

Make participation a driver for social rights

EAPN Assessment of the National Reform Programmes 2018

1. Ensure macroeconomic policies promote social rights and poverty reduction!
2. Progress on poverty + social rights with a rights-based integrated strategy/action plan
3. Implement quality employment policies that ensure that nobody is left behind
4. Invest in equal access to universal, free, quality public education and holistic lifelong learning, as well as vocational training
5. Increase EU funds for measures supporting integrated anti-poverty strategies, delivered with civil society organisations!
6. Make partnership with people in poverty a driver for Social Rights - embedding regular, meaningful dialogue with people facing poverty and NGOs

September 2018

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PART 1: OVERVIEW

Introduction

In 2018, the EU continues to face a widening divide amongst its members and citizens with still little confidence about progress on a transformed Social EU that puts people first. Despite the Europe 2020 goals, poverty still affects over 118 million people, nearly 1 in 4 of the population, and there's still no progress on the target set in 2010.

The EU has tried to move forward on its vision of the *Future of Europe*, but with uncertain progress. There is also great unwillingness to commit a new Commission and Parliament to any future post 2020 strategy. This creates a lot of uncertainty around current and future priorities for the fight against poverty.

To its credit, the Juncker Presidency continues to try to put flesh on its proposals for a Social Triple A, most notably by the adoption by the Commission, Council and European Parliament of the Inter-Institutional Proclamation on the European Pillar of Social Rights in Gothenburg on the 17 November 2017. In March 2018 the Social Fairness Package was launched setting out more clearly how the Social Pillar will be implemented – mainly through the European Semester and EU funds, but also proposing some more hard law proposals e.g. concrete legislation on work-life balance and a reshaping of the Written Statement of employment rights. However, the initial idea of hard law to guarantee access to social protection - crucial with new precarious forms of work - has been downgraded to a Council Recommendation. As the Social Pillar is essentially a framework of principles, not obligatory rights, responsibility passes to Member States to implement it, including through EU funds. NGOs' role is to hold Member States, but also the Commission and European Parliament, accountable to the proclamation whilst offering support in the implementation. This can be done through awareness-raising and advocacy, developing innovative grass-root social services, and by actively engaging in the policy-making processes. The European Semester offers a key means for active cooperation amongst partners.

EAPN actively engages with its members to get the European Semester to deliver concrete results on combating poverty and social exclusion and implementing social rights. We want to see Member States embedding a Social Rights approach to social inclusion, progressing on their poverty reduction targets and investing in effective integrated strategies to tackling poverty - through quality jobs, services and social protection, including adequate minimum income. Are there signs of a shift away from macroeconomic policies which prioritize austerity to the detriment of inclusive, social and sustainable development? Achieving a rebalancing is the central challenge for the EU and key to achieving public support for the future of a Social Europe with social rights at its heart.

This Report provides a synthesis of EAPN members' assessment of their 2018 National Reform Programmes. It considers how far Member States have pursued policies which contribute to key social targets of Europe 2020 (poverty, employment and education), investing in social rights and standards to ensure inclusive growth, and demonstrating an increased commitment to quality participation of civil society organisations and people experiencing

poverty. It is based on a questionnaire and scoreboard responses from 13 national networks as part of the EAPN EU Inclusion Strategies Group (AT, BE, HR, EE, FI, DE, IE, IT, LU, PL, PT, SE, UK), and incorporates inputs from other members in a workshop exchange held in Brussels on the 6 July (BG, CZ, FR, LV, LT, MT, NL, RO, Eurodiaconia and Age Platform). Responses to the final draft were received from EAPN BE, FR, IE, IT, LU, NL, UK, Eurodiaconia and FEANTSA. It was drafted by the EAPN Policy Team: Sian Jones, Policy Coordinator with support from Claudia Husdup, Policy Intern and Matteo Mandelli, Policy Assistant.

Executive Summary

The main message is that despite the joint adoption of the European Pillar of Social Rights and some references to Europe 2020 targets, Member States appear to be currently giving little priority to social rights and inadequate responses to fighting poverty. Despite important promises to ‘rebalance’ the European Semester promoting social and economic convergence, the overall EU approach continues to be dominated by macroeconomic priorities of austerity and marketisation. There is a failure to analyse and address who benefits and who loses, particularly from changes to tax/benefit policies, but also the social impact of policies to make labour markets more flexible and promote privatisation. There are evident political consequences of this failure. Most importantly there is inadequate commitment to a step-change to a more social and sustainable model of growth – in line with the SDGs and Social Pillar where social investment in quality jobs and universal welfare states financed through tax justice are treated as pre-requisites to guaranteeing social rights for all.

In the NRP process, there is welcome reference to the Europe 2020 targets with small sections on the poverty target, but there is little sign of a systematic approach to implementing social rights (all principles) for all groups, including effective analysis of the causes and the groups at risk. Neither are there effective solutions: integrated strategies to fight poverty. Employment is too readily accepted as the main route out of poverty, and despite growing in-work poverty and insecurity, there is resistance to regulating markets more effectively to enforce economic and social rights. Governments are very aware of the potential costs of demographic change and are taking steps to address it, although without sufficient focus on adequacy of pensions and growing inequalities in healthy life years for people in poverty. Social security and social assistance systems are under financial and regulatory pressure – picking up the social and health costs of poor work in poorly regulated labour markets, a cost that will continue into these workers’ old age. But this is not being addressed.

Although there is some more targeted focus on supporting specific groups, particularly women, children/youth, people with disabilities and in some countries older people, migrants and ethnic minorities particularly Roma are given little priority. Commitment to creating and supporting people into quality jobs, through integrated active inclusion approaches is still mainly absent, with some worrying increases in negative conditionality focused on ‘cutting social welfare payments’ rather than effective personalized support. Education/training, are almost entirely labour-market focussed, with insufficient concern for ensuring equal access to universal, quality education and lifelong learning and without the holistic approach proposed in the Social Pillar. Many of these initiatives are supported by EU funds but lack an assessment of the success of measures funded under the 20% ESF earmarking for reducing poverty, through integrated anti-poverty strategies based on active inclusion.

Few NRPs make any assessment of stakeholder engagement, particularly the involvement of NGOs and people facing poverty. This appears partly due to the low importance of the NRP itself (a report, not a plan...) but more worryingly a lack of political will to engage directly with civil society in public debate, involving them in a partnership approach to policy-making and delivery. This failure to put people at the heart of policy making at the very time when a 'populist tide' is rejecting the status quo, risks further disconnecting from people's needs and concerns, and support for the EU project.

EAPN members are clear on what is needed - a genuine shift toward an inclusive, social and sustainable growth model putting people and social rights at the heart – a new post 2020 strategy based on the SDGs and Pillar of Social Rights, backed by a social EU budget with 30% for funds for poverty. Social rights can only be made a reality through social investment in quality jobs and universal welfare states ensuring quality services and social protection including minimum income for all. Participation of people in poverty and NGOs is key to driving this movement for change.

Key Messages

1. Ensure macroeconomic policies promote social rights and poverty reduction!

- **Mainstream social/distributional impact assessment** of macroeconomic policies to ensure they deliver on social rights and reduce poverty and inequality.
- **End austerity and recognise social spending as an investment in education, health, security and productivity** including through allowing greater fiscal flexibility on investment in social protection and key public services including quality, affordable health/long-term care, social services, education and social housing.
- **Increase tax revenues and re-energise their primary role as a redistributive mechanism for public good:** promote more progressive taxation, stronger legal and enforcement measures against tax evasion and avoidance, and the introduction of new or reinvigorated financial instruments – eg a Financial Transactions Tax and wealth taxes.

2. Progress on poverty + social rights with a rights-based integrated strategy/action plan

- **Accelerate progress on the poverty target and set new ambitious targets** with clear triggers for policy recommendations (CSRs) when sufficient progress isn't made; ensure a continuation and strengthening of the targets in any post 2020 strategy, linked to the SDG goals.
- **Prioritize development of an ambitious rights-based integrated anti-poverty strategy** ensuring universal access to quality social protection including adequate minimum income, public quality services, quality jobs and social participation, across the life-cycle. For target groups support agreed EU integrated approaches e.g. in "Tackling housing exclusion and homelessness" and "Investing in Children".
- **Implement the Social Pillar by driving up social standards and social rights** – adopt an Action plan and monitor progress on all principles, extending the scoreboard in the European Semester, starting with adequate minimum income, universal social

protection, fair wages, access to services (particularly housing and health) and education/lifelong learning.

3. Implement quality employment policies that ensure that nobody is left behind

- **Step up strategies to promote gender equality and close the gender pay gap, and targeted support for specific groups**, including minorities, migrants, young and older people and people with disabilities.
- **Promote decent, sustainable and good-quality jobs by investing in quality job creation**, fostering living wages and security in the workplace and by curbing precariousness.
- **Prioritize the fight against in-work poverty** and ensure that paid work can provide a sustainable route out of poverty by adjusting tax, subsidy and regulation to create a more level playing field for all forms of work.
- **Support comprehensive Active Inclusion approaches**, particularly for long-term unemployed people, guaranteeing personalized, integrated support that goes beyond employment (i.e. encompassing adequate income support and quality, affordable services).
- **Recognize the value of positive incentives** and eliminate practices and narratives of negative conditionality that injure autonomy, health and social respect, increase social divisions and are ineffective in supporting access to sustainable work that takes people out of poverty.

4. Invest in equal access to universal, free, quality public education and holistic lifelong learning, as well as vocational training

- **Adopt a comprehensive vision of education and lifelong learning** that goes beyond the needs of the labour market, ensuring that targets and indicators capture reality.
- **Promote free, inclusive and universal public education**; ending discrimination and segregation, ensuring nobody is left behind by adopting pro-active measures to ensure gender equality as well as for all target groups: ethnic minorities, people with disabilities, migrants and people facing poverty.
- **Raise the quality of education and integrate anti-poverty goals in educational policies and budgets**: ameliorating and making more accessible the curricular and extra-curricular offers of schools; investing in infrastructures; increasing childcare support, early childhood care, student grants and family allowances.
- **Ensure access for workers and jobseekers (especially youth) to adequate upskilling and/or training programmes**, adapting them to the needs of disadvantaged people, and ensuring universal access to adult education, including 2nd chance education.
- **Reinforce quality and inclusive lifelong learning**, beyond merely employment-related needs, by supporting informal or non-formal learning approaches supporting personal and community development.

5. Increase EU funds for measures supporting integrated anti-poverty strategies, delivered with civil society organisations!

- **Social Inclusion is not just about employment!** – Projects must deliver on anti-poverty rights-based strategies founded on integrated active inclusion and concrete anti-discrimination measures.
- **Increased role of EU funds to fight poverty and social exclusion in the MFF**, EAPN calls for a Budget that should respect the SDG principle of ‘Leaving No-One Behind’ and recognize the eradication of Poverty and Social Inclusion as public goods and collective responsibility, with 30% of ESF+ and a dedicated poverty programme.
- **Enforce delivery of the partnership principle involving small NGOs and people in poverty** with more pro-active monitoring and enforcement of the code of conduct regarding quality of engagement of civil society actors, allowing them to be effective partners in the Monitoring Committees and in delivery. Social inclusion needs to be mainstreamed into local development approaches, and involve NGOs and people facing poverty and social exclusion.

6. Make partnership with people in poverty a driver for Social Rights - embedding regular, meaningful dialogue with people facing poverty and NGOs

- **Make the NRP a true strategic plan for social and inclusive development** drawing on the European Pillar of Social Rights and the SDGs and embracing Civil Society as a key partner. Establish ambitious **new goals** and **clear, compulsory common guidelines** on the Semester governance processes underpinned by the employment guidelines, involving all relevant actors in a quality engagement. This partnership approach to policy-making would increase the accountability and visibility of the Semester, making it closer to citizens, especially those most in need.
- **Embed quality standards for meaningful participation of people experiencing poverty and NGOs** at all stages of the policy-making process, providing them with support and **financial resources to build capacity** to contribute equally and effectively, supported by EU funds. **Quality standards indicators** should be agreed and monitored throughout the Semester process (NRPs, Country Reports, bi-lateral dialogues, AGS/ Joint Employment Report). **Mutual learning** on best practices is needed to encourage upward convergence.
- **Improve the effectiveness and impact of the NRP by taking on board NGO contributions** for example by annexing them to the NRP, systematically including them in the main NRP document as well as mainstreaming them into policy proposals. **Regular feedback to participants in relation to their inputs is also crucial**, as part of an on-going, regular structured dialogue and partnership.

PART 2: MEMBERS' ASSESSMENT OF 2018 NRPs

EAPN Summary Scoreboard

91%	The Social Pillar concern about increasing social rights and standards is NOT clearly visible (73% strongly agree + 18% partly agree)
91 %	Inequality is NOT seen as a priority, encouraging redistribution including fairer tax (64% strongly agree + 27% partly agree)
82 %	The NRPs <u>lack</u> an integrated strategy on poverty, supporting active inclusion – access to quality jobs, services and adequate minimum income. (64% strongly agree + 18% partly agree)
73%	Anti-poverty NGOs views were NOT taken seriously into account in the NRPs (64% strongly agree + 9% partly agree)
72%	Increasing quality jobs and tackling in-work poverty are NOT key priorities in the NRPs (36 % strongly agree + 36% partly agree)
64%	EAPN members were NOT consulted in the development of the NRPs (46% strongly agree + 18% partly agree)
64 %	NO progress has been made on implementing key EU social investment priorities – particularly investing in children and tackling homelessness (37% strongly agree + 27% partly agree)
64 %	The NRPs do not have poverty as a main priority, and employment (with increased conditionality) is seen as the only solution to fight against poverty (37% strongly agree + 27% partly agree)
63%	Austerity is NOT the dominant focus and is NOT generating more poverty and social exclusion (45% strongly agree + 18% partly agree)
55 %	NRPs are primarily aimed at macroeconomic and financial management not on Europe 2020 targets or the Social Pillar (55% strongly agree)
55 %	The education and training measures are primarily aimed at increasing skills not at ensuring an inclusive quality education system/life-long learning (46% strongly agree + 9% partly agree)
55 %	The employment measures proposed in the NRPs are NOT the right ones to ensure access to quality jobs for all (27% strongly agree + 37% partly agree)
55%	Social protection is seen as a cost, NOT as a social investment (18% strongly agree + 37% partly agree)
46%	The NRPs are more focused on investment, but not on social investment. (18% strongly agree + 28% partly agree)
36%	Structural Funds are NOT being used effectively to reduce poverty and to deliver on the 20% ear-marking of ESF. (18% strongly agree + 18% partly agree)

Detailed Scoreboard

Questions	Strongly Agree	Partly Agree	Strongly Disagree	Partly Disagree	Not sure
1. The NRP is primarily aimed at macroeconomic and financial management not on Europe 2020 targets or Social Pillar	55%	-	18%	27%	-
2. Austerity is still the dominant focus, and is generating more poverty and social exclusion	19%	9%	45%	18%	9%
3. There is more focus on investment, but not on social investment	18%	28%	18%	18%	18%
4. Inequality is a priority, encouraging redistribution including fairer tax	-	9%	64%	27%	-
5. Poverty is not a priority, and employment is seen as the only solution with increased conditionality	37%	27%	9%	18%	9%
6. An integrated strategy on poverty, supporting active inclusion – access to quality jobs, services and adequate minimum income is proposed	-	18%	64%	18%	-
7. Progress has been made on implementing key EU social investment priorities – particularly investing in children and tackling homelessness	-	36%	37%	27%	-
8. The Social Pillar concerns about increasing social rights and standards are clearly visible	-	9%	73%	18%	-
9. Increasing quality jobs and tackling in-work poverty is a key priority in the NRP	-	9%	27%	37%	27%
10. The employment measures proposed are the right ones to ensure access to quality jobs for all	5%	20%	20%	35%	20%
11. Education and training measures are primarily aimed at increasing	46%	9%	9%	18%	18%

<i>skills not at ensuring an inclusive quality education system/life-long learning</i>					
<i>12. Social Protection is seen as an investment, not a cost, and effectively impacts on poverty</i>	27%	18%	18%	37%	-
<i>13. Structural Funds are being used effectively to reduce poverty and deliver on 20% of ESF</i>	-	27%	18%	18%	37%
<i>14. EAPN members engaged and/or were consulted in the development of the NRPs</i>	9%	27%	46%	18%	-
<i>15. The opinion of anti-poverty NGOs was taken seriously into account in the NRPs</i>	-	18%	64%	9%	9%

Thematic Assessment of 2018 NRPs

1. MACROECONOMIC POLICIES

Introduction

The Macroeconomic Chapter in the National Reform Programme (NRP) sets the overall framework for the NRP. However, as it overlaps with the parallel **Stability and Convergence Programme (SCP)**, the chapter in the NRP often lacks detail on specific macroeconomic measures, underplaying the **dominance of macroeconomic and fiscal priorities within the overall Semester**.

According to the NRP Guidelines from the European Commission, Member States are expected to focus their NRP on an assessment of their delivery on the 2018 CSRs as well as delivery on Europe 2020 goals/targets. **A new requirement is to monitor delivery in the Semester on the European Pillar of Social Rights particularly through the Social Scoreboard.**¹ As the number of CSRs has been reduced (1-5), the main CSR (1) is usually focused on budget stability, and risks being at odds with the Social CSRs. The **Annual Growth Survey (AGS) 2018² builds on the improved social rhetoric** already evident in 2017 and gives **new priority to the European Pillar of Social Rights³**. The AGS aims for the first time to identify **economic AND social priorities** with a focus on economic and social convergence.⁴ **The European Pillar of Social Rights is proposed as a ‘compass’ for the European Semester**, stressing the key role that efficient tax/benefit systems can play, explicitly encouraging the distributional impact of tax/benefit policies.

However, **Stability and Growth priorities remain dominant** with the **overall AGS priorities remaining the same**: 1) Boosting investment 2) Pursuing structural reforms and 3) Responsible fiscal policies. Disappointingly **no mention is made of Europe 2020 targets, particularly the poverty reduction target**. Social investment is not sufficiently underlined, nor are adequate social protection and access to quality, affordable services, underlined as a social right.⁵ There is a worrying **lack of priority given to adequate financing of social protection** despite the warning signs highlighted in the Social Scoreboard 2018⁶, with the main negative risk indicator being ‘the declining ability of social transfers to reduce poverty in 13 Member States’.

This chapter assesses EAPN members’ views on **how far the macroeconomic policies in the NRPs 2018 are supporting social objectives, the commitment to reduce poverty and the implementation of the European Pillar of Social Rights**.

From our **scoreboard survey of EAPN members**, there is a welcome improvement from 2017:

¹ European Commission: Social Fairness Package: Monitoring the implementation of the Social Pillar (March 2018)

² European Commission: Annual Growth Survey 2018 (November 2017)

³ Adopted by Inter-institutional proclamation by Commission, Council and European Parliament (Nov 2017)

⁴ EAPN Response to the Annual Growth Survey Package 2018: Getting results on poverty and the Social Pillar

⁵ European Commission: European Pillar of Social Rights.

⁶ European Commission: Social Scoreboard 2018.

- 55% say the **European Semester continues to be a tool primarily for macroeconomic/fiscal management rather than social ie to ensure delivery on the Europe 2020 targets**, particularly the poverty target, compared to 70% (2017).
- 28% see **Austerity as the dominant focus of the NRP** compared to 55%, in 2017. Although those that emphasize austerity highlight its devastating role in increasing poverty.
- 55% say that social protection is still seen as a cost not a benefit, compared to 70% in 2017.
- However, 91% say that **inequality is not seen as a priority, encouraging redistribution, including fairer tax compared to 75%!**

Key Concerns

Low visibility of Social Pillar with small signs of economic/social rebalancing

The majority (55%) of members highlight a macroeconomic section which still primarily focuses on **macroeconomic imbalances, deficit and debt and to a lesser degree, on growth** (HR, EE, FI, IE, IT, LU, PL, UK). EAPN LU highlights that the chapter mainly provides a description of the economic shape of the country, tested only with an econometric model, rather than against reality. The **main macroeconomic proposals are detailed in the parallel Convergence Programme**. This means that the NRP is focused specifically on responding to the Country reports although there are some new proposals to accomplish the Europe 2020 targets (PL). Disappointingly, most members highlight that there is **no direct mention of the Social Pillar or Scoreboard** in relation to macroeconomic policy (AT, BE, HR, EE, FI, DE, IE, IT, LU, NL, PL, PT, UK).

Some members feel that there are small **signs of positive rebalancing of macroeconomic and social, reflecting the Social Pillar (IT, SE)** for example with the approach to employment, equal opportunities and education (IT). In Sweden, as the economy is going well, the focus of the NRP is clearly on social and sustainable priorities. *“The strength of Sweden’s economy must benefit everyone...the Government has also introduced new indicators of well-being to complement GDP and provide a broader measure of societal development”* (NRP SE).

In the Italian NRP, the concept of sustainable and equitable well-being has been introduced in the cycle of economic planning, and the NRP describes the trends through 12 indicators. A National Strategy for Sustainable Development defining economic and environmental guidelines meeting the SDG Goals by 2030 is also mentioned. Steps had been taken towards this aim, but we have no idea what is in store now! (EAPN IT)

In Poland, the rebalancing proposals made in 2017 have been partially confirmed in 2018. Europe 2020 targets are explicitly mentioned, including with a focus on **climate change and sustainable energy** but without any recognition of the social dimensions of energy policy eg energy poverty, energy inequality, energy exclusion, vulnerable customers (PL). In the UK, although the overarching approach is much as before, the tone is more inclusive. **However, there are major concerns about the shortcomings of the overall framework for the macroeconomic policies and implementation.** In Bulgaria, the main focus is to boost economic growth and to facilitate the business sector, *“but poverty persists, despite the economic growth Bulgaria witnessed, and this isn’t mentioned in the NRP”* (EAPN BG).

Austerity still evident with uncertainty about poverty impact of positive measures

Only 27% of members responding in our scoreboard stress austerity being the dominant focus in the macroeconomic approach in 2018. However, an important group of countries underline a worrying continued **focus on cuts and cost savings** (EE, FI, UK). *“Austerity remains the main religion of the state of Estonia, although public dept is less than 9% of GDP”* (EE). *“The big picture is structural changes and savings”* (FI). These cuts directly impact on poverty, reducing social assistance/transfers or access for the poor and reducing the effectiveness of redistribution by cutting coverage/adequacy of public services.

EAPN UK: *The fiscal framework is still austerity achieved by cuts in public spending. As the Institute of Fiscal Studies highlighted⁷ “much of the deficit reduction came courtesy of spending cuts rather than tax increases”. The economy now is 14% smaller than would have been expected on pre-crisis trends, with a loss of national income per person of £5,900 and median earnings still below 2008. Public services are close to failure, with Local Authorities only receiving 50% of the budget before the crash and repeated direct cuts to working-age social assistance benefits, which are now below half the 60% median household income poverty line. Spending cuts have driven rising relative income poverty, but the poorest have suffered most from government policy response to the crisis rather than the impact of the crisis itself... perhaps for this reason the Human Rights and Poverty Rapporteur is coming to the UK to analyze the consequences of austerity policies on poverty*

In Finland, the **cuts to social security are in the form of index-link freezing**. In other countries, the primary risk is increasing regional disparities (HR), particularly of social services, offering key services to vulnerable groups. In some countries although **positive steps to increase social transfers** are highlighted, there are concerns about the **implementation and overall impact on poverty**, particularly where the main objective of increased social transfers appears to be **getting people, particularly women into the labour market**, rather than ensuring gender equality, adequate income and social rights.

⁷ Johnson, P (2018) Spring Statement, Institute of Fiscal Studies, March. https://www.ifs.org.uk/uploads/SS18%20intro%20remarks_PAUL%20JOHNSON.pdf

In Austria, the new tax credit (Steuerabsetzbetrag) the 'Family bonus plus' was implemented recently promising up to 1500 Euros per child per year but leaves behind parents already working in the low-paid sector or depending on income support. Single parents with low income and single earners who are paying low or no taxes receive a max of 250 Euros per child per year. At the same time means tested minimum income was capped in some provinces at 1.500 Euro, mostly affecting families with 3 or more children and refugees. The constitutional court annulled the minimum income in Lower Austria for being 'impertinent and unconstitutional' in March 2018.

In Poland, positive trends in 2017 are partially confirmed with the introduction of Family 500 Plus programme, increase in minimum wage, minimum pensions, reform limiting abuses in temporary employment agencies, and a nursing benefit. However, there are worrying austerity trends – eg a 'tightening' of the new child allowance with a drop in the coverage by 9%. This means cuts in the allowances to 311,000 children of single parent families, by including the court order about alimony from absent parents into the eligibility criteria. This means a cut of 1.7 billion zł. A new increase in the social benefit for people with disabilities up to 18 (or 25 if in education) is being proposed, due to a large mobilisation/protest by parents with adult children with disabilities in the parliament. However, the main demand for a new monthly benefit per adult child with severe disabilities has not been answered. The new benefit is only 300 zł once a year per child.

Social spending still seen too often as a cost not an investment...

Members highlight the **priority still given to sustainability/efficiency of pensions, social and health care systems, rather than a focus on social investment and social rights** (AT, EE, FI, LV, PL, UK). 55% in the scoreboard say that social protection is treated as a cost not an investment. In Estonia, public health is discussed in the context of **prevention to reduce costs**, with very little said about **health care**. In Poland, the concern is **healthcare management reform**: testing new coordinated health care with mainly efficiency and cost-saving goals. "*Investment is understood without any relation to social investment*" (PL). In Austria, although reflections are welcomed on restructuring the health services, the focus is on **reducing contributions** paid by employers, with the proposed abandonment of the Austrian Workers Compensation Board (a social insurance for occupational risks), which will relieve employers of their social responsibility. As pointed out by EAPN AT, **a social rights/investment approach in health care would focus more on social investment, prevention, patient-centred care**, including in the community, and better working conditions and supervision for medical staff. In the UK, an **extra £20 billion** will be invested in the National Health Service, due to the high political profile with recognition of the negative impact of cuts with drastic deterioration of services. However, it is **not adequate to compensate for eight years of chronic underfunding** or to address an increasing and ageing population and new treatments. Neither is it clear where this new money will come from.

In **Pensions**, the continued focus is on early retirement and increasing reliance on occupational pension schemes. In Belgium the legal pension age increased but no profound measures are taken to support the elderly to work longer. Positive measures are an increased focus on poverty of female pensioners (AT) with the increase of the minimum amount of the

means-tested equalization supplement, but it is only paid to women who've contributed for at least 30 years.

In Housing, the overall approach continues to support private developer investment and private housing market growth, rather than ensuring a right to adequate, affordable housing or tackling homelessness (AT, SE, UK). Sweden and the UK each received a CSR regarding their dysfunctional housing market, but the CSRs fail to address the major challenge of large-scale investment in affordable rented housing, particularly social housing. In Sweden, more liberal rent regulation is proposed which is likely to increase housing indebtedness. However, in Portugal, important new housing policy development is highlighted in the NRP, including a new strategy on homeless, highlighting problems on housing, speaking about a new generation of housing poverty and describing all the policies. Supporting low income households to buy their own homes appears to be also threatened, with increased focus given to **shrinking the demand side of the housing market by giving less support to the family, rather than boosting the supply side**. Giving less subsidies shrinks demand but fewer lower income households can afford to buy a house (LU, NL).

Whilst **Education** appears to get a stronger investment focus with some positive recommendations (EE, DE, FI, PL) eg to reduce fees (FI), it is largely viewed as higher education macro reforms e.g. increasing medical higher education in response to medical doctors' supply shortages (PL) or a tool for labour market integration (EE). Crucial investments in basic school/education infrastructures are often lacking (DE). Bulgaria underlines that there is some positive recognition of **energy poverty** and of the weak legal framework of the energy sector.

Even where there is a **more positive focus on social investment in line with the Country-specific Recommendations** (DE, IE), it is **not sufficient to compensate for the lack of investment** in key services in recent years. In Ireland, Project Ireland 2040 is referenced outlining Ireland's capital investment priorities including investment in a range of public services. However, it is unlikely that it is adequate to meet the current challenges and underinvestment particularly in key areas like health, housing, childcare/early childhood care and education. In Germany, although new investment plans are outlined there is a significant lack of investment in housing (particularly social housing), education – school infrastructure and poverty reduction.

Finally, the lack of policy coherence on macroeconomic priorities and social rights continues to be a major concern. As long as the first CSR on macroeconomic policy is focussed on reducing public deficit or debt reduction, it is likely to undermine social investment and social rights. For example, EAPN IE highlights that Ireland will use windfall revenue to reduce public debt, in line with the CSR received (IE), rather than ensuring an adequate level of resources for investment in services and adequate social protection.

Tax not used effectively to reduce inequality and adequately finance social protection and welfare states

Tax is a key instrument **to reduce inequality by redistributing income and wealth, and for financing social protection and public services**. The overall approach prioritises a narrow liberal concept of 'growth-friendly' tax **but ignores better distribution** (AT, DE, SE, UK). The missed opportunity **to increase tax revenue and invest in more progressive taxation is**

strongly underlined, despite the encouragement in the AGS (AT, BE, DE, SE, UK). This is particularly concerning in a situation where the richest 1% (and especially the richest 0.1%, whose wealth has soared away from everyone else) has increased their share of wealth and strengthened their position (SE). In Italy, the government is even taking **a step backward**, proposing the introduction of a 20% flat tax. In Belgium, the government introduced a **tax on securities accounts**, in response to long-standing demands for a fairer and more equitable taxation on capital. However, this taxation is easy to circumvent, so it has little impact. Germany highlights the need to look at **new financial instruments** e.g. financial transactions tax.

Whilst **reducing the tax burden for households on lower income** is welcomed, this needs to be compensated with increases in taxes for the wealthy, if overall revenues are to be sustained or increased (DE, IE, LV, SE, UK). In Germany, there is an increase of the tax-free amount and the solidarity tax is to be abolished, however this doesn't really benefit lower income groups as they hardly pay any tax. In Ireland, whilst the government is committed to reducing income taxes for some people, and the NRP states that these cuts have been offset by other taxes, the **overall goal needs to be to broaden the tax base and increase tax revenue, not just maintain it** (IE). Although in the UK, many people have been taken out of income tax, little or nothing is being done for those who are too poor to pay tax.

Tax cuts also often favour corporations, whilst increased indirect taxes like VAT hit poorer people hardest as they are more dependent on basic goods and services. As a result, the poorest 10% pay a higher total proportion of their incomes, through mainly indirect and regressive taxes (UK). Few countries follow Spain's example of increasing of funding of the Corporate tax for social purposes by 0.7%. In Belgium a tax shift was introduced that reduced the social contributions of employers from 30 % to 25 %. The employees saw their net salary being increased, but the tax shift also meant an increase of VAT and excise duties on consumer goods like electricity, gas, petrol and drinks effecting low income families the most.

Tax-revenue-raising capacity is also increasingly damaged by new ways of work - the shift to self-employment (and bogus self-employment), as such workers pay lower rates of tax than employees for the same level of remuneration, as well as increased undeclared work. The digital economy poses specific challenges, as users generate revenue (generating content and followers attracting advertising revenue), but companies compete to avoid paying tax where the most value is added (UK).

A clear social and distributional impact analysis on who benefits and who loses from tax/benefit regimes as well as from reforms to public services is essential, to ensure economic policies reduce poverty and inequality, rather than increasing their risks by redistributing income and wealth to corporations and the wealthy.

Benchmarking from candidate and non-EU countries

EAPN Iceland: *The main issue in the country right now is housing. Home ownership is dropping dramatically. Young people are not able to own homes and they keep living with parents for many years. There have been some practical changes within unions, that have started to build themselves affordable houses with their employers, which is good news. These new houses*

will be ready in a couple of years. Trade unions see this as an investment. Besides housing, health care is also a problematic issue, as the system is going through an early stage of privatization. Moreover, midwives are currently on a strike and the government is saying that their demands are too high.

EAPN Serbia: *Serbia is not involved in the European Semester, as it is a candidate Country. However, there is a lighter version of the Semester called the Economic Reform Programme. In the past the name of the Programme included the words “employment” and “social”. Now it only references the economic side.*

EAPN Macedonia: *We have a progress report which highlights the changes to more progressive taxation, but the IT industries are fighting it. 3% of the richest have the same wealth as 50% of the poorest.*

Key Messages

Ensure macroeconomic policies support social rights and poverty reduction!

- **Mainstream social/distributional impact assessment** of tax/benefit and public services reform proposals to ensure they deliver on social rights and reduce poverty and inequality.
- **End austerity and recognise social spending as an investment:** require flexibility in deficit/debt management to invest in social protection and key public services including quality, affordable health/long-term care, social services, education and social housing.
- **Increase tax revenues and distributive role:** with more progressive taxation, fighting tax avoidance and new financial instruments – eg Financial Transactions Tax.

2. POVERTY AND SOCIAL EXCLUSION

Introduction

The European Semester is still monitoring delivery on the Europe 2020 targets. Poverty is however still higher than in 2008 with no progress on the poverty target. In 2017 and 18 there has been a slight decline overall in overall poverty and social exclusion. According to the most recent data (2016) almost **118.7 million people, or 23.5 %** of the EU population, **were at risk of poverty or social exclusion (AROPE)**. This is still nearly one in four people in the EU⁸. However, **there is a widening gap** across the EU. With **one third of the population** or more in a critical situation in Bulgaria, Romania and Greece compared to the ‘best performers’ - Czech Republic, Finland, Denmark and the Netherlands with below 17%. Meanwhile **in-work poverty** remains an increasing trend, reaching 9.6%, demonstrating that a job alone is not enough to lift people out of poverty. **The groups most at risk** remain single parents (50%), children (26.4%), young people (30.5%), low-skilled (34.9%), people with disabilities (29.9%) and migrants who are third country nationals (39.1%). Women face greater poverty than men (24.4% compared to 22.5%). Other groups known to be at risk are not captured adequately because of the lack of common EU indicators and comparable data – eg undocumented migrants, homeless people.

The European Commission continues to **bring pressure** to Member States to report on poverty in the NRP in its guidance note. **A specific section is required to report progress on poverty reduction**, and in particular on the **national poverty target** and its contribution to the overarching Europe 2020 poverty target. Czech Republic, Croatia, Poland, Portugal (in 2017) and Romania have reached their national targets, (members highlight that very unambitious targets were set), but the risk of poverty and social exclusion **has risen in 11 Member States since 2008**. Although mentions are made of the European Pillar of Social Rights and the Social Scoreboard in some NRPs this year, the EPSR does not appear to be comprehensively mainstreamed yet. EAPN members express considerable concern about the **lack of real progress on poverty or social rights on the ground**, in contradiction to the promises made of a Social Triple A and in adopting the Social Pillar.

This section highlights EAPN members’ assessment of the 2018 NRPs reporting on the effectiveness of the policies and measures to fight poverty and promote social rights.

From our scoreboard survey:

- **91% say the Social Pillar is not clearly visible.**
- **82% say the NRPs lack an integrated strategy to fight poverty based on active inclusion**, this is a big increase from 2017 (55%).
- **64% of EAPN responses say that in the NRP Poverty is not a priority, and that employment is seen as the only solution, with increased conditionality**, (37% strongly and 18% partly agree), a slight decline from 2017 (70%).

⁸ The Europe 2020 AROPE (at risk of poverty and/or social exclusion target combines 3 indicators: at risk of poverty, severe material deprivation and low work intensity, with the target to reduce poverty by at least 20 million by 2020.

- **64%, say there is no progress on implementing EU social investment priorities like investing in children and tackling homelessness** (30% strongly disagree and 30% partly) - slight increase on 2017 (60%).
- **55% say that Social protection is seen as a cost not an investment** compared to 70% (2016).

Key Concerns

Poverty target visible, but lacks ambition or comprehensive analysis

Most members welcome **the existence of a specific NRP chapter on poverty** (AT, BE, HR, EE, FI, DE, IE, IT, LU, PL) as an important recognition of the continued relevance Europe 2020. Although **Europe 2020 targets**⁹ including poverty are generally mentioned, (AT, BE, EE, FI, DE, IE, IT, LU, PL, PT) there is often an **uneven and piecemeal assessment**, with the tendency to **give priority to positive trends**, underplaying the indicators where the country is doing less well (AT, BE, EE, DE, IE, LU, PL, SE, UK). In several countries, as the overall AROPE indicators are slightly declining, **MS are now keen to demonstrate progress** (AT, FI, IE, LU, PL, PT).

*In **Austria**, there is a downward trend of people at risk of poverty, affected by severe material deprivation although the number of households with low work intensity has slightly increased. This is used to justify a focus on getting more women and long-term unemployed into work but doesn't propose how to reduce poverty levels for all groups.*

*In **Luxembourg**, the AROPE indicator was questioned for a long time, but is now embraced. This is due to the results of a recent study on reference budgets commissioned by the Minister of Family that produced poverty thresholds based on real needs that came out higher than AROPE, so the AROPE is now preferred!*

*In **Ireland**, poverty levels are falling, but as stated in the European Commission's Country Report, achieving the national poverty target will be challenging. Ireland has 2 overall poverty reduction targets – with Europe 2020, to reduce by a minimum of 200.000 the population in 'combined poverty' ie at risk of poverty or basic deprivation. This figure increased in 2013 by 330.00 but now has reduced substantially by 351.000 (2016). But a further 178.000 people need to be lifted out of combined poverty to reach the target. Ireland also has a National Social Target for Poverty Reduction which is to reduce the number of people in 'consistent poverty' to 4% by 2016 and 2% or less by 2020. In 2016, there was a reduction from 9.1% (2013) to 8.3%, but the interim target for 2016 has been missed.*

*In **Poland**, the NRP contains information on the poverty target, as it was reached in 2013 and is still improving. The prediction is made that instead of 1.5 million less (AROPE), there will be 4 million less from the 11.5 million in 2008. However, the NRP admits that relative poverty has not not changed substantially since 2010 – EAPN Poland proposed this amendment which was included in the text.*

⁹ AROPE: At risk of poverty and/or social exclusion based on 3 indicators: at risk of poverty, severe material deprivation and low work intensity.

In Portugal, there is a specific section demonstrating how Portugal is trying to reach each one of the 2020 targets. It highlights that Portugal has surpassed its AROPE target of reduction of at least 200.000, with a reduction of 358.000 in 2017.

In others, the **target focuses on only one indicator**. In Estonia, the target is focused on relative poverty, that shows a slight decline from 21.7% to 21.1%, although the target is 16.5%. In some cases, the **national poverty target is only the long-term unemployment indicator rather than the poverty indicators (AROPE)** eg (DE, SE). Germany's poverty target is a 20% reduction in long-term unemployed. However, this year the NRP highlights that there has been no real change in the at-risk-of-poverty rate since 2005, this despite the record economic and employment growth. As EAPN DE points out, this demonstrates that **reducing unemployment alone isn't sufficient to tackle poverty**, but no such reflection is forthcoming in the NRP. In the UK, the only official target is child poverty, where 1 in 3 children are at risk.

A few countries **avoid a poverty chapter (NL, SE)**. However, in Sweden within a chapter on social participation, poverty data is highlighted showing an **increase in relative poverty** by 0.2%, but no comment is made. EAPN Sweden worries that this may reflect a new trend, which has less to do with growing poverty, and more with the **growing gap between the rich and poor due to uneven income distribution**, as higher salaries/incomes have increased much more than for those on low incomes/benefits. In Lithuania, the NRP doesn't mention poverty.

In **terms of the groups, most NRPs highlight specific groups at greater risk of poverty**, however often these also are **'cherry-picked' through a lens of labour market needs, rather than a comprehensive, analysis of the causes/barriers for the main groups** at risk. In Austria, the focus is on getting women and the long-term unemployed into the labour market. In Luxembourg, there is a focus on increasing the employment rate of women and single-parent families in order to break the 'intergenerational transmission of poverty'. In Estonia: child and older people's poverty are stressed and in Poland, older people and people with disabilities. In Germany, unemployed, single parents, low-skilled and migrants are highlighted as being at higher risk, particularly of achieving employment. In some cases, however, the 'official' groups at greater risk of poverty are highlighted e.g. unemployed people, single parents and those who cannot work because of illness or disability. **Other groups are not adequately captured in the statistics however** – Travellers/Roma, migrants (particularly undocumented) and people living in disadvantaged urban areas (BE, IE). In Portugal, although the data are quoted and specific national strategies are highlighted for key groups, EAPN PT notes the lack of a detailed analysis of the particular situation of all groups facing poverty and social inclusion, **including a reference to gender**.

Low visibility of Social Pillar and Scoreboard

Most members highlight the surprising **lack of reference to the Social Pillar in the Poverty section or in the social scoreboard** (AT, BE, HR, EE, FI, DE, LV, PL, PT, UK). In others, the Social Pillar is mentioned, but no concrete measures /actions proposed to implement the principles (BG). **In other countries the social scoreboard is highlighted, particularly where they have been cited as best performers** (IE, SE). However, as EAPN Sweden points out, there is no reason to be complacent: *“a welfare country such as Sweden, with a strong economy, should do significantly better in terms of poverty and inequality”*. The majority of EAPN members highlight the **risk of loss of ambition for poverty reduction if the targets to reduce poverty (Europe 2020) are replaced by only the Social Scoreboard** which is focussed on EU averages. A combination is seen as essential.

Others highlight that although the Pillar and Scoreboard aren't named, **there are measures which reflect some of the 20 principles** (EE, IT, PT, SE). In Italy, although there is no mention of the Pillar, social protection and access to services are specifically a focus in the chapters devoted to employment and poverty. In Portugal, there are **notable measures concerning social rights** – e.g. health, housing promoting access to basic public goods and services, minimum income, fair wages and pensions. However, most agree that **they fall short of a rights-based approach**. *“There are some measures, but we cannot speak about more focus on social rights and standards. The rights-based approach is not a priority”* (EAPN EE). Some members note that it is **early days to expect big changes** in Member States' approaches towards the Social Pillar, when the current structure has been established with Europe 2020 indicators and targets, and the Guidelines¹⁰ are only just now being adopted to reflect the mainstreaming of the Social Pillar.

EAPN Poland highlights that they recently directly asked representatives of the government about the role of the Social Pillar in the European Semester, and the answer was that it had not been decided yet how to monitor and implement the EPSR, and it would be premature to include it in the NRP.

Lacking a rights-based, integrated strategy that tackles the structural causes of poverty

Most members highlight that NRPs are not action plans. They are reports that describe existing or planned policy, briefly listing a selection of measures. *“The section on poverty reduction aims to cover in a descriptive manner the policy in the social welfare area, but only presents a few project activities eg FEAD, institutionalization. It is not a comprehensive or activity-based strategy”* (HR). Neither is any attempt made to **evaluate the impact of these measures on poverty or inequality**. *“It is a loose selection of different actions. Some of these were described without any information about expected poverty or inequality reduction”* (PL). The NRP contains a list of all kinds of poverty and inequality measures taken by the different governments but these are all fragmentary. A global or structural vision on how to end poverty is missing. The measures are described very vaguely. *“In reality most measures have a very limited or no impact on poverty, and some even contribute to poverty”* (BE).

¹⁰ European Commission: Employment Guidelines 2018 (November 2017)

Most members highlight the **inadequacy of the overall policy response to significantly reduce poverty and implement social rights**, particularly regarding the development of an integrated strategic approach (AT, BE, HR, EE, FI, DE, LU, IT). *“This is far from an integrated, rights-based strategy to fight poverty”* (EE).

An **integrated active inclusion strategy**¹¹ is explicitly named in the Employment Guidelines and underpins the implementation of the 20% ESF earmarking on poverty referenced in the Pillar of Social Rights. However, it is only referred to in a few countries (IE, IT). In Italy, active inclusion underpins the introduction of key initiatives like the new Inclusion Income (REI), a breakthrough measure very near to the EU concept of Minimum Income.

In Ireland, the policy frame for Ireland’s National Action Plan for Social Inclusion is active inclusion combining adequate minimum income, inclusive labour markets and access to quality labour markets. However, as EAPN Ireland remarks *“Greater work needs to be done on ensuring this approach is understood and implemented in a balanced way”*.

The Portuguese NRP makes no reference to active inclusion but sets out to explain the multidimensional, integrated approach it will use to try to reach the 2020 poverty reduction target, saying that *“to fight poverty, exclusion and social and economic inequalities presupposes a logic of integrated and transversal action, imposing the need to articulate different strategies and actors, focusing on areas as diverse as social protection, employment, education, training, health, housing, culture, transport, energy, telecommunications etc”*. However, there is no proposal for a national, integrated strategy (PT).

One of the main concerns highlighted by EAPN members, is the **overarching failure to tackle the structural, as opposed to the behavioural causes of poverty** (AT, BE, HR, DE, IE, IT, PL, PT, UK). *“The tendency is to ‘blame’ the individual for their own poverty, highlighting personal failings. This leads to an approach largely based on carrots and sticks – increasingly its sticks - negative incentives – e.g. financial sanctions on benefits, reduction of autonomy, removal of rights e.g. to housing... Poor people are treated as a ‘cost’ which has to be ‘kept down’”* (EAPN UK).

An integrated strategy ensuring access to quality jobs, social protection and services for all must also address the **structural causes of poverty** – tackling the unequal distribution of income, wealth and power and be rooted in guaranteeing social, economic and cultural rights.

Minimum Income focus but rights-based approach needed to ensure adequacy and take up

Minimum Income and Social Protection are highlighted by members in most of the NRPs (AT, EE, FI, DE, IE, IT, PL, PT, RO, SE, UK). This positively reflects the Social Pillar principles (12 and 14).

Members responding highlight an increased focus on **income support for specific groups – particularly children and families** (AT, BE, EE, DE, IT, LV, LT, PL, PT). In Estonia, this includes the development of a system of **family benefits**: increasing child allowance for the 1st and 2nd child to 60 Euros by 2019 and a new allowance for large families. The subsistence level is increased to 130 Euros, and will rise to 140, and the establishment of a maintenance

¹¹ Council Recommendation on Active Inclusion (2008)

allowance scheme, as well as differentiated tax exemption is planned. In Germany, **child benefit** will be increased, and the single parents payment ‘Unterhaltsvorschuss’ extended. However there still lacks a uniform subsistence level for children and adolescents. In Belgium, the regions have authority over child allowances. In the NRP, the new legislation in both Flanders and Walloon are seen as child poverty reducing measures. Anti-poverty organisations in both regions have stated that family allowances can be a powerful tool to tackle child poverty but the new legislations are **far from ambitious**. For example: the Flemish government wanted to half the child poverty rate by 2020 but the new legislation only made the expected percentage of families with a poverty risk drop with 1.3%.

More **negatively** in Poland, proposals are made to **tighten the new child allowance** (500 plus), targeting single parent families who are suspected of being 2 parent families: this will mean a cut of allowance to over 311, 000 children. In Italy, **some positive steps** have been taken by **extending family allowances to all individuals**, with the introduction of the REI (Inclusion Income) and not only as a ‘money-giving’ measure but a step towards active inclusion. However, the current coalition government now talks of a ‘citizenship income’ and it is very unclear what will happen next. Increased income support for **people with disabilities** is also noted with positive measures, for example in Portugal:

In Portugal, there is a positive new measure: Social provision for inclusion which has 3 components: a base component (intended to compensate for the increased general costs resulting from disability, and with a view to promoting autonomy); a complement component (aiming to combat poverty of people with disabilities) and an increase/bonus component (intended to offset specific charges resulting from disability). Some grassroots organisations have already told us that the possibility of acquiring this benefit with the Social Insertion Income has brought positive impacts in the lives of people with disabilities living in a situation of vulnerability. (EAPN PT)

Concerns about **adequacy, coverage and reduced eligibility of general minimum income** are key concerns for all EAPN networks (AT, BE, HR, EE, FI, DE, IE, IT, LU, PL, PT, RO, SE, ES, UK).¹² Focus is also given to how far minimum income is **enabling** people to participate, stay in touch with the labour market, and engage with their local communities. The levels across all MS are generally **not adequate**. Even in countries **which are cited in the Social Scoreboard as being the most effective in using social transfers to reduce poverty** (DK and IE), the benefits are generally still too low to enable people to escape poverty. In Spain, because of the lack of an effective national framework, there are 587.000 households who fall through the net, **without any income**, according to the Economic Population Survey.

Members highlight increasing restrictions on **eligibility** and coverage, undermining the **right to minimum income for all groups and to the same level**. The priority given to ‘*removing disincentives to work*’, underlined in some Country specific Recommendations, is increasing restrictions on specific groups and promoting higher use of punitive sanctions, particularly impacting on people living with sickness or disability. This can result in lower levels of income support and/or shorter duration of benefits. In the worst-case scenarios, **vulnerable people’s benefits are stopped completely with desperate consequences** – resulting in hardship, illness

¹² EMIN – European Minimum Income Network coordinated by EAPN, see www.emin.eu

and mental stress making it harder to get a job or participate. This undermines rights and social cohesion.

*In Germany the regular monthly amount is only 150 Euros, which does not guarantee an adequate income above the poverty line. Moreover, the increased restrictions on eligibility and use of sanctions, mean that **minimum income is not seen as a right but can be reduced or completely cancelled.** (EAPN DE)*

*In Belgium, the NRP mentions the efforts made to re-integrate employees who are not fit for work. In reality, people are threatened with financial cuts if they don't show themselves motivated enough to work. Despite the fact that **non take-up is a major problem in Belgium, policy-makers continue to focus on social fraud.** In its governmental agreement, the federal government has committed to increase the lowest income schemes to above the European poverty threshold as one of its main actions to reduce poverty. Despite this commitment, almost no progress has been made so far. The NRP states that in 2018, 2020 and 2022 additional resources will be made available but with a focus on the people furthest from the poverty line. BAPN is opposed to compartmentalized policies and wants rights for everyone. (EAPN BG)*

*In Ireland, the NRP highlights that the distributional impact analysis of the 2018 Budget income tax and welfare changes, show that whilst the average household increased their income by 1.1% (11.40 Euros a week), the bottom two quintiles gained most, particularly those not in work. **However, almost all minimum social welfare supports are inadequate to lift people above the poverty line or to afford a minimal essential standard of living. Minimum Income supports are not benchmarked against adequacy!** There are also other issues such as a lower rate for young people under 26, exclusion of people due to migration status, and cuts to welfare supports due to failing to meet the strict jobseeker conditionality criteria (EAPN IE)*

*In Lithuania, further steps have also been taken with respect to minimum income. **There is a basket of basic goods, which now sums up all the social benefits:** the State is responsible for a basket of needs, it doesn't only give people money, but also goods and some compensation, for example for electricity. It is a good idea, but also a dangerous one, because it only includes basic needs like food, clothes and transport. Furthermore, there is no mention of accessibility.*

In Romania, a law was passed on minimum income, but it has been postponed until 2019. The CSR highlighted this. The beneficiaries have a very bad image in the media and political parties. The government has increased conditionality. If you refuse the conditions, your benefits are cut. Things are getting worse, the poor are not politically represented.

In the UK, Universal Credit (UC) is in the process of replacing 6 social assistance benefits targeted towards different groups/situations. However, there are big delays, with only about one in eight eligible households on UC, with the rest on the previous system. Many more people face cuts in premiums (e.g. for disability or caring), allowances (work allowance and housing allowances) and credits (child tax credit). Third children born after April 2017 get zero tax credit. There have been some recent positive changes due to political pressure: a small reduction in waiting time, an extension of repayment time for loans, some changes to personal independent payments for people living with disability, but the UC system remains very harsh in principle and has serious implementation problems in practice. The EAPN UK EMIN report

*highlights serious failings: it is **not enabling** (the rate of sanctions is up 20 times higher than the previous schemes), people living with sickness or disabilities face 'fit for work' interviews, people must accept the first job offer or be sanctioned. Whilst job-searching they must spend 35 hours a week on job search, complete a to-do list and a detailed daily journal on-line. It is **not adequate** – the cuts, plus a 4-year freeze on benefits means that working-age assistance pays **less than half the EU poverty line**; it is not **easily accessible** for some people – with major challenges caused by on-line claims and non-responsive phone services, particularly for those who are more vulnerable, or whose literacy is not strong, or whose 1st language is not English. There is increasing awareness that UC has grave problems both in its ideological framework and its implementation. The recent National Audit office report states that the scheme has even failed the government's own cost saving objective. It has so far cost £1.8 billion in investment and operation costs. (EAPN UK)*

Increased focus on health, care and social services, but not sufficiently rights-based

Members highlight a stronger emphasis on **access to basic services particularly health, care and social services** (HR, EE, IE, IT, PL, PT, SE; Principles 16 and 18 in the EPSR). However, the aim is not always clearly focused on the **rights of the user, and often more on 'modernisation' with an efficiencies priority**. There are concerns about public underinvestment, increasing privatisation and lack of clarity on the roles of the non-for-profit sector.

In Ireland there is a specific section covering investment in **social infrastructure**, with separate sections on housing and health. In Italy, a **network for social protection and social inclusion** was formed by the previous Government (which drafted the NRP) headed by the Ministry of Social Affairs which approved the first Plan for Interventions and for Social Services to fight poverty (EAPN IT/CILAP is a member) with 297 million for 2018 and 470 from 2020. The plan foresaw the **reinforcement of territorial social services**. There was also a plan to stimulate Bank Foundations to finance actions aimed at community welfare with a 65% tax rebate (if targeting specific groups eg children, elderly, disabled). However, concerns are raised on whether this will now be implemented with the new government. It also raises issues about **the role of the state in the provision of social services and the increasing reliance on non-for profit and profit services**.

More personalized Social Services to support people with special needs and the burden of care are a welcome focus, often supported by ESF Funds. However, the objective is often on getting **people into the labour market**, rather than ensuring they access their rights to key public services (EE). **De-institutionalization** is highlighted by some, often as an EU funded project (HR, EE). In Estonia, this includes the introduction of special care services based on the needs of the users, as well as a reorganisation of the infrastructure, with the aim to move towards a more person-focused and community engaging service system. Concerns are raised however on whether there will be **adequate long-term financing to do this**, particularly in MS which are pressured by CSRs to reduce deficits/public debt.

Although a more 'user-friendly' rhetoric is welcomed, **the test will come in the quality of the services received**. Continuing concerns are highlighted regarding the **weak coordination of social and employment services**, which fail to put the interests and rights of the person at the heart, with adequate investment and monitoring (HR, SE).

In Sweden, there is a problem of coordination between the different agencies. You are too sick to work according to the Employment Agency and too healthy benefit from the Social Insurance Fund. In the end, many fall between the stools without support. Many times with disastrous consequences, economic depletion, mental ill health and suicide at worst. It is important to clarify and lay down strong collaborative requirements between authorities and define who is ultimately responsible. (EAPN SE)

In Croatia, the NRPs recognize the serious structural problems in the social sector in Croatia, such as lack of consistency and coordination between the different public institutions, lack of indicators when detecting vulnerable groups and almost no progress on achieving better care and protection. The current social system lacks a developmental approach, support and monitoring mechanisms, neither are there clear plans or incentives aimed at raising the quality and availability of the services.

Child poverty action through benefits and childcare, some integrated approaches

The majority of respondents highlight a focus on child and family poverty (AT, BE, HR, EE, DE, IE, IT, LV, LT, LU, PL, PT, SE, UK; Principle 11 in the EPSR): Childcare and support to children, which includes a reference to the fight to protection against poverty). On a positive note, **adequate income** for families is an increasing concern: several members note **increases in child and family allowances** (see minimum income section above), recognizing the increased costs of children, but also acting as a support to increasing the birth rate. However, in the UK where already 1 in 3 children live in households in poverty and child poverty is predicted to rise 7 percent by 2020-21¹³, cuts are being carried out to all working-age benefits. A four-year freeze will also mean the real value of benefits will fall further. Now the government has announced that the allowance for any 3rd child will be cut for those on social assistance. The **overall approach continues to see worklessness as the main cause of child poverty**, despite over 55% of children being in working households and despite the cost of childcare being amongst the highest in the EU.

The other key focus is on **increasing childcare** (also a priority focus in Principle 11) with the main aim of increasing **women's participation in the labour market** (BE, EE, LU, PL, UK). It is less clear however how far the care is **affordable for low income families and invests in child rights to development, early learning and education**. In Ireland's case the approach is broader, but there are problems with implementation.

In Belgium, there will be additional financial support for low-income single parents with young children. For this group, the deduction for childcare will be increased. However, the deduction will take place at the end of the year and must therefore be advanced. This makes the measure worthless for poor families. (EAPN BE)

In Estonia an Action Plan is cited with the creation of childcare and kindergarten placements paying attention to under three-year-olds and focusing on the municipalities with the greatest

¹³ Institute for Fiscal Studies (2018)

lack of placements, and the provision of flexible and close to home services, including an analysis and proposals ensuring flexible childcare. (EAPN EE)

*In **Luxembourg**, there is the continuation of the offer of socio-educational facilities for children from 0-12. This has far exceeded its target of 35.000 places for 2015. The supply of places stands at 56,363 at the end of 2017. (EAPN LU)*

*In **Poland**, the standard government measures of a yearly childcare programme (Program Maluch) has been renewed providing public money for developing childcare facilities for children up to 3. (EAPN PL)*

In some cases, services for **disabled children**, get more emphasis with the main focus on encouraging activation of adult carers. Nevertheless, the offer of integrated, person-focussed services is broadly welcomed.

*In **Estonia**, the Grants support measure is labelled ‘Development of welfare services of childcare and disabled children to decrease care load’ was approved in November 2014, aiming to provide services for children with severe disabilities. The main aim is to reduce parent’s care load and hindrances in participating in employment. 3 support services are offered: childcare, support person and transport service. Development services also provide counselling to local authorities and parents, and dissemination. (EAPN EE)*

On a positive note, some see an increased focus on **quality as well as affordable early childhood care and education** (IE, LU, PT) however concerns about **long-term public investment in infrastructure as well as embedding quality standards** are raised, particularly where the main providers are private and low paid.

*In **Ireland**, there is an increased focus on quality provision, but it is still underfunded and many issues remain. However, the Budget 2017 introduced a single streamlined **Affordable Childcare Scheme** (ACS) which replaces all the existing targeted schemes (with the exception of ECCE) and will provide financial support for both pre-school and school age childcare, thereby reducing net childcare costs. The ACS includes both universal and targeted subsidies for parents of children between 6 months and 15 years. It aims to contribute to a **number of different objectives promoting a reduction in child poverty**, positive child development outcomes, improved quality as well as labour market activation. The ACS has faced problems of implementation, needing legislation and will require major investment to be successful. There are also measures to improve the **quality of childcare**, including the qualifications and conditions of those working in the sector. However, this will be a challenge as it is mainly supplied by private providers, with staff on low pay. (EAPN IE)*

A more integrated, developmental approach would also include a focus on **support for participation to cultural /sport activities**. In Sweden, the government aims to provide **activities free of charge for children aged 6-15 during the holidays and school**. This aims to “stimulate girls and boys participation, promote integration, counter segregation and create new contact between children of different social backgrounds” (EAPN SE).

There are disappointingly few examples of **integrated strategies to support a full Investing in Children** approach¹⁴ - ensuring access to resources (wages and income support), services (including early learning and education) and participation (PT, ES). Portugal highlights the reference to a **national strategy to fight child and youth poverty**, from an integrated perspective: restoring social standards, including the social insertion income and family allowance, increasing in minimum wage and enhancing access to basic needs. In the 2018 update, reference is made to the need to promote a more articulated approach of several complementary measures focused on measures of proximity, with particular focus on children and families. The issue of promotion of participation of children and young people is not clearly addressed in most strategies.

Increased action on housing and homelessness, more needed

Increasing access to decent housing and tackling homelessness is a key priority for most EAPN members. This is also reflected in the Social Pillar (Principle 19). Several members therefore regret the lack of focus in their NRPs (AT, EE, FI, IT, PL). However, the **majority highlight some actions** taken (BE, HR, DE, IE, LU, PT, SE, UK).

The major challenge is to ensure **genuinely affordable housing** in the private rented and social housing sectors, whilst still providing a **pathway to buy for low income households**. EAPN members generally underline the crucial role of **social housing**, which is seen as essential as a secure source of affordable, quality housing in a context where the **housing market is geared to increasing profits for the landlord**, with rents and housing conditions largely unregulated.

Whilst **specific housing benefits/assistance** are essential instruments to enable poor households to rent at all in the market, they are increasingly capped or not up-rated regularly. They also operate as a subsidy, benefiting landlords who charge high rents.

In Germany, the government wants to spend 2 billion Euro in 20/21 on social housing, but there is still a lack of affordable private rented accommodation for lower income households. Housing benefits are crucial to enable them to pay their rents, but the levels need to be adjusted, and the government doesn't plan to increase them. (EAPN DE)

Even where there are positive examples, the **overreliance on an unregulated private rented housing market** for housing solutions, can be a key trigger for increasing homelessness, as people are evicted when they can't afford the increased rents and fail to access new accommodation. **Cuts or inadequate housing benefit** and lack of **affordable social housing** alternativesacerbate the problem.

In the UK, rough sleeping has increased since 2010, with an official figure of 4, 751, but NGOs believe it to be much higher. There are 300.000 families recognised as homeless in England, including 123,100 children. 79.800 live in temporary accommodation, and the number of children in them has increased 80% since 2011.

¹⁴ European Commission: Council Recommendation on Investing in Children.

There is new investment of £1.2 billion and new legislation however although the new money is welcomed, it is narrowly focused on housing costs and may result in the eviction of people from hostels after 2 years if they have not managed to move on. It is not a Housing First model.

The 2018 IFS report shows that housing costs are a major driver of poverty and increased costs in the benefit system. Households with children who are in the bottom 20% have been badly hit by rising social and private rents, at a time when mortgage costs were falling. Between 2002-3 and 2016-7 real average housing costs for this group rose 47% compared to 11% for middle income families. Housing benefit support is also now frozen, so low income households will have to cover more of their own housing costs, further reducing living standards.

The UK needs to build at least 300.000 homes a year – a government target - but has only reached 175.000, and there is no plan to increase the number of genuinely affordable homes ie at social rents. There is a big increase in families on low incomes in private rented housing, which is an insecure tenure relative to social housing, with more unfit houses and higher rents. The main drivers are welfare cuts, lack of affordable housing and rent increases. (EAPN UK).

In some countries, the provision of **specific accommodation for groups** facing exclusion with specific needs is also a concern e.g., Travellers and Roma.

***In Ireland**, there is a major challenge with the provision of appropriate Traveller accommodation with funding being returned unspent annually. Experts are calling for an Independent Traveller Accommodation Agency, to meet real Traveller needs in a reasonable time frame. (EAPN IE)*

There are some **positive examples of integrated strategies** (IE, LU, PT, SE) **but doubts still remain about their impact** in preventing as well as tackling housing exclusion and homelessness, due to their limited scope and reluctance to provide sufficient public investment in quality social housing or to contemplate regulation of the private rented sector. More progress is also needed towards 'Housing First' strategies.

***In Luxembourg**, there is a continuation of the implementation of the national strategy against homelessness and housing-related social exclusion (2013-2020): for example, integrated centre for elderly homeless, housing project for young adults, housing structure for key groups. (EAPN LU)*

***In Portugal**, there is a new reference in the updated NRP to the new National Strategy for the inclusion of homeless people (2017-2023) and also to the new generation of housing policies which aims to respond to structural and cyclical shortages. This is a big problem for Portugal and was highlighted in the Country Report. 1st Right – aims to provide access to adequate housing for those living in undignified housing and who don't have financial capacity to find a solution on the market; the Next door programme aims to improve access to information and referral; Habitat to Habitat aims to promote cohesion and social territorial cohesion of public rented properties, based on integrated, participatory approaches. The Affordable Rental*

Programme will also be launched to extend the supply of affordable rented housing. (EAPN PT)

In Ireland, the NRP concentrates on the implementation of Rebuilding Ireland – Action Plan for Housing and Homelessness, an important new strategy. However, there are major concerns: delivery is too slow, the provision of social housing relies too heavily on supports to people in the private rented sector, and too little on constructing social housing by public authorities and approved social housing bodies. The mention of a revision of the strategy to increase construction is welcomed, however the rapid increase in homelessness up to almost 10.000 people is caused by increases in rents in the private rental sector, forcing people out of their homes. In the short term, while the shortage of social housing is being addressed, there is an on-going need to put in rent controls and ensure rental properties are affordable for those on low incomes. Current measures are proving ineffective and rental supports are struggling to keep up with the market. (EAPN IE)

In Sweden, the focus is on 2 fronts – creating a functioning housing market where vulnerable groups can get and maintain a home, and fighting/supporting the homeless. Sweden has invested SEK 120 million a year for 3 years to support NGOs working with the homeless among young adults where mental health is a contributing factor. The National Board of Health has been given the responsibility to allocate SEK 25 million to municipalities with the highest number of acute homeless. EAPN SE highlights the importance of more effort needed on preventing homelessness, supporting people to stay in their homes, and more access to the housing market. For people who are homeless, housing first is an important priority. (EAPN SE)

Gender equality must be promoted in all areas, beyond employment!

The issue of **gender** is highlighted by many members (AT, HR, EE, DE, IT, LU, NL, PL, PT, ES, SE). Principle 2 in the Social Pillar is particularly welcomed as it affirms the **right to gender equality in all areas, beyond employment**. Nevertheless, in the NRPs the main priority is in **relation to the labour market** (AT, EE, DE, IT, LU, PL): increasing **women's activation** (IT) promoting **work/life balance** (LU, PL) including increased childcare (see above), as well as tackling the **gender pay gap** (AT, EE, DE, LU), and reducing negative incentives in the **tax system** (DE, LU). (See also employment chapter). Others focus on reducing the gender pension gap (AT, SE). Some give welcome priority to challenging **stereotyping in education** (EE, IT, SE) or **within business** (EE, LU, PT, SE), but few are extended to equality in other areas particularly equality in decision-making and participation or focus sufficiently on the **feminization of poverty**.

In Spain, women are poorer than men. According to the SLC 2018, there is slight recovery from the 2017 at-risk-of-poverty and social exclusion figure of 27,9%, but mostly for men: The male AROPE rate is reduced to 26%, while the female rate has only diminished to 27.1%. The male severe material deprivation is 4.9%, while the female rate is 5.3%. (EAPN ES)

*In Estonia the **gender pay gap** is due to a chain of factors – opportunities to work and balance family and personal lives, women's career breaks, personnel practices at work, segregation in education and the labour market, education choices, attitudes, standards and values in the*

society. Measures proposed include authorising the Labour inspectorate to monitor the remuneration of benefits paid in the public sector to men and women for equal work or equal value. Regular gender pay gap audits will be carried out, as well as assessment and comparison guidelines supporting implementation. Career days for boys and girls and career education throughout primary and high school and at university, aim to increase knowledge of stereotypic career choices. (EAPN EE)

In Austria proposals are made to tackle the high rate of 20% risk of **poverty among female pensioners** and the NRP highlights the proposal to increase the minimum pension for single pensioners from 909,42 Euros to 1.022,00 a month. Compulsory income reporting and transparency of incomes are key instruments proposed to close the gender pay gap. (EAPN AT)

In Sweden, an action plan has been developed with a view to achieving more **equal pensions**, this includes a review of the basic protection of the retirement pension.

A few countries are putting in place **more strategic approaches** (LU, PT). However, most fall short of a comprehensive, integrated approach and lack adequate resourcing and teeth for implementation. **Promoting the direct voice of women, particularly facing poverty** or from minority or excluded groups, will be essential if the approaches are to be effectively mainstreamed and achieve results.

In Luxembourg, the NRP charts the implementation of the Equality Plan for Women and Men (2015-18). Key measures include introduction of sensibilization actions encouraging businesses to promote gender equality. The introduction of a new law that forces firms to pay the same wages. Introduction of optional individual taxation (2017); a series of work/life balance proposals: including parental leave reform aiming to make periods more flexible and creating a real replacement income; adaption of extraordinary leaves, including paternity (10 working days) and family leave; continuation of the policy offering socio-educational facilities for children from 0-12.

In Portugal, the 2018 NRP update refers to the new National Strategy for Equality and Non-discrimination and to new proposals establishing a system of balanced representation between men and women in management personnel and bodies of public administration and parity of organs in political power. There is also investment in enlarging childcare services, and an important measure strengthening social protection of self-employed workers, i.e. legal protection scheme in parenthood by extending the right to child and grandchildren support.

Equal opportunities and fight against discrimination barely visible

Members find little priority given in the NRPs to equal opportunities and discrimination (AT, HR, EE, FI, DE, IE, PL, SE, UK). Where focus is found, it is mentioned mainly in relation to the labour market, and for specific groups. This appears to miss the spirit of Principle 3 in the Social Pillar requiring **equal treatment and opportunities in all areas and for under-represented groups**. Members highlight limited references to measures in relation to **migrants (DE, IT, LU, SE), minorities - Travellers (IE) and people with disabilities (SE, PT)**.

EAPN DE highlights that certain groups of refugees are excluded from access to the labour market and active labour market measures based on the country they come from, not individual grounds. This is not legally justified. (EAPN DE)

Some more positive approaches are noted (LU, PT, SE) but are still assessed as too limited in scope and lacking a clear rights-based approach as highlighted in the Social Pillar.

In Portugal: Equal opportunities are highlighted especially in relation to education – proposing cross-cutting policies that seek effective equality of opportunity and ensure the full exercise of rights in the areas of mobility and accessibility, lifelong learning, combating violence and discrimination, access to health, people with disabilities. However, the only reference to minorities is the implementation of the inclusion for knowledge programme aimed at minorities and citizens with special needs in scientific and higher education institutions. No mention is made of Roma.

In terms of migrants, in Luxembourg, the NRP highlights the need to ensure a dignified and quality welcome for refugees – increasing the staff of the Luxembourg Office for Reception and Integration, and increasing funding for the Centre for Integration and Social Cohesion, and the establishment of a career path – Accompanied Integration for applicants and recipients of international protection. Development of the public employment's services language training for migrant job seekers is also highlighted.

In Sweden, the objective of disability policy is - according to the NRP - to achieve, with the UN Convention on the rights of persons with disabilities, equality in living conditions and full participation in society for people with disabilities in a society with diversity as a basis. The main measures are in the field of labour and education.

Benchmarking with candidate and non-EU countries

In candidate countries like FYROM/North Macedonia the EU's social model and social acquis remain a guiding principle for NGOs in the fight against poverty. Iceland continues to offer positive examples as civil society continue to press for stronger social rights.

Macedonia – The country remains moderately prepared for implementing the EU rules in the social field. Poverty remains a serious problem, in particular for Roma and persons with disabilities. The Anti-discrimination Law is not yet aligned with the EU acquis and its implementation mechanisms strengthened. Key areas for improvement include: ensuring appropriate institutional and financial resources to address poverty and implement the social inclusion policies, including the Roma Action plans and the new De-institutionalization Strategy and Action Plan. Some progress was made on social inclusion and protection with a new personal assistance for people with disabilities being piloted. However, the basic cash benefit for disadvantaged families is still inadequate to cover their needs. The capacity of state institutions remains insufficient and the implementation of national policy for social protection is limited. Children with disabilities often lack appropriate protection. The

Government has taken urgent action to improve living conditions in the Special Institutions for disabled people in Demir Kapija, but they remain extremely bad. They pledged to end placing children under 3 years of age in state institutions by 2020 in favour of community-based social care.

***Iceland** - The main issue now is housing. Home ownership is dropping dramatically. Young people are not able to own homes and keep living with parents for many years. Trade unions have started to build affordable houses for their employers themselves, which is good news. These new houses will be ready in a couple of years. Trade unions see this as an investment.*

Key Messages

Progress on poverty and social rights with a rights-based integrated strategy/action plan

- **Accelerate progress on the poverty target and set new ambitious targets** with clear triggers for policy recommendations (CSRs) when sufficient progress isn't made; ensure a continuation and strengthening of the targets in any post 2020 strategy, linked to the SDG goals.
- **Prioritize development of an ambitious rights-based integrated anti-poverty strategy** ensuring universal access to quality social protection including adequate minimum income, public services, quality jobs and social participation, across the life-cycle. Support rights-based strategies that fight discrimination against specific target groups based on agreed approaches e.g. tackling housing exclusion and homelessness and Investing in Children.
- **Implement the Social Pillar by driving up social standards and social rights** – adopt an Action plan and monitor progress on all principles, extending the scoreboard in the European Semester, starting with adequate minimum income, universal social protection, fair wages, access to services (particularly housing and health) and education/lifelong learning.

3. EMPLOYMENT POLICIES

Introduction

The employment target of the Europe 2020 Strategy is set as “75% of 20-64 year-olds to be employed by 2020”. Every year, the National Reform Programmes include a section dedicated to assessing progress on the target. In 2018, even though the target has not been reached yet, the employment rate for EU28 has slightly increased again, rising from 71.1%, as measured in 2016, to 72.2% in 2017. However, a job is increasingly not a guaranteed route out of poverty. As unemployment declines, in-work poverty is growing. In 2016, nearly 1 in 10 workers was at risk of poverty (9.6%).

In November 2017, the EU adopted the inter-institutional proclamation launching the European Pillar of Social Rights, a voluntary framework of twenty key principles, organized in 3 chapters. The first two of them relate to employment: 1) “Equal opportunities and access to the Labour Market” and 2) “Fair working conditions”. Moreover, a Social scoreboard has been put in place, with a view to monitor progress. However, even though the Social Fairness Package has set out how the Pillar will be monitored, i.e. mainly through the European Semester, it is still not clear how the Social Scoreboard will be made coherent with Europe 2020 targets.

The need to prioritize the Social Pillar and ensure that macroeconomic policies are coherent with social rights and the fight against poverty, has been underlined by EAPN in its response to the Annual Growth Survey Package 2018. When it comes to employment policies, despite progress in the employment target, the reality in the market is definitely harsher. All Member States, except seven (DK, IE, LT, LV, MT, SE, UK) and Greece, received Country-specific recommendations regarding employment policies. However, boosting employment per se continues to be the priority, rather than quality jobs and an integrated active inclusion approach. EAPN has repeatedly stressed the growing threat of in-work poverty, particularly linked to growing precariousness in new forms of work¹⁵. In-work poverty was chosen as the main topic of the 2017 16th European Meeting of People Experiencing Poverty¹⁶.

This chapter sets out in detail our members’ assessment of their national employment policies, as defined in the 2018 National Reform Programmes, as well as the perceived consequences of these measures on people experiencing unemployment, in-work poverty, and exclusion.

¹⁵ For EAPN’s position on new labour market trends and on their implications for poverty, see “The Future of Work” analysis paper, clicking here: <https://www.eapn.eu/wp-content/uploads/2018/06/EAPN-2018-Future-of-Work-EAPN-analysis.pdf>.

¹⁶ For the full report of the 16th European Meeting of People Experiencing Poverty, including the key messages, click here: <https://www.eapn.eu/16th-european-meeting-people-experiencing-poverty-lets-tackle-in-work-poverty-2017pep/>.

Key Concerns

Signs of progress in the Europe 2020 target but lack of adequate employment rights

Several of our members highlight **progress on the Europe 2020 employment target** (AT, EE, IE, NL, SE, UK), according to the NRPs. While in Luxembourg a 71.5% employment rate generates hopes for achieving the target by 2020, in the United Kingdom, with a record rate of 75.4%, the goal has been achieved. However, the target says nothing about the quality of jobs, nor about its efficacy in taking people out of poverty. 55% of EAPN members, responding to the survey, believe that **the employment measures proposed in the NRPs are not the right ones to ensure access to quality jobs for all**, with 20% strongly agreeing (BE, LU, PL, UK) and 35% partly agreeing (AT, EE, FI, DE). Some members believe their labour policies are inadequate since living conditions in some cases have worsened despite growing employment rates (NL), or where the political focus is merely placed on full employment (IE).

Ireland: *There has been talk in media and political circles of ‘full employment’. If policy was to be developed based on this concept then there is a risk of people being left behind, and outside the labour market, as happened before the crash.*

Many members (EE, FI, LU, LV, NL, PL) note a **lack of any mention to the European Pillar of Social Rights in the NRPs**, including those related to employment. Some members (LU) even express concerns regarding the compatibility between Europe 2020 indicators and those in the Social Scoreboard. When the European Pillar of Social Rights is mentioned (BG), the NRP still fails to envisage concrete measures to implement the provisions of the Pillar. More in general, members are concerned that employment policies are still seen as a sub-set of macroeconomic policies, i.e. as a by-product of economic growth (EE, UK). In the UK, the division of responsibilities among governmental departments (as there is no specific Department of Employment per se) and the aims of labour market interventions specified in the NRP can be seen as proofs of that.

Unequal attention for different excluded groups

On a positive note, the vast majority of EAPN respondents (AT, BE, HR, EE, DE, IE, PL, PT, SE, UK) commend their NRP for mentioning **specific measures to support groups** in a less favourable situation when it comes to accessing jobs. However, although several NRPs this year mention women, youth, people with disabilities and to a lesser extent older people, less NRPs propose policies for the inclusion of migrants and very few address the issue of ethnic minorities' participation.

Some NRPs (AT, IE, SE) report a **positive picture regarding youth employment** levels, which have risen in the past few years. In Ireland, the NRP specifies that the situation for young Irish workers has improved due to different factors, such as demographic and economic development, the tendency to remain longer in education instead of searching for a job and the impact of migration. However, in most NRPs, young people are still a key target group and our members welcome initiatives aiming at tackling youth unemployment, like the Youth Guarantee (LU, PL, PT) or other measures tackling the precariousness of contracts for young workers (PT).

Poland: *it is probable that Youth Guarantee implementation and social economy development will affect disadvantaged youth and people at risk of social exclusion. The first is not new, and the second is also implemented within the ESF framework but with some new legislative initiatives in progress (new act on social and solidary economy). (EAPN PL)*

Portugal: *the NRP focuses the attention on long-term unemployment and youth unemployment. There is also a concern related to the precariousness of contracts: 65.9% of young workers have non-permanent contracts (...) and 2/3 of young people declared to have temporary contracts because of not finding a job with a permanent contract. At this level we highlight the measure Contrato-Geração (Contract-Generation), launched in 2018, based on incentives for hiring simultaneous and without-term (permanent) contracts for young unemployed or young people searching for their first job, and the long-term and very long-term unemployed. (EAPN PT)*

However, in some countries, youth unemployment is at a near record low and **concerns** are raised about **how effective governments' initiatives will be in ensuring good-quality and stable employment**. The approach by the UK is to use a new part of the Universal Credit Programme for people aged 18 to 21 and, in England, to apply an employer-focused approach to skills. However, EAPN UK is worried about negative conditionality and the promotion of low-paid unstable jobs.

Some respondents (AT, HR, IE, LU) notice **positive measures in their NRP for the protection of older people** in the workforce. Issues are raised on the **risks of older people falling into poverty** and, in particular, on the difficulties faced by older workers to find employment or to relocate in the labour market. A specific focus is on older women. The Austrian and Croatian NRPs, in particular, include initiatives that target the mobility and participation of women over fifty years of age.

Croatia: *Another initiative is targeting the mobility and access to work of another excluded group: women over 50. This social group is mostly excluded from the workforce because of gender and age and an additional risk is that they are living in remote rural areas. This group of 50+ women is employed through the ESF, servicing / helping single elderly people to cope with their daily routine activities, in order to upgrade their quality of life.*

Efforts to support better professional integration of people with disabilities are underlined in several countries' NRPs (HR, EE, IE, PL, PT, SE, UK), often underpinned by EU funds. In Croatia, initiatives aim at promoting employment for people with disabilities through a quota system. In Estonia, the Work Capacity Reform fosters the re-integration of disabled people in the labour market, despite imposing tough conditionality. In Poland, there are ESF-financed projects for people with disabilities tackling their physical access to public services and institutions and their inclusion in the labour market. In Ireland, Pathways to Work, which is an activation strategy already in place in previous years, now includes measures favouring people with disabilities and the country has also started a consultation process in order to discuss policies that would make work pay for disabled people. **Issues are raised on the**

difficulties of people with disabilities to achieve permanent, quality jobs in the labour market and on the extra costs they often have to face in accessing it. These costs should be offset by targeted measures, in order to avoid the risk of disabled people falling into poverty or to be socially excluded.

With respect to **women's access to the labour market**, many NRPs (AT, HR, EE, LU, PL, PT) specifically refer to measures taken to improve the participation of women in the workforce. However, these measures might not be comprehensive enough to appropriately address the issue. On the other hand, other EAPN respondents (BE, IT, NL) lament the lack of any mention to the gender issue in the employment section of their NRP.

The European Pillar of Social Rights affirms the right to gender equality in all areas, i.e. beyond employment. However, most NRPs attempt to address the gender issue only in relation to the labour market, highlighting the **lower female employment rate in most European countries**. Nonetheless, some of our members (IE, LU, UK) report encouraging data on the gender employment gap in their own countries. Since the causes of gender-based imbalances in employment rates are systemic ones, they require integrated solutions addressing the systemic obstacles faced by women in accessing the labour market as well as work/life balance issues particularly in relation to care. In Germany, for example, there are still negative incentives in the tax system for both married partners to work, when one gets paid more than the other. This often leads to women not working at all or working part-time or in mini jobs, which may not guarantee them access to social security systems. **Measures aiming to ameliorate work/life balance** (AT, HR, LU, PL, PT), including childcare, are pivotal counter-assets to favour women's participation in the labour market (see the chapter on Poverty for a more detailed assessment on childcare services).

NRPs also focus on the working conditions of female employees, beyond mere activation. In this regard, important measures include those **challenging stereotypes, especially within business** (EE, IT, LU, PL, PT, SE) and, most importantly, those **tackling gender pay gap** (AT, EE, DE, LU). Gender pay gap is still an unfortunate reality in most European countries and efforts to effectively address the situation are lacking or insufficient. EAPN Germany underlines how, in spite of a reduction in the gender pay gap rate, their gap is still one of the highest in Europe. In Austria, compulsory income reporting and income transparency are described as instruments designed to reduce gender pay gap, but are also deemed as insufficient by our members. The most effective way to combat inequalities is to affect its root causes, as our members from Estonia underline.

Austria: Positive - It analyses the employment situation for women linked to childcare supply. It notices that offering affordable good-quality formal childcare all over Austria is pivotal in enabling women to re-enter the labour market. However, it only refers to measures taken during the last few years and it doesn't inform about measures to be taken. **Negative** - Meanwhile the agreement (15a Vereinbarung) between the federal state and state governments, which provided the fragmented state governments with support for the expansion of affordable childcare services, was not finalized. Some regional governments reacted by reintroducing fees for childcare services. Currently budgeting for the expansion of childcare services is not submitted (discussions were on-going until middle of August).

Estonia: *In the years to come, a key issue is to reduce the gender pay gap. Wage inequalities in Estonia can be attributed to a chain of factors, such as opportunities to combine work, family and personal lives, women's career breaks, personnel practices at work, segregation in education and in the labour market, educational choices, attitudes, standards and values in society. Therefore, in order to address the pay gap, we should focus on all of these factors. In order to contribute to the narrowing of the gender pay gap, the Labour Inspectorate's supervisory powers over the implementation of the principle of equal pay for equal work or work of equal value will be expanded. Information provisions and analytical activities to increase awareness of the gender pay gap, its causes and effects in society and among institutions will continue. Introduction of work assessments and remuneration systems will be promoted (17 based on transparent and objective criteria). Activities designed to increase awareness and change attitudes among students and career counsellors are planned to reduce segregation in terms of school and university guidance as well as labour market segregation.*

When it comes to measures tackling **migrants' participation in the labour market, the situation seems to be highly diverse across Europe.** On the one hand, EAPN Germany laments the lack of a national indicator measuring the employment rate of migrant people whilst the Austrian network underlines how its NRP imposes a strict list of guidelines, sanctions and restrictions for legal migrants, which taken together are seen as an authoritarian threat to social inclusion and equal treatment. On a more positive note, in Luxembourg language training is supplied to jobseekers with an immigrant background. In Belgium the rapid integration of asylum seekers in the labour market was reinforced by offering them a short integrative course combining a language course with professional training. In Sweden, the government is increasing its efforts to integrate newly-arrived migrants in the workforce, as well as in the society as a whole. However, such integration policies often fail to put migrant's rights at the centre and still produce mixed results in terms of ensuring a dignified integration into the labour market, as well as in the society.

Sweden: *The Swedish Government is focusing on strengthening initiatives in the labour market area. The Government is introducing more measures to create a sustainable reception and effective establishment of new arrivals, including education. The obligation of education entails that all new arrivals who take part in the Employment Agency's establishment efforts, and who are deemed to be in need of education to get into work can be instructed to apply for and receive training.*

The Government and some of the social partners agree that entry 'agreements' should be introduced. Entry agreements are to enable newly arrived immigrants and the long-term unemployed to gain employment. The purpose is for more people to become established in the labour market, and to ease future skills supply for employers.

The establishment period tends to be particularly extended for women, and especially women with short education and training. Also, women participate in labour market policy measures to a lower extent than men while they are in the Introduction Programme. The Public Employment Service works according to an action plan, prepared as commissioned by the Government, to reduce unemployment among foreign-born women.

We want to point out the link between labour market policy and refugee policy. The goal is the integration of refugees/migrants on the labour market and in society as a whole. However, refugee policy in the EU and in Sweden does not always contribute to “integration”. Some of the aspects that creates exclusion are:

- You can wait 2 years for a decision concerning residence permission. Formally you can look for a job after 6 months, but without language training, without the possibility to take part in work training programs, who will employ you?*
- Just waiting for several years for a residence permit breaks you down: passivity, worries about family members still living under horrible conditions in your home country, extreme poverty etc.*
- The difficulty for family reunification.*
- Time limited residence permits. This creates a situation where you have to live with anxiety not being able to make long-term planning. This actually excludes you from integration on the labour market considering the average time for a refugee to get a job.*
- Housing problems create great problems.*
- Racism and discrimination makes it difficult to create an integrated society.*

Low priority to quality employment and the fight against in-work poverty

Several EAPN members responding (AT, BE, DE, IT, LU, PL) strongly believe that **Increasing quality jobs and tackling in-work poverty are not key priorities in the NRPs**, while others (HR, EE, FI, UK) partly agree with the same statement. This means that **72% of respondents** hold negative opinions about measures proposed in the NRPs to tackle the quality of employment. EAPN advocates that a job at any price is not enough and good quality and sustainable jobs are key to helping people out of poverty and social exclusion.

Despite this urgent need, many NRPs fail to mention key issues related to the quality of employment, such as the **level of wages, the precariousness of contracts, security in the workplace, and in-work poverty**. Particularly worrying, according to our members' assessment, are the Austrian, Belgian and UK NRPs, which do not mention any of these points, despite the fact that work quality is diminishing rapidly for most groups of workers. EAPN UK, in particular, underlines how the government's approach has achieved the goal of increasing the employment rate, but has also resulted in raising in-work poverty and it has continuously avoided addressing the issue of quality jobs, low pay and over- or under-employment.

The Belgian NRP speaks in positive terms about the modernisation of the employment law that will increase flexibility in the functioning of the labour market. Notice periods will be shortened and to promote growth in e-commerce, the legal framework for night work and work on Sundays will be relaxed. In order to create new jobs, acquired rights are increasingly being reduced at the lower end of the labour market.

In Sweden, rising preoccupations related to **health and safety in the workplace** has led the government to implement new measures to secure working environments.

***Sweden:** Sweden has had a worrying development in the work environment area, with serious occupational accidents, insecure working conditions and exclusion from the labour market.*

The government has implemented several measures to strengthen workplaces and prevent job exclusion. The Agency for Safety and Health at Work will be established on June 1, 2018. It will gather and disseminate knowledge and research results on the work environment and evaluate work environment policy.

In-work poverty means that some people are still experiencing poverty despite holding a job. Member States need to recognise that the phenomenon exists and therefore that the employment rate cannot be an exhaustive measure of the state of the labour market. Several of our members (AT, BE, DE, IT, LU, UK) note **the absence of any reference to in-work poverty in their NRPs**. Our members in Luxemburg, where the percentage of working poor is now around 12%, one of the highest in the EU, manifest the urgency of addressing the issue before levels become too critical. **On a more positive note**, EAPN Portugal welcomes the attempt of its National Reform Programme to link employment policies with anti-poverty strategies. The Programme refers to the fact that income coming from work is important for individuals' wellbeing, but it also asserts that employed people can still be at risk of poverty, which implies that the Portuguese Government recognises the existence of the phenomenon of in-work poverty.

EAPN members from Austria, Luxembourg and the Netherlands criticize **the lack of prioritization of minimum wages in their NRPs**, as some people in these countries still work for extremely low pay. In the Czech Republic, part of the living wage is paid in form of meal vouchers, thus generally worsening people's living conditions. Even when a statutory minimum wage is in place and even gets increased (UK), its level might not be sufficient to lift low-income households out of poverty, especially if it is not complemented by top-up benefits, which many times constitute a fundamental component of low-income people's income.

More encouragingly, in Portugal, the government has manifested the **willingness to increase minimum wages** from € 530 to € 600, perhaps in light of the fact that, in 2016, 23.3% of employees working full time were covered by the minimum wage and that the figure for female employees was about 10 percentage points higher than for men. Moreover, in the Irish NRP, the issue of **adequate pay** is mentioned, together with increasing in-work welfare supports and with a commitment to raise the minimum wage to € 10,50 by 2021. It was already raised to € 9.55 per hour in 2018, but there is still a gap with the living wage, which in 2017 amounted to € 11.70 per hour for a single person working full-time. Finally, in Scotland EAPN members highlight an interesting example of a bottom-up campaign aiming at encouraging employers to voluntarily pay adequate living wages.

***UK:** The Poverty Alliance in Scotland have provided a good practice example of the Living Wage campaign in Scotland, (see EAPN's new publication on good practices in combating poverty due October 2018). The campaign for a real Living Wage developed in the UK over the*

last 16 years. Starting in London, emerging from a grassroots community organising process, the campaign for a Living Wage has involved trade unions, grassroots activists, voluntary and community organisations, faith groups and ultimately employers. The goal was to encourage employers to pay a higher, voluntary Living Wage – effectively to change the practice of employers across the UK. This Living Wage has been calculated by using the Minimum Income Standard and is therefore not a figure that is simply picked by campaigners but has its basis on an independently calculated assessment of what workers need to get by. A key element of the sustainability of the campaign has been the development of a system of accreditation that employers apply for when they can verify that they are paying the Living Wage to all of their employees, including subcontracted employees. Albeit a tiny proportion of the more than 5 million limited companies in the UK, there are now more than 4,000 employers accredited as paying the real Living Wage. Employers pay an accreditation fee, a sliding scale depending on the sector and number of employees, which enables sustainability of the campaign benefiting more employees. It is estimated that since 2001 more than £600m has gone into the pockets of low paid workers above what they would have been paid if they were paid at the level of the statutory minimum wage. Around 150,000 workers in accredited companies and organisations received a pay rise in 2017 when the real Living Wage increased in November 2017. People with direct experience of in-work poverty have been at the forefront of the campaign and remain so.

Another **key concern** related to quality of employment and referred to by our members in their analysis of the NRPs, **is the increased precariousness on the labour market**. EAPN Spain, for example, has recommended its government to encourage the transition to permanent contracts. In Italy, precarious and shadow jobs continue to be major problems and the former government attempted to address them, but with relatively low success.

In such increasingly precarious working environments, it becomes necessary to **boost the full integration in the labour market and to guarantee the access to labour rights to specific categories of the workforce**. EAPN members, particularly express **concerns about self-employed and a-typical workers**, either praising (IE, PT) or criticizing (AT, NL, UK) their governments for respectively addressing such vulnerable categories or failing to do so. **Concerns have risen for self-employed workers**, which constitute a large share of the overall workforce, mainly because they are usually not entitled to many workers' rights, including minimum wage, sickness and holiday pay and adequate pensions. EAPN UK also stresses how, on average, self-employed workers earn much less than employees. **Targeted intervention is also needed for a-typical workers**, which include workers whose contracts are short-termed or fixed, as well as variable hours or zero-hours employees. As our members often underline, such groups tend to be the most discriminated against and should be granted more security in terms of rights and income, especially considering that they usually have limited opportunities for training and limited chances to progress towards permanent contracts (UK).

More positively, the Portuguese NRP addresses the issues of precariousness, mainly in reference to youth employment and to jobs in the public administration, both of which the government has tackled with targeted programmes and regulations incentivizing positive changes. In Ireland, the NRP also highlights the government's commitment to address the increasing casualization of work and to strengthen the regulation of precarious employment. The Employment (Miscellaneous Provisions) Bill 2017 aims to address some of the issues

related to low and zero hour contracts, in order to give more certainty around income. Finally, the German Government is supposed to implement a law that favours full-time contracts, instead of part-time ones and limits temporary work but, according to our members in the country, the design of such law will be crucial for the ultimate outcome.

Germany: A law that under certain conditions creates a legal requirement for a return of part-time work in full-time work is to be implemented. That is good, but how many employees can benefit from it will depend on the exact design. So far it should apply to employers of over 45 employees, consequently those who work in businesses with less than 45 employees will not benefit.

A law to limit temporary work was introduced but unfortunately there are exceptions and loopholes in it. Also the federal government plans to limit fixed-term contracting, but only employers with more than 75 employees will be affected by that legislation.

Active Inclusion strategies still invisible, but increased attention to long-term unemployed

Most EAPN respondents (AT, BG, HR, EE, FI, DE, LU, PL, PT, UK) report that **the NRPs** in their countries **lack mention of supportive, personalised approaches based on the three mutually reinforcing strands of the Active Inclusion strategy**, i.e. combining adequate income schemes, access to affordable, quality services, and an inclusive labour market offering quality jobs. **Negative activation strategies are characterized by strict conditionality and onerous obligations placed on the jobseeker**, which several EAPN members specifically point out (EE, FI, IE, UK) and which often result in pressure to accept any job or training course or risk cuts in welfare benefits or payments that go to jobseekers. Jobseekers are often forced to accept insecure contracts with variable hours under threats of sanctions. This may result in mutual reinforcement between conditionality in the benefit system and poor jobs (UK). EAPN has always called for positive activation approaches that provide wrap-around support to people seeking for work. **EAPN is also concerned about the increasing tendency for activation schemes to be privatised** (FI, IE, UK). A private-sector management of activation (IE) may in fact lead to harsher sanctions and increased hardship as priority is given to cost savings rather than in the provision of supportive pathways into quality jobs. The Finnish example fully illustrates these risks.

Finland: The government is also seeing employment services more and more as a way to connect people and workplaces, not to help people to get more skills and to find jobs. It is opening employment services more and more to the markets, and there is big danger that long-term unemployed are the first to suffer. There is also more of an activation approach for example the Active Model, which will cut unemployment benefits if you are not active in certain way. It seems like the “bad cases” (i.e. long-term unemployed, people with different problems etc.) are more and more pushed away from the employment services, for example from applying for social assistance etc. One good thing is that you can start to study more without losing the unemployment benefit from now on.

One **example of a positive activation strategy** comes from Portugal. Although there is no reference in the Portuguese NRP to Active Inclusion, the concept is incorporated in its essence and it is complemented by a set of measures that target key areas and actors, as well as measures making conditionality requirements more flexible.

***Portugal:** It is important to highlight that a previous rule requiring the unemployed to appear every two weeks at the employment centre was replaced by a new “personalized follow-up model for employment”. There was also a positive change in the political measure (launched in 2016) – extraordinary financial support to the long-term unemployed – concerning the reduction of the period after which the unemployed could have access to this support (from 360 days to 180 days).*

Furthermore, even though a fully positive Active Inclusion strategy is not in place in the country, the Irish Government states in its National Reform Programme that it is attempting to build a bridge between employment policies and welfare services.

***Ireland:** The Government has also been looking at in-work supports to encourage people to support the transition from welfare to work. This includes the Housing Assistance Payment and the Working Family Payment. Most of the cuts made to the income disregard for lone parents on the One Parent Family Payment and Jobseekers Transition payment were reinstated in the past number of years. There is also ongoing consultation to look at policies to make work pay for people with disabilities (re)entering the workforce. While these supports are important in improving the take home pay of those in work on low incomes, there are some measures with these supports that need to be addressed. In addition, the first measure to ensure decent pay needs to be decent salaries.*

With respect to good-quality job creation, which is one of the pillars constituting a positive activation strategy, some members (AT) note that it is not mentioned in their NRP, whereas others (EE) believe that measures aimed at improving education levels and business environment will end up boosting the creation of new and good-quality jobs. The Swedish EAPN network expresses concerns for those vulnerable groups that need jobs suitable for their conditions and/or circumstances and it proposes the creation of social enterprises, able to offer them flexible working conditions.

One of the most mentioned vulnerable groups in our members’ assessments of this year’s NRPs are long-term unemployed people (AT, FI, DE, IE, PT, ES, SE, UK). Unlike some other groups facing discrimination or obstacles of various kinds in light of some specific characteristics, the long-term unemployed group include people of all ages, sexes and ethnicities. It is also the group that would benefit the most from positive activation strategies and support. As asserted by EAPN Spain, **governments should ensure that employment and social services have the capacity to provide support to job seekers**. Some EAPN networks (FI, DE) express **concerns regarding the rights and the integration in the labour market of long-term unemployed people**. In Germany, policies addressing long-term unemployment are deemed as short-term solutions to the problem and finances for the administration of labour

market services are scarce, whilst in Finland, insufficiently supportive activation practices may end up damaging people unemployed for a long period of time.

Other countries provide **more positive examples of measures to target long-term unemployment**. The Austrian National Reform Programme, for example, asserts that people who are long-term unemployed are highly at risk of poverty, with a rate around 64%. Moreover, in Austria people who are still fit to work usually get support from the Public Employment Service. In Sweden, although the number of types of subsidised employment have been reduced from five to one, long-term unemployed people can combine subsidised employment with education and training activities aimed both at empowering the individual and helping him/her to update their skills to those required in the labour market.

Benchmarking with non-EU and candidate countries

Macedonia - *The country remains moderately prepared in implementing EU rules in the social field, including: minimum standards for labour law, equality, health, safety at work, non-discrimination and also promoting social dialogue at European level.*

Young people and the long-term unemployed still face difficulties in labour market inclusion. The Anti-Discrimination Law is not yet aligned with the EU acquis and its implementation mechanisms were not strengthened.

Area for improvement:

- *Labour market conditions for young people, long-term and unskilled unemployed people and socially disadvantaged groups*
- *Strengthening the capacity of the Labour Inspectorate and promoting collective bargaining between employers and workers*
- *Ensuring that appropriate institutional and financial resources are provided to address poverty and implement social inclusion policies, including the Roma action plans and the new Deinstitutionalization Strategy and Action Plan*
- *There is no major issue with child labour in the country*
- *The general awareness of the employers and employees about issues concerning health and safety at work has slightly improved, however, there is no relevant body to oversee and enforce the implementation of occupational health and safety legislation. In 2017, according to CSO reports, there were 118 reported injuries at workplace, 24 of which fatal*
- *Trade unions and employers' organisations are limited and their capacity remains weak*
- *The country is the first in the Western Balkans to set up a youth guarantee scheme. The new law on internships has been drafted introducing relevant provisions for increased labour market participation of people with disabilities and its enactment is expected by the end of 2018.*

Key Messages

Implement quality employment policies that ensure that nobody is left behind

- **Step up strategies to promote gender equality and close the gender pay gap, and targeted support for specific groups**, including minorities, migrants, young and older people and people with disabilities.
- **Promote decent, sustainable and good-quality jobs** by investing in quality job creation, fostering living wages and security in the workplace and by curbing precariousness.
- **Prioritize the fight against in-work poverty and ensure that paid work can provide a sustainable route out of poverty** by adjusting tax, subsidy and regulation to create a more level playing field for all forms of work.
- **Support comprehensive Active Inclusion approaches**, particularly for long-term unemployed people, guaranteeing personalized, integrated support that goes beyond employment (i.e. encompassing adequate income support and quality, affordable services).
- **Recognize the value of positive incentives** and eliminate practices and narratives of negative conditionality that injure autonomy, health and social respect, increase social divisions and are ineffective in supporting access to sustainable work that takes people out of poverty.

4. EDUCATION AND LIFELONG LEARNING

Introduction

The Education and Training chapter of National Reform Programmes provides an overview of the measures, interventions and policies that EU Member States have implemented or are planning to implement to achieve the education target of the Europe 2020 Strategy, which encompasses a twofold objective. Figures show that, on average, at the EU level, Member States are on track to reach the targets in the next few years. With respect to reducing the rates of early school leaving to below 10%, Eurostat data shows that the target has almost been reached, considering that the percentage for the EU 28 in 2017 stood at 10.6%, a considerable improvement since 2008 (14.7%). The second education target in the strategy aims at having at least 40% of the 30-34-year-olds complete third level education. According to Eurostat, reality is edging closer to the target than ever, considering that for the EU 28 in 2017 the figure for this indicator was 39.9%, again a substantial increase since 2008 (31.1%). However, EAPN members have been concerned about the indicators used, and the quality of the education.

Principle number one of the European Pillar of Social Rights is about education, training and lifelong learning. EAPN members have selected it as one of the five most important principles out of the twenty proposed by the European Commission. EAPN appreciates the principle of speaking about education as a right and for mentioning quality, inclusiveness and its role in enabling participation in society rather than being solely linked to the labour market. EAPN further highlights the 4th Sustainable Development Goal to “ensure quality and inclusive education for all”. However, EAPN also underline that lifelong learning should be reinforced, by enhancing second-chance education opportunities; that income support measures should accompany education measures; and that inclusiveness should be strengthened by ensuring equal access to opportunities for all. However, although the Social Fairness Package has set out how the Pillar will be monitored mainly through the European Semester, it is still not clear how the Pillar and the Social Scoreboard will be made coherent with Europe 2020 targets.

In 2018, 14 Member States (BE, BG, HR, CY, CZ, FR, DE, HU, IT, LT, PT, PO, SK, ES) received a Country Specific Recommendation on education. In our analysis of these Recommendations, we called attention to the fact that education is primarily seen as a labour market tool, with few references to the quality of education and to inclusiveness for groups having troubles accessing education or having poor educational outcomes. Thus, education systems seem to be designed for better market relevance. However, EAPN has been underlining the importance of non-formal and informal learning approaches, instead of formal ones, particularly for people who have had difficulties in the formal system. Informal approaches are more often focussed on individual needs not only to acquire relevant skills for the labour market, but supporting their empowerment, and inclusion in the community.

In this section, we present our members’ assessments of the NRPs as related to education, with a particular focus on how far the Europe 2020 target and the Social Pillar Principle are implemented for the benefit of people in poverty.

Key Concerns

Encouraging policies to keep the targets on track, but what impact?

Several EAPN members (BE, FI, IE, IT, SE, UK) report that their **country has already met the early school-leaving target under Europe 2020**. The Estonian NRP underlines how the preliminary objective to reduce early school dropouts has been met, despite the country having not yet reached the EU-wide goal. EAPN IT also highlights that the country has reached its national objective, while remaining below the EU average. The Swedish case demonstrates that, even if countries have reached the target, the situation can actually be worsening and can require due monitoring. The proportion of people aged between 18 and 24 years old without at least two years of secondary education has in fact increased continuously in Sweden since 2014, reaching 7.6% in 2017. Moreover, some of our members (PL) lament the **absence of any reference to school dropouts in their NRP**.

Besides monitoring countries' progress on the target, several NRPs (AT, LU, PT, UK) specifically reference **measures adopted or about to be adopted underpinning delivery on the early school leaving target. Concerns are raised however about the effectiveness**. Luxembourg has introduced an obligation for schools to thematise the prevention of dropouts as part of their development plans, as well as a programme designed to welcome students likely to drop out of school. Portugal meanwhile is attempting to reduce early school leaving through measures such as free textbooks for the first cycle. In Austria, the government has set up a National Strategy for Preventing Early School Dropout from Education and Training and it has enforced mandatory education for people under eighteen years of age. Mandatory education already exists in the UK. Nonetheless, in this country, the number of the so-called **young NEETs** (acronym for "not engaged in education, employment or training") **have reached worrying peaks**. EAPN believes that targeted initiatives aimed at combating non-participation should not only consist in income support or in activation measures (UK), because sometime negative activation practices and tough conditionality could force young people to accept any job, even precarious ones, leading to failure to progress and to poverty.

EAPN believes in fact that reducing school dropouts primarily coincides with ameliorating education systems and coordinated approaches. Effective measures for young NEETs include those that supply them with opportunities to retake their studies, even if they are no longer of school-obligatory age (LU), or those that create structures specialized in welcoming students that would normally drop out of schools (LU). Preventive measures are also very important. **Greater investment needs to be made in both preventing, as well as tackling, school dropout, involving joined-up working with children/young people and their families, schools and local communities.**

***UK:** Pupils are required to be in education or training until age 18. There are nevertheless 794,000 young people not in education, employment or training, slightly more of them female, 11.2% of the age group and above the OECD average. The government's main actions to reduce non-participation are through Universal Credit and the reform of apprenticeships.*

***Portugal:** Young NEETs are also one of the groups highlighted by the NRP and it is said that a National Strategy for NEETs in partnership with the ILO (in the scope of the Youth Guarantee)*

was approved and publicly presented, but there is no information about the type of measures/actions considered in this Strategy.

Several respondents report either progress or a positive steady state on the target concerning improving tertiary education (AT, BE, IE, PL, SE). At 53.3% the third level education attainment rate for 30-34 years old in Ireland is already the highest in Europe and the national goal is to further increase it to 60% by 2020. The Austrian NRP reports a tertiary education attainment rate of 40.5%. Also positive seems to be the **focus of some NRPs on measures taken to improve tertiary education** (AT, IE, PL, PT, SE). The education section of the Polish NRP is dominated by issues concerning higher education, however it fails to reflect on the specific barriers affecting people in poverty. Whereas the Portuguese NRP also reports initiatives addressing tertiary education, that include a reinforcement of social support for students in need attending higher education programmes and a simplification in the access to higher-level studies. Finally, the Swedish government shows a continuous ambition to sustain tertiary education.

A further concern is that **the target does not fully capture the reality or impact**. An improvement in tertiary education attainment rates does not necessarily mean that holding a degree would help people's integration in the society and in the labour market. As our members in Austria point out, governments themselves incentivize some areas of study (usually scientific and technical) instead of others (usually art, social and humanitarian). The tertiary education target also does not take into account the difficulties underlined by many EAPN members (AT, BE, DE, PL, SE, UK) of disadvantaged groups in accessing higher education and in being as successful in their studies as their better-off colleagues.

In Belgium the participation in tertiary education is high but big inequalities and regional differences are observed. Pupils with a migrant background have much less favourable educational outcomes. In Belgium the impact of a migrant background on education is above the European average. The attainment gap between people with disabilities and those without far exceeds the EU average and the share of Science-Technology-Engineering-Maths (STEM) graduates is one of the lowest in Europe.

Big differences across countries in focus on quality and inclusiveness

When surveyed on whether they think **the education and training measures in their NRPs are primarily aimed at increasing skills or ensuring an inclusive quality education system, EAPN networks split almost in half**. While members from Austria, Estonia, Germany, Ireland, Poland and the UK (i.e. 55% of respondents) believe that education measures are first and foremost designed with their labour market implications in mind; members from Luxembourg, Finland and Sweden (i.e. 27% of respondents) recognize the appropriateness of the proposals in their NRPs for sustaining a quality and inclusive education system. This shows that **despite the generally positive trends on the education targets, cross-country differences in education policies are still strikingly evident**.

It is important to stress that many members (AT, BE, HR, DE, IT, PL, UK) lament the **absence in their NRPs of a holistic vision, prioritizing a universal, quality and inclusive public education for all**. Education should not be focussed only on preparing people for the labour

market, but have a broader role, fostering personal development and capacity to contribute and participate in society. Consequently, **the fundamental link between poverty/social exclusion and education is often marginalized**. A positive example comes from Estonia that has deliberately aimed to decrease the at-risk-of-poverty rate by increasing the general educational level. Higher levels of education are associated with better health as well as with less poverty and supporting more social mobility. Issue-specific measures, although important, are not however sufficient to build education systems capable of ensuring universal access to high quality learning. Education alone will also not solve poverty, but only as part of an integrated strategy.

Germany: A survey from 2012 showed that there are 7.5 Million people between the ages of 18 and 64 years in Germany who cannot read and write properly, they are the so-called “functional illiterates”. These people are at risk of social exclusion. For 58% of them German is the native language. In 2015, Germany has announced a “decade of literacy”. Unfortunately, there is no mention of it as a component in an overall strategy to tackle poverty and social exclusion.

Few NRPs display measures aimed at improving the quality of education. Several NRPs (AT, DE, IE) include initiatives to guarantee **adequate digital education in schools** and (PT) explicitly recognizes the lack of digital skills as a widespread problem in the population. Although policies that promote the development of specific skills could undoubtedly ameliorate the education system, governments’ investment plans are **mainly driven by labour market considerations** (AT, IE).

Ireland: While the NRP highlights that skills development can drive both economic and social growth, the focus is on employment and jobs. There is an important focus on digital skills, but addressing literacy and numeracy needs of those with low educational attainment is not mentioned in the NRP, apart from in reference to the submissions of stakeholders, such as EAPN Ireland.

Austria: Positive – The NRP focuses on the structural change towards research, technology and innovation. Therefore, it tackles measures to reduce the dropout rates of engineering and information technology education.

Negative - The focus on some key subjects (technology and engineering) excludes humanitarian, social and art studies and leads to the question of redistribution in the tertiary sector, especially under gender aspects.

Other measures and investments that could improve the overall quality of education include those promoting **full-day school formats** (AT, DE) or **renovating school structures** (LU) and those promoting **cultural or sport activities free of charge for children during the holidays and school** (SE). **Childcare support, student grants and family allowances** (which are described more in detail in the poverty section) **should also be expanded**, with a view to support families in need and to curb the negative influence of poverty on educational outcomes, as promoted in Sweden and Germany.

Germany: Some good measures are planned by the new government, e.g. for low-income families the child supplement (“Kinderzuschlag”) should be increased and improved; the so called school starter package is to be increased and the cost that parents who get minimum income have to pay for each lunch at school should be abolished; the child benefit is to be increased, whereby it continues with the monthly regular amount people get as minimum income.

Sweden: For all families with children, child support and study grants are raised by SEK 200. In addition, the social welfare assistance for children and students in high school is raised with SEK 200 per month for the most vulnerable families with children.

As reported in the poverty chapter, there seems to be an increased attention on **quality and affordable early childhood care and education** (EE, IE, LU, PT). However, our members still underline **issues regarding investment in infrastructure, as well as embedding quality standards**.

The **inclusiveness of education schemes is one of the most important aspects highlighted by our members**, asserting the right to education cited in the Social Pillar and SDGs and ensuring that **nobody is left behind** (AT, HR, DE, IE, LU, PL, ES, SE, UK). However, principles are useless if targeted policies do not ensure positive results. **Some members lament the total absence of any reference to equal treatment and opportunities in their National Reform Programme** (AT, PL). However, for example, our Irish network recognises that measures aimed at supporting access to education for disadvantaged categories might actually be implemented, without the NRP reporting it. **In order to guarantee inclusiveness and equality, EAPN welcomes targeted initiatives and funding programmes that ensure concrete results.**

One of the most mentioned causes of inequality in education is the impact of poverty and social exclusion and the socio-economic background of the individual, which tends to influence educational success (DE, UK). For example, in the UK, children from poorer families have maths results a grade lower than their better-off counterparts. In order to combat this phenomenon, EAPN UK suggests that the government avoids selection practices that discriminate against poorer pupils. Moreover, the increased number of private schools in some countries (SE, UK) also leads to more social segregation and inequality, because it further increases the gap in educational offer available to children from different social classes. **More positive practices** are reported in the NRPs from Ireland and Sweden, where governments are making efforts to support children and young people from disadvantaged backgrounds.

Sweden: Equality in schools has deteriorated over time and differences in school results have increased. Socio-economic factors are important for the results, and the government has therefore decided to strengthen the state funding of pre-primary and lower secondary schools and to distribute it to the general public, based on the students' socio-economic background. The government has also suggested that it be stated in the school law that the principals of pre-school, primary and secondary schools actively promote a comprehensive social composition of the students at their school units.

Another source of disparity in educational outcomes, which many of our members underline, **is related to regional or geographical differences** within Member States (BE, DE, IE, ES). EAPN Spain specifically calls for a reduction in regional disparities, with a view to improving students' performances and to support teachers. In Belgium a lot of young highly skilled people find their way to Brussels, but pupils born in the Brussels Region have the least chance of successfully completing tertiary education. Moreover, our German network stresses how regional exclusive jurisdiction over education creates a high level of heterogeneity in educational performance. **A more positive example** of how NRPs tackle this issue comes from Ireland, where the Delivering Equality of Opportunity in Schools programme is precisely designed to support schools in areas with a critical level of disadvantage. One of the measures provided by this programme is a target to raise retention rates at secondary level in schools located in disadvantaged areas, currently at 84.41%, with the view to achieve a national average of 91.2% by 2025.

Some NRPs also mention measures to tackle disparities in linguistic skills or measures addressed at students with a migrant background. In Austria, this resulted in a controversial law establishing compulsory German classes for children with limited knowledge of the language, which has led to their segregation from their schoolmates for many hours. Conversely, in Luxembourg, the government has introduced pre-school plurilingual education programmes. Our members consider them positive preventive measures to guarantee equality in education and work opportunities, which are increasingly related to the number of languages the jobseeker speaks. Moreover, **local NGOs are playing a crucial role to favour the integration of migrants in education systems.**

***Croatia:** There are initiatives related to the migrant population in the capital of Croatia: enrolment in elementary schools of migrant children and learning/studying the Croatian language both for children and adults. Efforts related to the implementation of inclusion strategies are faced with overall negative perceptions and fear of migrants who could change the way of living of the local population. These effective and efficient activities are implemented mostly by local NGOs: Jesuit Refugee Council, "Are you Syrious?", Red Cross, in communication with local elementary schools, and the University of Zagreb.*

Some EAPN members (EE, IT) welcome **projects to overcome gender stereotypes** and to increase awareness on gender segregation in education. In the Portuguese NRP **minorities' needs in education** could be found in the Inclusion for Knowledge Programme which aims at favouring their integration in higher education. **Roma adults and children seem not to be mentioned specifically by many NRPs this year**, as EAPN Portugal points out. EAPN urgently calls on EU governments to reflect on the impact of segregation and unequal treatment on this ethnic group, which is one of the most socially excluded and discriminated against.

Finally, some NRPs **stress the importance of targeting disabled students and learners with special educational needs** (DE, IE). On this issue, an interesting benchmarking example comes from the **Republic of Macedonia**, which is a candidate country, soon to be part of the European Union. In this country, the Ministry of Social Affairs is Mila Carovska, who was a

founder member of EAPN FYROM and who is now working on family support policies. Among these, the Minister has promoted an action plan for children with intellectual disabilities aimed at their full integration in schools and going against widespread prejudices in the population.

Some attention to professional training and upskilling, but insufficiently targeted to the needs of disadvantaged groups

As highlighted, most **NRPs refer to education and training in direct relation to the labour market**, i.e. to their capacity to provide the necessary professional skills that people need to access quality and sustainable employment. Although EAPN's position goes beyond market needs, it is important that education and training strategies meet the needs of disadvantaged jobseekers and employed people. Vocational or professional training programmes are designed for the upskilling or reskilling of unemployed people and workers, after and beyond formal education.

Measures to **provide both better access to and quality of training and upskilling for people in work are highlighted in a number of countries (FI, IE, LU, SE)**, however **they are often deemed as inadequate or insufficient. Several countries appear to be still be cutting educational services, rather than investing.** In 2018 the United Kingdom received a Country-Specific Recommendation on training, which our members deemed currently as business-led and of poor-quality. There has been a rapid decline in the number of young people taking up apprenticeships, on top of already severe cuts to further education and training colleges. However, this was not recognised in the UK National Reform Programme. The Finnish Government also made several cuts in vocational training. In France, reforms to training have been adopted, but the results of such initiatives are yet to be seen. **Only few EAPN members (AT, IE, PT) indicate positive measures** for the upskilling of the adult working population. However, **concerns are still raised** about how far these are targeted and adapted to the needs of disadvantaged men and women.

***Ireland:** There is some focus on those with low skills and the EU's Recommendation, Upskilling Pathways: New Opportunities for Adults. The 2018 Action Plan for Education includes the commitment to develop an implementation plan on Upskilling Pathways. The NRP refers to an increased focus on life-long learning and of upskilling and reskilling, including of those in employment. There is no specific mention of how this approach will target those from a disadvantaged background and the focus is on skills for the labour market.*

Undoubtedly, **jobseekers, unemployed people and young adults** need professional training programmes and targeted policies that can help them access better jobs and avoid precarious work. **Some NRPs (FI, LU, PT, SE) prescribe positive solutions to these issues, whereas others (AT, UK) completely ignore the problem.** In Finland, former negative activation practices have been erased and people are now allowed to study without losing the unemployment benefits they are entitled to. In 2017, Sweden introduced a new recruiting and scholar support aimed at allowing people with high educational needs to access primary or secondary level education, thereby strengthening their opportunities to establish themselves in the labour

market. **In some countries, a special attention is dedicated to young NEETs.** The Youth Guarantee, which is reported in some NRPs (LU, PL, PT), offers quality services for professional integration, qualifying trainings, apprenticeships and the possibility to return to school for young people under thirty years old. However, EAPN has repeatedly expressed **concerns about the quality of the education on offer.**

Holistic approach to lifelong learning beyond employment needed

Finally, EAPN promotes lifelong learning as an appropriate holistic vision of education, which should span throughout all the phases of the life-cycle for personal and professional development. Lifelong learning should have a broader pitch, both upskilling people for labour market needs, and providing them with a broader, more comprehensive education. Several NRPs refer to an **increased focus on lifelong learning or to initiatives promoting its use** (AT, HR, IE, LU, PT). **However, the focus is mainly on long-term upskilling for employment of adults in and out of work** (IE). The Portuguese NRP reports measures and programmes concerning adult qualifications, although there is no reference to the quality of these training programmes. In addition, in Croatia there are some uncoordinated initiatives related to lifelong learning processes and targeting the elderly population in a few big cities. However, the aims of these initiatives are not always clear, nor how they will ensure that disadvantaged groups benefit from them (IE).

Luxembourg: Objectives and measures in lifelong learning:

- *Development of ADEM's language training: conclusion of partnerships with major training institutes. Pilot project to support and encourage companies to develop the skills of employees.*
- *Financial support 'bon de réduction': A voucher for reduced registration fees for trainings equal to 10 euros, offered to: jobseekers; beneficiaries of the guaranteed minimum income; persons evaluated in need by the Luxembourg Office for Reception and Integration; the signatories of a reception and integration contract; persons recognized as in need by the communal and regional social offices.*
- *The government will also continue to progressively implement the lifelong learning support and enhancement measures in the White Paper on the National Strategy for Lifelong Learning.*

Despite some positive initiatives, EAPN members (AT in particular) **lament a lack of reference to second-chance, informal or non-formal training through community approaches and the weak prioritization of quality and inclusive lifelong learning.**

Key Messages

Invest in equal access to universal, free, quality public education and holistic lifelong learning, as well as vocational training

- **Adopt a comprehensive vision of education and lifelong learning** that goes beyond the needs of the labour market, ensuring that targets and indicators capture reality.
- **Promote free, inclusive and universal public education;** ending discrimination and segregation ensuring nobody is left behind by adopting pro-active measures to ensure gender equality as well as for target groups: ethnic minorities, people with disabilities, migrants and people facing poverty.
- **Raise the quality of education and integrate anti-poverty goals in educational policies and budgets:** ameliorating and making more accessible the curricular and extra-curricular offer of schools; investing in infrastructures; increasing childcare support, early childhood care, student grants and family allowances.
- **Ensure access for workers and jobseekers (especially young) to adequate upskilling and/or training programmes,** adapting them to the needs of disadvantaged people, and ensuring universal access to adult education, including 2nd Chance.
- **Reinforce quality and inclusive lifelong learning,** beyond merely employment-related needs, by supporting informal or non-formal learning approaches supporting personal and community development.

5. EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

Introduction

EAPN has always been active in engaging with EU Structural Funds, focusing particularly on the European Social Fund (ESF) and the Fund for European Aid to the Most Deprived (FEAD), as well as through the EaSI programme and **Horizon 2020**. The Tool Kits for engagement in Structural Funds¹⁷, the NGO campaign coordinated by EAPN for the 20% of ESF to be ring fenced for Poverty and the Barometer report¹⁸ on how the 20% commitment has been followed up are some examples of EAPN's engagement in this area of work. EAPN's main concern in relation to European Structural and Investment Funds (ESIF) is to **see EU funds succeed in combating poverty and social exclusion**, while **recognizing a leading role for civil society organisations** in the programming, implementation, monitoring and evaluation of such Funds.

The **joint responsibility of policy makers and civil society organisations** to support the implementation of the **European Pillar of Social Rights**¹⁹, the **Social Fairness Package**, and the **Agenda 2030**²⁰, to ultimately deliver rights and ensure a life in dignity for all at all stages of life²¹, can only be achieved by increasing investments to fight poverty and strengthen social cohesion and social inclusion, or at least, maintaining the current levels of spending. In May, the European Commission, the European Council and the European Parliament started the negotiations on the next European budget, also known as the **Multiannual Financial Framework (MFF)**. **EAPN has been engaging in the debate**, publishing a **Position Paper**²² and organizing a **Breakfast Roundtable**²³ - *Does the proposed MFF really prioritise the fight against poverty?* - at the European Parliament. **EAPN is worried about the 7% cut in Cohesion Funds** that doesn't seem to give adequate attention to the 23.5% of Europeans - almost 1 in 4 - living at risk of poverty and social exclusion, far from being a **'Budget that protects and empowers'**. This big cut in the Cohesion Funds and the massive increases to security, border control and defence raise questions about the future of the European Union and the future of democracy, in a context where the trust of the European Citizens in the EU is very low and the increasing divergences between Member States underline the importance of a strong common vision and action on sustainable and inclusive development. Therefore, EAPN calls on the European Commission and Member States to assume their responsibility to ensure that the fight against poverty is central to the European Union's policies and priorities, **launching a new large-scale social inclusion programme**, as well as ensuring **better inclusion of NGOs as full partners in the EU funding processes**. Key demands are to dedicate a **minimum of 30% ESF+ Funds**,

¹⁷ EAPN's toolkit on Structural Funds for NGOs ([here](#))

¹⁸ Barometer Report: Monitoring the implementation of the 20% of ESF earmarked for fighting poverty ([here](#))

¹⁹ The European Pillar of Social Rights ([here](#))

²⁰ With the SDG 1- end poverty in all its forms everywhere ([here](#))

²¹ Principle 14 of the European Pillar of Social Rights: *Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.*

²² EAPN Multiannual Financial Framework Position Paper ([here](#))

²³ Co-hosted by the European Anti-Poverty Network, Eurochild, Eurodiaconia, FEANTSA and Save the Children.

rather than the proposed 25%, to meaningfully combat poverty and contribute to the implementation of the Social Pillar and the SDGs. By **specifically recognising the role of civil society organisations** in delivering on some of the founding values of the European Union, **the EU Budget can meaningfully contribute to tackling the problem of legitimacy and trust in the EU Project** itself.

This chapter provides a **synthesis of EAPN members' assessment focused on Structural Funds** support for poverty reduction. Particularly, it looks at the extent to which Structural Funds are mentioned in the NRPs, and at how effectively they support delivery on the poverty target and the implementation of inclusion measures beyond employment. It also looks at the extent to which the Social Pillar is referenced throughout the National Reform Programmes. According to our Members' assessments of the NRPs, the majority of the sections on the Structural Funds **are very short sections, with little detail on their role in delivery on the 20% ear-marking or in promoting partnership**. Therefore, it is difficult to get a strong idea of how EU funds are effectively being used to combat poverty at project level. As for the content of social inclusion measures, **while the priority given to employment-related activities remains preponderant**, on a more positive note, **some members highlighted that their NRP covers a broader range of areas related to services**.

In our scoreboard, similar to last year, **only 27% of responses indicated that Structural Funds are being used effectively to reduce poverty and deliver on 20% ear-marking of ESF**, (27% partly agree and 37% not sure). Our 2017 assessment highlighted a number of serious difficulties in the implementation of the FEAD and the ESF in the fight against poverty: only a small number of EAPN networks managed to engage in ESIF, either in the monitoring committees or in accessing funding to deliver projects. In this regard, **EAPN Portugal** has been carrying out an **exercise to analyse the difficulties and the obstacles of grassroots NGOs** in accessing EU funds, such as ESF and FEAD in Portugal. The broader goal of this exercise is to finalize a second barometer about the same issues covering as many EU countries as possible. Concerning NGOs' role in monitoring and delivering, EAPN calls for a **stronger implementation of the Code of Conduct** by introducing an **ex ante conditionality** on the **partnership principle**, key elements in assuring the **quality of the spending and getting result on poverty reduction and social inclusion**.

Key Concerns

Poor evaluation of EU funds' impact on poverty reduction, more on services

All the NRPs assessed by members had sections dedicated to use of EU ESIF funds, however the majority of the respondents agreed that the sections were **short** and mainly **descriptive** (LU, PT, SE). **EAPN Luxembourg** pointed out that the chapter on Structural Funds has exactly the same text as the year before. Neither was there a realistic assessment of known **difficulties in spending and implementation**. **EAPN Portugal**, for example underlines the worrying lack of transparency about the serious delays in implementing the 20% of ESF and in FEAD. There was also little detail on the impact on poverty reduction (FI, DE, IT, LU, PL, PT, SE). This made it also **difficult to know how the funds were being spent, particularly in relation to the 20% ESF earmarking**.

EAPN Portugal: *There is a small chapter related to the contribution of Structural Funds. The Pillar Qualification of the Portuguese and the pillar Strengthening social cohesion and equality are delivered by two operational programmes: Human Capital and Social Inclusion and Employment. However, this is an informative chapter and nothing is said about the delays in some of the programmes, like Social Inclusion and Employment as well as the implementation of the 20% of ESF on social inclusion and poverty. Another important subject is FEAD – at national level the Fund is implemented by the Operational Programme to Support the People in Need – also indicated in the NRP (only that is being implemented - but we know that there are a set of problems in its implementation at national level).*

While the priority given to employment-related activities remains preponderant, some members highlighted positively that their NRP covers a **broader range of areas related to services** including housing, health and childcare (Early Childhood Care and Education and services for disabled children), as well as some positive developments related to measures for groups and communities distant from the labour market and experiencing social exclusion (HR, EE, IE, PL). In this regard, **EAPN Poland** pointed out a growing interest of the Polish government in the Europe 2020 Poverty target, as in the section on Structural Funds they dedicated some details on different measures taken to reach the target. Similarly, **EAPN Estonia** highlighted **positive work-family reconciliation measures**, such as ECEC services with a focus on the municipalities with the lowest coverage in this kind of services. Despite these positive improvements, both Networks emphasized **the lack of reference to the European Pillar of Social Rights or to the ex-ante conditionality requiring an anti-poverty strategy based on integrated active inclusion, and far less a right-based strategy**, with the goal of integrating disadvantaged people into society and ensuring fairer life opportunities for all.

EAPN Poland: *There is a specific section on the Europe 2020 poverty target and actions considered by government as important in this area. It contains some details about new measures for older people (document about comprehensive social policy but without any public money ascribed to it), people with disabilities (ESF financed projects on physical accessibility in public services and institutions and labour market inclusion), housing (National Housing Programme for people with low and moderate incomes), overly indebted persons (less restrictive access to private bankruptcy procedures). It is not an integrated rights-based strategy but a rather loose selection of different actions from new formal documents with little prospect for implementation in ESF projects previously planned in the Social Operational Programme (PO WER). Some of these documents or projects were described without any information about expected poverty or inequality reduction. There is a lack of information about the effectiveness or efficiency of these projects in terms of reduction poverty or inequality. They are available only for the Youth Guarantee. Accessibility Plus is not about employment. Its main priority is to make public transport and other public institutions more accessible for persons with disabilities. The Social Pillar is not present.*

EAPN Estonia: *in the Action Plan, there are some measures that are likely to have a positive impact on poverty reduction, but it's far from being an integrated, rights-based strategy to fight poverty, because a strong emphasis on the labour market measures remains.*

Nonetheless, in the NRP a reduction in infrastructure investment is forecasted, as a large part of the infrastructure had already been created or restructured. This would allow more funding to be directed toward substantive developments in the educational system. The creation of childcare and kindergarten placements, paying attention to under-three year-olds and focusing on the municipalities with the greatest lack of placements and the provision of flexible and close-to-home services (including an analysis and proposals on ensuring flexible childcare) are positive.

Overall, there is a **lack of information about the effectiveness of the projects implemented in relation to the reduction of poverty and inequality**: the sections on ESF funds are mainly descriptive, lacking a comprehensive analysis on social inclusion policies (EE, LU, PL, PT, SE). **Monitoring the use of funds in the fight against poverty in the current financial perspective should be more effective** and should therefore involve civil society organisations and people experiencing poverty and social exclusion. Inadequate implementation of the partnership principles undermines the transparency of the use of the funds, thereby increasing the risk of corruption and abuses.²⁴

Getting people into jobs, but what about quality and inclusion?

The ESF should help Member States reinforce the **social inclusion of disadvantaged people** with a view to their sustainable integration and combating all forms of discrimination. However, most EAPN respondents highlighted the **primary focus of Structural Funds on labour-market related measures with no further comprehensive reference to disadvantaged groups and anti-discrimination policies** (HR, FI, DE, IE, IT, LU, PT). Although there was generally little detail in the NRPs, the use of the funds was largely focussed on combating unemployment with **no mention of quality jobs** and to the need of integrating all people in the society. **EAPN Germany** highlighted that they do not have any real measures to fight poverty under the ESF, because the only indicator used to measure poverty in the NRP is long-term unemployment. **EAPN Bulgaria** remarked that as the funding priorities are linked to **boosting investments** they are therefore **mainly directed to the business sector**, focused on economic growth and employment. Whilst there is still **a general tendency for the main focus to be on employment alone/activation approaches**, some members pointed out some signs of support for a broader inclusion focus. For example, in **Ireland** some measures were directed to groups distant from the labour market and experiencing social exclusion. In **Luxembourg**, the professionalization internship and the employment reintegration contract funded by ESF are aimed at people over 45, or with the **status of disabled employee**. In Germany, **women** and a small programme for those facing **multiple barriers**.

EAPN Ireland: The section on EU Funds outlines in broad terms the focus of the programmes in Ireland. It highlights that one of the four priorities for the ESIF in Ireland is combating unemployment and social exclusion and states that under the ESF programme in excess of 35% of the total ESF allocation has been directed to promoting social inclusion and combating poverty and discrimination. In reference to the Europe 2020 targets the NRP emphasis of the ESF programme is on upskilling and social inclusion measures which are designed to maximise

²⁴ See EESC opinion ECO/400 on New measures for development-oriented governance and implementation – evaluation of the European Structural and Investment Funds and ensuing recommendations, OJ C 487, 28.12.2016, p.1.

active participation in the labour market, including the reduction of long-term unemployment. In doing this it aims to achieve a reduction in the numbers of those at risk of poverty. Therefore all Structural and Investment Funds in Ireland are focused on the labour market, with some measured focused on groups and communities distant from the labour market and experiencing social exclusion. Apart from naming it as a cross cutting objective for the ESF programme the issue of discrimination is not addressed in any part of the NRP.

EAPN Germany: *Because the only indicator for poverty is long-term-unemployment and nothing else there are no real measures of the Structural Funds to fight poverty. Only projects in the context of training and reintegration into the labour market are being offered. Some of these projects focus especially on the promotion of women. Only the very small German EHAP programme is focused on people with multiple disabilities that have no access to the labour market.*

Despite these improvements and the broader focus on inclusive labour markets, it remains unclear how the policies on upskilling and social inclusion can contribute to fighting poverty. Few details are given on **how these employment measures contribute to poverty reduction** (FI, IE, PT, SE).

EAPN Sweden: *The Social Fund is strictly focused on the labour market. Nothing about poverty reduction, not even mentioned!*

EAPN Finland: *There is one paragraph about Structural Funds and ESF and the poverty target of EU2020-strategy. It is also said that youth unemployment has remained relatively high (20% of the labour force) and that Finland had not received specific EU-money to tackle youth unemployment.*

Continuing challenges to civil society engagement, but promising EAPN practices

Ensuring the effective use of EU funds in the fight against poverty and social exclusion requires cooperation between different levels of government (national, regions, districts and municipalities) but also key stakeholders – including civil society. Given the importance of the 20% ESF earmarking on poverty, the on-the-ground expertise of civil society organisations at all stages is crucial to achieve success: in the programming, monitoring and evaluation, as well as in the implementation.

According to members' contributions, only a small number of EAPN networks are managing to engage directly in the monitoring committees at national or regional level (DE, IT, RO ES). In others, EAPN is working in alliance with other NGOs who participate in the Monitoring Committees eg Ireland, where all monitoring committees have a representative from the Community and Voluntary Pillar, which EAPN actively participates in. **For the majority of EAPN members however, ESIF funds and monitoring processes remain frustratingly inaccessible**, undermining the potential of grassroots organisations to contribute innovative and effective solutions to combat poverty.

In this regard, in 2018, **EAPN Portugal** has carried out some important work at EU and local level in order to analyze the difficulties and the obstacles of grassroots NGOs in accessing EU

funds, such as ESF and FEAD. They are working in two ways: 1) the production of a 2nd EAPN EU-wide barometer based on questionnaires sent to all National Networks and 2) focus groups at local level. Some of the key findings from these groups are:

- delays in some of the programmes/applications and bureaucracy burdens deeply affect the development of projects;
- there are also some financing lines with very low allocations that do not allow for the implementation of the planned projects;
- difficulties in complying with the requirements imposed by the financing lines which often leads to withdrawals;
- lack of technical support and vague answers from the national and local authorities.

Civil society organisations have a particular mission to support the most excluded people in our societies. They are best placed to ensure that their voices are heard. Promoting a stronger implementation of the Code of Conduct and ensuring effective engagement of grassroots NGOs are therefore of key importance.²⁵

Key Messages

Increase EU funds for measures supporting integrated anti-poverty strategies, delivered with civil society organisations!

- **Social Inclusion is not just about employment! – Projects must deliver on anti-poverty rights-based strategies based on integrated active inclusion and anti-discrimination.**
- **Increase the role of EU funds to fight poverty and social exclusion in the MFF**, EAPN calls for a budget that should respect the SDG principle of ‘Leaving No-One Behind’ and which recognizes the eradication of Poverty and Social Inclusion as public goods and collective responsibility, with 30% of ESF+ and a dedicated poverty programme.
- **Enforce delivery of the partnership principle involving small NGOs and people in poverty** with more concrete and pro-active monitoring and enforcement of the code of conduct regarding the quality of engagement of civil society actors allowing them to be effective partners in the Monitoring Committees and delivery. Social inclusion needs to be mainstreamed into local development approaches, and involve NGOs and people facing poverty and social exclusion.

²⁵ See Better inclusion of civil society organizations as full partners in the EU funding processes in EAPN Multiannual Financial Framework Position Paper ([here](#))

6. GOVERNANCE AND PARTICIPATION

Introduction

EAPN has been actively engaging with EU Inclusion Strategies since 1990, through the Lisbon Strategy and the Social Open Method of Coordination. Since 2010 with the launch of Europe 2020, and more recently with the adoption of the European Pillar of Social Rights, **EAPN members have been relentlessly trying to get involved with the European Semester processes in their own countries, then working together to get EU impact.** The aim of this engagement has been to try to get progress on Europe 2020 goals and targets (particularly the poverty target) and now the Social Pillar. EAPN has mapped the success of this engagement every year. This chapter reviews progress in 2018.

In 2018, Civil Society Organisations are unfortunately still not comprehensively mentioned in the main instruments of the European Semester. However, a more positive recognition of their role can be found in the European Pillar of Social Rights and particularly in the implementation in the Social Fairness Package, including in the European Parliament's amendments to the proposal for the Employment Guidelines underpinning the European Semester.

There is **no explicit mention of civil society as a key stakeholder in the 2018 Annual Growth Survey**, whereas there are five references regarding the need for closer involvement of social partners. The main Communication accompanying 2018's Country Reports contains only one reference to the role of the civil society, while there is more explicit mentions of social partners, national parliaments and local authorities. *"The Commission recommends that the National Reform Programmes are drawn up with the support of all key stakeholders, such as social partners, regional and local authorities, and Civil Society Organisations as appropriate".* The role of Civil Society Organisations is usually curtailed, while the involvement of social partners is seen as *"being instrumental to successful, sustainable reforms"*.

In the **Social Fairness Package Communication**, while civil society is mentioned twice, it focuses on NGOs' importance for the delivery of the Pillar *"notably when they provide social services"*, but neglects to refer to their role in supporting the design, implementation, and monitoring of effective public policy and in supporting the direct voice of people with experience of poverty who are service users.

However, the **Staff Working Paper on Monitoring the Implementation of the Social Pillar** envisages a broader role for Civil Society Organisations clearly identifying them as actors in the implementation through the European Semester, alongside Member States and social partners. This recognizes their key contribution to effective solutions at **"all stages of the policy process and in reinforcing transparency, accountability and legitimacy of public decisions."** It is crucial that **civil society** organisations are embraced as **an equal partner and key stakeholder** in the EU and national decision-making processes, as the **holistic understanding from the ground** can make policies more efficient and effective, as well as more accountable to citizens. People with direct experience of poverty and social exclusion

also have expertise that policy makers don't have and this is particularly important to understand what works and what doesn't work, ensuring a Europe that cares and protects.

On the positive side, the **proposal for the Employment Guidelines**²⁶ was amended by the European Parliament to reflect the European Pillar of Social Rights and it includes explicitly the partnership between Member States and Civil Society Organisations (Recital 11)²⁷. This has now been officially adopted by the Council. This year, DG Employment has also been proactive in setting up structured dialogues with civil society to feed into the Semester process at EU level. In October 2018 this will include inputs from national stakeholders. However, as the Commission is now more interested in civil society feeding in information at national level, it should also **develop concrete, publicly available guidelines on quality standards for effective engagement of civil society at EU and national level** monitored through the Semester.

This chapter captures members responses to progress on stakeholder engagement in the European Semester, assessing the quality of the involvement of civil society and people experiencing poverty in the 2018 National Reform Programmes. We highlight below important areas where improvement is still needed to **ensure meaningful, quality stakeholder engagement** – including of people experiencing poverty and their Civil Society Organisations.

According to our survey, **64% of EAPN respondents to the NRPs questionnaire report that anti-poverty NGOs were not consulted in the development of the National Reform Programmes** (with 18% partly agreeing and 46% strongly agreeing). This shows a slight **deterioration** from last year's figure of 60% (with 20% partly agreeing and 40% strongly agreeing). The critical issues regarding the process of engagement of stakeholders in the design of National Reform Programmes range from the lack of transparency in the governance process of the NRP, and the low level and quality of the involvement of stakeholders, particularly civil society, in the process, to the lack of impact of civil society organisations and people experiencing poverty on the final outcomes.

*"Policies are stronger, more stable and confident in those societies with a high degree of participation and social cohesion. **Fighting poverty therefore must be a collective struggle for the exercise of rights of all persons.** Those who are responsible for public policy, in particular, must consider the needs and proposals coming from those who are experiencing social exclusion."* Leire Pajín, Former Minister of Health, Social Policy and Equality (Spain, 2010).

²⁶ Communication and Staff Working Paper on Monitoring the Implementation of the Pillar ([here](#))

²⁷ Recital 5: Since 2015, the European Semester has been continuously reinforced and streamlined, notably to strengthen its employment and social focus and to facilitate more dialogue with the Member States, social partners and representatives of civil society.

Recital 11: While the Integrated Guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely involving parliaments, as well as social partners and representatives of civil society. Council Decision 16 July 2018 on Guidelines for the employment policies of Member States. (2018/1215)

Key Concerns

Lack of political will to ensure a transparent and effective governance process for the NRPs

Disappointingly, from our members' assessment, the quality of involvement of most EAPN members in the governance process for the NRP this year has not improved (BE, HR, EE, LU, PT, UK). Although EAPN Portugal highlights that there were some public consultations over measures in the NRP, and they had meetings with the government (but not in relation to the NRP). In some cases it has worsened (IT, ES). National Reform Programmes are mainly the **reflection of governments' positions** and there is no transparent, comprehensive process for a meaningful and effective civil dialogue (AT, BE, HR, EE, FI, IT, LU, PT, UK). In several countries, **the NRP is mainly drafted by the Minister of Finance** (FI, IT) whilst in others the process is more of a collegial effort, that involves other Ministries and different levels of policy-making (AT, IE, PL, ES). Even when the engagement of the governments with civil society is in place and meetings with stakeholders happen regularly, the extent to which the anti-poverty NGOs can get into meaningful discussions with the policy makers is still very limited (AT, FI, LV, SE).

***EAPN Sweden:** There is a consultancy process described in the NRP, but for EAPN and comparable NGOs, the real impacts were at the same low level as before. There was an informative meeting and no further follow-up or evaluation.*

***EAPN Latvia:** We were not officially asked for a reflection, but at the meeting of the Steering Committee at the Ministry we had the opportunity to say something. I said that for many years Latvia got recommendations on improving adequacy of Minimum Income schemes, and the secretary replied that I wasn't right because they were only asked to improve systems of general social benefits.*

Most EAPN National Networks pointed out how **National Reform Programmes are treated as reports not as strategic and forward-looking plans**: the poverty sections are in some cases a copy-paste job from previous years, with some changes in the figures (AT, LU) containing no innovative policies. This reflects the requirements of the Commission and that many Member States give the NRPs low priority, particularly as the Country Reports are relied upon increasingly by the Commission to monitor delivery on the Country-specific Recommendations.

The governance process behind these documents **lacks transparency and/or clear collective responsibility**: Most EAPN members are concerned about the lack of a well-structured, public and systematic consultation process that involves as many stakeholders as possible (AT, HR, EE, DE, IT, LU, UK). Encouragingly, there are some examples of **clearer, well-structured processes and good information** on how to engage with them (FR, IE, PL, ES).

However, without clear and common guidelines, the involvement of actors in the preparation of National Reform Programmes is ultimately a matter of political willingness of the government in place. A change of government, hence, could either improve the process, or worsen it, as in the UK, or can lead to unpredictability, as is happening in Italy and Spain. The UK Government in fact, does not consult at all on the NRPs: the Report states that

‘since the NRP does not contain any new policy announcements, it is not subject to formal consultation’.

EAPN UK: *Without clear and common guidelines, what seems really clear is that the way of engaging with civil society depends very much on the politics of your government and on whether your country is a net recipient of EU funds and/or Eurosceptic.*

EAPN Italy: *The 2018 NRP was presented on April 26th, in a transition moment for Italy. The old government was supposed to take care of current affairs only while the new one had yet to be formed, taking office only at the end of May. Having been prepared by the outgoing government, the 2018 NRP does not contain a new policy framework and it limits itself to describing the international economic and financial evolution, updating the macroeconomic forecasts for Italy, describing the state of the public finances in light of the effects of the Budget Law 2018 and, the state as for anti-poverty measures.*

The process for drafting the NRP is still a very closed-door process carried out by the Ministry of Finances with some input from the Ministry of Labour and Social Affairs. We had made some steps toward our involvement, but we are now at a standstill waiting to understand how this government will act in terms of social and civil dialogue.

We tried to engage in the NRP, and if the Italian political scene had not gone through such a major change we were on a good track. But it is too early now to know what is going to happen in the near future. To conclude, we are afraid that this NRP and a good number of the measures herewith described are very likely to become “waste paper” in the next few months.

EAPN Spain: *The new government doesn’t know what it’s going to do with the NRP, the economic office of the government disappeared. This a big pity, because we used to be well connected with the Government and the semester office before with our proposals being taken up. We had one meeting with the Commission and the Semester Officer.*

Social NGOs struggle to participate - meaningful participation needs adequate resources!

As highlighted above, 64% of EAPN respondents report that anti-poverty NGOs were not consulted in the development of the National Reform Programmes compared with 60% in 2017. This is a worrying sign of **further deepening of the already-wide gap between institutions and citizens, eroding the legitimacy, accountability and effectiveness of national authorities, as well as of the policies adopted by them.**

Some EAPN networks had no opportunity to be involved (BE, HR, EE, LU, UK). This may be because Governments consider the National Reform Programme as only a report, without necessity for consultation. This is the case for Estonia and for Croatia, where the NRPs have been adopted without a wider discussion. In Luxembourg and UK, civil society organisations used to be consulted on a regular basis but are no longer. In Finland the NRP is not discussed in the Ministries EU-committees, because it is drafted mainly by the Ministry of Finance with the Participation of the Ministry of Social Affairs and Health for the issues that fall under their competences.

These obstacles can make civil society organizations lose their enthusiasm for engaging with the European Semester, dangerously leading to demobilization and undermining the

legitimacy of the process. On top of that, EAPN is deeply concerned about the proposed cuts in the next Multiannual Financial Framework (MFF): particularly in the EaSI programme (now under ESF+) which would undermine and worsen the participation of Civil Society Organisations. Making the participation meaningful and allowing CSOs to get concrete impact on the shaping, delivery, and monitoring of policies under European Frameworks, can only happen by reinforcing their motivation, providing clear and transparent guidelines and adequate resources for engaging with these processes.

Luxembourg: *Since 2015 the government has stopped every earlier initiative of including civil society in the process. The former “social inclusion group” which used to meet twice in the Spring is no more convened. As the “social inclusion group” comprised the different Ministries, the local social offices of the municipalities, the social partners and CSOs, this means that participation of civil society is now zero! The fact that civil society participation is no longer desired by the government led also to a general demobilization of CSOs. And as the NRP is from year to year only more of the same, with CSOs opinions being ignored, the vast majority of CSOs no longer see any use to engage with the NRP.*

Estonia: *The National Reform Programme in Estonia is a document with limited impact and it was adopted without civil society participation. The document is a formality; the section on poverty the text is almost unchanged, only some new figures were added.*

United Kingdom: *As usual, the NRP states that there is no ‘formal consultation’ on it, as it contains no new policy; it is a collation of existing policy. It is also made clear that there is no upstream role for NGOs in civil dialogue, the only opportunity is as part of dialogue on implementing policy. This is in stark contrast to business, which is invited to contribute to policy-making.*

Finland: *The NRP is classified as a governmental paper, which is only presented to the parliament. It is drafted and decided upon in the Ministry of Finance, but also the Ministry of Social and Health can influence and probably also writes most of the “social issues”. Civil society and NGOs in particular have no influence on this, because the NRP is not even discussed in the Ministries EU-committees, where different stakeholders are involved as far as we know (EAPN-Fin and its member SOSTE have places in two EU-committees, the committee of social matters and the committee of health matters). We were not consulted.*

Some positive examples, but contributions not sufficiently taken on board

On a positive note, 36% of the respondents to EAPN questionnaire were consulted in some way in the development of the National Reform Programmes (FR, IE, PL, ES). Some managed to get inputs into their NRP (AGE Platform, Eurodiaconia, DE, IE, NL, PL, ES). Others got involved in different ways: **meeting/engaging with the European Semester Officers** (HR, DE, FI, IE, LT, PL, PT, ES) or reacting to the CSRs after they were published (Eurodiaconia, FI, IE, LV, ES).

Some members also highlight improving engagement in the discussions in the bilateral meetings with the Commission: for instance, **EAPN Finland** pointed out some good discussions with the Commission and the fact that they took part in a training with the Semester Officers as well. Similarly, **EAPN Spain** has been working regularly with the Semester Officers: they met before the Spanish Country Report was written and they had an exchange

of information. **EAPN Lithuania**, that this year got a very good CSR to improve the design of the tax and benefit system to reduce poverty and income inequality, had a discussion with the Commission officers after the Country Report was published: that was a good occasion to point out what was missing in the Country Report.

Nonetheless, when it comes to the actual **policy impact** of their contributions, respondents to the questionnaire are more pessimistic. **73% of respondents believe that the opinion of anti-poverty NGOs was not taken seriously into account in the NRPs** (with 64% strongly agreeing with the statement and 9% partly agreeing). However, three out of 31 National Networks who replied to the questionnaire did feel that their inputs were taken seriously into account in the NRPs (IE, PT, ES). It is important to learn from these examples. (see below).

The overarching concern remains that Governments are not doing enough to establish **real, meaningful structured partnerships**, that lead to collaborative, transparent, inclusive and democratic policy-making in the framework of the European Semester. Most networks feel that **even when their voice is heard, the contribution they can bring to the discussion is very limited and not translated into the National Reform Programmes** or bringing results in policy impact.

Austria: EAPN Austria was invited to a session of the Federal Chancellery on the preparation of the NRP, which was not helpful or informative for NGOs but about the Report. To participate in the process of the NRP the government should inform the civil society in advance with comprehensive information and a setting for a constructive dialogue. Civil society could provide valuable information and support people experiencing poverty in participation.

Civil society participation is organized through the “Austrian Platform to Accompany the Implementation of the Europe 2020 Poverty Target” (“social platform”), that unites several major stakeholders and meets twice a year. The platform is a good possibility for information exchange between the policies administration and civil society but it should leave more space to get into discussion with policy makers.

EAPN Austria is preparing a letter to send to the Semester Officer, containing the Network’s ideas the regarding participation and suggestions for solutions to enable civil society engagement in the European Semester, especially regarding the implementation of the European Pillar of Social Rights.

Moreover, even when the civil dialogue seems to be functioning well, there are many long, complex documents that activists find hard to approach. Meaningful involvement of social NGOs inevitably requires detailed economic and policy capacity - this needs to be built and funded.

Cases of successful involvement of anti-poverty NGOs

On a positive note, some EAPN networks (IE, ES, FR, PL) report some successful **impact of anti-poverty organizations** in the National Reform Programmes and European Semester. In Poland, **NGOs’ contributions are included in the official report**, showing that civil society has been considered as a relevant stakeholder: CSOs send their assessments and amendments to the draft of the NRP, and some of them are included in the final text of the NRPs. The governance process for the Irish NRP envisages EAPN Ireland and other CSOs to make a

submission and to comment on the draft of the NRP. This year, the Irish NRP included an Annex that summarised all the recommendations from Civil Society Organisations and the issues from the submissions. Nonetheless, EAPN Ireland comments that it is not the same as including it in the main NRP document. EAPN FR also makes **submissions through the civil society platform**, which are annexed to the report. EAPN ES has had a long-standing **compact and structured dialogue** with the Government as part of the 3rd Sector platform where EAPN leads on the negotiations. However, with the resignation of the current government, it will take time to put new arrangements in place.

Successful involvement of civil society organisations requires a **well-structured, transparent process with good information on how to engage**. The *quality* of this engagement can range from: receiving information or informative meetings, making written submissions and commenting on drafts, to engaging in regular **constructive exchanges and debates** with the opportunity to provide input, get views taken on board, **and receive detailed feedback for non-take up**. A really successful civil dialogue requires a **regular structured dialogue to be put in place and monitored**.

For example, in Ireland the **consultation process** starts with an invitation from the Minister of State for European Affairs to make a submission to the NRP and an opportunity to comment on the draft. The Department of Social Protection held a consultation workshop with community and voluntary organisations, and trade unions on the relevant sections of the NRP. The **EAPN Ireland Europe 2020 Working Group** engaged at all stages, making a submission, commenting on the draft NRP and attending the workshop. EAPN Ireland also coordinates the **Better Europe Alliance** (a pilot alliance set up initially through specific funding by the European Commission in 2014) which has been engaging cross-sectorally (with social, environmental NGOs and trade unions) in the Semester process. In the last two years there have been improvements, such as **having more time to provide inputs**, and this year, **having the submissions of the CSOs included in the annex to the NRP**. **The engagement should continue as a regular dialogue throughout the policy cycle** – implementation, evaluation and development of new approaches.

Ireland: *The governance process for the Irish NRP was similar to most years with an invitation to different stakeholders, including Civil Society Organisations and EAPN Ireland, to make submissions. These organisations also get to comment on a draft NRP. There have been no specific meetings or events to discuss the NRP but in the NRP it is highlighted that this engagement happens in an ongoing manner across different policy areas. Much of the content on governance in the NRP is given over to outlining different consultation processes.*

The Joint Oireachtas (Parliamentary) Committee on European Union Affairs was also invited to share their views on the European Semester process.

EAPN Ireland made an initial submission to the NRP and also commented on a draft. There was a little more time than previous years to do both of these. The Better Europe Alliance, which is coordinated by EAPN Ireland, also sent its response to the European Commission’s 2018 Country Report for Ireland as a submission to the NRP.

Poland: *The Polish Government’s official Europe 2020 Platform for stakeholder involvement (Międzyresortowy Zespół do Spraw Strategii “Europa 2020”) is in operation from 2012 and, after initial problems, it now enables all stakeholders to participate in the NRP drafting process. There is an annual special working meeting focusing on poverty, as well as the opportunity to present advisory opinions*

on the Country Report. Our representative was active in the Europa 2020 body meetings, raising issues related to poverty. The Platform sends proposals and amendments, some of which are included in the final text, others rejected with an explanation. In July 2017, the Platform was invited to attend a joint internal meeting, organised by EAPN with DG Employment, DG ECFIN, and the SecGen, to share these experiences and reflect on how to improve dialogue. This concrete national example of cooperation also holds valuable lessons for the partnerships needed to meaningfully implement the European Pillar of Social Rights at the national level.

We sent our comments to the Country Report and the NRP update draft. We participated in several meetings of the official body responsible for Europa 2020 implementation and in two meetings with representatives of the European Commission in their fact-finding mission. We got detailed answers to our comments and proposals and we have an opportunity to discuss them with government representatives. Our impact is strongly limited by nature of the NRP. It is the government's report about selected government activities decided in national political processes separated from European Semester reporting tools. Meaningful involvement of social NGO activists in these processes and tools is very difficult. It is a task for economic and policy experts mainly.

EAPN Spain: As we do annually, we prepared a proposal for the government, after an interview with the Economic Office of the government in charge of drafting the NRP. Our proposals were commented in the text at the end, together with those of the Trade Unions, Employers, and the Federation of Local Authorities. In that document, we also incorporated an evaluation of the previous NRP, the Country Report and the 2017 Recommendations, explaining the pending issues, such as the Pillar of Social Rights, the SDGs and an urgent poverty strategy. After the NRP publication, we did an evaluation of the NRP, with a comparative table between what we proposed and what we got included.

In this evaluation, we also took into account the results of the budget negotiation at the Parliament, as new elements (that were not in the NRP) to be incorporated. On June 1st, the government changed, and we only know that the budget will be executed as was agreed with the European Commission, but nothing about the NRP.

Benchmarking with non-EU and candidate countries

EAPN Serbia: Serbia is not involved in the European Semester, as it is a candidate Country to the European Union. However, the government drafts a document, called Economic Reform Programme, and the Commission provides recommendations based on that. The report used to include employment and social related issues, but this year it is macro-economic dominant. Social benefits in Serbia are very narrow, and according to EAPN Serbia, social and civil dialogue is weak and must be strengthened.

EAPN Iceland: Iceland is of course not involved in the European Semester, but the Network has a seat on a Committee of legal changes in the social sector founded by the government EP, and representatives were twice invited formally to a board meeting of social affairs in the City of Reykjavik. EAPN has been active members of Iceland's Welfare Watch.

Key Messages

Make NGO partnership a driver for Social Rights in the Semester - embedding regular, meaningful dialogue with people facing poverty!

- ***Make the NRP a true strategic plan for social and inclusive development*** drawing on the European Pillar of Social Rights and the SDGs, embracing Civil Society as a key partner. Establish **ambitious new goals** and **clear, compulsory common guidelines** on the Semester governance processes underpinned by the employment guidelines, involving all relevant actors in a quality engagement. This **partnership approach to policymaking would increase the accountability and visibility** of the Semester, making it closer to citizens, especially those most in need.
- ***Embed quality standards for meaningful participation of people experiencing poverty and NGOS*** at all stages of the policymaking process, providing them with support and **financial resources to build capacity** to contribute equally and effectively, supported by EU funds. **Quality standards indicators** should be agreed and monitored throughout the Semester process (NRPs, Country Reports, bi-lateral dialogues, AGS/ Joint Employment Report). **Mutual learning** on best practices to encourage upward convergence must be enabled.
- ***Improve the effectiveness and impact of the NRP by taking contributions of policy beneficiaries on board***, for example by annexing them to the NRP, systematically including them in the main NRP document as well as by mainstreaming them into policy proposals. **Regular feedback to participants in relation to their inputs is also crucial**, as part of an on-going, regular structured dialogue and partnership.

Annex 1. The status of the document

This EAPN assessment, recommendations and country annex are issued on behalf of EAPN's EU Inclusion Strategies Group (EUISG) which has delegated powers within EAPN to develop policy position papers and reports. This Report provides a synthesis of EAPN members' assessment of their 2018 National Reform Programmes. It is based on a questionnaire and scoreboard responses from 13 national networks forming part of the EAPN EU Inclusion Strategies Group (AT, BE, HR, EE, FI, DE, IE, IT, LU, PL, PT, SE, UK), and incorporates inputs from other members in a workshop exchange **held** in Brussels on the 6 July (BG, CZ, FR, LV, LT, MT, NL, RO, Eurodiaconia and Age Platform). The Country Annex reflects direct contributions from members on positives/negatives and gaps. The first draft was circulated to EUISG, EXCO and European Organization members on the 31st of July with a month for input until the 3rd September. Responses to the final draft were received and integrated from EAPN BE, FR, IE, IT, LU, NL, UK, Eurodiaconia and FEANTSA. It was signed off at the EU Inclusion Strategies Group meeting on the 27 September. The analysis of the questionnaires and drafting of the report was carried out by EAPN Policy Team: Sian Jones, Policy Coordinator with support from Claudia Husdup, Policy Intern and Matteo Mandelli, Policy Assistant.

Diversity of opinion within civil society

Whilst EAPN members have a range of views on certain topics, all members are united in working to bring about a social Europe, free of poverty and social exclusion, with access to economic, social and cultural rights for all. Members are united by our vision and values, which can be found [here](#).

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The European Anti-Poverty Network (EAPN) is an independent network of nongovernmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, established in 1990.



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This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>

The views expressed by EAPN do not necessarily reflect the official position of the European Commission.

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