

# CONTENT

<u>1.</u>	INTRODUCTION	5
1.1	. KEY MESSAGES ON COUNTRY REPORTS 2019	7
1.2		7
<u>2.</u>	EAPN MEMBERS' ASSESSMENT OF THE 2019 COUNTRY REPORTS	8
2.1	OVERALL ASSESSMENT OF THE COUNTRY REPORTS	8
2.2	. WHAT IS MISSING?	10
2.3		11
2.4		12
2.5	Annex D on Social Investment	13
2.6	ARE THE 2018 COUNTRY-SPECIFIC RECOMMENDATIONS ADEQUATELY IMPLEMENTED?	14
2.7		14
2.8	. Was EAPN members' input taken on board?	15
2.9	BENCHMARKING WITH NON-EU COUNTRIES AND INPUT FROM EUROPEAN ORGANISATIONS	16
<u>3.</u>	COMMON MESSAGES FOR ALTERNATIVE COUNTRY-SPECIFIC RECOMMENDATIONS	17
3.1	SOCIALIZE MACROECONOMIC POLICIES	17
3.2	SYSTEMATIC FOCUS ON POVERTY + SOCIAL RIGHTS THROUGH INTEGRATED STRATEGIES	17
3.3	. URGENTLY IMPROVE ADEQUACY OF MINIMUM INCOME AND SOCIAL PROTECTION	18
3.4	EMBED PERSONALIZED SUPPORT INTO QUALITY JOBS WITH LIVING WAGES, AS PART OF INCLUSIVE LABOUR	
MAF	RKETS	18
3.5	. INVEST IN UNIVERSAL, FREE PUBLIC EDUCATION / TRAINING AND LIFELONG LEARNING	19
3.6	GUARANTEE RIGHTS FOR ALL TO ESSENTIAL SERVICES: INCLUDING HOUSING AND HEALTH	19
3.7	PROMOTE INTEGRATED STRATEGIES FOR KEY AT-RISK GROUPS	20
3.8	. EMBED PARTICIPATION AND PARTNERSHIP WITH NGOs AT ALL STAGES	21
<u>4.</u>	EAPN MEMBERS' PROPOSALS FOR COUNTRY-SPECIFIC RECOMMENDATIONS 2019	22
AN	NEX 1 STATUS OF THE DOCUMENT	36

### 1. INTRODUCTION

2019 marks a **transition year in the EU**, with the elections of the new European Parliament and new leadership of the European Commission, following the culmination of discussions on the Future of Europe in Sibiu on 9 May. Significant re-adjustments are also likely to be made to EU structure and funding following the final decisions on BREXIT. It is also the 9<sup>th</sup> year of implementation of the Europe 2020 strategy and 2<sup>nd</sup> year implementing the European Pillar of Social Rights together with the Social Scoreboard. EAPN members were therefore keen to appraise **how far the "Social Triple A" is being realized**, delivering on poverty and social rights, through the European Semester as the main EU economic and social policy coordination instrument.

In 2017, according to the latest statistics<sup>1</sup> available at EU level, **113 million people (22.5%)** were still at risk of poverty or social exclusion (AROPE). Compared to the 2008 reference date, this represents some progress from the peak of 123 million at the height of the crisis. However, it only contributes a 5 million reduction to the EU target to reduce poverty, a long way short of 'at least' 20 million<sup>2</sup>. Whilst the economy in many Member States is recovering, together with employment rates, the same cannot be said of the **poverty levels, which remain unacceptably high across the EU.** Unemployment remains very high in countries like Greece, Spain, Croatia, Italy and Cyprus. Moreover, a job alone is not sufficient to keep people out of poverty, with in-work poverty at its highest level (9.6%), substantially above the 2008 figure (8.5%). The EU average on poverty also disguises a **disturbing gap on poverty rates across Europe**. Whilst there has been a notable decline in the AROPE poverty rate in Croatia, Hungary, Ireland, Latvia, Poland and Romania; in Estonia and the Netherlands there has been an increase. In 2017, more than a third of the population was at risk of poverty or social exclusion in three EU Member States: Bulgaria (38.9 %), Romania (35.7 %) and Greece (34.8 %).

The **Annual Growth Survey 2019**<sup>3</sup> (AGS) demonstrated some steps towards a more social assessment underlining that "growth is not benefiting all citizens" and its commitment to ensure that the European Pillar of Social Rights (EPSR) is fully integrated into the Semester. Although the 3 AGS priorities remain largely the same (1) Investment, 2) Structural Reforms and 3) Fiscal Sustainability), some nuances were introduced underlining the need to promote inclusiveness supported by EU funds. However, the AGS fell short of rebalancing economic and social priorities or proposing a systematic Road Map for implementing the Pillar of Social Rights. Neither did it give sufficient urgency to effective action to drastically reduce the high and unequal levels of poverty, social exclusion and inequality across the EU.

Disappointingly, the European Commission's Communication<sup>4</sup> to the Country Reports does not reflect the slightly more positive social dimension in the AGS. It focuses entirely on

<sup>&</sup>lt;sup>1</sup> Updated with data from draft JER 2019 (21.11.2018)

<sup>&</sup>lt;sup>2</sup> FSDF 2018

<sup>&</sup>lt;sup>3</sup> European Commission: AGS and Draft Joint Employment Report 2019 (21 November 2018)

<sup>&</sup>lt;sup>4</sup> European Commission Communication: 2019 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth review (29 February 2019)

progress on structural reform, i.e. the prevention and correction of macroeconomic imbalances, with only 1 small mention of the European Pillar of Social Rights in the introduction as a "compass for achieving inclusive, fair and sustainable growth". In the section on labour market, education and social policies, the priority is overwhelmingly employment for growth, focussing on technological and demographic challenges and skills, with no explicit analysis of trends in quality employment or social rights, linked to the Social Pillar.

In terms of supporting participation of NGOs and people experiencing poverty, the AGS 2019 for the 1<sup>st</sup> time mentioned Civil Society as a key partner, recognizing CSOs' role to "improve ownership, legitimacy and get better socio-economic outcomes". However, their role is still seen very much as secondary to social partners. In terms of the Country Reports, systematic mention of engagement with civil society stakeholders is not apparent. Although the Communication underlines the opportunity offered by the Semester to engage in permanent dialogue with the Commission, Civil Society stakeholders are only specifically mentioned in relation to development of EU funded programmes. This is a missed opportunity to engage grass-roots organisations in the European Semester as key actors supporting implementation of social rights ensuring real progress for people experiencing poverty and social exclusion.

In this report, EAPN presents our members' assessment of the 2019 Country Reports, monitoring progress on the Europe 2020 poverty target and the implementation of the European Pillar of Social Rights as well as follow up on 2018 Country-specific Recommendations. At the end, members make their proposals for Country-specific Recommendations 2019.

Inputs were collected from 27 members in an in-depth mutual learning exchange, during the EAPN EU Inclusion Strategies Group Meeting in Riga, Latvia on the 21-23 March 2019. Countries who contributed were: AT, BE, DE, DK, EE, ES, FI, FR, HR, IE, LT, LU, LV, MT, NL, PL, PT, RO, SE, SK, UK + IC, MK, NO, RS. European Organisation members also contributed: Salvation Army, AGE Platform Europe. Members who contributed additionally by email were: AT, BE, DE, ES, FI, HU, IE, LT, LU, NL, PT, SE, UK.

### 1.1. Key Messages on Country Reports 2019

- 1. While most countries see clear positive steps towards rebalancing economic and social concerns in the Country Reports, the **macroeconomic priorities are still predominant**, which leads to policy incoherence in both the Report, and the Country-Specific Recommendations.
- 2. Social rights and poverty must be given their own separate section, with specific guidelines about its length and the issues to include, for example the Social Pillar principles and Scoreboard, as well as a comprehensive analysis of the root causes of poverty.
- 3. The complete set of 20 principles of the European Pillar of Social Rights are neither adequately mainstreamed in the document, nor fully reflected in the Social Scoreboard indicators.
- 4. The Social Scoreboard often obscures realities of poverty and social exclusion on the ground, while the practice of comparing to EU averages, instead of common ambitious targets, is not conducive to upward convergence on social standards.
- 5. **Promising progress in more and better engagement of civil society** in the processes around the drafting of Country Reports, but more can be done.

# 1.2. Key Messages for Country-Specific Recommendations 2019

- 1. **Socialize macroeconomic policies** to reduce poverty / inequality and implement social rights, including embedding transparent ex-ante poverty / social impact assessment.
- 2. Give systematic priority to reducing poverty and implementing social rights, requiring progress on EU2020 targets with a specific chapter in the Country Report, delivered through an integrated anti-poverty / active inclusion strategy.
- 3. Require urgent action to increase the adequacy, coverage and take up of minimum income and social protection to take people out of poverty.
- 4. **Embed personalized support into quality jobs with living wages,** as part of a genuinely inclusive labour market.
- 5. **Invest in universal, free, quality public education / training and lifelong learning,** including early childhood education and care.
- 6. Guarantee rights for all to affordable essential services, particularly housing and health.
- 7. **Promote integrated strategies for key at-risk groups** particularly Investing in Children, tackling housing exclusion and homelessness, inclusion of Roma and migrants.
- 8. **Embed participation and partnership with NGOs at all stages,** including as crucial partners in the delivery of EU funds.

# 2. EAPN MEMBERS' ASSESSMENT OF THE 2019 COUNTRY REPORTS

This chapter summarises the assessment made by EAPN's National Networks of the 2019 Country Reports, with additional views from AGE Platform Europe, a European Organisation in membership of EAPN. The analysis covers positive and negative / missing elements, the state of poverty in Member States, as reflected in the Reports, the mainstreaming of the European Pillar of Social Rights, and the follow-up on the 2018 Country-Specific Recommendations. It additionally details the degree, quality, and success of engagement of our members in the drafting process of the Country Reports 2019.

# 2.1. Overall assessment of the Country Reports

Ten EAPN members (AT, CZ, HU, IE, LT, LU, LV, PT, SE, UK) see a noticeable **improvement in their Country Reports** this year, in what concerns the accuracy of the analysis, and the attention paid to social issues, including poverty, as well as the quality of the research and data. Only Poland and Belgium see no change with regard to the previous year's Report, while Estonia finds that the Report is less social than in previous years.

Some countries (AT, DK, FI, IE, LT, SE) note some **positive steps in the direction of rebalancing economic and social** concerns. However, most (AT, ES, FR, IE, MT, SE, UK) point out that, despite improvements, **macroeconomic priorities still dominate the discourse**, while the social chapter is brief and not adequately developed (BE, DK, EE), or missing altogether (SE), while **rebalancing is not yet there** (IE, LU, UK). In France, for example, positive social messages are at odds with the Report urging the Government to reduce investment in access to public services, and to lower minimum wages. In Spain, pressure put on the Government under the excessive deficit procedure undermines the possibility of achieving progress on social rights.

Several members (AT, HU, RO) welcomed the focus of the Report on **analysing current government policy**, as some felt this provided a useful lobbying tool for anti-poverty organisations to put on pressure to obtain much-needed policy changes. Conversely, other members (EE, MT) feel that **the Report is too complacent** about what their Governments are doing, and too biased in terms of national politics. Members felt that such analysis documents should be objective and independent of whoever is in power.

While some members (BE, RO, SK, UK) appreciated the **quoting of accurate national statistics** on poverty and other social issues, others (HU, LV, MT), said that the numbers used were misleading, for example excessive reliance on GDP indicators in Malta, or falsely reducing the unemployment rate by the use of the public works scheme or not taking into account emigration in Hungary. Belgium states that several statistics are interpreted too positively – for example, reductions in the poverty rate are praised in Belgium, but the number is still well above the 2008 baseline.

EAPN members also appreciate the inclusion of some key topics for their country in the Report, sometimes for the first time:

- Some Country Reports (AT, ES, HR, IE, LT, PT, UK) look at the situation of **social security and social protection**, such as the impact of social transfers on poverty reduction in Portugal and Ireland, the highlighting of lack of adequate funding in Lithuania, due to ineffective taxation, and reduced support for vulnerable groups in Austria.
- Encouragingly, child poverty is mentioned in some countries (ES, FI, IE, PT, RO, UK), as
  rates are very high in Portugal, while better measurement takes place in Romania. In
  Finland the higher rate of child poverty with parents who are low-skilled and migrants
  is highlighted.
- Regional disparities and the unequal outcomes for different key groups are mentioned in a number of countries (AT, BE, CZ, ES, FI, FR, IE, LT, PL, SK, UK), including the situation of single parents, people with disabilities, the low-skilled, the selfemployed, Roma, migrants, and others.
- The Reports pay due attention to the situation of the **labour market** (CZ, ES, FI, FR, IE, SK, SE), including concerns about improving the quality of work (ES, IE, UK), the long-term unemployed (FI, FR), self-employed (FI), growing digital divide and low female entrepreneurship (SE), the gender employment gap (CZ), the situation of zero-hour contracts (IE), and the need for migrant workers (SK).
- Education and lifelong learning is a key area for many members (AT, CZ, ES, FI, FR, IE, LT, UK), and the related challenges are adequately reflected in the Country Reports.
- Access to quality services is tackled in a number of Reports (BE, CZ, DK, FI, IE, LU, LV, UK), including a focus on healthcare (BE, DK, FI, IE, LV, UK), childcare (CZ, IE, UK), housing (BE, IE, LU, UK), and the need for integrated services for the unemployed in Finland.
- Another area which was highlighted as positive in the Reports was the mentioning of demographic change, in Portugal and Spain, who have high rates of ageing. However other members highlighted that it was mentioned mainly from a cost-efficiency perspective, with the aim of curbing Government expenditure (Belgium and Finland).
- The **fight against inequality** is explicitly mentioned in the French and Irish Reports.
- The Czech Republic appreciates the continued focus on **over-indebtedness** in its Country Report, though still finds that the proposed solutions are not the right ones.
- Austria and Finland appreciate references to the gender pay gap. Gender inequalities
  are also mentioned in in Spain. In Finland, recognition is given to the unequal caretaking responsibilities that contribute to the gender employment as well as pay gap.
  References are made in Annex D to the need for investment to close the gap,
  mobilising social partners, civil society and enterprises. Sadly, the same reference is
  not made in Austria.

# 2.2. What is missing?

In our members' opinion (BE, HR, IE, LV, SE, UK), one of the main issues with the Country Reports is that, although some important issues may be nominally mentioned, the overall approach and proposed measures are wrong. For example, in Belgium, it is felt that the Report is written by and for economists, with inaccurate assumptions made about people's motives. The United Kingdom Report is very descriptive – while it mentions a lot of relevant topics, it does not offer a critical take on policies or advice for improvement; there is no associated reflection.

Many EAPN members (DE, DK, EE, LU, PT, SE) mention that **housing and homelessness are a striking missing dimension**, with not enough discussion about availability and affordability. Portugal laments that although the country has a national strategy on homelessness, neither homelessness nor the strategy is mentioned in the Report. Housing is mentioned, but only as an investment, overlooking the need for investment in social housing. Although the Belgian Report includes reference to the shortage of social housing, the issue of homelessness is not mentioned. In Sweden, market-only solutions to housing do not solve the supply shortage and do not provide opportunities for economically and socially vulnerable people. Although housing is dealt with in the Luxembourg Report, and there is a welcome focus on the supply side, the solutions proposed rely only on tax incentives, without solving the bigger picture of availability of land, currently concentrated in the hands of few rich people.

Several members (BE, HR, LT) indicate little attention paid to integrated social protection, including welfare benefits and social services. In Belgium, the Report only briefly refers to the adequacy of social benefits, by saying they are above EU average, but below the poverty threshold for a range of family situations, while statistics clearly show most social benefits are far below. The Belgian Report also does not mention the worrying trend that social security and assistance benefits are being made subject to more and more conditionality. In Lithuania, these are inadequate and have low coverage. Also in Lithuania, the shocking drop in take-up of minimum income is not mentioned, nor its impact on poverty analysed. In Sweden, growing inequality and its effects on social cohesion are not taken into account, because the inequality rate is lower than in other countries. In Croatia, despite a pilot integrated approach in education and the reform of the pension system, the impact on poverty is not discussed, and no comprehensive approach to social security and social protection is supported, so policies are piecemeal.

The situation of key vulnerable groups is given unequal weight in different Reports, our members highlight (IE, LT, PT, SE, SK). The Roma are missing from the analysis in Portugal. Conversely, while the Roma are mentioned in the Slovak Report, no reference is made to any other minority groups. In Sweden and Belgium, segregation is only dealt with in education and employment. In Ireland, the statistics do not capture other groups with high poverty levels such as Travellers, migrants, or the growing number of people who are homeless. The Lithuanian Report does not speak about key at-risk groups like large families, single person households, or the unemployed.

**Child poverty is regrettably missing** in some countries (BE, DK, LT, LV), despite increases in recent years in Denmark, and the critical situation of children and large families in the latter

two countries. Regarding young people, while the Youth Guarantee and adult education are praised in the Latvian Report, it is not noted that measures do not seem to lead to quality jobs, or indeed any jobs, for young people.

Access to health care is an area of concern, as it is not adequately flagged up in some Country Reports (DK, FI, LV). In Denmark, nothing is said about preventing deteriorating mental health. In Finland, the Report gives a rather too positive picture of health inequalities, which are a real problem in Finland, being higher than the EU average. Over the last years a health and social services reform has been attempted. However, the recent failed attempt brought down the Government.

Some countries (BE, LV, SE) deplore the **lack of references to indebtedness**, which severely affects households in Sweden, in light of high housing costs, as well as young people in Latvia, who get loans for education which they are then unable to repay, due to a lack of access to quality and sustainable employment.

Other issues flagged up by our members as missing in their Country Reports include: growing insecurity on the labour market and a rise in **in-work poverty** (AT, SE), **energy poverty** (LV), **ageing of the population** (DK), the **employment gender gap** (AT), and the **high cost of education** (LV).

# 2.3. Poverty target – what progress?

A first consideration, shared by a number of EAPN members (BE, DK, EE, SE), is that **poverty is not sufficiently present in the Country Reports**. In Belgium, Europe 2020 and the social targets are only mentioned in the Annex. The same situation is true for the Swedish Report. Our Irish members highlight the need for an integrated Active Inclusion approach, tackling the multidimensional nature of poverty, supporting access to an adequate income, whether in or out of work, access to affordable quality services, and access to a quality job for those who can work.

Some countries are praised for a reduction in the poverty rate (FI, IE, RO, SK), but **improvements should not mean abandoning efforts**. There seems to be a lot of emphasis on what is positive, without a complementary analysis of what is still needed, particularly when so-called reduced levels are still unacceptably high. For instance, the Irish Report highlights that the poverty rate decreased, which provides an excuse for the fight against poverty not to be prioritised, although the rate is still higher than before the economic crisis.

Another major concern for many members (DK, FI, IE, RO) is the fact that, when mentioned, data on poverty, and / or the interpretation, are sometimes distorted and obscure realities. The Danish Report simultaneously claims that the poverty rate has stabilised and provides evidence that poverty is increasing. The measuring of poverty under the Social Scoreboard is deemed inadequate and insufficient by our Estonian members. Our Irish members feel that poverty needs to be measured not only as related to the poverty line, as this doesn't capture adequacy and purchasing power.

Looking at aggregate country data without a breakdown by various criteria is an important problem, which leads to **several key groups not being adequately captured in the analysis** (EE, IE, LU). In the Czech Republic, the group most at risk of poverty is single parent families with children under 14 years old. Low-skilled, precarious workers, and people with disabilities are most at risk in Poland. Child poverty is very high in Portugal and a problem in Ireland. In Finland and Portugal, benefit claimants saw their supports cut, which had an impact of poverty. In Portugal, although the current Government has re-instated the reference values of some benefits, Portugal is still failing in terms of overall impact of social transfers on poverty reduction. In Romania, the poverty rate is 23.6% overall, 41.7% for children (the highest in the EU), and 17.4% for people in employment, while 19.7% suffer from material deprivation. For some groups, the poverty rate is as high as 40% in Luxembourg.

More encouraging news come from Poland, where the poverty-reduction target has been reached twice over. This is credited to a recently-introduced generous family benefit, however the Report warns that this might encourage intergenerational transmission of benefit dependency. Our members disagree with this analysis and support universal child / family benefits as a sustainable solution to reduce child poverty, with wide public support and improved take-up. Additional targeted support to access affordable childcare and early childhood education is needed for families in poverty.

# 2.4. Is the Social Pillar adequately incorporated?

While all EAPN confirm references to the European Pillar of Social Rights and the Social Scoreboard in their Country Reports, the consensual view (BE, DK, IE, FI, FR, LU, PT, UK) is that there is no adequate mainstreaming of all the Social Pillar principles in the Report itself, that the references are brief, or that the Pillar is not even mentioned beyond the box of indicators from the Social Scoreboard.

The vast majority of EAPN members (BE, EE, ES, DK, FI, HR, HU, LU, UK) flag up a major concern that **the use of EU averages in the Scoreboard lets Governments off the hook**. Benchmarking Member States to other countries' performances (which may be poor!), instead of pursuing ambitious common goals and targets, leads to a watering down of standards and a race towards the bottom, rather than upward convergence. There is also a lack of tracking of progress for the same country over time, and this measuring does not take into account significantly different national contexts.

Most members (EE, HR, HU, LU, UK) raise strong concerns that this type of **monitoring does not mirror actual developments on the ground**, and that the capturing of poverty, inequality and social exclusion is inadequate as it is currently measured by the Scoreboard. Additionally, Belgium feels that the Scoreboard indicators do not do justice to the full Social Pillar principles, and our Finnish members feel that countries who appear to do well on the Scoreboard are not encouraged to do more. However, the value of the Social Scoreboard indicators is recognized, as they ensure a continuing focus on the Europe 2020 targets and indicators (AROPE – at risk of poverty and social exclusion), ensuring they are actively monitored, together with inequality and other key indicators. The link with the Pillar principles is just not so clear..

### 2.5. Annex D on Social Investment

A few networks highlighted the importance of the new Annex D (BE, FI, PT), and its crucial role in guiding / monitoring delivery on social rights through Cohesion Policy. However, concerns were raised around the dominant priority given to activation (BE, PT), albeit to excluded groups, as well as limited focus on poverty or anti-poverty strategies. However, in Finland a broader social rights approach seems to be taken, including priorities on gender equality, work-life balance, community-based integrated social services and flexible learning pathways. There is also an encouraging emphasis on the key role of civil society in supporting delivery of the social objectives through EU funds.

**BELGIUM** – In Annex D when talking about implementing the European Pillar of Social Rights, the main focus is labour market activation. It argues that Belgium needs to invest in tailor-made assistance to improve its employment rate. Investing in education is important but merely because it is an instrument to fight the skills mismatches on the labour market. The fact that it is a fundamental social right necessary to fully participate in society, is not reflected in the text. Some limited attention goes to people with disabilities, housing for refugees, community-based services and cross-border healthcare and the fight against discrimination. The right to fair working conditions and wages, adequate social benefits and the right to access essential services are not mentioned.

**FINLAND** – There is a strong focus on activation, including supporting self-employment, aimed at young people but also key at-risk groups, e.g. people with disabilities and migrants. However, other priorities include promoting gender equality, work-life balance and the gender pay gap, by 'mobilising social partners, civil society and enterprises to address discrimination, etc.' Fighting early school leaving and developing flexible learning pathways throughout the life cycle are encouraged through engaging with civil society and other stakeholders. An integrated approach to social inclusion is promoted, including community-based and long-term care services. A mention is also made of the importance of FEAD funds addressing material deprivation through food assistance to the most deprived, including accompanying measures. Emphasis is also given to the means for effective delivery, e.g. supporting social innovation, social experimentations and up-scaling innovative approaches; adequate participation of social partners, civil society and other stakeholders in the delivery of the policy objectives.

**PORTUGAL** – The new Annex D is very relevant, as it indicates that these "annexes are a starting point for the future dialogue between the Commission and Member States on where the use of these EU funds should be targeted". However, there are risks in the priorities outlined: for example, support is given to the implementation of national active ageing strategies. Although this is important, as Portugal is one of the countries with the highest rates of demographic ageing, nothing is said about poverty and the importance of having an anti-poverty strategy. The European Pillar of Social Rights could be an opportunity to push this strategy but we are still missing an action plan for its implementation.

# 2.6. Are the 2018 Country-Specific Recommendations adequately implemented?

Most EAPN members (AT, EE, FI, IE, HU, LU, ES, UK) report that they **generally agree with the analysis contained in the Country Reports** about the implementation of the Country-Specific Recommendations for 2018. However, our French members point out that some Country-Specific Recommendations (usually the first one) damagingly require the Government to cut social spending and praise the stagnation in wage growth. In Belgium, the Government is being pressured to lower public spending, particularly through cuts in support to pensions and long-term care. On the brighter side, the Country-Specific Recommendation on moderating wage growth was dropped in Luxembourg, since the Government made it clear that it will not budge on it.

The main concern from EAPN members is that many **Governments do not seem to fully implement the positive Social Recommendations** (AT, ES, FI, HU, LT, LU, LV, UK), which is also evidenced by CSRs being repeated in more or less the same form year after year (AT, HU, LU). However, it was also seen as positive that the Commission repeats a Recommendation when progress is not made. In Luxembourg, increasing the employment rate of older people has been addressed for many years, but it is very slow process. CSRs on the adequacy of benefits and encouraging more progressive taxation went unanswered in Latvia and Lithuania.

Another issue raised is the lack of **policy coherence** within the Recommendations themselves (i.e., between the macroeconomic and more social CSRs), and not enough correlation between analysis and Recommendations. For example, Portugal also states that the absence of a CSR on poverty is very negative, and that the big picture is not taken into account. In the UK and Sweden, the Recommendation on housing is dealt with in the finance chapter in terms of investing in growth for the housing market, while supply, affordability, and the rise in homelessness are not mentioned.

# 2.7. How did EAPN members engage?

Starting with 2017, EAPN National Networks prepared Poverty Watches, documents reprising their own analysis of key developments and trends in poverty in their countries. 16 Poverty Watches were produced in 2018 (BE, CZ, DE, ES, FI, FR, IE, IT, LT, NL, PL, PT, RO, RS, SE, AGE Platform). A <u>synthesis report</u> was drafted, including graphic presentations of the main findings, messages and recommendations, and was launched in the European Parliament. This work was fed into the European Semester processes through active lobbying at national level and EU level, to decision-makers and the European Commission, including European Semester Officers and Desk Officers, as well as Independent Experts, through written submissions, consultation sessions, organising and attending national and EU events, contributing to DG Employment civil society review seminars, and other advocacy activities. Most members welcome a marked improvement in civil society consultation in this context.

Several EAPN members (AT, BE, EE, ES, FI, HU, LT, LV, PT) report a more **positive connection to the Country Desk Officers** in the European Commission, mainly through email exchange.

These officers are in charge of drafting the Country Reports and contribute to the elaboration of the Country-Specific Recommendations. A better dialogue with grassroots civil society organisations would help to lead to a better balance between statistics and quantitative data, and the lived experiences of beneficiaries on the ground.

Positively, a growing number of members (CZ, ES, FI, HR, IE, NL, LT, PT) have **built strong contacts with the European Semester Officers (ESOs)**, located in European Commission Representations in the Member States themselves. ESOs have met directly with our members, participated in events organised by them, and facilitated access to relevant information and to fact-finding missions by the European Commission in countries, solicited comments on drafts / documents, as well as offering their offices and co-hosting events.

Five EAPN members (AT, EE, LT, LV, PT) presented their analysis of the Country Reports 2019 in the framework of **EU civil society review seminars**, organised in Brussels by DG Employment, with the direct participation of Desk Officers and Heads of Units. All members deemed it a very positive practice and experience, leading to the beginning of a more sustainable, long-term cooperation, including at the national level. As some Desk Officers reported not having enough access to information on social issues directly from the ground, this is a very positive collaboration.

In addition, most members organised national events meant to put forward the key messages from their Poverty Watch (CZ, ES, IT, NL, PL, RS), to feed into the Country Reports, and to support a better implementation of the European Pillar of Social Rights (AT, DE, ES, FI, FR, MT, NL, PL, PT). EAPN Germany organised, in November 2018, a national poverty conference, as well as a Poverty Watch event, with a focus on minimum income. EAPN Czech Republic also organised, in October 2018, an event on minimum income and indebtedness, while EAPN Croatia will hold a conference in May 2019 about the implementation of the Social Pillar.

In what concerns engagement with the National Governments, Ireland states that this could be much improved, while in Hungary civil society is completely not acknowledged as a partner.

# 2.8. Was EAPN members' input taken on board?

Encouragingly, several EAPN members (AT, BE, EE, ES, LT, LV) report that **their key concerns** were taken on board in the Country Report for this year, as a result of direct contact and input. There is more space for civil society input in the Austrian Report, and poverty is now part of the analysis in the Estonian one, while inequalities are now mentioned in the Lithuanian Report. Belgium saw its social housing concerns reflected. Almost all topics raised by our Spanish members (homelessness, social integration of non-EU migrants, Roma, minimum income, people with disabilities, child poverty) found their way into the Report.

Other countries (FI, HU, IE, LT, PT, RO, UK) mention that, while they can't be sure if this is due to their lobbying work or not, the Reports nonetheless mention the same information sources and similar concerns as the ones raised by our members. Hungary was pleased to

see that their hard work in flagging up the need for comprehensive Active Inclusion and an end to the public works scheme was not in vain.

More worryingly, in France and Croatia **none of the concerns flagged up** by our members were integrated into the final text. Our French member prepared a Poverty Watch and highlighted repeatedly the issue of housing, however housing subsidies were instead cut, as the European Commission has been pressuring the French Government to do so for years, and civil society is powerless to stop the trend.

# 2.9. Benchmarking with non-EU countries and input from European Organisations

Candidate countries **Serbia** and **Macedonia** do not have Country Reports as they are not EU Member States, instead they receive a Progress Report from the European Commission every year. Our Serbian members feel that, while rule of law and democracy are prioritised, the social area is not well developed. The cooperation with the Government is not at its best at the moment, and inputs are largely ignored. In Macedonia, the Progress Report will only be published in May, but last year's showed some improvement in the social field – minimum standards for labour law, quality, health and safety, non-discrimination. However, poverty was still not very prominent. Our members are strongly supporting a new Law on Social Protection, including Minimum Income, currently debated in Parliament, which would largely improve the situation of poverty in the country, if adopted.

EAPN **Norway** will be preparing a Poverty Watch this year, focussing on family and child poverty, gender inequality, health / dentistry poverty, out of pocket payments.

The **AGE Platform**, a European Organisation in membership of EAPN, reports a general feeling of their national members that older people are not really covered by the Country Reports. There is no disaggregation of targets and indicators by age and gender, which makes it very difficult to assess. Some of the indicators in Annex C are useful, for example looking at healthy life years, and not just life expectancy. However, there is a sense that social policies are only looked at when there is no economic problem. Whenever there is an economic issue, it takes precedence over everything else.

# 3. COMMON MESSAGES FOR ALTERNATIVE COUNTRY-SPECIFIC RECOMMENDATIONS

In this section we summarise common messages drawn from EAPN members' proposals for Country-Specific Recommendations which are captured in the final section of this report.

### 3.1. Socialize Macroeconomic Policies

Many networks made recommendations to 'socialize' macroeconomic policies which continue to be the dominant CSR (BE, CY, ES, FI, FR, HU, LT, MT, NL, PL, RO, UK). Members highlighted that growth alone cannot solve poverty (FR, UK). Macroeconomic policies need to explicitly promote, not undermine, social rights (FR). This means in practice underlining the key role of macroeconomic policies in redistributing income and wealth. Firstly, by prioritizing investment in people (HU, FI, MT, UK) and in well-being (FI, UK). This demands recognition of the key social investment role of social protection systems and public services: particularly health, education and social services and their long-term impact on inequality and poverty (BE, CY, FR, RO, UK). Secondly, by increasing tax collection and tax justice to finance welfare states and reduce inequality (BE, LT, NL, PL, UK). This should include more progressive taxation which taxes the rich more and reduces taxes to lower paid workers (LT, NL, PL, UK) or increases tax on land, property and wealth (UK). Some networks highlighted the need to invest more in more sustainable (green as well as social) development and growth (UK), and to evaluate urgently the increased costs / declining quality of public services which have been privatised (UK).

# 3.2. Systematic focus on Poverty + Social Rights through Integrated Strategies

All networks wanted a more systematic focus in the CSRs on achieving progress on the Europe 2020 poverty target together with concrete implementation of all principles of the European Pillar of Social Rights. An overarching requirement was made by EAPN Ireland to implement transparent and effective poverty / equality and gender impact assessment across all relevant policies. Several networks called for a specific integrated national anti-poverty strategy ensuring access to quality jobs, services and social protection at EU and national level (BE, DK, ES, DE, FR, IE, IT, LT, PT, SE). Finland underlined the need to tackle the widening poverty and inequality gap through integrated active inclusion. In Ireland's case, they urged that the new national social inclusion strategy should be more ambitious and integrated. Several networks highlighted the need for more regional / local policies and differentiated instruments e.g. definition of national and municipal poverty lines (DK), mapping poverty for different groups across different regions (SE); recognition of the need for short and long-term planning to tackle poverty and inequality (LT). In terms of the Europe 2020 poverty targets and indicators, several members recommended better monitoring (PT, SE, DE) including use of all 3 AROPE indicators (DE) and use of relative definition for poverty (SE). Whilst Ireland recommended the introduction of sub-targets for key at-risk groups e.g. children. Others highlighted the need for better use / monitoring of EU funds to support integrated anti-poverty strategies to deliver on the 20% earmarking (FR, PT). In Hungary, an important recommendation was made for the government to change its public discourse – prioritizing the reduction of poverty and social and exclusion and re-stablishing a new social contract confirming the social norms of solidarity and empathy.

# 3.3. Urgently improve adequacy of Minimum Income and Social Protection

Most networks recommended strengthening the adequacy of minimum income and social protection systems as essential pre-requisites for enforcing the right to an adequate income and dignified life (Principle 12 and 14). (BE, CY, ES, HR, CZ, DK, FI, DE, HU, IE, IT, LT, MT, NL, PT, RO, SE, UK). The majority recommended upgrading minimum / social benefit levels above the poverty threshold (BE, HR, CY, FI, HU, IT, IT, LT, NL, SE, UK). In Netherlands, they specified a 5% increase; in UK, ending the freeze on benefits. Benefits should also be increased to recognize additional needs for key groups (DE) e.g. families and single parents. To be effective, levels need to be benchmarked against minimum essential standards of living, i.e. linked to reference or minimum essential budgets (IE, MT, HU, HR). In Hungary they recommend the re-introduction of the official calculation of subsistence level. Recommendations were also made about improving the effectiveness and efficiency of welfare services - by increasing resources and training staff (IT), monitoring performance and better coordinating welfare agencies (HR, IT, SE) as well as reducing disparities between regions (HR, SE, IT). The link to positive activation was stressed, improving personalized support into quality jobs / training, rather than increasing the conditionality of benefits and punitive sanctions (BE, FI). Ensuring adequate monitoring / quality staff training particularly in relation to assessments of people with disability / health problems for fitness for work tests was also underlined (UK). Several networks stressed the need for recommendations to tackle over-indebtedness linked to low incomes and rising costs (CZ, NL, LT). In Czechia, they urge measures to protect vulnerable consumers and a transparent and effective system of support and redress on property and debt reduction.

# 3.4. Embed personalized support into quality jobs with living wages, as part of inclusive labour markets

Promoting quality employment rather than a job at any price, was a major concern for many networks (BE, CY, HR, CZ, DK, FR, IT, LU, RO, UK). The overall need is for an integrated, inclusive labour market approach (BE). This should include increasing wages (Principle 6 EPSR) (HR, DE, IT, NL, UK) and tackling in-work poverty (CZ, PT). Members made recommendations for harmonizing wage-setting across public administration (HR), establishing minimum wages by law (IT), raising wage levels (DE, NL, UK) and converting minimum into living wages (UK). Improving access to work (Principle 4) for excluded groups is also a key priority (DK, IT, FI, LT, RO, UK) particularly in providing positive activation, i.e. supportive, personalized pathways to social inclusion and quality jobs (IT, FI, LT, RO, UK). In some cases, existing services need to be improved and extended (DK), increasing the quality of work coaches and practical support to

overcome barriers, e.g. for families, particularly women providing full affordable, quality childcare (UK). Others emphasize concrete measures within companies to tackle discrimination and exclusion faced by key groups when trying to access jobs (FR). New investment must also be made in quality job creation (HU, LU, LT), underlining the role of NGOs as a reliable partner (LT). In some cases, this requires an explicit social inclusion focus in new industrial and job creation strategies, e.g. in Luxembourg. Some networks warned against the spread of unqualified public works schemes and unpaid social activation (HU, LT), as they undermine access to sustainable employment, distort the labour market and cause increased stigmatization for people facing poverty. (LT).

# 3.5. Invest in universal, free public education / training and lifelong learning

A large number of networks gave priority to recommendations to implement Principle 1 (quality, inclusive education, training and lifelong learning) (CZ, DE, DK, FI, FR, DE, MT, NL, PL, PT, RO, UK). Education and lifelong learning should be a right throughout people's lives, ensuring participation in society, not just as an instrument to get jobs. This should be implemented through universal, free, quality public education and lifelong learning systems (FR, NL). Current education systems need to be rethought to promote 'well-being' for children and young people with increased resources and linked-up services for families (FI). Strong action is also needed to reduce inequalities in access, treatment and outcomes in different regions (DK, ES, FI, RO) and for different groups, e.g. Roma (RO). This requires more public investment. Romania recommends 6% of GDP (currently only 3.7%). Schools should also be refocussing the curriculum for future needs, e.g. sustainable development and preparing children to be responsible citizens. (MT). Increases in formal quality childcare and early childhood education (0-3) for children was crucial (CZ, FI, PL, UK) to tackle child poverty and intergenerational transmission of poverty but also for 3-5 year-olds (PL). However, the rising cost of education was a key concern at all stages (NL, PL), i.e. lack of coverage or affordability in childcare services (PL), rising costs of student loans (NL). Quality training is crucial to support young people into quality jobs but also for other age groups. This means reinforcing technical and vocational training, including quality apprenticeships and on the job training (FR, NL, UK). Adult and lifelong learning is too often neglected and needs a major increase in investment (UK).

# 3.6. Guarantee rights for all to essential services: including housing and health

Increased attention this year is given by EAPN networks to the need to reinforce the right for all to essential public services (Principle 20) (CY, HR, DK, CZ, FI, HU, LU, MT, PT, RO, UK). These 'public' services must be accessible, affordable and of good quality, responding to key essential needs: particularly health, social and care services. These are currently seen to be under threat in many countries. Better coordination of services is crucial (HR, RO), as well as action to counter social dumping (DK) and to tackle inequalities of access / coverage and

quality (DK, HR, FI, HU). EAPN Hungary highlights the need for policies to counter the impact of emigration through brain drain on the provision of public services, particularly health / social and education services, which is reinforcing inequalities in poorer regions. Above all these services must be seen as a crucial social investment (PT).

Urgent recommendations to ensure access to **affordable, decent housing** (Principle 19) were also underlined by many members (CZ, FI, HU, FR, LU, MT, NL, PT, UK), particularly urging investment in new social housing (CZ, LU, NL, FI, FR, PT, UK). In many countries this requires new legislation (CZ, LU, UK). EAPN NL underlines that new social housing should not set rents above 700 euros a month and should also be energy efficient with zero energy ratings. In Hungary, energy poverty is a major concern, and urgent financial support is needed for disadvantaged households, as well as a shift to more sustainable sources of fuel. To tackle high rents in the private sector, comprehensive rent subsidies and rent control are needed (LU, MT, UK). National strategies on homelessness and housing first approaches should be supported to counter the rise in homelessness in all Member States (LU, UK).

Implementing rights to **affordable health and long-term care** is an increasing concern (DK, FI, HR, MT, NL, RO). This should include recommendations to increase investment, reduce charges particularly at point of entry (out of pocket payments) and ensure free medication including additional coverage of prescriptions to cover older people (MT). Additional services need to be provided for vulnerable and at-risk groups (DK) and to improve funding, particularly for out-patient and primary care in rural areas (RO).

Although **Social Services** are not mentioned in the Social Pillar, they are crucial to support people at risk of poverty, reduce inequalities and to enforce social rights (FI, FR, HR, LT, RO). These services need to provide support for all groups, with increased services for families and child welfare (FI) and to tackle inequalities of access across different regions (FI, RO). An integrated, joined up approach is crucial, embedding a person-focussed case management approach (LT, RO). EAPN Lithuania underlines the need for this approach to be preventative and inclusive, developed in collaboration with NGOs who are close to the disadvantaged communities.

# 3.7. Promote integrated strategies for key at-risk groups

Several EAPN members have underlined the need for a more systematic and consistent approach in the CSRs to identifying key groups at risk of poverty and social exclusion, based on disaggregated break-downs of the social scoreboard and other social indicators. These groups should then be supported through additional tailored services / strategies on top of the universal provision (CZ, DE, DK, FI, NL, HU, DE, MT). Key groups highlighted are women (CZ), families and children (DK, FI, NL) single parents (DE, PL), young people (FI), migrants (DK), people with disabilities (MT), older people (MT) and Roma (HU). In the case of families / single parents and children, a particular focus is early childhood education and learning and quality childcare, as well as affordability of education services for young people (DK, FI, NL). Both migrants and Roma require an integrated policy approach ensuring access to quality jobs,

services and income support (DK, HU). In Hungary, a new concern is raised regarding the worrying expansion of designer drug consumption in segregated Roma areas.

# 3.8. Embed participation and partnership with NGOs at all stages

All members urged the Commission to propose CSRs to ensure more meaningful participation of civil society organisations and people facing poverty in the European Semester. 5 networks gave specific recommendations (BE, FR, IE, PT, RO). France urged the Commission to require partnership with people living in poverty and their NGOs to drive social rights implementation in the European Semester through regular and effective dialogue. For Ireland, participation was an essential pre-requisite to embed the new national anti-poverty / social inclusion strategy. Romania highlighted that the commitment to cooperation and multi-stakeholder partnership needed to be encouraged not only at national, but crucially at local level with local government and stakeholders. Belgium stressed that only by involving people experiencing poverty directly can policymakers make effective and quality choices to tackle poverty in a structural manner. Portugal highlighted the need for a specific section about stakeholder involvement in the report, particularly with civil society. Currently, the Country Report sometimes highlights consultation processes with social partners, but not with civil society. This is also indicative of the low engagement of civil society in the whole process of the European semester, but also in many of the political dialogue processes at national level.

# 4. EAPN MEMBERS' PROPOSALS FOR COUNTRY-SPECIFIC RECOMMENDATIONS 2019

Member State	Country-Specific Recommendation (National Networks)			
Belgium	EAPN Belgium proposals for Recommendations:			
	1. The participation of people experiencing poverty in the policy			
	process should be strengthened and guaranteed in every step of			
	the process (development, implementation, monitoring and			
	evaluation). Only by involving them can policymakers make			
	effective and quality choices to tackle poverty in a structural			
	manner.			
	2. We agree with the current recommendation:			
	"Remove disincentives to work and strengthen the effectiveness of			
	active labour market policies, notably for the low-skilled, people			
	with a migrant background and older workers."			
	However, active labour market policies should not push people into			
	poverty, for instance by making social benefits degressive or			
	conditional. Positive actions to support the employability of people			
	experiencing poverty, such as education and training, are needed.			
	In addition, the precarisation of jobs must be prevented. For some			
	people, jobs in the normal job market are simply not accessible. In			
	order to guarantee their right to work, more investment is needed			
	in the social economy.			
	3. Belgium should put into place a strong policy that actually reduces			
	the poverty figures. This is only possible by implementing the			
	following policies:			
	o Minimum incomes must be increased above the European poverty			
	line. Furthermore, social benefits must be accessible. The far-			
	reaching conditionalisation of benefits in both social assistance and			
	social security must be reversed.			
	o The next Federal government should develop a new Federal plan			
	to combat poverty. The starting point for this plan must be tackling			
	poverty in a structural way. The plan should contribute to realising			
	international engagements that Belgium has made in the frame of			
	the European Pillar of Social Rights and the Sustainable			
	Development Goals. In addition, there should be stronger			
	cooperation and cohesion between the various policy levels in			
	order to effectively lift people out of poverty.			
Croatia	EAPN Croatia proposals for Recommendations:			
Croatia	For EAPN Croatia, it is important that the CSRs and the NRP recognize			
	the problem of the lack of consistency and coordination among			
	different public institutions and the lack of relevant social indicators			
	when detecting vulnerable groups.			
	mich detecting varietable groups.			

# **Key Recommendations:** The need for a structural social reform / benefits distribution to be linked to a minimum standard of services, in order to avoid huge regional disparities in quality and access to services. The system of social protection and active employment policies show poor performance in the alleviation and prevention of poverty, primarily due to the inadequate or extremely low social benefits, low coverage of the poor in remuneration from these systems and the relatively low benefits, that are mostly below the poverty line. Reduce the territorial fragmentation of the public administration, streamline the functional distribution of competencies and enhance the capacity to design and implement public policies. In consultation with social partners, introduce harmonised wagesetting frameworks across the public administration and public services. Cyprus **EAPN Cyprus proposals for Recommendations:** To eliminate poverty, a radical redistribution of wealth is necessary within a just, social welfare state that supports vulnerable groups by creating development and wellbeing opportunities for all the people and not only for the few. In particular, EAPN Cyprus proposes: **To set minimum social indicators** from the EU level and to secure their implementation at the national level. To develop and implement policies that fight inequalities within and among EU member-states. Immediate measures to be taken to ease the situation of groups of people under the highest risk of poverty and social exclusion; To create quality jobs and secure access to them. To create quality and accessible general services that cover basic needs such as education, healthcare, care, etc. Czech Republic **EAPN Czech Republic proposals for Recommendations: Housing:** Put into practice a Quality Act on social housing, invest in both social and affordable housing. **Over-indebtedness**: Put into practice the legislation adequately protecting consumers, conceive a functional system of execution on property and debt relief. Minimum income: Put into practice a quality system of decent minimum income. **In-work poverty**: Tackle the structural economic disadvantaging of women. **Gender gap**: Counter lack of formal childcare for children under 3. Denmark **EAPN Denmark proposals for Recommendations:** 1. Development and implementation of a national and municipal human rights-based anti-poverty strategy including: Definition of **national and municipal poverty lines**;

- o Concertation of a **shared effort against child poverty**;
- o Development of an effective integration policy;
- o Definition of an anti-social-dumping policy;
- o Setting up of an adequate minimum income scheme;
- o Improvement and extension of the system of social and employment rehabilitation;
- o Promoting urban development projects in big cities;
- o **Improvement of the school system** within "ghettoes" in big cities;
- o Provision of health policies focusing on excluded groups.

#### **Finland**

## **EAPN Finland proposals for Recommendations:**

- 1. The number of people at the risk of poverty or social exclusion must be decreased. It requires an increase in the level of basic social security and among other things more support for affordable housing. Particular attention must be paid to reduce poverty among families with children.
- 2. The wellbeing of children and young people must be ensured by increasing resources for education, adequate services for families with children and child welfare.
- **3.** There is still a need to invest extensively in active labour market policy. Resources for services for the unemployed should be increased and redirected.
- **4.** The health and social services reform must be done in a way that ensures equality of service system, the realization of fundamental rights and access to quality services for all, in a way that reduces health and wellbeing inequalities.

### Justification:

- 1. Poverty has decreased only slightly. Finland's poverty goal still falls short by approximately 100,000. The level of basic social security is low and in recent years it has been further reduced, in particular through index cuts and freezes. Evaluation report on the adequacy of basic social security 2015–2019 shows that income levels of those receiving unemployment benefit, home care allowance, minimum sick leave allowance or parental daily allowance were not sufficient to cover the reasonable minimum consumption budget. Because of the low level of primary benefits people are forced to resort to long-term social assistance.
- 2. **Child poverty has increased**. All children, young people and their families do not receive preventive services early enough. Child welfare is under-resourced in many places. There has been cuts to education.
- 3. **Unemployment has decreased**, but long-term unemployment is still high. In the coming years, efforts must be made to improve the labour market position of the long-term unemployed and those with partial work ability through a range of measures.

4. The health and social services reform have just failed. The new government must carry out the reform in a way that reduces health and wellbeing inequalities. Finland has relatively big health disparities between socio-economical groups.

#### **France**

### **EAPN France proposals for Recommendations:**

- 1. **Ensure that macroeconomic policies promote social rights** and poverty reduction.
- 2. **Fight poverty and uphold social rights** with an integrated rights-based strategy and a plan of action.
- 3. Implement policies for **quality jobs** that ensure that no one is excluded from such jobs.
- 4. Invest for access to universal, free and quality public education, lifelong learning and technical and vocational training;
- 5. **Increase EU funds** to finance actions supporting integrated poverty reduction strategies with civil society actors.
- 6. **Support partnership with people living in poverty** and drive social rights through regular and effective dialogue with people living in poverty and NGOs.

#### Justification:

In particular, we do not believe that growth alone will solve the problems of poverty. On the other hand, we insist on the need to involve, as early as possible, civil society such as various NGOs and the people in situation of exclusion.

In addition, EAPN France believes that it is imperative to renew the policies against poverty and exclusion, and in particular the inclusion of the strategy against poverty within the NRP. We also insist on the absolute necessity to evaluate, ex-ante and empirically, the social consequences of poverty and exclusion of measures in the NRP, which is not currently the case.

As stated on the network's annual survey, EAPN France would like EAPN Europe to request an official response to the Commission and the European Parliament to the proposals made by people living in poverty as part of the annual European meeting of people in situations of poverty (PeP). In order to make this answer more visible, it is hoped that EAPN Europe will publish this response, in press release format, on the world day of refusal of misery, which takes place every year on 17 October.

#### Germany

#### **EAPN Germany proposals for Recommendations:**

- The Government should develop a holistic and comprehensive strategy to combat poverty in a sustainable way. The German government should use all three EU AROPE indicators for measuring poverty: income poverty, material deprivation, households with long-term unemployed persons.
- 2. A relief of highly indebted cities and regions through federal funds is urgently needed. The far too low investments in public schools affect precisely these cities and regions with an on average socially

- disadvantaged resident population and are an important factor in the high inequality of educational opportunities.
- 3. The **level of benefits** (in the system of unemployment benefit II and XII) **should be raised** so people can live in dignity.
- 4. The level of **minimum wage** in Germany should be raised and compliance with the general minimum legal wage should be better controlled by the authorities.
- 5. Significant **strengthening of the social housing** sector is urgently needed to alleviate the overburden of poorer households with high rental costs.

#### Justification:

- 1. / 2. The risk of poverty or social exclusion for children with low-skilled parents is higher than for children of high-educated parents. Public spending on education remains below the EU average. At the municipal level, there are investment deficits in schools and adult education, accounting for 30% of total investment needs. Socio-economic conditions and migration background are still important factors influencing educational achievement. Pupils from disadvantaged groups are worse off in primary education, leaving school earlier and having more difficulty finding VET internships. Participation in adult education in Germany is below the EU average, for low-skilled, the rate is even lower.
- 3. The level of unemployment benefit II (minimum income) is calculated arbitrarily and improperly, and by no means covers the socio-cultural subsistence level.
- 4. Although the minimum wage has increased significantly, the number of hours worked has decreased in the lowest deciles, leaving the monthly income virtually unchanged. The proportion of low-paid workers remains high and around 0.8 million workers still earn less than the minimum wage.
- 5. Due to the inadequate housing supply in large cities, real estate prices will probably continue to rise, which will also affect the level of rents. Especially in the big cities, this poses great challenges. According to micro-census data, 880,000 affordable homes are missing. This supply gap can only be partially closed with the existing social housing stock. The situation of the poorer people is particularly precarious.

#### Hungary

#### **EAPN Hungary proposals for Recommendations:**

- 1. **Prioritize the necessity of reducing poverty** and social exclusion in public discourse.
- 2. **Introduce an appropriate minimum income** to ensure a decent standard of living.
- 3. **Reintroduce the official calculation of the subsistence** level, or alternatively, introduce a new indicator and respective measuring protocol in accordance with the social sector's experts.

- 4. **A new social contract** is necessary to re-establish the social norms of solidarity and empathy, which have eroded during the past decades in Hungary. 5. Prioritize investment in people, and most notably children, as a
- primary social aim.
- 6. **Steadily increase, rather than decrease, the resources** available to the social sector.
- 7. Renew the social service profession's financial and ethical stability.
- 8. Develop a programme of social policies to ensure appropriate employment terms, housing conditions, opportunities in children's public education, the latter providing for progression from their family background, and a reduction of the nation's general inequalities.
- 9. Promote Energy policies to urgently support the most disadvantaged segment of the population, as well as an integrated view of society, economy and environment in terms of sustainability.
- 10. As there is not enough reflection on the emigration processes of last years in the document, we would like to address the importance of policy interventions in this area (otherwise the Hungarian social, health and education system will collapse very soon in the most lagging behind regions. Brain-drain affected these sectors dramatically).
- 11. Use of the so-called designer drugs mostly in Roma segregations is an extremely huge problem in Hungary, the relevant political intervention is urgently needed. The phenomenon is not even mentioned in the Report.

#### Ireland

#### **EAPN Ireland proposals for Recommendations:**

- 1. The new National Action Plan for Social Inclusion must be an ambitious and integrated anti-poverty strategy. It must be designed and implemented with the participation of people affected by poverty at all stages.
- 2. Implement a transparent and effective process for the poverty, equality and gender impact assessment of all relevant policy.
- 3. Benchmark all social welfare rates at a level which is adequate to both lift people above the poverty line and provide them with a Minimum Essential Standard of Living.
- 4. Under the poverty target introduce sub-targets across the different measures for groups with high levels of poverty.

#### Italy

# **EAPN Italy proposals for Recommendations:**

#### At the European level:

- 1. It is necessary to adopt a European Directive to guarantee an adequate minimum income to all who need it.
- 2. The struggle against poverty and exclusion and the social objectives should have the same dignity (and strategic importance) of the economic and financial ones. To achieve this, it is necessary to put

- in place a European strategy against poverty and social exclusion, based on rights and participation. The Global Agenda for Sustainable Development (Agenda 2030) and its goals are certainly a good starting point.
- 3. The European Semester should have a key role in monitoring and helping to progress on social rights but needs to be transformed. It should open its doors to civil society organisations and become a positive instrument to promote Social Europe moving towards a balanced economic and social agenda.
- 4. The new European Social Pillar should not become yet another and all-in-all useless "Charter of Principles" but a binding obligation.

#### At the national level:

- 1. Raise the amount of the benefits so that people may actually live in dignity.
- 2. Provide training and adequate resources for the staff.
- Create a network of all the responsible agencies, authorities and institutions. The Italian welfare system is extremely complicated and fragmented, making the management of the REI extremely difficult.
- 4. Start the social inclusion and work insertion projects.
- 5. **Investigate the possibility to diversify the thresholds of the contribution** between the North and the South following the criteria for the absolute poverty threshold that are geographically differentiated.
- 6. Inform the citizens and simplify the administrative procedures;
- 7. In order to put in place an efficient minimum income measure, we need to establish a minimum income by law.

#### **Justification**

In order to put in place an efficient minimum income measure, we need to establish a minimum salary by the law.

Make the life of workers, families and young people more secure. Many people today feel unsecure without a job they can count on in the long run, uncertain of the age and monetary amount of their eventual retirement, poor services, poor health care system... Not responding to these needs can only lead to a further growth in poverty with unsustainable costs for our communities and adverse effects on their quality of life. In this context, social economy that always has taken into account the needs of the people and communities must play a major role.

#### Lithuania

#### **EAPN Lithuania proposals for Recommendations:**

1. Short and long-term measures for reducing poverty, social exclusion and income inequality in Lithuania should be designed and implemented. It should contain an integrated strategy, compiled of further improvements:

- a) Tax regulation that would be more progressive and more favourable to lower-paid employees.
- b) Improvements of adequacy and coverage of the social assistance, further strengthening of positive work incentives.
- c) Development of complex social services that would involve more the case management, provision of preventive and inclusive services, collaboration with NGOs.
- d) Regulation of related legislations (e.g. indebtedness of poor people).
- 2. More attention should be paid to the creation of quality jobs. Also, cooperation with NGOs should be promoted as they are a reliable partner providing personalized employment and social services. The role of unqualified public works and unpaid socially useful activities should be reduced as they do not lead to well-paid long-term employment, distort labour markets and cause stigmatization of poor people.

#### Luxembourg

### **EAPN Luxembourg proposals for Recommendations:**

- 1. Take strong action in the field of social housing, regarding both the provision of housing at affordable prices in general, as well as the provision of special social housing. As an intermediary measure continue to provide a comprehensive rent subsidies scheme for those parts of the population that cannot afford the high lodging prices; such a measure should be accompanied by a strong control of rent prices in order to avoid that the amounts spent on the measure will not end up in the pockets of the tenants. And: implement the national strategy against homelessness!
- 2. **Use the potential of the law on social impact** on companies to boost employment in this sector.
- 3. Lead the strategic change process (called "Third Industrial Revolution") in a way that social impact is not only one of the evaluation indicators, but that it is a decisive element in the planning and implementing phases (e.g. the changing world of employment by homework, continuous reachability, outsourcing, crowd producing, etc.).

#### Justification:

- 1. 1 is more or less the same since 2014 (with a slight change on rent subsidies, because the scheme in place was improved), because the problems in the housing sector aren't solved (and will not be for several years).
- 2. 2 is a logical consequence: the possible fruits of the new law should be harvested; not all necessary law specifications and regulatory amendments are done, neither the behaviour of a lot of civil servants is positive so far.
- 3. 3 builds on the actual strategic future plan being put into practice by the government, is the same then last year, because the process is still in the shaping phase.

#### Malta

# **EAPN Malta proposals for Recommendations At the national level:**

- 1. Adopt the three minimum essential budgets as benchmarks to guide social security policies to determine adequacy of minimum income for specific households.
- 2. Give further consideration to the particular circumstances of those who legitimately cannot work. This may require strengthening the social security benefits for people who earn less than the minimum essential budget for their household type.
- 3. Raise the statutory minimum wage slightly, but annually, for a period of 3 years. This increase would be in addition to the Cost of Living Adjustment (COLA).
- 4. Ensure that entitlement to free medication through the public health system under the Social Security Act (Ch. 318 Article 23) and the Fifth Schedule of the same Act is reviewed regularly to reflect a just and accessible system within a sustainable health care system. Due to the expected increase in longevity, consider adding certain medications or supplements which may be required by the older elderly, such as supplements for osteoporosis.
- 5. Address with urgency the financial situation of low-income earners who are renting private dwellings and not benefitting from any subsidies, particularly lone parent families.
- Develop further assistance, structures and incentives for facilitating access to healthier, fresh food by low-income households, and accompany this by appropriate, practical nutrition education.
- 7. Extend free or subsidised provision for facilitating independent living, healthy ageing and lifelong learning for the different cohorts within the elderly population who have a low income or who face unexpected long-term financial burdens.
- 8. Strengthen core, long-term investment in community level education and participatory initiatives promoting more sustainable consumption patterns and lifestyles for Maltese and Gozitan families.
- 9. **Develop further awareness-raising and education for the elderly** on prevention of health problems and on self-care.
- 10. Ensure that **entitlement to Education for Sustainable Development** and related school subjects, such as Home Economics, are implemented comprehensively from the Early Years to nurture the right attitudes and skills from a young age towards becoming responsible citizens who make informed decisions and take action to promote and safeguard personal, family and community wellbeing.
- 11. **Establish financial and other assistance**, structures and incentives to support **social innovation initiatives** by individual entities or alliances which aim to reduce poverty and improve social inclusion.

# At the European level:

- 1. Foster peer learning and domestic policy debate in the European Semester Process.
- 2. Give a stronger voice to the European Pillar of Social Rights in all Member States and definition of concrete strategies for its effective implementation.

#### **Netherlands**

### **EAPN Netherlands proposals for Recommendations:**

- 1. EMIN Netherlands argues from the outset that the minimum income and minimum wage must be increased by 5%, in addition to all increases, inflation adjustments, etc., so that part of the backlog can be made up; Minimum income, which also applies to the legal minimum wage that is 50 years old this year, must increase every year in relation to the CAO outcomes, so that the backlog can be made up.
- 2. **Build more affordable social houses**, the rent of which does not exceed € 700 per month and which meet the zero-energy standard. Adjust the **housing allowance**, which has been frozen for 4 years, so that the rents that have risen during that time, and the rents that have fallen above the maximum rental norm due to the freezing, receive an appropriate supplement. The maximum income must also be adjusted here; Build new homes for first-time buyers and people with a low median income. For them, rents from € 1,000 to € 1,400 per month are unaffordable. This is one of the reasons that no flow can take place.
- 3. **Make the costs of care affordable** for those with a low disposable net income and people with an income or benefit just above the income threshold for care allowance.
- 4. **Give every time correct information:** this also applies and perhaps especially for the media. This prevents unrest and creates a clear picture of what is really going on.
- 5. Don't pretend that no money has been saved. The Dutch pension funds are the richest in the world and together have around 1.5 trillion in cash. So, if circumstances temporarily prevent the criteria from being met, there is absolutely no reason to panic. Please stop this nonsense, only intended to increase the pressure on trade unions and to agree with the proposals of the government and employers. Stop the negative campaign as if pensions were in danger:
- Do not increase existing debts with all kinds of fines and costs.
- o Make education free and accessible to everyone. This applies to us with retroactive effect, so also for those who already have a student loan.
- o **Stop placing children in poverty**, while it is the parents who live in poverty, which of course has an effect on their children. Important to prevent the stigmatization of a group of 277,000 children and young people; With great respect for all the work that municipalities do in this area, it can never be the case that,

	permanently, the local government must stand in the shoes of the parents to somewhat alleviate poverty; accept that child poverty arises because the parents have a low income and are unable to increase it or, because of circumstances, have ended up in debt or have to face high expenses because they cannot get affordable housing, so the net disposable income is too low.  o If an increase in income is not immediately desirable, then reduce taxes and social deductions for people with an income below 60% of the median, so that they have more net to spend. This reduces existing poverty and the risk of poverty.
Poland	EAPN Poland proposals for Recommendations:
	<ol> <li>Make taxes more progressive by reducing them for low income taxpayers and increasing them for high income taxpayers.</li> <li>Substantial expansion of childcare for 0-3 year-olds and pre-school 3-5 year-olds, with special programmes for children from disadvantaged families.</li> </ol>
	3. Change focus in anti-poverty policy from families with many children to single parent families, and families with adult people with severe disabilities and pensioners.
Portugal	EAPN Portugal proposals for Recommendations:
1 51 (3.83)	At the European level:
	1. <b>Definition and implementation of an Integrated Strategy</b> for the
	Eradication of poverty and social exclusion.
	· · ·
	2. Reinforcement of the European Pillar of Social Rights in all
	Member States and definition of concrete strategies for its
	effective implementation.
	At the national level:
	1. Promote the development and consolidation of a National
	Strategy for the Eradication of Poverty and Social Exclusion.
	2. Ensure the strengthening of social protection, in particular by
	tackling unemployment and in-work poverty and support the
	implementation of an adequate minimum income scheme.
	3. <b>Invest in quality training</b> , distinctive and capable of enhancing
	labour inclusion of the young.
	4. Monitor and assess the allocation of the 20% of ESF to fight
	poverty and social exclusion.
	5. <b>Monitor Europe 2020 Strategy</b> and strengthen the axis of social
	cohesion with a specific attention to the European Pillar of Social
	·
Domonio	Rights.
Romania	EAPN Romania proposals for Recommendations:  The European Semester Country report included relevant info related
	to the achievement of the EPSR and good analysis of social and
	economic issues proving that, despite the economic progress, the
	poverty rate and the inequalities between rural / urban in Romania are
	still very high. The report should include more disaggregated info rural

/ urban, as the level of inequality is very high in the rural areas and it is important to have specific monitoring indicators.

One more recommendation for the European Semester would be to produce a 2 pager – with brief simple info for the general public.

#### **Recommendations for the Romanian Government:**

- Strengthen targeted positive activation policies and integrated public services, focusing on supporting those furthest away from the labour market.
- 2. A special priority should be given to **education**, where Romania should allocate 6% of the Gross Domestic Product for education instead of the current 3.7%.
- 3. Improve access to quality mainstream education, in particular for Roma and children in rural areas.
- 4. Increase the efficiency and effectiveness of social transfers, particularly for children, and continue reform of social assistance, strengthening its links with activation measures.
- Integrated social services should be made available at the level of the rural communities to improve access services for vulnerable categories.
- A stronger commitment to cooperation and multi-stakeholder partnerships is needed, especially with actors working at the grassroot level (including local authorities and CSOs).
- 7. The **efficiency** of the health system should be increased by improving **funding and** increasing the availability of **outpatient care**, with focus on rural areas and most vulnerable categories;
- 8. Develop the action plan for the Romanian Sustainable Development Strategy 2030 as soon as possible and involve CSOs in both development, monitoring and evaluation process.
- 9. The "Leave no one behind" principle should identify and address the roots of vulnerabilities and inequalities and promote the respect for human rights, making sure that the implementation of 2030 Agenda for Sustainable Development reaches "first those who are furthest behind".

### Spain EAPN Spain proposals for Recommendations:

- 1. CSRs and the Semester in general should put more emphasis in the achievement of the EPSR.
- 2. Not having progress on poverty, inequality and job security should induce the EC to **rethink their macroeconomic recommendations**, particularly the room for improvement in the social expenditures.
- Spain should improve the Social Policies effectiveness, and this
  means to rethink the amount and quality of benefits, including MI
  Schemes.
- 4. **Wages and pensions** are too low, and this compromises the domestic economy's growth. The CR does not relate the dangerous situation of pensions to low salaries and poor-quality contracts.

### Sweden | EAPN Sweden proposals for Recommendations:

#### 33

- To make a comprehensive mapping of poverty in Sweden, which is not only limited to social services statistics but also includes those not always seen in the statistics, for example, working poor, households with long-term illness, families with children and lowincome retirees. In this survey, they should interact with civil society actors and utilize their experience and knowledge.
- To develop a relevant definition of poverty in Sweden and set clear and measurable goals for how to measure and eliminate / combat poverty.
- To investigate the current welfare system failures / system deficiencies and to develop strategies that counteract them, including clarifying the authorities' responsibility to cooperate so that the individual does not end up "between the chairs", without support between the various welfare systems.
- Social insurance system's benefit levels to be adjusted so that pension levels, sickness compensation etc., ensure the opportunity to live a dignified life with full participation in society.
- Politicians to work for everyone's right to support and participation through work, support or employment.
- Low levels of compensation and social benefits to be raised and adapted to general living costs and current needs in today's society.
- **The Parliament to decide on a national action plan** to abolish poverty.

#### **United Kingdom**

#### **EAPN United Kingdom proposals for Recommendations:**

- 1. Incomes: Change the negative dynamic between benefits, incomes and the labour market:
  - Social assistance: end the freeze on benefits and the 2-child limit on child tax credits and reinstate better work allowances and disability premiums; improve system quality and capacity to get people into good work, by fully funding the childcare offer, improving the quality of assessment of people with reduced capacity for paid work and enabling work coaches to focus on positive support; ensure the claimant commitment respects the realities for claimants and cut out sanctions for minor breaches of conditionality: paid work incomes: raise statutory minimum wages to the real Living Wage level, including commensurate increases for those aged under 25; improve access to employment rights and tribunals and eliminate bogus self-employment; support access to trades union organising, especially for atypical and self-employed workers; improve the quality and scope of the apprenticeship programme and address the distortions created by the current funding system, increase funding and support for further education colleges and establish clear access routes and funding for life-long learning.
- 2. Housing: Launch a properly funded Housing First programme and amend the draft National Planning Framework document to define affordable housing at social rents and to enable a Housing

First approach. Embark on an ambitious mass affordable house building programme to double the number of houses built each year in order to meet the 300,000 per year government target and address the backlog; ensure the proposed National Planning Framework viability testing does not enable 'gaming' by developers around the social housing numbers especially in large schemes; make it legally simpler and financially viable for local authorities to build and manage social rented homes; ensure that house-building standards require high energy efficiency, reintroduce space norms and have high standards on building safety, design quality and local vernacular. Fully fund the removal of combustible cladding from the nearly 700 high rise blocks which have it, right now.

- 3. Economic policy: End the focus on deficit and debt reduction at the expense of green growth. Ensure infrastructure spending does not rely on expensive forms of private finance, that Government takes a lead and has due regard for developing all of the UK's regions.
  - Investment: Embark on an ambitious green growth strategy, especially in infrastructure and transport (therefore for example, overturn the Heathrow decision and the Swansea tidal barrage decision, in opposite directions, and reinvest in solar and wind and readjust the feed-in tariffs). Support advanced technology green growth especially in transport, better support local public transport and local authority powers to own and manage it. Provide more powers to local authorities to support the development of local businesses providing quality jobs. The idea of an Industrial Strategy is welcome but needs to be more ambitious and do more to address the future of work and the Government's role in leading the kind of change we want, rather than reacting.
- 4. Change the perspective on social security and social protection so it is understood as an investment in quality lives, reducing the costs of ill-health, social disaffection and isolation. Support social investment, especially in care, including adult social care and childcare and finance pilots of new community-organised models of provision. Revenue-raising: Better growth will improve the tax take. Reintroduce progressivity in the income tax system. Introduce land value taxes and other progressive property taxes and wealth tax. Freeze the personal allowances and remove the cap on national insurance. Reverse the cuts in corporation tax and close loopholes. End bogus self-employment and collect appropriate tax from employers; end market distortion by taxing the self-employed as for employees and provide further improved access for the self-employed to the social security system.

### **ANNEX 1 Status of the Document**

This EAPN assessment is issued on behalf of the EU Inclusion Strategies Group (EUISG) which has delegated powers within EAPN to develop EAPN policy position papers and reports. Inputs were collected from 26 members in an in-depth mutual learning exchange, during the EAPN EU Inclusion Strategies Group Meeting in Riga, Latvia on the 21-23 March 2019. Countries who contributed were: AT, BE, HR DK, DE, EE, FI, FR, IE, LT, LV, LU, MT, NL, PL, RO, ES, SE, SK, UK + RS, MK, NO, IC. European organisation members also contributed: Salvation Army, AGE Platform Europe. Members who contributed additionally by email were EAPN AT, DE, FI, HU, IE, LT, LU, NL, ES, SE, UK. Inputs on the final draft were received from BE, DE, FI and PT. All inputs were incorporated in the final report.

#### **INFORMATION AND CONTACT**

For more information on EAPN's policy positions, contact

Sian Jones – EAPN Policy Coordinator <a href="mailto:sian.jones@eapn.eu">sian.jones@eapn.eu</a> – 0032 (2) 226 58 59 See all EAPN publications and activities on <a href="https://www.eapn.eu">www.eapn.eu</a>

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.



EUROPEAN ANTI-POVERTY NETWORK. Reproduction permitted, provided that appropriate reference is made to the source. May 2019.



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

The information contained in this publication does not necessarily reflect the official position of the European Commission. Neither the European Commission nor any person acting on behalf of the Commission may be held responsible for use of any information contained in this publication. For any use or reproduction of photos which are not under European Union copyright, permission must be sought directly from the copyright holder(s).