



A Breakfast Roundtable: Does the proposed Multiannual Financial Framework really prioritise the fight against poverty?

On 5 June 2018, EAPN, Eurochild, Eurodiaconia, FEANTSA and Save the Children organised a breakfast roundtable to discuss with European decision makers and influencers whether proposals around the MFF really prioritise the fight against poverty. The roundtable was organised under Chatham House rules. Key points which emerged from the discussions are as follows:

POLITICS

A budget that protects and empowers?

- Cuts to cohesion policy and big increases to security, border control and defence suggest that this is a budget that protects our borders and our defence industry, rather than people experiencing poverty
- The MFF should respect the SDG principle of 'Leaving No-One Behind'
- Social cohesion is needed for European unity – otherwise what is Europe?
- The **eradication of Poverty** and **Social Inclusion** are **public goods**, and this must be recognized during the MFF negotiation processes.

Economic and social imbalances

- We see 'corrective actions' for major macroeconomic imbalances at the national level – we need to see the same happening for major social imbalances (high levels of poverty, high unemployment, high share of working-poor, high percentage of child poverty). This is both a political and a financial matter, and European political processes need to incorporate this principle.
- Investment in the future is currently considered as excess spending and therefore it should be punished; many major austerity programs that have been implemented in some members states were not even necessary (from a pure economic standpoint). There is a step change needed here.

MFF, THE SEMESTER AND THE SOCIAL PILLAR

- The connection between the Semester and the Pillar is just starting – the real test will be whether the **social priorities** of the Pillar are aligned with the European semester; if the Country Specific Recommendations are really aligned with the European Social pillar
- The connection between the MFF and the Semester is difficult because the semester process hasn't fully matured yet. There is a feeling that Country Reports are not of a high quality or relevance.

MFF AND SOCIAL SERVICES

- Impossible to realise the objectives of Social Pillar without the provision of Social services – funding for such services through the MFF must be sustainable and long term
- If MS enable social service providers to access European Funds directly, this would lead to better take-up of funds.
- Investments in high quality universal education, health, ECEC, family support services, community services ultimately have a massive pay-off and need to continue.

SPECIFIC INSTRUMENTS

ESF+

- We need to develop a method according to which the ESF+ funds will be allocated at national level and there is the risk that some member states will say that they don't want to use any ESF money.
- 'Partnership' has been watered down in the ESF+ proposals – work is needed to protect this principle. At the EU level, **civil society** should be represented in the **ESF+ Committee**, not only social partners and members states.
- Will this fund be discussed at the EPSCO Council or the Working Party on Structural Measures? Much of this fund seems to fall under the competence of EPSCO (EaSI, FEAD, Health Programme) but currently it is being planned under the WPSM.
- It is right that resources are ringfenced for the fight against poverty and social exclusion. However, the current proposal of 25% ringfencing was deemed inadequate by some. 30% was highlighted as a more ambitious level which would better allow implementation of the SDGs and the Pillar of Social Rights.

FEAD

- Concerns over the **lack of a precise definition of most deprived persons**, which are left to the national level. Better guidance from the European level would lead to more consistency.
- The social inclusion element of FEAD should not be optional – social integration programmes for the most deprived should be encouraged.

EU Invest

- Important to ensure this covers social investment and social infrastructure

Investment Protection Instrument

- A positive development, which could help MS experiencing shocks to keep their social investment capacity stable.
- The instrument is small, and the link with social investment is not yet guaranteed.

Reform Delivery Tool

- Whenever a member state needs some European support to implement a certain set of reforms proposed through the Semester process, this instrument is there. The big risk is that this could be used to push for neoliberal reforms of the labour market, rather than reforms which favour the fight against poverty and social exclusion
- The instrument might be acceptable only if the following conditions are met:
 - 1) the reforms shouldn't just aim at fiscal consolidation, but to have a positive impact should envisage the aim of promoting sustainable welfare systems and fighting social inequalities and investing in people (training, skills, LLL);
 - 2) most of these reforms to have success must be combined with investments;
 - 3) the reforms must be designed with all the relevant stakeholders

EAPN, our members and our partners will continue working on the MFF to ensure that poverty and social exclusion are high political priorities.