

THE EU MUST ADOPT AN EU ANTI-POVERTY STRATEGY WITH AN AMBITIOUS 2030 POVERTY TARGET!

Introduction

The Europe 2020 strategy set an EU poverty target to reduce poverty by at least 20 million people by 2020¹. The poverty target was crucial, keeping poverty high on the EU agenda, bringing EU funding, with the 20% earmarking of ESF. However, it failed to reduce poverty by more than 8 million, following an increase to 123 million during the 2008 crisis. Now in 2020, **109 million people** are at risk of poverty, more than 1 in 5 people² and this is before the COVID-19 Crisis. According to the Commission's 2020 Strategic Foresight Report, poverty is expected to rise by 5% as a result of the COVID-19 crisis, reaching at least 125 million people, higher than the levels after the 2008 crisis³. Adopting a **new EU anti-poverty strategy and setting a new ambitious EU poverty target** must now be an overwhelming EU priority for an inclusive recovery in all EU Member States and for building trust amongst all EU citizens in the EU commitments to deliver on social rights for everybody, including those (most) in need.

Commissioner Schmit has strongly called for an **EU anti-poverty strategy** in his European Parliament Hearing and many subsequent meetings. Such a strategy needs to serve as the **overarching frame for the Action Plan for the European Pillar of Social Rights (EPSR) and embed an integrated approach** to guarantee rights to adequate income (minimum income and social protection) and decent wages, with access to quality essential services for all, paying particular attention to the most at-risk groups ([see EAPN Input to the Consultation to the Action Plan to implement the EPSR](#)).

The Commission is currently considering **proposals for an EU poverty target for the next decade**, in connection with the proposals for the Action Plan to implement the EPSR. EAPN has made its detailed proposals in our ideas for a [post 2020 strategy](#)⁴ and provided input to the EC consultation. We here further develop **key elements**.

An EU Poverty reduction target needs to:

- **Be more, not less ambitious:** The failure to achieve the Europe 2020 strategy poverty target should encourage more ambition, particularly in the context of the devastating social and economic impact of COVID-19.⁵ Progress towards the target should be monitored yearly, with a mid-term review to readjust if necessary. EU Member States who face the greatest challenges, will need the greatest support to develop effective strategies through EU funds (Recovery and Resilience Plans and Structural Funds).
- **Have a % target applied equally to all MS:** The Europe 2020 poverty target was the only numeric target when the other Europe 2020 targets were a common % reduction for all MS⁶. As MS could decide their own national poverty reduction target, based on their own choice of indicator, the perceived fairness and the effectiveness of the target was substantially undermined. A new target must be a common % reduction for all, underpinned and monitored with the same EU indicators.
- **Capture the multidimensionality of poverty – relative and absolute.**⁷ Any poverty indicators used in the target need to capture the multidimensionality of poverty, particularly relative as well as more absolute poverty. The AROPE indicator captures the income of a household relative to others in their country, and demonstrates their capacity to participate in our societies and economies on equal terms, whilst more

¹ Based on 3 aggregate indicators: At risk of poverty, severe material deprivation and low work intensity - AROPE

² EC Joint Employment Report 2020 based on 2018 data. (Nov 2019). See additionally research provided by the OECD and 2019 data on the [adequacy of minimum income](#) (with in most countries inadequate levels), on [poverty rates](#) and [poverty gaps](#).

³ EC 2020 Strategic Foresight Report

⁴ Delivering Agenda 2030 for people and planet: EAPN proposals for a post 2020 strategy

⁵ EAPN Study: [Impact of COVID-19 on poverty and vulnerability](#) (July 2020).

⁶ Europe 2020 targets: See Eurostat: EU [headline indicators explained](#) (2020).

⁷ [EAPN Explainer on the multidimensionality of Poverty](#) (2020)

absolute indicators e.g. Severe Material Deprivation (SMD) captures the ability for households to access basic goods and services.

- **Ensure continuity and comparability with current EU Poverty Indicators.** Whilst the current AROPE aggregate indicator has weaknesses, particularly as to its “low work intensity” dimension,⁸ it is now the *recognised* EU indicator. A sudden replacement of the AROPE indicator is likely to undermine the transparent comparability of crucial EU poverty data across the 2 crises.
- **Be complemented by an inequality target, not replaced by it:** COVID-19 is without doubt exacerbating existing inequalities (see [EAPN COVID-19 Report](#)). The Social Scoreboard already monitors inequality through the income quintile share ratio: S80/S20%. However, inequality indicators and targets do not tell you enough about the reality of poverty for the households with the lowest incomes. An EU inequality goal/target is crucial. However, it should not replace a poverty reduction target but complement it.
- **Be supported by additional indicators/targets to capture extreme poverty:** The current poverty indicators fail to capture the reality of those on the lowest incomes, although the Severe Material Deprivation indicator gives some indication of material deprivation. Any new indicator should take its references from **SDG 1 - which includes a commitment to end extreme poverty.**

What we need

1. **An ambitious new overarching EU target to reduce risk of poverty and social exclusion (AROPE) by 50%** reflecting the Agenda 2030 goal to “End poverty in all its forms” (SDG 1), as a pre-requisite for the successful realisation of the SDGs and Agenda 2030.
2. **The target should provide continuity with Europe 2020 targets and be based on the (AROPE) aggregate indicator** which combines monetary poverty (AROP), severe material deprivation (SMD) and low work intensity (LWI). All Member States should monitor the target at national level with the agreed EU indicators.
3. **If changes are envisaged to the AROPE, it should build on 2 key indicators that capture relative and more absolute poverty (i.e. AROP and Severe Material Deprivation).** The [new material and social deprivation indicator](#)⁹ should be adopted in place of SMD.
4. **An additional target to end ‘extreme poverty’ in line with SDG1 should be developed, based on UN indicators.** This should include a concrete measurement of homelessness, based on [ETHOS](#).
5. **Income inequality must continue to be measured through the S80/S20% indicator from the Social Scoreboard, but not replace the poverty target.** New indicators need to be adopted to better capture the trends of the top/bottom 10%, and also 1%, as well as to systematically capture the distribution and inequalities in wealth as well as income.
6. **A post 2020, AGENDA 2030 strategy is a vital pre-condition to provide a coherent, comprehensive overarching policy framework to deliver on the SDGs and the EPSR, which can rebalance economic, environmental and social objectives.**

⁸ SPC and EMCO Joint Report: [Assessment of the Europe 2020 strategy](#) (November 2019)

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