

# How will the Europe 2020 Strategy *Mid-Term Review* reduce poverty and inequality?



SEMINAR &  
ROUNDTABLE DEBATE

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POSITION PAPER

## EAPN Input to the Mid-Term Review of the Europe 2020 Strategy

*Can the Strategy be made fit for  
purpose enough to deliver its  
promises on poverty reduction?*

July 2014

EUROPE 2020 set 5 concrete targets to achieve its goal of smart, sustainable and inclusive growth.

It included an explicit poverty target to reduce poverty, as well as other key social targets (increasing employment and reducing early school leaving) and 7 flagship initiatives including the Flagship European Platform Against Poverty (EPAP).

The Strategy also seemingly embraced the need for democratic governance with parliaments and increasing stakeholder engagement to achieve ownership and visibility.

**HEADLINE  
TARGET ON  
EMPLOYMENT**

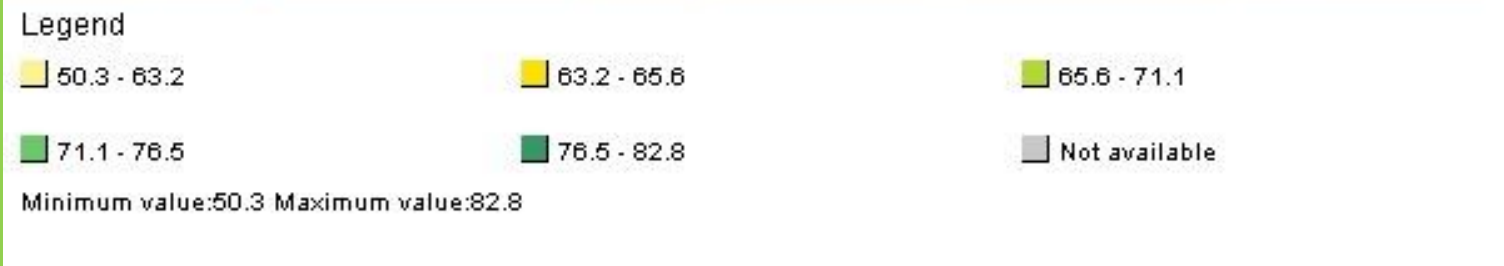
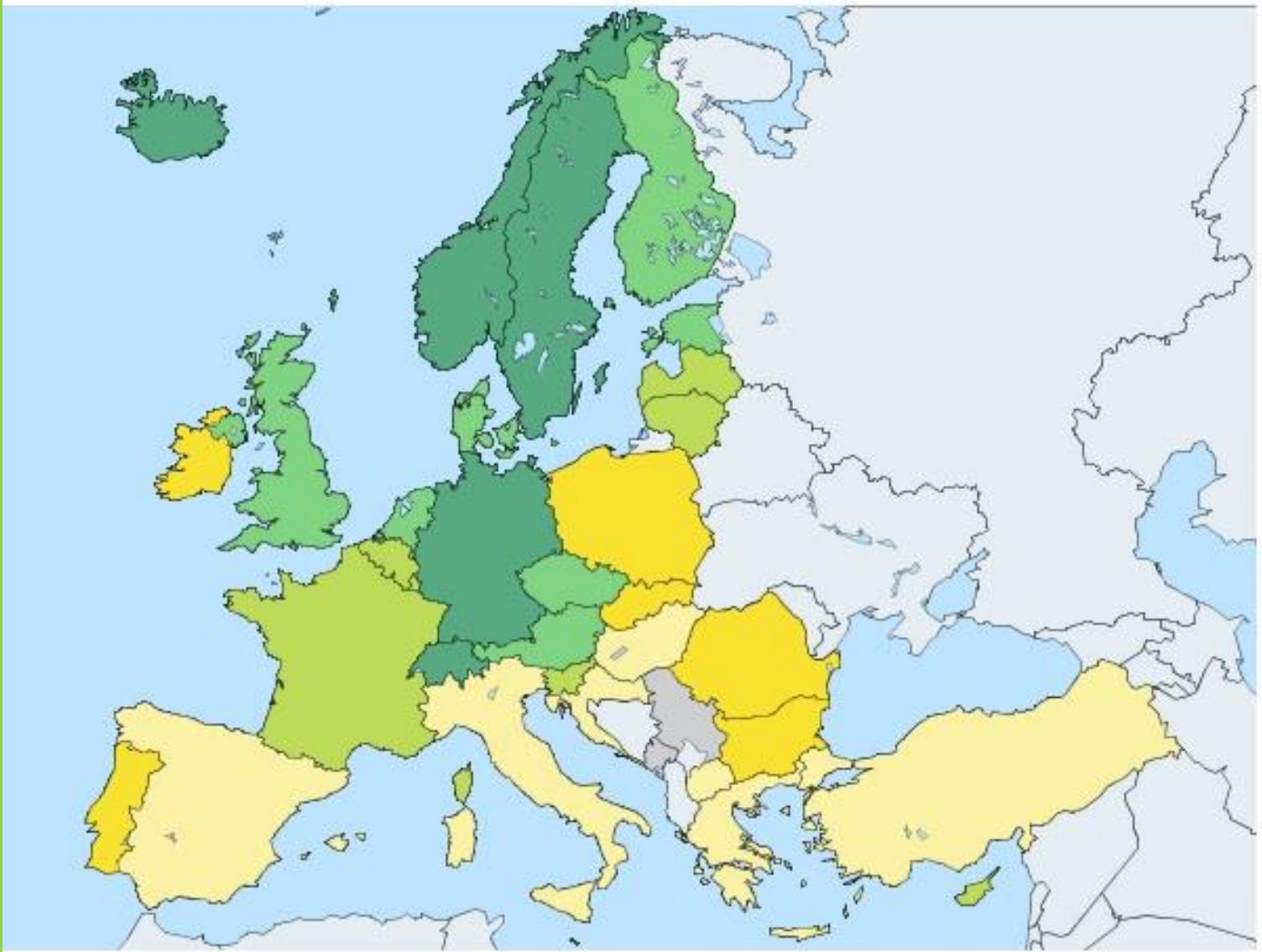
**75%**

**of the population aged  
20-64 should be  
employed**

**ACTUALLY  
ACHIEVED**

**68.3%**

**of the population aged  
20-64 is employed**

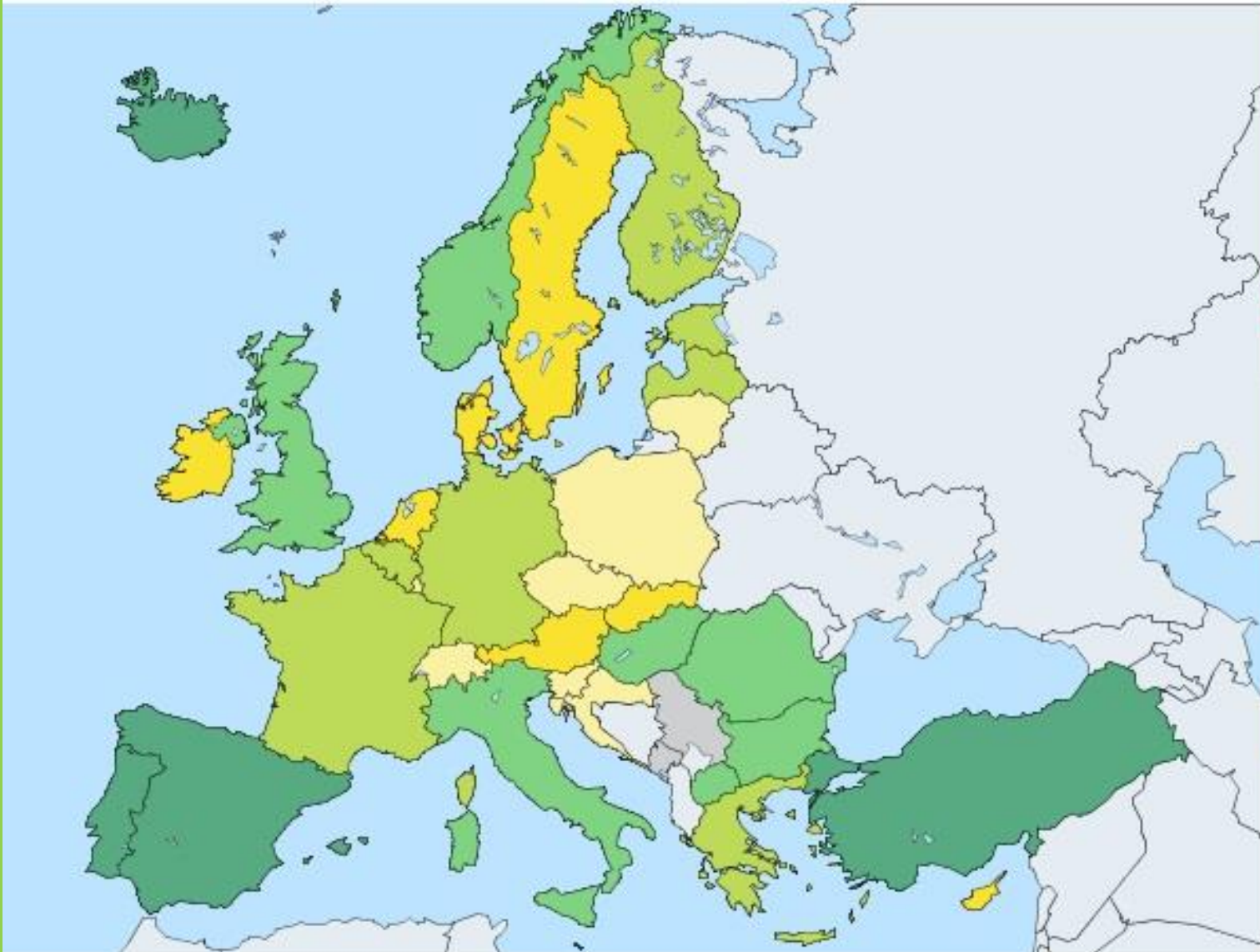




The share of early school leavers should be **under 10%**

**ACTUALLY  
ACHIEVED**

**The share of early  
school leavers is  
11.9%**



Legend

3.7 - 6.3

6.3 - 9.2

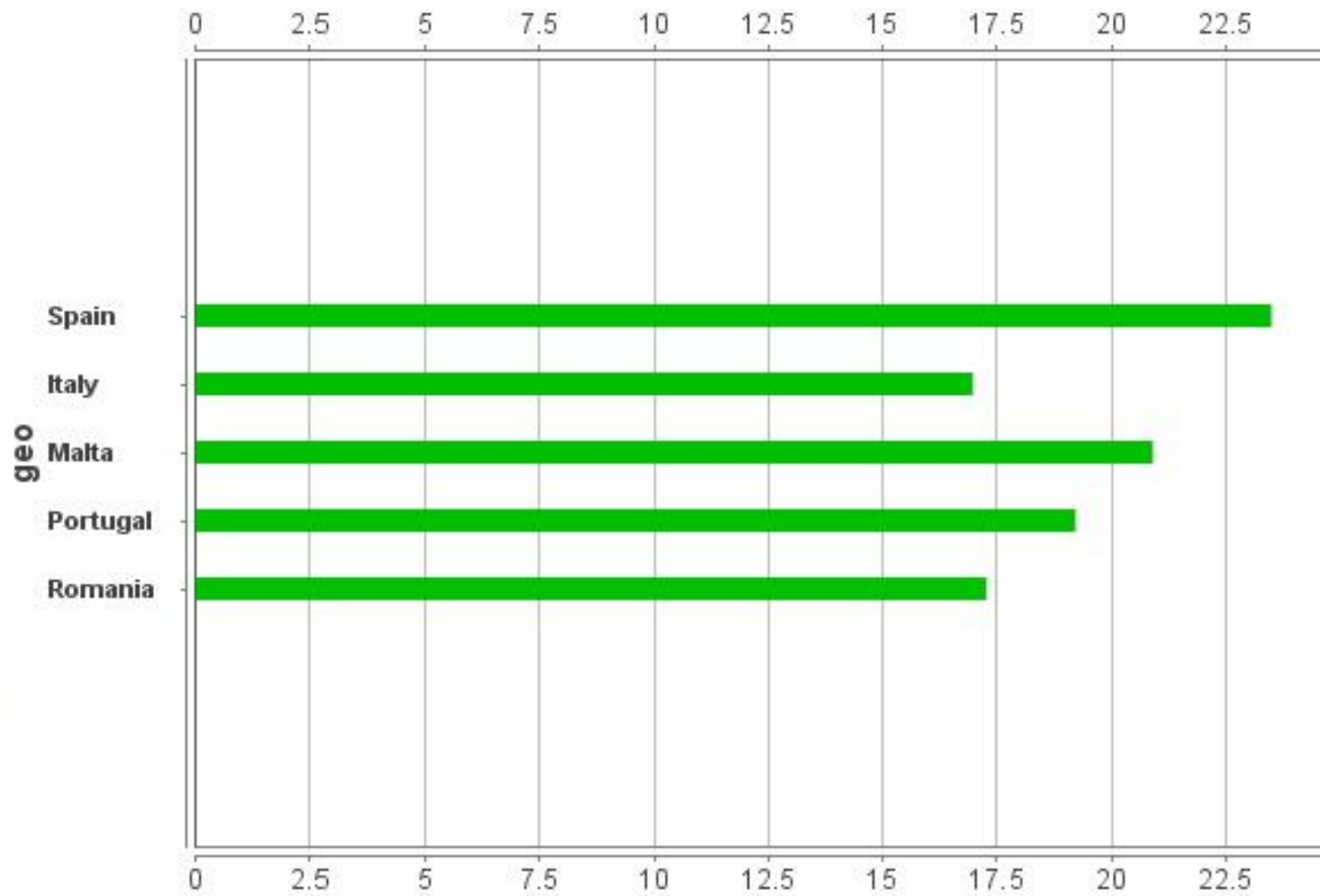
9.2 - 11.0

11.0 - 17.3

17.3 - 37.5

Not available

Minimum value:3.7 Maximum value:37.5



*People at risk of poverty and social exclusion*  
are those who live in any of these three  
situations:

**RELATIVE  
POVERTY**

(their family income  
is below a “poverty  
threshold”, which is  
fixed in the 60% of  
the country’s income  
median)

**OR SEVERELY  
MATERIALLY  
DEPRIVED**

(cannot warm their homes  
during the Winter, cannot  
pay their home’s utilities,  
cannot eat proteins at  
least twice a week...)

**OR  
JOBLESS**

(living in  
households with  
very low work  
intensity)

HEADLINE  
TARGET ON  
POVERTY

Poverty should be reduced by lifting at least

**20 million people** out of  
the risk of poverty or social exclusion

**ACTUALLY  
ACHIEVED**

**There are 6.5  
million people in poverty  
more than in 2010. EU28  
ARROPE is 24.8%**



# EUROPE 2020 MID TERM REVIEW

Disillusionment as poverty, exclusion and inequality grow, rather than progress on the target

Devastating social impact - mistaken policies the culprit, not just the crisis

Attack on human rights through cuts in social protection and services, which affected the most vulnerable groups

Social targets in EU2020, not as powerful as the Semester

# EUROPE 2020 MID TERM REVIEW

A lack of seriousness about the poverty target and clear strategies for delivery → lack of an integrated strategy

A confusing EU social infrastructure (EPAP, SIP...)

Underused potential of Structural Funds

Cosmetic approach to participation

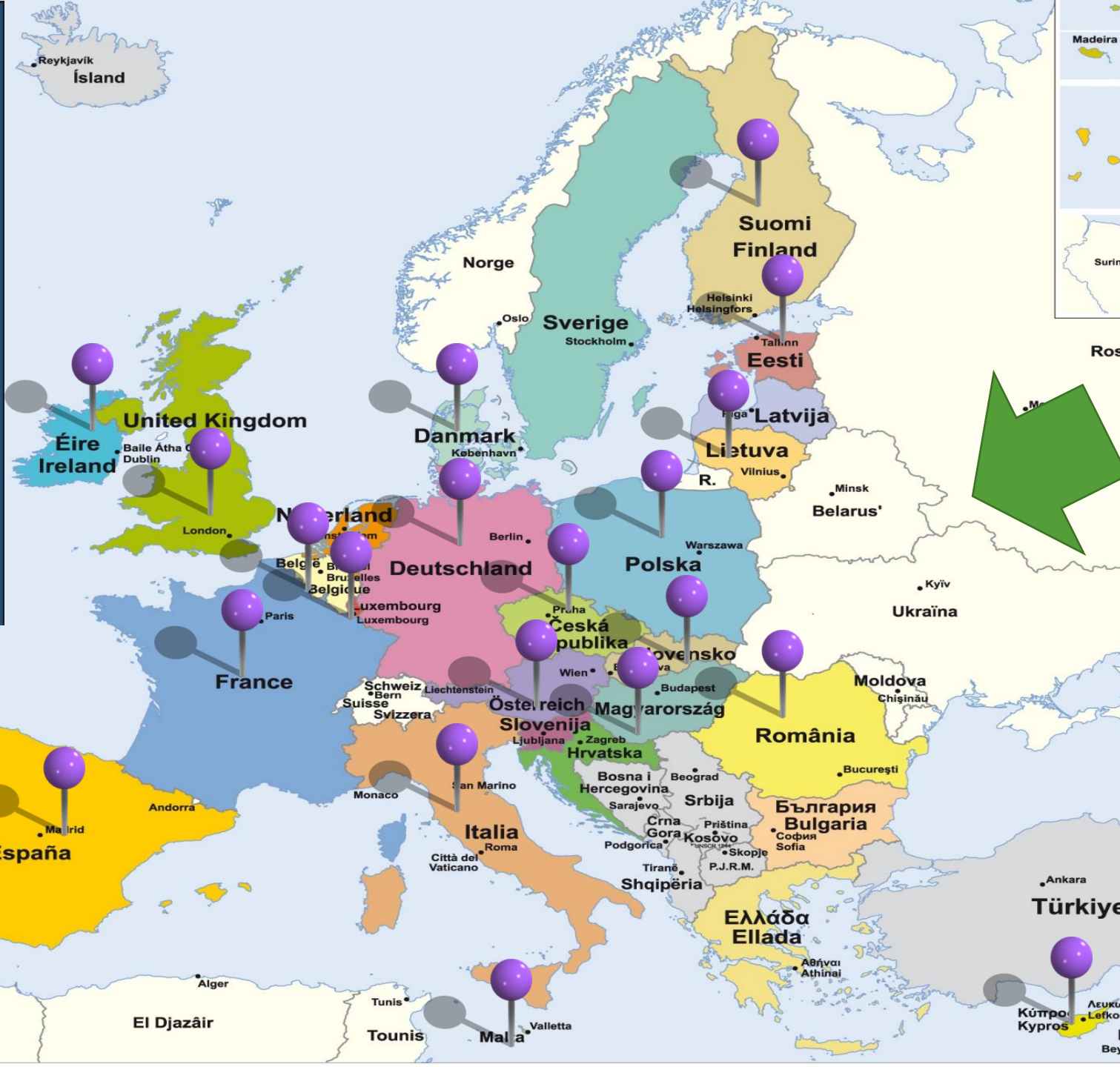


# From Austerity to Inclusive Growth – what progress?

EAPN Assessment of the National Reform Programmes 2014

### Key Recommendations

- Move From Austerity to Inclusive Growth
- Promote an Integrated Strategy to Fight Poverty based on Social Investment and Social Protection
- Tackle unemployment through quality job creation



31 networks and 18 European Organizations gave inputs.

These are the 20 networks that took part in the survey



# GOVERNANCE

**100%** did not have a chance to debate their comments, proposals or amendments with the political parties in the opposition.

**84%** could not get that their comments were taken into account in the final version which was sent to the European Commission.

**83%** did not have the NRP debated in their national Congress/Parliament.

**72%** did not meet with the officers who were in charge of writing the NRP.

**72%** was not invited to make comments on it.

**67%** did not you gather with other organizations in order to prepare a joint position paper with the comments.

**61%** did not you get the draft NRP.

**61%** could not make comments, proposals or amendments in time.



# GOVERNANCE

**100%** of the people experiencing poverty were not engaged in the dialogue with the authorities about the NRP.

**94%** did not receive any feedback from their government after the NRP was sent to the European Commission.

**94%** had not contacted the European Semester Officers of the European Commission.

**89%** did not consider that their engagement in this year to be better and more meaningful than in former years.

**83%** was not contacted by their National Expert assigned by the European Commission.

**83%** EAPN networks were not involved in the development of the NRP this year.

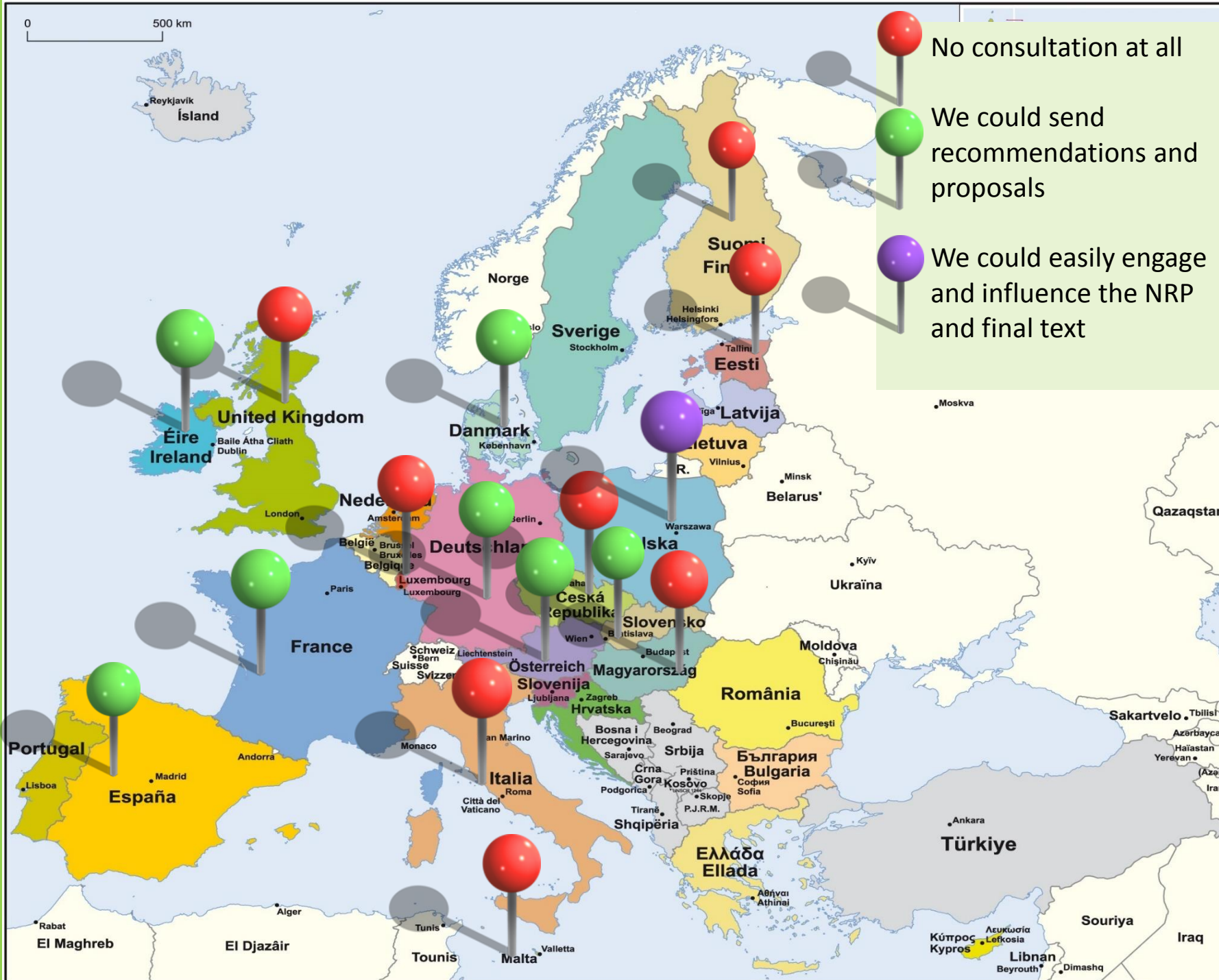
**83%** of all main stakeholders were not engaged: social partners, local authorities, NGOs...

**83%** of the Networks and other stakeholders did not had their contributions annexed to the NRP.

**50%** did disseminate their position towards the NRP through the social networks and other stakeholders.



# GOVERNANCE



The process of engagement with the NRP process



## GOVERNANCE - ASSESSMENT

1. Inadequate progress on meaningful participation is leading to grass-roots alienation from the European Semester process and EU policies.
2. Few signs of a stronger connection to national policy and parliaments or increasing equality between social and economic actors to increase policy impact.
3. Lack of concrete guidance or financial support from the EU for effective stakeholder engagement including support to participation of people in poverty, is limiting ownership and accountability.



**80%** thinks that, with these policies, the burden of the crisis was unequally distributed.

**65%** believes that the deficit reduction would affect the social investment and social protection expenditure levels.

**60%** thinks that the deficit reduction is the core of the macroeconomic orientation of this NRP.

**60%** thinks that these policies will generate increased poverty and social exclusion.

**50%** believes that the proposed macroeconomic policies were not reasonable and appropriate.

**50%** thinks that these policies are adequate in view of creating more employment.

**50%** considers that there is some new focus on inclusive growth through public investment

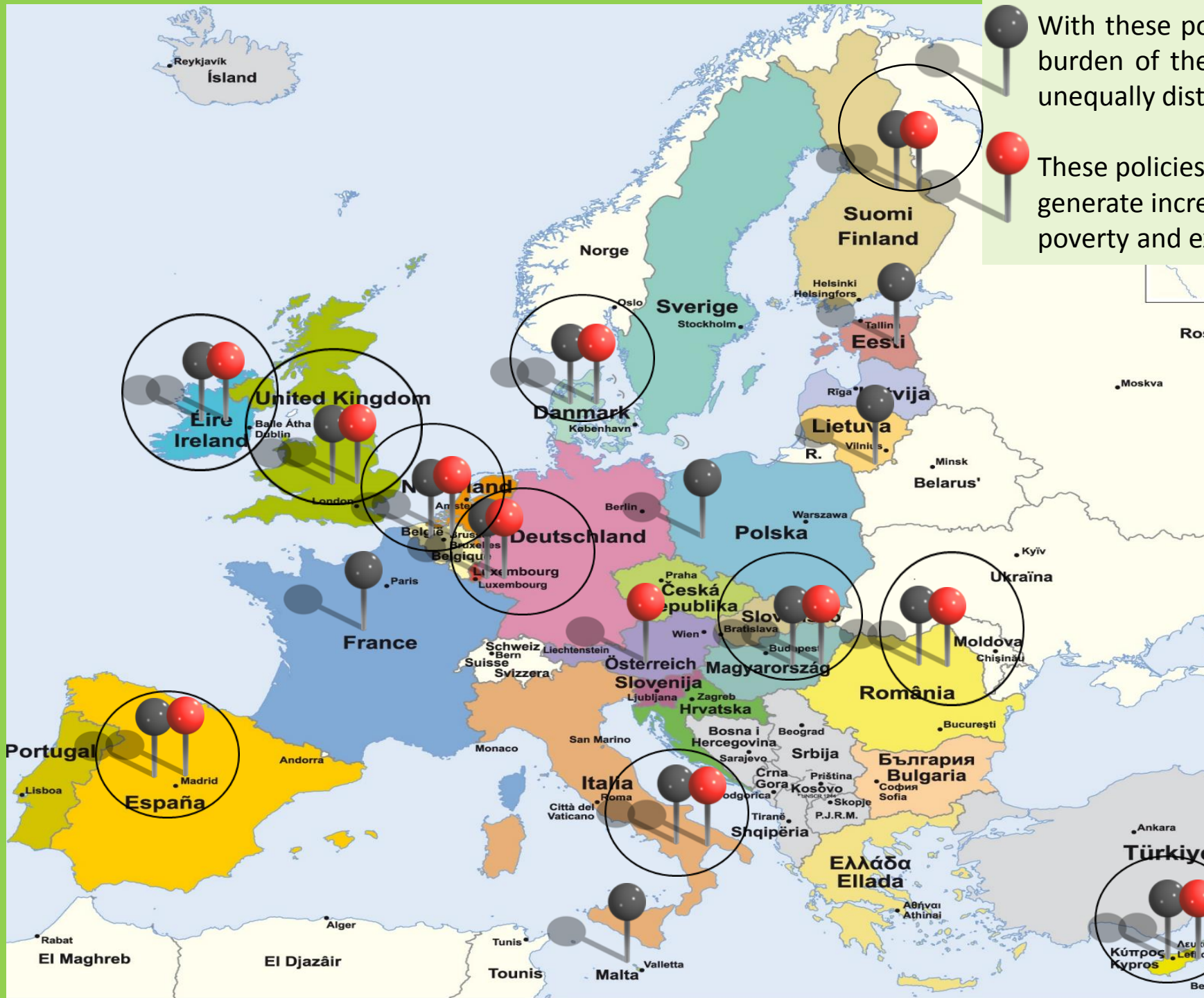
**50%** believes that the NRP reformed the pension system, increasing the retirement age.

**45%** considers that this policies would generate more inequality, but a similar percentage disagrees.

**40%** thinks that the these economic measures will help the economic recovery, but a similar percentage does not know.



# EQUALITY



With these policies the burden of the crisis is unequally distributed

These policies will generate increased poverty and exclusion.

Social consequences of policies



# MACROECONOMY - ASSESSMENT

***NRPs/CSRs dominated by Stability and Growth Pact, under Convergence and Stability Programmes***

***Some positive rhetoric around limiting social impact***

***Some piecemeal signs of social investment but low priority***

***However, unfair austerity cuts or expenditure ceilings continuing to generate poverty***

***And efficiency priority undermines access to health and social services***

***Pressure to centralize and reduce local services provision***



## MACROECONOMY - ASSESSMENT

1. Austerity measures are still dominant continuing to undermine social rights and inclusive recovery, with inadequate progress on social impact assessment.
2. Social investment is increasing but social expenditure still penalized as a cost (not a benefit or investment) with grave concerns about growing lack of access to affordable public services.
3. Lack of inclusive tax policy misses the opportunity to reduce growing inequality, backing tax justice based on progressive taxation.



# EMPLOYMENT

**69%** considered that the NRP does not give priority to investing in quality jobs.

**64%** believed that the employment of excluded and vulnerable groups, including the long-term unemployed, is a NRP priority.

**63%** believed that the employment measures will not ensure access to employment in a meaningful way.

**58%** thought that the employment measures are not the right ones and will not increase access to employment in a significant way.

**58%** said that quality of work is not an issue. Wages are pushed down in order to promote more competitiveness.

**58%** thought that the NRP reforms the labour market in order to reduce workers' rights or/and lower labour conditions.

**53%** understood that the employment measures are part of an integrated Active Inclusion approach (including access to social services and to adequate minimum income).



# EMPLOYMENT

**79%** thought that the NRP tackles youth unemployment with concrete measures.

**63%** saw that social economy and bottom-up social innovation are not promoted by supporting access to NGO funding and support.

**58%** understood that anti-discrimination and inclusive labour markets are not mainstreamed in the employment chapter of the NRP.

**58%** believed that activation is the main approach with negative conditionality and sanctions on benefits.

**53%** thought that their countries are on track for reaching the national employment target, while 37% thought the opposite.

**48%** saw that their NRPs does not devote measures to combat long-term unemployment, while another 47% considered the opposite regarding their own NRPs.



# EMPLOYMENT



The employment measures WILL ensure access to employment in a meaningful way.

The employment measures WILL NOT ensure access to employment in a meaningful way.

Suitability of employment policies



# EMPLOYMENT ASSESSMENT

*The absence of complementary criteria to measure the quality of jobs proposed reduces the exercise to a numbers' game*

*In-work poverty is rising*

*As jobs are not there, negative activation is not efficient (featuring negative conditionality and punitive measures).*

*Unequal support for vulnerable groups, including youth and the long-term unemployed*

*Limited support for inclusive labour markets*

*Little innovation – social economy and civil society actors not supported*



# EMPLOYMENT ASSESSMENT

1. Job creation is under prioritised. Investment in the creation of quality and sustainable jobs is crucial for tackling unemployment, together with positive activation, i.e., comprehensive, holistic support for people, especially those from key groups, towards these jobs.
2. Quality of jobs and employment is neglected. Quality, durable jobs and inclusive labour markets are prerequisites for both competitive economies, and poverty-free societies.
3. Narrow employment-only solutions still prevail. The labour market is not a “one-stop-shop” solution for poverty, discrimination and exclusion, it needs to be articulated coherently with other support measures, including income support and services, within comprehensive anti- poverty strategies.



# EDUCATION & TRAINING

**74%** agreed that measures do not support comprehensive and equal access to education for all, with support towards well-being and personal development beyond labour-market demands.

**69%** stated that the NRP includes measures towards better school attainment and/or prevention of early school drop-out.

**63%** thought that the measures will not improve the long-life learning of people in poverty and social exclusion.

**53%** considered that the measures will not improve the education and training of the children living in poverty .

**63%** said that the NRP includes measures to fight early education drop-out (ages 18-24, post compulsory education)

**63%** considered that education and training measures are not clearly related to the access to other social services, to employment and adequate income support (Active Inclusion).

**52%** considered that the education and training measures are not the right ones in order to achieve the education targets as in Europe 2020.



# EDUCATION & TRAINING



The measures WILL NOT improve the education and training of the children living in poverty .

The measures WILL improve the education and training of the children living in poverty.

Education measures in relation to children living in poverty



# POVERTY TARGET



The poverty target is visibly important

The "poverty target reduction" is not there, but there is a strong social chapter.

Visibility of the poverty target in the NRP



## ANTI POVERTY

**84%** agreed that the poverty target quoted in the NRP relates to the EU indicators (AROPE, measuring either relative poverty, material deprivation, Households with low intensity of employment)

**69%** saw that the measures will not improve the situation of the one-parent families.

**68%** said that the measures will not improve the situation of the elderly persons living in poverty.

**63%** considered that the NRP does not include a minimum income scheme which ensures a decent standard of living to all the people affected by poverty and social exclusion.

**63%** considered that the NRP does not include measures to fight in-work poverty.

**58%** thought that the measures will not improve the situation of the large families (3 or more children).

**58%** thought that the measures will not improve the situation of the children living in poverty.

**58%** thought that Minimum income measures are clearly related to the access to social services and to employment (Active Inclusion), but 37% considered the opposite.

**53%** stated that the NRP does not include a specific sub-target on child poverty

**52%** said that the anti-poverty measures are not the right ones in order to achieve the "poverty reduction target" as established in Europe 2020.

**42%** said that the NRP does not include measures to fight against poverty and discrimination of vulnerable groups, such as Roma and other ethnic minorities, refugees and migrants. Another 31% disagreed.



## ANTI POVERTY

**89%** stated that poverty has not been reduced since the last NRP.

**84%** agreed that the EU should be more prescriptive about how governments define, complement and use their target indicators.

**73%** said that the NRP does not include measures to fight against poverty and discrimination of women in general, victims of domestic violence, abused, etc.

**69%** said that the NRP does not propose an integrated, multidimensional strategy to fight poverty and social exclusion for all groups.

**69%** thought that the NRP does not promote an adequate minimum income scheme which ensures a decent standard of living to all the people affected by poverty and social exclusion.

**64%** said that civil society has not been involved in the choice and follow up on the poverty target.

**63%** considered that the national poverty target is not ambitious, comprehensive and the right indicator/s is/are selected.

**63%** considered that policies will not tackle homelessness and housing exclusion through housing-led and preventative policies to reduce risk of poverty, in an effective way.

**39%** agreed that the Structural Funds have been used in the NRP to explicitly support the delivery on the poverty target, but another 39% thought the opposite.

**38%** stated that the NRP does not include measures to fight against poverty and discrimination of people with serious chronic diseases (including mental health), disabilities and dependence. However, 37% thought the other way around.



# ANTI POVERTY



The anti-poverty measures ARE NOT the right ones in order to achieve the "poverty reduction target" as established in Europe 2020

The anti-poverty measures ARE the right ones in order to achieve the "poverty reduction target" as established in Europe 2020

Suitability of the Anti-poverty policies within the NRPs concerning the Poverty target



# ANTI POVERTY



Yes

No

The Government is working on one.

I don't know

Is there an integrated strategy to tackle child poverty by investing in children?



*Poverty still increasing but low EU priority to the poverty target*

*Limited ambition or progress on poverty targets*

*Some new sub-targets but reality of poverty still not captured (eg child poverty)*

*Missing an effective overarching integrated strategy to deliver on the target*

*Ex-ante social or poverty impact assessment can play a key role*

*Increased mention of Active Inclusion but lacking integrated strategies*

*Widening gap around adequacy of Minimum Income*

*Piecemeal measures for other groups, with low priority to fighting discrimination.*

*Insufficient priority to growing Housing Exclusion and Homelessness*



## ANTI POVERTY ASSESSMENT

1. The poverty target is still not being taken seriously nor the reality of poverty adequately captured, particularly with regard to timeliness and scope of data collection for hard to reach groups.

2. Although signs of increased social investment, it is unlikely to reduce poverty unless defending adequate social protection and minimum income as part of an overall integrated poverty strategy to reach all groups– with particular attention to active inclusion.

3. Uneven treatment of key target groups and piecemeal measures are proposed that still fall short of integrated strategies to fight discrimination and promote inclusion: of women, investing in children, combating homeless, Roma and Travellers, but also for migrants, single parents, older people and people with disabilities and health problems.



**EUROPE 2020 MUST  
BE MORE SOCIAL.  
HEADLINE TARGETS  
SHOULD BE TAKEN  
SERIOUSLY.  
GOVERNMENTS  
SHOULD DELIVER.**

