

4 June 2010

To: EU Ministers of Employment and Social Affairs

Refer: EPSCO Council 7-8 June 2010

## **Social Ministers should defend the target to reduce poverty and inequalities in the EU**

Dear Minister,

One of the main discussions at the June EPSCO will be the Europe 2020 Strategy with the debate on the poverty reduction target and the Guidelines taking central stage. It is vital that Ministers agree an **ambitious EU poverty reduction target** which aims at improving the situation of all people experiencing poverty and social exclusion in the European Union. Faced with the growing evidence that more equal societies are better for everyone this target should also set the ambition **to reverse the trend of growing inequalities** in the EU. This target must be backed by a **strong Social Guideline** that ensures that the multidimensionality of poverty and social exclusion is tackled and that the Guideline is not just focussing on employment.

An ambitious strategy on tackling poverty and social exclusion at the heart of Europe 2020 Strategy will fail from the start, unless **urgent action is taken to mitigate the social impact of the crisis and more importantly of the exit strategies**. Most countries are planning drastic austerity measures to recoup public deficits as part of their exit strategies from the crisis, resulting in severe cuts to minimum income, social benefits and social protection schemes, as well as hardening conditionality and increased sanctions for those already suffering exclusion. This will inevitably result in increasing poverty, social exclusion and inequality, putting at stake the very credibility of the Europe 2020 Strategy and of the role of the EU's in defending fundamental rights and the European Social Model.

In light of the above we urge you to:

- **Agree an ambitious EU Poverty Reduction Target;**
- **Ensure that the Social Guideline goes beyond employment** and that social objectives are mainstreamed throughout the Europe 2020 strategy;
- **Take urgent action to prevent the increase of poverty and social exclusion by defending the role of social protection and social inclusion in the responses to the crisis.**

### **An ambitious EU poverty target**

EAPN strongly supported the Commission's proposals of an EU poverty reduction target of 25%, based on the at risk of poverty indicator (60% of the median income) as a realistic proposal based on the agreed and well known Headline Indicator developed as part of the Social OMC. It is important to note that, as an achievement of the Social OMC, this Headline Indicator is complemented by a comprehensive set of indicators which allows for a fuller picture of the reality that lies behind this Headline Indicator. These should continue to be monitored and further developed where needed, to ensure that we continue to develop our knowledge and understanding of poverty in the EU, so as to choose the right policies and actions to meet the poverty reduction target.

It is clear that some Member States remain uncomfortable with the Commission's proposed Headline Indicator for the poverty reduction target. In response an aggregate indicator bringing together at risk of poverty, material deprivation and jobless households has been proposed to be used for the Head Line Target. EAPN recognises that material deprivation and jobless households are important factors to address as part of a comprehensive poverty reduction strategy. However this 'aggregate indicator' could raise difficulties in terms of comprehension and communication to the public and thus lose the advantage that setting a headline target to reduce poverty could bring to the EU in terms of putting a human face to the work of the EU. In addition, this aggregate indicator will not replace the need for a comprehensive set of indicators that reflect the multi-dimensional nature of poverty and social exclusion.

EAPN believes that getting a commitment from all Member States to take firm action to reduce poverty and social exclusion in the next 10 years is now the most urgent consideration. We therefore urge you to ensure that **an ambitious EU poverty target is included in the EPSCO Council conclusions for agreement at the June Council.**

Currently, EAPN is developing proposals with its members on the flagship **European Platform against Poverty**. A dynamic Platform against Poverty, which builds on and follows up the commitments already made in the **Social OMC**, will be essential to ensure actions to reach the poverty reduction target.

**Ensure that Social Guideline goes beyond employment and social objectives are mainstreamed throughout the Europe 2020 Strategy.**

Previously EAPN has made detailed proposals on the proposed Integrated Guidelines for the Europe 2020 Strategy (see [www.eapn.eu](http://www.eapn.eu)). Whilst EAPN broadly supports the proposed content for the Social Guideline (Guideline Number 10) we have serious misgivings that the decision to include it within the Employment Guidelines will limit the scope of actions to follow up on this Guideline. It is vital now that Social Ministers ensure that the Guideline maintains a broad scope capable of delivering **effective strategies to tackle poverty and social exclusion, which do not only focus on employment**. These actions must be based on fundamental rights, tackle the multidimensionality of poverty and social exclusion, be consistent with the Principles on Active Inclusion previously adopted by the Council and utilise to the fullest extent possible the competences available in the EU Treaties.

To deliver on these concerns, it will be vital to ensure that **the social objectives and social impact** of all policy measures are carefully monitored and implemented. In this, we would wish to see the **role of the Social Protection Committee (SPC) and the Social OMC defended and strengthened** – to monitor the delivery on Guideline 10, as well as, the social impact of the proposals to follow up on the other guidelines within the Europe 2020 Strategy.

**Take urgent action to prevent the increase of poverty and social exclusion by defending the role of social protection and social inclusion in the responses to the crisis**

The SPC, EPSCO and Council have clearly recognized the role of minimum income and social protection systems as 'automatic stabilisers'. It is therefore vital that Member States exit strategies do not undermine this commitment by attacking universal public services and social protection systems, affecting the most vulnerable in order to reduce the public deficits. Important social impact assessments of the crisis are being carried out by the Social Protection Committee and the Commission and complemented by the work of the Independent Experts, but the findings on the impact of Government cuts do not appear to be sufficiently discussed nor taken on board.

Social Ministers have the obligation to raise the alarm about the short and long-term implications of such cuts on social sustainability and social cohesion, and to propose alternatives. We therefore call on Ministers to insist on giving priority to the **social impact of the crisis, preventing the worsening of poverty and social exclusion by defending social protection systems and insisting on the need for an urgent social summit to discuss alternatives.**

Only in this way can the EU commitments to put the reduction of poverty and social exclusion and the promotion of social cohesion at the heart of Europe 2020 be taken seriously and have any chance of delivering positive results.

We hope that you will take on board our comments in your considerations in the upcoming EPSCO Council and in your contribution to the June Council. The outcome of this discussion will play a major part in defining the **legacy from the 2010 EU Year to combat Poverty and Social Exclusion.**

We welcome any opportunity to continue the dialogue.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'L. Horemans', with a large, sweeping flourish underneath.

Ludo Horemans  
President

A handwritten signature in black ink, appearing to read 'Fintan Farrell', with a large, sweeping flourish underneath.

Fintan Farrell  
Director

Cc:

Commissioner Andor, Commissioner for Employment, Social Affairs and Inclusion

Ms Pervenche Beres, President of the Employment and Social Affairs Committee in the European Parliament