



EAPN Key Messages to the Round Table

Stockholm 15-16 October 2009

Using the Social OMC to make 2010 a turning point in the fight against poverty

EU's Key Challenges for 2010

The Round Table in Stockholm marks a historic occasion: the last Round Table before 2010, the date set by the original Lisbon Strategy to make a decisive impact on the eradication of Poverty as well as the EU Year for combating poverty and social exclusion. But instead of being a celebration, we face the reality of 79 million people still at risk of poverty, 16% of the EU population, almost unchanged since 2000, with increasing rates for children (20%), older people (19%) and other key vulnerable groups like migrants and ethnic minorities. The social impact of the crisis is only likely to increase poverty and widen the inequality gap, even before Governments start to recoup bank bail outs with threatened cuts to public expenditure and services.

But 2010 also marks an opportunity for a change. The EU reviews the success of its Lisbon strategy, and develops a new 10 year EU 2020 strategy. President Barroso's Guidelines for the new Commission published in September highlight the need for social progress and a stronger social dimension: a "*values-based approach founded on human dignity*" and action to fight against the "*scourge of poverty*" and "*defence of environmental and social standards*". However few concrete details are given to how this will be delivered. The Social Protection Committee has highlighted the shortcomings of the "Growth and Jobs" strategy in their contribution to the social dimension of Lisbon¹: stressing that "economic and employment growth are *not enough to reduce inequalities and combat poverty*" and jobs not always successful at lifting people out of poverty. However, more than words are needed now. The EU needs to establish an EU Strategy reasserting the role of the state and of regulation to defend social and economic rights. This should give a very specific responsibility to the Social OMC to lead the way – pressing for stakeholder debate at national and EU levels and facilitating the inclusion of concrete goals, targets and measures to make real social progress post 2010.

¹ SPC Opinion "*Growth, Jobs and Social Progress in the EU*", a contribution to the evaluation of the social dimension of the Lisbon Strategy.

EAPN Key Messages

- 1. The Growth and Jobs strategy has not delivered on the pledge to make a decisive impact on the eradication of poverty.** The eradication of poverty and the reduction of inequality must become an explicit objective in new EU2020 strategy, with new ways to measure social and sustainable progress beyond GDP and new commitments to make progress on defending access to rights, resources and services, recognizing the key role of the social OMC in its delivery. (See below EAPN's Proposals on Post 2010, An EU we can Trust).
- 2. The social impact of the crisis is not being adequately addressed.** The social impact of the crisis goes beyond employment. People in poverty outside the labour market are facing increasing attacks on their rights and dignity - with massive cuts to public services as well as to benefit and wage levels. People are also increasingly subjected to ritual humiliation and hardship through increased conditionality, when there are few jobs to go to. The Social OMC has contributed key data, but this is not visible nor acted on. An explicit commitment must be made by Member States to implement Active Inclusion: reducing conditionality, investing in supportive activation, defending adequate minimum income and preserving social standards by outlawing cuts to key public services so that the poor will not pay for the crisis. A European Council should be called to defend social rights and deal with the social impact of the crisis, engaging NGOs in the solutions.
- 3. The Social OMC must be supported and ensure delivery on the eradication of poverty.** The Social OMC has shown its worth in promoting exchange between Member States on policy solutions; building consensus in key areas like child poverty, homelessness, developing indicators and comparable data and positive governance models involving civil society and other stakeholders. But the lack of political will to move forward on really delivering on the common objectives or to systematically engage national stakeholders, particularly people in poverty and NGOs in the NAP and Strategic Report process have left it a weak player in the overarching EU strategy. Subsidiarity cannot be an excuse when we see that Member States have agreed common frameworks and targets on other areas- employment, education and training and health. If the Social OMC is to exercise this responsibility to press for real progress on poverty, it needs to press for decisive action to deliver on the objectives – making poverty visible, getting political backing and strengthening the link to EU and National Parliaments, pushing forward on delivering on content - child poverty, homelessness and active inclusion, while engaging actively with stakeholders at national and EU level. EU funding, particularly Structural Funds, must be used to deliver these goals.
- 4. EU Year 2010 combating poverty and social exclusion must be more than a series of events.** This year is a major opportunity to make a difference for the fight against poverty. All actors must make an explicit pledge to eradicate poverty. This should include: raising awareness of the structural causes of poverty, rooted in widening inequality, as well as the multiple faces of poverty and agreeing a strong political legacy for the year. This means committing the EU to explicit targets on reducing poverty, and specific progress on defending social rights, particularly in the area of guaranteeing minimum income, progress on homelessness and child poverty and guaranteeing funding support for social inclusion objectives and anti-poverty NGOs.

What does EAPN expect from the Swedish 2009 Round Table?

- A clear message that **Growth and Jobs are not enough to deliver on poverty**. That the EU needs a new social and sustainable EU2020 strategy, which challenges inequality and puts people and planet first, with explicit objectives on the eradication of poverty and social exclusion.
- **Strong backing for the Social OMC** in the post EU 2020 architecture to ensure delivery on poverty and explicit **new commitments** to improve implementation, effectiveness and participation, particularly related to the development of poverty and inequality targets, progress on the active inclusion recommendation, the involvement of EU and National Parliaments, the structured engagement of national stakeholders, and effective link to Structural Funds.
- To press for a **European Social Summit** which debates the social impact of the crisis and defends public services, social protection systems and quality work through integrated Active Inclusion approaches. A stakeholder debate should feed into this Summit.
- A strong political statement for a **decisive legacy for the EU Year 2010** and to shape the EU 2020 Agenda showing real ambition to make social progress.

1. Ensuring that the EU2020 Strategy delivers on poverty

During October 2009, the Commission will present its proposals for the EU2020 Strategy and launch a public consultation process, although the short time scale and pressing need to agree the overarching framework by the Spring Council of 2009 is likely to undermine how far these contributions will be taken on board. EAPN has made a set of comprehensive proposals on the content of this strategy.² This makes it even more important that the Social OMC uses its current mechanisms to press for substantial improvements in the focus of the EU 2020 strategy. The SPC contribution on EU2020 was welcomed, in highlighting the shortcomings of the current Lisbon Strategy, but more is needed. The mechanisms of the Social OMC should be used to engage national and EU stakeholders in debate to ensure a strong social pillar in the future strategy.

What is needed:

- Pressure needs to be brought to bear to **ensure that the EU2020 strategy establishes explicit objectives to eradicate poverty and social exclusion**, recognizing the need to guarantee access to rights, resources and services. A cross-cutting social guideline needs to be included in the new Integrated Guidelines to ensure the revised strategy reinforces the achievement of the common objectives of the Social OMC.
- The mechanisms of the Social OMC should be used to **engage national and EU stakeholders in the consultation process on the EU2020 strategy**, through organizing national and EU debates.
- Specific proposals must be made on the **key role of the Social OMC in the post 2010 architecture**. It must be recognized as a key delivery instrument, but left as an autonomous process, with its own internal mechanisms.

² An EU we can trust: EAPN proposals on a new EU post-2010 strategy, 15 June 2009.

2. Delivering a social response to the crisis.

The Social OMC's contribution to the social impact of the crisis has been important, highlighting the impact particularly on people who are already outside the labour market and already in crisis. However, little notice appears to have been given to the data in the development of the EU's economic recovery plans. One year on with the crisis, EAPN is completing a survey of its members on the social impact which will be finalised in November. This survey highlights that the EU is in danger of seriously undermining the social cohesion of the EU, not only through the consequences of the crisis but in its recovery packages which reduce contributions and recoup public deficits through cuts in social protection and public services. The survey highlights:

- Whilst unemployment is a major focus, little is said about implications for people of cuts in wages and the increasing precarity of employment conditions, which undermine quality of jobs.
- The inhumane treatment being meted out to people already in poverty through increased conditionality in activation measures when there are no jobs to go to.
- The broader social impact – the effect on homelessness and housing exclusion, on prices and income levels, indebtedness and financial exclusion.
- The serious long-term threat to social protection systems through reductions in employers' contributions and huge cuts planned to public services and to benefit levels.
- The devastating social impact of the cuts made in Latvia, Romania and Hungary as a result of restrictive loan requirements from the IMF and the Commission.

What is needed:

- The mechanisms of the Social OMC should be used to **initiate national round tables** on the social impact of the crisis with all key stakeholders including NGO's and people experiencing poverty.
- To press for a **real European Social Summit** which debates the full social impact of the crisis, and defends public services, social protection systems and quality work. A stakeholder debate should feed into the summit.
- Urgent **recommendations** on the need to provide a **social impact assessment** of the recovery plans – and in particular the impact of the IMF and Commission loan conditions in the member states concerned- in order to defend social rights and social conditionality.
- Urgent **recommendations to reduce punitive sanctions** in activation approaches and promote integrated active inclusion approaches.

3. Making the Social OMC – a vital tool for social progress

The Social OMC was a historic development in EU cooperation on social objectives. It has clearly brought key benefits – including a convergence of thinking on the need for multidimensional strategies to fight poverty, mutual learning and identification of common policy solutions (eg Child Poverty, Homelessness), the development of detailed common indicators charting progress on most aspects of poverty and social exclusion, and an innovative approach to governance – engaging national stakeholders including NGOs and people in poverty in a structured exchange. National and Local NGOs also received strong support as key partners in anti-poverty policy at national level, as well as in the EU process. But the OMC has not fulfilled its objectives or our expectations - to make poverty and the causes of poverty visible and to make significant progress on its eradication. The failure to invest in national strategic planning processes, linked to National Parliaments, as part of a systematic dialogue with NGO's and other stakeholders, has undermined its visibility and effectiveness. The thematic "light" years, although useful in terms of policy content, have further undermined this involvement of the national level, with no clear stakeholder process. As a result, EAPN and other staunch supporters find it increasingly difficult to defend.

What is needed:

- **Explicit political commitment to achieve the goal to eradicate poverty and increased visibility**
A yearly scoreboard, charting progress/set backs on poverty/social exclusion and inequality should be developed, based on Member States reports and yearly EU SILC data/social situation report, which is debated by national and EU Parliaments. Use the yearly People Experiencing Poverty meeting and Round Table to monitor progress on commitments made.
- **Closing the implementation gap** – agree on the need to develop common overarching poverty and inequality targets as well as targets in specific areas, to match the current Lisbon targets in economic, employment and education spheres. Individual national targets should reinforce the agreed common overarching targets and ³ national plans should set out how these will be reached, backed with more rigorous monitoring and evaluation including Commission Recommendations to show delivery.
- **Engage and get ownership from national stakeholders** – agree to a yearly, structured dialogue at national level, involving NGOs and people in poverty on progress and new solutions, linked to the Strategic Reports followed by national parliament debate, particularly in "light years". Develop Guidelines and Benchmarks for participation and governance.
- **Extend mutual learning and exchange to benefit more people** – organize new types of exchanges with participative methodology, e.g. consensus conferencing, participative assessments and a broad stakeholder exchange to spread results of Peer Review. Encourage funding, through the Progress programme of transnational exchanges on key policy priorities that includes the involvement of NGO stakeholders.
- **Ensure Structural Funds are used to deliver on social inclusion**, particularly active inclusion approaches and are accessible to NGO's, emphasizing the role of global grants and technical assistance. Ensure Progress helps to finance NGO engagement in the delivery of "innovative demonstration projects" as well as mutual exchange. (See EAPN's proposals on Strengthening the Social OMC).

³ We would support the recommendations for Headline Poverty and inequality targets, as recommended by the Council in 2002, followed by specific targets for key target groups – e.g. Child Poverty, homelessness.

Backing a strong political legacy for 2010

The commitment of the Commission to ensuring an effective EU Year, has been crucial in getting the biggest financial package for an EU year yet, and a timely start to the programme planning and delivery. NGO stakeholders and people in poverty must get a real opportunity to access these funds and to participate fully in the year's activities, if grass-root and sustainable impact is to be achieved. But the EU year must also build to something more than a catalogue of events and activities. 2010 must mark some significant change by setting new policy goals and plans of action which can really impact on the eradication of poverty. There needs to be a commitment to a lasting legacy at EU level, but also in each Member State. EAPN is coordinating an NGO Contact Group for 2010 which brings together over 40 European level NGOs in order to strengthen NGO engagement in the year and to push for a strong political legacy. The messages outlined below have been identified and will be further developed by this Group.

What we need: A strong message on the political legacy for 2010

- **A new overarching social and sustainable EU strategy, based on fundamental rights**, which puts people and planet first, and makes progress on eradicating poverty and inequality a prerequisite in the development of all EU policies.
- **A special European Council on Poverty and Social Exclusion, with a declaration by Heads of States and Governments** which asserts the fight against poverty and social exclusion as a key priority for the EU agenda. This declaration should lead to a revitalised EU Social Inclusion Strategy (as part of the Social Open Method of Coordination) which engages all stakeholders and ensures progress on agreed National and EU poverty targets. The declaration should commit to tangible steps forward on guaranteeing access for all to decent work and affordable, quality universal services – a decent home, affordable heating, education, health, training and employment services....
- **Real progress on the adequacy of Minimum Income Schemes**, so as to be capable of lifting every child, adult and older person out of poverty and delivering on their right to a dignified life. The agreement of a common EU definition of adequacy and of common methods to establish adequacy, should inform an EU Framework Directive on Minimum Income which would mark a historic breakthrough in EU cooperation to achieve higher level social standards.

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