



European Anti-Poverty Network (EAPN) Ireland response to

Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market

1 Introduction

The European Anti-Poverty Network (EAPN) Ireland was founded in 1990 and is a network of over 200 local and national organisations working against poverty and social exclusion. EAPN Ireland is a member of EAPN (Europe). We welcome the opportunity to express our views on the Commission Communication on 'Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market'. EAPN Ireland also made a submission to the first stage of the consultation on 'action at EU level to promote the active inclusion of those furthest from the labour market'.

In general we welcome the content and direction of the Communication and are very supportive of an approach which aims to strengthen social protection systems in context of creating an EU where there is a balanced focus on social justice and economic priorities.

It is unacceptable that 16% of people in one of the richest regions in the world remains socially excluded, with 78 million people living in poverty.

The Communication is very relevant in an Irish context. Ireland is the second richest members of the EU with a GDP of 142.8% of EU average¹. It is clear that in recent years there has been progress in Ireland in addressing extreme forms of poverty and that consistent poverty levels have reduced. However, despite the increased wealth, and the progress being made, in 2006 20% of the Irish population was at-risk of poverty while the EU 25 average was 16%². Nearly 7% of people experience consistent poverty³ which means that they are both at-risk-of-poverty and experience deprivation (they cannot afford at least one item considered essential for everyday life). Within these statistics there are also groups experiencing higher levels of at-risk-of-poverty including people living in lone parent families 39.6%, people with and illness or a disability 40.8%, unemployed people 44%, children 20.2%, and those with primary or lower levels of education 25.8%. It is also clear that non-Irish nationals (23.5%) are more at risk of poverty than Irish nationals (16.6%). For some groups the levels of consistent poverty increased between 2005 and 2006. For example, the percentage of children 0-14 years of age increased to 11.1% from 10.2%; for lone parent households the increase was from 27.2% to 32.5% and for unemployed persons it increased to 22.8% from 21.6%.

In Ireland investment in social protection and services is well below the EU average. In 2003 Ireland spent 28.1% of GDP (32.9% of Gross National Income) on social protection, health and education measures. This compares to an EU 25 average of 41.2%. In Sweden and Denmark expenditure was 50.1% and 47.9% of GDP respectively and these countries are among the Member States with the lowest at-risk

¹ Assessment of Ireland's National Reform Programme for Growth and Jobs 2007, European Commission.

² EU Survey of Living and Working Conditions 2006, Central Statistics Office, Dublin December 2007.

³ Ibid.

of poverty levels and are among the most competitive in the OECD⁴. This investment must be increased and spent in an effective manner.

Given Ireland's wealth in the past ten to fifteen years this is unacceptable. It is clear proof that a rising tide will not lift all boats and that the EU and its Member States, including Ireland, need to actively implement policies which aim to realise their stated commitments to make a decisive impact on the eradication of poverty by 2010 and to give a greater emphasis to social priorities. In Ireland this latter commitment has been most recently stated in the current social partnership agreement Towards 2016.

The new Lisbon Treaty adds impetus to strengthening the role of the EU in addressing social exclusion through the Charter of Fundamental Rights and the social clause. Addressing social exclusion is now an overall objective of the EU and applies to all its activities. It is therefore essential that the implementation of the EU active inclusion strategy impacts on all areas of EU policy.

This brief response to the Communication will address the three areas outlined in section 6 of the Communication regarding the consultation to social partners. However we will take them under two headings as follows:

- the proposed principles on sufficient resources, inclusive labour markets and access to quality services.
- the proposed instrument, namely the Open Method of Coordination (OMC) and the broader supporting EU framework.

2 The proposed principles on sufficient resources, inclusive labour markets and access to quality services

EAPN Ireland welcomes the three strands of income supports sufficient to avoid social exclusion, link to the labour market; and the link to better access to quality services identified in the Communication and that they are placed in the context of the *'common social challenge of guaranteeing the fundamental right of all EU citizens to social and housing assistance and to ensure a decent existence for all'*.

We support the emphasis on the need for a holistic approach and the provision of a concrete and integrated framework for their implementation. **It is essential that the three elements are given equal importance and implemented in an integrated manner** otherwise the outcome for many individuals and groups in society is greater poverty and social exclusion. The experience in Ireland is that while the level of social welfare supports has improved over the past number of years labour market elements are being implemented before adequate and affordable services are put in place. This relates to a wide range of services but particularly to childcare, training and education.

In 2005 Ireland's National Economic and Social Council published a Report entitled 'The Developmental Welfare State'. This report highlights the need for clear interaction between policies addressing income, services and innovative measures including active labour market measures. While this approach is welcome a key concern among anti-poverty organisations is that in its implementation the balance is maintained between these three dimensions. The lifecycle framework of the Developmental Welfare State has had a great influence on the Towards 2016 Social partnership Agreement and the national level National Action Plan for Social Inclusion 2007-2016 but the balance of delivery across the three elements has yet to be realised.

2.1 Income support sufficient to avoid social exclusion

In Ireland the minimum social welfare payment has increased significantly in recent years and has now reached the target set in 2002 which relates to 30% of Gross

⁴ Measuring Ireland's Progress, Central Statistics Office, 2006.

Average Industrial Earnings. However, this still means that in 2008 those in receipt of the minimum social welfare payment of €197.80 are still below the 60% risk-of poverty line for 2006 of €202.49⁵.

In general EAPN Ireland welcomes the principles related to income supports and that the elements of the 1992 Recommendation on '*Common criteria concerning sufficient resources and social assistance in social protection systems*' remain entirely relevant to the envisaged strategy.

EAPN Ireland's comments on the three points on income outlined in the Communication are as follows:

(1) The recognition in the Communication that access to sufficient resources and social assistance to live in a manner compatible with human dignity is a **basic right** is essential. The EU should ensure that this 'right' is clearly a part of how income supports are developed and implemented in all Member States.

(2) While recognising the importance of supporting people who are dependant on social welfare supports to access training or employment **this 'basic right' should not be conditional on seeking or accessing employment** but must recognise that some people in the short or long term will not be economically independent and have the right to access sufficient resources and live with dignity. This point will be addressed in greater detail under the next section dealing with links to the labour market.

(3) **The way in which the resources and social assistance required to live a life with dignity are identified is of great importance.** EAPN Ireland recently coordinated an EU transnational exchange project funded by the European Commission looking at **the establishment of social standards across the EU**. This project elaborated on a process involving a dialogue with all the relevant stakeholders including people experiencing poverty, whereby each Member State, supported by mechanisms at EU level, would identify 'sets' of goods and services necessary for a dignified life within that Member State. These would then be delivered by agreed mechanisms. The final and other project reports and presentations are available on <http://www.eapn.ie/standards>. Further steps to develop this process should be progressed by the European Commission.

2.2 Link to the Labour Market

Ireland is currently in the process of expanding its activation measures to social groups that are marginalised from training and employment. This approach is being piloted with lone-parents and people with disabilities. While anti-poverty groups and those groups taking part in activation measures are positive about the potential benefits, **there is great concern that activation measures will be implemented in a negative manner with people being forced to take up employment which puts them more at risk of poverty and social exclusion.** In short the fear is that social welfare payments will be used to force people to take up low-paid, low quality or unsuitable employment while the barriers they face will not be addressed including those related to access to services such as employment supports, childcare and training.

EAPN Ireland coordinates an Employment Working Group which includes a range of organisations working to address poverty and social exclusion⁶. In 2007 this group published a briefing on activation⁷ for those developing, implementing and being

⁵ EU Survey of Income and Living Conditions 2006, Central Statistics Office, Dublin, December 2007

⁶ EAPN Ireland Employment Working Groups includes representatives from the Congress Centres Network, the Dublin Employment Pact, EAPN Ireland, the Irish National Organisation of the Unemployed, Migrant Rights Centre Ireland, the National Women's Council of Ireland, One Family, the One Parent Exchange and Network and People with Disabilities in Ireland.

⁷ http://www.eapn.ie/documents/48_Developing%20Positive%20Activation.pdf

targeted by activation measures. The Briefing highlights the types of barriers that activation policy must address as including appropriate jobs, training, discrimination, caring needs, poverty traps, health, supports and services and informed decision-making.

EAPN Ireland in general agrees with the approach outlined in the communication to the labour market. This in particular includes the issues of breaking down of barriers to the labour market involving a supportive and personalised approach, making work pay for job seekers and a wide range of policies to support the inclusion of disadvantaged people.

However, our support of the EC approach is premised on the assumption that the **measures related to making work pay should not be aimed at reducing levels of support to compel someone into employment. The measures should aim at ensuring adequacy of income** and that the tax and benefits system does not result in poverty traps when someone who moves from welfare supports to employment. The rising level of in-work poverty in the EU is a reminder that fears of increased poverty traps are real. The European Commission's Supporting Document to the Joint Report on Social Protection and Social Inclusion 2007 finds 8% in-work-poverty rate for 2004⁸. The in-work poverty level for Ireland in 2006 was 6.5%⁹. EU Member States therefore need to have a minimum wage for employees which should be set at a level which addresses all the costs of being in work.

Employers play a central role in terms of whether or not marginalised people access employment. Therefore, **issues such as discrimination, quality and conditions of employment and opportunities to progress in employment need to be seriously addressed**. Labour market schemes which support unemployed people to take part in work placements need to be reviewed to ensure that employers are not exploiting the opportunity to the disadvantage of the person on placement. Direct and indirect discrimination against people from particular social groups is one of the greatest barriers to members of these groups accessing employment. Employers need to be required to show how they are taking positive measures to ensure equality and non-discrimination in their employment practices and workplaces.

In order to develop a positive model of activation the following recommendations are identified in the briefing on activation developed by the EAPN Ireland Employment Working Group:

- **Jobs:** Only decent quality jobs can provide a route out of unemployment. Balanced regional development and retraining and upskilling are critical elements of ensuring that those who need work have access to reasonable employment opportunities.
- **High quality services:** To comprehensively address the range of barriers to employment, public services must be accessible to everyone, and flexible enough to fully meet the diversity of needs. Service providers must respect peoples' identity and needs. For those with caring responsibilities, real access to quality, affordable, flexible childcare and appropriate supports for carers, are vital.
- **Social welfare:** To make work pay, poverty and unemployment traps must be eradicated and supports with costs associated with returning to work should be included. *Activation* must guarantee that people will be better off financially.
- **Information:** Good quality information provision supports risk taking in relation to employment. Comprehensive and interactive information about how choices affect income, entitlements, and opportunities for further development, need to be provided at a single point of access.

⁸http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/2007/joint_report/sec_2007_329_en.pdf

⁹ EU Survey of Income and Living Conditions 2006, Central Statistics Office, Dublin, December 2007

- **Discrimination:** Legal remedies are rarely a realistic solution to the issue of discrimination. A more pro-active approach to creating equality in the labour market is required, including addressing exclusionary recruitment practices, and increasing flexible employment options.
- **Implementation:** A 'joined-up' approach is vital – all relevant organisations, in the public, private and community sectors, must work closely together at both local and national level. To develop successful and effective programmes, target groups must be included in design and implementation, in particular membership representative organisations. Long-term outcomes must be monitored effectively, particularly the impact on tracking poverty.

The principles for active inclusion related to links with the labour market must ensure that these elements are integrated into Member States active and preventive labour market measures. They must also influence the European Employment Guidelines and how they are implemented in Member States and monitored by the EU.

2.3 Link to better access to quality services

EAPN Ireland is supportive of the common principles related to better access to quality services. It has increasingly been recognised that while adequate levels of income are essential to living a life in dignity access to affordable and quality services plays an equally essential role in addressing poverty and social exclusion. As outlined in the introduction Ireland's expenditure on social protection, education and health is well below the EU average. While increasing the funding of public services is not sufficient in itself to guarantee that they meet the needs of all residents, services do need to be adequately resourced.

In terms of the Accessibility of services, availability and affordability is a key concern to our members. We agree that availability (spatial and physical) and affordability are important elements. However, there are other issues which affect the accessibility of services which must also be addressed. These include discrimination and restrictions based on nationality or legal status. In particular in Ireland asylum seekers, migrants documented and undocumented face particular barriers to services and as a result can experience great hardship.

How quality is monitored and evaluated and who participates in the monitoring and evaluation process is crucial in ensuring that gaps in service delivery are identified and addressed particularly in relation to services to the most vulnerable, who depend on them to a greater extent. Equality in recruitment policies and in service provision as identified in the Communication is an essential element of this. We would like to add the following elements regarding services provided to individuals:

- flexibility and relevance to individualised needs;
- responsive to problems faced, so that other and more complex problems are prevented;
- security, available as a right in the long term;
- clear and accessible information;
- generous in terms of level and quality of support given.

Member States should be required to put in place clear targets and indicators to support the implementation of these principles. Where exist these should be integrated into all existing service monitoring measures at national and where appropriate local level, but also reported on as part of the overall EU monitoring process.

In the past in Ireland the National Action Plan for Social Inclusion included targets to raise the health outcomes of specific marginalised communities so as to reduce the inequalities in comparison to the overall population. While reporting on this target was not satisfactory the existence of the target represented a positive approach. However, such targets are not part of current Irish EU or national level national action plans for

social inclusion. In relation to services, Member States should **be required to report on progress on specific targets relating to outcomes for each marginalised group**. It is essential that data to measure progress relating to these targets is available.

In terms of services of general interest **EAPN Ireland welcomes the statement that universal access to essential services should be guaranteed and that the Commission is committed to promoting this across all its policies**. We agree with the list of social services of general interest in the Communication. The activities outlined in relation to social and labour market reintegration are extremely important. Adequate resourcing of personalised one-to-one supports should be added to the list of examples as this is currently an issue in terms of implementing activation policy in Ireland. Access to affordable childcare is crucial.

However, we would like to highlight the dangers of a conflict between EU internal market and competitiveness policy, and policy which aims to ensure accessibility, affordability and quality of services especially in relation to those who are most marginalised. **The aim to make public services profitable or cost neutral and the privatisation of many services has led to them being put out of reach or more difficult to access for of many marginalised people**. In Ireland many post offices (where many still receive their social welfare payments) are being closed creating greater hardships particularly to older people, those living in rural areas and those on lower incomes.

3 The proposed instrument, namely the Open Method of Coordination and the broader supporting EU framework

In general EAPN Ireland is supportive of strengthening the Open Method of Coordination (OMC) but also thinks that there is a need to continue to look at how active inclusion and the overall fight against poverty can be supported by more binding instruments at an EU level. This approach also needs to inform broader policy and financial instruments.

3.1 Strengthening the OMC

The OMC can be strengthened by:

- Looking at each strand of Active Inclusion approach should be looked at, elaborated in detail and incorporated into the OMC process. This should include addressing at the interrelation between the three strands.
- Adopting common principles which respond to the recommendations elaborated in this paper.
- Providing detailed guidance to Member States for the implementation of Active Inclusion. This should support the Detailed Guidance already issued on the next National Reports on Strategies for Social Protection and Social Inclusion 2008-2011.

3.2 Binding EU instruments

EAPN Ireland believes that a directive or a binding instrument on social standards at EU level is necessary to protect or support Member States to develop social standards capable of ensuring that all those residing in the State can live life with dignity. Such an instrument is necessary to ensure that social priorities in the EU are given the same importance as economic priorities and not eroded by them. The EU's ongoing reflection on how to strengthen the OMC should include looking at a binding instrument on social standards. An EU transnational project, coordinated by EAPN Ireland, looked at this issue in detail¹⁰.

¹⁰ See <http://www.eapn.ie/standards>

3.3 Lisbon Growth and Jobs Strategy

The Lisbon Strategy for Growth and Jobs and its successor needs to be strengthened to ensure that the active inclusion approach is mainstreamed across the macro, micro and employment elements of the Strategy. In general it has been seen to be a part of the Employment Guidelines and the Employment chapter of the National Reform Programmes, but has had much less impact on the macro and micro elements of the strategy. This needs to be addressed and as a first step **a social impact assessment of the Lisbon Strategy should be carried out in an open and transparent manner with the involvement of social NGOs and the outcomes used to strengthen the process.** Some examples of areas that would benefit from poverty impact assessment in the Economic Guidelines relate to access to self-employment for marginalised groups (which is not addressed in the Irish NRP), childcare, gender, transport, technology and other services of general interest, pensions, etc.

Within the Employment Guidelines flexicurity needs to be developed in a way which ensures that there is adequate balance between the two elements of flexibility in relation to employment practice and social security supports. Member States should be required to show that adequate social security systems, including income and accessible and affordable services, are in place which can ensure that individuals do not experience any negative impact from greater flexibility in employment conditions. It should also take account of those who are outside the labour market and address the barriers they face as outlined above. We would encourage greater flexibility in terms of work life balance to improve the conditions of workers and particularly those experiencing greatest difficulty in accessing employment such as lone parents and others with caring responsibilities, people with disabilities and older people.

3.4 EU Financial Instruments

While the Structural Funds have the overall objective of addressing social exclusion, actual implementation can often fall short of this objective. The focus on social inclusion is usually only within the European Social Fund (ESF) programmes. The EAPN has repeatedly highlighted the role of all the Funds including the European Regional Development Fund (ERDF) and Cohesion Funds to target social inclusion. In Ireland there is ongoing resistance to recognising and ensuring that the Regional Operational Programmes include measures to address social inclusion and for social inclusion to be properly mainstreamed across all measures with clear targets and indicators. The active inclusion principles need to be applied to the Structural Funds.

3.5 Participation of people experiencing poverty and groups representing them

In relation to the involvement of all actors in the design, implementation and monitoring and evaluation of the active inclusion approach it is essential that people experiencing poverty and groups representing them play an active role at all stages. Participation is essential within the context of the OMC but also within other policy areas including the Lisbon Growth and Jobs process and Structural Funds programmes. There is also a need to monitor and ensure that this participation is taking place in an effective manner. This involvement must be adequately resourced.

The report on the EU Peer Review of Ireland's Social Inclusion Forum in 2007 presents a framework regarding the scope of participation and possible elements to be included in evaluating the process. A number of key elements of participation are highlighted in the report which includes having clear objectives, resources to support the process, adequate time, empowering people and ensuring feedback¹¹. These should help inform how the EU and its Member States approach participation.

¹¹ http://ec.europa.eu/employment_social/spsi/peer_review_en.htm#

4 Conclusion

As outlined in the Communication, the context for an active inclusion approach is one of unacceptable poverty, exclusion and inequality in the EU. This response highlights that economic progress does not automatically address issues of poverty and social rights for all those residing in Member States. A stronger role is needed by the EU to support Member States to implement informed policies which address the social needs of all their residents to ensure that everyone can live in dignity.

In general EAPN Ireland is supportive of the approach outlined in the Communication which addresses the need for a multi-dimensional approach responding in a balanced way issues related to income, access to employment and to services. This response highlights some of the issues which need to be addressed in order to strengthen this approach. We agree with the Commission's recognition of the need to strengthening the OMC but also recognise that it is essential that the active inclusion approach cuts across all policy areas. We highly recommend that the Commission investigate the development of a EU binding instrument on social standards.

We look forward to seeing the active inclusion strategy progress to the stage of implementation and have an impact on all EU and national policy which has the capacity to impact on poverty and social exclusion.

**Contact Details: Paul Ginnell, EAPN Ireland, 5 Gardiner Row, Dublin 1;
Telephone: 00 (353) 1 8745737; Email: paul@eapn.ie**