

## EAPN Input to SPC Meeting – 6<sup>th</sup> May 2015

Thanking the SPC for this invitation and the continuation of what EAPN thinks to be a good way of keeping a fruitful dialog. Hopefully this could be reproduced at the national level...

### Introduction

*One of the main actual focus (and worries) of EAPN (a network of 31 National Networks + 18 EO's) is:*

- *Overall response to multilateral surveillance – ie European Semester/CSRs and new NRPs and delivery on poverty in the context of the new Juncker Priorities.*
- *Concerns about the delay on Mid-Term Review and the changed focus on Integrated Guidelines.*
- EAPN Members attempt to engage in Europe 2020 and European Semester with the NRPs, but also assess CSRS, the implementation and make new proposals. You received the EAPN reports – particular attention to the Country Fiches.
- We have to enhance that some more engagement, particularly with the Commission fact-finding commissions. New initiative from ECFIN and the European Semester Officers.

### Main concerns

- **Poverty is still increasing** in many countries, although a slight improvement in overall figures
- Little visible progress on Europe 2020 – with poverty at 121,3 million – 1 in 4 of the population.
- European Semester is all about the CSRs, NRP has an unclear role and pressure on implementation, when EAPN members clear that **CSRs are not always coherent**, with **economic governance the primary driver**. Social CSRs very piecemeal and inconsistent.
- Worries about new direction of the Commission, **missing focus on Europe 2020 and on poverty** - delay in the Mid-Term Review? Why? We are **still prioritising austerity and re-structuring** of labour-markets, with the main priority on investment.
- Growth and jobs, with trickle down to social inclusion and poverty – **continuous assumptions that employment alone is a solution to poverty**.
- New approach to investment welcomed, but all about infrastructure, **not social investment in people and social infrastructure and systems, including social protection**. Missing commitment to fundamental rights, and developing an integrated strategy that can deliver on Article 9 ensuring rights to jobs, social adequate social protection and services, tackling the structural causes of poverty and social exclusion – ie distribution/redistribution, follow up on existing priorities – eg active inclusion, investing in children and tackling homelessness.
- New Guideline proposals make these priorities clear – and although we welcome a return to a more explicit basis for the CSRs (not transparent how these are reached) we worry about the new direction of the Guideline's with the above priorities. **Very worrying the disconnection from Europe 2020**. How can the new proposals be produced now, when Mid-Term Review is postponed?
- **Stakeholder engagement** – only a priority to get 'ownership' and to **support implementation** – not to input to design and monitoring, and to challenge status quo.

- 1) **Mixed assessment of positive and negative CSRs, recognize growth of more ‘social CSRs’** in a number of areas and countries, but continued to be undermined by macroeconomic CSRs. Some switch in social CSRs – why not continued? ie Poland on working poor.
- 2) **Mixed implementation/-** member’s perceptions on whether they were positive or negative. Most members highlighted some implementation (AT, DK, EE, DE, LV, LT, >I, ES – some very little (CZ, PL, SK, SE, UK).. Some positive and negative.

### 3) **Main gaps:**

- lack of a coherent, balanced inclusive and sustainable growth strategy that combines economic and social goals to support shared prosperity, where macroeconomic undermine social – eg Denmark – CSR 1
- lack of social investment, lack of CSRs on poverty or right policies: - integrated strategy.
- continued dominance of austerity measures focused on public expenditure cuts and without assessment of distributional impact and low investment in adequate social protection and minimum income/well-designed welfare systems. : CSRs dedicated to economic governance and budget balance, pressing for cuts in public services BE, CY, DE, LU, PL, FI
- Also pensions – focus on raising retirement ages (HR, CZ, FI, D) without ensuring older workers can stay in decent jobs, not recognized impact for poor workers.
- growing in-work poverty, low investment in quality job creation, reform of wage-setting/wage indexing (BE, LU).
- Hardening conditionality/activation focussing on ‘reducing financial disincentives (BE, FR HR, LU, LV and SK) – ie reduce adequacy, punitive sanctions if don’t access work – increases hardship, attacks fundamental rights and isn’t effective.
- Promoting competitiveness of services (liberalization and privatisation) in social services sector (AT, DK, DI, PT) putting at risk quality – driving down wages and standards.
- New groups facing poverty and social inclusion not being tackled effectively – particularly migrants, older people, with health difficulties, mental health, homeless, Women. Insufficient support for youth on youth guarantee and perverted effects of its implementation
- Growth-friendly tax not inclusive – ie focus on consumer taxation, removing tax from labour, without social impact assessment.
- Weak stakeholder engagement – no CSRs in this area – an important gap/ for ownership.

#### Some Positive CSRs:

- **Income support:** back to work family dividend (IE), or Guaranteed Minimum Income, Croatia and Cyprus, although issues of scope, coverage, minimum wage – DE,
- **Also youth guarantee** and labour market integration of NEETs (AT, HR, DK, IE< LU, FR, PT, ES) but doubts about the effectiveness of implementation – eg Ireland where 20.000 young unemployed in receipt of disability or single parent allowance are excluded.
- **Also investment in early childhood learning/affordable childcare, tackling educational inequality (FR).**
- **Public administration reform** – centralizing (seen as positive in Finland, but also encouraging devolution matched with cuts in funding, (DE, FR, NL).

#### 4) Alternative CSRs – Summary of Common proposals for CSRs from EAPN members:

- 1) Balance economic and social CSRs and review social impact of austerity = contribute to social goals, and prevent austerity hitting the poor worse – impact assessment, red-lining key services and social protection.
- 2) Require an integrated antipoverty strategy – ensuring access to quality jobs, services and social protection and an effective poverty target.
- 3) Invest in universal social protection and ensure adequacy of minimum income – from EMIN, ensuring protection against social risks across the life cycle.
- 4) Promoting quality and sustainable jobs with decent wages. – tackling in-work poverty, supporting statutory minimum wages and decent levels, increasing employment protection, security of contracts
- 5) Tackling long-term unemployment through inclusive labour market measures as part of integrated Active Inclusion (adequate MI, inclusive LM and access to quality services)
- 6) Invest in social standards – ensuring universal access to social and health services social protection, and services, adequate minimum income.
- 7) Guarantee an affordable home for all – focus in CSRs on housing market not affordable homes – need to grow social housing and private rent regulation.
- 8) Invest in inclusive, comprehensive education, particularly for Roma, tackling segregation.
- 9) Tackling youth poverty and exclusion/as well as youth unemployment – eg social protection, access to services and participation – quality employment
- 10) Promote gender equality, work-life balance and invest in children
- 11) Reduce inequality, by promoting tax justice
- 12) Promote meaningful civil society engagement and ensure legitimacy – guidelines, structured financial support through European Semester Officers, adequate monitoring

#### Integrated Guidelines

##### **Welcome SPC proposals**

- particularly the reference to Europe 2020 and the guidelines, ensuring progress towards the targets
- highlighting that labour market and social security reforms should promote growth, employment and social cohesion, whilst ensuring access to all to high quality, affordable, adequate and sustainable social services and benefits.
- need to continually monitor social protection reforms through social impact assessment.
- need to focus on social inclusion and complement universal with selective approaches, preventative and integrated strategies.

#### EAPN proposals of Guidelines – Social Platform will develop this deeper

However EAPN made an assessment of economic and employment guidelines (that you received also) and made proposals, working with EP.

Concerned about significant steps back from previous guidelines, and loss of focus on poverty and social exclusion, implementation of social investment, whilst increasing economic impact on social areas.

- 1) **Guidelines must deliver on Europe 2020 goals and targets – particularly poverty, employment and education.**
- 2) Inclusive Investment means Social investment – that goes beyond infrastructure to invest in people, areas with comprehensive impact assessment.
- 3) Safeguarding adequate universal social protection for social cohesion – safeguard universal systems (Article 9), that ensure adequacy across the life-cycle, starting with adequate minimum income – impact assessment to ensure that modernisation doesn't undermine fundamental rights and social cohesion.
- 4) Supporting sustainable, quality jobs and integrated active inclusion = underpinned by stronger employment rights, decent statutory minimum wages, and tackling in-work poverty.
- 5) Reinforce equitable inclusive growth-friendly tax policy ie tax evasion and avoidance, progressive taxation, wealth, property, inheritance rather than expansion of regressive consumption taxes.
- 6) **Replace fairness with guideline to combat poverty and social exclusion – requiring integrated strategies to fight poverty and reinstate social investment priorities and social investment priorities delivery – investing in children, tackling homelessness.**
- 7) **Participation: Recital 16:Ensure effective governance through quality stakeholder engagement – structured dialogue at all phases – ie design, implementation, monitoring and evaluation, not just implementation – seen not as a full partner, but to help 'sell policies?'**

<b>Final remarks:</b>
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- We are still “feeding the Devil”... Making easy the growth of populisms, nationalisms and a total lack of credibility in the politics / politicians and the EU. How can we believe that citizen's matter when 25% of the EU population is at risk of Poverty and this is still not the major priority. We're just waiting for a disaster to happen...
- We continue to have quite strong difficulties to convince citizens – and particularly citizens facing poverty and extreme poverty – that the EU is making progress. The fact that a revision of the 2020 EU Strategy is delayed is a terrible sign – for not mentioning the eternal lack of priority to social inclusion.
- At the national level we don't feel – in any way – the recovery. In some Member-States things are even getting worse and some of the proposals (Youth Employment) are producing perverted effects...
- So, again, we need urgently to get a clear sign that Poverty matters, that social protection matters, that Growth will not be made against Social Standards. That the paradigm that brought us to this situation will start changing.
- A clear sign, sorry for insisting over and over with the same proposal, is to keep ambition in a EU Poverty target together with an integrated EU Strategy to achieve it. Making clear that fighting Poverty is not only, or even primarily, a responsibility of Social Affairs Ministers!
- For this to happen we must recognise that Poverty is NOT an exclusively national problem!!!