

### Facing the facts about poverty in Europe

In 2012 nearly 1 person out of 4 is at risk of poverty or social exclusion in Europe<sup>1</sup>. Poverty is not a problem of a few countries. It exists in ALL EU countries and it saps people and society of their full potential. Out of an EU population of about 500 million people:

- 80 million people live below the poverty threshold (people earning less than 60% of the national average income)
- 22 million people live materially deprived (people who cannot afford goods, services or activities which are seen as basic necessities in their country)
- 18 million people live in jobless households

**= 120 million people at risk of poverty or social exclusion across the EU**

And this number is still rising as people are increasingly affected by the unprecedented effects of the crisis.

### What can the EU do about it?

The European Union can play an important role in helping national governments address poverty and social exclusion by setting targets, promoting mutual learning, agreeing common principles and objectives, and ensuring funding.

EU countries have already demonstrated their commitment to fighting poverty and social exclusion:

- Poverty reduction is one of the targets of the “Europe 2020” strategy, as part of this member states have agreed **to reduce the number of people at risk of poverty by 20 million by 2020**.
- The EU established the European Platform against Poverty and Social Exclusion as part of the “Europe 2020” strategy to drive policy and action enabling countries to achieve that target.
- EU countries have cooperated in this field since 2006 through a mechanism called the social open method of coordination.
- National governments agreed to implement the “Active Inclusion” approach in 2008 promoting a balanced and comprehensive approach to employment policies.
- The European Year for Combating Poverty and Social Exclusion in 2010 drew public and political attention to the question of poverty and its impact on society.

### What has the European Social Fund got to do with it?

The European Social Fund (ESF) is one of the European Union’s funding programmes set up to reduce differences in prosperity and living standards across EU countries and regions, known as structural funds. The European Social Fund is used by countries to support activities developing human resources, training, education and social inclusion. Projects are partly financed by EU money and partly by national or local authorities.

Money is available for capacity building of organisations such as charities to develop their knowledge and skills to provide services as well as for projects. Projects can range from retraining care workers, finding jobs for people with a learning disability, helping people with addictions to come off drugs and into employment, helping deprived young women back into education, helping ethnic minorities and migrants to start a business, development of pre-school and after-school

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<sup>1</sup> Source: Eurostat, Statistics in Focus, 9/2012.

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education and care services, improving people's IT skills to centres for deprived people to help their social integration.

The ESF strategy, priorities and budget are negotiated and decided between the EU Member States, the European Parliament and the Commission and the ESF budget is currently around 10% of the total EU budget.

Now the EU has the opportunity to support its commitment to poverty reduction with increased financial resources. European funding programmes should help countries achieve the objectives set out in the "Europe 2020" strategy.

### **What are we asking for?**

That the countries of the European Union respect their commitment towards their inhabitants - towards all of us - and accept that 20% of the budget of the European Social Fund goes to projects that lift people out of poverty and social exclusion. The vast majority of the funding at the moment goes towards employment-related activities, with around 12% towards those tackling poverty and exclusion. Because of the financial crisis, the need for resources dedicated to reduce poverty, promote social inclusion, through ensuring an adequate minimum income, access to quality jobs and quality services, has never been so essential: an increased budget is necessary.

In its proposal for the programmes in the next funding period the Commission gave considerably more attention to fighting poverty and promoting social inclusion, including proposals to:

- ***Allocate 20% of the European Social Fund's budget to social inclusion and anti-poverty measures.***
- Ensure that the European Social Fund receives at least a 25% share of all structural funds' spending.

Without this commitment of resources, the EU faces serious questions of credibility and accountability. The target of poverty reduction will remain an empty promise unless it is accompanied by the mobilisation of resources and dedicated strategic efforts from EU countries.

### **Why act now?**

The work is underway on developing the EU's next 7-year budget which also includes the ESF's budget. This legislation, which is to be adopted by the end of the year, will set up the rules for the EU funds' spending from 2014-2020. Currently, the European Parliament and national governments are discussing the proposal of the European Commission for the ESF. Therefore, the use of ESF for supporting **actions towards diminishing poverty** and social exclusion in the coming years **will depend on what will be agreed by the EU decision makers this year!**

But this proposal to ensure this 20% is set aside, **the key element for making the ESF an important tool in reducing poverty is at risk, as most national governments are keen to reject it.** Given the schedule of the legislation process (the plan is to adopt the laws by the end of the year) **we must urgently** work to influence our Governments at national and EU level so that they agree to the 20%.

### **What else are we doing?**

The letter you can sign is part of a wider campaign for ensuring the ESF contributes to social inclusion. **We must address stakeholders** at all levels and stages of the decision-making process. We want to build up a coalition with NGOs working at national and European levels which would facilitate organizing joint actions targeted at Governments, members of the national parliaments

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and the European Parliament. In May and June we plan to organize a meeting with Members of the European Parliament, meet with national government representatives based in Brussels as well as sending a joint letter to the government ministers that will discuss the proposal. Finally, in the autumn we **will send the petition letter signed by people across the EU to government ministers and heads of state.**