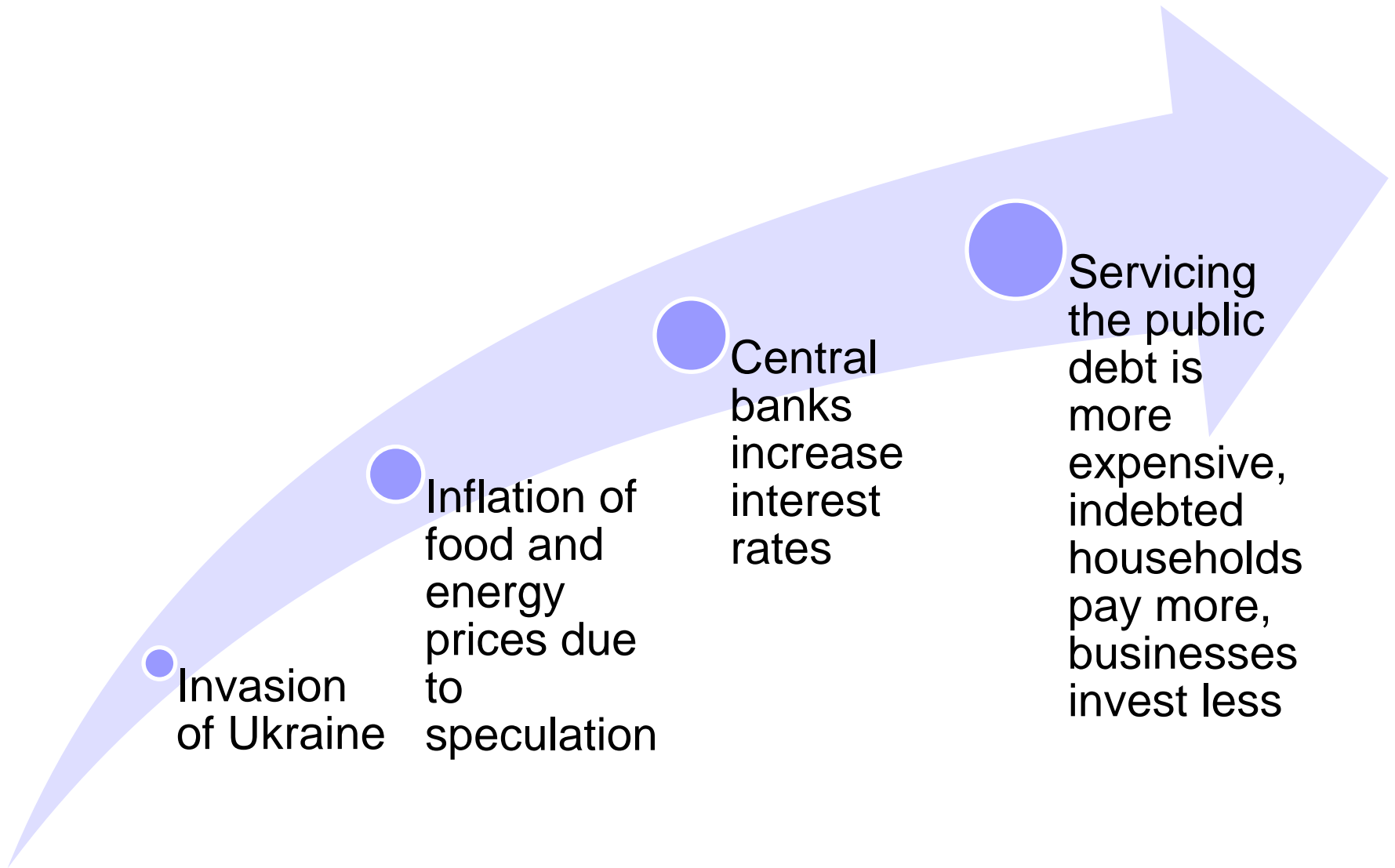
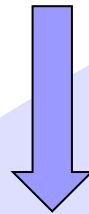




Can the EU win the fight against poverty?



Fall of real wages and social protection



Invasion of Ukraine

Inflation of food and energy prices due to speculation

Central banks increase interest rates

Servicing the public debt is more expensive, indebted households pay more, businesses invest less

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The looming of austerity

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1. The Greek Tragedy, 2010-2015

2. The ‘social triple A’ and the commitment to include social impact analysis in future bailouts

3. The adoption of the European Pillar of Social Rights (2017) and its Action Plan (2021)

As a means to “socialize” the European semester

As a program for legislative action and policy initiatives

4. Four challenges

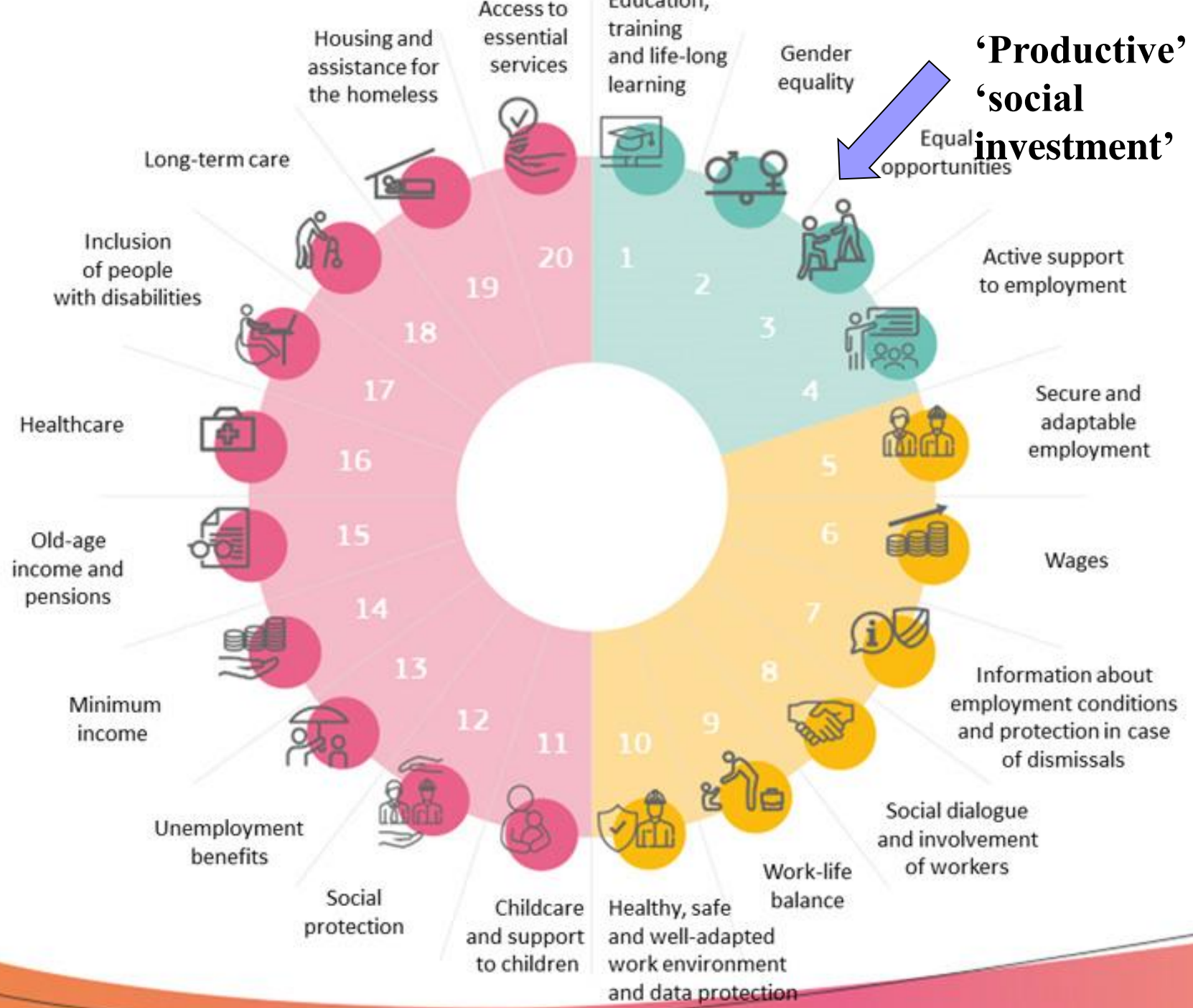
The ghost of austerity

The limits of a tax-and-transfer approach to combating poverty

The idea of a « just transition »

The value of participation

**‘Productive’
‘social
investment’**



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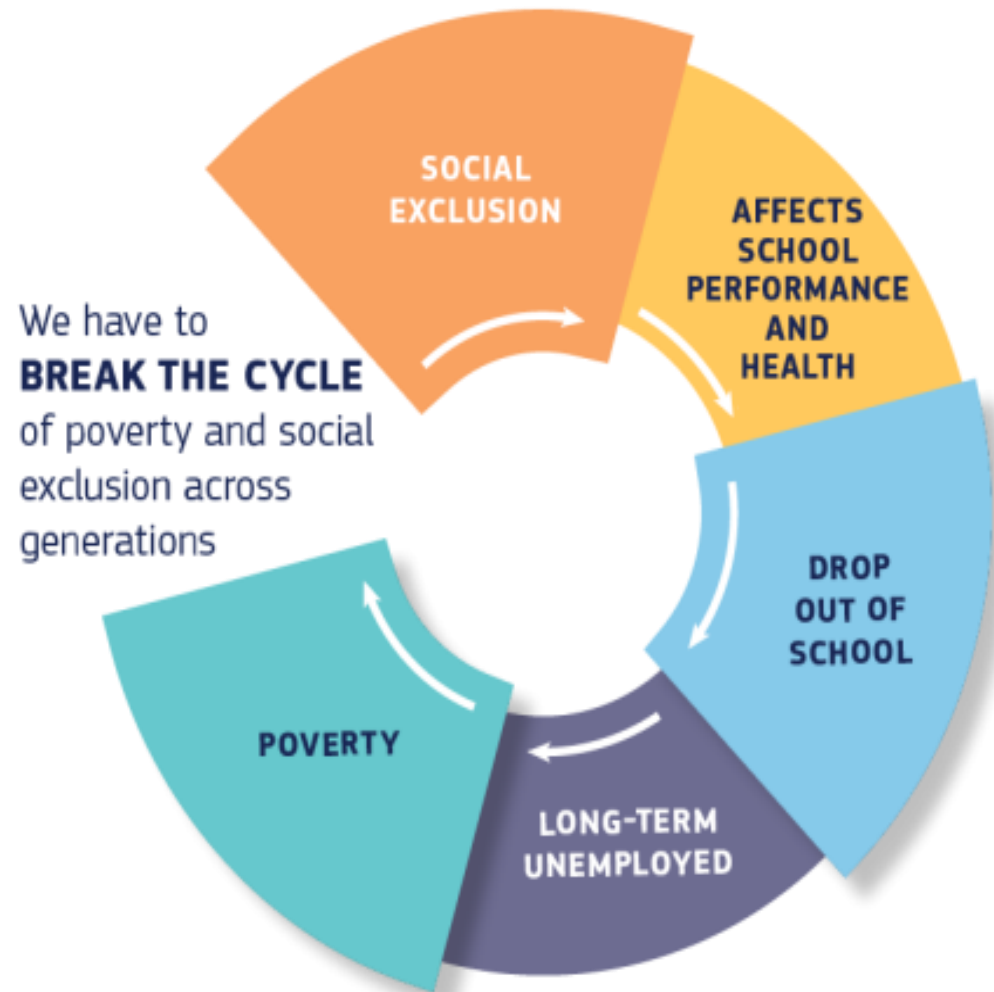
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The Child Guarantee

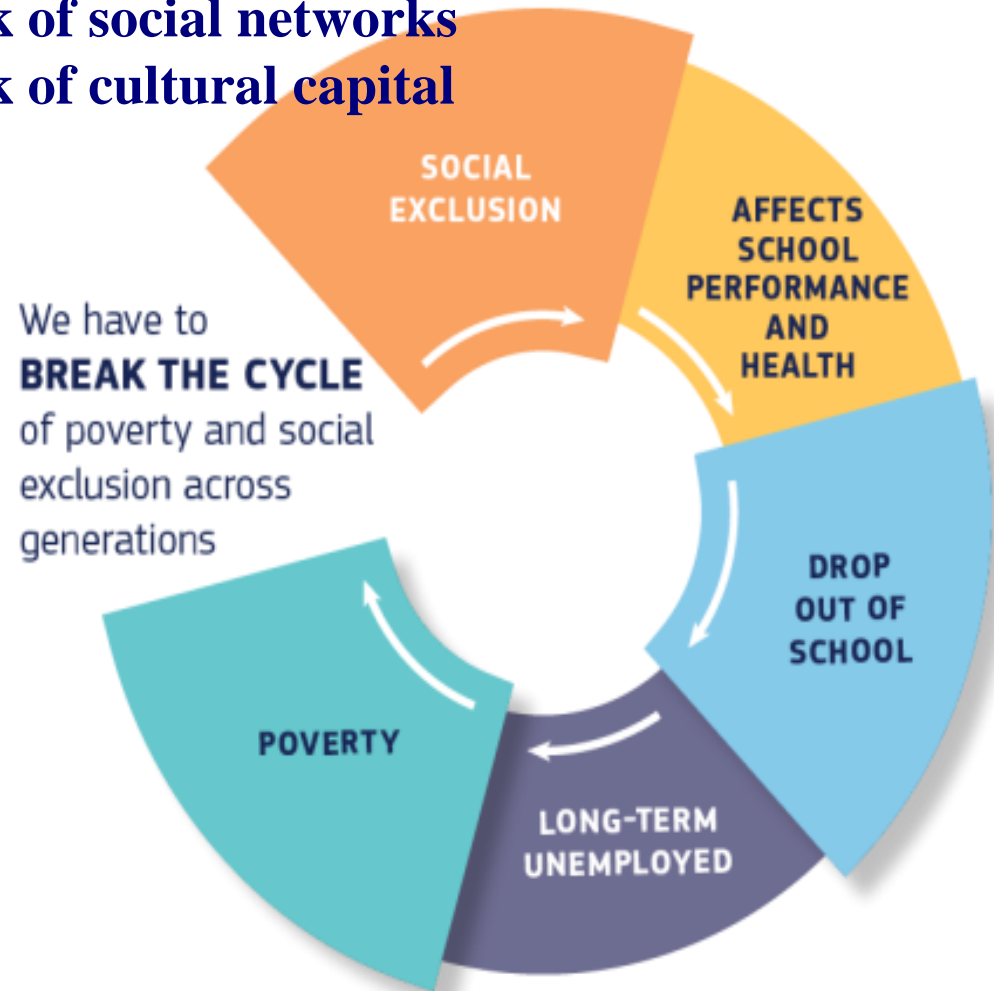
- **FREE AND EFFECTIVE ACCESS** for children in need to
 - early childhood education and care
 - education and school-based activities
 - at least one healthy meal each school day
 - healthcare
- **EFFECTIVE ACCESS** for children in need to
 - healthy nutrition
 - adequate housing



Overcrowded dwellings
Poor nutrition
Nature-deficit disorders
Lack of social networks
Lack of cultural capital

The Child Guarantee

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Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages

The method for setting the minimum wage will include at least the following elements:

- (a) the purchasing power of statutory minimum wages, taking into account the cost of living;
- (b) the general level of wages and their distribution;
- (c) the growth rate of wages;
- (d) long-term national productivity levels and developments.

Member States may use indicative reference values commonly used at international level such as 60 % of the gross median wage and 50 % of the gross average wage, and/or indicative reference values used at national level.

Council Recommendation of 30 January 2023 on adequate minimum income ensuring active inclusion

- (35) The overall sustainability of public finances and the adequate funding of minimum income are essential for their resilience, efficiency and effectiveness. The implementation of this Recommendation should not significantly affect the financial equilibrium of Member States' social protection systems.

Ensuring take-up of minimum income

- (10) It is recommended that Member States encourage or facilitate the full take-up of minimum income through:
- (a) reducing administrative burden, including through simplifying the application procedures and ensuring step-by-step guidance for those who need it, while paying attention to the availability of digital and non-digital tools;
 - (b) ensuring access to user-friendly, free of charge, and updated information on rights and obligations related to minimum income;
 - (c) reaching out to persons that lack sufficient resources to raise their awareness and facilitate the take-up, particularly of single-parent households, including through involving relevant stakeholders at national, regional and local level;
 - (d) taking steps to combat stigmatisation and unconscious bias attached to poverty and social exclusion;
 - (e) taking steps to improve or develop evaluation methodologies and assessing regularly the non-take-up of minimum income according to such methodologies and, where applicable, related labour market activation measures, identifying the barriers and putting remedial actions into place.

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The limits of transfers

Non-take-up

The dilemma: the « Matthew effect » or excessive targeting

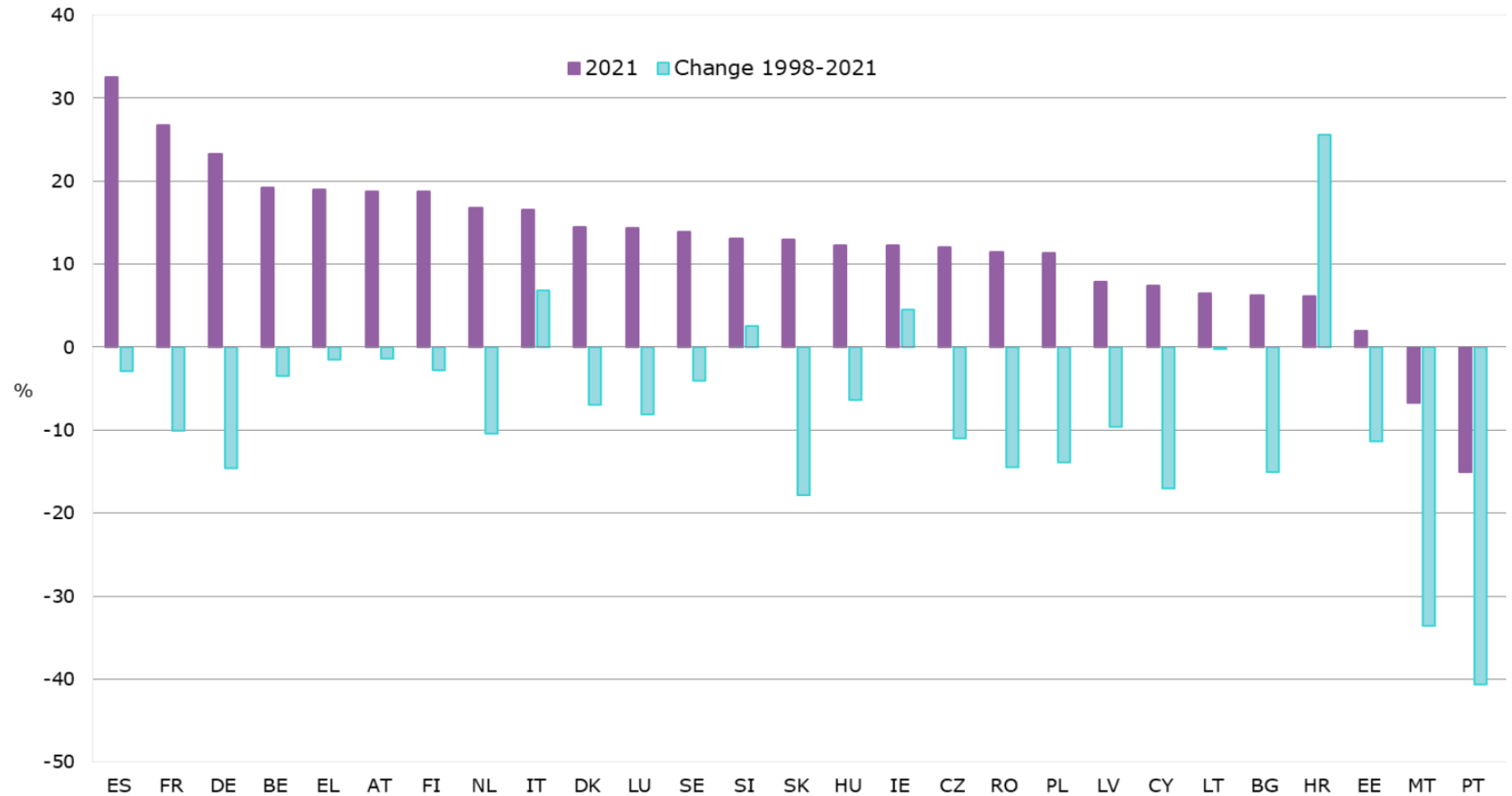
The political sustainability

The dependency on growth

3. The idea of a « just transition »

4. The value of participation

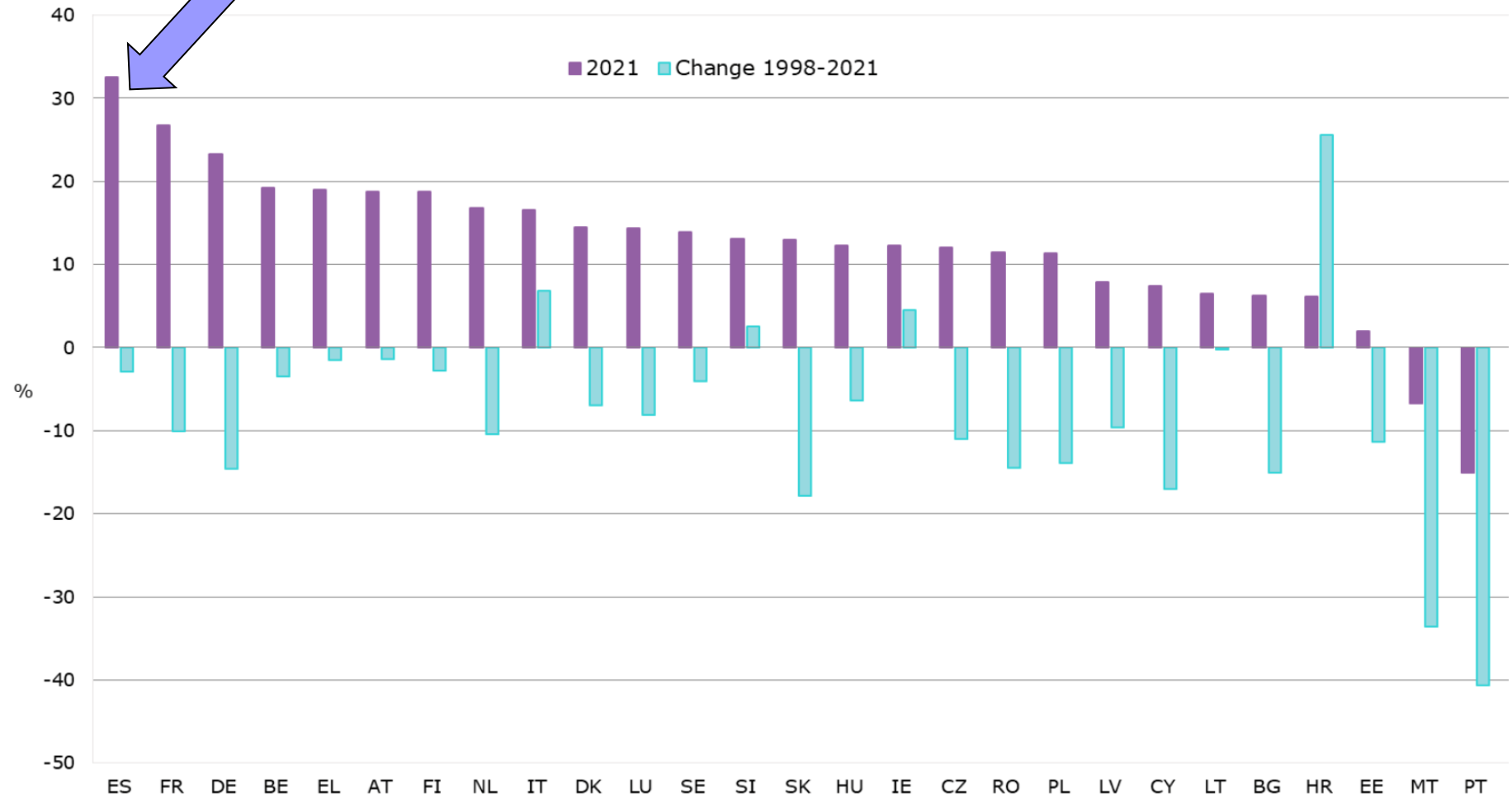
The fight against poverty in the EU



Effective marginal tax rates on corporate income, in %, 1998-2021

Source: European Commission, DG Taxation and Customs Union, based on (Spengel, Schmidt, Heckemeyer, & Nicolay, 2021).

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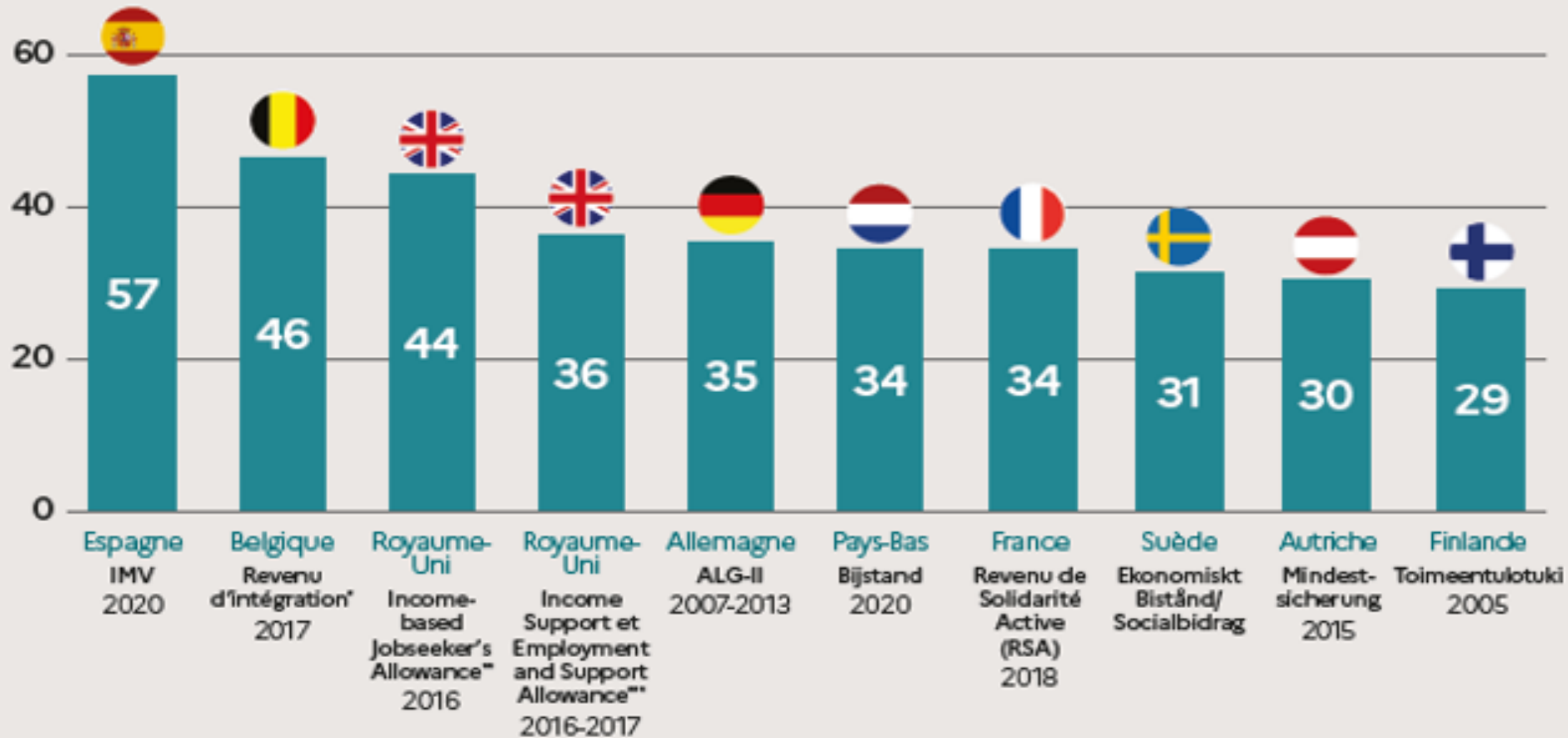
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Taux de non-recours au revenu minimum dans les différents pays (en %)



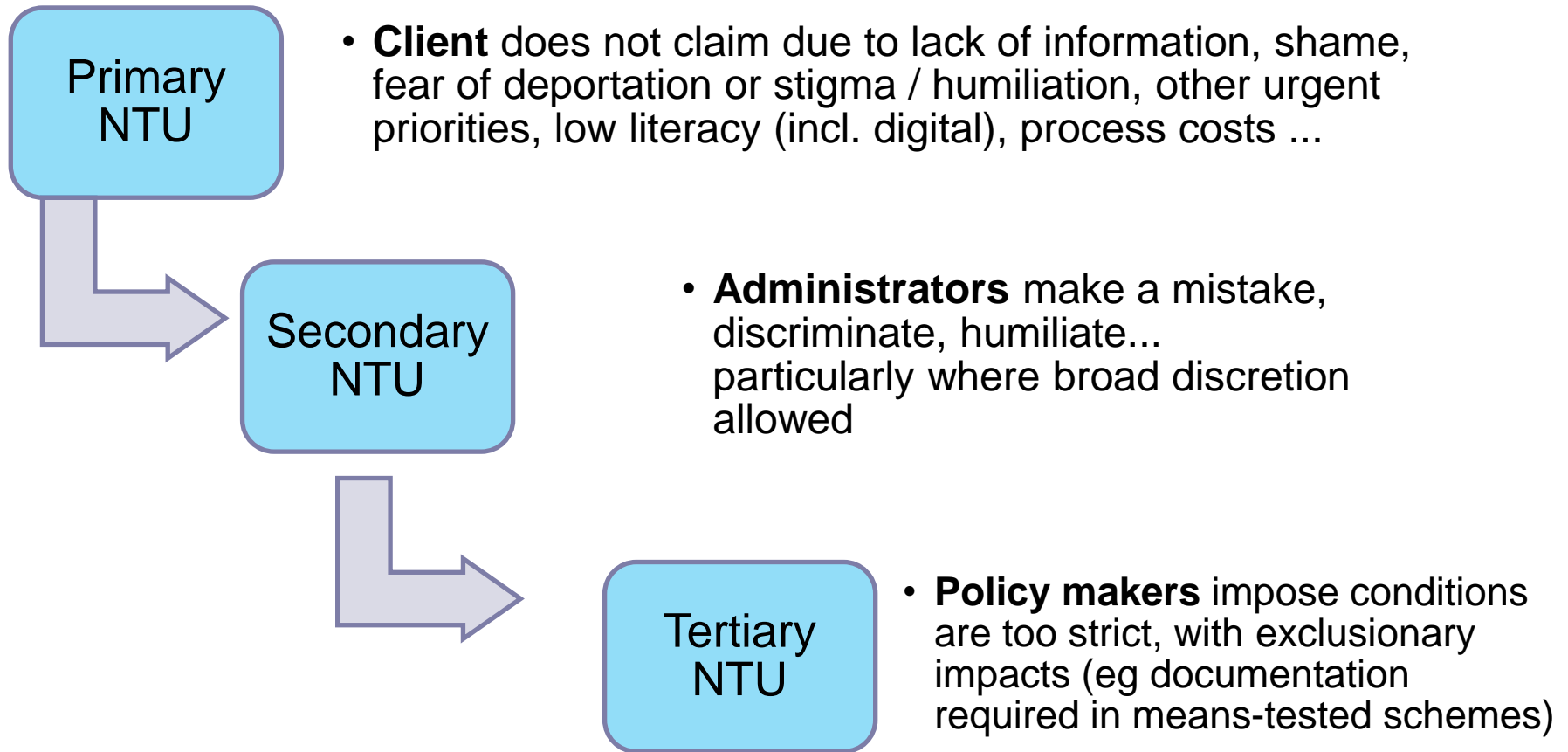
* Estimation sur les ménages à faibles revenus.

** Prestations chômage sous conditions de ressources.

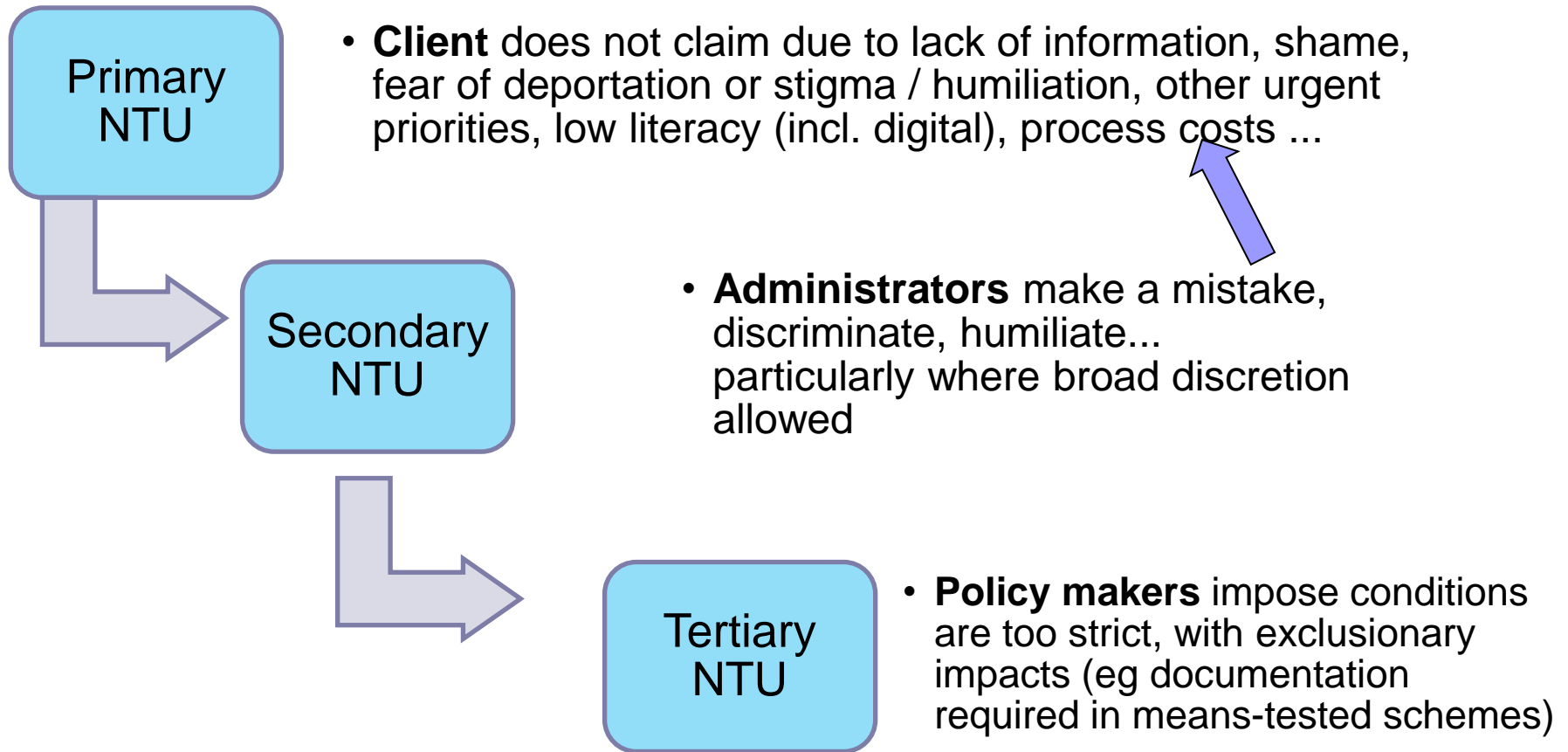
*** Prestations pour les personnes les plus éloignées du marché du travail.

Source : Les Dossiers de la DREES n°94, données actualisées au 13/12/2022

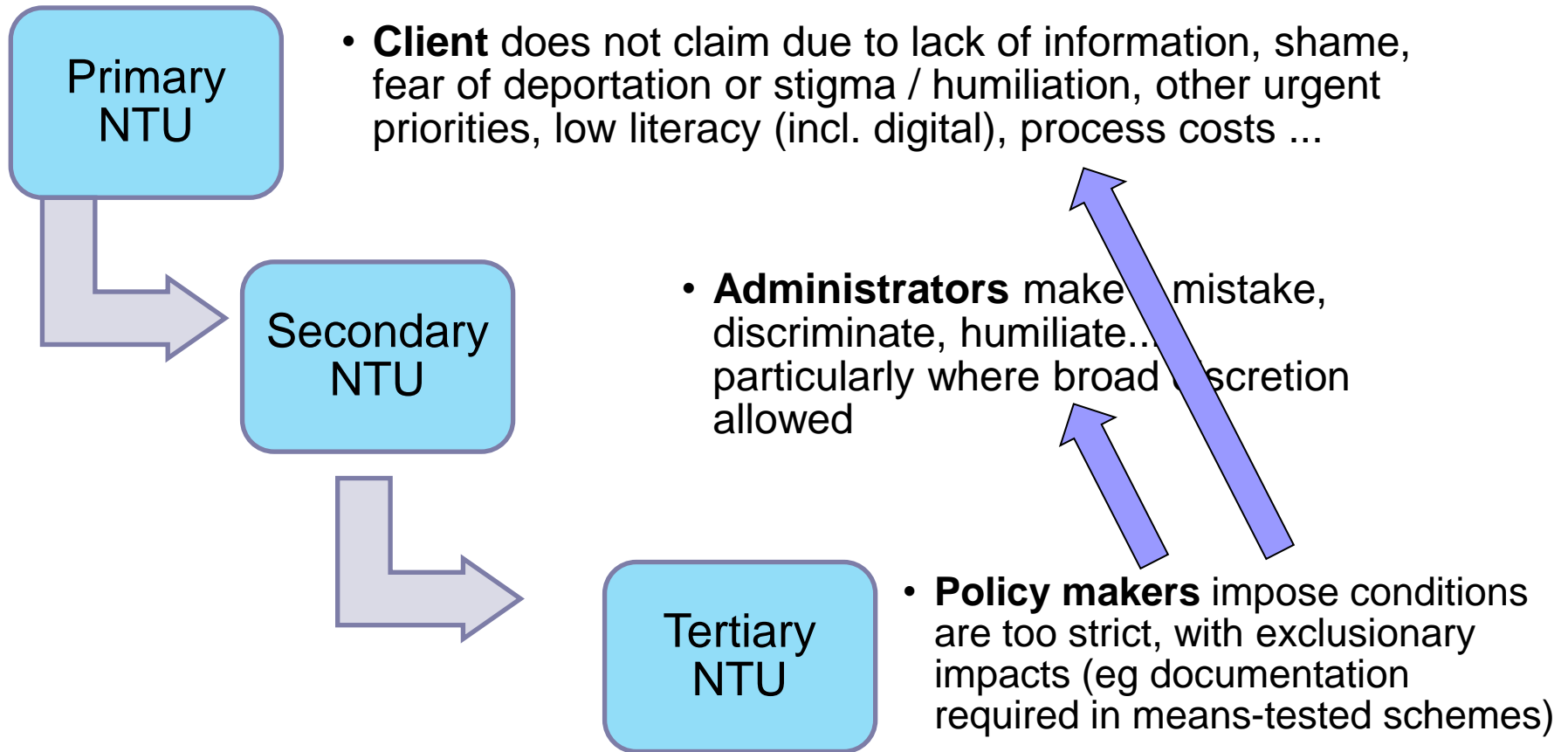
Compilation: Direction de la recherche, des études, des évaluations et des statistiques (DREES) et ODENORE (2022)



Source: N. Van Mechelen & J. Janssens (2017), derived from W. Van Oorschot (1996).



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What is a « Just Transition »? The compensatory approach

The Just Transition Mechanism

Around €55 billion over the period 2021-2027 in the most affected regions, to alleviate the socio-economic impact of the transition.

The Social Climate Fund

Including a mandatory 25% contribution of the Member States to their Social Climate Plans, the SCF should mobilise at least €86.7 billion over the 2026-2032 period.



Seventy-fifth session

Item 72 (b) of the provisional agenda*

Promotion and protection of human rights: human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms

Extreme poverty and human rights

The “just transition” in the economic recovery: eradicating poverty within planetary boundaries

Summary

As the world faces an unprecedented economic crisis, Governments have adopted various stimulus plans to speed up the recovery. Growth as usual is not an option, however, taking into account the other crisis: the environmental crisis. The present report examines how the fight against poverty can be combined with the search for a development model that mitigates climate change and halts the erosion of biodiversity. The “just transition” requires that the workers and communities affected by the ecological transformation be protected from its impacts. But the transformation required also needs to open up new opportunities and strengthen the rights of people living in poverty. In specific areas, such as energy, buildings, food or mobility, “triple-dividend” actions can be taken that would reduce the ecological footprint while simultaneously creating employment opportunities for people with low levels of qualification and facilitating access to goods and services essential to the enjoyment of human rights. Such actions should be underpinned by a different development model that places the fight against inequalities above the exclusive focus on economic growth and that combats wasteful consumption rather than seeing it an ingredient of growth. “Building back better” does not mean returning to the status quo, but instead taking public action towards the eradication of poverty within planetary boundaries.

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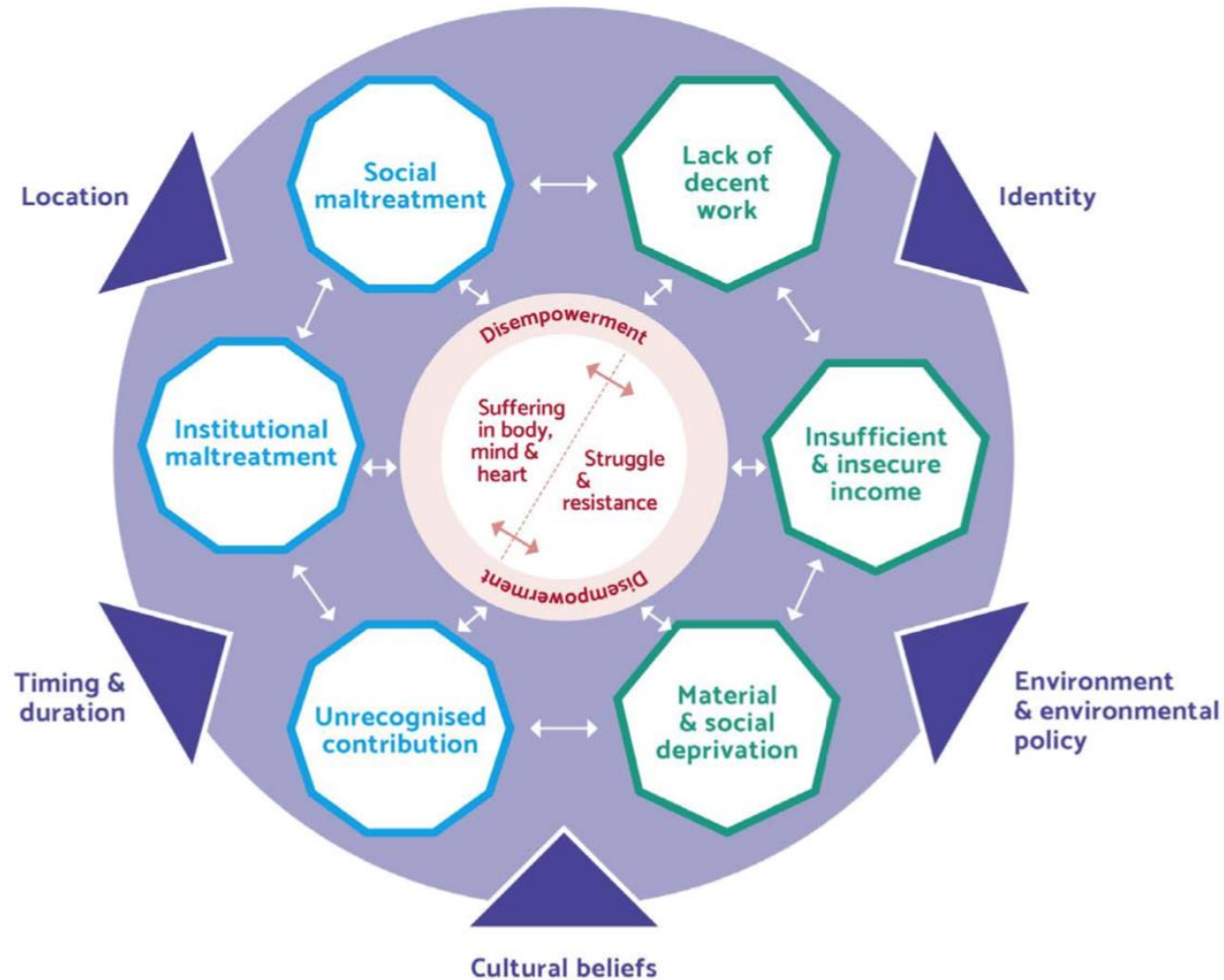
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Beyond the post hoc 'tax and transfers' approach to combating poverty and ensuring a 'just transition': the inclusive economy

Protection from discrimination on grounds of socio-economic disadvantage

Job guarantee

Participation



IDEEP: A deliberative tool to combat poverty

