



EUROPEAN ANTI POVERTY NETWORK

POSITION PAPER

WORKING AND POOR

EAPN Position Paper on In-Work Poverty



November 2013

CONTENTS

INTRODUCTION	2
1. WHAT IS IN-WORK POVERTY?.....	5
1.1. Defining in-work poverty	5
1.2. Causes of in-work poverty	6
2. WHAT POLICY RESPONSES? EAPN'S KEY CONCERNS	10
2.1. Low pay, low quality of life	10
2.2. Top-ups and tax credits.....	12
2.3. A stepping stone or a revolving door?	13
2.4. Access to services.....	14
2.5. Risk factors for key groups.....	15
3. THE IMPACT OF THE CRISIS AND AUSTERITY MEASURES	16
4. THE ROLE OF THE EUROPEAN UNION	19
4.1. Positive references	19
4.2. Negative implementation	21
5. OTHER ACTORS AND THEIR APPROACH TO IN-WORK POVERTY.....	23
6. GOVERNANCE, PARTICIPATION, AND DEMOCRACY.....	24
7. EAPN'S RECOMMENDATIONS.....	26
The European Union.....	26
Member States - National and sub-national levels	27
Employers and their Organisations	28
Trade Unions & NGOs.....	28
REFERENCES	29

INTRODUCTION

Poverty is often seen primarily as a problem of low incomes, associated with not being engaged in paid work. In recent years, an increased focus has been placed on employment as being the only route out of poverty. The recent political discourse has thus gradually side-lined integrated, comprehensive social inclusion strategies, rooted in ensuring access to rights, resources and services¹, putting instead a premium on economic productivity and competitiveness, as well as raising employment levels. However, a great deal of attention has been placed on quantity (namely, how many people can be pushed into jobs), while quality of work, comprising key aspects such as living wages, security, and working conditions, among others, has not been made a priority. This has contributed to a sharp increase in the numbers of the so-called “working poor”, or people experiencing in-work poverty.

Whilst it is true that the risk of poverty may decrease when an individual is in paid employment, for many people the experience of employment leaves them little better off than being unemployed, or, sometimes, even worse-off. Presently, an estimated 9.5% of the workforce in the European Union, or more than 15 million people, are affected by in-work poverty (Eurostat 2012). This represents a clear increase from 8.9% in 2011, and 8.4% in 2010.

In-work poverty has become, in many Member States, a critical barrier, impeding progress in addressing poverty through sustainable employment. It could be argued that the focus of anti-poverty policies has shifted since the 1990s, from income maintenance for those not in work towards a more aggressive active labour market approach, aiming to move welfare recipients into the labour market and to “make work pay”. Whilst personalized support into the labour market remains critical, it is increasingly being seen as insufficient to deal with the problem of in-work poverty.

The focus on 'employment first' policy solutions to poverty over-emphasises the role of 'supply-side' issues, particularly active labour market measures and the skills and training of those not in employment. In addition, efforts to reform welfare systems across Europe have focussed on reducing benefit levels and hardening conditionality, aiming to ensure that income support does not act as a barrier to returning to the labour market. The emphasis policy makers place on Active Labour Market Policies, welfare reform and lifelong learning has meant that less attention has been paid to the quality of jobs and employment, which, in turn, are steadily deteriorating.

The shortcomings of the work-first and make work pay approaches to tackling poverty have been clear to members of the European Anti-Poverty Network for many years, and we have continuously campaigned, with our members at the national level, and together with other social organisations and trade unions across Europe, for a comprehensive social inclusion approach when it comes to employment. EAPN welcomed that in-work poverty has increasingly become a focus for the Social OMC, highlighted in the SPC Annual Report (SPC 2013) as a key Trend to Watch.

The Europe 2020 Strategy features one of its 5 overarching objectives dedicated to the reduction of the number of people experiencing poverty by at least 20 million by 2020, while the target of getting 75% of the active population into the labour market has been agreed. In order to effectively combine these two ambitious objectives, and to make sure that the employment target doesn't undermine the poverty target, job quality needs to be placed at the core of these efforts and concrete measures proposed to tackle in-work poverty. The role of the EU in challenging or generating in-work poverty needs to be discussed, particularly in the light of continued focus on macroeconomic priorities, through proposals designed to increase competitiveness and reduce public deficits, reinforced in recent documents such as the Annual Growth Survey and the Fiscal Compact.

The impact of the economic crisis and the recovery packages is likely to lead to a further deterioration of the situation of those experiencing in-work poverty. Whilst employment rates increased in many

¹ Common Objectives of the Social OMC (2008, confirmed in 2010).

European countries in the period up to 2008, the nature of the labour market in most countries had also begun to change. The increased use of part-time, temporary and other forms of ‘flexible’ forms of work have seen the conditions of some workers deteriorate. The changing nature of the labour market has also contributed to fostering the debate about the nature, causes and consequences of in-work poverty.

The crisis has brought about not only the disappearance of many jobs, but also a worsening of working conditions and working environments, cuts of wages without adequate top-up from social security, cuts in social budgets, and ever-decreased employment and job security (EAPN 2010; EAPN 2011a). The exit strategies, featuring harsh austerity measures and budget cuts, as well as downward pressure on wages, have often focussed on rather narrowly-scoped activation approaches and efforts to reduce public spending, as well as increasing de-regulation of the private sector, which has not helped improve the situation of people already experiencing hardship, while holding a job.

Questions of in-work poverty, its causes, its impact and the solutions, are complex. In 2010, EAPN has undertaken, through its Employment Working Group, a comprehensive review of the situation of in-work poverty on the ground, as well as the effect of different policy options towards solving the situation, or making it worse. Through country fiches, EAPN members mapped the situation in their own countries. This work was compiled and EAPN was invited to present it in March 2011, at a peer-review under the Social Open Method of Coordination, entitled “Building the tools to fight in-work poverty”, in Paris, France.

Throughout 2012 and 2013, EAPN members, through the EU Inclusion Strategies Group, have continued to deepen and complement the analysis, integrating recent developments. Findings from other EAPN publications, such as, among others, the annual assessment of the National Reform Programmes (EAPN 2011c, EAPN 2012d, EAPN 2013c) and Country Specific Recommendations (EAPN 2012b, EAPN 2013a), in the framework of Europe 2020, have been equally integrated in this final product. The work was coordinated by Peter Kelly, EAPN UK, Vice-President of EAPN, with support from the EAPN Secretariat in Brussels, (Amana Ferro and Claire Champeix, Policy Officers, and Sian Jones, Policy Coordinator).

The present paper aims to set out EAPN’s developing analysis of the issue of in-work poverty, and to contribute to the debate. We begin by reviewing the definitions and scale of the problem, highlighting the different situations across Europe, including the role of low pay, the structure and increased segmentation of the labour market, the role of benefit and taxation policy, and individual characteristics. Building on the extensive work done by EAPN members, as specified above, we outline our key concerns and discuss the impact of various policies in different countries, including the negative impact of the economic crisis and austerity measures. We bring the stories of the people themselves into the spotlight, and make a plea for participation and democracy, as the foundation for formulating concrete proposals and ways forward on how to effectively combat in-work poverty. The EU role in fighting this growing phenomenon is clearly underlined. The paper concludes with an overview of positions adopted by international actors on in-work poverty, and EAPN’s Key Recommendations.

Finding people jobs is not enough. Policy-makers need to make sure that the proposed employment opportunities constitute an effective way out of hardship, exclusion and deprivation. A way out of a life in poverty.

1. WHAT IS IN-WORK POVERTY?

In-work poverty is generally understood as a state of poverty experienced by a person despite their status of being active on the labour market in paid employment.

The notion of in-work poverty is not a new one. An early demand of the trade union movement across Europe was for ‘a fair day’s pay, for a fair days work’. It was a call that arose from the fact that, despite being in paid employment, many workers still did not earn enough to lift themselves and their family out of poverty. This demand also contained within it a call for greater economic justice in the workplace, a call that resonates as loudly in 2013 as it did in the 19th century. Whilst the problem of in-work poverty and of low pay have never disappeared, the strengthening of the social safety net, the emergence of comprehensive health and pension systems, the spread of trade unions and the relatively long period of economic growth in the 1950s and 1960s meant that it declined in political significance (Airio 2008).

However, the economic crisis of the early 1970s, and the increasing emphasis of deregulated labour markets, particularly in the UK, has meant that the issue of in-work poverty has moved gradually back up the political and policy agenda. It is no longer possible to view the existence of in-work poverty as a peripheral problem in the fight against poverty. In a time when employment is increasingly viewed as the best and safest route out of poverty, it is striking that almost a third of people experiencing poverty are, nonetheless, employed (EC 2013) and significantly more so in some countries (reaching 15.1% in Greece and 19.2% in Romania, according to Eurostat). In the framework of the Social OMC, indicators have been developed to track in-work poverty ever since 2004. However, despite this increasing importance, there appears to be a paucity of data or research carried out on the issue in many Member States (Frazer & Marlier, 2010).

1.1. *Defining in-work poverty*

For Eurostat purposes, the definition used for collecting data on in-work poverty is the following: “The share of persons who are at work and have an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers)”. Eurostat further explains that equivalised disposable income is understood as “the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members.”

With regards to the definition of in-work poverty, Crettaz and Bonoli (2010) highlight the variety of approaches that are taken internationally. The differences in definitions revolve around the how ‘work’ is defined, and how the household is defined, the reference period for any employment, and the poverty threshold that is used.

In the European context, the latter issue is not so controversial, with widespread acceptance of the relative poverty indicator: 60% median household income as poverty threshold (although the recent adoption of a multiple indicator for Europe 2020 poverty target may undermine this). With regard to how work is defined, the Eurostat definition retains as employed “those aged 15 and over, who, during the reference week, performed some work, even for just one hour per week, for pay, profit or family gain. This means a very limited definition of what it means to be gainfully employed.

Another crucial issue is that the assessment is carried out at household level: the overall income of a household is divided by the number of people composing it; to avoid in-work poverty, the resulting amount per individual needs to be higher than the poverty threshold. This means that a higher the number of dependents in a household may significantly influence the poverty situation, as the income is divided to more people. This has implications for the type of response that is made to in-work poverty, meaning that there must be a mix of required policies, targeting, alongside living wages and

job security, also child benefits, pensions, disability benefits, as well as access to services, including, housing, childcare and other types of care, including for the elderly and those with a disability, healthcare, transport, social services, and others.

Using the Eurostat data and definitions, an estimated 9.5% of the workforce in the European Union is experiencing in-work poverty. Although rates are higher for new Member States, these also display a tendency towards reduction, while in old Member States in-work poverty has risen at alarming rates over the past two years, by over 1%.

	2010	2011	2012 (est)
EU (28 countries)	8.4%	8.9%	9.5%
EU (27 countries)	8.4%	8.9%	9.5%
Old Member States (EU 15)	7.9%	8.5%	9.2%
New Member States (EU 12)	10.5%	10.8%	10.5%

Source: Eurostat

There are large discrepancies between Member States, not just in terms of clusters, but also individual countries, ranging from 3.8% in Finland to 19.2% in Romania. Significantly, Frazer and Marlier (2010) note that “in general, countries with a high at-risk-of-poverty rate have high in-work poverty rates.” It is likely that many of the processes, structures and policies that lead to poverty for those out of work are connected to those that cause poverty for those who are in employment. Trends also vary across different key groups, which is an issue we return to in detail below.

1.2. Causes of in-work poverty

The importance given to each of the causes will vary depending on the differing national conditions across member States. Crettaz and Bonoli (2010) identify three main ‘mechanisms’ that lead to in-work poverty: low pay, low labour force attachment, and large family size. Frazer & Marlier (2010) highlight the structure of the labour market, household composition and low work intensity, individual characteristics (lack of qualifications, etc.) and institutional factors such as lack or level of minimum wages and social protection. There is also the additional issue of income distribution and redistribution, as income inequalities and polarisation are growing, thus fuelling in-work poverty, among other effects (see EAPN’s Explainer on Wealth, Inequality, and Social Polarisation in the EU – EAPN 2011b). All of these factors have contributed to the increase in in-work poverty that has taken place in Europe over the last 10 years. The relative weight of each of the factors will depend to a significant extent on the particular national conditions, but all will be relevant in all cases. Below we focus on a selection of some of the most important causes of in-work poverty.

- **Low pay**

As an individual’s income does not always entirely depend on his or her wages, most studies of in-work poverty are at pains to point out that not all low paid workers are poor. However, it cannot be denied that low wages are a key cause of in-work poverty, as most disposable income does indeed most typically come from paid employment. Whilst many low paid workers are not poor, most poor workers will be low paid. In terms of policy responses to in-work poverty, this then should be the starting point.

This should also be the starting point for our understanding of the causes of in-work poverty. The absence of a national minimum wage in 7 Member States out of 28 is a crucial aspect, especially as trade union membership is declining, and workers in low-paid sectors are traditionally not covered. Even in countries where a statutory minimum wage does exist, its levels are often not enough to take

an individual out of poverty. The recent economic crisis and recovery packages have brought additional downward pressure on wage levels, especially in view of recent developments, such as linking wages from productivity and decoupling them from living standards (Euro Plus Pact), budget cuts and austerity measures, particularly (but not only) in countries receiving financial assistance from the International Monetary Fund and the European Commission, and, in case of Eurozone countries, European Central Bank.

A frequent complaint of many people seeking to make the transition into the labour market is that they are 'no better off'. This is as a result of the additional costs associated with taking employment, for example travel and transport costs, childcare and other care costs, clothing, meals, etc. This can mean that, for some people, particularly people with children, taking 'marginal jobs' (part-time, or temporary, precarious or poorly paid) may mean that they simply exchange poverty out of work for poverty in-work. In this context, flanking services become crucial, for providing people with adequate (accessible, affordable, quality) childcare and other support facilities, to ensure that working does not, in effect, generate more poverty for the individual. When supporting a single parent into work, an integrated approach which ensures affordable access to these services will be particularly crucial, if the parent is to find and stay in suitable work. Nonetheless, attention paid to these services remains faulty, especially in times of economic recovery (EAPN 2008, EAPN 2009a, EAPN 2010, EAPN 2011a, EAPN 2011c, and EAPN 2012d).

It is important, when considering the causes of in-work poverty, to highlight the evidence of the revolving door between in-work poverty and unemployment (Shildrick et al, 2010). Moreover, the transition between benefits and paid work and back is often problematic, and people find themselves with no income while they move from one status to the other. This situation is compounded by the loss of crucial free or low cost public services when taking up employment, as well as other key benefits, such as housing support. This creates a poverty trap which is very difficult to escape, and it triggers fluctuations of income (with periods of no income), as well as loss of benefits. The evidence of this 'low-pay, no-pay' cycle means that we must treat the two phenomena as related, rather than separate and distinct experiences.

- **Quality of jobs and employment**

There are clear links between in-work poverty, low pay, and unsustainable (or precarious) jobs. When referring to unsustainable jobs, what we are in fact talking about is forced part-time, atypical and temporary employment, which is usually low-paid, illustrating an increased segmentation of the labour market, acknowledged also by the Integrated Guidelines (7), the Flagship Initiatives, the Joint Employment Report and other recent EU policy documents. The segmentation of the labour market is coupled with low levels of remuneration for specific sectors, those classified as low skilled, often in jobs dominated by women, ethnic minorities and other excluded groups. The growing income distribution gap is illustrated by wage levels for workers in lower paid posts, related to executive pay, as well as to the wage share in relation to profits and GDP. The ethnic and gender pay gap are also important factors in this equation.

Of course, part-time and temporary jobs do not *necessarily* need to be low quality, but the reality is that many are. Although such forms of employment are often promoted as a stepping stone towards sustainable, quality employment in the labour market, often people remain trapped in low-quality jobs, or on a roundabout moving between low-paid, precarious jobs and minimum wages or unemployment and/or other benefits. Part-time jobs are often not paid the equivalent hourly rate, particularly with new shorter-time contracts (i.e., 1 hour or 1 day), which increasingly fall outside employment rights. In fact, Eurostat points out that, for the EU 28, the 2012 estimated proportion of workers experiencing in-work poverty is while working part-time is 14.1%, compared to only 8.1% for those working full-time. Workers in precarious or atypical contracts are also less likely to be covered by trade union agreements. Jobs may be physically demanding, the hours may be excessively long.

Workers may not have access to pensions, and basic employment rights are not always granted (Pollert and Charlwood 2009).

This has important implications for the policy responses both to unemployment and to in-work poverty. The experience of recurrent poverty, whether in work or out of work, suggests that the ability of low paid, insecure work to act as a sustainable 'ladder' out of poverty is questionable. The fact that many people are cycling back and forwards between in-work and out of work poverty would also suggest that the notion of a lack of incentive, or lack of willingness on the part of the worker, is not the real problem. What is remarkable is that so many people are willing, with or without incentives, to move into employment, even when the experience is negative and leaves them little better off, if not worse-off in some cases.

For a more detailed analysis of the importance of decent wages and stable contracts, as well as of quality jobs in general, and the implications for poverty, see EAPN's Explainer on Quality of Work and Employment in the EU (EAPN 2014a).

- **Household composition**

As mentioned above, in-work poverty indicators are usually based on an assessment done at household level, rather than individual. This means that a person, even if engaged in low paid work, is not necessarily classified as experiencing in-work poverty, as they might live in a household whose equivalised income is above the poverty threshold. This also means that, even in a household where all working age adults are active on the labour market, the number of non-gaining dependents (children, elderly, people with disabilities, etc.) determines that the per capita income of the household places its members in a situation of poverty. Only 5.6% couples without dependents experience poverty despite being in work, compared to 10.4% of those with dependents (Eurostat 2011).

This approach poses a few challenges regarding the correct identification of the in-work poverty phenomenon. People with large families, who have to support more dependents, may find themselves in a situation of poverty even if one or more of them is gainfully employed, and making decent, living wages. This opens up a larger debate on the adequacy of wages, and brings under challenge the breadwinner model, as working members of the household need enough resources to support the non-working members, particularly important for the growing number of single parents. A living wage, therefore, is not just a wage that allows one person to support themselves in a dignified way, but also to support a family. The recent demographic challenge highlights the importance of increasing the birth rate, which is very difficult for couples or single parents who are unable to meet the economic conditions to provide their children with a dignified life and with access to opportunities.

In-work poverty can often lead to over indebtedness, as wages are insufficient to cover basic living costs. Indebtedness makes it hard for employed people to meet day to day demands, because the resources are drawn into paying arrears. Single parents, or other types of sole bread winner models, are faced with additional difficulties. Caring responsibilities, especially when not shared with a partner, constitute a serious obstacle to integrating into the labour market, or even to complete education and skills upgrading programmes, in order to have access to better paid employment.

The lack of sufficient, affordable, accessible, quality child care facilities can force particularly single parents to take up low-paid, part-time or temporary employment, which does not guarantee a sufficient, steady disposable income for family members. 19.5% of lone parents experience in-work poverty (Eurostat 2011). Additionally, other caring responsibilities, such as towards ageing family members, or those with a disability, have the same poverty effect, while 30% of inactivity and part-time work are due to lack of appropriate care services (Frazer and Marlier). Subsequently, if a job does not provide sufficient income, poverty and indebtedness are compounded, despite being in employment.

- **Individual Risk Factors**

Some groups are more prone to experience in-work poverty due to a variety of circumstances and characteristics. Whilst the report by Frazer and Marlier (2010) notes that men are more likely to experience in-work poverty than women, it is very often the case that women are more likely to work in part-time and atypical work that is lower paid. The gender pay gap (16.2% in 2011 the European Union, according to Eurostat), which means that women are paid less than men for equivalent jobs, also mean that they are more exposed to suffering poverty while working.

In many countries, there is a higher prevalence of low paid work, and therefore of in-work poverty, in rural settings. The self-employed are another category which is dramatically more exposed to suffering poverty while in work (24.3% of people who are employed, but not employees, experience in-work poverty, according to Eurostat 2011). Frazer and Marlier (2010) also observe that educational level also plays a role.

People who bear an ailment, suffer from a disability or other health-related problems, mental or physical, are also more prone to experiencing in-work poverty. Often, they can only take up part-time employment, which does not provide them with sufficient means to live in dignity. A viable income should be ensured through schemes which cumulate benefits with part-time wages, together with support for accessing services. However, in reality, many people belonging to this vulnerable group are faced with loss of benefits and other kinds of support, when they try to take up part-time work to supplement their income. This shortcoming of the system just perpetuates a poverty trap, without providing opportunities for progress.

A new group at particular risk is made up of young people, who often have serious difficulties in finding employment after completing their studies. Youth unemployment has been growing at alarming rates in most European countries (21.4% in 2011, compared to 15.8% in 2008, according to Eurostat). Statistics also report higher levels of in-work poverty for young people (11.2% for 18-24 year olds, compared to 8.8% for the over 24 year old workers), and higher rates amongst temporary (13.2%) and part-time workers (13.5%), compared to workers on a permanent contract (5.4%) and full time workers (7.5%) (Eurostat 2011).

As lack of professional experience is an often-invoked reason for not hiring recent graduates, many of them engage in apprenticeships or other similar work experience initiatives. However, the lack of uniform criteria on traineeships leads to the sad reality that many are either completely unpaid, or paid precariously, or insufficiently. Recent European Commission initiatives, such as the Quality Framework for Traineeships, setting minimum standards for the protection of young people who engage in such work experience, as well as the establishment of the European Alliance for Apprenticeships, are welcome steps. In the upcoming implementation of the Youth Guarantee, it is essential that the quality dimension of employment proposed is prioritised, to avoid creating more in-work poverty among young people.

Migrants and ethnic minorities, particularly the Roma, find themselves more often in a situation of in-work poverty than other groups, while they are also less protected by trade union membership. Discrimination is still wide spread in many countries, and, while steps have been taken to ensure a discrimination-free working environment, not enough has been done to address racism and xenophobia as effective barriers to accessing the labour market. When faced with such difficulties to obtain a normal job on the open labour market, sometimes despite very high qualifications, many people belonging to this group opt for precarious employment. Undocumented migrants face additional issues in entering the labour market, which pushes many towards undeclared work, as the unique possibility to support themselves and their families and make ends meet. This means very high income insecurity, in terms of low wage levels, no certainty that they will be paid, absence of social security, and the constant fear of being fired, or deported.

Undeclared work and reduced social security contributions by employers also undermine the redistribution mechanisms of our society, by financing social protection and security, thus providing an unsustainable floor for the economy, and leading to further poverty and social exclusion.

2. WHAT POLICY RESPONSES? EAPN'S KEY CONCERNS

As highlighted in the previous section, in-work poverty is a complex phenomenon, affecting individuals at different times and in different ways. In many ways, the consequences for people experiencing poverty while working will not differ from anyone else who is living in poverty outside employment: the struggles and challenges faced by people living on low incomes are the same regardless of the source of that low income. This is an important point: the dividing lines between those who are in poverty because they do not work and those who do are increasingly blurred. Many analyses of the phenomenon will tend to place the responsibility on the people themselves, blaming the poverty situation on personal circumstances, such as low level of skills, being a single parent, making a choice to have a large family etc. However, a number of structural factors underline the issue of in-work poverty, including some of the life choices which are considered as “personal”.

It is important to be clear from the outset that a policy designed to improve work incentives alone will not necessarily address in-work poverty. Some of the policies that are referred to by politicians as tackling in-work poverty, or as ‘making work pay’, are in fact more accurately seen as about improving incentives for individuals to move into the labour market, and are rather aimed at getting people off benefits than at ensuring them decent lives. Given the complexity of the causes of in-work poverty mentioned above, it should not be surprising that reliance on one form of support will not be sufficient to effectively address the complex phenomenon of in-work poverty.

In this section, we look at some of the key concerns of EAPN members regarding in-work poverty and the consequences for those who experience it, and the effect of some selected policies aimed at tackling it. This chapter builds on a comprehensive analysis undertaken by EAPN members over the past four years, and translated into a number of impact publications: two reports on the social impact of the crisis in 2009 and 2010 (EAPN 2010, EAPN 2011a), a book dedicated to the implementation of the Active Inclusion Strategy (EAPN 2011c), three reports analysing the National Reform Programmes in 2011, 2012, 2013 (EAPN 2011d, EAPN 2012d, EAPN 2013c) and EAPN’s shadow Country Specific Recommendations in 2012 and 2013 (EAPN 2012b, EAPN 2013 a), among others.

2.1. *Low pay, low quality of life*

As it stands to reason, a low income means being unable to fully cover basic needs, and entails difficult choices between essential expenditures. People receiving low pay often experience both material deprivation and social exclusion. Minimum wages, when they exist, are often not levelled up to actual living costs and the price of goods and services. There needs to be a positive hierarchy between the level of benefits, which should not be lower than the poverty line, and the minimum wage, which needs to be set higher, in order to provide incentives to work. Paid employment must provide a living wage in a positive sense, without undermining the adequacy of minimum income schemes. People experiencing poverty should not be penalised for moving into work, by losing much-needed benefits, as well as access to and support for services.

As described above, the problem of in-work poverty links issues of low pay with those of low quality employment. In this context, low quality does not automatically mean temporary or part time. As we know, some temporary jobs are well paid and of high 'quality' (if we think of quality in terms of status, control, opportunities for progression, etc.).

However, these are not the temporary jobs that people experiencing poverty are typically able to access. Jobs that have low hourly rates of pay are often also those where many other basic employment rights and conditions are not in place. Lack of holiday entitlement (even when legally entitled), no access to sick pay, maternity/paternity leave, too long, short or unpredictable hours are all part of the picture of in-work poverty.

These are alarming times when we see an increased pressure to drive down wages, either as a way to reduce labour costs and boost productivity and competitiveness, or as a means to balance public budgets. In a context where the political discourse seems to view human capital only as a production factor, there is a real risk that in-work poverty will increase. There has been a desire for more flexible labour markets on the part of both employers and Governments for some time. Governments are moving towards more flexibility in firing and hiring, changing labour laws and operating reforms, sometimes without consulting the social partners.

I didn't know from one week to the next how many hours, if any, I was going to be getting. It was really hard. We would have to struggle on ill, as you couldn't afford for your wages to be docked, and we never really knew what holidays we were entitled to.

Sarah, UK, in Poverty Alliance 2010

If people are ill they're not compensated after three days. People go to work even if they're sick. People are not aware of their rights.

Participant at the 11th European Meeting of People Experiencing Poverty, in EMPEP 2011

I was earning a low salary - little more than the national minimum wage. I just couldn't afford the things I needed. After paying the rent of €150 a month and paying for transport and food, there was almost nothing left over. Help from my family was what got me through then and gets me through now.

Maria, Portugal, in EAPN 2006

I definitely think that everyone deserves it [the living wage]. It's got to be better than the minimum wage. Who can actually say that people can live on the minimum – I'm pretty sure the people who came up with the figures aren't living off it.

Female catering worker, UK, in EAPN 2011b

There is pressure on the minimum wage in specific sectors. A recent court judgment will reduce the salaries for some jobs in the construction sector by 7%. Trade unions are concerned by on-going lobbies aiming at cutting salaries in the services and other sectors, which will have a direct impact on low paid workers.

EAPN Spain, in EAPN 2011a

I am willing to work cleaning the streets. I just want enough money to live a normal life.

Julian, Bulgaria, in EAPN 2006

We're decent people and want to work for decent wages – we want a decent life.

Participant at the 10th European Meeting of People Experiencing Poverty, in EMPEP 2010

The rights of (low earning) working people are under threat, while the pressure on wages rises.

EAPN Belgium, in EAPN 2013c

There is nothing [in the NRP] about salaries and the working poor.

EAPN Bulgaria, in EAPN 2013c

You can read more about the Living Wage campaigns in Scotland and other parts of the UK in our Active Inclusion booklet (EAPN 2011c) and a special edition of the Anti-Poverty Mag, dedicated to quality employment (EAPN 2011e).

2.2. Top-ups and tax credits

Increasingly across Europe, Governments are supplementing low wages to help boost overall household income.

The *Revenu de Solidarité Active* (RSA) in France is within the mainstream approaches that have been developed to address in-work poverty in Europe and elsewhere over the last 20 years.

The creation of the Earned Income Tax Credit (EITC) in the USA in the 1990s was an early attempt to compensate low paid workers with children.

In the late 1990s and throughout the 2000s, the UK Government has made a series of reforms to the system of Working Tax Credits, making the system progressively more generous and including more workers (many of who would be unlikely to be classed as either low paid or poor).

Notably, in the UK, a national minimum wage was also introduced during this period. However, much of this work has now been undermined by recent changes to the tax system and proposals to review the minimum wage. Often, the tax credit proposed cannot compensate for the loss of free or reduced-price services and benefits – e.g., housing benefit, transport, childcare, health etc.

All such measures seek to ensure that people taking up low waged employment see a real improvement in their incomes, by providing a top up to pay through a benefit or a tax credit. This is to be welcomed. Boosting the incomes of those living in poverty, whether that poverty is as a result of not being in work or being in low paid work, is an outcome that EAPN would support.

However, whilst these policies have been important in lifting many people out of poverty, they can also have unintended consequences. While top-up credits make lives easier for people, they simultaneously encourage a culture of low wages on behalf of employers and fail to take into account the loss of free services (see above).

Policy makers need to better understand the challenge that many workers face making the transitions from benefits to work in making use of tax credits and similar policies. It is important to note that the starting point for any policy to address in-work poverty should be a decent standard of pay.

For instance, the Hartz reforms in Germany have not reduced in-work poverty, but have forced jobseekers to accept low-paying jobs. This, combined with the lack of minimum wage schemes, the promotion of atypical, precarious employment, and the boosting of low wages by additional social benefits (not tax credits) have led to the enormous growth of the low-wage sector in Germany during the last years, with 20% of workers being low paid.

The tax reduction schemes in Norway are well intentioned, but complicated bureaucracy and a lack of information prevents them from making a real difference.

In Ireland, tax policies aimed at supporting low-earners have not proved effective, and the financial crisis has renewed the focus on competitiveness, Irish employers regarding the current minimum wage as too generous. The Family Income Supplement is a welcome measure, but take-up is low, since it is not an automatic payment, needing rather to be claimed.

Whether poverty rates have really decreased as a result of the introduction of top-ups and tax credits surely the most critical factor to consider when looking at the success of such a policy intervention.

In France, it may be that the experience with the RSA is too recent to estimate the direct impact on overall poverty levels.

In the UK, there is now more than 10 years' experience of systems of tax credit support for lower paid workers (the current system of tax credits was introduced in 2003). Parekh et al (2009) noted that

whilst the tax credit system had been successful in lifting approximately 300,000 children in working families out of poverty, this has been undermined by an increasing need for tax credits as more people move into low paid employment.

Therefore, whilst such policies can have a positive impact on child and family poverty, without commensurate action to address the prevalence of low paid employment (or low levels of pay in particular sectors and job types), and lower quality employment in general, the anti-poverty effects of such measures will be undermined, as well as tackling the issue of transitions in access to key services.

A second income levy introduced in 2009 impacts on those on the minimum wage, despite the previously stated policy of keeping those on the minimum wage out of the tax net.

EAPN Ireland, in EAPN 2010

The tax credits system needs to be completely overhauled, simple as that. There's no incentive for people to work, take promotion or take on extra hours when they will end up worse off. The government really needs to grasp that. It's not about making ends meet – it's about a decent standard of living, having a life!

Stephen, UK, in Poverty Alliance 2010

The focus on growth and job creation should prioritise quality jobs and ensure that everyone benefits. Within this it is important to adopt an approach to tackle the problem of in-work poverty and the existence of poverty traps.

EAPN Ireland, in EAPN 2012b

2.3. A stepping stone or a revolving door?

The rise of short-term, precarious contracts and of agency work has led to more and more people not being able to depend on a steady income for long periods of time. This likens the working poor more to the unemployed experiencing poverty than to workers, as very often people migrate between spells of employment and spells of unemployment, without their situation changing significantly from one stage to the other.

Such unstable, low-quality jobs are often promoted as a stepping stone to better, sustainable employment, but the reality often contradicts this assumption. Moreover, the recent trend in activation policies is to enforce strict sanctions, such as partial or complete loss of financial support if people do not accept any job proposed, while often the contracts obtained are short-term, insecure, and providing low-pay.

This reality decreases even further the incentives to look for work. Additionally, the transition between benefits and paid work and back is often problematic, and families sometimes find themselves with no income, while they move from one status to the other.

This creates a poverty trap which is very difficult to escape, and it triggers fluctuations of income (with periods of no or reduced income), as well as loss of benefits. Rather than a stepping stone, poor-quality job placements act as a revolving door between poverty in work and out of it.

Many areas of the economy where low pay, and thus in-work poverty, are most prevalent are also those areas where trade union membership is at its lowest. This includes growing areas of the economy such as retail, hospitality, financial services and personal services.

Given the importance of these sectors of the economy in terms of jobs growth, it is vital that these workers are afforded the opportunity to join trade unions and to gain the protection that they provide. In addition, the relative weakness of trade unions in these sectors underlines the need for effective statutory protection for these groups of workers, such as minimum wages, adequate state pensions, etc.

Employers do not respect us and our rights. We are expected to take any work which is not enough for us or our family's needs.

Participant at the 10th European Meeting of People Experiencing Poverty, in EMPEP 2010

There is an attempt to decrease the quality of job conditions, but the trade unions are fighting to keep them and indeed there is an increase of temporary/short-term jobs; there are some new, low paid and less secure jobs.

EAPN Netherlands in EAPN 2010

The measures taken do nothing for the poor, nothing for creating new jobs, do nothing to support the millions of people working on highly insecure and over-flexible jobs.

EAPN Italy, in EAPN 2010

Work on its own does not guarantee a way out of poverty. It is evident that poor people are mostly moving from unemployed poor to employed or working poor.

EAPN Malta, in EAPN 2011d

Proposed measures [in the NRP] (decrease protection of work by the labour code reform; so called intermediary labour market) will stimulate creation of marginal, less protected and low quality jobs with indecent pay.

EAPN Poland, in EAPN 2011d

There might come more jobs [...] for excluded groups, but below conditions on the ordinary labour market where we have collective agreements, more like activation and work for benefits.

EAPN Denmark, in EAPN in 2012d

Activation measures without quality job creation are not a way out of poverty, but risk being a way into poverty. Invest in quality jobs (sustainable, well-paid and accessible) and support excluded people into these jobs.

EAPN Belgium, in EAPN 2012b

There is increasing flexibility of employment contracts.

EAPN Italy, in EAPN 2013c

Their concerns are related to the high level of acceptance of in-work poverty, as the NRP talks about increased wage flexibility.

EAPN Sweden, in EAPN 2013c

2.4. Access to services

Poverty is not just about income, but also about, amongst other things, access to key services. A large part of the population faces a serious issue of lack of quality, affordable and accessible services.

Housing is a substantial problem, especially as large slices of a household's income get spent on rent or mortgage instalments, the price of which has seen a continuous rise, not mirrored by wage increases or housing aid for disadvantaged families.

Access to education or health services is becoming increasingly restricted, with rising prices and limits on coverage, and equal access impeded by factors such as lack of infrastructure, discrimination, poverty and other barriers.

Financial exclusion and limited access to banking services effectively prevent people from gaining access to fair credit or loans, to a bank account, and to financial products.

Often, attending school or other kind of training, going to work or accessing other services is hindered by inadequate or too expensive transport, which can act as a barrier to meaningful integration in the community and can bring about social exclusion.

Finally, access to affordable, quality care services (for children, but also for the elderly, those with a disability, or other dependents) is a sine qua non prerequisite for many people, especially women, to engage in gainful employment, which provides a stable wage and a secure future for the family.

Wages and the operation of in-work benefits such as Tax Credits or RSA are not the only factors that can help lift families and individuals out of in-work poverty.

Services play a vital role in protecting households from in-work poverty. From subsidised rents in social housing, to the availability of low cost, accessible (child)care, decent services can make the difference between a job that will lock people into poverty, and one that may eventually become a route out of poverty.

What is missing is a focus on greater social protection – the new employment law is strongly tilted towards the employer, minimum income and affordable social services are missing.

EAPN Estonia, in EAPN 2011d

With regards to a full integrated approach, it is however to be mentioned that the link to other social services, e.g. housing, is missing.

EAPN Austria, in EAPN 2013c

2.5. Risk factors for key groups

As indicated above, different groups are more exposed to in-work poverty, a fact not always adequately addressed, or even accounted for, by policies. There is clear and persistent relationship between gender and in-work poverty. This is in part a result of labour market segmentation (women more often work in sectors that are typically low paid, e.g., services, caring, retail), in part direct discrimination against women workers (the undervaluing of those jobs typically associated with women), and a result of women having the primary responsibility for caring.

This latter point means that women are more likely to work part-time, in jobs that are more likely to be low paid. Women are also therefore more likely to be reliant on services such as (child)care, to enable them to be active in the labour market. However, if wages are low, the effort is pointless, as sometimes they don't even cover the amount spent on the care that would enable the woman to earn them.

There are some groups of workers that are particularly susceptible to being low paid and therefore at risk of in-work poverty, as previously referred. These include young people, the low-skilled, people with disabilities, migrants and ethnic minorities, and others. Again, these workers are less likely to benefit from the protection of trade union membership.

However, simply having statutory protection in place is also not enough to ensure that these groups of workers are not at a higher risk of poverty. Comprehensive, integrated provision of services,

addressing the specific needs of these categories, is needed to effectively shield them from poverty in and out of work as part of an overarching social protection system against all risks.

The introduction of compulsory engagement with the labour market despite little delivery in terms of childcare, sufficient training and education or employment opportunities creates strong difficulties for lone parents. From 2008 to 2009, material deprivation for lone parent families increased by over 20%.

EAPN Ireland, in EAPN 2011a

I work in a refugee camp... It's very difficult to get the minimum wages – workers don't get that because they're illegal.

Participant at the 10th European Meeting of People Experiencing Poverty, in EMPEP 2010

Precariously employed are the first to lose their jobs, and growing unemployment makes it more difficult for them to find a new one. Among those, women and single parents, ethnic minorities and migrants as well as low skilled persons are the groups mainly affected.

EAPN Germany, in EAPN 2010

Stop social dumping: workers from other countries are paid below the minimum wage: back a minimum wage and adequate and more equal income, decent housing and facilities and dignity for everyone who lives and works in the Netherlands.

EAPN Netherlands, in EAPN 2012b

3. THE IMPACT OF THE CRISIS AND AUSTERITY MEASURES

The financial and economic crisis as well as current plans for recovery through austerity, have had very serious social implications. The situation of people experiencing in-work poverty has worsened with the crisis, against the backdrop of general instability of the labour market, characterised by shirking labour demand, worsening of working conditions, and downward pressure on wages, coupled with cuts in essential social benefits and services.

EAPN members have reported extensively on the consequences of the crisis on the employment situation in member states, and how that impacts on poverty and social exclusion in general (EAPN 2010a and EAPN 2011a) and has put forwards its own alternative proposals for an inclusive recovery (EAPN 2012a). EAPN members have monitored national policies also in the framework of EAPN's annual assessment of the National Reform Programmes, National Social Reports, and Country-Specific Recommendations (EAPN 2011c, EAPN 2012b, EAPN 2012d, EAPN 2013a, EAPN 2013c).

Equally, EAPN has produced a report about the negative social consequences imposed by the Memoranda of Understanding, in selected countries (Greece, Ireland, Portugal, Romania) receiving external financial assistance from the European Commission, the International Monetary Fund, and in the case of Eurozone countries, the European Central Bank. Many of the trends that EAPN members have identified will exacerbate in-work poverty in both the short and longer term (EAPN 2013d).

The most obvious impact of the economic crisis has been the destruction of millions of jobs across Europe. ETUC estimates that 4 million jobs were lost in 2009 alone (ETUC 2010).

This has not only had a direct impact on those who have lost work, or upon those looking to return to the labour market, but also on those who are still in employment. As the economic crisis continues, there is increased pressure on those working in low paid employment.

With the crisis, private companies have reduced personnel expenditure, either reducing working time or delaying the payment of wages.

EAPN Hungary in EAPN 2010

Low wage earners and benefit recipients in rented accommodation who spend a high proportion of their incomes on utilities, transport and food have seen their real incomes most reduced.

EAPN UK in 2010

As the economic crisis has continued, many governments have sought to restrict welfare benefits and to freeze or give lower increases to minimum pay. In the long run, these measures will neither help economies out of the crisis, not address the problem of low pay.

Whilst the national minimum wage has continued to increase for adult workers in the UK, the rate for young workers has been frozen from 2012 (Mulholland 2012). This will undoubtedly increase in-work poverty for those households reliant on the wages of young workers, and there is no evidence that freeze minimum pay will stimulate job growth for young people.

People under 18 where I work get £3.57 per hour. I just don't understand why, when they're doing the exact same work, that they get so much less. In principle obviously I think the minimum wage should be higher than what it is, but I think everyone should be on the same rate if doing the same job.

Amy, UK, in Poverty Alliance 2010

The impact of the crisis is particularly important on vulnerable people in our country where there is no Minimum Income Scheme.

EAPN Italy in EAPN 2010

The new government's 4 years austerity plan include a reduction in the minimum wage by €1 to €7.65. This will now put pressure on other sectoral minimum wage agreements and alongside tax and other changes will increase the risk of in-work poverty.

EAPN Ireland in EAPN 2011d

In order to defend existing employment and avoid shedding of personnel, many employers opted for temporary short-time working arrangements, a measure which has proved rather successful. However, its application varied from country to country. While it is a welcome measure to try to prevent unemployment, often shorter working hours were synonym of less pay. Some countries have provided for additional compensations, in order to reach the previous wage level, while in others, workers had to take a cut in pay together with the cut in working times.

The reality of lower wages (because of shortened working hours) brings along with it the growth of indebtedness of individuals and families.

EAPN Czech Republic in EAPN 2010

In the private sector, some countries report a decrease in wage levels even for full-time work. Aside Governments tending to push down minimum wage, in an attempt to defend jobs which otherwise would have been lost, private employers also tend to cut their losses and regain competitiveness by reducing production costs through a diminishing of the wage bill.

In the public sector, a number of jobs have been shed, and an embargo on new hires placed in some countries. Wages in the public sector has been significantly diminished, with some countries, such as Romania, reaching 25 %, in an effort to comply with very strict conditionality regarding deficits, which accompanied much-needed IMF loans. Similar situations have been noticed in other countries receiving bail-out assistance, such as Greece, Ireland, or Portugal, where such measures are similarly required through the Memoranda of Understanding (MoU). (For more information, see EAPN 2013d).

Labour market reforms have prioritised the reduction of employment security and the reduction of the Unit Labour Costs – reduced income due to increased taxation on employment, more flexible work time organization, reduced overtime and severance pay and increased reasons for the dismissal of workers –that will most probably contribute to the increase of poverty and social exclusion (including in-work poverty).

EAPN Portugal, in EAPN 2013c

However, the picture is not very different in some other countries, not obliged to comply with bailout conditions, but subject to the requirements of the Fiscal Compact, and the so-called Two- and Six-Pack measures, or where the government policy priority has been austerity. In the UK, for example, wage freezes in the public sector have been implemented and proposals for further cuts have also been made. In Portugal, in 2012, there has been an agreement to make redundancy easier, to cut severance pay and cut overtime pay (Campos Lima 2012).

The European Union has, thus, as key role to play, as explored in the next section. Through sitting in bail-out negotiations, through recently-adopted measures such as those indicated above, and in the framework of the European Semester, through the Annual Growth Survey and the Country Specific Recommendations (based on the Euro Plus Pact), the European Commission has recently backed quite explicitly a reduction in wages and job quality.

The NRP includes a commitment to reverse the cut to the national minimum wage made by the previous Government earlier this year. However, it also mentions the review of other mechanisms for setting the minimum wages for certain low paid sectors, which is underway. It is not clear what the outcome of this will be and there is a strong political push to undermine the pay and conditions of low paid and vulnerable workers.

EAPN Ireland in EAPN 2011d

A mechanism will also be created to monitor the evolution of precarious employment, together with the prohibition of unpaid work placements... In the section Poverty Reduction Target, the document makes reference to the reduction of inequalities, relating it to in-work poverty. No explanation how it will be done.

EAPN Portugal in EAPN 2011d

Introduce poverty and inequality impact assessment of all policy measures implemented as part of the ‘bail out’ plans and financial and structural adjustment plans of EC/ECB and IMF. Create new activation measures for the increased population of unemployed, with emphasis on the young unemployed (50%), the working poor and long-term unemployed, with emphasis on women.

EAPN Greece, in EAPN 2012b

Many employers took the crisis as an opportunity to restructure. As a result, the supply of available jobs decreased dramatically, forcing people to look for any kind of work they can get in order to survive. The past years have seen an increase in precarious labour and short-term contracts, with agency work being on the rise, as well as outsourcing. Few of these jobs provide decent wages and working conditions, as well as social security contributions and other benefits, so for many people it

meant a significant decrease in monthly household disposable income. Additionally, as these contracts bear an expiration date, this type of work cannot ensure security of employment (and hence, of income) for a long time.

This situation has taken place under the auspices of the flexicurity approach (see the Flagship Initiative A European Agenda for New Skills and Jobs, underpinning the employment target of Europe 2020), but, unfortunately, once again, flexibility was emphasised, leading to increasingly precarious labour, at the expense of security packages, as most countries saw drastic cuts in benefits and social spending. Despite having proved their value as automatic stabilisers during the beginning of the crisis, social benefits have been severely curtailed as a result of the implementation of exit strategies.

More work, in less time, and for a lower salary - take it or leave it.

EAPN Spain in EAPN 2010

It should not be employment at any cost, or whatever kind of employment. Portugal has had an important percentage of working poor in the past and we can't accept increasing this figure as a result of the crisis, accepting also whatever revision of labour laws which are proposed to make the labour market so flexible that it puts everyone at risk of poverty. Low and instable salaries cannot make the economy grow and be competitive.

EAPN Portugal in EAPN 2012b

Many measures aimed at restoring the employment situation to normal, pre-crisis levels have not given due weight to the quality of the jobs proposed. The existing strategies focus particularly on the re-launch of the economy, which means increasing productivity and competitiveness by all means, so that the private sector can recoup and get back on its feet. This means less investment in job creation, as well as in financing social protection as companies are oriented towards streamlining business and cutting costs, so not only fewer jobs are being created, but they are also of lesser quality, featuring lower wages. In the same time, more pressure is being put on people to accept any kind of job, as conditionality for benefits, as well as sanctions, have increased exponentially. In an effort to bring unemployment statistics down, and to cut spending for the State by reducing social security, most Governments pursue aggressive activation strategies, forcing people to accept low-pay, precarious employment, or risk having their benefits reduced or curtailed.

4. THE ROLE OF THE EUROPEAN UNION

4.1. Positive references

The risk of experiencing poverty while working has been monitored regularly by the European Commission, in the framework of the **Open Method of Coordination on Social Protection and Social Inclusion** (the Social OMC). This increased focus in the Social OMC has helped keep the issue on the political agenda. In 2010, the Network of Independent Expert on Social Protection and Social Inclusion produced a comprehensive synthesis report on in-work poverty (based on country reports for all Member States), identifying causes, analysing trends and policies, and proposing solutions (Frazer & Marlier 2010).

In 2008, the European Commission's strategy on the **Active Inclusion of People Furthest from the Labour Market** explicitly urges Member States to "promote quality jobs, including pay and benefits, working conditions, health and safety, access to lifelong learning and career prospects, in particular with a view to preventing in-work poverty" and to "tackle labour market segmentation by promoting job retention and advancement". This is part of one of the three pillars of the strategy, called "inclusive

labour markets”, which aims at supporting people through personalised approaches to access sustainable, quality employment. The other two pillars support adequate minimum income schemes for a life in dignity, as well as universal access to affordable, high-quality services.

In the framework of the **Europe 2020 Strategy**, the **poverty-reduction target** (one of the five overarching objective of the Strategy) is being implemented through three indicators, one of which is “low household work intensity”. 13% of adults with very high work intensity lived in poverty in 2009 in Romania, 8% in Greece. In the EU still 6,5 million of adults were at risk of poverty, despite the very high work intensity of the household members. The detailed analysis by the EC of poverty rates by types of households in the light of household work intensity shows also the importance of policies supporting families, either through in some support or through access to care services, to prevent poverty among families (EC, 2011).

In the **Integrated Guidelines**, which underpin the Europe 2020 Strategy, Guideline 7, entitled *Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality*, mentions explicitly that “The quality of jobs and employment conditions should be addressed. Member States should combat in-work poverty and promote occupational health and safety”, and should also provide “adequate social security systems to secure labour market transitions”.

The issue of in-work poverty has also been given prominence in two Flagship Initiatives under the Europe 2020 Strategy. The **European Platform against Poverty and Social Exclusion (EPAP)** recognises that “Those furthest from the labour market also need enhanced social support that continues once they are in a job, in order to avoid a revolving-door situation where they find themselves shunted between unemployment and low-quality, precarious employment.” The communication also highlights the importance of addressing the gender income gap, which increases in-work poverty experienced by women, and especial single mothers and elderly women, and underlined the importance of services, especially care and social services, taking into account the lifecycle approach.

The **European Agenda for New Skills and Jobs** dedicates ones of its four sections to quality of work and employment and its links with poverty. The Flagship states that “There is no trade-off between quality and quantity of employment” and notes that in-work poverty is persistent, because of slow wage growth, behind productivity, and the increased incidence of involuntary temporary and part-time contracts. The communication points, among its proposed initiatives, to a comprehensive revision and streamlining of the concept of quality work. This process, which is carried out by the European Commission in cooperation with Member States (through the Employment Committee) and the social partners, is currently underway.

The **Employment Package**, a set of documents released by the European Commission in 2012 as a follow-up to the European Agenda for New Skills and Jobs, devotes substantial attention to the phenomenon of in-work poverty. The main communication, *Towards a Job Rich Recovery*, acknowledges that “even before the crisis, having a job has not always been a guarantee against poverty”, and notes explicitly that “setting minimum wages at appropriate levels can help prevent growing in-work poverty and is an important factor in ensuring decent job quality.” The document also speaks in favour of “boosting ‘take home’ pay” through in-work benefits and tax credits, yet warns about the danger of low-wage traps it entails. Equally, it highlights that transitions remain inadequately supported, and precarious work is on the rise: “In many cases these jobs do not serve as a stepping-stone for more permanent forms of work.”

The accompanying **Commission Staff Working Document on Labour Market Trends and Challenges**, also part of the Employment Package, supports the finding that “while in some Member States temporary contracts often serve as a stepping stone to more permanent employment and/or carry a relatively low wage penalty, in others temporary workers find themselves trapped in poor working conditions. [...] In-work poverty is much more prevalent among people with temporary contracts.” Similarly, the accompanying **Commission Staff Working Document on Open, Dynamic and Inclusive**

Labour Markets warns about “trapping workers for many years in precarious employment”, and how “labour market segmentation [...] causes scarring effects, repeated unemployment spells between contract periods and a generally unbalanced development of work and private life”.

Most recently, the **Employment and Social Development in Europe Report**, released in December 2012, dedicates an entire chapter to the significant increase of in-work poverty in no less than a third of Member States: “a job is not a guarantee against the risk of poverty and the working poor represent 1/3 of the working-age adults at-risk-of-poverty.” The report builds up on the similar one from 2011, which analysed in-work poverty, its causes and consequences in detail. The findings echo previous documents: a perpetuated culture of low wages, lagging behind productivity, coupled with increased precariousness on the labour market through an abuse of atypical contracts with little protection, and a lack of concern with job quality are the main factors fuelling poverty among those in paid employment.

The **Joint Employment Report of 2012**, and Annex of the Annual Growth Survey, also reminds Member States that “Specific attention to improving the situation of the working poor in Europe has to be given, in particular through active inclusion policies”. It also references the need to improve the balance between flexibility and security on the labour market, in order to combat segmentation and improve transitions, as well as to reform and strengthen legislation and compliance with minimum wages. Crucially, the Report notes that “The increase in employment has mainly been within temporary contracts and part time jobs” and that five Member States received a Country-Specific recommendation on the functioning of the labour market and on combating segmentation.

The Social Protection Committee has introduced a new instrument, called the **Social Protection Performance Monitor (SPPM)**, to “reinforce and support coordination of social policy and multilateral surveillance” of the social situation in Europe. This instrument makes full use of the EU portfolio of indicators on social protection and social inclusion and will be used in the annual Europe 2020 monitoring framework to identify “trends to watch” which should drive priorities for Country-specific Recommendations to Member States and key messages in the Annual Growth Survey. The in-work at risk of poverty rate² is one of the three indicators used to measure the social consequences of the labour market situation, as well as Long-term unemployment rate.

In February 2013, the European Commission launched the **Social Investment Package**, where in-work poverty is dedicated ample space in one of the accompanying documents, assessing the follow-up and implementation of the Active Inclusion strategy of 2008. The document states in unequivocal terms: “In-work poverty rose significantly in a third of EU countries (MT, DK, CY, IE, FR, IT, ES, and RO) between 2008 and 2011. In-work [...] is linked to poor labour market conditions such as low pay, low skills, precarious employment and under-employment.” However, and despite this encouraging mention, the text gives little attention to quality and sustainable jobs, including wages, while in-work poverty is more dealt with as an issue of personal or household characteristics (EAPN 2013b).

4.2. Negative implementation

Despite the positive rhetoric described above, the reality of how in-work policy is dealt with by policy-makers is quite different. While the EU claims not to have hard law instruments available to enforce social policy objectives, it can effectively regulate economic policy, which has a dire impact on poverty rates, whether in-work or not. The tight fiscal discipline imposed to Member States has, more often than not, translated in clear attacks on job quality, which have increased in-work poverty on the ground.

² Individuals who are classified as employed according to their most frequent activity status and are at risk of poverty. The distinction is made between ‘wage and salary employment plus self-employment and ‘wage and salary employment’ only. (Eurostat-Labour Force Survey)

The **Euro Plus Pact**, also known as the **Pact for the Euro**, adopted in 2011, identifies competitiveness as the overarching objective, and names wage setting as a key tool to achieve it, by prioritising “measures to ensure costs developments in line with productivity, such as: review the wage setting arrangements, and, where necessary, the degree of centralisation in the bargaining process, and the indexation mechanisms, while maintaining the autonomy of the social partners in the collective bargaining process; ensure that wages settlements in the public sector support the competitiveness efforts in the private sector (bearing in mind the important signalling effect of public sector wages)”.

This document plays a very important role in defining national policies, as Member States need to report on how they are implementing these measures in the National Reform Programmes and Stability Programmes submitted each year, which are assessed by the European Commission and the Council in the context of the European Semester.

This was followed by a set of measures known as the **Six-Pack**, adopted one year earlier, in 2011, and composed of five Regulations and a Directive. The package covers both fiscal and macroeconomic surveillance, and outlines the medium-term objectives of deficit and public debt that countries need to converge towards, as well as the sanctions attached for non-compliance. Another set of measures, known as the **Two-Pack**, require Member States to submit draft budgets to the European Commission yearly, before October 15th, for revision and alignment towards common objectives.

Most provisions are mirrored in the **Fiscal Compact**, also known as the **Treaty on Stability, Coordination and Governance in the Economic and Monetary Union**, signed by the Member States of the European Union (except the UK and the Czech Republic) in 2012, which is regarded as a stricter version of its precursor, the Stability and Growth Pact. The Treaty imposes more stringent regulation than the Six-Pack, and it also requires Member States to enshrine the medium term objectives in national binding law, preferably of a constitutional nature.

In the absence of a similarly binding framework safeguarding social inclusion and cohesion in the European Union, these documents have become the most important tool to justify repeated attacks on wellbeing in Member States, in the name of converging towards agreed macroeconomic objectives, not least including deterioration of job quality, including wages. The European Union can now directly intervene in national policies and budgets, and the direction in which it exerts its intervention is aimed at achieving these macroeconomic objectives at all costs, often with no regard to the dire social impact of the measures adopted.

The **European Semester** covers the first part of every calendar year, and it is a concept used to define the monitoring of progress towards macroeconomic objectives, as well as towards the targets of Europe 2020. While this was the initial stated objective, it has become clear, over the past 3 years of implementation, that the former is taking massive precedence over the latter: debt and deficit reduction, in the terms described in the documents above, are consistently prioritised over the social objectives of Europe 2020. A clear example of this trend is that countries receiving financial assistance from the European Commission are exempted from reporting progress on Europe 2020 targets, as their reporting in the framework of the Memoranda of Understanding on macroeconomic objectives is considered sufficient.

EAPN has extensively monitored and documented the tremendous negative impact that these policies are having on poverty and social exclusion. Deficit reduction remained the core focus of the macroeconomic orientation of the National Reform Programmes, with fiscal austerity measures generating more poverty and social exclusion. An increasing trend is downward pressure on wages in public and private sectors, including through reduction or abolition of wage indexation (EAPN 2013c). EAPN members highlight that reduction of wages (primarily for the lowest and middle range jobs) will not only reduce disposable income for the most needy, but also increase income inequality and undermine social cohesion.

The **Annual Growth Survey** is the document prepared by the European Commission at the start of the European Semester, aimed at providing guidance for Member States for the drafting of their National Reform Programmes. Unsurprisingly, in 2012, the document supports the aligning of wages with productivity, as preached in the overarching documents above. Member States are encouraged to “move forward with the agreed recommendations on revising wage-setting mechanisms, in conformity with national social dialogue practices, to better reflect productivity developments”.

The **Country-Specific Recommendations**, issued by the European Commission after assessing the National Reform Programmes, reflect main priorities for Member States to follow in their policies. Once again, the dominant trend is towards supporting macroeconomic objectives at whatever cost, which results in contradictory messages. On the one hand, countries like Italy and Poland receive Recommendations about tackling labour market segmentation and in-work poverty. On the other, countries like Spain, Belgium, Luxemburg and Sweden are urged to implement more labour market flexibilisation, to reduce wage bargaining and indexation, and to introduce wage moderations or cuts (EAPN 2013a).

The positive rhetoric on in-work poverty and improving quality of work for better quality of life is welcome, but it is increasingly marred by real policy developments, which support the achievement of fiscal consolidation and debt reduction in the absence of social concerns. If social issues, including poverty experienced while in work, are to be tackled seriously, the EU needs a Golden Rule, a safeguard for social investment and social protection, which would counterweigh the harsh neoliberal agenda, through social conditionality and social impact assessment, given the same importance as that attached to economic conditionality. The recently adopted Communication on the Social Dimension of the EMU might be a first step in this direction. However, its correct implementation remains crucial.

5. OTHER ACTORS AND THEIR APPROACH TO IN-WORK POVERTY

Key actors in the trade union movement and the world of research also analyse the phenomenon of in-work poverty. This section gives a snapshot of the analysis developed by a selection of these actors. For anti-poverty activists, such analysis can be the basis for cooperation and alliances building.

In the past few years, the **European Trade Union Confederation (ETUC)** has raised more clearly the issue of in-work poverty, in the framework of their criticism of the way the financial and economic crisis is being handled in the EU. They denounce a series of choices made in the framework of the austerity policies, which contribute to lowering wages and reduce social protection. They equally denounce the direct cuts in public sector salaries and, in some case, in minimum wages, and more globally the “general hostility to link wages to inflation, the pressure to link them rather to productivity, the hostility to centralised bargaining”. They insist on the respect of the principle of equal pay for equal work, based on the host country principle (ETUC, 2011)

The ETUC rejects the approach that wages should be used as an instrument of competitive adjustment, should they be lowered by political decisions or deriving from the deregulation of the labour market in the EU. They insist that quality and innovation should be part of recovery strategy, but “these are not supported by flexible wages” (ETUC, 2012a). They further insist on the importance of minimum wage to be set “to limit market competition which forces workers to undercut each other”. They consider that the Commission’s choices in time of crisis are likely to generate more in-work poverty (ETUC, 2012b).

The International Labour Organisation (ILO) has been promoting a Decent Work Agenda. They recently highlighted that progress has been made in reducing extreme poverty among workers at the global level, but there has been a marked slowdown in the rate of progress in reducing working poverty in the world since 2008. Among the 900 million working poor, there were an estimated 456 million workers around the world living in extreme poverty below the US\$1.25 a day poverty line in 2011. 55 million more workers were living with their families below the US\$2 a day poverty line than expected (ILO 2012).

In 2011, the ILO introduced the first international database of national poverty estimates of the number of poor and their share in total employment, with all estimates of the world's working poor disaggregated by age group (total, youth and adult) and sex. Being the first international database of national working poverty estimates, the data series is intended to improve the understanding of the linkages between poverty, employment and decent work around the world.

The ILO considers that labour market policies (including the extension of unemployment benefits, the re-evaluation of minimum wages and wage subsidies, enhancing public employment services, public works programmes and entrepreneurship incentives) can have an impact both on employment and incomes (ILO, 2011). In line with the ILO Decent Work Agenda, the ETUC has been promoting quality/decent work on a long term. They define the following 5 basic pillar that should ensure decent work: end precarious jobs, better work organization, strong employment protection legislation, social welfare system, social dialogue and collective bargaining.

One of the four indicators under **Millennium Development Goals 1B** ("achieve full and productive employment and decent work for all, including women and young people") is the proportion of the working poor in total employment.

The **OECD** explains that underemployment is a key determinant of in-work poverty, as well as the design of national systems of benefits, rather than low wages as such. They underline that large families with low earnings are more at risk of entering in-work poverty and could be further protected after a needed reshaping of taxes and benefits systems. They consider minimum wages useful to fight against poverty, if set at a "reasonable level" not to "damage the employment prospect for the most vulnerable" and complemented by in-work benefits tightly targeted to low income families (OECD 2009).

The **European Trade Union Institute (ETUI)** included in-work poverty in their Jobs Quality Index (ETUI). They highlight how the recession not only generate unemployment but change the situation of those in employment also, with a growing number of people working part-time without reporting they would prefer a full-time job (ETUI, 2013).

The European Foundation for the Improvement of Working and Living Conditions also makes detailed analysis of in-work poverty, notably through the **European Working Conditions Observatory** (Eurofound 2010, Eurofund 2012).

6. GOVERNANCE, PARTICIPATION, AND DEMOCRACY

Solutions to a problem cannot be found without involving those affected by it. However, strategies devised to stem poverty for those in employment have not always been drafted and implemented with the participation of those concerned. The voice of the working poor is often lost or unheard.

Trade unionisation has been under attack from government regulation, and is declining, while a large number of workers, such as those engaged in part-time work, agency or outsourcing work, temporary

contracts, or the grey economy, are increasingly not involved in a trade union. This calls for greater support for all workers to access trade unions.

Alliances between trade unions and NGOs and civil-society organisations supporting people suffering in-work poverty are needed. From the onset of the crisis, organisations have had to respond to increased demand for support from people affected by the economic downturn. With many civil society organisations already experiencing financial difficulties prior to the crisis, a situation made worse by cuts to social spending and financial support for NGOs, they now find themselves unable to meet demand. These budget cuts have reflected in a reduced number and availability of social services, thus increasing the burden placed on NGOs. Structural Funds have not been adequately targeted to address this issue.

Despite these cuts, **social NGOs still have the potential to provide a voice to the disenfranchised**, making sure that their problems are adequately taken into account at the policy-making level. Poverty and social exclusion are complex issues, which can't be divided and dealt with according to administrative divisions of the Government. In the context of in-work poverty, NGOs have the added-value of being able to provide holistic solution and support alternatives, which derive from the direct experience of people living in poverty, and from needs assessments conducted on the ground, at grass-root level. These may be NGOs providing support to people who are dealing with high levels of debt, who face housing problems, or who are navigating complex systems of in-work benefits or in the revolving door transitions.

NGOs play a vital role in ensuring that the concerns and issues affecting these people are heard by policy makers, and in ensuring that individuals in situations of in-work poverty have the opportunity to engage directly with those developing policy. Such a role must be developed very closely with trade unions.

In the framework of the Europe 2020 Strategy, stakeholder engagement needs to be at the core of political solutions, through establishing National Poverty Platforms, involving all actors in a structured dialogue, including EAPN networks at the national and EU level, as well as social partners, including trade unions. These Platforms should play a key role in the drafting, implementation, and evaluation of National Reform Programmes and National Social Reports, as well as the Country-Specific Recommendations, building on the work previously done in the framework of the social OMC. A thematic cluster on in-work poverty could be created, linking social NGOs, trade unions and employers and other key stakeholders and performance monitored closely in accordance with agreed social indicators.

In order to be able to carry out their work properly, anti-poverty and social NGOs need to be adequately supported and resourced, so they can continue to play their role as facilitators of direct engagement of people experiencing poverty and providers of sustainable solutions, which promote social inclusion and social cohesion, thus recognising the need for inclusive dialogue.

EAPN networks will continue to try to engage with political processes, to bring the voice of those left behind at the forefront of decision-making. Our national networks on the ground have been persistently trying to engage with the National Reform Programmes and the National Social Reports, building on the good practices of stakeholder involvement put in place by the Social OMC (see EAPN 2011d and EAPN 2012d). In 2012, EAPN members presented their own, alternative, Country-Specific Recommendations to the European institutions, and these have been taken up by decision-makers and the input welcomed (EAPN 2012b, 2013a). Quality of work and employment, as well as the fight against in-work poverty, has been at the forefront of our concerns. We will continue to strive to be consulted and will elaborate our own alternative proposals in 2013.

For more information about anti-poverty organisations on the ground, and how the crisis and reduced funding are rendering their mission impossible, see EAPN's Anti-Poverty Mag dedicated to the issue and entitled *The Crisis of Democracy: Anti-Poverty Organisations Respond!* (EAPN 2012c).

Additionally, EAPN has traditionally worked in close partnership with trade unions, both at the national and the EU level, through common actions, mobilisation, and alliances, to ensure that quality employment is at the heart of anti-poverty strategies, and that work effectively takes people out of hardship and exclusion. A great example of such cooperation, concerning broader alternative economic policies and fairer, more equitable development models in Europe, see the *Joint Social Conference* (www.jointsocialconference.eu) and the *Alter Summit* (www.altersummit.eu) recent initiatives.

7. EAPN'S RECOMMENDATIONS

EAPN believes that there is no single, simple solution to in-work poverty. However, at the heart of the solutions to the problem is the necessity to ensure that decent work is available for all who need it. This move towards higher quality, decently paid work, requires action at a number of levels and by a range of stakeholders.

The European Union

Combating in-work poverty should be identified as a **clear, transversal, objective of the Europe 2020 Strategy**. This can be achieved through the following:

- Ensure that the Joint Assessment Framework (JAF), Employment Performance Monitor (EPM) and Social Protection Performance Monitor (SPPM) indicators on quality work and in-work poverty are transparently taken on board, and prioritised in appraising the National Reform Programmes;
- Address Country-Specific Recommendations (CSRs) to countries where in-work poverty is developing, particularly those highlighted by the SPPM as a Trend to Watch, and where quality of work is declining;
- Ensure that the reduction of in-work poverty is made a key message in the Annual Growth Survey, and that contradictory recommendations are not given in the macro-economic CSRs, such as measures which would increase in-work poverty (e.g., reductions in wage levels in low paid jobs).
- Consider introducing a target on in-work poverty, as a sub-target to the employment target of Europe 2020.
- Support a strong poverty-reduction dimension in employment policies and efforts to achieve the employment target, and render the two objectives mutually reinforcing, reflected in coherent Country Specific Recommendations.
- Prioritise and monitor the quality dimension in the implementation of the Youth Guarantee, in the assessment of the National Implementation Plans.
- Transnational exchange of experience, Mutual Learning and Peer Review should be pursued and good practices publicized, following up the Network of Independent Experts on Social Inclusion Report from 2010 including with members of the Employment and Social Protection Committee.
- Progress on in-work poverty should be regularly monitored, on the basis of Eurostat data, but also using the expertise of people experiencing poverty and anti-poverty NGOs, by involving stakeholders in the NRP/NSR process at national level.

Additional steps can be taken by the European institutions:

1. Make full use of the Scoreboard proposed in the recently adopted Communication on the Social Dimension of the EMU, which builds on the JAF, EMP and SPPM indicators identified above, and

which includes in-work poverty as an indicator – make sure that this is prioritised in the rebalancing of social and economic objectives.

2. The European Commission should propose a Green Paper, accompanied by adequate and meaningful public consultation, to lay the ground for a Recommendation detailing a roadmap, with concrete measures on how to tackle in-work poverty in Member States.
3. Give more visibility and make concrete implementation proposals for the Active Inclusion strategy of the European Union, whose three pillars (adequate income support, universal access to quality services, and inclusive labour markets) have a key role to play in combating in-work poverty, and poverty in general.
4. In the current revisiting, by the European Commission and the Employment Committee, of the quality jobs concept, ensure that living wages, job security and employment rights are defined and placed at the heart of the principles and proposals for action.
5. Ensure that adequate income is accessible to all at a level that protects people against poverty, both in and outside work, for instance through progressing proposals for a European Directive on Minimum Income, and investigating the scope for an EU Framework on decent minimum wages, following a positive hierarchy?
6. Carry out social impact assessment on deregulation and other labour market policies proposed by the Euro Plus Pact, assessing impact on in-work poverty, and ensure positive integrated approaches the countries receiving external financial assistance, when negotiating Memoranda of Understanding. Assess the long-term social, employment, health and economic impact of in-work poverty on workers and their families
7. The European Commission can explicitly back the unionisation of low-wage sectors, and strengthen the role of collective bargaining and social partners in the development of policy solutions to tackle in-work poverty.
8. Structural Funds can play a key role in the fight against in-work poverty, by supporting smoother transitions towards quality, sustainable employment (with complementary income support schemes for the long-term unemployed who return to the labour market), as well as policies designed to establish standard national references for quality work, and awareness campaigns.

Member States - National and sub-national levels

1. Increase the level of pay:
 - Introduce statutory minimum wages in countries where they do not exist;
 - Introduce compulsory living wage levels for statutory minimum wages, in countries where they exist, based on budget standards on baskets of goods and services;
 - Revalorise wage levels for specific traditional low-paid sectors (often dominated by women and other excluded groups);
 - Provide support for increased trade union membership and coverage, and reinforce role of collective bargaining and social partners in policy design and delivery;
 - Promote adequate minimum income schemes, at least at the poverty line, in order to establish a positive hierarchy between benefits and wages;
2. Provide in-work benefits and tax credits to supplement and protect low earnings, while striving not to encourage and perpetuate a low-wage culture, but promoting decent work.
3. Address benefits adequacy and policies, including continuity in access to key services to effectively tackle transitions, to make work pay in a positive way. Balance flexibility with security, to ensure that people are not penalised when moving from one job to the other.

4. Address labour market segmentation, by improving contract duration, access to rights and employment protection, combating precariousness and improving employment quality.
5. Safeguard and guarantee access to basic employment rights (such as protection against unfair dismissal).
6. In line with the Active Inclusion strategy, income support needs also to be complemented by universal access to quality and affordable services, childcare, universal free healthcare, education, social housing and other social services, but also flanking services such as housing, transport, counselling etc. These need to be shielded from austerity measures.
7. Make in-work poverty a priority in National Reform Programmes and National Social Report. This should mean mainstreaming the issues through all employment initiatives, while also supporting data collection and stakeholder involvement.
8. Support the participation of people experiencing poverty, the unemployed and their non-governmental organisations in the design, implementation and evaluation of initiatives aimed at combating in-work poverty, and poverty in general, as well as in improving stakeholder dialogue in the NRP and NSR process.

Employers and their Organisations

1. Become living wage employers! Make sure you provide decent wages, which allow workers to lead dignified lives and to adequately provide for themselves and their families. Public sector employers can become good practice models to the private sector.
2. Provide stable contracts with comprehensive termination provisions, and ensure that employment rights and social protection are guaranteed.
3. Address discrimination in recruitment processes, as well as in the workplace, and become an equal opportunities employers.
4. Support and promote lifelong learning, as an investment in your staff and a safeguard against future poverty and unemployment for your workers.
5. Ensure that counselling, information and HR services are adequately supported, so that more people are aware of their employment, social, and human rights.

Trade Unions & NGOs

1. Trade union membership remains the most effective way of protecting workers against in-work poverty, particularly where decent national minimum standards of job quality, including pay and stability, are not guaranteed.
2. Alliances and joint campaigning: it is vital that trade unions and NGOs form closer working relationships and build new alliances, in order to bring together the experience, knowledge and networks that trade unions and NGOs have.
3. Raise the voice of low paid workers, to ensure that their experience is heard directly by policy makers and within anti-poverty movements, and provide opportunities for them to take an active part in lobbying and campaigning against in-work poverty.
4. Develop continuous cooperation and partnerships around the collective action of persons in unemployment and in poverty and social exclusion, and create voluntary interfaces (between trade

unions and anti-poverty NGOs, especially thematic/advisory) open to activists involved in (new) social movements.

5. NGOs, social enterprises, and other third sector organisations are also employers – it is crucial that they set a positive example, by becoming living wage employers and respecting quality of work standards in all employment proposed.

REFERENCES

EUROPEAN ANTI-POVERTY NETWORK PUBLICATIONS

EAPN (2014a), *Explainer on Quality Work and Employment*, upcoming, 2014, soon available on the EAPN website (www.eapn.eu).

EAPN (2013d), *Lifeboat or Life Sentence? Report on the Troika and emergency assistance programmes and their impact on poverty and social exclusion*, November 2013, soon available on the EAPN website (www.eapn.eu)

EAPN (2013c), *Widening the Gap. Assessment of the National Reform Programmes 2013*, **September 2013**, <http://www.eapn.eu/images/stories/docs/NRPs/2013-EAPN-NRP-Report.pdf>

EAPN (2013b), *Response to the Social Investment Package – Will It Reduce Poverty?*, June 2013, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2013-EAPN-Response-to-the-SIP-en.pdf>

EAPN (2013a), *Assessment of the 2013 Country Specific Recommendations (CSRs) and proposals for Alternative CSRs (National and EO members*, March 2013, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2013-EAPN-CSR-Assessment-and-alternative-CSRs-EN.pdf>

EAPN (2012e), *10 Principles on Quality Work*, September, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2012-10-principles-on-quality-work.pdf>

EAPN (2012d), *An EU worth defending: beyond austerity to social investment and inclusive growth*, EAPN Analysis of the 2012 National Reform Programmes (NRPs) and National Social Reports (NSRs), July, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2012-eapn-nrp-report-en.pdf>

EAPN (2012c), *The Crisis of Democracy: Anti-Poverty Organisations Respond!*, Anti-Poverty Mag, 30 May, <http://www.eapn.eu/images/stories/docs/MAG/mag-136-en.pdf>

EAPN (2012b), *Proposals of Country-Specific Recommendations. Making Progress on Poverty Reduction and Meaningful Stakeholder Engagement!*, May, <http://www.eapn.eu/images/stories/docs/NRPs/2012-2013/EAPN-country-specific-Recommendations-en.pdf>

EAPN (2012a), *Re-engaging Hope and Expectation, Getting out the Crisis Together – Alternative Approaches for an Inclusive Recovery*, February, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2012-crisis-report-katherine-duffy.pdf>

EAPN (2011e), *Quality of Work for Quality of Life*, Anti-Poverty Mag, December, <http://www.eapn.eu/images/stories/docs/MAG/mag-135-web-en.pdf>

EAPN (2011d), *Deliver Inclusive Growth – Put the Heart Back in Europe!*, EAPN Analysis of the 2011 National Reform Programmes, Europe 2020, November, <http://www.eapn.eu/images/stories/docs/NRPs/nrp-report-final-en.pdf>

EAPN (2011c), *Active Inclusion: Making It Happen!*, EAPN booklet, September, <http://www.eapn.eu/images/stories/docs/eapn-books/2011-active-inclusion-booklet-en-web.pdf>

EAPN (2011b), *Explainer on Wealth, Inequality and Social Polarisation in the EU*, May 2011, <http://www.eapn.eu/images/stories/docs/eapn-books/2011-wealth-explainer-en-web.pdf>

EAPN (2011a), *Is the European project moving backwards? The Social Impact of the Crisis and of Recovery Policies in 2010*, 23 February, <http://www.eapn.org/images/stories/docs/EAPN-position-papers-and-reports/crisis-report-2011-en.pdf>.

EAPN (2010), *Social Cohesion at stake. The Social Impact of the Crisis and of the Recovery Package*, 3 December, <http://www.eapn.org/images/stories/docs/EAPN-position-papers-and-reports/Crisis-Report-2009-final.pdf>.

EAPN (2009b), *An EU we can trust". Proposals on a new EU post-2010 strategy*, 15 June, <http://www.eapn.eu/oldwebsite/images/docs/an%20eu%20we%20can%20trust%20june%2009%20en.pdf>.

EAPN (2009a), *Will the Economic Crisis force a stronger social pillar in Lisbon? Social Inclusion Scoreboard on the National Reform Programmes (2008-10)*, 10 February, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/lisbon-report-final-2009-en.pdf>.

EAPN (2008), *Building Security, Giving Hope. EAPN Assessment of the National Strategic Reports on Social Protection and Social Inclusion (2008-10)*, 30 November, <http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/napreport2008-en.pdf>.

EAPN (2006), *Voices from the Poverty Line: Jobs and Unemployment in the EU*, EAPN book, http://www.eapn.eu/images/docs/voices%20from%20the%20poverty%20line_en.pdf

OTHER SOURCES

Airio, Ilpo (2008), "Change of Norm? In-Work Poverty in a Comparative Perspective", in *Studies in social security and health*, Number 92, [http://www.kela.fi/in/internet/liite.nsf/NET/060308131936EK/\\$File/tutkimuksia92_netti.pdf](http://www.kela.fi/in/internet/liite.nsf/NET/060308131936EK/$File/tutkimuksia92_netti.pdf)

Campos Lima, Maria da Paz (2012), "Unions split over tough labour agreement", for the *European Industrial Relations Observatory Online*, 27 February, <http://www.eurofound.europa.eu/eiro/2012/01/articles/pt1201049i.htm>

Crettaz, Eric and Bonoli, Giuliano (2010), *Why are Some Workers Poor? The Mechanisms that produce Working Poverty in a Comparative Perspective*, Working Papers on the Reconciliation of Work and Welfare in Europe, REC-WP 12/2010, <http://lac-repo-live7.is.ed.ac.uk/handle/1842/3985>

European Meeting of People Experiencing Poverty (EMPEP 2011), *Homelessness and Housing Rights in the Context of the Crisis*, Conference Report, May, <http://www.eapn.eu/images/stories/docs/Events-docs-programmes/2011-10thPEPmeeting/10thpepmeeting-report-en.pdf>

European Meeting of People Experiencing Poverty (EMPEP 2010), *Employment, Work, Jobs - The reality for people experiencing poverty*, Conference Report, May, <http://www.eapn.eu/images/stories/docs/Events-docs-programmes/2011-10thPEPmeeting/10thpepmeeting-report-en.pdf>

European Trade Union Confederation (ETUC 2012b), *ETUC's response to the European Commission's Communication "Towards a job-rich recovery"*, 5-6 June, <http://www.etuc.org/a/10047>

European Trade Union Confederation (ETUC 2012a), *Investing for growth and jobs – ETUC reaction to the Annual Growth Survey*, March, <http://www.etuc.org/a/9809>

European Trade Union Confederation (ETUC 2011), *Athens Manifesto*, 19 May, http://www.etuc.org/IMG/pdf/Final_Manifesto_EN_reduced.pdf

European Trade Union Confederation (ETUC 2010), *Spring Summit: The ETUC's priority is employment, not the financial market*, press release, 25 March 2010, <http://www.etuc.org/a/7075>

European Trade Union Confederation (ETUC 2007), *Decent work fact sheet*, <http://www.etuc.org/a/4311>

European Trade Union Institute (ETUI): <http://www.etui.org/Topics/Labour-market-employment-social-policy/Job-quality-index-JQI>

ETUI (2013): *Benchmarking Working Europe 2013*

European Commission (EC 2011), *Employment and Social Developments in Europe*, 15 December, <http://ec.europa.eu/social/main.jsp?catId=113&langId=en&pubId=6176&type=2&furtherPubs=yes>

European Commission (EC 2013), *Employment and Social Development in Europe*, 8 January, <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7315>

European Foundation for the Improvement of Working and Living Conditions/European Working Conditions Observatory (Eurofund/EWCO, 2010): *Working poor in Europe*, http://www.eurofound.europa.eu/ewco/studies/tn0910026s/tn0910026s_2.htm

Eurofound/EWCO, 2012, *Rate of in-work poverty attracts media attention*, <http://www.eurofound.europa.eu/ewco/2012/02/PL1202019I.htm>

Frazer, Hugh and Marlier, Eric (2010), *In-work poverty and labour market segmentation in the EU*. CEPS/INSTEAD, 2010, coll. European Network of Independent Experts on Social Inclusion n°2010-02, <http://ec.europa.eu/social/main.jsp?langId=en&catId=1025&newsId=1394&furtherNews=yes>

International Labour Office (ILO 2012), *Global Employment Trends*, http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_171571.pdf

International Labour Office (ILO 2011), *Key Indicators of the Labour Market (KILM)*, 7th edition, October, http://www.ilo.org/empelm/pubs/WCMS_114060/lang--en/index.htm

Mulholland, Hélène (2012), "Minimum wage frozen for under-21s", in *The Guardian*, 19 March, <http://www.guardian.co.uk/society/2012/mar/19/minimum-wage-frozen-for-under-21s>

Network of Independent Experts in Social Protection and Social Inclusion (NIESPSI 2010), *In work poverty and labour market segmentation*, EU Peer Review, <http://www.peer-review-social-inclusion.eu/network-of-independent-experts/2010/second-semester-2010>

Organisation for Economic Cooperation and Development (OECD 2009), *In-Work Poverty, What Can Governments Do?*, Policy Brief, September, <http://www.oecd.org/els/43650040.pdf>

Parekh, Anushree, MacInnes, Tom and Kenway, Peter (2009), *Monitoring Poverty and Social Exclusion 2009*, York: NPI/JRF, <http://www.jrf.org.uk/sites/files/jrf/monitoring-poverty-social-exclusion-2009-full.pdf>

Pollert, Anna and Charlwood, Andy (2009), "The vulnerable worker in Britain and problems at work", in *Work, Employment and Society*, Vol. 23, No. 2, pp. 343-62, <http://www.uk.sagepub.com/wilton/Online%20readings/Chapter%2013/Pollert%20and%20Charlwood%20article.pdf>

Poverty Alliance (2010), *Low Pay in Scotland Briefing – No. 15* - 15 May,

Case Study No. 1 <http://slw.povertyalliance.org/userfiles/files/LowPayBriefCaseStudy1FINAL.pdf>

No 2 <http://slw.povertyalliance.org/userfiles/files/LowPayBriefCaseStudy2-FINAL.pdf>

No 3 <http://slw.povertyalliance.org/userfiles/files/LowPayBriefCaseStudy3-FINAL.pdf>

Social Protection Committee (SPC 2013), *Social Europe: Current Challenges and Way Forward – Annual Report of the Social Protection Committee*, 19 February 2013.

Shildrick, Tracy, MacDonald, Robert, Webster, Colin and Garthwaite, Kayleigh (2010), *The Low-Pay, No-Pay Cycle: Understanding Recurrent Poverty*, York: Joseph Rowntree Foundation, <http://www.jrf.org.uk/sites/files/jrf/unemployment-pay-poverty-full.pdf>

INFORMATION AND CONTACT

For more information on this publication and on EAPN's work on employment, please contact Amana Ferro, EAPN Policy Officer amana.ferro@eapn.eu

For more information about EAPN's policy work and positions, please contact Sian Jones, EAPN Policy Coordinator sian.jones@eapn.eu

See EAPN publications and activities on www.eapn.eu



The European Anti-Poverty Network (EAPN) is the largest European network of national, regional and local networks, involving anti-poverty NGOs and grassroots groups as well as European Organisations, active in the fight against poverty and social exclusion. It was established in 1990.

EUROPEAN ANTI-POVERTY NETWORK. Reproduction permitted, provided that appropriate reference is made to the source. November 2013.



EAPN is supported by the Directorate – General for Employment, Social Affairs and Inclusion of the European Commission. Its funding is provided for under the European Community Programme for Employment and Social Solidarity PROGRESS (2007 – 2013).

For more information:

<http://ec.europa.eu/social/main.jsp?catId=327&langId=en>

The information contained in this publication does not necessarily reflect the position of the European Commission.