



EUROPE 2020 SHADOW REPORT

NATIONAL REFORM PROGRAMMES MUST RECOGNISE
THE INTERDEPENDENCE OF ECONOMIC, SOCIAL AND
ENVIRONMENTAL DEVELOPMENT TO SUCCESSFULLY ADDRESS
POVERTY AND SOCIAL EXCLUSION

Report overview

This report aims to address several key aspects of the European 2020 strategy, from the perspective of 16 Organisations in the Caritas Europa Network across the EU.

An analysis of the relevant National Reform Programmes (NRPs) was carried out by these sixteen Caritas Organisations in the form of structured reports. Based on these country reports, aspects of respective NRPs are examined in this report, with reference to the current macro-economic scenario. Specific areas considered include: employment, education, poverty and social exclusion, EU funding and governance, with national recommendations. Country specific issues are used throughout for illustration, while a number of overarching themes have also been identified and highlighted. Furthermore where an issue is highlighted for one country this does not mean that it is not relevant to other countries also. Final recommendations as presented are informed by the analysis of the individual country reports and the identification of these themes.

THIS REPORT WAS PRODUCED FOR CARITAS EUROPA BY SOCIAL JUSTICE IRELAND BASED ON PARTICIPATING NATIONAL ORGANISATION QUESTIONNAIRES. THIS REPORT DOES NOT NECESSARILY REFLECT THE OPINIONS, IDEAS AND VIEWS OF SOCIAL JUSTICE IRELAND.

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Brussels, November 2011

*Jorge Nuño Mayer
Secretary General*

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Caritas Europa

Caritas is a network of organisations across 46 European countries at present. It has focused its attention on issues relating to poverty and social exclusion across Europe.

“Caritas Europa aims to improve the quality of life of people experiencing poverty or in a situation of vulnerability by advocating for integral human development and social justice” (Caritas Europa, 2011, pg 17).

A fundamental aspect of work undertaken by Caritas Europa is that of Advocacy, Lobbying and Public Campaigning; it is from this perspective that this “Shadow Report” has been developed.

The consultation of member organisations across 16 different countries allows for a broad range of experiences to be gleaned. The organisations sought to blend their unique experiences of working on the ground with a strong evidence base in regard to the implementation of National Reform Programmes. It is hoped that this report will assist in giving a voice to the many poor and vulnerable people living in our society today and the Non-Governmental Organisations who work with them. It is also in keeping with the participatory nature inherent in the Europe 2020 Strategy.

It is hoped that this report will generate debate in relation to the social inclusion aspect of the Europe 2020 Strategy.

Introduction

On the 17th June 2010 the European Council adopted the final targets of the Europe 2020 Strategy. This strategy is to form the road map for the future of Europe establishing how we should move forward in attempting to deal with both the current crises and also in ensuring a sustainable and inclusive Europe for the future.

The Strategy outlines five headline targets which should guide member states actions, in areas relating to employment, research and development, meeting climate change objectives, improving education outcomes and the reduction of poverty in a bid to promote social inclusion.

Critically this strategy has for the first time seen agreement in regard to targets aimed at combating poverty and social exclusion. It is not without its critics with some arguing that it fails to address the social inequalities and divergences currently at the heart of the EU. None the less the setting of a headline target in regard to fighting poverty and social exclusion is to be welcomed.

.....

“The expectation is that the explicit targets will increase accountability and stimulate public debate and engagement. Their existence will add a new dynamic to the effectiveness of policy-making processes by imposing pressure on politicians and policymakers to deliver against the targets. Moreover, by including quantifiable targets for poverty reduction, the EU Heads of State and Government have both underlined the importance of social policy goals to the future well-being of Europe and given new momentum to the fight against poverty” (Walker, 2011, pg 1).

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The Europe 2020 Strategy

The Europe 2020 Strategy is a reform agenda for the EU. It is a wide-ranging programme of reforms which are attached to an underlying long term vision.

Europe 2020 puts forward what are viewed as three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

(European Commission, 2010a)

The EU needs to define where it wants to be by 2020. To this end, the Commission proposed the following headline targets:

- 75 % of the population aged 20-64 should be employed.

- 3% of the EU's GDP should be invested in R&D.
- The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).
- The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.
- 20 million less people should be at risk of poverty and social exclusion.

(European Commission, 2010a, pg 5)

Interrelated Goals

All of these targets are considered to be interconnected and central to the success of Europe.

For Example:

- Improvement in education levels will assist in increasing employability thus impacting upon the employment rate.
- Increased employment will aid in decreasing poverty.
- Improved competence in research and development alongside improved innovation will promote job creation.
- Fighting climate change and helping the environment through promoting investment in cleaner, low carbon technologies will generate new employment opportunities.

(European Commission, 2010a)

Each target identified is coupled with so-called "flagship initiatives". These initiatives, among other things, set out the role the commission will play in attaining the target, while also identifying what is required of the countries.

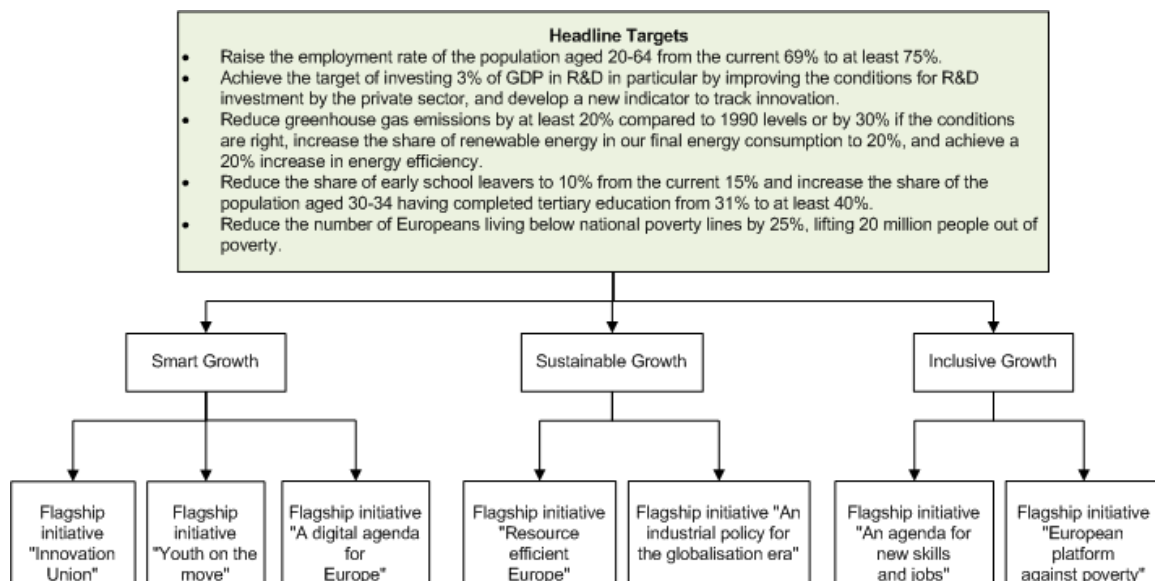


Figure 1 Europe 2020 Strategy

Collective Response

The Europe 2020 strategy sets out the need for a collective response to its implementation. This collective response refers not only to parliaments of member states, but also to regional government and local authorities, along with social partners and civil society.

Member States should adapt the 2020 strategy to their situation; in order to achieve this, it is necessary for the EU goals to be transformed into national targets. This takes cognisance of the different social and financial circumstances of each member state. In order to ensure that Governments are attending to their obligations under the 2020 strategy, they are required to submit National Reform Programmes.

In drawing up these Programmes, governments are encouraged to consult with and engage as many stakeholders as possible. It is hoped that “by establishing a permanent dialogue between various levels of government, the priorities of the Union are brought closer to citizens, strengthening the ownership needed to deliver the Europe 2020 strategy” (European Commission, 2010a, pg 29).

Moreover the EU Commission will attempt to further develop the Open Method of Coordination (OMC) in relation to social exclusion and social protection, to ensure an exchange of good practice. The OMC is a peer review process that has developed as a means to assist policy learning, reinforcing the facilitating and harmonisation functions of the European institutions. The OMC process includes: agreement on common objectives, commonly defined social indicators, development and peer reviewing of national strategic reports along with recommendations for policy change (Walker, 2011).

The Study

Overview

In keeping with the Europe 2020 strategy's inclusive partnership approach in regard to the development design and implementation of policies within the Union, participant organisations in sixteen countries were asked to address key aspects in regard to the National Reform Programmes and the implementation of the Europe 2020 Strategy in their country.

Seven components were covered and recommendations were made based on the responses to these seven components:

- 1. THE MACRO ECONOMIC SCENARIO AND SURVEILLANCE SPECIFICALLY HOW IT RELATES TO THE SOCIAL SITUATION, POVERTY AND SOCIAL EXCLUSION.**
- 2. EMPLOYMENT TARGETS SPECIFICALLY RELATING TO INITIATIVES AIMED ACTIVE INCLUSION.**
- 3. EDUCATION TARGETS SPECIFICALLY RELATING TO INITIATIVES AIMED AT REDUCING EARLY SCHOOL LEAVING.**
- 4. POVERTY TARGETS AND MEASURES IMPLEMENTED AIMED AT ERADICATING POVERTY AND SOCIAL EXCLUSION.**
- 5. ROLE OF EU STRUCTURAL FUNDS AND SPECIFICALLY HOW THEY RELATE TO SOCIAL INCLUSION.**
- 6. GOVERNANCE IN PARTICULAR THE PARTICIPATORY AND OPEN NATURE OF THE PROCEDURE WITH REGARD TO DRAFTING THE NATIONAL REFORM PROGRAMMES.**
- 7. RECOMMENDATIONS - THE OPINION OF PARTICIPATING ORGANISATIONS WAS SOUGHT ON THE EU COUNTRY SPECIFIC RECOMMENDATIONS AND ON RECOMMENDATIONS WHICH THE ORGANISATION WOULD MAKE TO THERE OWN GOVERNMENT. FINAL RECOMMENDATIONS ARE ALSO MADE BASED ON THE OVERALL ANALYSIS OF THE REPORTS PROVIDED BY THE ORGANISATIONS.**

Macro Economic Scenario and Surveillance

THE ARCHITECTURE PROPOSED FOR THE ACHIEVEMENT OF THE EUROPE 2020 STRATEGY, ENCOMPASSES TWO ASPECTS, THEMATIC EVALUATIONS AND COUNTRY REPORTING. THE COUNTRY REPORTING IS SEEN AS A MEANS TO

“Contribute to the achievement of Europe 2020 goals by helping Member States define and implement exit strategies, to restore macroeconomic stability, identify national bottlenecks and return their economies to sustainable growth and public finances. It would not only encompass fiscal policy, but also core macroeconomic issues related to growth and competitiveness (i.e. macro-imbalances). It would have to ensure an integrated approach to policy design and implementation, which is crucial to support the choices Member States will have to make, given the constraints on their public finances” (European Commission, 2010a, pg 27).

The monitoring of the strategy will encompass three integrated aspects:

- Macro economic surveillance
- Monitoring of growth enhancing reforms (thematic co ordination)
- Fiscal Surveillance under the stability and growth pact

(European Commission, 2010c)

While it is beyond the scope of this study to address all the economic issues impacting on the EU at present, undoubtedly the global economic crisis has influenced the policies being pursued in the National Reform Programmes of individual countries to a greater or lesser degree. This is reflected in many of the country responses.

When reflecting on the macro context within which these National Reform Programmes seek to deliver their targets and the Europe 2020 Strategy seeks to produce a better future, a key consideration is that the outlook for the global economy has deteriorated in recent months.

The economic forecasts on which the Europe 2020 Strategy was built are unlikely to be met in the short to medium term. The most recent OECD forecasts for the euro area see GDP growth of 0.3% in 2012 and 1.5% in 2013. The most recent forecast produced by the European Commission (September 15, 2011) sees GDP growth for 2011 as a whole at 1.6% in the euro area and stands at 1.7% for the EU. However, as the Commission points out, this foresees a pronounced deceleration in the second half of the year.

If these forecasts prove to be accurate then there is little likelihood that there will be substantial progress in the immediate future on reaching many of the targets set out in the individual NRPs.

The implications of this revised growth outlook for the labour market are a matter of particular concern. The European Commission in its forecast in September stated:

The unemployment rate has been almost stable in 2011, remaining at around 9½% in the EU and at around 10% in the euro area – only marginally lower than a year ago. As compared to mid-2010, the aggregate hides divergent developments across the reviewed Member States, with some reporting improvements of up to 1 pp. (e.g. Germany) and others recording deteriorations of up to 1 pp. (e.g. Spain). With the recovery slowing in 2011, the prospects for further improvements in the EU and the euro area have waned somewhat. According to both survey indicators of firms' employment expectations as well as the PMI employment index, both households and corporates have revised their employment expectations downwards (European Commission, 2011, pg 6).

Many of the NRPs highlight the importance of economic growth as a means of increasing employment and reducing unemployment. This pathway is seen as the key to reducing poverty. It is clear that the Europe 2020 Strategy is based on this model. However, as growth falters and job creation is unlikely to reach the levels sought in the individual NRPs, there is a very strong likelihood that poverty and social exclusion will not be addressed effectively in the period ahead. In fact there is a danger in the case of some countries that poverty rates may fall as a result of the general decline in income across the economy and the subsequent fall in the incomes of most people. This would mean that in such situations poverty would be falling at the same time as the income of poor people was also falling. Such a situation is unlikely to lead to a reduction in social exclusion.

Country Specific Examples

Countries were asked to consider if Macro Economic Scenario and Surveillance aspect of the National Reform Programme took into account the overall social situation in their country. Further to this, they were asked to indicate if the measures as proposed would contribute to a reduction in poverty and social exclusion or if they risked increasing it. The following outlines some of the responses and emerging themes.

- In Romania it was held that the National Reform Programme was drafted predominantly from the perspective of necessary fiscal adjustments which comply with agreements signed with the IMF and the European Commission.
- In Spain it was highlighted that the manner in which social policy will be affected by the adjustments made in regard to ensure the sustainability of public spending was not addressed

- within the macro economic scenario. Latest data published by Caritas and FOESSA Foundation indicates rapid growth in poverty and in particular severe poverty. It was further indicated that there is an analysis in terms of growth but limited analysis in terms of development.
- Poland specified that National Reform Programme is particularly concerned with decreasing the budgetary deficit; it is envisaged that addressing this will lead to economic growth in the long run thus contributing to the achievement of all the targets in the Europe 2020 Strategy.
 - In Portugal, the National Reform Programme was adopted in March, however since this time financial assistance was sought from the EU, European Commission and the IMF. As a result many of the measures identified in the National Reform Programme are being revised.
 - In Lithuania the participant indicated that the macro-economic scenario outlined is optimistic about economic growth, but does not address the issue that 20% of the population are at risk of poverty. Budget cuts in regard to social assistance are considered to undermine the position of people experiencing poverty and exclusion.
 - Luxembourg identified that this aspect of the National Reform Programme only addresses issues relating to public finances and economic competitiveness. It is also emphasised in their analysis that the social situation has not deteriorated in Luxembourg to the same extent as is being experienced in other countries.
 - While in this aspect of the Italian National Reform Programme there is not a dedicated section addressing issues in regard to the overall social situation, it does address issues in regard to employment and unemployment, problems in regard to low incomes in relation to productivity and regional disparities. The Italian response highlighted that there is an emphasis on budget cuts to the exclusion of a development and growth policy.
 - The German respondent indicated that this aspect does not address the social situation apart from identifying the numbers of people who are unemployed.

The Belgian response stated “The whole NRP process is designed in such a way that the social situation of the Member States cannot be properly taken into account. There is indeed no satisfactory model linking the economic and the social dimensions; therefore, the macro-economic part can only deal with phenomena that are likely to be expressed in economic terms. However, there is some room for a social appraisal as far as employment is concerned, because employment issues are well documented. But there is still a long way to go before we can link macro-economic indicators with genuine social indicators such as the relative poverty rate”.

- The French analysis of the National Reform Programme indicated that the main focus is to ensure the viability of the public finances; this will be addressed through two main measures, balancing of public expenses in particular social security as well as retirement reform.
- In the UK it was asserted that the plans in relation to cuts to public service spending, benefits and tax credits will not assist in the ambitious target identified to eradicate child poverty.

An overarching theme to emerge is the concentrated focus of the majority of National Reform Programmes towards economic issues and the stabilisation of public spending. While this is necessary, it appears that this may have led to a situation where there is a reduced focus on a broader framework which appropriately addresses all aspects required for the development of an inclusive society.

The focus in many National Reform Programmes on reductions in public expenditure on social security benefits and services, wage reductions and wage freezes and increases in tax and in particular valued added tax, are considered by respondents as actions which will disproportionately impact upon the poorest in society.

Pension reforms, while necessary, were viewed by some countries as poorly planned, leading to further risks in regard to income inequality and poverty among older people.

It was highlighted by some countries that a focus on increasing employment as a means to solving poverty and social exclusion fails to address the multidimensional nature of poverty and social exclusion. It does not recognise that there are a large number of people experiencing in-work poverty. Nor does it take into account the number of people experiencing poverty and social exclusion who may be unable to access the labour market. While employment and labour market initiatives may assist in preventing some people from falling into poverty, combating poverty and social exclusion requires a broader policy mix.

It was further indicated that fiscal consolidation and a reduction in budget deficits remain the priority. Concerns were raised that the austerity measures which are being pursued by many countries will result in the erosion of social services. This will mean that people who already find themselves on the margins of society will be further excluded.

This approach fails to understand the interdependence of economic development, social development and environmental protection. These three aspects of policy must be addressed in an interconnected manner. An approach that claims economic development must precede the other two will not be successful in what it sets out to achieve. Of course it is clear that economic development is required to provide the resources to finance the development of social services. On the other hand, it must also be recognised that without the provision of good social services the economy will not develop. For example, if a country's education system is poor then it will not provide the level of skills and capacity required for the economy to develop. Economic development and social development must go hand in hand, not one after the other. In this context it is important to note also that environmental protection is crucial if economic development and social development are to be sustainable. Economic development that is built on the basis of damaging the environment is not sustainable and consequently not desirable. Such development will not succeed in addressing poverty and social exclusion. The experience of what is happening raises some serious questions concerning the macro-economic approach underpinning the Europe 2020 strategy, particularly in its assumptions on how poverty and social exclusion are to be successfully addressed.

Employment

THE EMPLOYMENT RATE OF THE POPULATION AGED 20-64 SHOULD INCREASE FROM THE CURRENT 69% TO AT LEAST 75%, INCLUDING THROUGH THE GREATER INVOLVEMENT OF WOMEN, OLDER WORKERS AND THE BETTER INTEGRATION OF MIGRANTS IN THE WORK FORCE (EUROPEAN COMMISSION, 2010a, PG 10).

Context

The Europe 2020 Strategy focuses largely on employment as a means to address many of the social issues pertinent in Europe at present; this is borne out in the analysis of the National Reform Programmes and their predominant focus on labour market issues.

Recent crises have seen a massive increase in unemployment across the EU with youth unemployment being of particular concern. In Europe currently, there are approximately 80 million people who have low/basic skills. Lifelong learning in the main presents benefits for the better educated. By 2020 there will be an increase in the type of employment requiring people with higher qualifications, during this time there will also be a substantial drop in the demand for low skilled workers (European Commission, 2010a).

The link between employment and social exclusion is complex; job creation plays a major role in reducing poverty and social exclusion. However;

- 1. The type of employment and the opportunity provided therein for continued development are also serious contributing features.*
- 2. Equally it is necessary to ensure that employment is of good quality and that work pays sufficiently to provide an income allowing for a decent standard of living.*
- 3. It is also crucial that policy makers realise that employment does not always result in a household moving out of poverty, as is evidenced by the level of in-work poverty in the EU.*

With these factors in mind, the focus in the Europe 2020 Strategy on inclusive growth, continued educational development and lifelong learning opportunities for employees are essential (Frazer & Marlier, 2008).

The European Employment Strategy (EES) is intrinsically linked to the Europe 2020 Strategy, with four of the ten integrated guidelines of the 2020 strategy referring directly to areas of concern for the EES:

- Guideline 7: Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality.*
- Guideline 8: Developing a skilled workforce responding to labour market needs and promoting lifelong learning.*
- Guideline 9: Improving the quality and performance of education and training systems*

at all levels and increasing participation in tertiary or equivalent education.

- *Guideline 10: Promoting social inclusion and combating poverty*

The approach of the European Union in relation to improving job markets is called “Flexicurity”. This has four overarching and interconnected elements all of which support the achievement of the targets laid out in the Europe 2020 Strategy. Flexicurity aims to ensure the following:

- *Flexible but reliable contractual arrangements in labour law, collective agreements and work organisation;*
- *Comprehensive lifelong learning strategies to ensure adaptability and employability of workforce;*
- *Effective ‘active labour market policies’ to help workers cope with labour market change, ease the transition between jobs and reduce the duration of unemployment spells;*
- *Modern social security systems to provide adequate income support encourage employment and facilitate labour market mobility.*

When combined together in a balanced manner, it is believed that these measures can bring flexibility to the labour market and provide security to workers (European Commission, 2011c, pg 28). Again it must be noted that all these elements should be present for Flexicurity to be realised, unfortunately this is currently not the situation in many countries. Inadequate minimum income, low quality work and poor working arrangements were a feature in several of the country responses.

Demographic Changes

Demographic changes and their impact on employment in the European Union have been of concern at policy level for some time. Demographic changes in the EU will result in the reduction of the labour force. The ageing of the labour force coupled with a reduction in the overall labour force are central themes which need to be addressed (European Commission, 2010a).

According to Trinczek (2010) creating conditions which are conducive to increasing the labour supply and which appropriately utilise the current labour force are of utmost importance. Various policies required for this include training programmes in new technologies for older workers, measures which promote the integration of immigrants, as well as family friendly and lifelong learning policies.

Within the Europe 2020 Strategy, extending peoples working lives will need to be coupled with providing them with the opportunity to obtain new skills if the issue of an ageing labour force is to be addressed (European Commission, 2010a).

The European Economic and Social Committee (2011) recognises that policies aimed only at extending working lives will not make use of the current employment potential, policies and business practices should be aimed at promoting participation of all people of working age.

Active Inclusion of People Excluded from the Labour Market

Under the recommendation in regard to the Active Inclusion of People Excluded from the Labour Market, the Commission encourages member states to take appropriate action in regard to people who experience exclusion from the labour market. It is suggested that member states draw up comprehensive strategies which address the three aspects of active inclusion: access to quality services, adequate income support and inclusive labour markets.

Access to Quality Services

Member states should:

Take every measure to enable those concerned, in accordance with the relevant national provisions, to receive appropriate social support through access to quality services. In particular, measures should be taken to: provide services which are essential to supporting active social and economic inclusion policies, including social assistance services, employment and training services, housing support and social housing, childcare, long term care services and health services in accordance with the following common principles, taking the role of local, regional and national authorities, applicable Community rules and the different situations, needs and preferences in the Member States into account (European Commission, 2008, pg 3).

Adequate Income Support

The recommendation also calls for the need for member states to:

“Recognise the individual's basic right to resources and social assistance sufficient to lead a life that is compatible with human

dignity as part of a comprehensive, consistent drive to combat social exclusion” (European Commission, 2008, pg 2).

Furthermore “Within an active inclusion framework, an incentive to seek employment for persons whose condition renders them fit for work should be safeguarded and the amounts adjusted or supplemented to meet specific needs” (European Commission, 2008, pg3).

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Inclusive Labour Markets

Creating a more inclusive labour force is the final component of active inclusion and is an essential premise included within the Europe 2020 Strategy. Inclusive labour market refers to a labour market which encourages all people of working age to participate in paid employment while providing an on-going structure for their development.

The Framework Agreement on Inclusive Labour Markets (2010) sets out several obstacles in regard to the achievement of inclusive labour markets, such as: limited access to appropriate learning opportunities, ineffective recruitment, mismatch between training/education and the needs of employers and work life balance policies.

Action should be taken in order to alleviate these issues, including helping disadvantaged people to enter, remain and develop in the labour market along with facilitating lifelong and vocational learning.

Support and incentives should be provided to people furthest from the labour market to assist them in finding employment. This should be coupled with incentives and assistance for employers to hire people furthest from the labour market. Within this Framework, addressing issues in regard to increasing the availability and quality of career advice services is viewed as critical.

Accordingly, the European Economic and Social Committee (2011a) indicates that increasing participation and promoting inclusion will require a range of policies such as:

- *Increasing and improving job opportunities for young people and those with poor labour market prospects.*
- *Guaranteeing opportunities to training and professional development, possibly through a statutory right to training leave.*
- *Breaking down barriers to employment for people with disabilities, through for example, flexible working schemes and accessibility.*

Strategies in regard to inclusive labour markets are not the only component required in strategies for active inclusion. Although creating an inclusive labour market is an important and central element in regard to addressing active inclusion, it is also necessary to focus on the other two factors.

Access to services such as housing, education, health and social services, coupled with an adequate income are required also. Inclusive labour market policies being pursued to the exclusion of the other necessary

components will fail to take cognisance of the numbers of, for example, people experiencing in-work poverty.

Current Situation

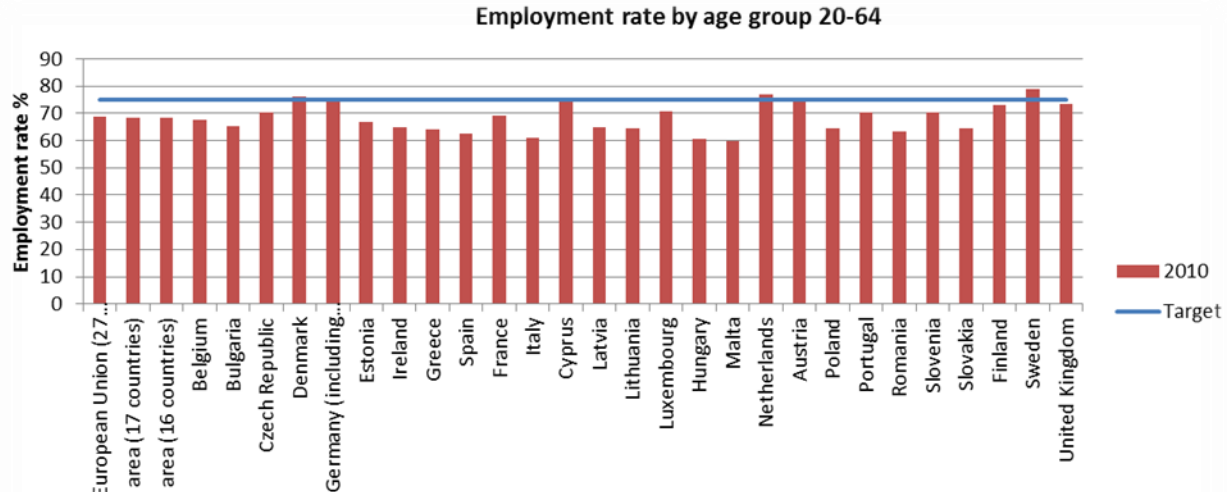


Figure 2 Rate of Employment for Age Group 20-64* (Source: Eurostat 2011b)

Figure 2 outlines the current situation in regard to the employment rate across the EU, the target of 75% is denoted. Four countries (Denmark, Cyprus, Netherlands, Sweden) already exceed the 75% target. However many lag behind, with the lowest rate occurring in Malta at 59.9%. At present the employment rate across the EU 27 on average is at 68.6%¹.

Unemployment

Unemployment presents a notable challenge to the EU. In 2010 the overall unemployment rate in the EU-27 reached 9.6%, this was a 0.6 percentage increase on 2009. In 2009 the rise in unemployment was significant with a 1.9% increase in 2009 on 2008. Most markedly, prior to 2008 there had been a four year period of declining unemployment (Eurostat, 2011a).

In order to tackle this issue there are a range of measures in place focusing on reforming education, most notably vocational education, to developing job search initiatives which are more holistic and timely in nature.

However, Lithuania, Ireland and France reported that the measures to address unemployment are not sufficient. In Ireland the level of increase in unemployment was not considered to be accompanied by programmes of the scale required to address the number of people experiencing unemployment. Some

¹ "The employment rate is calculated by dividing the number of persons aged 20 to 64 in employment by the total population of the same age group. The indicator is based on the EU Labour Force Survey. The survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals. Employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent" (Eurostat, 2011b)

countries, and Italy in particular, drew attention to low and inadequate unemployment benefits. Portugal highlighted that an increase, not a decrease, in unemployment is envisaged.

Youth Unemployment²

The recent crisis has had a major impact upon the employment of young people, resulting in an unemployment rate of more than double the overall unemployment rate. At a rate of 20.9% in 2010 for the euro area, more than one out of every five young persons in the labour force was not employed (Eurostat, 2011a). According to the OECD (2011) youth unemployment needs to be a central focus of labour market policies in the future. If this issue is not tackled there is a high risk of youth unemployment increasing, with a large cohort being left to face poor employment and earning prospects.

Table 1 highlights the pressing need for countries to act on issues relating to youth unemployment. Many country's National Reform Programmes aim to address this issue through education and training opportunities coupled with improved job search supports. The reorientation of the education system towards labour market requirements is one of the strategies being utilised.

² *"Youth Unemployment is the percentage of the unemployed in the age group 15 to 24 years old compared to the total labour force (both employed and unemployed) in that age group. However, it should be remembered that a large share of people between these ages are outside the labour market (since many youths are studying full time and thus are not available for work), which explains why youth unemployment rates are generally higher than overall unemployment rates, or those of other age groups" (Eurostat, 2011a) *Netherlands: b break in series*

Table 1 Rate of Youth Unemployment for 2010

	Youth Unemployment rate 2010
European Union (27 countries)	21.1
Euro area	20.9
Belgium	22.4
Bulgaria	23.2
Czech Republic	18.3
Denmark	13.8
Germany	9.9
Estonia	32.9
Ireland	27.8
Greece	32.9
Spain	41.6
France	23.7
Italy	27.8
Cyprus	17.2
Latvia	34.5
Lithuania	35.1
Luxembourg	15.6
Hungary	26.6
Malta	13.1
Netherlands	8.7
Austria	8.8
Poland	23.7
Portugal	27.7
Romania	22.1
Slovenia	14.7
Slovakia	33.6
Finland	21.4
Sweden	25.2
United Kingdom	19.6
Source: Eurostat, 2011a	

Long Term Unemployment

Prolonged spells of unemployment are particularly damaging as they increase the risk of permanent labour market marginalisation as a result of skill depreciation and a loss of self-worth and motivation. Long-term unemployment is also associated with elevated risks of poverty, ill health and school failure for the children of the affected workers (OECD, 2011, pg 11).

Concerns have been raised in regard to people who are away from work for long periods and the difficulties they encounter in relation to reconnecting with the labour market (European Commission, 2010a). 3.8 % of the labour force in the EU-27 in 2010 had been unemployed for more than one year; almost half of these, 1.8 % of the labour force, had been unemployed for more than two years. The length of time spent by people outside the labour force and the prospect that they will re-enter paid employment are directly correlated. With the likelihood of getting a job decreasing the longer people are outside of paid employment, this places them at higher risk of social exclusion and poverty. Some countries are putting in place strategies to address this pressing issue, including increased access to training and educational opportunities coupled with more intense job search and employment support services.

Older People

Among older people there is a low employment rate of only 46.4%. To a large degree, this is as a result of practices in the labour market. Low employer demand, poor up-skilling opportunities, limited job search support and low levels of retraining and reintegration following redundancy compound this issue (Employment, Social Policy, Health and Consumer Affairs Council, 2011, pg 10).

An increase in the retirement age is viewed as a strategy to assist in the active inclusion of older people. However, this needs to be coupled with broader strategies to promote their inclusion such as lifelong learning strategies.

Many of the countries indicated that they have either put in place or plan to implement pension reforms, while necessary, some of these reforms were considered poorly planned, insufficient and may increase the risk of poverty to certain cohorts of this group.

Ambition and Attainability of Targets

A range of views on the targets in the National Reform Programmes are represented in the responses. At one end of the scale are countries that indicate an ambitious target for employment, but cite insufficient or inadequate policy responses, unemployment increases and poor economic conditions as major obstacles to their realistic attainment.

At the opposite end are countries that considered the targets to be un-ambitious and not progressive enough. Undoubtedly, the on-going difficulties being experienced throughout the economies of Europe are cited as having major implications for targets. In situations where the target is realistic, its achievement is reported to be based predominantly on external economic stability.

Specific countries that cited ambitious targets include: Germany, Ireland, Poland, Slovakia, Sweden and France. Unambitious targets were reported from Bulgaria, Cyprus, Italy, Lithuania, Romania, Luxembourg and Spain. The UK response highlighted that the UK have not set a target.

Country Specific Examples

- Sweden's target is the highest across the EU aiming to achieve an employment rate of well over 80%.
- The UK has no target regarding employment set in their National Reform Programme, however they are implementing policies aimed at increasing employment, the effectiveness of the major

work plan undertaken is unknown currently however, issues have been highlighted in regard to its implementation.

- Bulgaria indicated that there needs to be focus on the issues hindering employment, according to this response, latest official data shows that 86% of jobless people have literacy problems and this is a considerable obstacle for the realisation of the employment target.
- The Italian target is one of the lowest set across the EU and so was not considered ambitious by the Italian response; while it may not be ambitious, it could be considered realistic on one level as it has already been achieved in several regions of the country. However, on another level sustaining or increasing employment could be extremely difficult when the current economic difficulties are taken into account.
- Luxembourg asserted that the 73% target as laid down in the National Reform Programme could not be considered ambitious when the current employment rate is over 70% in Luxembourg. The natural changes occurring in the workforce in regard to the higher rate of female employment among younger women, and natural progression will have a huge bearing on the attainment of this target.
- Poland stated that in addressing the realistic nature of the target:

.....

“It is really difficult to assess whether the target is realistic. On the one hand, in the years of prosperity following the Polish accession to EU and before the crisis (2004 – 2008) the employment rate increased by 7% (58% to 65%) (Wskaźniki Europa 2020, 2011, pg vii). On the other hand, it seems that even when applying certain measures in labour market policies such an increase is impossible without economic impulses coming from outside Poland”.

.....

Supporting the Active Inclusion of Vulnerable People

The National Reform Programmes identify certain groups at risk of exclusion from the labour market and identify policies which are aimed at assisting them.

- Female participation is encouraged predominantly through facilitating reconciliation of family life and work through an extension in child care services.
- Youth unemployment as indicated is recognised as a major challenge. A variety of measures are implemented or planned for implementation. Improved training systems, apprenticeships schemes, better targeted job search supports. An improvement in the education system aimed specifically at tailoring education for the needs of the labour force is also seen as an important policy development for this group.
- Long term unemployment is also addressed through improved and timelier job search supports and employment services and increased availability of training opportunities.

- *The focus on employment as the only means to address social exclusion and poverty is a theme which arose. While it is well documented that employment is certainly a necessary feature in addressing issues in regard to social exclusion and poverty, it should not be viewed as the only means.*
- *It should also be remembered that inclusive labour markets are only one component of active inclusion along with access to quality services and adequate minimum income. In order to promote active inclusion it is necessary for all components to be in place.*

Country Specific Examples

- *In Luxembourg the increase in available child care places was welcomed; however, the respondent considered that failure to address the affordability issue undermines this programme.*
- *Lack of childcare facilities remains a serious issue in Cyprus, increased childcare facilities are required in order to assist women in reconciling work and family life.*
- *According to the UK, the massive work programme which has been undertaken by the government has had many issues in regard to its implementation. This programme is intended to ensure that support is tailored to the needs of the individuals addressing barriers to employment, such as age, health conditions or other social exclusion factors. Recent findings in relation to the Work Capability Assessment, which is the means by which to attain the Employment and Support Allowance (which replaces Incapacity Benefit), suggests issues in regard to the quality of the assessments and also that the individuals availing of this assistance are not receiving the level of support they can reasonably expect.*
- *One of the main criticisms in regard to the German program related to the insufficient means to address the issue of unemployment for people who are very long term unemployed and may have other additional problems which prevent them from accessing the labour market. Programmes which supported the active inclusion of this particularly vulnerable group have seen their funding cut, and this will result in a real deterioration in the position of these people.*
- *In Italy the expenditure for Wage Guarantee Fund (ordinary, extraordinary and on derogation) in the 2007-2009 period doubled, recognised as necessary scheme preventing some people from falling into extreme poverty. The transfer of resources for this support measure has resulted in less funding for programmatic measures aimed at addressing other aspects of active inclusion.*
- *In Belgium several steps have been taken to ensure that the gap between minimum income and the poverty line does not increase, however, it is also noted that most minimum income schemes are below the EU poverty line.*
- *Romania highlighted the inadequacy of the minimum income in their country.*
- *Research from Caritas in Italy has concluded that their interventions are now strongly associated with addressing issues regarding distribution of food, free grants provision for people that lost their job and microcredit, all of which are related to income support.*
- *According to the response from Cyprus, a large proportion of public assistance recipients are below the poverty line. It was indicated that the system fails to adequately support people in deep poverty like for example the unemployed and lone parents. However, the current system is generous towards those living in large families.*

- *In Poland attention is drawn to the need to address the issue of low quality and insecurity of employment. The problem of so-called “junk-jobs” or “junk-contracts” is thought to be a serious dysfunction of Polish labour market”.*
- *In Cyprus in-work poverty was reported to be increasing, job insecurity is prevalent and, illegal and undeclared work is also on the rise.*
- *Romania also indicated that certain reforms, in particular the Unitary Salary Law for Public Sector Personnel risks increasing the numbers experiencing in-work poverty.*

Key Findings

- *Overall, the National Reform Programmes identify the need to ensure that policies which support the inclusion of specific groups traditionally excluded from the labour market are implemented. There is a focus on improving employment and training services. However, the quality and scale of these initiatives in some countries are called into question.*
- *There needs to be an increased focus on access to quality services.*
- *Challenges still remain for governments to address the implementation of policies relating to adequate income support.*
- *In-work poverty and issues in regard to the quality of work remain a serious challenge for some countries.*

Education

A TARGET ON EDUCATIONAL ATTAINMENT WHICH TACKLES THE PROBLEM OF EARLY SCHOOL LEAVERS BY REDUCING THE DROP OUT RATE TO 10% FROM THE CURRENT 15% (EUROPEAN COMMISSION, 2010a, PG 11).

Context

Education, training and lifelong learning:

- One quarter of all pupils have poor reading ability.
- One in seven of all young people leave education and training too early.
- Approximately 50% attain medium qualifications which regularly do not meet the requirements of the labour market.
- The number of people in Europe with university degrees does not compare favourably with the US or Japan (European Commission, 2010a, pg 12).

References within the Europe 2020 Strategy regarding education occur under several of the flagship initiatives, further underscoring the interconnected nature of all the targets established. For example the “Innovation Union” refers to the need for member states to ensure that there is an appropriate number of science maths and engineering graduates, along with focusing school curricula on creativity and innovation (European Commission, 2010a).

Improvements in all aspects of education policy are to be commended. However, the primary concern of this report is related to initiatives in member states aimed at tackling and reducing early school leaving.

Under the “Youth on the Move” flagship initiative member states should ensure sufficient investment in education and training at all levels. Member states also need to,

.....
“improve educational outcomes, addressing each segment (pre-school, primary, secondary, vocational and tertiary) within an integrated approach, encompassing key competences and aiming at reducing early school leaving”
(European Commission, 2010a, pg 13).
.....

Early school leaving not only presents problems for the young people; it also has economic and social consequences for society. Educational qualifications remain the most effective protection against unemployment. Unemployment increases substantially the lower the level of educational attainment. This was noted in almost every Member State in 2010, as the average unemployment rate in the EU-27 for those having attained at most a lower secondary education was 14.2 %. This is far in excess of the rate of unemployment for those that had obtained a tertiary education qualification which was 4.9% (Eurostat, 2011a).

The economic impact of early school leaving is notable. In addition to this early school leavers are at higher risk of poverty and social exclusion and are also confronted with a limited ability to develop culturally,

personally and socially. It also has a cyclical impact with their children experiencing reduced success in school (European Commission, 2011b).

Early Leavers from Education and Training in the EU

Early school leaving³ remains a serious issue in the EU. Within the EU 27 the share of early leavers from education and training stands at 14.1%. At national level the share of early leavers from education and training vary from 4.9% to 36.9%. Eight countries are well below that target, Sweden, Slovakia, Slovenia,

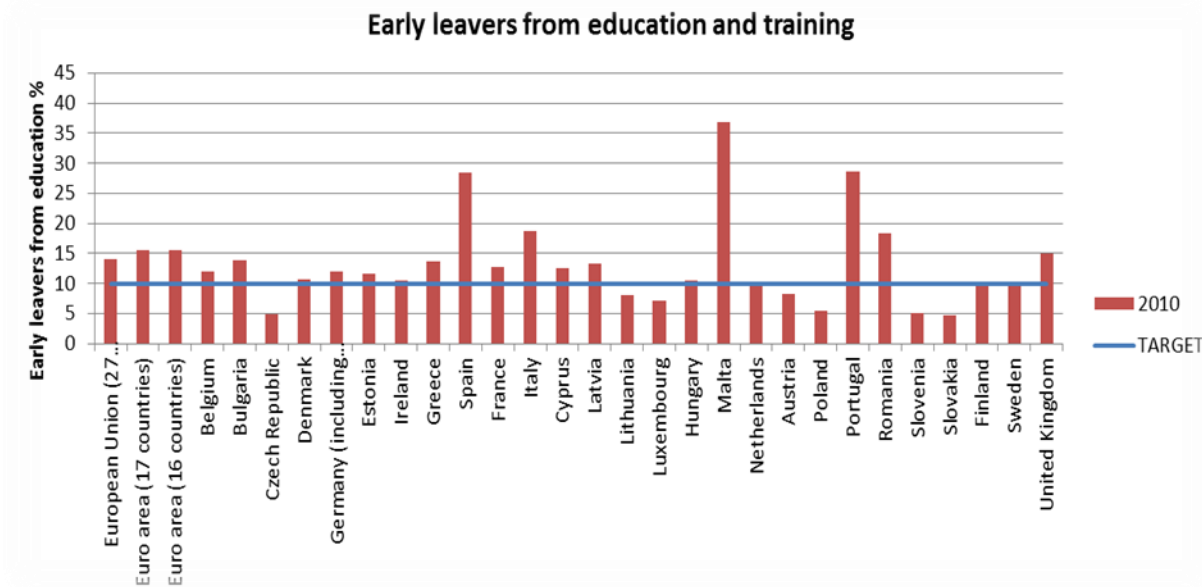


Figure 3 Early Leavers from Education and Training * (Source: Eurostat 2011b)

³ "This indicator is based on annual averages of quarterly data instead of one unique reference quarter in spring. Early leavers from education and training refers to persons aged 18 to 24 fulfilling the following two conditions: first, the highest level of education or training attained is ISCED (The International standard classification of education (ISCED) provides the classification basis for collecting data on education. ISCED-97, the current version of the classification introduced in 1997, is built to classify each educational programme by field of education and by level) 0, 1, 2 or 3c short, second, respondents declared not having received any education or training in the four weeks preceding the survey (numerator). The denominator consists of the total population of the same age group, excluding no answers to the questions "highest level of education or training attained" and "participation to education and training" (Eurostat, 2011b) * Luxembourg and Slovenia: u=Unreliable or uncertain data, Malta and Sweden: p=Provisional value, Netherlands: b=Break in series

Poland, Austria, Luxembourg, Lithuania and the Czech Republic. However, as can be seen from figure 2, many countries within the EU have rates of early school leaving well in excess of the 10% benchmark.

“Education experiences remain strongly associated with social disadvantage. In many countries there are large numbers of people with very low education levels whose family origins were impoverished and characterised by disadvantage. Whilst education can break such intergenerational cycles of disadvantage, it can also act to reinforce them: for example, if education policy is not designed with egalitarian notions in mind. This is one of the reasons why the ability of education to operate as a mechanism with the potential to offset social disadvantage is important” (Machin, 2006, pg 7).

Framework for Policies aimed at Addressing Early School Leaving

The Council of the European Union (2011a) set out a variety of policy frameworks in regard to addressing the issue of early school leaving.

- Prevention policies aim to reduce the risk before problems begin. Preventative policies can include good quality early childhood education, enhancing parent participation in schools, offering flexibility within the education system and in so doing provide credible alternatives to leaving school early.
- Intervention policies aim to address early school leaving in two ways at the level of the individual and at the level of the educational institution. At individual level they require the early identification of young people at risk of early school leaving and provide support to assist and address any difficulties on an individual needs basis. At the level of the institution they should enhance the learning environment, assisting teachers to be innovative and creative thus creating a positive learning atmosphere.
- Compensation policies attempt to assist those who have left school early to re-engage with the education system offering various routes back into education.

Underscoring these policies is the need for member states to ensure robust social analysis to identify the reasons for early school leaving. Understanding the complex and varied causes for early school leaving will ensure that policies put in place are suitable to target the issue. Furthermore member states are encouraged to assess the appropriateness of the current policies, programmes and strategies.

Ambition of Targets

In relation to early leavers from education and training, the targets established by countries in their National Reform Programmes are considered ambitious in some instances by respondents in Belgium, Germany, Ireland, Spain, Slovakia and France. Other country targets (Sweden, Romania, Lithuania, Luxembourg, Italy, Bulgaria and Cyprus) were not considered to be ambitious enough.

In Poland, they have one of the lowest rates of early school leaving in the EU so it was concluded that any target to reduce it could be considered as ambitious given the relatively small margin.

The UK again has not set a target in regard to this area of their National Reform Programme.

In Romania it was indicated that from 2002 to 2008 Romania's early school leaving rate dropped from 23% to 15.9% according to government reports, but in 2010 this increased 18.4%. Romania has set an early-school leaving rate of 11.3. The Romanian response raised concerns that this modest target suggests that Romania will be below average.

Italy's target was not considered to be ambitious and current strategies in regard to a reduction of special education supports and funding in the education sector in general were considered to be serious impediments to its achievement.

In Spain the aim is to reduce the rate from 30% to 15%, this was believed to be very ambitious and does not appear to be contextualised in the overall reality of the current crisis.

The reduction in public spending in some countries is considered to be a major obstacle in regard to establishing programmes which will address the issue of early school leaving.

Ireland indicated that achievement of the target is possible as result of the fact that education is an area being heavily prioritised by government policy.

Policies Aimed at Addressing Early Leavers from Education and Training

- *Preventative policies were a feature in some of the National Reform Programmes, with some countries placing an emphasis on the need for good quality early childhood education. Policies aimed at young children and early childhood education will not see results for some time to come. However, it is expected that increasing funding towards early childhood education will indeed have positive outcomes in regard to this issue.*
- *Many countries have engaged in plans to re-orientate education, particularly increasing the relevance of the education system towards labour market demand. It is believed that in doing so the education system will also become more relevant to the young people involved.*
- *Increasing access to technology in schools was also considered an important development in the area of improving education in some countries.*
- *Certain countries highlighted particular programmes which are in place aiming to support particularly marginalised and at risk young people. These programmes implement a range of measures including the use of professionals such as psychologists/counsellors/other support services who assist students in addressing difficulties which may impact upon their decision to leave education.*

- *Second chance education programmes in certain countries are also seen as being of central importance in assisting people who are marginalised to re-enter education and gain qualifications.*

In many cases the actions taken in order to reduce early leaving from education and training were not seen as adequate to address this problem and reach the target as identified in the National Reform Programmes. Highlighted by some countries was the need to address educational disadvantage and early school leaving in a manner which takes into account all factors relating to this issue.

Country Specific Examples

- *Belgium indicated good practice in relation to piloting and assessing schemes prior to their implementation. Attention needs to be paid to migrants who are at a higher risk of early school leaving in Belgium.*
- *Bulgaria specified the need for a more comprehensive approach to addressing the specific needs of Roma people in regard to education, ensuring policies address cultural and social aspects.*
- *Poland highlighted reforms to the school going age which will assist in improving early childhood education.*
- *In the UK they have revised the definition of persistent absenteeism to ensure earlier interventions are put in place for students displaying these possible risk behaviours. There is a focus on apprenticeship programmes with increased funding being made available for these schemes; however of particular concern is the quality of apprenticeship schemes and the high dropout rate from apprenticeships when compared against university education.*
- *In the UK the £560 million Educational Maintenance Allowance which provided between £10 to £30 a week to help 650,000 students from low income households stay on at 6th forms and colleges (16-19 year age group) has been abolished and replaced with a £180 million 16-19 Bursary Fund targeting a smaller, more in need group of students.*
- *In France the reduction in the rate of replacement of pedagogical staff was considered as undermining the achievement of the target. The reduction in early childhood education was also indicated as being of concern.*
- *In Italy the streamlining and reorganisation of the education system is seen to be particularly worrying, as funding has been reduced impacting upon the most marginalised. This reduction has resulted in, among other things, the numbers of support teachers being drastically cut, affecting the most vulnerable students.*
- *Of major concern in Ireland is the lack of focus aimed at addressing adult literacy issues, Bulgaria also highlighted this as an area which needs urgent attention.*
- *Romania indicated the need for better assessments and research into measures which have been already implemented; this was echoed in other reports also.*
- *In Cyprus a variety of measures have been implemented or are planned for implementation, ranging from the increased availability of welfare packages for people returning to education to a reorientation of the vocational training sector in order to strengthen the link between education and the labour force.*

Obstacles to Attaining the Early School Leaving Target

- *Reductions in public spending on education will obviously impact disproportionately upon the people who find themselves already marginalised. This issue was one of concern in several countries and was highlighted as impacting upon the quality of service delivered as well as undermining supports available for the particularly marginalised.*
- *There is a lack of assessment and accurate data in regard to schemes which have been implemented.*

Poverty

ORIGINAL HEADLINE TARGET: THE NUMBER OF EUROPEANS LIVING BELOW THE NATIONAL POVERTY LINES SHOULD BE REDUCED BY 25%, LIFTING OVER 20 MILLION PEOPLE OUT OF POVERTY (EUROPEAN COMMISSION, 2010a, PG 11).

CURRENT HEADLINE TARGET: AT LEAST 20 MILLION FEWER PEOPLE IN OR AT RISK OF POVERTY AND SOCIAL EXCLUSION

Context

“Fighting poverty: 80 million people were at risk of poverty prior to the crisis. 19 million of them are children. 8 per cent of people in work do not earn enough to make it above the poverty threshold. Unemployed people are particularly exposed” (European Commission, 2010a, pg 18).

The Europe 2020 Strategy recognises that there is a significant attempt required to combat poverty and social exclusion; coupled with this it is necessary to achieve a reduction in health inequalities. It is felt that this will help in ensuring that the benefits of growth can be appreciated by all.

The EU flagship initiative **“European platform against poverty”** has been established in order to ensure cohesion, both territorial and social. It is believed that in so doing the benefits in regard to growth and jobs will be enjoyed by people who experience poverty and social exclusion, facilitating them in living with dignity and playing an active part in society (European Commission, 2010a).

As part of this flagship initiative the commission commits:

“To design and implement programmes to promote social innovation for the most vulnerable, in particular by providing innovative education, training, and employment opportunities for deprived communities, to fight discrimination (e.g. disabled), and to develop a new agenda for migrants' integration to enable them to take full advantage of their potential” (European Commission, 2010a, pg 19).

The commission will assess social protection and pension systems along with identifying improvements required in regard to developing enhanced health care systems, particularly concerned with the area of access.

Equally the member states are required to take action, promoting collective and individual responsibility aimed at reducing poverty and social exclusion. They are further obligated to identify and put in place measures aimed at assisting groups who are considered to be particularly at risk. Member states should

ensure their social security and pension systems provide adequate income support, as well as improving access to health care.

Defining Poverty and Social Exclusion

“The headline target for the reduction of poverty and exclusion has been defined by the European Council on the basis of three indicators: the at-risk-of-poverty rate (after social transfers), the index of material deprivation and the percentage of people living in households with very low work intensity. This definition is at the same time an expression of the multiple factors underlying poverty and/or exclusion, of the diversity of the problems that Member States face and of the priorities they have therefore set out” (European Commission, 2011a, pg 4).

This is the first time that these indicators have been combined in an attempt to classify a broader target group “at risk of poverty and exclusion.” Identifying the population “at risk” in this manner has huge implications, and is worth noting that when the idea of a poverty reduction target was first acknowledged by the European Commission early in 2010, the focus was on those “at risk of poverty” as identified simply by the relative income poverty measure (Nolan & Whelan, 2011).

Most notably, the change in measurement has resulted in an increase in the size of the target group without any corresponding increase in the target, with 20 million persons to be lifted from poverty and social exclusion still the aim. This obviously makes the target far less ambitious than initially thought.

In the EU in 2009 there were several countries that exceeded the EU average in regard to being “at risk of poverty or social exclusion”⁴.

⁴ “This indicator corresponds to the sum of persons who are: at risk of poverty or severely materially deprived or living in households with very low work intensity. Persons are only counted once even if they are present in several sub-indicators. At risk-of-poverty are persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers). Material deprivation covers indicators relating to economic strain and durables. Severely materially deprived persons have living conditions severely constrained by a lack of resources, they experience at least 4 out of 9 following deprivations items: cannot afford i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone. People living in households with very low work intensity are those aged 0-59 living in households where the adults (aged 18-59) work less than 20% of their total work potential during the past year” (Eurostat, 2011b). * Malta b = break in series, *in relation to severely material deprived, data from the UK is categorised as Unreliable or uncertain.

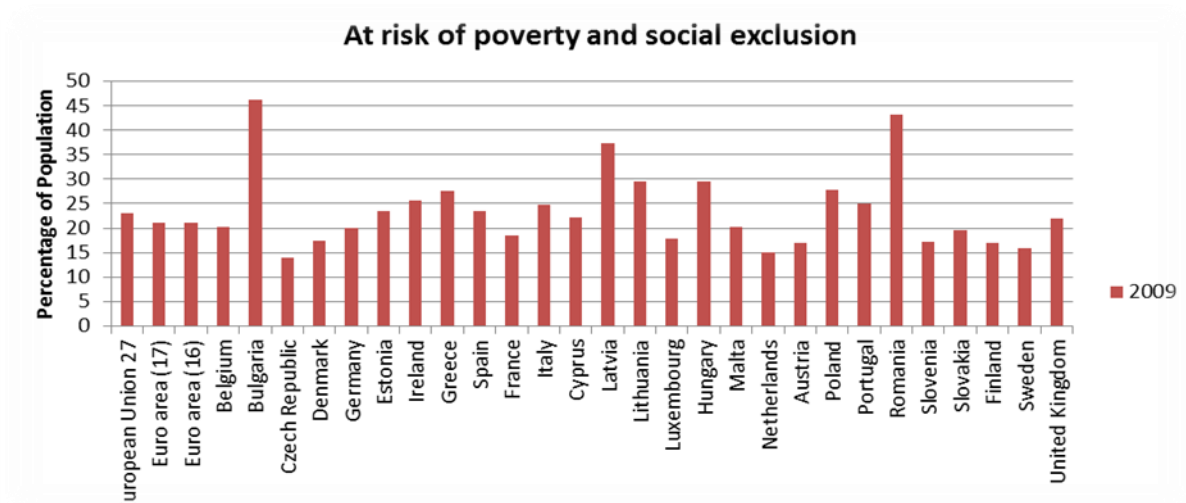


Figure 4 Persons At Risk of Poverty and Social Exclusion Rate for 2009 * (Source: Eurostat 2011b)

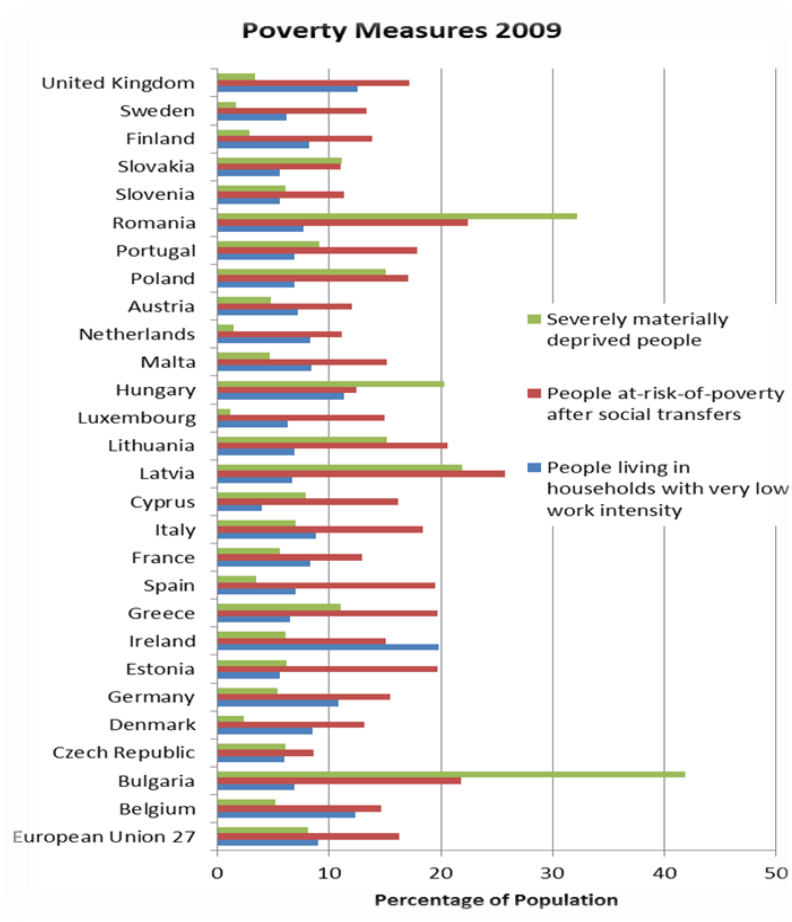


Figure 5 Break down of the three indicators which are combined to identify persons at risk of poverty and social exclusion for 2009* (Source: Eurostat 2011b)

“The EU poverty targets were agreed in 2010 in the immediate aftermath of the recession but the aspirations to move to a common target had been forged during a time of sustained economic growth. It is now more important than ever to seek to support Europe’s most disadvantaged residents and to ensure that they do not suffer disproportionately through policies designed as a response to the economic crisis (Walker, 2011, pg 17).”

Ambition of Targets

Firstly it is necessary to acknowledge that countries are using a variety of methodologies in regard to their measurement of poverty. Many of the countries have not set targets which relate to the specific measurement criteria as set out in the Europe 2020 Strategy.

In assessing whether the targets as identified by the countries can be considered ambitious, many Caritas organisations (France, Slovakia, Spain, Romania, Ireland, Lithuania and UK) believe that the poverty targets are not ambitious. Italy, Germany, Cyprus, Poland and Bulgaria viewed their targets to be ambitious. Sweden in this instance indicated that the target was more realistic than ambitious.

Luxembourg has not set a target in regard to reducing poverty and social exclusion. However, it was highlighted that the draft programme of November 2010 did include a target which aimed to lift one in twenty four out of poverty and social exclusion (as defined by the EU) by the midterm review (2015). Accordingly, the Luxembourg respondent concludes that this target could not be considered ambitious corresponding to an approximate 4% decrease in poverty.

Ireland's target is a restating of a previous target which was outlined in the national anti-poverty strategy; this was considered to indicate that Ireland has little ambition to address poverty and social exclusion in a meaningful way.

In regard to the Spanish target, a reduction of between 13 and 14% is espoused; while it could be viewed as ambitious, this will still leave a huge cohort of the population experiencing poverty and social exclusion. It is also unrealistic given the current budgetary situation in Spain and the fact that even during times when the country was doing well economically, poverty never went below 19%. This issue is relevant for other countries also, where it was indicated that the focus on addressing current budget deficits undermines the required approaches to addressing poverty and social exclusion in a comprehensive manner.

Lack of Focus on Poverty and Exclusion Outside of Labour Market Policies

This headline target was considered to be given less importance in the National Reform Programmes than other headline targets, with policies aimed at targeting poverty and social exclusion predominantly lying in the realm of employment. The issue of poverty and social exclusion being addressed through labour market policies was one which was repeatedly identified. To target poverty and social exclusion through

labour market policies is seen as narrow and over simplistic. This approach fails to take into account other pertinent issues. The numbers of people experiencing in-work poverty, children and people with disabilities who cannot access the labour market are some of the groups who may not be assisted if policies continue in this vein.

Importantly, according to the European Economic and Social Committee (2011b), the austerity measures and EU policies focusing on economic governance, growth and employment put in place across the EU should not increase the risk of poverty. The said Committee recommends the need for the implementation of effective social impact assessments in order to alleviate this potential risk. This issue was emphasised in the assessment of National Reforms Programmes carried out, with many countries indicating a concern for the quality of services and the position of the more vulnerable in society being worsened by austerity measures pursued.

Access to Services

The issue of access to high quality services for people at risk of poverty and social exclusion is an important one. It will assist in addressing the multidimensional nature of poverty. In regard to whether services are being appropriately developed in order to assist these groups, many countries indicated that not enough was being done and, in some instances, envisaged reforms could in fact undermine their situation.

Country Specific Examples

- *Sweden indicated “In spite of the present economic conditions, the Government has introduced measures to ensure adequate high quality services in areas such as education, healthcare and housing for the marginalised groups”*
- *Romania highlighted that measures have been taken in the area of education to improve its quality; however, the delivery of education in rural areas requires attention. Measures in relation to health services are focused on cost reduction, the modernisation of these services and the improvement in infrastructure remains to be implemented. Issues in regard to health services being reduced were of particular concern for people in rural areas. Social housing has a reasonable budget, however issues remain in regard to the efficiency of these programmes.*
- *Slovakia indicated an issue in regard to the absence of sufficient financial and legislative support provided to NGO’s who are central in providing services to the more vulnerable.*
- *Spain focused on the range of structures related to homeless services indicating that there is a lack of attention given to addressing this issue in the comprehensive manner required.*
- *Poland identified that there is work currently underway in relation to facilitating the development of housing for people at risk of poverty. There may be risks attached to other reforms in regard to tenant’s rights, as there will be no obligation to ensure access to council housing in instances where individuals are evicted.*
- *Lithuania indicated that services for older people are particularly poorly developed and require attention.*
- *Germany considered the services to be of a generally good quality.*
- *In Luxembourg housing remains an issue with a limited number of social houses.*
- *In France reductions in regard to funding for housing and emergency housing was seen as being of major concern. With access to health services for the more vulnerable groups in society considered to need an immediate attention.*
- *Belgium stated that overall there is still a lot of work required in domains like housing. This is due to a general lack of affordable and adequate housing, groups at risk of poverty and social exclusion tend to be disproportionately affected by this issue however, this is a focus of the National Reform Programme for Belgium.*

- The UK indicated that Reforms to the National Health Service are mainly structural and do not appear to address the needs of the marginalised in society. Concerns were raised in regard to the package of reforms in the area of housing support, which may risk making people homeless, the impact assessment which was carried out has not been thorough enough to alleviate these concerns.

Groups at Risk of Poverty or Social Exclusion

Certain groups in the population have emerged as particularly exposed to the risk of poverty. This relates in particular to children, young people, single parents, households with dependants, people with a migrant background, certain ethnic minorities (such as Roma), people with disabilities. Also, the gender divide is clearly visible and women are generally more at risk than men (European Commission 2011a pg 7).

Given the groups highlighted as being at risk of poverty and social exclusion, it is clear that comprehensive strategies across the lifecycle are required; it will not only be achieved through policies aimed at labour market participation.

Roma

Many of the estimated 10-12 million Roma in Europe face prejudice, intolerance, discrimination and social exclusion in their daily lives. They are marginalised and live in very poor socio-economic conditions. This is not acceptable in the European Union (EU) at the beginning of the 21st century (European Commission, 2011d, pg 2).

According to the French response, the tendency not to singularise people by their belonging to an ethnic group is used to explain the reluctance of France to be involved in the EU Framework for National Roma Integration Strategies. No concrete measure is undertaken within the French National Reform Programme to improve the Roma's living conditions and address the issue of social exclusion among this group.

The issue of educational disadvantage among the Roma community is a central issue and as indicated is one which impacts directly on poverty and social exclusion. In Bulgaria it is thought that this concern is not being addressed in a holistic manner, taking consideration of cultural and social differences which may impact upon the high rate of early school leaving among this group.

In Romania it was noted that there has been an introduction of special places in high schools and in higher education for the Roma minority. The creation of the position of school mediator for the Roma minority is also seen as a very positive step. Also second chance education programmes have seen some success among Roma adults. It was also noted that the full potential impact of these services cannot be realised due to insufficient funding.

Several countries did not indicate any strategies to address the vulnerable position of this group.

Migrants

Managing migration and integration of migrants is now at the forefront of European and national policy agendas. More than 30 million – or 6.4% of the population – living in EU countries are non-nationals. Two thirds of them are third-country nationals. While migration can be an important part of the solutions to Europe's economic, demographic and competitiveness issues, setting a comprehensive and effective policy framework for integration is a major challenge. The process of becoming part of a new society is a very complex one and requires efforts in different areas. It entails access to labour market, housing, public services (especially welfare and educational services) (European Commission, 2010b, pg 10).

In Cyprus it was noted that attention is paid to language training programmes while issues in regard to migrants living conditions remain unaddressed. Germany and France also indicated the availability of language classes for migrants. In France the number of hours for this measure is seen to be inadequate.

The issue of access for this group to healthcare and housing was also highlighted as one of particular concern in the French response. It was reported that the issue of early school leaving for migrants in Belgium requires attention. In Spain it is considered essential that a response to migrant issues is better coordinated.

A more positive indication for this group occurred in Sweden where the unemployment rate for migrants is slowly decreasing. Some countries indicated that there is little mention of migrants or migrant issues in their National Reform Programmes.

Children

Child poverty can be utilised as an illustrative example in regard to the need for a greater policy mix rather than just labour market incentives. Child poverty is a major concern in most of the OECD countries due to the fact that poor children experience a disproportionate share of deprivation. Poor children are more likely to have low self-worth, low educational attainment and be involved in increased risk taking

behaviours. The consequences of poverty are particularly calamitous for young children (Kamerman et al, 2003, Tomlinson & Walker, 2009).

The Council of Europe (2011b) requests that member states,

“adequately emphasise the aspects of child poverty within their national policies and to consider it when drafting the National Reform Programmes backing them up with adequate targets where appropriate, and resources, as well as monitoring and evaluation arrangements” (The Council of Europe 2011b, pg 4).

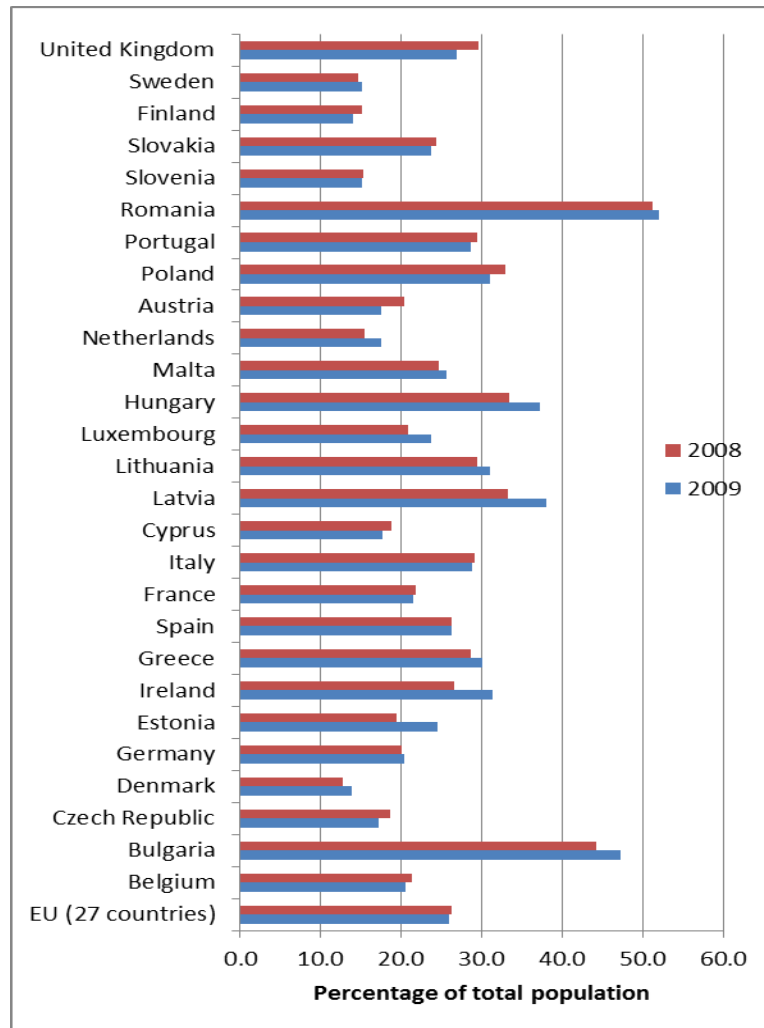


Figure 6 Children at risk of Poverty and Social Exclusion for the Years 2008 & 2009 (Source: Eurostat 2011c)

In Europe in 2009, 19.9% of children (persons under 18 years) were at risk of poverty. When the sub indicators as outlined are combined, the number of children at risk of poverty and social exclusion amounts to 25.9% (figure 6), with rates varying across the EU from 52% in Romania to 13.9% in Denmark.

Childhood poverty does not tend to be a transitory stage; it often leads into adulthood. Adults who have experienced poverty have lower educational attainment and so will have restricted employment options. As a result of this, their income will be lower. Furthermore the intergenerational nature of poverty has huge social and economic costs. Addressing child poverty is therefore a must for the EU if the creation of an inclusive Europe is to be realised.

While it is necessary to remember that child poverty cannot be addressed independently of their families, policies which promote employment opportunities for parents and provision for reconciling work and family life are necessary. Family benefits and income support are also a crucial aspect of the policy framework required to address this current situation (The Council of Europe 2011b). Given the multi-dimensional nature of poverty and in particular child poverty, it is imperative that policy responses to this issue occur across a number of dimensions, including but not exclusively access to quality services such as housing, early childhood development and education.

Country Specific Examples

- *According to Caritas Spain, children are becoming increasingly at risk with an increase in families aged 25-40 with minor dependents more at risk of poverty.*
- *According to the Italian response the percentage of expenditure allocated to actions aimed to support disadvantaged families and children is very low and well below the European average.*
- *In the UK approximately 1.9 million children in the UK live in poverty, one of the highest levels in the EU. Changing the welfare system to a Universal Credit is expected to move 600, 000 adults and 350,000 children out of poverty. There is a major focus in the UK strategy on employment as a route out of poverty, yet 55% of children in poverty in the UK live in working families, in the opinion of the UK this view is narrow, ignoring other very pertinent issues in regard to child poverty.*
- *In the Polish National Reform Programme there is extensive attention paid to children, especially in the context of education.*
- *In Belgium the policy is focused on children and so it is likely that there will be an improvement in their situation.*

Key Findings

- *It should be recognised that poverty and social exclusion will not be reduced through labour market initiatives alone, a range of policies are required in particular a continued focus on access to quality services and adequate income.*
- *Housing has been identified as an area which requires action in some countries, funding cuts in this sector will result in a reduction of services. Without sufficient programmes or finances to address this issue, the problem appears to be one which will undermine the development of an inclusive society.*
- *While targeted social inclusion policies may be seen as a means to address fundamental inequalities in society, the reality remains that many governments have cut funding for such*

programmes. This is a challenge which needs to be addressed in the National Reform Programmes.

- *The need to ensure the implementation of comprehensive impact assessments in regard to all reforms is required.*

Role of EU Structural Funds

TO FACILITATE AND PROMOTE INTRA-EU LABOUR MOBILITY AND BETTER MATCH LABOUR SUPPLY WITH DEMAND WITH APPROPRIATE FINANCIAL SUPPORT FROM THE STRUCTURAL FUNDS, NOTABLY THE EUROPEAN SOCIAL FUND (ESF), AND TO PROMOTE A FORWARD-LOOKING AND COMPREHENSIVE LABOUR MIGRATION POLICY WHICH WOULD RESPOND IN A FLEXIBLE WAY TO THE PRIORITIES AND NEEDS OF LABOUR MARKETS (EUROPEAN COMMISSION, 2010a, PG 17).

TO TRANSFORM THE OPEN METHOD OF COORDINATION ON SOCIAL EXCLUSION AND SOCIAL PROTECTION INTO A PLATFORM FOR COOPERATION, PEER-REVIEW AND EXCHANGE OF GOOD PRACTICE, AND INTO AN INSTRUMENT TO FOSTER COMMITMENT BY PUBLIC AND PRIVATE PLAYERS TO REDUCE SOCIAL EXCLUSION, AND TAKE CONCRETE ACTION, INCLUDING THROUGH TARGETED SUPPORT FROM THE STRUCTURAL FUNDS, NOTABLY THE ESF (EUROPEAN COMMISSION, 2010a, PG 18).

Context

The structural funds are viewed as key mechanisms by which the priorities laid down in the Europe 2020 Strategy can be achieved. The discussion regarding the employment of the variety of funding instruments available should focus on the possible impact this funding can have on the Europe 2020 goals. Increasing the effectiveness and impact of EU funding through careful targeting should be a priority for Governments (European Commission, 2010).

The EU regional policy aims to reduce economic, social and territorial disparities. These differences if not addressed would be seen to undermine the EU. The regional policy aims to support integrated programmes which ensure the sustainable development of all EU regions. The regional policy supports the headline targets as laid out in the Europe 2020 Strategy. It is worth €347 billion between 2007 and 2013.

EU regional policy is financed by three main funds:

- *European Regional Development Fund*
- *European Social Fund*
- *Cohesion Fund*

These funds support several objectives for the 2007 -2013 funding period under regional policy, table 2 below outlines this in regard to both the ESF and the ERDF as is the concern of this study:

Table 2 European Social Fund and European Regional Development Fund relevance to the core objectives of the EU Regional Development Policy.

Objectives	ERDF	ESF
Convergence <i>The aim is to reduce regional disparities in Europe, through providing assistance to regions whose GDP is less than 75% of the EU. Some of the types of projects funded include: improving basic infrastructure, assisting businesses, water and waste treatment and management, increased speed of internet connection, training and job creation.</i>	Relevant	Relevant
Regional Competitiveness and Employment <i>The aim attempts to create jobs through improved competitiveness increasing attractiveness to investors and businesses. All regions not covered by the convergence objective come under this. It is intended to increase performance in more affluent regions and also encourages more balanced development through eliminating poverty and social exclusion in these regions. Some of the types of projects funded include: development of clean transport, support for research and universities, support for small businesses, training and job creation.</i>	Relevant	Relevant
European Territorial Cohesion <i>The aim attempts to ensure cooperation across borders, either countries or regions. The funding involved in this objective is not as substantial as the other two. Some of the types of projects funded include: shared management of natural resources, improving transport links, creating networks of universities and research institutes.</i>	Relevant	

Source: European Commission

The European Social Fund

The European Social Fund one of Europe's structural funds sees as one of its main aims to reduce disparities in living standards across the EU member states. It was originally set up to compensate for job losses, responding to the need for retraining in sectors of employment which were restructuring. Coupled with this, it made funds available for resettlement of workers moving to other regions in order to find new employment. However, it has moved on from this and now:

The ESF contributes to the Union's economic and social policy by improving employment and the possibilities of employment. To this effect, it supports Member States' actions in improving the adaptability of workers and enterprises, increasing access to employment, reinforcing the social inclusion of disadvantaged people, combating discrimination, increasing and improving investment in human capital and strengthening the capacity and efficiency of administrations and public services (European Commission 2007, pg 110).

The central focus of the ESF for the programming period from 2007 to 2013 is to increase the flexibility of workers, enterprises and entrepreneurs⁵. The modernisation of the labour market and a focus on the development of active labour markets and lifelong learning measures are viewed as key. Through focusing on employment, it also attempts to address poverty, disadvantage and social exclusion through addressing issues related to promoting participation. The Europe 2020 Strategy has the objectives of the ESF at its core.

The European Regional Development Fund

The role of the ERDF is to promote investment and correct the main regional imbalances of the European Union. Priority financing is aimed at research, innovation, environmental questions and risk prevention, whilst infrastructural investment continues to play an important role, notably in the least developed areas (European Commission, 2007, pg 95).

The ERDF attempts to improve cohesion, both economic and social across the European Union. It does this by addressing imbalances between regions. It provides direct aid to investments in companies (especially

⁵ *This funding refers to a range of programmes, namely, Development life long learning systems , More innovative and productive ways of working, Employment and training support for workers and companies, Modernisation of labour market institutions, Active and preventive measures to support employment, Active ageing and longer working lives, Supporting self employment and new businesses, Improving equal access to employment, Increasing migrants' participation in employment, Integrating disadvantaged people into employment, Reforming education and training systems, Promoting education and training throughout working life, Developing human potential in research and development, Partnerships, networks and initiatives, Improving institutional capacity ,Technical assistance.*

SMEs) to create sustainable jobs. It supports financial instruments such as local development funds which underpin regional and local development. As asserted already an integral aspect of this fund relates to the financing of infrastructures linked to areas such as research and innovation, environment, telecommunications.

The ERDF also pays specific attention to certain territorial characteristics. ERDF action should reduce issues relating to economic, environmental and social problems in towns. Areas deemed disadvantaged as a result of their geographical location receive special attention under this fund. This fund intervenes in three objectives of regional/cohesion policy and is worth €201bn over the course of the funding period from 2007-2013.

Country Specific Examples

Participating organisations were asked to indicate whether the priorities as identified in their National Reform Programme for European funding in particular the ESF (European Social Fund) and the ERDF (European Regional Development Fund) were conducive to achieving social inclusion.

- In Sweden it was considered that the funds are appropriately utilised in order to achieve social inclusion. Slovakia, Poland and Lithuania regarded the priorities as set out for these funds as appropriate to achieving social inclusion.*
- In Cyprus these funds have been essential in relation to supporting regional development; indeed it was considered that the country has made rapid and significant progress in regard to designing and implementing regional policies.*
- Caritas Romania believed that the priorities for the use of these funds was conducive to achieving social inclusion; however, concerns relate to the quality and coordination of some of the projects and how this undermines their possible impact.*
- In Italy there are no specifics outlined in regard to the use of these funds, traditionally Italy has had difficulties in administration and it aims to address these difficulties.*
- Both Romania and Italy identified issues in regard to the countries ability to absorb the European funds.*
- Luxembourg indicated that the funds are to be used to co finance an observatory on the labour market but there appears to be limited focus on the use of these funds for purposes which directly promote social inclusion.*
- Ireland's National Strategic Reference Framework 2007-2013, have identified three strategic priorities for the use of the EU funds, while these areas support Ireland's development they are less concerned with addressing current issues relating to poverty and social exclusion in Ireland.*

Governance

EUROPE 2020 STRATEGY EMPHASISES THE NEED FOR CO OPERATION, BY INDICATING THAT “ALL NATIONAL, REGIONAL AND LOCAL AUTHORITIES SHOULD IMPLEMENT THE PARTNERSHIP, CLOSELY ASSOCIATING PARLIAMENTS, AS WELL AS SOCIAL PARTNERS AND REPRESENTATIVES OF CIVIL SOCIETY, CONTRIBUTING TO THE ELABORATION OF NATIONAL REFORM PROGRAMMES AS WELL AS TO ITS IMPLEMENTATION. BY ESTABLISHING A PERMANENT DIALOGUE BETWEEN VARIOUS LEVELS OF GOVERNMENT, THE PRIORITIES OF THE UNION ARE BROUGHT CLOSER TO CITIZENS, STRENGTHENING THE OWNERSHIP NEEDED TO DELIVERY THE EUROPE 2020 STRATEGY” (EUROPEAN COMMISSION, 2010a, PG 29).

Context

Under the flagship initiative "An Agenda for new skills and jobs", the Commission states it will work

“To strengthen the capacity of social partners and make full use of the problem-solving potential of social dialogue at all levels (EU, national/regional, sectoral, company), and to promote strengthened cooperation between labour market institutions including the public employment services of the Member States” (European Commission, 2010, pg 18).

Under this initiative there is an onus on the member states to encourage and effectively implement social dialogue outcomes. The commission acknowledges the need to enhance the contribution of social partners and stakeholders at national and regional level (European Commission, 2010).

The 2020 strategy calls for a coordinated response. Responses to the strategy should be underpinned by a partnership approach which includes national, local and regional authorities, as well as social partners and civil society. Furthermore flagship initiatives and policies derived from the same should be delivered at regional, national and EU level; this further underscores the necessity for an inclusive approach to the development of said policies.

Stakeholder Participation

Participants were asked to comment on the participatory process in regard to the drafting of the National Reform Programme. In this regard some countries displayed very open and participatory procedures in the development of National Reform Programmes. The process was considered less positive in other countries.

- Spain indicated ongoing consultation with a variety of NGO's throughout the development process of the National Reform Programme. Cyprus, Sweden and Luxembourg also indicated good participatory structures in this regard.
- From the Irish perspective, there are questions regarding the quality of the participatory process, as the resulting document only took into account very few of the concerns/issues raised by the community and voluntary pillar.
- The UK indicated that there was no participation with NGO's in regard to the development or drafting of the National Reform Programme. The whole process took place in an extremely narrow environment which did not support the inclusion of a broad range of actors.

- *One of the central themes to emerge was that the participation of all relevant stakeholders in regard to the National Reform Programmes was not adequately sought.*
- *It is also worthy to note that in some countries where input from Caritas organisations was not invited, the organisations took initiative in this regard and sent in submissions. This indicates that these organisations recognise the importance of being active participants in the development of the National Reform Programmes.*

Consultation Time Frame

Romania, France Italy and Poland identified an issue with the length of time given to participants to appropriately assess and respond to National Reform Programmes, which in many cases was not considered sufficient. This limited time frame also impacts on the quality of participation and debate enabled in regard to National Reform Programmes and Europe 2020 Strategy in general. The lack of time could be viewed as undermining the overall process of consultation.

It was concluded by some countries that the consultation was fulfilling an obligation rather than ensuring meaningful participation.

This may be as a result of the relatively recent nature of the European semester and so it is hoped that participation and inclusion in the process will be improved in coming years.

Key Findings

- *Participatory structures in regard to the development of the National Reform Programmes need to be improved. There should be an attempt to ensure that actors from all areas including the social sector are consulted in the drafting and ongoing development of the National Reform Programmes.*
- *Adequate time should be allocated for stakeholders to respond and participate in debate in regard to the development of National Reform Programmes.*
- *The experience of the participants in this study suggests that the whole process would benefit from an approach that was more deliberative. A deliberative democratic process would see all stakeholders addressing the evidence together with the power-differentials between the stakeholders not coming into play. The evidence would be presented and discussed with a view to providing the most accurate 'reading' of the issues being addressed. This approach could cover a number of aspects including: (i) the current situation and how it came to be; (ii) the possible future that could emerge over a particular period of time (e.g. 10 years as envisaged in the Europe 2020 strategy); and (iii) pathways to move the present situation from where it is towards that future that is desired. Such a process would genuinely involve all stakeholders and consequently would be more likely to produce a more accurate reading of the present situation, more desirable views concerning the future and more viable pathways between the two.*

Recommendations

A Comment on the EU Recommendations to Member States

Participating Caritas organisations were asked to respond to the recommendations from the EU Commission in regard to their countries National Reform Programmes. Some organisations considered that the recommendations lacked detail and while accurate in their assessment further development and direction was required.

- *Several Caritas organisations were disappointed to note the EU Commission had made limited reference to the target relating to the reduction of poverty and social exclusion in their recommendations. Lithuania indicated that they were unsure as to why the Commission did not make any recommendations in relation to poverty and social exclusion in a country where the scale of this problem is huge.*
- *The Belgium response indicated that the absence of any recommendation in relation to the fight against poverty was a concerning “non message”, especially given that 2010 was the European Year for Combating Poverty and Social Exclusion.*
- *The Luxembourg response also drew attention to the fact that there is no recommendation on poverty and social exclusion, especially given that they have not set a target in this regard.*
- *Ireland indicated that the recommendations said nothing about poverty and social exclusion. Going on to highlight that the recommendations focus instead on the need for Ireland to reduce its borrowing and repay in full the banks and financial institutions, a commitment which is being fulfilled at the expense of the poorest and most vulnerable people in Irish society.*
- *The focus on fulfilment of obligations in regard to agreements made with the IMF, ECB and EU Commission were also noted in the Romanian and Portuguese response, commitments in regard to the achievement of social aspects of Europe 2020 strategy are not considered in any depth as these agreements are considered to take precedence.*
- *The UK indicated that there are not any significant challenges to the government policy, it is also noted that they do not “provide recommendations on the amelioration of the impact of public expenditure cuts on the socially excluded”.*

In other countries it was noted also that there was a focus on the economy with less focus on concerns in regard to poverty and appropriate strategies to tackle this issue. The responses in this section underscore concerns that sufficient consideration is not given to the area of poverty and social exclusion.

Country Specific Recommendations

Organisations were asked to make recommendations to their own member states in light of their analysis of the National Reform Programmes. Some of the strongest emerging themes are represented here.

Belgium

- *In relation to unemployment benefit policies, the EU recommendation advises Belgium to introduce decreasing benefits over time; the respondent suggests that this could be done by increasing benefits in the initial stages of unemployment, especially as benefits are relatively small.*
- *Tax cutting schemes for businesses are important in Belgium, currently measures mostly target multinationals.*

Bulgaria

- *Need to make in-depth assessments prior to planning measures and reforms.*
- *Research is required into both the dimensions of poverty in Bulgaria and also the position of people with disabilities, this will assist in addressing both of these issues in a comprehensive manner.*
- *Ensure that the process in regard to the development of the National Reform Programme is more participatory and open, strengthening co-ordination and co-operation between all stakeholders.*
- *Improve the business environment.*

Cyprus

- *Address the issue of labour market segmentation to facilitate entry and mobility in regard to low income earners.*
- *Attention should be paid to rural development and also the development of deprived urban areas.*
- *Modernise social security systems so that they provide incentives to work, but at the same time ensure adequate income support. Pension reforms are required to address the issues of adequacy and sustainability in order to address poverty among older people.*

France

- *The state needs to fulfil its obligations in terms of housing and address this pressing issue.*
- *Measures to help young people experiencing particular difficulties in schools should be implemented across the whole country.*
- *Social benefits need to be raised.*
- *Greater coordination is required in regard to the inclusion of all stakeholders and organisations in addressing issues of poverty and exclusion.*
- *Better data and research is required in regard to people who experience poverty and social exclusion.*
- *Migrant issues require urgent attention, increasing their rights and access to quality services in the areas of, for example, housing and healthcare.*

Germany

- *Measures designed to further the inclusion of the socially excluded and the long-term unemployed with additional problems should be implemented.*

- *Implement a broader stakeholder involvement in the process of drafting the National Reform Programme.*

Italy

- *Introduce a minimum income measure.*
- *A general reform of the welfare system is required in order to overcome fragmentation in regard to measures for social protection.*
- *Housing issues need to be addressed.*
- *Education should be protected and funds to this area should not be reduced.*
- *Policies aimed at assisting women in entering and remaining in the workforce should be implemented, such as childcare services.*

Ireland

- *Create a completely new more ambitious headline target on poverty.*
- *Create a sub target on long term unemployment of 1.3% of the labour force.*
- *Create a sub target for adult literacy (reducing the proportion of people aged 16-64 with restricted literacy to 5% by 2016 and 3% by 2020).*
- *Recognise all forms of work besides paid employment.*
- *Move towards a basic income system.*
- *Engage all stakeholders in sharing responsibility for the National Reform Programme from the beginning to the end of the process, in a forum where decisions are based on evidence not on power.*

Lithuania

- *State should address social problems more comprehensively and not just concentrate on economic growth.*
- *New and more effective programmes to address poverty and social exclusion should be implemented, including all stakeholders in particular the NGO sector.*

Luxembourg

- *Move towards a system of free child care and secure quality of childcare.*
- *Reform the minimum income system.*
- *Introduce a housing benefit and strengthen the “agence immobilière sociale”.*
- *Increase the “allocation de vie chère”.*
- *Increase the scope of service checks on the elderly.*
- *Promote and initiate a federation of the social offices.*

Poland

- *The issue of poverty and social exclusion should not be framed only from the perspective of the labour market. More in-depth consideration needs to be given to the issues of poverty and social exclusion.*

- *The quality and security of jobs should be addressed in order to alleviate issues associated with this problem, such as in-work poverty.*
- *The process of consultation and participation in the development of the National Reform Programme should be improved with stakeholders from outside the government other than the traditional Trade Unions and Employers Representatives. The time scheduled for consultation and response should not be so limited.*

Portugal

- *In Portugal the memorandum of understanding is hindering any commitments in regard to the implementation of policies which can attain the goals of the Europe 2020 Strategy.*

Romania

- *To ensure that social inclusion objectives underpin all aspects of the 2020 Strategy.*
- *To design social inclusion policies for the purpose of real social inclusion.*

Spain

- *In regard to social services and social protection, spending in this area should be increased in line with the EU average; attention should be paid to the articulation of a global minimum income guarantee and access to a system of social services across the whole territory.*
- *Housing should be addressed through a range of reforms in relation to private and social housing. Furthermore, accommodation and services to the homeless need to be improved, increased and appropriately coordinated.*
- *In relation to employment, attention needs to be paid to groups excluded from the labour market including women, migrants and young people. Promote inclusive labour markets where work is seen as a right to be exercised by all citizens.*
- *Eradicate vulnerabilities associated with administrative irregularity in regard to migrants. Combat trafficking and improve the situation in regard to integration of unaccompanied minors.*
- *Action should be taken to improve the position of the NGO sector.*

Slovakia

- *To include sub indicators within the overall targets as established in the National Reform Programme.*
- *Ensure that the process of developing and drafting the National Reform Programme includes a variety of actors/stakeholders with expertise in areas relating to the social aspects in order to ensure that these areas are given sufficient attention.*

UK

- *Recommendations relate to the Welfare Reform Bill 2011 and the risks these reforms present to several vulnerable categories of people:*
 - *In regard to homelessness, the government should provide adequate ring fenced and immediately accessible accommodation for those forced into homelessness, as well as working with landlords to take practical action to ensure sustainable levels of available housing. Assurances are needed that welfare changes will be evidence based, measured and gradual.*

- *Action is necessary also in order to ensure the protection of people with disabilities; the governments should ensure necessary safety nets for those who will face reductions in financial support, while concurrently working with people with disabilities to gain employment through addressing barriers and in particular addressing the failings of the Work Capability Assessment.*
- *Full consideration should be given to the potential negative impact of this bill on people with mental health difficulties.*
- *The importance of family stability and local support networks should be considered and measures should be taken to prevent disruption to family life.*

Final Recommendations

Recommendation 1

The issue of poverty and social exclusion and the policies to address it should be framed in an integrated manner to include economic and social dimensions. More is required than a focus that approaches these issues from an almost exclusively labour market perspective.

Recommendation 2

National Reform Programmes should be framed in a manner which recognises the interdependence of economic development, social development and environmental development.

Recommendation 3

All National Reform Programmes should ensure that all areas of active inclusion are addressed. This is particularly true in this context of strategies aimed at achieving an adequate minimum income and quality services for all.

Recommendation 4

There is a need for more participation in terms of framing and developing the National Reform Programmes. There should be a requirement to include and engage all stakeholders. Coupled with this, member states should be compelled to ensure sufficient time is given to stakeholders to respond to and input into National Reform Programmes in a real and meaningful manner. There is also a need for member states to be encouraged to increase public debate in regard to the development of National Reform Programmes. In practice, a more deliberative approach is required where the evidence is addressed by all stakeholders with the power differentials between these stakeholders removed.

Recommendation 5

A more comprehensive approach to monitoring the National Reform Programmes is required. There is a need for the EU to further ensure that adequate impact assessments are implemented to safeguard people who are at risk of poverty and social exclusion from further marginalisation by the implementation of reforms.

Recommendation 6

The EU should address all areas of the National Reform Programmes, giving equal importance to all headline targets. In particular the EU should ensure that poverty and social exclusion are addressed by all member states appropriately.

List of Participating Organisations

- *Caritas in Sweden*
- *Caritas Slovakia*
- *Caritas Social Action Network, UK*
- *Caritas Germany*
- *Caritas Italy*
- *Social Justice Ireland*
- *Caritas Poland*
- *Cáritas Portugal*
- *Caritas Lithuania*
- *Caritas Bulgaria*
- *Caritas Luxembourg*
- *Caritas in Belgium*
- *Secours Catholique – Caritas France*
- *Caritas Cyprus*
- *Cáritas Española*
- *Caritas Romania*

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