

REPORT

**How do we make the EU’s Social Triple A,**

**a reality?**

**EAPN Assessment of the National Reform Programmes 2015**

July 2015



EUROPEAN ANTI-POVERTY NETWORK

RÉSEAU EUROPÉEN DE LUTTE CONTRE LA PAUVRETÉ ET L’EXCLUSION SOCIALE

SQUARE DE MEEÛS, 18 – 1050 BRUSSELS - Tel : 0032 (2) 226 58 50 - Fax : 0032 (2) 226 58 69

**INTRODUCTION**

***Scope of the report***

The report provides a synthesis of EAPN Members assessment of the 2014 NRPs, on how far the NRPs are delivering on the social targets of Europe 2020 (particularly the poverty target, but also to the employment and education targets) and on the effectiveness of civil society stakeholders’ engagement with the governance process of the Semester and Europe 2020. It is based on responses from 17 National EAPN networks (BE, CZ, DE, DK,EE, ES, FI, FR, HU, HR, IE, IT, MT, NL, PL, PT, SE, UK and Iceland, as a benchmarking excercize. The draft report was discussed in the meeting of the EU Inclusion Strategies Group in Bibao, on the 2nd July. The report was drafted by the EAPN Policy Team: Sian Jones, Amana Ferro with support from Antonino Sorrenti (Intern).

The style of the report is non-academic, and aims to provide a direct picture of grass-root organisations assessment and concerns, rather than a formal scientific analysis of the NRPs.

**KEY MESSAGES AND RECOMMENDATIONS**

**EAPN MEMBERS’ ASSESSMENT OF 2015 NRPs**

1. **General Assessment**

76% agreed that the austerity, which is generating more poverty and social exclusion, is still the dominant focus of NRPs.

65% said that the NRPs are more focused on investment, but not on social investment.

65% stated that NRPs are primarily aimed at macroeconomic and financial management not on Europe 2020 targets.

88% rejected the idea that the burden of the crisis is being equally distributed.

88% agreed that NRPs does not have poverty as a main priority, and employment (with increased conditionality) is seen as the only solution to fight against poverty.

71% considered that the NRPs lack an integrated strategy on poverty, supporting active inclusion – access to quality jobs, services and adequate minimum income.

53% agreed that no progress has been made on implementing key EU social investment priorities – particularly investing in children and tackling homelessness.

76% said that the NRPs do not mention increasing quality jobs and tackling in-work poverty as keys priorities in the NRP.

53% considered that the employment measures proposed in the NRPs are not the right one’s to ensure access to quality jobs for all.

59% reckon that the education and training measures are primarily aimed at increasing skills not at ensuring a comprehensive quality education system.

88 % agreed that social protection is seen as a cost not a benefit, nor a social investment.

Only 35% stated that Structural Funds are being used effectively to reduce poverty and deliver on 20% of ESF.

47% of antipoverty NGOs were consulted in the development of the NRPs.

76 % said that Antipoverty NGOs were not taken seriously into account in the NRPs.

**2. Macroeconomic Policies**

**Introduction**

The Macroeconomic Chapter is the key section of the NRP, and is meant to provide the outlook for the future as well as review progress on key macroeconomic objectives. It complements the parallel Stability and Convergence Programme, although the measures proposed in the latter are not always transparent in the NRP nor their impact. The main priority is striving for balanced budgets, (debt and deficit reduction), reducing macroeconomic imbalances and progress on key structural reforms ie in the labour market and social and health systems. From the Guidance Note they are explicitly expected to justify how they have delivered on the macroeconomic CSRs 2014. In the AGS 2014, the key priorities reflect President Juncker’s political guidelines: Investment, Restructuring and Fiscal Consolidation. However, they are also expected to highlight potential social and environmental impact. This chapter assesses how far the macroeconomic policies are supporting or undermining the commitment to reduce poverty through the poverty target.

***National Assessments: Positive/Negative and What’s Missing***

**Belgium**

***Positive measures***

Some tax reforms are positive, but the effect is marginal, and even undone by other (negative) measures.

***Negative measures***

Austerity is threatening the quality and accessibility of social services and basic rights (decent income, education, healthcare, …) Activation without the necessary job creation, punitive activation is threatening decent income. The overall redistribution goes the wrong direction.

***What’s missing?***

Quality job creation, there are fiscal incentives for the enterprises, without any guarantee, without any obligation concerning job creation.

Real augmentation of the lowest incomes (benefits and wages). Netto augmentation, that takes into account the real cost of living.

**Croatia**

***Positive measures***

In 2014 The Croatian Government adopted the 2014-2020 Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia as the basic document of a current poverty and social exclusion situation as well as a social and economic projection as a basis for dealing with issues of poverty and social exclusion.

It is proposed, following the implementation of the Implementation Programme for the Strategy for Combating Poverty and Social Exclusion of the Republic of Croatia (2014-2020) for the period from 2014 to 2016, during 2015 and 2016 to implement measures for alleviating the situation of persons in poverty.

***Negative measures***

The overall impression is that there is still strong focus on fiscal consolidation and cost savings in social protection system, without a targeted measures and programs that have a real potential to change the situation of particularly vulnerable groups - people with disabilities, the homeless, single parents, the long-term unemployed, blocked other vulnerable groups.

***What’s missing?***

There are neither clear plans nor incentives aimed at raising the quality and availability of social services. It is required a modernization of the system and general strengthening of the social protection system.

**Denmark**

***Positive measures***

There is a growing investment in public health, also for the poor

***Negative measures*.**

There is a decrease in investment of jobs to those who are not 100% fit. The general tendency is a growing inequality, coming from cuts in benefits and services as well as tax policies, favouring people with high income, fortunes and

***What’s missing?***

Improvements of social benefits and flexicurity. The Minimum income schemes are decreasing, not much but steadily

**Finland**

***Positive measures***

Increasing employment

***Negative measures***

Expenditure savings and cutting local government duties and obligations. This means that municipalities will have less money for services. Prolonging working careers means also lower level of pensions.

***What’s missing?***

Explicit effort to decrease poverty or to reduce inequality.

**Germany**

***Positive measures***

**The project of the last year:**

-Introduction of a statutory minimum wage (8,50 €)

-Many different measures for training and reintegration into the working-life

-Pension for mothers who gave birth to children before 1992 are rewarded with additional points in the pension system

-Increase the disability pension benefits

Became true and regulated by law

***Negative measures***

Contributions to the compulsory health insurance are in favour of the employer. The jobholders have to pay more and there is no limitfor the increasing costs.

***What’s missing?***

A view of the people in poverty and a critical analyses of the framework conditions which discriminate social disadvantaged persons.

**Hungary**

***Positive measures***

**-** some elements of the material deprivation index have been improved in the bottom three deciles, probably as an impact of government utility prices cuts. But by our opinion this is not a sustainable method of handling the utility bill problems. There is also a 2,4% improvement in one dimension of the risk of relative income poverty or social exclusion than in 2013. The rate of those living in severe material deprivation decreased by 2,9%.

***Negative measures***

**-** the tax system is still not in favour of people experiencing poverty, the adequate reform is missing, the VAT (27%) is still one of the highest in the EU

***What’s missing?***

**-** an adequate tax reform in order to reduce inequalities, a macro-economic policy of in favour of small and medium size enterprises, a FDI-friendly economic environment

**Ireland**

***Positive measures***

The recovery of the economy and the end of seven years of austerity policies.

***What’s negative***

In April 2015 the Government presented its first Spring Statement. This document outlines how it will use the revenue generated by the expected benefits of economic growth in 2015 and the coming years. Instead of looking at investing this money the Government plans to give half of it back in tax reductions. After a period of sustained cuts to social protection and public services and when there is need for huge investment in these areas from a social and economic perspective, this approach is extremely worrying. This approach already started in Budget 2015 with the Government committing four times the amount it gave in tax reductions to what it gave in increases in social welfare expenditure. This resulted in a regressive budget with those on higher incomes benefitting most and those on lowest incomes the least.

***What’s missing?***

There is no mention of poverty, equality or gender impact assessment of economic policy. This has been one of the key policy proposals of EAPN Ireland over the past number of years.

**Malta**

***Positive measures***

Training for employment especially targeting NEETs.

***Negative measures***

An imbalanced tax system, and inadequate welfare benefits and low wages

***What’s missing?***

A concrete economic policy (ideology) to focus on social policies that target the elimination of poverty and social exclusion

**Netherlands**

***Positive measures***

Extra millions to tackle severe debts and child poverty.

The fact that the Ministry of SA&E has an open mind concerning the problems of those in LTU and poverty.

Extra money to tackle youth unemployment.

***Negative measures***

No real change in policy. A kind of swap between more money for employment schemes against a more severe kind of social policing.

The decrease of our healthcare.

The constant rise of the rents of social housing and the decrease of rent supply.

***What’s missing?***

A vision how to end poverty, to create a society in which there is a spot for all. Only economics do count. The government vision is to create paid jobs (participation). These should bring people out of poverty. Reality is an increase in people earning the minimum wage or even less.

**Poland**

***Positive measures***

Optimistic predictions in macro-economic scenario in respect of employment rate and GDP growth.

***Negative measures***

Fiscal discipline required by excessive deficit procedure was the main argument against social assistance reform. Ministry of Finance successfully blocked the reform designed by Ministry of Labour and Social Policy and included in national anti-poverty program. That information was not included in NRP.

***What’s missing?***

Specification of macro-economic policies. They were in other document Convergence Program.

**Portugal**

***Positive measures***

- Maintain the evolution of minimum wage

- Fight shadow economy

***Negative measures***

- the reduction in health spending must be evaluated, especially in what concerns its impact in people well being and in poverty and social exclusion. There are some measures that are being implemented that raise some doubts: for example, the recent proposal of the Government to transfer to private non profit social organisations (mainly to the Misericórdias) the management of public health units and the provision of health care. The Spring Report of 2013 states that this shows a disengagement of the State in what concerns public services administration and a lack of trust in the management capacity of those persons that the State itself appointed to manage health organisms.

- It’s also negative the idea that through an early retirement (it was established a transitional regime that allows, during 2015, that beneficiaries with 60 years or more, and with 40 years of insurance history can early access to old-age pension) it will improve the entrance of the younger into the labour market. Several studies at European level have already showed that this relation is not happening. This is also a “strange” measure taking in consideration the demographic ageing of the Portuguese population.

***What’s missing?***

Mainly the relation with poverty and social exclusion, specially this impact of some of these measures in the reduction/increasing of these phenomena.

**Spain**

***Positive measures***

The NRP has included a new “Social Agenda”, which is partly a compilation of already existing policies and measures, and some new ones. Among the latter, some were proposed by the PTS.

***Negative measures***

Spain is under the Excessive Deficit Procedure, and further macroeconomic adjustment has been required on behalf the European Commission. Deficit reduction implies more cuts in social services, an overall reduction of 18 billion EURO.

***What’s missing?***

The focus on social priorities.

**Sweden**

***Positive measures***

One positive aspect is the mentioning of the need for housing policy also for the middle and low income people. Another important issue is the mentioning of reconstruction of the welfare systems in other to achieve better welfare and security for all.

It is also very positive that there are no mentioning of further austerity measures. Instead the talk about increased public investments.

***Negative measures***

A general focus on diminishing the gaps and increasing inequality in society

**UK**

***Positive measures***

There is some growth in GDP

***Negative Measures***

A strategy of fiscal consolidation based entirely on expenditure cuts and weighted heavily to poor people of working age, and within that, women and children and people with a disability.

***What’s missing?***

In the NRP, any acknowledgement of the negative impact of the austerity strategy on poverty and human dignity. In the new Conservative government, an explanation of what ‘one nation’ Britain means and in what way it will be a better Britain than before

**UK/Scotland**

***Positive measures***

Strong statements highlighting the need to both reduce inequality and encourage economic growth

***Negative measures***

Continued austerity by the UK Govt.

***What’s missing?***

Additional investment in housing.

**Benchmarking – Iceland**

***Positive measures***

Divided tax system. Lower unemployment rate.

***Negative measures***

Higher costs in the health care system. Plans to change the tax system. The VAT on food was raised from 7% to 11%.

***What’s missing?***

Plans to eliminate poverty!

**Key Concerns**

***Macroeconomic policies reflect CSRs and fail to help to reduce poverty***

The macroeconomic proposals are generally seen to be implementing the CSRs and the AGS (BE, HR, HU, IE, IT, MT, PL, PT, ES, UK). In most countries **macroeconomic priorities appear to ignore social objectives and targets**, focusing on public administration and simplification, competiveness, restructuring labour markets, reducing the tax burden and revision and reduction of public expenditure through cuts in social spending. (BE, DK, IT, UK/Scotland). **Priority is still given to fiscal consolidation** and requirements of the Stability and Growth Pact, not always in a transparent fashion. (PL, PT). There are no signs that the requirements to consider social impact of economic policy from the Guidelines are taken into consideration. A small minority highlight more heartening signs of a shift away from austerity (IE, SE) or to promoting investment in consumption (DE), or of intentions to ‘mainstream an explicit Social Agenda (ES). However, none have put into place ‘a poverty, gender or equality impact assessment (IE) or include a ‘critical analysis of the framework conditions which discriminate against socially disadvantaged people and generate poverty and inequality”(DE). Whilst the Third Sector including EAPN Spain have succeeded getting a Social Agenda included in the NRP which includes **commitments to ensure fairer redistribution** of the effort to exit the crisis, this is without clear budget commitments and dominated by requirements for further macroeconomic adjustment. Only in Scotland does the network feel there is an explicit intention that macroeconomic policy should contribute to the goal of reducing poverty and inequality.

**.**

***Deficit reduction still prioritizing devastating cuts not increases in tax***

Despite increased rhetoric around investment, deficit reduction continues as the dominant priority in many countries particularly for those under excessive deficit procedures (HR, HU, PL, PT, ES, UK). In most cases, the main measure proposed is **austerity cuts to public, mainly social spending rather than increases in revenue ie through tax**. In Croatia, the requirement is to cut the deficit to 4.6% in 2014, 3.5% in 2015 and 2.7% in 2016, with the Recommendation that Croatia adopt austerity measures/fiscal consolidation of 2.3% in 2014, 1% of GDP in 2015 and 2016 which will lead to ‘tough adjustments’ in social spending (HR). Similarly in Hungary. In Spain, 18 billion cuts are required, hitting social services. In UK, £12 bn cuts will be made following from £19 bn cuts in previous year. The ratio of cuts to revenue is calculated as 85:15 with 79% of cuts borne by women and children (Fawcett Society report). More concerningly, the government is aiming for a **budget surplus** which will build in permanent austerity into government policy. Such a surplus will result in increases in private debt, which will increase profits for the financial sector, as highlighted by an Open Letter to the Guardian signed by 121 economists. Often the concrete impact of the deficit procedure is not always transparent in the NRP. EAPN Poland highlights that the **Stability and Convergence Programme (SCP) sets out the main requirements which are not reflected in the NRP**. The Polish Minister of Finance has blocked the proposed reform/improvement of social assistance in 2013 and 2014, quoting requirements of the deficit procedure, despite the reform being part of the national antipoverty framework required as an ex-ante conditionality for ESF signed by Government in August 2014.

***Austerity continues to threaten rights and undermine inclusive recovery.***

There is a more **uneven picture regarding austerity measures** and impacts. Whilst many highlight continuing impact (BE, FI, HU, UK), others emphasize a move away (IE, SE, MT). Where austerity cuts are still in place, **attack to rights increase poverty** (BE, FI, HU, UK). However, members **underline broader social and economic implications** on jobs, undermining consumption and the potential for an inclusive recovery, as underlined by the recent IMF[[1]](#footnote-2) report. In Belgium, cuts hit particularly middle and low income, as well as access to income, education and health care, but also cutting jobs at a time when they are needed. In Finland, cuts to local governments mean less money for services. In Malta, although direct payments of social benefits were increased marginally (by 0.50 EU), the lack of uprating for inflation means the actual value of benefits decreases (BE, MT). In the UK, the focus on cuts is to working age income, taking a further 1£ in 10£, with 5 billion cuts in tax credits, also in housing benefit and disability, combined with a welfare cap. According to the Institute of Fiscal Studies, this may result in an **additional 300.000 children living in poverty.** Younger people also face stronger conditionality, with youth allowance replacing job seekers allowance required to take an apprenticeship, training or community placement, and automatic housing support (saving 100 bn). However, the **cuts don’t just hurt the poor**. The arguments that austerity is fundamentally undermining recovery and inclusive growth, as well as driving widening inequality gap, as put forward by the OECD and IMF do not appear to be taken seriously. As Italy points out, the NRP ‘*ignores benefits to growth of healthy welfare states, with savings derived from prevention, the current model is only to buffer emergencies*’.

***Limited signs of social investment and reinforcing welfare states.***

In a few countries there are some more signs of an investment approach, with **increase in income support systems**. (DE, IE, Scotland, IT, MT, SE, Spain)... In Germany, there’s been an increase of disability pensions, pensions for mothers, as well as increases in the minimum wage. Scotland has limited powers, but has announced its intention to increase funding for emergency support to people on low incomes, by introducing a Scottish Welfare Fund to replace the Social Fund scrapped by UK Govt. It also has not implemented council tax benefits reductions from UK and promoted a programme of welfare reform ‘mitigation’ ensuring access to advice/info.In Italy, a series of measures have been implemented to strengthen income support, the scope of unemployment benefit has been made more universal also to precarious forms of work, and supporting the weaker unemployed with additional measures of income support tied to activation. Also it has given an increase and more structured funding for the poor ie the baby bonus for new born - 960 EURO until 12/31/17 doubled for poorest household, 45 million EURO for large families, increased social card extended to all EU citizens and their families. In Sweden, an even more ambitious approach is underlined with a positive mention of **reconstruction of welfare systems to achieve better welfare and security. However, a step back from austerity does not always imply social investment.** Ireland has its first non-austerity budget as government believes it can meet targets through existing measures, however there is no explicit rhetoric around social investment, or link with social goals. When viewing the prospect of a surplus, the government has made clear that its aim will be to reduce taxes rather than to reinvest in social systems.

***Raising retirement ages fails to ensure adequacy of pensions***

The universal requirement to raise retirement ages responding to the CSRs is a strong concern for many members. The arguments about sustainability appear to overshadow concerns about the adequacy of pensions and income support, particularly for those who have been in low waged or precarious work or have become unemployed, but are unable to access their pensions. (FI, DE, PT, UK). In Finland, the proposal to prolong working lives is seen as being directly linked to lower levels of pensions. Comprehensive pension reform is taking place in most countries, but often it is unclear if it is undermining constitutional frameworks eg in Portugal, where the measures presented in 2014 were not approved by Constitutional Court, and some transitional measures remain in 2015. (ie the solidarity special fee applied to pensions, lack of updating: except MI, social and rural). A rise however is planned in the standard age of retirement entitlement. Some inconsistencies are still apparent in supporting early retirement (over 60 and with 40 years of insurance history) with the justification that it will improve access for youth to jobs, although this is not backed by current evidence. On a positive note, some **examples of increases** are also highlighted eg in Germany, where pensions for mothers who gave birth to children before 1992 will mean additional points in pension system. In UK, the protective ‘triple lock’ on state pensions has so far been maintained including universal pensioner benefits such as winter fuel allowance.

***Increased focus on growth-friendly tax, likely to increase inequality***

Several members highlight an increased focus on tax policy (BE, EE, HU, IE, IT, MT, ES, UK). However the main priority is promoting **‘growth-friendly’ taxation**, which should be **‘budget neutral’, rather than integrating social impact assessment** and recognising the key redistributive role of taxation to reduce inequality**. Broadening the tax base** is a recommendation, which is focussed on sustainability, without mentioning progressive or social considerations (IE). In Ireland’s case, the government plans to give back money from expected economic growth in tax cuts, rather than social investment (ie 4x amount in tax reductions than increases in social welfare – this means a regressive budget for those on higher incomes benefitting most and those on lowest incomes the least. In other countries, positive measures include **reducing tax burden on low income earners** (HU), or increasing tax credits (IT) with an annual tax credit of 960 Euros for those who earn less than 24.000 Euros. However in other countries, the reverse path is taken (MT), where personal income tax rates are reduced for medium and high earners and not for the poor, increasing the regressive-ness of the system. A major priority backed by the Commission is **increasing consumption taxes** (VAT), which are inherently regressive as they disproportionately hit the poor hardest who spend more of their income on basic goods and services. (EE, HU). In Estonia, increases in petrol, diesel, alcohol, tobacco not only hit the poor hardest but impacted on jobs as firms moved to Latvia. In Hungary, VAT is the highest in the EU (27%). In other cases, positive tax measures are often outweighed by the overall impact of a regressive tax approach. For example positive initiatives on capital and wealth taxes (BE), are seen as marginal in the overall tax policy. **Tackling tax evasion and avoidance** is also highlighted (HU, UK), although in the case of UK, this is balanced by a priority given to limiting tax revenue, including some tax cuts ie tax incentives for business, related to capital investment and employment of young people, by removing employer contributions. On a positive note, Scotland aims to take a more progressive approach to **property tax**, aiming to ensure that tax not only addresses distortions in the housing market but are progressive ie higher rates for larger properties and least expensive are exempt. Notably in Spain, the NRP takes on board the Third Sector/EAPN proposals in the NRP for a more equitable tax system, with higher rate cut for middle and low incomes, enabling 20 million tax payers to have more disposable income. However, it’s not clear how this will be implemented**.**

***Services as a market for growth rather than affordable, quality access***

Services become increasingly a target and focus in the NRPs, according to EAPN members. However, the priority is placed on **removing barriers to the internal market in services as a driver for growth**, rather than investing and defending affordable, quality services. (DE, ES, IT, HU, NL, PT, SE, UK). For EAPN members core priorities are ensuring access to social, health, education and housing services, but access to utilities including energy is also a concern. In many NRPs, explicit recommendations are made to **reduce health expenditure** and to make it more efficient, with little visible concern about ‘effectiveness’ or with an assessment of the social impact. In Portugal, a recent OECD report praised Portugal’s health system for having responded well to financial pressures, balancing financial consolidation with continuous quality improvement. However, in reality family health units only reach 50% of population. 1,300.000 people are without a family doctor, and worse in some regions. Only 12% of people over 65 say they are in good health – the lowest in OECD. Concern is also raised about the pressure to **transfer health care to non-for-profit organizations**, with a weakening of the state’s role and responsibility. Other areas of concern relate to reforms in compulsory private health insurance (DE) which are being made in favour of the employer, with jobholders paying more with no limit on increasing costs.Some positive measures regarding **social services** are are highlighted in Spain regarding a future act on public procurement on social services, to make it an instrument of ‘social integration’ by considering social requisites in the award of contracts, to support the insertion of people with disabilities and at risk of social exclusion’. In UK, although **Education** and Health budgets are protected, efficiency savings still must be made, and with rising demand, access to quality services will be impacted (for examples currently all health targets have been missed). The **privatisation of education**, is also of concern, with reforms taking schools out of local authority control and enabling private suppliers to take on or create schools, undermining the state’s guardian role to ensure equal access to quality education.

***Affordable Housing and Energy key pre-requisites for reducing poverty***

The erosion of affordable housing is another major priority for EAPN members. (SE, ES, UK/Scotland). Whilst investment in housing is given some priority in NRPs particularly highlighting middle and low incomes (SE, UK), the solutions proposed are primarily market-driven. Members highlight that deregulation is too often seen as the main solution, which in reality weakens the position of low income households on the housing market and make them vulnerable to unaffordable rents. Investment in affordable housing, requires an integrated approach including the expansion of social housing, regulation of housing rents and new housing projects to ensure they are accessible for lower income households, as well as measures to tackle fair access to mortgage loans and indebtedness support for low income families. In Scotland, a recent report of the Chartered Institute of Housing reported 16.000 new houses built, when the need is double. The plight of over-indebted mortgage owners is still of major concern in many countries (ES, IE, UK). In Spain, some positive measure were won in the NRP strengthening measures to protect mortgage holders extending the suspension of mortgage releases and raising maximum income thresholds to qualify for restructuring measures.Finally, some members highlight the crucial role of utility services eg energy/water, particularly in terms of their impact on poverty. In Hungary, the government has cut utility prices and this is seen as a likely cause of the improvement of the material deprivation index. ie decreased by 2,9%.

**Key Messages**

1. **Austerity measures must be stopped – implement poverty impact assessment?** The continuing drive on austerity prioritizing cuts to services and social protection is undermining fundamental rights, deepening poverty and preventing a sustainable and inclusive recovery**.** The promised social impact assessment on all austerity proposals must be implemented now!
2. **Increase social investment and guarantee social standards and access to quality social protection and affordable services.** Social investment must be seen as a benefit not a cost. Universal Social protection is key to reducing poverty. Social standards and guidelines are needed to ensure that the internal market is not promoted made at the expense of guaranteeing affordable rights for all to key social and health services.
3. **An inclusive tax policy can drive sustainable, inclusive growth.**

Tax policy is key to the kind of growth we want. Invest in developing an inclusive growth-friendly tax policy which recognizes its key redistributive role in reducing inequality and financing quality EU welfare systems.

**3.Poverty**

**Introduction**

The Guidance Note on the NRPs requires Member States to report progress on poverty reduction, and in particular the national poverty target and its contribution to the overarching Europe 2020 poverty target to reduce poverty by at least 20 million by 2020. MS were invited to give particular emphasis to implementing active inclusion, including income support and other measures to tackle poverty, including child poverty as well as broad access to affordable high quality services such as social and health services, childcare and energy supply. In terms of the overall context, the messages of the Annual Growth Survey 2014 marked a step backwards with the loss of a specific objective 4 on Tackling Unemployment and the social impact of the crisis. However, reference was made to the need for adequate pension and income/social protection systems with access to quality services including childcare and early learning, underlining their key role in promoting social inclusion.

***Positive, negative, and missing measures in the Poverty polices of the NRP***

**BELGIUM**

***Positive measures***

Housing First projects and increasing some minimum income benefits.

***Negative measures***

There are several negative measures, especially the decreased accessibility of income support systems.

***What’s missing?***

An overall effective ambitious approach, with decent incomes and accessible quality services. The federal anti-poverty plan is being drafted, but (taking into account the measures that our federal government announced in the governmental agreement), we are not very optimistic.

**CROATIA**

***Positive measures***

It is anticipated that measures in the field of poverty reduction are detecting students of lower socio -economic status and persons with disabilities as target groups. The measure will be used for co-funding the cost of education for students of lower socio-economic status and students with disabilities: financing transportation costs, warding scholarships for regular students of lower socio-economic status, providing free textbooks or financing or co-financing textbooks.

***Negative measures.***

There is no evidence on proposed indicators; there is lack of strategic approach since the measures are based on projects and activities within their priority areas aimed at providing meals to children from socially disadvantaged families during their stay in primary school.

National priorities in the fight against poverty generally follow the recommendations of the EU associated with the financial rationalization of the social protection system. It is missing multisectoral approach - it seems that the fight against poverty and social exclusion is reactive process seen only under the jurisdiction of the Ministry of Social Policy and Youth.

***What’s missing?***

There is a lack of targeted measures and programs that have a real potential to change the situation of particularly vulnerable groups - people with disabilities, the homeless, single parents, the long-term unemployed, blocked and others.

**DENMARK**

***Positive measures.***

The Danish NRP provides a good overview of the many projects the government set in motion to create social inclusion among disadvantaged children, the homeless, drug addicts, homeless.

***Negative measures***

Experience shows that such projects often works well, but ceases when the government's financial support stop, typically after three to five years. There is no visible effect in the long term or at a broader national scale*.*

***What’s missing?***

Missing is initiatives tackling gender gaps and discrimination against elderly.

**ESTONIA**

***Positive measures***

Raising working age and providing them with special measures. Increase of minimum tax to 154 euros from 1st of January.

***Negative measures.***

Not sure.

***What’s missing?***

Nothing about homelessness and housing exclusion; nothing about the gender gap

**FINLAND**

**FRANCE**

***Positive measures***

La création du rendez-vous des droits pour lutter contre le non-recours, les tentatives menées en matière de garantie jeunes, le renforcement prévu de l’accompagnement pour les chômeurs de longue durée, la volonté de renforcer l’accès aux soins, le maintien de la revalorisation trop faible mais existante du revenu de solidarité active, vont dans le sens souhaité par les associations.

***Negative measures***

Les menaces sur les aides pour le logement, qui s’inscrivent dans la suite des recommandations spécifiques par pays faites par la commission européenne, sont très préoccupantes et pourraient venir amoindrir les effets positifs des mesures prises par ailleurs**.**

***What’s missing?***

Il est nécessaire notamment de pouvoir abonder autant que nécessaire les credits pour la formation des chômeurs de longue durée, c’est-à-dire de permettre aux chômeurs de longue durée qui n’ont pas acquis de droit à la formation pendant leur période de chômage de pouvoir se former pour acquérir un nouvel emploi, et d’avoir une loi de programmation financière sur 5 ans qui donne de la visibilité aux acteurs sur les crédits qui permettront de construire des logements sociaux sur le moyen terme.

**GERMANY**

***Positive measures***

Some projects were established mostly funded by ESF. Most of their concepts use orientation to social space. For example: “Jugend und Quartier” (Youth and district)

“Soziale Teilhabe am Arbeitsmarkt” (Social participation at the labour market)

***Negative measures***

Only projects which are funded by ESF are positive developments.

***What’s missing?***

There is no effective and integrated strategy. There are no integrated strategies for all groups. Child poverty, homelessness are not even mentioned.

**HUNGARY**

***Positive measures***

Emphasis on improvement of quality of life of Roma people, especially Roma women; emphasis on reducing children’s malnutrition and hunger;

Developing support networks by supporting task reconciliation and workplace- (improving nursery’s and kindergarten’s capacity); integrated child programmes.

***Negative measures***

There is no reflection on different at risk groups, like people with disabilities, old people, homeless people, ethnic minorities- except Roma people) migrants (not mentioning the horrible government-campaign against them). The public work scheme is treated as a universal remedy for all problems concerning poverty and social exclusion.

***What’s missing?***

Streamlined, coordinated policy measures, capable of significantly reducing poverty.

**IRELAND**

***Positive measures***

While the main social welfare rates remained unchanged in Budget 2015 there has been a partial reversal of some previous cuts to child benefit, the additional ‘Christmas payment’, an increase in the Living Alone Allowance for older people as well as the introduction of a new Back to Work Family Dividend.

***Negative measures***

Poverty levels are still increasing and while the NRP names active inclusion as the framework for its response in addressing poverty the main focus is really still on access to the labour market.

***What’s missing?***

While highlighting a number of areas related of welfare reform the NRP does not address the issue of income adequacy. Social welfare supports are only mentioned in the context of the incentive to work of in-work supports. Adequacy of income for those outside of employment temporarily or permanently e.g. due to unemployment, disability, illness, age or due to caring responsibilities is not addressed generally.

**MALTA**

***Positive measures***

There are programmes designed to help children. Vocational training.

***Negative measures***

The protection of the commercial housing market to the detriment of social housing

***What’s missing?***

Social housing policy, more care institutions for the elderly, Programme for better inclusion policies of irregular migrants.

**NETHERLANDS**

***Positive measures***

100 million € per year extra money to tackle poverty, extra attention for child poverty; extra schemes and attention for youth unemployment; extra attention on early school leaving; EAPN NL has to be fair and state that NL still has several supplies to the minimum income, but we see the decrease of the rent supply and the change in the supply measurements for children not as a positive change. Action(s) taken against this change were successful and made it less drastic**.**

***Negative measures***

No decent raise of the lowest wages and minimum income (social assistance); More people need two jobs to survive; the amount of working hours per week is decreasing to 24 per person in a job. In work poverty is increasing.

***What’s missing?***

In our opinion, an overall vision for the development of a social and income fair society. Ambitions of the government are to have 80% participation on the Labour market and to spend more money on R&D. But under which conditions? Poverty increased by 0,9%.

**POLAND**

***Positive measures***

Under the youth guarantee program there are measures for young people with disabilities, NEETs, foster care leavers, correctional institutions leavers (one priority for young people with severe problems); Universal right to childcare for pre-school children (3 and 4 year olds);

New legislative proposals in family benefits which could have at least short-term poverty reduction consequences; One new government program for seniors which is based on day centers and services provided there; Another program supporting employment of the older workers (50+); Personalized services for people with disabilities and training for employers.

***Negative measures***

***What’s missing?***

Any mention of Social Investment Package and children as an at risk group

Total absence of proposals for housing and homelessness

**PORTUGAL**

***Positive measures***

The measure related to the extension of unemployment protection to other professional categories, like independent workers economically dependent, business owners, members of statutory bodies of legal persons with management functions; The increase of unemployment benefit for households where both parents are unemployed or single parents, with children; The adoption of 20% of structural funds to fight poverty and social exclusion.

***Negative measures***

Even taking in consideration that the financial crisis had an impact in poverty and social exclusion at national level, there are no specific measures to deal with this situation. With some exceptions, measures presented have a strong relation to labour market but this is just one side of the problem. In the same way, it is quite negative the absence of measures to deal with specific poverty subjects in which Portugal has negative results in the scope of Europe, like child poverty.

***What’s missing?***

Orientations for the implementation of a National Strategy to Fight Poverty and Social Exclusion. Just as it was described in CSR assessment, there is a “silence” in relation to the need for a birth / family policy. Ageing is a reality at national level and in the scope of Europe. The negative birth rate, as well as the increase in ageing rate (and also the negative migration balance) will have (and is already having) an impact in social security sustainability, as well as labour market and health.

**SPAIN**

***Positive measures***

Good participation/interlocution of the Children Rights NGOs, EAPN and other platforms.

More presence of children’s issues in the political arena. There was a lot of participation, in particular, with regard the Comprehensive Plan on Family Support, which was adopted soon after the NRP.New legal framework for adoption and foster care, which was necessary.

***Negative measures***

Budget reflects already existing measures (no new money). No considerable impact.

In July 2014 there was an improvised distribution of 17 million Euro among the Autonomous Communities, which was quite polemic. EAPN Spain did a position paper on the matter. We stated that, in the same manner as required for social organizations, these funds should be administered according to a logical framework, identifying and pursuing aims and objectives, to enhance its efficiency and effectiveness. In addition, for preventing that these funds do not to become a mare magnum, a set of disjointed disparate actions. Although there is a 20% in the budget for this action line, many of the measures contained in the Comprehensive Plan on Family Support are not new.

***What’s missing?***

The Alliance against Child Poverty, led by UNICEF with the participation of many NGOs and Platforms including EAPN Spain, proposed a Pact against Child Poverty, including child benefits. This was also a demand within EAPN’s proposals to the electoral candidates, in the past regional elections in May 2015.

The Comprehensive Plan on Family Support is not the solution for child poverty and social exclusion, although there are measures, which could be useful. However, it’s a “Plan” (as in the case of PENIA) and not really biding for the Autonomous Communities, who have their social competences transferred and are responsible for these issues.

**SWEDEN**

***Positive measures***

Good ambitions but a lack of concrete measures.

**UNITED KINGDOM/SCOTLAND**

***Positive measures***

The last Coalition government and the current Conservative majority government would emphasise the focus on paid work as a route out of poverty. This includes Job Centre Plus and the Work Programme for the longer term unemployed and those with more barriers to employment. They would also emphasise work incentives including through increased personal allowances and the new benefits’ structure, Universal Credit, still in course of implementation. The government refers also in the NRP 2015 to the Troubled Families’ programme of more intensive intervention for families in chaotic circumstance. This programme is being extended. However, it is more difficult for social NGOs to be positive about what had the potential to be much more beneficial interventions, because the Work Programme is punitive and damaging to human rights and dignity especially of more vulnerable clients. Work incentives have been damaged by cuts that affect the taper rate as people move between benefits and work, and cuts to local support services. Increases in personal tax allowances do not benefit the poorest.

***Negative measures***

The overall approach to welfare ‘reform’, its misleading ‘austerity’ context of severe cuts and the wholly unjust distributional effects on people of working age, women, children and people with a disability is worse than negative. It is a disaster for social cohesion. The UK is a much more divided place now, personally, geographically, regionally, by work status, than it was before 2010, though the process started before that. Yet government will cut again and deeper in this Parliament and again focus on poorer people of working age including those in paid work. The punitive regime referred to above and the lack of transparency and local and client accountability of Work Programme providers (and most clients have no choice of provider, despite the government’s preference for ‘choice’ in other policy areas); The negative and misleading media environment, including from government, about people out-of-work. This prolonged and sustained campaign of vilification has had a significant effect on public opinion at a time when many people on moderate incomes just above poverty are in straitened circumstance and confronting low and stagnant pay. *This media environment and its impact were discussed in the UK EMIN Report of December 2014.*

***What’s missing?***

The facts about the welfare ‘reforms’ and cuts – who bears them, how long they have an impact, what harm is done, who benefits, when it will stop, whether any will be restored; openness from the government and its allies about what is its vision of the role of state actors in supporting our people in 21c Britain; Something good has been lost from the nature of what it means to be British.

***BENCHMARKING ICELAND.***

As a benchmarking excercize, a comparison is made with Iceland.

Only 2% live in extreme poverty. But there has been a decline in material deprivation of families with children, the subject of the focus of Welfare Watch. ie fell by 2.9% to make ends meet, AROP by 2.2% and materially deprived – 0.6%

***Positive measures***

The Welfare Watch Platform was reactivated. Better migrant policy – shorter waiting periods and accepting more people. Revision of migrant policy to make waiting periods shorter and accepting more. Plans to increase the availability of smaller, cheaper apartments. Harm reduction projects. Decrease in gender pay gap from 19.9% to 18.3% - much higher in private than in public sector.

***Negative measures***

Higher costs in the health care system. The unadjusted gender pay gap. In 2014 just under one third of children did not partake in organized leisure, an increase from 14.3% in 2009. Raising VAT on food, which hits poorer families. The disability benefits have not been able to keep up with price increases, general wage increase nor the lowest wages, and the difference is huge.

**Key Concerns**

***Low profile and slow progress on the poverty target***

Despite the guidelines, not all NRPs provide a **specific section** dedicated to progress on the poverty target, and the policies to deliver it. (HR). Where they are quoted, **progress is uneven** and controversial. A few highlight overall progress in the at risk of poverty and/or exclusion (AROPE) indicator (BE, HU, PL,). However, the complexity of the aggregated, composite indicators undermines the real impact. Mainly there are **increases/decreases in different indicators** eg in Finland there is a fall in deprivation but increase in jobless households. In the case of Poland, the national target of 1,5 million from 11,5 was achieved in 2013, mainly through decline in severe material deprivation. EAPN asked in its negotiations with the government for a new goal and sub-targets, but government rejected it and agreed only to a new analytical report on poverty. **More members highlight increases** (DK, ES, FI, IE, MT, PT). In the case of Portugal rising to 27.5%, and in Spain from 27.3 to 29.2% and reduction in average income of 2.3%. **Several MS still fail to use EU indicators** – eg SE, DE and UK. In Sweden and Germany, unemployment and long -term unemployment indicators are used rather than any poverty indicator; whilst in UK no poverty target is set, only a reference to the legal child poverty target enshrined in the Child Poverty Act 2010, which the new government is now considering repealing. Ireland has 2 poverty targets, one for national and one for EU level. The reference EU indicator is ‘combined poverty’ ie (either consistent poverty, at risk or basic deprivation) and this has increased from 35.7% in 2012 to 37.5% in 2013. However Ireland also set a new sub-target on child poverty is set: to lift 70.000 children out of consistent poverty by 2020 ie a reduction of 2/3 on 2011 baseline.

***Work-first approaches to poverty dominant in a patchwork of approaches***

Not all NRPs have clear sections on poverty, nor a strategy, reflecting a **myriad of different approaches**. Stronger examples of integrated strategies quoted include ES, IE, FR. (see next section). In Portugal, the Social Emergency Programme is the main focus with use of the 20% of ESF, rather than a national strategy. In terms of the approach, **Work is seen as the only route out of poverty** (DE, HU, PT, ES, EE, SE and UK), despite the rise in-work poverty to 8.7% (2013) or as in UK where the majority of people in poverty, have a job. Some countries emphasize the need to provide more support for low paid workers and to avoid the poverty trap of transition from benefits to low paid work (FI, IE), or to increase minimum wages (PT). **Increasing participation in the labour market however is mainly about Activation** and removing disincentives to work (BE, DK, PT,) as well as restricting access to early retirement; public work-fare schemes are also worryingly in evidence (HU), where unemployed are forced into compulsory public work, receiving only minimum benefits. Key target groups are women (HU, MT); Roma and Disabled (UK) as well as youth (NL, EE). Other MS focus more centrally on issues of **social protection and the sustainability** of social protection systems, (BE, FR, HR, PL, PT, FI). There is a split between those with an explicit focus on reducing costs (HR, UK), and those who consider adequacy and accessibility. (BE, ES, EE, FI, FR, PT), although cost-cutting is an underlying driver in all. There is also more evidence of education as a key focus. This is partly to get more people into work (DK,DE, ES), but also an increased interest in early learning and providing in-kind benefits to support children in schools (HU, EE). In general the focus on specific target groups seems very adhoc, with no evidence base justifying the priority, ie in Croatia, where the only groups focussed are parents and children with low level of education, students and disabled).

***Missing implementation of Integrated Active Inclusion Strategies***

A clear requirement in the Guidance note on the NRP is to **delivery on active inclusion**, also based on the implementation of the Social Investment Package. EAPN considers that an **integrated AI approach (access to adequate minimum income, inclusive labour markets and access to quality services**) is a major pre-requisite as part of an integrated multidimensional anti-poverty strategy. Only Ireland highlights an explicit focus on Active inclusion with the 3 pillars, however this is not then further developed in detail. In Spain’s case there is a clear section on fighting poverty and social exclusion with several national strategies (National Action Plan for Social Inclusion, Youth Strategy and action Plan, Disability, Drugs, Roma, Children and Adolescents). In France, a Multiannual Strategy and Plan for combating poverty and social exclusion is in place, also in Croatia, however an explicit budget to implement the plans/strategies are not always evident. In some cases, where MS have a strategy, it is not mentioned in the NRP ie Finland. In some cases there is an awareness of need for strategy but nothing concrete ie Sweden. **Whilst others see no strategy**: (HU, PL, PT).

Mainly, however, **active inclusion is narrowly interpreted as ‘activation’**/work first only, rather than focus on the integrated 3 pillars. In the UK, the main objective of activation is to increase labour force participation rates whilst cutting expenditure on welfare benefits through increased punitive conditionality (BE, DK). On a more positive note, some positive examples are given of steps to improve personalized support to groups who are distant from the labour market (BE, FR, IE, MT, PL), for example for the disabled, migrants and unemployed in Wallonia/Belgium, or measures for groups of youth in Poland – with disabilities, NEETs, foster care leavers; or in Ireland for lone parents, although clearly linked to reducing dependency on benefits. However, an integrated approach is missing, which undermines effective impact on poverty. (For more information on activation see employment section)

***Uneven support for adequate minimum income undermining living standards***

Given the major **role of social protection in reducing poverty** (35% EU average and up to 63% In Ireland), the failure to reinforce minimum income and other income support benefits is a major barrier to progress on poverty reduction and reinforcing household income as a basis for recovery. Several responses highlight worrying actions that **reduce minimum income** and benefits, at a time when poverty continues to rise in more than a 1/3 of countries. (DK, EE, IE, UK). In some cases this is done by freezing benefits ie in UK with all working age benefits levels, also setting a cap on the total amount of benefits received by a household. Minimum benefits for asylum seekers are also in place with the new government aiming to renegociate EU rules on migrant’s benefits. The strategy of reducing benefits combined with conditionality to ‘reduce disincentives to work’ is being followed in many countries and appears to aim to ‘force’ people off benefits and into jobs, but without ensuring access to quality jobs, whilst undermining living standards for people without work. In UK, employment support with employers for disabled people has been cut, at the same time as disability benefits reduced with more stringent work capability tests, with a clear objective of cutting benefit budgets at the expense of the poor.

In some countries, more positive efforts have been made to strengthen **coverage and adequacy of social assistance,** although concrete results are not seen yet (BE, FR, NL, PL, PT, SE). In Belgium, Minimum Income is expected to be raised to approach the poverty threshold; whilst in Sweden a full index increase (1.1%) was made to the basic minimum income, compared to other benefits. In Portugal, although the aim is to improve coverage, actual amounts are decreased; whilst in Poland the agreed proposal to reform minimum income, as part of the antipoverty strategy delivering on the ex-ante conditionality for ESF, has been blocked by the Minister of Finance. In others, the focus is on **improving unemployment benefit**, extending it to more categories (PT) or increased levels for specific periods (PT, SE). In Portugal’s case the increase is focused on families where both parents are unemployed or single parents with kids, however 47,9% are still unprotected. **Concern over family/child poverty get a renewed focus**, with the double objective of getting women into work and reducing children’s hardship, but the **overall impact on income levels is unclear** within the balance of benefit support. (EE, PL, PT). Making Work pay by tackling tapering and support to transitions, is a welcome development (IE, SE). In Ireland, there are increases in housing assistance and Family Income supplement (160 million), with a new Back to Work family dividend, which provides more effective in-work support, while in Sweden, the Social Assistance Act has been amended so that 20% of earnings are not taken into account as income. In Poland, a new family benefit is promoted for new mothers not covered by sickness insurance; whilst in Portugal, family allowance will be increased, under a new rule. However the Commission’s Country report had highlighted that 1 in 3 families have actually lost access to child benefits in the last period. The overall, combined impact of the various changes however needs to be transparently monitored to ensure that they result in better income and living standards.

***Services viewed as a cost not a benefit.***

In general, the focus on ensuring **access to quality and affordable services**, as part of social protection systems, as well as services of general interest get a low profile in the sections related to poverty and social inclusion. Instead, key services like health, education, social services are given specific focus in the macroeconomic chapters in relation to ‘modernizing’ systems, with a view to cutting budgets, as part of deficit reduction, viewing services as a cost not a benefit. (see macroeconomic section). Where **access to services** is mentioned, it is most often around **education** (HR, EE, FR), but often focused on specific groups (ie low income and disabled), rather than a comprehensive approach to access for all groups, and across the life cycle. Increase in, is highlighted (IE, EE, UK) but not always around universal access or quality.(see later section). **Social Services** are mentioned with adhoc approaches, underlining programmes with different groups, but without underlining their role in integrated approaches to fighting poverty (DK).

Major concerns are raised by members around lack of focus on access to **affordable health** care, eg Germany where health insurance is restricted to those who have a job or get minimum income, with others only getting emergency supply. **Affordable housing** is the other major missing area, with the focus on supporting the housing market and increasing housing rather than affordable homes, through regulating rents as well as support to low income home owners. Support and investment in social housing is only highlighted by IE and PT, increasing access, or lowering prices to social housing. In Croatia, social housing projects are planned as public/private partnership but with unclear funding. In UK, with the primary focus on supporting the market, no mention is made of social housing, although in the devolved administrations, there is more support ie in Scotland, there is a subsidy for housebuilding and direct build of local authority houses, whilst in Northern Ireland, there is investment in more housing for the most vulnerable. Wales is tackling inequalities in access to housing for gypsy/traveller**. Access to utilities and transport** is also underlined. In Portugal, there is an increase in energy and transport social tariffs to reduce material deprivation, but the overall question of systematic approaches to tackle energy poverty is absent**.**

***Some progress on Investing in Children, but not integrated, rights-based approaches***

Members looked for signs of the implementation of the integrated approach to Investing in Children[[2]](#footnote-3) to fight child poverty and promote child well-being. Whilst there are encouraging signs of **new more integrated plans** (BE, IE, ES), the commitment to delivery is undermined by budget restrictions. In Belgium, there is a new National plan to fight child poverty (BE) and Action Plan (Wallonia); whilst in Ireland, a new – national framework: Better Outcomes, Brighter Future, which focuses on child poverty, prevention, early intervention, school meals, sports/culture. In Spain, the strategic plan for children and adolescents (PENIA) (2013-2016) is being implemented. There is also a new legislative reform to streamline processes for foster care and adoption and improve care of children at risk. However, the budget reflects already existing measures, with no new money and the implementation depends on regional authorities, raising doubts about the integrated approach. However a positive aspect is that a**ll these initiatives have actively involved stakeholders**. However, it is particularly worrying that countries with the **highest levels of child poverty often make no reference** to it in the NRP eg PT, with largest increase in child poverty (31.7%).

**Access to early learning and childcare**, is seen as a growing priority. (BE, PL, UK, NL). This includes creating more places for childcare (BE). In Poland, is underpinned by a universal right for pre-school children (3-4). However, the issue of affordability and quality remain. In UK, help is given with costs for low paid, but still leaving it as one of most expensive services in EU, with support given to private carers with little quality control, ie regarding level of qualifications. Clarity around objectives is also often missing, with a focus on childcare to enable women to work, rather than quality early-learning more focussed on the rights of the child. Part-time early years care is proposed from 2 for disadvantaged children and from 3 for other, but no discussion on quality or access.

**Increasing family/child income** is welcomed in several countries, with increases in child and family benefits (BE,EE, SE, IE) and increased monitoring. Whilst other members highlight an increased focus **in-kind benefits** within the education systems, particularly regarding free or subsidized books and meals (EE, HU, UK). But there is often a lack of detailed assessment on the whole package and how to ensure the adequacy of family budgets .(IE). In terms of specific groups, Roma children are given specific attention eg in Hungary, with a focus on reducing malnutrition and in in improvement of quality of life, reducing malnutrition and hunger/ integrated child programmes**.**

***Insufficient response to Homelessness Crisis***

Rising homelessness is seen by many members as a key unmet priority, in the context of shrinking incomes and supply of affordable housing. Whilst several members highlight progressive plans on homelessness (BE, PT, SE, IE, with ES being finalized), doubts are raised about the funding and implementation process. In Ireland, the government agreed an implementation plan on the State’s response to homelessness and the Social Housing strategy, highlighting an additional 2.2 bn Euros, with plans to address needs of 90.000 households on the waiting list and street homeless. However, NGOs highlight that this is only the tip of the iceberg to develop a sustainable strategy*.* In Belgium, there is a plan for cooperation on homelessness between federal govt/and regions together with a Housing First and partnership strategy, including coordination for emergency intake during the winter and programmes ensure access to housing and accompaniment, but depends on regional implementation, a similar situation arises in Sweden. In Portugal, although a national strategy exists it is not implemented, due to budget restraints. In some cases the NRP fails to mention where strategies, ie in Finland where the government has a programme to decrease long-term homelessness and is developing a housing first programme. In other countries, suffering notable housing and homelessness crisis, the absence of a strategy or any explicit measures is noted. (DE, HU, MT, UK).

***Some increased focus on Gender and Roma, but low priority to migrants and other groups.***

The selection of target groups for antidiscrimination and support action is seen by most members to be adhoc, and little based on current data and evidence are which groups face the greatest risk of poverty and exclusion. The main focus is supporting increased participation of **women** in the labour market, eg in PT, providing financial support to hiring women in underrepresented jobs. However strategies to challenge the gender pay gap are notably absent. In Spain, there is an important measure to reduce the gender gap in pensions from the current 38% to 26% from 2016, by recognizing the role of women with at least 2 children with a % increased. Other measures include breastfeeding rights, change in social security rights for self-employed women are also being prepared. Increasing the employment rate of Roma women, is also a focus in some countries eg in Hungary, through supporting reconciliation of family and work tasks and the improvement of voluntary cooperation **of Roma** women in social and public life. However, **much less focus is given to other at risk groups particularly people with disabilities, older people, ethnic minorities and most obviously of migrants**, including undocumented migrants in desperate humanitarian need. (IT and ES). Support to people with **disability is mainly through increasing access to the labour market**. (PL, MT, UK), in Poland this positively includes offering personalized support, as well as training to employers. However, less support is given to people with mental disabilities or health problems (MT). Support for older people and the adequacy of pensions and need for long-term care, is notably absent (MT).

**Migrants** continue to be ignored in terms of a key group facing poverty and exclusion, even in countries with major challenges around immigration. In Hungary, the government is pursuing an active campaign against them. Even in countries with well-developed strategies to support key minority groups – eg in Spain, there is a deafening silence on access to rights for migrants and the fight against poverty, particularly undocumented. However, a major reverse has been won by NGOs defending the right to healthcare for undocumented migrants, which was undermined by the Government’s Royal Decree of 2012.

***Key Missing Themes***

* An adequate evaluation of the impact of austerity on welfare/social protection reform on poverty, inequality and the economy. (UK)
* An ambitious integrated antipoverty strategy for all groups. (BE,DE)
* An ambitious vision of a more social and equal society, not just about participating in the labour market. (NL) and policies to tackle growing inequality and divided EU.(UK)
* A long-term and sustainable approach beyond projects (DK)
* Tackling gender and discrimination gap against the elderly (DK)
* Creating laws for long-term financing of key social measures: social housing, to support long-term unemployed, increase in minimum income, access to education for young people, street children etc (FR)
* Specific strategies for key target groups: homeless, care for the elderly, inclusion of undocumented migrants.

**Key Messages**

1. **Take the poverty target seriously!**

All Member States should adopt ambitious national targets using all 3 EU indicators, and transparently monitor their progress together with stakeholders.

1. **Put adequacy of minimum income and investment in social protection at the heart of integrated active inclusion strategies**

Build on increased priority to adequacy of minimum income and social protection, to build an integrated strategy for active inclusion

1. **Follow up SIP priorities, monitor all at risk groups and develop integrated strategies**

Transparent monitoring of all at risk groups, should provide the basis for implementation of integrated strategies drawing from priorities of the Social Investment Package frameworks – on tackling homeless, investing in children and Roma inclusion. New priority to tackling exclusion of migrants**.**

1. **Employment**

**Introduction**

The Employment part of the National Reform Programmes is dedicated to efforts to reach the employment target of the Europe 2020 Strategy – 75% of the 20-64 year-olds to be employed. However, this objective, subsequently translated in national targets, is purely numerical, and does not take into account a number of factors, such as whether the activation process is a supportive one, or whether the jobs accessed are of quality, sustainable, and effectively take people out of poverty. This chapter explores the policies that Governments put forward in their National Reform Programmes in order to reach the employment target, and whether they amount to more than a numbers’ game. Building on the analysis carried out by our national members, the section shows that more and better efforts are needed in order to implement holistic strategies for social and professional integration.

***Positive, negative, missing measures in Employment Policies of the NRP***

**BELGIUM**

***Positive measures***

Some fiscal changes for low wages are positive, but weaker than other negative measures. Some meaningful activation trajectories for vulnerable people are put in place in the regions, but the impact is too weak, given the lack of accessible quality jobs for those people, and the huge discrimination on the labour market.

***Negative measures***

So called modernization (read: demolition) of wage indexation systems. Part-time unemployed will receive less (no) unemployment benefits. Further decrease of long term unemployed benefits (e.g. for the elderly long term unemployed). Benefits for young unemployed people are abolished, what makes them dependent of minimum income, but even that is not accessible for a lot of young people.

***What’s missing***

Decent protection systems that invest in vulnerable people and make them stronger. Quality sustainable job creation. Real effective measures against discrimination on the labour market.

**CROATIA**

***Positive measures***

In order to strengthen the effectiveness and scope of active labour market policies, the Guidelines for Development and Implementation of the Active Labour Market Policy in the Republic of Croatia for the period from 2015 to 2017 were adopted. Implementation of the external evaluation of previous cycle of active labour market measures implemented by the Croatian Employment Service in 2010 has commenced. The aim of the project entitled ‘External evaluation of the active labour market policy measures’ is to determine the actual effectiveness of active labour market policies and determine if the intervention achieved its goal of evidence-based and economically rational approach in relation to the invested funds, and to provide a basis for further planning of the same.

***Negative measures***

Croatia is facing worsening labour market conditions due to the protracted crisis with continued lack of job creation and severely under-utilised labour market potential. Unemployment rate is around 18,4% (April 2015) with over 52% of unemployed young people.The proportion of young people not in employment, education or training is also increasing; it reached 18.6 % in 2013.

***What’s missing***

Croatian Employers’ Association which participated in a conference organized by EAPN Croatia in June 2015 highlights the needs for better business conditions. The problem lies in the frequent changes of the legal framework. For EAPN Croatia it is notable that activities in this field of the Employment Policies should be in accordance with the current socio–demographic trends, assuming economic growth, positive trends of the labour market and assurance of the conditions for opening new jobs, creation of measures aimed at long-term unemployed persons and other vulnerable groups (the youth, persons with disabilities, the Roma people, homeless people). There should be invested more efforts into increase of adequacy of educational system and labour market.

**DENMARK**

***Positive measures***

The government has sought to address two major obstacles against job - inclusion. First, a law designed to ensure comprehensive counseling and rehabilitation, secondly expanded opportunities for so called fleksjobs where disabled citizens gets the salary partly from the employer and partly as a compensation from the public authorities.

***Negative measures***

The results in jobs are very small.

***What’s missing***

More specialized rehabilitation in relation to the complex needs, but also many more jobs, adapted to socially excluded persons.

**ESTONIA**

***Positive measures***

* attention to unemployed young people
* more measures for helping older people to return to the labour market (for those who wish to work)
* support access to employment and working aimed at people with reduced capacity for work and people with disabilities
* Youth Guarantee implementation started in 2015
* Disability Reform (working reform) is delayed in order to involve target group

***Negative measures***

Nothing about homelessness.

***What’s missing***

Nothing on integrated services.

**FINLAND**

***Positive measures***

Youth guarantee even if there have been problems to fulfil it properly.

***Negative measures***

Pension reform which raise the retirement age and decreases coming pensions.

***What’s missing***

Ideas and resources to reduce long-term unemployment.

**GERMANY**

***Positive measures***

Germany has committed itself to the following national indicators:

- Employment rate for the group between 20 and 64: 77%

- Employment rate for the group between 55 und 64: 60%

- Employment rate for women: 73%

- Reducing the number of long-term unemployed people until 2020 by 20% (since 2008)

All three goals were achieved by Germany.

Two programmes for publicly funded employment for maximum 43.000 long term unemployed start in 2015. Especially the programme “Soziale Teilhabe” (social participation) is an important signal. But in contrast there are one million long term unemployed in Germany and studies show that at least 480.000 of them have no chance of getting a job again. Extensive and long term measures and publicly funded employment must be provided not as a programme for a few years but as constant measures for those who need them.

***Negative measures***

There is still a big number of long term unemployed people (three million, half of them have children and live together with them in a “need community”). Others have (multiple) handicaps and all of them cannot manage to get into the first labour market. This is not mentioned in the NRP.

Although the fall of the absolute number of unemployment is positive, it is not congruent with the goal reducing the at-risk-of-poverty-rate in Germany. The at-risk-of-poverty-rate has been increasing since 2006 to 15.5% (with fluctuations 2010 and 2012). 12.5 million people are affected by income poverty this year.

There are almost no measures (except from EHAP) to help them get out of their isolated situation. Existing programmes focus on the employability – what is needed would be a step before.

***What’s missing***

An effective and integrated strategy with the comprehension of the situation of the unemployed. And statutory, negotiated and long-term strategy to fight unemployment, only thinking in programs exists. And again the reduction of poverty is only measured by the indicator long-term-unemployment.

**HUNGARY**

***Positive measures***

- the young ones as key groups are targeted- the youth unemployment rate is lower than the EU-average

- strengthening the training elements of employment programs

***Negative measures***

- quality job creation is not an issue (green or social jobs are not even mentioned in the Employment Chapter of NRP 2015

-in-work poverty is raising, it is also not mentioned in the document

- the new Labour Code is minimising the employment rights (the government has a different opinion), so we can’t speak about any kind of improvement in this case

-the personalised pathways are also missing from the document

-there are also not enough attention on at-risk groups-except the young ones

- the public work scheme is over- prioritised

***What’s missing***

- the will to re-orientate the budget resources allocated to the public work scheme to active labour market measures

-improvement of adequacy of unemployment benefit and social assistance

**IRELAND**

***Positive measures***

The expansion of the Pathways to Work strategy to address the needs of long-term workers is positive. Also welcome, but not mentioned in the NRP, is the piloting of supports for people on a Disability Allowance. EAPN Ireland has been calling for some time for the ending of the exclusionary approach of the national employment service of only providing supports to those newly registered as unemployed. However, we continue to have concerns that Intreo offices provide supports in a positive, customer centred manner and also that the capacity of staff to provide quality information to those seeking their supports is increased.

***Negative measures***

Over the past number of years changes have been made to supports for one parent families. The NRP states that the purpose of the reform is ‘to strengthen the links between lone parents and the labour market, thereby reducing the risk of long-term welfare dependency’. In reality however the labour market participation of people parenting alone has fallen over the past few years while poverty levels among one-parent families has increased.

***What’s missing***

The NRP does not address access to quality jobs or in-work poverty. This is of major concern as one in five of those in work experiences material deprivation and 5% is at-risk of poverty. The Government has set up a Low-Pay Commission, but this is limited to looking at the National Minimum Wage. However much work needs to be done on understanding and addressing the issue of precarious work and decent pay.

**MALTA**

***What’s missing***

A true political will to bring about social justice in the place of work.

**THE NETHERLANDS**

***Positive measures***

A. the extra input to fight early school leaving

B. the extra input to fight youth unemployment

C. extra funds to tackle severe debts and child poverty

***Negative measures***

A. Although we are happy about the 100 million € per year, this is not enough

B. The major change in social security by the 1-1-2015

C. The austerity in health care, which costs thousands of (part-time) jobs

D. The rise in rents

***What’s missing***

A real attack on unemployment. A clear vision how to prevent that most of the population will earn no more than a minimum wage.

**POLAND**

***Positive measures***

* Youth guarantee program has one priority for young people which belong to the weaker groups.
* Childcare accessibility as a measure for rising employment chances for women
* Personalised services for people with disabilities

***What’s missing***

* Quality jobs
* Tackling in-work poverty

**PORTUGAL**

***Positive measures***

The priority given to youth is positive since youth unemployment is particular significant at national level.

***Negative measures***

The need for an active inclusion strategy, as well as the access to an adequate income is totally absent of CSR and NRP – which is quite worrying when we see a reinforcement of activation measures forcing (particularly youngsters) citizens to accept any job and therefore to raise precariousness of employment and, at the same time, reduction of social protection benefits.

***What’s missing***

There is a need to guarantee the assessment of the new measures, especially in what concerns those measures oriented to fight youth unemployment. This is quite important since we know that those trainings in work place are a way to cover jobs for which people should be hired. And in many cases are low qualified and low paid jobs that can’t guarantee an adequate income to people and an adequate inclusion at social level. In other words, most of the youth employment initiatives (quite good to reduce statistical unemployment figures) risks to promote precarious jobs and reinforce the number of in-work poor.

**SPAIN**

***Positive measures***

Most of the abovementioned measures are just beginning. If they are the right ones, the outcomes will be seen in a couple of years.

***Negative measures***

The dimension of unemployment is huge, particularly in the case of young individuals. Many problems and delays in the implementation of the Youth Guarantee have been mentioned. For example, in the Madrid Community (and others) the individual should have an electronic DNI in order to register, and this is causing new disadvantages to those who cannot get it, because they are immigrants or for other reasons.

***What’s missing***

More proficiency and clarity in the implementation. It’s difficult to carry on Plans when the competences are transferred to the Regions.

**SWEDEN**

***Negative measures***

There are almost no mentioning at all of the increasing insecurity on the labour market, short time job, etc.

***What’s missing***

Measures to improve the labour market for those with unsecure connection to the labour market and working poor.

**UNITED KINGDOM**

***Positive measures***

Employment rates are rising, but there is significant geographic, gender, ethnic and age variations.

***Negative measures***

The approach is not delivering sufficient quality sustainable employment. Many new jobs are low paid, part-time, self-employed, in poor conditions, or all of these

***What’s missing***

- A British business and government aspiration for a big push on investment in quality, sustainable jobs to give British young people a worthwhile future

- Stronger government support for decent pay and quality in working life.

**ICELAND**

***Positive measures***

Lower unemployment rate. “Job square”.

***Negative measures***

There is a lack of part time jobs and flexible working hours for people with reduced ability to work.

**Key Concerns**

***The target may appear on track, but does it increase wellbeing?***

Some countries report having achieved (DE) or being on the right track (IE, PT, UK) to achieve their national employment target. However, as pointed in the introduction to this chapter, this assessment is based on a **mere numerical indicator**, underpinned by the Eurostat definition, which states: “Employed population consists of those persons who, during the reference week, did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.” Such a reductionist definition does not take into account any complementary criteria regarding the quality or sustainability of the job in question. In the absence of such qualitative indicators, registered progress remains on paper, without translating into increased wellbeing and better lives for people.

Moreover, as some of our members point out (PT), **cosmetic approaches are applied to statistics**, whereas, for instance, people undergoing active labour market policies or training are not counted as unemployed, neither are young people in internships, although many are unpaid, and stable employment does not follow. Blindly following the numbers to obtain artificial, statistical reductions in unemployment will not help achieve the employment target in a meaningful, sustainable way, while also undermining the poverty-reduction target in the process.

***Quality of work and employment not prioritised, in-work poverty ignored***

A number of our members highlight the **missing quality dimension** in the Employment chapter of their country’s NRP (BE, DE, HU, IE, MT, NL, PL, PT, ES, SE, UK).

Explicit **downward pressure on wages**, or lack of progress towards decent income from paid work, is explicitly highlighted by some EAPN networks (BE, MT, NL, ES). Some members (IE, Be), mention as positive a tax reduction measure for low income workers, but highlight that it is rather part of a regressive taxation trend, benefitting high earners most. Spain indicates that the conservative approach on wages is part of an explicit strategy to boost the country’s competitiveness and exports.

**In-work poverty** is another concern raised by our members, who lament not seeing it prioritised or even mentioned in the NRPs, despite it being a national problem (DE, HU, IE, MT, SE, UK). Our Maltese members point out with concern that in-work poverty is being perpetuated including through public contracts. EAPN Poland deplores the disappearing focus on in-work poverty, which was featured in the country’s CSR in 2012 and 2013.

**Precarious, insecure and atypical contracts** are also mentioned with concern by some of respondents (MT, UK), as well as the **erosion of employment rights** (HU, MT, UK). Overall, most EAPN networks strongly highlight the lack of concern regarding quality of work and employment, adequacy of wages, sustainability of contracts and the link between employment and poverty.

A more positive example comes from Scotland, where our members welcome the new approach of the Scottish Government to “fair work”, including initiative such as the Fair Work Convention, the Scottish Business Pledge, and support for the Scottish Living Wage Accreditation Initiative, which is delivered by the Poverty Alliance.

***Still no investment in job creation***

The 2015 NRPs seem to continue the trend of previous years, where much attention is paid to activating people into jobs that are not (yet) there. Some EAPN networks (BE, DK, HU) remark that **investing in new, quality and sustainable jobs is not mentioned at all** in their country’s NRP. In Malta, the Government is investing in public construction projects (tourism and real estate mainly), but our members underline that these jobs are often of very poor quality, and precarious. The only more positive example comes from Spain, where significant increases in job creation have been noted, as well as an increase in their quality.

***More support towards the labour market needed, not more sanctions***

Some members express concern over a continuation of negative activation policies, based on **increased conditionality, tightened eligibility, and harsher sanctions** (BE, IE, PT, UK). Described by high-level documents as “reducing disincentives to work”, these policies often translate into cutting benefits, or threatening to withdraw them if people do not accept any job that is offered.

Other countries report some **cautious positive steps in the direction of a more supportive approach**, providing pathways to social and professional inclusion (HR, DK, FR, DE, HU, IE, MT, ES). However, while welcoming the existing initiatives, concern is still expressed that the proposed are not comprehensive enough, and/or would not reach those most in need (DK, FR, HU, SE), or will not be backed by adequate financial resources for their implementation (FR). While Croatia points out that an evaluation of current active labour market policies is underway, Portugal laments that such a much-needed assessment is not currently undertaken.

***Some key groups prioritised – but not all, and no holistic approaches***

Our members report that a number of NRPs **prioritise one or several key groups, particularly young people** (EE, FI, HU, IE, MT, NL, PL, PT, ES, UK) **and the long-term unemployed** (FI, FR, DE, IE, PT, ES).

Regarding measures aimed at **young people**, several EAPN networks express concern that they will not be enough (IE, UK, PT, ES). Some members highlight that the Youth Guarantee is only concerned with employment measures and does not offer comprehensive support for young people and their non-employment needs (IE). Others caution against the risk of the Youth Guarantee being merely a statistical exercise, while de facto promoting precariousness and in-work poverty among young people (PT). Finally, several practical obstacles to implementation are still not tackled on the ground (ES, UK). On the positive side, Croatia highlights a holistic, supportive approach towards young people.

Similar concerns are expressed regarding measures for the social and professional integration of the **long-term unemployed** – that they are insufficient, incomplete, or will not reach their intended beneficiaries and / or objectives (FI, FR, DE, PT). EAPN Ireland, however, welcomed initiatives such as JobsPlus and JobPath, while Spain has launched a Special Activation Programme Aimed at Long-term Unemployed. The results of these initiatives remain to be seen in time.

Other key groups in need of increased support are much less prominent in the 2015 NRPs. A few mention **older workers** (EE, FI, FR, PL) or **people with disabilities** or health issues (DK, EE, PL). These groups are however missing from other NRPs reviewed by our members. Only Croatia reports positive, inclusive measures for most vulnerable groups, while Hungary notes that no group is mentioned aside youth. Regarding **women**, the Polish NRP speaks about promoting gender equality and increasing the accessibility of childcare. Our members lament **the absence of references** to **homelessness** (EE), **one parent families** (IE) and **tackling discrimination** (BE).

***Active Inclusion – the forgotten concept***

Despite an explicit commitment in the Social Investment Package that integrated, comprehensive **Active Inclusion strategies** (combining adequate income support, access to affordable, quality services, and inclusive labour markets) will be implemented and monitored through the Europe 2020 Strategy, this concept seems to be **completely missing from the 2015 NRPs**. Our members strongly highlight the need for such holistic strategies to be urgently put in place, if the employment and the poverty-reduction target are to be achieved, and if people are to be supported into better lives, free of poverty and social exclusion (EE, DE, HU, IE, NL, PT).

***Benchmarking with non-EU countries***

Iceland reports a positive practice called Job Square, which offers services to individuals of all ages who are either registered as unemployed or are receiving financial assistance. However, they lament the lack of part time jobs and flexible working hours for people with reduced ability to work.

**Key Messages**

**1. Change the approach to the employment target!** Ensure that monitoring is also underpinned by quality indicators, which promote good jobs, instead of fostering more precariousness and in-work poverty. Build positive synergies between the employment and the poverty-reduction targets of Europe 2020.

**2. Support quality job creation, accessible to all groups!** Real investment is needed in jobs that last, providing decent incomes and adequate protection, in order to boost demand and purchasing power, as well as to protect people from poverty and exclusion.

**3. Place employment within comprehensive anti-poverty and inclusion strategies!** Employment alone is not the answer to poverty – quality work is one element, which should be placed within comprehensive strategies, which tackle the multi-faceted nature of poverty, based on integrated Active Inclusion Strategies.

**5. Education and Training**

**Introduction**

The Education and Training chapter of National Reform Programmes defines national policies aimed at achieving the dual so-called education target of the Europe 2020 Strategy: 1) Reducing the rates of early school leaving below 10%, and 2) Having at least 40% of 30-34–year-olds complete third level education. However, trends at national level seem to indicate that inclusive access to education, particularly for key groups and people in poverty, remains challenging, and positive approaches are marred by insufficient funding, and by a narrow focus on education as a labour market instrument, rather than a tool for broader personal and human development. This section explores our members’ assessment regarding progress made towards the dual education target of Europe 2020, as well as the adequacy of the proposed measures and initiatives in this respect.

***Positive, negative and missing measures in Education Policies of the NRP***

**CROATIA**

***Positive measures***

The National Curriculum for early and pre-school education is a basic document introduced for the first time to the early and pre-school education in Croatia. The document regulates all significant curricular components that need to be reflected in the overall organization and implementation of educational activities in all kindergartens in Croatia. The Rules on the content and duration of pre-school education prescribing mandatory preschool programmes for all children a year before entry into primary education have been adopted.

When talking about reduction of poverty the Ministry of Science, Education and Sports has allocated funds for co-financing textbooks and accompanying supplementary teaching materials for primary and secondary school students, who are members of households that are beneficiary of the guaranteed minimum benefit and beneficiaries of social welfare assistance.

***Negative measures***

Development of the system for the recognition of outcomes of non-formal and informal learning represents a long-term objective shall be developed through further development of the Croatian Qualifications Framework (HKO), but there is still no progress in this concern.

The Croatian education system is in the process of overall restructuring. Restructuring which continues in 2015 shall be focused on the establishment of the quality of the education system, the National Curriculum Framework shall be established, as well as subject curricula for primary education and secondary education (gymnasium programs, vocational programs and arts programs). However, when it comes to vocational education, it is required an analysis regarding new vocational curricula for apprenticeship as part of vocational training which relates to education for trades. An experience has shown that there is lack of involvement of social partners such as Croatian Employers’ Association, and ambition of improving the quality and alignment of educational results with labour market needs.

***What’s missing***

In the preamble, the document refers to an agenda of pending reforms that the government of Croatia prioritizes. However, there is still the limited coordination between employment services and educational services and the incompatibility of the different reforms schemes.

**ESTONIA**

***Positive measures***

- The state is planning to improve the quality of the educational system and adapting it to demographic changes.

- Continue to develop career advisory, services, availability of such services

***Negative measures***

However they are forgetting that while making educational reform, they should take into account different levels of municipalities and their capacities. Also all children have the equal right to education, while closing up smaller schools, we put in danger of that right.

***What’s missing***

They should continue with raising salaries among teachers, also on kindergarten level.

**FINLAND**

***Positive measures***

Decreasing early school leaving, developing early childhood education, Youth Guarantee.

***Negative measures***

The measures in Youth Guarantee have not been sufficient.

**GERMANY**

***Positive measures***

- Quality campaign for teacher trainings to improve the education of teachers

- Restructuring of the transition area between school and working-life

- Raise educational attainment of socially disadvantaged people

- Expansion of the day-care infrastructure

- Expansion of the all-day schools

***Negative measures***

Although 2013 the share of early leavers from education and training (9,9%) was a little below the goal of 10% there are significant regional differences. The share of Youngsters without any graduation is in Eastern Germany almost twice as high as in Western Germany. Furthermore remains the negative link between social origin and educational success.

***What’s missing***

Children and youngsters need to be promoted in a school which accompanies them in a flexible, inclusive way and in cooperation with parents. Children and youngsters in multiple problematic situations need various offers with a low entry threshold for participation to tackle problematic personal and social situations early.

**HUNGARY**

***Positive measures***

- There is a strategy against early school leaving, one of its measures the early warning and pedagogical support system establishing interventions which serve to prevent drop-outs.

- Attending kindergarten is going to be compulsory from the age of 3 instead of the age of 5

- Arany János Talent Fostering Programme

- Tanoda (special schools) programs are to be continued-these are affecting the whole personality to catch up with instruments outside public education mainly for Roma students

- Second Chance type of schools aiming to redirect young people having dropped out from schools of secondary education back into the world of education

- Initiatives strengthening further education programmes in order to increase the number and rate of disadvantaged students with secondary qualification in higher education

- Public Education Bridge Programmes give the chance for young people who didn’t get into a school of secondary education after finishing primary school

***Negative measures***

The quality of education, the methods are used in the educational system on every level doesn’t fulfil the requirements of our age; in most of the cases students are not treated as partners, lack of project- based education, discrimination is still strong towards Roma students, unsustainable programs.

***What’s missing***

An adequate pedagogical attitude concerning reforms of education; well trained and respected teachers, sustainable programmes.

**IRELAND**

***Positive measures***

The NRP highlights a number of the supports available to tackle early school leaving and educational disadvantage. This includes the Delivering Equality of Opportunity in Schools (DEIS) which 849 schools at primary and second-level schools are participating in. DEIS schools get additional supports compared to other schools. This programme retained its level of support throughout the recession despite the threat of cuts. The NRP highlights that the average Leaving Certificate retention rate in DEIS schools increased from 68.2% for the 2001 cohort to 82.1% for the 2008 cohort.

***What’s missing***

EAPN Ireland has called for sub-targets for specific groups of children which have lower educational attainment. This would support a focus on policies aimed at bringing about an equality of outcome for children in these groups. This has not being done. For example supports for Traveller children to participate in mainstream education were completely cut in in 2011 and supports for children with special needs were reduced.

**MALTA**

***Positive measures***

Availability of educational to all.

***Negative measures***

Malta is shifting to a market oriented educational system

***What’s missing***

A basic understanding that to eliminate poverty especially structured poverty and social and economic exclusion require more resources for personal, communal and social development need to be put in place.

**THE NETHERLANDS**

***Positive measures***

Early school leaving measures.

***Negative measures***

The change of the student loan system, the end of the study grant.

***What’s missing***

Overall the lack of special training for those who are out of employment, for what ever reason, to help them to find a (new) way to stay or get out of social exclusion.

**POLAND**

***What’s missing***

Any mention of educational inequalities. Access to quality education for families living in poverty.

**PORTUGAL**

***Positive measures***

The focus on early school leaving is positive since Portugal has reached a good performance in reducing this problem during these last years. Since 2001 early school leaving reduce from 44.2% to 17.4% in 2014.

***Negative measures***

-The absence of the link between poverty and social exclusion and education measures. It’s important to better evaluate some of the actions developed in the scope of the *Programme* Educational Territories of Priority Intervention because this programme sometimes allow the implementation of some negative experiences like the establishment of classes only for Roma children that reinforces the discrimination of these minorities and the definition of alternative curricula that create gaps among these children and the others and don’t prepare these children for the future (specially for a future in the labour market).

***What’s missing***

See previous answer.

**SPAIN**

***Negative measures***

The new Education Law is not fully enforced. The budget has been reduced, although the measures that have been taken.

**SWEDEN**

***Positive measures***

If they are effective or not is yet to be seen. There is a big discussion about drop outs and bad results in the schools and how to deal with those problems. The ambitions are high, both in the field of keeping students in school and how to match the needs from labour market to the education system.

**UNITED KINGDOM**

***Positive measures***

There is a focus on improving education outcomes.

***Negative measures***

Constant change in content including curricula and assessment and testing and changes in school governance.

***What’s missing***

Stability. Space for a more rounded childhood development.

**ICELAND**

***Positive measures***

Job Square.

***Negative measures***

Closing the upper secondary schools for people aged 25 and older.

**Key Concerns**

***Unequal level of ambition regarding the targets***

From our members’ assessment of the National Reform Programmes, it appears that **the early school-leaving target takes priority over the tertiary education target**, which is less mentioned and supported by less measures. Equally, as starting points for Member States regarding early school leaving are very different, so is the level of national ambition concerning efforts in this direction. Our Irish members indicate that their country is performing well on both targets, and will probably reach both. Germany also reports progress, but indicates serious regional disparities (particularly in what concerns Western vs. Eastern Germany). Portugal prioritises the reduction in early school-leaving, and has achieved an impressive decrease (from 50% in 1992 to 19.2% in 2013). Conversely, school drop-out is not a key area in Poland, as the national rate is already among the lowest in Europe.

***Good efforts to tackle early school leaving, but much more could be done***

Most EAPN members report that **attention is paid to curbing early school leaving** and that a number of supportive measures have been implemented or are additionally proposed (HR, FI, HU, IE, NL, ES, SE). Such measures include mandatory pre-school programmes for children (HR, HU) and investing in quality early childhood education and care (FI, HU, ES). Some countries (ES, HU) have a separate national strategy for combatting early school-leaving. In others (SE, NL), education is made an explicit priority. Ireland welcomes the Literacy and Numeracy Strategy, as well as the Delivering Equality of Opportunity in Schools (DEIS), as very positive initiatives. However, a number of our networks (FI) express **reservations that these positive steps will be sufficient** to achieve meaningful, sustainable results.

***Inclusive education***

While preventing school drop-out seems to rank high on the policy agenda, the policies aimed at tackling it often do not take into account the full picture, as they do not investigate in depth the complex causes that lead some children and youth to leave school before completion. While education is free for all, it isn’t accessible to all, and a number of barriers still prevent many children from fully accessing and benefitting from learning opportunities.

A number of EAPN networks (DE, MT, PL, PT, PL, UK) point out the **strong link between the social and economic situation of the children (and their families) and poor educational attendance and attainment**. Poverty and social exclusion lead to several unmet needs at different levels, which can severely interfere with one’s ability to receive an education. This is a dimension often not explored by Governments, nor are there efforts to promote holistic approaches, featuring wrap-around support for families.

Another serious concern, expressed by several members (FR, IE, MT, HU, UK) relates to the **cuts in funding for the educational sector** in my countries. These reductions have had a number of negative consequences, particularly on those groups already facing difficulties in accessing education. For instance, smaller schools were closed, thus reducing access (EE), and resources were diminished for important programmes targeting key groups (IE, HU, UK).

**School segregation** continues to be a problem, with several groups of children, such as the Roma (PT, HU) or Travelers (IE) continuing to face discrimination in schools. In the UK, concerns are raised over the “free schools”, an attempt to provide them with more autonomy, which often translates in reduced governance, transparency, democratic oversight, and participation of students and parents.

On a more positive note, Croatia reports some supportive measures for low-income families, to support children from such families to access education. Equally, in Scotland, financial support continues steady for the education sector, while disadvantaged students are supported through the Education Maintenance Allowance, and they tuition fees for higher education were not introduced.

***Patchy approach and low priority given to lifelong learning***

As indicated in the opening section, much less attention seems to be paid by Governments to the target on lifelong learning and improving tertiary education outcomes. A few EAPN members report **reforms of the educational system** overall (HR, EE), but strongly underline the administrative implications, for different regions with different capacities. While Finland reports increased **financial support for students**, our Dutch members deplore the end of such support, forcing students to take out loans to continue their education. In the UK, mainly due to funding cuts, there is **no comprehensive support to second-chance and lifelong education**, the emphasis being put instead on narrow vocational training – however, this might change in light of lifelong learning being one of the five investment priorities for the ESF in the draft Operational Programme for 2015.

A few countries (HU, IE) mention a range of programmes to address **access and progression for people from disadvantaged groups**, such as the Tanoda initiative, second-chance schools, and the Public Education Bridge Programme in Hungary, and the new National Plan for Equity

***Skills and training prioritised, but not always in the right way***

While the trend seems to have slightly decreased from last year, still a significant number of EAPN members (BE, HR, IE, MT, ES, SE) report that their Governments still pursue a **narrow interpretation of education, in linking it primarily to the needs of the labour market** and of the economy. What is missing is a broader perspective, which looks at education from a more holistic standpoint, designed to equip an individual with essential life and personal development skills, beyond those needed for employment. Only Ireland reports some positive measures in this respect, in the new Further Education and Training Strategy.

Regarding the **effectiveness of programmes to provide people with key professional competences**, in order to improve their labour market participation, some countries point to progress (FI, IE, PL), while others (HR) indicate a number of missing elements, such as better involvement of social partners in the design of training programmes, and an appropriate system for the recognition of non-formal and informal education.

***Benchmarking with non-EU countries***

Iceland reports a positive practice called Job Square, which offers services to individuals of all ages who are either registered as unemployed or are receiving financial assistance, including educational services and services specifically for NEETs. However, our members lament the fact that people over 25 years of age are now denied access to upper secondary schools.

**Key Messages**

**1. Support access to education for all!** Research the complex social and economic obstacles people face in accessing educational opportunities, including discrimination, and promote holistic, wrap-around measures for families and children at risk of poverty, exclusion and segregation.

**2. Restore adequate funding for education!** Roll back cuts in public spending that have significantly impacted on the quality and availability of education and support services, particularly those programmes reaching key groups, and mark education as an investment priority.

**3. Don’t leave lifelong learning behind!** Support people’s rightto access educational opportunities throughout the lifecycle, by providing them with the necessary support and second-chance opportunities to further their instruction, in a broader sense than just equipping them with labour market skills.

1. **National Social Report**

**Introduction**

The national Ministries of Social Affairs prepare the National Social Report (NSR) for the EU Social Protection Committee. These reports replace the previous National Report on Social Protection and the National Action Plans for Inclusion (2000- 2005) developed under the Social Open Method of Coordination (OMC). However, under the EU2020 strategy the NSR is only developed every 2 years, (this year a questionnaire was completed but not made publically available) and have an unclear status in relation to the NRP and the Semester. According to the guidelines, NSR is supposed to complement not replace the NRP, bringing additional detail on social policy, related to the Social OMC (i.e. social protection and social inclusion policies) helping to measure progress and to detect problems concerning the EU2020 targets.

**Key Concerns**

***Weak participation in the NSR***

1. From the member’s contribution we have received, two countries (MT and SE) did not answer the questionnaire on NSRs while in Italy and Spain NSR has not been done. In Denmark, NSR has been postponed due to general election. By the way the answers we have received give us an idea of the varieties of approach to NSRs.

Stakeholders including NGOs are meant to be involved in their development. However, among the countries that answer the questionnaire, only two (CZ and DK), in different ways, have been at least formally consulted. The input from EAPN CZ has been taken up trough electronic consultations and a wide stakeholders meeting held by Commission for Social Inclusion. EAPN DK has been asked to send a contribution to the competent minister. The Belgian Anti Poverty Network, although has been invited to the formal consultation, did not participate due to the lack of resources. The Dutch Anti-Poverty network is pursuing a “creative” approach: send the contribution to the relevant ministries instead of waiting their call for involvement.

***Do the NSRs bring an added value to the NRP?***

As said above NSR should report progress on social protection and social inclusion. Indeed, as highlighted by BE, PL, PT it is a monitoring document rather than a political one and its scope is merely descriptive. Basically, it lists all the government’s initiatives established during the years (PL). Portugal highlighted the lack of commitment to carry an assessment of these measures in order to understand if, for example, employment measures are contributing to tackle the precarious labour market.

Indeed, the NSR gives the opportunity to **focus more on social protection and social inclusion than a chapter of the NRP**. It is thus interesting to analyse if the NSRs priorities differ, deepen or overlap those of the NRPs.

In some countries (HR, NL) the main emphasis of the NSR is on the **reform social protection in terms of its financial sustainability**, which in turn implies cuts in social transfers. In the case of Estonia, the scope of NSRs is to reduce the share of people living in relative poverty after social transfers and most of the strategies (such as reducing gender segmentation in the labour market and making health/long-term care more accessible) envisaged by NSRs are not picked up by the NRPs. In the case of Hungary the scope of NSR overlap with NRP as concern family policy and the reform of health system but it departs from NRP focusing also on housing and homelessness care as well as on the adequacy/sustainability of pensions and long-term needs. In this case although the social policy area is enriched, the NSR does not directly target people experiencing poverty as emphasized by EAPN HU. On the other side, in the case of Finland the subjects (youth guarantee, pension reform and reform of social and health service) of the NSR overlap with those of the NRP but the emphasis is on improving the conditions of the weakest groups.

The case of Ireland is a middle way, as the general approach remains the one of the NRP (employment as the main way out of poverty) with the addition of anti-discrimination policies and the development of a national strategy for the integration of travellers and ROMA people.

To sum up, although the NSR is a reporting exercise it helps to understand how the focus on social protection and social inclusion, within Europe 2020, might be broadened both in terms of policy and target groups. Indeed, in Finland the policy strategies are the same for NRP and NSR but in the latter they target the weakest groups. In some other cases NSR added a focus on anti-discrimination in terms of equality and human rights (IE) as well as on specific target groups such travellers and ROMA (HU and IE) or women workers (ES).

**KEY MESSAGES**

1. **Focus the NSR on reporting progress on EU Social Agenda**

The added value of the NSR is in providing the detail on a broader Social Agenda focused on social protection and social inclusión. It should be linked to commitments to deliver on access to rights, resources and services, underpinned by the Common Objectives, as well as Europe 2020.

1. **Change the timing and make the NSR obligatory**

The NSR must be treated with same importance as NRP. This means the timing must be changed to earlier to feed into NRP. There also needs to be joint reporting frame with the Commission, to ensure the proposals are taken seriously in the Semester.

1. **Make the NSR give best practice on participation!**

Current participation is very weak. The NSR should be setting the example and providing inspiring examples of how to do effective participation with stakeholders including people experiencing poverty, and transfer knowledge to the Semester.

1. **Structural Funds**

**Introduction**

The major concern for EAPN is to see how far the commitment to deliver 20% of ESF on social inclusion and poverty measures has been carried out. However, it is obviously early days, with most countries just having completed their Operational Programmes and starting the process of calls and implementation. The main concern will be not just *how much* money is spent but the *quality* of the measures that been proposed. The ex-ante conditionalities also require that an anti-poverty strategy should be in place, and members were keen to see how the thematic priorities including active inclusion have been reflected. From the Guidance note for the NRPs, it is clear that the NRPs should report on how Structural Funds will be used to support the NRPs. the targets and the Country-Specific Recommendations, so it is worrying that so many Member States appear to give little focus to it in the NRP. This raises important questions on how effective the spending is likely to be, when a clear strategy for the use of the funds to reduce poverty is not evident. The partnership principle has been strengthened in the new regulations through a new Code of Conduct, however many members highlight the continuing barriers for effective engagement with NGOs both in the Monitoring Commitees and in accessing funding.

***Positive, negative and what’s missing on Structural Funds.***

**CROATIA**

***Positive measures***

The Republic of Croatia prepared four mainstream programmes for the period 2014-

2020 that form the basis for the use of European Regional Development Fund (ERDF), Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Fund for Maritime Affairs and Fisheries (EFPR):

• Operational Programme ‘Competitiveness and Cohesion 2014-2020’

• Operational Programme ‘Effective Human Resources 2014-2020’

• Rural Development Programme

• Operational Programme for Fisheries

For objectives set on reducing poverty and social exclusion a total of EUR 991 million has been allocated from the ERDF, ESF and EAFRD. The Government aims to reduce the number of poverty-stricken persons by 150000 by 2020.

***Negative measures***

There is a lack of targeted measures and programs that have a real potential to change the situation of particularly vulnerable groups - people with disabilities, the homeless, single parents, the long-term unemployed and others.

Good practices and projects suffer from the inability to implement due to lack of funds provided for various measures and initiatives.

***What’s missing?***

The main challenges need to be addressed through ESI funds are: youth unemployment and better integration of young persons into the labour market, improving skills for employability through better alignment of the education system and labour market needs, solving long-term unemployment and unemployment of disadvantaged persons in the labour market (e.g. persons with lower education, elderly and women).

**CZECH REPUBLIC**

***Positive measures***

There is some honest interest in allocation of ESF, implementing the 20% of ESF on social inclusion and poverty. Everything - tackling discrimination for key target groups, investing in social infrastructure – early learning and quality childcare, affordable housing, health seems to be covered in our operational programmes, consultations have been provided, information is being spread. There is also some approach towards coordinated approach in socially excluded localities being prepared.

***Negative measures***

Some chaos and unclarities regarding the implementation of the coordinated approach in socially excluded localities using the ESF, personal problems and chaos in government Agency for social inclusion.

***What’s missing?***

We will see in time, not clear yet. Some NGOs if participating in the so called coordinated approach in socially excluded localities will not be able to have individual ESF projects, but the Coordinated approach may have some time delays and other practical obstacles.

**DENMARK**

***Positive measures***

It is still too early to measure the effects of the social structural funds. It is only now in May 2015 that the first funds are awarded to projects

**ESTONIA**

***Positive measures***

Infrastructure investments will decrease and more money will be put in educational system (e.g. R&D system). Some of funds will be used for Food-bank, through FEAD, however since the need of “Food-bank” services is increasing, there is a need to increase amounts. This will help to provide direct services (distributing food for those who are in need).

***Negative measures***

Nothing is said about social infrastructure, affordable housing.

**GERMANY**

***Positive measures***

The structural funds are being used to reduce unemployment. Only the very small German EHAP programme is focused on people with multiple handicaps that cannot get access to labour market.

***Negative measures***

Small social NGOs are not able to apply for structural funds because administrative barriers are too high.

***What’s missing?***

A strategy for the future with the outcome: a good life for all people.

A strategy for refugees.

**HUNGARY**

***Positive measures***

It strongly builds upon the updated version of the National Social Inclusion Strategy, which was updated on the basis of new statistical data and policy developments. The measures, in accordance with the Europe 2020 target intend to achieve the strengthening of social cooperation by :

-increasing the rate of Roma employment

-developing support networks

-supporting task reconciliation of family and workplace

-helping the children in deprived settlements at an age as early as possible

-integrated child programmes.

***Negative measures***

The document doesn’t reflect all at-risk target groups who are facing serious problems concerning poverty and social inclusion.

There is no reflection on adequate minimum income and there are less programmes than needed on access to quality of services or inclusive labour market policies**.**

***What’s missing?***

An adequate, demand-oriented complex policy

**POLAND**

***Positive measures***

EU money on achieving Europe 2020 goals in Poland.

***Negative measures***

Lack of coordination in implementing some of the ESF financed projects and its outputs.

***What’s missing?***

Clear analysis how the EU money spending is compatible with national spending for achieving main strategic goals of the Europe 2020 in Poland.

**PORTUGAL**

***Positive measures***

The allocation of 23% to fight poverty and social exclusion.

***Negative measures***

There is no idea in the NRP what are the measures that will be supported by SF and its effective impact on poverty and social exclusion.

***What’s missing?***

Please see previous answers in the other items. There are a set of gaps in NRP, especially concerning specific target groups and social problems that misses also in SF orientations.

**SWEDEN**

***Negative measures***

Most of the money goes into the public sector and the results of the programs are not that good. One reason for that, is that the programs run by Structural Funds almost never is implemented and mainstreamed into national systems, but end when they run out of funding.

***What’s missing?***

NGO´s have difficulties to access the Funds as they lack the money and skills to live up to the very high standards that is required.

**KEY CONCERNS**

***Limited information in the NRP and too early to measure full effects***

Several NRPs appear to give little priority to Structural Funds and even less to the priority on 20% of ESF to be spent on social inclusion and poverty, despite the requirements of the guidelines for the NRP**.** (FI, PT, UK).Finland comments that it is a very short text, with no mention of implementing the 20% of ESF on social inclusion and poverty. In Portugal, no information is given of the measures nor the impact on poverty. UK comments that Structural Funds itself is not mentioned in NRP, with ESF mentioned twice, only by Wales. However, where information is provided, members comment that it is really too early to measure the effects, as first funds are only awarded now (DK)

***More than 20% being spent on poverty, but often on existing programmes***

Most members are positive about the 20% ring-fencing of ESF which appears to be included in all Operational Programmes. In some Member States, this commitment has been exceeded beyond the 20%. For example in Portugal, 23% ie 2570 million is allocated to social inclusion and combating poverty. In Ireland, 35% of ESF has been allocated to social inclusion and combating poverty and discrimination. However several members highlight that much of the money will be spent on existing programmes (IE, PT, SE). As EAPN Portugal points out, the proposals are not innovative, and are already being implemented by public entities. EAPN Ireland points out that most will be going to mainly to existing government programmes with limited potential for community organisations. None of the NRPs provide any kind of clear analysis of how EU spending is compatible with national spending for achieving Strategy goals of 2020 (PL).

***Employment is main focus, not fighting poverty.***

Many members highlight that the social inclusion and poverty pillars of the Operational Programmes are focused mainly on employment and tackling unemployment, rather than a broader integrated active and social inclusion approach to poverty reduction. (BE, DE, MT, UK,). In Belgium/Wallonia – 250.000 Euros will be used to support accompaniment of the unemployed, fight against discrimination in the LM, socio-professional integration of migrants, training for disabled people, although in the overall ESF framework there is an areas on social inclusion, the fight against discrimination and early school leaving. In Germany, the focus is entirely on reducing unemployment, with a small funds on people with multiple handicaps who cannot get access to labour market. This however reflects the fact that for Europe 2020, the only indicator is long-term unemployed with no indicators nor measures to fight poverty. In the UK, in the Operational Programme even the objective: promoting social inclusion, combating poverty and discrimination is largely focused on employability and access to employment. Worryingly, the investment priority of active inclusion is interpreted as only labour market insertion in the context of welfare reform, rather than an integrated approach to supporting access to quality jobs, services and minimum income.

***Positive social inclusion approaches but missing key groups, concerns and delivery.***

A few members highlighted some elements of a broader approach to social inclusion but with important gaps. (EE, CZ, FR, PL, HU, HR, PT). In Hungary, the pillar reflects the National Social Inclusion Strategy – increasing rate of Roma employment, support networks, reconciliation, integrated child programmes, but does not reflect integrated Active Inclusion and is missing key groups. In Czech Republic, and integrated approach has been proposed, and targeting main groups, including access to housing, and an innovative coordinated approach involving NGOs in deprived areas, however, the implementation is not clear. In Croatia, there is a missing focus on key at risk groups considered particularly vulnerable like people with disabilities, homeless, single parents, long-term unemployed, also people with low er education, elderly and women. In Germany, refugees are a key missing group. In some cases, positive social inclusion proposals were left out – eg in the case of Poland, a major multimillion project developing standards for social assistance services which would have supported one of the main requirements was not included and was blocked by the Minister of Finance. Some questions are raised about how the Fund for the most deprived will be implemented. (FEAD). Most countries have opted for the basic model of support to food and material deprivation programmes. In some countries this is welcomed ie Estonia – where the use of FEAD will support the rapidly increasing demand for foodbanks and will help to provide direct services. However, few countries have opted for the broader social inclusion model. Raising worries that poverty reduction measures will be reduced to last resort services only. A further concern is how the programmes will be delivered. In France, although positive proposals are mentioned, there is concern about the detail of implementation, ie they are concerned to know what measures/criteria are to be used by the intermediary bodies which will be crucial to make sure that social insertion happens as well as professional insertion.

***Increased investment in R+D not social investment***

Some members highlight the increased focus on investment from the European Structural and Investment Fund Programmes, with particularly targeting Research and Development. However, the focus is on spending not on impact ie Poland points out that Government simply commits to increasing spending to 1.7% of GDP (EE, PL). In Estonia, there will be a welcome decrease in spending on infrastructure projects and more on research and educational systems, but no visible increase in social investment in social infrastructure, particularly affordable housing.

***Major barriers for NGOs to access funding and participate in Monitoring Committees.***

Most members underline that small social and antipoverty NGOs face increasing difficulties in accessing Structural Funds, including ESF in the current round as well as participating in Monitoring Committees. (BE, EE, DE, HU, IT, NL, PT, SE and UK). Partly this is due to increasing administrative barriers due to the complexity of the application process and forms for small NGOs (DE, SE) as well as the major obstacle of co-financing requirements. The lack of Technical Assistance or Global Grants targeted at NGOs is another problem. For others, it is the overarching approach which prioritizes existing large-scale government programmes (some of which have been cut or under threat due to austerity measures) which give a limited potential for NGOs. Eg in Ireland, the only possibilities for community organisations are seen to be in activation programmes under Youth Guarantee and for people with disabilities up against the financing of existing government programmes. These obstacles seriously undermine the potential for small-scale NGO and community projects to contribute bottom-up innovative projects which are so essential to ensure Structural and Investment Funds are used effectively to deliver on the 20% of ESF on poverty. Doubts are also raised about how far the Code of Conduct will effectively involve NGOs in the Monitoring Committees. Currently a small number of EAPN networks are known to be actively involved (eg EAPN ES and EAPN DE[[3]](#footnote-4)), but a recognition in the NRPs and Semester of the crucial role of participation of NGOs

**Key Messages**

1. **Agree transparent mechanisms for monitoring effective delivery on poverty**

Spending 20% of ESF on poverty is not enough, it is the quality of the spending and the measures which counts. Ensure that member states state how the funding will contribute to the target, then transparently monitor the effectiveness of their spending.

1. **Not just employment – fund innovative approaches to integrated active inclusion and social investment**

There is a risk that the 20% of ESF will be spent entirely on existing programmes for tackling unemployment, with few guarantees of progress into quality jobs. Pressure must be brought to bear to ensure that the programmes invest in broader, integrated active inclusion approaches as well as social investment, particularly in social infrastructure such as affordable quality housing and early learning/childcare.

1. **Press for real delivery of partnership principle and involvement of small NGOs**

Despite the important step forward on the Code of Conduct, early information indicates low participation of NGOs in Monitoring Committees, and major obstacles for NGOs to access funding. The partnership principle must be regularly monitored together with stakeholders to ensure that the requirements are met, including access to funds for smaller project and NGOs.

**6. Governance and Participation**

**Introduction**

The voice of citizens and people experiencing poverty is crucial to the development of effective policies that can deliver on poverty. Theoretically, the Semester and Europe 2020 share this commitment. According to the Guidance Note the NRPs are supposed to report on stakeholder engagement. This is supported by Recital 16 of the 2010 Integrated Guidelines. However, this is about to change under the new guidelines proposals, being finalized currently. Whilst EAPN members have attempted to engage in the process, particularly the NRPs and CSRs, progress has been slow, with a low quality engagement. EAPN has consistently argued for increase in meaningful engagement, at all stages of the governance process, ie in the design and monitoring as well as in the implementation. In the AGS 2015, a focus was given on increasing ownership, and it is clear that the Commission is encouraging Member States to increase their engagement, if only to do a better job of convincing citizen’s and their organizations of the validity of EU policies, particularly economic governance. This year we monitor the extent and quality of the engagement and note some small progress resulting from the increased pressure from the Commission. But there is still a long way to go!

***Positive, negative, and missing measures on participation in NRP***

**CROATIA**

***Positive measures***

On 3rd June 2015 EAPN Croatia organized a conference with the aim to discuss the key areas of the NRP 2015 adopted by the Government in April 2015. There is evident progress in process of monitoring CSRs and advocacy to reduce poverty and encourage stakeholders’ involvement in the Europe 2020 Strategy and the European Semester. In last year, since it was establishment, EAPN Croatia has a strong media and relevant social partners support.

***Negative measures***

EAPN Croatia is still not seen as relevant social partner by the Government or any other coordinating body in the process of the NRP.

***What’s missing***

However, EAPN Croatia is still lacking with the human and material capacity for stronger involvement and notable impact on the process for the NRP.

**DENMARK**

***Positive measures***

EAPN DK is member of the Governments Contact Committee for the EU 2020 Strategy with 3 – 4 meetings pr. year. The first in February – March is about a draft for the NRP, which we have received 1 – 2 weeks before. We can react at the meeting and then have maybe 2 – 3 weeks to give written comments. The next meeting is in the middle of the year with a more open political agenda, headed by the Minister of foreign affairs. The last meeting is in the end of the year and is expected to be about the Commissions economic recommendations for the next years NRP.

**Negative measures**

The NRP is about decisions already taken by the majority in the Parliament/ the Government and as such not to be changed. Our reactions do not have short time, but more likely a small effect if any, in the long run.

**What’s missing?**

Alternative and more effective strategies for reducing poverty, coming from the Government.

**GERMANY**

***Positive measures***

The consultation meeting was well prepared and attended by the ministry. They were willing to give all information they could provide.

***Negative measures***

The number of stakeholders was very small and attendees were very much disillusioned by the process. Nobody expected their input to be taken seriously into consideration.

***What’s missing?***

A serious discussion about the causes of poverty and an exchange of strategies to get forward.

**HUNGARY**

**Positive/Negative measures**

***What’s missing?***

Treating civil actors as real partners!

**IRELAND**

***Positive measures***

There has been some level of positive engagement with Commission and Government officials on an ongoing basis.

***Negative measures***

It is difficult to identify whether much of the engagement, and particularly submissions to the NRP, has had any impact on the NRP, even after making comments on the draft.

***What’s missing?***

A proper transparent mechanism for an interactive and productive consultative process, whereby the knowledge and experiencing of people living with and working on the issues are incorporated.

**MALTA**

***Positive measures***

The political commitment expressed by the political class to eradicate poverty.

***Negative measures***

The absence of measures that move from policy to actual measures and resources that would in real terms decrease poverty and exclusion.

**What’s missing?**

Political determination to eradicate poverty.

**NETHERLANDS**

***Positive measures***

We took the lead and invited others to join.

***Negative measures***

It is not enough to mention that we were asked to put something forward, it should be used and clearly stated that it came from our organization

***What’s missing?***

More involvement of the NGO’s fighting poverty

**POLAND**

***Positive measures***

Interministerial body as a space for discussing NRP proposals and draft with government officials.

***Negative measures***

NRP is not intended as overarching reform agenda but only as a report of what government is doing or intended to do. But all that is decided before and elsewhere than Inter-ministerial body for NRP process.

***What’s missing?***

No answer.

**PORTUGAL**

***Positive measures***

There is an intention on the part of the European Semester Portuguese Office to maintain a contact with EAPN Portugal and receive our views/recommendations in terms of social policy.

***Negative measures***

In the elaboration of the current NRP there was no participation of Non-Governmental Organisations and people experiencing poverty and social exclusion

***What’s missing?***

Like we said in the EAPN action to impact on 2015 CSR, “*it’s necessary to provide other moments of consultation and REAL participation of key actors, like social economy entities that have a deep knowledge of national level context. But also the National Parliament level! This process of participation must be clearly defined at European level – guidelines for participation and monitoring of the European Semester. And we must underline that participation costs!! Therefore enough resources should be available for raising awareness about the Semester and for the support of people experiencing poverty in a more direct participation of its design, implementation and evaluation.*

**SPAIN**

***Positive measures***

**The influence reached by the Platform of the Third Sector’s inputs is higher than in 2014.** The PTS is recognized to have played "a very active role in the development of 2015 NRP". As in 2014, the government incorporates almost textual inputs into the NRP, along with those of trade unions, employers and the Autonomous Communities.

***Negative measures***

***What’s missing.***

**UK**

***Negative measures***

There was no process to engage in. Our views are not sought, and we have not offered them. The context for engagement at the UK has not been encouraging.

***What’s missing***

Everything

**KEY CONCERNS**

***How relevant and visible is the NRP? Who’s in control?***

Several members highlighted the issue of the relevance of the NRP process. Some emphasized the limited scope, asking whether it is worth engaging in a process that is more administrative than decision-making. (BE, DK, PL, FI, IT). Many see the NRP itself as largely a report on past and future actions and not a plan, simply reflecting the main policy decisions which have been taken by national governments and parliament at a different stage. All members underline the low visibility of the process, even on the government’s own website, as well as in the national media, general public and amongst all but the most dedicated stakeholders. Futhermore, the report is written primarily by Finance Ministries and coordinated by the Prime Minister’s Offices, with the Social Ministries clearly subordinate in most cases, which undermines the role and importance of the sections on poverty and social policy, as well as marginalizing the social stakeholders. Poland also pointed out that the more important Stability and Convergence Programme (SCP) is explicitly under the Finance Ministry where no attempt is made to have stakeholder engagement. However, others highlighted that the consultation can take on other objectives, within a longer time frame, aiming to influence overall government thinking (DK) or to wring concessions in specific areas (PL). Whilst others felt that some direct impact on the text and policy was possible (ES, IE, FR)

***Narrow selection of stakeholders and low involvement of NGOs***

The majority of members highlighted some kind of stakeholder process in the NRP although generally with low quality: (BE, DK, DE, ES, FR, HR, HU, IE, PL, PT, SE). A minority stressed the lack of any process at all (EE, FI, IT UK). In the case of Estonia, this was temporarily due to the elections this year, although discussions with stakeholders had taken place in the previous Autumn. In UK, there is currently no process or attempt at dialogue, with the dismantling of civil dialogue with the sector under the present government. In Italy, there is no dialogue, despite pressure from NGOs; whilst in Finland, the process is seen as irrelevant, with stakeholders focussing on national policy processes. Even where there is some engagement, there is a wide variation, emphasizing the lack of common guidelines and monitoring.

Where dialogue exists, **prominence is often given to a very reduced set of rather institutional stakeholders**. The Economic and Social Councils are often the formal body for engagement (HR, HU, MT, PT) where grass-root NGOs are not directly involved. For example in Portugal, the discussions on the NRP are with the political parties, regional Governments, members of *Conselho de Concertação Territorial* – local authorities; and the Social and Economic Council. In Hungary, it’s the Economic and Social Council with a restrictedconsultation with churches, chambers and trade unions. In Malta, EAPN Malta made several attempts to contact the Ministry, saying they were willing to participate in the NRP discussions. After numerous emails they were presented with a powerpoint presentation of the report in bullet points, so not able to give a feedback. Only Belgium, makes specific attempts to involve directly people experiencing poverty in the discussions on the NRP, but as we see below, the results are limited. Attempts by members to ask to be included or even to be sent the NRP are often met by incomprehension (MT) or resistance (HR, PT).

***Widening gap on quality of engagement***

When it comes to the **meaningfulness of the engagement, there are growing disparities between different countries**. The main criteria EAPN use is: how far stakeholders are part of an on-going regular dialogue at all stages of the process, or restricted to limited moments and role? ie the chance to input to the NRP, to respond to the draft, receive responses to the inputs, and finally to have some impact on the text and the policies. In reality, there is no common approach: apart from the countries with little or no process mentioned above, in some countries one-off and mainly one-way information meetings are the norm (SE). Some have formal opportunities to input into the NRP (NL), others have formal opportunities to give responses to the draft. (DE, FR). Others members however described more strongly developed structured dialogue processes with regular meetings over the year which incorporated opportunities to engage at different stages. As EAPN France highlighted (BE, DK, ES, FR IE, PL), at least they display an intention to engage…

***Some small signs of increased engagement, but slow progress on impact***

Several members have highlighted some **small improvements** even in the more limited processes, for example in Sweden where the one-off meeting explored the potential for increasing and improving the engagement with more regular contact; or in the Netherlands where EAPN coordinated a coalition to prepare a joint input which was sent to the Ministry of Social Affairs and Employment; or in Germany where the meeting was better prepared, and more time given to give inputs. In Portugal, EAPN is not part of the formal process but has met with a positive response from the European Semester Officer, and request for continuing dialogue. However, none felt there was currently any clear policy impact from their engagement. 6 EAPN members are engaged in a **more structured regular dialogue process** in their NRPs and the Semester: (BE, DK, FR, IE, PL, ES) and highlight some improvements both in the process and their engagement, however small. 2 of the EAPN networks (IE and DK) have noticed the positive results on engagement and profile arising from their national pilot cross-sectoral alliances on the European Semester funded by a Joint Action project by the Commission under a 1 year call: (Semester Alliance[[4]](#footnote-5)). However, all the networks highlight concerns about the impact, questioning whether the extreme effort and expenditure of time, resources and hope… is worth it.

***Some more encouraging practices?***

**Belgium**

BAPN participates in the Belgian platform against poverty, with a specific role to prepare input to the Platform together with people experiencing poverty, as part of a regular dialogue on antipoverty policy. However the BPAP does not have power over the NRP, where decisions are made by prime minister. This year they were asked to make a presentation to the meeting organized by the BPAP on the NRP, but it’s not clear if there was any impact.

**Denmark**

EAPN is part of the Government’s contact group 2020, with regular dialogue meetings (3-4 a year), where they discuss the draft of the NRP, react to it and get feedback as well as broader political discussions. They’ve developed good relations with government and also the European Semester Officer from the Commission representation, particularly through the cross-sectoral pilot alliance. However, they don’t expect to have immediate impact because of the restrictive reporting nature of the NRP process, although they aim to shape longer-term thinking.

**France:**

EAPN feeds into a meeting with theNational Council for Combatting Exclusion, which involves social partners, regional and local authorities, Parliaments, NGOs, people experiencing poverty, and have a formal dialogue role with the government providing input to the NRP. This year, the Secretary General for European Affairs that organized the NRP gave more time for responses, which seemed to show more commitment to the engagement. EAPN felt that their inputs were taken on board by the Council. The Council’s proposals are separately annexed to the NRP document.

**Ireland**

The Department of Taoiseach (PM) coordinates the input onto the NRP, with the content provided by relevant government departments. The consultation process involved an invitation from the Minister of State for European Affairs to make a submission to the NRP and an opportunity to comment on the draft. The Department of Social Protection held a consultation workshop with community and voluntary organisations, trade union on the relevant sections of the NRP. Some issues from this consultation are mentioned in the section in the NRP dealing with stakeholder engagement. The EAPN Ireland Europe 2020 Working Group engaged at all stages, making a submission, commenting on the draft NRP and attending the workshop. EAPN Ireland also coordinates the Better Europe Alliance which has been engaging cross-sectorally in the Semester process, analysising the CSRs, making proposals to the CSR2015 and inputs to the Mid-Term Review, with a positive engagement with officials of the Dept of the Taoiseach. Some positive examples of impact are that the Government has begun to expand supports provided by the National Employment Service to long-term unemployed and to pilot engagement with people on Disability Allowance. However, it’s not possible to identify comments from EAPN IE which are included in final draft - there is no mention of poverty, equality or gender impact assessment nor addresses quality work and pay, with a limited understanding of active inclusion.

**Poland**

EAPN PL underlines that the NRP is written by Ministries, with minimal visibility. EAPN PL is the main actor who tries to attract media attention to the poverty goal. In terms of formal consultation, EAPN is part of consultation mechanism with stakeholders through the inter-Ministerial body coordinated by the Ministry of the Economy. They have regular meetings and working groups. EAPN Poland has used the forum to raise the thorny issue of the ‘achievement’ of the low poverty target, (set without consultation) and the need to set a new, more ambitious one. They didn’t succeed, but manage to have the debate and got written answers to the questions. As a result they did succeed in getting agreement to the development of a new Government Assessment on poverty.

**Spain**

EAPN Spain is an active play in the formal consultation dialogue between the 3rd Sector and the Government. Detailed discussions took place with the opportunity to provide inputs and respond to drafts, as well as broader discussions. EAPN Spain highlights that a whole section of the text from the sector was directly incorporated into the text p. 93-4, reflecting their input. The NRP has taken also taken on board directly some key proposals: promoting social inclusion and poverty as main objectives in the 3 sections, role of 3rd Sector Social Action with a new law, strengthening the effectiveness of active employment policies and priority to those further from the labour market, quality of education and training, more equitable tax system with higher rate cut for middle and low incomes, implementation of National Action Plan on Social Inclusion and development of a National Strategy for the Homeless, Comprehensive plan for family support, protection of mortgage holders in suspension of mortgage releases and max income thresholds, making public procurement social clauses an instrument of social integration public procurement etc. However, as Spain is under Excessive Deficit Procedure the deficit reduction implies cuts of 18 million.

**Key Messages**

1. **Participation is key to restoring EU credibility not just ownership**

The involvement of people experiencing poverty and their NGOs in quality stakeholder engagement is an important pre-requisite to restoring democratic legitimacy, accountability and confidence in the EU, not just to better sell EU policies. However, it must lead to real impact on policies to combat poverty.

1. **Agree Common Quality Guidelines/ Indicators to combat divergence**

The widening gap in the extent and quality of NGO engagement across Member States in the Semester requires urgent action. Common guidelines should establish benchmarks for regular constructive at all stages of the process, and be monitored/reviewed annually through the Semester. Exchange of inspiring practices should also be encouraged.

1. **Give the European Semester Officer a clear role to engage NGOs**

The role of the Semester Officer is crucial, with funds and access to decision-makers at the national and EU level. Transform their role into ‘participation officers’, with a specific brief to engage NGOs and support them to involve people with direct experience of poverty.

**INFORMATION AND CONTACT**

For more information on this publication, contact

Sian Jones – EAPN Policy Coordinator

[sian.jones@eapn.eu](mailto:Sian.jones@eapn.eu)– 0032 (2) 226 58 59

See EAPN publications and activities on[www.eapn.eu](http://www.eapn.eu)

**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.**



EUROPEAN ANTI-POVERTY NETWORK. Reproduction permitted, provided that appropriate reference is made to the source.

July 2015

This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>

Neither the European Commission nor any person acting on behalf of the Commission may be held responsible for use of any information contained in this publication. For any use or reproduction of photos which are not under European Union copyright, permission must be sought directly from the copyright holder(s).

EULogoEAPN is supported by the Directorate – General for Employment, Social Affairs and

The information contained in this publication does not necessarily reflect the position of the European Commission.

1. IMF report on causes and consequences of growing inequality /June 2015. [↑](#footnote-ref-2)
2. EC Recommendation: Investing in Children. [↑](#footnote-ref-3)
3. EAPN will deliver a more detailed monitoring assessment of engagement later in the year. [↑](#footnote-ref-4)
4. EU Alliance for a more democratic, social and sustainable Semester (Semester Alliance) – coordinated by EAPN with 16 social and green NGOs/trade unions). See here for more details. http//semesteralliance.org [↑](#footnote-ref-5)