



European Economic and Social Committee

SOC/405
European platform against
poverty and social
exclusion

Brussels, 15 June 2011

OPINION

of the

European Economic and Social Committee

on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion

COM(2010) 758 final

Rapporteur: **Ms O'Neill**

On 16 December 2010 the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion
COM(2010) 758 final.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 27 May 2011.

At its 472nd plenary session plenary session, held on 15 and 16 June 2011 (meeting of 15 June 2011), the European Economic and Social Committee adopted the following opinion by 147 votes to 1 with 2 abstentions.

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The EESC opinion on the *European Platform against Poverty and Social Exclusion* fits into the Europe 2020 Strategy for smart sustainable and inclusive growth. The opinion underlines the new holistic approach which closely connects it with the other flagship initiatives and the five EU headline targets. It also stresses the need for consistency between EU level and national policies as well as the involvement and key role of the non-governmental stakeholders¹.

1. **Recommendations**

The EESC makes the following recommendations:

- As poverty represents a violation of human rights, governments, the social partners and civil society must take shared responsibility for its eradication.
- There must be policy coherence between economic, financial, employment and social measures in the 2020 Strategy and all should contribute to social cohesion.
- Austerity measures should not increase the risk of poverty and an effective social impact assessment must be made and debated.
- The Active Inclusion Strategy should be implemented as an integrated approach to ensure adequate income support, an inclusive labour market and access to quality work and services.

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Sentence added as recommended by the EESC Steering Committee on the Europe 2020 Strategy.

- There must be a stronger emphasis on reducing inequalities and enforcing fundamental human rights, including through fairer income distribution and implementing the horizontal social clauses set out in the Lisbon Treaty.
- There should be increased emphasis on investing in human capital through lifelong learning in education and training, including improved skills training matched to needs in and outside the labour market.
- The participation of civil society stakeholders in the Platform, including people experiencing poverty, NGOs and social partners, should be reinforced through structured dialogue at EU and national level and supported through appropriate EU funding. The EESC should play an active and collaborative role in this dialogue and in the Annual Convention.
- EU funding, particularly the Structural Funds, targeted at reducing poverty, needs to be increased and the emphasis given to simplifying procedures, increasing transparency and monitoring effective delivery.
- The Social Open Method of Coordination (OMC) must be strengthened, which includes the development of National Strategies for Social Protection and Social Inclusion and action plans at national and local level. Its link to the flagship initiative on poverty needs to be clarified.

2. Background

"People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted"².

2.1 More than 80 million people across the EU live below the poverty line³ of which more than 50% are women and 20 million are children. Whilst statistical data on material poverty is important, the existence of immaterial poverty, such as, for instance, illiteracy must also be recognised. The current economic crisis has hit the most vulnerable and disadvantaged members of our communities the hardest.

2.2 The EU Commission has put the reduction of poverty at the heart of its economic, employment and social agenda – The Europe 2020 Strategy⁴. The Heads of State and

² Joint Report by the European Commission and the European Council on Social Inclusion, March 2004.

³ The risk of poverty is set at 60% of the national median equivalised disposable income after social transfers particular to each Member State.

⁴ 2010 Update of the Joint Assessment by the Social Protection Committee (SPC) and the European Commission of the social impact of the economic crisis and of policy responses (Nov 2010).
COM(2010) 2020 – Europe 2020 – A European strategy for smart, sustainable and inclusive growth.

Government reached political agreement on a common target to lift at least 20 million people out of poverty and social exclusion in the next decade. The flagship initiative of the Platform against Poverty forms an integral part of the strategy, together with Guideline 10, which will underpin the contribution of Member States to tackling poverty and social exclusion in the National Reform Programmes.

- 2.3 The European Year of Combating Poverty and Social Exclusion highlighted the complexity and multi-dimensional aspects of tackling poverty and the urgent need for action to counter poverty in the face of the economic crisis and austerity measures.
- 2.4 Young people, migrants and the low skilled face worsening unemployment. The "working poor" unable to earn a sufficient wage to cover daily necessities as well as older people and families on reduced incomes face increasing material deprivation which affects 8% of Europeans and up to 30% in some Member States⁵.
- 2.5 The European Council has agreed that the headline target for the reduction of poverty in the context of the 2020 Strategy should be based on **three** indicators: the at-risk-of poverty rate, severe material deprivation and the percentage of people living in households of people who are jobless. Poverty reduction targets should relate to local and regional priorities.

3. **The Platform against Poverty and Social Exclusion**

- 3.1 The proposed Platform is one of the seven flagship initiatives for action in the Europe 2020 Strategy which has three priorities aimed at delivering high levels of employment, productivity and social cohesion:
- Smart growth
 - Sustainable growth
 - Inclusive growth.
- 3.2 The Platform aims at creating a joint commitment among the Member States, European Institutions and the key stakeholders to fight poverty and social exclusion by setting out a "dynamic framework for action" for social and territorial cohesion to ensure that jobs, growth and social inclusion are shared more equally across the EU.
- 3.3 To achieve this, the Commission has identified the following areas for action:
- Delivering actions across the policy spectrum
 - Greater and more effective use of EU funds to support social inclusion

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Material deprivation is defined as experiencing at least four out of nine deprivations. People are not able to afford to: pay the rent or utility bills; keep their home adequately warm; face unexpected bills; eat fish, meat or protein or equivalent every second day; a week of holiday away from home once a year; a car; washing machine; colour TV or telephone.

- Promoting evidence-based social innovation
- Working in partnership and harnessing the potential of the social economy
- Enhanced policy coordination among the Member States.

4. **General comments**

- 4.1 Poverty is unacceptable in 21st century Europe and represents a violation of human rights. The EESC welcomes the commitment to reduce poverty and the target of taking at least 20 million people out of poverty⁶ together with the establishment of the Platform and the measures to reduce poverty, many of which reflect previous EESC opinions, but calls for more concrete actions to tackle the causes as well as the consequences of poverty and to implement human rights.
- 4.2 There is a lack of coherence between the economic, financial and social policies at EU level and the realities experienced at Member State level. The EESC emphasises the importance of a coherent and integrated approach and has a particular concern that the EU policies focusing on economic governance, growth and employment in the context of the crisis should not increase the risk of poverty. The EESC calls for an effective social impact assessment of these measures which should be fully debated.
- 4.3 In drawing up the opinion, the EESC has taken into account other effects of poverty in exacerbating economic and social migration while reducing investment returns in human capital at the level of individual Member States. People living in poverty who are less able to defend their interests could be in an even more difficult situation if the need to protect the poor is not taken into account when framing economic, fiscal, social, health and education reforms with a view to cutting government expenditure. A higher number of people living below the poverty threshold would make it all the more imperative to redistribute public money.

5. **Specific comments**

5.1 **Social protection**

- 5.1.1 The EESC appreciates the importance of measures to increase employment and job creation but stresses that reinforcing social protection, not reducing welfare provision nor putting downward pressure on wages which disproportionately affect the poorest is crucial.
- 5.1.2 Social protection systems reduce the risk of poverty by one third⁷ and are vital to guarantee human rights. They act as automatic economic stabilisers which alleviate poverty and

⁶ See the EESC Statement to the European Council of 17 June 2010.

⁷ SPC Report on Social Assessment of Europe 2020 (Feb 2011).

promote economic and social cohesion, promote growth and are vital to ensure the support of public opinion for the European Project⁸.

- 5.1.3 The EESC reinforces the Commission's concern to ensure the sustainability of Member States' social protection and pension systems to guarantee adequate income throughout the life cycle, including in old age⁹.

5.2 **Active inclusion strategies**

- 5.2.1 There must be continuing and co-ordinated emphasis on an integrated **active inclusion** strategy embracing the three pillars of an **inclusive labour market, access to quality services and adequate income support**¹⁰ in order to tackle the obstacles encountered by those experiencing poverty.

- 5.2.2 The EESC endorses a strong emphasis on both prevention and eradication through sustainable growth for combating poverty. Quality employment **and** modern, effective social protection systems in conjunction with addressing inequalities in income, wealth and access to services are essential. The Commission's Annual Progress Report (2011) highlighted the fact that "there can be no sustainable growth unless its benefits accrue to all segments of the society and that "growth and social cohesion go together"¹¹.

- 5.2.3 Whilst it is critically important to establish policies at EU level, the role of Member States and in particular regional and local authorities must be reinforced to ensure that change is effected. The EESC would wish to collaborate on this with the Committee of the Regions.

- 5.2.4 The EESC emphasises the critical role that both social partners and social economy organisations, including co-operatives, should play in the development of the inclusive labour market and in the promotion of a fairer distribution of income as key contributions to the implementation of the 2020 Strategy.

- 5.2.5 The EESC calls for a stronger emphasis on the creation of quality, sustainable jobs and measures to counter in-work poverty encompassing living wages, good working conditions and minimising poverty traps in the transition between welfare and work.

- 5.2.6 Specific actions must be taken to create an inclusive labour market¹² to overcome the barriers to access for specific groups including young and older people, ethnic minorities including

8 OJ C 132/26 of 3.5.2011.

9 OJ C 84/38 of 17.3.2011.

10 Commission Recommendation on the active inclusion of people excluded from the labour market (2008.867/EC).

11 See "Progress Report on the Europe 2020" (Annex 1 of the "Annual Growth Survey" COM (2011) 11 – A1/2, pt. 2.5.

12 ETUC/Business Europe et al: Framework Agreement on Inclusive Labour Markets (March 2010).

Roma, migrants, women, single parents and people with disabilities¹³ as part of the EU Active Inclusion Strategy.

- 5.2.7 The EESC emphasises the importance of legal work for all and is concerned about the impact that undeclared work, tax evasion and avoidance has on the sustainable financing of social protection systems and on employment and social rights. Integrated action at EU level is necessary together with a mix of sanctions and effective inspections, as well as providing incentives for legal work.
- 5.2.8 The EESC calls for a detailed roadmap for the implementation of the active inclusion strategies at local level. It supports the European Parliament's call for the Commission to study the impact of a legislative proposal to introduce an adequate minimum income of at least 60% of median income in each Member State.
- 5.2.9 The EESC urges the collection of comparable data and improved indicators in order to reflect the social and economic benefits of eradicating poverty as well as the costs of inaction.

5.3 **Stakeholder involvement**

- 5.3.1 The EESC considers the involvement of relevant stakeholders in regular structured dialogue, at EU and national level, to be essential in seeking effective solutions and in monitoring the implementation of the Platform's programme.
- 5.3.2 The EESC welcomes the Commission's proposal to work with EU institutions, people experiencing poverty, NGOs, social economy organisations, the social partners and other civil society actors in an Annual Convention to take stock of progress, as part of the above mentioned structured dialogue at EU and national level. This must include a review of the social impact of the Annual Growth Survey and progress achieved.
- 5.3.3 The EESC would wish to see a strengthening of the role that the EU Parliament could play in ensuring the implementation of the Platform's programme in the Member States. This is in accord with the proposals coming forward from the European Parliament's Citizens' AGORA.
- 5.3.4 The EESC strongly supports the proposal in the flagship Platform for voluntary guidelines on stakeholder involvement at EU level and in the National Reform Programmes.
- 5.3.5 The EESC should be an active partner in delivering the Platform's objectives and play a key role in bringing together the interests of the social partners and civil society organisations. This could include:
- organising an annual hearing to reflect on progress towards the poverty target;

¹³ OJ C 21/66 of 21.1.2011.

- contributing to the mid-term review planned for 2014 in the context of Europe 2020;
- contributing to the Annual Convention;
- participating in regular dialogue with other stakeholders, including the Committee of the Regions, national ESCs, and producing opinions on key priorities.

5.4 **Tackling inequalities**

- 5.4.1 The EESC welcomes the emphasis placed on the Platform's work on anti-discrimination, equality and integration to ensure the inclusion of people with disabilities or mental health problems, young people, older people, and people from migrant and ethnic minority communities, including the Roma, and the development of gender equality¹⁴. The EESC highlights the need to include a transversal reference to fundamental human rights and concrete proposals to implement the horizontal social clauses in Articles 5, 8, 9, and 10 (TFEU).
- 5.4.2 The EESC supports the priority given to combating housing exclusion and homelessness as well as energy poverty and financial exclusion. The EESC highlights the importance of promoting affordable access to quality services, including IT. These need to be developed through National Strategies for Social Protection and Social Inclusion as part of a reinforced Social OMC.
- 5.4.3 The EESC emphasises the need to invest in human capital and stresses the importance of education and training for employment skills, personal development and social inclusion. This should encompass the early years, school, further education, vocational and on the job training as part of a commitment to lifelong learning for all.
- 5.4.4 OECD and Commission reports highlight growing inequalities in income distribution and wealth, as well as unequal access to services, including health, within and between Member States. Moreover, poverty is one of the key social determinants of ill-health and the EU's policy should demonstrate a moral obligation to save lives. Compelling evidence emphasises that more equal societies almost always do better. The Platform must give priority to developing integrated strategies and concrete measures to close the gaps to create a fairer society¹⁵.
- 5.4.5 The EESC supports the proposal by the Commission to create a comprehensive recommendation on child poverty that should contribute to preventing and alleviating child poverty through ensuring an adequate family income, investing in care and education, particularly during early years and empowering children, in line with fundamental rights and

¹⁴ See the EESC message to the European Council of June 2010 emphasising the importance of tackling inequalities and fighting discrimination.

¹⁵ OECD (2008): Growing unequal: income distribution and poverty in OECD countries. EU Commission DG Research 2010, Why socio-economic inequalities increase: facts and policy papers in Europe EUR 24471.

the UN Convention on the Rights of the Child. This must be developed in tandem with a coherent approach to family policy. On-going monitoring, exchange, research and peer reviews must be included to contribute to the achievement of the EU 2020 poverty target¹⁶.

5.5 **Making use of EU funds to deliver on the social inclusion and cohesion objectives**

5.5.1 The EESC strongly welcomes proposals to use Structural Funds more effectively to reduce poverty and promote social cohesion but highlights the need to increase the amount of funding available, particularly for deprived communities. It is critical to invest in creating quality jobs and in effective approaches to support the access of excluded groups, including through the social economy. Funding should also enable improved access to quality services, including housing.

5.5.2 The EESC welcomes the proposals to simplify access to Structural Funds for local organisations, particularly through global grants, technical assistance, and capacity building, but highlights the need to:

- reduce bureaucracy by making the procedures to access funding more flexible;
- set minimum European standards for improving the transparency and efficiency of procedures, including simplified information¹⁷.

The Commission should provide guidance, promote mutual learning and monitor delivery and in particular draw lessons from the use of Structural Funds during the crisis.

5.5.3 The EESC proposes that EU programmes, such as PROGRESS, be used to fund the development of national platforms to enable effective stakeholder engagement in the European Platform and enhance delivery of its priorities.

5.6 **Social innovation and reforms**

5.6.1 The EESC welcomes the recognition that is given to the role of the social economy and NGOs in the implementation of strategies to tackle poverty, foster job creation, and develop services which respond creatively to community needs. It also underlines the shared responsibility of all actors to work in tandem to develop effective solutions, including SMEs and entrepreneurs.

5.6.2 Volunteering plays a strong role in developing communities, acquiring skills, providing education both informal and non-formal and empowering individuals. The EESC is keen to promote the benefits of volunteering provided this does not undermine paid employment or public services.

¹⁶ OJ C 44/34 of 11.2.2011.

¹⁷ OJ C 132/8 of 3.5.2011.

5.6.3 The EESC welcomes increased support for evidence-based social innovation but stresses the importance of retaining and building on existing good practice and calls for continued funding.

5.7 **Enhanced policy coordination**

5.7.1 The National Reform Plans and the setting of national targets are a key element in rolling out the 2020 Strategy and in effecting policies to reduce poverty issues. However, it is vital to underpin this process with a strengthened Social Open Method of Coordination, based on integrated national strategies to provide a stronger basis on which to achieve the required social goals and to clarify its link to the European Platform against Poverty.

5.7.2 The EESC in its opinion on the OMC and the Social Clause welcomed the horizontal social clause, social impact assessment and a reinforced Social OMC as tools to ensure an integrated approach and the mainstreaming of social objectives. The EESC calls for this process to be made more visible and transparent, involving key EU institutions and stakeholders and emphasises the importance of developing strategies for social protection and social inclusion at EU, national, regional and local levels.

Brussels, 15 June 2011.

The President
of the
European Economic and Social Committee

Staffan Nilsson
