

EAPN RESPONSE STATE OF THE EUROPEAN UNION

Brussels, 18 September 2020

The President of the Commission issued her first State of the Europe Union (SOTEU) address this week. EAPN established an 'Rapid Response Team' to look at the address. Following the analysis of the Team, we issue the following statement.

Where is the focus on people experiencing poverty?

While the SOTEU recognised that we live in a period of 'profound anxiety for millions who are concerned about the health of their families, the future of their jobs or simply just getting through until the end of the month', it fails to recognise that it is precisely our political and economic systems which have led us to a situation where, even before the Covid crisis, **over 21% of the population in EU was living at risk of poverty – 109 million people**, more than 1 in every 5 people living in Europe. We can expect a rise to at least the levels after the 2008 crisis, probably higher.

Europe needs to respond to this, urgently, making this a highest political priority. We are concerned at the **lack of political focus or even recognition of rising poverty levels or social rights** in the SOTEU - we urgently need a European antipoverty strategy to address these issues, as prioritised by Commissioner Schmit. We need European authorities and member states to commit to social change, to improve employment and essential services, such as education, health, housing and energy, to combat poverty and the exclusion of determined way.

The political focus on the covid recovery is of course imperative – and this recovery must take into account the reality of the impact of the pandemic on those experiencing poverty. (See our report on this [here](#), or a presentation by the author [here](#))

What has become of high-level political agreements?

In 2015, every single country in the world agreed Agenda 2030 and the SDGs. In 2017, all European Member States came together to proclaim the European Pillar of Social Rights – which is the key way to achieve progress in the social sphere in Europe. The lack of mention of either of these frameworks is concerning – what does this say to our political commitment these? Are we witnessing a rolling back of the social? These high-level must be respected, implemented, and financed in order to respect and enhance the commitments of the Heads of State and Government. Heads of State and Government have a responsibility to ensure that their commitments are respected. Politics is a serious matter and commitments must be respected.

Positive notes on Minimum Wage – what of Minimum Income?

It is positive that the SOTEU recognises the reality of in-work poverty. (See our 2019 publication 'Combatting In-Work Poverty' [here](#) for a collection of good practise from across Europe). We fully support the creation of a European Framework for Minimum Wages. However, It's time for European Institutions to capitalise on the political momentum and to go further – it is time for a binding EU Framework Directive to guarantee adequate, accessible and enabling MI, turning Principle 14 of the of Social Pillar into reality. This would provide a firm foundation for reducing inequality and poverty, in line with the SDGs. The money would reach the most vulnerable and become a direct transfer of resources through consumption in local services and shops. This is not just an instrument of Social Justice, but also of economic intelligence – it would support both social and economic upwards convergence throughout Europe. We call on MS to agree strong Council Conclusions, calling on the Commission to propose a Directive, backed up by EU funds to support national level implementation – both by the ESF+ and a relaxation of the Stability and Growth Pact.

Will the Green Deal be a Social Deal too?

The Green Deal and Just Transition are welcome initiatives, they give a clear sign of the political will to tackle climate change and related problems in our societies– this is a positive step in itself and should be recognised as such. However, the EU must demonstrate that it is indeed possible to make a responsible 'Just Transition' for people and planet – and not just for the economy and green growth! This has not yet been done – and we reiterate that a just transition will not be just, if the poor pay for it! (See our Reflection Paper [here](#))

Our view of migration

The examples of migration highlighted in the SOTEU are not 'the norm' with whom our members work on a regular basis. The irregular migrants who slip through the cracks in Europe are the underpaid meatpackers exposed to Covid, or the people with precarious contracts working for Deliveroo or Just Eat, the people exploited by Amazon, or those floundering in Moria. The response of Europe in recent years to the political and humanitarian crisis around migration has been far from acceptable. We expect much more from Europe to protect the lives and dignity of migrants, and our members will be following the Pact on Migration closely. (See, for example, the work of the Platform of International Cooperation for Undocumented Migrants, PICUM, [here](#))

A hint at future austerity which must be avoided at all costs

NextGeneration EU is indeed an historic agreement, and will go some way to cushioning the impacts of the crisis. However, the SOTEU hints at the future repayment of the loans involved: **'This is definitely not the time to withdraw support. Our economies need continued policy support and a delicate balance will need to be struck between providing financial support and ensuring fiscal sustainability.'** It is crucial that people facing poverty and vulnerability also benefit from the post-COVID recovery, and do not pay for it, **including through the imposition of austerity measures to recoup the deficits.** To ensure that the reconstruction funds and the adequacy of the structural funds already granted fulfil their social mission, maximum transparency and supervision are necessary. To do this, the current consultative status of civil society organisations and the involvement of people experiencing poverty must be raised to a level of dialogue on an equal footing with other social actors.

The elephant in the room

There was a surprising lack of focus on the issue of taxation in the SOTEU. The recovery is going to be expensive – to increase state income and help fund recovery programmes, it is crucial that EU governments should also agree a financial transaction tax, and take strong action against tax dodging to ensure that currently undertaxed businesses pay their fair share for the recovery.

A call for coherency

If Europe is truly to renew itself and seize "the moment", Europe must be coherent: we should not sell weapons outside the European Union and then complain about the arrival of people fleeing wars seeking refuge. We should not continue to overuse fossil fuels and then complain about climate change that is cornering us, endangering us as a species. We should not apply policies that reinforce the status quo of the economy and favour the concentration of wealth and then complain about the growth of poverty that endanger social cohesion.

Conclusion

We end with a word of warning – we are concerned that the number of people living at risk of poverty and social exclusion throughout Europe is only going to increase in the coming months and years, and we are worried that our political leadership is not paying enough attention. We call urgently for a prioritisation of an anti-poverty strategy to prevent more and more of our brothers, sisters, mothers, fathers from being dragged under by the impacts of this pandemic.

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