

# **EAPN 2021** **POVERTY WATCH** **REPORT**

**POVERTY AND SOCIAL EXCLUSION IN EUROPE 2021**

Key findings and recommendations  
based on the 2021 Poverty Watches



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## 1. EXECUTIVE SUMMARY

EAPN is a network of independent NGOs, dedicated to the fight against poverty and social exclusion together with the people facing direct experience of poverty, since 1990.

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‘Our vision is of a sustainable Europe, free of poverty and social exclusion, with high levels of equality, where political, social, cultural and economic rights are respected’.

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This EU 2021 Poverty Watch report aims to capture the main findings, messages and recommendations from 21 Poverty Watches produced by our national members. These reports do not attempt to provide a comprehensive academic report on poverty. They start from the reality of people experiencing poverty and the perspectives of the NGOs that support and work with them.

They aim to:

- Monitor **key trends and policy** on poverty and social exclusion in Europe;
- Raise **awareness** about priority issues and the reality for people experiencing poverty;
- Propose **concrete recommendations** backed by examples and evidence.

As predicted last year, the COVID-19 pandemic has exacerbated the state of poverty in Europe. However, what is important to highlight here is the fact that **the pandemic has merely exacerbated pre-existing, structural and systemic societal deficiencies**. For this reason, this report will focus on the exacerbation of inequalities, fuelled by the COVID-19 pandemic and the erosion of the social welfare state. Induced by reform policies in previous years, the pandemic has further restricted usage of essential services. With the growing pressure of the Green Transition and the digitisation of society at the heart of EU policy developments, it is more

important than ever to prioritise the creation of an equal and just society for all, in particular for the most vulnerable.

EAPN views poverty as a multidimensional concept, which impacts different people and groups in multiple ways. Poverty is not just about money, although an adequate income is a pre-requisite.

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“...[T]he [COVID-19] crisis has led to a cumulative reinforcement of the different dimensions that characterise poverty, which is referred to as ‘multiplied poverty’, an expression intended to emphasise that the crisis has led to a worsening of an already deteriorated condition as well as the exposure of new groups to poverty.”

- EAPN France Poverty Watch 2021

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The pandemic impeded a considerable amount of relevant data collecting and compilation at not only the EU-level, but also at the national level. Consequently, the respective national Poverty Watch reports mostly refer to 2019 data, available during the drafting of national reports. However, where Eurostat statistical data were unavailable, civil society organisations continued their critical role in collecting and presenting alternative administrative data on poverty in the last year. For example, this year’s national Poverty Watch reports indicate that food banks reported a **concerning influx of the individuals standing in line for meals** in comparison to previous years<sup>1</sup>.

The European Union Statistics on Income and Living Conditions (EU-SILC) reported that in 2020 there were 96.5 million people in Europe, 21.9% (or roughly 1 in 5) people at risk of poverty or social exclusion (AROPE)<sup>2</sup>. According to AROPE rates, up until last year, relative poverty — linked to insufficient income - has been declining from 2016 to 2018 but picked up again in 2019 and 2020 (although still at a lower level than in 2016). When it comes to adequate income, however, this is not the case. Having a job

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<sup>1</sup> National Poverty Watch 2021

<sup>2</sup> AROPE is an abbreviation for ‘at-risk of poverty or social exclusion’. Follow [here](#) for more information on the AROPE statistic as defined by EUROSTAT.

is increasingly not necessarily a viable route out of poverty. In 2019, almost 1 in 10 workers (9%) experienced in-work poverty.<sup>3</sup> In addition, various demographic groups vary in their vulnerability to poverty. Among those at highest risk are **women and LGBTQ+ minorities, young people, the elderly, children of poor households, single-parent or one working parent households, migrants, racialised groups and people with disabilities**, as they face multiple forms of marginalisation. Moreover, Europe is facing a lack of territorial cohesion and worsening of inequalities between and within Members States.

EAPN considers that poverty is fundamentally caused by structural inequality arising from an **unequal distribution and redistribution of income and wealth**, reflecting the widening gap between rich and poor. This is primarily due to growing wage/ income gaps and declining wage share, wealth inequalities, combined with regressive tax systems, reduced access to public services and inadequate social protection including minimum income<sup>4</sup>.

The COVID-19 crisis has exacerbated this inequality in income and wealth despite measures in place that attempted to combat further erosion<sup>5</sup>. Moreover, segments of workers were not targets of “cushion measures”, including undocumented migrants and sex workers. Measures adopted by governments to tackle the pandemic had negative consequences for most vulnerable groups. These consequences included the closing of care social services facilities and the digitisation of access to social protection and essential services. Women faced **obstacles in access to sexual and reproductive health services** due to the fact that the majority of healthcare facilities were transferred to the COVID-19 response. People living in refugee camps, women with disabilities, and racialised women were in a particularly difficult position during the pandemic. Front line workers were overburdened by the workload and exposed to higher infection risks. Women facing domestic violence were at higher risk due to lockdown measures. Finally, populations facing multiple discrimination, such as racialised women, LGBTQ+, women with disabilities, sex workers and people with

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<sup>3</sup> Statistics according to the recent EUROSTAT release.

<sup>4</sup> National Poverty Watch reports

<sup>5</sup> National Poverty Watch reports



disabilities, the elderly and the homeless have been hit the hardest by the COVID-19 crisis.

Social benefits and services play an essential role in aiding those vulnerable to poverty (by nearly a third), but the impact has been declining **and the stress on these social welfare mechanisms has been increasing with the continuation of the pandemic**. Another indicator of this is the number of elderly people or pensioners who have newly found themselves vulnerable to poverty. The 2021 National Poverty Watch Reports highlighted the increase in vulnerability of women, young people, the elderly, children of poor households, single-parent or low-work intensity households, including minority racial groups, Roma and Travellers, migrants, and people with disabilities, as well as caregivers being increasingly vulnerable to experiencing poverty and social exclusion. Growing indebtedness has continued to be an increasing challenge as families struggle to make impossible choices between energy, food and rent with extremely limited financial resources.

### KEY MESSAGES

- 1** In the last year, the **reliance on food banks and charitable organisations by people experiencing poverty to ensure nutritious food has steeply increased** and other groups that are at-risk of poverty, including low-income and single-parent households, women, elderly, children, and young people. Food and water are basic necessities of life and should be available to all, regardless of economic means. Limited or unaffordable access to nutritious food, adequate housing and other basic needs are some direct symptoms of a structurally deficient social protection system.
- 2** The continuation of the **COVID pandemic highlights the pre-existing systemic shortcomings of our society**. While the situation of people experiencing or at-risk of poverty worsened, individuals normally in stable financial situations also found themselves in an economically vulnerable position. Due to the increase in precarious employment, job losses, and/or unstable incomes, many

households experienced for the first time a need to rely on social and welfare benefits.

**3 Rising energy costs are jeopardising universal access to affordable energy services.** This is especially true for people living in poverty and in poorly insulated houses: they are often unable to afford to heat or cool their living space and to pay electricity bills in time. The COVID-19 lockdowns increased the risk of over-consumption and left people living in poverty to make unacceptable choices between rent, electricity, gas, and food. Energy poverty is unlikely to decrease if accessible energy social tariffs are not able to provide access to affordable energy for all households. The EU and Member States are investing in energy-efficiency measures in response to the green transition and the climate targets of the Recovery and Resilience Facility. However, there are no clear mechanisms to prevent higher prices for household energy consumption nor equal access to tax incentives. The green transition must be fair and inclusive to avoid a disproportionate impact on low-income households and people at risk of poverty and to ensure the right to energy for all.

**4 People experiencing poverty or at-risk thereof have been largely socially excluded as a result of the recent widespread digitisation of the economy.** Unable to afford or access technological tools or limited in their digital literacy, these individuals were unable to access or understand crucial information about essential services and socio-economic benefits on which they depend. The digital divide led to increased social exclusion especially of children, individuals living in areas that lack the necessary infrastructure, and the elderly in access to vaccinations, health insurance, education, minimum income, and unemployment benefits - therefore further marginalising them.

**5 People in poverty or at-risk of poverty experienced newly developed or worsened mental health difficulties** - due to isolation and lacking the ability to access social and familial support systems - **as well as dental health concerns due to insufficient health insurance coverage and unequal access to dental care.** This information not only highlights the lack of access that these



individuals have to healthcare, including dental care, but also the insufficient support they are given when facing psychological and mental difficulties.

**6** Government policies are mainly aimed at poverty reduction, but they overlook policy-making on the eradication of poverty itself. Once they have been subjected to poverty and have lost a connection to and opportunities in the labour market, **many people experiencing poverty are stuck in a perpetual cycle, as they are not able to save money, access affordable care and health services, and face discrimination on the basis of socio-economic status and personal characteristics.** People experiencing poverty and civil society organisations need to be included in the policy decision-making process in efforts to eradicate poverty, as they have knowledge not only of the direct impact of poverty, but also the gap in needs met of those experiencing it.

**7** After COVID-19, **there is further risk of over-indebtedness of European households if the welfare state is not strengthened.** The general increase in poverty, low-income jobs and unemployment create a vicious circle for people living in poverty or vulnerable situations. They fall behind on payments due to the rising costs of living and job precarity. Concurrently, indebtedness is one of the biggest barriers to employment, social and financial inclusion and increases the risk of intergenerational poverty. Any drastic interruption in the measures that governments took to address the impact of the COVID-19 crisis – e.g., elimination of income protection measures, debt moratoriums and ban of evictions - will undermine the ability of vulnerable households to face their debts.

**8** **Accessibility and adequacy of minimum income benefits are still insufficient and unable to reduce poverty and inequalities significantly.** Minimum income schemes are often the option of last resort for working poor, unemployed people, people with disabilities, caregivers and those who are ineligible to access other rights or benefits - children at risk of poverty and elderly without demand on minimum pension, for example. Multiple barriers, such as: regional disparities, a low level of benefits, restrictive qualifying criteria, strict conditionality, digital exclusion, and unequal access to information and

bureaucracy still limit the coverage and the poverty reduction effect of social transfers. Minimum income schemes are conducive to social and human rights in the context of sustainable social protection systems providing a life in dignity for all. Member States should adopt a rights-based minimum income schemes (MIS), to secure access to adequate income for a decent standard of living. The MIS should also include strong enabling characteristics to ensure adequate access to essential services. Mainstreaming distributional impact assessments in policymaking would prevent further increases in income inequalities and adjust minimum income schemes to the various dimensions of poverty, including energy poverty.

**9** **People experiencing or at risk of poverty have had heightened difficulties in accessing affordable and adequate living spaces.** On one hand, due to the increasing value of housing markets, many have been unable to afford renting prices. On the other, many options that are available are in poor condition, where renters are unable to initiate renovations (lacking proper or updated insulation, infrastructure - including electricity or running water), and there is no legal directive, or poor implementation of a legal directive that would enable the necessary renovations.

## SUMMARY OF EU KEY RECOMMENDATIONS

(See detailed set of recommendations in Chapter 3)

### EAPN recommends...



**A framework directive on minimum income schemes at the EU level** to guarantee the right to a dignified, liveable and adequate income for all throughout the course of life. A positive hierarchy between adequate minimum income and decent minimum wages needs to be established and maintained to preserve positive incentives to work for those who can, while guaranteeing a decent standard of living, free of poverty, by means of an adequate income for all.

- ▶ To strengthen the structured participation of people in poverty and civil society organisations (CSOs) in the decision-making processes and support civil society organisations in the delivery of essential social services.
- ▶ To strengthen social welfare systems, including access to quality, affordable and accessible services—particularly healthcare/social services, education, housing, energy, and food—are to be guaranteed for all.
- ▶ Ensuring that participation of people at-risk of or experiencing poverty be secured in the progress of the green transition, in order to (1) guarantee that energy is accessible and affordable for all, and (2) that everyone is able to contribute to creating a more sustainable and earth-friendly way of living, and to guarantee that the green transition is not delivered at the expense of the most marginalised and vulnerable groups (including the transition of the labour and the energy markets).
- ▶ Prioritising qualitative and consistent data collection, including disaggregated data by gender, disability, race, migration background, age, sexual orientation and religion, with an emphasis reflecting correctly the demographics of national, regional and union levels populations. In doing so, this will allow for the best possible assessment of elimination and reduction of poverty policies.

## 2. BACKGROUND/SETTING THE SCENE

The following section gives detailed background information on the EAPN Poverty Watch Report. Not only will this highlight the aims of the report itself and how poverty is measured, but it also explains multidimensional root causes and effects of poverty. Lastly, it touches on the groups that are vulnerable-to or at-risk of experiencing poverty.

### 2.1 What is the EAPN Poverty Watch Report 2021?

The EAPN Poverty Watch Reports do not attempt to provide a comprehensive academic report on poverty. They start from the reality of people experiencing poverty and the perspectives of the NGOs that support and work with them: our 32 EAPN national networks and 13 European organisation members.

Their main objectives are:

- To monitor **key trends and policy** on poverty and social exclusion in Europe.
- To **raise awareness** about priorities and the reality of people experiencing poverty.
- To propose **concrete recommendations** backed by examples and evidence.

EAPN's EU Inclusion Strategies Group produced a common template for the Poverty Watch. Each network/organisation adapted this to their national/organisational context to ensure optimum relevance and usefulness at national level, drafting first in their native language and where feasible providing a translation or summary in English.

The Poverty Watch 2021 has an additional goal: on the one hand, to present the current trends of poverty and social exclusion and additionally to reflect on the impact of the COVID-19 pandemic and government measures on people experiencing poverty and social exclusion. The reports aim to present recommendations for the short and long-term future. An effective response to the COVID-19 pandemic needs to combine effective short-term remedies to ensure adequate income and access to health, social and other services, linked to a

long-term effective anti-poverty strategy, guaranteeing social rights. This should ensure that the country's economic and social recovery puts the fight against poverty at the centre, leaving no one behind, especially the most vulnerable.

## 2.2 What is Poverty?

People experiencing poverty and social exclusion lack adequate income, resources and access to public and private services that are fundamental to a decent life. Poverty can prevent people and families from reaching their full potential development AND it stops them from participating fully in the life of their community and society.

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“I personally do not see myself as a person who is described as such. I mean I never thought about the definition, nor is it important to me, more important to me is the solution of how to get out of this situation. How to give my children what they need. How not to have to count how many meals I can make out of a pound of rice or pasta and how I make a meal for my kids when I have 20 kunas [less than 3 Euros] a day earmarked for food. Tell me if the definition or the solution is important.”

- *Poverty Watch, National Report Croatia*

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EAPN views poverty as a multidimensional injustice, which impacts on different people and groups in multiple ways. Poverty is not just about money, although an adequate income is a pre-requisite to overcome poverty. According to [EAPN's recent poverty explainer](#), people experience poverty as a series of lacks or deprivations, of experiences, opportunities, services and environments that other people accept as normal. **It is not possible to talk about poverty without talking about social exclusion.**

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“Poverty is the human condition characterised by deprivation of resources, capabilities, choices.”

- [EAPN Portugal](#)

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This recognises that people are pushed out or to the margins and don't just fall out (of society), and that the kind of social relations a society has are central to the risks of poverty and exclusion. The concept of social exclusion is necessary to develop effective approaches to combating poverty. At its core, social exclusion recognises the key role of the state in providing an effective rights-based framework for preventing risks of poverty and its consequences.

**Poverty therefore deprives society of people's full potential to contribute, it undermines social cohesion and vibrant inclusive, sustainable development.** Along with the hardship from the lack of access to decent and dignified standards and style of life, people experiencing poverty have to overcome shame, stigma and fear. However, people in poverty show resilience and resistance to survive their day-to-day life and have great expertise on poverty.

**Poverty is a denial of fundamental human rights – economic, social and cultural.** There is a moral and political imperative to change it, together with people with direct experience of poverty and exclusion.

### 2.3 How is poverty measured?

Poverty is normally measured by 'absolute or relative' indicators. **Absolute or fixed standards** set a concrete amount of money (income) or a costed basket of goods and services (expenditure) that an individual or household needs. This 'absolute' standard can be fixed at some very basic level of survival, or at a level for a 'decent life'. A well-known absolute indicator is the UN indicator of \$1.90 per day. However, this does not always allow for a decent life, nor does it provide realistic comparability between very different living standards.

A **relative indicator** compares incomes (or budgets) of some people against all others in a country or region. This recognises more clearly the need to monitor how much a person can participate in their own country/society on equal terms. However, if living standards rise in a country, so does the standard. The same is true if incomes fall.

EAPN supports the need for relative, as well as fixed, standards. All people have the right to share in any general increase in wealth in their country or region. To make

good policies, we need to know what is happening to the distribution of income in society as well as absolute levels.

Back in 2010, the EU set a poverty target to reduce the number of those at risk of poverty by at least 20 million for the EU 2020 Strategy, but this goal was not accomplished<sup>6</sup>. Given the EU's determination to tackle poverty reduction, the Europe 2030 strategy has been set to reduce poverty with a target of at least 15 million by 2030, with at least 5 million of those people being children. This is measured through a combination of relative and more absolute indicators. This currently includes at risk of poverty and social exclusion (AROPE), living below 60% of the median disposable household income, low work intensity and severe material deprivation (for detailed explanation see EU glossary).

## 2.4 Background

EAPN is a network of independent NGOs, dedicated to the fight against poverty and social exclusion, together with people that have lived experience of poverty, since 1990. Our vision is of a sustainable Europe, free of poverty and social exclusion, with high levels of equality, where political, social, cultural and economic rights are respected. Poverty is a complex problem that manifests itself in many different areas of life. In order to eradicate it, an integrated, rights-based strategy with a clear vision to eradicate poverty, including through structural distribution measures as well as individual support, is needed.

This strategy must be based on international agreements that the EU has signed up to: the European Pillar of Social Rights (2017) and its Action Plan (2021) and more globally with the Sustainable Development Goals (2015). European policies, such as the Social Investment Package (2013) and the Active Inclusion Recommendation (2008), should be used as guidance to give direction to the development of this strategy. To effectively lift people out of poverty it is essential that economic and other policies support, rather than undermine, social rights.

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<sup>6</sup> Cf. Eurostat, People at risk of poverty or social exclusion, with cumulative difference from 2008.



Anti-poverty NGOs working with people facing poverty play a key role in achieving these goals: proposing a vision and solutions, monitoring trends on poverty and holding governments and the EU to account, as well as providing key social and other services and raising the awareness of the general public. Currently, at EU level, EAPN engages actively in the European Semester, as well as on the implementation of European Pillars of Social Rights and other relevant strategies (including on the green and digital transition, legislative proposition for equality), as the key instrument for economic and social coordination in order to achieve progress on poverty, participation and social rights.

In 2021, EAPN's key focus was supporting members and EU member states with development and implementation of Recovery and Resilience Plans designed by the member states to respond to the effects of the Covid-19 pandemic<sup>7</sup>. Now nearly two years since the COVID-19 pandemic erupted, people experiencing poverty continue to be hit with additional hardship in socio-economic, health, housing, and accessibility obstacles to name a few. The 2021 Poverty Watch therefore includes much reference to the evolving impact that COVID-19 has had on people experiencing poverty. The document aims to highlight the experiencing of people facing and experiencing poverty and centres common issues that have been emphasised amongst the 21 national Poverty Watch reports that were submitted.

## 2.5 Causes of Poverty

Triggers of poverty are important, including long periods excluded from the labour market, low levels of education, or being a sole provider when costs of living are high. Other causes can be long-term illness or other conditions that make it impossible to work or work full-time or in well-paid jobs, including other disabilities, mental illness or difficulties with addictions. However, the main reasons for poverty are structural: how income and wealth is distributed and re-distributed.

**Poverty is a political choice.** Key to this is whether government policies ensure that people can access an adequate income through decent wages, or through adequate levels of social benefits (contributory or non-contributory) when out of work, and

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<sup>7</sup> At this stage, EAPN has not yet issued its assessment of the RRP.

whether they can access goods and services at an affordable cost. The role of the state is to ensure a fair redistribution that addresses imbalances in income and wealth, closing the inequality gap and generating sustainable finances to support welfare states and social protection through fair and progressive tax systems.

## 2.6 Effects of Poverty

**Poverty can affect anybody:** The risk of being unemployed, and not being adequately protected by social security and minimum income has risen<sup>8</sup> and, in view of the COVID-19 pandemic, will continue to rise.

**Poverty makes you unwell and shortens life expectancy:** Poor people become ill twice as often as the non-poor. Children living in poverty today are the chronically ill of tomorrow. In many cases, people experiencing poverty cannot afford the same level of medical care as those not affected by poverty. Life expectancy is also lower for people experiencing poverty. For example, data show that in France, at the pension age of 62 years old, one quarter of the poorest 5% are already dead, when in comparison, only 5% of the richest 5% are dead before reaching 62 years old.

**Poverty causes stress:** Being unable to pay the rent in time, not knowing how to raise the money for the children's school trip, having no, or a poorly paid, job: this causes stress, and in the long run, results in serious health problems such as gastric disorders, heart conditions, hypertension, sleeping disorders, headaches, etc. The stress of living in poverty can also affect a child's brain development.

**Poverty makes you lonely:** People who are poor tend to see their friends and neighbours less often. Poor people frequently live isolated lives. For instance, one in ten Austrians cannot afford to invite friends or relatives over for dinner once a month. Poverty restrains social and cultural activities as well.

**Poverty affects your future and your children's future:** For people living on the brink of poverty it is harder to progress into training, or into a well-paid, secure job. Children's future is determined by their social background, their access to certain

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<sup>8</sup> National Poverty Watch Reports.

cultural and social circles as well as the economic means to pursue higher education in order to access the labour market.

**Poverty restricts your access to services and the support you receive:** to deal with physical and mental health issues, inadequate housing and homelessness, lack of basic necessities such as food for your children, protection from domestic violence and child abuse and many other problems caused by widening inequalities and cuts to resources.

**Poverty undermines social cohesion and a vibrant, sustainable economy:** poverty increases the gap in our communities, creating tensions and conflicts – it's a waste of human potential and capacities and damages a healthy society.

## 2.7 What are the trends in poverty?

### 2.7.1 EU Data

Due to the COVID-19 pandemic, 2020 and 2021 have proven to be exceptionally difficult years for overall data collection. Subsequent lockdowns and health-safety precautions made it difficult to connect with general national populations, but even more so for those most at-risk of poverty. The yearly EU-SILC data became available only during drafting of this report and, consequently, in the national 2021 Poverty Watch Reports there was much reference to the previous year's statistical data.

While statistical data on poverty, social inclusion, and demographic indicators are important to diagnose issues and assess public policies, civil society organisations have proven their major role in reliable data collection from the ground. This can be seen within the pages of various 2021 National Poverty Watch reports. However, the pandemic raised concerns and led to efforts to collect sectoral data, such as instance data on beneficiaries of food banks.

The at-risk of poverty rate and social exclusion (AROPE) aggregate indicator, which measures 'relative' poverty by capturing those who have less than 60% of median household income was established to measure poverty showing people at risk of poverty and/or social exclusion. It will continue to be used as a reference for the EU

2030 Strategy. Following the 2008 economic and financial crisis, the numbers of people experiencing poverty or social exclusion (AROPE) rose to 123 million in 2012 (24.7% of the population): an increase of 6.4 million compared to 2008.

Since then, the AROPE rate has started to decline, but spiked during the COVID-19 pandemic without any horizon of a post-pandemic situation in sight. A recent EUROSTAT report indicates that in 2020 there was an increase in the number of people at risk of poverty or social exclusion (AROPE) to a total of **96.5 million people**, or **21.9%** of the EU population<sup>9</sup>. When compared to 2019 (95.6 million), this number has increase by approximately 1 million<sup>10</sup>.

The latest publication from EUROSTAT also reveals that 75.3 million individuals were affected by monetary poverty in 2020, with the AROP indicator estimated at 17.1% in 2020. In addition, there were 27.6 million individuals that suffered from severe material and social deprivation, and 27.1 million individuals of the EU population living in households with very low work intensity.

**Not all groups face the same risk.** The Proposal for a Joint Employment Report (JER) 2022 highlights that families with children, people with disabilities and migrants face the greatest risk of poverty and were all disproportionately hit by the COVID-19 pandemic. In 2019, 19.6 million children faced a risk of poverty of 24.2%<sup>11</sup>. For disabled individuals, the risk of poverty increased to 28.9% in 2020 (28.4% in 2019), against 19% of those without disabilities.<sup>12</sup>

**Migrants**, particularly non-EU born people, faced a higher risk of poverty and social exclusion in 2019 - the AROPE rate of non-EU born people aged 18 or over was close

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<sup>9</sup> We note that the number refers to the new definition of AROPE, which was modified in 2021. According to the EUROSTAT, “the severe material deprivation rate component was revised, defining a new severe material and social deprivation rate (SMSD) based on a revised list of items, and the low work intensity indicator relating to persons living in a household with a very low work intensity was redefined. The revised AROPE indicator is used to monitor the headline target on poverty and social inclusion of the European Pillar of Social Rights Action Plan. The AROPE indicator in its previous form was the headline indicator to monitor the EU 2020 Strategy poverty target.”

<sup>10</sup> However, when comparing data to the previous year using the AROPE indicator in its previous form (headline indicator used to monitor the Europe 2020 Strategy), the statistics available at the EU level for the EU 27 from 2020 indicates that the number of people at risk of poverty or social exclusion increased almost **5.5 million people** (96.8 million in 2020, compared to 91.4 million in 2019).

<sup>11</sup> Proposal for a Joint Employment Report 2022, p. 100.

<sup>12</sup> Ibid, p. 101.

to double that of the native-born people (38% vs. 19.6%. respectively).<sup>13</sup> In 2020 the unemployment rate of non-EU born people increased 2.1 pps (to 16.9%) and the at-risk of in-work poverty was 20.1% (compared to an increase by 0.3pps to 6.5%, and 7.8% at-risk of in-work poverty for the native-born).

**Women are at a greater risk of poverty than men** - 22.9% in 2020, compared to 20.9% for men<sup>14</sup> - and of those, **single parent** families, headed mainly by women, face one of the highest risks (i.e. 42.1% in 2020)<sup>15</sup>. The JER 2022 highlights that children of single parent families, families with more than three children (29.6% in 2020)<sup>16</sup>, or those with a migrant or Roma background have an up to three times higher risk of poverty<sup>17</sup>. The depth of poverty increased slightly in 2019, and remains high at an average of 24.5%.<sup>18</sup> The JER trends indicate that in some countries economic growth is not improving this situation.

**Unemployment** was on the decline until the COVID-19 pandemic but increased 7.2% in 2020 (from 6.8% in 2019).<sup>19</sup> However, the latest monthly data from Eurostat show that the unemployment rate has decreased to 6.4% in the EU in December 2021<sup>20</sup>.

Nevertheless, we note that this statistic includes COVID-19 employment protection measures put in place by most countries. Overall, unemployment worsened in 2020 in most EU Member States, and for countries such as Spain, Greece and Italy, or countries that have been hit particularly hard due to the pandemic and natural disasters, the unemployment rate is significantly higher. However, **a job is no longer a safe path out of poverty, with the rate of in-work poverty remaining high** (9% in 2019), and just slightly below the 2008 figure (9.3%).<sup>21</sup> **Women, in their diversity, face continued discrimination** in the labour market, with an 11.1% gender employment gap in 2020<sup>22</sup> and a 14.1% gender pay gap between women and men (2019).<sup>23</sup>

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<sup>13</sup> Ibid, p. 101.

<sup>14</sup> Source: [Eurostat](#).

<sup>15</sup> Proposal for a Joint Employment Report 2022, p. 25.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid, p.17.

<sup>18</sup> Source: [Eurostat](#).

<sup>19</sup> Source: [Eurostat](#).

<sup>20</sup> Source: [Eurostat](#).

<sup>21</sup> Proposal for Joint Employment Report 2022, p. 11

<sup>22</sup> Ibid, p. 61

<sup>23</sup> Ibid, p. 65

Nevertheless, this increases to 36.7% (2018)<sup>24</sup> when considering overall pay earned, reflecting the gap in more women having part-time work. There was a decrease gender pension gap in 2019, but that remained relatively high at 29.5%<sup>25</sup>, reflecting the unequal access to decent income throughout their career (interruption of career, part-time job, unequal access to high paid positions, career advancement and the burden of unpaid domestic labour).<sup>26</sup>

**Housing costs remain a major factor exacerbating poverty** for low-income households, aggravated by the **rising energy and electrical bills**. In 2019, nearly 1 in 10 households (9.4%) faced an overburden of housing costs (spending 40% or more of their disposable household income). But if we consider the population at risk of poverty, the rate of housing cost overburden in 2020 was significantly higher (37.8%), with significant disparities among Member States – e.g., in Greece, 82.5% of the at-risk of poverty population was overburdened by housing costs<sup>27</sup>.

Meanwhile, according to the JER 2021, homelessness is increasing across the EU in all countries and is especially high among women, although there is no comparable EU data available. In some countries, homelessness has increased amongst women (more than doubled in Sweden), young people (tripled in the Netherlands from 2009 to 2018), third country nationals (in Barcelona, Spain), refugees and asylum speakers (especially children in Germany), and children (over half of all unaccompanied minors in Greece)<sup>28</sup>.

As it was the case last year, the EU average on poverty also **disguises a rather large gap between poverty rates across countries in Europe**. Whilst there was a decline in the AROPE poverty rate in 2020 in a number of countries, it did increase for others (e.g, Spain, 0.8 pps; Bulgaria, 0.4 pps). However, in 2020, nearly a third or more of the population was still at risk of poverty or social exclusion in two EU Member States (Romania, 35.8%; Bulgaria, 33.6%), with Greece (27.5%) and Spain (27%) following, while in Czechia (11.5%), Slovakia (13.8%) and Slovenia (14.3%) the rates were below

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<sup>24</sup> [The gender pay gap in the EU](#)

<sup>25</sup> Proposal for Joint Employment Report 2022, p. 65

<sup>26</sup> Ibid.

<sup>27</sup> Ibid, p. 105

<sup>28</sup> Joint Employment Report 2021, p. 106

15%<sup>29</sup>. According to the Social Scoreboard based on 2020 EU SILC data, the best performing member states were Czechia, Slovakia and Slovenia, whilst Bulgaria, Greece, Romania and Spain are seen as ‘critical situations’. Lithuania and Germany poverty levels are seen as ‘to watch’, while Latvia’s is seen as ‘weak but improving’.<sup>30</sup>

**The impact of social transfers and benefits is crucial to reducing poverty.** This is measured by the EU in its Social Scoreboard. In 2020, the impact of social transfers (excluding pensions) on poverty reduction reduced the at-risk-of-poverty rate (32.7%). The best overall performers were Belgium (44.9%), Denmark (52.3%), France (46.9%) and Finland (51.4%), where poverty reduced by over 44%, compared to Bulgaria (20.4%), Croatia (23.1%), Latvia (23.4%), Malta (21%), Romania (15.8%) and Spain (23.4%), where it reduced by less than 24%<sup>31</sup>.

**Minimum income as the last resort social assistance** is a key pillar in the fight against poverty, particularly protecting those who are out of work, or fall outside traditional social protection schemes based on employment contributions.

The decline in income poverty until 2018 suggested some improvement in the adequacy of social benefits, but overall the adequacy of minimum income schemes in the EU decreased in 2019, as stated in the JER 2022. The report highlights that only Ireland, Italy and the Netherlands achieve rates close to the 60% poverty threshold, while Romania, Bulgaria, Hungary, Czechia and Slovakia remain below a third of the poverty threshold<sup>32</sup>.

## 2.7.2 Hidden Poverty

The EU figures are also an underestimate and do not tell the whole story:

- EU-SILC statistics only capture households who are ‘resident’, ‘documented’ and live in standard housing (therefore excluding many asylum seekers and undocumented migrants and those who are homeless or suffering different

<sup>29</sup> Proposal for a Joint Employment Report 2022, p.96.

<sup>30</sup> Ibid, p.97.

<sup>31</sup> Ibid, p.119.

<sup>32</sup> Ibid, p.105.



forms of in-housing precariousness as well as older people and people in institutions).

- Data on experience of racialised groups and more generally on vulnerable groups such as LGBTQ+ are not collected in many countries and, as a result, there is no comparable EU indicator. However, there is a clear recognition from the European Commission that discrimination can only be monitored if the data is captured, in all areas of life. However, it needs to be mentioned that data are collected on gender (on a binary basis in most cases), on disabilities, on age and migration status and citizenship leading to a blind spot in terms of collection on equality data, thus there is an incomplete picture of the effect of discrimination on poverty and social exclusion.
- The 'OECD-modified' scale adopted by EU SILC assigns only these values to determine the size of the total household and the income needed: 1 to the head of household and 0.5 to each additional adult member and only 0.3 to each child under 14 years old (compared to the OECD 'old' equivalence scale which assigns 0.7 for adult member and 0.5 to each child). The scale used by EU SILC is not realistic and does not represent the actual expenses of families, particularly families with children, single parents and large families.
- Women's poverty is insufficiently captured, as income is assumed to be equally shared within the household, even when women often are mainly responsible for the family and key household expenses.
- They do not reflect the real standard of living (i.e. the gap between disposable income and real living costs), the alarming rise in key expenses (especially food or energy) and the costs of growing indebtedness.
- The AROP (at-risk of poverty) indicator refers to the national median. This amount disguises the reality of poverty when the overall income level is low.

## 2.8 Not all groups face the same poverty risk. Which groups are most at risk?

At the EU level, not all groups face the same risk, as highlighted by the data in this EAPN 2021 Poverty Watch Report. From our members' 2021 Poverty Watch reports, these overall trends are assessed and evaluated, including the prolonged impact of COVID-19. See the 'Main Groups' subsection in the following chapter for more highlights on those most affected.

- **Women** experience poverty systematically at a higher rate than men. Poverty risk is underestimated, as it assumes that there is equal division of household income. Meanwhile, women across EU member states continue to have a lower income due to the continuing gender pay and pension gaps, and are still likely to take the main responsibility for household/family expenses, or assume positions of short and long-term domestic caregivers (AT, BE, DE, ES, FI, FR, GR, HR, IE, IT, LV, MT, NO, PL, PT, SE, SI, SK)
- **The elderly** are seen as being at an increasing high risk. As the value of pensions declines and increases their vulnerability to poverty, the digitisation of services, the increasing prices of goods and services, including food, and consequential pandemic lockdowns have hit hard. Notably, as **women** experience gender pay gaps this translates later in life into pension gaps, making elderly women in some of the most vulnerable-to-poverty positions (BE, CZ, ES, FI, GR, HR, LT, LV, MT, NO, PL, PT, SI, SK)
- **Children** who grow up in poor families are highlighted as one of the main at-risk groups as mentioned in nearly all of the national Poverty Watch reports. In some member states, poverty among children is increasing (PT). Some groups of children are highlighted as more at risk: those of larger families (FI, LT, LV, PT), those who live in rural areas, Roma or Traveller children (HR, IE, SK), non-EU native children or those of immigrant parents (BE, NO), children in foster care (BE), and children of parent(s) with low education (DE).
- **Single-Parent or Single-Working-Parent Families** (BE, CZ, DE, ES, FI, HR, LT, MT, PL, RS, SE, SI, SK) face a significantly higher risk than two-person

households, the majority being women. In addition, the higher the number of children, the higher the family unit is at-risk of experiencing poverty.

- **Young people** (under the age of 25 years old) are highlighted as being at risk in all 2021 national Poverty Watch reports, particularly: those with low educational attainment (Not in Education, Employment or Training -NEETS), those who are outside or just entering the labour market, those only able to access precarious jobs, those with reduced or no income support, or those coming from a non-EU background or migrant family.
- **Migrants** (CZ, DE, ES, FI, FR, IE, NO, SE, SK).
- **Racialised minorities** are highlighted by members as being more at risk of poverty. In addition, this includes specific reference to *Roma* (BE, ES, IE, SK, RS), *Traveller* (IE) individuals.
- **Individuals with disability or long-term illness are emphasised** both in terms of the discrimination faced whilst in work and obstacles when trying to access decent and quality jobs. In many countries they fall between two stools of adequate income support and disability benefit systems (FR, IE, LT, LV, NO, PL, PT, SE). People with long-term sickness/health issues or disability are increasingly affected by poverty (CZ, FI, HR, LT, NO, PL, SE).
- **The homeless are also highlighted as a key affected group**—one that is also affected by long-term sickness, mental health, and addiction issues (BE, DE, FI, GR, HR, IE, MT, PL, RS).
- **LGBTQ+ people** are facing great risk of social exclusion and poverty, though there is seldom direct reference to this group in national Poverty Watch reports. What is notable about their social exclusion is how it might impact fair access to the labour market, healthcare and housing.
- **Other risk factors highlighted include: Low educational/skill level** or labour intensity or low-wage earners (BE, CZ, DE, FI, FR, GR, IE, LT, LV, MT, NO, PT, SI, SK) **or in specific geographic areas**—i.e. those living in rural or urban areas,

areas with 'poor' public transportation and social infrastructure, or disadvantaged regions (BE, ES, FR, IE, LT, PT).

- **Over-indebted individuals were also emphasised as being in vulnerable positions** (BE, CZ, ES, GR, LT, PT).

## 2.9 What is happening to inequality?

Poverty is a complex, multidimensional issue which impacts on people's health, well-being as well as their social and economic situation. It affects everybody, undermining sustainable economic development as well as social cohesion, which is the bedrock of healthy societies. At heart it is a political choice. EAPN members are concerned about the increasing tendency to 'blame' the poor for their situation and individualise causes and solutions. **EAPN considers that poverty is fundamentally caused by structural inequality arising from an unequal distribution and redistribution of income and wealth, reflecting the widening gap between rich and poor.** This is primarily due to growing wage/income gaps and declining wage share — i.e. the proportion of GDP or company turnover which is allocated to wages, combined with regressive tax systems, reduced access to public services and inadequate social protection including minimum income.

In 2020, income inequality in the EU27 remains high, with the richest 20% continuing to earn 5.24 times that of the poorest 20% of the population. Despite the slight decrease in 2019, the income inequality has been higher than at its most recent low point in 2012 (4.98). The increase from 4.98 to 5.24 is due to the rising income shares of the top 20% wealthiest and the declining incomes of the bottom 20%, leading to a widening of the income inequality gap. This ratio varies considerably amongst EU Member States, with estimated ratios ranging from below 4 in Belgium, Czechia, Slovenia, Slovakia, Finland and Norway to more than 8 in Bulgaria.

The majority of the above figures, however, were calculated before the impact of COVID, and thus it can be expected that there where substantial increases are predicted in all countries. Only structural reforms to the distribution and redistribution of income and wealth can reduce this gap.

### 3. LONG-TERM EFFECTS OF COVID-19 & CONCERNS OF PEOPLE EXPERIENCING POVERTY

#### 3.1 Introduction

The eruption of the COVID-19 pandemic in 2020 has proven to be an important exacerbator to the situation of poverty across EU Member States. People's health and livelihoods have been affected, poverty has been exacerbated through additional hardship and exclusion, new groups of people have found themselves pushed into poverty. Not only has the pandemic highlighted pre-existing systemic structural injustices as being directly causal to the existence and creation of poverty, but also how civil society organisations play an important role in aiding communities in times of crisis. The exacerbation of the COVID-19 pandemic has also indicated more than ever how the continued hardship of poverty is an intersectional problem, connecting not only to more than one of the following variables: income, services, health, digitisation, etc.

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**“The COVID-19 pandemic has primarily come at a cost throughout Europe to those who are most marginalised and low-income households. The people who were furthest behind pre-pandemic are bearing the burden of the impacts of successive lockdowns, increased unemployment, and the shutdown of services and supports.”**

*- EAPN Ireland 2021 Poverty Watch Report*

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The purpose of Section 3 of this year's Poverty Watch report is to examine the common challenges and priorities that member states share. Each subsection explores a variable that directly or indirectly affects how individuals experience or are made vulnerable to poverty.<sup>33</sup>

<sup>33</sup> These variables are not exhaustive, but rather among those most commonly apparent based on the analysis of the 21 national Poverty Watch reports for 2021.

## 3.2 What are the overall key challenges and priorities?

In analysing the 2021 national Poverty Watch reports, EAPN found a number of common key challenges and priorities of EU member states. The key challenges and priorities highlight the gaps in ensuring basic social and economic rights to a decent income, quality jobs, services and social protection for all, as well as freedom from discrimination, and personalised, comprehensive support.

### 3.2.1 Digitisation and access to essential services

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“Society started to live digitally and at a distance. Problems with technology and lack of skills combined to create digital poverty. Software wouldn’t run on old computers, and know-how was limited to social media skills and phone calls. People were isolated from each other; it was difficult or downright impossible to help others.”

- EAPN Finland 2021 Poverty Watch Report

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Although the increase in digitisation of services has been on the rise in years past, it has made significant advancement during the pandemic lockdowns. Partially pushed by the green effort to shift to paperless transactions, the health risk of in-person meetings during a global pandemic, and a growing trend for productive optimisation of services the digitisation of services thus became common. And along with this process came increased social exclusion.

The **Croatian 2021 national Poverty Watch report** emphasised what many others flagged as well: some individuals are barely able to ensure meals for their family, have water for bathing, heating or electricity. Still, many felt an increased pressure at being expected to have technological tools and know-how. How are they supposed to afford a digital device and internet with disposable incomes, when nearly all of what they have goes to these necessities?

As services jumped at the opportunity to transition to digital platforms, people unable to access or buy necessary devices were left behind. Lockdowns and the

heightened health risk of the COVID-19 pandemic made in-person meetings rare if not forbidden, and in-person submission of documents for social welfare benefits tedious and sometimes impossible for people who depend on them. People's access to food, childcare, healthcare, minimum income, was jeopardised, and paying rent and bills have been impossible. This situation left people experiencing poverty or at risk of poverty increasingly vulnerable.

### DIGITAL LITERACY & ACCESSING EDUCATION

As highlighted in many of the 2021 national Poverty Watch Reports, not only did the digitisation of services exclude those unable to afford or access technology, but also those who experienced digital illiteracy. Individuals who were not familiar with or technology-literate were left without even virtual support to walk them through accessing services. In many cases<sup>34</sup> if parents of poor households with children or young adults in education did not have digital literacy, it affected their child(ren)'s access to online education.

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In Portugal, it was highlighted that “...home schooling [was] a painful solution for children who had no specific space to study, but especially for those who had no proper access (or even no access at all) to digital networks, as it was from some children from Roma communities.” Furthermore, some schools did take care of technological resources, but “...then parents could not help the children at home because they did not know how to [use them].”

- EAPN Portugal 2021 Poverty Watch Report

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The situation was similar in **Slovakia**, where Roma children especially between 12 and 15 years old failed their distant learning and forced to repeat the same school year. Access to technological tools (computers, etc.), IT skills, and lack of outside help were the main barriers that kept these students from being able to access education.

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<sup>34</sup> National poverty Reports



### 3.2.2 Energy, the green transition and housing

Effects of the green transition and increases in energy costs, and problematic living situations have become ever more apparent this last year. As governmental recommendations and obligatory COVID-19-related lockdowns forced most people to spend more time in their living spaces than they previously did, many found bill payments to be especially unmanageable. Firstly, overall energy costs have risen in Europe over the last year by an average of 22.6% according to OECD. Electricity prices have been on the rise for the last decade, increasing at an average rate of 2.3% per year for households and an overall consumer price increase by 1.4% per year. Spending more time at home meant increased usage of electricity, energy, and ensuring temperate living spaces. Therefore, this has led to an increase in overall electrical and energy bills.

This has put increased strain on already small incomes for some and made it downright impossible for individuals with insufficient incomes to afford their bills. Many of the national Poverty Watch reports indicate that people experiencing poverty across EU member states could not maintain comfortable temperatures in their living space, let alone internet.

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**“In Lithuania, energy poverty is mainly caused by poorly maintained home heating...[I]n a survey conducted in 2020, 23.1% of the population said they could not afford to heat themselves sufficiently.”<sup>35</sup>**

*- EAPN Lithuania 2021 Poverty Watch Report*

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Some tried to economise on energy costs by keeping the curtains closed in the coldest months—leading to a rather depressing dark-lit living situation for the household. While before the pandemic and lockdowns, people experiencing poverty would go to shelters or stay in properly heated public spaces to maintain warmth in

<sup>35</sup> Although this is a decrease from the reported 27.9% who were unable to keep their homes warm enough in 2018, 23.1% is nearly a quarter of the total Lithuanian population.

the cold winter and cool in the summer heat, regulations to fight the pandemic meant that these areas were semi or totally inaccessible to the public.

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“On the one hand, some households will see their incomes decrease (loss of employment for employees and cessation of activity for some self-employed). On the other hand, winter lockdowns have led to a sharp increase in heating costs. The bill will increase, especially for those with the worst insulated homes and poor individual heating systems. The rate of fuel poverty will most likely increase, but so will the intensity of fuel poverty for those most in need.”

*- Inequality Observatory 2021 as quoted in EAPN France 2021 Poverty Watch Report*

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The above highlights a very important fact: people experiencing poverty often live in poor-quality housing—in spaces where proper insulation is lacking, infrastructure has been neglected or missing, etc. In many countries there is a lack of legal mechanisms (or enforcement thereof) that ensure landlords are renovating spaces to maintain quality. Thus, the results are poor-standard spaces rented for lower prices but lacking in quality insulation. Furthermore, overcrowding and poor living conditions continue to be a problem. As highlighted in the EAPN Belgium 2021 Poverty Watch Report and emphasised in the European Commission and EAPN’s annual People Experiencing Poverty 2021 meeting, lack of quality infrastructure also excludes people experiencing or at-risk of poverty from being able to contribute to progressive green policies by practicing sustainable living.

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EAPN Portugal reports that nearly 1 in 10 individuals living in the country lived in overcrowded accommodation, according to the national survey on income and living conditions in 2019. Not only that, but during the pandemic, there were massive housing shortages, and “postponement or delay in requests for social housing or even housing remodelling by landlords and/or owners...”

*- EAPN Portugal*

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In cases of natural disaster, like the major flooding southern regions of **Belgium** saw this year destroyed three social housing districts—hitting people in poverty the hardest. In such a situation there is a very limited chance for these individuals to recover from such a setback, as many do not have sufficient incomes to be insured a little or at all.

### 3.2.3 Healthcare

As highlighted in the previous section on digitisation, without technological tools or digital literacy to use them, many people experiencing or at-risk of poverty were unable to access vital services. A major one of such services being healthcare and other health benefits.

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“Equal access to equal care for equal need is not a reality for people in the Irish public health system. Life expectancy is poorer for people with low incomes, for those living in deprived areas and for Travellers in particular, than for the general population.”

- EAPN Ireland research report ‘Giving Health Inequality a Voice’

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## CHILDCARE AND LONG-TERM CARE

Quality and affordable childcare and long-term care needs remain important issues. With little childcare options for working parents, and a shortage of affordable quality long-term care options available, many women have to assume the role of carer. Such a situation may leave them in precarious income situations due to flexibility allowed by the employer.

**Slovakia** notes this as especially a problem for single-mothers, as they are affected by a combination of gender discrimination, the gender pay gap, and a lack of flexibility on the employer’s behalf, and inadequate income sources overall, which lead to higher poverty rates and vulnerability to poverty.

Furthermore, the subsequent lockdowns due to the COVID-19 pandemic led to kindergartens, childcare and school closures. For single parents or families with multiple children, living conditions worsened.

**Serbia** indicates that for many families across the country, the closure of these care and educative facilities made for problems in adjusting professional work and care for children. In addition, movement restrictions and quarantines made it impossible for extended family to lend assistance where they normally might have.

The restrictive measures to ensure COVID-19 did not spread were not only damaging for families and young people, they also led to neglect of the elderly. For some, this was due to the fact that non-pandemic-related illnesses or conditions were not prioritised, making it difficult for those with chronic diseases to access healthcare services. For others, as in Serbia, the fear that COVID-19 would infect the elderly and hit them harder kept many informal caregivers from providing the assistance they normally would. In conjunction with low digital literacy levels among individuals (but especially older generations) and the digitisation of healthcare services, many people experienced difficulty in accessing their healthcare systems.

While the COVID-19 pandemic has certainly had an effect on certain types of care, for many people experiencing or at-risk of poverty, accessing healthcare in normal circumstances can also be difficult. Indicated in the majority of this year's national Poverty Watch Reports, poor health is common amongst the poor.

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In Croatia, “for some people experiencing poverty, even a minor illness can be fatal because some of them do not have health insurance (e.g. unregistered homeless people), and for some the lack of financial resources for treatment and purchase of necessary medicines and visits to [dentists] causes further exacerbation.”

- EAPN Croatia 2021 Poverty Watch Report

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## PSYCHOLOGICAL AND DENTAL CARE

Dental and mental health have been emphasised as seriously lacking in the healthcare system for people at-risk or experiencing poverty. Many of the universal healthcare options in place at national level do not cover dental health and mental health-related care. In many cases, mental healthcare is left out entirely. Universal dental care is rarer still. With income thresholds that need to be met in order to have insurance coverage, many poor individuals are unable to access the benefits of insurance itself. Not only that, but even when dental health coverage is aided with insurance benefits, co-pays are still too high for already insufficient incomes of the poor. Civil society organisations (CSOs) and people experiencing poverty indicate that those that can't afford dental health or co-pay amounts neglect their dental health. In turn, this leads to greater dental health problems, pulled teeth and pain and a vicious cycle of increasingly higher costs and co-pays.

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“Dental health in adults is a black hole in the Norwegian welfare state. (...) [P]eople from low-income households have significantly poorer dental health than those from households with higher incomes. Expensive treatment means that many with low income postpone the dental visit until the pain has become so great that [they] can't take it anymore. In addition, we experience that some people choose to pull teeth instead of repairing them because this is the cheapest solution. For those who cannot afford treatment, the stigma and shame of having poor dental health is also a problem. For some, this leads to weakened self-esteem and social isolation.”

- EAPN Norway 2021 Poverty Watch Report

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Mental healthcare for people experiencing or at-risk of poverty is especially important due to the psychological effect that poverty provokes but increasingly so due to the extensive hardships imposed by the COVID-19 pandemic, and/or pre-existing addiction or mental health problems. People experiencing or at-risk of poverty are people and deserve quality and affordable care just as everyone else.

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In Iceland, although children's basic dental care is covered, for those at the age of 18 or older, no assistance is given. "Dentistry in Iceland is private and not a part of the health care system. This means poor people and those struggling to make ends meet cannot go or need to rely on handouts from relatives or take loans for dental work. They also do not go until the situation is dire and preventive visits are not made as they simply cost way too much."

- EAPN Iceland 2021 Poverty Watch Report

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### 3.2.4 Inadequate Minimum Income & Limited Social Protection

Minimum income schemes and welfare benefits are essential in reducing social inequalities and exclusion, and therefore should be social rights.

Despite their importance, minimum income schemes are too low to have much of an impact, and social protection is limited especially for particular groups. In order to keep individuals from experiencing poverty, member states need to invest in creating a more comprehensive minimum income scheme reflective of the real costs of living.

Reference budgets are illustrative priced baskets of goods and services that people need at the minimum to adequately participate in a given country, region or city. Baskets imply goods and services related to 10 domains of human life: adequate housing, healthy food, personal care, health care, clothing, mobility, leisure time, rest, safe childhood and maintenance of social relations.

Across many member states, the percentage of working individuals who are at risk of poverty or in-work poverty remains too high. This indicates that minimum wages are too low to ensure that workers have a road out of poverty. A minimum wage set at a low level also means that minimum income is guaranteed to be insufficient and there is a necessity for a positive hierarchy that ensures that people live above the poverty line.

Due to the impact of the COVID-19 pandemic, many individuals started experiencing increased difficulty with insufficient income to pay bills and rent, afford nutritious food and other basic necessities.

In many cases, minimum income or other social benefits are not available to individuals if they are unemployed. This further excludes those who have lost their jobs due to the COVID-19 pandemic (or other reasons) and leaves them without a safety net while they search for other job opportunities.

While remaining some of the most vulnerable, **migrants often have little to no accessibility of important social benefits that could keep them out of social exclusion.** Whether it be the inability to meet restrictive eligibility criteria or conditionality that leads to exclusion, many of these individuals are left without such safety nets and end up struggling to make ends meet.

### 3.2.5 Indebtedness

The COVID-19 pandemic led to an excessive strain being put on already insufficient financial and economic means for many individuals. With the loss or temporary suspension of jobs, many individuals fell into precarious work situations. All the while, rent, bills, and loan repayments continued to pile up each month, people were spending more time at home and therefore more of their income on energy costs as well. The risk of falling behind payments increased due to the rising costs of living and job precarity. Concurrently, **indebtedness is one of the biggest barriers to employment, social and financial inclusion and increases the risk of intergenerational poverty.** Although, some member states offered financial income checks, though insufficient to cover the burdensome amounts long overdue, any drastic interruption of the measures (e.g. elimination of income protection measures, debt moratoriums and ban of evictions) will undermine the ability of vulnerable households to face their debts. EAPN members also highlighted the issues of lack of regulation on debt repayment, deductions, bankruptcy procedures, debt advice or relief.



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Indebtedness is one of the biggest barriers to employment. People with arrears are more likely to fall into the support system, resort to undeclared work or live with relatives. Unable to pay for basic expenses, they fall further into debt - people go into arrears on their housing, take out fast loans to meet basic needs or cover existing debts. Once in the hands of bailiffs, the amount of arrears rises sharply, and people lose hope and motivation to repay them. Employers are reluctant to employ people in arrears because the arrears are difficult to administer, and the bookkeeping is burdened with extra work.

- EAPN Lithuania Poverty Report

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### 3.2.6 Erosion of the rule of law and the shrinking space of civil society (on participation)

Lockdowns, distancing measures and time limits on being in public spaces seriously impacted people experiencing poverty. Although there were some public spaces that decided to stay open with distancing measures or time limits, others decided to close either temporarily or indefinitely. For some, the result was increased difficulties or the inability to find even temporary accommodation in social housing or dormitories—some of which excluded women.

EAPN Lithuania reports that this was especially difficult in the face of an increase in the arrival of asylum seekers. There simply was not enough accommodation for everyone.

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“[T]he pandemic has exacerbated the situation of homeless and undocumented people, as places that normally offer shelter, such as libraries, day centres and dormitories, have been closed or are at capacity.”

- Finland's 2021 Poverty Watch Report

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Others experiencing or at-risk of poverty who have insufficient living conditions or inability to keep up with energy bills also often relied on these same public spaces to ensure some safety from weather extremes and connect socially. The temporary closures and restrictions also seriously affected them.

### 3.2.7 Main groups affected

As the national Poverty Watch Reports indicate that there are several specific groups that are currently facing the most risk of increased poverty and social exclusion. Generally, such groups were already facing poverty and experienced increased stress on already insufficient incomes. Other individuals, sometimes referred to as the ‘new poor’, were previously vulnerable to sliding into poverty, but not already living in poverty. For this group (the latter), the experience of living in poverty is new to them. An underlying commonality amongst all of the following groups is the degree to which the COVID-19 pandemic and subsequent government measures (i.e. lockdowns) has affected them. **Exacerbating those already experiencing poverty and socially excluded, while affecting those vulnerable to poverty.**

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“The crisis has led to a cumulative reinforcement of the different dimensions that characterise poverty, which is referred to as ‘multiplied poverty’, an expression intended to emphasise that the crisis has led to a worsening of an already deteriorated condition as well as the exposure of new groups to poverty.”

- CNLE (spring 2020-spring 2021), as cited in EAPN France 2021 Poverty Watch Report

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**1) Poorer older people, who are receiving minuscule pensions, or living with disability or health issues.** As the working poor grow older and are coming into their pensions, the trend of poorer elderly individuals is becoming more pronounced (DE, LT). Once workers receiving insufficient incomes, they are now retired with insufficient pensions (AT, FI, GR, LV, NO, PT, SK).

In **Slovakia**, since January 2021, the number of individuals on pension has quadrupled to 200,000. Today a minimum pension after working 30 year is available at 334,30 euros per month, which is equal to 33% of a month's medium wage in the current economy. In other words, those living off the minimum pension do not have sufficient economic means to live a dignified life. Others don't qualify for a pension at all, and either apply for minimum income (even less) or rely entirely off support from their children.

Elderly **women**, more specifically, are being noted as a highly affected group within this category, due to fragmented employment histories (FI) or because discrimination through the gender pay gap affected their earning wages and has now led to affecting their pensions (BE, CZ, ES, FI, GR, LT, LV, MT, NO, PL, PT, SI, SK).

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“[In Belgium,] 85.5% of single-parent families are composed of single mothers with children. They depend [on] one income (often already low as women earn less in general). Low wages are composed of 2/3 women and 80% of part-time jobs are held by women. These inequalities have repercussions on pensions, which on average are €800 for a woman whereas for a man it is about €1250. It can be observed very clearly in the [...] social assistance allowance for elderly people who don't have sufficient pension rights. It concerns approximately 110,000 people of which 65.5% are women. Moreover, the least paid and least recognised jobs are mostly held by women (nurses, care assistants, childcare workers, cleaning workers, etc) ...”

- EAPN 2021 Poverty Watch Report

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Due to lockdowns and the closing of many public spaces due to the pandemic, many elderly people were isolated from social connections they might have in public, but also had an especially difficult time accessing necessary health care services. As mentioned in the previous section, the digitisation of services further inhibited individuals (especially those lacking digital literacy, like the elderly) from making appointments, receiving information or responses to important questions, and thus led to many going without necessary treatment (FI, GR, NO, PT).

**2) Children or young adults of poor families (especially in families with multiple children) (BE, DE, FI, HR, IE, LT, LV, NO, PT, SK).** As mentioned above, the digital divide was specifically difficult for children in education from poorer families. Insufficient income made it hard for these families to afford the necessary technology for their child(ren) to take part in online learning. For those that were able to afford, borrow, or make an agreement with educational institutions, parents lacking digital literacy were unable to help their children with technological problems. For larger families this was especially difficult because in most cases (1) they were unable to afford one personal device, let alone one device per child in schooling, and (2) their living conditions did not provide enough space for working parents and child(ren) to have their own working spaces. The result was children without means, those sharing one device, parents or a parent without digital literacy, or those without any access to technology fell behind in their schooling compared to other children (SK).

**3) Poor workers or young people trying to enter the labour market** found it increasingly hard to find or be employed for a job. Lacking strong connections to the labour market, since they have recently graduated, **young people** are finding it especially difficult to find employment. Furthermore, the COVID-19 pandemic has had an increased impact on the labour market over the past year, high labour supply meeting a low labour demand due to the government measures on different sectors and industries. Workers with low wages, low work-intensity, or low educational backgrounds were put in precarious situations with layoffs or working hours changed to part-time.

**4) Women — especially single parents, caretakers, socially excluded women, and those suffering from increased domestic abuse.** Gender inequality continues to ensure that women end up in some of the most dire, poor situations, and are therefore impacted harder by the pandemic (due to the position as front-liners and in essential sectors), the lockdowns (the closing of care facilities, increasing their burden of unpaid domestic labour), precarious jobs, low wages (including gender pay gap), homelessness, as well as taking on the role of primary caregiver or parents in

single-parent families (AT, BE, DE, ES, FI, FR, GR, HR, IE, IT, LV, MT, NO, PL, PT, SE, SI, SK). Like last year (EAPN 2020 Poverty Watch Report), several national Poverty Watch Reports have indicated an **increase in domestic abuse, impacting women in particular, leading to an increasing risk of poverty while poverty is a fertile ground for violence (women being more dependent financially and therefore it becomes more difficult to leave violent households)**. Reported cases of gender-based domestic violence have remained steady since last year's Poverty Watch Reports (IE).

**5) Groups facing systemic discrimination: those from ethnic minorities, asylum seekers, undocumented individuals, or those of migrant families. Roma or Traveller individuals** were exposed to increased barriers in receiving general access to services. This made these communities more susceptible to health problems during the pandemic, without being prioritised for vaccination or without necessary health services.

**Slovakia's 2021 Poverty Watch Report** highlights that many Roma live in areas where there isn't drinking water within a reasonable distance (more than 100 communities), or there aren't any job opportunities nearby. Not only that, but many intelligent Roman children don't end up finishing either basic schooling or vocational training, therefore finding themselves without jobs or social contributions. And those that do often end up studying abroad due to better quality. The COVID-19 pandemic and the digitisation of services pushed Roma children and their families into a further marginalised position. For example, distanced learning measures and an inability to ensure access to computers or tablets, left Roma children unable to continue their schooling. When measures loosened, Roma children were very behind in their education compared to other children who had such resources.

Migrants faced discrimination especially in access to the labour market, especially high-quality jobs. The lack of diploma recognition for non-EU citizens, migrants fleeing civil war without the opportunity to save their diploma, the level of bureaucracy and the ban on working during the examination by the immigration services of the migration application, discrimination is preventing migrants,

documented or not, from accessing a quality labour market. Moreover, migrants are also facing additional barriers in access to social protection.

**6) Individuals with disabilities or long-term health problems are increasingly affected by poverty (CZ).** For some **disabled** people, finding a job can be difficult due to the lack of accommodation available in the labour market—a case which only leads to a life-long journey of poverty in some cases (FI, HR), affecting pension levels and age-related poverty. Many of the Poverty Watch Reports indicate that the disabled or those with long-term health problems fall between social benefits like adequate income support or disability benefits (FR, IE, LT, LV, NO, PL, PT, SE). For **individuals with long-term health conditions**, social and healthcare services or medications are unreasonably expensive and/or need to be covered out-of-pocket (FI).

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“A study conducted by Finnish Disability Forum reveals that poverty among the disabled can be four or five times more common than average. About one third of the respondents in the study reported difficulties, attributable to poverty, in securing health care, necessary pharmaceuticals; in the upkeep of personal and family relations; and in mobility outside the home. Nearly one fifth of the respondents run the risk of being unable to exercise their rights, such as filing complaints.”

- EAPN Finland 2021 Poverty Watch Report

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The past year has been particularly difficult with respect to accessibility of healthcare for those that require it on a regular basis. As the COVID-19 pandemic continued, patients coming for routine health services were often put on hold—hospitals prioritised capacity for COVID-19- patients, and other health professionals insisted on online registration for appointments only. Lacking access to technology or digital literacy further stymied individuals from making appointments, asking health professionals important questions, or even from receiving necessary prescriptions (FI).

**7) The homeless remain one of the most vulnerable groups.** By indications from CSOs, the number of individuals experiencing homelessness is far higher than indicated by national reports. To make matters worse, in most member states, no residential address means no access to social benefits. In addition, where there might be national obligations for cities to fund soup kitchens or the provision of shelters and dormitories, implementation does not necessarily follow.

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“Homelessness in Croatia is still limited to the most visible and most needy category of homeless people and such an approach does not take into account people living in homeless shelters or living in very precarious housing conditions, inadequate housing and people at risk of homelessness due to very uncertain tenancy rights...Civil society organisations estimate that there are 2,000 homeless people in Croatia, 25% of whom are women (Croatian Homeless Network, 2021), and includes people living in inadequate housing conditions such as boats, caravans, shelters without electricity and water, basement apartments, barracks, garages and similar abandoned buildings.”

- EAPN Croatia 2021 Poverty Watch Report

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## 4. KEY MESSAGES & RECOMMENDATIONS

### 4.1 Are government measures helping reduce poverty?

Members catalogue financial investment taken by governments, including supplementary social incomes and other care packages to combat the effects of the COVID-19 pandemic, but are these measures effectively reaching the poor and vulnerable?

- Many states have introduced **temporary minimum allowances** and measures to cushion the effect of the pandemic to help individuals who have temporarily suspended employment or recently lost their jobs. **These measures have done nothing to reduce pre-existing poverty.** In fact, poverty of certain vulnerable groups has increased during the pandemic—including the homeless, women retirees, and third country migrants.

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In Germany, “...since the introduction of the minimum wage, the low-wage sector has shrunk by 4 percentage points, almost  $\frac{3}{4}$  of it between 2018 and 2019.” This has shown a recent, but significant decline in the at-risk of poverty rate in Germany—especially amongst the working poor. With a significant increase of the minimum wage, the high at-risk of poverty rate for workers would drastically decrease.

- EAPN Germany 2021 Poverty Watch Report

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- Under **Malta's** Social Security Act, low-income earners that suffer from certain health conditions and who are below a certain income threshold are entitled to Free Medical Aid (nationally known as the Pink Form). The Pink Form is also available to many that already receive other social benefits,<sup>36</sup> as well as foster children, and students attending full-time education. This includes free provision of pharmaceuticals, free dental and ophthalmic services, spectacles,

<sup>36</sup> Including those who receive Social Assistance, Social Assistance for Single Parents, Unemployment Assistance, Non Contributory Age Pension, Increased Severe Disability Assistance, or Severe Disability Assistance.



dentures, prosthetic aids, hearing aids, telecare, telephone rebate and handyman service.

- The national Energy Benefit in **Malta** has been given to families who already receive social security benefits or those who are lower than a certain threshold to help with the burden of energy costs. This benefit gives the receiver a reduction of the cost of electricity consumption and on electricity and water meter rentals.
- To combat insufficient access to food among children, **Croatia** has put into effect “the right of every child to a school meal” policy. While it has already positively affected many children, more widespread coverage and standard implementation in rural areas is needed.
- **France** has recently introduced several programmes with funding from the European Social Fund (ESF) that aim to increase employment and employability of individuals with weak connections to the labour market. One of these, called ‘1 young person, 1 solution path’, centres personalised integration of young people into the workforce. Another provides a recruitment incentive to employers who employ the unemployed disabled. In addition to these, other social allowances and a global minimum income for young people have helped as temporary fixes. However, they do not fix the insufficient disposable incomes that limit many from ensuring basic needs, nor do they resolve the problem unaffordable or insufficient housing.
- In response to the COVID-19 pandemic, the **Greek** government has put temporary economic measures in place that act to aid individuals with temporarily suspended employment and business owners. Such a measure has helped to stop the increase of poverty but has done little to actually reduce poverty itself.
- In **Portugal**, the government presented in late 2021 the National Anti-Poverty Strategy, which aims to mobilise funds, guide ongoing plans, such as the European Pillar of Social Rights Action Plan, with the aim of ensuring a more integrated answer to combat the causes of poverty.

EAPN would like to stress the importance of including civil society organisations and those that are experiencing or at-risk of poverty in the implementation process of national policies, especially in the context of the recovery and resilience plans.

## 4.2 Good or promising practices from civil society organisations

- Civil society organisations (CSOs) have played an especially important role in ensuring outreach to poor and vulnerable communities (including the most marginalised). Some examples of what such organisations have done over the last year include:
  - *Providing personal protective equipment (PPE), free digital tools (like computers and tablets) to vulnerable students to continue education, food kits to needy families in Italy. In the centres of Sicily, individual protection and basic necessities were also provided to migrants and refugees.*
  - *Providing social protection programs and humanitarian activities, including financial aid, psychosocial support which provided people with food, clothes and other necessities in Slovenia.*
- CSOs also continue to provide important insight and information where statistical data is lacking, including the increase of demand for food banks and housing assistance, among other services.

## KEY MESSAGES

- 1 In the last year, the reliance on food banks and charitable organisations to ensure nutritious food has steeply increased by people experiencing poverty and other groups that are at-risk of poverty, including low-income and single-parent households, women, elderly, children, and young people. Food and water are basic necessities of life and should be available to all, regardless of economic means. Limited or unaffordable access to nutritious food,

adequate housing and other basic needs are some direct symptoms of a structurally deficient social protection system.

**2** The continuation of the **COVID pandemic is highlighting the pre-existing systemic shortcomings of our society.** While the situation of people experiencing or at-risk of poverty worsened, individuals normally in stable financial situations also found themselves in an economically vulnerable position. Due to the increase in precarious employment, job loss, and/or unstable incomes, many households that used to be relatively stable experienced for the first time a need to rely on social and welfare benefits.

**3** **Rising energy costs are jeopardising universal access to affordable energy services.** This is especially true for people living in poverty and in poorly insulated houses: they are often unable to afford to heat or cool their living space and to pay electricity bills in time. The COVID-19 lockdown increased the risk of over-consumption and left people living in poverty to make unacceptable choices between rent, electricity, gas, and food. Energy poverty is unlikely to decrease if accessible energy social tariffs are not able to provide access to affordable energy for all households. The EU and member states are investing in energy-efficiency measures in response to the green transition and the climate targets of the Recovery and Resilience Facility. However, there are no clear mechanisms to prevent higher charges on household energy consumption nor equal access to tax incentives. The green transition must be fair and inclusive to avoid a disproportionate impact on low-income households and people at risk of poverty and to ensure the right to energy for all.

**4** **People experiencing poverty or at-risk thereof have been largely socially excluded as a result of the recent widespread digitisation of the economy.** Unable to afford or access technological tools or limited in their digital literacy, these individuals faced inability to access or understand crucial information on essential services and socio-economic benefits on which they depend. The digital divide led to increased social exclusion especially of children, individuals living in areas that lack necessary infrastructure, and the elderly in access to

vaccinations, health insurance, education, minimum income, and unemployment benefits therefore further marginalising them.

**5** People in poverty or at-risk of poverty experienced newly developed or worsened mental health hardships - due to isolation and the lacking ability to access social and familial support systems - as well as dental health concerns due to insufficient health insurance coverage and unequal access to dental care. This information not only highlights the lack of access that these individuals have to dental and healthcare as a universal right, but also the insufficient support they are given when facing psychological and mental difficulties.

**6** Government policies are mainly aimed at poverty reduction, but they overlook policy-making on the eradication of poverty itself. Once they have been subjected to poverty and have lost a connection to and opportunities in the labour market, many people experiencing poverty are stuck in a perpetual cycle, as they are not able to save money, access affordable care and health services, and face discrimination on the basis of socio-economic status and societal prejudices. People experiencing poverty and civil society organisations need to be included in the policy decision-making process in efforts to eradicate poverty, as they have knowledge not only of the direct impact of poverty, but also the gap in needs met of those experiencing it.

**7** After COVID-19, there is further risk of over-indebtedness of European households if the welfare state is not strengthened. The general increase in poverty, low-income jobs and unemployment create a vicious circle for people living in poverty or vulnerable situations, such as single-parent households. They fall behind on payments due to the rising costs of living and job insecurity. Concurrently, indebtedness is one of the biggest barriers to employment, social and financial inclusion. It also increases the risk of transmitting disadvantaged living conditions from one generation to the next. Any drastic interruption of the measures that governments took to address the impact of COVID-19 crisis – e.g. elimination of income protection measures,

debt moratoriums and ban of evictions - will undermine the ability of vulnerable households to face their debts.

**8** **Accessibility and adequacy of minimum income benefits are still insufficient and unable to reduce poverty and inequalities significantly.** Minimum income schemes are often the last resort option for working poor, unemployed people and those who are ineligible to access other rights or benefits - children at risk of poverty and old people without demand on minimum pension, for example. Multiple barriers, such as regional disparities, a low level of benefits, digital exclusion, and unequal access to information, still limit the coverage and the poverty reduction effect of social transfers. Minimum income schemes are conducive to social and human rights in the context of sustainable social protection systems providing a life in dignity for all. Member States should adopt a fixed minimum amount which is equally distributed to those who need it, and which is above the European poverty threshold. Mainstreaming distributional impact assessments in policymaking would prevent further increase of income inequalities and adjust minimum income schemes to the various dimensions of poverty, including energy poverty.

**9** **People experiencing or at risk of poverty have had heightened difficulties in accessing affordable and adequate living spaces.** On one hand, due to the increasing value of housing markets, many have been unable to afford renting prices. On the other, many options that are available are in poor condition, where renters are unable to initiate renovations (lacking proper or updated insulation, infrastructure (including electricity or running water), and there is no legal directive, or poor implementation of a legal directive that pushes landlords to make the necessary renovations.

### **4.3 Recommendations to national and European stakeholders**

1) Implement and follow up the EPSR Action Plan to guarantee Social Rights in the EU and poverty-proof Inclusive Recovery and Resilience plans.

- **Carry out a poverty/social impact assessment of proposed national Recovery and Resilience Plans (RRPs)** to ensure that poverty is not increased and that the poor benefit.
- **Ensure that positive poverty/social rights CSRs** (Country-Specific Recommendations) from the 2019 and 2020 European Semester cycles are prioritised for financial support through EU funds and monitored effectively through the European Semester. Moreover, consultations and adequate space should be guaranteed to civil society organisations to assess and monitor the implementation of the RRP at the national level.
- **Require the involvement of NGOs and people experiencing poverty** in the design, delivery and monitoring of the plans and the implementation of the EPSR and the RRP.

### 2) Adopt a rights-based EU anti-poverty strategy to guarantee a right to a dignified life.

It should:

- **Be based on integrated 'active inclusion'** and form the overarching framework for the Action Plan to implement European Pillar of Social Rights launched in 2021, underpinned by the SDGs (Sustainable Development Goals and Agenda 2030).
- **Contribute to meeting a new post 2020 EU poverty target** (Ending poverty - SDG 1), including 50% reduction in people at risk of poverty and exclusion (AROPE) by 2030, and ending extreme poverty including homelessness.
- **Guarantee access to quality jobs, essential services and adequate income support** (minimum income and social protection), tackle discrimination against women, racial minorities and other groups and ensure active participation in society, including for those who are not able to work or get decent jobs.

- **Link to thematic/targeted strategies are needed to reach most at-risk groups**, reflecting the EPSR principles/rights, the SDGs and building on agreed EU integrated strategies/approaches must be progressed – e.g. Child Guarantee/Investing in Children, Tackling Homelessness and Housing Exclusion, Roma Inclusion, Anti-racism Action Plan, the Gender equality strategy, LGBTIQ Equality Strategy, Integration of Migrants, UN rights of people with disabilities.
- **Be supported by EU funds** (particularly ESF+), guaranteeing 25%, including 5% for child poverty, enforcing the thematic conditionalities to have a national antipoverty strategy in place. This should be developed with NGOs and people facing poverty.

### **3) Guarantee the right to a decent income, for all, throughout their lives (adequate minimum income/social protection and decent wages)**

- **Ensure that everyone, in or out of work and throughout their lives, has a sufficient income to lead a life in dignity** benchmarked by reference budgets of goods and services.
- **Adopt an EU Framework Directive to guarantee the right to adequate, accessible and enabling Minimum Income** (principle 14), that guarantees benefits above the 60% poverty threshold, underpinned by national reference budgets. Although we welcome the commitment of a Council Recommendation by the end of 2022, EAPN restated that only a framework directive will guarantee a decent and dignified income across all Member States.
- **Progress on guaranteeing rights to Universal Social Protection** against all risks, beyond employment (principle 11). Implement the 2019 Council Recommendation supporting access to Social Protection, particularly for precarious workers/self-employed with a review in 4 years to consider a binding EU instrument. Make progress on ensuring universal systems of social

protection for all, regardless of employment status - covering all risks: unemployment, sickness, pensions.

- **Right to Decent Work: Adopt a Framework Directive on fair Minimum Wages<sup>[6]</sup>** (principle 6) and invest in pathway, person-centred support into quality jobs. This should be benchmarked at 60% of median wage contextualised with reference budgets. Require statutory minimum wages, where none exist and support collective bargaining as a pre-requisite. Support an EU Directive on gender pay gap and to require pay transparency for new ways of work. (See EAPN Position on Adequate Income)<sup>[7]</sup>.

#### 4) Guarantee rights to quality, affordable services – particularly universal health/care/social services, education, housing and energy

- **Right to affordable essential services for all is key to preventing and tackling poverty.** Proof all services to ensure they are universal, accessible and affordable for those on low incomes and for all at risk groups. Give priority to public investment in affordable, accessible and quality public services: including early childhood care and learning, universal education and lifelong learning, universal health and care services. Regulate key services like energy to ensure they are sustainable and affordable, and guarantee food security. Develop concrete strategies to tackle discrimination and inequalities in access to services for poorer disadvantaged groups and regions.
- **End homelessness and support right to affordable housing for all:** Commit to an objective in the action plan to end homelessness as a contribution to ending extreme poverty (SDG 1) and extend current measures to keep homeless people off the streets and in housing first. Ensure that the right to an affordable home is a key priority in the European Semester, increasing investment in affordable public social housing and regulating rents of the private rented sector. Increase housing allowances to cover real costs.
- **Right to a free/affordable unified health and care system:** Create an adequate framework to guarantee the right to universal, affordable, quality health and



social care services for all, covering all essential health and care services (including prevention, primary, community, hospital and specialist care, dental, mental health, social and long-term care and the cost of medicines). The Semester should give specific priority to defending universal provision as a public good and ensuring equal access for all groups/also rural/city divide, supporting investment in universal public health and care systems, including through increased tax financing. Target recovery funds to ensure access for vulnerable groups to a comprehensive health/care services.

- **Right to education, training and lifelong learning (principle 1):** Support the right to universal, quality, affordable, accessible and inclusive public education throughout the life-course for all. Require systematic implementation through the European Semester coordinated with the EU Education Area (EEA) pressing for implementation of social rights and access to universal, quality and affordable education, Vocational Education and Training and Life Long Training throughout the life course, prioritising CSRs and investment for those EU member states which have made little progress or have major problems with ensuring equal treatment for poor or excluded groups. Include in the Multi-Annual Financial Framework (MFF) particularly in ESF+, and through the Recovery and Resilience Plans dedicated funding to support targeted investments in more inclusive education systems.
- **Right to energy (essential services) (principle 20):** Guarantee right to affordable, clean energy and introduce concrete EU legislation to ban disconnections. Treat energy services as public goods and support direct public provision, stopping phasing out of regulated prices and supporting social tariffs. In the European Green Deal, assert the right to affordable, clean energy and develop obligatory EU guidelines/guidance to ensure the development of effective, rights-based approaches to fight energy poverty in the national climate and energy plans, based on the 3 pillar approach (adequate income, reducing consumption/energy efficiency and fair prices), consistent with Principle 20 of the EPSR. Support large-scale EU investment including in renovation/new build of affordable, energy-efficient social housing

that benefits low income households ensuring that no additional costs in housing rents or energy bills are passed on.

### 5) Ensure a social and green deal including promoting tax justice.

- **Social goals must not be secondary to environmental goals**, but rather be equal and mutually reinforcing and seen as a key opportunity to reduce inequalities.
- **Carry out a poverty/distributional impact** assessment of all proposals to ensure the poor do not pay and that the wealthy are not the main 'winners'. Particular focus should be paid to mitigate the regressive impacts of carbon taxes, environmental charges, tax incentives and higher charges on household energy consumption.
- **Invest in social rights, strong social protection systems and welfare states** as essential mechanisms for ensuring that the necessary 'green transition' supports the development of a more just and equal society.
- **Earmark a percentage of the Just Transition fund and the Recovery and Resilience plans to reducing poverty.** This should include energy efficient, affordable social housing, ensuring that costs are not passed on in terms of higher rents or bills; integrated pathway support into green jobs, including support to social economy; green affordable public transport, and sustainable food
- **Commit to tax justice** for long-term financing of the Recovery and Resilience plans rejecting austerity cuts to recuperate public debt and deficits. This should be done through effectively tackling tax evasion and avoidance, closing down tax havens and promoting progressive taxes.

6) Strengthen participation of people in poverty and support for NGOs.

- **Engage people experiencing poverty and the social NGOs that support them in policy design, delivery and monitoring** to ensure accountability and effective anti-poverty solutions, both in the short and long-term.
- **Require systematic, structured dialogue in policy making processes** including the current Recovery and Resilience Plans and European Semester, underpinned by obligatory guidelines and systematic reporting on the quality of the engagement.
- **Recognise and support key role of social NGOs and social economy organisations in providing essential social and other services to people facing poverty**, particularly now in the COVID-19 crisis supporting adequate financing including through EU funds.
- **Defend their crucial independent voice as key actors defending democratic accountability.**

## 5. ANNEXES

### 5.1 Annex 1: Table with links to the National Poverty Watch Reports 2021

#### National Poverty Watches 2021

EAPN Poverty Watches 2021: summary table of national reports

EU Network	English	Own Language
EAPN Austria	<a href="#"><u>ENG</u></a>	
EAPN Belgium	<a href="#"><u>ENG</u></a>	
EAPN Croatia	<a href="#"><u>ENG</u></a>	
EAPN Czechia	<a href="#"><u>ENG</u></a>	<a href="#"><u>CZ</u></a>
EAPN Finland	<a href="#"><u>ENG</u></a>	
EAPN France	<a href="#"><u>ENG</u></a>	<a href="#"><u>FR</u></a>
EAPN Germany	<a href="#"><u>ENG</u></a>	
EAPN Greece	<a href="#"><u>ENG</u></a>	
EAPN Ireland	<a href="#"><u>ENG</u></a>	
EAPN Italy	<a href="#"><u>ENG</u></a>	<a href="#"><u>IT</u></a>
EAPN Latvia	<a href="#"><u>ENG</u></a>	
EAPN Lithuania	<a href="#"><u>ENG</u></a>	<a href="#"><u>LT</u></a>
EAPN Malta	<a href="#"><u>ENG</u></a>	
EAPN Norway	<a href="#"><u>ENG</u></a>	
EAPN Poland	<a href="#"><u>ENG</u></a>	<a href="#"><u>PL</u></a>
EAPN Portugal	<a href="#"><u>ENG</u></a>	<a href="#"><u>PT</u></a>
EAPN Serbia		<a href="#"><u>RS</u></a>
EAPN Slovakia	<a href="#"><u>ENG</u></a>	<a href="#"><u>SL</u></a>
EAPN Slovenia	<a href="#"><u>ENG</u></a>	<a href="#"><u>SLO</u></a>
EAPN Spain	<a href="#"><u>ENG</u></a>	<a href="#"><u>ES</u></a>
EAPN Sweden	<a href="#"><u>ENG</u></a>	

### 5.2 Annex 2: Role of EAPN

EAPN national networks organise themselves autonomously and seek their own funding. As a result, the size, scope and focus of the networks varies widely across Europe. Their membership is drawn from grassroots NGOs who provide a range of

direct services to different target groups, empowering people and supporting participation, carrying out research/advocacy/communication and awareness-raising activities. What they have in common is a shared mission to fight poverty, together with people experiencing poverty.

At EU level, EAPN networks and European Organisation members then work together to carry out joint mutual learning, capacity building and advocacy work to combat poverty across the EU, promoting the participation of people experiencing poverty, engaging as civil society partners with EU initiatives and processes, engaging in the European Semester, responding to the Child Guarantee, European Pillar of Social Rights, EU funds and the Future of Europe.

The COVID crisis has accentuated the role of social NGOs, at the same time as their funding has been made more uncertain. More worryingly the role of Civil Society Organisations as interlocutors, and an independent critical voice supporting the voice from the ground, is increasingly under threat, often together with democracy itself. In this Poverty Watch, we highlight the different situation and priorities of some of our national networks in this COVID pandemic year.

Below we provide a snapshot, from 3 diverse regions of Europe, of the different activities and approaches of the 32 national EAPN networks:

- **EAPN France** was created in 1990 and consists of 31 national networks of national, regional and local associations and 18 major European associations. Its activity is to make the fight against poverty one of the priorities of the European Union and, ultimately, to eradicate poverty and social exclusion. The participation of people experiencing poverty is one of the major axes of its action. It brings together national associations and regional associative collectives in the solidarity sector that contribute to the integration of the most vulnerable through housing, employment, economic activity, language acquisition or recreation. The UNIOPSS (Union nationale interfédérale des œuvres et organismes privés sanitaires et sociaux) is the founding organisation. In 2020, the priorities of the network are the implementation of the European Pillar of Social Rights and three specific themes: the right to

food, the universal minimum income and the participation of people experiencing poverty.

- **EAPN Latvia** was founded in 2013 and consists of 29 member organisations and 8 associate members. This year, the network has achieved a major success, in providing crucial evidence to the Ombudsman Enquiry regarding the low levels of GMI. As a result, the Latvian Constitutional Court has ruled that the current practice of determining the value of GMI in Latvia does not comply with the Satversme and a new methodology for establishing an adequate level of GMI needs to be developed. This success is built on the long-standing research, information and advocacy work of the European Minimum Income Network which EAPN has coordinated since 2013, preparing reports, organising conferences and engaging the government, academics, trade unions and other stakeholders in debates, including online petitions and other advocacy activities.
- **EAPN Portugal** is an NGO network operating since 1991. It has groups/networks present in each of the 18 districts of the country and one in Madeira. The network aims to monitor the trends on poverty and social exclusion, both at the national and European levels, seeking to have a critical and analytical view of its causes and presenting solutions and recommendations with a view to solving them. EAPN Portugal has four main areas of intervention: training, research and projects, information and lobbying. Poverty Watch is one of the instruments that serves this purpose. One of the central aspects of Poverty Watch is also to highlight the voices of people living in poverty, i.e., the reading of the reality of poverty is also done by those living in this situation and the recommendations also aim to reflect their own concerns.

### 5.3 Annex 3: Status of the Document

This EAPN summary report was issued by the EU Inclusion Strategies Group which has delegated powers within EAPN to develop EAPN policy position papers and reports. This summary provides a brief overview of the main finding, messages and recommendations drawn from 2021 Poverty Watch Reports developed by EAPN

national members. 21 Poverty Watch Reports were received in 2021, from 19 networks in EU MS: EAPN Austria, Belgium, Bulgaria, Croatia, Czechia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Slovenia, Slovakia, Spain and Sweden; 2 networks in candidate, Non-EU or EFTA countries (Norway and Serbia). The EU report was drafted by Madeline Vander Velde, EAPN Policy Officer, shared with members for comments in January 2022, and finalised on February-March 2022.

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EUROPEAN ANTI POVERTY NETWORK

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