**EAPN Input to the Mid-Term Review of Europe 2020**

**Employment Fiche**

**Introduction**

In 2010, the EU launched the Europe 2020 strategy as the key policy framework to replace the Lisbon Strategy, setting 5 concrete targets to achieve its goal of smart, sustainable and inclusive growth. These included for the first time an explicit poverty target to reduce poverty by at least 20 million by 2020, as well as other key social targets (achieving a 75% employment rate and reducing early school leaving to 10%) and 7 flagship initiatives including the Flagship European Platform Against Poverty (EPAP). The Strategy also seemingly embraced the need for democratic governance with parliaments and increasing stakeholder engagement to achieve ownership and visibility.

In 2015, the EU Institutions, under the auspices of the new European Parliament and Commission will carry out **a Mid-Term Review** of the Strategy. This process was launched on the 5 March 2014 with the Commission’s [Stock-Taking Communication assessment of the Europe 2020 strategy](http://ec.europa.eu/europe2020/index_en.htm) and followed on the 5May, with the [launch of an on-line public consultation](http://ec.europa.eu/europe2020/public-consultation/index_en.htm) with a deadline of the 31st October.

**EAPN’s Assessment**

*Disillusionment as poverty, exclusion and inequality grew, rather than progress on the target*

Instead of progress towards the employment target (75% in employment), employment has also steadily declined, from 68.9% in 2009 to 68.4% in 2012 with an increase of unemployment from 7.1% in 2008 to 10.9% in 2013. Equally worryingly, employment has become an increasingly insecure route out of poverty, with an increase from 8.6% to 9.1% of households classified as working poor. Efforts to reach the numerical employment target, without complementary safeguards regarding the quality of jobs and employment, only undermine the achievement of the poverty reduction target. The situation for young people has been even worse with youth unemployment rising to 24.2% compared to adults (9.6%) and with an increase in young people not in education nor training (NEETS) to 13.2%.

*Devastating social impact - mistaken policies the culprit, not just the crisis*

*Attack on human rights*

Austerity policies promoted in the NRPs, following the Commission’s guidelines, resulted in an unequal distribution of the burden of the crisis, and would generate more poverty and social exclusion, contributing to the growing inequality gap. In the countries under Troika arrangements this is seen at its most extreme.[[1]](#footnote-1) For example, in Spain, all social services have suffered cuts. In Portugal 4.7 billion cuts were proposed with loss of jobs for 30.000. In Ireland[[2]](#footnote-2), cuts to jobseekers allowances have been focussed on youth, with the Budget in 2014 carrying out drastic cuts to jobseekers allowance of supplementary welfare allowances for those under 26, whilst lone parents have seen their income cut by 847.60£ (in the period 2009-13). Eligibility and coverage has also been reduced ie NL where unemployment benefit has been reduced from 5 to 3 years, shifting people onto lower social assistance where full housing costs are not covered. In Portugal,[[3]](#footnote-3) changes in eligibility requirements in the threshold have led to decreases in the number of beneficiaries from 527,627 to 420, 665 with the levels of Social Insertion Income reduced from 189.52 (2010) to 178.15 (2013). In Hungary,[[4]](#footnote-4) unemployment and disability benefits have been decreased and social assistance replaced with food vouchers. This combined with the introduction of controls on behaviour of unemployed people (ie checks on cleanliness) attack the basic dignity of people as well as increasing their hardship. This is an unacceptable social price to pay.

*Work-first solutions are not sufficient to cut poverty*

Within the Europe 2020 Strategy and the Semester, employment is mainly promoted as the only viable route out of poverty, despite the fact that unemployment is rising, and that the jobs themselves do not necessarily offer a route out of poverty, with in-work poverty rising to 9.1% in 2012. The UK has record high employment rates and record in-work poverty. Quality employment is crucial, but it is not always a solution for everybody across the life cycle, and will not by itself ensure people´s right to access adequate resources and services, which can prevent them from experiencing poverty and exclusion and maintain their living standards. It does not take on board the crucial role of social expenditure, which reduces at risk of poverty (from 25.9% to 16% after social transfers – 2012). In the employment policies proposed, less priority has been given to quality job creation and ensuring access of those most excluded, and more to ‘employability’ and to supply side measures, through activation. These policies often force unemployed people into ‘poor jobs’ or training activities by threatening them with sanctions of withdrawing vital income support if jobs are not accessed. Such a policy fails to ensure sustainable jobs that can take people out of poverty, and is manifestly against social justice, increasing deprivation and hardship for the most excluded. Not developing an inclusive labour market results in the further exclusion of some groups of people such as people with disabilities, lone-parents, ethnic minorities, older workers etc. This employment priority is institutionally reflected throughout the Europe 2020 strategy, where Guideline 10 related to the poverty target is hidden within the Employment Guidelines, and where reporting on progress on the poverty target is submerged in the Joint Employment report.

**A summary of the key challenges:**

* An over-emphasis on work as the only/ best route out of poverty, without much regard to quality and sustainability of work, and with too little regard for risk of poverty and exclusion for groups for whom paid work is not an option (for example many people who are chronically sick and disabled, carers or not of working age, etc).

**Our Employment Demands:**

**Establishing poverty reduction and social targets that are used and followed up and that support a strategy for a better ‘social Europe’.**

**What**

The employment target is problematic, as it only captures whether people have worked for 1 hour in the week of reference, and does not account for the quality or sustainability of the employment, and indeed its role in delivering people from poverty. Complementing the purely numerical employment targets with binding criteria on quality, most of which are already present in the Social Scoreboard and the Joint Assessment Framework, is a pre-requisite to ensure that achieving the employment target does not undermine achieving the poverty-reduction target. Moreover, achieving precarious, unstable employment, which can only be counted in the week of reference, does not ensure the sustainability of progress achieved on the employment rate in the medium and long run. Sub-targets focusing on particular groups at risk, as above, are also needed.

**How**

* Reformulate the Eurostat definition underpinning the employment target, and complement it with indicators which measure also the quality and sustainability of the employment, and consider the introduction of sub-targets for key groups.
* Require Member States to propose a 5 year projection planning in the NRPs and NSRs on how the targets will be reached in the 5 year period and by what policies, explaining the trends and shortfall, and setting out the plans for adjustment of policy to achieve the targets.
* In the Annual Progress Report and Annual Growth Survey, provide comparable information on the progress reached and the reasons for this, including the shortfalls.
* Establish sub-targets for key priorities – eg children, youth, homeless, migrants, Roma, long-term unemployed, single parents.
* Invest in more timely social data and the development of new indicators/data collection mechanism that can capture the most vulnerable groups – eg homeless and migrants.
* Explicitly monitor and report on the broader dashboard of social indicators, eg those established in the employment and social protection performance monitor, and ensure coherence within the overall Joint Assessment Framework.

As has been highlighted, employment is promoted as the only viable route out of poverty, despite the fact that unemployment is rising; that the jobs themselves do not necessarily offer a route out of poverty, and without a priority given to quality employment or ensuring access for excluded groups. Discrimination and Migration are also completely absent from Europe 2020, as well as the issue of gender, particularly how the crisis has impacted, the gender pay and pension gap, and key vulnerable groups like migrant women. This should include issues related to social welfare, tax, employment opportunities, access to services.

* **Give urgent priority to the development of an effective, integrated and multidimensional EU strategy to fight poverty and social exclusion**, built around agreed core elements as highlighted below, and require Member States to develop integrated strategies along the same lines. Such an Integrated Strategy should:

1. ***Aim to eradicate poverty and promote social inclusion for all groups****, ensuring access to rights, resources and services and implementing the Charter of Fundamental Rights and the horizontal social clauses (Art 9 and 10, TFEU).*
2. ***Reduce inequality*** *by promoting fairer income distribution, and redistribution through promoting tax justice and access to services****.***
3. ***Support a Social Investment approach****, which invests in people through essential universal social protection/minimum income as well as enabling services with the explicit objective to reduce poverty and inequality.*
4. ***Progress the development of EU wide social standards****, starting with a Framework Directive on minimum income under TFEU Art175 to ensure decent living standards to keep people close to the labour market and ensure a dignified life.*
5. ***Promote Integrated Active Inclusion****: Adequate income support, inclusive labour markets and access to quality services for people in working age, insisting on rights to income support and services for all across the life-cycle regardless of their employment situation.*
6. ***Invest in durable quality of work and employment****: Support people, and especially key groups facing multiple obstacles, into good and sustainable jobs, pro-actively tackling in-work poverty and supporting transitions from school to work, between jobs, and from work to retirement.*
7. ***Ensure access to quality services****: particularly universal access to benefits and services: education and training and lifelong learning, employment support and counselling, affordable health and long-term care, affordable housing and quality social services, essential public services including energy and transport services.*
8. ***Promote empowerment and participation*** *as an essential pre-requisite for social inclusion and active citizenship in the management of the services as well as in the overarching policy development.*
9. ***Pro-actively tackle discrimination and establish sub-strategies*** *for key target groups and themes as endorsed by the Social investment Package: eg children, older people, Roma, migrants and homeless.*
10. ***Promote social innovation that prioritizes ‘more effective services and methods****’ without undermining existing effective public services, and that gives priority to supporting local initiatives that respond to community needs.*

1. EAPN (2013): [Life boat or Life sentence?](http://www.eapn.eu/en/news-and-publications/publications/eapn-position-papers-and-reports/new-eapn-report-on-troika-programmes-and-impact-lifeboat-or-life-sentence) /Troika and Emergency Assistance Programmes and impact on poverty and social exclusion. [↑](#footnote-ref-1)
2. EMIN project (2014): Analysis of Minimum Income Schemes – Ireland: Robin Hanan and Audrey Deane [↑](#footnote-ref-2)
3. EMIN Project (2014): Analysis of Minimum Income Schemes – Portugal: Elizabeth Santos,

   Helder Ferreira, Liliana Pinto, Paula Cruz. [↑](#footnote-ref-3)
4. EMIN project (2014): “The Progressive Realization of Adequate Minimum Income Schemes - Hungary”; Dr. Krisztina Jász, coordinator of the leader body of HAPN, in cooperation with Johanna László, Katalin Juhos, Ágnes Néray [↑](#footnote-ref-4)