

social affairs

**The social dimension of the
National Reform Programmes:
the cities' perspective**



EUROCITIES

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CONTENTS

	page
Executive summary	2
1. Introduction	4
2. Setting the scene: the new governance process of the Europe 2020 Strategy ..	5
3. Cities' input to the NRPs: the social and education pillars	7
4. The urban dimension of the NRPs' social and education pillars.....	9
5. The social dimension of the NRPs: reducing poverty and early school leaving	11
6. Our conclusions and recommendations	13
Annex One: Methodology	16
Annex Two: Europe 2020 Strategy - key facts	17
Annex Three: Integrated Guidelines 9 and 10	20



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EXECUTIVE SUMMARY

Cities account for 75% of the European Union's (EU) population and 85% of GDP. It is, therefore, crucial to have their economic and social position reflected in EU policies.

Each year, EU member states draft National Reform Programmes (NRPs). These are the roadmaps of the policies and investments needed to achieve the objectives they agreed to under the Europe 2020 Strategy¹. Submitted annually to the European Commission, they are drafted at the same time as the Stability and Convergence Programmes (SCPs) that outline the member states' main fiscal and macroeconomic actions for the coming year. The two processes together are designed to ensure coordinated budget and policy planning, with the aim of delivering the Europe 2020 goals.

EUROCITIES, the network of 135 major European cities, represents a quarter of the EU's population. We believe that Europe will not achieve its targets on smart, sustainable and inclusive growth without a clear and direct partnership with its large urban centres. The current economic situation dictates - more than ever - the need to ensure the best possible synergies in planning policy and spending. Direct engagement with major cities when preparing the NRPs will assure member states more meaningful policies, governance in partnership, smarter spending and greater positive impact for more people.

Cities are crucial partners in achieving the Europe 2020 targets to reduce the number of people living in poverty by 20 million and cut early school leaving to 10%. Europe's cities are responsible for delivering and managing most public services, including social services and education. City administrations have first-hand knowledge of social problems and address them best through comprehensive strategies. Finally, cities provide a framework for economic growth and social mobility through their extensive business, transport, education and services infrastructure.

The purpose of this research was to address the following questions:

- to what extent cities have been involved in the preparation of the social dimension of NRPs?
- to what extent are the challenges specific to the urban level addressed by the NRPs?
- to what extent is the social dimension adequately developed in the NRPs?

¹ The Europe 2020 Strategy is the EU's main plan for economic growth, social inclusion and addressing climate change over the next decade.

Our analysis of a sample of the NRPs has shown that:

- very few countries involved cities directly in preparing the NRPs and where some form of sub-national consultation did take place, it was not always meaningful;
- the NRPs do not pay enough attention to the socio-economic disparities within cities and the complexity and interrelated nature of urban problems. Neither do they have sufficient regard to the integrated solutions needed to address them;
- reporting on the poverty reduction target often focuses too strongly on employment, overlooking social integration measures;
- there is a lack of adequate focus on some specific target groups, the most important of which are people that face multiple social problems;
- the analysed NRPs make few references to the EU active inclusion strategy;
- early school leaving is rarely considered outside of the school context;
- the impact of budget cuts on public service delivery is largely overlooked;
- little indication is given of how funding will be allocated to finance social policies.

This report concludes that local and regional authorities, and cities in particular, need to be involved on a structured basis in formulating the priorities and policies of the NRPs. And, whatever the arrangements for such involvement in each member state, it is essential that the NRPs better reflect the complex, and essentially urban, nature of poverty and exclusion. We accordingly recommend that:

- national governments move from consultation to partnership and cooperation with all levels of government;
- the social dimension of the NRPs is strengthened to include a broad spectrum of social integration measures in line with the EU active inclusion strategy;
- the NRPs reflect the specificity of the urban dimension of poverty and exclusion and the integrated local actions to tackle them;
- the European Commission develops a clearer and more transparent process through which the NRPs are drafted and then put into practice; and
- the NRPs make it explicit what funds are allocated to social inclusion policies.

1. INTRODUCTION

The Europe 2020 Strategy, adopted in 2010, is the EU's main plan addressing economic growth, social inclusion and climate change over the next decade. National governments identify through national reform programmes (NRPs) how they intend to implement the Europe 2020 strategy to reach the agreed targets. The challenge for EU strategies and national programmes for implementation, such as these, is to ensure that they reflect the real challenges on the ground and the real opportunities for change. In our view this requires engagement with the regional and local level, as this is where much of the real policy implementation will ultimately take place.

Furthermore, as a network of major cities, it is essential from our perspective that a multilevel process and partnership to deliver Europe 2020 and its targets should reflect clearly the situation, needs and strengths of the cities, which in today's Europe, account for 75% of its population and 85% of the EU GDP.

In this report, we focused on three research questions:

- to what extent cities have been involved in the preparation of the social dimension of NRPs?
- to what extent are the challenges specific to the urban level addressed by the NRPs?
- to what extent is the social dimension adequately developed in the NRPs?

For the purpose of this document, our focus is on the social and education elements of the NRPs submitted by member states in 2010, and the two Europe 2020 targets that focus on poverty reduction and education. We present how and to what extent cities were involved in preparing the NRPs and how urban and social dimensions are reflected in the programmes. To prepare this report, we analysed 14 NRPs and consulted 20 of our member cities from 12 countries through a survey, as well as face-to-face meetings with our members during the many EU-level events we organised².

² More details can be found in Annex One.

2. SETTING THE SCENE: THE NEW GOVERNANCE PROCESS OF THE EUROPE 2020 STRATEGY

The Europe 2020 Strategy is a framework for guiding policy makers and for coordinating the policies necessary to achieve smart, sustainable and inclusive growth. As part of this strategy, member states agreed on a set of five targets to be achieved by 2020. The five EU-level targets of the Europe 2020 Strategy were broken down by member states into national targets, to better adapt them to the circumstances of each country³.

Among the strategy's five targets to be achieved by the year 2020, two are important for this analysis:

- reducing the number of people living in poverty and social exclusion by 20 million⁴; and
- bringing the school drop-out rate to below 10% and increasing the rate of 30-34 year olds with tertiary degrees to at least 40%⁵.

How each country will achieve these targets is reported in its NRP, which is prepared annually during what is called the European semester of policy making⁶.

The semester starts in January when the European Commission publishes the Annual Growth Survey which assesses the main economic challenges in the EU⁷. Using this as their basis, the heads of the member state governments, meeting as the European Council in March, advise on the policies to be adopted at member state level. Member states then prepare their NRPs together with the stability and convergence programmes (SCPs) that outline the main fiscal and macroeconomic actions for the coming year. Each NRP and SCP is submitted to and assessed by the European Commission. The commission then publishes recommendations addressed to each country. The European Council then approves these in June⁸. This timing allows member states to use the recommendations in their budget and policy planning.

³ The national targets were outlined in the draft NRPs in November 2010. For an overview see: Europe 2020 objectives - summary table of the EU and national targets: ec.europa.eu/europe2020/pdf/targets_en.pdf.

⁴ In 2009, the number of people who were at risk of poverty was 23.1% of the EU population, which is more than 113 million people. See: Eurostat, Population at-risk-of-poverty or exclusion: <http://bit.ly/uhsKfE>. Data extracted on 6 July 2011.

⁵ In 2010, the school drop-out rate stood at 14.1% and the number of people aged 30-34 with tertiary level education was 33.6%. See: Eurostat, Early leavers from education and training by gender: <http://bit.ly/c9FarE> and Tertiary educational attainment by gender, age group 30-34: <http://bit.ly/o7y8L0>. Data extracted on 6 July 2011.

⁶ For more information see Europe 2020: Frequently asked questions: <http://bit.ly/tRLrR3>.

⁷ Annual Growth Survey 2011: <http://bit.ly/dGDbyR>.

⁸ The country-specific recommendations were published by the Commission on 7 June 2011 and approved by the European Council on 23-24 June: <http://bit.ly/kv6PPP>.

To help member states prepare their NRPs, the European Council adopted the ‘Integrated guidelines for economic and employment policies’⁹. The guidelines outline the main policies and directions for action that may be taken by member states, as well as how they can be achieved. In our report, we look at two of them, guidelines 9 and 10. Guideline 9 focuses on access to education and training, basic skills, openness and relevance of the education and training systems and reducing early school leaving. Guideline 10 focuses on social inclusion policies which include, among others, extending employment opportunities, improving access to services, such as housing or health, modernising social protection systems, promoting social innovation and social economy¹⁰.

Seven flagship initiatives will help achieve the goals of the Europe 2020 Strategy. These are broader *frameworks for action* focused on such issues as poverty, youth, skills and employment, innovation or Information and Communication Technology (ICT). The European Platform against Poverty (EPAP) is the framework for action supporting social and territorial cohesion with a view to meeting the poverty and early school leaving reduction targets¹¹. Two other flagship initiatives which also address the problem of early school leaving are Youth on the Move¹² and Agenda for New Skills and New Jobs¹³.

⁹ Europe 2020: Integrated guidelines for the economic and employment policies of the member states: <http://bit.ly/lo1PT8>.

¹⁰ COM(2010) 758 final, The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion, Brussels, 16.12.2010: <http://bit.ly/u8mdKT>. See also Annex two.

¹¹ COM(2010) 477 final, Youth on the Move. An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union, Brussels, 15.9.2010: ec.europa.eu/education/yom/com_en.pdf.

¹² COM(2010) 477 final, Youth on the Move. An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union, Brussels, 15.9.2010: <http://bit.ly/bOvTFz>.

¹³ COM(2010) 682 final, An Agenda for new skills and jobs: A European contribution towards full employment, Strasbourg, 23.11.2010: <http://bit.ly/hhh3V4>.

3. CITIES' INPUT TO THE NRPS: THE SOCIAL AND EDUCATION PILLARS

In this section, we look at how cities, and particularly their social and education departments, were involved in preparing the NRPs.

Although the strategy and its flagship initiatives themselves do not explicitly mention cities, they make numerous references to local authorities and the need to work in partnership across all government levels. The integrated guidelines state that 'the Europe 2020 strategy should be implemented in partnership with all national, regional and local authorities'¹⁴. The European Commission's communication on the European Platform against Poverty underlines the importance of finding local solutions to poverty and exclusion. It stresses the importance of partnership between different government levels and states that 'the NRPs should also indicate how the national authorities do or will involve local/regional authorities [...] in defining and implementing the NRP'¹⁵ and calls for closer links between the social and local or regional priorities. The EPAP¹⁶ also refers to the aim of promoting social and territorial cohesion¹⁷.

Our research and consultations with our members have shown that despite the recognition of the role of local government, cities were not widely involved in preparing the social and education pillars of the NRPs.

When the consultation on the NRPs took place, it rarely involved cities directly. The consultation in some cases involved national associations of local and regional authorities (for example in Austria, the Czech Republic, Poland, Spain and Sweden). Our research and regular contact with cities shows however that in some cases these consultations were often symbolic. For example, in one country, the association of local and regional authorities was invited to a conference that presented the draft NRP and provided little opportunity for further input.

Given the diverse political and administrative contexts across Europe, the processes for consultation and involvement will differ from country to country. Nevertheless, these processes must involve sub-national authorities in a meaningful way in drafting national reform programmes.

¹⁴ Europe 2020: Integrated guidelines for the economic and employment policies of the Member States, Recital 16.

¹⁵ COM(2010) 758 final, The European Platform against Poverty and Social Exclusion: : A European framework for social and territorial cohesion, Brussels, 16.12.2010: <http://bit.ly/u8mdKT>, p.18.

¹⁶ COM(2010) 758 final, The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion, Brussels, 16.12.2010, p.16.

¹⁷ Territorial cohesion aims to ensure the balanced development of areas within the EU. For us, territorial cohesion includes reducing the stark differences in income or access to services within cities.

Similarly, delivering the Europe 2020 targets to reduce poverty and early school leaving must be carried out in partnership with cities and local actors that are ultimately responsible for putting the measures to achieve these targets into practice. Many of the policies proposed in the integrated guidelines are shared between different levels of government and therefore their implementation requires that national authorities work in partnership with local and regional levels.

One of the reasons behind the low level of city involvement in preparing the NRPs is the lack of clarity in the process and tight consultation deadlines. Often, the process at EU and national level is not well communicated: although information on the process is available, it is often scattered across different sources. Also, the language used is unclear and difficult to understand for people who do not follow EU developments regularly. Furthermore, the timing of many national consultations is often very tight and does not allow sufficient time for in-depth and widespread consultation. Cities have their own internal processes to respect, based on democratic principles, and the tight consultation deadlines make it extremely difficult for them to react in time.

The consultation process is carried out in different political and administrative contexts in each country. This affects how cities are able to get involved in consultations with other government levels. Also, the collaborative model of shaping public policy is still developing in many countries.

However, there are some examples of how a structured working partnership between cities and national authorities can work:

- on the consultation for the Dutch NRP, the group of four big cities in the Netherlands (G4), made up of Amsterdam, The Hague, Rotterdam and Utrecht, together with the associations of municipalities and regional authorities prepared a written contribution on five key themes that was annexed to the Dutch NRP. Their contribution covered social, economic and environmental policies;
- for the implementation of the policies in the NRP, the newly established National Territorial Forum in Poland will, along with other forums, play an important role in discussing regional development policy issues mentioned in the NRP. The Union of Polish Metropolises, composed of twelve major Polish cities, is one of its members.

4. THE URBAN DIMENSION OF THE NRPS' SOCIAL AND EDUCATION PILLARS

In this section, we assess how the cities' perspective is reflected in the social and education pillars of the NRPs. Designing good policies requires good diagnosis of the problems to be addressed. Cities know their local circumstances and can quickly identify emerging social issues. They have therefore a better insight of what problems exist and what actions are necessary to tackle them. This knowledge of which policies work and what challenges may lie ahead is paramount in achieving the goals of the Europe 2020.

The lack of city involvement in preparing the NRPs means that the challenges they face are not always fully represented. First of all, the NRPs do not sufficiently reflect the socio-economic disparities within cities and the complexity and interrelated nature of urban problems. With few exceptions, most of the NRPs analysed do not take into account the social and economic situation in cities. This is because most of them present an analysis of social and economic challenges based on national statistics and indicators. For example, it is often overlooked that even the most affluent cities contain poor and excluded populations. Indeed, because they promise social mobility, successful cities actually attract poor economic migrants, who are often concentrated in specific areas. For example, the difference in unemployment rates in the Brussels Capital Region ranges from 9.5% in the most prosperous to 30.2% in the most deprived municipalities of the region¹⁸. In Liverpool, life expectancy in deprived areas is 11.5 years lower for men and 7.8 years lower for women compared to the better-off areas¹⁹. In Antwerp, the number of early school leavers is almost twice the regional average²⁰.

In the analysed sample, the only NRP that specifically mentions the problems of deprived urban neighbourhoods and the need for complex regeneration efforts is the Polish one²¹.

Secondly, the NRPs do not pay enough attention to the integrated solutions needed to address these challenges. Few NRPs mention integrated place-based initiatives for tackling poverty and exclusion. Since poverty and exclusion are multidimensional and the relations between them are often complex, they require a coordinated approach, especially at local level where these problems are experienced.

¹⁸ Brussels poverty monitor (Baromètre social: Rapport bruxellois sur l'état de la pauvreté 2010), Observatory on health and social affairs, Brussels, 2010, p.46.

¹⁹ Liverpool Health Profile 2011: <http://bit.ly/mPzVxb>.

²⁰ Van Praet M. (2010). Local evidence-based policy and practice in education. A survey on data brokerage and networking in four medium sized European cities, final report, p.36.

²¹ National Reform Programme of Poland, p.46.

The few NRPs that mention integrated urban actions are:

- the Bulgarian NRP, which discusses Integrated Plans for Urban Recovery and Development as ways to improve coordination across different sectors at local level. It cites numerous programmes planned in urban areas such as improving the social and medical infrastructure. The plans will be carried out in 36 municipalities under the regional development operational programme²². One of the measures, an initiative on sustainable city investment, will be financed under JESSICA²³;
- the Danish NRP, which refers to the ‘ghetto strategy’ in the context of its fight against poverty and exclusion. The strategy, adopted in 2010, aims at improving the employment opportunities of the residents of socially disadvantaged areas of housing²⁴;
- the Hungarian NRP, which mentions urban rehabilitation programmes to support Roma inclusion²⁵. It also refers to the multi-stakeholder platforms at local level that will help develop integrated plans to tackle child poverty²⁶.

France and Spain both mention actions in cities, although not specifically integrated ones. The French NRP refers to actions for youth in deprived urban areas in (*zones urbaines sensibles*)²⁷. The Spanish NRP mentions actions targeted at specific areas (promoting access to housing in or regeneration of deprived neighbourhoods in Spain)²⁸.

The scarcity of examples of complex urban issues and actions taken by cities to address them point to a gap between the realities and priorities at local and national levels. Such a gap puts at risk the Europe 2020 targets of reducing poverty and early school leaving.

²² National Reform Programme of Bulgaria, p.54.

²³ JESSICA: Joint European Support for Sustainable Investment in City Areas: <http://bit.ly/qS97Pw>.

²⁴ National Reform Programme of Denmark, p.33.

²⁵ National Reform Programme of Hungary, p.35.

²⁶ National Reform Programme of Hungary, p.32.

²⁷ National Reform Programme of France, p.44.

²⁸ National Reform Programme of Spain 2011, p.39

5. THE SOCIAL DIMENSION OF THE NRPS: REDUCING POVERTY AND EARLY SCHOOL LEAVING

In this section, we analyse the policies proposed in the NRPs within the social and education pillars. We also highlight the issues that, from the city perspective, should have been given more attention. We identify six areas where many NRPs fall short.

Reporting on the poverty reduction target often focuses too strongly on employment, overlooking social integration measures. Even when other measures are mentioned, such as improving access to services or to training, they are often presented from the perspective of getting people back to work and ignoring the softer measures of integrating people back into society. While promoting employment is certainly an effective way of reducing poverty it is by no means the only way to achieve this goal.

There is a lack of adequate focus on some specific target groups, the most important of which are people that face multiple social problems. These are the groups that require most support in their efforts to get back to or stay in work or education. These are also the groups that are most at risk of poverty and exclusion and rely heavily on help from public services (which is now being reduced in many countries). Several NRPs also failed to focus sufficiently on vulnerable groups such as people with disabilities, migrants, refugees and asylum seekers.

The analysed NRPs make few references to active inclusion. The problems experienced by the above groups can rarely be addressed by one policy area alone but require a more comprehensive approach and integration of social services. At the EU level, an example of such an approach is the active inclusion strategy with its three pillars: minimum income, inclusive labour market and access to quality public services²⁹. This strategy also highlights that there are some groups which are more vulnerable than others and therefore deserve special attention. Among the analysed NRPs, there are only a few that refer to it directly:

- the Austrian NRP mentions the active inclusion approach in the context of the needs-oriented minimum income scheme in Vienna³⁰;
- the Belgian NRP discusses active inclusion in the context of reducing poverty, also among those aged 50 and above³¹;

²⁹ Active inclusion of people excluded from the labour market: <http://bit.ly/sLAp99>.

³⁰ National Reform Programme of Austria, p.33.

³¹ National Reform Programme of Belgium, p.22, 33.

- the Czech NRP cites active inclusion in the context of its employment policies³²;
- the Spanish NRP refers to promoting active inclusion in the context of the measures to promote employment and to reduce poverty³³.

Early school leaving is rarely considered outside of the school context. The actions within the education system, such as raising attainment, increasing the attractiveness of certain educational offers, curriculum changes or organisational changes are certainly important. However, equally important are the actions outside school, given that many contributory factors to early school leaving are outside the educational system, in particular the socio-economic background of pupils. Examples of such actions include working with different services, such as social and health services, to help children suffering from exclusion due to multiple problems.

The impact of budget cuts on public service delivery is largely overlooked. As a result, most NRPs do not consider the practical implications of the proposed measures and do not adequately take local circumstances into account. This results in a discrepancy between the national goals and the means of achieving them. In many European countries, cuts in public expenditure mean staff reductions, less funding for major programmes and stricter conditionality to obtain welfare benefits. This means that local governments face these problems with fewer financial and human resources:

- in social and employment policy in some countries more stringent requirements have been introduced for allocating benefits, such as stricter means testing or an obligation to accept a job or training offer within a specified time period (Hungary, UK). Some countries plan to reduce the number of people working in employment and skills services (UK). Increased conditionality and fewer staff to deal with service users pushes the focus more towards those who are job-ready rather than those who need longer and more complex support to get into employment;
- in education policy, reduced funding is affecting non-core services such as counselling, psychological support, support for children with learning disabilities, school-based health care or transport to schools (France, The Netherlands). Some countries also plan to reduce the overall number of teachers and increase class sizes (Latvia, France). The risk here is that the reductions in non-core school staff may result in fewer opportunities for schools to work across sectors. They may also mean a lower capacity of schools to identify those at risk of dropping out.

Little indication is given of how funding will be allocated to finance the policies mentioned. If the NRPs are truly to be plans for action and indicate the main policy directions in member states, it is crucial to know what resources are available to achieve the goals stated in the NRPs, especially when public spending is being cut in many countries. Without information on the financial resources, it is unclear how realistic the proposed measures will be.

³² National Reform Programme of the Czech Republic, p.34.

³³ National Reform Programme of Spain 2011, p.37.

6. OUR CONCLUSIONS AND RECOMMENDATIONS

Our analysis has shown that **very few national governments engaged with cities directly in preparing the social and educational pillars of the NRPs**. Where a process of sub-national consultation did take place, it was not always meaningful involvement with a real opportunity for input. Furthermore, the processes themselves did not necessarily result in a strong reflection in the NRPs of the specific challenges of large urban centres.

Lack of easily accessible information on the process and timeline, and the way in which it is communicated can be a significant barrier to more effective involvement of local governments.

Furthermore, most NRPs present a quite comprehensive array of policies to address the current challenges in social and education policy. However, they nevertheless overlook or insufficiently take into account some issues we believe deserve more attention. Overall, we found that there was:

- insufficient consideration of the urban challenges, especially the concentration of poverty and exclusion in certain urban areas;
- inadequate attention given to coordinated local actions to tackle complex problems of poverty and exclusion;
- a strong emphasis on employment under the poverty reduction measures but insufficient consideration of social integration measures;
- an unsatisfactory focus on measures outside the education system to tackle early school leaving;
- a weak analysis of the complex problems of those furthest from the labour market or those at risk of dropping out of school;
- a lack of attention to the EU's strategy for active inclusion;
- little consideration of the impact of budget cuts on local governments and their capacity to deliver public services; and
- poor indication as to how the proposed policies should be funded.

The above impact significantly on how policies are defined and implemented. All cities face most of them to a greater or lesser extent. How these problems are addressed should underpin the policies aimed at achieving the Europe 2020 goals. We, therefore, recommend the following:

1. Consultation on the NRPs must be more accessible in terms of the process, timing and availability of information. At a national level, cities would welcome:

- clear deadlines and timetables so that they can plan their input. These should be announced in advance to allow adequate time for preparation and consultation;
- clarification and communication of the responsibilities for preparing and following up on the NRPs to the stakeholders, for example on the commission's Europe 2020 website. This should also include a publicly available list of the contact details of the national NRP coordinators; and
- publication of the results of the consultations so that those who participated can compare their input with the final document.

2. Involvement should go beyond consultation and move towards partnership across all government levels.

At the national level, the partnerships for drafting and implementing the NRPs should be multi-level and ensure that the specific situation of the big cities is clearly reflected. There are various ways of structuring such a process, for example permanent working groups or regular structured dialogue, and good examples exist of where big cities have a clear voice in national processes.

National governments should be obliged to report on their efforts in engaging stakeholders in the NRPs. In this context, we fully support the commission's plans to develop voluntary guidelines on stakeholder involvement planned for 2012.

We also encourage the commission to regularly monitor stakeholders' involvement in the NRP process, for example in a dedicated workshop during the annual convention of the European Platform against Poverty.

3. The social dimension of the NRPs must be stronger and include a broad spectrum of social integration measures in line with the EU active inclusion strategy.

The poverty reduction target will not be reached if we do not address the problems of those furthest away from the labour market. These groups require comprehensive support that goes beyond employment measures and they require a more focused intervention, based on creating tailored paths to support the active inclusion of people with multiple disadvantages.

4. The NRPs must reflect the specificity of the urban dimension of poverty and exclusion and the integrated local actions to tackle them.

Since the majority of the EU population lives in urban areas, the efforts to reduce poverty must be carried out in cooperation with cities, in particular because of the large intra-city disparities and concentration of poverty and exclusion in some urban neighbourhoods. These problems need to be addressed by coordinated

and integrated approaches at local level which cut across different sectors; for example, by complex urban regeneration schemes that bring together people- and place-based approaches.

5. The NRPs should make explicit the financial resources that are allocated to social inclusion policies.

In times of budget cuts to social policies, it needs to be made clear what allocation of resources is planned to support the proposed actions in the NRPs. Without this indication, the policies to achieve the poverty reduction target of the Europe 2020 are unlikely to be implemented.

ANNEX ONE: METHODOLOGY

To prepare this report, we analysed 14 NRPs, which were selected on the basis of the size of the country, its geographical location and its membership in the EU. The selected countries are: Austria, Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Hungary, Italy, the Netherlands, Poland, Spain, Sweden and UK.

We also consulted 20 of our member cities from 12 countries:

Country	Cities
Austria	Vienna
Belgium	Antwerp
Bulgaria	Burgas, Sofia
Czech Republic	Brno
Denmark	Copenhagen
Germany	Mannheim
France	Lille, Nantes
The Netherlands	Amsterdam, The Hague
Poland	Krakow, Warsaw
Spain	Terrassa
Sweden	Gothenburg, Stockholm, Malmo
UK	Belfast, Liverpool, Newcastle

ANNEX TWO: EUROPE 2020 STRATEGY - KEY FACTS

What is the Europe 2020 Strategy?

The Europe 2020 Strategy is the EU's main plan for economic growth, social inclusion and addressing climate change over the next decade. It sets the long-term socio-economic objectives and guides policy makers in improving the economic and social situation of Europe.

The strategy has three main priorities. Firstly, it promotes smart growth: improving education systems, increasing investment in research and development (R&D) and supporting innovation. Secondly, the strategy focuses on making the European economy greener: promoting the use of renewable energy, increasing energy efficiency and reducing CO2 emissions. Thirdly, the strategy promotes inclusive growth: creating more jobs and having fewer people who live in poverty.

The strategy was approved by representatives of all EU member states in June 2010.

How will the strategy achieve its goals?

The strategy has five EU-level targets, which have been agreed by all member states. By the year 2020, the EU should:

- raise the employment rate of 20-64 year-olds to 75%;
- reduce the number of people living in poverty and social exclusion by 20 million³⁴;
- lower the school drop-out rate to below 10% and increase the rate of 30-34 year olds with tertiary degrees to at least 40%³⁵;
- cut greenhouse gas emissions by 20% (compared to 1990 levels), raise the share of renewable energy in total energy production to 20% and improve energy efficiency by 20%; and
- increase investment in R&D and innovation to 3% of the GDP (public and private combined)³⁶.

³⁴ In here poverty is defined by three indicators: 1) people living below 60% of the median income of a given country, 2) people suffering from material deprivation - facing over four out of nine non-monetary deprivation indicators (such as owning a car, television or a mobile phone), and 3) people living in workless households (whose members worked less than 20% of available months in a year).

³⁵ Early school leaving is defined as the percentage of people aged 18-24 with, at most, a lower secondary education and who are not in further education or training.

³⁶ For more information on the Europe 2020 targets see: ec.europa.eu/europe2020/targets/eu-targets/index_en.htm.

Each member state sets its own national targets, which will help them to achieve the European objectives in a way that suits their national economic and social situation. These national targets were first set out in the draft National Reform Programmes (NRPs) that the member states submitted to the European Commission in November 2010.

How does the strategy work in practice?

At the EU-level, a combination of EU, national and regional policies coordinated under seven flagship initiatives will help reach these targets³⁷. Each initiative is focused around key issues in Europe, such as youth policy, education or innovation. The initiatives will serve to coordinate the different policies.

At the national level, each member state prepares an annual national reform programme (NRP) outlining the key measures needed to achieve the national targets. The NRPs are drafted during what is called the European semester of policy making³⁸.

The semester starts in January when the European Commission publishes the Annual Growth Survey which assesses the main economic challenges in the EU³⁹. Using this as their basis, the heads of the member state governments, meeting as the European Council in March, advise on the policies to be adopted by member states. Member states then prepare their NRPs while also developing the stability and convergence programmes (SCPs). The SCPs outline the main actions in the field of fiscal and macroeconomic policy in each member state. Each NRP and SCP is submitted to and assessed by the commission which publishes recommendations addressed to each country. These are then approved by the European Council in June⁴⁰. This timing allows member states to use the recommendations in their budget and policy planning.

³⁷ For more information on the flagship initiatives see: <http://bit.ly/tmBjM1>. Early school leaving is defined as the percentage of people aged 18-24 with, at most, a lower secondary education and who are not in further education or training.

³⁸ For more information see Europe 2020: Frequently asked questions: <http://bit.ly/tRLrR3>.

³⁹ Annual Growth Survey 2011: ec.europa.eu/europe2020/tools/monitoring/annual_growth_survey_2011/index_en.htm.

⁴⁰ The country-specific recommendations were published by the Commission on 7 June 2011 and approved by the European Council on 23-24 June: <http://bit.ly/kv6PPP>.

To help member states in defining their NRPs and putting their reforms into practice, the Council of the European Union⁴¹ adopted ‘Integrated Guidelines for economic and employment policies’⁴². The guidelines outline the main policies and directions for action that may be taken by member states, as well as how they can be achieved. For example, the policies to reduce early school leaving are described in the Integrated Guideline 9 and the policies to reduce poverty are described in the Integrated Guideline 10⁴³.

What is the European Platform against Poverty?

The European Platform against Poverty, or EPAP, is the EU’s framework for action to ensure social and territorial cohesion and support the achievement of the poverty reduction target⁴⁴. It aims to coordinate actions in various policy areas that can contribute to reducing poverty and exclusion, ranging from employment, health, innovation, financial inclusion and energy. Among the many activities that the EPAP announces, the most important ones are proposals for cohesion policy after 2013, European research projects in the area of social innovation and an in-depth assessment of the implementation of the active inclusion strategy in the member states in 2012.

Another important activity of the EPAP is the annual convention on poverty and exclusion, the successor of the round table on poverty and social exclusion. Taking place in October every year, the convention aims to take stock of the progress made towards achieving the poverty reduction target. It will also review the implementation of activities announced in EPAP and provide suggestions for further actions.

The EPAP also liaises with a broader range of organisations active in the field of social policy through a stakeholders’ group, which meets twice a year in Brussels. EURO CITIES is a member of this group.

⁴¹ The Council of the European Union represents the governments of the EU. It is composed of national ministers and the exact membership depends upon the topic.

⁴² Europe 2020: Integrated guidelines for the economic and employment policies of the Member States: <http://bit.ly/lo1PT8>.

⁴³ For details on each of these Guidelines, please see Annex Three.

⁴⁴ COM(2010) 758 final, The European Platform against Poverty : A European framework for social and territorial cohesion, Brussels, 16.12.2010: <http://bit.ly/u8mdKT>.

ANNEX THREE: INTEGRATED GUIDELINES 9 AND 10

Guideline 9: Improving the performance of education and training systems at all levels and increasing participation in tertiary education

In order to ensure access to quality education and training for all and to improve educational outcomes, member states should invest efficiently in education and training systems notably to raise the skill level of the EU's workforce, allowing it to meet the rapidly changing needs of modern labour markets. Action should cover all sectors (from early childhood education and schools through to higher education, vocational education and training, as well as adult training) taking also into account learning in informal and non-formal contexts. Reforms should aim to ensure the acquisition of the key competencies that every individual needs for success in a knowledge-based economy, notably in terms of employability, further learning, or ICT skills. Steps should be taken to ensure learning mobility of young people and teachers becomes the norm. Member states should improve the openness and relevance of education and training systems, particularly by implementing national qualification frameworks enabling flexible learning pathways and by developing partnerships between the worlds of education/training and work. The teaching profession should be made more attractive. Higher education should become more open to non-traditional learners and participation in tertiary or equivalent education should be increased. With a view to reducing the number of young people not in employment, education, or training, member states should take all necessary steps to prevent early school leaving.

Guideline 10: Promoting social inclusion and combating poverty

Member states' efforts to reduce poverty should be aimed at promoting full participation in society and economy and extending employment opportunities, making full use of the European Social Fund. Efforts should also concentrate on ensuring equal opportunities, including through access to affordable, sustainable and high quality services and public services (including online services, in line with guideline 4) and in particular health care. Member states should put in place effective anti-discrimination measures. Equally, to fight social exclusion, empower people and promote labour market participation, social protection systems, lifelong learning and active inclusion policies should be enhanced to create opportunities at different stages of people's lives and shield them from the risk of exclusion. Social security and pension systems must be modernised

to ensure that they can be fully deployed to ensure adequate income support and access to healthcare – thus providing social cohesion – whilst at the same time remaining financially sustainable. Benefit systems should focus on ensuring income security during transitions and reducing poverty, in particular among groups most at risk from social exclusion, such as one-parent families, minorities, people with disabilities, children and young people, elderly women and men, legal migrants and the homeless. Member states should also actively promote the social economy and social innovation in support of society's most vulnerable.

Source: Europe 2020: Integrated guidelines for the economic and employment policies of the member states.

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