

## EAPN RESPONSE TO SOTEU 15 SEPTEMBER, 2021

The President of the European Commission, Ursula von der Leyen, delivered her speech on the State of the Union (SOTEU) on September 15. The following statement contains EAPN's reaction.

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**The EU must address the impact of the COVID-19 crisis and the subsequent measures on the socio-economic recovery of people living in poverty.**

The EU engaged in a significant mobilisation of resources to address the COVID-19 pandemic, within and outside of the EU. The lessons learnt can be applied to tackle the socio-economic consequences of COVID-19 on people at risk of poverty and social exclusion.

President von der Leyen acknowledged the social and financial crisis in Europe but did not assess the impact of the measures taken on people in poverty, nor question the current economic model that caused structural poverty and inequalities, long before the pandemic began.

“More than 70% of the European adult population is fully vaccinated and more than 400 million EU digital certificates have been generated across Europe”. Whilst this statement is encouraging, it does not fully capture the reality of people living in poverty as many of them have not yet been reached by vaccination programmes.

For these individuals and their families, access to essential health services was and remains an important issue. Concurrently, the digital divide has an impact on their ability to access digital services, including in the health sector. This is especially the case in rural and marginalised areas. The EU and its Member States have a responsibility to ensure that all people in all regions of Europe, including minorities, undocumented migrants and those suffering from severe social or material deprivation, can access vaccination and other essential services.

EAPN welcomes the EU's further announced investment in solidarity and global

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health, as less than 1% of global doses have been administered, so far, to low-income countries. In fact, the Commission intends to speed up global vaccination with a new donation of 200 million vaccine doses, in addition to the commitment to sharing 250 million doses of the vaccine.

## A missed opportunity to aim high on poverty reduction and highlight the value of the European Pillar of Social Rights (EPSR) Action Plan.

President von der Leyen pointed out that the EU can now act faster than in the previous economic crisis, expecting that “19 countries will return to the pre-pandemic level already in 2021”. We acknowledge that the need to act fast does not leave enough time to find comprehensive solutions for people experiencing poverty. **In the coming months therefore, a reinforced political focus on poverty in Europe is needed.** In particular, the assessment of the crisis’ impact on people at risk of poverty and social exclusion and benchmarking the impact of post-pandemic responses against up-to-date data.

- **Next Generation EU** aims at investing in long-term recovery and growth. It remains to be seen how it ensures a balance between climate and digital objectives and the social dimension.
- **Digital is the “Make or Break Issue”**, as President von der Leyen said. The EU’s digital strategy invests in innovation and digital skills. However, it is of paramount importance to address the effects of digitalisation on access to services and fundamental rights for those who do not have access to digital devices, the internet, or who lack digital skills – particularly, the most vulnerable people.
- “We will put a price on pollution, have smarter cars and clean the energy we use”. We believe that higher climate ambitions should come with no costs for the [50 million European households](#) who already suffer from energy poverty. The **New Social Climate Fund** is committed to addressing the social impacts that arise from the revised EU Emissions Trading system (ETS). However, the Fund alone might not be able to compensate the impact of the new ETS on energy bills, which are expected to rise by an average of €429 per year per European household following the extension of emissions trading to the building sector. (See the positions of the Right to Energy Coalition [here](#) and FEANTSA [here](#)). The [Commission’s impact assessment](#) itself recognises that “emissions trading for buildings will not affect households equally, but

would likely have a regressive impact on disposable income, as low-income households tend to spend a greater proportion of their income on heating”. Such results are likely to have a disproportionate impact on people at risk of poverty who are often tenants and unable to sustain higher costs for energy or for upgraded housing. Therefore, we join the President’s call to keep the climate and social ambitions in line together and achieve a fair green transition.

It is positive that President von der Leyen recognises the **profound impact that the pandemic has had on young people** through the implementation of concrete initiatives. The year 2022 will be dedicated to the European youth and the programme ALMA will be launched to provide young people with the opportunity to complete a short-term professional experience in another Member State. EAPN welcomes the focus here on young people who are not in employment, education or training (NEETs) and who are often not covered by the opportunities offered by Erasmus+.

However, **we expected a stronger focus on the framework of the European Pillar of Social Rights Action Plan and its headline targets towards a stronger social Europe**. President von der Leyen made an important reference to the Pillar in a limited number of areas, such as decent jobs and better work-life balance. **Now is the time to adopt a more holistic approach to the Pillar by integrating concrete measures for decent work, quality services and income adequacy in order to achieve the poverty reduction target.**

## EAPN calls

**Ending poverty is a political choice and requires systemic changes** to address its structural causes stemming from an unbalanced social market economy that puts austerity and competitiveness first and then neglects the side effects, such as fragmented social justice and raising inequalities. It is crucial that people facing poverty and vulnerability benefit from more sustainable growth which may offset macroeconomic imbalances of the single market through a more equal distribution of wealth and a social-imbalance alert mechanism (see UN Special Rapporteur on Extreme Poverty and Human Rights Olivier De Schutter in EAPN’s Annual Policy Conference 2021 [here](#)). The pandemic has already opened up the possibility of a revision of the rules of economic and social governance. It remains to be seen what role the Member States will play in post-COVID-19 era.

We call on the European Commission to deliver on the promise of a Green Deal that leaves no one behind and that makes full use of **tax justice for more social equity and less poverty** (See our key messages on a Just Transition [here](#)).

We call on the European Commission and National/Regional Authorities to carry out **civil society consultations as well as ex-ante and ex-post social and distributional impact assessments** as part of their budgetary and policy reform processes, to prevent the increase of social and income inequalities to the detriment of the poor.

We call on the European Commission, the Council and Member States to keep up the political momentum of the Porto 2030 Agenda and **implement the multiple initiatives of the European Pillar of Social Rights Action Plan, in order to set ambitious national targets and ensure that social rights (e.g. access to decent minimum income, fair working conditions and social protection) benefit from the same protection as economic freedoms in the single market.** (See our statement on the Porto Social Summit [here](#)).

## Conclusion

Poverty is a multi-dimensional phenomenon that requires a strategic approach, adequate investment and continuous political commitment to reverse structural inequalities and ensure a functioning welfare state. EAPN believes that a **European Strategy against Poverty is needed to propose concrete actions to reach the poverty reduction target and to integrate the agendas of the Green Deal, Digital Europe and the EPSR Action Plan by ensuring an equal commitment to ecological, digital and social goals.**

For further information, contact **Sabrina Iannazzone**, EAPN Policy Officer, [sabrina.iannazzone@eapn.eu](mailto:sabrina.iannazzone@eapn.eu) & **Helder Ferreira**, EAPN Interim Director, [helder.ferreira@eapn.eu](mailto:helder.ferreira@eapn.eu).