

Is Europe 2020 Delivering on Poverty?

***Assessing the Europe
2020 Strategy results
– the context***

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Outline of Presentation

- Recent trends
- Social impact of the crisis and austerity
- 2012 NRPs/NSRs
 - Coverage of poverty & social inclusion issues
 - Governance
 - Priority areas for greater attention in future

The Context

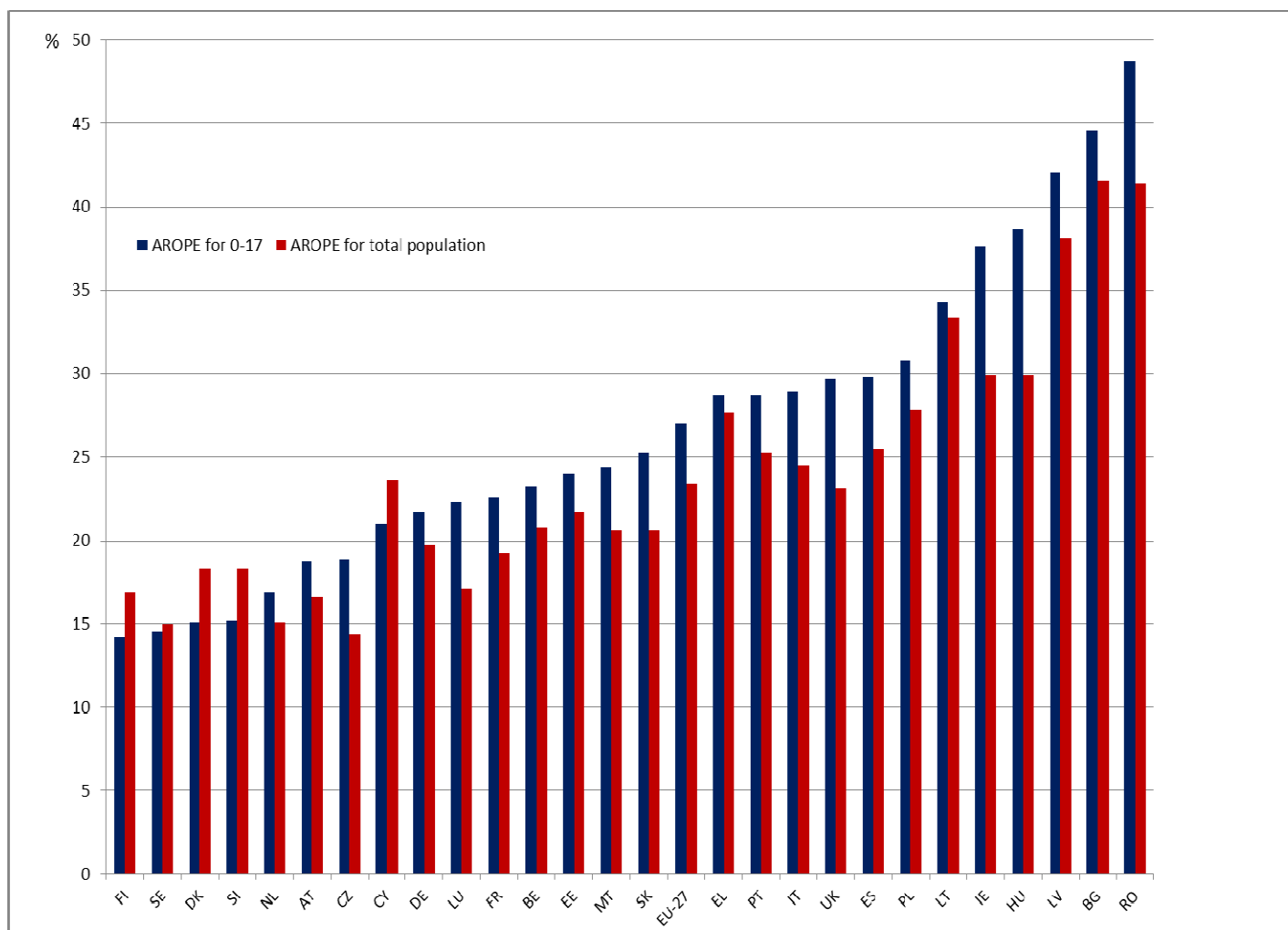
2010

- 23.4% or 115.7million people are At Risk of Poverty and Social Exclusion
- 27% or 25.4 million children are At Risk of Poverty and Social Exclusion

EU poverty target

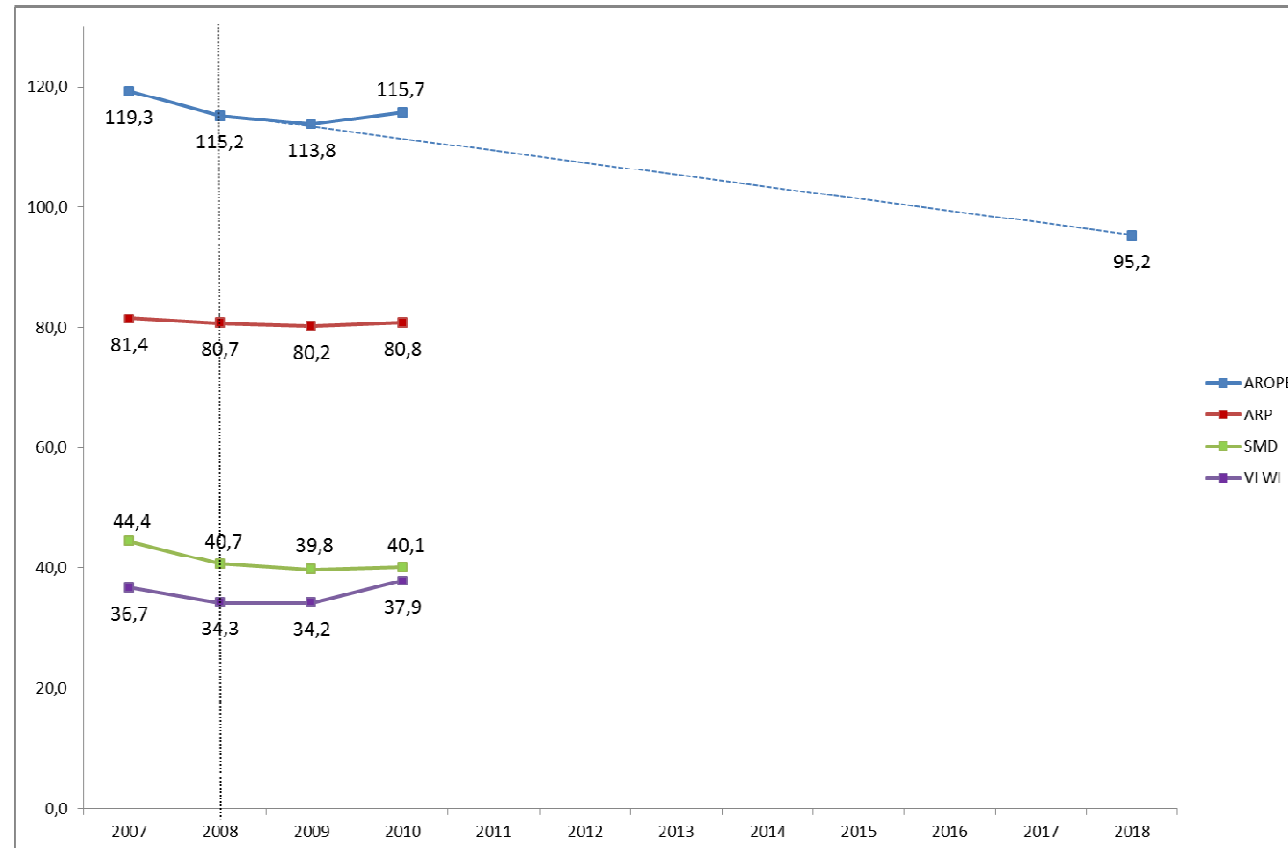
- To lift at least 20 million people out of poverty & social exclusion by 2020
 - at-risk-of-poverty; severe material deprivation; very low work intensity

Persons at risk of poverty or social exclusion (AROPE), Children (0-17) and total population, %, EU-27, 2010



Source: EU-SILC (EUROSTAT). The income reference year is the calendar year prior to the survey year (i.e. 2009) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey).

Figure 4a: Evolution of the number of people at risk of poverty or social exclusion (AROPE), people at risk of poverty (ARP), people severely materially deprived (SMD) and people in very low work intensity households (VLWI), Total population, Millions, EU-27, 2007-2010



Source: See Figure 1.

Reading note: In 2008, the reference (survey) year for the Europe 2020 social inclusion target, 115.2 million people were at risk of poverty or social exclusion in the EU. 80.8 were income poor, 40.1 were severely deprived and 37.9 lived in very low work intensity households. The sum of these three figures is higher than 115.2 because a number of AROPE persons combine 2 or even all three difficulties considered.

Impact of Crisis + Austerity 1

- Variation in degree across countries
- Deepening of poverty and social exclusion
- Growth in unemployment (especially long-term)
 - several groups esp. badly affected:
 - young unemployed,
 - migrant/ethnic minority background
- Rise in labour market segmentation (esp. low-skilled)
- Income inadequacy & indebtedness rising due to:
 - unemployment
 - rises in cost of living (e.g. energy, housing, food)
 - cut backs/more conditionality in income support

Impact of Crisis + Austerity 2

- **Data lags** behind & not fully reflect worsening situation
- Increasing **family and child poverty**
 - esp. lone parent families and immigrant children
- **Housing** a growing concern
 - rise in housing costs
 - shortage of social housing
 - increasing inequalities between residential areas
 - rise in homelessness

Impact of Crisis + Austerity 3

- Increased risk of “**severe**” poverty, especially:
 - migrants/migrant background
 - Roma
 - homeless

Also:

- various groups children (esp. single parents; disabled children; children in/leaving institutions, low work intensity h'holds)
- some groups of unemployed (esp young, low education, long-term, people with health problems)
- people with disability
- ethnic minorities

NRPs/NSRs still weak on social - 1

- 2011 NRPs very weak on poverty so were asked to strengthen focus in 2012 (AGS 2011: “tackle unemployment and social consequences of the crisis)
- NSRs meant to underpin and add substance
- **BUT**
- In 2012 few MS address well the majority of their key social inclusion challenges (e.g. BE, FI, NL, SI)
- A few MS (e.g. CY, IE, IT, MT, PL, UK), have a somewhat stronger (but still weak/limited) social inclusion focus in 2012 NRP compared to 2011
- Positive initiatives most frequent in relation to inclusive labour market & intergenerational inheritance

NRPs/NSRs still weak on social - 3

- Most NRPs dominated by austerity measures & financial retrenchment at expense of social
 - economic governance trumps Europe 2020
- Lack of social impact assess: short-termism
- Social protection receives scant attention
- Active inclusion largely missing
- Access to services very limited attention
- Very weak on groups at severe risk
- Narrow “employment” approach
 - narrow approach to employment

NRPs/NSRs still weak on governance

- Governance weak, esp.:
 - Lack of public/political debate
 - Failure to mainstream social inclusion objectives
 - Lack of social impact assessments/evaluation
 - Limited stakeholder involvement
- Limited use of Structural Funds
- Interconnections with other Europe 2020 targets limited
- P&SE targets often still weak/inadequate
 - not sufficiently ambitious
 - lack clear rationale and link to policies

3 Priority areas for greater attention

- * Income adequacy and income support (social protection)
- * Social inclusion governance
- * Active inclusion, labour market activation and skills enhancement

Income adequacy & income support

- Improve adequacy of income support systems (social protection systems)
 - including housing costs
 - particularly for specific categories (migrant workers, recent immigrants, single-parent h'holds)
- Reduce growing income inequality
- Address low wage and labour market segmentation
- Ensure adequacy & sustainability of pensions and ability to meet the costs of care

Active inclusion, labour market activation & skills enhancement

- Maintain\improve active labour market policies & reintegration support services
 - esp. for young, older workers, women, long-term unemployed, those with greatest integration barriers, those furthest from labour market
- Adopt a broader, more multi-dimensional active inclusion approach
 - go beyond just labour activation measures

Improve social inclusion governance

- Strengthen overall approach to poverty/social excl.
 - more comprehensive & rights based approach
- Improve policy evaluation & social impact assess
 - apply SIAs to bail out countries
- Improve target setting
- Enhance involvement of stakeholders

Other

- Rethink role/timing of NSRs
- Better target those most at risk,
- Enhance exchange of learning
- Make better use of Structural Funds

Other areas frequently prioritised

- Take greater account of impact of austerity measures on children and develop comprehensive strategies
- Protect/improve access to services
- Increase access to housing / tackle homelessness
- Integration of minorities (esp. Roma)

Conclusion

- What progress on poverty and social exclusion?
 - increasing and becoming more severe
- What is added value of NRPs/NSRs?
 - so far very limited: the potential is still to be realised
- State of stakeholder engagement?
 - weak: often less than under Social OMC

