THE FIGHT AGAINST POVERTY, SOCIAL EXCLUSION AND DISCRIMINATION

By supporting Member States in the fight against poverty, social exclusion and discrimination, the European Union aims to reinforce the inclusiveness and cohesion of European society and to allow all people to enjoy equal access to opportunities and resources.

LEGAL BASIS

Articles 19, 145-150 and 151-161 of the Treaty on the Functioning of the European Union (TFEU).

OBJECTIVES

Combating poverty and social exclusion is one of the specific social policy goals of the EU and its Member States. In accordance with Article 153 TFEU, social inclusion is to be achieved solely on the basis of non-legislative cooperation – the open method of coordination (OMC) – while Article 19 TFEU allows the EU to take action to fight discrimination both by offering legal protection for potential victims and by establishing incentive measures.

ACHIEVEMENTS

A. Fight against poverty and social exclusion

Between 1975 and 1994, the European Economic Community conducted a number of pilot projects and programmes designed to combat poverty and exclusion. However, given the absence of a legal basis, Community action in this area was continually contested.

The situation changed with the entry into force, in 1999, of the Treaty of Amsterdam, which enshrined the eradication of social exclusion as an objective of Community social policy. In 2000, the Social Protection Committee was established to promote cooperation between the Member States and with the Commission (Article 160 TFEU).

The Lisbon strategy, launched in 2000, created a monitoring and coordination mechanism consisting of objective setting, poverty measurement based on a set of indicators and benchmarks, guidelines for the Member States and national action plans against poverty. It also established a new governance mechanism for cooperation between the Commission and the Member States: the OMC, a voluntary process for political cooperation based on agreed common objectives and common indicators.
Stakeholders, including social partners and civil society, also cooperate in the process. Since 2006, a new policy framework, the open method of coordination for social protection and inclusion (social OMC) has regrouped and integrated three separate OMCs on social inclusion, health and long-term care and pensions.

In its October 2008 recommendation on the active inclusion of people excluded from the labour market, the Commission said that the ‘Member States should design and implement an integrated comprehensive strategy for the active inclusion of people excluded from the labour market combining adequate income support, inclusive labour markets and access to quality services’.

One of the major innovations brought about by the Europe 2020 strategy for smart, sustainable and inclusive growth adopted in 2010 was a new common target in the fight against poverty and social exclusion: to reduce by 25% the number of Europeans living below the national poverty line and to lift more than 20 million people out of poverty. This target was not achieved, and in March 2021 the Commission included a new headline target of reducing the number of people in poverty by at least 15 million (including at least 5 million children) by 2030 in the European Pillar of Social Rights Action Plan.

Faced with an increasing number of people in Europe at risk of poverty because of the economic and financial crisis, a number of initiatives were taken. In December 2010, the Commission launched the European platform against poverty and social exclusion as one of seven flagship initiatives of the Europe 2020 strategy, together with a list of key initiatives, such as an assessment of active inclusion strategies at national level and a white paper on pensions.

In its communication ‘Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020 of February 2013, the Commission urged the Member States to prioritise social investment in people, especially children, in order to break the cycle of disadvantage.

Following the establishment of the European Semester in 2010, in 2013 the Commission presented a proposal to strengthen the social dimension in the governance of the economic and monetary union, in response to calls from the European Council and Parliament. A key component is the social scoreboard, which is an analytical tool for detecting developments across the EU that require closer monitoring. The scoreboard comprises both secondary and headline indicators, including income inequality, household disposable income, the at-risk-of-poverty-or-social-exclusion rate (AROPE), the rate of young people neither in employment nor in education or training (NEETs) and the impact of social transfers on poverty reduction.

The scoreboard is included in the Joint Employment Report of the Annual Growth Survey (AGS), which sets out strategic policy priorities and is the first step in the annual European Semester exercise. In 2020, the von der Leyen Commission revamped the AGS, by renaming it the Annual Sustainable Growth Survey (ASGS) and integrating into it the UN Sustainable Development Goals (SDGs), including the goals of ‘No poverty’, ‘Zero hunger’ and ‘Reduced inequality’.

In November 2017, all three of the main EU institutions expressed their commitment to the European Pillar of Social Rights in a joint proclamation. The Pillar establishes social protection and inclusion as one of three key areas (2.3.1 Social and employment policy:...
general principles). The Pillar has been used to launch a series of legislative and policy initiatives, such as Directive (EU) 2019/1152 on transparent and predictable working conditions, and the social fairness package, which includes Regulation (EU) 2019/1149 establishing a European Labour Authority and the Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed. In October 2020, the Commission published a proposal for a directive on adequate minimum wages in the European Union with the aim of fighting in-work poverty.

Two initiatives under the European Pillar of Social Rights Action Plan were presented in March 2021 – the EU Strategy on the Rights of the Child and the proposal for a Council recommendation establishing a European Child Guarantee. The action plan also announced other initiatives, including: the European Platform on Combating Homelessness, which was launched in June 2021, a Council recommendation on minimum income (2022) and an initiative on long-term care (2022), as well as a high-level expert group on the future of the welfare state, which will present its report by the end of 2022. The Commission also proposed a revised version of the Social Scoreboard to better reflect the policy priorities of the action plan. In June 2021, the Ministers of Employment and Social Affairs endorsed a renewed list of headline indicators.

B. Anti-discrimination legislation

1997 can be regarded as a turning-point, as a new article – Article 13 (now Article 19 TFEU) – was introduced into the Treaty Establishing the European Community (TEC), empowering the Council to take action to deal with discrimination on a whole range of new grounds, including racial or ethnic origin, religion or belief, age, disability and sexual orientation. In 2003, this article was amended by the Treaty of Nice to allow the adoption of incentive measures. The 2017 European Pillar of Social Rights reaffirmed the principles of gender equality and equal opportunities.

A number of directives have been adopted in this area:

— The Racial Equality Directive (2000/43/EC);
— The Employment Equality Directive (2000/78/EC);
— The Equal Treatment Directive (2006/54/EC), merging a number of previous directives dedicated to equal opportunities for men and women;
— Directive (EU) 2019/1158 on work-life balance for parents and carers, which takes a broader perspective on sharing care responsibilities between women and men.

Two further Commission proposals for directives enhancing equality failed to achieve consensus in the Council: the directive on gender balance on company boards, proposed in 2012, and the directive on implementing the principle of equal treatment between persons outside the field of employment (the horizontal anti-discrimination directive), proposed in 2008. Both proposals are listed as a priority pending proposals in the Commission work programme for 2021.

C. EU funding

The main funding instrument is the European Social Fund (ESF), which makes EU funding available to co-finance actions aimed at combating discrimination and helping
the most disadvantaged gain access to the labour market (2.3.2 European Social Fund).

The Employment and Social Innovation (EaSI) programme provides financing at EU level to modernise employment and social policies with the aim of guaranteeing adequate and decent social protection, promoting high-quality and sustainable employment, and combating discrimination, social exclusion and poverty. One of its three axes, the PROGRESS axis, provides funding to test social and labour market policy innovations.

In March 2014, Parliament and the Council adopted Regulation (EU) No 223/2014 on the Fund for European Aid to the Most Deprived (FEAD). The fund supports Member States’ actions to provide material assistance, in combination with social inclusion measures, to the most deprived. In April 2020, the FEAD was amended as part of the Coronavirus Response Investment Initiative Plus package to make additional resources available for the years 2020, 2021 and 2022.

In May 2018, the Commission issued its proposal for a European Social Fund Plus (ESF +) for the period 2021-2027. In June 2021, Regulation (EU) 2021/1057 establishing the ESF+ was adopted with a total budget of EUR 88 billion in 2018 prices. The Regulation requires 25% of the funds to be earmarked for social inclusion, at least 3% of the budget to be spent on food aid and basic material assistance for the most deprived and in EU countries where the number of children at a high risk of poverty is above the EU average, a minimum of 5% of ESF+ resources must be spent on measures that contribute to children’s equal access to free healthcare, education and childcare, decent housing and adequate nutrition.

In September 2020, the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) was established to support Member States in their efforts to cope with the COVID-19 pandemic and to preserve jobs and incomes, especially through short-term work schemes. The instrument can provide EU loans of up to EUR 100 billion in total to affected Member States to address sudden increases in public expenditure required to preserve jobs.

The Recovery and Resilience Facility (RRF) entered into force in February 2021 with the aim to provide up to EUR 723.8 billion in funding through the end of 2026 to mitigate the economic and social impact of the COVID-19 crisis. Two of the six pillars set out in the RRF will contribute to tackling poverty and social exclusion: the pillar on social and territorial cohesion and the pillar on policies for the next generation, children and youth.

D. EU strategies for specific groups

A new EU disability strategy for 2021-2030 was presented by the Commission in March 2021. It contains proposals to launch a new European disability card by the end of 2023, initiatives to further improve accessibility following the adoption of the Web Accessibility Act (Directive (EU) 2016/2102) and the European Accessibility Act (Directive (EU) 2019/882), and actions to ensure that people with disabilities can participate fully in education, work and democratic life, and enjoy decent living conditions.
The von der Leyen Commission has made building a ‘Union of Equality’ one of its key priorities, resulting in a number of new initiatives. A new Gender Equality Strategy 2020-2025 was presented by the Commission in March 2020, following on from the 2016-2019 strategic engagement for gender equality. In March 2021, the Commission presented a proposal for a directive on pay transparency and enforcement mechanisms to strengthen the application of the principle of equal pay for equal work between men and women.

In September 2020, a new EU anti-racism action plan 2020-2025 was proposed. It includes a commitment to report on the application of the Racial Equality Directive. As part of the action plan, the Commission presented a EU Roma strategic framework for equality, inclusion and participation and proposed a Council recommendation on Roma equality, inclusion and participation.

In November 2020, the Commission presented the first-ever EU strategy for lesbian, gay, bisexual, trans, non-binary, intersex and queer (LGBTIQ) equality, which includes an undertaking to publish a report on the application of the Employment Equality Directive by 2022.

In November 2020, the Commission also adopted an action plan on integration and inclusion for 2021-2027, which makes proposals in four areas: education, employment, housing and health, with the aim of promoting the integration and social inclusion of migrants and people with a migrant background.

EU measures have also focused on young people. In 2012, faced with a high number of jobless young people, the Commission proposed a Youth Employment Package, which was followed by the Youth Guarantee in 2013. Another initiative to create new opportunities for young people was the European Solidarity Corps (2.3.3 Employment policy), launched by the Commission in December 2016. In response to the COVID-19 pandemic and its disproportionate impact on young people, the Commission proposed the Youth Employment Support package, including a Council recommendation on a reinforced Youth Guarantee (A Bridge to Jobs), in July 2020. The previously mentioned EU strategy on the rights of the child includes actions to tackle poverty, racism and discrimination affecting children.

Additionally, in February 2016 the Council adopted a recommendation on the integration of the long-term unemployed into the labour market, as proposed by the Commission.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament has repeatedly adopted resolutions with the goal of strengthening EU action to reduce poverty and improve the conditions and prospects of the socially disadvantaged, e.g. its resolution of 8 October 2020 on the employment and social policies of the euro area 2020, in which it expressed concern about the devastating social effects of the COVID-19 crisis, and its resolution of 11 March 2021 on the employment and social aspects in the Annual Sustainable Growth Strategy 2021. In these resolutions, Parliament calls for social sustainability to be anchored in the ASGS, for robust social welfare systems and for the establishment of a European unemployment reinsurance. In February 2021, Parliament repeated this latter demand.
in a resolution on reducing inequalities with a special focus on in-work poverty in which it also called for an overarching European anti-poverty strategy and for the Commission to present an EU framework on minimum income. Demands first put forward by Parliament in 2015 for a European Child Guarantee have now been put into action by the Commission with its proposal for a Council recommendation.

The Treaty of Lisbon (Article 19(1) TFEU) gave Parliament the power of consent in relation to the adoption of non-discrimination legislation. Parliament was an active player in the debate that led to the inclusion of this article, and it has often called on the Commission and the Member States to ensure the full and timely implementation of the relevant directives. In its resolution of 7 February 2018 on protection and non-discrimination with regard to minorities in the Member States, Parliament expressed regret at the lack of progress on the horizontal anti-discrimination directive and asked the Commission and the Council to re-launch negotiations. It reiterated these demands in a number of subsequent resolutions and held a plenary debate on the subject in October 2019. Parliament has also called for the mainstreaming of gender equality in budgets and policymaking and for gender impact assessments to be carried out when establishing any new policy. Resolutions have also expressed concern about the gender dimension of poverty and the gender pension gap (e.g. resolutions of 14 June 2018 and 16 November 2017). Its resolution of 17 April 2018 focuses on empowering women and girls through the digital sector.

Parliament has also focused on the plight of specific groups during the pandemic. On 17 April 2020, it adopted a resolution on EU coordinated action to combat the COVID-19 pandemic and its consequences, in which it addressed the situation of a number of vulnerable groups and called for a comprehensive anti-poverty strategy. In the resolution, Parliament also called on Member States to ensure that community-based care and support services needed by persons with disabilities are funded, well equipped and properly staffed. On 1 July 2020, Parliament adopted a resolution on the rights of persons with intellectual disabilities in the COVID-19 crisis, and on 17 September 2020, it adopted a resolution on the implementation of National Roma Integration Strategies, in which it called on Member States to do more to combat social exclusion and anti-gypsyism, to improve the lives of Romani people and to protect their health amid the COVID-19 crisis. Rising homelessness rates across the EU and the lack of affordable housing have become subjects of growing concern for Parliament, as shown in its resolution of 24 November 2020 on tackling homelessness rates in the EU and its resolution of 21 January 2021 on access to decent and affordable housing for all, in which Parliament calls on the Commission and the Member States to ensure that the right to adequate housing is recognised and enforceable as a fundamental human right in European and national legislation.

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