

From the Delors White Paper (1993) to the EU Pillar of Social Rights (2016), what future for the fight against poverty in Europe?

EAPN CONFERENCE

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Trends and priorities

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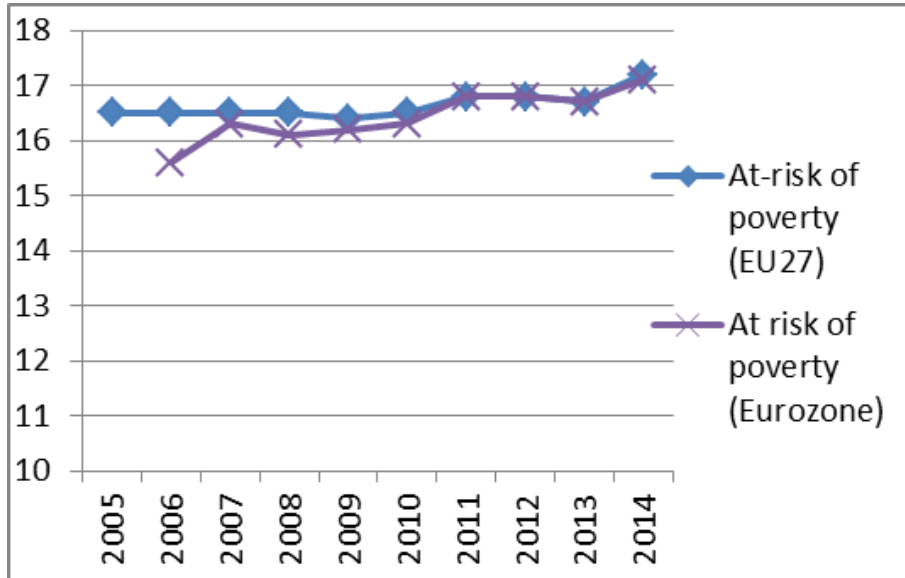
Co-Chair - EUISG

1. High levels of poverty, particularly among some groups

- Almost 121 million at risk of poverty and social exclusion in EU 27. This is 4.7 million higher than when Europe 2020 target was set in 2008. (122m in EU28)

	At risk of poverty and social exclusion	At-risk-of-poverty rate before social transfers (pensions excluded)	At-risk-of-poverty after social transfers	People living in households with very low work intensity	People in Material Deprivation
EU 28 (2014)	24.4%	26.1%	17.2%	11.2%	8.9%
EU 28 (2010)	23.8%		16.5%	10.2%	8.5%
Highest	Bulgaria 40.1%	Ireland 37.2%	Romania 25.4%	Ireland 21.1%	Bulgaria 33.1%
Lowest	Czech Rep. 14.8%	Czech Rep. 17.2%	Czech Rep 9.7%	Romania and Sweden 6.4%	Luxembourg 1.4%

1. High levels of poverty, particularly among some groups

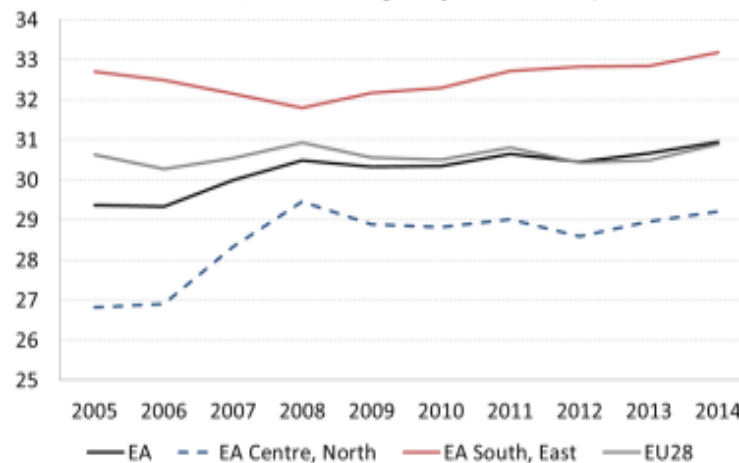


- Poverty risk is higher for some groups such as children, women; single parents with dependent children; people with a disability and health difficulties; single persons; two adults with three or more dependent children; ethnic minorities; migrants; Roma/Travellers; people who are unemployed, people who are homeless etc.
- Depends on national/regional situation.
- Poverty levels high before the crisis. Therefore not just as a result of crisis.

2. Inequality is increasing

-particularly in some countries and the Eurozone, or progress made in reducing inequality during the 2000s in some countries such as Ireland was reversed during the crisis.

Figure 22: Disposable household income, level of inequality, 2005-2014 (Gini coefficient)



Source: Eurostat

- Growing recognition of inequality (IMF, OECD and EU) – not translating into policies to prevent poverty and inequality e.g. via taxation and redistribution of wealth. Mainly seen as block to growth.

3. Services

- **Access to quality and affordable public services** e.g. housing, care, health, education utilities: Existing problem in some countries and made worse by cuts during the crisis. Some groups affected more and EU fiscal rules restrict investment where it is needed.
- **Housing affordability a growing issue and homelessness increasing.** The over reliance in Ireland on private rented sector to address social/public housing needs has failed with terrible consequences and a rapid increase in homelessness as rents go up.
- **A shift towards privatisation including greater public procurements or tendering of public or community services to private businesses.** NGOs competing to deliver these services, sometimes with private for profit companies. Bringing an increased managerial or business approach to delivering and reporting on services as opposed to a focus on the needs of people receiving the service.

4. Lack of an integrated approach to addressing poverty

- **Risk of poverty being linked at EU and member state levels as mainly related to labour market participation – This does not address the multi-dimensional causes and consequences of poverty.**
 - Focus is on reducing unemployment and on activation of low-work intensity or jobless households (people with disabilities, people parenting alone etc).
 - Reducing ‘disincentives’ to work. This can have negative policies such as increasing conditionality of social welfare supports but also positive responses such as investment in services such as childcare, tapering social benefits.
 - The specific social inclusion needs of particularly marginalised communities and groups often not recognised, nor the fact that not everybody is able to work.
- **Lack of adequate responses to poverty leading to competition/conflict for reduced resources** among marginalised groups (and representative organisations) and break down of solidarity in society generally. Discrimination, racism, stigmatisation etc. Political capital for right-wing groups.

5. Social justice, equality, human rights and dignity....



-are not seen as important enough in themselves to justify a strong political and policy response to preventing and addressing poverty or inequality, despite the Treaty based commitments. Poverty and the social dimensions are seen purely through the lens of their impact on growth.
- Commission consultation paper on for the Pillar of Social Rights recognises that progressing economic policy with little or no consideration of the social consequences will result in greater poverty and inequality and this has economic consequences. But starting point is economic, not on social rights.

6. Social Protection systems



- Issues of access and coverage e.g. universal access; Access to social protection supports for migrants, homeless people and other groups;
- Cost-effectiveness a growing priority;
- Increased link/integration between payments of benefits and labour market participation for working age;
- Addressing growing ageing population and care needs;
- Longer working lives;
- Women's equal access to pensions;

7. Active Inclusion

- Balanced Active Inclusion approach (adequate income, access to quality services, inclusive labour markets) not being implemented.
 - “While there have been some improvements in developing an active inclusion approach, too often this is **too narrowly focussed just on employment measures and on increasing conditionality and sanctions**. In many countries, there is still not sufficient emphasis on developing an integrated and tailored approach to supporting those receiving benefits and to help them to integrate into society and, as far as is possible, into the labour market.”

From European Social Policy Network 2015. Minimum Income Schemes in Europe (reflecting conclusions in EMIN report)

8. Minimum Income schemes

- ...not adequate to lift people out of poverty, increasingly conditional on labour market activation. Coverage and access issues.
 - “.. in many countries their contribution is still much too limited and progress since 2009 has been disappointing. Often the lack of adequate payments coupled with limited coverage and poor take-up due inter alia to poor administration, inadequate access to information, excessive bureaucracy and stigmatisation means that they fall very far short of ensuring a decent life for the most vulnerable in society.”
 - From European Social Policy Network 2015. Minimum Income Schemes in Europe
- Stigmatising those in poverty and receiving minimum income supports.
 - “In many countries there is a hardening of political, media and public attitude towards MI beneficiaries” - EMIN Synthesis report 2014
- Addressing social welfare fraud is a priority – adding to stigma.
- ...But European Commission is pressurising some countries to improve adequacy and coverage i.e. in the Country Specific Recommendations with direct intervention in Greece, Latvia, Hungary, Bulgaria
- Positive work being progressed on Minimum Essential Budgeting Standards

9. Increase in low quality and precarious jobs

- ...happening across all sectors, including downward pressure on wages and employment rights, but particularly in those areas requiring lower skills.
- In work poverty increased from 8.3% in 2010 to 9.5% in 2014.
- In 2010, 17% of employees (21% for women) in the EU were **low-wage earners** (earning two thirds or less of the national median hourly earnings) (2.5 % in Sweden to 27.8% Latvia). Increase of 0.2% from 2006 (0.4% in Eurozone).
- **Gender pay gap** 16.1% in EU 28 in 2014 (16.2% in 2010)(2.9 % in Slovenia to 28.3 % in Estonia)
- Increase in **part-time working** – Underemployed part time workers increased by about 30% from 2008-2015 to about 22% of all part time workers.
- **Gap between employment opportunities and skills levels** – including need for literacy and numeracy skills.(New EU Skills Guarantee in June)
- **Flexicurity** (Highlighted in Pillar of Social Rights): High risk approach in current environment of weak minimum income and social protection schemes and increase in low-quality work.

10. Migration

- Issues around integration, access to rights and entitlements, solidarity, discrimination etc.
- Current refugee crisis: Lack of solidarity in addressing it. Countries willing to ignore or change agreements and rules. Creation of tensions over competition for scarce resources. Feeding right wing politics across EU.

11. 'Social innovation'

- Positive and negative potential? Being used as a means of 'modernisation' and creating greater efficiencies or effectiveness in the delivery of social protection systems.

12. Participation

- Participation in decision making of those experiencing poverty and social exclusion and their civil society organisations, while still named as a priority, is increasingly restricted and not valued by policy makers, or (adequately) resourced. What is the impact? Is there increasing lip-service? Different experiences in different countries.

- Rules of Stability and Growth Pact – Dominates European Semester, with focus on fiscal consolidation – austerity and restricting investment.
- Hard EU law v soft social law?
- Use of poverty, social and equality impact assessment weak or non-existent. Focus on cost-effectiveness and efficiency with little or no consideration of the short or long term social (or economic) consequences
- Social indicators (poverty, unemployment, inequality) in the Alert Mechanism Report are positive, but what impact?
- Taxation
 - EU focus is on ensuring growth friendly taxation i.e. reducing taxation on work, and increasing consumption taxes which are regressive (i.e. VAT), but also shifting to environmental tax. What are the implications? What would an inclusive-growth friendly tax system look like?
 - Addressing tax collection, reliefs and tax evasion and avoidance important, as well as the attempt to prevent social dumping on corporation tax
 - Some focus on Taxation for Investment e.g. Irish Country Report

- Brexit and the implications
- The failure to take adequate measures to address climate change will result in greater economic, social and environmental problems and impact most on poor people – particularly globally

Next Steps and how Pillar can contribute (1)



- 1. How to ensure the process moves beyond the Pillar's White Paper and its Principles to using it to bring about change i.e. concrete implementation –** How will the framework of principles/rights be enforced and monitored? Who will be involved i.e. how to ensure that civil society organizations and specifically people in poverty are actively engaged? What concrete measures and instrument will be proposed that will directly benefit people experiencing poverty? What will be the criteria for success?
- 2. Link the implementation and monitoring of the Pillar with existing policy frameworks** (e.g. Semester process and social OMC), rather than a parallel process that risks undermining / abandoning previous commitments e.g. in Europe 2020. Making them more effective e.g. through CSRs, and more participative with involvement of NGOs and people experiencing poverty.
- 3. Pillar of Social Rights must not be limited to focusing on employment and social rights but also on economic policy** and how it can complement or reinforce rather than undermine social and employment rights.
- 4. Exchange and mutual learning** – increasing the effectiveness of exchange on experiences on delivery on social rights – bad and good, making them subjects of peer review and thematic exchange, involving also civil society stakeholders.

Next Steps and how Pillar can contribute (2)



- 5. Strengthen and resource to participation of people experiencing poverty in policy making at all levels.**
 - EAPN should continue to strongly highlight the reality for people and the right for people experiencing poverty to have a voice.
 - EU level guidelines for stakeholder involvement in the design, monitoring and evaluation all relevant policy including that which evolves through the pillar of social rights.

- 6. Support the development of more effective poverty, social and equality ex-ante and ex-post impact assessment** of all relevant policy areas including economic areas e.g. annual budget cycle and the type of taxation and its impact. Making the impact assessment process participative and transparent in how it works and impacts on policy.

- 7. More effective use of social targets and indicators** to inform and trigger policy change, not just measure it.

Next Steps and how Pillar can contribute (3)



9. **Reclaim and strengthen the language of rights and give stronger legal position to economic, social and cultural rights** e.g. at EU level a Framework Directive on Minimum Income and EU Unemployment Benefit; at national level stronger economic, social and cultural rights.
10. **Integrated anti-poverty strategies including balanced active inclusion approaches.** Retain and build on current commitments to poverty reduction but a clearer integrated strategy for how to deliver on them.
11. **Highlighting positive contribution of migration and increasing solidarity.**
12. More discussion needed on how the social pillar of rights will **link to the Sustainable Development Goals and Targets for 2030** (the UN new framework 2015-30). Should not lead to a reduction in existing commitments e.g. in Europe 2020 but building on them.
13. Funding – **ensuring that EU funding is tied to delivery on the pillar of social rights** together with the Europe 2020 targets – and increased

Thank you!

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