



DO NOT DENY JUSTICE TO YOUR POOR PEOPLE

(Exodus 23,6)

Proposals for Combating Poverty and Social Exclusion in the EU

By : Caritas Europa, Eurodiaconia, the Church and Society Commission of the Conference of European Churches (CSC of CEC), the Secretariat of the Commission of the Bishops' Conferences in the European Community (COMECE)

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PROPOSALS FOR COMBATING POVERTY AND SOCIAL EXCLUSION IN THE EUROPEAN UNION IN THE NEW FRAMEWORK OF THE LISBON TREATY

Joint recommendations of Caritas Europa, the Church and Society Commission of the Conference of European Churches (CSC of CEC), the Secretariat of the Commission of the Bishops' Conferences in the European Community (COMECE) and Eurodiaconia

"On the basis of our Christian faith, we work towards a humane, socially conscious Europe, in which human rights and the basic values of peace, justice, freedom, tolerance, participation and solidarity prevail."

Charta Oecumenica (Strasbourg, 22.04.2001)



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Views expressed do not necessarily reflect those of the European Commission.

FOREWORD

In the context of the European Year for Combating Poverty and Social Exclusion, and in view of the adoption of the new European Union social, economic and environmental strategy for the next 10 years (Europe 2020), Caritas Europa, the Church and Society Commission of the Conference of European Churches (CSC of CEC), the Secretariat of the Commission of the Bishops' Conferences of the European Community (COMECE) and Eurodiaconia have come together to state their common concerns, hopes, responsibilities and vision. We call on the European Union and its Member States for a strong political commitment to work towards a society that will focus on the well-being of all people and enable everyone to live in dignity.

EXECUTIVE SUMMARY

In June 2010, the European Council agreed on a poverty and social exclusion target of lifting at least 20 million people out of poverty by 2020, based on the aggregate of three indicators of poverty: relative poverty, material deprivation and jobless households. However, Member States have been left free to set their own national targets on the basis of the most appropriate indicators, taking into account their national circumstances and priorities. This policy is considered as taking a good step towards the reduction of poverty and social exclusion; however the lack of political incentives for Member States might hinder the practical implementation of this strategy.

In the year 2000, the European Union (EU) embarked on a strategy “to make a decisive impact on the eradication of poverty by 2010”. Despite its growth and job strategy, a substantial part of the population still suffers from poverty and social exclusion and faces serious obstacles in accessing employment, education, housing, social and financial services. Before the financial crisis struck, 80 million people in the EU (16%) were estimated to live at risk of poverty (i.e. living with 60% or less of the median income). More recent figures refer to 84 million people or 17% of the EU population living at risk of poverty. The political declaration of intent in 2000 was not sufficient to reduce poverty and exclusion. Will it be different now?

Poverty takes away the means and possibilities for those individuals affected to participate fully in society. It places them in vulnerable and often stigmatised positions. As Christians, we consider every human being to be created in the image of God, endowed with inherent dignity. We consequently advocate that every human being should be able to live in dignity, holistically and to autonomously develop their capacities, to contribute to and participate in society. We hold as guiding principles the ‘universal destination of goods’ to serve all humankind (including

future generations), equal accessibility of goods and services for all and the social function and responsibility of every form of private or corporate ownership.

Consistent with this basic principle of ‘the common good’ for every person, and recognising the urgent need to recover from the financial and economic crisis, we call on the European Union and its Member States for a strong political commitment to work towards a society that prioritises people’s well-being so that all its people can experience a dignified life. This is a call for both distributive and participatory justice. We believe this is the very minimum that we owe to the dignity of every human being and which we believe is the will of God.

2010 will be remembered as the year which brought the first serious test to the solidity of the European Monetary Union. At the same time 2010 is the first year for the European institutions to exercise new tools and competences to move beyond short-time crisis management to a long term reform of the current socio-economic model and to shape a Europe based on the values of solidarity and justice. Article 3 of the Treaty on European Union (TEU) and Article 9 of the Treaty on the Functioning of the Union (TFEU) introduced a specific reference to promoting the well-being of European citizens and included a “social clause” stating that the EU must pursue social objectives.

After recalling our common experience and convictions and analysing the various aspects, causes and effects of poverty, we will present our joint recommendations to the European Union institutions and to the Member States for a stronger social Europe.

SUMMARY OF POLICY RECOMMENDATIONS¹

1// IMPLEMENTATION OF THE NEW SOCIAL CLAUSE IN THE EU TREATY BY MEANS OF

- The inclusion of a specific chapter with regard to this clause in the European Commission’s annual policy strategy;
- A specific chapter with regard to this clause in the annual general report from the European Commission to the European Parliament (Article 249 TFEU); and
- The establishment of a group of highly renowned social experts to review annually the implementation of the social clause.

2// THE EUROPEAN COUNCIL AND THE ‘SOCIAL CLAUSE’

The President of the European Council should reflect in his reports to the European Parliament after each Council meeting how the social clause has been implemented.

3// THE CHARTER OF FUNDAMENTAL RIGHTS

The European Union’s Agency for Fundamental Rights should focus its annual work programme in the forthcoming years on aspects related to Chapter IV (Solidarity) of the Charter.

1/ These recommendations focus on poverty and social exclusion inside the EU. They have to be seen in the context of other statements of the Churches, Caritas Europa and Eurodiaconia on Europe’s role in the world, e.g. Church & Society Commission of the Conference of European Churches. European churches living their faith in the context of globalization. Brussels 2006.

4// ACCESS FOR ALL TO SERVICES OF “GENERAL INTEREST”

The European Union and its Member States ought, in cooperation with civil society, Churches, Caritas and Diaconal organisations, to take action to ensure that quality services of general interest, in particular social and health services, are universally accessible in the European Union.

5// LIVING WAGE

The European Commission should work with Member States to develop a system of minimum wages to ultimately address the phenomenon of the working poor and ensure a living wage for all.

6// MINIMUM INCOME

Member States should work towards adequate minimum income schemes, allowing empowerment and full participation of all individuals. We ask the European Commission to intensify its support to Member States, by facilitating exchange of best practice and policies.

7// HOMELESSNESS AND HOUSING EXCLUSION: ADOPT A LONG TERM VISION

Go beyond the provision of only emergency services and set out a strong long-term political vision to permanently eradicate homelessness and improve the living conditions of people with inadequate housing.

8// PROMOTE ALTERNATIVE CONSUMPTION

Strengthen efforts towards alternative consumption and production patterns; towards a real questioning of current cultural trends in which unnecessary consumption and greed are encouraged and valued; and instead promote alternative values such as moderation and generosity.

9// USE NEW INDICATORS

Recognise the informal economy and quantify the “economics of life” by using a new methodology and indicators that focus on measuring the impact of poverty and social exclusion on women and on men.

10// VALUE UNPAID WORK

- Promote volunteering which is an active expression of citizenship and contributes to community welfare and cohesion.
- Increase the recognition of unpaid work done especially in the family and in the care sector, for instance by health insurance, the right to a pension and by the recognition of informal qualifications.

11// SUPPORT FAMILIES AT RISK OF POVERTY

- Member States should be given the flexibility to reduce the VAT rate on all products related to infancy and early childhood.
- We strongly recommend that a child allowance should be given for every child.
- Families with three or more children are a gift to our European society. However they often also encounter serious material problems and they should therefore be included in the groups particularly at risk of poverty, mentioned in the Commission’s Communication EU 2020.
- The EU could introduce a period of up to 10 days in a year for unpaid leave, to give every parent the additional flexibility to adjust better to unexpected family situations.

12// PROTECT SUNDAY AS A WEEKLY REST DAY

We recommend the European Union to protect the Sunday as a collective day of rest for society to preserve the health of workers and as an important pre-condition for a participatory society.

13// INVOLVING CHURCHES AND THEIR ORGANISATIONS

- An exchange about the ways and means to combat poverty and social exclusion should become a permanent feature on the agenda of the dialogue with the Churches and religious communities following Article 17 (3) TFEU.
- The planned European Platform against poverty should actively involve representatives of civil society and the Churches, including faith based service providers.

14// INVEST MORE IN THE PROTECTION OF POOR PEOPLE IN THE CONTEXT OF THE REVIEW OF THE ESF AND THE BUDGET

Reducing the number of people at risk of poverty should be considered a primary objective of the European Union to which 10% of the annual EU budget, which itself amounts to 1% of the EU GDP, should be devoted. Devoting at least 1 % of EU GDP to the needs of the poorest and socially excluded could be enshrined as a general rule in the Regulations on general provisions for European Regional Development Fund (ERDF), European Social Fund (ESF) and the Cohesion Fund, which should be revised by 31 December 2013 at the latest.

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ANALYSIS OF THE SITUATION: THE CRISIS, AN OPPORTUNITY TO RETHINK OUR SYSTEM

In April 1997, at the request of the European Commission, the Churches and Diaconal organisations in the European Union held a consultation on issues of Poverty and Social Exclusion. They shared their convictions and concerns on issues such as unemployment, pensions and social security systems' sustainability, migration and racism and the effects of globalisation.

Today, 13 years later, Europe and the world have changed. The European Union is now 27 Member States strong; globalisation has enhanced interdependence and exchanges in all areas (for instance from trade to finance, education and culture). The European institutions have adopted new instruments such as the Lisbon Treaty and social rights have gained more political importance and legal recognition. However, their implementation still appears to be rather weak. The European Union, with its new strategy "Europe 2020" and on the eve of negotiating its new financial perspectives is still facing challenges to the achievement of social justice. In fact, despite an unprecedented era of affluence, the European Union Member States now face the worst crisis since the 1930s.

EUROPE: WEALTHY BUT UNEQUAL

Even before the crisis of 2008 the global economic situation was distorted with a concentration of wealth, on the one side, and widespread hunger and poverty on the other. In the European Union, one of the wealthiest regions of the world, 17% of the population, that is to say 84 million people, live at risk of poverty, below the 60% median income threshold, which has been defined in the past as the poverty threshold. Economic growth seems to have benefited the rich more than the poor, and the gap between rich and poor has increased in the EU resulting in rising income inequality and poverty².

The transformation from an industrial to a knowledge-based model of society has come with important social effects. The transformation of the labour market has been to the disadvantage of low-skilled and low-educated workers and their families. At the same time, the economic foundations of whole regions and former industrial cities have been altered necessitating a re-adjustment that has caused greater inequalities within the EU Member States. This leaves the economy unstable and vulnerable to crisis and destabilises communities at global and local levels. Such inequalities are endangering stability and social peace. Continuing on the current path is not sustainable.

THE ECONOMIC AND FINANCIAL CRISIS: FRUIT OF WRONG POLICIES, PRIORITIES AND VALUES

The economic crisis has not occurred by chance, it is the result of political choices. It is the fruit of a flawed financial and economic system, of erroneous judgements made by decision-makers in the financial system and by governments. 25 years of prosperity have made economists, governments and the general public succumb to a seductive belief in a stable, efficient and self-regulating market where money generated more money and wealth more wealth. The desire for wealth became reckless and short-sighted during the time of the greatest prosperity ever seen in Europe. It is precisely in this context that the boom in subprime-mortgages built on inflated land and housing prices occurred. The world economy became strongly influenced by a speculative financial system, unfair to citizens who make their

²/ OECD: Growing Unequal?: Income Distribution and Poverty in OECD Countries. 2008
Trends in income inequality (Gini coefficients): Small increase from mid 1990's to mid-2000's: Austria, Denmark, Japan, Norway, Sweden, United States; from mid 1980's to mid 2000's: Canada, Germany, Italy, Japan, Norway, Portugal, Sweden, United States. "Small increase/decrease" denotes changes between 1 and 2.5 points (Gini coefficient) and between 0.5 and 1.5 points (headcounts).

living solely from work. This is the basic failure that has to be redressed, before any recovery of the economy can be sound and stable.

The crisis calls into question a number of assumptions which have also underpinned the EU's economic policies over recent decades, such as self-regulation of the market, the primacy of economic criteria in all areas of life, as well as the importance of profit and growth. The current crisis has been aggravated by a lack of confidence in financial and political institutions and in the system which caused it, as well as by a crisis of values. In fact, it is a crisis of values that we discover to be at the root of the current financial and economic crisis.

The crisis reveals that means and ends of economic policy have been turned around. Growth, competitiveness and the market are not ends in themselves but means to improve the well-being of people and to ensure stable cohesive societies. The economy should serve the common good of people and society. The deregulation of markets has led to a weakening of the political priorities and social objectives of the economy. Growth in GDP must not be mistaken for societal progress. We need to reorder priorities, so that the well-being of the person and the preservation of creation are preserved and the economy is guided by social human rights principles. Only an economy that answers people's need, not their greed, is sustainable.

THE ECONOMIC AND FINANCIAL CRISIS: HURTING THE MOST VULNERABLE

The social impact of the economic and financial crisis has dragged more people into poverty, and the situation has deteriorated for people already in despair. Millions of people have lost their jobs, or had to accept a reduction of their salary, or to take up precarious jobs. As public finances have been hit hard, the social benefits level has sometimes been reduced, and cuts in social spending have worsened the living conditions for vulnerable groups. Over-indebtedness of individuals and families is becoming a widespread problem in many countries. Unemployment among young people has risen dramatically and is threatening the future of a whole new generation. The full impact of the crisis has not yet been seen, nor have the long-term structural, cultural and spiritual effects of the crisis for groups at risk, effects which could exacerbate social fragmentation in our societies.

WHAT WAS THE RESPONSE?

Billions of Euros have been spent on bailing out bankrupt banks to make the financial system work again. This is money that future generations of taxpayers will have to re-pay in the coming decades. Billions of Euros have also been spent in order to reinforce the credibility of sovereign debtors, members of the Euro-zone, in the eyes of the financial markets. This is in glaring contrast to the little amount that has been spent on protecting people from the devastating social consequences of the crisis. Governments are cutting back on social and health care services and in social safety nets that in time of crisis should be guaranteeing people access to their social rights.

From a purely economic perspective, the social costs of the crisis might be seen as the tragic but inevitable consequences of market forces. If we accept this explanation, we betray the common good and learn nothing about the crisis and how to foster justice and peace in our European and global societies. The crisis is not only about flaws and wrong decisions within the economic system, but also about the moral legitimacy of the system and its values.

2010 should be a year not only to discuss how to repair the damage caused by the crisis, but above all how to change the system and avoid new crises while reducing poverty. The financial sector ought to be reformed and regulated by governments to serve societal needs and the real economy. The relation between State and market needs to be re-balanced and it must be emphasised that governments have obligations to respect, protect and fulfil economic and social rights for all. When the market disregards human rights and the common good, governments must exercise their responsibility.

POVERTY: A MULTI-DIMENSIONAL REALITY

In the current political debate two classical approaches to define poverty are used. There are people whose income is simply not enough to afford basic goods and services: this is absolute poverty, and has mostly declined in the European Union. However, relative poverty, which measures inequalities, has increased. Relative poverty is calculated by assessing people's income in relation to the median income and how far individuals or families are from affording typical goods and services in the society where they live. It implies an inability to participate in society on a basis that the majority takes for granted.

However, from a Christian perspective the distinction between absolute and relative poverty in monetary terms is – though necessary - not sufficient, since it can not fully cover the reality of poverty. In the Christian understanding, poverty is a multidimensional reality, not restricted to its material aspects alone. There are also relational and spiritual aspects of poverty. Furthermore, the Christian tradition maintains a positive vision of poverty when it is freely chosen.

POVERTY: INCOME RELATED LIMITATIONS AND BEYOND

We subscribe to a broad understanding which sees poverty as a lack of well-being, including precarious circumstances typically characterised by a permanent lack of financial resources.

However, in addition to financial resources, other important dimensions such as health-related well-being, housing, education, occupational integration (unemployment, insecure, precarious working conditions), social integration (integration into a network, primary and secondary), residence status (migrants), family of origin (“social inheritance”) have to be taken into account³. Furthermore, additional dimensions, such as psychological, cultural, ethical and spiritual ones, have their influence (and sometimes even the biggest influence) on poverty⁴.

Poverty and exclusion are not only the absence of material goods and social welfare. The strength of family and family ties is also crucial. Linked to these situations are also loneliness and how supportive the person’s network is. Poverty leads to social exclusion and social exclusion leads to poverty, but they are not the same. In any given society there may be poor people who are nonetheless integrated into society. Conversely, one can also imagine wealthy persons who are socially excluded. In the Christian understanding, an inclusive society must enable everyone to recognise and be recognised for his or her individual talents, to develop and to use them fruitfully for themselves and for others. Thus, poverty bears important relational effects as it hinders people in using their capacities and so from contributing to the common good. One of the deepest forms of poverty a person can experience is isolation: a lack of relationships and social links, whatever one’s socio-economical condition.

THE CIRCLE OF POVERTY

Certain social groups are at a higher risk of poverty and exclusion, some of them facing multiple discriminations (for example, disabled women or elderly migrants). Elderly people are generally more exposed to poverty due to low pensions; their poverty rate reaches 25% in some countries. In most EU countries, families with children are at greater risk of poverty than the overall population (19% among children against 17% among adults). Financial poverty has often to do with a family income level that is too low to cover decent living conditions. Children living in a household with no jobs or jobs that do not pay enough, living with a single parent or in a large family are particularly at risk, as these types of family are often not adequately supported by society. Most often, an intergenerational transmission

3/ Cf. Caritas Europa – Poverty among Us – Part A: An Analytical approach - What is poverty? Brussels 2010.

4/ Caritas Switzerland has created an on-line tool (available only in German, <http://www.caritas-zuerich.ch/f53000342.html>): whereby a spider-web model (with the eight dimensions of poverty as axes) is used to show how well a person or household is socially included.

of poverty limits opportunities and options from early childhood, making the children exposed to more obstacles in the future through poor education, health and job prospects.

POVERTY AND WOMEN

In the European Union, poverty and social exclusion have mostly a female face. This is because employment, work and pay are still not equally distributed in all EU Member States. The factors that make women poorer than men are complex. In many cases it is still difficult to combine caring responsibilities with paid work. If a family break-up occurs, women often run a much higher risk of poverty. Stereotypes still play a role in restricting the choices of occupation made by women and men. This affects women’s chances of equal financial resources, particularly if they are living on their own or if their status is dependent on the husband (e.g. in the case of many migrant women).

A NEGLECTED WELFARE STATE, THE INDIVIDUALISATION OF RISKS

The causes of poverty and exclusion are also to be found in country-specific welfare regimes that do not support vulnerable people appropriately. The most effective societies in combating poverty are those with the lowest levels of inequality created by redistribution of income through generous social benefits and adequate access to services⁵.

Over the last twenty years States have withdrawn from some of their previous obligations and moved away from a general and universal approach to social protection against poverty. The welfare states have been transformed with a stronger focus on individual responsibility and on the conditionality of social benefits leading to a stronger individualisation of social risks. The aim no longer appears to be prevention of poverty but only to react with safety nets. Social policies have increasingly become employment oriented and subjected to demands for flexible labour markets and fiscal policies at the expense of social needs for inclusion and security. It means an increasingly accepted view that society cannot protect the individual from malfunctions of the labour market; this has resulted in increasing economic pressure on unemployed groups. In sum, by this almost exclusive focus on the labour market, other sources and resources of social welfare

5/ The Spirit Level : Why More Equal Societies Almost Always Do Better by Richard Wilkinson and Kate Pickett

have been neglected and even damaged: not only the welfare state itself, but family and civil society with their structures and potential for gratuitousness, reciprocity and solidarity.

These changes have made some commentators observe that human beings and society appear to have been more and more under the pressure of economic criteria and a predominant focus on profit and growth. Following this trend, safeguards to care for people have often been under-valued and reformed, pushing vulnerable people further into the trap of poverty and social exclusion.

As Christian Churches with well established welfare organisations, we most certainly want to be on the side of the poor and oppressed and to serve, accompany and listen in a spirit of friendship; at the same time, and with no less energy, we want to work for the structural reduction of poverty and injustice.

EMOTIONAL, MORAL AND SPIRITUAL POVERTY – SEEKING LIFE BEYOND CONSUMERISM

Wealthy societies nowadays experience forms of marginalisation that can be called emotional, moral and spiritual poverty. These various forms of social malaise exist despite economic prosperity. The more prosperous a society becomes, the more important it is for community cohesion that nobody is left behind. On the contrary, a society focussing on individual profit, consumption and greed rather than on responsibility for the common good, the well-being and the future of all people engenders relational poverty, where individuals reduce their humanity to a pattern where “to have” is more important than “to be”. People harden their hearts, shut others out and often relate to each other for reasons of self-interest rather than for friendship.

In this era of mass affluence, consumption has become so important that people are willing to incur large consumer debts in order to sustain it. This process has been described as a “hedonic treadmill”^{6/}, ultimately unsatisfying and, for those who cannot keep up, a source of stress accentuating problems of self-esteem and feelings of personal failure. Thus, such consumerism leads to radical dissatisfaction, because deeper aspirations remain unsatisfied and perhaps even stifled. A life-style based on consumerism reduces the time and space devoted to questions related

^{6/} Europe’s Social Reality. A Consultation Paper from the Bureau of European Political Advisers. By Roger Liddle and Frédéric Lerais. Brussels 2007. P13.

to the meaning of life. The display of material goods trumps over interiority, meditation and spiritual reflection. The exclusive pursuit of material possessions and immediate gratification leads to an increase of relational and spiritual poverty, as well as to an unjust distribution of goods and unequal participation in services originally intended for all.

This consumerism treadmill goes against the ideal of Christianity which believes that human value is independent from the financial success of a person. Indeed, throughout the history of Christianity men and women have even emphasised a preference for the poor as, based on Matthew 25:31-46, Christians believe that Christ is present in the poor and the needy. According to the early Church, the significance of sharing possessions lies not only in the question of solidarity among people but expresses our disposition towards God (cf. Cyprian, Gregor of Nyssa or John Chrysostom). In ascetic anthropology the passion of greed is regarded as the root of all evil. John of Damascus underlined that all sins have some limits, but that avarice is a beast which never dies. Thus greed is seen as an interior form of violence, which exists in all human societies. Francis of Assisi freely and radically opted for a life of poverty because emulating the condition of the immense majority of the poor and sharing their life seemed to him the preferred way of following Christ and encountering God. Living as a poor person meant to him rejecting the false path of obsession with money. The confessions of the reformation period encourage people not to put their trust in material goods, but in God’s grace, which leads to justice and good deeds (Apology of the Confession Art. IV; XXVII). Thus, from the beginning a positive vision of poverty was an important element in the Christian tradition and has been a challenging force ever since. Today, this vision is echoed in the call for ‘simplicity in life’ that many Christian Churches and communities have issued for many years. More recently, the idea of “Simplicity in Life” has reached the general public through research projects and expert groups devoted to alternative, sustainable ways of production and consumption as a response to some of the global challenges such as unfair trade practices and climate change.

Thus, poverty defined as a freely chosen ‘Simplicity in Life’ can become a way to deepen, not only the personal development of each individual and strengthen interpersonal relations, but also to transform society by increasing the quality and sustainability of life. Today, it is therefore again necessary to work simultaneously both for the conversion of hearts and for the improvement of structures. If not, the priority given to structures and technical organisation over the person and the requirements of his dignity would be the expression of a materialistic anthropology and contrary to the construction of a just social order.

OUR ETHICAL REQUIREMENTS: RESPONSIBILITY FOR OUR NEIGHBOUR AND UNIVERSAL HUMAN DIGNITY

FROM DIGNITY TO INCLUSION THROUGH FAIR RELATIONSHIPS

We believe that human dignity originates from God and is of God because we are made in God's own image and likeness. This viewpoint assumes that everybody is blessed with the same dignity and honour. Therefore, each person possesses inalienable value, sovereign personal identity, God-given "gifts" and potential. No-one may be considered to be without rights and the dignity and honour of every individual must always be respected.

Christian traditions are disposed, in terms of their reflection on social justice, to see social conditions from the perspective of the weaker members of the community, taking into consideration their vulnerability and neediness. This perspective has shaped Europe.

The development of Europe's social conscience is rooted in the Christian understanding of responsibility for our neighbour which expresses a form of co-existence where every human being is treated with love, dignity and respect, regardless of pre-condition or prior achievement, and without prejudice with respect to race, colour, origin, etc. Regardless of whether one is poor, enslaved or foreign, he or she is still considered to be our brother or sister.

This biblical understanding of responsibility for our neighbour entails three important effects:

- The acknowledgement of dignity and honour for each individual, irrespective of their achievements or performance; every human person has the right to participate in social life.
- Social justice as the creator of fairness and equal opportunity, allowing each person his or her freedom.
- Solidarity, whereby one individual, through his/her actions and contributions, ensures the quality of life of the other.

Social justice implies acknowledgement of the interdependence of human beings. All human beings have therefore a common responsibility towards each other, a common vocation to build one human community in which all - individuals, peoples and nations - conduct themselves and develop according to the principles of fraternity and responsibility.

THE PREFERENTIAL OPTION FOR THE POOR

From the standpoint of Christian ethics, the poor are the criterion for measuring justice. Therefore all social, political and economic action should be judged by the extent to which it concerns, benefits and empowers the poor. A just society enables people to recognise their individual talents, to develop them, to use them for themselves and for others and to participate actively in society. In this sense, poverty as a denial of just distribution and participation is an offense to human dignity. Therefore the Churches are committed to a “preferential option for the poor”.

The “preferential option for the poor” contains three guidelines:

- To overcome exclusion and involve everyone in the life of society;
- To commit oneself to see things from the perspective of people living in the shadow of affluence;
- To commit the well-off to share, and enter into an effective alliance of solidarity.

The “preferential option for the poor” spells out the following principles: the ‘universal destination of goods’ to serve the common good of all humankind (including future generations); equal accessibility of goods to all; and the social function and responsibilities of all forms of private or corporate ownership. These principles show that poverty must be avoided in the first place. Today that means that, in operational terms, the costs of the economic crisis must be borne above all

by those best able to shoulder them.

Caritas, Diaconia and Philanthropy, referring to the love of God toward man, which man is called to imitate by loving his neighbour through charity and service, are therefore essential parts of being the Church. Churches and faith-based organisations provide services – such as hospitals, shelters for the poor, education for the unemployed, family centres, hospices for the elderly, services for people with disabilities and many other services - to assure quality of life, human dignity and social rights for all. Such activities are part of everyday care. They are an expression of the desire to help others and to enable them to fully participate in social life.

A JUST PARTICIPATION

Just as everyone has the right to political participation, everyone has the right to participate in social, cultural and economic life. Social justice is not exhausted by caring individually for the disadvantaged, but aims at the removal of the structural causes of poverty and at enhanced participation in social and economic processes. A just society is capable of supporting its people, empowering them in the use of their individual talents and abilities, and to be as self-sufficient as possible in earning their own living while being supportive of others.

Justice is more than only distributive justice. Justice also means the comprehensive involvement of everyone in a democratic society: in education, economic activity, social security and other expressions of solidarity. Justice demands that social institutions be organised in a way that guarantees to all persons the ability to participate actively in the economic, political, and cultural life of their society. A just system of participation is a foundation of democracy. This should be taken into account also through tax policies in European Union Member States. Unfair tax competition among Member States can endanger the just redistribution of resources and the provision of strong social protection systems.

Participation in society is fundamental as it triggers mutual recognition; society benefiting from the diversity of inputs from its members, each member benefiting from societal interaction. The growing interdependence of economies and social systems, new working and living conditions challenge us to properly address the implications of our being one community; integration should signify solidarity rather than marginalisation, which characterises the «new forms of poverty».

WEALTH AND JUSTICE - THE SOCIAL RESPONSIBILITY OF RICH PEOPLE

Over recent years European societies have faced a growing gap between the rich and the poor. Churches are very concerned about the tendency of some of their prosperous members to disengage from solidarity. As Christians, we do believe in the responsibility of the rich and of all in sharing the burdens in a society. Governments should counter the consolidation of a small privileged financial “elite” and take measures to avoid more pressure being put on a “middle class”, while very high earners continue to find ways to avoid their necessary contribution to an inclusive society.

POLICY RECOMMENDATIONS

The following policy recommendations are mainly addressed to the institutions of the European Union and its Member States. From a Christian perspective, however, combating poverty is not only a responsibility of the institutions, but also of all other stakeholders at national, regional and local levels, the Churches, organised civil society and each individual.



“The economic and financial crisis, fruit of wrong policies, priorities and values”: work toward social justice through financial regulation and social mainstreaming.

IMPLEMENTATION OF THE NEW SOCIAL CLAUSE IN THE EU TREATY

The preamble to the Treaty of the European Union (TEU) confirms the attachment of the Member States to the European Social Charter which stipulates that “Everyone has the right to protection against poverty and social exclusion” (Part I.30). Article 3 (3) TEU lists among the Union’s aims that “it shall combat against social exclusion“. In Article 9 of the Treaty on the Functioning of the European Union (TFEU) this reference and goal have been translated into a horizontal social clause which reads: “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.”

1 | In order to live up to its principles and the social rights that it has recognised, the EU should base its policies on effective social mainstreaming in order to assure the necessary conditions for every human being to live in a way consonant with human dignity. Therefore every relevant policy should be preceded by a genuine social impact assessment.

The European Commission is responsible for initiating the Union’s annual and multiannual programming (Article 17 TEU). It should therefore implement the social clause, including the requirement to check any new initiative against its impact on “the fight against social exclusion” for instance by means of a specific chapter in its annual policy strategy. Furthermore, the Commission should include a specific chapter with regard to this clause in its annual general report to the European Parliament (Article 249 TFEU).

Finally, the European Commission could establish, on the model of the European group of ethics, a group of highly renowned social experts to annually review the implementation of the social clause.

THE EUROPEAN COUNCIL AND THE ‘SOCIAL CLAUSE’

The President of the European Council has suggested that the European Council be the economic government of the Union. We are convinced that economic government can only succeed if it ensures coherence with environmental and social policies.

2 | In reference to the ‘social clause’, the President could reflect in his reports to the European Parliament after each Council how the social clause has been implemented.

“Europe, wealthy but unequal”: promote equality and solidarity

THE CHARTER OF FUNDAMENTAL RIGHTS

Fundamental rights are also recognised in the Treaty of Lisbon through the incorporation of a legally binding reference to the Charter of Fundamental Rights. The Charter contains a section on solidarity, which lists a number of rights directly relevant to the social field, such as the right to information and consultation within undertakings, the right to negotiate collective agreements and to take collective action, the right to have access to social security and social assistance, etc.

3 | The European Union Agency for Fundamental Rights should focus its annual work programme in the forthcoming years on aspects related to Chapter IV (Solidarity) of the Charter.

“A neglected welfare state, the individualisation of risks”: strengthen and protect solidarity

ACCESS FOR ALL TO SERVICES OF “GENERAL INTEREST”

Access to services of general, or public, interest, particularly social and health services, is a basic requirement in a society which claims to care for human dignity and fundamental rights. The Protocol on Services of General Interest stresses their important role. The Commission ought to, within its competence, promote and protect universal access to services of general interest.

The European Union and the Member States should also ensure that social and health services are provided on the basis of solidarity and justice; which would mean that they are publicly funded. The relevant funding, supervising, and legislating authorities and institutions at all levels must ensure that the financial, social and regulatory environments are such that social service providers are able to fulfil their missions. Where services are provided on a payment basis they must be affordable to all. Services must be available to the user as locally as possible to ensure that no-one is unable to access them because of distant location. They also have to be physically accessible to people with disabilities. In the Protocol mentioned above, the European Union has committed itself to strive for a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights.

4 | In the light of the 'Social Clause' and the Protocol mentioned above, the European Union and its Member States ought, in cooperation with the Churches, Caritas and Diaconal organisations, to take action to ensure that quality services of general interest are universally accessible in the European Union.

*“From dignity to inclusion through fair relationships”:
implement active inclusion*

INITIATIVE FOR A DECENT LIVING – LIVING WAGE

Paid employment is the main way for people to access livelihood and to share in the life of society. It is a right for each person to provide for their own livelihood, and that of their family. The human right to work contains a right to a salary that is sufficient for living. This right is violated in the phenomenon of “working poor”, contradicting directly the dispositions of Article 4 of the European Social Charter on the right of workers to “a remuneration such as will give them and their families a decent standard of living” and Article 7 of the International Covenant on Economic, Social and Cultural Rights.

Wages need to be living wages. A living wage means the wage necessary for shelter, nutrition, and other basic needs. The living wage is a central concept of Christian Ethics, which holds that the State has a key role in implementing a system of living wages. Beyond this living wage, we believe that each individual has the human right to a guaranteed minimum subsistence level – with or without paid work. In a just

democracy nobody should be marginalised and every child should be able to attain the necessary social skills and to grow up integrated into the society and culture. A welfare state should aim at guaranteeing each individual’s socio-cultural subsistence level, strengthening families and family ties, allowing the beneficiaries not only to survive, but to live a life in dignity.

5 | The European Commission should work with Member States to develop a system of minimum wages in order to ultimately address the phenomenon of the working poor and ensure a living wage for all.

INITIATIVE FOR A DECENT LIVING – MINIMUM INCOME

As recognised by the Active Inclusion Recommendation endorsed by the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council on 17 December 2008, and reaffirmed by the EPSCO on March 9 2009; minimum income schemes can play a decisive role in lifting people out of poverty and enabling a greater inclusion of people in the margins of society.

6 | If most Member States in the EU have some form of minimum income, nevertheless, as stated by the coordinators of the European Network of National Independent Experts on Social Inclusion, in their report on Minimum income schemes across EU Member States⁷ «Most Member States fall far short of having minimum schemes which allow all people to live a life in dignity and many fall far short».

Therefore, we call on Member States to work towards adequate minimum income schemes, allowing empowerment and full participation of all individuals. We ask the European Commission to intensify its support to Member States, by facilitating exchange of best practice and policies.

^{7/} Minimum income schemes across EU Member States, October 2009, Hugh Frazer and Eric Marlier (here)

WORK TOWARD THE ERADICATION OF HOMELESSNESS

In many EU countries new forms of homelessness and housing exclusion are taking place. An increasing number of young people, families, migrants and asylum seekers are in a situation of housing exclusion or homelessness. In this new situation, it is necessary to enlarge the understanding of homelessness from 'rooflessness' to a multi-dimensional perspective of social exclusion and develop an integrated approach to fight homelessness and housing exclusion. New strategies must look to more areas such as health, employment, education, minimum income, access to services of general interest and access to health and social services to strive to end homelessness and exclusion.

The last Joint Report on Social Protection and Social Inclusion (2010) calls on the EU Member States to develop homelessness strategies and provide them with clear guidelines to do so. It is obvious that such strategies will need substantial support and adequate monitoring from the EU institutions and especially from the European Commission.

7

As homelessness is always evolving, it must be evidence-based, and research and transnational mutual learning should be promoted in order to facilitate effective policy intervention. The indicators for the Open Method of Coordination (OMC) for Social Protection and Social Inclusion continue to ignore the problem of homelessness. Eurostat should assess the total number of people who experience homelessness in the EU so as to provide the decision-makers with reliable statistics.

To successfully combat homelessness, there should be better governmental and administrative action to mobilise all the relevant actors. This means, for instance, that local authorities, housing providers and social care providers work together to address and prevent homelessness. We also think that the European Commission should support and further strengthen European platforms for transnational cooperation so as to create more awareness and better governmental policies and action on homelessness in the different Member States.

In line with the demand from the European Parliament in its Declaration 111 in 2008, the Council of Ministers should agree on the ending of street homelessness by 2015 as an initial

EU target in the framework of an overall objective to end homelessness.

Some problems related to homelessness may find a solution through actions taken at European level. For instance, access to emergency accommodation for all people legally residing in the EU and moving to another EU Member State must be guaranteed by EU free movement legislation.

Finally, with regard to homelessness we recall Article 34(3) of the now legally binding Charter of Fundamental Rights “the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources”.

How have we responded?

How could we respond to the economic and financial crisis now?

Challenges arising from low employment rates, an ageing population, changing family structures and social exclusion have put quality of life issues at the top of the EU social policy agenda, and the supreme value of “growth at all cost” is more and more being questioned. The recent economic crisis is a further step in a social crisis which has been brewing in Europe for years. Unemployment, especially youth unemployment, risks triggering a deep crisis of trust in our current political system, which could result in dramatic political consequences.

In this context, we call on the European Commission and the Member States to use lessons from the deep social, economic, and financial crises we are facing to strengthen its policies and efforts.

PROMOTE ALTERNATIVE CONSUMPTION

8

The European Commission’s document “Europe 2020” makes a reference to alternative consumption and production patterns only in its proposal for a flagship initiative “Resource efficient Europe”. We would like these efforts to be strengthened, towards a real questioning of current cultural trends in which unnecessary consumption and greed are encouraged and valued: and instead to promote alternative values such as moderation and generosity.

USE NEW INDICATORS

9

As called for by the European Parliament in its Resolution on women and poverty⁸, we call on the European Commission to recognise the informal economy and quantify the “economics of life” using a methodology and indicators focusing on measurement of the impact of poverty and social exclusion on women and on men.

VALUE UNPAID WORK

10

Promote volunteering which is an active expression of citizenship and contributes to a community’s welfare and strengthens it beyond merely economic links.

Increase the recognition of unpaid work done especially in the family and in the care sector, for instance by health insurance, a right to pension and the recognition of informal qualifications.

“The circle of poverty”:

target policies to support people most in need (single parents and large families) and break the circle

SUPPORTING FAMILIES AT RISK OF POVERTY

At a time of severe population ageing, families in Europe paradoxically have less children than they desire, fearing the future and the cost of raising children. The European Commission and the Member States should work toward more family-friendly societies.

^{8/} European Parliament resolution on women and poverty, 13th October 2005. Cf. similar documents with similar ideas like the report of the Commission for measuring economic performance and social progress chaired by Joseph Stiglitz, August 2009; European Commission, GDP and beyond. The measurement of progress in a changing world (COM (2009) 433), 20.8.2009; also: Per Carlo Padoa-Schioppa (OECD deputy secretary general), Measuring and fostering well-being and progress: an OECD road-map, 29.10.2009.

11

Given the cost of raising children in Europe today, it is imperative that Member States should be given the flexibility to reduce VAT on all products related to infancy and early childhood.

We strongly recommend that a child allowance should be given for every child.

Families with three or more children should be included in the groups particularly at risk of poverty mentioned in the Commission’s Communication EU 2020.

The EU could introduce a period of up to 10 days a year of unpaid leave for every parent to allow a smoother adjustment to unexpected family situations.

“Poverty as a multi dimensional concept”:

work for social cohesion

PROTECT SUNDAY AS A WEEKLY REST DAY

The Christian development and transformation of the third - the sabbatical - commandment by the introduction of Sunday as the collective day of rest helped to introduce something in common into society and thereby allowed for greater social cohesion. Biblically speaking, there is no basis for societal separation of rich and poor in the order of creation; the sabbatical commandment and the weekly day of rest is intended, therefore, to break the societal reality of high and low, of rich and poor, of masters and slaves and to show the proper order of creation. Slaves should breathe like free citizens. Thus, every weekly day of rest, every Sunday reminds, and calls for, liberation and equality, social justice and renewal as God’s will for all.

In recent years this basic lesson of European history has come under great pressure, especially because of lucrative commercial interests. Restoring Sunday as a collective day of rest will allow for building up friendships, families and culture, because it gives people a chance to break away from day to day work and meet up for religious or social activities.

Scientific research shows that Sunday has a closer connection with the health of workers than any other day of the week. According to EU law, Sunday is protected

as a weekly rest day for children and adolescents. Therefore, more than any other day of the week, a free Sunday offers the opportunity to be with one's family and friends. Thus a free Sunday serves the aim of reconciling work and social life. Common free time is an important precondition for a participatory society, which allows its members to engage in civic activities.

12 | We recommend that the European Union protects Sunday as a collective day of rest for society in order to preserve the health of workers and as an important pre-condition for a participatory society.

“A just participation”: listen to key actors

INVOLVING CHURCHES AND THEIR ORGANISATIONS

Churches in Europe and their organisations are themselves actors in combating poverty. They defend the idea of supporting the weakest members of society as a key value of the European social model. They are important providers of social services and they offer functioning trans-European networks.

13 | With the entering into force of the Lisbon Treaty the European Union has established a regular, transparent and open dialogue with the Churches and religious communities. An exchange about ways and means to combat poverty and social exclusion should become a permanent feature on the agenda of this particular dialogue.

With regard to the subsidiarity principle and to the commitment of the European Union to an “open, transparent and regular dialogue with representative associations and civil society” (Article 11 TEU) as well as with Churches and religious communities (Article 17 TFEU) it is essential to involve in the European Platform against poverty not only representatives of the European Union and its Member States, but also those who are closest to the people in need.

| The planned European Platform against poverty should actively involve representatives of civil society and the Churches, as well as faith-based service providers.

*“The economic and financial crisis, hurting the most vulnerable”:
invest directly in people*

INVEST MORE IN THE PROTECTION OF POOR PEOPLE IN THE CONTEXT OF THE REVIEW OF THE EUROPEAN SOCIAL FUND AND THE BUDGET

The fight against poverty and social exclusion should receive a higher priority on the EU agenda. Combating social exclusion is part of the shared competence between the Union and its members⁹. The creation of a European Platform against poverty can become an important step towards such a development, especially if the objective of reducing the number of people at risk of poverty by at least 20 million is seriously pursued. The European Structural Funds should raise their efficiency by closer cooperation with civil society organisations, including faith-based service providers.

14 | Reducing the number of people at risk of poverty should be considered a primary objective of the European Union to which 10% of the annual EU budget, which itself amounts to 1% of the EU GDP, should be devoted. Devoting at least 1‰ of EU GDP to the needs of the poorest and socially excluded could be enshrined as a general rule in the Regulations on general provisions for the European Regional Development Fund (ERDF), European Social Fund (ESF) and the Cohesion Fund, which should be revised by 31 December 2013 at the latest.

| Civil servants working in the field of poverty and social exclusion should be offered the possibility of having direct experience of working on poverty and social exclusion if they so wish.

⁹/ cf. Art 153 TFEU in conjunction with Art 4 TEU.

This text was prepared by a joint experts group composed of individuals invited by Caritas Europa, the Church and Society Commission of the Conference of European Churches (CSC of CEC), the Secretariat of the Commission of the Bishops' Conferences in the European Community (COMECE) and Eurodiaconia:

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**DO NOT DENY JUSTICE
TO YOUR POOR PEOPLE** *(Exodus 23,6)*

**Proposals for Combating Poverty
and Social Exclusion in the EU**