

COMBATING POVERTY IN EUROPE: MIXED RESULTS, NEW PROPOSALS



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Since the 1970s, the European Union has been elaborating definitions and data on poverty. The Member States have managed to gradually agree on guidelines to measure and to act. In the 2000s, the Lisbon Strategy provided new impetus, with the explicit ambition of moving towards eliminating poverty and in the 2010s, the Europe 2020 strategy set a quantified target of reducing the number of poor people (20 million less). The moment of truth for the first reviews and perspectives, coming at a time of a major health and economic crisis, makes it possible to review these indicators and intervention tools. This note supports two proposals. Firstly, in favour of concentrated efforts on extreme poverty and on the homeless. Secondly, for a truly European approach to assessing poverty, with a calculation threshold set at EU level.

Poverty is a growing priority on the EU agenda and in European law. Over time, the EU has become equipped with statistical tools and legal powers, but above all it has set itself an ambition. With hindsight, by exaggerating ever so slightly we could go so far as to say that since the beginning and the promise of prosperity inherent to the post-war construction of Europe, the theme of poverty has been implicitly European. Schuman's call, for example, conveys this vision, from the point of view of solidarity¹. The common market and the opening of borders were designed for the benefit of all. It was not until the Treaty of Amsterdam (1997) however, that combating poverty became one of the powers of the EU, thus truly allowing it to act.

¹. We can therefore read in the Schuman Declaration of 9 May 1950 that "the solidarity in production", then organised around coal and steel, "will be offered to the world as a whole without distinction or exclusion, with the aim of contributing to raising living standards and to promoting peaceful achievements".

“The fight against poverty and social exclusion is one of the key commitments of the European Union and its Member States”². This statement, dating back to 2008, solemnly enshrines the importance of the topic for the EU, by announcing the European Year for Combating Poverty and Social Exclusion (2010). It should be noted from the outset that there are many possible distinctions between exclusion and poverty. According to the different interpretations, one may be a synonym, dimension or extension of the other. The European choice consists in considering income poverty (low income) as a unique but insufficient measurement of the phenomena of exclusion. The fact remains that all the dimensions of low income and limited capacities are very often encapsulated in the term “poverty”³ in non-specialised EU literature.

1 ■ FROM THE FIRST DEFINITIONS AS OF THE 1970s

For a long time, social concerns were de facto totally subject to economic ones. For the Founding Fathers, the benefits arising from the advancement of the common market would lead to social progress. During the early years of the European Communities, social issues, and poverty in particular, were not given much consideration. In January 1974, a first resolution of the Council paved the way for possible support at Community level for programmes on the “implementation, in cooperation with the Member States, of specific measures to combat poverty by drawing up pilot schemes”⁴.

These initial Community interventions were sharply focused on poverty, as can be seen from their titles: Poverty 1 (1975-1980), Poverty 2 (1985-1989) and Poverty 3 (1989-1994). A programme entitled Poverty 4 had been envisaged for the 1994-1999 period, but it was not adopted due to opposition from the Irish and the British, whose objections were based on the principle of subsidiarity and on what they deemed insufficient efficiency.

These first three programmes, consisting mainly of studies, led to progress in terms of quantifying and understanding poverty. As part of the definitions, in the 1975⁵ Council Decision it was first of all indicated that “the Community has the task of promoting throughout the Community the harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living”. The text also considers that “the continued existence of poverty in the Community is inconsistent with attainment of the above objective”, which legitimises more specific action by the Community. The Council therefore proposed a definition for the purposes of its decision: **“persons beset by poverty: individuals or families whose resources as so small (material, cultural and social) as to exclude them from the minimum acceptable way of life of the Member State in which they live”**.

This definition would serve as a cornerstone for the work and especially for the evaluations of the profiles of poverty as part of the Poverty 2 programme. A communication presenting the final report of this second programme particularly highlighted the multi-dimensional nature of poverty⁶. The rapporteurs wrote that “poverty is not just a shortage of money”. It has “multiple aspects”. Seeking to understand it statistically, they used a relative income poverty threshold, in this case set at 50% of the average disposable income. Those individuals and households with income below this threshold were considered as poor. The experts based their calculations on national poverty thresholds and—an element that would be rarely be used again—on the European average. They also based their work on the first Eurobarometer polling waves, which have dealt with poverty and its perception since 1976, thus highlighting the first results on subjective poverty. The third Community programme, Poverty 3, provided new estimates. From a technical point of view, to calculate the poverty threshold, there was a

2. Decision No 1098/2008/EC of the European Parliament and of the Council of 22 October 2008 on the European Year for Combating Poverty and Social Exclusion.

3. On this subject we take the liberty of referring to Julien DAMON, *L'Exclusion*, Paris, PUF, coll. “Que sais-je ?”, 2018.

4. Council Resolution of 21 January 1974, concerning a social action programme.

5. Council Decision of 22 July 1975 concerning a programme of pilot schemes and studies to combat poverty (75/458/EEC). This definition and these motivations would be adopted in almost identical form in 1984. See the Council Decision of 19 December 1984 on specific Community action to combat poverty (85/8/EEC).

6. See the Final Report on the Second European Poverty Programme. 1985-1989. COM(91) 29 final.

move from the average to the median income. The criterion of relative income poverty was then set at three different thresholds (40%, 50% and 60% of the median)⁷.

More specifically, it was during the period covered by the Poverty 2 and Poverty 3 programmes that a major initiative in terms of fighting poverty at Community level acquired a foothold and expanded. **The EU's Food Distribution Programme for the Most Deprived Persons (MDP), which has since become the Fund for European Aid for the Most Deprived (FEAD), was established in 1987, under the impetus of Jacques Delors**, the then President of the European Commission and the French comedian Coluche who had just launched his *Restos du Cœur* (French charity fighting food waste and hunger). At the beginning, this programme used unsold food stocks from the CAP (Common Agricultural Policy) by distributing them to authorised charities.

2 ■ POVERTY GRADUALLY ENTERS EUROPEAN LAW

In parallel to the Community programmes, a series of texts made poverty an increasingly present subject, going so far as to provide a legal basis to European interventions. A Council Resolution of 29 September 1989 focused on the theme of “combating social exclusion”⁸. It specified that “combating social exclusion may be considered as an important part of the social dimension of the internal market”. In June 1992 this resolution was followed by a recommendation on the common criteria concerning the sufficient level of resources and the role of aid in social protection systems⁹. This recommendation called on Member States to “recognize the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity as part as a comprehensive and consistent drive to combat social exclusion”. It emphasised the need to have comparable indicators and asked the Commission “to encourage and organize, in liaison with the Member States, the systematic exchange of information and experiences and the continuous evaluation of the national provisions adopted”.

Over the same period, that of the mid-1990s, concerns about global poverty gave rise to Community work, fuelled by analyses from the World Bank. It may be noted here that the Community experience in terms of combating ‘internal’ poverty and experience in terms of international cooperation mutually sustain each other. In a 1993 Communication¹⁰, these links are explicit. The Commission suggests “coordination to improve understanding of poverty and to evaluate the impact of policies and projects”, by dealing with all types of poverty-fighting policies throughout the world.

In 1996, the European Parliament delivered a resolution¹¹ on “the International Day for the Eradication of Poverty”. It declared it was “profoundly concerned” both by “the large number of people worldwide who live below the poverty threshold and is particularly disturbed by the widening gap between rich and poor in the industrialized European Union and by the emergence of new forms of social exclusion”. The Parliament, recalling the Council definition of 1975 (quite often used since), considers that (quoting the Commission) there are some 52 million persons in Europe living below the poverty line, set at 50% of average national spending. It considers that this phenomenon “has a serious impact on human rights as a whole and fundamental freedoms”. Going even further, it considers that “its eradication should be a high-priority item on the EU’s agenda”. After these recitals, the Parliament called on “the Community institutions to indicate clearly their political determination to combat poverty and social exclusion”. It also called on the Commission to compile and publish annually figures concerning the

7. Concerning the importance of these various thresholds, see the different analyses and data gathered by the dynamic French Observatory of Inequalities: www.inegalites.fr

8. Resolution of the Council and of the ministers for social affairs meeting within the Council of 29 September 1989 on combating social exclusion (89/C 277/01).

9. Council Recommendation (92/441/EEC) of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems.

10. Communication COM (93) 518, from the Commission on “The policy of the Community and its Member States on the campaign against poverty in developing countries”.

11. *Official Journal*, no. C 347, 18 November 1996.

number of people living below the poverty threshold in the European Union, and called on the Member States to commit to establishing a range of common indicators to that end.

A further argument in favour of Community intervention to combat poverty appeared in the European texts in March 1997, with a communication from the Commission on modernising and improving social protection in the European Union¹². The principle consisted in no longer considering social protection as a burden or an expense, but rather as a productive element (later on the term ‘investment’ was used¹³) that contributed to political stability and the improvement of economic performance.

The argument allowed the acceptance of a new legal foundation for combating exclusion and poverty, which, in this way, was integrated into the Treaty of Amsterdam signed in 1997. The text, which entered into force on 1 May 1999, introduced among the spheres of action of the European Community, the fight against poverty and social exclusion, which would “support and complement the activities of the Member States”. The harmonisation of national provisions in this area however, was excluded from Community prerogatives, just like the definition of minimum requirements.

3 ■ THE LISBON STRATEGY: TOWARDS THE ERADICATION OF POVERTY

The year 2000 was a landmark year in terms of organising the fight against poverty at Community level. This period, in addition to the elaboration of definitions and thresholds, also produced a common method. Ambition and voluntarism were the watchwords in Lisbon when the European Union, according to the terms of the Conclusions of the Council of March 2000¹⁴, set the “strategic goal” for the next decade “to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion”, thus making social cohesion a focal point that, in theory, was just as important as economic reform and job creation.

The Council therefore invited the Member States and the Commission to take steps to “make a decisive impact on the eradication of poverty” by 2010. Quantifiable targets were not set for this process aiming to eradicate poverty, even though the principle had been discussed on numerous occasions. “The number of people living below the poverty line and in social exclusion in the Union is unacceptable. Steps must be taken to make a decisive impact on the eradication of poverty by setting adequate targets to be agreed” stipulate the conclusions of the Presidency of this Council, known in particular for having launched the “Lisbon Strategy”. **The major ambition of eradicating poverty also corresponds to that which the international community was promoting at the time.** . It was in fact at international level, in the formwork of the development programmes, that the idea was fine-tuned and the goal clearly stated. The heads of State present at the UN summit in Copenhagen in 1995, thus committed to “eradicating poverty”, while at the Millennium Summit five years later, they affirmed their will to “free our fellow men, women and children [...] from extreme poverty” and to “create an environment conducive to development and to the elimination of poverty”. In this way they launched the Millennium Development Goals (MDGs) to which quantifiable goals were attached. These commitments, wishing to contrast sharply with the former declarations of intent, were based on the achievement of objectives¹⁵. Covering the 2000-2015 period, the MDGs were followed by the Sustainable Development Goals (SDGs) for the 2015-2030 period. The first of these consists in “Ending poverty in all its forms everywhere”. It

12. Modernising and Improving Social Protection in the European Union (COM/97/0102 final)..

13. For a view on this theme of ‘social investment’, see Jacques DELORS and Michel DOLLÉ, *Investir dans le social*, Paris, Odile Jacob, 2009..

14. Full text here: : www.europarl.europa.eu/summits/lis1_fr.htm

15. La Déclaration du Millénaire (Déclaration du Millénaire. Résolution adoptée par l’Assemblée générale, 55/2, 13 septembre 2000) cont15. The Millennium Declaration (Millennium Declaration. Resolution adopted by the General Assembly, 55/2, 13 September 2000) contains a commitment to eradicate poverty: “We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want.”

would be presumptuous to make the Lisbon Strategy, from the point of view of poverty, a prophetic element or a variation of the MDGs. In any case, both dynamics, it cannot be said enough, are linked.

In order to reach their objective, **the European leaders launched the process of “social inclusion”¹⁶ 16 so that the EU would become more involved in terms of social cohesion, while at the same time accommodating national prerogatives – due to subsidiarity.** “Social inclusion” became the term of reference, sometimes preferred to “the fight against poverty and social exclusion”. In this context, it was decided to develop a set of indicators that would allow Member States and the Commission to observe the progress made in reaching (or not) the objectives set in terms of social issues, particularly concerning poverty¹⁷.

To give body to the process, the EU created a strategic framework for observation and coordination between the Member States, which also involved associations, local authorities and social partners. **The ‘open method of coordination’ (or OMC) aims to evaluate and provide guidance for social protection systems, based on the exchange of ideas and on harmonised statistics.**

From the viewpoint of poverty, this method is based on a standard timeline: setting common objectives, presentation of national action plans for social inclusion (NAPS/incl), drafting by the Commission of a joint report based on a summary of these plans and of “peer reviews” intended to identify and then disseminate the best practices.

Just as in other domains (pensions, health, employment), this OMC has been revised several times. But the essence is there: common objectives; detailed indicators, regular reports to the Commission. With solid surveys and statistics, the comparisons unfurled in a Union where, at the end of the 2000s, 17% of inhabitants (and 20% of children) were considered as “poor”, or more precisely “at risk of poverty”. Being “at risk of poverty” means living in a household whose income, after social transfers, is below 60% of the median income. **In the European approach, poverty is basically considered as a multi-dimensional phenomenon and is not simply based on low income.** Hence the formula used “at risk of poverty”, when referring to people whose income is below 60% of the median income.

Beyond the single approach of income poverty, the period will have developed measurements of poverty in terms of “living conditions”. **At European level, an indicator of “material deprivation” was therefore measured.** This takes account of the proportion of people living in households that cannot afford at least three of the following nine items: 1/ unexpected financial expenses, 2/ one week’s holiday away from home per year, 3/ ability to pay mortgage or rent payments, utility bills, hire purchase instalments or other loan payments, 4/ a meal with meat, chicken, fish or a vegetarian equivalent every second day, 5/ heating to keep their home adequately warm, 6/ a washing machine, 7/ a colour television (TV), 8/ a telephone, 9/ a car. Material deprivation is considered “severe” when households cannot afford at least four of these items.

The adoption of this indicator of “poverty rate in terms of living conditions” or of “material deprivation” illustrates the process of creating a portfolio of the different types of measurements for the open method of coordination, linked to the ambition of eradicating poverty.

As part of the continuous fine-tuning of indicators, the sources and methods used are harmonised. The Community statistics on income and living conditions, moved from using data from the European Community Household Panel (ECHP), used for the 1994-2001 period, to a more complete system implemented in 2004, the EU-SILC (European Union Statistics on Income and Living Conditions)¹⁸.

¹⁶. See Eric MARLIER, Anthony B. ATKINSON, Bea CANTILLON, Brian NOLAN, *The EU and Social Inclusion. Facing the Challenges*, Bristol, Policy Press, 2006.

¹⁷. The history of these indicators is sometimes compared to former French work on the need to develop well-being indicators. See, in particular, Jacques DELORS (dir.), *Les Indicateurs sociaux*, Paris, SEDEIS/Futuribles, 1971.

¹⁸. 18. The ECHP was a European survey that annually interviewed a representative panel of households and individuals in each Member State. EU-SILC constitutes the reference source at European level for comparative statistics in the field of income distribution and poverty. With improved quality and an increased set of information, since 2005 the EU-SILC surveys have provided new information on poverty and social exclusion. While the ECHP was launched on the basis of an informal agreement, the EU-SILC statistics are part of a framework regulation of the European Parliament and the Council (EC No 1177/2003).

What emerges from the full scale of this process is a profusion of indicators that fuel datasets, which in turn provide information to numerous scoreboards. Foremost among the indicators filling pages of data is the at-risk-of-poverty rate and material deprivation, but also the persistent at-risk-of-poverty rate, intensity of poverty, the at-risk-of-poverty rate per age bracket, type of household and work intensity, according to the labour status. Also included in these tables are other more sectoral indicators such as accommodation difficulties, unsatisfied health care needs and children's wellbeing. This abundance of data stems from two observations: the difficulty of summarising poverty in a single indicator¹⁹; the insistence on heterogeneous forms of poverty and of the Member States facing poverty²⁰.

Europe in the fight against poverty, structured around the Lisbon Strategy, involves data and flexible cooperation. It also involves legal foundations, therefore moving from soft law to hard law. **The Lisbon Treaty, signed in 2007, thus enshrines the fight against exclusion as one of the cross-cutting objectives of the Union.** According to Article 3 of the Treaty, the Union shall "combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child. It shall promote economic, social and territorial cohesion, and solidarity among Member States"²¹.

In the end, did this Lisbon Strategy make a decisive impact on the eradication of poverty by 2010, as it had announced? The strategy was inevitably modified due to the enlargements over the period to twelve new members whose levels of wealth were well below the average of the Europe of 15 (in particular Bulgaria and Romania). Furthermore, the strategy was hit by the financial and economic crisis of the end of the decade. It is therefore easy to say the Lisbon was very far from achieving its goal and from the hoped-for impetus to eradicate poverty. Everything is perhaps in what we can call 'impetus'. Significant technical progress undoubtedly better identifies the phenomena. But simply from a quantitative viewpoint, given that the collection method and the content of data on poverty have changed with the move to EU-SILC, it is not possible to establish datasets for the 2000-2010 period.

It is in fact impossible to establish rigorous statistics based on the indicators from the OMC portfolio and on the databases used to feed them, in datasets since 2000, to determine if the objective of "making a decisive impact on the eradication of poverty" was reached.

This is not statistically possible. Nor is it politically possible, if we use the different figures that were officially announced. In 2000, at the time of the launch of the Lisbon Strategy and of the formulation of an ambition to eradicate poverty, the Commission was announcing a poverty rate of 18% in the EU. In 2005, when the Lisbon Strategy and the OMC were being modified, a communication on the "Social Agenda" at the start of the decade reported a rate of 15% of poor people in the EU²². In 2000, according to Communications, the number of poor people was estimated at between 15% and 18%. By the end of the decade, the Commission, with other sources and methods, reported between 16% and 18% of poor people. This was certainly very far from the eradication of poverty (using this indicator). **What seems to correspond to a stability of the poverty rate in Europe, despite enlargements to much less rich countries, can be partly explained by the very nature of the indicator itself. This stems first of all from national thresholds. It is not a fully European measurement,** with a poverty threshold that should have been drawn downwards by the integration of much less advantaged Member States. The approach remains a compilation of national approaches.

A response to the question concerning the success or failure of Lisbon is nevertheless clearly provided by the Social Protection Committee, in its report of September 2009²³: "despite the clear redistributive

¹⁹. Concerning the details of these indicators, their construction and their evolution in France, in the EU and worldwide, see Julien DAMON, *Éliminer la pauvreté*, Paris, PUF, 2010.

²⁰. Concerning the different forms of poverty in Europe, see Serge Paugam, *Les formes élémentaires de la pauvreté*, Paris, PUF, 2013.

²¹. The Lisbon Treaty entered into force on 1 December 2009 and with it the Charter of Fundamental Rights, which is a legally-binding instrument, except in three countries (United Kingdom, Poland and Czech Republic) who decided to opt out. Twenty years earlier, the British has already opposed a Charter of Fundamental Social Rights advocated by Jacques Delors and supported by the social partners at European level.

²². The Social Agenda COM(2005)33 final

²³. Press Release by the European Commission no. IP/09/1374 and MEMO/09/422 of 29 September 2009. See the report by the Social Protection Committee, *Growth, jobs and social progress in the EU. A contribution to the evaluation of the social dimension of the Lisbon Strategy*, Bruxelles, Commission européenne, 2009.

effect of social protection, inequalities have often increased and poverty and social exclusion remain a major issue in most countries, although with substantial differences across the EU.”²⁴

And yet, could it be considered a failure? At first glance the answer is obvious. It is less so if we bear in mind that the objective of “eradicating poverty” has no legal content and above all, has no direct consequence. The absence of precise quantifiable goals prohibits any definitive conclusions.

4 ■ THE EUROPE 2020 STRATEGY: 20 MILLION PEOPLE LIFTED OUT OF POVERTY?

The theme of setting quantifiable objectives in terms of poverty had unique repercussions on the occasion of establishing the European Union’s new strategy. The Member States, in total financial turmoil, were working on the outlines of their common guidelines for 2020. **The quantifiable reduction of poverty thus became one of the main dimensions of the Union’s action.**

In March 2010, the Council approved the main elements of the new “2020 strategy” fashioned by the Commission²⁵. The Council of 17 June finally adopted “Europe 2020”, presented as “our new strategy for jobs and smart, sustainable and inclusive growth”²⁶. Among its ambitions, this strategy was aimed at “promoting social inclusion, in particular through the reduction of poverty, by aiming to lift at least 20 million people out of the risk of poverty and exclusion”.

The objective is associated with a blend of definitions and indicators. Three criteria are used: at-risk-of poverty; material deprivation; jobless household.

- **Persons at risk of poverty** are those living in a household with available income below the poverty threshold which is set at 60% of the national median income. In layman’s terms we simply say “poor”. Experts speak of relative income poverty. This is the approach that has been fine-tuned since the 1970s. It should be noted that it is in fact a compilation of national methods as it is the national thresholds that are taken into consideration.
- **Persons experiencing severe material deprivation** are faced with the absence of goods and services considered important. This is a more recent method, which has become standard, for measuring poverty in terms of living conditions. The approach, in this particular case, is fully European as it does not depend on the nationally determined poverty threshold. Comparisons between Member States make more sense.
- **Persons living in households with very low work intensity** are persons aged 0-59 years living in households where on average the adults (aged 18-59 years) worked less than 20% of their total potential during the previous 12 months. Students are excluded from this calculation. As for the method dealing with material deprivation, the European comparison is perfectly valid as the indicator is not in relation to national features.

Using this three-dimensional intertwined approach, poverty and exclusion evaluations become increasingly sophisticated. They lead to more precise knowledge of the related phenomena and mechanisms. In late 2010, Eurostat published an important document of compiled data²⁷, which was disseminated

²⁴. It should be noted that the SPC bases its argumentation on OECD data, following evolutions over time. See *Croissance et inégalités. Distribution des revenus et pauvreté dans les pays de l’OCDE*, Paris, OCDE, 2008.

²⁵. Europe 2020. A strategy for smart, sustainable and inclusive growth, COM(2010)2020 final

²⁶. The European Council of 25 and 26 March 2010 approved the general framework of the new Europe 2020 strategy, as well as a series of specific objectives. Full text: www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/fr/ec/113602.pdf.

The European Council of 17 June 2010 adopted the Europe 2020 strategy for growth and jobs, by confirming all its Community objectives. Full text: www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/fr/ec/115348.pdf.

²⁷. Anthony B. ATKINSON et Eric MARLIER (dir.), *Income and Living Conditions in Europe*, Luxembourg, Publications Office of the European Union, 2010.

at the closing conference of the European Year for Combating Poverty and Social Exclusion. The press release accompanying the document reported some 116 million persons affected in 2008 by poverty and social exclusion (representing 24% of the EU population at that time).

One major issue is that of determining whether to adopt an inclusive view (someone is poor according to at least one of the three criteria), or a cumulative view (someone is poor according to these three dimensions). Evaluations of the extent of poverty and social exclusion resulting from the choice between an inclusive or cumulative option are totally unrelated²⁸. It is not strategic it is first and foremost mathematic. Eurostat, in its communication, made the choice of an inclusive approach. The press release can therefore talk of 116 million persons affected. But the figures from a cumulative approach—which provides a totally different image—are also proposed. Some 7 million persons are in fact concerned in the EU, when the three-dimensional method is used.

In 2010, the inclusive approach, with its 24% of poor in the European Union (for the year 2008), gives an image of mass poverty, which means that the goal of a reduction of 20 million poor could be more easily reached than a goal of eradicating extreme poverty defined by the cumulative approach. More strategically, **it's a question of deciding what we want to do. Either we want firstly to improve the relative situation of persons in difficulty (116 million in Europe) but who are not in extreme cases of deprivation. Or we want firstly to eradicate situations of extreme poverty, which are intolerable in our societies of abundance (7 million in the EU).** It is not exactly the same thing.

Once these technical considerations have been recalled, what happened to the time of the Europe 2020 strategy? From the simple viewpoint of statistical monitoring, in late 2019 Eurostat published the data for 2018, which provides strong hindsight on the decade which began with the 2008 figures²⁹. L'institut statistique souligne une tendance à la baisse pour la proportion de personnes menacées de pauvreté ou d'exclusion sociale dans l'Union. Mais, en 2018, ce sont toujours 109 millions de personnes, soit 22 % de la population de l'Union. Après trois années consécutives de hausse entre 2009 et 2012 pour atteindre près de 25 %, la proportion de personnes ainsi affectées dans l'Union a depuis continuellement baissé pour s'établir à 21,7 % en 2018. **Malgré cette baisse depuis le pic en 2012 (124 millions de personnes), 8 millions de personnes seulement (y compris la Croatie) ont été sorties du risque de pauvreté ou d'exclusion sociale par rapport au niveau de référence 2008** (116 millions hors Croatie). Ce nombre reste loin de l'objectif UE 2020 de faire sortir 20 millions de personnes de la pauvreté. Notons que c'est sur ce volet de la pauvreté que la stratégie UE 2020 semble le plus à la peine³⁰.

For a final picture, if we take the three criteria of the Europe 2020 strategy, today's figures still show one person in five concerned in the EU by this approach in its broad sense, one person in six concerned by income poverty, one person in 11 concerned by low work intensity, one person in 17 by material deprivation. And there is still approximately 1% of the population affected by the three cumulated dimensions (as in 2008).

Overall, income poverty and the share of households with low work intensity remained more or less stable (around 16% for the first, 9% for the second). However, there was marked progress for severe materially deprived persons (9% in 2008, 6% in 2018).

If we focus solely on the disparities between Member States, it must be specified first and foremost that the difference is almost between one and three, from the country with the lowest level (Czech Republic, 12%) to the highest rate (Bulgaria, 33%). In 2018, almost one third of the population was threatened by poverty or social exclusion in three Member States: Bulgaria, Romania and Greece. Over one quarter in four other countries: Latvia, Lithuania, Italy and Spain. At the opposite end, the lowest rates after the Czech Republic were in Slovenia, Slovakia, Finland and the Netherlands. France, at the same level as Denmark (17.4%) was in sixth place from the bottom.

²⁸. Pour une approche critique, voir Bertrand Maître, Brian NOLAN et Christopher T. WHELAN, « L'indicateur EU2020 de suivi de la pauvreté et de l'exclusion : une analyse critique », *Économie et statistique*, n° 469-470, 2014, pp. 147-167.

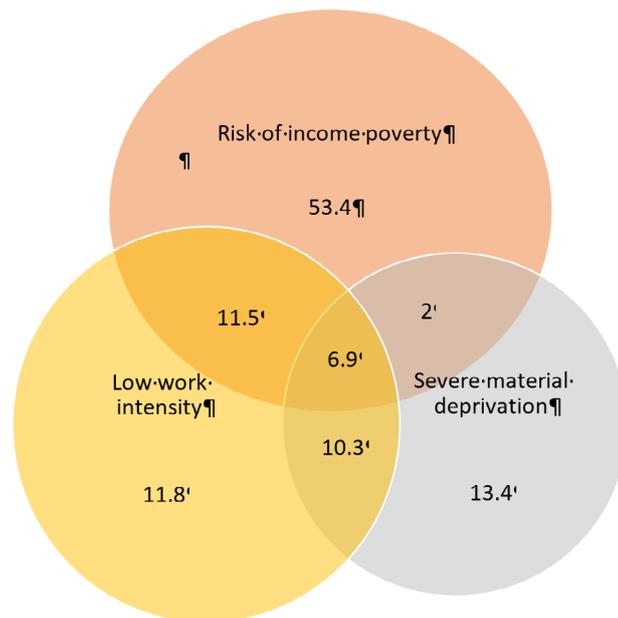
²⁹. Voir, sur le site d'Eurostat, les pages dédiées à la stratégie UE 2020 : <https://ec.europa.eu/eurostat/fr/web/europe-2020-indicators/europe-2020-strategy/headline-indicators-scoreboard>. Voir, en synthèse, le communiqué de presse publié le 16 octobre 2019, à l'occasion de la journée internationale de lutte contre la misère, <https://ec.europa.eu/eurostat/documents/2995521/10163476/3-16102019-CP-FR.pdf/>

³⁰. Already in 2017, the experts who were most involved in this theme made the following observation: "The EU has not made any progress towards achieving its 'Europe 2020' social inclusion target". See Anthony B. ATKINSON, Anne-Catherine GUIO et Éric MARLIER, *Monitoring social inclusion in Europe — 2017 edition*, Luxembourg, Publications Office of the European Union, 2017.

BOX ■ The three-dimensional approach (2018 data)

From the Venn diagram below, the overlapping points of the three criteria of the European approach clearly appear. The diagram shows how the risk of poverty or social exclusion is distributed among the three indicators that compose it and how they partially overlap. We can therefore clearly see the difference between an inclusive view of the three dimensions, which, in 2018 gave 109.2 million people at risk of poverty or social exclusion, and a cumulative view in which 6.9 million people were concerned. A key issue for policies to fight poverty is knowing what to target: poverty in its extended form (with a combination of the three chosen criteria), or extreme poverty, which is a cumulation of different problems (at the intersection of the three criteria).

**RISK OF POVERTY OR SOCIAL EXCLUSION
 IN 2018: 109.2 MILLION PEOPLE**

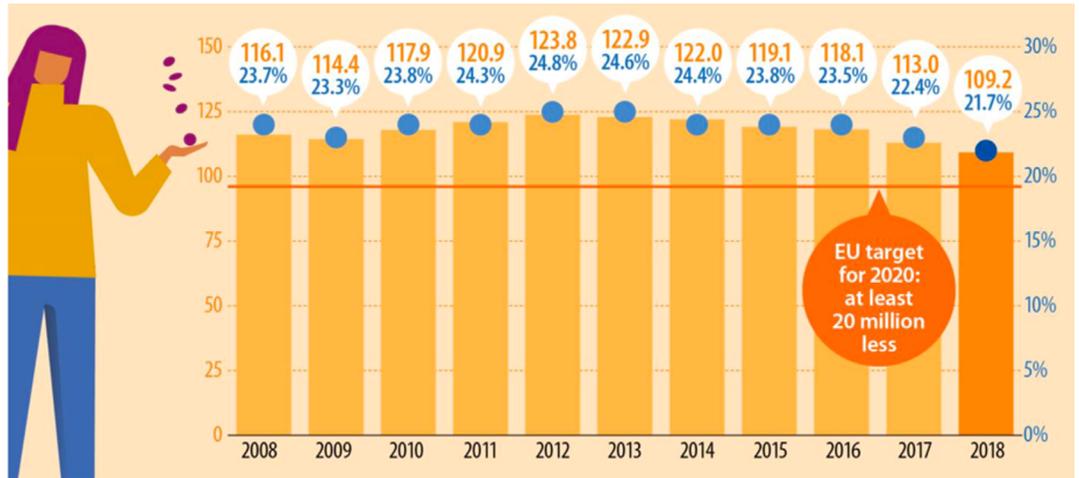


Source : Eurostat

From 2008 to 2018, the largest decreases concerned Bulgaria (from 45% to 33%, i.e. -12 points), Romania (-11.7 points), Poland (-11.6 points) and Hungary (-8.6 points). Conversely, other countries saw an increase: Luxembourg (from 16% to 22%, therefore +6 points), Greece (+4 points), Estonia (+3 points), Spain (+2 points) and Italy (+1.8 points). France, for its part, saw a very slight decrease (from 18.5% to 17.4%).

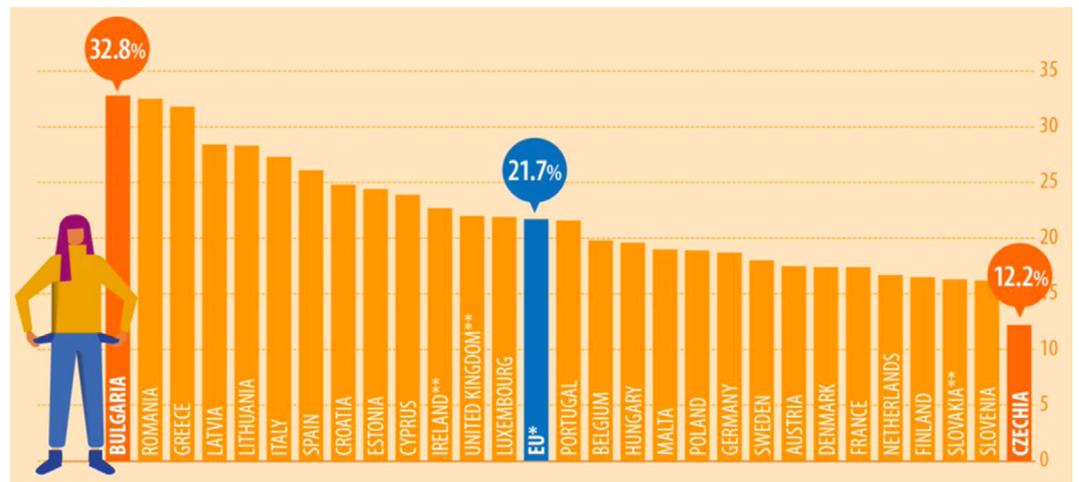
As a final remark, it must be recalled to what extent these data from European statistics are primarily based on national characterisations of poverty, with a poverty income threshold (most important of the three Europe 2020 criteria) which is calculated in each country and not in the EU taken in its entirety. This explains why some countries with a relatively low level of per capita GDP (Malta, Poland, Slovakia, Czech Republic) may be well ranked. Or why the richest country in Europe has a poverty rate situated just above the Community average. It is the nature of the social stratification and the extent of inequalities that are thus measured in each country, with the established indicator, and not that of the EU in its entirety.

GRAPH 1 ■ Persons at risk of poverty or social exclusion in the EU, 2008-2018 (in millions of persons and as a % of total population, 2018 data)



Source : Eurostat

GRAPH 2 ■ Persons at risk of poverty or social exclusion in the Member States (% of the total population, 2018 data)



Source : Eurostat

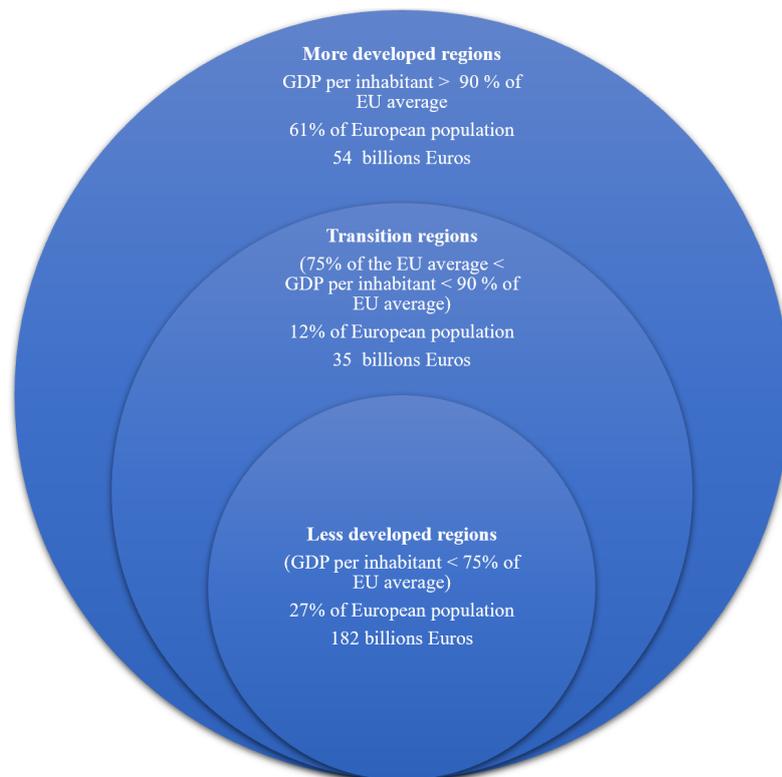
5 ■ EUROPEAN ACTION AGAINST POVERTY

Europe's main contribution will have consisted in producing and harmonising definitions and data. But Community action also involves real action.

Firstly, indirect action, through all the economic development programmes and through the structural funds with more social focus that all contribute to improving living conditions and well-being. Whether it comes to the European Social Fund or cohesion policy, numerous operations and a certain amount of financing concern the fight against poverty, either explicitly or not. We could even add everything concerning employment, with the aim of prevention or social measures. Not forgetting mechanisms such as the Youth Guarantee³¹ or the SURE instrument, which, faced with the 2020 crisis, aims to provide additional aid to the national mechanisms of partial unemployment and aid to self-employed workers in the form of loans granted by the Commission to the Member States.

To underline the importance of combating poverty and inequality in the European interventions, we can analyse the cohesion policy (or regional policy) in an original manner. The latter, with its 350 billion euros (i.e. one third of the Community budget), for the 2014-2020 period, is a targeted territorial policy. Mobilising structural funds (ESF, ERDF and cohesion funds), it applies to 274 regions. It is not only the poor regions that are eligible, but the least privileged regions are particularly targeted. In this way, the so-called "less developed" regions, defined by a GDP below 75% of the EU average, concentrate almost half the funding of this policy whereas they only concentrate one quarter of the EU population. To a certain extent, the cohesion policy has a powerful dimension of combating poverty, granted, targeting poor territories rather than poor populations.

GRAPH 3 ■ The interconnected targets of the cohesion policy



DG régions

31. The Youth Guarantee was established in a recommendation by the Council (2013/C 120/01) in 2013. It is a commitment by all EU countries to ensure that all young people under the age of 25 can receive a good quality offer of employment, continued education, a traineeship or apprenticeship. This commitment allowed the ESF to partly finance the start of the "Youth Guarantee" mechanism in France, allowing support for young people in difficulty through a financial payment for several months.

From a strategic and doctrinal viewpoint, the European bodies also are of the utmost importance, in terms of combating poverty, insofar as they adopt recommendations, analyses and guidelines that impact national policies. The same applies for all support in terms of social inclusion and also 'active' inclusion. Guidelines concerning a guaranteed sufficient income, active policies fostering integration into the labour market, access to quality services (for example for childminding, especially for families in difficulty) have all been translated in the Member States. These bodies also continue to fuel reflection, proposals and discussions for more binding instruments, such as minimum wage obligations or even common minimum wage standards.

In terms of measuring poverty, the EU not only defines and produces data, it also intervenes and provides significant funding, not least through its powerful regional policy. It also affirms a legal corpus and rights, for example through the Charter of Fundamental Rights of the European Union (2010) and the European Pillar of Social Rights (2017)³².

In concrete and more visible terms, the EU acts directly regarding the fight against poverty. Its action is based on initiatives and support for national policies, the integration of young people and fighting unemployment and energy poverty. Given that poverty is multi-dimensional, the action to combat it is multifactorial.

The most symbolic European intervention, targeting the most deprived, certainly concerns food aid. It is symbolic due to its unique visibility. It is also symbolic in relation to its legal developments.

The European Union Food Distribution Programme for the Most Deprived Persons of the Community (MDP), established in 1987, provided an urgent response to what was then called "new poverty". This programme, built as an element associated with the CAP, made it possible to use unsold stocks from farming, and in so doing, provided direct support for associations involved in actions to help the most deprived. The MDP, which was extended until 2011, distributed food aid to millions of people in 19 of the 27 EU States, in particular in France, Poland and Italy.

The programme was however contested regarding the legal foundations and the alterations of the CAP. The latter was rationalised and the surpluses became increasingly limited. The MDP therefore no longer really managed agricultural surpluses but forms of social aid, which, in addition, were not really rigorously calibrated. The decrease in unsold CAP stocks was offset by the direct purchase of products by the European Union. The importance given to these purchases was such that the Court of Justice, referred to by Germany and supported by Sweden, considered that the MDP was no longer linked to the CAP but was part of direct social aid, and should therefore be funded as such. After a decision by the Court of Justice on 13 April 2011³³, the funding, which amounted to 500 million euros per year, was drastically reduced. France and Germany agreed to a prolongation for two years, and reflection was launched to create a new tool. The FEAD replaced the MDP in 2014³⁴.

This was not simply a change in abbreviation, but in fact the creation of a unique European tool supporting the actions led by the Member States in order to provide food aid but also other material assistance to the most deprived. The countries wishing to benefit from this fund had to submit a national programme to the European Commission for the 2014-2020 period. After examination, the Commission approved this programme. The national authorities were free to choose, in relation to their situation, the type of aid they wanted to provide, (food aid or basic material aid or a combination of both), and how they would procure and distribute the products. Countries can acquire the foodstuffs and other products themselves, then deliver them to the partner organisations, or provide financial aid to the latter, who then take charge of purchases.

³². The European Parliament, the Council and the Commission solemnly proclaimed the Charter of Fundamental Rights (2012/C 326/02) in October 2012. The European Pillar of Social Rights (2017/C 428/09), containing twenty principles, was approved by the European Parliament, the Council and the Commission during the Social Summit for Fair Jobs and Growth, 17 November 2017 in Gothenburg.

³³. T-576/08 – Germany v Commission

³⁴. Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived. This regulation was modified in 2018, in order to introduce several simplifications.

In April 2020, changes were made to the fund in order to react more quickly and more efficiently to the Coronavirus crisis. It was agreed, in particular, to propose a funding rate of 100% (instead of 85%) for operations. It was also made possible to provide food and material aid in the form of electronic vouchers (in particular due to the lower risk of contamination).

Over the 2014-2020 period, over 3.8 billion euros were allocated to the FEAD. This amount represents approximately 0.3% of the total EU budget. In the new European budget proposal presented by the Commission on 27 May 2020 for 2021-2027, funding earmarked for the FEAD was topped up. Yet this amount remains modest compared with the unprecedented €500 billion stimulus package to create a European “recovery fund” to deal with the crisis. On the one hand there are major investment and prevention policies to deal with economic difficulties and territorial disparities. On the other, a targeted policy, with much more limited means, for populations amongst the most deprived. The nature of these instruments and the intensity of these interventions may be disputed, in particular in the rather tenuous link with the sophisticated definitions produced to measure poverty. But the package certainly comprises a strategy of combating poverty or, to say it in European terms, social inclusion.

6 ■ TWO OBSERVATIONS FOR THE COMING PERIOD

The future of Europe on this issue of poverty will be composed of two elements.

First, the ability of Member States and of the Union to resist the crisis stemming from the Covid-19 pandemic and from lockdown. The various stimulus packages, both national and EU, contain general objectives to prevent falling into poverty and more precise goals concerning direct intervention to try to deal with emergencies. At Community level, this is the role (among others) assigned to the restructured FEAD.

Then, in the context of a new strategic framework driven in particular by the “Green Deal”, there is the question of knowing what position will be explicitly granted to issues of poverty. The Lisbon Strategy and the Europe 2020 strategy produced unique and ambitious objectives. Before the economic and social crisis due to Coronavirus, major emphasis had been placed on climate issues. In an even longer-term vision, Europe plans to be “climate neutral” by 2050, with social measures necessary for a “fair transition”³⁵. At this stage of the production of this new strategic environment, it should be noted that nothing specific has yet emerged on the issue of poverty. Is this a shortcoming? Are new ambitious quantified objectives lacking? Will the triple-criterion definition of poverty and social exclusion be kept? These questions are open for discussion.

At the end of this overview, two proposals could, more technically, fuel debate and decisions on the future developments of EU policy to combat poverty.

7 ■ A PRIORITY: THE HOMELESS

First of all, concerning the priorities to determine, it is important to limit the dispersion and the relative misunderstanding afforded by a very broad approach to poverty and social exclusion. With poverty—in the sense of people “at risk of poverty and social exclusion”—affecting over 20% of people living in Europe, the risk of fragmentation of the mechanisms is high. Focusing on extreme poverty, without creating a total disconnection, would constitute another avenue. “Extreme poverty” could mean lower poverty thresholds, for example in terms of income, at 40% of the median standard of living, and no longer at 60%. But this moving of the cursor would change figures without really changing things for public action. On the other hand, focusing on the more visible and more extreme forms of deprivation would certainly transform policies. Some European instruments and funds already target categories and minorities among the most deprived in the EU territory, the Roma in particular. But while it is true that the poorest are often Roma, especially in Eastern countries, it would be inexact to allege that all

35. https://ec.europa.eu/clima/policies/strategies/2050_fr

Roma are poor. In a context of targeting total deprivation and extreme poverty, it seems appropriate to focus primarily on the homeless as a priority. These are certainly among the poorest people in Europe and they do not necessarily feature in the statistics based on people living in households. With further opening of borders, the phenomenon has progressively taken on a fully European dimension³⁶.

Two avenues seem to be a priority for European action against extreme poverty. First, the EU could commit to eradicating the phenomenon within a ten-year perspective. The Lisbon Strategy was about moving towards eradicating poverty. Re-focusing on the homeless would certainly lead to more visibility and efficiency. A second avenue would be to create a European agency in charge of the theme, or at least a dedicated department within one of the Commission's directorates, formalising exchanges between Member States, but also organising the processing of files of nationals from other countries. Such an institution, which could be created by reconfiguring other agencies and departments, would provide the most basic outlines of what the EU wants to highlight as the social pillar. Europeanisation should also make it possible to respond better to a contemporary problem that has become major, that of the right of residence and of residence permits. De facto, on a European level, the homeless issue is increasingly linked to that of the migrant crisis. Increasingly, homeless people are also the undocumented. This is what the experts of the European Federation of National Associations Working with the Homeless (FEANTSA) call 'migrantisation'. This dimension is vital to understand the contemporary traits of homelessness³⁷. The French term 'sans-abrisme', which is widely used in Brussels and in expert circles, is quite a meaningful francisation of the English term 'homelessness'.

FEANTSA, which is highly considered in the European bodies, at least for its expertise, estimates that about 700,000 people are homeless in the EU³⁸. These people are either homeless (living in a public space), or in shelters for people and families who would be homeless without them. Dealing primarily with this particularly visible issue, which varies in intensity depending on the cities and countries, is legitimate. For this, however, further effective lobbying is still needed in order to determine a privileged course focusing on eradicating extreme poverty. Such a choice would also acknowledge the move from an approach of relative poverty to one of absolute poverty. Not for the reason of totally replacing it, but rather to highlight a very precise dimension, rather than all dimensions of poverty. In addition, highlighting such an addition, on absolute poverty, would strengthen the desired consistency between investments against Community poverty and against world poverty. While the Europe 2020 strategy does indeed end in 2020, the UN SDGs run until 2030. It should be recalled that the first of these, in particular, aims to end extreme poverty worldwide.

8 ■ A NEW PHENOMENON: A TRULY COMMUNITY-BASED THRESHOLD OF INCOME POVERTY

This list of indicators concerning the fight against poverty is already well complete. But the devil is probably in the detail. The data that are most conveyed and most discussed on poverty are concentrated in two of these indicators: relative income poverty (at 60% of the national median standard of living) and the risk of poverty and social exclusion (cross referencing three criteria, the most important remaining national relative income poverty).

In reality, poverty is still appraised in terms of national realities, as the income poverty thresholds are established on a national basis. We can understand this choice. It could very well be complemented by an approach using the European poverty threshold. For the coming years, it may be possible to communicate on 27 poverty rates from 27 poverty thresholds. But it may also be possible to communicate on 27 poverty rates from one single poverty threshold determined at European level (at 60% of the

³⁶. Concerning this topic of the homeless in Europe, see Julien DAMON, *Qui dort dehors ?*, La Tour d'Aigues, L'Aube, 2020.

³⁷. See, in particular, the report *Asylum Seekers, Refugees and Homelessness. The Humanitarian Crisis and the Homelessness Sector in Europe*, published by FEANTSA in 2017, www.feantsaresearch.org/download/feantsa-studies_06_web1893761109777125727.pdf

³⁸. See the excellent FEANTSA website, www.feantsa.org. The organisation, which was created in 1989, advocates for and proposes the eradication of homelessness in Europe.

median standard of living in the EU). In practical terms, this consists of a simple three-step operation. It could be honed by taking into account purchasing power parities (PPP).

In 2018, the monthly poverty threshold was €2,000 in Luxembourg and €170 in Romania. The difference therefore is more than one to ten. In PPP (€1,700 in Luxembourg, €320 in Romania) it changes to 1 to 5. This is just to indicate that national measurements are in fact in relation to national wealth. Yet, it would be wise and useful to recalculate the poverty rates in each country in relation to European wealth, and therefore in relation to a European threshold. This would turn the geography of poverty as we normally perceive it nowadays in the EU on its ear. Strangely, this three-step operation, for which access to data is required, has rarely been used. Such a Community threshold, as a complement to national methods, had been established in the late 1980s, as part of the Poverty 2 programme. Work in this direction had been carried out on the 2008 data³⁹. For an overall European poverty rate of 23%, very high rates emerged in what were the poorest countries at the time: approximately 80% in the Baltic countries, Poland and Slovakia, around 8% in France and Germany, around 5% in Austria and Denmark, 1% in Luxembourg. Renewing such an operation each year would approve a truly European vision of income poverty, which incidentally is more consistent with the other so-called measurements relating to living conditions. The proposal for a truly European threshold may seem minor, but it would mark a major step towards the Europeanisation of data on poverty.

These two final recommendations not only enrich the Eurostat databases but also clarify, prioritise and Europeanise action taken to fight poverty. While they do not revolutionise the European political agenda on fighting poverty, they substantially revise its content and scope. ■

³⁹. See *The Social Situation in the European Union 2008. New Insights into Social Inclusion*, Luxembourg, Office for Official Publications of the European Communities, 2009



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