

## ANNEX

### EAPN's BRIEFING on the EUROPE 2020 STRATEGY

#### THEMATIC FICHES

MAY 2011

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## FICHE #1 - THE POVERTY HEADLINE TARGET

### WHAT IT IS

→ The 'poverty headline target is that 'at least 20 million people should be lifted out of risk of poverty'.

→ An indicator monitors progress towards this objective, which is a **combination of three indicators**:

- 1) Persons at risk of poverty after social transfers
- 2) Severely materially deprived persons.
- 3) Persons living in households with very low work intensity

→ These indicators are part of the indicators agreed at EU level and measured annually across all Member States through EUROSTAT.

They are officially defined as follows:

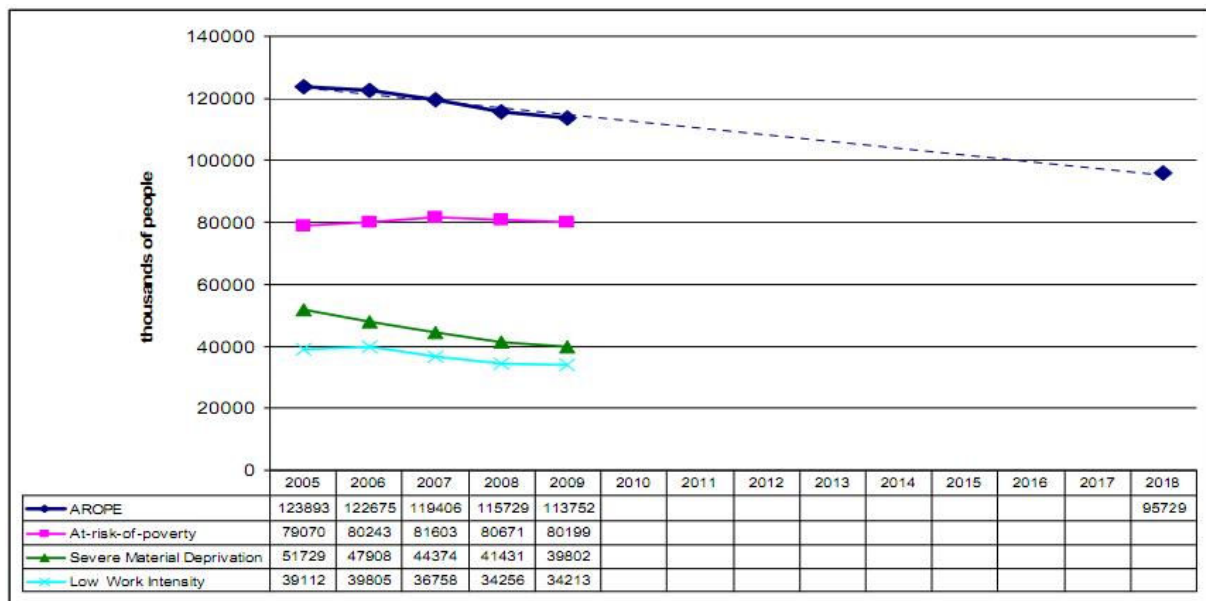
- 1) **Persons at risk of poverty** after social transfer are persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers). It is a relative measure of poverty, linked to income distribution, which takes account of all sources of monetary income including market income and social transfers. It reflects the role of work and social protection in preventing and alleviating poverty. In 2008 17% of the EU population was concerned.
- 2) **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. The material deprivation rate is a non monetary measure of poverty which also reflects different levels of prosperity and living standards across the EU since it is based on a single European threshold. The indicator used by the Social Open Method of Coordination, is based on the lack of 3 of the above 9 factors. The indicator agreed by the Council increased this to 4, and thus also reduces the number of people who are considered to be "seriously" materially deprived, (4 out of 9) as opposed to only materially deprived (3 out of 9). In 2009 8, 1 % of EU population were severely materially deprived.
- 3) Persons living in households with very low work intensity are people aged 0-59 living in households where the adults work less than 20% of their total work potential during the past year.

→ The considered starting aggregate that is supposed to be reduced by 20 million is the number of people in one of these 3 situations (i.e. 116 millions people).

The graph below presents the evolution in the last years of the EU headline target and its three components: at-risk-of-poverty, severe material deprivation and people living in households with very low work intensity for the EU 27. Over the last years, the number of people at-risk-of-

poverty increased. At the same time the number of people facing severe material deprivation and the number of people living in households with very low work intensity decreased, as well as, by way of consequence, the aggregate indicator.

*Social Protection Committee assessment of the social dimension of the Europe 2020 Strategy, Report, 10 February 2011* (<http://register.consilium.europa.eu/pdf/en/11/st06/st06624-ad01.en11.pdf>)



→ Member States must translate this EU target into their own national target, using one or all of these three indicators, which is supposed to contribute together to the EU target.

## EAPN APPROACH AND POSITIONS

EAPN lobbied for the adoption of a headline target against poverty primarily based on the accepted EU indicator for relative poverty (60% of the median disposable income in each MS). We argued that the at risk-of-poverty rate is the reference indicator at EU level, endorsed by the EU Council in 2001 and used as the main headline indicator for more than 10 years in various processes notably in the social OMC, that it is robust and reliable as a comparative indicator across the EU. It also measures poverty in relative terms, reflecting inequalities and people's chances to participate in the society in which they live.

See **"Why the EU should support the proposed target to reduce relative poverty by 25% by 2020? EAPN"**, internal document, March 2011:

<http://www.eapn.eu/images/stories/docs/SIWG/arguments-for-the-relative-poverty-target-120410.pdf>

See also EAPN background briefing on measuring poverty, exclusion and inequality and poverty explainer, explaining the new target and indicators.

The reality is that the adoption of this indicator by the Council has been particularly difficult, as many Member States were unhappy with the sole focus on relative poverty and in the end it was a compromise reached in the Council based on the three indicators presented above.

Still, the adoption of this headline target related to the fight against poverty and social exclusion among the five headline targets of the EU2020 Strategy has been welcomed by EAPN as a huge victory, made possible only because of the enormous efforts of the Social Inclusion Unit of the European Commission, the backing of more senior members in the Commission and the Council (Barroso and Van Rompuy), members of the Social Protection Committee with the support of the Spanish and Belgian presidency, as well as the vocal campaign by EAPN and other social NGOs, the Social Platform and the Spring Alliance.

See EAPN press release: EAPN welcomes historic target to reduce poverty and inequality - but how will it be delivered?, 4 March 2010:

([http://www.eapn.org/index.php?option=com\\_content&view=article&id=1521:press-release-eapn-welcomes-historic-target-to-reduce-poverty-and-inequality-but-how-will-it-be-delivered&catid=7:press-releases&Itemid=100002&lang=en](http://www.eapn.org/index.php?option=com_content&view=article&id=1521:press-release-eapn-welcomes-historic-target-to-reduce-poverty-and-inequality-but-how-will-it-be-delivered&catid=7:press-releases&Itemid=100002&lang=en))

However for many EAPN members the poverty target is not sufficiently ambitious and the indicators chosen are highly controversial, with the risk of lowering visibility on relative poverty and material deprivation. The room for manoeuvre left to Member States runs the risk that some of them will focus on the people most easily helped (creaming), leaving the poorest and most vulnerable further out, or on driving vulnerable people into poverty jobs.

EAPN insist on the need to keep a particular focus on monitoring the people at risk of poverty and material deprivation rate.

## FICHE #2 - THE NEW EU INTEGRATED GUIDELINES

### WHAT IT IS

#### Key points

10 new integrated economic and employment guidelines replace the previous 24 Integrated Guidelines of the Lisbon Strategy. They serve as a framework for the coordination of key policies in a number of areas, including the fight against poverty.

- **Guideline 10 promotes social inclusion and combating poverty.**
- Guideline 8 promotes Jobs quality
- **Guidelines 8 and 9 promote life-long-learning** as well as the performance of training and education systems.
- Some of the recitals in the Council decision are of particular importance for EAPN, in particular:
  - **Recital 2** → including meaningful references to the Treaty
  - **Recital 15** → role of Structural Funds
  - **Recital 16** → explicit recognition of partnership with civil society in NRP (orig 14)
  - **Recital 19** → role of the Social Protection Committee and the Employment Committee based on the Open Method of Coordination in the fields of Employment and Social protection and social Coordination.

#### TEXT IN FULL

##### ***THE 10 GUIDELINES***

***“Broad guidelines for the economic policies of the Member States and of the Union*** (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32010H0410:EN:NOT>) *Guideline 1: Ensuring the quality and the sustainability of public finances*

*Guideline 2: Addressing macroeconomic imbalances*

*Guideline 3: Reducing imbalances in the euro area*

*Guideline 4: Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy*

*Guideline 5: Improving resource efficiency and reducing greenhouse gases*

*Guideline 6: Improving the business and consumer environment and modernizing the industrial base*

Source: Council Recommendation (13 July 2010),

(<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32010H0410:EN:NOT>)

***Guidelines for the employment policies of the Member States*** (<http://eur-lex.europa.eu/Notice.do?val=534997:cs&lang=en&list=534997:cs,&pos=1&page=1&nbl=1&pgs=10&hwords=2010/707/EU>)

*Guideline 7: Increasing labour market participation and reducing structural unemployment*

*Guideline 8: Developing a skilled workforce responding to labour market needs, **promoting job quality** and lifelong learning*

*Guideline 9: Improving the **performance of education and training systems** at all levels and increasing participation in tertiary education*

*Guideline 10: **Promoting social inclusion and combating poverty**, clearly supporting income security for vulnerable groups, social economy, social innovation, gender equality, and refers to the poverty headline target.”*

Source: Council decision (21 October 2010),

([http://eur-](http://eur-lex.europa.eu/Notice.do?val=534997:cs&lang=en&list=534997:cs,&pos=1&page=1&nbl=1&pgs=10&hwords=2010/707/EU)

[lex.europa.eu/Notice.do?val=534997:cs&lang=en&list=534997:cs,&pos=1&page=1&nbl=1&pgs=10&hwords=2010/707/EU](http://eur-lex.europa.eu/Notice.do?val=534997:cs&lang=en&list=534997:cs,&pos=1&page=1&nbl=1&pgs=10&hwords=2010/707/EU))

### **THE GUIDELINE 10: to promote social inclusion and combat poverty**

*“The extension of employment opportunities is an essential aspect of Member States’ integrated strategies to prevent and reduce poverty and to promote full participation in society and economy. Appropriate use of the European Social Fund and other EU funds should be made to that end. Efforts should concentrate on ensuring equal opportunities, including through access for all to high quality, affordable, and sustainable services, in particular in the social field. Public services (including online services, in line with guideline 4) play an important role in this respect. Member States should put in place effective anti-discrimination measures. Empowering people and promoting labour market participation for those furthest away from the labour market while preventing in-work poverty will help fight social exclusion. This would require enhancing social protection systems, lifelong learning and comprehensive active inclusion policies to create opportunities at different stages of people’s lives and shield them from the risk of exclusion, with special attention to women. Social protection systems, including pensions and access to healthcare, should be modernised and fully deployed to ensure adequate income support and services — thus providing social cohesion — whilst remaining financially sustainable and encouraging participation in society and in the labour market.*

***Benefit systems should focus on ensuring income security during transitions and reducing poverty, in particular among groups most at risk from social exclusion, such as one-parent families, minorities including the Roma, people with disabilities, children and young people, elderly women and men, legal migrants and the homeless. Member States should also actively promote the social economy and social innovation in support of the most vulnerable. All measures should also aim at promoting gender equality.***

*The **EU headline target**, on the basis of which Member States will set their national targets, taking into account their relative starting conditions and national circumstances, will aim at promoting social inclusion, in particular through the reduction of poverty by aiming to lift at least 20 million people out of the risk of poverty and exclusion.”*

**Recital (2) of the Council decision of the 20 October 2010 makes meaningful references to the Treaties**

*“The TEU stipulates in Article 3(3) that the Union shall aim at full employment and shall combat social exclusion and discrimination, and shall promote social justice and protection and provides for the Union’s initiatives to ensure coordination of Member States’ social policies. Article 8 of the TFEU stipulates that in all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women. Article 9 thereof provides that in defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education and training.”*

**Recital 12 of the Council decision of the 20 October 2010 insists on gender equality on the labour market**

*“Increased labour market participation by women is a precondition for boosting growth and for tackling the demographic challenges. A visible gender equality perspective, integrated into all relevant policy areas, is therefore crucial for the implementation of all aspects of the guidelines in the Member States. Conditions should be created to support the supply of adequate, affordable, high-quality childcare services for pre-school age children. The principle of equal pay for male and female workers for equal work or work of equal value should be applied.”*

**Recital 15 of the Council decision of the 20 October 2010 specifies the role of Structural Funds**

*“Cohesion policy and its structural funds are amongst a number of important delivery mechanisms to achieve the priorities of smart, sustainable and inclusive growth in Member States and regions. In its conclusions of 17 June 2010, the European Council stressed the importance of promoting economic, social and territorial cohesion in order to contribute to the success of the new Europe 2020 strategy.”*

**Recital 16 of the Council decision of the 20 October 2010 gives an explicit recognition of partnership with civil society in NRP (orig 14)**

*“When designing and implementing their National Reform Programmes taking account of these guidelines, Member States should ensure effective governance of employment policy. While these guidelines are addressed to Member States, the Europe 2020 strategy should, as appropriate, be implemented, monitored and evaluated in partnership with all national, regional and local authorities, closely associating parliaments, as well as social partners and representatives of civil society, who shall contribute to the elaboration of National Reform Programmes, to their implementation and to the overall communication on the strategy.”*

**Recital 19** of the Council decision of the 20 October 2010 specifies the role of the Social Protection Committee and the Employment Committee based on the Open Method of Coordination in the fields of Employment and Social protection and social Coordination.

*“The Employment Committee and the Social Protection Committee should monitor progress in relation to the employment and social aspects of the employment guidelines, in line with their respective Treaty-based mandates. This should in particular build on the activities of the open method of coordination in the fields of employment and of social protection and social inclusion. In addition the Employment Committee should maintain close contact with other relevant Council preparatory instances, including in the field of education.”*

## EAPN APPROACH AND POSITIONS

### Detailed proposal at the time of the shaping of the guidelines

EAPN developed specific lobbying around the shaping of the guidelines in 2010, with the publication of EAPN Proposals in April and of amendments in May (<http://www.eapn.eu/images/docs/integrated-guidelines-eapn-arguments-2010-04-16-en.pdf>).

We made clear that **we wanted**:

- 1) **A cross-cutting Social Guideline and social impact** mechanisms to ensure that the whole strategy delivers on social inclusion and poverty, to reflect the new social articles in the Treaty and Charter of Fundamental Rights.
- 2) **A specific Social Guideline** which delivers on poverty, separate from the Employment Guidelines.
- 3) **Economic Guidelines** that promote social inclusion and do not contradict the social objective.
- 4) **Employment Guidelines** that support quality jobs, fight discrimination and promote access to decent jobs for all, through integrated active inclusion approaches.
- 5) A **specific cross-cutting Governance and Participation Guideline** to ensure structured dialogue with all key stakeholders including civil society and people in poverty.

### Reaction to the guidelines adopted

When the final version was issued, EAPN welcomed the inclusion of a guideline on ‘promoting social inclusion and combating poverty’ as one of the 10 Guidelines for the Europe 2020 strategy, though underlining that *“the inclusion of the guideline under the employment guidelines and the failure to mainstream social and sustainable objectives across all the Guidelines raises serious concerns that poverty and social inclusion **will remain at the margins of EU cooperation.**”* See EAPN reaction to the guidelines ([http://www.eapn.eu/index.php?option=com\\_content&view=article&id=1654:press-release-actions-to-combat-poverty-and-to-foster-social-inclusion-risk-remaining-at-the-margins-of-eu-cooperation&catid=7&Itemid=100002&lang=en](http://www.eapn.eu/index.php?option=com_content&view=article&id=1654:press-release-actions-to-combat-poverty-and-to-foster-social-inclusion-risk-remaining-at-the-margins-of-eu-cooperation&catid=7&Itemid=100002&lang=en)).



## FICHE #3 - THE EUROPEAN PLATFORM AGAINST POVERTY

### WHAT IS IT?

A Commission Communication issued on the 16/12/2010 entitled "A European framework for social and territorial cohesion" aims at ensuring "*that the benefits of growth and jobs are widely shared across the European Union and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.*"

(<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0758:FIN:EN:PDF>)

#### It contains 5 areas of action...

- 1) Delivering actions across the policy spectrum.
- 2) Greater and more effective use of the EU funds to support social inclusion.
- 3) Promoting evidence-based social innovation.
- 4) Working in partnership and harnessing the potential of social economy.
- 5) Enhanced policy coordination among Member States.

.. and 14 actions points including the following:

#### → Governance and participation

- Regular exchanges and Partnerships between a wider set of stakeholders in specific priority areas under PROGRESS
- Elaboration of voluntary guidelines on stakeholders' involvement
- A Commission Report on how to best adapt the working methods of the Social Open Method of Coordination to the new governance of Europe 2020 (2011).
- The transformation of the Annual Round Table on Poverty and Exclusion into a wider Annual Convention of the European Platform designed to bring together all relevant actors.
- An initiative to pool a range of European funds to promote evidence-based social innovation
- A "Social Business Initiative" aimed at supporting the development of the social economy as a tool for active inclusion (2011)

#### → Role of Structural Funds

- The ESF should be supporting Europe 2020 objective including the Poverty Target
- Necessary financial resources devoted to social inclusion and the poverty reduction with predictable funding volumes
- The simplified access and delivery for the ESF for small NGOs through an easier access to global grants ("tailor-made grant schemes") and an improved access to funds for groups with multiple disadvantages and at high risk of poverty.
- The identification by Member States of groups at risk of discrimination aiming at dedicating specific funding for actions in this field.
- A new regulatory framework for the period post-2013 which will simplify access to the structural funds for local groups and ensure greater complementarities and synergies

between EU funds to promote community-based approaches, including for urban regeneration and local development.

- A proposal in the framework of the Common Strategic Framework (CSF) of an enhanced coherence and complementarities between the ERDF, the ESF, the European Agricultural Fund for Rural Development and the European Fisheries Fund.

#### → Specific areas and groups

- A Communication on **Active Inclusion** – “assessing the implementation of the strategy at national level – including the effectiveness of minimum income schemes” (2012)
- A legislative initiative to ensure access to certain basic **banking services** (2011)
- A Recommendation on **Child Poverty** (2012)
- A new **European Agenda on Integration of third country nationals**(2011)
- An EU Framework for National **Roma** Integration Strategies (2011)
- Follow up on the consensus conference on **homelessness** of December 2010

The implementation of this Platform will be reviewed in 2014 and adapted to the new Multiannual Financial Framework.

## EAPN APPROACH AND POSITIONS

EAPN developed detailed proposals on the proposed European Platform against Poverty in July 2010 and lobbied during the autumn of 2010 to get its positions taken on board. In general, EAPN welcomes the Commission’s proposals for the Platform, which have picked up many of EAPN’s own proposals ([http://www.eapn.org/index.php?option=com\\_content&view=article&id=2168:eapn-first-response-to-the-european-flagship-platform-against-poverty&catid=46&Itemid=77&lang=en](http://www.eapn.org/index.php?option=com_content&view=article&id=2168:eapn-first-response-to-the-european-flagship-platform-against-poverty&catid=46&Itemid=77&lang=en)).

We welcome specifically the recognition...

- That poverty is *“unacceptable in 21<sup>st</sup> century Europe”*.
- That NGOs play a crucial role as essential actors is recognized, as well as the *“participation of people experiencing poverty”* as a *“paramount objective of inclusion policies”*.
- Of the *“added value of the Social OMC”* and the commitment to follow-up on key priorities.

However we still share concerns and make recommendations on the following points (see the detailed response: *“EAPN first response to the European Flagship Platform against Poverty and Social Exclusion”*, January 2011,

[http://www.eapn.eu/index.php?option=com\\_content&view=article&id=2168:eapn-first-response-to-the-european-flagship-platform-against-poverty&catid=42:eapn-position-papers-and-reports&Itemid=82&lang=en](http://www.eapn.eu/index.php?option=com_content&view=article&id=2168:eapn-first-response-to-the-european-flagship-platform-against-poverty&catid=42:eapn-position-papers-and-reports&Itemid=82&lang=en)).

→ Need to tackle **inequality and discrimination**

→ Need to embed **a rights’ based approach** that implements the Charter of Fundamental Rights and the Horizontal Social Clauses

→ Need for more concrete actions to implement social rights that can lead to a real improvement in the lives of people experiencing poverty (notably a road map for implementing the **Active Inclusion strategy** and **Adequate Minimum Income Guarantee** at least above the poverty threshold)

→ Need for a strategy to combat in-work poverty and ensure access to **quality, sustainable employment**, preventing social dumping and strengthening social protection systems for those who cannot work.

→ **Put people experiencing poverty and the NGOs that support them at the heart of the Platform, at national and EU level.** Provide strong backing for the **Social OMC**.

→ Innovative solutions should also not replace effective solutions that work.

→ Give priority to **building a more socially responsible economy** (support Social Economy based on a clearer definition, new community services as well as Work Integration Social Enterprises (WISE) .

→ Make **targeting of EU financing on poverty and social exclusion** a binding priority

EAPN has contributed actively to the key institutional opinions on the Flagship Platform against Poverty:

- 1) **Committee of the Regions Opinion** – agreed on 1<sup>st</sup> April 2011. EAPN met and worked together with the rapporteur – Christine Chapman (Welsh National Assembly/UK) before the development of the first draft. This very good opinion gives strong support to EAPN positions, particularly on need to challenge inequality, follow up on active inclusion and emphasizing the role of the OMC and need for better participation and governance. It backs a framework directive on minimum income.
- 2) **EESC opinion**. EAPN was contracted as the expert to support the development of the opinion with the rapporteur – Maureen O’Neill (UK) – to be adopted at the end of May 2011.
- 3) **EP opinion** – rapporteur: Frederic Daerdens. EAPN is working with the rapporteur before the development of the first draft.

Draft Timetable	
(send text to the Secretariat )	24 May
Send text to TO/Translation	<b>26 May 2011</b>
Debate in Committee	15/16 June 2011
Deadline AMs	23 June 2011, noon
Consideration of amendments	13/14 July 2011
Adoption EMPL	8 or 19 September 2011
Plenary	October II 2011

## **A key issue is the fate of the Social OMC and the governance process**

The Flagship Platform only proposes a dialogue and report on what will happen to the Social OMC (and national reports) by the end of 2011.

However, the SPC has decided to take the initiative on the issue and set up an **'ad-hoc group on the Social OMC'** in February 2011, chaired by Marie Keirle (French SPC member). The adhoc group met several times, and received expert input from OSE. It then met with stakeholders in April, including EAPN. A discussion paper was finalized regarding the adaptation of the OMC to the EU 2020 Strategy to the SPC in May 2011. The opinion was agreed and will go to the June EPSCO Council.

The main proposals include agreement to reinvigorate the Social OMC as the visible face of Social Europe, confirming the Common Objectives (2006) and its key role in coordinating Member States policy in the three pillars (social inclusion, pensions, health and long-term care). Separate national reporting on national strategies for social protection and social exclusion (although lighter) was considered essential to enable a fuller, and more comprehensive input to the National Reform Programmes, as well as confirmation of a stronger and more strategic role for mutual learning, peer reviews and analytic work. The key role of stakeholders was confirmed, including NGOs as active partners.

It is chaired by Marie Keirle from the French Government.

EAPN with the Social Inclusion Working Group has lobbied strongly for the retention of a stronger Social OMC during 2010 and worked together with the Adhoc group, including preparing a specific input (EAPN input on the role of the OMC in the context of the Europe 2020 strategy, April 2011, [http://www.eapn.eu/index.php?option=com\\_content&view=article&id=2468:the-role-of-the-social-omc-in-the-context-of-europe-2020-eapns-input&catid=46&Itemid=77&lang=en](http://www.eapn.eu/index.php?option=com_content&view=article&id=2468:the-role-of-the-social-omc-in-the-context-of-europe-2020-eapns-input&catid=46&Itemid=77&lang=en)) and responding to the questionnaire, as well as follow up lobbying from national members, with the following key messages:

- Keep a distinct EU strategy for social protection and social inclusion (SP&SI), confirming the agreed Common Objectives (2006) and full set of OMC indicators.
- Develop multi-annual National Strategies and National Action Plans, linked to the national policy cycle.
- Embed regular stakeholder engagement including people experiencing poverty and social NGOs at national and EU level.
- Follow up on the thematic approach with multiannual programmes and Joint SPC/EPAP Task Forces engaging national and EU NGOs and other stakeholders.
- Ensure regular Joint Assessments by the Commission and the Council.

EAPN welcomes the SPC report, which generally picks up on all EAPN main points and is now keen to see how the new Social OMC will be linked to the rest of the work of the European Platform against Poverty.

## FICHE #4 - THE AGENDA FOR NEW SKILLS AND JOBS INITIATIVE

### WHAT IT IS?

In December 2008, the European Commission released its New Skills for New Jobs communication, providing a first assessment of labour market and skills needs up to 2020, as well as a mapping of existing anticipation instruments at national and European level. On November 23rd, 2010, the European Commission launched the An Agenda for new Skills and Jobs: A European Contribution towards Full Employment, as one of the seven Flagship Initiatives, designed to support, particularly, the achievement of the Employment target. Unlike the original New Skills for New Jobs Communication, the Flagship Initiative is much broader. Skills upgrading and matching with demand needs represent only one of the 4 pillars of the proposal, the other three dealing with flexicurity on the labour market, job creation, and the improvement of working conditions. There are clear links between this Flagship Initiatives and at least two others, namely Youth on the Move and the European Platform against Poverty. These should be mutually reinforcing and complementary, to ensure mainstreaming of the social dimension across Europe 2020, and that all policy and flagship initiatives contribute to the overarching goal of reducing poverty and social exclusion.

### MAIN ELEMENTS

#### A new momentum for flexicurity: reducing segmentation and supporting transitions

- 1) (...) Building on the EU Common Principles of Flexicurity, the priorities proposed in this Flagship initiative set out the terms of **a comprehensive debate on strengthening the four components of flexicurity** (e.g. on the single contract or the reform of benefits systems). These priorities could be debated in early 2011 at a **Stakeholder Conference on Flexicurity**, organised by the Commission with Member States, the European Parliament and social partners. The consensus on flexicurity as a key contribution to the Europe 2020 employment target should be consolidated in a **Communication** on a new momentum for Flexicurity in the first half of 2012.
- 2) (...) Drawing on progress achieved in the Copenhagen process, the Commission will present in 2011: a Communication on **the implementation of lifelong learning strategies and competence development**; a **European policy handbook** setting out a framework for lifelong learning implementation; and a renewed **action plan for adult learning**.
- 3) To enhance the social partners' participation and ownership of the New Skills and Jobs Agenda at EU level, the Commission proposes to hold as of 2011 a **Tripartite Social Forum**. The Forum would discuss the implementation of the Agenda and flexicurity policies in particular, ahead of the Tripartite Social Summit that precedes the Spring Council within the European Semester.

### **Equipping people with the right skills for employment**

- 4) As of 2012, produce an **EU skills Panorama** to improve transparency for jobseekers, workers, companies and/or public institutions, providing online updated forecasting of skills supply and labour market needs up to 2020.
- 5) By 2012, complete in all European languages the **European Skills, Competences and Occupations classification (ESCO)**, as a shared interface between the worlds of employment, education and training.
- 6) In 2012, consider the possibility of presenting proposals to help **reform the systems for the recognition of professional qualifications**, on the basis of the evaluation of the Professional Qualification Directive.
- 7) In 2011, launch a **New Agenda for Integration** of third country nationals, to provide improved structures and tools to facilitate the exchange of knowledge, and the mainstreaming of integration priorities of the Member States in all relevant policy areas.
- 8) In 2012, consider the possibility of presenting proposals to help improve **the enforcement of rights of EU migrant workers** in relation to the principle of free movement of workers.

### **Improving the quality of work and working conditions**

- 9) In 2011, review **the Working Time Directive**, and make a legislative proposal aiming at improving the implementation of the **posting of workers directive**. Wherever appropriate, the Commission will initiate action to **amend, clarify or simplify existing employment-related legislation**, if justified by an impact assessment, and after consulting EU social partners.
- 10) In 2011, undertake **the final evaluation of the EU Strategy 2007-2012 on Health and Safety at Work**, and on this basis propose in 2012 **a follow-up Strategy for the period 2013-2020**.
- 11) In 2012, **review the effectiveness of EU legislation in the area of information and consultation of workers**, as well as **EU directives on part-time work and fixed-term contracts and their impact on female participation in employment and the equal pay**; working with social partners and respecting the autonomy of the social dialogue.
- 12) By 2014, conduct **a comprehensive review of health and safety legislation** in partnership with Member States and the European social partners, in the framework of the Advisory Committee on Safety and Health at Work.

### **Supporting Job creation**

- 13) In 2011, the Commission will propose **guiding principles to promote enabling conditions for job creation**. These will include ways to: i) address administrative and legal obstacles to hiring and firing, to creating new businesses and to self-employment; ii) reduce non-wage labour costs; iii) move from informal or undeclared work to regular employment.

## EAPN APPROACH AND POSITIONS

EAPN is pleased that a number of concerns are picked up by the document, such as the **role of increased social protection and benefits in alleviating poverty**, more emphasis on **job creation** and the demand side, new impetus for **quality of work**, explicit mentioning of **supported pathways to the labour market**, increasing **security** and not just flexibility, support for **lifelong learning**, inside and outside the labour market, focus on **migrants and ethnic minorities** including the Roma, and acknowledgement of the **importance of care, health and other social services**. These are issues that EAPN has been steadily upholding for the past years, and is glad to see them integrated. Likewise, EAPN welcomes the mentioning of **NGOs amongst stakeholders**, as well as the clear references to the **targets use of Structural Funds for key vulnerable groups**.

Despite these significant steps forward, a number of missed opportunities indicate that employment is still seen primarily as a tool to growth. **No social impact assessment is foreseen for employment measures**, and there is little evidence of the Commission exploring a **positive interplay between the employment and the poverty target**, in order to foster more social cohesion and inclusive growth. Also, there is little evidence of **mainstreaming the Active Inclusion strategy** in the document, despite its high relevance for providing people with security and dignity, whether inside or outside of the labour market. The concept of **job quality** is, sadly, restricted to health and safety at work, without taking into account crucial elements, such as **wages** and **security of contracts**. Regarding **skills provision**, more efforts need to ensure that all groups benefit from access to **affordable, high-quality education**, as well as that the austerity packages do not endanger these efforts. Finally, the **direct involvement of people experiencing poverty, the unemployed and their organisations** could be much strengthened by providing a framework for dialogue. EAPN also calls for a substantial amount of **Structural Funds, 20%, to be used to achieve the poverty target**, through combating in-work poverty and supporting pathways to inclusion, as well as by backing comprehensive Active Inclusion approaches.

See EAPN Response to the Flagship Initiative *An Agenda for New Skills and Jobs*, (<http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/eapn-draft-response-to-the-agenda-for-new-skills-and-jobs-FINAL-en.pdf>).

**Note: *The Agenda for New Skills and Jobs* will be assessed in an European Parliament Report, drafted by Regina Bastos MEP (EPP; PT), planned for adoption in October 2011.**

Draft report to be sent to translation by	20 April 2011
Consideration of draft report	24-25 May 2011
Deadline for amendments	<i>7 June 2011, at 12.00</i>
Consideration of amendments	12 July 2011
Adoption EMPL	19 September 2011
Plenary (estimate)	October II

## FICHE #5 - THE YOUTH ON THE MOVE INITIATIVE

### WHAT IS IT?

The Youth on the Move ([http://ec.europa.eu/education/yom/com\\_en.pdf](http://ec.europa.eu/education/yom/com_en.pdf)) Initiative aims at increasing the chances of young people, who have been hit particularly hard by the recent social and economic crisis, of finding a job by enhancing student and trainee mobility and improving the quality and attractiveness of education and training in Europe.

**Main actions which could have an impact on employment, poverty and social exclusion include the following:**

#### **Proposed actions at European level (documents):**

- Council recommendation on tackling early school-leaving (2010)
- Council recommendation on validation of non-formal and informal learning (2011)
- Council recommendation aimed at removing obstacles to mobility
- EC Communication on supporting lifelong learning (2010)

#### **Proposed actions at European level (other):**

- Mobility Scoreboard – measure progress in removing obstacles to mobility in MS;
- Website on Youth on the Move (already launched);
- Establish a Mutual Learning Programme for Public Employment Services (2010)
- Your first EURES job – intra-EU initiative (providing advisory, job search, recruitment and financial support)
- European Vacancy Monitor
- Quality framework for traineeships
- Europass developed into a European Skills Passport (improve comparability of skills).
- Youth on the Move card (similar to Youth or Student cards)

#### **Funding issues:**

- Maximise the potential of ESF and link it to the policy priorities in the **Integrated Guidelines**.
- European Regional Development Fund, PROGRESS and the Micro-Finance Facility.
- Set in place a new student loan facility (together with the EIB).

### EAPN APPROACH AND POSITIONS

On a positive note the document promotes a tailored approach, supports active inclusion, and raises the issues of employment precariousness and low wages as well as making a strong reference about introducing a minimum income scheme specifically for young people.

However the approach is primarily based on individual initiative/responsibility, with little emphasis on improving the context in terms of job creation, legislation, portability of rights, other support etc... Young people are encouraged to be mobile but little is proposed to support them in this process (notably in terms of family reunification, adequacy of income....)



EAPN has not prepared a specific position on the Youth on the mover initiative but backs the position of other social NGOs and stakeholders.

## **OTHER ACTORS' POSITIONS**

European Youth Forum press release on the Youth on the Move initiative ([http://www.youthforum.org/index.php?option=com\\_content&view=article&id=910%3Athe-european-youth-forum-demands-comprehensive-solutions-to-close-skills-gap-between-education-and-the-labour-market&catid=28%3Acurrent-users&Itemid=89&lang=en](http://www.youthforum.org/index.php?option=com_content&view=article&id=910%3Athe-european-youth-forum-demands-comprehensive-solutions-to-close-skills-gap-between-education-and-the-labour-market&catid=28%3Acurrent-users&Itemid=89&lang=en)).

The Youth Forum in their response considers that this initiative is going in the right direction, while making constructive proposals for the plan to be made to work and insisting on the need for increased participation of Youth people in EU decision making progress: [http://www.youthforum.org/index.php?option=com\\_content&view=article&id=910:the-european-youth-forum-demands-comprehensive-solutions-to-close-skills-gap-between-education-and-the-labour-market&catid=28:current-users&Itemid=89&lang=en](http://www.youthforum.org/index.php?option=com_content&view=article&id=910:the-european-youth-forum-demands-comprehensive-solutions-to-close-skills-gap-between-education-and-the-labour-market&catid=28:current-users&Itemid=89&lang=en)

## FICHE #6 - INNOVATION UNION

### WHAT IT IS

The Commission presents the innovation union as follows:

*“We need to do much better at turning our research into new and better services and products if we are to remain competitive on the global marketplace and improve the quality of life in Europe.*

*We are facing a situation of 'innovation emergency'. Europe is spending 0.8% of GDP less than the US and 1.5% less than Japan every year on Research & Development (R&D). Thousand of our best researchers and innovators have moved to countries where conditions are more favourable. Although the EU market is the largest in the world, it remains fragmented and not enough innovation-friendly. And other countries like China and South Korea are catching up fast.*

*The Innovation Union is a crucial **investment for our future.***

*The Innovation Union aims to **involve everyone in innovation.** This is particularly true in terms of ensuring employees themselves can influence the way businesses and public authorities innovate and also when it comes to **social innovation.** In 2011, The Commission will launch a major research programme on public sector and social innovation and pilot a European Public Sector Innovation Scoreboard.”*

They plan the following actions:

- The Commission will launch a European Social Innovation pilot ([http://ec.europa.eu/enterprise/policies/innovation/policy/social-innovation/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/social-innovation/index_en.htm)) which will provide expertise and a networked 'virtual hub' for social entrepreneurs and the public and third sectors.
- It will promote social innovation through the **European Social Fund (ESF)** building on the significant investments in social innovation which the ESF has made over the last ten years, all along the innovation cycle. This will be complemented by support to innovative social experiments to be developed in the framework of the European Platform against Poverty.
- **Social innovation should become a mainstream focus in the next generation of European Social Fund programmes.** Member States are encouraged to already step up efforts to promote social innovation through the ESF

Starting in 2011, the Commission will support a substantial **research programme on public sector and social innovation**, looking at issues such as measurement and evaluation, financing and other barriers to scaling up and development. As an immediate step, it will pilot a **European Public Sector Innovation Scoreboard** as a basis for further work to benchmark public sector innovation. It will explore with Member States whether it is appropriate to bring together new learning experiences and networks for public sector leaders at European level.

The Commission will **consult the social partners to examine how the knowledge economy can be spread to all occupational levels and all sectors.** It will ask the social partners for proposals on how to develop a sectoral labour market strategy for the caring sector.

## **EAPN APPROACH AND POSITIONS**

EAPN has been invited to participate in the EU's conference launching the social innovation initiatives, however our main concern remains how social innovation will be linked to the work of the Poverty Platform, particularly on social experimentation, and how NGOs and EAPN members can access funding. EAPN's position on social innovation (see response to the European Platform against Poverty) is to welcome the potential for providing funding support for new policies and practice which can support social inclusion and prevent and alleviate poverty, particularly through local, grass-root initiatives. However, we remain concerned that social innovation initiatives should not be used to undermine funding and support for current initiatives that have been shown to work. There is also concern that the social innovation agenda is being used to support the privatisation of public services, and the replacement of paid services by volunteering.

EAPN is preparing a briefing on this issue.

## FICHE #7 - THE ROLE OF STRUCTURAL FUNDS

The future Cohesion Policy has a key role to play in contributing to the achievement of the new social targets of the EU2020 Strategy. In its guidance note for the NRPs, the European Commission clearly states that Member States should report on the use of EU Funds to back the Europe 2020 headline targets.

### WHAT IS IT?

- **An increased thematic concentration of resources** to better achieve the objectives of the EU2020 Strategy. EU Countries and regions would be required to focus on fewer priorities (2 or 3 for the richest, more for the others). Some of these priorities could be binding.
- **A new intermediate category of Regions** between the less and more developed categories.
- **Giving effectiveness to the concept of Territorial Cohesion** which is now treaty-based by strengthening in the new programmes the role of cities, local development.
- **New content given to the Partnership principle:** to ensure an effective implementation of the EU2020 Strategy, a new Governance System involving all the actors at local and regional level in both the policy dialogue and implementation of Cohesion Policy. The involvement of the civil society, in particular of those organisations that play a vital role in delivering social and employment policies in tandem with or on behalf of public administrations is clearly mentioned.
- **Reinforcing the role of local development approaches** supporting active inclusion, fighting against poverty, fostering social innovation, developing innovation strategies, or designing initiatives for the regeneration of deprived areas.
- **Reinforcing strategic programming with** a clearer guidance at European level and a **more strategic negotiation process and follow-up**
  - Adoption of a Common Strategic Framework defining a comprehensive investment strategy (translating the targets and objectives of EU2020 into investment priorities).
  - Definition by Member States of their national strategy for Cohesion Policy in line with NRPs.
  - On this basis, a Development Contract (DC) setting out the development strategy, the allocation of national, and EU resources among priority areas and programmes, the targets to be achieved, the structural and institutional reforms needed, system of coordination between EU funds.
  - Ops (Operational Programmes): will be the main management tool and translate the DC into concrete investment priorities.
  - Closer alignment of the ESF with the EU2020 Strategy
  - EU2020 and the Integrated Employment Guidelines: sole strategic reference documents for programming at EU level.
  - Annual Report of Member States to monitor progress towards the achievements of the targets.

- **Conditionality and incentives** as means to strengthen the performance of Cohesion Policy based on a Growth and Jobs Model.
  - Preventative arm: conditionalities introduced: MS required to set up structural and institutional Reforms such as flexicurity policies. A prerequisite for dispersing SF (EC to set up technical assistance facilities to support MS and regions)
  - Corrective arm: in case of non-compliance with the rules of the DP: risk of suspension or cancelling part of SF money.
  - Performance reserve at EU level to reward progress toward EU2020 national and regional targets (to favour experimentation and networking).
  
- A shift toward a more strategic and result oriented approach:
  - Ex-ante definition of clear and measurable targets and indicators agreed during the discussion on DCs and OPs. Improving programme design to monitor and evaluate the achievement of objectives and targets.
  - Ongoing evaluation: evaluation plans for each programme compulsory.
  
- **New financial instruments:** Improving financial engineering instruments within Cohesion Policy notably through the extension of financial engineering instruments in scope and scale to embrace new activities such as local development, lifelong learning...by a combination of interest subsidies with loan capital...
  
- **A streamlined and simpler delivery system:**
  - The use of the 3 types of simplified methods of reimbursement such as flat rates, pre-determined unit costs and lump sum payments further promoted and facilitated
  - Alignment of eligibility rules across policy areas and funds to simplify the use of funds by beneficiaries and their management by national authorities.

## EAPN APPROACH AND POSITIONS

For EAPN, Cohesion policy should promote a comprehensive and integrated delivery of the social objectives of this Strategy<sup>1</sup> by:

- **Making social inclusion and the fight against Poverty a binding priority in all Operational Programmes** primarily through active inclusion approaches (OPs) with a social earmarking mechanism.
- Dedicating an **ambitious budget for Cohesion Policy** (that is all the more important because the discussion on the future of Structural Funds is being operated during the debate on the future EU budget) and mobilizing **Structural Funds to lift the most vulnerable groups of people out of poverty and social exclusion** especially in time of crisis and austerity measures.
- **Strengthening the link between Structural Funds and the new social OMC** with National integrated strategies and plans on social protection and social inclusion discussed within

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<sup>1</sup> A more in-depth analysis has been developed in EAPN Contribution to the European Commission Report on the fifth Cohesion Report, 28.01.2011.

the European Platform against Poverty as basis for Structural Funds proposals focussed on the objective of reducing poverty and social exclusion<sup>2</sup>, with particular attention to delivery of integrated active inclusion strategies.

- **Making the partnership principle a binding requirement** in the SF General Regulation and the availability of global grants and technical assistance resources for NGOs in all OPs with a particular support for **NGO-driven technical assistance** services at EU and regional level are crucial. Last point is that the ESF should be maintained within Cohesion Policy with an ambitious and distinct budget to achieve the social targets and not purely the financial Instrument of the European Employment Strategy. A minimum proportion of Structural Funds delivered by NGOs should also be established.
- **Setting up a social conditionality and incentive system** aiming at ensuring progress towards the agreed targets and a more social friendly evaluation system (social outcome indicators and social inclusion proofing system).

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<sup>2</sup> In the Budget Review paper, it is proposed that Member States should define their national strategy for Cohesion Policy, in line with the National Reform Programmes (NRPs).

## FICHE #8 - The ANNUAL GROWTH SURVEY (AGS)

### WHAT IS IT?

→ Under the Europe 2020 Strategy the AGS is issued in January each year by the Commission.

→ It is a relatively short document highlighting main priorities for delivering growth and makes clear the dominant focus of the Europe 2020 strategy. Scant attention is paid to inclusive or sustainable growth. It includes both a review and a forward looking part on the three main areas of 'surveillance': macro-economics, thematic coordination (i.e. R&D, employment, education, and social...) and fiscal surveillance under the Stability and Growth Pact.

→ **3 key documents are annexed to the AGS:**

- **Progress report on Europe 2020** (Annex 1) gives a more in depth analysis of the progress made towards the 5 overarching targets and the National Reform Programme – this replaces the old Annual Progress Report
- **Macro-economic Report** (Annex 2)
- **The Draft Joint Employment Report** (Annex 3)

+ Proposals for changes in the Guidelines (Formally, guidelines must be adopted each year. However, it is planned that they remain stable till 2014).

→ This package is of **strategic political importance**. Indeed the AGS sets the tone of the policy coordination happening during the first semester of the year, and really gives the political line focussed on growth first - that is going to drive the implementation of the Europe 2020 Strategy.

### EAPN's APPROACH AND POSITIONS REGARDING THE 2011 AGS PACKAGE

→ **The 2011 ANNUAL GROWTH SURVEY: forgetting about cohesive growth?**

- This first package makes it only too clear that Growth, and even more fiscal consolidation is the main driver of the strategy, **undermining the supposed commitment to smart, sustainable and inclusive growth**.
- Worse still, the specific demands of the AGS, amongst which the call for quick budget stabilisation and reductions in public expenditure, arguing against increases in taxes except VAT increased employment flexibility wage restraint decoupled from inflation, further deregulation of the employment market and of the services sector, are **likely to exacerbate poverty, social exclusion and inequality**.
- Indeed, some positive statements that can be found in the AGS package (see below about the Employment report). But these encouraging points are contradicted by the dominant approach. This **policy inconsistency raises doubts**: is the stated goal of sustainable and inclusive growth sincerely pursued?
- EAPN made severe criticisms of this first AGS: EAPN stated on 14 January 2011 that first steps in Europe 2020 Strategy were ignoring inclusive growth (see Press Release: <http://www.eapn.org/images/stories/docs/press-releases/PR14-01-Annual-Growth-Report-en.pdf>).
- Other progressive forces were also dismayed:

- **European Trade Union Confederation** urged “finance ministers not to meddle with wages and labour markets” and reminds that “flexibility will not create jobs but promote precarious work, drive out good jobs and create high and rising inequalities”.
- Andrew Watt, a senior researcher at the **European Trade Union Institute**, analyses the AGS as an “almost unmitigated disaster”, that “pushes a very old agenda” underpinned by “faith in market solutions unsullied by the events of the last years and a half”, and regrets that the good idea of improved EU coordination is put at the service of such irrelevant ideological approach.
- **The Socialists and Democrats’ group in the European Parliament** wrote to Mr Barroso that the AGS “includes economically misguided, socially unacceptable and politically dangerous policy recommendations for Europe”.

### →THE 2011 PROGRESS REPORT

This report is supposed to focus on the whole of Europe 2020 but talks almost **exclusively about addressing the main economic challenges and the bottle-necks to growth:**

- Main focus on **growth-enhancing initiatives** and the report reiterates the Annual Growth Survey demands.
- Flagship Initiatives and EU levers are to be **mobilised to increase growth!** Only here is inclusion mentioned fleetingly.
- **Priorities for growth** – e.g. tapping full potential of services sector, improving tax environment for businesses, delivering on climate and energy, but no mention of inclusive growth.

**However positive statements are included:**

*“No sustainable growth unless benefits accrue to all segments of society.” “Inequality has been growing across Europe, with more and more people experiencing poverty and social exclusion.” “Crisis has increased poverty or risk of poverty.” “Ensuring that growth and social cohesion got together.” (Page 9)*

**First Steps towards the targets:**

- **On Employment – Most MS set specific targets** (not NL and UK), but still falls short of 75%
- **On Education and Training - All NRPs have set targets for reducing school leavers** (except UK and NL), but still falls short of 10% target.
- **On Social Inclusion and Poverty:** Majority of countries have set targets in their draft NRPs– all 3, but not ambitious enough. Most MS use the 3 agreed indicators. Several countries have not set target.

**(This information will be updated following the June Council.)**

### →THE 2011 EMPLOYMENT REPORT

The Employment report, even if underpinned by the priority of pushing people into work by all means, contains relevant points including:

- *The recognition of the negative impact of the fiscal consolidation (“Most Member States report that fiscal consolidation measures will impact on social protection systems. Measures such as tightening conditionality, shortening duration, or reducing the level,*



*changing indexation rules of benefit schemes may affect adequacy. On the financing side, exemptions from social insurance and other social security contributions may weaken the sustainability of the schemes.”)*

- *Recognition of the need to invest in active inclusion, (“Active inclusion strategies combining adequate income support, access to the labour market and social services are needed to prevent long-term exclusion and to increase the efficiency of social spending.”)*
- *The difficulties caused by cuts in Public employment services budgets (“**inefficient PES** due to higher caseloads resulting from influx of clients, budgetary cuts and downsizing of PES”).*
- *However, the report does not sufficiently deliver on its new mission – to provide a balanced assessment of progress on relivering the range of new guidelines, including the guideline 10 on integrated policies to promote inclusion and combat poverty.*
- *An EAPN response to the Draft Employment Report 2010, Fighting poverty is not only about employment rates!, was addressed to the EMCO on the 22nd of February.*