



EUROPEAN ANTI POVERTY NETWORK

EAPN's Key Messages

to the Annual Convention on Poverty and Social Exclusion

BRUSSELS, 5-7 DECEMBER, 2012

**Europe 2020 is failing on poverty and ignoring participation:
EAPN calls for a coherent EU anti-poverty strategy and process,
at the heart of a more Social Europe**

The 2nd Annual Convention must make an open assessment of progress on the poverty target set by Europe 2020 to reduce poverty and social exclusion by at least 20 million by 2020. For EAPN, the verdict is clear. **No tangible progress has been made: not only is there a shortfall of 8 million on the targets set by Member States targets, but there is an actual increase of over 2 million people in poverty**, knowing this figure is an underestimate of the reality of those suffering poverty and exclusion in the EU.

The EAPN Assessment of the NRPs and NSRs 2012¹ presented in our conference on the 28th September sent a clear message: macroeconomic priorities focused on austerity, are contributing to increasing poverty, particularly in Troika countries.

A shift back to growth and jobs alone, is not likely to make a difference on poverty unless, decent jobs are created, accessible to people excluded from the labour market, combined with access to adequate minimum income, social protection and quality, affordable services. This needs to be part of an integrated strategy to prevent and alleviate poverty and social exclusion, based on rights. But the verdict is even more serious than this – **the EU and Member States have stopped listening**: the low quality engagement of people experiencing poverty, NGOs and other stakeholders, in the NRPs and NSRs, and failure to see any real democratic process underpinning Europe 2020 and economic governance, are undermining EU credibility.

This Convention has a chance to make a difference – it must show that it is an open forum that speaks the truth about poverty and the EU role: highlighting the realities, the need for coherence in EU policy and must make commitments to strong solutions based on partnership. Regaining trust with people and grass-root organizations in a Social Europe cannot afford to wait!

THREE KEY MESSAGES

- 1. An EU integrated anti-poverty strategy at the heart of the Europe 2020 strategy**
- 2. Democratic accountability + meaningful dialogue with national stakeholders, including people experiencing poverty**
- 3. A Coherent Social Investment Package focused on public investment in prevention, developed through adequate consultation**

1. An EU integrated anti-poverty strategy at the heart of Europe 2020

No progress on poverty is likely to be made with the current policies.

Whilst a quality job is a vital route out of poverty for those who can work, with over 25 million unemployed and increasing in-work poverty (8.4%), a job-alone strategy cannot be the answer for the 115 million at risk of poverty and social exclusion. 10 years learning from the Social OMC has shown what works – integrated, multidimensional policies, focused on prevention through universal services and social protection as well as targeted approaches for specific groups, ensuring access to rights, resources and services, throughout the life cycle.

An integrated Active Inclusion approach is a crucial tool, for those of working age, but cannot replace a broader strategy to tackle poverty and promote social inclusion. Even small progressive steps towards this vision are being undermined daily by contradictory EU economic policies driving austerity, which are generating more poverty.

The Commission has highlighted the lack of coherent national strategies to fight poverty and social exclusion – but where is the EU integrated strategy to fight poverty? Such a strategy is a pre-requisite to drive forward demands for a more social EU, capable of delivering on its poverty and social targets, and to ensure balance between the economic and social pillars.

The National Social Report (NSR) has a crucial role to play in the delivery of this integrated strategy, as part of a revitalized Social OMC. The NSR must underpin the NRPs, in order to drive a more social Europe 2020 strategy, and be supported in its delivery by EU funding, (including Structural Funds).

WHAT WE NEED

- Back a more Social Europe, with a Social Pact to ensure social objectives are given equal priority in Europe 2020 to economic pillars, including in economic governance.
- Urgently develop Guidelines and country-specific Recommendations to prevent austerity increasing poverty through cuts in key public services and benefits; set up a specific Social Task Force in the countries under Troika arrangements, to monitor social impact and propose measures to mitigate the suffering and social and economic costs.
- Back strong, participative National Social Reports within a reinforced Social and participative OMC, integrating the 3 pillars, that can underpin the NRPs,
- Build consensus on a new EU integrated Strategy to fight poverty and social exclusion, which can provide a benchmark for national strategies.
- Defend an ambitious budget for Cohesion Policy to fully deliver on the poverty reduction target by backing the minimum shares for ESF, the ring-fencing of 20% of ESF to fight poverty and social exclusion and support the new Fund for European Aid to the Most Deprived.

2. Democratic accountability + meaningful dialogue with national stakeholders, including people in poverty

Europe 2020 represents a step backwards on democratic accountability and participation, at a time when trust in the EU has fallen to an all-time low, (just 31%¹). Almost no national parliaments were involved in the NRP process or follow up. Neither have parliaments been consulted on the Fiscal Compact or Economic Governance.

In terms of participation, 12 EAPN national networks engaged in some way in the NRPs and 8 in the NSRs. However, most networks felt it was little more than a public relations exercise, with only 4 networks seeing the engagement as meaningful. Neither has the European Platform against Poverty developed systematic mechanisms for engaging national stakeholders, beyond the Annual Convention as a one-off meeting, nor made a link with national stakeholders involved in the Social OMC/ NSRs or the NRPs.

One of the remaining positive elements regarding participation is the European Meeting of People experiencing Poverty. This yearly meeting has provided a crucial role model on how to engage people experiencing poverty in direct dialogue with EU decision-makers, and has been a catalyst for national processes in a number of countries. High level support for this meeting and increased efforts at national level are essential.

Many Member States appear to be avoiding participation. The EU cannot afford to let this happen. Europe 2020 must put democratic accountability, meaningful national stakeholder dialogue and real engagement with people with direct experience of poverty at its heart, if it is to develop effective solutions and win hearts and minds to back more EU.

WHAT WE NEED

- Increase democratic accountability and ownership: require National and European Parliaments to be engaged as structured partners in the NRP and NSR process, and in economic governance.
- Support the implementation of meaningful, regular stakeholder dialogue at national level, at all stages of the NRP and NSR process; develop EU Guidelines together with stakeholders, as proposed in the EPAP, supported by an adhoc SPC/EMCO group.
- Discuss stakeholder engagement, and provide specific guidance in the bilateral meetings between the Commission and Member States, and promote positive mutual learning on best practice through peer review exchanges;
- Develop indicators on participation and monitor effectiveness of national stakeholder engagement, through a specific section in the NRP and NSR reports and Commission review, with potential for country-specific Recommendations.
- Explicitly support and finance the continuation of the European Meetings of People Experiencing Poverty; build real partnership and structured participation with People Experiencing Poverty and their associations, taking their messages into the decision-making process and provide EU and national financing to support engagement.

¹ Eurobarometer Survey Spring 2012.

3. A Coherent Social Investment Package focused on public investment in prevention, developed through adequate consultation

This year's Annual Convention is meant to provide input to the Commission's forthcoming proposal of a Social Investment Package (SIP). EAPN has consistently proposed the need for a Social Investment Package, as part of its key messages².

However, information presented so far has been confusing, with the inclusion of current EPAP items, e.g. Active Inclusion Implementation report, Child Poverty and Well Being Recommendation, Social Innovation etc, raising concerns about the coherence of its goals and how it will link to existing mechanisms.

EAPN stresses that the package must *represent a strong commitment to invest in public social services and infrastructure as well as people, as the best way to prevent poverty and social exclusion and avoid long-term social, economic and health costs. It will be crucial to counter fears of the SIP as an instrument to drive privatization of social services.*

Whilst some workshops in the Convention will discuss ideas related to the proposed SIP, this cannot be seen as the real consultation on the SIP, as the process does not correspond to the Commission's own minimum standards for consultation.

WHAT WE NEED

- The Social Investment Package must build on evidence on the ground of what works - giving priority to policy solutions which prioritize prevention of poverty for all groups (including children and older people, single parents, homeless, Roma and migrants including undocumented), and demonstrating the social, health and economic benefits of investment in universal services, public social protection and infrastructure.
- An equal emphasis must be given to the costs of non-investment, including the cost of austerity.
- Key priorities should include: *public investment in: quality jobs + inclusive labour markets, integrated active inclusion and comprehensive youth guarantee approaches; adequate social protection and minimum income; quality affordable public services; inclusive education and training; effective anti-discrimination and equality measures.*
- A Social Investment package should defend EU funds as a key instrument to prevent + reduce poverty, including the 20% earmarking of ESF.
- It must argue to invest in tax justice and more inclusive taxation as a fairer way to reduce deficits, closing the inequality gap in income and wealth and ensuring sustainable financing of social protection systems. This should include: *more progressive wealth, income, property and capital gains tax; taxing environmental risk; avoiding a race to the bottom on corporation tax and off shoring; increasing coordination on tax evasion and avoidance; agreeing an effective EU Financial Transactions Tax.*
- We call on the Commission to carry out an open public consultation on the SIP, according to the Commission's own minimum standards³ allowing for 12 weeks and establish structured dialogue with national and EU stakeholders, including NGOs and people experiencing poverty.

² See EAPN NRP Report IBID and Letter to the June European Council 2012.

³ EC COMMUNICATION (2002):Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission:

http://eur-lex.europa.eu/LexUriServ/site/en/com/2002/com2002_0704en01.pdf

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The European Anti-Poverty Network (EAPN) is an independent network of non-governmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, established in 1990.



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