



Brussels, 17 April 2010

**Reference: The Poverty Reduction target in the Europe 2020 strategy must be the right target, supported by the right indicator and an ambitious Platform against Poverty**

To: EU Prime Ministers and Heads of State and Governments

Dear Prime Minister,

The European Council conclusions (25-26 March 2010) agreed to have a headline target on *'the promotion of social inclusion through the reduction of poverty'*. It also concluded that *'further work was needed on the appropriate indicator'* for this target and that *'the European Council will revert to this issue at its meeting in June 2010'*. The discussion at the Council followed from the proposal of the European Commission ([Europe 2020 strategy](#) published on 3 March 2010) *'to lift at least 20 million people above the relative poverty line'* as one of five key targets for the Europe 2020 strategy. The European Anti Poverty Network (EAPN) gave a cautious welcome to the Council conclusions however **the failure to agree the proposed target and indicator remains a cause for major concern**.

It is difficult to imagine that in the space of the three months reflection leading up to the June Council, that a more appropriate indicator can be developed. It should be remembered that the relative poverty indicator (60% of median income) is supported by almost all social and economic actors, has been developed through extensive work in the field of social science, is well known in public discourse and EUROSTAT public perception surveys show that it corresponds well to perceived levels of poverty in the EU. It is also important to note that **this indicator was already adopted by the European Council** as a lead indicator of 'at risk of poverty' in Laeken (2001). To know more about the appropriateness of this indicator please see the attached document prepared by EAPN. A move away from this agreed indicator is likely to further alienate people concerned about the future of social Europe.

There is a perception that this indicator is 'just a monetary indicator' and therefore does not capture the multi dimensional nature of poverty and social exclusion. Therefore it is important to point out that **this headline indicator is backed up by a set of indicators** which were already agreed at the Laeken Council and which have been further complemented by the development of a set of 'deprivation indicators'. Since the adoption of these indicators, common methodologies have been used to monitor developments in relation to these indicators across all Member States. The adoption of the headline poverty reduction target, based on the relative poverty indicator, will not in any way reduce the need to continue to monitor progress based on the full set of agreed indicators. Therefore the argument that this is just a monetary indicator is not valid.

The **argument that we have an employment indicator and therefore don't need a poverty indicator fails** to recognise the genuine concerns of millions of citizens in the EU about the precarious nature of the society we are creating. It reinforces the image of European cooperation as a 'market project' and not a 'citizen's project' and is therefore damaging for building the essential trust needed for the EU Institutions and the EU project. The assumption that social cohesion will automatically trickle down from increased employment was shown not to be true by the failure of the Lisbon Strategy to reduce poverty, even when progress was made on employment targets.

The adoption of the poverty reduction target and indicator must then be reflected by **social guideline/s** within the Integrated Guidelines for the Europe 2020 strategy and in the reporting, monitoring and evaluation of this strategy. The proposed **EU Flagship 'platform against poverty'** must take responsibility for ensuring an effective EU strategy for social protection and social inclusion; for combating poverty and social exclusion.

**This Platform against Poverty must ensure:**

1. Delivery on previously agreed commitments to work through **an autonomous, but strengthened Open Method of Coordination on Social Protection and Social Inclusion**, based on revitalised **National Action Planning process**, involving stakeholders in regular structured dialogue on delivery of the target - including people in poverty and NGOs.
2. Follow up of already **agreed priorities** such as action to implement the Active Inclusion Recommendation (including the adequacy of minimum income schemes) and follow up of the commitments to tackle child poverty and homelessness.
3. That there is a stricter application of **social impact assessment** of all policies, in line with the new horizontal social clause in the Lisbon Treaty
4. In order to defend Fundamental Rights and promote high level social standards, **legislative proposals** should be considered such as, a framework directive on the adequacy of minimum income schemes.
5. That a **European Funding Programme** to support the Platform against Poverty (a revised PROGRESS programme) should support a strengthened participation of all relevant actors in the implementation of the strategy, and the development of demonstration approaches at national/local level.

The adoption of a 'poverty reduction target', a 'social guideline' and a 'platform against poverty' would be seen as a very cynical exercise if it was to undermine the existing EU instruments for the fight against poverty and social exclusion and would be seen as 'window dressing' if it did not lead to the reinforcement of EU instruments to combat poverty, social exclusion and inequalities. Therefore EAPN **urges you to adopt the target as proposed in the Commission's communication and set an ambitious agenda for the Platform against Poverty, built on the Social OMC**. Their adoption is essential for gaining political attention and commitment to the essential task of reducing poverty and social exclusion and addressing the damaging impact in our societies of growing levels of inequalities.

We hope your conclusions from the June Council can show the face of social Europe to the general public and can deliver an EU we can trust.

Yours sincerely



Ludo Horemans  
President



Fintan Farrell  
Director

cc:

Mr Jerzy Buzek, MEP, President of the European Parliament.  
Mr Jose Manuel Barroso, President of the European Commission.  
Mr H. Rompuy, President of the European Council.  
Ms Pervanches Beres, MEP, President of the EP Committee on Employment and Social Affairs,  
Mr Lazlo Andor, Commissioner for Employment, Social Affairs and Inclusion  
Ministers for Finance.  
Ministers for Social Affairs.

Attached:

EAPN Document on the relevance of the relative poverty indicator