



*Round table: The EPSR Action Plan. What concrete meaning in the lives of the citizens?*

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# In all the MS there was a significant percentage of the population at-risk-of-Poverty or exclusion (AROPE, 2019 data)

- **92.4 million, 20.9% of the EU-27 population, were living at risk of poverty and social exclusion; mostly women, children, single-parent households, non-EU migrants and refugees, people with disabilities, homeless persons and Roma.**
- 11 Member States with AROPE rates above the EU27 average: Bulgaria (32.5%), Romania (31.2%), Greece (30%), Latvia (27.3%), Lithuania (26.3%), Italy (25.6), Spain (25.3%), Estonia (24.3%), Croatia (23.3%), Cyprus (22.3%) and Portugal (21.6%).
- **22.2% of children in the EU - almost 1.8 million - were at risk of poverty or social exclusion.**
- **Around 24 million, or 5.4 % of the EU population, were 'severely materially deprived'.** 11 MS above average: Bulgaria (19.9%), Greece (16.2%), Romania (14.5%), Lithuania (9.4%), Cyprus (9.1%), Hungary (8.7%), Slovakia (7.9%), Latvia (7.8%), Italy (7.4%), Croatia (7.2%) and Portugal (5.6%) have rates above the EU average.

# Poverty in pre-COVID times

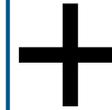
1. *Territorialized* (present in all MS, but geographically concentrated in some MS and regions)
2. *Chronified* (persistent through time and not flexible regarding the economic cycle)
3. *Feminized* (higher incidence among women than men),
4. *Familiarized* (having children is "a risk of poverty factor" in many countries; 1 out of 2 single-parent households are poor),
5. *Ethnicized* (higher spread among non-EU and ethnic minorities),

Higher incidence in the *juvenile population* (children and youth) and in *people with disabilities*.

# Multidimensional approach to poverty

## *Causes of Income Poverty*

1. **A sharp increase in income inequality, affecting labour share in national income** (and within the labour share, with the highest earners capturing an increasingly large portion, while those at the bottom having their shares decline significantly)
2. **Exclusion from the labour market, long-term unemployment and precarious employment (Active / in-work Poverty)**
3. **Low/inadequate pensions for the elderly (37% less for women)**
4. **Low/inadequate non-contributory benefits**
5. **Inefficient/insufficient protection systems, social services and transfers that cannot lift enough people out of poverty, even during the economic recovery from the crisis.**
6. **High/disproportionate share of housing expenses on the household income.**
7. **Unfair/regressive taxation**



## *Cross-cutting determinants*

- a. **Gender**
- b. **Age group**
- c. **Educational attainment**
- d. **Digital attainment**
- e. **Ethnic origin**
- f. **Nationality**
- g. **Health status**
- h. **Disability status**
- i. **Financial security**
- j. **Housing status**
- k. **Area of residence / region**

The “new profiles” of Poverty: People who fell into poverty during the 2008 crisis, had recovered and now “return” to being poor + People who became poor and / or materially deprived for the first time

1. **Incomeless workers due to layoffs and/or due to the cease of their main economic activity as self-employed worker or small business owner.**
2. **Young people / students who survived on atypical / part-time Jobs which are no longer available.**
3. **Women working in the domestic and care services, often with informal contract arrangements.**
4. **Women who “voluntarily” had to leave their Jobs to take care of the dependent children and relatives, so are not entitled to unemployment insurance.**
5. **Applicants to income benefits whose applications were rejected or do not qualify for the available means-tested schemes**
6. **Irregular migrants, who cannot access neither the formal, nor the informal labour market.**
7. **Frontline workers infected with COVID-19 (i.e. hospital cleaners or public transport drivers), as COVID is not recognised as a work-related disease and are not entitled to (full) social protection.**

## Five trends of the (new) social crisis:

1. **Severe material deprivation is increasing**, as seen by the peak in demand for food and basic assistance in all MS and by the closure of social services and facilities, which helped them to cope with deprivation
2. **Gender inequality and poverty are deepening.**
3. **Homelessness is widening**, as increasing number of families can no longer afford housing, and facilities and social inclusion projects are not running adequately.
4. **Children living in poverty are distancing themselves from those who are not**, with food insecurity and a digital divide with educational consequences.
5. **Precarious, low-quality employment is spreading**, together with increasing unemployment rates, affecting the youth, women and non EU population.

# The 92.4 million people in AROPE (2019) can reach up to 125 million.

- Poverty is a reality for millions and a threat for many millions more.
- **Never before has there been so much support for the EU's role in this regard.**
- **Although people recognise the responsibility of their national governments, in the last Special Eurobarometer 509 on “Social Issues” nearly nine in ten Europeans (88%) say that a social Europe is important to them personally.**
- **More than six in ten Europeans think there will be a more social Europe in 2030; and health care is by far the most important area for this future, where both their national government and the EU should take action.**
- Many of the protection policies against the consequences of COVID or the so-called “social shields” are being financed by the EU, through SURE funds, through REACT-EU and soon through Next Generation, in addition to the usual EU funds, whose management has been made more flexible in order to meet social needs.
- **We need to advance in social rights and in the creation of a cohesive and inclusive society, for all, which includes the full implementation of the Revised European Social Charter, already ratified in several MS.**

# In this context, EAPN welcomes the European Commission's Action Plan on the European Pillar of Social Rights, published on 4 March 2021

- The Action Plan is the long-awaited follow-up to the promise made during the Proclamation of the Pillar that the “***unique European Social and Economic Model brings about shared prosperity and opportunities for all***”.
- The Action Plan is not only about targets and objectives but also contains tools, policy and legal initiatives to achieve the goals by means of the community method, backed up by resources from the Recovery and Resilience Facility and ESF+, and by a monitoring framework.

# Is the Plan's Poverty reduction target ambitious enough?

- As a network of social organizations working with people experiencing poverty, we ask ourselves:
- **Is it a sufficient target to try to lift 15 million people out of poverty in 10 years?**
- **Are we really “Leaving no one behind”?** What about the 2030 Agenda, Sustainable Development Goal 1. End poverty in all its forms everywhere, concretely “Target 1.2 - By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.”?

# We are still in the "red" when it comes to poverty reduction

	TARGET Reduction of people in people (1/3 of them children) (millions of people)	PROJECTION FOR 2030 (millions of people)	Difference with the ESPR Target (millions of people)
<b>ESPR Action Plan</b>	<b>15,077</b>	<b>77,422</b>	
Keeping the target of 25% POVERTY reduction, from the EU2020 Strategy	23,125	69,375	<b>-8,0475</b>
Applying the 50% POVERTY reduction target, from the UN 2030 Agenda (SDG 1)	46,25	46,25	<b>-31,1725</b>

**It is inconsistent that, when the situation worsens, the Poverty reduction target is being watered down**

# Missing pieces

- **Headline target 1 on employment and sub-targets:** We welcome the target for NEETs but would have liked to see an employment sub-target for youth who, due to working disproportionately on atypical and temporary contracts, were among the first people laid off during this pandemic, leading to a significant further increase of youth unemployment levels across the EU.
- We hope that “in employment” will be interpreted as “in decent employment”, in line with the other principles of the EPSR, in particular principle 6 “Fair wages”, in order for that target to effectively contribute to achieving the poverty target
- **Headline target 2 on education and training:** We welcome the objective to increase participation of adults in training and to strengthen their digital skills. We appreciate that the sub-target on basic digital skills also includes people between 65 and 74.
- However, a non-digital alternative for service delivery has to be maintained in order to ensure access for all to all services. We are, however, missing a concrete target with regards to reducing early school leaving

# Minimum income – the case of Spain

- While we welcome that the Action Plan foresees a Council Recommendation for 2022, **we regret that not more ambitious action was taken**, especially in the context of the COVID-19 pandemic, which has pushed more people into poverty. This is why EAPN and our members continue to call for an **EU Framework Directive on Adequate Minimum Income**.
- **In Spain, the new minimum income scheme – Ingreso Mínimo Vital- in the context of the first wave of the pandemic was approved by 83.4% of Spaniards, according to the barometer of the Centre for Sociological Research (May 2020).**
- **The Spanish government aims to reduce severe poverty by around 80% (threshold below 30% of median income). The IMV will not eradicate poverty by itself, but it will drastically slow down the process of social deterioration.**
- **The IMV is a floor that the Government insures throughout the country, but that the Autonomous Communities can complement, either to adapt it to the different cost of living, or to establish complements for housing, for example. It is also compatible with jobs as it prioritises an active inclusion approach.**
- **The Spanish IMV can become a good practice to test the future nature of an EU MI scheme.**

# Imbalance and piecemeal approach

- **We value the set of measures linked to the EPSR principles:** The EU Strategy on the Rights of the Child and Council Recommendation establishing the European Child Guarantee, a European Platform on Combating Homelessness and an Action Plan on the Social Economy, the new Strategy for the Rights of Persons with Disabilities 2021-2030 and several other actions, such as the Gender Equality Strategy, the EU Anti-Racism Action Plan, a Youth Employment Support package and a proposal for a Directive on Adequate Minimum Wages.
- **But there is an imbalance of coverage of all 20 principles and of different types of tools:** We see a mixture of legally binding directives, but also recommendations, reports, research etc. and we are therefore concerned that this might establish a negative hierarchy between the rights and principles contained in the Pillar.
- **We regret that there is no overarching Europe 2030 strategy,** linking the Green Deal and the EPSR AP in order to ensure an equal commitment to realise both green and social targets
- While the EPSR AP briefly refers to other overarching initiatives like the SDGs and the European Green Deal, it does not establish coherence between these and other initiatives, detailing how all of them contribute to the same goals.
- **It remains unclear how all of the EU's ongoing and upcoming thematic strategies and initiatives as well as the above-mentioned broader frameworks will contribute to the same objectives.**

# National targets

- It is crucial that Member States endorse these targets and define their own ambitious national ones to ensure that the EU jointly at least achieves, but hopefully exceeds these targets by 2030.
- **National targets should also be set in a way to add up to the EU targets.** In the context of the Europe 2020 Strategy, national targets did not add up to the EU targets which might have contributed to some of these not having been reached.
- Adequate monitoring of progress by the European Semester, backed up by a revised Social Scoreboard, will be crucial.
- The Social Scoreboard should fully cover all 20 EPSR principles and better disaggregate data by population groups, with a focus on groups in vulnerable situations, and household types. Annex 2 of the EPSR AP demonstrates the Commissions' plans to add more indicators, which are very welcome, **but a lot more are needed to ensure that the Social Scoreboard fully covers all 20 Pillar principles.**

# Building back better!

- There is concern about the MS social protection capacity to support the weakest and provide for the rest. Therefore, the role of the EU is and will be key: **this may be a crucial crossroads with regard to the confidence of the population in the EU.**
- The Recovery and Resilience Plans established by the EU have to be clearly “social” and managed with transparency and accountability.
- **Civil society organisations can contribute crucial expertise to ensure that policies and legislation correspond to the lived realities of people, including those in the most vulnerable situations.**
- EAPN welcomes that the Commission encourages Member States to organise a coordination mechanism to ensure the engagement of all stakeholders in the implementation of the EPSR. It is crucial to ensure that CSOs are fully involved in all steps of the policy-making, implementation, evaluation and monitoring process.

# 5 Lessons learnt - Poverty is a multidimensional phenomenon that:

1. **Acts as a major social and health determinant factor** linked to higher prevalence of many health conditions, including chronic disease, injury, deprived infant development, stress, anxiety, depression, and premature death. **Any society with high levels of poverty is not only unjust, unequal and unethical, it is also unhealthy and weak in the face of epidemic or economic crises.**
2. **Cannot be addressed by simplistic measures**, such as a mere rise in the employment rates or the alleged “trickling down” effect of the economic growth;
3. **Requires a strategic approach**, with overall targets, cross-cutting measures, and an adequate economic investment to revert the abovementioned inequalities and prevent furthermore;
4. **Demands political commitment** (and therefore hard legislation) from those leaders who are responsible for the population wellbeing and human development;
5. **Commands an increase of purposeful actions** in times of crisis.

**Therefore, EAPN is asking that as a logical, immediate continuation of this Action Plan, the Commission includes an ambitious and multidimensional EU strategy to combat poverty, supported by key legislation to bind its delivery throughout the EU.**

# Thank you!

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