

# WHAT IS POVERTY AND HOW TO COMBAT IT?

**EAPN MEMBERS  
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## 1. WHAT IS POVERTY?

*“The problem is not that we run out of money occasionally, the real problem is that we live our entire lives this way and our children grow up in this too”.*

*“When you have no address, you’re pushed around, you’re like a stranger. You don’t have access to your rights, you don’t get mail, you don’t participate in civic life or vote. You are ashamed to tell anybody”.*

*“The way people look at you is humiliating. You are not considered a human being”. [1]*

- ✓ People experiencing **poverty and social exclusion lack adequate income, resources and access** to public and private services that are fundamental to a decent life.
- ✓ Poverty can **prevent full personal and family development and participation** in social life and deprives society of people’s full potential to contribute to it and undermines social cohesion and vibrant inclusive, sustainable development.
- ✓ When people cannot access the living standard and style of life considered acceptable in the society in which they live, they **face more difficulties in living a life in dignity**, without shame, stigma or fear. However, people in poverty are rarely passive. They are resilient and resistant.
- ✓ Poverty is a **denial of fundamental human rights** – economic, social and cultural. There is a moral and political imperative to challenge and change it, with and for people at risk of poverty and social exclusion.

[1] Quotes from people experiencing poverty cited in EAPN 2018: EAPN National Poverty Watch Report 2018 – summary of main findings and recommendations.

## 2. MULTIDIMENSIONALITY OF POVERTY AND SOCIAL EXCLUSION

### MULTIDIMENSIONAL POVERTY

The concept of multidimensional poverty addresses the experience and impact of poverty on people's path through life. **People experience poverty as many deprivations, not only as 'not enough money' – or other things, but experiences, opportunities, services and environments that others accept as normal.** These deprivations may include unemployment and poor work, financial resources, access to quality education and health care, social integration, family support, accommodation and residence status. People in poverty may also suffer stigma, shame, discrimination, isolation and exclusion from social life, negative consequences of tightly constrained or short-term decisions, poorer mental and physical health and shorter life expectancy. The subjective experience of material deprivation may differ substantially in different contexts – for example, where the majority of people are poor and share your experience, compared to a situation where there is more inequality and many people are much richer or poorer than you.

**Poor areas, often in disadvantaged urban quarters of large towns and cities or in more remote rural areas, also increase risks of multidimensional poverty** and exclusion. These are places and spaces that lack much of the usual infrastructure; of transport and well-paid work, social services, good schools, leisure, cultural and community spaces; they may have greater environmental hazards and pollution. Children living in such poor areas from an early age may be especially disadvantaged by highly segregated institutions which reproduce social inequality and unequal opportunities.

**The impact of multidimensional poverty can be moderated in its effects by personal, relational, social and cultural factors** that support or diminish coping, resilience and resistance. Frequent spells of poverty, very deep poverty or persistent poverty (i.e., lasting a long time), can weaken peoples' resilience, reinforcing their poverty and isolation.

### EAPN'S VIEW:

*The concept of multidimensional poverty is essential in recognising the wider psychological, social and cultural as well as economic effects of poverty and that they are inter-related and cumulative. See also EAPN Explainer on Poverty and Inequality (2014).*

### SOCIAL EXCLUSION

**Social inclusion and exclusion are about people's relationship to others in society. Just as material poverty is about the 'up' and 'down' in society, social exclusion is about the 'in' or out'. Just as poverty can be absolute or relative, so can social exclusion – a distinction between a weakening, or a complete rupture, of social ties.** People can be pushed to the margins, experience alienation, and be stigmatised and discriminated against by others for being 'different'. Risks of social exclusion are created in three dimensions: *state, especially the welfare state including social protection and social assistance; family and community links; and markets, especially labour markets.* These dimensions are inter-related, but one dimension cannot completely substitute for another in supporting people to participate fully in society.

In the EU, social exclusion as a concept emerged in the 1970s. It arose from concern about the impact of exclusion from paid work due to the gaps in many EU countries' social insurance systems, which excluded long-term unemployed people. As well as losing their job and not being able to get another one, long-term unemployed people were at risk of not being covered by unemployment insurance or other welfare state payments and of exhausting their family and community ties, which was all they had left to rely on. They risk suffering complete exclusion from the 'welfare triangle' of inclusion in family and community, state and markets. More recently, it has been better understood that people who face risk of discrimination on the basis of their age, race, ethnicity, religion, gender, sexual identity, disability or class, are also more at risk of exclusion from some or all of the dimensions of family and community, state and markets. The combination or 'intersectionality' of these conditions leads to greater risk and impact.

### EAPN'S VIEW:

*The concept of social exclusion is essential in recognising that people are pushed out, or to the margins, and don't just fall out, and that the kind of social relations a society has, are central to risks of poverty and exclusion. The concept of social exclusion is necessary to developing effective approaches to combating poverty. At its core, social exclusion recognises the key role of the state in providing an effective rights-based framework for preventing risks of poverty and their consequences.*

## 3. WHO IS MORE AT RISK OF POVERTY?

Children; women, single parent households; young people aged 18-24; people with limited educational qualifications; people with a disability; some minority ethnic groups especially Roma people; refugees and asylum-seekers; migrants from outside the EU and people from one EU country living in another. People in retirement are at greater risk than the general population only in Estonia, Latvia, Lithuania and Bulgaria, mainly due to the characteristics of the pension system and age structure and the gender pay gap, which translate into a pension gap.

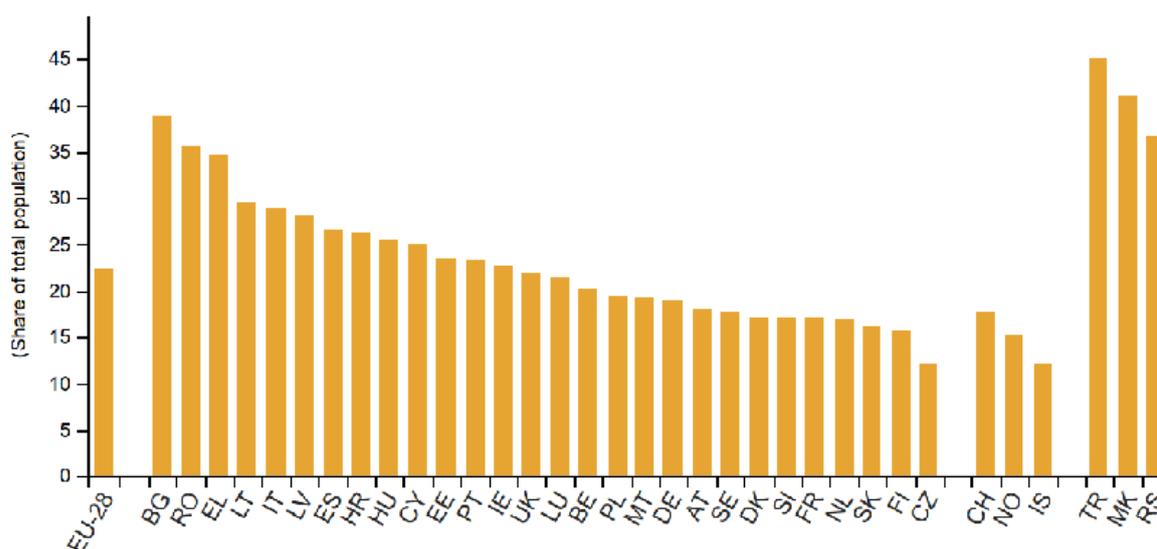
## 4. HOW PEOPLE PEOPLE ARE AT RISK OF POVERTY OF SOCIAL EXCLUSION IN THE EUROPEAN UNION?

*NB: Sections 6 and 7 of this paper explain how the EU measures poverty and the limitations, especially for multidimensional poverty and social exclusion*

One of the five headline indicators of the Europe 2020 strategy is to reduce poverty by lifting at least 20 million people out of the risk of poverty or social exclusion by 2020. The most recent data show that only 3.1 million people have been lifted out of poverty between 2008 and 2017, according to the composite at risk of poverty and social exclusion indicator (AROPE), measuring the sum of those at households who are at risk of poverty, suffering severe material deprivation and low work intensity. [2]

In 2017, 112.8 million people in the EU lived in households at risk of poverty or social exclusion, [3] 22.4% of the population of the EU. 16.9% of the EU population were at risk of poverty after government social transfers (excluding pensions). 9.5% of the population aged 15-59 years lived in households with very low paid work intensity, i.e., they did paid work for 20% or less of their potential work hours in the previous twelve months. 6.6% of the EU population were severely materially deprived, i.e. they lacked four or more in a list of nine basic items.

### *At risk of poverty or social exclusion rate, 2017*



Source: Eurostat: People at risk of poverty and social exclusion – Statistics explained, accessed at: <https://europa.eu/eurostat/statistics-explained/index.php>

The **most common form of poverty is income poverty**. In 2017, 53.5 million people in the EU-28 lived in households that faced income poverty, but not severe material deprivation or low work intensity. 7.1 million people lived in households that faced all three risks; 26.5 million people lived in household that faced two out of the three risks.

There was a fall in overall at risk of poverty or social exclusion between 2016 and 2017; it is now at the lowest level since 2010. The change has been driven mainly by falls in unemployment in some Member States, which improved the indicator of low work intensity. At the same time, income poverty in the EU rose slightly.

The overall figures mask a lot of variation between Member States. The share of poverty or social exclusion is calculated as a weighted average of national results. In 2017, more than a third of the population were at risk of poverty in three Member States: Bulgaria, Romania and Greece. The lowest shares were in Slovakia, Finland and Czechia - the lowest share at 12.2%. Poverty rose slightly in Austria, the Netherlands, Denmark and Luxembourg.

Compared to the general population (22.4%), children are at greatest risk of poverty (24.9%). The rates range from 15% in Denmark and Czechia to over 40% in in Bulgaria and Romania. Statistically, the main factors affecting child poverty are: labour market and educational status of parents; composition of household (e.g. lone parent families) and effectiveness of government intervention through income support and service provision. The more vulnerable children, such as those with parents who are migrants, will require specific support.

[3] EU AROPE indicators (At risk of poverty and/or social exclusion calculation based on aggregate of 3 indicators: at risk of poverty, severe material deprivation, low work intensity) explained below in 6 and 7..

## 5. HOW DO WE KNOW HOW MANY PEOPLE ARE POOR? - MEASURING POVERTY

**Economic poverty is the dimension of poverty with the most well-developed thinking on how to measure it.** It can be measured indirectly, as income, or directly, as lack of specific material goods and services, though measures of access to services are less well developed.

The **threshold** that defines who is poor and who is not, can be set in **two main ways**:

### 'ABSOLUTE' OR FIXED STANDARD

It can be an **'absolute' or fixed standard** – an amount of money (income) or a costed basket of goods and services (expenditure) that an individual or household needs. This 'absolute' standard can be fixed at some very basic level of survival, or, fixed at a level for a 'decent life'. The decision about what is basic or decent is often left to scientific experts, or political decision-makers. In fact, all absolute/ fixed standards of deciding who is poor are only 'fixed' in a social context: even the calories needed to survive and from what source, have cultural, social and economic dimensions.

### 'RELATIVE' STANDARD

This means it **compares incomes (or budgets) of some people against all others in a country or region**. So, if living standards rise in a country, so does the standard for deciding who is poor. The same is true if incomes fall – the standard falls.

### EAPN'S VIEW:

- ✓ We **support the use of a fixed standard as one of the ways** to measure poverty. But the decision about what constitutes a decent life, which informs that standard, must include a process of social consensus that engages people with experience of poverty as well as wider society in drawing up a representative basket of goods and services (reference budgets).
- ✓ We also support the relative approach to measuring poverty. **We need relative as well as fixed standards**. All people have the right to share in any general increase in wealth in their country or region. To make good policies, we need to know what is happening to the distribution of incomes in society. But because living standards can rise or fall faster than socially accepted needs, and because even in the EU there are people at risk of not achieving even their most basic needs, we also need fixed standards.

## 6. EU POVERTY TARGET AND INDICATORS

The EU set a target as part of its Europe 2020 strategy to lift 'at least 20 million out of risk of poverty and/or social exclusion by 2020'. The target is measured through a composite indicator measuring risk of poverty and social exclusion (AROPE: at-risk-of-poverty and/or social exclusion). This is composed of three elements and being included in any one of the **three elements means being at risk of poverty or social exclusion**.



### RELATIVE/INCOME POVERTY

Living below 60% of  
median income.

### SEVERE LOW WORK INTENSITY

Households in which adults  
last year worked for pay  
only 20% or less of their  
potential working time.

### SEVERE MATERIAL DEPRIVATION

Defined as: deprived of 4  
or more items out of 9  
deemed necessary to live  
modestly but decently in  
the EU.

It is important to know too, who is multiply at risk - in two or all three dimensions - so the EU provides also the data on multiple risk. There are limitations to the data and how being at risk is defined. Two examples are: people aged sixty and older are excluded from the low work intensity indicator. There is no consistent EU wide data available for risks by race or ethnic origin.

## THE EU INDICATOR OF RELATIVE OR INCOME POVERTY (AROP)

Concepts of poverty have to be translated into things we can measure using data we have collected. Indicators summarise precisely the representation of statistical data for a specified time period, place or any other relevant characteristic.

The EU threshold for deciding who is income-poor is set at 60% of median household income after social transfers modified to take account of the differing compositions of households (i.e., how many adults and children of different ages live in the household). 'Median' is the middle income between top and bottom ranked by income. This means a given population is divided into two halves; one half earns more than the middle income and the other half earns less. So people in the EU are defined as poor, if they live on less than 60% of what the middle household gets.

It is important to know too, how deep or intense is poverty. The EU defines people as severely poor, if they live below 40% of the middle household's income.

While the thresholds the EU uses are arbitrary, they have been used for many years, are well understood and robust data are available to compare countries and over time.

## THE EU INDICATOR OF MATERIAL DEPRIVATION (LACK OF GOODS AND SERVICES: SMD)

In EU countries where all incomes are relatively low, the threshold of 60% of median income can mean people have very little money and suffer **severe material deprivation**. It is important to know how people are actually living – *what households lack, because they cannot afford it (and not because they do not want it), that we believe all European households should have and be able to do*. For this reason, the EU also has a measure of both material deprivation (until 2020, this is defined as being deprived of three in a list of nine items) and severe material deprivation (until 2020, this is defined as being deprived of four or more items). The items include *meals with meat or fish every second day, a week's holiday away from home, basic durable goods including a washing machine, telephone, car and TV and being in arrears on rent or mortgage, utility bills, hire purchase installments or other loan payments*. The latter indicator is the one used in the EU composite indicator AROPE.

Deprivation indicators are more challenging than monetary income indicators to compare across countries and over time, but they give us important information about how people are actually living that helps us to a better understanding of what is poverty.

## THE EU INDICATOR ON LOW WORK INTENSITY (LWI)

This indicator aims to capture the situation of people living in households whose members are working less than 20% of their potential. It was included in 2010 as a 3rd AROPE indicator because Member States wanted to underline the role of worklessness as a prime driver of poverty and social exclusion. However, it is clear that the LWI indicator is not a direct indicator measuring poverty, whilst monitoring possible contributing causes. This indicator has weaknesses as it based on assumptions of potential for full-time work for all adult household members regardless of the availability of quality jobs or ability to access them, neither are people over 60 counted. The inclusion of LWI in the 'poverty indicators' also tends to give more importance to employment over other factors which are key to preventing and reducing poverty.

## EAPN'S VIEW OF THE CURRENT INDICATORS:

**AROPE (at-risk-of-poverty and/or social exclusion) is limited as a composite indicator of multidimensional poverty and exclusion.** But it has been widely adopted and provides robust comparable EU data. It is useful in extending our information about different risks of poverty and therefore what needs to be done to combat it. It also is included in the Social Scoreboard for the European Pillar of Social Rights and in the EU indicators for poverty in the SDGs.

**However, combining its three dimensions for each Member State and comparing each to the 'average' for the EU can disguise big differences,** within and between countries. It can be 'gamed' by national governments, who are not required to use all three dimensions of AROPE in achieving their contribution to the poverty target of a 20 million reduction by 2020 in people at risk of poverty.

EAPN supports the continued use of the **60% of median income relative poverty** indicator (known as AROP: i.e., at-risk-of poverty) after social transfers as an essential measurement of ability to participate in the specific society on equal term.

We also support the **continued EU use of an indicator of material deprivation** because:

- i) EU countries differ so much in general living standards and
- ii) because although results for material deprivation show the same groups at risk as for monetary poverty, the degrees of risk are different: e.g. young people and retired people show higher levels of material deprivation than of income poverty in some countries.

However, we would wish it to be improved.

**EAPN therefore supports the continued use of both monetary poverty and material deprivation indicators to warn us who is at risk and help decision-makers to make better policies.** The deprivation indicators and the monetary income indicators provide complementary information about how people at risk of poverty are living, and how that is changing compared to people not at risk of poverty.

We are concerned with the use of the **Low Work Intensity** indicator as a poverty indicator, and highlight its weaknesses, but recognize the advantages of maintaining the AROPE package for the upcoming period in the interests of comparability and visibility.

We want a better indicator of **extreme poverty**, because there are millions of people in the EU who cannot meet basic needs in line with SDG 1 to end poverty. But there is work still to be done to get good comparable data.

## 7. LOOKING TO THE FUTURE

### POST-2020 EU MEASURE OF 'SOCIAL AND MATERIAL DEPRIVATION'

After the current EU social strategy ends in 2020, the EU's material deprivation measure will be replaced by a thirteen-item '**social and material deprivation**' measure (lacking five will count as deprived). There will be a special indicator for children comprising of seventeen items.

The post 2020 AROPE indicator edits and updates some of the material items and *takes more account of autonomy and participation in social life, as well as goods and services*: for example being able to meet with friends once a month for a meal or drink or being able to spend a little money on oneself without asking anyone first.

### AGENDA 2030, AND THE SDGS

Agenda 2030 is an inspirational plan to prioritize people, planet and shared prosperity signed up to by all Heads of States in 2015 delivered through 17 Sustainable Development Goals (SDGs) and 169 Targets. It provides a new universal, social and sustainable global agenda, balancing "*the three dimensions of sustainable development: the economic, social and environmental*". Poverty eradication is a pre-requisite for the other goals: "*eradicating poverty in all its forms and dimensions including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development*". At least 9 key SDGs are essential for the fights against poverty and inequality: including ending poverty in all its forms. The EU has already committed to implement the SDGs in its internal and external policies. In 2019 the new President of the European Commission has underlined in her Political Guidelines that the SDGs should form the framework, refocussing the '*European Semester into an instrument that integrates the SDGs*'.

### EAPN'S OVERALL VIEW ON FUTURE EU APPROACH TO POVERTY INCLUDING MEASUREMENT

We support the use of **AGENDA 2030 and SDGs** as the overarching framework aiming to end poverty in all its forms.

This should include **a commitment to end extreme poverty by 2030** as stipulated in SDG 1.

We support the move to **an indicator of social and material deprivation** because it reflects better some of the emotional and relational aspects of people's experience of poverty and social exclusion, which can be very debilitating and inhibit capacity to exit from poverty or fully integrate into wider society. Social exclusion may be particularly damaging to children who have fewer educational opportunities and pathways towards adult life.

We support the **continued use after 2020, of the (improved) EU AROPE indicator**, which is one of the indicators in the social scoreboard for the European Pillar of Social Rights and the current EU indicator on SDG 1, despite the weaknesses of the low work intensity indicator.

We have still a long way to go (from concept to data), to get **comprehensive indicator(s) of multidimensional poverty and social exclusion**. We want the indicator(s) further improved, by getting data and measures that are more inclusive and realistic than they now are. As a start, we want the EU to:

1. Include information on especially vulnerable groups such as people in institutions as well as people who are homeless, so not only a survey of households
2. Get data to fully address the link between all kinds of discrimination and risks of multidimensional poverty and social exclusion
3. Change the 'equivalence scale' used to adjust for the size of households so that it better accounts for the costs of additional adults and children; the modified OECD (Organisation of Economic Cooperation and Development) scale now used by Eurostat, is less generous than the previous OECD scale
4. Address access to services in the measure of poverty.

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## 8 . ROLE OF THE STATE IN PREVENTING AND MITIGATING POVERTY AND SOCIAL EXCLUSION

EAPN exists to engage in combating multidimensional poverty and social exclusion. Poverty is experienced by individuals and families and is affected by levels and types of economic development. But it is also caused by social and political choices and histories. There is plenty of evidence to show that in relatively rich Europe, poverty and exclusion risks are greater where the whole country is poorer, but especially where the welfare state is least developed. Risks are also greater in European countries that have relatively high income and wealth inequality, which damages the trust and solidarity that is necessary for effective politics and a good society. These are often those states with a neoliberal perspective on how societies should organise themselves. This means they are prone to individualise risk and the responsibility for protecting oneself from risk. It may be that risk is measurable and can be forecast and therefore moderated or prevented. But there is much uncertainty in our real world, especially in periods of big change. By definition, this cannot be forecast and cannot easily be individually protected against; it requires a welfare state, which provides a collective and rights-based-capacity to prevent and mitigate poverty and exclusion.

There are **key social assets/public goods** that states must ensure to promote inclusion for every individual and household: **universal access, free or at low cost at the point of use, to: education, housing and affordable energy, professional integration into quality employment, social protection and adequate minimum income, social, health and long-term care services.** People also need equal access to social, transport and technology networks in order to make best use of these assets.

## EAPN'S VIEW:

EAPN **supports people's equal right to access these asset/public goods** in order to minimise their chances of being in poverty or exclusion and maximise their opportunity to do the best for themselves, their families, households and communities and to combat all types of discrimination.

Societies with the **best provision of these assets have progressive taxation systems** that contribute to social justice and promote and enable high social quality. They are best at preventing poverty and social exclusion. In the EU, overall, the Nordic countries have the best legacy.

In all EU countries, to different extents, there have been **'austerity' cuts**, which have particularly affected women and children. There is roll-back in provision of key social assets, tightening of access to them and severe market failure, especially in labour and housing markets. This has put ever greater and unsustainable pressure on individuals, their families, households and communities. Uncertainty is high, change is rapid, social wealth has diminished and with it, social cohesion. The impact is greatest for those most at risk of poverty and social exclusion.

EAPN calls for a **new social and sustainable vision** for Europe; one that includes full participation for all its people, based on fundamental and equal economic, social and cultural rights for all. EAPN will play its part in building it.

## EAPN'S RECOMMENDATIONS

The 2020 strategy for cutting poverty did not succeed: only 3.1 million of the modest 20 million target for cutting poverty has been achieved (2008-13). There have been better achievements in some other 2020 targets, for example in reducing rates of early school leaving and increasing rates of university level education. But poverty is so damaging to people experiencing it and to aspirations for social quality and social justice that it must really become a national and European priority to end poverty and social exclusion. It requires all parts of society to join in preventing and combating it.

At EU level, EAPN argues for a coherent, 10 year, social and sustainable post Europe 2020 strategy underpinned by Agenda 2030, the SDGs and the European Pillar of Social Rights which makes eradication of poverty a pre-requisite. See the full EAPN's Position Paper: [Delivering Agenda 2030 for people and planet: EAPN Proposals for a post Europe 2020 strategy.](#)

Fundamental to successfully combating poverty and social exclusion are:

### 1. A RIGHTS-BASED INTEGRATED ANTI-POVERTY STRATEGY, BEYOND EMPLOYMENT

- ✓ *Political affirmation of the **right to a dignified life for all**, throughout the life course and commitment to protect, respect and implement rights.*
- ✓ *Agree and Implement an **EU integrated, rights-based, person-centred anti-poverty strategy** building on 'Integrated Active Inclusion'[4] – the right to adequate minimum income/ social protection, access to quality services (social services, health/social care, education, housing, energy, water etc) and quality jobs, underpinned by EPSR and SDG principles, avoiding negative conditionality and reinforcing supportive, personalized case management approaches. Tackling food poverty and food insecurity should be an urgent additional requirement.*
- ✓ *Implement agreed **EU thematic strategies** for key groups e.g. Investing in Children and support the implementation of the Child Guarantee.*
- ✓ *Deliver on the pledge to '**leave nobody behind**' that underpins the SDGs. Acknowledge that extreme poverty is an urgent and growing reality needing specific measures, particularly to tackle homelessness, based on SWP[5] Tackling homelessness and housing exclusion.*
- ✓ *The strategy should be **developed together with people experiencing poverty** and the organizations that work with them and be transparently and pro-actively monitored and promoted with stakeholders through the European Semester and supported by EU funds.*

[4] EC Commission Recommendation on the Active Inclusion of people excluded from the labour market (2008)

[5] EC Staff Working Paper 2013.

## 2. AN AMBITIOUS EU POVERTY TARGET AND EFFECTIVE POVERTY INDICATORS

- ✓ Develop an overall **goal to achieve well-being** for all
- ✓ Give a strong priority to the AGENDA 2030 goal to End Poverty in all its forms (SDG 1), and adopt an EU target for all MS of 50% reduction of at-risk of poverty and social exclusion (AROPE).
- ✓ Include a commitment to **end extreme poverty by 2030** as stipulated under SDG 1. Extreme poverty should be measured by the UN indicators, and in an EU context include the number of people experiencing homelessness (on any given day this number is at least 700.000)[6]
- ✓ Aim for **progressive realisation of a new EU Poverty target**, agreeing mid-term 5-year targets and an action plan, recognizing the challenges faced by poorer countries with higher rates.
- ✓ Support **Member States in delivery** on targets and ensure transparent, yearly monitoring with a mid-term assessment involving stakeholders, including NGOs.
- ✓ Require all Member States to use same EU AROPE indicators., as with other goals/targets, monitoring each indicator separately.
- ✓ **Disaggregate data** consistently to monitor the impact of gender, age, but also ethnicity, migrants, sexual orientation, disability etc and analyse intersectionality.
- ✓ Replace Severe Material Deprivation indicator with new Material and Social Deprivation indicator[7]
- ✓ Increase the **coherence of the Scoreboard** to the European Pillar of Social Rights, including concrete indicators for all 20 principle areas and monitor them explicitly.
- ✓ Connect the Scoreboard (averages) to the post 2020 poverty target monitoring (ambition), to support more effective upward convergence.
- ✓ **Develop multiple indicators** to capture well-being including security, take up of rights, identity, participation and empowerment, social and community relations. However, it is crucial to retain clear priority on guaranteeing decent income and living standards.

## 3. URGENT ACTION TO GUARANTEE ADEQUATE MINIMUM INCOME/SOCIAL PROTECTION.

- ✓ EU must guarantee the **right for all to adequate income support/social protection**, throughout the lifecycle and beyond employment.
- ✓ Minimum income must be **adequate, accessible and enabling**: empowering people's social participation as well as a foundation to access quality, sustainable jobs.

[6] Calculated according to the [ETHOS typology](#) (See FEANTSA).

[7] New indicator of Material and Social Deprivation (2017) see [here](#)

- ✓ **Soft Instruments** like the Semester and benchmarking should be made more effective, requiring progressive achievement with the support of EU funds and establishing clear EU definition and common indicators for adequacy.
- ✓ **An EU Framework Directive** guaranteeing adequate minimum income is essential to take people above the poverty threshold[8] (60% median income) underpinned by reference budgets capturing the real costs of essential goods and services with the explicit aim of ensuring a decent life, not just minimum basic standards. A directive is feasible under current EU Treaties and would not require EU funds[9]
- ✓ Require **increased funding/adequacy of social protection system** reallocating public expenditures through a Golden Rule – social protection spending should not fall below 35% GDP. Increase revenue by tackling tax evasion/avoidance + promoting progressive taxation systems including tax on wealth + property capital.

#### 4. CONCRETE RESULTS TO GUARANTEE ALL SOCIAL RIGHTS – QUALITY JOBS AND SERVICES

- ✓ **Agree an Action plan:** ensure timed implementation of all Social Pillar principles through soft coordination mechanisms (i.e. the European Semester combined with EU funds) and plan progress on EU hard law.
- ✓ **Quality Jobs and Fair Wages:** develop an EU framework together with social partners and civil society organisations to guarantee adequate minimum wages/living wages which take people out of poverty and provide a positive incentive/hierarchy above decent minimum income. A benchmark for adequacy could be 60% of the average wage.
- ✓ **Access to Education, Training and Lifelong Learning:** prioritize investment in universal free public education, including early learning and care and through the life course; promote right to education beyond skills for employment, supporting life skills and participation in the Community, working in partnership with families, community organisations and students themselves to adapt to their own wishes and needs.
- ✓ **Access to Essential Services:** Guarantee rights to public services - Invest in affordable quality services, particularly housing, health and social services. **In housing,** require expansion of social housing and regulation of market to ensure affordable rents, also to access affordable quality energy and water. **In health and social care:** invest in universal free health/social care systems by increasing funding through progressive tax/tax collection including through prevention and primary care. **In Social Services:** invest in quality infrastructure to provide person-centred support for all the household and services to support delivery of all social rights. Support grassroots NGO services which accompany/ not replace state provision.

[8] See EESC recent opinion.

[9] See EMIN Final Report and Recommendations [here](#).

## 5. TACKLING INEQUALITY

Inequality is a **central driver of risks of poverty and social exclusion**. There must be an explicit strategy to manage inequality and to provide sustainable finance for universal provision of health, education and social protection as well as infrastructure investment. This will require:

- ✓ **Promoting tax justice.** This will include progressive taxation of income and wealth of individuals and corporations, property and inheritance tax, and elimination of tax avoidance and tax evasion.
- ✓ **Minimising taxes that are regressive** on low income people, including value added and other consumer taxes as well as regressive charges for medicines, public transport and learning, culture and leisure services.
- ✓ **Ensuring there is no regressive social impact from environmental taxes.**
- ✓ **Generating more tax revenue** from undertaxed areas, for example digital tax and financial transactions tax, and leveling the tax liability for digital and 'bricks and mortar' businesses, including small businesses.

## 6 SUPPORT FOR A VIBRANT CIVIL SOCIETY AND DECISION-MAKING THAT LISTENS AND RESPONDS TO PEOPLE WHO ARE AT RISK OF POVERTY AND SOCIAL EXCLUSION.

- ✓ A strong and widespread civil society is an essential part of a well-functioning democracy. It adds value to representative democracy, through constructive dialogue, signposting key challenges and contributing to effective solutions. Civil society organisations support empowerment of disadvantaged groups, including in decision-making that affects their lives, and help to deliver good services to all parts of society, in all parts of any country.
- ✓ An effective strategy will:
  - ✓ Embed regular dialogue including with people facing direct experience of poverty with the NGOs that support them and feedback at local, national and EU level, monitor its effectiveness and adapt where needed to improve effectiveness.
  - ✓ Enable an effective contribution to **ex-ante assessment** of policy and ongoing delivery.
  - ✓ Agree **obligatory guidelines and invest in participatory methods**, capacity-building and awareness-raising including through mutual learning.
  - ✓ Ensure that **finance for the not-for profit** sector is adequate and prioritize access to funds to deliver innovative and effective services to combat poverty and exclusion.

## 7. ECONOMIC POLICIES FOR JUST AND SUSTAINABLE DEVELOPMENT.

*Economic and social policy must be mutually sustaining and sustainable. At present the macroeconomic framework often undermines delivery of social rights and sustainable development.*

*An effective strategy will require:*

- ✓ *An **end to 'austerity' economics**, which is theoretically weak and outdated and lacking good evidence. It has not delivered on the ambition of rebalancing finances and delivering growth, but has seriously damaged public services and social cohesion*
- ✓ *Make **the economy an instrument** to promote macroeconomic priorities to promote well-being, end poverty and promote social and sustainable development.*
- ✓ ***Ex-ante assessment of poverty/ distributional impact** of all policies to ensure that they actively contribute to reducing poverty, exclusion and inequality and promote well-being and sustainable development*
- ✓ *At EU level **replacing the Stability and Growth with a Well-being Pact** which requires member states to deliver on social and sustainable priorities.*
- ✓ ***Transforming the European Semester into a European Semester for Social and Sustainable Development** and ensuring systematic and transparent delivery on a revised poverty target.*

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## ANNEX 1. STATUS OF THE DOCUMENT

This EAPN Explainer on the multidimensionality of poverty was issued **on behalf of the EU Inclusion Strategies Group** which has delegated powers within EAPN to develop EAPN policy positions/briefings and reports. A Terms of Reference for the explainer was developed by **EAPN Staff** as the basis for a 1st discussion in the EUISG meeting in March 2019. A draft was then prepared by **Katherine Duffy, EAPN UK** and sent for written comments. It was then discussed fully in the June EUISG meeting, following a redraft a final version was discussed, and then aligned by the EAPN Policy Coordinator with EAPN positions on the Recommendations. It was finally adopted unanimously in the EUISG meeting in Finland in September 2019.

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

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