

“2020 was not a normal year because of COVID. Now, the EU is at a turning point: either it fights poverty or it will allow poverty to rise to an unprecedented level.” These words, by Anna Krózser, Policy and Advocacy Coordinator for the European Anti-Poverty Network (EAPN) best sum up the spirit in which EAPN presented its 2020 Poverty Watch Report. The year 2020 can be considered a watershed for poverty for at least two reasons. First, it was the final of the EU Strategy Europe 2020. When the Strategy was launched (in 2010), it was considered to be particularly salient in the fight against poverty. The EU had decided to reduce by 20 million the number of people at risk of poverty in Europe; that there was a quantitative, hence measurable, target was considered particularly ambitious. What was also significant was the EU’s decision to hold itself accountable. In many of the Member States, poverty was on the rise because of the Great Recession and the ensuing austerity policies. The EU used EU funds, the European Semester, and the Social Investment Package to reach its goal. It is, however, safe to say that the Strategy missed its mark. According to the EAPN, it fell short by more than 8 million — and this was without taking into account the effects of COVID-19. The pandemic is of course the second reason why 2020 was particularly relevant. According to the EAPN, the COVID situation could lead to a steep increase in poverty, if the EU and the Member States do not adjust their policies. The thesis is that COVID is “supercharging poverty.” How?

How COVID is supercharging poverty

According to the 2020 Strategic Foresight Report, the ‘at risk of poverty’ rate is expected to increase by [4.8 percentage points](#). Indeed, the fact that COVID-19 could aggravate the problem is well accepted in the public discourse. During the online conference, Cindy Franssen MEP argued that COVID-19 is “disproportionately hitting the poorer in society.” But how exactly?

A host of new problems associated with social isolation had emerged, and the social security system was barely able to cope

The mechanism is as follows: the lockdown policies that were put in place are creating new needs that people who risk becoming poor are not able to meet. In proving the existence of this mechanism, EAPN's 2020 Poverty Watch does excellent work: one of the outstanding features of the report is the fact that it takes directly into account the perspectives of people in poverty in the various Member States. During the conference, local EAPN teams presented national perspectives on COVID-19 and poverty in Portugal, Slovenia, and Belgium, showing that, in all cases, an analogous mechanism was at play. In Portugal, according to Mrs Cidália Barriga and Mrs Paula Cruz, COVID-19 had put people at higher risk of poverty by making access to essential services such as health care and education more difficult. At the same time, a host of new problems associated with social isolation had emerged, and the social security system was barely able to cope. Mrs Danijela Marcola and Mrs Živa Humer said that in Slovenia, the groups most at risk of poverty are women, those above the age of 65, single-member households, single-parent families with school-age children, the unemployed, and workers in precarious employment. Poverty and social exclusion had risen; jobs that were already precarious had disappeared, leaving the people who depended on them to struggle. The numbers of students who have dropped out of university due to COVID-19 is symptomatic: those who counted on part-time jobs to pay their fees are now unable to finance their education. In Belgium, according to Mrs Noellie Denomerenge and Mrs Caroline Van Der Hoeven, COVID-19 had led to similar changes in the policy context, further damaging those at risk of poverty. The government-mandated lockdown policy has overburdened the existing health infrastructure, and many Belgian citizens have had trouble obtaining basic health care, let alone receiving advanced diagnoses. At the same time, an increase in unemployment had led to the danger of eviction. According to Fran McDonnell, representative of the International Federation of Social Workers Europe, the pandemic is exposing cracks in the welfare state that had already existed. These were the result of the austerity policies that followed the Great Recession and the subsequent and systematic underfunding of existing social services. A less than functional welfare state, combined with the increased pressures generated by COVID-19, had created the conditions for the perfect storm. This time, however, the EU institutions have acted more decisively than previously. Let us see how.

What is the EU doing?

During the conference debate, a recurrent theme was the question of what the EU is doing to alleviate poverty, as well as what it could do. Katarina Ivanković-Knežević, current Director of Social Affairs for the Commission's DG Employment, attempted to vindicate the EU's efforts to combat poverty, saying that, in the last few years, the EU had taken many steps in the

right direction. In particular, Mrs Ivanković-Knežević highlighted the role of initiatives such as the Recovery and Resilience facility. Coordination instruments such as the European Semester, with its increasing focus on social policy, should not be underestimated either. Mrs Ivanković-Knežević also anticipated the Action Plan for the European Pillar of Social Rights (EPSR), which will put into practice the principles of the EPSR. The objective of the EU and the EPSR is to create “upward social mobility,” not just through job creation, but also through social protection and the promotion of equality. Cindy Franssen, MEP and Co-Chair of the Intergroup on Poverty, and co-host of the event, presented the EC proposal for a Directive on Adequate Minimum Wages as a promising tool in the fight against poverty.

Social impact assessments should be integrated into both the European Green Deal and the digital transition proposal.

While these efforts were considered to be positive, the participants in the online conference highlighted how the EU should be doing more. Anna Krózser, Policy and Advocacy Coordinator for the EAPN, in summarising the recommendations contained in the Poverty Watch 2020 report, emphasised the role that the Action Plan might play in upholding and giving substance to the social rights contained in the EPSR. The EAPN suggested that a rights-based integrated EU anti-poverty strategy guaranteeing the right to both a decent income and the right to affordable quality services should be adopted. It also argued for the integration of the Green Deal with a new Social Deal, which would be based on the idea that “no-one is left behind,” one of the two priorities that EAPN identified in the defence of economic and social rights. This could be achieved by ensuring decent living standards through various policy instruments (such as minimum income schemes, access to social services, a minimum wage, and so on).

Fran McDonnell, representing the IFSW, pointed to the fact that the EPSR is not well integrated with the new EU strategy, which consists of the European Green Deal and the digital transformation of the continent. A similar recommendation also came from EAPN: social impact assessments should be integrated into both the European Green Deal and the digital transition proposal.

Finally, the participants in the online conference asked for more involvement – including decision making by the “targets” of anti-poverty policies, i.e., people in poverty, as well as some of the “carriers” of anti-poverty policies, the NGOs.

Conclusions

The year 2020 has transformed the challenge posed by poverty to all of Europe. Through increased functional pressure and restricted accessibility to what are deemed necessary resources (such as healthcare), the risk of poverty has risen manyfold. The policy response, at the national and the EU level, has been appreciable but it is still insufficient. According to the participants in the online conference, the EU Action Plan on the EPSR is to be welcomed, as is the Proposal on the Directive on Adequate Minimum Wages. Other measures are sorely needed: more integration of social policy with the innovation and green growth policy of the EU through compulsory social impact assessments for planned new investments, and the greater involvement of individuals experiencing poverty as well as NGOs in political decision making.