

# **Learning from the past to beyond 2020 – What EU strategy to fight poverty, exclusion & inequality?**

## **EU Delivery on poverty, exclusion and inequality**

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# Europe 2020 – the promise

- A poverty or social exclusion target (AROPE)
  - at least 20 million fewer people in or at risk of poverty and social exclusion by 2020
- Increased status for poverty reduction
  - by integrating poverty reduction efforts into mainstream EU processes social inclusion would achieve the same importance as economic, employment, innovation, education and climate/energy objectives
- Mutually reinforcing policy development
  - economic, employment, environmental policies would be developed in ways that they are mutually reinforcing

# Europe 2020 – the Failure

- **Poverty target** not being met
  - Gap to achieving 20 million target    21.9 million
  - 2008-2015: AROPE + 1.7 million
    - AROP                    + 4.9 million
    - SMD                     - 1.8 million
    - QJ households        + 4.6 million
- **Child** poverty or social exclusion increased
  - 2008-15                    + 82,000
- **Persistence** (persistent risk of poverty) increased
  - 2008-15                    from 8.7 to 10.9%
- **Depth** (Relative median at risk of poverty gap) increased
  - 2008-15                    from 21.9 to 24.8%
- **In-work** poverty increased
  - 2008-2015                8.6 - 9.5%
- **Housing** cost overburden increased (more than 40% income spent on housing)
  - 2008-15                    from 10.5 to 11.3%

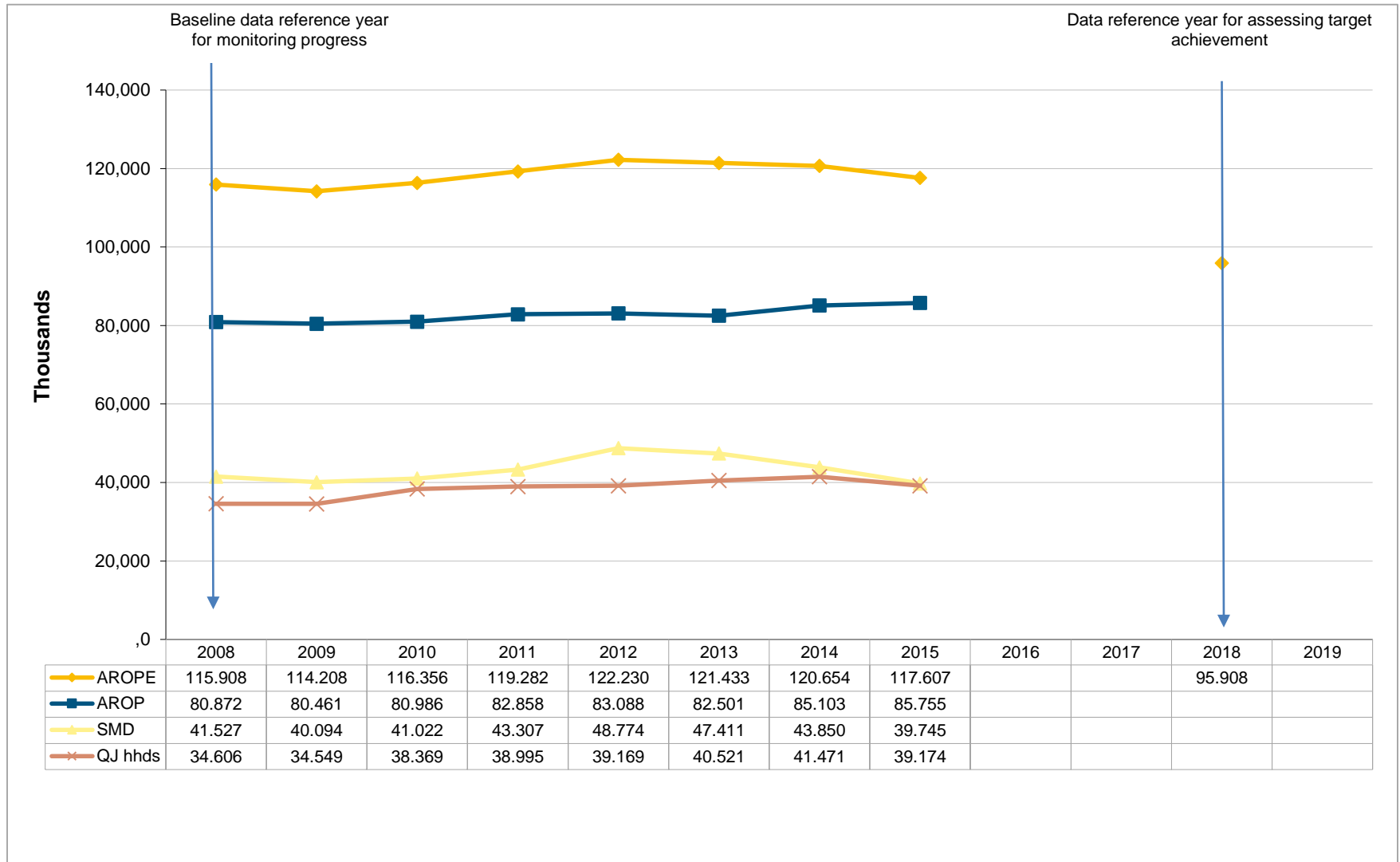
# Europe 2020 – the Failure

- **High risk:** some people are especially badly affected
  - Migrant background
  - Homeless: numbers increased in most countries
  - Roma
  - People with a disability (30% of people with a disability are at risk of poverty or social exclusion in the EU, compared to 21.5% of people without disabilities)
- Widespread **disparities** between countries persisted
  - Downward trend up to 2009 ended
- **Inequality** grew between 2008-2015
  - Gini coefficient                      30.9 to 31
  - S80/S20                                5.0 to 5.2

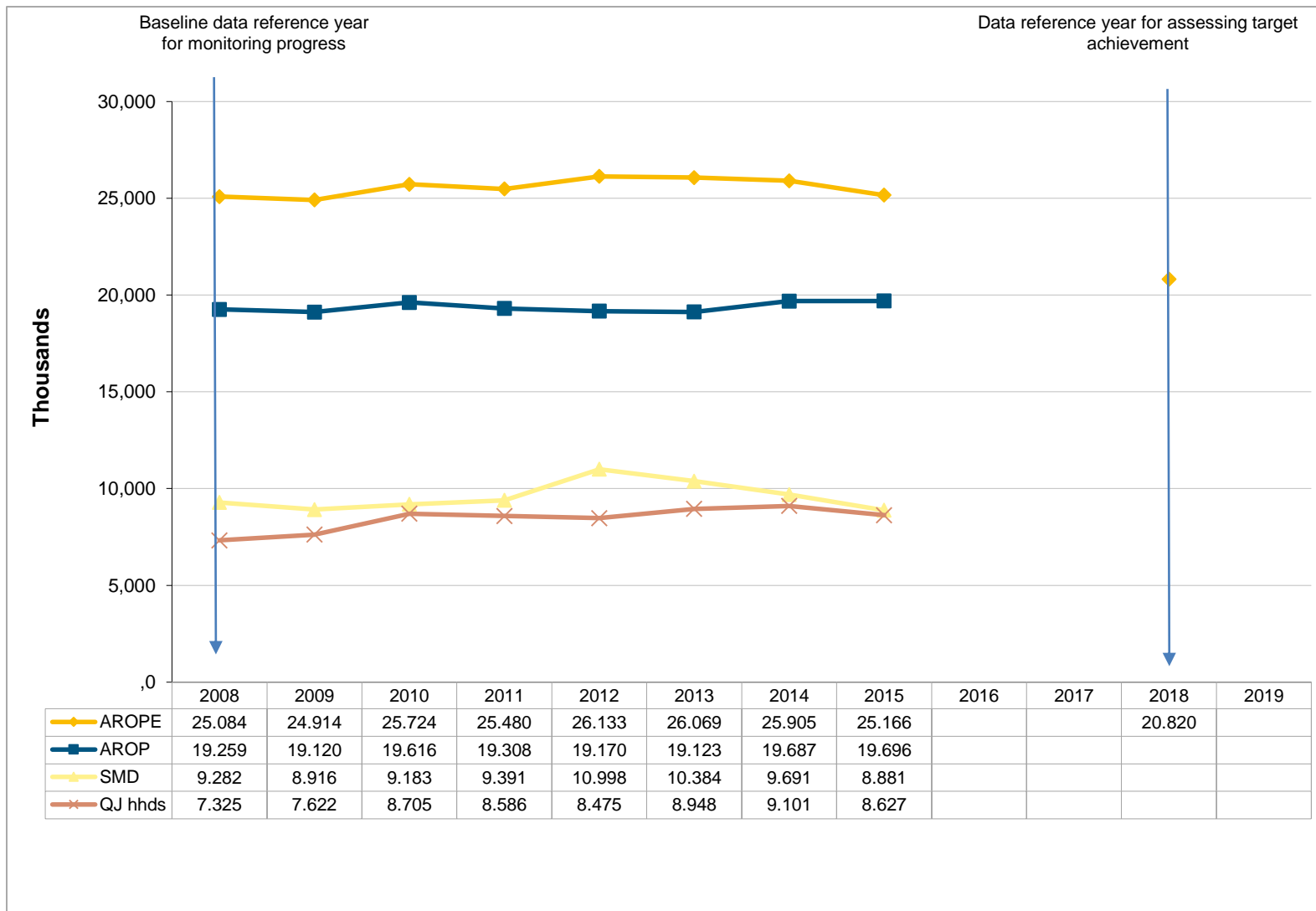
## In spite of this

- **Poverty reduction** has remained relatively peripheral in EU Policy making
  - No clear EU wide anti-poverty strategy
  - Social inclusion far lower attention in European Semester process than economic and employment issues
  - Overall far fewer social inclusion than economic and employment CSRs
    - though some improvement as strategy has evolved

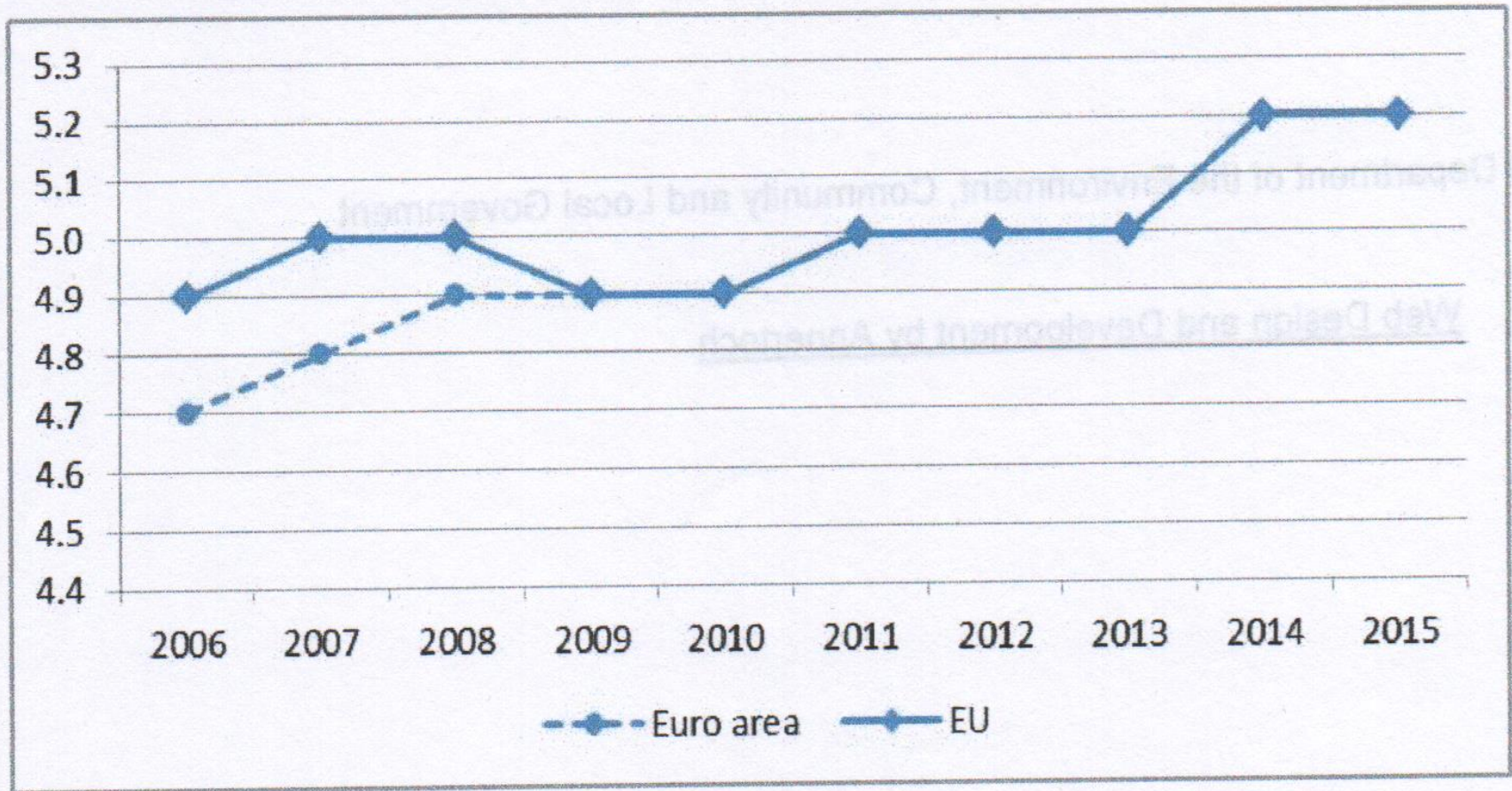
# Evolution of EU Poverty & Social Inclusion Indicators – whole population



# Evolution of EU Poverty & Social Inclusion Indicators – children

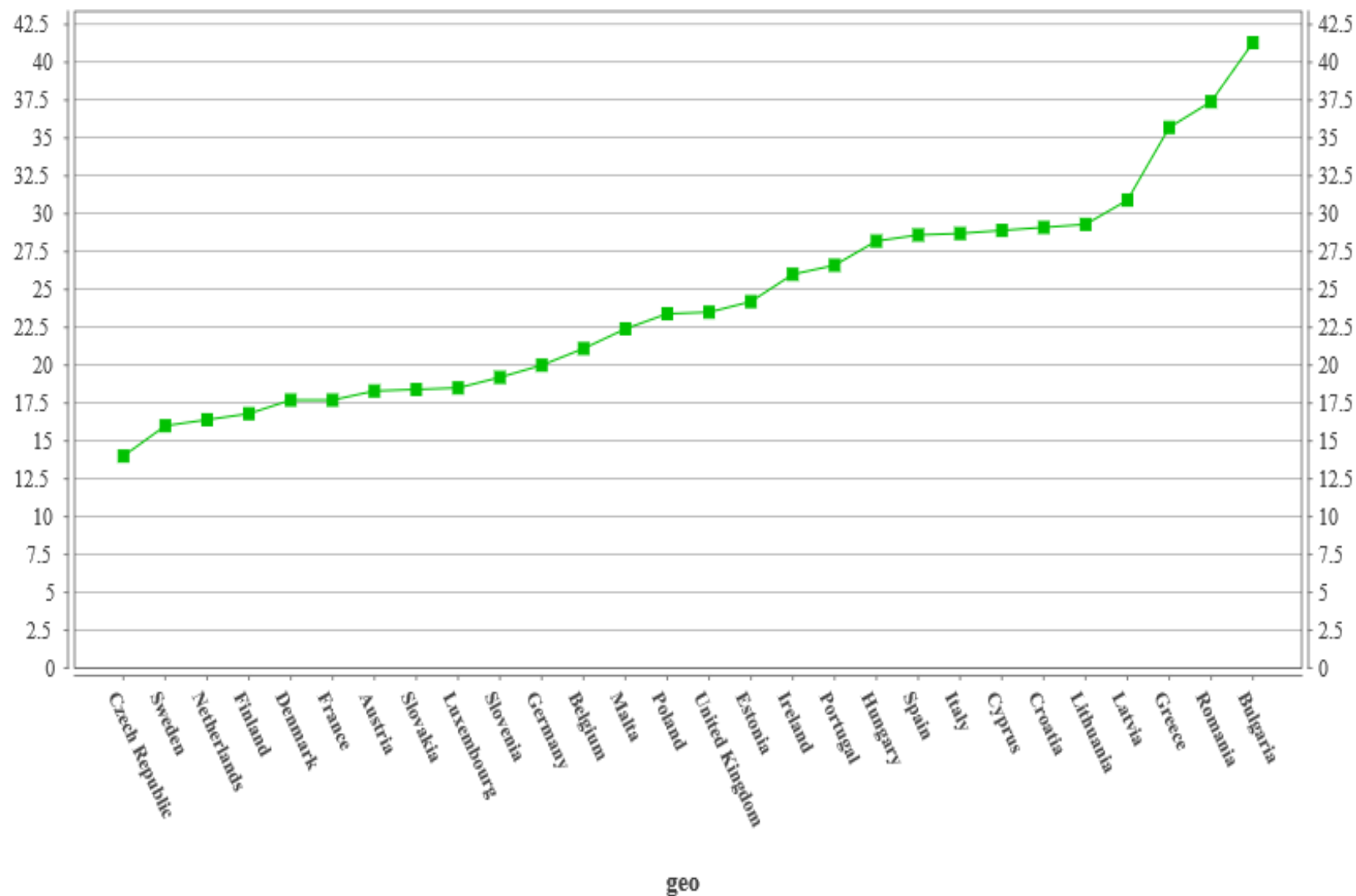


# Income inequality: S80/S20 share ratio



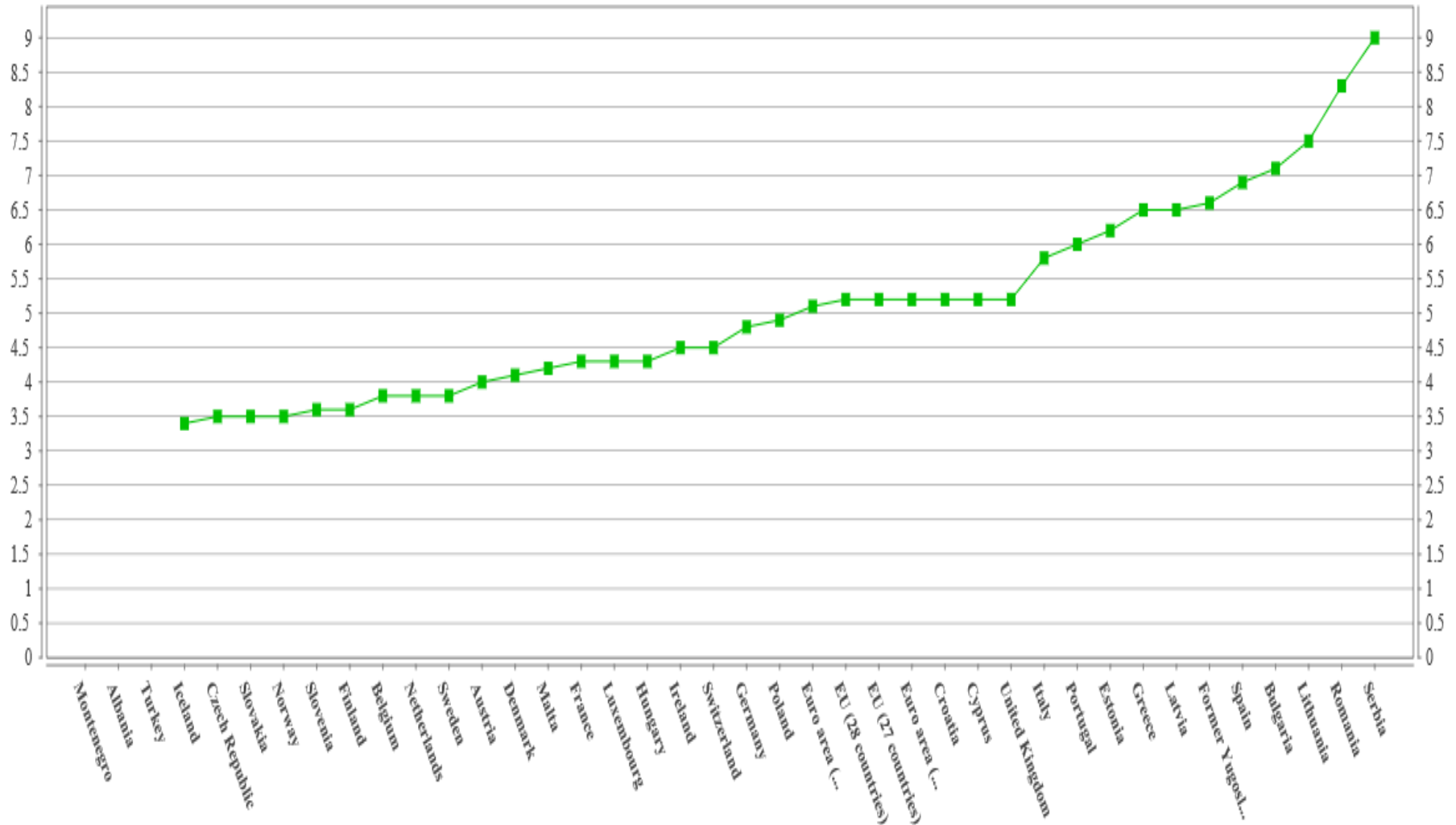
Source: Eurostat. Data for HR not available before 2010.

# AROEPE: Wide disparities





# Inequality (S80/S20) – wide disparities



# Europe 2020 - some positive (but insufficient) developments to build on

- President Juncker's "triple A" Social Europe & **Pillar of Social Rights**
  - the 20 rights have the potential to be a transformational framework IF IMPLEMENTED & applied to ALL Member States
- **Social Investment Package**
  - Recommendation on **Investing in children** & emphasis on active inclusion
- Increased focus on social inclusion in **EU Funds**
- Council Recommendation on integration of **long-term unemployed**
  - though not sufficient emphasis on active inclusion approach
- COM proposals on **work life balance** for working parents & carers
- Social Protection for **self-employed** & non standard contracts – new focus
- EU Framework for National **Roma Integration** Strategies
- More focus on **integration of Refugees** and Asylum Seekers
  - Action Plan on the Integration of Third Country Nationals
  - Mapping integration policies
- Support for European **Minimum Income** Network (EMIN) & reference budgets
- Improved **monitoring** of social situation
  - Social Protection Performance Monitor
  - Employment and Social Development in Europe
  - Commission Country Reports

# 5 reasons progress has been insufficient

- Lack of vision and ambition for a Social Europe
  - a market economy not a social market economy
    - financial consolidation (austerity) too dominant
    - insufficient focus on social & environmental investment
- Unbalanced approach to Europe 2020 & European Semester
  - insufficient mainstreaming of social inclusion
  - not underpinned by effective Social OMC
- Piecemeal & narrow approach to social inclusion
  - lack of overall anti-poverty/exclusion strategy
- “Employmentisation” of social policy
- Lack of implementation of social rights
  - growth in “blaming” and shaming
  - increased emphasis on conditionality

# 10 Key Priorities for post 2020

- Maintain ambitious **poverty/social exclusion target** and add **inequality reduction target**
  - SDGs: reduce poverty in all its dimensions at least by half by 2030
  - ensure that in each country the income of the bottom 40% increases faster than the income of the whole population
- **Rebalance** overall EU strategy
  - put implementation of EU Pillar of Social Rights & SDGs at centre
    - establish benchmarks or minimum standards for the various principles
  - make social & environmental investment an economic priority
  - give social imbalances as much attention as economic imbalances
    - as strong a “social “ as an economic scoreboard
    - enhanced equality, poverty and social exclusion proofing
  - launch an EU integrated anti-poverty/social exclusion strategy
    - National action plans
    - Active inclusion across the life cycle
    - Public awareness raising (to counter blaming/scapegoating)
- Strengthen **social protection** systems
  - establish adequate minimum income standard (explore legislative initiative)
  - extend social protection for self-employed & non typical jobs: level playing field
  - agree benchmarks for social protection expenditure
  - consider possible EU wide transfers to help poorer countries develop systems
- Ensure rigorous & comprehensive implementation of *Investing in **children***

# 10 Key Priorities for post 2020 (cont.)

- Enhance use of **EU Funds** to counter social exclusion & support EU Pillar implementation
  - new funding programme to combat poverty & inequality and promote social rights
  - EU child guarantee
- Promote more comprehensive approaches to **long-term unemployment**
  - active inclusion approach (personalised + importance of services)
- Tackle **in-work poverty** and insecure work
- Strengthen initiatives for **most at risk**
  - maintain and enhance **Roma** integration strategies
  - strengthen **migrant/refugee integration** policies
  - Enhance policies for people with a **disability**
- End **housing exclusion** and homelessness
  - increased investment in social housing
  - foster housing led approaches to homelessness (but also guarantee shelter to all who are homeless)
- Enhance effective **monitoring**
  - adoption of specific indicators to monitor progress on reducing inequality
  - commitment to child and poverty proofing & adoption of more EU-child specific indicators

# Conclusion

## So, to summarise, we need:

- A change in EU's overall **approach**
  - more balanced approach and more social investment
- More focus on effective **implementation**
  - we know a lot of what needs to be done so do it and resource it
- More focus on making **social rights** a reality
  - we now have a good framework but it must lead to real change
- Stronger **accountability** mechanisms & sanctions
  - consider Treaty changes to allow for sanctions for countries failing to meet social (as well as economic & employment) objectives

## 2 issues that should get more attention in future

- Linking Social Inclusion and **Sustainability**
  - build on SDGs
  - promote environmental justice
- Impact of **artificial intelligence** on jobs & implications for poverty & social exclusion

## EAPN a vital role to play after 2020

- Role of **civil society & people experiencing poverty** will be key to ensure effective policies, implementation & monitoring
  - explicit role for civil dialogue in monitoring implementation of Pillar of Social Rights
  - establish EU-level of minimum standards for civil dialogue

***We must ensure that the EU post 2020 makes a renewed commitment to developing a truly Social Europe. Ending poverty & ensuring progressive convergence to the highest social standards for all will be key to achieving this. Without a stronger Social Europe we risk the future disintegration of the EU.***