

## Beyond 2020: What EU strategy to fight poverty and social exclusion?

### *Background Discussion Paper*

#### 1. What are key elements for an EU antipoverty strategy post 2020, based on key learning from the past, and what people experiencing poverty expect?

##### *Learning from the past?*

EAPN draws from over 30 years of grass-roots experience of EU antipoverty approaches: starting with the EU Antipoverty programmes (1975-1993), the Lisbon Strategy and National Action Plans in the Social OMC, the EU people experiencing poverty meetings (2000-2017) to the current period of the poverty target in Europe 2020 and related ESF earmarking (20%).

- *It's important to recognize key achievements*
  - In accordance with its founding aims of reinforcing the European Union by making it a real citizens project, EAPN has created a dynamic antipoverty network made up of national networks, European organizations and people with direct experience of poverty, which has succeeded in keeping poverty on the EU and national agendas.
  - We have contributed to key EU 'successes' – eg new articles in the EU treaties, The EU inclusion strategy and PROGRESS funding programme (2000-10); the Council Recommendation on Active Inclusion (2008), the 2010 EU year to combat poverty, energy poverty reduction in the energy directives;
  - Since 2010: the adoption of a European headline target to reduce poverty by at least 20 million in the Europe 2020 strategy; the ring-fencing of 20% of ESF for the fight against poverty, the Social Investment Package (2013) and now the European Pillar of Social Rights. Continued funding and support for EAPN and EU meetings of PEP;
- *However, in reality little, consistent progress has been made on reducing poverty*
  - There have been large increases in poverty since 2008 (4.8 million) rather than reductions, with current levels at 118 million, 1 in 4 of the population, and higher levels for key target groups. Austerity policies have contributed to the widening gap, supported by EU policy.
  - Over a period of more than 30 years, many EU member-states have experienced economic, social and political regression, to varying degrees. Often growth is labelled as "jobless", "workless" and "immiserizing"<sup>1</sup>, accompanied by rising unemployment, poverty, inequality and social exclusion. Such trends have been generated by specific policies or reaction to previous failed policies.
- *Some key learning points are:*
  - Eradicating poverty is a political choice and linked to reducing inequality.
  - A fundamental shift is needed in our economic model to promote the public good before markets: a transformative social and sustainable agenda.

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<sup>1</sup> Leading to lower prosperity.

- Employment alone isn't enough – we need an integrated rights-based approach to give everybody quality services, social protection and decent jobs.
- Participation of citizens in decision taking mechanisms, including people in poverty is a pre-requisite to accessing other rights.
- Funding bottom-up initiatives is crucial and must be combined with structural changes to distribution and redistribution which can reduce inequality.

### ***What EU Strategy to fight poverty?<sup>2</sup>***

Building on proposals from EU meetings of People experiencing poverty and EAPN recent reports - **An EU strategy to fight poverty should:**

1. **Establish an overarching aim to eradicate poverty and social exclusion**, reduce inequality and provide everybody with a decent life.
2. **Be rooted in EU values, putting people and well-being at the centre** of our economic model, not as a 'social dimension' and ensuring economic policies reduce inequality.
3. **Embed a rights-based approach**, recognizing the inalienable right to a dignified life, and to equal access to rights, resources and services, and freedom from discrimination.
4. **Put dignity and participation first**, treating people experiencing poverty as equal members of society entitled to a dignified life, regardless of their employment or other kind of status. Participation in decision-making is a pre-requisite to being valued and accessing other rights and requires adequate resourcing.
5. **Develop a comprehensive, integrated strategy** based on rights to adequate minimum income and social protection, quality services and employment. Key services must include affordable housing, energy, health, education, culture, justice, social services etc.
6. **Promote Inclusive education and personal development** – starting from early learning for children, to inclusive schools and higher education, investment in non-formal and informal education for personal and community development, not just jobs.
7. **Ensure no one left behind** – specific integrated strategies for key groups that face additional or specific obstacles and actions to prevent discrimination.
8. **Invest in a personalized, supportive case management approach** – starting with the needs of the person and their family/household, providing wrap-around tailored support to overcome specific obstacles, rather than punitive conditionality.
9. **Promote work-life balance** – ensuring that work and family life are made compatible, that women do not bear an extra burden and domestic/care is fairly shared.
10. **Support grass-roots, bottom up initiatives** with EU funds, developed together with people in poverty to drive really innovative, personalized solutions.

### ***What role can the EU play?***

- Adopt a Council Recommendation to adopt an integrated, rights-based antipoverty strategy delivered through hard law, the European Semester and Social OMC.

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<sup>2</sup> Drawn from EAPN and PEP recent reports and demands.

- Ensure convergence towards high level social standards and guarantee access to social rights through EU Frameworks for minimum wages and for accessible public services of general interest and an EU framework directive on adequate Minimum Income Schemes.
- Adopt obligatory guidelines for meaningful structured dialogue involving civil society and participation of people in poverty at all stages.
- Prioritise EU funds for grass-root partnership initiatives to fight poverty involving civil society to promote bottom up change.

## **2. What post 2020 framework/governance process do we need? What's our learning from the European Semester/Europe 2020? What could the SDG agenda offer?**

### ***Learning from the past?***

- The Europe 2020 Strategy seemed a step forward for an inclusive, sustainable EU agenda, setting targets (ie poverty) delivered through the European Semester with potential for sanctions/recommendations, aligned to EU funding (ie the 20% ESF).
- There has been some success in using the target to ensure a continued focus on poverty eg with increasing number of Country-specific Recommendations and in NRPs and Country Reports eg recommendations for adequate minimum income, decent wages and quality work, access to quality services, integrated support.
- However, the Semester remains primarily a macroeconomic coordination tool focussed on stability, and the same kind of growth that has promoted austerity 'modernizing/ restructuring' ie weakening social protection and labour markets over rights. This supports the same approach to markets that was responsible for the crisis and promotes a wrong model of redistribution of wealth.
- Participation of civil society and people in poverty has become weaker in some countries, whilst in others there have been gains, despite commitment to engagement from NGOs (eg EAPN), with little visibility or sustained ownership at national level.
- The 20% earmarking of ESF for poverty, underpinned by active inclusion strategies, is an important step forward, but too focused on short-term employment initiatives which fail to reach grass-root organizations, and lacking adequate monitoring.
- The new European Pillar of Social Rights and reflection paper on the social dimension of Europe appear to offer potential to progress on key principles and social rights in the European Semester, with some potential for hard law, but it is unclear how it will be delivered and what impact it will have for people in poverty.

### ***What EU framework?***

- There is a clear need to reconstruct economic and social policies and a desperate need for new policies. This is well-known to citizens and different stakeholders. It is clear for decision makers as well. That is why they started to announce the need for reindustrialisation and the social pillar - to provide some compensation for the damage to the "European Social Model" now recognised as the only thing that can keep EU from going even deeper in crisis.

- Any post 2020 EU framework must go beyond growth and jobs and put sustainable social and environmental goals at the centre, not sidelined as with Europe 2020.
- Effective, independent and participatory impact assessment is vital to learn from the past and to develop a future strategy which avoids negative social and environmental impact.
- The 2030 agenda and SDG's appear to offer an ambitious, rights-based framework that could deliver a real social and sustainable global agenda, backed by UN, EU and MS commitments and based on the extensive participation of civil society and people in poverty. But it is unclear if the EU has this ambition, and what it would mean in practice and how they will involve civil society? It will need to be translated into well-defined EU targets with an effective monitoring mechanism if it is to have real impact.
- It's likely that the European Semester will continue as the main EU economic coordination instrument, even if the SDGs is the framework. But if economic/fiscal rules dominate as now, the social/environmental goals are likely to be undermined and poverty and inequality increased.
- At the centre must be the aim to eradicate poverty in all its forms, to promote social rights and to reduce inequality through an integrated strategy as highlighted above.
- A poverty target will continue to be crucial, together with sub-targets for the most excluded and priority groups. The use of agreed EU indicators should be made compulsory for monitoring at national level, with greater transparency and concrete recommendations and sanctions.
- The Social Open Method of Coordination has played a key role in enabling more detailed work to deliver on key social policies with the relevant actors. It could be important to ensure more investment in this 'parallel' process which should underpin and feed into the integrated coordination cycle through the European Semester.
- The governance process in the Semester, Social OMC or equivalent, must establish agreed compulsory guidelines to ensure the meaningful engagement of civil society at all stages and based on the real participation of people in poverty at all stages. This will require concrete financial and other resources at national level.
- EU funding must be channelled to support the delivery on poverty and social rights, but by prioritising money to local grass-roots partnership initiatives which involve and benefit people in poverty working in partnership with other stakeholders.

### 3. What action should be taken in the Pillar of Social Rights and Future of Europe?

**European Pillar of Social Rights:** The Pillar of Social Rights provides a positive step forward as a means to support 'upward convergence' through benchmarking mechanisms.

- However, it remains a framework of principles rather than rights with no binding obligations. The legislative proposals are interesting, particularly access to social protection and work/life balance but limited, and with unclear impact on poverty or clarity about support from Member States.
- A major drawback is that initially the initiative is only targeted at the Eurozone. This runs the risk of widening the gap between Member States and social dumping.

- The European Pillar of Social Rights' new social scoreboard and benchmarking of the 20 policy domains, could provide benefits in terms of progress on key rights and principles, but this should support not replace the poverty target and demonstrate how it will contribute to delivery of an integrated strategy to reduce poverty.
- Pressing actively for delivery on key policy domains eg adequate minimum income/minimum wage and demands for hard instruments could be crucial, and may enable political space for progress. But in itself EPSR does not provide a more inclusive strategy for Europe, unless there's policy coherence with overarching economic goals.
- Neither does it ensure an integrated strategy to fight poverty. Clearer implementation mechanisms are needed to show how rights will combine as part of integrated strategies that have a real impact on people's lives supported by EU funding.
- Participation of citizens, including people with direct experience of poverty and civil society organizations must become core elements for ownership and delivery.

### ***Future of Europe and Social Dimension Reflection Paper***

- Most of the 5 scenarios in the [White Paper on the Future of Europe](#) give little focus to social objectives. EAPN underlines that **Social is not a dimension but a central objective of the EU**. The [Social Dimension Reflection paper](#) published with the European Pillar of Social Rights offers 3 scenarios: 1) limit the 'social dimension' to free movement; 2) those who want to do more could do more in the social field; or 3) the EU-27 could deepen the social dimension together.
- Support for *More Europe*, however, will depend on the ability to turn the period 2020 – 2050 into a period of "*social and sustainable development*", whose products are distributed so as to reduce poverty, unemployment and inequalities. EAPN began talking about the need for a turning point around 10 years ago. Stakeholders who share this view grow in number and EAPN should have a role in outlining the turning point. We need a 6<sup>th</sup> scenario which promotes a genuinely transformative agenda, with social Europe, social rights and standards, and people at the heart as well as preserving our planet.