

SUPERCHARGING POVERTY?

EAPN 2020 POVERTY WATCH REPORT
NOVEMBER 2020

Key findings and recommendations from
2020 Poverty Watches



EUROPEAN ANTI POVERTY NETWORK

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EXECUTIVE SUMMARY

EAPN is a network of independent NGOs, dedicated to the fight against poverty and social exclusion together with people facing direct experience of poverty, since 1990.¹ **‘Our vision is of a sustainable Europe, free of poverty and social exclusion, with high levels of equality, where political, social, cultural and economic rights are respected’** (EAPN Strategic Review).

This EU 2020 Poverty Watch report aims to capture the main findings, messages and recommendations from 28 Poverty Watches produced by our national and European Organisation members. These reports do not attempt to provide a comprehensive academic report on poverty. They start from the reality of people experiencing poverty and the perspectives of the NGOs that support and work with them. They aim to:

1. Monitor **key trends and policy** on poverty and social exclusion in Europe;
2. Raise **awareness** about priority issues and the reality for people experiencing poverty and
3. Propose **concrete recommendations** backed by examples and evidence.

2020 has not been a ‘normal year’. The COVID tsunami hit and is likely to generate massive increases in poverty (with 125-130 million people at risk of poverty). For this reason, the impact of COVID-19 and government measures on NGOs and people already facing poverty and social exclusion² is the priority thematic focus for 2020’s Poverty Watches. The effectiveness of governments and the EU’s initial response is reviewed, with hopes firmly focussed on the upcoming proposals to implement the European Pillar of Social Rights through a concrete Action Plan in 2021. The EU is at a clear turning point – will it prioritise measures at EU and national level to prevent poverty growing for all groups, reducing inequality or will it stand by and allow poverty to rise to hitherto unimaginable and unacceptable levels, thus “Supercharging poverty” - the choice is clear.

[1] See EAPN: www.eapn.eu

[2] EAPN in July has issued the report [“The impact of Covid-19 on people experiencing poverty and vulnerability”](#)

EAPN views poverty as a multidimensional concept, which impacts different people and groups in multiple ways. Poverty is not just about money, although an adequate income is a prerequisite.



“Being poor does not always mean sleeping in a cardboard box at the train station and spending one’s days in the park: being poor means not being able to take part in everyday social life.”

- EAPN Austria Poverty Watch 2020



“For me, poverty is when you have nothing to put on the table, you have to pay for electricity and all the bills and loans, so that you have nothing left to buy food.’

- Discussion Group with people facing poverty EAPN Slovenia Poverty Watch 2020



According to EU SILC data³, in 2019, nearly 1 in 5 people were still at risk of poverty and social exclusion (92.4 million AROPE). Although it has been slightly declining since 2016, income poverty in most countries is higher in 2019 than before the 2008 crisis. Not all groups face the same risk: with women, children and single parents facing some of the highest risks as well as migrants, Roma, black and ethnic minorities and people with disabilities. There is a widening gap between richer and poorer countries like Greece, Bulgaria and Romania. A job is not always a route out of poverty with nearly 1 in 10 workers facing in-work poverty (9.0% in 2019).

Social benefits play an essential role in reducing poverty (by nearly a third), but the impact is declining. National Reports flag up new at-risk groups: the homeless, young people -particularly those not in education, employment or training (NEETs) - large families, and the LGBT community facing increased discrimination in some countries, as well as the rising tide of poverty for carers. Growing indebtedness is also an increasing challenge.

[3] Quoted in EC Draft Joint Employment Report 2021 (Nov 2020)

EAPN considers that poverty is fundamentally caused by structural inequality arising from an unequal distribution and redistribution of income and wealth, reflecting the widening gap between rich and poor. This is primarily due to growing wage/income gaps and declining wage share, combined with regressive tax systems, reduced access to public services and inadequate social protection including minimum income. The COVID crisis is likely to exacerbate this inequality in income and wealth unless concrete measures are taken.

KEY MESSAGES

- 1 Poverty is a violation of human rights driven by inequality and a political choice.** Poverty is caused primarily by structural inequality in the distribution and redistribution of income and wealth, not poor people's behaviour.
- 2 The COVID-19 pandemic is exacerbating existing inequalities,** hitting the poor and most excluded hardest and pushing new people into poverty. It is widening the gap between richer and poorer countries, and regions, particularly urban/rural, and deprived neighbourhoods.
- 3 Governments are prioritising business rather than protecting people and failing to ensure an adequate income for all –** increased income support is temporary, inadequate and often fails to guarantee income for all households, women and men, regardless of age, whether they are in or outside work, leading to long-term hardship and exclusion.
- 4 Precarious workers are some of the biggest victims – whilst a majority of essential workers are poorly paid.** An increasing number of poor workers fall outside support measures, because of precarious contracts or casual jobs. Women and minorities are disproportionately represented in essential jobs in retail, health and social services, that are badly paid.

- 5** **Minimum Income and Social Protection is still failing to protect people from poverty, despite welcome temporary increases of levels and coverage**, too many are left without any income. Positive measures to reduce/cut punitive conditionality during the crisis must be extended and combined with positive activation/support into decent jobs.
- 6** **COVID-19 has exposed inequalities of health, and lack of universal access to affordable health and care. Poverty is a key social determinant.** Commitments must be made to extend free coverage of health and social services to all, with access to targeted additional services for vulnerable groups. A comprehensive approach to health, care and social services is vital.
- 7** **Lack of affordable housing (particularly social housing), rising energy, food and other essential costs are forcing people into unacceptable choices:** leading to indebtedness, increased use of foodbanks, evictions, increased homelessness, disconnections from energy supply which are likely to increase once moratoriums are lifted, rather than recognition of people's fundamental rights.
- 8** **COVID-19 is increasing inequality in education and lifelong learning (LLL) systems particularly through digital exclusion** with shortages of computers and lack of access to the internet leaving poor and vulnerable children and young people further behind and contributing to increased intergenerational transmission of poverty.
- 9** **Lack of clear social/poverty impact analysis of Recovery Package and Green Deal and Digital Transition proposals.** COVID- 19 is exposing the need for all policy proposals to have a clear social impact assessment. Concerns are raised that the proposed recovery investment will not benefit the poor and, in fact, risks generating increased poverty and that austerity will again be the main tool to recuperate public deficits and debt.

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Social NGOs/Community sector offer a lifeline to people facing poverty, but are overstretched and under threat: the sector faces increasing demands for essential services, at the same time that their funding is delayed, cut or comes with changed requirements. The rejection of their role in supporting the direct voice and participation of people facing poverty in some countries is a key sign of disturbing attacks on democracy.

SUMMARY OF EU KEY RECOMMENDATIONS

See detailed set of recommendations in chapter 4

- ▶ **Launch an ambitious Action Plan to implement Social Rights in the EU and poverty-proof Recovery and Resilience plans.**
- ▶ **Adopt a rights-based integrated EU anti-poverty strategy to guarantee the right to a dignified life.⁴**
- ▶ **Guarantee the right to a decent income, for all, through the life course through adequate decent wages and adequate minimum income and social protection for those who can't work.**
- ▶ **Guarantee rights to quality, affordable services - particularly universal health/care/social services, education, housing and energy.**
- ▶ **Ensure a Social as well as a Green deal including promoting Tax Justice.**
- ▶ **Strengthen structured participation of people in poverty and NGOs in decision-making processes and support social economy organisations in delivery of vital social services.**

[4] Delivering Agenda 2030 - For People and Planet | EAPN Proposals for a post Europe 2020 Strategy

I. INTRODUCTION

1.1 BACKGROUND

EAPN is a network of independent NGOs, dedicated to the fight against poverty and social exclusion together with people facing direct experience of poverty, since 1990.⁵ ‘Our vision is of a sustainable Europe, free of poverty and social exclusion, with high levels of equality, where political, social, cultural and economic rights are respected’ (EAPN Strategic Review).

Poverty is a complex problem that manifests itself in many different areas of life. In order to eradicate it, an integrated, rights-based strategy with a clear vision to eradicate poverty including through structural distribution measures as well as individual support is needed. This strategy must be based on international agreements that the EU has signed up to: the European Pillar of Social Rights and more globally with the Sustainable Development Goals. European policies, such as the Social Investment Package and the Active Inclusion Recommendation, should be used as guidance to give direction to the development of this strategy. To effectively lift people out of poverty it is essential that economic and other policies support, rather than undermine social rights.

Anti-poverty NGOs working with people facing poverty play a key role in achieving these goals: proposing solutions, monitoring trends on poverty and holding governments and the EU to account, as well as providing key social and other services and raising awareness of the general public. Currently, at EU level, EAPN engages actively in the European Semester, as the key instrument for economic and social coordination in order to achieve progress on poverty, participation and social rights.⁶

[5] See EAPN: www.eapn.eu

[6] Interinstitutional Proclamation: European Pillar of Social Rights (17.11.2017)

In 2020, a key focus for EAPN's work was to achieve a concrete Action Plan for the European Pillar of Social Rights that will progress towards binding rights, instead of voluntary principles. EAPN Europe and EAPN members have made detailed input into the consultation. A key focus has been our position on Adequate Income⁷. The Action Plan will be launched under the Portuguese Presidency at a Social Summit planned for May 2021.⁸

In 2020 the COVID-19 pandemic erupted, with severe social, employment and health impacts on people experiencing poverty. The 2020 Poverty Watches therefore focus strongly on the impact and response to COVID, building on the views of people directly facing poverty. This will also provide the basis for members' input into the revised European Semester 2021.

1.2 WHAT IS THE EAPN POVERTY WATCH REPORT 2020?

The EAPN Poverty Watch Reports do not attempt to provide a comprehensive academic report on poverty. They start from the reality of people experiencing poverty and the perspectives of the NGOs that support and work with them: our 32 EAPN national networks and 13 European Organisation members.

Their main objectives are:

- ▶ To monitor key trends and policy on poverty and social exclusion in Europe.
- ▶ To raise awareness about priorities and the reality of people experiencing poverty.
- ▶ To propose concrete recommendations backed by examples and evidence.

[7] EAPN May 2020: [Position Paper on Adequate Income](#) (comprising both topics "adequate minimum income" and "decent minimum wages") - EAPN September 2020: [Summary Document on Minimum Income](#)

[8] EAPN July 2020: [Input/Position to the consultation on the Action Plan to implement the EPSR](#)

EAPN's EU Inclusion Strategies Group produced a common template for the Poverty Watch. Each network/organisation adapted this to their national/organisational context to ensure optimum relevance and usefulness at national level, drafting first in their native language and where feasible providing a translation or summary in English.

The Poverty Watch 2020 has an additional goal: on the one hand, to present the current trends of poverty and social exclusion and additionally to reflect on the impact of the COVID-19 pandemic and government measures on people experiencing poverty and social exclusion.⁹ The reports aim to present recommendations for the short and long-term future. An effective response to the COVID-19 pandemic needs to combine effective short-term remedies to ensure adequate income and access to health, social and other services, linked to a long-term effective anti-poverty strategy, guaranteeing social rights. This should ensure that the country's economic and social recovery puts the fight against poverty at the centre, leaving no one behind, especially the most vulnerable.

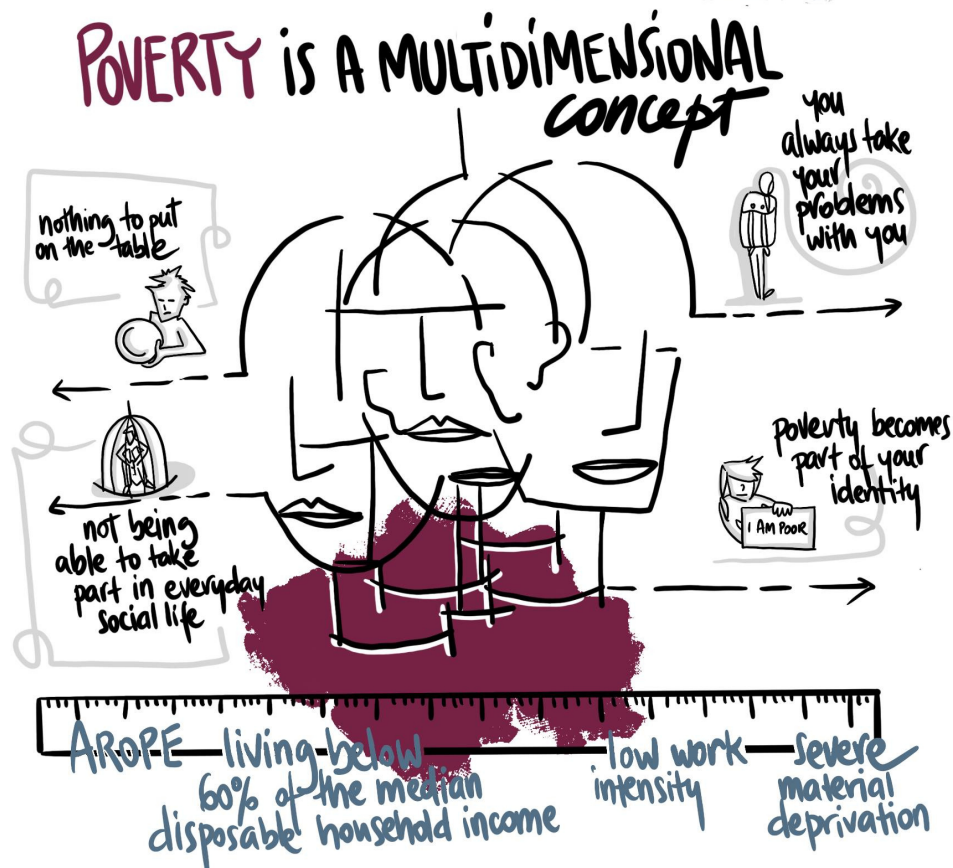
1.3 WHAT IS POVERTY?

EAPN views poverty as a multidimensional concept, which impacts on different people and groups in multiple ways. Poverty is not just about money, although an adequate income is a prerequisite. According to EAPN's recent [poverty explainer](#),¹⁰ people experience poverty as a series of lacks or deprivations, of experiences, opportunities, services and environments that other people accept as normal. It is not possible to talk about poverty without talking about social exclusion. "Poverty in itself is already bad, but when a person is excluded, the person feels a mess". (Member of the National Council of Citizens, EAPN Portugal).

[9] EAPN in July has issued the report "[The impact of Covid-19 on people experiencing poverty and vulnerability](#)"

[10] K. Duffy/EAPN May 2020: [EAPN Explainer: What is poverty and how to combat it?](#)

WHAT IS POVERTY & HOW IT IS MEASURED



This recognises that people are pushed out or to the margins and don't just fall out, and that the kind of social relations a society has are central to risks of poverty and exclusion. The concept of social exclusion is necessary to developing effective approaches to combating poverty. At its core, social exclusion recognises the key role of the state in providing an effective rights-based framework for preventing risks of poverty and their consequences.

.....

"You're born into a family where there are always worries and so you take these problems with you to school. This makes it difficult to perform well and you end up without a diploma. So it is hard to find a job and you then have financial worries, bad housing, unstable health...."

- Testimony of a person living in poverty - EAPN Belgium Poverty Watch

.....

People experiencing poverty and social exclusion lack adequate income, resources and access to public and private services that are fundamental to a decent life. Poverty prevents people and their families from reaching their potential and it stops them from participating fully in their community and society.



“When poverty is prolonged, it can become part of your identity. Some people can have a self-fulfilling prophecy about poverty: ‘I have always been poor, I’ll always be poor.’ When poverty persists long enough and you don’t get enough help from society, it’s really hard to try to find a way out of poverty. Prolonged poverty and struggle for daily survival take their toll on you. Anywhere you look, poor people are underdogs in society. Finland is not yet equal for everyone.”

- Focus group of people facing poverty: EAPN Finland Poverty Watch



It therefore deprives society of people’s full potential to contribute, undermining social cohesion and vibrant inclusive, sustainable development. When people cannot access the living standards and style of life considered acceptable in the society in which they live, they face more difficulties in living a life in dignity, without shame, stigma or fear. However, people in poverty are rarely passive. They are generally resilient and resistant.

Poverty is a denial of fundamental human rights – economic, social and cultural. There is a moral and political imperative to change it, together with people with direct experience of poverty and exclusion.¹¹

[11] IBID

1.4 HOW IS POVERTY MEASURED?

Poverty is normally measured by ‘absolute or relative’ indicators. **Absolute or fixed standards** set a concrete amount of money (income) or a costed basket of goods and services (expenditure) that an individual or household needs. This ‘absolute’ standard can be fixed at some very basic level of survival, or at a level for a ‘decent life’. A well-known absolute indicator is the UN indicator of \$ 1.90 a day. However, this does not always allow for a decent level of life nor does it provide realistic comparability between very different living standards.

A **relative indicator** compares incomes (or budgets) of some people against all others in a country or region. This recognises more clearly the need to monitor how much a person can participate in their own country/society on equal terms. However, if living standards rise in a country, so does the standard. The same is true if incomes fall.

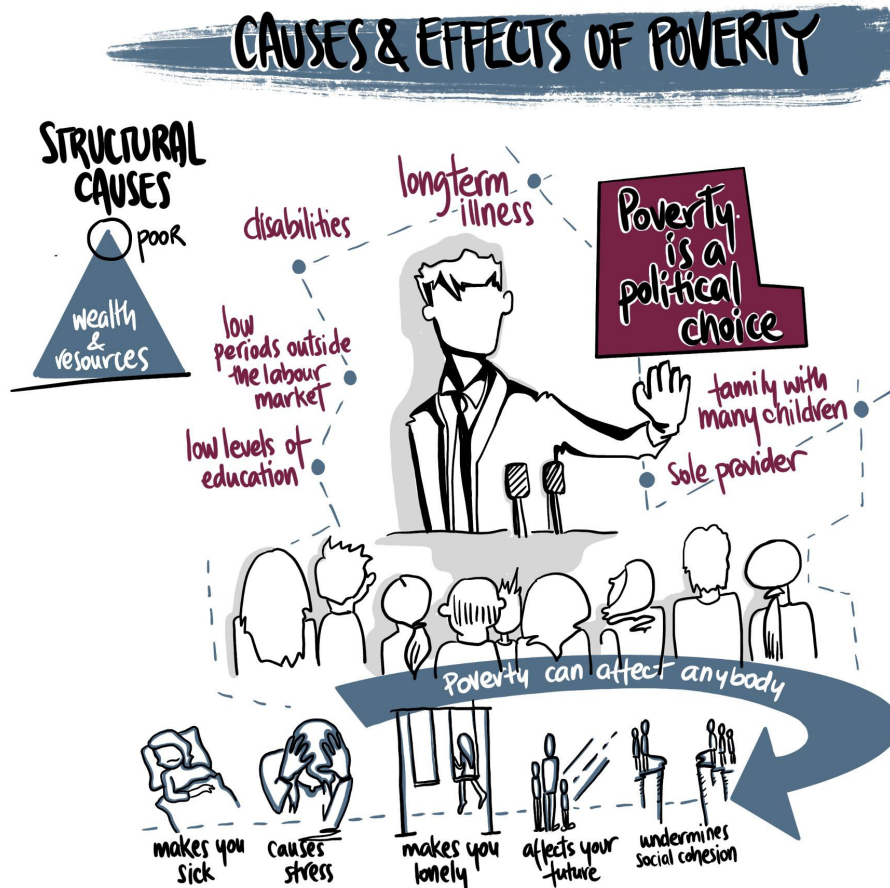
EAPN supports the need for relative as well as fixed standards. All people have the right to share in any general increase in wealth in their country or region. To make good policies, we need to know what is happening to the distribution of incomes in society as well as absolute levels.

At EU level, the Europe 2020 strategy set a target to reduce poverty by at least 20 million by 2020 which has not been achieved. This is measured through a combination of relative and more absolute indicators.¹² This currently includes at risk of poverty (AROP), living below 60% of the median disposable household income, low work intensity and severe material deprivation (For detailed explanation see EU glossary).¹³

[12] According to the [latest statistics available at EU level](#) (2018), almost 110 million people (21.9%) were at-risk-of-poverty or social exclusion. Compared to the 2008 reference date, this represents a decrease of 8 million people, instead of a reduction of at least 20 million, as set by the Europe 2020 poverty target ([more info](#)).

[13] IBID

1.5 CAUSES OF POVERTY



Individual triggers of poverty are important, including long periods outside the labour market, low levels of education, having a family with many children, or being a sole provider. Other individual causes can be long-term illness or other conditions that make it impossible to work full-time or in well-paid jobs, including other disabilities, mental illness or difficulties with addictions. However, the main reasons for poverty are structural: how income and wealth is distributed and re-distributed.

Poverty is a political choice. Key to this is whether government policies ensure that people can access an adequate income through decent wages, or through adequate levels of social benefits (contributory or non-contributory) when out of work, and whether they can access goods and services at an affordable cost. The role of the state is to ensure fair redistribution to rebalance imbalances in income and wealth, closing the inequality gap and generating sustainable finances to finance welfare states and social protection through fair and progressive tax systems.

1.6 EFFECTS OF POVERTY¹⁴

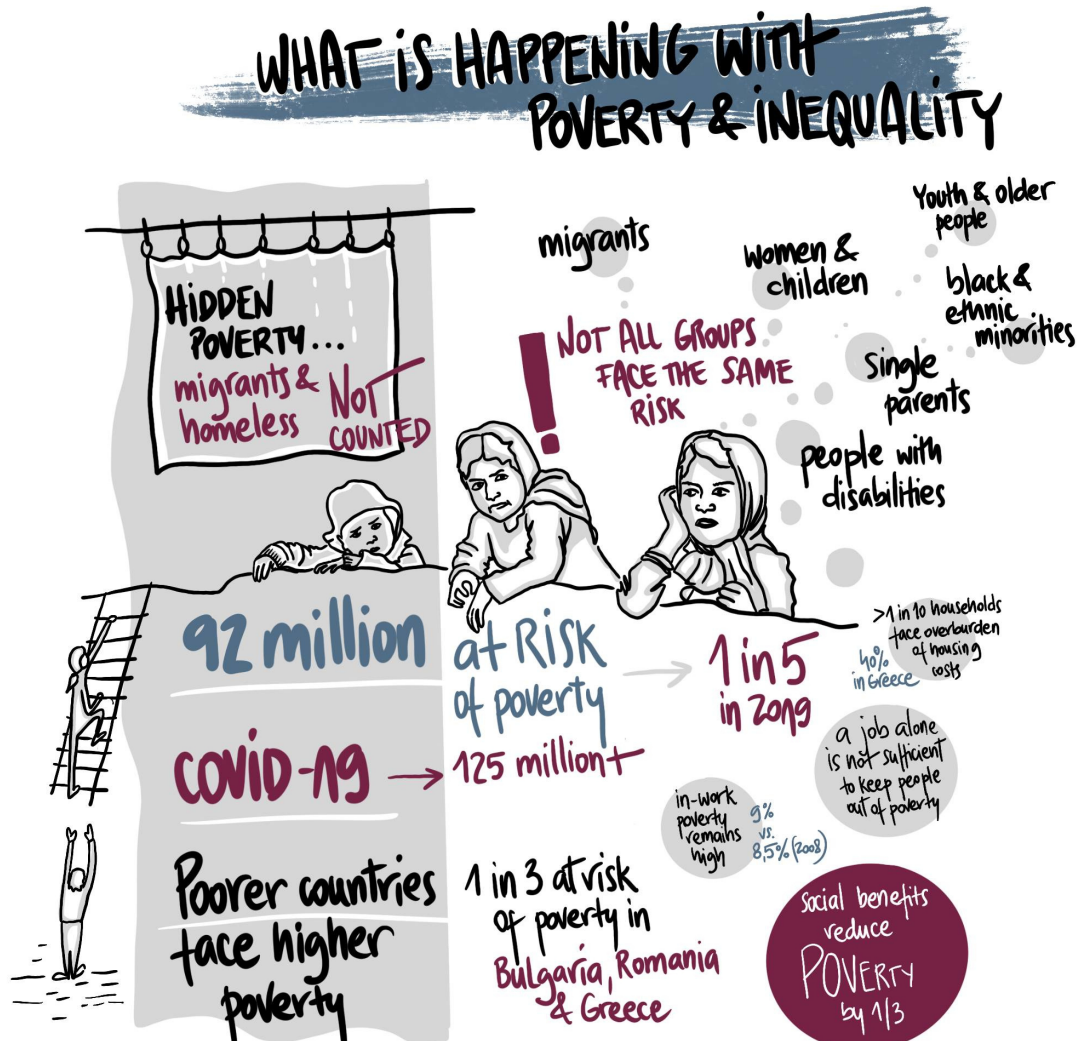
- ▶ **Poverty can affect anybody:** The risk of being made unemployed, and not being adequately protected by social security and minimum income has risen and, in view of the COVID-19 pandemic and will continue to rise – poverty can thus hit everyone.
- ▶ **Poverty makes you sick:** Poor people get sick twice as often as the non-poor. Children living in poverty today are the chronically ill of tomorrow. In many cases, people experiencing poverty cannot afford the same level of medical care as those not affected by poverty.
- ▶ **Poverty causes stress:** Being unable to pay the rent in time, not knowing how to raise the money for the children's school trip, having no, or a poorly paid job: this causes stress, and in the long run, results in serious health problems such as gastric disorders, heart conditions, hypertension, sleeping disorders, headaches, etc. The stress of living in poverty can also affect a child's brain development.
- ▶ **Poverty makes you lonely:** People who are poor tend to see their friends and neighbours less often. Poor people frequently live isolated lives. For instance, one in ten Austrians cannot afford to invite friends or relatives over for dinner once a month.
- ▶ **Poverty affects your future and your children's future:** For people living on the brink, it is harder to progress into training, or a well-paid secure job. Their future is determined by their social background.
- ▶ **Poverty restricts your access to services and the support you receive:** to deal with physical and mental health issues, inadequate housing and homelessness, lack of basic necessities such as food for your children, protection from domestic violence and child abuse and many other problems caused by widening inequalities and cuts to resources.
- ▶ **Poverty undermines social cohesion and a vibrant, sustainable economy:** poverty increases the gap in our communities, creating tensions and conflicts – it's a waste of human potential and capacities and damages a healthy economy.

[14] This section builds on section in EAPN Austria Poverty Watch 2020

2. WHAT IS HAPPENING TO POVERTY & INEQUALITY?

2.0 INTRODUCTION

This summary provides a brief overview of the main trends, messages and recommendations of the 2020 Poverty Watches developed by EAPN national and European Organisation (EO) members. 28 Poverty Watches were received in 2020 from 22 EU Member States (MS): EAPN Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain. 2 Poverty Watches were received from Non-EU/EFTA countries (Iceland, Norway) and 2 from Candidate Countries (North Macedonia and Serbia) and 1 from UK. We also received reports from EAPN European Organisation members: International Federation of Social Workers (IFSW) focussed on access to health and social services and Age-Platform Europe.



2.1 WHAT ARE THE TRENDS ON POVERTY? WHICH ARE THE GROUPS MOST AFFECTED?

2.1.1 EU Data

An EU poverty target to reduce those at risk of poverty by at least 20 million people was set in 2010 as part of the EU's 2020 strategy, monitored through the European Semester. An aggregate indicator AROPE was established to measure poverty showing people at risk of poverty and/or social exclusion.¹⁵ Following the 2008 economic and financial crisis,¹⁶ the numbers of people experiencing poverty or social exclusion (AROPE)¹⁷ rose to 123 million in 2012 (24.7% of the population): an increase of 6.4 million compared to 2008. Since then, the AROPE rate has started to decline. However, with the explosion of the COVID crisis the expectations must be that poverty and inequality will increase to at least 2008 crisis levels, unless radical and ambitious steps are taken to protect people's incomes and livelihoods. The 2020 Strategic Foresight report¹⁸ predicts a 4.8% increase or risk of poverty and exclusion (i.e. to **125-130 million people).**

According to the latest statistics available at EU level for the EU27 from 2019¹⁹, the number of people at risk of poverty or social exclusion (AROPE) decreased for a 6th consecutive year in 2019 and fell to below 2008 levels. However, it still remains unacceptably high at **92.4 million people, or 21.1%** of the total population (2019), making the Europe 2020 poverty reduction target of 20 million out of reach before COVID. The reduction of AROPE is attributed to a fall in the number of people suffering from severe material deprivation – achieving the lowest level of 5.6%, but still affecting nearly 30 million people and also of low work intensity households at 8.5% (for the second time since 2009).

[15] [European Commission Glossary](#)

[16] EMIN Final Report 2018 (December 2018)

[17] AROPE Europe 2020 indicators (At risk of poverty and/or social exclusion based on aggregate of 3 indicators: at risk of poverty, severe material deprivation and low work intensity).

[18] EC (September 2020) 2020 Strategic Foresight Report p.10

[19] EU SILC 2018 data reported in the EC Joint Employment Report 2020

The fall in this indicator is driven mainly by progress in Member States which had the highest severe material deprivation rates. However, the at-risk of poverty rate (AROP indicator) which measures 'relative' poverty capturing those who have less than 60% of median household income remains broadly stable at 16.5% in 2019 (compared to 16.8% in 2018).

Not all groups face the same risk. The 2021 JER²⁰ highlights that families with children, people with disabilities and those born outside the EU face the greatest risk of poverty. In 2018, children in poor families faced a risk of poverty of 22.5%, with 28.5% for people with a disability – rising to 34.7% for those with a severe disability. **Migrants**, particularly non-EU born people, face a higher risk of 39% compared with 19.5% for those born in the EU. Although not highlighted in the JER, **women are at a greater risk of poverty than men** (23.3% compared to 21.6% (2017)) and **single parents**, headed mainly by women, face one of the highest risks i.e. 47% (2017). The JER 2021 highlights that children, single parents, families with over 3 children, migrants or Roma have a 2-3 times higher risk of poverty. The depth of poverty also remains high, on average 24.4%. The JER recognises that trends indicate that in some countries the economic growth is not benefitting all.

Unemployment was declining in 2019 and affected 6.7% compared to 7.2% in 2018. However, figures from the 1st quarters of 2020 show unemployment increasing. The rate has only increased by 1% on average however, reflecting COVID employment protection measures put in place in most countries. It remains very high in countries like Greece, Spain, Croatia, Italy and Cyprus. However, **a job alone is not sufficient to keep people out of poverty, with in-work poverty remaining high** (9% in 2019), substantially above the 2008 figure (8.5%). **Women continue to face discrimination** in the labour market, with a 14.1% gender pay gap on hourly pay between women and men (2018). However, this increases to nearly 40% (39.6%) when considering overall pay earned, reflecting the gap in more women having part-time work. There was a 30.1% gender pension gap in 2018.²¹

[20] Joint Employment Report 2021. (EU SILC data 2019)

[21] [Gender gap](#)

Housing costs remain a major factor exacerbating poverty for low-income households. In 2018, more than 1 in 10 households faced overburden of housing costs (40% of their disposable household income). This rate is particularly high in Greece (40%), but also Bulgaria, UK, Denmark, Germany and Romania. Meanwhile, according to the JER, homelessness is increasing across the EU in all countries, although there is no comparable EU data available. Only Finland shows a decline. New groups are becoming increasingly at risk of homelessness e.g. in Ireland, 1 in 3 in homeless accommodation is a child.

The EU average on poverty also disguises a **disturbing gap between poverty rates in different countries in Europe**. Whilst there was a decline in the AROPE poverty rate in 2019; in Czechia, France, Malta, Slovakia and Sweden there was an increase in 2018. In 2019, nearly a third of the population was still at risk of poverty or social exclusion in three EU Member States: Bulgaria (32.5%), Romania (31.2%) and Greece (30%) compared to Czechia, Finland and Slovenia where the rates are below 16% (12.5%, 15.6% and 14.4%). According to the Social Scoreboard based on 2019 EU SILC data, the MS best performers were Finland and Slovenia; Estonia, Spain, Malta and Sweden are seen as MS 'to watch', whilst Bulgaria, Latvia and Romania are seen as 'critical'. Lithuania and Greece's poverty levels are seen as high but reducing.

The impact of social transfers and benefits is crucial to reducing poverty. This is measured by the EU in its Social Scoreboard.²² In 2018 poverty was reduced by 32.65% but this impact is declining, particularly in Malta and Hungary although there are welcome decreases in Latvia and Lithuania. The best overall performers are Finland, Austria, Denmark and Slovenia where poverty is reduced by over 45% compared to Romania, Greece, Spain, Bulgaria and Portugal where it is reduced by less than 24%.

Minimum income as the last resort social assistance is a key pillar in the fight against poverty, particularly protecting those who are out of work, or fall outside traditional social protection schemes based on employment contributions.

[22] [Social scoreboard indicators](#)

The decline in income poverty in recent years suggest some improvement in the adequacy of social benefits, but overall, it is not sufficient as recognized by the JER. However, in almost all countries, income poverty in 2018 remained at higher levels than before the financial crisis of 2008 and the following years.

The yearly benchmarking exercise²³ carried out by the Social Protection Committee (SPC) and captured in the Joint Employment Report highlights that only the Netherlands and Ireland achieve rates close to the 60% poverty threshold, and then only for some households. While Romania, Bulgaria, Hungary, Italy, Czechia and Slovakia remain below a third of the poverty threshold. Romania, Bulgaria and Hungary barely reach 20% of the poverty threshold.

2.1.2 Hidden poverty

The EU figures are also an underestimate and do not tell the whole story:

- ▶ EU-SILC statistics **only capture households who are 'resident', 'documented'** and live in standard housing (therefore excluding many asylum seekers and undocumented migrants and those who are homeless or suffering different forms of in-housing precariousness as well as older people and people in institutions).
- ▶ **Black and ethnic minorities** data are not collected in many countries due to concerns about discrimination and as a result there is no comparable EU indicator. However, there is a clear recognition from the European Commission that discrimination can only be monitored if the data is captured, in all areas.
- ▶ The 'OECD-modified' scale adopted by EU SILC assigns only these values to determine the size of the total household and the income needed: 1 to the head of household and 0.5 to each additional adult member and only 0.3 to each child under 14 years old (compared to the OECD 'old' equivalence scale which assigns 0.7 for adult member and 0.5 to each child). **The scale used by EU SILC is not realistic** and does not represent the actual expenses of families, particularly families with children, single parents and large families.

[23] EC Joint Employment Report 2021, p. 107

- ▶ **Women's poverty** is insufficiently captured, as income is assumed to be equally shared within the household, even when women often are mainly responsible for the family and key household expenses.
- ▶ They do **not reflect the real standard of living** (i.e. the gap between disposable income and real living costs), the alarming rise in key expenses (especially food/energy/ housing) and the costs of growing indebtedness.
- ▶ The AROP (at risk of poverty) indicator refers to the **national median**. This amount disguises the reality of poverty when the overall income level is low.

2.1.3 Which groups are most at risk? - EAPN assessment from the ground

At EU level, not all groups face the same risk, as highlighted by the data above. From our members' 2020 Poverty Watches, these overall trends are assessed and evaluated, before the impact of COVID-19 this year, with particular groups emphasised by specific networks and European Organisations.

- ▶ **Women** experience poverty systematically at a higher rate than men, even though poverty risk is underestimated due to assumptions around equal division of household income. Women continue to have a lower income, due to continuing gender pay and pension gaps, and are likely to still take the main responsibility for household and family expenses (AT, CY, ES, SI, MK, PT, IFSW Europe).
- ▶ **Older people** are seen in some countries as being at increasing risk, with the real value of pensions declining and increasing prices of services/food, particularly affecting women due to gender pension gaps (AT, CZ, HR, MK, NO, PL, PT). IFSW Europe highlights the closure of face-to-face services.

- ▶ **Single Parent Families** (AT, BE, CY, ES, FR, IS, PT) face a significantly higher risk than two person households, the majority being women.



In Spain, 46.8% of single parent households are AROPE compared with 25.2% of 2-parent households (2019). This has increased from 45% in 2008 (INE - 2020 survey).

81.9% of single parents are women.

- EAPN Spain Poverty Watch 2020



- ▶ **Young people:** (FR, ES, MK, NO, IFSW Europe) are highlighted as being at risk, particularly those with low educational attainment or NEETs, who are outside the labour market, or only able to access precarious jobs, or reduced or no income support.

- ▶ **Large families** (3 or more children) (IS, MK, PT).

- ▶ **Children** (AT, BE, CY, HU, NL, MK, NO, PL, SI, UK, IFSW Europe) who grow up in poor families are highlighted as one of the main at-risk groups. Some groups of children are highlighted as more at risk: children in institutions (BE, IFSW Europe), migrant children (NO), Roma and Sinti (SI), children in rural areas (SI), and vulnerable children facing hidden risk of harm (IFSW Europe).



In Austria, children account for 303,000 of all people at risk of poverty and social exclusion; 46% of those living in single-parent households are facing a risk of poverty and social exclusion, and 25% of families with three or children or more. Among the group of pensioners, women in single households are affected disproportionately: 29% of them are at risk of poverty.

- EAPN Austria Poverty Watch 2020



► **People born outside the EU** – i.e. migrants/refugees/asylum seekers (BE, CY, NO, ES, IFSW Europe), with significantly higher rates for third country migrants.



In 2018, the risk of poverty and social exclusion rate in Belgium was 47.8% for non-EU migrants, compared to 14.4% for natives (Statbel, EU-SILC 2018).

- EAPN Belgium Poverty Watch 2020



Belgium developed itself economically through migration. Now we have a second and third generation living here but just because of the colour of your skin, your clothes or your family name, employers refuse you. I myself have been adopted and have a different skin colour. Because of this, they still see me as an outsider. The employment service always offers me jobs as a cleaning lady. You're always considered inferior.

- Person Experiencing Poverty discussion group for 2020 Belgium Poverty Watch



► **Ethnic minorities** are emphasised by members as being more at risk of poverty including Roma (BE, FR, MK) and Travellers (IE), as well as Black/ethnic minorities (UK, IFSW Europe).



In the UK, more white families live in poverty, but the risk of poverty is higher for black families: 46% compared to 19%. And black families are 2 to 3 times more likely to be in persistent poverty.

- UK 2020 Poverty Watch



► **LGBT groups face an increased risk of discrimination and poverty** are newly underlined by EAPN Slovenia Poverty Watch.

- ▶ **People with a disability** are strongly emphasised, both in terms of the discrimination faced whilst in work and, in addition, facing obstacles when accessing decent jobs. In many countries they fall between two stools of adequate income support and disability benefit systems (BE, HR, HU, IS, NO, PL, SL, UK). This increasingly applies to people with long-term sickness/health issues (IE, NL, IFSW Europe).
- ▶ **The homeless** are highlighted as key groups by many networks (BE, HR, IS, NL, NO, IFSW Europe) and those suffering from mental health and addiction issues (NO, IFSW Europe).



“I've been out on the street for over 6 months. I have an interim job, but that's getting more and more difficult. Just trying to be on time is very hard when you 'slept' all night on cardboard in the bushes behind the station, and you didn't sleep a second. Washing yourself, where do you do that? You have to be presentable at work, don't you? I'm at my wits' end. If something doesn't happen soon, I'll do something to myself’.

- Testimony from Belgian person experiencing poverty 2020



“Housing squalor, overcrowding, housing insecurity and homelessness are among the causes of the unprecedented rise in the numbers of children referred to social workers because of safeguarding concerns, and the large rise in numbers of young children and teenagers needing to come into care.”

- IFSW Europe



- ▶ **Unemployment is a high risk** (BE, FR, NO, PT, IFSW Europe), particularly long-term unemployed, but also rising in-work poverty (HR, HU, NL, PL, SK, ES, UK, MK, PT, IFSW Europe) highlighting particularly concerns about the situation of women (PT). All underline that a job is not a guaranteed route out of poverty.

- ▶ **Those on minimum income** are highlighted by all PW as key risk groups, due to the inadequacy of MI levels, which do not take people above the poverty threshold for all households in any country in the EU.
- ▶ **Other risk factors highlighted include: Low educational/skill level (BE, ES) or geographic areas** – i.e. those living in **rural rather than urban** areas or **‘poorer’, disadvantaged regions**. (PL, ES, PT, UK).
- ▶ Specific risks are attributed to **over-indebtedness (CZ)** and for **carers (UK)**.

2.2 WHAT IS HAPPENING TO INEQUALITY?

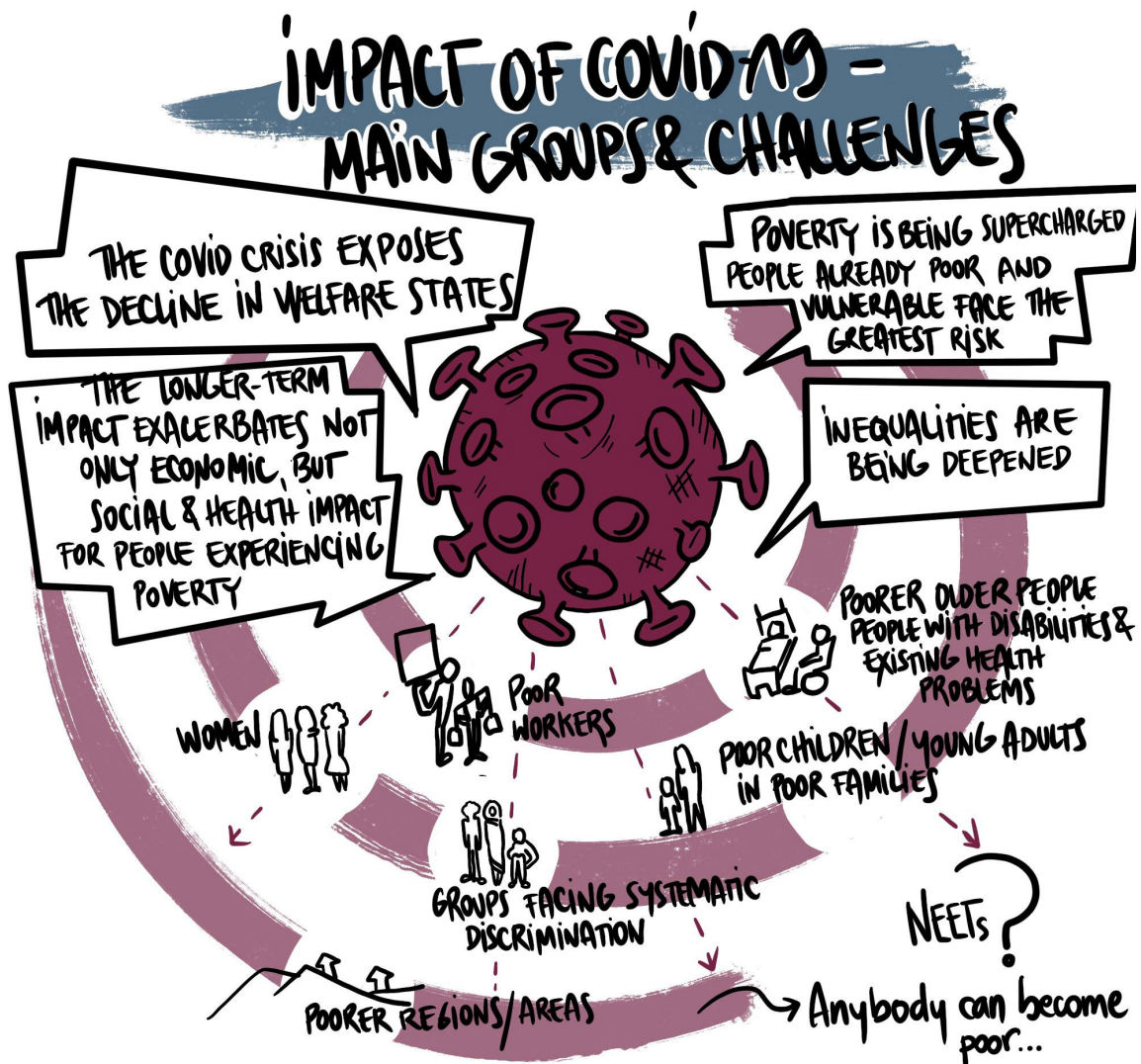
Poverty is a complex, multidimensional issue which impacts on people’s health and well-being as well as their social and economic situation. It affects everybody, undermining sustainable economic development as well as social cohesion, which is the bedrock of healthy societies. At heart it is a political choice. EAPN members are concerned about the increasing tendency to ‘blame’ the poor for their situation and individualise causes and solutions. **EAPN considers that poverty is fundamentally caused by structural inequality arising from an unequal distribution and redistribution of income and wealth, reflecting the widening gap between rich and poor.** This is primarily due to growing wage/income gaps and declining wage share i.e. the proportion of GDP or company turnover which is allocated to wages, combined with regressive tax systems, reduced access to public services and inadequate social protection including minimum income.

Income inequality remains at a high level in the EU with the richest 20% still earning 5 times more than the poorest 20%, with a slight decrease from 2018. It is still above the pre-crisis period with the S80/S20²⁴ Income Quintile indicator increasing to 5.17 in 2018 from 5.08 in 2017.

[24] Income Quintile Ratio tracking the trends in income between the top and bottom 20%: the EU income inequality indicator in the [Social Scoreboard](#).

The increase is due to rises in the income share of the top 20% widening the income inequality gap and decline in incomes of the bottom 20%.²⁵ This ratio varied considerably across the Member States, from below 4 in Czechia, Slovenia, Belgium and the Netherlands to more than 7 in Bulgaria and Romania. These figures, however, are calculated before the impact of COVID is known and where substantial increases are predicted in all countries. Only structural reforms to the distribution and redistribution of income and wealth can reduce this gap.

3. IMPACT OF COVID-19



[25] EU SILC 2019 data quoted in the EC Joint Employment Report 2021.

3.0 INTRODUCTION

In 2020, the COVID-19 pandemic erupted across Europe (and around the world), immediately impacting people's lives and livelihoods, exacerbating poverty for those already facing hardship and exclusion, whilst pushing new groups of people into poverty. This year, EAPN has combined the overall assessment of poverty trends, with a specific focus on COVID-19. COVID-19 will generate more poverty and social exclusion, however, no estimates have been publicly made so far in the EU.

3.1 EAPN ACTION

EAPN responded quickly to the COVID-19 epidemic with its members by publishing a [statement](#), urging coordinated action in March 2020, followed by an [open letter](#) to EU leaders calling for action to protect the most vulnerable. This was followed by a [letter to Commissioner Schmit](#) urging concrete proposals for a binding EU framework directive to guarantee minimum income. In July, EAPN presented its **detailed study into the Covid-19 crisis and its impact on people experiencing poverty and vulnerability** at its conference [How to ensure the poor don't pay for Covid-19 - From short-term response to an effective rights-based integrated antipoverty strategy](#).

In this EU Poverty Watch report, we aim to build/update these earlier findings based on the 2020 national Poverty Watches to assess the state of play in the Autumn 2020 - what are the main impacts? Who are the groups worst hit? What recommendations need to be made?

3.2 MAIN GROUPS AFFECTED AND CHALLENGES

EAPN members distinguished clearly between the **impact of the virus itself and the connected health impact with the social and economic impact of social distancing and other government measures**. As the impact of the pandemic is prolonged over the year, the more vulnerable groups are being clearly exposed.

3.2.1 Main messages

- ▶ **Poverty is being supercharged:** People who are already poor and vulnerable face the greatest risk: whether they were working poor, trapped in precarious work, working in the shadow economy or on minimal benefits, or left with no income at all and facing rising prices.
- ▶ **Inequalities are being exacerbated** – between poorer and more vulnerable groups, but also regions and areas, rural and urban, and poorer more deprived neighbourhoods even in rich cities.
- ▶ **The COVID crisis exposes the decline in welfare states** already attacked during the previous economic crisis, when austerity cuts were used as a means to close large public deficits and debt: undermining universal, affordable health/care and social services for all as well as social protection and minimum income protection.
- ▶ **The longer-term impact exacerbates not only the economy but also the health and social inclusion of people experiencing poverty** – increasing isolation, depression, but also discrimination, racism, social exclusion and cohesion.

3.2.2 Main groups

A wide range of groups are impacted (see detailed study above). However, the Poverty Watches show a high consensus on the main groups that are currently facing **most risk of increased poverty and social exclusion**. These are generally groups that were ‘already facing poverty’. In some cases, there is the emergence of ‘new poor’ facing new risks.

"Supercharging poverty/burdening people already poor and socially excluded"

Poor workers

in precarious, low paid jobs; the self-employed and those working in the shadow economy. Poor workers, who are working in precarious jobs with limited, temporary, partial or zero-hour contracts, **are more likely to be laid off, work reduced hours and receive lower pay.**

Many fall outside short-term or extended unemployment benefit schemes, due to this (AT, BE, CY, FI, HU, LV, LT, NO, PT, ES, MK, UK, IFSW Europe). **Poorer front-line essential workers (in retail, transport, health/care services)** also face increased risk of contracting Covid-19, whilst dealing with the added pressure of managing home-schooling and supporting their children, particularly when schools and colleges are closed. (IFSW Europe).

Women, migrants and ethnic minorities make up a large proportion of those employed in such jobs. In poorer countries and regions, **large groups of poor workers are 'self-employed' (bogus and other)**, shifting between short-term, insecure 'legal' employment and the shadow economy with no protection, and are particularly at risk of losing their jobs and ending up without any legal source of income (ES, MK, RS).



In Hungary, April 2020 there were 330,700 registered job seekers, and due to the extreme severity of Hungarian regulations, only 110,000 of them were eligible for jobseeker's benefit, for a period of only three months. 68,000 people were eligible to collect a 22,800 HUF (67 EUR) employment substitution benefit, and 153,300 people received no benefits whatsoever.

- EAPN Hungary Poverty Watch



Poorer older people, people with disabilities and those with existing health problems including mental health

Older people have been often the most visible, distressing casualties of the epidemic - experiencing increased health/and death risks due directly to COVID, particularly those who were confined in residential care homes, with inadequate protection or care, or due to having other health treatments postponed. Whether at home or in residences they are most likely to experience increased isolation and depression, with restricted access to essential support services, including vital mental health support (HR, CY, FI, IS, LT, PT, SI, MK, RS and IFSW).



In Serbia, older people (65+) were in a specifically disadvantaged position, since they were exposed to restrictions putting them at risk of social exclusion. During the state of emergency, older people were mostly not allowed to leave their homes and have any contact with people outside their household. This was particularly difficult for those who live alone, and those living in remote rural areas. In addition, older people in rural areas were not able to sell their agriculture products, which significantly reduced their income.

- EAPN Serbia Poverty Watch



In the IFSW survey, in most countries, services such as day care centres for people with learning disabilities, elderly people, people with psychiatric problems and others were closed. Also, there was no access to family members in residential care:

- They missed what is so important for their wellbeing (Netherlands).
- The most disastrous effect of “social distancing” took place in residential services for elderly and hospitals, where contacts between close family members were prohibited and people died isolated and alone (Austria, Ireland).
- The accessibility of social services was reduced and made more difficult. Some authorities completely stopped the provision for social services for up to three months (Romania, Austria, IFSW Europe Poverty Watch).

People with disabilities are being targeted with being laid off and often have complex routes to accessing adequate benefits, because of the overlap/shortfalls between the different income support schemes, often receiving lower benefits, despite having increased costs due to their disabilities. Within these groups, specific groups experience discrimination in accessing services.

(HR, FI, HU, IS, LT, NL, ES, UK, RS, IFSW)

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“The worst thing is that being disabled and in a risk group I can no longer get food assistance, not even what little there was before COVID-19. And then there are the food allergies. But I can’t go out to stand in line for them, and no one will bring them to my door either.”

- Testimonial from person experiencing poverty - EAPN Finland Poverty Watch

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Poor children/young adults in poor families, particularly single parent households mainly headed by women

The lockdown and social distancing measures have particularly impacted poor families, living in overcrowded accommodation, struggling to provide home schooling for their children, without adequate resources or support, particularly those including front-line workers. The lack of computers, good internet connections and digital literacy has further increased inequality in access to decent education during this period (IFSW Europe). Families living on unemployment or minimum income benefits, are struggling to cope with rising costs. The shift to distance education, as well as day-care centre closures, have significantly increased food expenses of families because of forfeited free school lunches. These are the primary users of food banks as family incomes become completely inadequate to meet their needs (poor children, young adults: BE, FI, HU, IT, LT, SI, ES, NO, PT, PL MK, RS, IFSW Europe / single parents: AT, BE, CY, HU, IS, PT, PL, SI, RS, ES).

.....

In Poland, “rent, water, waste, gas and electricity charges increased during the pandemic. The income remained the same. Social assistance benefits and housing allowance. Housing allowance is deducted from social welfare benefits, what left is PLN 11-12, that's what I get from the housing allowance. I was in arrears for gas and electricity charges. There was no adequate help, the benefit was delayed, so I was in arrears, but I have it settled, because I earned it from casual work.”

- EAPN Poland Poverty Watch

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In Belgium, the food banks received 15% more applications and distributed 55.4% more food. The prices in the supermarket increased, people consumed more energy, internet and telephone and some faced higher healthcare costs. Many social institutions needed to close their doors, and are only reachable by internet or phone, or worked with limited opening hours. This made it, especially for vulnerable groups, much harder to assert their rights. A Belgian survey revealed that 81% of youngsters that live in vulnerable situations had problems with their school assignments, almost 66% did not have a laptop or a computer at home, 76% had too little space at home and 61% had no one in the neighbourhood who could help with school assignments.

- EAPN Belgium Poverty Watch



In Lithuania: 57% of organisations noted a decline in family incomes due to the Covid-19 pandemic. 38% of organisations noted that a percentage of parents lost their jobs, and due to reduced family income, as well as the closure of schools and children's day care centres, children did not have enough food (48%). 54% of organisations noted that children were not provided with access to distance learning, especially due to the lack of technical means (computers, internet).

- EAPN Lithuania



“Before Corona I volunteered at a non-profit organisation. That gave me a lot of self-satisfaction but it also helped me financially. I received a small volunteer fee and the organisation also paid for my bus. I also often ate here, because they organise a cooking workshop. In the evening I would then just eat soup. That's all gone now. The prices in the supermarkets have also increased enormously and I can no longer buy what I need for my milk intolerance. I have problems with my gutter, but at the moment I can't afford to call anyone. I have fixed it myself as good as I could. I pray every day that it doesn't rain too much because I don't know how long my gutter will last’

- Testimonial – quoted in EAPN Belgium Poverty Watch



Women – particularly poorer/socially excluded women, suffering increased domestic violence

Continuing gender inequality ensures that women end up poorer and are impacted worse by the outbreak of the virus, due to their concentration in poorer, more precarious jobs and sectors, dominating low paid essential work as well as heading up single parent families, and taking the main burden for home schooling (BE, CY, FI, FR, HU, IT, MK, NO, PT, ES, RS, IFSW Europe).



“The pandemic had a major impact on gender inequality, with women on the front lines of the response to COVID-19. Women were overrepresented in crucial and often poorly paid occupations in health centres and hospitals, residences for the elderly and / or with disabilities, as well as in educational establishments, while at the same time carrying the greatest workload at home. The impact of intersectionality is particularly evident, where poor women belonging to ethnic minorities, racially diverse groups, migrants or asylum-seekers, with serious illnesses or disabilities, engaged in prostitution and other similar activities face greater risks and a discriminatory burden - double or triple.

- EAPN Spain Poverty Watch



Domestic violence has also increased, primarily impacting women. The number of reported cases of violence against spouses or children has grown, with the victims of gender-based violence becoming more vulnerable during the pandemic (CY, FI, ES, SI, MK, RS).



In North Macedonia, the national restrictions and the curfews “trap” the victims in their homes with the person who commits the violence. The lockdown and curfew restriction entrap the victim with the person who commits the violence and the additional support from a shelter, centre or an institution were scarce during the pandemic.

- EAPN North Macedonia Poverty Watch



IFSW members reported that victims of domestic violence were unable to access professional help and support and were locked in their household with the perpetrator (Malta). There were more signs of domestic violence, and fewer possibilities for the victims to seek help (Netherlands). Higher levels of domestic abuse were recorded (UK, IFSW Europe).



In Serbia, women were more frequently sent on leave by employers than men (24.7% vs. 18.4%). On the other hand, working hours more often increased among women than men, which is understandable having in mind that women make up the majority of the workforce in the health sector which was particularly burdened by the pandemic.²⁶

- EAPN Serbia Poverty Watch



Lucija is from Kosovo, but she has lived in Slovenia for 21 years, and for the past 7 years she has lived in Ljubljana as a single mother. In the past she has been the victim of intimate partner violence whose consequences are so grave that she is no longer able to work. She receives income supplement which however does not suffice for subsistence, so she keeps turning for help to non-governmental organisations which provide her with food packages and other help. She lived with her child in a safe house and she also tried to rent an apartment, but the expenses were so high that she could not afford this financial burden.

- Testimony from EAPN Slovenia Poverty Watch 2020



Groups facing systematic discrimination: people from black and ethnic minorities, asylum seekers, undocumented people and the homeless hit worst

Roma households face increased risk of contagion, often segregated in poorer overcrowded housing. Roma are also more likely to lose their jobs, where they have them, and more frequently find fewer opportunities for casual work, often resulting in loss of any form of income, as they fall outside the social protection safety net. Their lack of access to digital services and computers limits their ability to provide school support (MK, RO, RS, SI).

[26] Source: SeConS, Impact of COVID-19 on livelihoods of women and men in Serbia, UNFPA, UN Women, 2020



In North Macedonia, the majority of the Roma are actively part of the non-formal (grey) economy. Collecting plastic, metal and after that selling the collection or being part of a non-formal bazar allows the Roma people material support for them and their families. Roma people are being cut out of their own main or only source of income, enlarging their material deprivation and poverty. Many of the Roma family generations live together as one household, leading to a greater risk of contracting the virus’.

- North Macedonia EAPN Poverty Watch



In Serbia, the Roma population lives predominantly in sub-standardised settlements, so the risks of poverty and social exclusion were even higher than before the crisis, since “a major part of the members of the Roma community earn their daily living by collecting secondary raw materials, selling goods at markets or playing music, which was not possible in the time of pandemic”. When it comes to spreading the virus, it was hard to expect that the population in which 5,000 families have no access to drinking water could respect even the basic recommendations on maintaining proper hygiene...

- EAPN Serbia Poverty Watch



Black and ethnic minorities (BAME) have gained new visibility due to the ‘Black lives matter’ movement this year, however the impact is not clearly visible due to current limitations on reporting/data collection in most EU countries where ethnic status is not captured. EAPN UK strongly highlights the higher level of risk of death, drawn from new disaggregated studies.



“Of the people who died from Covid-19, the BAME minority population have a much greater risk of dying than people of white backgrounds. According to the ONS, Black men were 3.3 times more likely to die than men of white backgrounds and 4.7 times more at risk if they were aged between 9 and 64. Black women were 2.4 times more likely to die.”

- EAPN UK Poverty Watch



Asylum seekers, third country migrants (AT, LT, FI, NO, ES, MK, RS, IFSW Europe) and other undocumented groups face higher risks, with enforced quarantine/self-distancing in often crowded, poor quality housing with reduced possibilities of securing even low paid work, or accessing adequate income support, difficulties over accessing information and support, receiving attacks and stigmatisation from populist politicians.



According to the Fundación CEPAIM,(The organisation for the attention and defence of the rights of immigrants), that is a member of EAPN Spain, people in an irregular situation work in the underground economy or in formal activities, but without a labour contract. They predominantly work in agriculture, as cleaners, cooks, assistants, carrying out personal care and other services. Around 15,000 people across Spain live in extreme conditions in shanty towns that should be urgently removed. These settlements are far from other populations, lack running water and electricity, and people live "in conditions that no citizen would recognise as typical of this country," as noted by the Rapporteur United Nations Special Rapporteur on Extreme Poverty and Human Rights, Philip Alston, in February 2020.

“We all share what little we have. If I receive help that lasts 15 days, I can only last a week because I share it with my neighbours who have not been here long, who do not know how to manage this situation and are very hungry. They are suffering a lot”: Djiby, an undocumented migrant, regrets over the phone from home.

- EAPN Spain Poverty Watch



Homeless people are visibly at threat of contagion and unable to comply with lockdown restrictions, some have enforced quarantine in ‘emergency shelters’, many losing NGO support (soup kitchens, outreach medical care, street work etc.) (AT, FI, IT, LT, PL, RS). In other countries positive steps have been taken to remove them from the streets and provide longer-term support. (IS) (See below). Younger people on the streets are particularly at risk (LT, MK).



In Italy, there are 55,000 homeless people, for whom "staying at home" is not a plausible option. These are people with health problems and mental disorders, fragile relations with family, language barriers and very precarious living conditions.

- EAPN Italy Poverty Watch



In Lithuania, there was an impression that people living on the streets or newly homeless people were completely forgotten, and all responsibility was shifted to the institutions providing services. It was limited to recommendations to the institutions on how they should ensure that the people living there did not become infected and spread the virus, which resulted in institutions tightening up their internal rules.

- EAPN Lithuania Poverty Watch



Poorer regions/areas

Not all areas have the same level of risk. Where you live fundamentally affects the outcome you face. A clear division is made between poorer rural areas, which have lost employment, and reduced new employment opportunities, and now severely impacted by reduced/poorer social, health and other services. But the inequality gap exists also between different urban areas – exacerbating existing geographical inequalities (BE, HR, UK, PL, IT).

New poor?

Anybody can become poor – EAPN members highlight the new awareness that the COVID-19 pandemic has brought: anybody can lose their job, become ill, face the risk of poverty and social exclusion.

A new generation of young people at risk of poverty and exclusion: young people who are NEETs, or are not able to continue their studies, isolated through social distancing measures, dismissed from precarious jobs and/or unable to access stable, decent jobs, often with reduced income and family support, leading to steep increases in mental health difficulties, particularly depression and anxiety (FR, LT, MT).



“Young people face insecurity in the educational process, inadequate organisation of teaching and inaccessibility for young people from vulnerable categories, unclear protocols for completing degrees and transition from one level to another. The measures and the state of emergency to prevent the spread of Covid-19 significantly restricted the movement and activities of young people, thus making their psycho-physical health very vulnerable.

In addition, they were affected economically, as they often worked in more precarious positions, had fixed-term contracts, or worked for a living, which made them more susceptible to job loss.”

- EAPN North Macedonia Poverty Watch



3.3 ARE GOVERNMENT MEASURES HELPING TO REDUCE POVERTY?

Members catalogue extensive financial and investment taken by governments, including ‘social shielding’, support to businesses, health and care sector packages. Although these measures are generally welcomed, are the poor and vulnerable being effectively reached?



It is also important that the economic policy mistakes made after the financial crisis a good 10 years ago have not been repeated. The German government has recognised that the focus now is on strengthening demand and investment rather than on cutting back and saving. Nonetheless, the social consequences of the Corona crisis, especially for the poorest people in our society, are still not sufficiently secured. We therefore call for the income situation of poor households and people on basic income support to be given greater consideration in the measures and for their situation to be improved in a targeted manner. In addition to contributing to securing the livelihoods of poor people, this would contribute to domestic demand and is thus in line with the objectives of the Economic Stimulus Pact.

- EAPN Germany





In France, according to the press release of the «ALERTE» group (34 national federations and associations fighting poverty and exclusion, members of the UNIOPSS anti-poverty commission and local inter-associative groups present in 10 regions), the recovery plan ignores the most precarious people. Less than 1% of the 100 billion released under this plan is dedicated to the poorest people.

- EAPN France Poverty Watch



"We are talking about poor families with children who live just above the subsistence level. The adjustment of the benefits from SGB II and the associated benefits is missing. The calculated shopping basket for people receiving benefits from the state has remained the same". It does not take into account that children are at home and needing more food, support and resources. E.g. the school's laptop can be borrowed for home schooling, but access to the Internet is not available. So this example shows the structural weaknesses of society.

- IFSW Germany



3.3.1 Cuts to household incomes

All Poverty Watches report the loss of income as a major contributory factor driving increased poverty. An EAPN Serbia study on the impact of the COVID-19 pandemic on incomes highlighted that more than one third of respondents reported a decrease in the income from a personal or family business, more than one quarter of respondents reported a decrease of income from salary, agricultural activity or investments and savings, and more than 16% of respondents reported the decline of in-kind income. The gender differences are significant, with women systematically reporting in higher proportion than men that their incomes from productive activities have decreased.

3.3.2 Measures to guarantee income - who benefits? Who loses out?

Short-time working: Many schemes have followed the German model where the government and/or the unemployment insurance and public employment services pays part of the salary, as workers are retained on part-time contracts (AT, BE, HR, DE, CY, FI, IE, NO) e.g. in early 2020 in Austria, 1 million workers were on such a scheme. However, only workers with stable contracts can access this support, excluding the majority of low-paid workers. In other countries, the delays in the introduction of the schemes have led to significant shortfalls in income that have not been compensated for (Norway).

Gaps in sick pay: Sick pay rates and eligibility criteria vary widely. Statutory sick pay schemes are often very low. Poorer workers are often outside company schemes and work with insecure contracts which are not eligible for sick pay. They therefore end up working and increasing risk of contagion for themselves and their families.



In the UK, statutory sick pay is only £93 and is insufficient to live on. 43% of workers without access to sick pay were likely to work with symptoms of Covid-19, compared to 31% who are eligible for sick pay.²⁷

- EAPN UK Poverty Watch



Support for the self-employed: Overall, the support for these groups has been more limited, impacting negatively on many ‘poor workers’ who face increasing pressure to accept ‘involuntary’ or ‘bogus’ self-employment. Some countries provide one-off grants which do not have to be paid back (Germany). In most others the help comes as government-backed loan guarantees. People who earn too little are often not eligible for support.

[27] Adams-Prassl, A., Boneva, T., Golin., M., and C. Rauh (2020) Inequality in the impact of the coronavirus shock: new survey evidence for the UK, Cambridge Working Papers in Economics 2023, University of Cambridge

“Credit guarantees mainly support banks, whereas self-employed people have to pay back the money and become indebted”. (Austria). Others are very low (e.g. in HR only 106 euros). EAPN UK reports significant gaps in the self-employed scheme (SEISS) for those who do a mixture of self-employed and part-time work as an employee, as is often the case in the hospitality industry.

Temporary extensions of unemployment benefit (UB): are seen as positive (AT, BE, CY, DE, FI, IE, PT, ES) but the implementation is very varied. In several countries, attempts were made to reduce administrative delays/hurdles and increase the speed in enabling people to access cash benefits (FI). In Spain, “exceptional circumstances allowances” were paid where temporary contracts were ended. In Ireland, 530,000 people received the Pandemic Unemployment Payment (PUP). However, when the level of 203 euros was raised to 350 euros, it created a 2-tier system. This higher level is seen as a temporary measure, meaning that those unable to find work will then move to the lower level, creating hardship.

In many countries, although the minimum amount you have to have earned to be eligible for UB was reduced, it still excluded large numbers, particularly those with a looser connection to the labour market e.g. working students, artists, people in the platform economy, temporary workers (NO). In the UK, 3 million people are not covered - including workers who were starting new jobs and are ineligible for furlough. In many countries, the starting point for benefit was too low, e.g. Croatia where less than a quarter of the unemployed could claim it, around 300 euros a month.



I contacted the employment agency to get unemployment benefits. While waiting for compensation, I get food aid and I agreed with my landlord to pay the rent as soon as I get the benefits. Normally when losing a job an employee has a two-week deductible period. Now there is no such kind of quarantine period, and the benefits will be paid immediately. The government has also added officers to the employment agency to reduce congestion.

- EAPN Finland Poverty Watch



Increases in MI/Child Benefit: People on social assistance are generally considered ‘already’ poor, so there has been little initial recognition that benefits are already very inadequate and that COVID makes it even harder for people experiencing poverty. Some countries have widened the scope of social security recipients due to the pandemic with increased numbers accessing it. In some countries increases are promised, reflecting increased household costs (Finland).

In Germany, the Government abolished the proof-of-financial assets requirement. Families who have lower incomes due to short-time work are also given easier access to the child benefit supplement. However, in other countries, few concessions were made. E.g. in Austria, the new regulations concerning the means-tested minimum income scheme were not changed nor was the waiting period (of 3 months) reduced.

Countries introducing comprehensive benefit systems covering those in and outside work, like the UK (Universal Credit) faced massive disruption, as the system wasn’t designed to help workers with fluctuating earnings, and telephone application systems collapsed because of high levels of demand (EAPN UK). Most importantly, the levels of MI are still significantly below the at risk of poverty level, and do not recognise the range of new costs and loss of services: eating at home, loss of free school meals, costs of heating/lighting, digital equipment, rising food and basic goods prices etc.



Positively, in Spain, the new Guaranteed Minimum Income was adopted, targeting the poorest families as the first national MI scheme, unifying regional schemes, to help 850,000 households. Finance Minister María Jesús Montero called the guaranteed minimum income scheme “a giant step in the fight against inequality in our country.” The programme aims to lift around 1.6 million people out of extreme poverty, a group that represents 12.4% of the population, compared with the EU average of 6.9%.

- EAPN Spain Poverty Watch



Ad hoc hardship payments and funds: Several countries produced specific funds for poorer families, or households (AT, DE).

- In Austria, the family hardship fund was originally only aimed at families in which one partner had recently lost their job because of the corona crisis. After massive criticism and interventions by the Austrian Anti-Poverty Network, among other organisations, the government modified the regulations and also included families in which one partner had already been unemployed before the crisis, and also recipients of means-tested minimum income. In others, parents who stay at home to look after the children, and people in quarantine, are compensated financially (Finland). In Germany, this also applies to self-employed persons.
- In Finland, students continue to receive their study allowance even if their progress does not satisfy normal criteria. In other countries one-off universal financial support is common.
- In Serbia, a one off universal payment of 100 euros and 45 euros for those on pensions and benefits was made. According to ILO/EBRD microsimulation this universalistic income support measure had a positive distributional and anti-poverty effect.

However, the EAPN assessment was that it did not reach the most needy and vulnerable. In many countries, such support was also recognised as a direct way of stimulating consumption.

- In North Macedonia, direct financial support was given through a payments card to stimulate consumption of domestic products and services and affected sectors. However, there were problems with the use of the cards due to lack of email addresses, poor digital literacy, lack of information on procedures. CSOs have played an important role in supporting and directing through legal and technical assistance.

3.3.3 Other temporary measures: tackling rising household debt?

Other important support has come in the form of deferment of payment of mortgage and rent for vulnerable families, suspension of evictions (ES) or freezes on electricity and other bills (NL/IFSW). Maximum credit limits for consumer credit interest aim to prevent exploitation of people who are in financial difficulties due to the pandemic (FI). However, most of these measures are temporary, and do not solve the problem of inadequate income to meet existing expenses and rising debt (CZ, NL).

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In the Netherlands, as a result of Covid-19, the number of households with debt will grow to between 1.5 and 2.6 million in 2021, of which 41% are struggling with problematic debts.

- The Debts Lab and Deloitte Report, highlighted by EAPN NL Poverty Watch

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3.3.4 Income support/replacement is inadequate, weakly coordinated and does not reach the poorest!

The package of income support and replacement measures (unemployment, temporary support, sickness benefits, minimum income) need to be looked at together. None of the countries are providing an adequate level of income support to take people out of poverty – nor appear to be considering the short and long-term social, economic and societal costs.

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In Hungary, in April 2020 there were 330,700 registered job seekers, and due to the extreme severity of Hungarian regulations, only 110,000 of them were eligible for the jobseeker's benefit, for a period of only three months. 68,000 people were eligible to collect a 22,800 HUF (67 euros) employment substitution benefit, and 153,300 people received no benefits whatsoever. This accounts for those who had registered.



There are several hundred thousand Hungarian employees who are ineligible for benefits and therefore decline to apply. They constitute the precariat, who are present on the labour market without legal protection, subject to the whims of employers and the market alike. Estimates put the number of illegally employed people at roughly 600,000 in a labour market of about 4.5 million. Simplified tax-paying small businesses amount to 140,000 people, and they too have issues accessing the jobseeker's benefit.

There are roughly 70,000-75,000 interim employees who lost their jobs without redundancy benefits, often losing their homes in the process, many having lived in workers' accommodations. This is a country where two-thirds of people have no savings.

- EAPN Hungary Poverty Watch



3.3.5 NGOs fill the gap when the state fails to protect!

For people on low wages who are dismissed/laid off, the slow and low levels of payments of unemployment benefits and wage compensation have affected people's access to essential goods, whilst those already on minimum income struggle to manage with rising costs and demands with the same limited benefits. As a result, voluntary organisations have had to step into the breach, seeing a significant increase in demand for their services, at the very time when their own funding, services and volunteer pool is reduced (EAPN Norway Poverty Watch).

The massive increase in use of foodbanks across the EU, only demonstrates the severe deprivation that a large part of the population is facing, and which the emergency measures are not reaching or are not proving to be adequate.



“Then I found myself in this situation, when life tore me down, when the state turned its back on me, when the Centre for Social Work turned its back on me, my only option was to turn to the NGOs. [...] Thank god for NGOs, we survived just because of them”

- Testimony from EAPN Slovenia Poverty Watch



In Belgium, during the first wave of the corona crisis (period March-June) the food banks received 15% more applications and distributed 55.4% more food compared to the same period the year

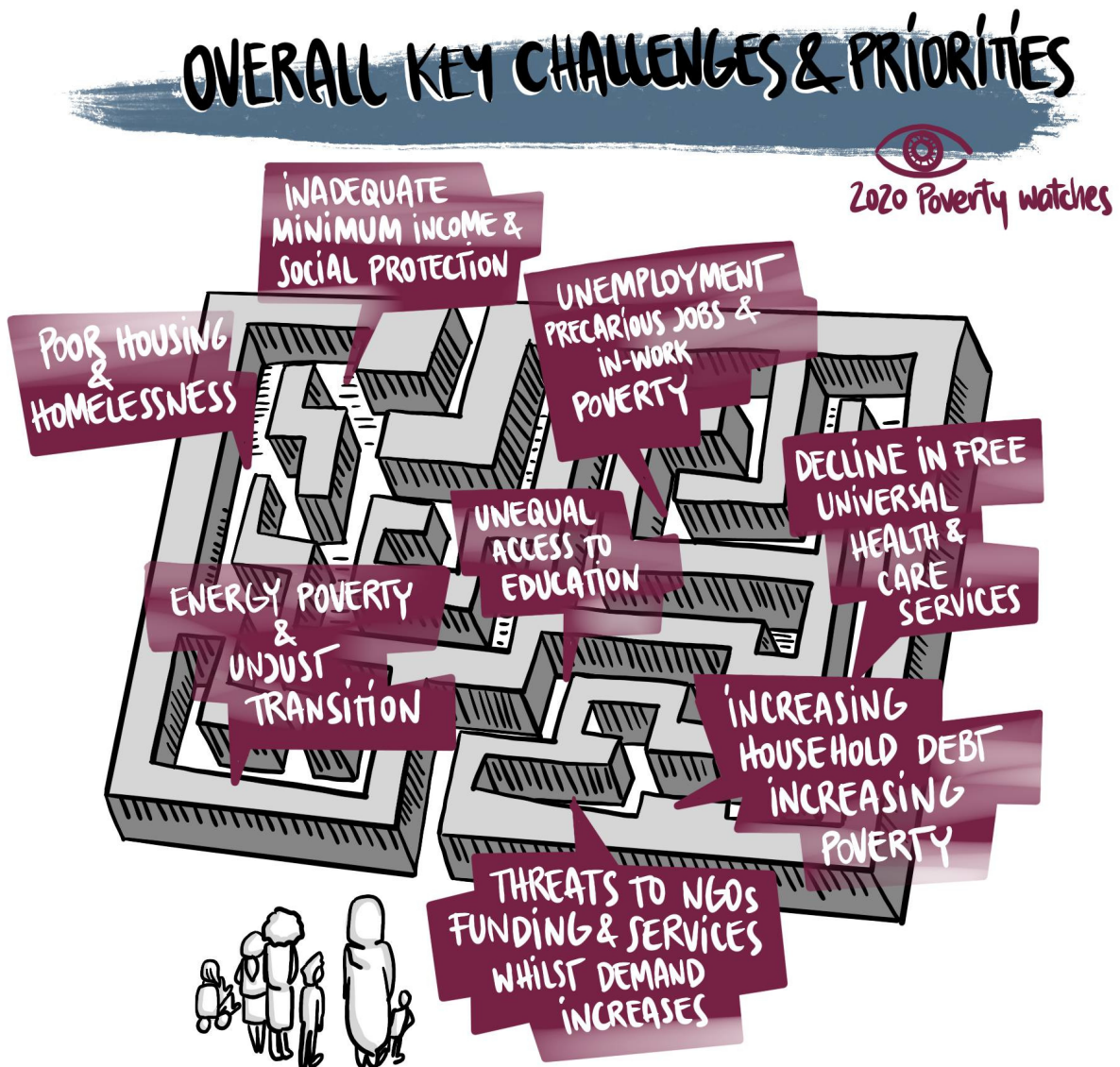
- EAPN Belgium Poverty Watch



The rise in the demand on NGOs for such essential, basic services for food and basic needs only underlines the failures of EU welfare states and the important deficiencies of social protection systems to provide a basic social rights safety net for everybody.

3.4 WHAT ARE THE OVERALL KEY CHALLENGES AND PRIORITIES?

Despite the disparities and gaps across the EU, there is a strong consensus from the different Poverty Watches 2020 about the key challenges and priorities across the EU. The key challenges highlight the gaps in ensuring basic social and economic rights to a decent income, quality jobs, services and social protection for all, as well as freedom from discrimination, and personalised, comprehensive support.



3.4.1 Inadequate Minimum Income and Social Protection

Welfare benefits are a social right and essential for reducing social inequality and keeping people out of poverty. The EU calculates that social benefits reduce poverty by 33.2% (2018).²⁸ However most social benefits are not adequate. Minimum Income plays a crucial role in preventing/tackling poverty as it provides a safety net for those not covered by traditional social protection. However, there are major problems with adequacy and coverage of Minimum Income and how far they support people in their struggle to have a decent life and to get out of poverty.²⁹

- ▶ Most minimum income schemes do not take people out of poverty. This is calculated with reference to the at risk of poverty threshold, but the reality on the ground is that they do not cover basic living costs of essential goods and services.
- ▶ Most countries have not recuperated the austerity cuts made during the previous crisis, and benefits are often not indexed to the rising costs of living; e.g. In the UK there was a 4-year benefit freeze on top of other cuts to working-age benefits, including work and housing allowances and cuts to single parent support (EAPN UK Poverty Watch).



The Finnish Government received several complaints from the European Committee of Social Rights regarding the insufficient level of basic social benefits. For instance, in its decision dated 5 May 2017, the Committee observed that the level of the labour market subsidy in Finland is too low. Yet cuts were made in basic social benefits between 2015 and 2019.

- EAPN Finland Poverty Watch



[28] EU SILC 2018, quoted in Social Scoreboard/Joint Employment Report 2020

[29] EAPN 2020: Summary Document Minimum Income



In Latvia, EAPN gave evidence to the Ombudsman and achieved a favourable decision of the Constitutional Court of the Republic of Latvia on June 25th 2020 acknowledging that the current Latvian practice of determining the Guaranteed Minimum Income (GMI) value does not comply with the Satversme (Constitution) and that a new methodology for determining the GMI value must be developed.

The Court emphasised that the GMI value should be sufficient to meet basic human needs so that every person experiencing poverty can lead a life of dignity.

- EAPN Latvia Poverty Watch



- ▶ Most governments have not increased the levels of support to recognise the extra costs of COVID-19, e.g. having the family at home, needing more food, support and resources, including laptops, losing free school meals and other services etc.
- ▶ More people are relying on minimum income as they fall outside unemployment benefit schemes, but face major problems of eligibility and coverage, including limited duration. Increasing groups are excluded from accessing benefits, or not on equal terms, e.g. young people do not benefit from the RSA in France and a quarter of them live below the poverty line. In Spain, there are more than 1 million people living in incomeless households without recourse to benefits.
- ▶ Restrictive regulations fail to take into account the individual's needs and the realities they face. In Belgium, people who live together are classed as cohabitants, and consequently have their benefits cut, disproportionately to what they actually save by living together.
- ▶ Receiving minimum income is very stigmatising and punitive, carried out in an atmosphere of distrust and surveillance. The increasing conditionality places huge stress on applicants to take up low paid, precarious jobs or training. People with disabilities are particularly impacted, due to hardening of capability to work tests.



In Norway, due to stricter criteria, many people with disabilities lose the benefit before their working capacity is clarified.

There is then a 52-week waiting period before you can re-apply. This has sent many former recipients into poverty, with financial assistance as their only source of income.

- EAPN Norway Poverty Watch



In Finland, benefits were slightly increased and conditionality reduced, as a result of the abolition of the activation model's requirements. However, the raise didn't compensate for the previous cuts.

- EAPN Finland Poverty Watch



- ▶ **Whilst most people on social benefits would welcome the opportunity to work, supportive 'enabling' services are being cut and replaced with conditionality.**
- ▶ **There is often no sense of a comprehensive rights-based 'social protection' system to protect people against all risks, with difficult transitions between contributive benefits – i.e. unemployment/sick pay, minimum income - and additional discretionary benefits – i.e. extra payments for housing, fuel, etc.**



Then I realised that it would not be a problem to commit suicide, to be able to simply end your life, because you don't see a way out. These situations are so grave, when the child comes and says: "Mummy, we don't have any food". And you don't know what to do. And just for not looking so vulnerable and not breaking down you say: "How's that? Of course we do, there's surely an egg left in the fridge". See, here you go, and then we made pancakes. You must be very resourceful. [...]

These situations make you become neurotic, and I don't know when, if at all it will get better.

- Testimony from EAPN Slovenia Poverty Watch



3.4.2 Poor housing and homelessness

Housing is a fundamental right, but an increasing number of poor people don't have access to decent, affordable housing. Rising rent, other costs combined with drops in incomes are key drivers forcing people into homelessness. The impact of COVID-19 is exacerbating these problems.

- ▶ The main challenge is the lack of affordable housing for people on low incomes. The rents in the private rented sector are particularly problematic, without rent control. In Belgium, the housing cost overburden rate is higher for those renting on the private market (33.8% as compared to 27.4%). 89% of renters on the private market have an income that is insufficient to live a life in dignity after paying the rent.
- ▶ Housing costs for low-income households have grown faster than prices, and often specific housing allowances lag behind. In Finland, housing allowance has been cut, and maximum allowed housing cost linked to consumer price index instead of the rent index. SOSTE (Finnish Federation for Social Affairs and Health) calculated that the proportion of actual housing costs covered by the housing allowance dropped from 80% to 65% between 2012 and 2018.
- ▶ The results of the rising cost of housing is increased indebtedness, and evictions or voluntary abandonment. In Ireland, a recent report indicates that between June 2014 and December 2019 there was an increase of 349% in the number of families in emergency accommodation, from just over 300 families to a total of 1,548 families.
- ▶ Many poor families are trapped in overcrowded, inadequate housing. With the COVID crisis, this has aided the contagion amongst poorer neighbourhoods. In Belgium, more than 1 in 5 households do not have decent housing, face humidity problems, or have no bath, shower or toilet in the house or the house is too dark (STATBEL EU SICL 2018).

- ▶ Governments have reduced or failed to expand social housing at affordable rents to respond to this crisis. In Ireland, the European Commission - through the European Semester CSRs - called for an increase to the provision of social and affordable housing as a matter of primary concern for the period 2020-2021.

In Belgium, there is an enormous shortage of social housing. In 2016 as many as 215,000 households were on a waiting list. The social housing stock in Belgium is very small, i.e. 6.5% compared to countries in Europe such as the Netherlands, Denmark and Austria with over 20% (OECD, Affordable Housing Database, 2015).

- ▶ Lack of decent housing, and particularly issues over affordability/debt lead people into homelessness. Homelessness manifests itself in housing to outdoor sleeping, making it hard to track. However, all the evidence confirms that homelessness in the EU is increasing, migrants, women and young people face particular challenges. Finland is the only member state experiencing a decline through 'Housing First' approaches.

In Belgium, the number of counted homeless people in the Brussels-Capital Region has more than doubled in ten years. The number of people sleeping outside has almost tripled (in 2008, 269 people were counted in the public space, rising to 759 in 2018). In Finland, homelessness is decreasing. At the end of 2019, there were 4,600 homeless people living alone, a drop of 280 from 2018. However, the share of women among the homeless has grown from 17% to 26% since 2000. In 2019, the number of homeless people from immigrant backgrounds was 1,100, a drop of 60 people from the previous year. The actual figures are probably somewhat higher.

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**“The rent on the free market is just too high.
Even with full support I wouldn't be able to afford it”**

- Testimony from EAPN Iceland Poverty Watch

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3.4.3 Unemployment, precarious jobs and in-work poverty

For EAPN members, work is not always a route out of poverty, with in-work poverty growing as jobs are cut. Growing unemployment amongst already poor workers is a major concern, being the first to be sacrificed or left out of furloughs or other arrangements. The decline in positive activation measures, which provide person-centred advice and support to vulnerable and excluded people who are distant from the labour market, helping them to get decent jobs, is a concern. This was already the case even before the devastating impact of COVID-19.

- ▶ Long-term unemployment is growing: The pandemic has had a significant impact on the increase in unemployment, having a worse impact on key groups. Older people are at risk of being laid-off/made redundant and of longer-term unemployment whilst the young are concentrated in precarious jobs.

In Finland, in July 2020, there were 387,500 unemployed corresponding to 118,600 more than in 2019. The number of people in long-term unemployment was 77,700 - 12,600 more than last year. The probability of long-term unemployment grows the older the jobseeker is. Among the unemployed between ages 60-64, half were long-term unemployed. In the UK, 65% of people in in-work poverty have had their jobs, hours or incomes cut, compared to 35% of those with incomes 20% above the poverty line.

- ▶ Barriers to getting new jobs: people from at risk groups face more barriers in accessing new jobs. People with disabilities face particular challenges if support/adapted tasks aren't available. Migrants, Roma, Black and Ethnic minorities face increased discrimination.

In 2018, people in Belgium with a low educational attainment level had an employment rate of only 45.9% compared to the 55% average in Europe for the same group. Whilst for people with disabilities (20-64) this was 31.6%.

Migrants are discriminated against with lack of language support and problems with the accreditation of diplomas and competences, which is governed by the public authorities set up by linguistic group. In 2016, 43% of the 97,820 unemployed job seekers in Brussels were unable to gain accreditation of their education or training certificate obtained outside Belgium.

- ▶ Insufficient personalised support: comprehensive pathway approaches offering personalised, integrated accompaniment through a case work approach bringing together all the necessary services in a joined up fashion through a personalised approach are still too limited.

In Ireland, concerns are addressed that the new Pathways strategy maintains its original aim to address and respond to the needs of households who have been long term unemployed and those distant from the labour market. This is particularly important for groups such as women, people with disabilities, older people, people from migrant backgrounds, Roma and Traveller communities.

- ▶ In-work poverty is rising for key groups: the real value of wages is declining, and the options reduced, particularly in relation to enforced part-time work.

Spanish workers have lost an average of 7% of purchasing power in the last 25 years. In-work poverty rates are particularly prevalent in families with children. In Finland, of all families with children living under the low-income threshold, nearly one half had one parent who was employed. The highest risk of poverty was amongst single parent families, mainly women.

- ▶ Revaluing essential jobs: a positive impact of the COVID-19 crisis is the recognition that 'skilled' essential jobs are undervalued, and underpaid. These essential jobs in the health, care, transport and retail sectors have a higher proportion of women, ethnic minorities and migrants working in them.

- ▶ Low levels of minimum wage: even where a legal minimum wage exists its often not set at an adequate level.

In Germany, a legal minimum wage was initially set at 8.50 euros per working hour and was increased to 9.35 euros as of 1 January 2020, but the time-delayed adjustment process of the minimum wage to the overall wage development - involving a Minimum Wage Commission - means it falls behind the general wage development.

- ▶ Increasing gender pay and pension gap: gender income disparity is a significant factor in poverty levels, particularly for single parents and female pensioners. In most countries the gender gap is not reducing.

In Spain, female workers earn gross 14.9% less than men (Eurostat). They also earn 400 euros less in unemployment benefits, a gap of 10.7%. "Women would have to work nine more years to have a pension similar to that of men, it is devastating," explains the Secretary of Equality of UGT (Spain). In Finland, at the age of 30, women's earnings are only 80% of that of the men. The gap is even greater among 63-year-olds and peaks around age 70.

- ▶ Increasing number of poor carers, mainly women: As the state withdraws from providing care services, family members, overwhelmingly women, increase their role, leading to increased poverty.

In Finland, there are around 350,000 informal carers, with 60,000 of these demanding extensive commitment. There were 48,700 informal care agreements in 2019, and some 70% of the caregivers are women. Informal caring applies to the elderly, as well as to childcare, or caring for those with disabilities.



"I find life very hard, not being able to pay all my bills, always putting some to be paid on credit. The stress makes me sick. I'm always worrying knowing that my kids have to go without.

- Testimony from EAPN Ireland Poverty Watch



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“I do often find myself in a situation, when children say to me that we don't have any food, and the youngest one says: "Mummy, don't they pay you nothing at work?"

- Testimony from EAPN Slovenia Poverty Watch

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“The situation of a working-age carer is often a financial disaster. After my child's accident, I had to sell my house, car and all other assets, yet you don't get proper help from society. I used to have a steady job with a good salary, and now I'm looking at becoming homeless”.

- Testimony from EAPN Finland Poverty Watch

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3.4.4 Unequal access to universal health and care services

- ▶ The right to good universal health/care has been exposed as a myth in many countries, with the devastating impact of the Corona virus in 2020 exposing its weaknesses and condemning poorer groups to unequal access to health and greater risk of illness and death.
- ▶ Accessibility and universality of health services for all groups in all regions has declined, but also affordability, particularly with the increase of out of pocket payments for specific services, i.e. specialist consultancy, chronic ailments but increasingly linked to primary care services including dentistry in most countries.

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There is a popular belief that Iceland has free health services, but this is not accurate at all. To see a GP costs around 10 euros, having a blood test done is around 25 euros, having an X-ray costs over 100 euros and seeing a specialist (gynaecologists for example) has a similar price tag. A trip to the emergency room will set you back at least 45 euros and if you need an ambulance, there is a charge of another 45 euros, payable to the Red Cross, who are the provider of all ambulance services and no coverage for adult dental costs. And as for mental health support – it's not possible to pay for this.

- EAPN Iceland Poverty Watch

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- ▶ In many cases this is linked to a pattern of increased privatisation and sub-contracting of services, with limited regulation of standards including access.

In Ireland there is a 2-tier system (public and private) for rich and for poor (EAPN Ireland Poverty Watch).

- ▶ There is increasing evidence of the link between health inequality linked to poverty as a key social determinant, with an increasing gap in health life years and expectancy between the rich and poor, and different regions and neighbourhoods.

In England, life expectancy for women has fallen in the 10% most deprived areas. In Ireland, life expectancy at birth of men living in the most deprived areas was 79.4 years in 2016/2017 compared with 84.4 years for those living in the most affluent areas.

- ▶ The lack of a comprehensive universal health and care service has been put under the spotlight as a result of COVID-19 with the majority of deaths taking place in care homes. E.g. 59% of deaths in Ireland took place in care homes.
- ▶ Mainstream mental health, drug and addiction rehabilitation services are inaccessible to poorer clients, who depend on NGO services, with long waiting lists (IS).

3.4.5 Unequal access to education

- ▶ Inequality in school systems is leaving poorer children, and vulnerable groups behind. Segregation for Roma children continues to embed a 2-tier system in many countries. In reality, most groups of poorer children are concentrated in poorer schools with worse outcomes. When they are within the comprehensive schools, discrimination, rejection and lack of personalised support is a common experience which can damage poor children's confidence and development.

- ▶ The cost of education is rising. Free public education is becoming an increasing misnomer, as poor parents are increasingly required to pay for books, documents and copies, school and computer equipment, transport, lunches, out of school activities and additional fees. Where paid activities are optional, poorer parents opt out.
- ▶ Migrant children face particular challenges, in terms of language and intensive support, as well as discrimination in access to services and treatment.



Poverty is most acutely felt in parenting, when you're unable to give your child the same things their peers have, and you're afraid of the onset of winter; where will you get the money to buy clothes? Everything is second-hand, old stuff from other people. You must try to do everything yourself. On the other hand, it's also about attitude - money is just money. You can't buy presence and love. You can't buy joy."

- Testimony from EAPN Finland Poverty Watch



- ▶ Educational inequality, particularly digital exclusion has been exacerbated by the crisis. Children and young people living in vulnerable households struggled with home schooling, through lack of computer equipment, skills, parental time or support, particularly where the parent is required to work as an essential worker. This massively extends the inequality breach.

E.g. in Belgium, a survey revealed that 81% of young people that live in a vulnerable situation had problems with their school assignments, almost 66% did not have a laptop or a computer at home, 76% had too little space at home and 61% had no one in the neighbourhood who could help with school assignments.

3.4.6 Increasing household debt increasing poverty

- ▶ During the COVID-19 pandemic, prices of retail food and essential goods are rising, in compensation for the reduced numbers of customers.

The mismatch of drastically reduced incomes to rising prices is forcing poorer households into increased household debt, or to make unacceptable choices between food, heating and other essentials.

Poor, over-indebted households are often vulnerable to loan agencies or 'sharks' demanding high interest rates in return for quick loans, and then use punitive recuperation mechanisms including use of bailiffs, seizure of goods and evictions.

In Finland, an alarming feature is the growing number of consumer payment defaults: at the end of 2019, 386,700 people registered payment default, and at the end of June 2020, the figure had climbed to 390,000 or over 8% of the adult population. According to the National Administrative Office for Enforcement, a total of 456,568 user fees for public social and health services were collected by enforcement in 2019.

3.4.7 Energy poverty and unjust transition

Energy poverty is the result of a combination of inadequate incomes, high energy prices and energy consumption.³⁰ With the Covid-19 crisis, a perfect storm is created with cuts in household income, higher energy consumption with social distancing, and rising prices. Plans for green transition are likely to increase energy poverty unless steps are taken.

[30] EP with EAPN 2015: Energy Poverty Handbook

- ▶ High energy consumption with poor families/households is not so much the result of 'wasteful habits', but due to the impact of poor, energy inefficient housing and electric heating/cooking equipment. Families with children, older people, those with disabilities or long-term health problems inevitably consume more.

In Lithuania, in 2019 26.8% of households could not afford to heat their homes sufficiently, while 14% live in homes with dripping roofs, damp walls, rotten windows, or floors.

- ▶ Prior to COVID, there was a growth in the number of electricity cut-offs (in Germany in 2016, 328,000 people were disconnected). With the impact of COVID-19, particularly from social distancing, higher energy bills will be, for many poor households, unpayable. In the short-term, most countries have imposed moratoriums. However, in the long-term more cut-offs are likely.
- ▶ Energy transition/energy efficiency initiatives can exacerbate the problem by passing on costs to poorer tenants in the form of higher bills or rent unless specific measures are put in place. (In Germany the transition to green energy substantially increased energy bills, passing on the costs of transition).

3.4.8 Threats to NGOs' funding and services whilst demand increases

- ▶ As COVID exposes the limitations of the welfare state and social protection safety net, social NGOs have been left to pick up the pieces, often having to re-orientate services to deal with direct needs, including food banks and delivery, support services, mental health, debt advice.
- ▶ NGOs are also experiencing revision of funding guidelines as preferential funding is given to direct services, which substitute for the welfare state, rather than more community/group support services, or advice or redress, or advocacy services.

- ▶ At the same time, NGOs see their funding under threat, including cuts in funding calls, delays and revisions. In many cases major cuts were already been carried out to the sector during the 2008 crisis, with the NGO sector getting a disproportionate cut within social services.



In Ireland, in 2008 and 2011 disproportionate cuts were made to the community and voluntary sector by the Government, estimated at between 35% to 41%, far higher than cuts made to other sectors, (of approximately 7%). As a result we saw a shift towards a more top down individualised service delivery approach replacing more collective forms of engaging communities, in identifying their own priorities, and working as key actors with others to bring about the changes that are needed to improve the lives of people in their communities. A Government commitment has been made in the five-year strategy to support the Community and Voluntary sector in Ireland for the period 2019-2024.

- EAPN Ireland Poverty Watch



- ▶ This has chimed with an overall shift towards ‘individualised’ support services rather than a more bottom-up community development approach, which empowers people experiencing poverty through a collective approach designed to improve together the life of local communities.



In Spain, NGOs experienced cuts in the call for proposals and in the available funding. There have been stoppages, delays, cuts and reformulations of NGO programmes in order to meet the socio-health needs generated by COVID-19. These financing problems have generated an increase in ERTE (temporary unemployment) for those workers in non-essential services and in layoffs in the NGOs that had to close, due to not having received the funds granted by the regional Administration. Social NGOs had to face the impact of lockdown and confinement measures on their services, with an abrupt increase in demand of basic emergency aid, hygienic kits, and accommodation for homeless.

- EAPN Spain Poverty Watch



3.5 GOOD/PROMISING PRACTICES

Several Poverty Watches highlighted good/promising practices in policy or practice, some in response to the COVID crisis and others more long-term. Strong recognition was given to the key role of innovative NGO services in supporting the poor and vulnerable.

Inclusive Education and Digital Inclusion

- ▶ In various cities in Flanders (**Belgium**), schools started an outreach project at the school gate. After receiving special training, people with direct experience of poverty stand at the school entrance every day and act as a so-called bridge figure. They are an accessible contact point for parents with questions and at the same time they help the school to better understand the needs of vulnerable children.
- ▶ The **Finnish** Government intends to extend the age limit of compulsory education to 18, which will effectively also extend the scope of free secondary education, and eventually to 21. The amended act is scheduled to enter into force in 2021.
- ▶ In **Hungary**, faced with the digital exclusion of poor families, civil organisations tried their best to fill in the hardware gap - i.e. lack of laptops or tablets, but managed only a small fraction of the job. EAPN HU participated in one of the more successful projects, called "Ablak a padra". These initiatives resulted in many families, which did not have a laptop or tablet, being equipped with at least a smartphone. This is the reason that trade unions are urging the development of smartphone application.
- ▶ In **Slovenia**, the regional branch of the Red Cross in Ljubljana and the Faculty for social work provided teaching aids and psychosocial support for children and their families, who did not have the opportunity to participate in the educational process due to lack of technological equipment, knowledge, skills and support from parents.

During the lockdown, the Association of Friends of Youth Ljubljana Moste-Polje set up online learning assistance for pupils, and in cooperation with donors (individuals and companies) equipped families with computers and established a network of counsellors who provided emotional support to families..

Housing and Homelessness

- ▶ In **Belgium**, several Flemish civil-society organisations (including the regional anti-poverty network) have united forces and started 'De Woonzaak'. Through a European procedure at the European Committee of Social Rights they will aim to call the government to account for the violation of this fundamental right.
- ▶ In **Italy**, The Italian Federation of Organisms for Homeless People (fio.PSD, the national branch of FEANTSA, European organisation of EAPN), in collaboration with the association Avvocato di Strada, made available to all Italian municipalities guidance to decide on the assignment of a fictitious place of residence as a necessary tool to guarantee residence for homeless people, so that they could access their rights.
- ▶ In **Iceland**, efforts were made everywhere to put up emergency housing for those in desperate need, specifically those dealing with long term homelessness due to addiction/mental health issues, and those registered with "no address" and living in mobile homes, tents and cars. This resulted in temporary solutions. Now those who were offered such solutions fear for times to come as temporary agreements are coming to an end. A group of homeless women struggling with addiction made a press release stating their concerns when a temporary housing project was due to close. Reykjavík city prolonged the agreement as a result.

- ▶ In **Poland**, the Streetworking Academy project funded by the European Social Fund (ESF) and run by TPBA, has been used to create buffer centres and isolation facilities for homeless people who were to be admitted to shelters, as well as to reach homeless people in non-residential places and public spaces. The Mobile Counselling Centre in Warsaw, the SOS Bus in Gdańsk and the Streetbus in Wrocław, provide buses with emergency assistance for people in a homelessness crisis. While strict social distancing measures were in place, many places of crisis were not available. Mobile forms of aid became one of the few ways by which assistance was provided.

Minimum Income/Social Protection/Financial Aid

- ▶ The present **Finnish** Government made small increases to basic security in early 2020 and discontinued the requirements of the activation model. These increases do not offset all previous reductions, however. The Government has promised to guarantee one hobby for every child and young person and to reduce the waiting time for basic health care. It has also promised to amend the Act on User Fees in Social and Health Care so as to extend the scope of free services, and adjust the level of fees for fairness.
- ▶ In **Germany**, effective action was taken to raise Minimum Income/Social Protection: loss of earnings for families resulting from the closure of day-care centres or schools was largely compensated. This also applies to the self-employed and freelancers. Families who have lower incomes due to short-time work are given easier access to the child benefit supplement.
- ▶ In **Italy**, the government has agreed emergency income (Rem) for families in economic need as a result of Covid-19. The benefit is paid in two instalments. These are 400 and 800 euros based on the size of the family unit. It is available to families who have an annual income of up to 15,000 euros and movable assets between 10,000 and 20,000 euros.

- ▶ In **Lithuania**, in 2020, universal child benefit increased from 50 to 60 euros. The supplementary benefit for children from low-income, large families or children with disabilities has been increased from 20 to 40 euros. Free school meals have also been introduced for all (pre-schoolers) and first graders. The minimum monthly gross wage increased from 555 to 607 euros. The social assistance pension base also increased from 132 to 140 euros. Long-term changes have also been introduced in the minimum income system. The amount of benefits has been increased: for a single person, by 50 euros for the first half of the year, and for a family of three by 45 euros. Compensation for heating costs has also been increased.
- ▶ In **Poland**, the child allowance introduced from 2016 had the aim of reducing poverty among families with children and has succeeded to some extent. This benefit is granted for children under the age of 18. In 2019, the income threshold for the only or first child was removed, which means that it is now paid for all children.
- ▶ In **North Macedonia**, the Open Society Foundation provided \$255,000 in support through the COVID-19 Joint Rapid Response Fund. This aimed to provide effective and timely assistance to a large number of low-paid and informal workers, most of them women, Roma and single parents, to gain access to the government aid measures in order to meet basic living needs, and ensure the protection of their labour rights.

Health/Care/Social Services

- ▶ In **Italy**, there are 600 bikers in the Angeli in Moto association 17 who, are collaborating with Aism (Italian Multiple Sclerosis Association), throughout Italy by delivering medicines directly to the homes of the sick. In five years of activity, Angeli in Moto has supported families in difficulty throughout the territory of Rome. When the earthquake struck in Central Italy, they gave first aid to the stricken population, not easily reachable by the usual transport.

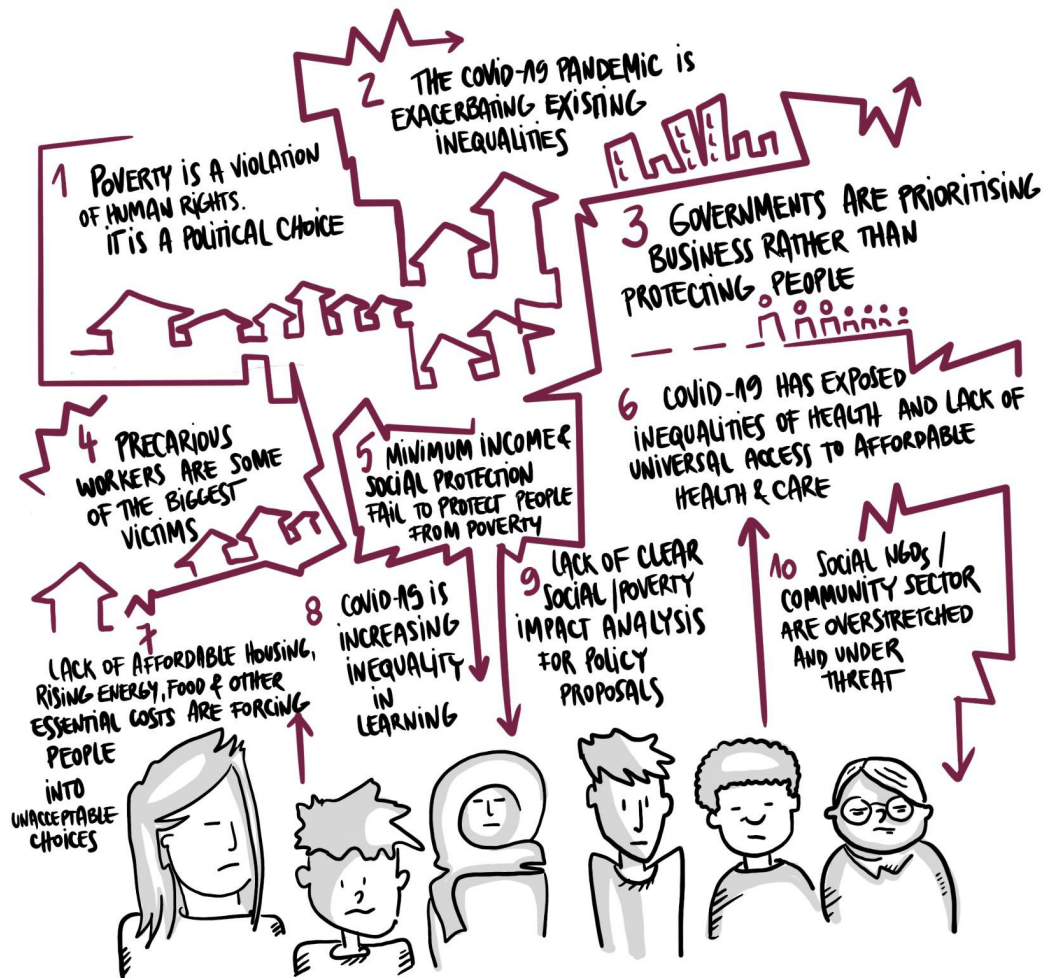
- ▶ In **Italy**, the government has made urgent provisions on territorial assistance: Until December 2020, the Health Trusts can hire social workers in "freelance" mode for the multidimension assessment of patients' needs and integration with social services and territorial social/health care workers.
- ▶ In **Italy**, Cucine Popolari, is more than a community canteen, it is a place where the poor can socialise, make friends and build futures. Here the plates are ceramic, with real glasses, and metal cutlery. Two hundred volunteers provide an average of 500 meals a day, a figure that has doubled with the arrival of Covid-19. Now, only take-away meals can be provided but funding is no longer guaranteed in the future due to the economic crisis.
- ▶ In **Iceland**: after the crash of 2009 (and as recommended by the Icelandic Welfare Watch), children are now fully covered when it comes to basic dental treatments. However, major treatments, such as getting braces, are only partly covered and extremely costly.

Local poverty funds to support participation

- ▶ In the **Netherlands** - Local Poverty Policy was started 40 years ago providing extra financial support for the local level. This was created by a coalition of the DHSS's and the National Association of Unpaid Workers, one of the founders of EAPN NL. Together they led municipalities into developing the Participation Fund or Minimum Policy. Through this instrument municipalities create possibilities for poor persons, lone parents and families to get extra financial support to be able to participate.
Extra changes are created for children, e.g. to take part in sport, music, culture, et cetera. In 2020, EAPN NL asked the State Secretary to make an extra 150 million euros available for this policy, given the enormous impact of Covid-19 on especially poor people. The answer from the government was that at that moment they didn't see the need. (EAPN NL Poverty Watch).

4. KEY MESSAGES AND RECOMMENDATIONS

KEY MESSAGES



4.1 KEY MESSAGES

- 1 **Poverty is a violation of human rights driven by inequality. It is a political choice!** Poverty is caused primarily by structural inequality in the distribution and redistribution of income and wealth, not poor people's behaviour. Binding implementation of the European Pillar of Social Rights combined with progressive tax/benefit policies are the way forward.

- 2** **The COVID-19 pandemic is exacerbating existing inequalities**, hitting the poor and most excluded hardest and pushing new people into poverty – women, children and young people, single parents and larger families, people with disabilities and chronic health problems, migrants, black and ethnic minorities including Roma and the homeless. It is widening the gap between richer and poorer countries, and regions, particularly urban/rural, and deprived neighbourhoods.
- 3** **Governments are prioritising business rather than protecting people and ensuring an adequate income for all** – increased income support is temporary, inadequate and fails to guarantee income for all households, women and men, regardless of age, whether they are in or outside work, leading to long-term hardship and exclusion.
- 4** **Precarious workers are some of the biggest victims – whilst a majority of essential workers are poorly paid**. An increasing number of poor workers fall outside support measures, because of precarious contracts or casual jobs. Women and minorities are disproportionately represented in essential jobs in retail, health and social services, that are badly paid. Long-term investment into decent jobs, with living wages, ensuring access for the groups most distant from the labour market is key.
- 5** **Minimum Income and Social Protection is still failing to protect people from poverty; despite welcome temporary increases of levels and coverage**, too many are left without any income. Positive measures to reduce/cut punitive conditionality during the crisis must be extended combined with positive activation/support into decent jobs.
- 6** **COVID-19 has exposed inequalities of health, and lack of universal access to affordable health and care. Poverty is a key social determinant**. Commitments must be made to extend free coverage of health and social services to all, with access to targeted additional services for vulnerable groups. A comprehensive approach to health, care and social services is vital.

- 7 Lack of affordable housing (particularly social housing), rising energy, food and other essential costs are forcing people into unacceptable choices:** leading to indebtedness, increased use of foodbanks, evictions, increased homelessness, disconnections from energy supply which are likely to increase once moratoriums are lifted, rather than recognition of their fundamental rights.
- 8 COVID-19 is increasing inequality in education and lifelong learning (LLL) systems particularly through digital exclusion** with shortages of computers and lack of access to the internet, leaving poor and vulnerable children and young people further behind and contributing to increased intergenerational transmission of poverty.
- 9 Lack of clear social/poverty impact analysis of Recovery Package and Green Deal and Digital Transition proposals.** COVID-19 is exposing the need for all policy proposals to have a clear social impact assessment. Concerns are raised that proposed recovery investment will not benefit the poor, and risk generating increased poverty, and austerity will be the main tool again to recuperate public deficits and debt.
- 10 Social NGOs/Community sector offer a lifeline to people facing poverty, but are overstretched and under threat.** The sector faces increasing demands for essential services, at the same time as its funding is delayed, cut or with changed requirements. The rejection of their role in supporting the direct voice and participation of people facing poverty in some countries, is a key sign of disturbing attacks on democracy.

4.2 EU RECOMMENDATIONS

1 **Launch an ambitious Action Plan to implement Social Rights in the EU and poverty-proof Inclusive Recovery and Resilience plans.**

- **Adopt an ambitious EPSR³¹ Action Plan with a clear timetable** at EU and national level, mapping progress towards **obligatory social rights for all**, through hard law and soft policy measures, including EU framework directives on Minimum Income and Minimum Wage (see below).³²
- **Carry out a poverty/social impact assessment of proposed national Recovery and Resilience Plans** to ensure that poverty is not increased and that the poor benefit.
- **Ensure that positive poverty/social rights CSRs** (Country-specific Recommendations) from the 2019 and 2020 European Semester cycles are prioritised for financial support through EU funds and monitored effectively through the European Semester.³³
- **Require the involvement of NGOs and people experiencing poverty** in the design, delivery and monitoring of the plans and the implementation of the EPSR.

2 **Adopt a rights-based EU anti-poverty strategy to guarantee a right to a dignified life.**³⁴ It should:

- **Be based on integrated 'Active Inclusion'** and form the overarching framework for the Action Plan to implement European Pillar of Social Rights to be launched in 2021, underpinned by the SDGs (Sustainable Development Goals and Agenda 2030).

[31] European Pillar of Social Rights (EPSR).

[32] See EAPN July 2020: Position/Input to consultation on the Action Plan to implement the EPSR.

[33] See EAPN June 2020: Response to the 2020 Country-specific Recommendations.

[34] IBID

- **Contribute to meeting a new post 2020 EU poverty target** (Ending poverty - SDG 1), including 50% reduction in people at risk of poverty and exclusion (AROPE) by 2030, and ending extreme poverty including homelessness.
- **Guarantee access to quality jobs, essential services and adequate income support** (minimum income and social protection), tackle discrimination against women, black and ethnic minorities and other groups and ensure active participation in society for those who are not able to work or get decent jobs.
- **Link to thematic/targeted strategies are needed to reach most at-risk groups**, reflecting the EPSR principles/rights, the SDGs and building on agreed EU integrated strategies/approaches must be progressed – e.g. Child Guarantee/Investing in Children, Tackling Homelessness and Housing Exclusion, Roma Inclusion, Integration of Migrants, UN rights of people with disabilities.
- **Be supported by EU funds** (particularly ESF+), guaranteeing 25%, including 5% for child poverty, enforcing the thematic conditionalities to have a national antipoverty strategy in place. This should be developed with NGOs and people facing poverty.

3 Guarantee the right to a decent income, for all, throughout their lives (Adequate minimum income/ social protection and decent wages).

- **Ensure that everyone, in or out of work and throughout their lives, has sufficient income to lead a life in dignity** benchmarked by reference budgets of goods and services.
- **Adopt an EU Framework Directive to guarantee the right to adequate, accessible and enabling Minimum Income** (principle 14), that guarantees benefits above the 60% poverty threshold, underpinned by national reference budgets.

- **Progress on guaranteeing rights to Universal Social Protection** against all risks, beyond employment (principle 11). Implement the 2019 Council Recommendation supporting access to Social Protection,³⁵ particularly for precarious workers/self-employed with a review in 4 years to consider a binding EU instrument. Make progress on ensuring universal systems of social protection for all, regardless of employment status - covering all risks: unemployment, sickness, pensions.
- **Right to Decent Work: Adopt a Framework Directive on fair Minimum Wages³⁶** (principle 6) and invest in pathway, person-centred support into quality jobs. This should be benchmarked at 60% of median wage contextualised with reference budgets. Require statutory minimum wages, where none exist and support collective bargaining as a pre-requisite. Support an EU Directive on gender pay gap and to require pay transparency for new ways of work.³⁷

4 Guarantee rights to quality, affordable services - particularly universal health/care/social services, education, housing and energy.

- **Right to affordable essential services for all is key to preventing and tackling poverty.** Proof all services to ensure they are universal, accessible and affordable for those on low incomes and for all at-risk groups. Give priority to public investment in affordable, accessible and quality public services: including early childhood care and learning, universal education and lifelong learning, universal health and care services. Regulate key services like energy and food to ensure they are sustainable and affordable. Develop concrete strategies to tackle discrimination and inequalities in access to services for poorer disadvantaged groups and regions.

[35] Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed 2019/C387/01ST/12753/2019/INIT

[36] Following on from the second Phase Consultation of Social Partners under Article 154 TFEU on a possible action addressing the challenges related to fair minimum wages

[37] EAPN 2020: Position Paper on Adequate Income (Minimum Income and Minimum Wage)

- **End homelessness and support right to affordable housing for all:** Commit to an objective in the action plan to end homelessness as a contribution to ending extreme poverty (SDG 1) and extend current measures to keep homeless off the streets and housing first. Ensure that right to an affordable home is a key priority in the European Semester, increasing investment in affordable public social housing and regulating rents of private rented sector. Increase housing allowances to cover real costs.
- **Right to a free/affordable unified health and care system:** Create an adequate framework to guarantee the right to universal, affordable, quality health and social care services for all, covering all essential health and care services (including prevention, primary, community, hospital and specialist care, dental, mental health, social and long-term care and the cost of medicines). The Semester should give specific priority to defending universal provision as a public good and ensuring equal access for all groups, including the rural/city divide, supporting investment in universal public health and care systems, including through increased tax financing. Target recovery funds to ensure access for vulnerable groups to a comprehensive health/care service.
- **Right to Education, Training and Lifelong Learning (LLL).** Support the right to universal, quality, affordable, accessible and inclusive public education throughout the life-course for all.³⁸ Require systematic implementation through the European Semester coordinated with the EU Education Area (EEA) pressing for implementation of social rights and access to universal, quality and affordable education, vocational education and training (VET) and LLL throughout the life course, prioritising CSRs and investment for those EU MS which have made low progress or have major problems with ensuring equal treatment for poor, or excluded groups. Include in the Multi-Annual Financial Framework (MFF) particularly in ESF+, and through the Recovery and Resilience Plans dedicated funding to support targeted investments in more inclusive education systems.

[38] [EAPN 2020](#)

- **Right to Energy (Essential Services):** Guarantee right to affordable, clean energy and introduce concrete EU legislation to ban disconnections. Treat Energy Services as public goods and support direct public provision, stopping phasing out of regulated prices and supporting social tariffs. In the European Green Deal, assert the right to affordable, clean energy and develop obligatory EU guidelines/guidance to ensure the development of effective, rights-based approaches to fight energy poverty in the national climate and energy plans, based on the pillar approach (adequate income, reducing consumption/energy efficiency and fair prices), consistent with Principle 20 of the EPSR. Support large-scale EU investment including in renovation/new build of affordable, energy-efficient social housing³⁹ that benefits low income households ensuring that no additional costs in housing rents or energy bills are passed on.⁴⁰

5 Ensure a Social and Green deal including promoting Tax Justice!

- **Social goals must not be secondary to environmental goals**, but equal and mutually reinforcing and seen as a key opportunity to reduce inequalities.
- **Carry out a poverty/distributional Impact Assessment** of all proposals to ensure the poor do not pay and that the wealthy are not the main 'winners'. Particular focus should be paid to mitigate the regressive impacts of carbon taxes, environmental charges, tax incentives and higher charges on household energy consumption.
- **Earmark a percentage of the Just Transition fund and the Recovery and Resilience plans to reducing poverty.** This should include energy efficient, affordable social housing, ensuring that costs are not passed on in terms of higher rents or bills; integrated pathway support into green jobs, including support to social economy; green affordable public transport, and sustainable food.

[39] EAPN 2020: Position Paper on Green and Social Deal

[40] EAPN July 2020: Input/position to consultation on Action Plan for EPSR

- **Invest in social rights, strong social protection systems and welfare states** as essential mechanisms for ensuring that the necessary ‘green transition’ supports the development of a more just and equal society.
- **Commit to Tax Justice for long-term financing of the Recovery and Resilience plans** rejecting austerity cuts to recuperate public debt and deficits. This should be done through effectively tackling tax evasion and avoidance, closing down tax havens and promoting progressive taxes.

6 Strengthen participation of people in poverty and support for NGOs

- **Engage people experiencing poverty and the Social NGOs that support them in policy design, delivery and monitoring** to ensure accountability and effective anti-poverty solutions, both in the short and long-term.
- **Require systematic, structured dialogue in policy making processes** including the current Recovery and Resilience Plans and European Semester, underpinned by obligatory guidelines and systematic reporting on the quality of the engagement.
- **Recognize and support key role of social NGOs and social economy organisations in providing essential social and other services to people facing poverty**, particularly now in the COVID-19 crisis supporting adequate financing including through EU funds. Defend their crucial independent voice as key actors defending democratic accountability.

5. ANNEXES

ANNEX 1: TABLE WITH LINKS TO POVERTY WATCHES 2020

National poverty watches 2020

EAPN Poverty Watches 2020: summary table of reports

EU MS networks	English	Own language
EAPN Austria	<u>ENG</u>	
EAPN Belgium	<u>ENG</u>	
EAPN Bulgaria	<u>ENG</u>	
EAPN Croatia	<u>ENG</u>	
EAPN Cyprus	<u>ENG</u>	
EAPN Czechia	<u>ENG</u>	<u>CZ</u>
EAPN Finland	<u>ENG</u>	<u>FI</u>
EAPN France	<u>ENG</u>	<u>FR</u>
EAPN Germany	<u>ENG</u>	
EAPN Hungary	<u>ENG</u>	<u>HU</u>
EAPN Ireland	<u>ENG</u>	
EAPN Italy	<u>ENG</u>	<u>IT</u>
EAPN Latvia	<u>ENG</u>	
EAPN Lithuania	<u>ENG</u>	<u>LI</u>
EAPN Malta	<u>ENG</u>	
EAPN Netherlands	<u>ENG</u>	<u>NL</u>
EAPN Poland	<u>ENG</u>	<u>PL</u>
EAPN Portugal	<u>ENG</u>	<u>PT</u>
EAPN Romania	<u>ENG</u>	<u>RO</u>
EAPN Slovakia	<u>ENG</u>	
EAPN Slovenia	<u>ENG</u>	<u>SI</u>
EAPN Spain	<u>ENG</u>	
EAPN Sweden	<u>ENG</u>	<u>SE</u>

Non-EU/EFTA country networks	English	Own language
EAPN Iceland	<u>ENG</u>	<u>NO</u>
EAPN Norway	<u>ENG</u>	
EAPN UK	<u>ENG</u>	

Candidate country networks	English	Own language
EAPN North Macedonia	<u>ENG</u>	
EAPN Serbia	<u>ENG</u>	

European organisations	English	Own language
IFSW	<u>ENG</u>	
AGE Platform Europe	<u>ENG</u>	

5. ANNEXES

ANNEX 2: COUNTRY CODES

EU MS networks	Code
Austria	AT
Belgium	BE
Bulgaria	BG
Croatia	HR
Cyprus	CY
Czechia	CZ
Denmark	DK
Estonia	EE
Finland	FI
France	FR
Germany	DE
Greece	EL
Hungary	HU
Ireland	IE
Italy	IT
Latvia	LV
Lithuania	LT
Luxembourg	LU
Malta	MT
Netherlands	NL
Poland	PL
Portugal	PT
Romania	RO
Slovakia	SK
Slovenia	SI
Spain	ES
Sweden	SE

Non-EU/European Free Trade Association (EFTA) countries	Code
Iceland	IS
Norway	NO
UK	UK

EU Candidate countries	Code
North Macedonia	MK
Serbia	RS

ANNEX 3: STATUS OF THE DOCUMENT

This EAPN summary report was issued by the EU Inclusion Strategies Group which has delegated powers within EAPN to develop EAPN policy position papers and reports. This summary provides a brief overview of the main finding, messages and recommendations drawn from 2020 Poverty Watches developed by EAPN national and European Organisation members. 28 Poverty Watches were received in 2020 from 22 networks in EU MS: EAPN Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, , Slovakia, Slovenia and Spain; 5 networks in candidate, Non-EU or EFTA countries (Iceland, North Macedonia, Norway, Serbia and UK). We also received reports from 2 EAPN European Organisation members: International Federation of Social Workers (IFSW) focussed on access to health and social services, and AGE-Platform Europe. The EU report was drafted by Sian Jones, EAPN Policy Coordinator and shared with members for comments on the 5 October, then finalized on the 19 October, with all amendments taken on board.