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EUROPE 2020 AND THE FIGHT AGAINST POVERTY: SEARCHING FOR COHERENCE AND EFFECTIVENESS IN MULTILEVEL POLICY ARENAS

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The **Comparative Politics and Public Philosophy Lab (LPF)** at Centro Einaudi is directed by Maurizio Ferrera and funded by Compagnia di San Paolo. It includes the **Welfare Laboratory (We.L)** and the **Bioethics Lab (La.B)**. LPF analyses the transformation of the political sphere in contemporary democracies with a focus on the relationships between policy choices and the value frameworks within which such choices are, or ought to be, carried out. The reference here is to the “reasonable pluralism” singled out by John Rawls as an essential feature of political liberalism.

The underlying idea is that implementing forms of “civilized” politics is desirable as well as feasible. And, as far as the Italian political system is concerned, it is also urgently needed, since the system appears to be poorly prepared to deal with the challenges emerging in many policy areas: from welfare state reform to the governance of immigration, from the selection criteria in education and in public administration to the regulation of ethically sensitive issues.

In order to achieve this end, LPF adopts both a descriptive-explanatory approach and a normative one, aiming at a fruitful and meaningful combination of the two perspectives. Wishing to foster an informed public debate, it promotes theoretical research, empirical case studies, policy analyses and policy proposals.

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KEYWORDS

Poverty and social inclusion, Europe 2020, Lisbon Strategy, Open Method of Coordination, Peer Review

ABSTRACT

EUROPE 2020 AND THE FIGHT AGAINST POVERTY: SEARCHING FOR COHERENCE AND EFFECTIVENESS IN MULTILEVEL POLICY ARENAS

Poverty is on the rise in Europe and EU driven austerity measures risk to kill the sick patient. Is the EU social policy tool-kit effective in combating poverty thus counterbalancing the consequences of unfavourable economic developments and fiscal consolidation interventions?

The fight against poverty and social exclusion has long been a fundamental brick of the European social dimension though resting on “soft” processes of policy coordination. The launch of EU2020 strategy in 2010, including quantitative poverty targets and the European Platform Against Poverty and Social Exclusion (EPAP), was welcomed by the literature as a relevant step forward. By contrast, more recent contributions have cast doubts on the effectiveness of both the new strategy and more generally the EU in combating poverty. The paper addresses this puzzle by first sketching the traditional EU tool-kit against poverty and social exclusion—the Social OMC—and especially, the peer review meetings which represent a relative unexplored component of the latter. Then the focus is posed on the novel multilevel arena represented by the Europe 2020 Anti-poverty & social exclusion strategy and the EPAP within the new EU framework for policy coordination and the European Semester.

Relying on preliminary empirical evidences for the period 2008-2013 we suggest a nuanced view on the effectiveness of novel European anti-poverty tools which show both weaknesses and strengths. We argue, on the one hand, that the Europe 2020 social dimension suffers from ineffective design especially with respect to its integration with the Social OMC. On the other hand, within a still unfinished social governance architecture, a multilevel and highly visible anti-poverty arena is gradually emerging characterised by open stakeholder mobilisation and political pressure as well as innovative policy proposal on the side of EU bodies in order to achieve EU2020 poverty and social exclusion targets.

EUROPE 2020 AND THE FIGHT AGAINST POVERTY: SEARCHING FOR COHERENCE AND EFFECTIVENESS IN MULTILEVEL POLICY ARENAS

INTRODUCTION

The fight against poverty and social exclusion has actually been one of the main bricks of the European social dimension since the latter moved beyond the simple coordination of existing social security regimes in order to allow within Europe labour mobility. Though the elaboration of a supranational anti-poverty strategy did not challenge national competence in the field—social sovereignty remaining firmly in the hands of MS’ governments—the launch of “soft” processes of policy coordination in the early-2000s (i.e. the Open Method of Coordination – OMC, cf. Heidenreich and Zeitlin 2009) has actually led to the gradual emergence of a multilevel policy arena characterised by specific rules, procedures, objectives, actors, (more or less) formalized interactions and, last but not least, increasingly shared knowledge.

The launch of Europe 2020 strategy in 2010, including a quantitative (anti-) poverty target, related poverty indicators and the Flagship initiative “The European Platform Against Poverty and Social Exclusion” was initially welcomed by the literature as a relevant step forward in the EU anti-poverty strategy (Marlier and Natali 2010). By contrast, more recent contributions have cast doubts on the effectiveness of both the new strategy and more generally the EU in combating poverty and social exclusion (Copeland and Daly 2012; Peña-Casas 2012).

Poverty is currently on the rise in Europe and recent austerity measures in several Member States (MS) might kill the “sick patient”. The main overarching question is therefore the following: is the EU social policy tool-kit effective in combating poverty thus counterbalancing the consequences of unfavourable economic developments and fiscal consolidation strategies?

The paper thus aims to analyse the changing European framework for combating poverty and social exclusion since the origins, between the late-1970s and the mid-1980s, until the recent implementation of the Europe 2020 anti-poverty strategy. Also it provides a preliminary assessment of the current architecture for social policy coordination and particularly the anti-poverty strategy by especially posing the analytical lenses on the objectives, the procedures, the governance structure and the participation of relevant actors in this innovative process of “soft” policy coordination in a multilevel arena.

The paper runs as follows. The first paragraph briefly sketches the early steps of supranational bodies in the fight against poverty until the mid-1990s, while the second deals with the launch, implementation and the 2005 revision of the Social OMC as well as the formulation of the European Active Inclusion Strategy in 2008. The third paragraph provides a preliminary investigation of a crucial—albeit relatively unexplored—component of the Social OMC: the “peer review” meetings constituting an interesting arena for an in-depth study of multilevel and multi-stakeholder interactions in the field of poverty and social exclusion. As we shall see below, while several components of the Social OMC were suspended after the launch of the Europe 2020 strategy, the organisation of peer review meetings continued after 2010 thus representing a sort of *trait d’union* between the Social OMC of the “Lisbon decade” and the new Europe 2020 framework. Paragraph 4 briefly illustrates the architecture of the Europe 2020 anti-poverty and social exclusion strategy. Paragraphs 5 and 6 constitute the core part of the paper providing in-depth investigation of the multilevel and multi-stakeholder governance of national policies within Europe 2020 and the European Semester by relying on preliminary empirical evidences for the period 2011-2013—i.e. the first two and a half cycles. These sections are complemented by an analysis of recent poverty and social exclusion trends in Europe. Paragraph 7 concludes.

We aim to capture to what extent the new anti-poverty arena represented by Europe 2020 is characterised by effective *multilevel* and *multi-stakeholder interaction* as well as *integration of different policy* fields in order to reach the ultimate goal of poverty reduction. Consequently, the three main analytical dimensions of our investigation are: (i) *multilevel governance*, that is the existence of interactions among different levels of government and the type of such interaction within the framework of Europe 2020 and the European Semester; (ii) *multi-stakeholder participation*, which can be detected both at the supranational and the national (and, in case, local) level; (iii) *integration*, that is policy coordination at the various level of government in order to reach the Europe 2020 poverty target.

We will argue that the current EU anti-poverty tool-kit actually presents both weaknesses and strengths. On the one hand, the suspension of the main components of the Social OMC when Europe 2020 was launched as well as the bias towards fiscal consolidation and economic recovery—both at the national and supranational level—within the European Semester significantly reduce the effectiveness of EU anti-poverty strategies. Interestingly, on the other hand, next to typical learning dynamics prompted by soft coordination mechanism, the gradual emergence of a multilevel and highly visible anti-poverty arena around Europe 2020 may be detected, characterised by open stakeholder mobilisation and political pressure as well as innovative policy proposal on the side of EU bodies aimed at achieving the 2020 poverty target.

1. THE EARLY STEPS: COMBATING POVERTY AND SOCIAL EXCLUSION IN A MULTILEVEL ARENA

The European project primarily being launched as an economic endeavour, the 1957 Treaty of Rome establishing the European Economic Community (EEC), contained only a few and “extremely ambiguous” articles regarding the possibility of Community actions in the social policy domain (Rhodes 2005, 285). Indeed, the logic underpinning the new born EEC implied a clear separation between the European economic and the social dimensions, with integrated economic policies at the European level and the welfare state being left in the hands of MS.¹ Consequently, social policy provisions enacted under the Community method mainly concerned issues that were strictly linked to the creation of the single market and aimed at facilitating the free circulation of workers. When looking at those provisions, it is thus possible to conclude that, until the 1990s, «the most surprisingly feature of the European Community (EC) social policy is, perhaps, that it should be any at all» (Cram 1993, 135).

Though not apparent in the Treaties or in EEC directives or regulations, attempts aimed at both gradually extending the scope of EU discourses concerning the social sphere and claiming a major role for supranational actors in domains considered exclusive competence of MS were undertaken since the 1970s. These attempts—which can be depicted as a long process of agenda setting (Pochet 2005)—were conducted by a series of actors (among which the European Commission stands out) able to exploit the narrow margin for manoeuvre offered by the existing Treaties, using instruments such as community programmes, studies, creation of networks, resolutions, Commission communications and recommendations.²

Against this backdrop, the gradual diffusion of the concept of “social exclusion” in the European discourse is a typical example of such developments. Social exclusion was actually a French notion which emphasized multidimensionality of underprivileged social conditions when compared to the traditional concept of “poverty”. Together with multidimensionality, the “vagueness” of the former notion was behind its greater political acceptability.³ The concept first entered the

¹ In this sense Fritz Scharpf (2002) argued about “decoupling” of social and economic policies.

² Philippe Pochet interpreted the emergence of employment and social policies in the European Union as the result of the struggle between two groups of actors: “the ‘socially oriented actors’ (Ministries of Labour, trade unions, (centre-)left governments, members of the European Parliament, high civil servants in the Commission, etc.) mobilised to control the reform agenda at the European level against the ‘economically oriented actors’ (Ecofin Council, Economic and Financial Committee, Economic Policy Committee, (centre-)right governments, etc.” (Pochet 2005, 38). Many authors—among which Cram (1993) and Bauer (2002)—agree that, in this process, the European Commission has been a key actor whose role can be described as “[...] that of expanding the frontiers of the possible. Making use of its bureaucratic skills, building upon EC declarations, instituting social programs, setting up observatories and carrying out research projects, the Commission is continually preparing for the next opportunity to create new policies” (Cram 1993, 144). To this regard, Bauer (2002) refers to “discourse framing”, intending a strategy of the European Commission which, through problem definition and by suggesting possible policy responses, paves the way for a future involvement in policy actions.

³ Indeed, the emergence and the gradual diffusion of the concept of “social exclusion” at the European level were due to its “vagueness” and “flexibility” (see Armstrong 2010, Bauer 2002, Ferrera *et al.*

community discourse in the 1970s, when the first of a series of *Poverty Programmes* was launched.

The Poverty Programme 1975-80 funded activities—such as studies, information exchange and evaluation, creation of networks among national projects leaders—aimed at providing information on the nature of the phenomenon of poverty in MS, while the following programmes (1985-1988 and 1989-1994) were more explicitly aimed at reframing the concept of poverty in terms of “social exclusion”, the latter being understood as a community-wide phenomenon requiring a community-wide response (Bauer 2002).

After the launch of the first Poverty Programme, the concept of social exclusion gained ground in the community policy discourse during the Delors Presidency in the mid-80s (Ferrera *et al.* 2002). In that period a first attempt was actually made to build a political and institutional space for the social dimension of the internal market (Ferrera 2005), but, also due to the predominance of centre-right governments across MS, this aspiration did not translate into binding legislation.

Nevertheless, the late 1980s-early 1990s represented a turning point for the intervention of the European community in the social domain. Not only two relevant though non-binding documents such as the *Resolution of the Council of Ministers for Social Affairs on Combating Social Exclusion* (1989) and the *Community Charter of Fundamental Social Rights for Workers* (1989) were adopted, but also an Observatory on National Policies to Combat Social Exclusion (1990-1994) was created. Composed by academics and charged with the task of producing studies and annual reports, the Observatory played an important role in the elaboration of the concept of social exclusion (Ferrera *et al.* 2002).

With the Council Resolution, for the first time the concept of social exclusion was explicitly mentioned in a Community document. It was recognised as a multi-dimensional phenomenon caused by the structural transformations of European economies and societies. In order to cope with this, economic development policies should be combined with “[...] integration policies of a specific, systematic and coherent nature” (Council 1989, point 4).

The *Community Charter of Fundamental Social Rights for Workers*—adopted by all MS except the UK—represented the basis for important further actions including two relevant Council Recommendations enacted in 1992: *Council Recommendation of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems* (92/441/CEE) and *Council Recommendation of 27 July 1992 on the convergence of social protection objectives and policies* (92/442/CEE). The first Recommendation, after inviting MS to recognise “[...] the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity as a part of a comprehensive and consistent drive to combat social exclusion [...]” (Council 1992a, point I A), sketches how the supranational bodies could support them in adapting their social protection systems. To this end, the Euro-

2002, Hvinden and Halvorsen 2012). It is important to state that the new concept has never completely replaced the traditional concept of “poverty”. On the contrary, both “the language of poverty” and “the language of social exclusion” continue to be used at the same time (Armstrong 2010).

pean Commission was invited to facilitate and organise, together with MS, the systematic exchange of information and experiences and the continuous evaluation of the national provisions adopted. Moreover, based on this information, the European Commission was asked to regularly draft reports describing the progress and obstacles encountered in implementing the recommendation. The second Recommendation (Council 1992b), beyond restating the method through which the co-operation in the social protection domain was to be undertaken, defined its aim that is the convergence of MS' social protection objectives and policies.⁴ Looking at the objectives and the method outlined by the two Recommendations, it is possible to say that they represented a sort of “OMC in embryonic form” (Ferrera *et al.* 2002) or an “unfinished OMC” (Pochet 2005).

Last but not least, in the 1990s the Commission started to support as well as fund the creation of networks of community level Non-Governmental Organisations (NGOs) dealing with poverty and social exclusion. These networks were particularly able in attracting media attention on those issues, thus putting pressures on national governments (Bauer 2002).

Despite increasing attention at the European level, attempts by some MS to include a Social Chapter in the Maastricht Treaty failed and only a “Social Protocol” attached to the Treaty was elaborated—this applying to all MS except the UK. However, the entrance of the concepts of social exclusion in the language of the Treaties was simply postponed.

In fact, in 1997 a Title on “Social policy, education, vocational training and youth” (Title XI) was included in the Treaty of Amsterdam and the Article no. 136 for the first time in the history of European integration explicitly mentioned the fight against social exclusion in the Treaties (Ferrera *et al.* 2002), as well as recognised it as both an EU's and MS' objective. Articles 137-140 described the tools to pursue this objective: on the one hand, elaborating directives on minimum requirements, on the other hand encouraging cooperation and facilitating the coordination of national policies.

Undoubtedly, Title XI represented a strong legal basis for EU actions in the social domain—at least compared to the past; differently from employment policies, however, the procedures to implement coordination of national social policies were not defined in an explicit way (Title VII of the Treaty). For this reason, while the coordination of national employment policies via the European Employment Strategy (EES) was launched in 1998 already, it was only with the decisions taken at the EU Lisbon Summit in 2000 that a similar process in the social domain was effectively launched. Notably, it first concerned the fight against poverty and social exclusion.

⁴ As synthesized by Philippe Pochet (2005, 64), “[...] from this moment onwards the goal was to concentrate efforts on objectives rather than institutional arrangements. In other words, common goals can be achieved via different means.”

2. FIGHTING POVERTY AND SOCIAL EXCLUSION IN THE “LISBON DECADE”

2.1. LISBON I AND THE SOCIAL OMC

In the framework of the Lisbon Strategy, the aim “to become the most competitive and dynamic knowledge-based economy in the world” was to be pursued, among other things, through the fight against poverty and social exclusion. The first phase of the Lisbon Strategy (Lisbon I, 2000-2005) relied on the idea of a “socio-economic policy triangle” in which “more and better jobs”, “social cohesion” and “economic growth and competitiveness” had equal weight (Zeitlin 2010).

In this phase, the OMC on poverty and social exclusion was launched, based on a biennial cycle. This started with the adoption of “Common Objectives”, followed by the presentation of “National Action Plans” (NAPs) by MS and the adoption of a “Joint Inclusion Report” by the Commission and the Council. Furthermore, the process included the elaboration of “Common Indicators” and was supported by the “Community Programme of Action” (Peña-Casas 2002). Since 2004, “peer review meetings” involving national and EC officials, stakeholders and experts have been funded through the Community Programme of Action. Those meetings aimed at identifying, discussing and possibly exchanging MS’ good practices in the fields of poverty and social exclusion (see below Section 3).

■ *Objectives and indicators.* The “Common objectives” in the fight against poverty and social exclusion were adopted at the Nice European Council, in December 2000 (see below Table 1). These objectives showed a programmatic character and proposed a multi-causal view of poverty and social exclusion (Daly 2006). They were very innovative albeit very general. “Taken together, they spelt an approach that married access to employment, rights, resources, goods and services with helping the most vulnerable, preventing social exclusion and activating a range of interests and bodies” (Daly 2007, 5). The European Council invited MS to develop their priorities related to the fixed objectives and to define indicators and monitoring mechanisms to measure progress. The Nice objectives were general and flexible enough to be received in different ways by MS. This reflected the purpose of letting MS free to determine their priorities. In the “National Action Plans against poverty and social exclusion” (NAPs/incl) Member States had to indicate strategies aimed to achieve the common objectives as well as to report on adopted reforms and policies. The “Common Indicators” represented the basis to compare Member States with regard to some keys aspects of poverty and social exclusion (see Annex 2). In particular, these indicators were used to draft the joint reports and for the reports that the Commission produced each spring to evaluate the progress of the Lisbon Strategy.

In 2001, a set of eighteen indicators (Table 1 and Annex 2) covering four dimensions of social exclusion were adopted to be used by MS in their NAPs/incl and by the Council and the Commission for the “Joint Inclusion Report”. The “Joint evaluation of the process” implied two steps. The Commission made a first analysis of the NAPs/incl and published a preliminary report. This report was discussed with Member States. After that, the Joint Inclusion Report was adopted. Finally, the “Community Programme of Action” to combat poverty and social

exclusion aimed to encourage cooperation between Member States, social partners, NGOs and also the poor. The actions proposed in the framework of this programme included three main dimensions: 1) improving the understanding of social inclusion; 2) organising exchange on policies and promoting mutual learning in the context of national actions plans; 3) developing actors' ability in addressing social exclusion effectively.

Table 1. OMC I, primary and secondary indicators

| Primary indicators |
|---|
| 1a Low income rate after transfers with breakdowns by age and gender |
| 1b Low income rate after transfers with breakdowns by most frequent activity status |
| 1c Low income rate after transfers with breakdowns by household type |
| 1d Low income rate after transfers with breakdowns by tenure status |
| 1e Low income threshold (illustrative values) |
| 2 Distribution of income |
| 3 Persistence of low income |
| 4 Relative median low income gap |
| 5 Regional cohesion |
| 6 Long term unemployment rate |
| 7 Persons living in jobless households |
| 8 Early school leavers not in education or training |
| 9 Life expectancy at birth |
| Secondary indicators |
| 10 Self-defined health status by income level |
| 11 Dispersion around the low income threshold |
| 12 Low income rate anchored at a moment in time |
| 13 Low income rate before transfers |
| 14 Gini coefficient |
| 15 Persistence of low income (below 50% of median income) |
| 16 Long term unemployment share |
| 17 Very long term unemployment rate |
| 18 Persons with low educational attainment |

Source: authors' elaboration on Council (2001)

■ *Governance and actor participation.* Since the beginning, the OMC explicitly referred to the need to include all concerned actors—both civil society and governmental actors. In 2000, the Social Protection Committee (SPC) was established to serve “as a vehicle for cooperative exchange between MS and the European Commission in the framework of the OMC on social inclusion, health care and long-term care as well as pensions”.⁵ The Committee was expected to deal with four different social policy sectors among which “poverty and social inclusion”. Two representatives from each MS and two representatives from the Commission composed the SPC. They prepared reports and formulated opinions as a result of requests

⁵ Cf. EU Commission website: <http://ec.europa.eu/social>.

from either the Council or the Commission, or as their own initiatives. Also, the Committee should establish contacts with social partners and more generally stakeholders.

Stakeholders involved in social inclusion policies can be distinguished in: 1) “decision-makers in charge of policy decisions”—supranational bodies, national governments and parliaments, bureaucratic organisations as well as regional and local authorities; 2) “secondary stakeholders” such as trade unions, employers, vulnerable groups, advocacy and representative organisations—who are intermediaries in the decision-making process and have stake in the policy field; 3) “primary stakeholders” who are mainly affected by policies, such as people experiencing poverty and social exclusion, but also the general citizenship (INBAS and ENGENDER 2010). Finally, experts and media complete the picture of the policy stage.

As noted by Peña-Casas (2004), it is possible to identify six different ways of stakeholder involvement in the social inclusion OMC or more generally increase awareness in the population. The first regards the “reinforcing of dialogue at national level”: some Member States established commissions or consultative committees involving the different actors on poverty and social inclusion. The second concerns “promoting partnership at local level” in order to bring together knowledge and resources of different actors. In this case, the central idea is that the approach developed at national level is translated into integrated actions at ground level. The third aims at “involving NGOs and civil society” in the fight against poverty and social exclusion. The NGOs play an important role by both participating in the formulation of national plans and policies and in work on the ground. The fourth way regards the “involvement of social partners” in the formulation of the national plans. The fifth concerns the creation of a wider “public awareness of poverty and of the process linked to the NAPs inclusion”: some countries have actually published the plans or have organised ad hoc conferences to present them. The sixth regards the promotion of the “Corporate Social Responsibility” of business as an element for promoting social integration.

At the supranational level a number of stakeholders have mobilised to influence the outcome of the social inclusion OMC. Among non-governmental and civil society organisations, the “European Anti-Poverty Network” (EAPN) can be considered the most active and influential. EAPN worked on gathering information about the objectives of the social inclusion OMC and on participation of social partners and NGOs in the drafting of national strategies and NAPs; it also contributed to the debate on indicators and played a role in each round of the Action Plans for inclusion (de la Porte and Pochet 2005).

2.2. LISBON II AND THE SECOND PHASE OF THE SOCIAL OMC

In 2005 the Lisbon Strategy was re-launched (Lisbon II) and a novel focus was posed on growth and jobs. Broadly speaking, the core of Lisbon II was the merge of the European Employment Guidelines (EEGs) with the Broad Economic Guidelines (BEGs) for Growth and Jobs in a single set of 24 Integrated Guidelines (IGs) for Growth and Jobs, divided in three parts: “macroeconomic”, “microeconomic”, “employment”.

In line with the new architecture, NAPs/Employment and the Joint Employment Report were replaced by a single section inside the National Lisbon Reform Programmes (NLRPs) and the Annual Lisbon Progress Report prepared by the Commission (Armstrong, Begg and Zeitlin 2008). Meanwhile the three strands of the Social OMC regarding social inclusion, pension, health care and long-term care were “streamlined” into a single OMC. This new architecture should provide a framework in which economic, employment and social policies mutually reinforce each other, ensuring progresses on employment creation, competitiveness and social cohesion. This “mutual reinforcing” should have been provided by the relationship between the new Social OMC and the IGs for Growth and Jobs both at the national and the European level (Zeitlin 2010).

■ *Objectives and indicators.* The OMC features in Lisbon II were slightly different from those of the first phase. The new OMC was based on common objectives divided in “overarching objectives” valid for the three strands, and three groups of “specific objectives” for each sector. The “common objectives” on poverty and social exclusion were significantly changed (see Table 2). First, the approach was no more universalistic, because it referred to “social exclusion” as a phenomenon regarding the most marginalized people only. Second, in Lisbon II the reference to “activation” as participation in the labour market was prominent. For this reason, the references to “social exclusion” were reduced and replaced by the references to “social inclusion”. Third, there was a novel emphasis on the efficiency of the various policies as well as their interaction. Fourth, there was no more attention to the “prevention” of social exclusion. It was therefore evident that the Lisbon II approach was much less comprehensive than the Lisbon I (Daly 2007).

Table 2. **The objectives on poverty and social inclusion in Lisbon I and II**

| Lisbon I | Lisbon II |
|--|---|
| • To facilitate participation in employment and access by all to resources, rights, goods and services | Guarantee access by all to the basic resources, rights and social services needed for participation in society, while addressing extreme forms of exclusion and fighting all forms of discrimination leading to exclusion |
| • To help the most vulnerable | Ensure the active inclusion of all by promoting participation in the labour market and by fighting poverty and exclusion among the most marginalised people and groups |
| • To mobilise all relevant bodies | Ensure that social inclusion policies are well-coordinated and involve all levels of government and relevant actors, including people experiencing poverty, that they are efficient and effective and mainstreamed into all public policies [. . .] that they are gender mainstreamed |
| • To prevent the risks of exclusion | |

Source: Daly (2007, 6)

Despite changes, the “indicators” remained central also in the new OMC and were further elaborated in 2006 and updated in 2009. They were divided in “overarching indicators” and “specific indicators” for each of three strands plus additional so

called “context indicators” (see Table 3 and Annex 3). Finally, the *PROGRESS programme* renewed the past “community programme of action” for the 2007/2013 and extended the actions also toward the new two strands of OMC on social protection and inclusion.

Table 3. **OMC II, overarching and field specific indicators**

| Overarching indicators | |
|------------------------------------|--|
| 1a | EU: At-risk-of-poverty rate |
| 1b | EU: Relative median poverty risk gap |
| 2 | EU: S80/S20 |
| 3 | NAT: Healthy life expectancy |
| 4 | EU: Early school leavers |
| 5 | EU: People living in jobless households |
| 6 | NAT: Projected total public social expenditures |
| 7a | EU: Median relative income of elderly people |
| 7b | EU: Aggregate replacement ratio |
| 8 | NAT: Self reported unmet need for medical care; NAT: Care utilisation |
| 9 | EU: At-risk-of-poverty rate anchored at a fixed moment in time (2004) |
| 10 | EU: Employment rate of older workers |
| 11 | EU: In-work poverty risk |
| 12 | EU: Activity rate |
| 13 | NAT: Regional disparities – coefficient of variation of employment rates |
| 14 | NAT: Total health expenditure per capita |
| Social inclusion indicators | |
| 1 | EU: At-risk-of-poverty rate |
| 2 | EU: Persistent at-risk-of-poverty rate |
| 3 | EU: Relative median poverty risk gap |
| 4 | EU: Long term unemployment rate |
| 5 | EU: Population living in jobless households |
| 6 | EU: Early school leavers not in education or training |
| 7 | EU: Poverty risk by household type |
| 8 | EU: Poverty risk by the work intensity of households |
| 9 | EU: Poverty risk by most frequent activity status |
| 10 | EU: Poverty risk by accommodation tenure status |
| 11 | EU: Dispersion around the at-risk-of-poverty threshold |
| 12 | EU: Persons with low educational attainment |
| 13 | Low reading literacy performance of pupils |

Source: <http://epp.eurostat.ec.europa.eu/>

■ *Governance and actor participation.* Procedures were not significantly changed, apart from the cycle which was made triennial (previously biennial). The “National Strategic Reports on Social Inclusion and Protection” were prepared by MS at the beginning of the cycle and covered the entire three-year period. These reports provided an overview of developments in the three sectors in each MS and fixed national priorities. Same as in Lisbon I, the “Joint Analysis Reports” summarized

the main issues and evaluated the MS progresses on the common objectives, identified future priorities and indicated the best practices to be followed.

For what concerns stakeholder involvement, a recent research (INBAS and ENGENDER 2010) highlighted that, since 2000, the majority of MS has favoured a broad involvement in the elaboration of NAPs. However, in some MS the OMC is more a “reporting” activity rather than a strategic process. In more than half of countries, ministers were actively involved in the development of national plans, in others they only signed them. Parliamentary involvement was low in many countries: only in one third of countries NAPs have been debated or approved in parliament. Secondary stakeholders—and in particular NGOs representative of poor people—were involved in the OMC in all Member States, though in some cases such participation was limited (i.e. invitation to meetings). Social partners were involved in all Member States: in two third of countries they commented on national reports, in five countries they formally approved them. Finally, people experiencing poverty were directly involved in only half of Member States.

With regard to the stage of the “policy cycle”, several stakeholders were involved in the preparation of the national programmes. In the implementation phase, the administration in charge of social inclusion policies is generally the main actor; in the monitoring and evaluation phases participation remains low.

“Policy coordination” among all levels of government is present in all Member States except for three; as for the horizontal/inter-ministerial coordination, four countries have a permanent body, while in fourteen Member States ministries are involved in ad hoc consultations. The impact of stakeholders involvement seems to be positive and EAPN in particular has been able to forge coalitions to promote an effective dialogue with governments in a number of Member States (INBAS and ENGENDER 2010).

Another recent research (PPMI 2011) confirmed that the OMC has been quite successful in involving non-state actors especially at the European level. The social inclusion strand of the Social OMC can be considered as having the highest level of stakeholders involved. This proves that the OMC has had a strong procedural impact, in particular for what concerns the preparation of the National Strategic Reforms: governments involve NGOs in producing NSRs. At present, the impact of this interaction gave mixed results. In some cases, NGOs had some influence on the content of NSRs and the OMC thus increased the influence of non-state actors. By contrast, in other cases consultation with stakeholders was only formal and it did not continue when the process of designing NSRs was completed. Also, the vertical coordination between the different levels of governments was not improved under the umbrella of the OMC. In many cases the OMC is a “centralized” process, in which regional and local governments are excluded and, consequently, perceive the OMC as either irrelevant or an administrative obligation. The impact of OMC was possibly greater in case of horizontal rather than vertical coordination. Consultation with non-state actors has become a normal practice though it has sometimes remained a formality (PPMI 2011).

In addition to changes in the Social OMC architecture, the Lisbon decade was also characterised by the adoption of a “Recommendation on the active inclusion

of people excluded from labour market” by the European Commission in October 2008 (European Commission 2008). The aim of the Recommendation was to “facilitate the integration into sustainable, quality employment of those who can work and provide resources which are sufficient to live in dignity, together with support for social participation, for those who cannot” (Article 1). Accordingly, the Commission proposed a plan based on three pillars: 1) adequate income support; 2) inclusive labour markets; 3) access to quality services. The first pillar recognizes “the individual’s basic right to resource and social assistance sufficient to lead a life that is compatible with human dignity”. The provision of income support is considered as a part of a wider strategy to fight social exclusion; in this framework, the right to sufficient resources should be combined with active availability for work or training. The second pillar calls for developing arrangements able to ensure that people receive help—to enter/re-enter labour market or remain in employment—corresponding to their work capacity. The third pillar calls for adopting measures aimed to ensure “access to quality services”. In particular, measures should be taken to improve services in the fields of active labour market policies—such as employment and training services, housing support, child-care, long-term care.

2.3. THE IMPACT OF THE OMC IN THE LISBON ERA

The literature on the poverty and social inclusion OMC highlighted that in assessing Social OMC we can see both lights and shadows.

Following Zeitlin (2010), the OMC should be considered as a case of success from different points of view. The first one regards *substantive policy change*. In many Member States, the OMC helped to increase the ambition and the salience of national employment and social policies. In these Member States the domestic debate incorporated the categories and the concepts proposed at the European level realizing a “*cognitive shift*”. This process helped to change also the *national policy agenda* (putting new issues, or promoting an increase of their salience) realizing a “*political shift*”. Finally, the objectives, the guidelines, the recommendations and the targets linked to the OMC contributed to change national policies, determining a “*programmatic shift*”.

A second positive impact of OMC is the *procedural shift* in the domestic policy-making and governance. In particular, the European Employment Strategy (EES) and the Social OMC promoted a better horizontal coordination and a transversal integration of previously independent policy sectors; they reinforced vertical coordination between the different levels of government, improved the statistical capacity and increased the involvement of non-state actors also favouring the development of networks.

A third form of influence concerns *mutual learning* processes. From this point of view the impact of the OMC regards, for example, the identification of common challenges, the promotion of specific policy approaches and statistical harmonization (Zeitlin 2010).

Furthermore, as it has been noted (Daly 2010), in terms of social policy substance, the Lisbon era favoured the emersion of four social policy issues. First, the “active inclusion” of people out of the labour market: this issue was developed

through the Recommendation from the Commission on active inclusion. Second, “child poverty and child well-being” supported by a thematic year on this issue (2007) and the adoption of a specific report by the Social Protection Committee. Third, “homelessness and housing exclusion” that have been central in the OMC have also been subject of two thematic years. Fourth, within the approach developed during the Lisbon decade there is a general recognition of the “importance of availability of a range of social service”. At the same time the Lisbon decade has promoted the development of several shared indicators for meaningful comparison of poverty and social exclusion trends across Europe.

Other strengths have been pointed out by Frazer and Marlier (2010a). The Social OMC: 1) helped to put social inclusion and social issues in the EU agenda; 2) at EU level, it highlighted both the importance of mutual reinforcement between economic, social and employment policies and the need to consider as well as assess the social impact of measures adopted in these fields; 3) it favoured the development of shared concepts (such as multidimensionality) and the identification of/agreement on key policy priorities in the three Social OMC strands; 4) it prompted learning processes on the best strategies to prevent and reduce poverty; 5) it favoured relevant progresses in improving data, defining common indicators and developing a stronger analytical framework in order to understand, assess and monitor the social phenomena; 6) it promoted the improvement of governance of social inclusion in many Member States (in particular, the OMC supported the diffusion of the idea that the fight against poverty has to integrate various policy sectors and involve different stakeholders); 7) it was very useful in promoting social inclusion in those Member States that chose to fully use OMC; 8) it ensured that the need tackle the impact of economic and financial crises was included in the EU debate; 9) it helped mobilise several actors also promoting the emergence of networks and it has given voice to socially excluded people; 10) 2010 has been made the European Year for Combating Poverty and Social Exclusion thanks to the Social OMC.

Despite these positive developments favoured by the Social OMC, the process clearly failed when considering policy outcomes, namely the impact on poverty: only little progress was made in achieving the targets set in Lisbon. This limited impact can be explained, first, considering the low political status and the lack of political leadership at the EU level compared with other strands of the Lisbon agenda such as Growth and Job. When Lisbon was launched the mutually reinforcing nature of economic, employment and social was not adequately emphasized. In theory, the Social OMC should have interacted with the Growth and Job agenda but this did not translate into practice. Second, the Social OMC remained a “soft” coordination process without sanctions for Member States that did not reach targets, as the Commission was not entitled to issue policy recommendations for Member States. Furthermore, the lack of a clear quantitative social target until 2010 diminished the status of the Social OMC compared to employment and economic policies. At the national level, Member States have failed to integrate the Social OMC into the national policy-making and in many Members States the NAPS/inclusion process resulted in a rather bureaucratic exercise. Finally, the

Social OMC has not been supported by adequate financial resources (Frazer and Marlier 2010a).

In addition, the first phase of the OMC was criticized to be weak in its strategic focus and for the multiplication of targets, objectives and coordination processes, and the governance architecture introduced by Lisbon II showed a number of limitations. First, the visibility of employment policy coordination was reduced by the integration of European Employment Guidelines and Broad Economic Guidelines and by the missing NAPs/employment. Second, an institutional mechanism able to ensure the mutually reinforcing feedback between economic, employment and social dimensions was absent, and the feedback remain weak. Third, implementation of NRPs at the national level lacked visibility and the involvement of non-state actors was not able to affect policy substance. Fourth, the shift from multilateral policy coordination to bilateral reform dialogue between the Commission and Member States proved extremely difficult to manage. The persistence of a weak process of “mutual reinforcing” between economic employment and social policies gave rise to a debate about how best reinforce the social dimension of Lisbon. Two different positions emerged. The first pushed to incorporate the social objectives into the Integrated Guidelines (IGs) and to better connect Social OMC with the Lisbon Strategy. The second argued to keep IGs unchanged while focusing on better implementing national reforms. The adopted solution maintained the IGs unchanged for 2008-2011 but their social dimension was reinforced by the revision of the accompanying explanatory text that emphasized the need for reinforced interaction with the Social OMC (Zeitlin 2010).

3. THE PEER REVIEWS WITHIN THE SOCIAL OMC

Partly based on the model provided by the meetings organised since 1999 in the context of the European Employment Strategy, peer review meetings have been organised since 2004 in the framework of the Open Method of Coordination for the fight against poverty and social exclusion. In 2006, after the streamlining of the three existing processes and the launch of the Social OMC, the peer review methodology has been extended to the sectors of pensions, health care and long-term care policies. In the period between 2004 and 2006 peer review meetings were funded through the “Community action programme to combat social exclusion”; since 2007 they have been funded through the “PROGRESS” programme.

3.1. OBJECTIVES AND THEMES

In a nutshell, peer reviews are seminars lasting 1½-2 days hosted by a single country (*host countries*) and attended by other countries (*peer countries*)⁶ as well as by other actors such as European Commission officers, stakeholders’ representatives and experts. The main goal of the meetings is to promote mutual learning dynamics

⁶ Peer reviews are open to all the countries participating to the PROGRESS programme: EU Member States, Norway, Serbia, Croatia.

among participating states through “[...] the identification and dissemination of good practices on the basis of a systematic exchange of experiences and evaluation of policies, actions, programs or institutional arrangements [...]” (ÖSB *et al.*, n.d., 4).

More in details, the specific objectives of these meetings are (ÖSB *et al.*, n.d., 5):

- 1) contributing to a better understanding of Member States’ policies, as laid down in their National Reports on Strategies for Social Protection and Social Inclusion and of their impact;
- 2) increasing efficiency and effectiveness of policies and strategies for social inclusion, pensions, health care and long-term care in present and future Member States and at EU level, by learning from the experiences in the Member States;
- 3) facilitating the transfer of key components of policies or of institutional arrangements, which have proved effective in their original context and are relevant to other contexts.

Different issues can be proposed as topics for the peer reviews. Firstly, domestic policies, strategies or institutional arrangements recognised as effective in order to reach the objectives of the Social OMC: generally, so called “good practices” are identified in Member States’ “National Strategy Reports on Social Protection and Social Inclusion”. Secondly, host countries can be identified by looking at their (good) performance in relation to common indicators. Thirdly, participating states can propose to discuss a planned policy reform: in this case, they can exploit the meeting for taking advantage of the experiences and good practices in other countries, thus improving the effectiveness of the envisaged domestic reform. Finally, instead of presenting domestic practices, meetings can also address issues or policy problems which are salient at the supranational EU level. Proposed practices should fulfil the following criteria: (i) evaluation results or, at least, early monitoring data should be available (or, preparation reports in case of planned reforms); (ii) the practices should be relevant to the objectives of the Social OMC and to the strategic priorities of the Social Protection Committee. Indeed, meetings held in the period 2004-2011 (66 meetings) concerned a set of *key themes* (see Box 1) strictly linked to the objectives of the Social OMC (and to the former Nice objectives).⁷

Box 1. Key themes of peer review meetings, 2004-2011

- 1) Integration of ethnic minorities and immigrants;
- 2) Quality and accessibility of social services;
- 3) Homelessness and housing exclusion;
- 4) Children and families;
- 5) Promoting active inclusion;
- 6) Over-indebtedness and financial exclusion;
- 7) Ageing and providing adequate and sustainable pensions;
- 8) Health and long-term care;
- 9) Interaction of social, economic and employment policies;
- 10) Governance

Source: <http://ec.europa.eu/social/main.jsp?catId=1024&langId=en>

⁷ Each meeting generally covers more than one theme. A list of peer review meetings held in the period 2004-2011 is provided in Annex 4.

3.2. GOVERNANCE AND ACTOR PARTICIPATION

As far as the organisation of the meetings is concerned, it is important to stress that MS voluntarily decide to host and/or attend peer reviews. Through their representatives in the SPC, countries interested in hosting a meeting send their proposals—i.e. a sheet which synthetically illustrates the topic to be reviewed—to the European Commission-DG Employment and Social Affairs. Then, DG Empl. asks other Member States to select and rank four meetings they would like to attend as peer countries. The most preferred proposals are selected and the DG Empl. drafts the peer review schedule for the following year. In the period 2004-2011, on average eight meetings per year have been organised. In the selection process as well as in the subsequent organisational phases and during the meetings themselves, the DG Empl. is assisted by an external consultancy.

As mentioned above, peer review meetings are attended by several actors:⁸

- *A thematic independent expert* selected by the consultancy and approved by the European Commission. Before the meeting, he/she drafts a *Discussion Paper* in which the practise under review is discussed and put in a wider EU comparative perspective. This document, distributed before the meeting, represents the main reference for the papers that the other participants must produce. Moreover, the thematic expert should actively contribute to discussion during the meeting and he must produce a *Synthesis Report* (that is, a revised version of the Discussion including the main results of the peer review) after the meeting.
- *Official representatives from the host country*. They are civil servants charged with either the design or the management/implementation of the practice under review. Together with the national and the thematic experts, they present the practice during the meeting. In collaboration with the national expert, they should elaborate the *Host Country Comment Paper*, which is a document focused on the presentation of the practice under review and its evaluation results. Host country official representatives are responsible for the practical organisation of the meeting and one of them assumes the role of *chairperson* of the seminar.
- *National independent expert from the host country*. Selected by the host country, he/she must have an in-depth knowledge of the practice under review. In collaboration with host country officials, he/she drafts the *Host Country Comment Paper*.
- *Official representatives and independent experts from the peer countries*. Each peer country is represented in the meeting by one national official and one independent expert.⁹ Beyond actively participating to discussions during the meetings, peer countries' representatives are asked to produce *Peer Countries Comment Papers*. Those documents should provide a description of the domestic situation in relation to the practice under review (including similarities and differences) and a first evaluation of the potential for transferability of the practice in their domestic contexts.

⁸ Roughly 30 to 40 people usually attend the meetings. The number of people involved depends on the number of States which attend the seminar (up to 7-8 countries per meeting) and on the number of people composing the host country delegation.

⁹ In general, peer countries officials come from central administration (Ministries of Labour). Independent experts can either be academics or researchers, national stakeholders' representatives or civil servants.

- *The host country's member of the "Network of Independent Experts on Social Inclusion"*.
- *Representatives of European and (if appropriate) national stakeholders.* Each seminar is attended by representatives from two EU level stakeholder organisations invited by the European Commission. They are generally EU-level NGOs funded under the PROGRESS programme and, same as peer countries, they have to produce *Comment Papers* expressing their views on the topic under review. While the presence of EU level stakeholders is mandatory, it is up to the host countries to decide if inviting national stakeholders' representatives.
- *Representatives of the European Commission.* One or two representatives from the European Commission (generally from the DG Employment and Social Affairs) attend the meetings and contribute to discussions.
- *Staff from the consultancy assisting the European Commission in the peer review programme.* Among them, there are a *Peer Review Manager* (who is responsible for the practical implementation of the peer review, including the facilitation of the debate) and a *professional minutes-taker*.

A typical peer review meeting is composed by several activities: *plenary sessions* in which the practice under review is presented and discussed by pointing at both strengths and weaknesses, comparing it with the Community context and the situation in participating Member States, discussing its transferability potential; *working-group activities* aimed at allowing more in-depth discussions on specific aspects of the practice under review; *site visits* which should allow participants to gain a better understanding of the functioning of the practice under review by looking at how it is implemented "on the ground" and by talking to personnel charged with its implementation or to beneficiaries. However, seminars do not always follow this structure. In fact, the agenda of meetings as well as the roles effectively played by actors mainly depends on the topic under review and on the motivations behind host countries' decision to organise a peer review (see below).

3.3. FUNCTION, RELEVANCE AND IMPACT OF PEER REVIEW MEETINGS:

PRELIMINARY EVIDENCES

Against this backdrop, two preliminary considerations can be advanced. First of all, considering the framework of the Social OMC, peer review meetings are not "peripheral tools" as a part of the literature claims (see, for example, Armstrong 2010). In principle, they should be well integrated with the other tools of the Social OMC: practices under review should be identified in the National Strategy Reports for Social Protection and Social Inclusion; the topics under review should be linked to the objectives of the Social OMC and should correspond to priorities identified by the Social Protection Committee; the good performance of Member States in relation to the common indicators is among the criteria for identifying host countries. Moreover, the aims of these meetings are the promotion of mutual learning dynamics and the exchange of good practices, which are among the main goals of OMC processes.

Second, looking at participants, it is important to notice that virtually all actors involved in the Social OMC do have a role in the peer review process: SPC

members, officials from the Member States, experts, European and national stakeholder organisations, EC officials. Indeed, looking at actors involved, peer review meetings can be interpreted as “inter-organisational networks”¹⁰ in which actors coming from different organisations at different levels of government meet for exchanging knowledge. Considering that some actors mainly act at the European level while others at the national one, these meetings may potentially be effective in linking the two levels within a relatively novel multilevel arena for social policy coordination characterised by patterns of bi-directional influence (Sabato 2012).

Despite the potential relevance of the Peer Review Programme in the Social OMC, no academic research has so far provided an in-depth analysis of the latter and its impact on national and EU policies.¹¹ Only a few studies exist, among which the assessment carried out by the Public Policy and Management Institute and the European Social Observatory on behalf of the European Commission (OSE and PPMI 2012a, 2012b). The results of this assessment are rather interesting. First of all, the study unveiled various motivations behind the choice of hosting peer reviews—that is to say, a variety of usage of this exercise done by Member States. Beside promoting of mutual learning dynamics or simply showing off domestic practices (“windows dressing”), peer review meetings have been used as a way for answering EU pressures (e.g. in domains when criticisms from the Commission have been issued), for uploading an issue on the supranational political agenda (this has been done by both Member States and the European Commission, often in collaboration with stakeholders), or as an instrument for settling internal differences (i.e. disagreements between domestic levels of government) by discussing with European peers. Secondly, although it is not possible to generalize results, the OSE/PPMI assessment has revealed that discussions held during the seminars are very often rather open and frank. The interaction among the different actors involved seems to facilitate the development of genuine learning dynamics: participants learn both from each other experiences (“learning from others”) and by developing together new knowledge and solutions (“learning with others”).

The first studies therefore suggest that with respect to the “impact” of those meetings, it is possible to distinguish between consequences at the European and at the domestic levels. As far as the European level is concerned, some meetings have contributed to the creation and development of networks among participants. In other cases, knowledge acquired during the meetings has been used—especially by stakeholders—for feeding debates at the European level. Finally, sometimes peer reviews have contributed to the promotion of topics on the EU agenda or to keep attention on specific issues high.¹²

¹⁰ On the concept of “inter-organisational network”, see Hartley and Benington (2006).

¹¹ A few studies on the peer review meetings organised in the context of the European Employment Strategy exist: Ballester and Papadopoulos (2009), Casey and Gold (2005), Sabato (2012).

¹² Sometimes, the European Commission has been able to use those meetings as “stepping stones” in longer processes of building European consensus on topics such as minimum income, activation policies, stakeholder involvement.

With respect to impact of the meetings at the domestic level, the OSE/PPMI assessment has detected four types of effects:

- *Cognitive effects*, consisting in: (i) increased knowledge of policies/practices implemented by other Member States as well as of EU initiatives and actions; (ii) improved awareness of strengths and weaknesses of Member States' own policies (reflexive learning);¹³ (iii) identification of possible solutions or "models" for coping with domestic policy problems.
- *Discursive diffusion*: knowledge gained during the meetings has sometimes been used for feeding domestic debates (generally, in the organisations of the participants).
- *Networking*: domestic participants have often been involved in EU-wide networks created as a consequence of the peer reviews. In some cases, these networks have been "activated" at the national level.
- *Transfer*: in a few cases, elements of the practices under review (mainly, procedural elements) have been transferred in peer countries' national policies. Generally, this happens when domestic processes of change are already in place in the period of the peer review and people involved in those processes take part into the meeting.

Considering that peer review meetings last one and a half days, the findings of the PPMI/OSE assessment are to a certain extent surprising. However, it should be noted that not all meetings held can be considered as successful ones, and many meetings have not produced any significant impact. Moreover, the research has also highlighted some limits of the process. The main shortcoming is represented by the significant difficulties in disseminating knowledge produced during the meetings (especially at the domestic levels)¹⁴ and the absence of systematic follow-up activities.

3.4. COMBATING POVERTY AND PROMOTING ACTIVE INCLUSION VIA PEER REVIEW

As mentioned above, 66 peer review meetings were organised in the period between 2004 and 2011 (see Annex 4). Among them, 52 seminars (79%) concerned the strand "Fight against poverty and social exclusion" of the Social OMC, while 8 meetings (12%) concerned "Health care and long-term care" and only 6 seminars (9%) were devoted to "Pensions".¹⁵ Combating poverty and social exclusion has therefore been a major issue in the peer review programme. Indeed, look-

¹³ While in some cases the meetings entailed the identification of previously unknown weakness of domestic policies ("mirror effect"), in other cases they entailed the emergence of unexpected strengths, thus producing a remarkable "legitimizing effect".

¹⁴ Documents produced in the peer review process are published on the website of the programme [<http://ec.europa.eu/social/main.jsp?catId=1024&langId=en>]. However, information about the meetings seldom reaches "outsiders".

¹⁵ While peer reviews on "Poverty and social exclusion" have been held since 2004, meetings on "Health care and long-term care" and on "Pensions" have been organised only since 2006. However, considering peer reviews held in the period 2006-2011, the picture doesn't change so much. In fact, in that period, 37 meetings (more than 70% of the total) concerned "Poverty and social exclusion".

ing at “key themes” dealt with by peer review meetings, the topics of seminars often concerned issues, priorities and target groups which are actually at the heart of anti-poverty strategies and discourses as gradually developed in Social OMC activities: Promoting active inclusion (17 meetings), Quality and accessibility of social services (18 meetings), Children and families (9), Homelessness and housing exclusion (8), Integration of ethnic minorities and immigrants (11). The tendency to focus on those strand of the Social OMC has been confirmed and even increased in the last programme year (2012) when, in a context characterised by high uncertainty about the integration of the tools of the Social OMC within the EU 2020 Strategy (see Section 5.2), three out of the four peer review meetings concerned the fight against poverty and social exclusion.

With regard to practices reviewed in the meetings, it is not possible to provide here a full account of the variety of topics discussed in the various years (for a list of peer review meetings on social inclusion in the recent period, see Table 4 below). As already mentioned above, however, peer reviews may concern “good” practices already implemented in Member States, discussions around planned domestic policy reforms or broader EU wide policy problems. Looking at the meetings organised between 2004 and 2010 in the strand “Poverty and social exclusion”, the vast majority of them (42 cases out of 47) concerned the presentation of already existing domestic practices. Only in 2 meetings the aim was to deal with a general EU policy problem, while 3 meetings were devoted to discuss a planned policy reform.¹⁶

This said, it is important to point out that, despite the focus is often posed on country specific practices, the aim of peer reviews is not simply to show practices in order to (possibly) favour the transfer of some elements in other Member States. Rather, in some cases peer reviews have been strategically used by different actors as a way for channelling their preferences at the European level; in these cases the analysis of domestic good practices has simply been a “pretext” for so doing. An example of this kind of “strategic use” of the peer review exercise is illustrated in Box 2 presenting the peer review meeting on “Minimum Income and Social Integration Institutional Arrangements” hosted in Belgium in 2005.

¹⁶ These data have been re-elaborated from PPMI and OSE (2011), Map 5 page 33.

Table 2. List of peer review meetings related to the fight against poverty and social exclusion, 2008-2012

| Title | Year | Host country | Peer countries | Key theme |
|---|------|----------------|---|--|
| Initiatives by the social partners for improving the labour market access of disadvantaged groups | 2008 | Austria | Finland - Ireland - Norway - Slovenia - Spain - UK | • Promoting active inclusion |
| The social economy from the perspective of active inclusion | 2008 | Belgium | Austria - Cyprus - Czech Republic - Greece Slovakia - Slovenia - Sweden | • Promoting active inclusion • Interaction of social, economic and employment policies |
| Support Fund for the reception and integration of immigrants and their educational support | 2008 | Spain | Czech Republic - Denmark - Germany - Greece Italy - Latvia - The Netherlands | Integration of ethnic minorities and immigrants |
| Social impact assessment | 2008 | Slovakia | Austria - Belgium - Bulgaria - Germany - Ireland Norway - Romania | Governance |
| Getting women back into the labour market | 2008 | Germany | Cyprus - Denmark - Italy - Luxembourg - Malta Poland - The Netherlands | • Promoting active inclusion • Interaction of social, economic and employment policies |
| Integrated programme for the social inclusion of Roma | 2009 | Greece | Finland - France - Germany - Hungary - Spain | Integration of ethnic minorities and immigrants |
| The City Strategy for tackling unemployment and child poverty | 2009 | United Kingdom | Austria - Bulgaria - Czech Republic - Greece - Latvia Lithuania - Norway - Portugal - Serbia | • Children and families • Promoting active inclusion • Interaction of social, economic and employment policies |
| Developing well-targeted tools for the active inclusion of vulnerable people | 2009 | Norway | Austria - Cyprus - Ireland - Poland - Romania Spain - UK | • Promoting active inclusion |
| Counting the homeless - improving the basis for planning assistance | 2009 | Austria | Denmark - Germany - Hungary - Italy Luxembourg - Norway - Slovenia - Sweden | Homelessness and housing exclusion |

| | | | | |
|--|------|----------|---|--|
| Measuring the impact of active inclusion and other policies to combat poverty and social exclusion | 2009 | France | Belgium - Bulgaria - Ireland - Latvia - Lithuania Luxembourg - Malta - Portugal - Romania The Netherlands | • Governance |
| Federal Foundation Mother and Child for pregnant women in emergency situations | 2009 | Germany | Bulgaria - Denmark - Greece - Hungary - Italy - Serbia | Children and families |
| Modernising and activating measures relating to work incapacity | 2009 | Spain | France - Lithuania - Luxembourg - Malta - Poland Romania - Sweden - The Netherlands - UK | • Promoting active inclusion • Health and long-term care |
| Promoting social inclusion of children in a disadvantaged rural environment - the microregion of Szecseny' | 2010 | Hungary | Croatia - Czech Republic - Italy - Portugal - Serbia - UK | • Integration of ethnic minorities and immigrants • Children and families |
| Achieving excellence in social service provision | 2010 | Romania | Belgium - Croatia - Estonia - Lithuania | Quality and accessibility of social services |
| Using Reference Budgets for drawing up the requirements of a minimum income scheme and assessing adequacy | 2010 | Belgium | Austria - Cyprus - Finland - France - Ireland - Italy Luxembourg - Sweden | • Promoting active inclusion • Over-indebtedness and financial exclusion |
| The Programme for developing local plans for social inclusion in Catalonia | 2010 | Spain | Bulgaria - Czech Republic - Latvia - Norway Romania - Serbia - The Netherlands | • Governance |
| Building a comprehensive and participative strategy on homelessness | 2010 | Portugal | Denmark - Finland - Hungary - Ireland - Poland Serbia - Spain | Homelessness and housing exclusion |
| Making a success of integrating immigrants into the labour market | 2010 | Norway | Austria - Finland - Greece - Italy - Latvia - Malta | • Integration of ethnic minorities and immigrants • Promoting active inclusion • Interaction of social, economic and employment policies |

| | | | | |
|---|------|----------|--|---|
| The Finnish National Programme to reduce long-term homelessness | 2010 | Finland | Bulgaria - France - Hungary - Latvia - Norway Portugal - Slovenia - Sweden - The Netherlands | <ul style="list-style-type: none"> • Homelessness and housing exclusion • Governance |
| Building the tools to fight in-work poverty | 2011 | France | Belgium - Cyprus - Estonia - Greece - Ireland Lithuania - Portugal - Slovenia - The Netherlands | <ul style="list-style-type: none"> • Promoting active inclusion • Interaction of social, economic and employment policies |
| Building a coordinated strategy for parenting support | 2011 | France | Belgium - Bulgaria - Croatia - Czech Republic Denmark - Estonia - Germany - Italy - Malta | <ul style="list-style-type: none"> • Children and families |
| The setting of national poverty targets | 2011 | Ireland | Belgium - Bulgaria - Croatia - Finland - Latvia Malta - Norway - Romania - Slovakia - UK | <ul style="list-style-type: none"> • Interaction of social, economic and employment policies • Governance |
| Improving the efficiency of social protection | 2011 | Portugal | Belgium - Croatia - Italy - Latvia - Lithuania Malta - Romania - Slovenia | <ul style="list-style-type: none"> • Governance |
| Developing effective ex ante social impact assessment with a focus on methodology, tools and data sources | 2011 | Belgium | Austria - Cyprus - Finland - France - Greece Ireland - Luxembourg - Norway - Spain | <ul style="list-style-type: none"> • Governance |
| Combating child poverty through measures promoting the socio-cultural participation of clients of Public Centres for Social Welfare | 2012 | Belgium | Croatia - Finland - France - Germany - Italy Lithuania - Luxembourg - Malta - Norway - Spain | <ul style="list-style-type: none"> • Children and families |
| Area-based policies in urban areas: how to promote good living conditions for children and youth? | 2012 | Norway | Belgium - Denmark - Finland - Germany Greece - Romania | <ul style="list-style-type: none"> • Children and families |
| Social economy - laying the groundwork for innovative solutions to today's challenges | 2012 | France | Bulgaria - Cyprus - Czech Republic - Germany Greece - Hungary - Malta Romania - Slovenia - The Netherlands | <ul style="list-style-type: none"> • Promoting active inclusion |

Source: authors' elaboration

Box 2. Linking national and European strategies: the Belgian peer review on “Minimum Income and Social Integration Institutional Arrangements” (2005)

As mentioned above, Member States’ decisions of hosting a peer review meeting are generally driven by various motivations. Sometimes, beyond the desire of showing a domestic good practice or promoting mutual learning dynamics, MS use peer reviews as a way for “uploading” topics and issues to the EU agenda. In those cases, Member States often act in synergy with other actors such as the European Commission or stakeholders.

A good example of such a kind of “strategic use” of the peer review exercise is represented by the seminar on “Minimum Income and Social Integration Institutional Arrangements” hosted by Belgium in 2005 (Sabato and Peña-Casas 2012). In that occasion, the main purpose of Belgium was to show to the European partners the functioning of its “Right to Social Integration” law (DIS, *Droit à l’intégration sociale*). The law, passed in May 2002, provided the general framework for minimum income and social assistance measures in Belgium. Given its emphasis on concepts such as “social integration”, “recipients’ activation” and “contractualisation”, many observers deem that DIS represented a “paradigmatic shift” of the Belgian social protection system towards the so called “Active Social State” (Gilson and Glorieux 2005). However, in 2005 the topics of minimum income guarantee and activation were highly relevant on the European agenda too. On the one hand, the renewed Lisbon Strategy emphasised labour market participation and activation of social assistance recipients. On the other, the European Commission was about to launch a round of consultations on the possibility of a Communication on active inclusion, and Belgium was among the few countries in favour of such an initiatives. Indeed, the European Commission (as well as stakeholders’ organisations such as EAPN) particularly welcomed Belgian decision to host the peer review, considering it as an opportunity for starting a EU level debate on those issues, by providing a concrete example of how an “activation approach” can be declined.¹⁷ For these reasons, it is possible to state that the Belgian meeting was the result of the link between two agendas and strategies: the Belgian—showing-off a domestic practice and trying to upload its basic principles at the EU level—and the European Commission—“breaking the ice” for discussions on a contested topic and paving the way for new initiatives—ones. Indeed, those attempts can be considered as rather successful since the Belgian peer review can be seen as a stepping stone (for sure, only one among many other) towards the 2008 Recommendation on active inclusion (cf. Section 2.2).

¹⁷ Indeed, the approach finally adopted by the 2008 Recommendation on active inclusion (relying on adequate income support, inclusive labour markets, access to quality services) presents some similarities with the approach characterising the Belgian DIS.

4. EUROPE 2020 AND THE FIGHT AGAINST POVERTY AND SOCIAL EXCLUSION

This section is devoted to briefly illustrate the main features and the overall governance architecture of Europe 2020 (Section 4.1) and to present the novel against poverty designed at the supranational level—the headline target on poverty and related indicators, the Flagship initiative “European Platform Against Poverty and Social Exclusion”—(Section 4.2) in order to set the context for the analysis of the functioning of such a novel anti-poverty arena emerged around Europe 2020 which actually represents the core of Sections 5 and 6 complemented by a review of recent poverty and social exclusion trends in Europe (Section 5.1).

4.1. THE NEW OVERARCHING STRATEGY: EUROPE 2020

In European Commission’s view, Europe 2020 is a strategy aimed at turning the EU into a smart, sustainable and inclusive economy, characterised by high levels of employment, productivity and social cohesion. Europe 2020 has been organised around “three integrated pillars” and “three priorities”.

The integrated pillars are: 1) “Macro-economic surveillance” aimed to ensure a stable macro-economic environment supporting growth and employment. 2) “Thematic coordination” focused on structural reforms in fields such as innovation, employment, education and social inclusion, research and development (R&D), resource-efficiency, business environment. Thematic coordination combines “EU priorities”, “EU headline targets”, “EU Flagship initiatives”. 3) “Fiscal surveillance under Stability and Growth Pact”, which should contribute to achieve sustainable public finance and to promote fiscal consolidation.

The “three priorities” are: 1) “Smart growth”, 2) “Sustainable growth” and 3) “Inclusive growth”. In order to pursue these priorities the European Council set “five EU headline targets” in June 2010. MS have to define the national targets in accordance with the latter in their annual National Reform Programmes (NRPs), and they also have to indicate the main obstacles to reaching the targets and how they intend to tackle them. The Council (October 2010) also adopted ten “Integrated Guidelines” (IGs) for implementing the Europe 2020 strategy. Six guidelines regard economic policies, four concern employment and (in fact also) social policies. Finally, Europe 2020 introduced seven “Flagship initiatives” which are intended to favour actions in line with the top priorities and aimed to reach the headline targets by supporting a broad range of actions at international, supranational and national level.

In order to ensure socio-economic governance, the Council has also introduced the “European Semester”. This aims to improve economic policy coordination and help strengthen budgetary discipline, macroeconomic stability and growth. The Semester starts each year in March, when the Council, on the basis of European Commission’s Annual Growth Survey (AGS), identifies the main economic challenges and gives advice about policies. Following this advice, by mid-April Member States review their medium-term budgetary strategies and draft their NRPs setting out the actions they will undertake to reach the national headline targets. Afterwards, in June and in July the Commission and the Council provide

opinions and especially recommendations to MS before they set their budget for the following year (Frazer and Marlier 2010b, Vanhercke 2011). As it has been noted (Armstrong 2012), the European Semester brings together the processes—both of reporting and monitoring—previously connected with the reformed Stability and Growth Pact (SGP), the system of country-reporting linked to the Lisbon Strategy and especially the coordination of employment and economic policies.

4.2. THE NEW TOOL-KIT FOR TACKLING POVERTY AND SOCIAL EXCLUSION

Considering the Europe 2020 components that explicitly refer to poverty, first it must be noticed that this issue is linked to the top priority of ensuring “inclusive growth”. This concept deals with the attempt to build a cohesive society in which people can anticipate and manage change, and (consequently) actively participate in society and economy. In accordance with this priority, one of the ten IGs concerns social inclusion and poverty. This is actually included in Employment Guidelines and is supported by a related “headline target” on poverty representing the main innovation of the Europe 2020 strategy. The guideline “promoting social inclusion and combating poverty” was framed to replicate the main point of the “common objectives” of the previous Social OMC. On the one hand, it stresses the need to promote active inclusion, and above all participation in labour market as strategy to fight poverty. On the other hand, it points at the need to reform and to ensure the adequacy of national social protection systems, while respecting the budgetary constraints and ensuring long-term sustainability (Peña-Casas 2012).

■ *Goals, targets and indicators.* The headline target on poverty stresses the need to promote social inclusion through the reduction of poverty, aiming to lift 20 million people out of poverty and social exclusion by 2020. The headline target refers to people “at risk of poverty or social exclusion”, and these conditions are described by a combination of three different dimensions of poverty. According to selected indicators, the objective is to reduce the number of people in the EU (120 million) who are: (i) at risk of poverty; (ii) and/or materially deprived; (iii) and/or living in households with very low work intensity by one sixth. The first indicator is the classic poverty measure based on disposable income, the second concerns “deprivation”, the third is linked to joblessness.

These dimensions have the same weight, but they represent different challenges for the various MS. In the newer MS and the Mediterranean countries “income poverty” is the primary challenge; “material deprivation” mainly affects the Eastern European countries, in particular Romania, Latvia, Bulgaria and Hungary. Both the first and second group of countries have fewer problems with jobless households than in countries such as the UK and Ireland (Copeland and Daly 2012).

■ *Governance and actors.* In order to reach the quantitative poverty target outlined above, Europe 2020 has substantially changed the policy tool-kit in the field of poverty and social exclusion—as well as in other sectors such as pensions and health care. As mentioned, the new strategy introduced so-called “Flagship initia-

tives” to support initiatives in the priority fields, to stimulate stakeholder actions and to perform actions aimed to pursue the headline targets. A specific flagship—the *European Platform Against Poverty and social exclusion (EPAP)*—regards poverty and social exclusion (European Commission 2010a). The platform aims to create a joint task involving Member States, EU institutions and stakeholders. Five specific priorities are set out: 1) promoting action across the policy spectrum, 2) supporting greater and more effective use of EU fund to support social inclusion, 3) foster evidence-based social innovation, 4) working in partnership and harnessing the potential of the social economy, and 5) enhancing policy coordination among MS. A sixth priority area regarding the application of common active inclusion principles is also added to the platform (Peña-Casas 2012). The governance architecture for tackling poverty and social inclusion in the framework of Europe 2020 is summarized in Table 5.

Table 3. **Europe 2020 and the new governance architecture for combating poverty and social exclusion**

| | Overarching priority | Inclusive growth |
|-----------------------------|-----------------------------------|--|
| EU 2020 strategy | (10) Integrated Guideline | N.10 Promoting social inclusion and combating poverty |
| | (5) Headline target | At least 20 million fewer people in or at risk of poverty and social exclusion |
| EU level tools | (7) Flagship | “European Platform Against Poverty” |
| | European Semester | Annual Growth Survey; Country-Specific Recommendations |
| National level tools | National Reform Programmes (NRPs) | Include national targets on poverty |

As it has been pointed out by Armstrong (2012), the EPAP with associated goals and activities focuses on specific policy domains and arrange policy initiatives to achieve the targets in the absence of both a broader “EU social agenda” and a fully-fledged anti-poverty strategy. This entails the risk that the Flagship initiative aimed to support Europe 2020’s anti-poverty dimension may be unsuccessful to develop a practicable and ambitious social agenda while economic policy coordination mechanisms—that are the core of Europe 2020—could fail to support or even negatively affect the social dimension. In section 5.2 below, we will address this issue by looking at the implementation of the Europe 2020 anti-poverty dimension and the functioning of the EPAP.

5. A NEW ARENA FOR COMBATING POVERTY

This section provides a preliminary assessment of the Europe 2020 strategy against poverty and social exclusion by first focusing on outcomes in terms of reduction of overall poverty level and in the various MS (Section 5.1). Second, we focus on the “process”, that is on the functioning of the Europe 2020 anti-poverty component with the aim to detect signs of the emergence and (possible) consolidation of a new policy arena based on effective multilevel and multi-stakeholder governance of actions against poverty (Section 5.2).

5.1. POVERTY AND SOCIAL EXCLUSION IN THE EU: MAIN TRENDS 2005-2011

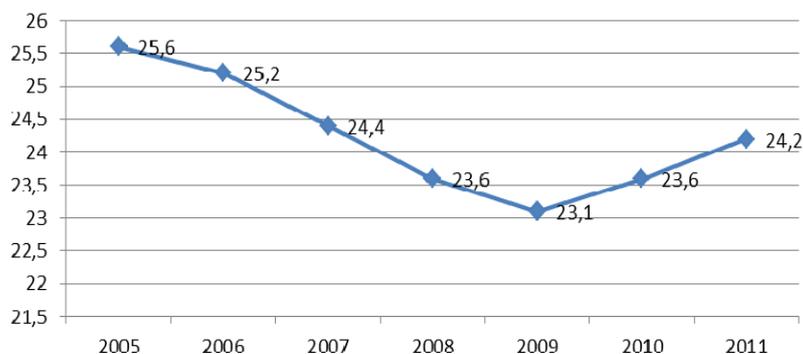
As mentioned in previous sections, one of the Europe 2020 headline targets is to lift at least 20 million of people out of the risk of poverty or exclusion by 2020. In order to monitor EU and MS’ progress towards this target, a new indicator has been developed concerning people “at risk of poverty or social exclusion” (AROPE). This indicator is composed by three sub-indicators: (i) “people at risk of poverty” (AROP), (ii) “people severely materially deprived” (SMD), and (iii) “people living in households with very low work intensity” (LWI).¹⁸

Looking at the AROPE indicator trend in the period between 2005 (re-launch of the Lisbon Strategy) and 2011 (the first year of the Europe 2020 Strategy and latest Eurostat data available), two tendencies emerge. In a first phase (2005-2009) the percentage of people at risk of poverty or social exclusion in the EU showed a decreasing trend: from 25.6% in 2005 (corresponding to 123,892,000 persons) to 23.1% (113,773,000 persons) in 2009. Since 2010, however, AROPE has started to increase and in 2011 24.2% of the EU population (119,568,000 persons) was at risk of poverty or social exclusion, a value close to 2007 levels (Fig. 1 and Fig. 2).

However, looking at individual EU countries, it is possible to notice that in 13 cases such a negative trend already started in 2009. This is the case for Bulgaria, Denmark, Estonia, Ireland, Spain, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, The Netherlands and Sweden (Table 6).

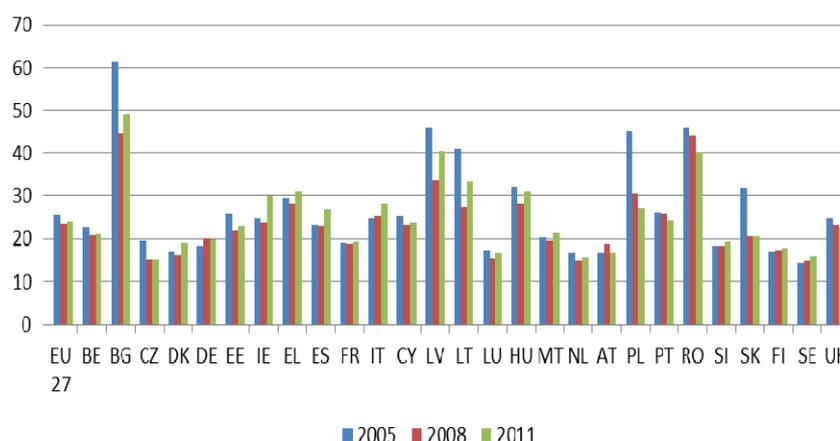
¹⁸ As reported by Eurostat, when it comes to the AROPE indicator, “Persons are only counted once even if they are present in several sub-indicators. At risk-of-poverty are persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers). Material deprivation covers indicators relating to economic strain and durables. Severely materially deprived persons have living conditions severely constrained by a lack of resources and they experience at least 4 out of 9 following deprivations items: cannot afford i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone. People living in households with very low work intensity are those aged 0-59 living in households where the adults (aged 18-59) work less than 20% of their total work potential during the past year” (cf. http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators).

Figure 1. Percentage of people at risk of poverty or social exclusion (AROPE), 2005-2011, EU-27



Source: Eurostat online database

Figure 2. People at risk of poverty or social exclusion (% of total population), selected years by country



Source: elaborated from Eurostat online database.

BG: data for 2005 refers to 2006; RO: data for 2005 refers to 2007; IE: data for 2011 refers to 2010;

EU: data for 2005 and 2011 are estimated values.

A similar trend emerges at the EU level for two out of the three AROPE sub-indicators (Figure 3). The percentage of people severely materially deprived constantly and significantly declined between 2005 and 2009 (from 10.7% to 8.1% of the EU population), but it is on the rise since 2010. The percentage of people living in households with very low work intensity (LWI) decreased between 2005 and 2009—from 10.3% to 9% of the EU population. However, LWI started to increase in 2010, almost reaching the 2005 level in 2011. As far as the AROP indicator is concerned, this sub-indicator shows a more linear trend characterised by moderate changes in the period between 2005 and 2011. However, due to a 0.5% increase between 2010 and 2011, the percentage of people at risk of poverty in 2011 was higher than the rate registered in 2005.

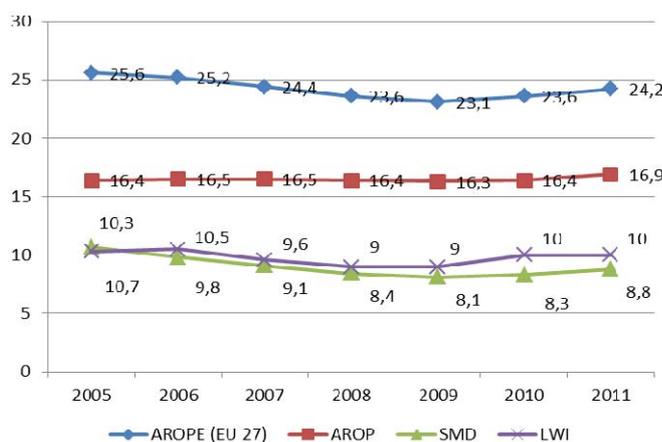
Table 6. **People at risk of poverty or social exclusion**
(% of total population), 2004-2011

| Country | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------|------|-------|-------|------|--------|------|------|--------|
| EU 27 | : | *25.6 | *25.2 | 24.4 | 23.6 | 23.1 | 23.6 | *24.2 |
| BE | 21.6 | 22.6 | 21.5 | 21.6 | 20.8 | 20.2 | 20.8 | 21.0 |
| BG | : | : | 61.3 | 60.7 | **44.8 | 46.2 | 49.2 | 49.1 |
| CZ | : | 19.6 | 18.0 | 15.8 | 15.3 | 14.0 | 14.4 | 15.3 |
| DK | 16.5 | 17.2 | 16.7 | 16.8 | 16.3 | 17.6 | 18.3 | 18.9 |
| DE | : | 18.4 | 20.2 | 20.6 | 20.1 | 20.0 | 19.7 | 19.9 |
| EE | 26.3 | 25.9 | 22.0 | 22.0 | 21.8 | 23.4 | 21.7 | 23.1 |
| IE | 24.8 | 25.0 | 23.3 | 23.1 | 23.7 | 25.7 | 29.9 | : |
| EL | 30.9 | 29.4 | 29.3 | 28.3 | 28.1 | 27.6 | 27.7 | 31.0 |
| ES | 24.4 | 23.4 | 23.3 | 23.1 | 22.9 | 23.4 | 25.5 | 27.0 |
| FR | 19.8 | 18.9 | 18.8 | 19.0 | **18.6 | 18.5 | 19.2 | 19.3 |
| IT | 26.4 | 25.0 | 25.9 | 26.0 | 25.3 | 24.7 | 24.5 | 28.2 |
| CY | : | 25.3 | 25.4 | 25.2 | **23.3 | 23.5 | 23.5 | 23.7 |
| LV | : | 45.8 | 41.4 | 36.0 | **33.8 | 37.4 | 38.1 | **40.4 |
| LT | : | 41.0 | 35.9 | 28.7 | 27.6 | 29.5 | 33.4 | 33.4 |
| LU | 16.1 | 17.3 | 16.5 | 15.9 | 15.5 | 17.8 | 17.1 | 16.8 |
| HU | : | 32.1 | 31.4 | 29.4 | 28.2 | 29.6 | 29.9 | 31.0 |
| MT | : | 20.2 | 19.1 | 19.4 | 19.6 | 20.2 | 20.3 | 21.4 |
| NL | : | 16.7 | 16.0 | 15.7 | 14.9 | 15.1 | 15.1 | 15.7 |
| AT | 17.5 | 16.8 | 17.8 | 16.7 | 18.6 | 17.0 | 16.6 | 16.9 |
| PL | : | 45.3 | 39.5 | 34.4 | **30.5 | 27.8 | 27.8 | 27.2 |
| PT | 27.5 | 26.1 | 25.0 | 25.0 | 26.0 | 24.9 | 25.3 | 24.4 |
| RO | : | : | : | 45.9 | 44.2 | 43.1 | 41.4 | 40.3 |
| SI | : | 18.5 | 17.1 | 17.1 | 18.5 | 17.1 | 18.3 | 19.3 |
| SK | : | 32.0 | 26.7 | 21.3 | 20.6 | 19.6 | 20.6 | 20.6 |
| FI | 17.2 | 17.2 | 17.1 | 17.4 | 17.4 | 16.9 | 16.9 | 17.9 |
| SE | 16.9 | 14.4 | 16.3 | 13.9 | 14.9 | 15.9 | 15.0 | 16.1 |
| UK | : | 24.8 | 23.7 | 22.6 | 23.2 | 22.0 | 23.1 | 22.7 |

: = not available; * = estimated; ** = break in time series. Source: Eurostat. Last update: 3/4/2013

Regarding individual Member States, the situation concerning the AROPE indicator—as well as its components—is varied (cf. Tables 7, 8, 9 and 10 below). In 2011 the percentage of people at risk of poverty or social exclusion ranged between almost 50% of the population in Bulgaria and around 15-16% in Czech Republic, the Netherlands and Sweden. In the same year, more than 21% of the Bulgarian, Romanian, Spanish and Greek population was at risk of poverty, while this situation only concerned 9.8% of the Czech population. As far as people severely materially deprived are concerned, in 2011 it ranged between 43.6% of the population in Bulgaria to 1.2% in Luxembourg and Sweden. Finally, 2011 data shows that 13.7% of Belgians lived in households with very low work intensity,

Figure 3. People “at risk of poverty or social exclusion” (AROPE) and the three sub-indicators in the EU 27, 2005-2011



Source: elaborated from Eurostat online database. Last update: 3/4/2013

while the percentage was significantly lower in countries like Cyprus (4.5%), the Czech Republic (6.6%) and Luxembourg (5.8%).¹⁹

When it comes to the analysis of the trends in the last few years, a worsening of the situation is visible in many countries. However, the extent and the duration of such deterioration vary according to the country and to the considered indicator. Taking data for 2011 as a reference point (and comparing them with the situation in 2010, 2008 and 2005),²⁰ four different situations may be identified: a) countries experiencing a lasting worsening, i.e. countries where the value of the considered indicator in 2011 is higher than the values registered both in 2010 and 2008; b) countries experiencing a recent worsening, i.e. countries showing some worsenings in 2011 compared to 2010, but the 2011 value of the indicator is still lower than—or equivalent to—the 2008 one; c) countries presenting a rather stable situation, i.e. countries where the 2011 value presents no or very limited changes compared to 2010; d) countries experiencing some improvements, i.e. countries where the value of the indicator registered in 2011 is lower than the one registered in 2010.

¹⁹ As far as LWI indicator is concerned, data referred to 2010 shows that the higher value was registered in Ireland (22.9% of the population). However, 2011 data for Ireland are not available.

²⁰ In the following tables the values of percentage change for the periods 2010-2011 and 2008-2011 are taken from the 2012 Annual Report of the Social Protection Committee (SPC 2013). In the report, it is specified that “[...] ii) Only statistically significant changes have been marked in green/red (positive/negative changes). For the change 2010-2011, provisional computations of significance of net change done by Eurostat have been used. For the change 2008-2011, a 1 pp. threshold has been used. ‘~’ refers to stable performance (i.e. statistically insignificant change). iii) For the at-risk-of poverty rate, the income reference year is the calendar year prior to the survey year (i.e. 2010) except for the United Kingdom (survey year) and Ireland (12 months preceding the survey). Similarly, the very low work intensity rate refers to the previous calendar year (i.e. 2010) while for the severe material deprivation rate, the reference is the current year (i.e. 2011)” (SPC 2013, 24). As far as pp. changes for the period 2005-2011 are concerned, they are our elaborations based on Eurostat data. In this case, a 1 pp. threshold has been used for assessing the significance of the change. As far as Ireland is concerned, last available data for this country refer to 2010. For this reason, we report changes in percentage points (pp) for the periods 2009-2010, 2008-2010, 2005-2010.

Table 7. People at risk of poverty or social exclusion (AROPE, %), changes in pp. 2010-2011, 2008-2011 and 2005-2011

| | EU 27 | BE | BG | CZ | DK | DE | EE | IE | EL | ES | FR | IT | CY | LV |
|-------------------------|-------|------|------|------|------|------|-------|------|------|------|-------|------|------|------|
| 2011 | 24.2 | 21.0 | 49.1 | 15.3 | 18.9 | 19.9 | 23.1 | 29.9 | 31.0 | 27.0 | 19,3 | 28,2 | 23.5 | 40,1 |
| 2010-2011 change in pp. | ~ | ~ | ~ | 0.9 | ~ | ~ | 1.4 | 4.2 | 3.3 | 1.5 | ~ | 3.7 | ~ | 2.0 |
| 2008-2011 change in pp. | ~ | ~ | 4.3 | ~ | 2.6 | ~ | 1.3 | 6.2 | 2.9 | 4.1 | ~ | 2.9 | 1.1 | 6.3 |
| 2005-2011 change in pp. | -1.4 | -1.6 | n.a. | -4.3 | 1.7 | 1.5 | -2.8 | 4.9 | 1.6 | 3.6 | ~ | 3.2 | -1.6 | -5.4 |
| | LT | LU | HU | MT | NL | AT | PL | PT | RO | SI | SK | FI | SE | UK |
| 2011 | 33.4 | 16.8 | 31.0 | 21.4 | 15.7 | 16.9 | 27.2 | 24.4 | 40.3 | 19.3 | 20,6 | 17,9 | 16.1 | 22.7 |
| 2010-2011 change in pp. | ~ | ~ | 1.1 | 1.1 | 0.6 | ~ | -0.6 | -0.9 | -1.1 | 1.0 | ~ | 1.0 | 1.1 | ~ |
| 2008-2011 change in pp. | 5.8 | 1.3 | 2.8 | 1.8 | 0.8 | -1.7 | -3.3 | -1.6 | -3.9 | ~ | ~ | ~ | 1.2 | ~ |
| 2005-2011 change in pp. | -7.6 | ~ | -1.1 | 1.2 | -1.0 | ~ | -18.1 | -1.7 | n.a. | ~ | -11,4 | ~ | 1.7 | -2.1 |

Source: changes in pp. for 2010-2011 and 2008-2011 are based on SPC (2013, 24); changes for 2005-2011 are based on elaboration on Eurostat data.
Latest data available for Ireland refer to 2010 and changes are for the periods 2009-2010 and 2008-2010.

Table 8. At risk of poverty rate (AROP, %), changes in pp. 2010-2011, 2008-2011 and 2005-2011

| | EU 27 | BE | BG | CZ | DK | DE | EE | IE | EL | ES | FR | IT | CY | LV |
|-------------------------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2011 | 16.9 | 15.3 | 22.3 | 9.8 | 13.0 | 15.8 | 17.5 | 16.1 | 21.4 | 21.8 | 14.0 | 19.6 | 14.5 | 19.3 |
| 2010-2011 change in pp. | ~ | 0.7 | 1.6 | 0.8 | ~ | ~ | 1.7 | 1.1 | 1.3 | 1.1 | ~ | 1.4 | ~ | -2.0 |
| 2008-2011 change in pp. | ~ | ~ | ~ | ~ | 1.2 | ~ | -2.0 | ~ | 1.3 | 2.2 | 1.3 | ~ | -1.2 | -6.3 |
| 2005-2011 change in pp. | ~ | ~ | 8.3 | ~ | 1.2 | 3.6 | ~ | -3.6 | 1.8 | 2.1 | 1.0 | ~ | -1.6 | ~ |
| | LT | LU | HU | MT | NL | AT | PL | PT | RO | SI | SK | FI | SE | UK |
| 2011 | 20.0 | 13.6 | 13.8 | 15.4 | 11.0 | 12.6 | 17.7 | 18.0 | 22.2 | 13.6 | 13.0 | 13.7 | 14.0 | 16.2 |
| 2010-2011 change in pp. | ~ | -0.9 | 1.5 | ~ | 0.7 | ~ | ~ | ~ | 1.1 | 0.9 | 1.0 | ~ | 1.1 | -0.9 |
| 2008-2011 change in pp. | ~ | ~ | 1.4 | ~ | ~ | ~ | ~ | ~ | -1.2 | 1.3 | 2.1 | ~ | 1.8 | -2.5 |
| 2005-2011 change in pp. | ~ | ~ | ~ | 1.5 | ~ | ~ | -2.8 | -1.4 | n.a. | 1.4 | ~ | 2.0 | 4.5 | -2.8 |

Source: changes in pp. for 2010-2011 and 2008-2011 are based on SPC (2013, 25-26); changes for 2005-2011 are based on elaboration on Eurostat data.
Latest data available for Ireland refer to 2010.

As far as the “at risk of poverty or social exclusion” (AROPE) indicator is concerned, we find the following situation (Table 7):

■ *Countries experiencing a significant worsening:* Estonia, Ireland, Greece, Spain, Italy, Latvia, Hungary, Malta, the Netherlands and Sweden. As correctly highlighted by the 2012 SPC Annual Report with reference to changes between 2010 and 2011, “[...] for most countries the increase is rather small (1-2 percentage points) with the exception of Italy and Greece where the increase since 2010 is of the range of 3.7 pp. and 3.3 pp. respectively” (SPC 2013, 23). However, when comparing 2011 data with the 2008 situation, a significant worsening is registered in six countries: Ireland (6.2 pp.), Greece (2.9 pp.), Spain (4.1 pp.), Italy (2.9 pp.), Latvia (6.3 pp.), Hungary (2.8 pp.). Moreover, in six countries the percentage of AROPE registered in 2011 is higher than the one registered in 2005 (Ireland, Greece, Spain, Italy, Malta, Sweden).

■ *Countries experiencing a recent worsening:* Czech Republic (0.9 pp.), Slovenia (1 pp.), Finland (1 pp.). In these countries, despite a recent increase of the AROPE rate, the situation in 2011 is still better than in 2008.

■ *Countries presenting a rather stable situation:* Belgium, Bulgaria, Cyprus, Denmark, Germany, France, Lithuania, Luxembourg, Austria, Slovakia, the United Kingdom. It should be noted, however, that even if figures were relatively stable in 2010-2011, in most countries the 2011 AROPE rate was higher than that registered in 2008 (Bulgaria, Denmark, Cyprus, Lithuania, Luxembourg) or in 2005 (Denmark and Germany).

■ *Countries experiencing some improvements:* only a few countries registered (rather small) improvements in the 2011 AROPE value compared to 2010: Poland (-0.6 pp.), Portugal (-0.9 pp.) and Romania (-1.1 pp.).

Looking at the “at risk of poverty” rate (AROP), it emerges from Table 8:

■ *Countries experiencing a lasting worsening:* Greece, Spain, Hungary, Slovenia, Sweden, Slovakia. The increase of the AROP rate in 2011 compared to both 2010 or 2008 is rather limited in all those countries (between 0.9 and 2.2 pp.). However, it is to be noted that, as far as Sweden is concerned, in 2011 its AROP rate has increased by 4.5 pp. compared to 2005 values.

■ *Countries experiencing a recent worsening:* Belgium, Bulgaria, Czech Republic, Estonia, Ireland, Italy, the Netherlands, Romania. It’s important to note that, as far as Bulgaria is concerned, the 2011 value is significantly higher than the 2005 one (+8.3 pp.).

■ *Countries presenting a rather stable situation:* Denmark, Germany, France, Cyprus, Lithuania, Malta, Austria, Poland, Portugal, Finland. In all those countries, the AROP percentage registered in 2011 doesn’t show significative changes compared to 2010. However, in some countries (Denmark, France, Germany, Malta and Finland) some worsening compared to the 2008 or 2005 situation have been registered. Notably, data show that the AROP value registered in Germany in 2011 was 3.5 pp. higher than in 2005.

■ *Countries experiencing some improvements:* compared to 2010, the percentage of people at risk of poverty in 2011 decreased in only three countries: Latvia (-2.0 pp.), Luxembourg (-0.9 pp.), the United Kingdom (-0.9 pp.).

Regarding the variation in the rate of “severely materially deprived” (SMD) people, Table 9 displays the following situation:

■ *Countries experiencing a lasting worsening:* Ireland, Greece, Italy, Cyprus, Latvia, Hungary, Malta and the Netherlands. The increase registered by the SMD indicator in 2011 compared to the 2010 value is particularly high in Greece (3.6 pp.), Italy (4.3 pp.) and Latvia (3.5 pp.). Moreover, it should be noted that in three of the above mentioned states (Greece, Ireland and Italy) the 2011 rate of severely deprived people was even higher than the 2005 one.

■ *Countries experiencing a recent worsening:* Germany (0.8 pp.), Luxembourg (0.7 pp.) and Finland (0.4 pp.).

■ *Countries presenting a rather stable situation:* a stable situation (2010/2011) is registered in Czech Republic, Denmark, Estonia, France, Austria, Slovenia, Sweden, the United Kingdom.

■ *Countries experiencing some improvements:* in some countries (Belgium, Bulgaria, Spain, Lithuania, Poland, Portugal, Romania, Slovakia) the 2011 rate of severely materially deprived people has decreased if compared with the 2010 one. Generally, the latter have been small changes, between -2.1 pp. (Bulgaria) and 0.1 pp. (Spain). However, in some countries (Portugal and, especially, Poland and Slovakia) it is possible to identify a positive trend since 2005.

Concerning the variation in the rate of people living in households with a “very low work intensity” (LWI), we can distinguish among (Table 10):

■ *Countries experiencing a lasting worsening:* in a number of countries, the percentage of LWI has increased—to a different extent—in 2011 in comparison to both 2010 and 2008. They are: Belgium, Bulgaria, Denmark, Estonia, Ireland, Greece, Spain, Lithuania, Luxembourg, Finland and Sweden. In some of these countries, the increase registered in 2011 in comparison to 2008 is particularly relevant: Estonia (4.6 pp.), Ireland (9.3 pp.), Greece (4.4 pp.), Spain (6 pp.), Lithuania (7.2 pp.). Moreover, in three countries the 2011 LWI rate is remarkably higher than the 2005 one: Ireland (8.3 pp.), Greece (4.3 pp.), Spain (5.7 pp.).

■ *Countries experiencing a recent worsening:* in two countries the LWI registered an increase in 2011 compared to 2010. They are the Netherlands (0.5 pp.) and Slovenia (0.7 pp.).

■ *Countries presenting a rather stable situation:* in ten countries (Czech Republic, Germany, France, Italy, Cyprus, Latvia, Hungary, Malta, Austria, Slovakia) the LWI rate did not present any significant change in 2011 compared to 2010. However, if compared with 2008, in Latvia the 2011 rate of LWI showed a substantial increase (7.1 pp.).

■ *Countries experiencing some improvements:* only four countries registered in 2011 some (limited) improvements compared to the 2010 situation: Poland (-0.4 pp.), Portugal (-0.4 pp.), Romania (-0.1 pp.), the United Kingdom (-1.6 pp.).

Table 9. Severe material deprivation rate (SMD, %), changes in pp. 2010-2011, 2008-2011 and 2005-2011

| | EU 27 | BE | BG | CZ | DK | DE | EE | IE | EL | ES | FR | IT | CY | LV |
|-------------------------|-------|------|------|------|-----|------|-------|------|------|------|-------|------|------|------|
| 2011 | 8.8 | 5.7 | 43.6 | 6.1 | 2.6 | 5.3 | 8.7 | 7.5 | 15.2 | 3.9 | 5.2 | 11.2 | 10.7 | 30.9 |
| 2010-2011 change in pp. | ~ | -0.2 | -2.1 | ~ | ~ | 0.8 | ~ | 1.4 | 3.6 | -0.1 | ~ | 4.3 | 1.1 | 3.5 |
| 2008-2011 change in pp. | ~ | ~ | 2.4 | ~ | ~ | ~ | 3.8 | 2.0 | 4.0 | 1.4 | ~ | 3.7 | 1.9 | 11.9 |
| 2005-2011 change in pp. | -1.9 | ~ | n.a. | -5.7 | ~ | ~ | -3.7 | 2.4 | 2.4 | ~ | ~ | 4.7 | -1.4 | -7.5 |
| | LT | LU | HU | MT | NL | AT | PL | PT | RO | SI | SK | FI | SE | UK |
| 2011 | 18.5 | 1.2 | 23.1 | 6.3 | 2.5 | 3.9 | 13.0 | 8.3 | 29.4 | 6.1 | 10.6 | 3.2 | 1.2 | 5.1 |
| 2010-2011 change in pp. | -1.0 | 0.7 | 1.5 | 0.6 | 0.3 | ~ | -1.2 | -0.7 | -1.6 | ~ | -0.8 | 0.4 | ~ | ~ |
| 2008-2011 change in pp. | 6.2 | ~ | 5.2 | 2.3 | 1.0 | -2.5 | -4.7 | -1.4 | -3.5 | ~ | -1.2 | ~ | ~ | ~ |
| 2005-2011 change in pp. | -14.1 | ~ | ~ | ~ | ~ | ~ | -20.8 | -1.0 | n.a. | 1.0 | -11.5 | ~ | -1.1 | ~ |

Source: changes in pp. for 2010-2011 and 2008-2011 are based on SPC (2013, 27). Changes for 2005-2011 are based on elaboration on Eurostat data.
Latest data available for Ireland refer to 2010 and changes are for the periods 2009-2010 and 2008-2010.

Table 10. Population living in quasi-jobless households (LWI, %), changes in pp. 2010-2011, 2008-2011 and 2005-2011

| | EU 27 | BE | BG | CZ | DK | DE | EE | IE | EL | ES | FR | IT | CY | LV |
|-------------------------|-------|------|------|------|------|------|------|------|------|------|-----|------|-----|------|
| 2011 | 10.0 | 13.7 | 11.0 | 6.6 | 11.4 | 11.1 | 9.9 | 22.9 | 11.8 | 12.2 | 9.3 | 10.4 | 4.5 | 12.2 |
| 2010-2011 change in pp. | ~ | 1.1 | 3.1 | ~ | 1.1 | ~ | 1.0 | 3.1 | 4.3 | 2.4 | ~ | ~ | ~ | ~ |
| 2008-2011 change in pp. | 1.0 | 2.0 | 2.9 | ~ | 3.1 | ~ | 4.6 | 9.3 | 4.4 | 6.0 | ~ | ~ | ~ | 7.1 |
| 2005-2011 change in pp. | ~ | -1.4 | n.a. | -2.2 | 1.5 | ~ | ~ | 8.3 | 4.3 | 5.7 | ~ | ~ | ~ | 4.5 |
| | LT | LU | HU | MT | NL | AT | PL | PT | RO | SI | SK | FI | SE | UK |
| 2011 | 12.3 | 5.8 | 12.1 | 8.3 | 8.7 | 8.0 | 6.9 | 8.2 | 6.7 | 7.6 | 7.6 | 9.8 | 6.8 | 11.5 |
| 2010-2011 change in pp. | 3.1 | 0.3 | ~ | ~ | 0.5 | ~ | -0.4 | -0.4 | -0.1 | 0.7 | ~ | 0.7 | 0.9 | -1.6 |
| 2008-2011 change in pp. | 7.2 | 1.1 | ~ | ~ | ~ | ~ | -1.0 | 1.9 | -1.5 | ~ | 2.4 | 2.5 | 1.4 | 1.1 |
| 2005-2011 change in pp. | 2.8 | ~ | 2.6 | -1.3 | -1.0 | 1.5 | -7.3 | 2.3 | n.a. | -1.0 | 1.0 | ~ | ~ | -1.3 |

Source: changes in pp. for 2010-2011 and 2008-2011 are based on SPC (2013, 28). Changes for 2005-2011 are based on elaboration on Eurostat data.
Latest data available for Ireland refer to 2010 and changes are for the periods 2009-2010 and 2008-2010.

Table 11. Summary of Member States' situations concerning AROPE, AROP, SMD, LWI indicators

| Situation | AROPE | AROP | SMD | LWI |
|--|--|--|--------------------------------|--|
| a) Countries experiencing a lasting worsening | EE, IE, EL, ES, IT, LV, HU, MT, NL, SE | EL, ES, HU, SI, SE, SK | IE, EL, IT, CY, LV, HU, MT, NL | BE, BG, DK, EE, IE, EL, ES, LT, LU, FI, SE |
| b) Countries experiencing a recent worsening | CZ, SI, FI | BE, BG, CZ, EE, IE, IT, NL, RO | DE, LU, FI | NL, SI |
| a) + b) | 13 | 14 | 11 | 13 |
| c) Countries presenting a rather stable situation | BE, BG, CY, DK, DE, FR, LT, LU, AT, SK, UK | DK, DE, FR, CY, LT, MT, AT, PL, PT, FI | CZ, DK, EE, FR, AT, SI, SE, UK | CZ, DE, FR, IT, CY, LV, HU, MT, AT, SK |
| d) Countries experiencing some improvements | PL, PT, RO | LV, LU, UK | BE, BG, ES, LT, PL, PT, RO, SK | PL, PT, RO, UK |
| c) + d) | 14 | 13 | 16 | 14 |

Summarising data reported above, it emerges that indicators referred to poverty and social exclusion showed some improvements in the second phase of the Lisbon Strategy. In fact, even if to a different extent, the AROPE, AROP, SMD and LWI indicators registered a decrease in the period between 2005 and 2009. However, since 2010, those indicators registered a worsening and, in 2011, the percentage of people at risk of poverty or social exclusion (AROPE) in the EU as a whole was close to 2007 values.

Looking at individual Member States, a fragmented picture emerges from Table 11. While only a few countries registered some improvements in 2011, a number of countries have been experiencing deterioration; in many cases, this is the consequence of a trend started in 2009. As a result, in a number of Member States the values of indicators concerning poverty and social exclusion registered in 2011 were higher than values registered in 2008 or, even, in 2005. Evidently, it is not possible to link the above mentioned trends to EU strategies: the varieties of situations registered in Member States highlights the importance of national factors and the fact that in many countries the situation has been deteriorating since 2009 singles out the relevance of an exogenous factor such as the financial-economic crisis as well as the impact of austerity measures. Actually, as underlined by the network of national experts on poverty and social exclusion (Frazer and Marlier 2012, European Commission 2012a), national responses to the crisis do not seem appropriate for mitigating the social effects of the latter. By contrast, austerity

measures aimed at fiscal consolidation seem likely to lead to a deepening of poverty and social exclusion and, as said, in many European countries the 2011 situation was actually worse than the previous year.

In sum, looking at the objective of rising up at least 20 million of people out of the risk of poverty or social exclusion by 2020, it can be said that the Europe 2020 strategy has started under very bad auspices.

Though poverty and social exclusion trends are relevant especially in light of the quantitative poverty target set by Europe 2020, comparative literature on the OMC has repeatedly argued that the impact of soft processes of coordination on policy outcomes at national level tends to be limited and it is also extremely difficult to trace the causal link between the former and the latter. Therefore, the analytical focus should be better posed on the actual functioning of Europe 2020 in the field of poverty and social exclusion in order to evaluate the effectiveness of this novel anti-poverty arena. This is what we intend to do in the following section dedicated to the implementation of Europe 2020 in the period 2011-2013, that is in the first 2 ½ years since the launch of the new strategy.

We aim to capture to what extent the new anti-poverty *arena* represented by Europe 2020 is actually characterised by effective *multilevel* and *multi-stakeholder interaction* as well as *integration of different policy* fields with the aim to tackle poverty. In this framework we will also present some very preliminary findings regarding the impact of the new European strategy at the domestic level. In other words, three main analytical dimensions are relevant for our investigation: (i) *multilevel governance*, that is the existence of interactions among different levels of government and the type of such interaction within the framework of Europe 2020 and the European Semester; (ii) *multi-stakeholder participation*, which can be detected both at the supranational and the national (and, in case, local) level; (iii) *integration*, that is policy coordination at the various level of government in order to reach the Europe 2020 poverty target.

What follows relies on preliminary research based on document analysis and the conduction of five interviews at the supranational level with institutional, social and political actors such as European Commission officers, stakeholder representatives, a member of the European Parliament, a member of the Network of independent experts on social inclusion (see below the List of interviews).

5.2. A WEAK ANTI-POVERTY ARENA: MULTILEVEL AND MULTI-STAKEHOLDER INTERACTION IN THE FRAMEWORK OF EUROPE 2020

The emergence of an effective multilevel and multi-stakeholder arena to fight poverty and social exclusion depends on three main elements: 1) the interaction between the different levels of government and the behaviour of the MS; 2) the steering ability of EU bodies—primarily the European Commission and the EPAP; 3) the degree of stakeholders involvement at the various level of government.

■ *Multilevel interaction and behaviours of Member States.* In the framework of the European Semester, the starting point of the interaction between the European and national level is that every year, in accordance with suggestions of the AGS,

MS include their priorities and their headline targets in their National Reform Programmes.

In order to provide a preliminary assessment of MS' strategies as presented in their NRPs, we considered three different sources: the report of the Social Protection Committee on the social dimension of Europe 2020 strategy (SPC 2011); the 2011 report of the EU network of independent experts (Frazer and Marlier 2012); the short summary provided by the Commission based on the network of independent experts for 2012 (European Commission 2012a).

Three main points emerged from these reports: 1) MS have focused on activation policies; 2) despite such focus on activation, the social dimension has remained marginal mostly as a consequence of fiscal consolidation; 3) the marginalisation of the social dimension has occurred notwithstanding the economic and financial crises have made the risk of poverty even more salient, as outlined in section 5.1 above.

The SPC report provides an overview of priorities set by MS in their draft 2011 NRPs to achieve the poverty target. The vast majority of MS (actually more than 2/3) pointed at raising employment rates and developing inclusive labour market as the main strategy to reduce poverty and social exclusion. More broadly, the SPC report shows that MS share a common focus on active inclusion strategies.

The report of independent experts (Frazer and Marlier 2012) confirms that many MS developed an active inclusion strategy in line with the 2008 EU Recommendation. With regard to the three pillars of the latter (cf. Section 2.2), MS put particularly emphasis on the second one—i.e. inclusive labour market; by contrast, the policy framework for income support (first pillar) and services (third pillar) is much weaker. Despite this emphasis, the report of independent experts stresses that the social dimension is still marginal. First, NRPs lack long-term vision, for example a limited ability to assess potential negative effects of the reduced support for children and families. Second NRPs do not effectively balance economic, social and employment objectives: fiscal consolidation is in fact the priority of NRPs, while social inclusion measures are left in the background.

The third report (European Commission 2012a) shows that the economic and financial crisis and austerity measures go hand in hand with increased poverty and social exclusion. As a consequence, reaching the Europe 2020 poverty and social inclusion target is more difficult than in 2010 when the new framework for multi-level socio-economic governance was launched. Also progress in the field of social assistance policies and towards the poverty target is even more urgent and relevant than before. The key social inclusion challenges are not well addressed in 2012 NRPs either. These actually confirm a too narrow approach to fight poverty and promote social inclusion. Importantly, the report highlights a weak connection between measures and targets. Considering MS' choices in setting their national target by NRPs (in line with the European headline target on poverty), in 2011 the majority of MS set realistic—as well as close to EU bodies' ambition—targets on poverty. However, alongside many MS defining national targets in accordance with the indicators agreed at European level (see Section 4.2 – Goals, targets and indicators), many others did not follow EU guidelines and used different indicators (SPC 2011).

Table 12. **Headline targets on poverty in 2011 and 2012 NRPs**

| Member State | Reduction of population at risk of poverty or social exclusion in number of persons | |
|--------------|---|---------------------------------|
| | NRPs 2011 | NRPs 2012 |
| AT | | 235,000 |
| BE | | 380,000 |
| BG | 500,000* | 260 000* |
| CY | | 27,000 |
| CZ | Maintaining the number of persons at risk of poverty or social exclusion at the level of 2008 (15.3% of total population) with efforts to reduce it by 30,000 | |
| DE | 330,000 (long-term unemployed)* | 320,000 (long-term unemployed)* |
| DK | 22,000 (persons living in households with very low work intensity)* | |
| EE | 61,860 people out of risk-of-poverty* | |
| EL | | 450,000 |
| ES | 1,400,000-1,500,000 | |
| FI | | 150,000 |
| FR | Reduction of the anchored at-risk-of-poverty rate by one third for the period 2007-2012 or by 1,600,000 people* | |
| HU | | 450,000 |
| IE | 186,000 by 2016* | 200,000* |
| IT | | 2,200,000 |
| LT | | 170,000 |
| LU | No target | 6,000 |
| LV | | 121,000* |
| MT | | 6,560 |
| NL | | 93,000* |
| PL | | 1,500,000 |
| PT | | 200,000 |
| RO | | 580,000 |
| SE | Reduction of the % of women and men who are not in the labour force (except full-time students), the long-term unemployed or those on long-term sick leave to well under 14% by 2020* | |
| SI | | 40,000 |
| SK | | 170,000 |
| UK | Existing numerical targets of the 2010 Child Poverty Act* | |

* = Countries that have expressed their national target in relation to an indicator different than the EU headline target indicator.

Source: authors' elaboration from European Commission (2011a, 2012b)

These tendencies were confirmed also for 2012 as presented in Table 12 showing the headline targets on poverty set in the 2011 and 2012 NRPs. Ten countries (BG, DE, DK, EE, FR, IE, LV, NL, SE, UK) have used a different indicator from those agreed upon at the national level. This confirms that the introduction of the quantitative target and the selection of indicators at the European level was a contentious issue and it was actually the result of a major debate around three main points (Copeland and Daly 2012). The first was related to the definition of a single European target to be then translated into national sub-targets and was linked to

the issue that the various countries are not expected to reduce poverty at the same level. The second issue concerned the poverty target to be expressed in absolute *vs* relative terms (Interview 1 – Social Platform). The third regarded specific indicators to be used in order to measure progress towards poverty reduction. Against this background, the fact that many countries adopted national indicators different from those agreed upon at the supranational level seems to be telling of a conflict, which has stretched from the formulation to the implementation phase. Moreover, the multidimensional character of the target makes it difficult to monitor its implementation. In other words, the Commission finds it difficult to monitor progress towards the target because the three dimensions cannot be added each other (Interview 2 – DG Employment).

■ *The steering ability of EU bodies.* During the first three years of implementation, the ability of EU bodies to influence or coordinate MS actions in the field of poverty as well as to support the social dimension of Europe 2020 seems to have been relatively limited. Certainly, the economic conjuncture since 2008 and the sovereign debt crisis in a number of MS have not contributed to create a favourable climate for robust anti-poverty initiatives. However, the increase of poverty in many European countries calls for a response both at the national and the supranational level. We therefore argue that the relatively limited steering capacities of EU bodies in the field of poverty and social exclusion depends on several interacting factors, among which the balance of power within the EU Commission between the various DGs, the governance architecture of Europe 2020 with particular reference to the interplay of the latter with the pre-existing strategy based on the Social OMC, the implementation of the new strategy with respect to the involvement of national (and local) governments and the stakeholders at the crucial stages of the European Semester.

More in details, evidence of the relatively weak steering capacity can be found when considering: 1) the scarce attention to poverty-related issues in the three Annual Growth Surveys issued so far; 2) the limited use of Country Specific Recommendations (CSRs) on poverty, 3) the features and the role of the European Platform Against Poverty and social exclusion within the Europe 2020 framework, and 4) the dismantlement of the main components of the Social OMC after 2010. In this section we present a preliminary analysis of these four points.

As illustrated above, in the framework of the European Semester, AGSs set priorities to orient the drafting of NRPs. However, when looking at the content of AGSs in the first three cycles of multilevel socio-economic coordination, it has to be noted that priorities do not cover all Europe 2020 headline targets. In particular, the fight against poverty has never been a priority in the three AGSs launched so far (see below Table 13). The scarce attention to social and anti-poverty dimensions within the European Semester is also confirmed by the few CSRs issued by the Commission and the Council in the field of poverty, in contrast with “the only cross-country consistency in all recommendations [which] lies in the call for fiscal consolidation. This reduces the attention drawn upon the social policy and environmental dimensions” (Derruine and Tiedemann 2011, 6).

The fight against poverty in the novel Europe 2020 arena, however, was expected not to rely only on the tool-kit provided by the European Semester, but also on actions and initiatives coordinated by the Flagship initiatives, the EPAP and social exclusion which was conceived to create a joint task involving MS, EU institutions and stakeholders. However, preliminary findings show that the organisational structure of the EPAP is possibly too weak to perform such a daunting task. The EPAP does not seem to have been endowed with adequate resources and it has limited dedicated staff (Interview 2 – DG Employment). Also, in order to pursue the general goal of reducing poverty set by Europe 2020, the EPAP should be fully integrated with the other instruments of European socio-economic coordination and especially involved in the crucial steps of the European Semester (drafting of the AGS, meetings with MS before the drafting of NRSs, elaboration of the CSRs). However, this does not seem to be the case for the EPAP. In particular, the EPAP does not participate in the process of drawing up the CSRs, also due to the absence of national representatives in its staff (Interview 1 – Social Platform). The most relevant—as well as visible—activities promoted by the EPAP are the organisation of both the “Annual Convention” on Poverty and two/three annual “Stakeholder dialogue meetings” (see below), which constitute important *fora* for discussion at the European level between different types of actors and may raise awareness on the Europe 2020 anti-poverty strategy and objectives.

Preliminary evidences seem to be more positive when looking at the EPAP “a policy coordination platform” involving different DGs in actions related to the fight against poverty and social exclusion. Within the EPAP an inter-service group has actually been set up, involving more than twenty DGs. This group has implemented (or launched) several transversal actions that, more or less directly, address the issue of poverty and social inclusion (Interview 2 – DG Employment). From this perspective, the EPAP appears to be effective in promoting cooperation among different DGs within the Commission as well as integration between policy sectors. It should be remembered, however, that many of these activities (see the complete list in Annex 5) pre-existed the launch of the Platform, and the concrete ability of the EPAP to coordinate 65 different initiatives regarding different sectors such as access to labour market, access to services, education and migration policies has to be further investigated.

In sum, the preliminary analysis presented above tells that, while literature and commentators provided divergent views about the robustness of Europe 2020 anti-poverty strategy, weaknesses are particularly evident in implementation phase.²¹

²¹ According to Peña-Casas (2012), the social dimension of Europe 2020 was actually rather weak since the formulation phase and it has become even weaker in its implementation. About the “formulation phase”, under the umbrella of “inclusive growth”, cohesion and social inclusion are reduced to have the basic function of giving people the ability of anticipating and managing change. Poverty and social exclusion are considered the result of a lack of employability. In this framework, the objectives related to the fight against poverty are similar to the key paradigm of the European Employment Strategy. This makes clear that the priorities are on employment, labour market participation and adaptability. In order to reduce poverty, Member States are called to ensure participation in the labour market and favour economic and social cohesion by promoting growth and employment. In sum, the “inclusive growth” and more in general the perception of poverty reduction in Europe 2020 has been oriented to increase

On the one hand, the governance structures in the field of poverty have resulted to be relatively weak both with respect to the EPAP and especially the fact that, since the launch of Europe 2020, the relationship of the latter with the Social OMC has remained rather ambiguous. The main components of the OMC—such as the national reports, the joint reports and related indicators—have actually been suspended or eliminated, and only the peer reviews meetings are still in place. The elimination of the governance architecture of the OMC has thus not only dispersed an important legacy, in terms of knowledge and consolidated relationships (Interview 1 – Social Platform), but also diluted social reporting activities in the broader framework of the Semester and socio-economic coordination. This has come to the detriment of the social and especially anti-poverty dimension also because in the first three cycles of the European Semester economic and fiscal coordination has gained momentum and this has implied a greater influence of economic DGs and ECOFIN than DG Employment and Social Affairs in the crucial junctures of the process of socio-economic coordination. In the words of a member of a European NGO, “we no longer have a focus on inclusive growth, now the focus is on growth. Europe 2020 has disappeared” (Interview 1 – Social Platform). This leads us to consider how stakeholders have been involved in the implementation of the Europe 2020 anti-poverty strategy.

■ *Stakeholder participation.* The European strategy against poverty aims to establish a multi-stakeholder arena by promoting wide social actors’ participation both at national and European level. Preliminary findings say account for a relatively limited stakeholder involvement at both levels of government though there are signs that things are gradually improving in this respect.

At the European level the emergence of a multi-stakeholder arena is promoted by two main formalized institutional *fora*. The first is represented by the “Stakeholders dialogue meetings” in which NGOs, social partners, foundations, international organisations, EU institutions and external bodies participate. There are two/three meetings per year, and about 100 organisations attend these meetings (Interview 2 – DG Employment). However, meetings “are used by the Commission more to provide information than to create room for joint decisions” (Interview 1 – Social Platform). The second forum is the “Annual Convention against Poverty” that, according to some stakeholders, is “the only visible initiative related to the Platform. The second annual convention has worked much better than the first one, but it is not clear what it will actually deliver, what is the concrete outcome of the annual convention” (Interview 1 – Social Platform). The main problem in this respect seems to be related to effectiveness of the Annual Convention in supporting actions aimed to achieve the Europe 2020 poverty target.

At national level, the Commission called for a strong involvement of stakeholders in the drafting of NRPs, but little guidance for such involvement was pro-

participation in the labour market. A different account was provided, however, by the contributions in Marlier and Natali (2010) which put emphasis on the setting of the quantitative anti-poverty target coupled with the Flagship initiative represented by the EPAP.

vided thus far (Interview 1 – Social Platform). Most interviewees pointed at a limited involvement of stakeholders in this process, though in 2012 participation was higher than in 2011. Another issue regards which stakeholders are and should be involved is the governance architecture. At the national level, mostly social partners—trade unions and employer representatives—have been included, much less NGOs (Interview 1 – Social Platform).

6. GOVERNANCE IN THE MAKING: TOWARDS A MORE EFFECTIVE ARENA TO COMBAT POVERTY?

While in the previous sections we have highlighted the main weaknesses of the Europe 2020 anti-poverty arena with particular reference to the emergence of effective multilevel and multi-stakeholder governance architecture, this section aims at shedding light on subsequent attempts to address such weakness.

In fact, after the first year of implementation, growing “problem pressures” (cf. Section 5.1) and the increasingly lighter European social dimension (cf. Section 5.2) have prompted a reaction by both politico-institutional actors and stakeholders in order to reinforce the Europe 2020 social dimension. Both NGOs voicing and actions taken by the most socially oriented components of the EU bodies—such as Directorate D within the DG. Empl. and the EPSCO Council—have tried to strengthen the fight against poverty and social exclusion also to tackle the social consequences of the crises and austerity measures (Interview 3 – EAPN). This reaction has led to four main initiatives so far: 1) a *broader use of Country Specific Recommendations on poverty*; 2) an *attempt to revive the Social OMC*; 3) the launch of the *Social Investment Package* and the definition of a new guidance for using the *European funds*; 4) the re-launch of the *Active Inclusion Strategy*.

■ *AGS priorities and Country Specific Recommendations.* When the first AGS was published in 2011, the emphasis was posed on the need for fiscal consolidation and sound public finances: also social policy measures were intended to contribute to achieve these goals especially via cost containment measures in the fields of pensions and health care. The 2012 AGS introduced a new priority, “tackling unemployment and the social consequences of the crisis” which indirectly addressed the issues of poverty and social inclusion thus introducing a proper social dimension within the AGS. This priority was confirmed in the 2013 AGS and it was accompanied by claims for further strengthening the social dimension. Though “austerity policies have remained the overwhelming message” (EAPN 2012, 7) of the European Semester (see Table 13), in the framework of the new priority mentioned above, “active inclusion” is considered to be one of the main policy answers to address the social consequences of the crises (SPC 2013). As we will see in the following pages, this is fully consistent with the re-launch of the Active Inclusion Strategy realized by the introduction of the Social Investment Package.

Table 13. **Priorities in the Annual Growth Surveys, 2011, 2012, 2013**

| 2011 | |
|---|--|
| Fundamental Prerequisites for Growth | <ol style="list-style-type: none"> 1. Implementing a rigorous fiscal consolidation 2. Correcting macroeconomic imbalances 3. Ensuring stability of the financial sector |
| Mobilising Labour Markets, Creating Job Opportunities | <ol style="list-style-type: none"> 4. Making work more attractive 5. Reforming pensions systems 6. Getting the unemployed back to work 7. Balancing security and flexibility |
| Frontloading Growth – Enhancing measures | <ol style="list-style-type: none"> 8. Tapping the potential of the Single Market 9. Attracting private capital to finance growth 10. Creating cost-effective access to energy |
| 2012 | |
| Pursuing differentiated growth-friendly fiscal consolidation | |
| Restoring normal lending to the economy | |
| Promoting growth and competitiveness for today and tomorrow | |
| Tackling unemployment and the social consequences of the crisis | |
| 2013 | |
| Pursuing differentiated, growth-friendly fiscal consolidation | |
| Restoring normal lending to the economy | |
| Promoting growth and competitiveness for today and tomorrow | |
| Tackling unemployment and the social consequences of the crisis | |
| Modernising public administration | |

Source: elaboration on European Commission (2010b, 2011b, 2012c)

Parallel to change in emphasis of the AGS, also the usage of CSRs by the Commission and the Council has changed in the first two cycles of the European Semester. As stressed above (Section 5.2), during the first year the adoption of CSRs in the field of poverty was really limited: in 2011 only three countries received CSRs (BG, CY, EE) and, among these, Bulgaria was the only one that received an entire paragraph on poverty. In line with this CSR, Bulgaria should combat “poverty and promote social inclusion, especially for vulnerable groups facing multiple barriers.” The CSR suggested some instruments to take this challenge: e.g. the modernisation of employment services and the support to young people with low skills. In the case of Estonia and Cyprus, CSRs address the issues of poverty under different headings. In the case of Estonia the issues of poverty is referred to under the heading of “labour market policy”. Similarly, the CSR for Cyprus talks about high risk of poverty in the framework of “pension reform”. Furthermore, CSRs for AT, BE, DE, HU, SK refer to the issue of low and medium income workers that implicitly falls in the field of poverty (Derruine and Tiedemann 2011).

Table 14. **Country Specific Recommendations on poverty 2011**

| Bulgaria |
|---|
| Take steps to address the challenge of combating poverty and promoting social inclusion, especially for vulnerable groups facing multiple barriers. Take measures for modernising public employment services to enhance their capacity to match skills profiles with labour market demand; and focusing support on young people with low skills. Advance the educational reform by adopting a Law on Pre-School and School Education and a new Higher Education Act by mid-2012. |
| Cyprus |
| Improve the long-term sustainability of public finances by implementing reform measures to control pension and healthcare expenditure in order to curb the projected increase in age-related expenditure. For pensions, extend years of contribution, link retirement age with life expectancy or adopt other measures with an equivalent budgetary effect, while taking care to address the high at-risk-of-poverty rate for the elderly. For healthcare, take further steps to accelerate implementation of the national health insurance system. |
| Estonia |
| Take steps to support labour demand and to reduce the risk of poverty, by reducing the tax and social security burden in a budgetary neutral way, as well as through improving the effectiveness of active labour market policies, including by targeting measures on young people and the long-term unemployed, especially in areas of high unemployment. |

Source: Authors' elaboration on Council Recommendations on the implementation of the broad guidelines for the economic policies of the Member States

In 2012 the European Commission and the Council made larger use of CSRs than in 2011 (see Table 15 below): a specific paragraph was dedicated to poverty issues in the case of four countries (BG, LV, LT, ES). In other cases poverty was addressed through other heading, such as reform pension (CY) or labour market policies (PL, UK). Moreover, the CSR for Austria refers to the issue of “income earners” which indirectly regards the poverty issue.

All this went hand in hand with other initiatives by European bodies aimed to further reinforce the social and especially the anti-poverty dimension of Europe 2020. Among these, the attempt to reinvigorate the Social OMC by modifying MS' reporting tasks and the launch of the Social Investment Package in February 2013 also to revive the European Active Inclusion Strategy.

Table 15. **Country Specific Recommendations on poverty 2012**

| |
|--|
| Bulgaria |
| Accelerate the implementation of the national Youth Employment Initiative. Ensure that the minimum thresholds for social security contributions do not discourage declared work. Step up efforts to improve the Public Employment Service's performance. To alleviate poverty, improve the effectiveness of social transfers and the access to quality social services for children and the elderly and implement the National Roma Integration Strategy. |
| Latvia |
| Tackle high rates of poverty and social exclusion by reforming the social assistance system to make it more efficient, while better protecting the poor. Ensure better targeting and increase incentives to work. |
| Lithuania |
| Increase work incentives and strengthen the links between the social assistance reform and activation measures, in particular for the most vulnerable, to reduce poverty and social exclusion. |
| Spain |
| Improve the employability of vulnerable groups, combined with effective child and family support services in order to improve the situation of people at risk of poverty and/or social exclusion, and consequently to achieve the well-being of children. |
| Cyprus |
| Further improve the long-term sustainability and adequacy of the pensions system and address the high at-risk-of-poverty rate for the elderly. Ensure an increase in the effective retirement age, including through aligning the statutory retirement age with the increase in life expectancy. |
| Poland |
| To reduce youth unemployment, increase the availability of apprenticeships and work-based learning, improve the quality of vocational training and adopt the proposed lifelong learning strategy. Better match education outcomes with the needs of the labour market and improve the quality of teaching. To combat labour market segmentation and in-work poverty, limit excessive use of civil law contracts and extend the probationary period to permanent contracts. |
| UK |
| Step up measures to facilitate the labour market integration of people from jobless households. Ensure that planned welfare reforms do not translate into increased child poverty. Fully implement measures aiming to facilitate access to childcare services. |

Source: Authors' elaboration on Council Recommendations on the implementation of the broad guidelines for the economic policies of the Member States

■ *NSRs and the re-launch of the Social OMC.* In 2012 the EPSCO Council and the SPC officially “reinvigorated” the Social OMC through four main actions: 1) the definition of new objectives; 2) the introduction of National Social Reports (NSRs); 3) the definition of new indicators to support social policy coordination; 4) the publication of a first evaluation of the NSRs.

The new objectives were published in February 2012 and, as for the previous Social OMC, they were divided into “overarching objectives” and “specific objectives” referring to each strands of the OMC. Table 16 summarises the “overarching objectives” and the “objective of the strand of poverty and social inclusion”.

Table 16. Objectives of the OMC for Social Protection and Social Inclusion

| Overarching objectives |
|---|
| <ul style="list-style-type: none"> • Social cohesion, equality between men and women and equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies; • effective and mutual interaction between the Europe 2020 objectives of smart, sustainable and inclusive growth, taking full account of the relevant social provisions of the Lisbon Treaty; • good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy. |
| Objectives of the strand of poverty and social inclusion |
| <p><i>A decisive impact on the eradication of poverty and social exclusion by ensuring:</i></p> <ul style="list-style-type: none"> • access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, and fighting all forms of discrimination leading to exclusion; • the active social inclusion of all, both by promoting participation in the labour market and by fighting poverty and exclusion; • that social inclusion policies are well-coordinated and involve all levels of government and relevant actors, including people experiencing poverty, that they are efficient and effective and mainstreamed into all relevant public policies, including economic, budgetary, education and training policies and structural fund (notably ESF) programmes. |

Source: SPC (2012a)

Following the SPC's initiative endorsed by the EPSCO Council in 2011, in February 2012 so-called NSRs for the OMC were also introduced. The SPC defined the main features of this novel tool for soft social policy coordination in a multi-level arena. The NSRs should 1) be coherent and complementary with the NRPs (avoiding overlapping), 2) cover the three strands of the Social OMC—that are social inclusion, pension and health care, long-term care, and 3) be succinct (length approximately 10 pages). Furthermore, according to the SPC, NSRs should show how stakeholders are involved in design, implementation, and monitoring of social policies. MS are also invited to consult stakeholders in the preparatory phase of NSRs (SPC 2012a). The NSRs should be submitted at the same time with the NRPs although there is no obligation on the MS: 21 countries drafted and delivered their NSRs in 2012. As of the decision taken at the SPC meeting of 20-21 February 2013, however, the NSRs are planned to continue as biennial exercise and are therefore scheduled for 2014; by contrast, in the third cycle of the Europe 2020 Strategy (2013) Member States are required to fill a “Complementary Questionnaire” in order to report on enacted reforms in the three OMC social policy fields—pensions, social exclusion and health/long-term care—in the course of 2012. This testifies that the governance architecture of social Europe 2020 is still an unfinished business not least because socially oriented actors are actually mobilising to improve multilevel governance also (but not only) in the field of poverty and social exclusion and to provide better monitoring of social—and social policy—developments across MS.

In this vein, in October 2012 a new instrument was introduced to reinforce monitoring of the social situation and to strengthen “multilateral surveillance” by the SPC. This instrument is called “Social Protection Performance Monitor – SPPM” and consists of a portfolio of indicators in the field of social protection and social inclusion (see Annex 6). It includes “overarching indicators” to monitor the main social trends in EU countries, and “detailed indicators” for each strand of EU cooperation in the field of social protection and social inclusion (SPC 2012b). The establishment of this instrument is clearly in line with the attempt to re-launch a constitutive component of the Social OMC represented by the definition of “common indicators”.

In January 2013 the SPC published the first annual report prepared in the context of the reinvigorated Social OMC. As highlighted in its introduction, this report “follows twelve years of active SPC work which led to the publication of a number of Joint Reports on Social Protection and Social Inclusion with the European Commission and favoured mutual learning and policy exchange in the field of social protection and social inclusion” (SPC 2013, 12). This report can be considered an attempt to replicate the main function of the previous “joint report”.

■ *The Social Investment Package and the proposal for using European funds.* By acknowledging the magnitude of social challenges in most MS, in 2012 the EU Commission has created a group of independent experts on social investment with the aim to identify viable strategies to strengthen the European social and especially anti-poverty dimension. As a result, in February 2013 the Social Investment Package was launched providing “a policy framework for redirecting Member States’ policies, where needed, towards social investment throughout life, with a view to ensuring the adequacy and sustainability of budgets for social policies and for the government and private sectors as a whole (...)” (European Commission 2013a, 3).

In the Commission’s view, Social Investment is an integral part of welfare systems which actually perform three different functions: social investment, social protection and stabilisation of the economy. Social investment is closely linked to strengthening people’s current and future capabilities. This means that social policies have not only an immediate impact, but they also have lasting effects producing social and economic returns over time especially in terms of better employment prospects and higher incomes from labour. Broadly speaking, rather than repairing the consequences of social exclusion, social investment aims at equipping people to address life’s risks.

From the Communication a new emphasis on “efficiency and effectiveness” of social protection emerges. First of all, the Commission asks for making “efficiency gains” in order to avoid that reforms could have a negative impact on social cohesion, poverty, health, productivity or economic growth. Second, the Commission maintains that the sustainability and adequacy of social policies require that MS are able to ensure both the efficiency and the effectiveness of their policies. This is particularly important considering that MS with similar levels of expenditure on social policies show different performances in fighting poverty, supporting employment and in terms of health outcomes. In this framework, the Commission

highlighted that “there is a room for improvement in the way resources are used” (European Commission 2013a, 5). The Commission then asked for implementing actions along three main lines: 1) strengthening Social Investment as part of the European Semester; 2) making the best use of EU funds to support social investment; 3) streamlining governance and reporting. The specific content of each strand is reported in Table 17.

Table 17. **Actions and directions set out in the Social Investment Package**

| Strengthening social investment as part of the European Semester |
|--|
| <p>Member States are urged to strengthen the involvement of relevant stakeholders at all levels, most notably social partners and civil society organisations, in the modernisation of social policy as part of the Europe 2020 Strategy.</p> <p>Member States are urged to reflect in their National Reform Programmes the guidance provided in this Social Investment Package with a particular attention to: 1) Progress on putting an increased focus on social investment in their social policies, particularly on policies such as (child)care, education, training, active labour market policies, housing support, rehabilitation and health services; 2) The implementation of integrated active inclusion strategies, including through the development of reference budgets, increased coverage of benefits and services, and simplification of social systems through for instance a one-stop-shop approach and avoiding proliferation of different benefits.</p> <p>The Commission will address social protection reform and the increased focus on social investment and active inclusion in Country Specific Recommendations and subsequent European Semesters. The Commission will moreover support Member States through enhanced monitoring of outcomes, and will underpin this together with the European Statistical System through improved and timelier statistics on poverty and outcomes of social and health policies.</p> |
| Making the best use of EU funds to support social investment |
| <p>Member States are urged to duly take into account the social investment dimension in the programming of the EU funds and the ESF in particular for the period 2014-2020. This includes exploring innovative approaches to financing and financial engineering, drawing lessons from experiences such as those on Social Investment Bonds, microfinance and support to social enterprises.</p> <p>The Commission will actively support Member States in their programming based upon the guidance contained in this Package and further operational thematic guidance e.g. on social innovation, deinstitutionalisation, and health.</p> |
| Streamlining governance and reporting |
| <p>Member States, through the relevant Committees, are urged to make proposals for strengthening the social dimension of the Europe 2020 Strategy, with a better connection to existing processes such as the open method of coordination and enhanced reporting on the performance of Member States’ social systems. The Commission will further strengthen guidance and monitoring instruments, taking into account the existing macroeconomic, fiscal and employment governance tools, with a view to limit and address divergences related to social policies. Benchmarking and performance monitoring will be part of this exercise, building on the Social Protection Performance Monitor.</p> <p>The Commission will work closely together with Member States in the context of the relevant Council formations, the SPC and other relevant committees to support these reflections and will continue the dialogue with all relevant stakeholders, notably in the context of the Annual Convention of the Platform against Poverty and Exclusion.</p> |

Source: European Commission (2013a)

Last but definitely not least, the Communication also offered *guidance for using EU funds* in 2014–2020. In particular the Commission proposed that for the forthcoming budget period at least 25% of cohesion policy funds should be used for social investment and to increase the human capital. Furthermore, the Commission proposed that at least 20% of the European Social Fund of each MS should be allocated in the framework of the thematic aim of “promoting social inclusion and combating poverty”. The proposal of ring fencing a portion of the EU budget to promote social investment measures included in the new package actually re-launched the idea put forward by the EU Commission to support progress towards Europe 2020 anti-poverty targets by identifying dedicated resources. This proposal, which was formulated during negotiations on the multiannual EU financial framework 2014–2020, is particularly interesting because it testifies the increased salience and visibility of the poverty and social exclusion issue at the supranational level. In fact, the proposal prompted NGOs mobilisation that campaigned to support Commission’s position despite the reluctance of most, if not all MS. From our perspective, both the proposal and subsequent mobilisation are extremely relevant in that they are telling of visible and vibrant—in terms of social actor mobilisation—arena to fight poverty and social exclusion within the Europe 2020 overarching framework. As mentioned above, this will likely affect the still unfinished governance structure of the EU2020 social dimension; it remains to be seen if such development will be helpful to overcome the weaknesses that have so far prevailed.

■ *The re-launch of the Active Inclusion Strategy.* According to the Commission, the Active Inclusion Strategy is a constitutive component of the Social Investment Package.²² As we saw in Section 3.2, in 2008 the Commission launched a Recommendation on Active Inclusion that defined the three main pillars of the strategy—i.e. adequate income support, inclusive labour markets, access to quality services—that now are an integral part of the social investment strategy.

The Commission emphasises not only the link between “social investment” and “active inclusion”, but also the connection between active inclusion and Europe 2020. In particular, as the Commission pointed it out, three of the five headlines targets of Europe 2020 are connected to active inclusion policies. The development of an “inclusive labour market” is in line with the employment target (75% of those between 20 and 64 have to be employed by 2020). At the same time, active inclusion and especially high quality social services can also facilitate the achievement of goals in the field of education with particular reference to disadvantaged people. Finally, active inclusion is crucial in order to reduce poverty (European Commission 2013b).

²² The Package is accompanied by different “staff working documents”. One of them includes the first evaluation of the implementation of the 2008 active inclusion recommendation in the MS. In this document the Commission maintains that the three pillars of the active inclusion strategy are integral part of the social investment approach (European Commission 2013b).

In the auspices of the Commission, the launch of the Social Investment Package should therefore (hopefully) help revitalize the 2008 Recommendation on Active Inclusion, whose implementation has been extremely weak in most Member States. Evidence of this has been presented by two different reports recently published by the European Network of Independent Experts on Social Inclusion (Frazer and Marlier 2013) and the European Commission (2013b).²³

The report of “independent experts” actually highlighted that despite several examples of useful measures adopted in specific areas—especially concerning activation of the unemployed—a comprehensive and integrated strategy able to mutually reinforce the three strands of the Recommendation is largely missing in most countries. The network of independent experts also proposed three main explanations for this lack of implementation. First, the focus on fiscal consolidation has reduced the ability to improve income support and ensure access to services while the rapid growth of unemployment made “inclusive labour market” the dominant strand in many countries. Second, many MS were not able to integrate the three strands of the Recommendation and the “active inclusion” that was often interpreted simply as “labour market activation”. Third, in some countries we find a weak belief in the integrated nature of the active inclusion approach. This is particularly true for what concerns the importance of ensuring income.

The analysis developed by the Commission is able to show the main policy features in the MS. As summarized in Table 18, the countries included in the groups “A” and “B” are characterised by high coverage and medium/high levels of generosity in “income support” (first pillar), also these countries have a low level of labour market segmentation and high activation (second pillar), high use of childcare and high participation in education and training (third pillar). In these countries, however, the good level of protection tends to create disincentives to work. By contrast, countries in the groups “D” and “E” have social protection systems not in line with active inclusion principles: low coverage and low generosity of income support for people at working age (first pillar), high labour market segmentation and low activation (second pillar), low use of childcare and low participation in education and training. In these countries the system does not tend to create disincentives to work.

²³ Also the Social Protection Committee (within the first Annual Report) provided an assessment of active inclusion strategies presented by fifteen countries (AT, BE, BG, CY, DE, ES, IE, FI, FR, HU, LU, PT, RO, SE, SI) in order to respond to the AGS 2012 that consider active inclusion as instrument able to pursue the target of “tackling unemployment and the social consequences of the crisis” (SPC 2013). This report is mainly focused on the particular choices of each MS; for this reason, it has been considered less relevant in this context.

Table 18. Active inclusion policies in the Member States

| | First pillar | Second pillar | Third pillar | |
|----------------|---|--|---|--|
| | <i>Unemployment benefits first level of safety nets</i> | <i>Other benefits second level of safety nets</i> | <i>Inclusive labour markets</i> | <i>Access to services</i> |
| Group A | High coverage (SI) Medium to high generosity Long duration (CY) High disincentives | High coverage Medium to high generosity High disincentives (especially for second earners) | Low segmentation (FR) High activation (SI, CZ) No low wage trap | High childcare use (NL, AT, CZ) High participation in educ./training (FR, CY) |
| Group B | Very high coverage (UK) High generosity High disincentives (UK) Long duration (UK) | High coverage High generosity High disincentives (especially for second earners) (UK) | High activation (UK) Low wage trap | High childcare (UK) Medium participation in educ./training (BE, UK) |
| Group C | Very high generosity High disincentives | Very high generosity High disincentives | High activation | Low child care use Low participation in educ./training |
| Group D | Medium coverage (BG, PL) Low generosity Low disincentives | Low coverage (MT, HU) Low generosity Low disincentives | High segmentation Low activation Low wage trap (especially for second earner) (BG, RO) | Low childcare use Low participation in educ./training (PL) |
| Group E | Low coverage Low generosity Low disincentives (LT, LV) | Low coverage Low generosity (except LT for lone parents) Low disincentives (except for second earners) (LT, LV) | High segmentation Low activation (ES, PT) No low wage trap | Medium childcare use (SK) Medium/Low participation in educ./training (PT, EL, ES) |

Note: Outlier countries are signalled in strikeout font CC indicating that the given characteristic does not apply to that country.

Source: European Commission (2013b)

7. CONCLUSIONS

In order to provide at least a preliminary answer to the overarching question outlined in the introduction—i.e. is the EU social policy tool-kit effective in combating poverty thus counterbalancing the consequences of unfavourable economic

developments and fiscal consolidation strategies?—the paper has first reconstructed the policy tool-kit and the governance architecture to fight poverty at the European level after the launch of the Europe 2020 strategy by placing it in a longer historical perspective in order to detect change and continuity.

Second, it proposed a preliminary assessment of the Europe 2020 anti-poverty strategy by posing the analytical lenses on some crucial dimensions of this novel policy arena: (i) multilevel governance, that is the existence of interactions among different levels of government and especially the nature of these interactions within the framework of Europe 2020 and the European Semester; (ii) multi-stakeholder participation, analysed both at the supranational and the national (and in case also local) level; (iii) integration, that is policy coordination at the various level of government in order to reach the Europe 2020 poverty target.

On the first front, the launch of Europe 2020 has further confirmed the trend towards deeper *integration* between social—and particularly anti-poverty—policies and the broader European economic governance. Originally thought and designed to remain on “separate tracks” (Ferrera 2009)—with social policies firmly in the hand of MS and beyond the scope of European actions—the social and economic dimensions of Europe have become increasingly intertwined. Anti-poverty policies have first become a fundamental component of “Social Europe” as well as an important field for supranational policy coordination with the launch of “soft” coordination processes such as the OMC in the early 2000s. Subsequently, the changes in the OMC governance structure following the mid-term review of the Lisbon Strategy first, and the adoption of the novel Europe 2020 overarching architecture in 2010 have pursued deeper (at least formal) integration between anti-poverty (more generally, social) policies and financial-economic governance. The outcomes of such a “re-coupling” of EU’s economic and social governance—which is actually at the core Europe 2020’s strategy for smart, sustainable and inclusive growth—are in fact both uncertain and unstable as well as in need of investigation through empirical research.

Against this backdrop, the second task of the paper—that is assessing the new policy arena represented by the anti-poverty component of Europe 2020—relied, as mentioned, on preliminary research based on document analysis and the conduction of five interviews at the supranational level with institutional, social and political actors as well as experts. The launch of Europe 2020 has certainly represented discontinuity for supranational anti-poverty strategy in a number of respect: not only, as said above, because of the integration of social and anti-poverty policies in the overarching strategy for socio-economic coordination centred on the European Semester, but also for the setting of the first quantitative (anti-)poverty target coupled with the introduction of the Flagship “European Platform against Poverty and Social Exclusion”. Implementation is, however, crucial and even more so in the case of “soft” processes of policy coordination such as (most) European social policy initiatives. We therefore focused on the actual functioning of the new strategy during the first 2 ½ years of implementation with the aim to capture to what extent the new Europe 2020 anti-poverty arena is actually characterised by effective multilevel and multi-stakeholder interaction as well as integration between different policy fields with the aim to tackle poverty.

Preliminary empirical evidences for the period 2011-2013 suggest a nuanced view with regard to the effectiveness of the current EU anti-poverty tool-kit in tackling poverty and social exclusion by mobilising all relevant actors and levels of government as well as by favouring coordination across the policy spectrum. Both weaknesses and strengths may in fact be detected.

A number of factors can be enumerated to give account of the limited effectiveness of the Europe 2020 anti-poverty arena. Certainly, the economic conjuncture since 2008 and the sovereign debt crisis in a number of MS were not favourable conditions to robust anti-poverty initiatives, while both the “structural” (due to EU’s constitutional prerogatives) and the contingent (due to on-going crises) balance of power within the EU Commission between the various DGs have severely limited the ability of EU bodies to effectively steer and coordinate anti-poverty initiatives in a multilevel and multi-stakeholder arena. The fight against poverty has thus never represented a priority in the three AGSs launched so far, only a few countries have received CSRs on poverty by the Commission and the Council, multilevel interaction—i.e. supranational-national—in the framework of the European Semester has mostly focused on economic and financial issues while it has remained formal in the field of poverty and social exclusion—i.e. briefly reporting by MS in their NRPs—and multilevel coordination (if any) has lagged behind. Also some specific features of the Europe 2020 social governance architecture have had a negative effect on the possible emergence of an effective multilevel anti-poverty arena. On the one hand, the suspension, or elimination, of the main components of the Social OMC—i.e. the national reports and the joint reports with related indicators—has not only dispersed an important legacy, in terms of knowledge and consolidated relationships, but also excessively diluted social reporting activities in the broader framework of the European Semester and (socio-) economic coordination. On the other hand, the EPAP, thought to be the main (Flagship) initiative aimed to support the achievement of the Europe 2020 poverty target, neither seems to be endowed with adequate resources and staff nor (most importantly) it is fully integrated in negotiations and decision-making at the crucial stages of the European Semester (drafting of the AGS, meetings with MS before the drafting of NRSs, elaboration of the CSRs). The EPAP seems to be more effective in supporting the emergence of a multi-stakeholder arena via two main formalized institutional *fora*—the “Stakeholders dialogue meetings” and the “Annual Convention of the European Platform Against Poverty and Social Exclusion”—which nonetheless are not the *loci* where decisions are taken. Also, at the national level stakeholder involvement was limited in 2011 and it has only partly progressed in 2012.

Interestingly, however, after the first year of implementation it was possible to detect clear signs of the gradual emergence of a multilevel and multi-stakeholder anti-poverty arena around Europe 2020. At least three elements played a crucial role in this respect by increasing the saliency of the anti-poverty component of Europe 2020: (i) the existence of the quantitative poverty objective among the Europe 2020 headline targets made the poverty issue highly visible at the supranational level; (ii) the growing “problem pressure”—i.e. increasing poverty rates

in most MS as well as at the European level—as consequence of both prolonged economic difficulties and austerity measures called for actions aimed tackle the social consequences of the crisis; these two factors in combination with (iii) the perception of the weakened European social dimension prompted a reaction by both supranational politico-institutional actors and stakeholders in order to reinforce the Europe 2020 social and especially anti-poverty dimension. Overt stakeholder mobilisation and NGOs voicing combined with actions taken by the most socially oriented components within EU bodies—such as Directorate D of the DG. Empl. and the EPSCO—have aimed at strengthening the fight against poverty and social exclusion through the usage of different instruments. Four main initiatives are important in this respect: 1) a broader use of Country Specific Recommendations on poverty; 2) an attempt to revive the Social OMC via the definition of new objectives, the introduction of National Social Reports as complement to NRPs, the definition of new indicators to support social policy coordination, the publication of the first evaluation of the NSRs; 3) the assessment of the “Active Inclusion Strategy” and its subsequent re-launch also with 4) the launch of the Social Investment Package and the definition of a new guidance for using the European funds which includes the proposal of ring fencing a portion of the EU budget to promote social investment measures. This initiative, recalling the EU Commission’s proposal—which was formulated during negotiations on the multiannual EU financial framework 2014-2020—to support progress towards Europe 2020 anti-poverty targets by identifying dedicated resources, tells of the increased salience and visibility of the issues of poverty and social exclusion at the supranational level not least because of subsequent NGOs mobilisation to support Commission’s position.

From our perspective, all these actions and related social actors’ mobilisation are extremely relevant in that they are telling of a visible and (to a certain extent also) vibrant arena to fight poverty and social exclusion within the Europe 2020 overarching framework. This will likely affect the still unfinished governance architecture of the Europe 2020 social dimension; it remains to be seen if such development will be helpful to overcome the weaknesses that have so far prevailed.

Therefore, the preliminary findings presented in this paper will have to be complemented by further evidence from future research. This should “track” changes by focusing both on the next years of implementation of Europe 2020 as well as on the peer review meetings, the latter representing an important *trait d’union* between the Social OMC and Europe 2020.

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LIST OF INTERVIEWS

| Institution/Organisation | Date | Reference |
|--|-----------------|--|
| Social policy working group – Social Platform | 15 January 2013 | Interview 1 – Social Platform |
| DG Employment and Social Affairs and Inclusion – Directorate D | 15 January 2013 | Interview 2 – DG Employment and Inclusion |
| European Anti-Poverty Network | 7 December 2012 | Interview 3 – EAPN |
| EU Network of Independent Experts on Social Inclusion | 5 December 2012 | Interview 4 – Network of Independent Experts |
| European Parliament | 6 December 2012 | Interview 5 – MEP |

ANNEX 1. LIST OF ABBREVIATIONS

| | |
|------------|--|
| AGS | Annual Growth Survey |
| AROP | People at risk of poverty (EU 2020 indicator) |
| AROPE | People at risk of poverty or social exclusion (EU 2020 indicator) |
| BEPGs | Broad Economic Guidelines |
| CSRs | Country Specific Recommendations |
| DG | Directorate General (European Commission) |
| DG Empl. | European Commission – Directorate General for Employment, Social Affairs and Inclusion |
| EAPN | European Anti-Poverty Network |
| EC | European Commission |
| Ecofin | Economic and Financial Affairs Council |
| EEC | European Economic Community |
| EEGs | European Employment Guidelines |
| EES | European Employment Strategy |
| EPAP | European Platform Against Poverty and social exclusion |
| EPSCO | Employment, Social Policy, Health and Consumer Affairs Council |
| EU | European Union |
| IGs | Integrated Guidelines |
| LWI | People living in households with very low work intensity (EU 2020 indicator) |
| MS | EU Member States |
| NAPs | National Action Plans |
| NAPs/Incl. | National Action Plans against poverty and social exclusion |
| NGO | Non-Governmental Organisation |
| NLRPs | National Lisbon Reform Programmes |
| NRPs | National Reform Programmes |
| NSRs | National Social Reports |
| OMC | Open Method of Coordination |
| OSE | European Social Observatory |
| PPMI | Public Policy and Management Institute |
| PROGRESS | Community Programme for Employment and Social Solidarity |
| SGP | Stability and Growth Pact |
| SPC | Social Protection Committee |
| SMD | People Severely Materially Deprived (EU indicator) |
| SPPM | Social Protection Performance Monitor |

ANNEX 2. LIST OF “PRIMARY AND SECONDARY INDICATORS” ON POVERTY AND SOCIAL INCLUSION (LISBON I)

| PRIMARY INDICATORS | | |
|---|--|---|
| Indicator | Definition | Data sources + most recent year available |
| 1a Low income rate after transfers with breakdowns by age and gender | Percentage of individuals living in households where the total equivalised household income is below 60% national equivalised median income. Age groups are: 1.0-15, 2.16-24, 3.25-49, 4.50-64, 5. 65+. Gender breakdown for all age groups + total | Eurostat ECHP 1997 |
| 1b Low income rate after transfers with breakdowns by most frequent activity status | Percentage of individuals aged 16+ living in households where the total equivalised household income is below 60% national equivalised median income. Most frequent activity status: 1.employed, 2.self- employed, 3.unemployed, 4.retired, 5.inactives-other. Gender breakdown for all categories + total | Eurostat ECHP 1997 |
| 1c Low income rate after transfers with breakdowns by household type | Percentage of individuals living in households where the total equivalised household income is below 60% national equivalised median income. 1. 1 person household, under 30 yrs old 2. 1 person household, 30-64 3. 1 person household, 65+ 4. 2 adults without dependent child; at least one person 65+ 5. 2 adults without dep. child; both under 65 6. other households without dep. Children 7. single parents, dependent child 1+ 8. 2 adults, 1 dependent child 9. 2 adults, 2 dependent children 10. 2 adults, 3+ dependent children 11. other households with dependent children 12. Total | Eurostat ECHP 1997 |
| 1d Low income rate after transfers with breakdowns by tenure status | Percentage of individuals living in households where the total equivalised household income is below 60% national equivalised median income. 1. Owner or rent free 2. Tenant 3. Total | Eurostat ECHP 1997 |
| 1e Low income threshold (illustrative values) | The value of the low income threshold (60% median national equivalised income) in PPS, Euro and national currency for: 1. Single person household 2. Household with 2 adults, two children | Eurostat ECHP 1997 |
| 2 Distribution of income | S80/S20: Ratio between the national equivalised income of the top 20% of the income distribution to the bottom 20% | Eurostat ECHP 1998 |
| 3 Persistence of low income | Persons living in households where the total equivalised household income was below 60% median national equivalised income in year n and (at least) two years of years n-1, n-2, n-3. Gender breakdown + total | Eurostat ECHP 1999 |
| 4 Relative median low income gap | Difference between the median income of persons below the low income threshold and the low income threshold, expressed as a percentage of the low income threshold. Gender breakdown + total | Eurostat ECHP 2000 |
| 5 Regional cohesion | Coefficient of variation of employment rates at NUTS 2 level | Eurostat LFS (2000) |

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|----|---|--|--------------------------------|
| 6 | Long term unemployment rate | Total long-term unemployed population (≥ 12 months; ILO definition) as proportion of total active population. Gender breakdown + total | Eurostat LFS (2000) |
| 7 | Persons living in jobless households | Persons aged 0-65 (0-60) living in households where none is working out of the persons living in eligible households. Eligible households are all except those where everybody falls in one of these categories: • aged less than 18 years old • aged 18-24 in education and inactive • aged 65 (60) and over and not working | Eurostat LFS (2000) |
| 8 | Early school leavers not in education or training | Share of total population of 18-24-year olds having achieved ISCED level 2 or less and not attending education or training. Gender breakdown + total | Eurostat LFS (2000) |
| 9 | Life expectancy at birth | Number of years a person may be expected to live, starting at age 0, for males and females. | Eurostat Demography Statistics |
| 10 | Self defined health status by income level | Ratio of the proportions in the bottom and top quintile groups (by equivalised income) of the population aged 16 and over who classify themselves as in a bad or very bad state of health on the WHO definition. Gender breakdown + total | Eurostat ECHP 1997 |

SECONDARY INDICATORS

| | | | |
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| 11 | Dispersion around the low income threshold | Persons living in households where the total equivalised household income was below 40, 50 and 70% median national equivalised income | Eurostat ECHP 1997 |
| 12 | Low income rate anchored at a moment in time | Base year ECHP 1995. 1. Relative low income rate in 1997 (=indicator 1) 2. Relative low income rate in 1995 multiplied by the inflation factor of 1994/96 | Eurostat ECHP 1998 |
| 13 | Low income rate before transfers | Relative low income rate where income is calculated as follows: 1. Income excluding all social transfers 2. Income including retirement pensions and survivors pensions 3. Income after all social transfers (= indicator 1). Gender breakdown + total | Eurostat ECHP 1997 |
| 14 | Gini coefficient | The relationship of cumulative shares of the population arranged according to the level of income, to the cumulative share of the total amount received by them | Eurostat ECHP 1997 |
| 15 | Persistence of low income (below 50% of median income) | Persons living in households where the total equivalised household income was below 50% median national equivalised income in year n and (at least) two years of years n-1, n-2, n-3. Gender breakdown + total | Eurostat ECHP 1997 |
| 16 | Long term unemployment share | Total long-term unemployed population (≥ 12 months; ILO definition) as proportion of total unemployed population. Gender breakdown + total | Eurostat LFS 2000 |
| 17 | Very long term unemployment rate | Total very long-term unemployed population (≥ 24 months; ILO definition) as proportion of total active population. Gender breakdown + total | Eurostat LFS 2000 |
| 18 | Persons with low educational attainment | Educational attainment rate of ISCED level 2 or less for adult education by age groups (25- 34, 35-44, 45-54, 55-64). Gender breakdown + total | Eurostat LFS 2000 |

ANNEX 3. LIST OF “OVERARCHING INDICATORS” AND “SOCIAL INCLUSION INDICATORS” (LISBON II)

| OVERARCHING INDICATORS | | |
|---|--|--|
| Indicator | Definition | Breakdowns |
| 1a EU: At-risk-of-poverty rate + Illustrative threshold value | Share of persons aged 0+ with an equivalised disposable income below 60% of the national median equivalised disposable income* Source: SILC * Median equivalised disposable income is defined as the household’s total disposable income divided by its “equivalent size”, to take account of the size and composition of the household, and is attributed to each household member (including children). Equivalisation is made on the basis of the OECD modified scale | By age: Total, 0-17, 18-64, 65+ By gender (not 0-17) |
| 1b EU: Relative median poverty risk gap | Difference between the median equivalised income of persons aged 0+ below the at-risk-of-poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of-poverty threshold Source: SILC | |
| 2 EU: S80/S20 | Ratio of total income received by the 20% of the country’s population with the highest income (top quintile) to that received by the 20% of the country’s population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income Source: SILC | None |
| 3 NAT: Healthy life expectancy | Number of years that a person at birth, at 45, at 65 is still expected to live in a healthy condition (also called disability-free life expectancy). To be interpreted jointly with life expectancy Source: Eurostat | At birth, at 45, at 65 By sex |
| 4 EU: Early school leavers | Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey Source: LFS | By sex |
| 5 EU: People living in jobless households | Proportion of people living in jobless households, expressed as a share of all people in the same age group. This indicator should be analysed in the light of context indicator n.8: jobless households by main household types Source: LFS | By age: 0-17, 18-59 By sex (18+ only) |

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| 6 | NAT: Projected Total Public Social expenditures | Age-related projections of total public social expenditures (e.g. pensions, health care, long-term care, education and unemployment transfers), current level (% of GDP) and projected change in share of GDP (in percentage points) (2010-20-30-40-50). Specific assumptions agreed in the AWG/EPC. See “The 2005 EPC projections of age-related expenditures (2004-2050) for EU-25: underlying assumptions and projection methodologies” Source: EPC/AWG | |
| 7a | EU: Median relative income of elderly people | Median equivalised income of people aged 65+ as a ratio of income of people aged 0-64 Source: EU-SILC | – |
| 7b | EU: Aggregate replacement ratio | Median individual pensions of 65-74 relative to median individual earnings of 50-59, excluding other social benefits Source: EU-SILC | By sex |
| 8 | NAT: Self reported unmet need for medical care NAT: Care utilisation | Total self-reported unmet need for medical care for the following three reasons: financial barriers + waiting times + too far to travel To be analysed together with care utilisation defined as the number of visits to a doctor (GP or specialist) during the last 12 months Source: EU-SILC available annually subject to adjustment of EU-SILC in the future | By income quintile |
| 9 | EU: At-risk-of-poverty rate anchored at a fixed moment in time (2004) | Share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold calculated in year 2004 (1 st EU-SILC income reference year for all 25 EU countries), up-rated by inflation over the years Source: SILC | By age: Total, 0-17, 18-64, 65+ By sex (18+ only) |
| 10 | EU: Employment rate of older workers | Persons in employment in age groups 55-59 and 60-64 as a proportion of total population in the same age group Source: LFS | By age: 55-59, 60-64 By sex |
| 11 | EU: In-work poverty risk | Individuals who are classified as employed (distinguishing between “wage and salary employment plus self-employment” and “wage and salary employment” only) and who are at risk of poverty. This indicator needs to be analysed according to personal, job and household characteristics. It should also be analysed in comparison with the poverty risk faced by the unemployed and the inactive Source: SILC | By sex |
| 12 | EU: Activity rate | Share of employed and unemployed people in total population of working age 15-64 Source: LFS | By sex and age: 15-24, 25-54, 55-59, 60-64, Total |
| 13 | NAT: Regional disparities – coefficient of variation of employment rates | Standard deviation of regional employment rates divided by the weighted national average (age group 15-64 years). (NUTS II) Source: LFS | |

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| 14 | NAT: total health expenditure per capita | Total health expenditure per capita in PPP Source: Eurostat based on system of health accounts (SHA) data |
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Context information

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| 1 | GDP growth | Growth rate of GDP volume — percentage change on previous year Source: Eurostat STRIND |
| 2a | Employment rate, by sex | The employment rate is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group Source: LFS |
| 2b | Unemployment rate, by sex, and key age groups | Unemployment rates represent unemployed persons as a percentage of the labour force. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were: (a) without work during the reference week, (b) currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week, (c) actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months. Source: LFS |
| 2c | Long term unemployment rate, by sex and key age groups | Long-term unemployed (12 months and more) persons are those aged at least 15 years not living in collective households who are without work within the next two weeks, are available to start work within the next two weeks and who are seeking work (have actively sought employment at some time during the previous four weeks or are not seeking a job because they have already found a job to start later). The total active population (labour force) is the total number of the employed and unemployed population. The duration of unemployment is defined as the duration of a search for a job or as the length of the period since the last job was held (if this period is shorter than the duration of the search for a job) Source: LFS |
| 3 | Life expectancy at birth and at 65 | LE at birth: The mean number of years that a newborn child can expect to live if subjected throughout his life to the current mortality conditions (age specific probabilities of dying) LE at 65: The mean number of years still to be lived by a person who have reached 65, if subjected throughout the rest of his life to the current mortality conditions (age specific probabilities of dying) Source: Eurostat – Demography |
| 4 | Old age dependency ratio, current and projected | Ratio between the total number of elderly persons of an age when they are generally economically inactive (aged 65 and over) and the number of persons of working age (from 15 to 64). Source: Eurostat – Demography |

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| 5 | Distribution of population by household types, including collective households | Number and % of people living in private resp. collective households Source: Eurostat – Census 2001 data collection |
| 6 | Public debt, current and projected, % of GDP | Government debt is the consolidated gross debt of the whole general government sector outstanding at the end of the year (in nominal value). These data are reported to the European Commission in the framework of the Excessive Deficit Procedure (EDP). Projections are produced by the Commission Services in the context of the assessment of the long-term sustainability of the public finances based on the 2005/06 updates of Stability and Convergence Programmes (SCPs) http://ec.europa.eu/economy_finance/publications/european_economy/2006/ee306_en.pdf |
| 7 | Social protection expenditure, current, by function, gross and net (ESSPROS) | Total social protection expenditures broken down in social benefits, administration cost and other expenditure. In addition, social benefits are classified by functions of social protection. Net expenditures are not presented here since they are not available in ESSPROS yet. Source: Eurostat – ESSPROS |
| 8 | Jobless households by main household types | Breakdown of jobless households by main household types Source: LFS |
| 9 | Making work pay indicators (unemployment trap, inactivity trap (esp. second earner case), low-wage trap) | <u>Unemployment trap</u> : Marginal effective tax rate (METR) on labour income taking account of the combined effect of increased taxes and benefits withdrawal as one takes up a job. Calculated as the ratio of change in gross income minus (net in work income minus net out of work income) divided by change in gross income for a single person moving from unemployment to a job with a wage level of 67% of APW <u>Inactivity trap</u> : METR on labour income taking account of the combined effect of increased taxes and benefits withdrawal as one takes up a job while previously inactive. Calculated as the ratio of change in gross income minus (net in work income minus net out of work income) divided by change in gross income for a single person moving from inactivity to a job with a wage level of 67% of APW <u>Low wage trap</u> : METR on labour income taking account of the combined effect of increased taxes on labour and in-work benefits withdrawal as one increases the work effort (increased working hours or moving to a better job). Calculated as the ratio of change in personal income tax and employee contributions plus change (reductions) in benefits, divided by increases in gross earnings, using the “discrete” income changes from 34-66% of APW. Breakdown by family types: one-earner couple with two children and single parent with two children Source: Joint Commission-OECD project using tax-benefit models |

| | | |
|----|---|--|
| 10 | Net income of social assistance recipients as a % of the at-risk-of-poverty threshold for 3 jobless household types | This indicator refers to the income of people living in households that only rely on “last resort” social assistance benefits (including related housing benefits) and for which no other income stream is available (from other social protection benefits—e.g. unemployment or disability schemes—or from work). The aim of such an indicator is to evaluate if the safety nets provided to those households most excluded from the labour market are sufficient to lift people out of poverty. This indicator is calculated on the basis of the tax-benefit models developed jointly by the OECD and the European Commission. It is only calculated for countries where non-categorical social benefits are in place and for 3 jobless household types: single, lone parent, 2 children and couple with 2 children. This indicator is especially relevant when analysing MWP indicators Source: Joint EC-OECD project using OECD tax-benefit models, and Eurostat (see Chapter I and Annex I) |
| 11 | At-risk-of-poverty rate before social transfers (other than pensions), 0-17, 18-64, 65+ | This indicator is meant to compare the observed risk of poverty with a hypothetical measure of a risk of poverty in absence of all social transfers (other than pensions) all things being kept equal. In particular, household and labour market structure are kept unchanged. This measure does not take into account other types of transfers that have an impact on household disposable income such as transfers in kind and tax rebates Source: SILC |
| 12 | <u>NAT</u> : change in projected theoretical replacement ratio for base case 2004-2050 accompanied with information on type of pension scheme [DB (defined benefit), DC (defined contribution), NDC (notional defined contribution)] and <u>NAT</u> : change in projected theoretical replacement ratio for base case 2004-2050 accompanied with information on type of pension scheme (DB, DC, NDC) and change in projected public pension expenditure 2004-2050 | Change in the theoretical level of income from pensions at the moment of take-up related to the income from work in the last year before retirement for a hypothetical worker (base case), percentage points, 2004-2050, with information on the type of pension scheme (DB, DC or NDC) and changes in the public pension expenditure as a share of GDP, 2004-2050. This information can only collectively form the indicator called projected theoretical replacement ratio. Results relate to current and projected, gross (public and private) and total net replacement rates, and should be accompanied by information on representativeness and assumptions (contribution rates and coverage rate, public and private), and calculations of changes in replacement rates for 1 or 2 other cases, if suitable (e.g. OECD). Specific assumptions agreed in the ISG. For further details, see 2006 report on Replacement Rates. http://ec.europa.eu/employment_social/social_protection/docs/isg_repl_rates_en.pdf Source: ISG and AWG |

| SOCIAL INCLUSION INDICATORS | | |
|---|--|--|
| Indicator | Definition | Breakdowns |
| EU: At-risk-of-poverty rate + illustrative threshold values | Share of persons aged 0+ with an equivalised disposable income below 60% of the national equivalised median income. Equivalised median income is defined as the household's total disposable income divided by its "equivalent size", to take account of the size and composition of the household, and is attributed to each household member. Equivalisation is made on the basis of the OECD modified scale. Complemented by the value of the at-risk-of-poverty threshold (60% median national equivalised income) in PPS for two illustrative households: a single-person household and a household consisting of two adults and two children | Age groups: 0-17, 18-64, 65+, gender |
| EU: Persistent at-risk-of-poverty rate | Share of persons aged 0+ with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least two of the preceding three years | Age groups: 0-17, 18-64, 65+, gender |
| EU: Relative median poverty risk gap | Difference between the median equivalised income of persons aged 0+ below the at-risk-of-poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of-poverty threshold | Age groups: 0-17, 18-64, 65+, gender |
| EU: Long term unemployment rate | Total long-term unemployed population (≥ 12 months' unemployment; ILO definition) as a proportion of total active population aged 15 years or more | Gender |
| EU: Population living in jobless households | Proportion of people living in jobless households, expressed as a share of all people in the same age group. This indicator should be analysed in the light of context indicator n. 8: jobless households by main household types Source: LFS | Age groups: 0-17, 18-64; 65+, gender |
| EU: Early school leavers not in education or training | Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey | Gender |
| EU: Poverty risk by household type | Poverty risk for the total population aged 0+ in the following household types: Households with no dependent children: <ul style="list-style-type: none"> • Single person, under 65 years old • Single person, 65 years and over • Single women • Single men • Two adults, at least one person 65 years and over • Two adults, both under 65 years • Other households | |

| | | |
|--|--|--|
| | Households with dependent children: <ul style="list-style-type: none"> • Single parent, one or more dependent children • Two adults, one dependent child • Two adults, two dependent children • Two adults, three or more dependent children • Three or more adults with dependent children | |
| EU: Poverty risk by the work intensity of households | Poverty risk for the total population aged 0+ in different work intensity categories and broad household types. The work intensity of the household refers to the number of months that all working age household members have been working during the income reference year as a proportion of the total number of months that could theoretically be worked within the household. Individuals are classified into work intensity categories that range from WI=0 (jobless household) to WI=1 (full work intensity) | Age groups: 0-17, 18-64, 65+, gender |
| EU: Poverty risk by most frequent activity status | Poverty risk for the adult population (aged 18 years and over) in the following most frequent activity status groups: employment (singling out wage and salary employment); unemployment; retirement; other inactivity. The most frequent activity status is defined as the status that individuals declare to have occupied for more than half the number of months in the calendar year for which information on occupational status is available | Age groups: 0-17, 18-64, 65+, gender |
| EU: Poverty risk by accommodation tenure status | Poverty risk for the total population aged 0+ in the following accommodation tenure categories: <ul style="list-style-type: none"> • Owner-occupied or rent free • Rented | Age groups: 0-17, 18-64, 65+, gender |
| EU: Dispersion around the at-risk-of-poverty threshold | Share of persons aged 0+ with an equivalised disposable income below 40%, 50% and 70% of the national equivalised median income | Age groups: 0-17, 18-64, 65+, gender |
| EU: Persons with low educational attainment | Share of the adult population (aged 25 years and over) whose highest level of education or training is ISCED 0, 1 or 2 | Age groups: 25-34, 35-54, 55-64, 65+, 25-64, gender |
| Low reading literacy performance of pupils | Share of 15 years old pupils who are at level 1 or below of the PISA combined reading literacy scale | Gender |

ANNEX 4. LIST OF PEER REVIEW MEETINGS IN THE PERIOD 2004-2011
(SEMINARS PARTICULARLY LINKED TO COPE'S THEMES IN BOLD TYPE)

| Title | Programme Year | Host Country | Peer Countries | Key Theme |
|--|----------------|-----------------|--|---|
| Local development agreements as a tool to stop segregation in vulnerable metropolitan areas | 2004 | Sweden | Belgium, Finland, Italy, Lithuania, Portugal, Spain, The Netherlands | <ul style="list-style-type: none"> • Integration of ethnic minorities and immigrants • Quality and accessibility of social services • Promoting active inclusion |
| The Rough Sleepers Unit (England) | 2004 | United Kingdom | Denmark, Finland, France, Luxemburg, Norway, Romania, Sweden | <ul style="list-style-type: none"> • Quality and accessibility of social services • Homelessness and housing exclusion |
| Clearing: assistance for young people with special needs in their transition from school to working life | 2004 | Austria | Estonia, France, Greece, Italy, Lithuania, Norway | <ul style="list-style-type: none"> • Quality and accessibility of social services • Children and families |
| Citizens' social support networks (HYVE) | 2004 | Finland | Austria, Belgium, Germany, Greece, Latvia, Malta, United Kingdom | <ul style="list-style-type: none"> • Quality and accessibility of social services |
| Experiments in social activation (1996-2001) | 2004 | The Netherlands | Bulgaria, Latvia, Poland, Slovenia, Spain | <ul style="list-style-type: none"> • Promoting active inclusion • Quality and accessibility of social services |
| The "Reception Platforms" to promote the integration of immigrants | 2004 | France | Cyprus, Czech Republic, Germany, Ireland, Sweden, Portugal | <ul style="list-style-type: none"> • Integration of ethnic minorities and immigrants |
| Money advice and budgeting service | 2004 | Ireland | Denmark, Germany, Hungary, Luxembourg, Slovenia, The Netherlands, United Kingdom | <ul style="list-style-type: none"> • Over-indebtedness and financial exclusion |
| Local alliances for the family: Reconciliation of work and family life | 2004 | Germany | Austria, Cyprus, Estonia, Hungary, Malta, Slovakia | <ul style="list-style-type: none"> • Children and families |
| Preventing the risks of exclusion of families with difficulties | 2005 | Italy | Bulgaria, Cyprus, Ireland, Malta, Poland, Romania | <ul style="list-style-type: none"> • Children and families |
| Preventing and tackling homelessness | 2005 | Denmark | Czech Republic, Estonia, Germany, Latvia, Luxembourg, Poland, The Netherlands | <ul style="list-style-type: none"> • Quality and accessibility of social services • Homelessness and housing exclusion |
| Field social work programmes in neighbourhoods threatened by social exclusion | 2005 | Czech Republic | Austria, Bulgaria, Romania, Slovakia, Spain, United Kingdom | <ul style="list-style-type: none"> • Integration of ethnic minorities • Quality and accessibility of social services |

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|---|------|-----------------|---|---|
| Basic social services in rural settlements – Village and remote homestead community care-giving | 2005 | Hungary | Finland, Greece, Lithuania, Norway, Portugal, Slovenia | <ul style="list-style-type: none"> • Quality and accessibility of social services |
| Pathways to social integration for people with mental health problems: the establishment of social cooperatives in Greece | 2005 | Greece | Czech Republic, Estonia, France, Latvia, Malta, Poland, Romania | <ul style="list-style-type: none"> • Promoting active inclusion • Health and long-term care |
| Minimum income and social integration institutional arrangements | 2005 | Belgium | Austria, Estonia, Hungary, Luxembourg, Romania, Slovakia, The Netherlands | <ul style="list-style-type: none"> • Promoting active inclusion |
| Socio-Community Development – Mobilising all relevant bodies and promoting the participation of people suffering exclusion | 2005 | Portugal | Cyprus, Denmark, France, Hungary, Ireland, Italy, Malta, Sweden | <ul style="list-style-type: none"> • Governance |
| Integrated Services in Rehabilitation – On coordination of organisation and financing | 2006 | Sweden | Cyprus, Greece, Ireland, Norway, Poland, The Netherlands, United Kingdom | <ul style="list-style-type: none"> • Quality and accessibility of social services • Health and long-term care |
| Sure Start | 2006 | United Kingdom | France, Hungary, Latvia, Lithuania, Malta, Poland | <ul style="list-style-type: none"> • Children and families |
| National strategy to prevent and tackle homelessness | 2006 | Norway | Austria, Denmark, Estonia, Germany, Romania, Slovenia, Spain, Sweden | <ul style="list-style-type: none"> • Quality and accessibility of social services • Homelessness and housing exclusion |
| Social inclusion cross cutting policy tools – Document de Politique Transversale (DPT) | 2006 | France | Austria, Belgium, Cyprus, Finland, Ireland, Luxembourg, United Kingdom | <ul style="list-style-type: none"> • Interaction of social, economic and employment policies • Governance |
| Minimum Incomes and Women's Poverty | 2006 | Belgium | Czech Republic, Finland, Germany, Ireland, Latvia, Portugal, United Kingdom | <ul style="list-style-type: none"> • Ageing and providing adequate and sustainable pensions |
| Municipal programme of shanty towns eradication in Aviles (Asturias) | 2006 | Spain | Bulgaria, Czech Republic, Greece, Hungary, Portugal, Slovakia, Slovenia | <ul style="list-style-type: none"> • Integration of ethnic minorities and immigrants • Homelessness and housing exclusion |
| Amnesty of debts: Amicable agreement and statutory solution | 2006 | The Netherlands | Denmark, France, Latvia, Luxembourg, Sweden | <ul style="list-style-type: none"> • Over-indebtedness and financial exclusion |

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|--|------|---------|---|---|
| Access to care and health status inequalities in a context of healthcare reform | 2006 | Hungary | Austria, Bulgaria, Czech Republic, Estonia, Finland, France, Luxembourg, Portugal, Slovenia | <ul style="list-style-type: none"> • Quality and accessibility of social services • Health and long-term care |
| The future of social services of general interest | 2007 | Belgium | Finland, France, Italy, Lithuania, Luxembourg, Poland | <ul style="list-style-type: none"> • Quality and accessibility of social services • Health and long-term care |
| ACCESS: Cottonera Community Resource Centre | 2007 | Malta | Cyprus, Hungary, Ireland, Lithuania, Portugal, Sweden, United Kingdom | <ul style="list-style-type: none"> • Quality and accessibility of social services • Children and families |
| Freedom of choice and dignity for the elderly | 2007 | Sweden | Austria, Czech Republic, Ireland, Portugal, The Netherlands | <ul style="list-style-type: none"> • Quality and accessibility of social services • Ageing and providing adequate and sustainable pensions • Health and long-term care |
| National Action Plan against Substandard Housing | 2007 | France | Belgium, Denmark, Latvia, Luxembourg, Malta, Romania | <ul style="list-style-type: none"> • Homelessness and housing exclusion |
| Multi-regional Operational Programme to Combat Discrimination | 2007 | Spain | Bulgaria, Cyprus, Finland, Germany, Greece, Malta, Slovenia | <ul style="list-style-type: none"> • Promoting active inclusion |
| The NAP Inclusion Social Inclusion Forum | 2007 | Ireland | Belgium, Bulgaria, France, Hungary, Slovakia, Spain, United Kingdom | <ul style="list-style-type: none"> • Governance |
| Active ageing strategies to strengthen social inclusion | 2007 | Finland | Denmark, Estonia, Germany, Hungary, Norway, Romania, Slovenia, The Netherlands | <ul style="list-style-type: none"> • Ageing and providing adequate and sustainable pensions |
| Social aspects of human trafficking | 2007 | Denmark | Greece, Latvia, Norway, Poland, Slovakia | <ul style="list-style-type: none"> • Integration of ethnic minorities and immigrants • Governance |
| Initiatives by the social partners for improving the labour market access of disadvantaged groups | 2008 | Austria | Finland, Ireland, Norway, Slovenia, Spain, United Kingdom | <ul style="list-style-type: none"> • Promoting active inclusion |
| Public information on pension systems and pension system changes | 2008 | Poland | Bulgaria, Estonia, Germany, Hungary, Lithuania, Malta, Portugal, Slovakia, Sweden, United Kingdom | <ul style="list-style-type: none"> • Ageing and providing adequate and sustainable pensions |
| The social economy from the perspective of active inclusion | 2008 | Belgium | Austria, Cyprus, Czech Republic, Greece, Slovakia, Slovenia, Sweden | <ul style="list-style-type: none"> • Promoting active inclusion • Interaction of social, economic and employment policies |

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|--|------|-----------------|---|--|
| Cost containment in the pharmaceutical sector: Innovative approaches to contracting while ensuring fair access to drugs | 2008 | Germany | Bulgaria, Finland, France, Luxembourg, Malta, Poland, Portugal, Slovenia, The Netherlands | <ul style="list-style-type: none"> • Quality and accessibility of social services • Health and long-term care |
| Support Fund for the reception and integration of immigrants and their educational support | 2008 | Spain | Czech Republic, Denmark, Germany, Greece, Italy, Latvia, The Netherlands | <ul style="list-style-type: none"> • Integration of ethnic minorities and immigrants |
| Social impact assessment | 2008 | Slovakia | Austria, Belgium, Bulgaria, Germany, Ireland, Norway, Romania | <ul style="list-style-type: none"> • Governance |
| Getting women back into the labour market | 2008 | Germany | Cyprus, Denmark, Italy, Luxembourg, Malta, Poland, The Netherlands | <ul style="list-style-type: none"> • Promoting active inclusion • Interaction of social, economic and employment policies |
| Long-term care: How to organise affordable, sustainable long-term care given the constraints of collective versus individual arrangements and responsibilities | 2008 | The Netherlands | Austria, Belgium, Estonia, Germany, Hungary, Poland, Romania, Slovenia, Sweden, United Kingdom | <ul style="list-style-type: none"> • Health and long-term care |
| Combining choice, quality and equity in social services | 2009 | Denmark | Estonia, Hungary, Italy, Lithuania, Portugal, Romania, Spain, The Netherlands, United Kingdom | <ul style="list-style-type: none"> • Quality and accessibility of social services |
| Alzheimer's and other related diseases: coping with behavioural disorders in the patient's home | 2009 | France | Czech Republic, Finland, Germany, Luxembourg, Poland, Slovenia, The Netherlands, United Kingdom | <ul style="list-style-type: none"> • Health and long-term care |
| Integrated programme for the social inclusion of Roma | 2009 | Greece | Finland, France, Germany, Hungary, Spain | <ul style="list-style-type: none"> • Integration of ethnic minorities and immigrants |
| Ensuring a functioning healthcare system in regions with declining and ageing populations | 2009 | Germany | Finland, France, Greece, Ireland, Portugal, Romania, Slovenia, United Kingdom | <ul style="list-style-type: none"> • Health and long-term care |
| <u>The City Strategy for tackling unemployment and child poverty</u> | 2009 | United Kingdom | Austria, Bulgaria, Czech Republic, Greece, Latvia, Lithuania, Norway, Portugal, Serbia | <ul style="list-style-type: none"> • Children and families • Promoting active inclusion • Interaction of social, economic and employment policies |
| Developing well-targeted tools for the active inclusion of vulnerable people | 2009 | Norway | Austria, Cyprus, Ireland, Poland, Romania, Spain, United Kingdom | <ul style="list-style-type: none"> • Promoting active inclusion |

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|--|------|----------|--|--|
| Counting the homeless – improving the basis for planning assistance | 2009 | Austria | Denmark, Germany, Hungary, Italy, Luxembourg, Norway, Slovenia, Sweden | • Homelessness and housing exclusion |
| Measuring the impact of active inclusion and other policies to combat poverty and social exclusion | 2009 | France | Belgium, Bulgaria, Ireland, Latvia, Lithuania, Luxembourg, Malta, Portugal, Romania, The Netherlands | • Governance |
| <u>Federal Foundation Mother and Child for pregnant women in emergency situations</u> | 2009 | Germany | Bulgaria, Denmark, Greece, Hungary, Italy, Serbia | • Children and families |
| Modernising and activating measures relating to work incapacity | 2009 | Spain | France, Lithuania, Luxembourg, Malta, Poland, Romania, Sweden, The Netherlands, United Kingdom | • Promoting active inclusion • Health and long-term care |
| Promoting social inclusion of children in a disadvantaged rural environment – the microregion of Szecseny’ | 2010 | Hungary | Croatia, Czech Republic, Italy, Portugal, Serbia, United Kingdom | • Integration of ethnic minorities and immigrants • Children and families |
| Achieving excellence in social service provision | 2010 | Romania | Belgium, Croatia, Estonia, Lithuania | • Quality and accessibility of social services |
| Using Reference Budgets for drawing up the requirements of a minimum income scheme and assessing adequacy | 2010 | Belgium | Austria, Cyprus, Finland, France, Ireland, Italy, Luxembourg, Sweden | • Promoting active inclusion • Over- indebtedness and financial exclusion |
| The Programme for developing local plans for social inclusion in Catalonia | 2010 | Spain | Bulgaria, Czech Republic, Latvia, Norway, Romania, Serbia, The Netherlands | • Governance |
| Achieving quality long-term care in residential facilities | 2010 | Germany | Austria, Cyprus, Czech Republic, Estonia, Finland, France, Luxembourg, Spain, Sweden | • Ageing and providing adequate and sustainable pensions • Health and long-term care |
| Building a comprehensive and participative strategy on homelessness | 2010 | Portugal | Denmark, Hungary, Ireland, Poland, Serbia, Spain, Finland | Homelessness and housing exclusion |
| Making a success of integrating immigrants into the labour market | 2010 | Norway | Austria, Finland, Greece, Italy, Latvia, Malta | • Integration of ethnic minorities and immigrants • Promoting active inclusion • Interaction of social, economic and employment policies |

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|---|------|-----------------|--|---|
| The Finnish National Programme to reduce long-term homelessness | 2010 | Finland | Bulgaria, France, Hungary, Latvia, Norway, Portugal, Slovenia, The Netherlands, Sweden | <ul style="list-style-type: none"> • Homelessness and housing exclusion • Governance |
| A good place to grow older – national/local agreement | 2010 | United Kingdom | Cyprus, Denmark, Finland, Hungary, Romania, Spain | <ul style="list-style-type: none"> • Ageing and providing adequate and sustainable pensions • Governance |
| Building the tools to fight in-work poverty | 2011 | France | Belgium, Cyprus, Estonia, Greece, Ireland, Lithuania, Portugal, Slovenia, The Netherlands | <ul style="list-style-type: none"> • Promoting active inclusion • Interaction of social, economic and employment policies |
| Building a coordinated strategy for parenting support | 2011 | France | Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Germany, Italy, Malta | <ul style="list-style-type: none"> • Children and families |
| The setting of national poverty targets | 2011 | Ireland | Belgium, Bulgaria, Croatia, Finland, Latvia, Malta, Norway, Romania, Slovakia, United Kingdom | <ul style="list-style-type: none"> • Interaction of social, economic and employment policies • Governance |
| Improving the efficiency of social protection | 2011 | Portugal | Belgium, Croatia, Italy, Latvia, Lithuania, Malta, Romania, Slovenia | <ul style="list-style-type: none"> • Governance |
| Effects of life courses on women's pensions | 2011 | Germany | Austria, Czech Republic, France, Hungary, Italy, Lithuania, Luxembourg, Spain, Sweden, The Netherlands | <ul style="list-style-type: none"> • Ageing and providing adequate and sustainable pensions |
| Developing effective ex ante social impact assessment with a focus on methodology, tools and data sources | 2011 | Belgium | Austria, Cyprus, Finland, France, Greece, Ireland, Luxembourg, Norway, Spain | <ul style="list-style-type: none"> • Governance |
| Closing the gap – in search for ways to deal with expanding care needs and limited resources | 2011 | Sweden | Bulgaria, Cyprus, Denmark, Estonia, Germany, Luxembourg, Slovenia | <ul style="list-style-type: none"> • Quality and accessibility of social services • Health and long-term care |
| Balancing the security and affordability of funded pension schemes | 2011 | The Netherlands | Belgium, Denmark, Germany, Ireland, Italy, Lithuania, Poland, Romania, Slovenia | <ul style="list-style-type: none"> • Ageing and providing adequate and sustainable pensions |

ANNEX 5. THE EUROPEAN PLATFORM AGAINST POVERTY AND SOCIAL EXCLUSION: LIST OF KEY INITIATIVES

| 1. Delivering action to fight poverty and exclusion across the policy spectrum | | |
|---|-----------|---------------------------|
| ■ Access to labour market | | |
| Present a Communication providing an in-depth assessment of the implementation of active inclusion strategies at national level, including the effectiveness of minimum income schemes, and of the way in which EU programmes can be used to support active inclusion | 2012 | |
| ■ Social protection and access to essential services | | |
| Present a White Paper on Pensions, to jointly address sustainability and adequacy of pensions in the post-crisis context, including reflections on how the EU can best support Member States efforts aimed at securing the adequacy of pension benefits and preventing and mitigating poverty among pensioners, both women and men | 2011 | Commission Work Programme |
| Develop the Voluntary European Quality Framework on social services at a sectoral level, including in the field of long-term care and homelessness | 2011-2013 | |
| Launch a European Innovation Partnership on Active and Healthy Ageing. The Partnership will aim at promoting social innovation for the elderly, more equal and affordable access to modernised and responsive care services (i.e. specific aged related care, home based care) and new medical products and devices | 2011-2013 | “Innovation Union” |
| Support initiatives for active ageing at all levels of governance and by a wide range of non-governmental stakeholders (social partners, NGOs, businesses) in the context of a European Year for Active Ageing in 2012 | 2011-2012 | |
| Undertake an assessment of the efficiency and effectiveness of health expenditure, including in relation to the issues highlighted in the communication on “Solidarity in Health: reducing health inequalities in the EU”. A Report on Health Inequalities scheduled for 2012 will highlight the mutual links between poor health and poverty | 2011-2012 | |
| Present in 2011 a legislative initiative to ensure access to certain basic banking services and call on the banking sector to submit a self-regulatory initiative geared towards improving the transparency and comparability of bank charges | 2011 | “Single Market Act” |
| Establish a network of experts on health systems reforms. It will aim at developing new models of more integrated care, as well as promoting innovative and sustainable financing of health care and medical services | 2011 | |
| ■ Education and youth policies | | |
| Propose a Recommendation on child poverty outlining common principles and effective monitoring tools to combat and prevent poverty in early age | 2012 | |

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|---|-----------|---------------------|
| Present a Communication and a proposal for a Council Recommendation on policies to combat early school leaving | 2011 | “Youth on the Move” |
| Launch a wide-ranging initiative to promote more effective interventions at all levels of education against the cycle of disadvantage. This will include a specific Commission Communication on <i>Equity in education and training systems to support the European inclusive growth</i> | 2011 | |
| Adopt a Communication with a set of proposals on Early Childhood Education and Care (ECEC) to help Member States strengthen their provision and promote their learning from each other’s good practice | 2011 | “Youth on the Move” |
| Ensure that any future EU initiatives in the field of youth will include proposals which will, amongst other things, aim to combat poverty and social exclusion among disadvantaged youth through non-formal learning and participative methods | 2011 | |
| Present a Proposal for a Council Recommendation on the promotion and validation of non-formal learning, aimed at helping Member States valuing competences and skills acquired in non-formal settings | 2011 | |
| ■ Migration and integration of migrants | | |
| Present a “New European Agenda on Integration” to better support the efforts of Member States in promoting third-country nationals of diverse cultural, religious, linguistic and ethnic backgrounds to participate actively in European economies and societies | 2011 | |
| ■ Social inclusion and antidiscrimination | | |
| Step up efforts to promote the economic independence of women, as one of the five priorities of the Strategy for Equality between Women and Men 2010-2015, with a particular emphasis on the higher risk of poverty for older women, lone parents, women with a disability, migrant women and women from ethnic minorities | 2011-2015 | |
| Identify methods and means to best continue the work initiated on homelessness and housing exclusion, taking into account the outcome of the consensus conference of December 2010 | 2011-2012 | |
| Assess gaps in the entitlement to family-related leave and monitor the transposition of existing directives related to leave entitlements—maternity, paternal—in the context of the Strategy for Equality between Women and Men (women face higher at risk of poverty rates also due to their predominance in part-time, precarious and atypical forms of work) | 2011-2015 | |
| Ensure appropriate follow up to the European Disability Strategy 2010-2020, targeting in particular circumstances and barriers that prevent people with disabilities from enjoying their rights fully. This includes the development of a quality framework for community-based services responsive to the needs of people with disabilities | 2011-2020 | |
| Ensure appropriate follow up to the European Pact for Mental Health and Well-being; seek to promote the social inclusion of people with mental disorders | 2011-2020 | |

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| Present an EU Framework for National Roma Integration Strategies and promote the mobilisation and implementation of the Structural Funds, including the European Regional Development Fund and the European Social Fund in support of Roma inclusion in the current and future programming period | 2011 | |
| Undertake an assessment of National Strategies for the Integration of Roma submitted as part of their National Reform Programmes that Member States are invited to formulate in the context of their commitment to reduce poverty and exclusion | 2012 | |
| Address the issue of Roma inclusion in all relevant EU policies, including social and territorial cohesion, economic development, fundamental rights, gender equality, personal security and protection against discrimination, access to employment, education, housing, health and social services, justice, sports and culture, as well as in EU's relations with third countries | 2011-2020 | |
| ■ Sectoral policies | | |
| Step up efforts to combat the digital divide; support progress towards the key performance target (of halving the proportion of population that has never used the internet by 2015 to 15% and of increasing regular internet use from 60% to 75% by 2015 and from 41% to 60% for disadvantaged people); promote better access to e-government for the disadvantaged | 2011-2020 | “Digital Agenda for Europe” |
| Present proposals in 2011 to make sure that public sector websites (and websites providing basic services to citizens) are fully accessible by 2015 to people with disabilities, and promote the identification and exchange of best practices in the area of e-Inclusion | 2011 | “Digital Agenda for Europe” |
| Monitor the implementation of the new EU internal energy market legislation, which entails some specific provision on access of vulnerable customers and requires Member States to take appropriate measures, such as: formulating national energy action plans, providing benefits in social security systems to ensure the necessary electricity supply, providing for support for energy efficiency improvements, addressing energy poverty where identified | 2011 (transposition deadline) | |
| Promote and support the development and implementation of energy efficiency measures (refurbishments of buildings and consumer information) targeting in particular vulnerable consumers and marginalised communities through various financial instruments including the use revenues from auctioned Emission Trading System allowances (Directive 2009/29/EC) | 2011-2015 | |
| Provide a voluntary tourism exchange mechanism between Member States, enabling in particular certain key-groups such as young or elderly people, people with reduced mobility and low-income families to travel, particularly during the low season (Calypso) | Ongoing | |
| Support training of workers in the sea-related sectors in need of professional qualifications, with a view to promote employment and contribute to sustainable management of coastal areas | 2011-2013 | |
| ■ External dimension | | |
| Promote the EU agenda for combating poverty and social exclusion worldwide and in particular in enlargement and neighbourhood policy countries. Invite enlargement and neighbourhood policy countries to consider setting explicit and ambitious targets on poverty reduction of disadvantaged communities, in particular Roma | 2011-2020 | |

2. Making EU Funding deliver on the social inclusion and social cohesion objectives of Europe 2020

In line with the Budget Review, the European Social Fund should be used to sustain Member States' efforts to achieve the Europe 2020 objectives, including the poverty reduction target. This implies that the necessary resources would be devoted to social inclusion while making the access of the relevant stakeholders to those resources easier. 2011-2013

The Commission will aim at facilitating access to global grants for small organisations and an improved access to funding for groups with multiple disadvantages and at high risk of poverty.

Review the European Social Fund, taking into account the core principles spelled out in the Budget Review, to enhance its contribution to the achievement of the objectives and headline targets set by Europe 2020, in particular the poverty reduction target. The following aspects will be explored:

- Work on simplification to facilitate the use of the ESF by organisations delivering inclusion policies.
- Reinforcing support to disadvantaged groups like the Roma and other vulnerable people, including people living in institutions.
- Support the inclusion of digital literacy and competences under one of the priorities for ESF funding for the 2014-20 period with a view to providing targeted initiatives aimed at people experiencing poverty and social exclusion.
- Stepping up integrated approaches to fight poverty in certain deprived areas

Propose for the new Cohesion Policy post-2013 a Common Strategic Framework (CSF) that will ensure coherence and complementarity between the European Regional Development Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund. The CSF would identify EU priorities to address the European poverty target and the actions set out in this flagship initiative 2011-2013

Put forward proposals in 2011—in line with the 5th cohesion report—for the new Cohesion Policy regulatory framework for the period post-2013, which will simplify access to the structural funds for local groups and ensure greater complementarity and synergies between EU funds to promote community-based approaches, including for urban regeneration 2010-2013

Make full use of financial instruments and, in particular, the European Social Fund, the European Regional Development Fund and the European Agricultural Fund for Rural Development to support social and territorial cohesion, with a particular focus on combating urban and rural deprivation and promoting community-based approaches for local development, including urban regeneration 2010-2013

Promote the targeted use of Structural Funds (ESF and ERDF) to support the shift from institutional to community-base care in the areas of parentless children, disabled people and the elderly 2010-2013

| | | |
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| Give all necessary technical support and guidance to Member States to implement the amendments to the ERDF regulation adopted in May 2010 to support housing interventions in favour of marginalised communities ²⁴ , and promote the implementation of the new regulation with dedicated seminars | 2011-2013 | |
| Promote the mobilisation and implementation of the Structural Funds, including the European Regional Development Fund and the European Social Fund in support of Roma inclusion in the current and future programming period, in the framework of an integrated approach, including urban regeneration, housing, childcare, health care facilities, education and training | 2011-2013 | |
| Ensure that the objectives of poverty reduction social inclusion are duly reflected in 7 th (2007-2013) Framework Programme on Research and Innovation and its possible successor, in line with the Council conclusions of 26 May 2010 on the Social Dimension of the European Research Area (ERA) | 2010-2013 | “Innovation Union” |
| Consider, in view of the financial framework post-2013, the following objectives for the European Agricultural Fund for Rural Development: support the involvement of local actors in the decision-making process at local levels; provide support to small-scale farmers; support the development of social infrastructures and social services in rural areas; provide support for training and capacity-building activities to farmers, forestry and food-processing managers | 2011-2012 | |
| Explore the possibility of a joint initiative to support training and knowledge building for non agricultural businesses and people in rural areas working outside agricultural, food industry and forestry sectors to improve their capacity to cope with competitiveness challenges and ensure stable income flows | 2011 | |
| Ensure proper implementation of the Food distribution programme for the most deprived persons in the EU, reaching out to 13 million European citizens each year | 2011-2013 | |
| Ensure proper implementation of the School Fruit Scheme launched in 2009 in order to encourage good eating habits among young people, including from low income families, by supplying them with fruit and vegetable at school | 2011-2013 | |
| Ensure proper implementation of the School Milk Scheme, which aims to encourage consumption of health dairy products among children, contribute to healthy way of living and to nutritional education | 2011-2013 | |
| The use of micro-credits should be underpinned by capacity building initiatives at local level and possible legislation changes in Member States favouring their use by marginalised and vulnerable communities, such as the JASMINE initiative | 2011-2013 | |

²⁴ Regulation (EU) No. 437/2010 of the European Parliament and of the Council of 19 May 2010 amending Regulation (EC) No. 1080/2006 on the European Regional Development Fund as regards the eligibility of housing interventions in favour of marginalised communities.

■ Developing an evidence-based approach to social innovations and reforms

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| Launch a major initiative to promote social innovation. The initiative would: establish a “high-level steering committee” to provide advice and guidance on developing EU actions in this field; create a European research excellence network promoting capacity building for the design and evaluation of social innovation programmes; launch a European research project in the area of social innovation aimed at devising workable methods and concrete impact measurements; define common principles about designing, implementing and evaluating small-scale projects designed to test policy innovations (or reforms) before adopting them more widely (social experiments); ensure communication and awareness raising about relevant ongoing social innovation; make use of existing financial instruments, including PROGRESS, to support evidence-based social innovation and experimentation | 2011-2012 | |
| Exploring the best ways and formulate proposals for social innovation in the new financial framework, including through the ESF and possibly new financing facilities | 2011-2012 | |
| Develop cross-sectoral approaches that articulate actions in several related policy fields such as employment, education, health, youth, housing, migration and social protection that have the potential to lead to social innovation | 2011-2012 | |
| 3. Promoting a partnership approach and the social economy | | |
| Promote the sustainable involvement of civil society through the PROGRESS programme by providing support to key EU wide networks as well as through regular exchanges and partnerships between a wider set of stakeholders in specific priority areas, such as active inclusion, child poverty, Roma inclusion, homelessness and financial inclusion | Ongoing | |
| Elaborate voluntary guidelines on stakeholders’ involvement (and the participation of people experiencing poverty) in the definition and the implementation of policy actions and programmes to address poverty and exclusion, and promote their implementation at national, regional and local level | 2011-2012 | |
| Organise regular exchanges with stakeholders on key thematic priorities and in particular: active inclusion, child poverty, Roma inclusion, homelessness and housing exclusion, financial inclusion | As of 2011 | |
| Cooperate with Social Partners to support the implementation of the Framework Agreement on the Active Inclusion of people further from the labour market | Ongoing | |
| Propose measures to improve the quality of the legal structures relating to foundations, mutual societies and cooperatives in order to optimise their functioning and facilitate their development within the single market | 2011-2012 | “Single Market Act” |
| Develop awareness-raising actions on social economy’s benefits targeting key public and private actors (including public services and entrepreneurs) and enhance access of social economy actors to relevant EU financial programmes, among others by supporting the development of partnerships around active inclusion measures | 2011-2013 | |

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| Propose a <i>Social Business Initiative</i> in order to support and accompany the development of socially innovative corporate projects within the single market by means of in particular social ratings, ethical and environmental labelling, revised rules on public procurement, the introduction of a new investment fund regime and the use of dormant savings | 2011 | “Single Market Act” |
| Promote actions to increase understanding and use of social inclusion considerations in public procurement | 2011-2013 | |
| Develop a new policy initiative on CSR in 2011, concentrating on CSR reporting/disclosure, business and human rights, the international aspects of CSR, and especially the employment and enterprise aspects of Europe 2020 | 2011 | |
| 4. Stepping up policy coordination between the Member States | | |
| Assist and advise Member States in view of the definition of national targets for the reduction of poverty and exclusion and of the most appropriate policies and reforms to meet the targets | Ongoing | |
| Based on the experience of the first European Semester of Europe 2020, the Commission will discuss with Member States and other institutional and non-institutional actors, how to best adapt the working methods of the Social Open Method of Coordination to the new governance of Europe 2020. The Commission will present a report summarising the orientations emerged and the follow up it will give to it | 2011 | |
| Support the work of the Social Protection Committee, including work of the Indicators Subgroup, to improve and develop social indicators, disaggregated by relevant target group, enhancing their quality and timely availability | Ongoing | |
| Undertake a comprehensive assessment of national policies in the field of social protection and social inclusion, including links with anti-discrimination and equality, before the mid-term review of the Europe 2020 strategy, in close cooperation with the Social Protection Committee | 2013-2014 | |
| Support and enhance mutual learning and transfer of best practices, notably by linking activities in this area to the new initiative on social innovations | 2011-2012 | |
| 5. Building on the legacy of the European Year 2010 against poverty and social exclusion | | |
| Strengthen the dialogue with the European Parliament, the European Economic and Social Committee and the Committee of the Regions, in particular through regular exchanges on progress towards the poverty target | Ongoing | |
| Continue an open, transparent and regular dialogue with stakeholders and civil society including relevant faith based organisations on the themes of poverty and social inclusion, in line with Art. 17 of the Treaty on the functioning of the European Union | Ongoing | |

The Commission will work with other EU institutions and bodies to transform the Annual Round Table on Poverty and Exclusion into a wider Annual Convention of the European Platform designed to bring together all relevant actors. This event will take place in autumn, in proximity of the International Day for the Eradication of Poverty. The Annual Convention will take stock of progress made towards the headline target, review the implementation of the activities announced under the Platform and provide suggestions for future action

ANNEX 6. THE INDICATORS OF THE SOCIAL PROTECTION PERFORMANCE MONITOR – SPPM

| Dimension | Indicator | Definition | Data source |
|--|--|--|--------------------|
| Europe 2020 | At risk of poverty or social exclusion rate (total population) | The sum of persons who are: at-risk-of-poverty or severely materially deprived or living in households with very low work intensity as a share of the total population | Eurostat – EU SILC |
| | At-risk-of-poverty rate (AROP) (total population) + poverty threshold (in PPS) | Share of persons aged 0+ with an equivalised disposable income below 60% of the national equivalised median income | Eurostat – EU SILC |
| | Severe material deprivation rate (SMD) (total population) | Share of population living in households lacking at least 4 items out of the following 9 items: i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, or could not afford (even if wanted to) vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone | Eurostat – EU SILC |
| | Share of population(0-59) in very low work intensity households (VLWI) | People aged 0-59, living in households, where working-age adults (18-59) work less than 20% of their total work potential during the past year | Eurostat – EU SILC |
| Intensity of poverty risk | Relative poverty risk gap rate (total population) | Difference between the median equivalised income of persons aged 0+ below the at-risk-of-poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of-poverty threshold | Eurostat – EU SILC |
| Income inequalities | Income quintile ratio S80/S20 (total population) | The ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income | Eurostat – EU SILC |
| Child poverty | At risk of poverty or social exclusion rate (0-17) | The sum of children (0-17) who are: at-risk-of-poverty or severely materially deprived or living in households with very low work intensity (below 20%) as a share of the total population | Eurostat – EU SILC |
| Effectiveness of social protection systems | Impact of social transfers (excluding pensions) on poverty reduction (total population) | Reduction in the at-risk-of-poverty rate in % due to social transfers, calculated as the percentage difference between the at-risk-of-poverty rate before and after social transfers | Eurostat – EU SILC |
| | At-risk-of-poverty rate for the population living in very low work intensity households (0-59) | Share of persons aged 0-59 with an equivalised disposable income below 60% of the national equivalised median income who live in households where working-age adults (18-59) work less than 20% of their total work potential during the past year | Eurostat – EU SILC |

| | | | |
|--|---|--|--------------------|
| Social consequences of labour market situation | In-work at-risk-of-poverty rate (18-64) | Individuals who are classified as employed according to their most frequent activity status and are at risk of poverty. The distinction is made between “wage and salary employment plus self-employment” and “wage and salary employment” only | Eurostat – EU SILC |
| | Long-term unemployment rate (active population, 15+) | Total long-term unemployed population (≥ 12 months’ unemployment; ILO definition) as a proportion of total active population | Eurostat – LFS |
| Youth exclusion | Youth unemployment ratio (15-24) | Total unemployed young people (ILO definition), 15-24 years, as a share of total population in the same age group | Eurostat – LFS |
| | Early leavers from education and training (18-24) | Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey | Eurostat – LFS |
| Active ageing | Employment rate of older workers (55-64) | Persons in employment in age group 55-64, as a proportion of total population in the same age group | Eurostat – LFS |
| Pension adequacy | At-risk-of-poverty or social exclusion rate (65+) | The sum of elderly (65+) who are: at-risk-of-poverty or severely materially deprived or living in households with very low work intensity as a share of the total population in the same age group | Eurostat – EU SILC |
| | Median relative income ratio of elderly people | Median equivalised disposable income of people aged 65+ as a ratio of income of people aged 0-64 | Eurostat – EU SILC |
| | Aggregate replacement ratio | Median individual pension income of 65-74 relative to median individual earnings of 50-59, excluding other social benefits | Eurostat – EU SILC |
| Access to decent housing | Housing cost overburden rate (total population) | Percentage of the population living in a household where total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances) | Eurostat – EU SILC |
| Health | Share of the population with self-reported unmet need for medical care (total population) | Total self-reported unmet need for medical examination for the following three reasons: financial barriers + waiting times + too far to travel | Eurostat – EU SILC |
| | Healthy life years at 65 (total population, breakdown by gender) | Number of years that a person at 65 is still expected to live in a healthy condition. To be interpreted jointly with life expectancy (included in the SPPM contextual information) | Eurostat |

