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Thoughts on Social Policy from the European Greens

Foreword by Jean Lambert, Green MEP for London



Every day, newspapers from around the world dedicate untold column inches to the global economic crisis that has gripped much of the international community. Buried deep beneath the jargon, you could almost be forgiven for thinking that social concerns have disappeared from the political agenda.

It is clear that for some governments the crisis is being used as an excuse to attack long established rights, such as the right to strike, collective agreements and social security systems. Across Europe, governments are implementing draconian spending cuts; gutting essential services, increasing unemployment and disproportionately hitting those most in need in a vain attempt to satisfy the markets that they were unwilling to control.

We are running the risk of developing a severe case of tunnel vision. Our overwhelming preoccupation with the financial dimension of the crisis

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has stopped decision-makers from seeing society as a whole and from realising that for many, this is a social crisis, brought to life by the fear of losing their jobs or their ability to house and feed their families. For the Greens, this is a problem — austerity measures must never come at the expense of social investment.

There is no doubt that the crisis presents a real challenge, but it is also an opportunity to make the transition to the green, sustainable society that we so urgently need: a future which guarantees equal opportunities, equal rights and robust social protection for all. A future which guarantees investment in both people and society.

The Green New Deal sets out a strategy to overcome the crisis whilst transforming the economic and industrial framework to provide decent employment, high quality public services, gender

equality and strengthened welfare rights across Europe. The essays contained in this pamphlet, contributed by Green/EFA Members of the European Parliament Employment and Social Affairs Committee, offer just a taste of this vision and give examples of the work in which the Green/EFA Group is currently engaged in.

The response to the current economic climate can also be the beginning of a more inclusive society, where market rules are never allowed to override fundamental social rights. Quite simply, no other approach will do.

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Treaty on the Functioning of the European Union,

Article 9: “...That in defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health.”

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Social Funds – tackling poverty and exclusion

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The number of people at risk of poverty in the EU is on the rise, currently amounting to 84 million people or 17 per cent of the EU population. Austerity measures adopted throughout the EU are disproportionately hitting the most deprived, yet the EU 2020 strategy sets the target of lifting 20 million people out of poverty by 2020. What action is the EU taking to ensure that Member States live up to this commitment?

The regulations governing the Structural Funds¹ set out eleven priorities, including the fight against poverty. Two instruments are particularly important in achieving this goal.

The European Social Fund (ESF) is crucial in bringing about investment in people. For the funding period 2014–2020, the Commission added two priorities to the ESF, namely the fight against poverty and early school drop-out. This allows for

the financing of new and integrated strategies which reach beyond traditional labour market policies and help prevent the passing down of poverty from generation to generation.

The proposal also states that 20 per cent of the ESF should be earmarked for the fight against poverty. Over the last few years, Member States reduced the share of the ESF in the Structural Funds budget from 40 per cent to 22 per cent. Therefore, the Greens in the European Parliament welcome the Commission's proposal to introduce a minimum share for the ESF of the overall budget, namely 52 per cent for more developed regions, 40 per cent for transition regions and 25 per cent for deprived regions.

The European Programme for Social Change and Social Innovation (EPSCI) is the second programme, consisting of three strands aimed at helping people out of social exclusion: the *'Microfinance Facility and*

If we are to take the fight against poverty seriously, we must back up these warm words with funding and action.

Social Entrepreneurship Programme' which provides micro-credit to people who want to set up a small business but would not be granted credit in the traditional banking sector; *'Progress'*, which finances EU-wide pilot projects in the area of employment and social policy; and EURES, which promotes workers' mobility to better match job opportunities and job seekers across the EU. The draft of the EPSCI programme, however, over-emphasises employment as the primary answer to social exclusion and poverty.

The Greens in the European Parliament will take a clear line in the negotiations on the Structural Funds and the ESF. Some Member States, as well as other Groups in the European Parliament, have already voiced their opposition against the courageous Commission proposal to earmark 20 per cent of the ESF for the fight against poverty, stating that they will not accept such interference by the Commission.

However, if we are to take the fight against social exclusion and poverty in the EU seriously, we must back up these warm words with funding and action.

¹ The EU Structural Funds are designed to narrow the gap between the rich and poor parts of Europe by reducing the differences in development between regions. The majority of spending is allocated to three funds: The European Regional Development Fund, the European Social Fund and the Cohesion Fund.

Securing Europe's future — why young people matter

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Youth unemployment is one of the major challenges for Europe. It is not without reason that the current generation of young Europeans are known as the “*the lost generation*.”

The economic crisis has triggered a sudden and dramatic increase in unemployment, particularly amongst the young. More than one in five young Europeans are unemployed, creating tremendous pressure on wages and working conditions. In Spain, for example, young people often end up in temporary positions with little protection, while millions of young graduates in Italy, France, Germany and the UK are working for free as interns.

It is also a fact that young people don't tend to join trade unions, which is not only a crisis for the unions but a crisis for the new generation in the labour market, too. Without organisation, young people are left alone with no strong

bargaining power. The trend is similar across Europe: labour market organisation is falling apart, as well as wages and working conditions for the newcomers.

There is an urgent need to act. We need to find solutions that not only provide more jobs for young people, but which also ensure that those jobs are secure and long-term.

A report adopted by the European Parliament in July 2010 proposed a number of suggestions on how to tackle youth unemployment.¹ Fortunately, it seems that the work of the Parliament has had an impact. The Commission has included a number of the Parliament's suggestions in its flagship initiative ‘*Youth on the Move*’,² which aims at equipping Europe's youth for the future.

Most notably, the scheme includes the European Youth Guarantee,

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which gives every young person in the EU the right to a job, an apprenticeship, further training or employment if they have been out of work for four months. Other measures in the *Youth on the Move* initiative include a call for better regulation of apprenticeships and internships and EU funding for young entrepreneurs.

The EU has shown willing in coming together to combat youth unemployment. What we need now is for governments to take action. Member States must make youth unemployment a political priority. Austerity alone cannot save Europe alone — it is time to stand up for Europe's young people.

¹‘On promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status’
Emilie Turunen MEP, 14th June 2010:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2010-0197+0+DOC+XML+V0//EN&language=EN>

²‘*Youth on the Move: An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union*’
European Commission, 15th September 2010:

http://ec.europa.eu/education/yom/com_en.pdf

A minimum income for all

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Currently, 24 out of 27 countries in the EU have what could be described as a minimum income scheme — a core payment made for people who have no other income and which provides an essential buffer against destitution. For some of the most vulnerable in society, this acts as a crucial life-line. Greens believe that all Member States should have such a system in place: no-one should be left to a life of poverty in one of the world's richest regions.

However, in its report on minimum income, the Social Protection Committee found that:

- There is not always a firm basis as to why the level of payment is set as it is;
- Many do not keep pace with the cost of living;
- Some schemes are so complex that take-up becomes a problem.

The European Greens want to see minimum income schemes set at a level which guarantees that people will not live in poverty and will be able to live a dignified life. We therefore supported the European Anti-Poverty Network call for an EU Framework Directive on Minimum Income, which would set out the principles for such schemes and the basis on which they would be set.

I first introduced the proposal in my 2009 report,¹ but it did not gain a majority in Parliament. It was the same story when Greens tabled this as an amendment to the 2010 report on the role of minimum income in combating poverty by the United Left's Ilda Figueredo in 2010.²

Some in Parliament see the proposal as the EU stepping on the toes of Member States by interfering in their welfare arrangements. Greens, however, are committed to the principle that these schemes should not put

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people into poverty, not least when we have an EU strategy to raise at least 20 million people out of poverty by 2020. We should therefore collaborate on ways to prevent this, as we know the high personal and social costs of poverty.

Some Greens argue for a basic income; a universal scheme where people are paid a basic amount as of right, rather than dependent on need, with tax paid on any additional income. However, not all agree on this approach.

What we do agree on is that no-one should live in poverty and a minimum income guarantee addresses this for those not in work, just as a living wage commitment aims to address the problem of the working poor. A Directive is important in getting the basics right and ensuring that Member States don't design poverty into their benefit system but instead aim to deliver on Article 1 of the Charter of Fundamental Rights.

Human dignity is inviolable. It must be respected and protected.

¹'On the active inclusion of people excluded from the labour market'
Jean Lambert MEP, 8th April 2009:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP/NONSGML+REPORT+A6-2009-0263+0+DOC+PDF+V0//EN>

²'On the role of minimum income in combating poverty and promoting an inclusive society in Europe'
Ilda Figueredo MEP, 16th July 2010:

<http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A7-2010-0233&language=EN>

Making homelessness a priority

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Photo: Joëlle Dollé

Housing is a basic right, recognised by the European Union in its Charter of Fundamental Rights. It is also a prerequisite for social inclusion. Finding a job, studying, or raising children cannot be done without adequate housing.

The economic crisis and growing social insecurity are creating a new category of people, the 'working poor', which account for three out of ten classed as homeless. The composition of this group is changing — increasingly, it is young people, families, migrants and vulnerable workers who find themselves without a home. At a time when the European Union aims to lift more than 20 million people out of poverty by 2020, the fight against one of the most extreme forms of deprivation should be a priority.

In September 2011, following a Green initiative, Parliament adopted support for an integrated EU homeless strategy. The plan requires Member

States to undertake specific objectives in tackling the problem with the aim of eradicating street homelessness by 2015.

MEPs supported five major priorities for action:

1. No-one should be forced to sleep rough due to a lack of appropriate services;
2. No-one should stay in emergency accommodation longer than necessary;
3. No-one should stay in transitional accommodation longer than is required for a successful move to long-term housing;
4. A person in a hospital, clinic, prison or other institution should never be left without support and an adequate housing solution;
5. Special attention should be paid to young people, who are at risk of

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homelessness in the transition between home and independent living.

The European funds have a role to play in helping those who find themselves homeless. The social funds can support social innovation and data collection to learn from EU-wide best practice. For example, the 'Housing First' model currently being tested in France provides housing as a first step towards rehabilitation. Similarly, the European Regional Development Fund¹ can now be used for the construction of housing for marginalised communities, including homeless people.

For too long, housing has been the forgotten element in the fight against poverty, exclusion and deprivation. The EU homeless strategy presents us with an opportunity to change this, and the current economic crisis must be no excuse for inaction.

¹The European Regional Development Fund is a EU Structural Fund which is predominantly intended to support infrastructure projects and to invest in companies, in particular small and medium enterprises.

National Reform Plans — wanted: audience for a greener and more social Europe

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By 2020, 75 per cent of 20–64 year olds in the EU will be employed. 20 million people will be removed from poverty. School drop-out rates will be reduced to 10 per cent; 3 per cent of GDP will be spent on innovation; greenhouse gases will be 20 per cent lower than in 1990 and 20 per cent of energy will be generated from renewable sources.

This may read like a Green Party campaign pamphlet, but in fact they are the goals that the EU has set itself for 2020. The EU has recognised that the policies of all 27 Member States must point in the same direction if Europe is to emerge from the economic crisis with a greener, smarter and inclusive economy.

Under the European Semester¹, Member States have committed themselves to the scrutiny of their National Reform Plans for employment and the economy before they draw up next year's budget, as opposed to afterwards. The idea

is that the European Commission presents the priorities for the coming budget year in January, after which Member States make their National Reform Plans, which translate these priorities into concrete policies. The European Commission then gives each country specific recommendations to improve the plans for the national budgets.

This sounds marvellous in theory, yet there is little public awareness of the EU 2020 goals or the European Semester. Governments have no interest in informing the public for fear that the press might publicise the Commission's criticism of their policy plans. As long as the Parliament, press and voters aren't aware of the criticism, it's no big deal.

The result is that the Member States' combined national targets fall far short of reaching the EU 2020 goals for Europe as a whole. The recommendations for the National Reform Plans lack consistency and are

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clearly the results of heavy lobbying behind the scenes by Member States. Yet because nobody knows, nobody is held accountable. We are never going to reach these vital goals by 2020 if this continues to go on.

We must strive to make the EU 2020 goals as widely known as possible to prevent governments from making cuts to vital services which are contrary to the targets of employment, innovation, climate change, education and poverty. The EU 2020 strategy and the European Semester could do great things for reform in Europe, but they desperately need an audience.

¹'The First European Semester and its contribution to the EU2020 Strategy'
Oliver Durrine and Anne Tiedemann,
19th October 2010:

<http://www.jeanlambertmep.org.uk/DocumentStore/EUROPEAN%20SEMESTER%20STUDY%20oct2010.pdf>

Women in the economic crisis — progress not setbacks for gender equality

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Photo: Diana Riba

If Lehman Brothers had been Lehman Sisters, ran by women instead of men, would the credit crunch have happened? Economists pointed out that the credit crisis was literally caused by men, simply because they are in the highest economic, financial and political decision making bodies. Indeed, only 5 per cent of those with decision-making responsibilities in the EU financial institutions are women and all 27 EU Central Bank governors are men.

We cannot say for certain that if more women had occupied these positions that the crisis would not have happened, but we can say that it would not have been the same. Recent studies show that organisations with higher female representation on their boards have been much less affected by the crisis. The financial downturn should therefore be seen as an opportunity to increase the female presence in financial institutions.

The first wave of the crisis hit the male dominated financial sector, as well as the construction and car industries. The second wave of the crisis equally affected female dominated sectors such as retailing, the public services sector and tourism and the care services. Social expenditure cuts means more unpaid work for women since, according to the European Foundation for the Improvement of Living and Working Conditions, women spend three times as much time as men caring for children, dealing with domestic issues and looking after dependent relatives.

Austerity measures have not recognized, analyzed or corrected the impact of the crisis on gender equality. The Greens must ensure that the economic crisis does not become a 'pink crisis' and that the road to recovery does not jeopardize the gains made in gender equality.

The Greens must ensure that the economic crisis does not jeopardize the gains made in gender equality — by 2020 we need to ensure that 75 per cent of women are participating in the labour market.

Without gender equality, there will not be an end to the crisis. We must involve a gender perspective in the reform of the financial sector and in business, industry and employment policies, making sure that these policies redress the balance. We also need specific goals in the macroeconomic and employment guidelines and with concrete budget lines.

We need political will, imagination and concrete, binding policies. For example, by 2020, we need to ensure that 75 per cent of women are participating in the labour market and we need to narrow the wage gap. There also needs to be a clear sanctions system. Now is the time to act in a clear, credible and committed way to stop the 'pink crisis'.

Strengthening the social economy – a vital role for co-ops, mutuals and Fair Trade

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The Greens at the European Parliament support enterprise in the social and solidarity economy because they tackle social challenges in a very productive manner — through economic activity.

Social enterprises come in very different forms, but what they all have in common is that they are more beneficial for society than capital-based enterprises could ever be. For example, worker co-operatives tend to provide healthier, more resilient working environments. Co-operative banks are weathering the economic crisis better than high street banks. Community based farming is slowly becoming an alternative for buying and producing organic, regional food. Fair Trade contributes to producer and worker wellbeing both inside and outside the EU.

During this year, the European Greens have focussed on two priorities. Firstly, we are in the process of completing the comprehensive position

paper *'The Social and Solidarity Economy and the European Union – A Green Programme beyond the Crisis'*. In the paper we present Green positions on issues ranging from social criteria in public procurement to state aid to mutual societies in financial regulation. We also suggest that the Commission co-ordinates the exchange of best practice amongst Member States concerning taxation and co-operative business support.

Secondly, I have recently written the Parliament's draft initiative on employee participation in co-operatives using the European Co-operative Statute (SCE). After consultation with representatives of the main co-operative organisations, we have decided to use the report to reaffirm and strengthen the Parliament's position on co-operatives and the social and solidarity economy as a whole. This is urgent, for the Commission has yet to produce any concrete results, years after announcing the need to improve the legal situation

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of co-operatives in 2004. My initial report points out that this is partly due to a lack of dedicated resources in the Commission administration, and calls for the introduction of policies to improve the legislative framework for cooperatives as well as a European Year for the Social and Solidarity Economy.

The Greens will ensure continuous action in this field, establishing ourselves as the key partner for social and solidarity economy actors. With the aim of cross-cutting recognition for the social and solidarity economy at the European level, we will deepen our networks and push for legislative improvements wherever possible. With this, we also hope to inspire Green programmes at both the local and national level.

Linking bailouts to social guarantees

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In the midst of the current economic turmoil, it might be easy for some to forget the bailout given to Latvia, Hungary and Romania in June 2009. To help these countries balance the books, the EU loaned billions of Euros with strict conditions attached for the reform of public finances, resulting in massive cuts in public spending and deep economic hardship.

We may not have thought so at the time, but the EU's treatment of Latvia, Hungary and Romania was in many ways a taste of things to come.

Over the past two years, economic stagnation and a growing debt crisis have seen the introduction of 'austerity' measures across Europe. In practice this has meant cuts to public services, fewer jobs and tough economic times for families, as we saw in Latvia in 2009.

What has angered millions across Europe is the apparent impunity with

which those responsible for the debt crisis have been bailed out. It is fundamentally unjust that reckless financial institutions should be bailed out at the expense of workers who now face an uncertain future.

Bailouts should have strings attached, but these should be 'social strings'; in a socially-just Europe, 'austerity' can and should be implemented without driving millions of our most vulnerable people into deep, long-term poverty.

The Commission ignored the public reaction to measures aimed at fighting the economic crisis in Latvia, Hungary and Romania. The Commission also failed to demand that government spending cuts should include a reduction in spending on state bureaucracy rather than cuts in the income of pensioners, schoolteachers, doctors and policemen.

The fiscal package approved in June 2009 by the Latvian Parliament

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provided for serious cuts in the social sphere, including 10 per cent cuts in pensions, 70 per cent cuts in pensions for working pensioners, and 50 per cent cuts in parental allowances for working parents. These measures touched a large part of the population whose income was already below the poverty line.

With colleagues from four centre-left groups, I sought answers from the European Commission on the kinds of commitments that should be sought from Member States who are in need of financial help for balance of payment difficulties. We also asked whether Member States would be required to evaluate the social impact of fulfilling the austerity obligations attached to bailouts, and whether this would be taken into account in deciding future financial aid. Unfortunately, we are still waiting for an adequate response.

Two years have passed since my country, Latvia, got a bitter foretaste

of things to come. The European Commission has a moral obligation to use the mechanisms at its disposal to ensure social justice and other European values are not sacrificed in these difficult times. Further bailouts may be required, but that does not have to mean driving vast numbers of totally blameless Europeans below the poverty line, to pay for a crisis that was not of their making.

