty, contributing to the long-term goal of eradication of poverty, social exclusion and reducing inequality to ensure a better life for all.

What We Want:

- 1) A cross-cutting Social Guideline and social impact mechanisms to ensure that the whole strategy delivers on social inclusion and poverty, to reflect the new social articles in the Treaty and Charter of Fundamental Rights.**
- 2) A specific Social Guideline which delivers on poverty, separate from the Employment Guidelines**
- 3) Economic Guidelines that promote social inclusion and do not contradict the social objective**
- 4) Employment Guidelines that support quality jobs, fight discrimination and promote access to decent jobs for all, through integrated active inclusion approaches.**
- 5) A specific Governance and Participation Guideline to ensure structured dialogue with all key stakeholders including civil society and people in poverty.**

- 1) A cross-cutting social objective and social impact assessment to ensure that the whole strategy delivers on social inclusion and poverty, built on the new Treaty and Charter of Fundamental Rights.**

- The current integrated guidelines are parceled between macro, micro and employment objectives, with the main focus on securing economic stability and growth and jobs. A social guideline cannot just be an “add on”, but has to ensure that the whole strategy contributes to social cohesion, social inclusion and the eradication of poverty, building on the new basis of the Lisbon Treaty: enhanced values, horizontal clauses and Charter of Fundamental Rights.
- This means including an overarching, cross-cutting social guideline with an explicit ex-ante social impact assessment mechanism that can ensure coherence to the social objectives.

- The monitoring of the objective should be linked to the development of a beyond GDP dashboard of indicators for measuring social and sustainable development. In the social field, these should draw on the agreed poverty and social exclusion indicators of the Social OMC.

Proposals for Cross-cutting Social Guideline

To ensure all policies promote social cohesion based on fundamental rights and ensure that the benefits of growth and jobs are widely shared by ensuring access to a high level of quality employment, quality services of general interest, adequate social protection and pro-active policies to eradicate poverty, social exclusion and discrimination – Drawing on The Reform Treaty Horizontal Clauses (Article 8, 9, 10 and 11 TFEU), enhanced values and Charter of Fundamental Rights.

2) A specific Social Guideline which delivers on poverty, using a transformed Social OMC, separate from the Employment Guidelines.

- A specific social guideline, which is separate from the Employment Guidelines, is vital to set out the specific pathway to deliver on the proposed EU poverty target. Whilst quality jobs can be an important route out of poverty, employment cannot be treated as the only solution, particularly in times of massive job loss. The objective of the social guideline must be as established in the Communication – ensuring everybody a life of dignity with adequate income and services, and ensuring that growth benefits all. It is therefore vital that the guideline remains outside the Employment Guidelines
- This guideline needs to set out how the poverty target will be reached across all policy fields, focusing on a rights based approach and emphasize the key role of defending affordable quality social protection systems, which have shown their worth as major stabilizers during the crisis, implement anti-discrimination policies and ensure universal access to quality public services including services of general interest, as well as specific anti-poverty policies targeted at specific groups.
- The Open Method of Coordination of Social Protection and Social Inclusion, is a vital instrument to deliver an EU strategy for preventing and combating poverty, particularly through revitalized national action plans for social inclusion involving stakeholders. This needs to be given a key, but not exclusive, role in delivering on the target and social objective. Explicit reference should be made to commitment to deliver on the OMC Common Objectives (2006).
- Structural Funds should have a specific role to deliver on the social guideline, delivering on social inclusion as well as on Employment and other Guidelines, particularly in improving access to quality services and supportive approaches to participation.

Proposal for specific Poverty/Social Inclusion Guideline

Guarantee a dignified life for all by guaranteeing access to rights, resources and services and progress towards the eradication of poverty and social exclusion, in line with the agreed Common Objectives of the Open Method of Coordination, through strengthening social inclusion and universal social protection and services and giving priority to the implementation of agreed priorities including Active Inclusion, eradication of child poverty and street homelessness.

3) Ensure that the Economic Guidelines promote and do not contradict the social inclusion objective.

- The current *Macro and Micro economic Guidelines* focus entirely on stability and growth and jobs, and the extension of the internal market, without ensuring defense of social rights. Europe 2020 strategy must ensure that the new guidelines explicitly recognize stability and growth as means to social cohesion and promoting a better life for all, rather than an end in itself.
- Care must be taken to ensure that *macro-economic guidelines* defend adequate financing for social protection systems and contribute to the reduction of income inequalities through progressive taxation policies which will shift the tax burden from labour to resource use and consumption and capital and tackle evasion and avoidance, as key factors in preventing as well as tackling poverty and social exclusion.
- *Microeconomic* measures should support the social market economy, by ensuring that support is given to measures which tackle barriers to job creation and promote entrepreneurship for those who are in poverty and excluded from the labour market, with particular support to social economy and WISE. The extension of the internal market must also be made conditional on guaranteeing access, continuity, affordability to quality services of general interest for all.

Proposal for Macro-economic guideline

Ensure that economic stability, smart, sustainable and inclusive growth result in rising living standards for the whole population, contributes to social cohesion by reducing income and wealth inequalities and by guaranteeing the continuity of the EU social model through adequate funding of social protection systems.

Proposal for Micro-economic guideline

Promote an effective, fair and accessible internal market of services, guarding universal service obligations ensuring access, continuity and affordability for all to quality services whilst providing specific safeguards for people experiencing poverty and social exclusion

4. Ensure that the Employment Guidelines support creation of, and pathway access to, quality and sustainable jobs, while fighting discrimination and ensuring inclusive labour markets through integrated active inclusion approaches.

- The current guidelines do not reflect a sound hierarchy of objectives. Quality of work, social cohesion and inclusion must return to being overarching objectives, challenging the false assumption that social cohesion will trickle down automatically from growth and jobs.
- As 1/3 of people in poverty are currently in jobs, the Guidelines must ensure the promotion of *Quality and sustainable jobs*, if employment is to be a real route out of poverty, building on the principles and indicators agreed in 2001 and agreements on decent work with the ILO. This must cover intrinsic job quality, living wages, adequate social protection, access to training and skills upgrading, lifelong learning and career development, gender equality, health and safety at work, security and stable contracts, work organization and work-life balance, social dialogue and worker involvement, diversity and non-discrimination.
- A *balanced approach to flexicurity* must be sought, which explicitly integrates employment and defends quality social protection which will contribute to the fight against poverty – notably through reducing precariousness, supporting secure transitions which deliver access to quality

employment, reducing labour market segmentation and guaranteeing decent levels of social protection for those between jobs and who cannot access decent jobs, or are unable to work.

- An *inclusive labour market* must be given central priority – this means ensuring pathway access to quality jobs for groups currently excluded, particularly young and older people, women, people with disabilities, migrants and ethnic minorities, through supportive and integrated *active inclusion* approaches, which ensure an adequate minimum income for those not in work, and access to quality services linked to supportive personalized, pathway approaches to accessing quality employment.
- *Supply side measures must be balanced by demand side*. Links with industrial and economic policies need to be strengthened for the creation of sustainable employment within the economy. The potential of job creation in social and healthcare services can be further explored, while ensuring that these jobs are of quality and provide decent wages and working conditions. A key aspect is also enabling *social economy* and Work Integration Social Enterprises to play their effective role as tools for inclusion, and exploring new areas of smart, green jobs.
- *Discrimination in the labour market* is a key cause of poverty and social exclusion for many groups. No specific guideline has ever been developed in this area. The new guidelines must ensure a specific mention, especially to tackle obstacles to accessing the labour market on behalf of disadvantaged groups, as well as wage gaps (gender, ethnic etc).
- The connection between the *Employment Guidelines and Structural Funds*, especially ESF, should be further developed to ensure their use as a driven force for supporting access to quality jobs and social inclusion for those who are the furthest from the labour market.

Recommended Employment Guidelines

- 1) *Promote quality and sustainable jobs¹ by investing in new services to meet new social and environmental needs, reducing in-work poverty and ensuring that work pays through living wages, and the reduction of tax and benefit traps, ensuring balanced approaches to flexicurity which enhance security, and quality conditions which promote health and safety, personal development, life long learning and work/life balance.*
- 2) *Ensure inclusive labour markets, by implementing integrated active inclusion approaches which guarantee adequate minimum income, access to services and personalized pathway support into quality work, investing in social economy and implementing anti-discrimination measures to ensure access to sustainable employment for all groups.*

4) A specific Governance and Participation Guideline

- The Europe 2020 Strategy explicitly recognizes the role of stronger governance to “achieve transformational change” and ensure “timely and effective implementation” and of greater participation to achieve “greater ownership” of the strategy. However, guidance on better governance and participation in the previous National Reform Programmes was generally not implemented.
- A specific governance and participation guideline must be included, which requires MS to engage government at different levels, effectively engaging key actors, including civil society, in regular structured dialogue at all stages of the design, implementation and evaluation of the strategy.

¹ Building on indicators/principles agreed by the European Council in 2001/Commission Communication..

- Civil society is currently not recognized as a key actor, only as a recipient of “good communication”. Europe 2020 will only get vital visibility and ownership if it engages with people, particularly people in poverty and the social NGOs that support them. Explicit guidance is needed to require MS to develop structured dialogue with civil society throughout the NRP process, and to provide financial, other support and capacity building to enable effective engagement.
- The NRP/OMC processes, should build on the current better practice of structured dialogue under the Social OMC to ensure that the Employment and other OMC’s included in the Europe 2020 strategy ensure the involvement of all relevant stakeholders (including/especially people experiencing poverty and their organizations) particularly in the National plans, peer and thematic reviews.

Proposed Governance and Participation Guideline

Ensure effective ownership, visibility and implementation of the Europe 2020 strategy by embedding comprehensive, coordinated governance across all government levels (national, regional and local and including national and EU parliament) and embed a regular structured dialogue with all key actors, including civil society and social partners, through all phases of the design, implementation and evaluation of the strategy, according to agreed common principles².

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² Principles of effective governance and participation and indicators should be agreed which set out agreed standards, for all types of actors – including civil society and mechanisms for engagement. To be benchmarked as part of the yearly evaluation.