



IFSW Poverty Watch Report 2023

What is the Poverty Watch Report?

The European Poverty Watch report is a compilation of data and analysis from EAPN's member bottomup research national reports. It is an evidence-based report on the current trends and policies on poverty and social exclusion in Europe with concrete recommendations on EAPN's priority matters. Every year, this exercise, as our key advocacy tool, describes poverty as a multidimensional concept at the top of the political agenda, addresses the root causes of poverty and amplifies the voices of people experiencing poverty both at national and regional levels.

The National Poverty Watches are rooted in the reality of EAPN members' work, and the priorities and expertise of people experiencing poverty (PeP). Above all, it should be an effective communication tool aiming to *a)* signpost key developments/trends on poverty and the impact of social, economic, digital and green policies at the national level, *b)* identify the key issues and *c)* propose person-centred and rights-based solutions.

Whilst the target audience of the European Poverty Watch report is European stakeholders the national Poverty Watch aims to reach both national and EU decision makers, as well as national stakeholders, civil society organizations, universities and the wider public.

INTRODUCTION

This report sheds light on the multifaceted challenges surrounding social benefits, essential services, and the overarching impact on vulnerable populations across several countries.

Following a survey of IFSW Europe member associations the report examines the dynamic intersections of social, economic, and political factors that shape the lived experiences of individuals facing poverty and inequality.

The central themes explored include changes in rules affecting access to essential services, the influence of austerity measures on public services, the impact of digitalization, the efficacy of tax-benefit systems, housing crises, the prevalence of food poverty, and the status of initiatives such as the EU Child Guarantee and the European Pillar of Social Rights (EPSR). These critical issues are analysed through the lens of social workers, and individuals experiencing poverty, providing a holistic understanding of the challenges and potential pathways for positive change.

The report offers a comprehensive overview of the changes in rules affecting social benefits, delving into legal amendments and their implications for individuals' access to essential services. Subsequent sections explore the influence of austerity measures on public services, delving into the broader economic and social consequences. The impact of digitalization on access to essential services is also reviewed considering both its advantages and the potential pitfalls that exacerbate inequality.

As the report delves into the tax-benefit systems, it illuminates the nuances of progressive taxation, tax evasion, and the broader economic implications for individuals experiencing poverty. The subsequent sections analyse the severe housing crises, food poverty challenges, and the effectiveness of initiatives like the EU Child Guarantee and the European Pillar of Social Rights (EPSR), offering insights into the lived experiences of those directly affected.

From the perspective of social workers, the report captures the complex realities of discrimination, inequality, and challenges in accessing social benefits and essential services. The overall goal is to provide a greater understanding of the socio-economic landscapes in these countries and to identify opportunities for policy improvements, systemic changes, and enhanced support systems that can contribute to more equitable and just societies.

CONCLUSIONS

The responses paint a complex picture of social challenges and policy landscapes across different countries. Notably, there are common concerns such as discrimination, inequality, and challenges in accessing essential services. Here are key takeaways:

Access to Social Benefits and Services:

Legal changes impact access to social benefits, with examples like extended withdrawal periods and repealed laws affecting housing benefits.

Inefficiencies in addressing declining public and private services lead to deepening poverty.

Impact of Austerity Measures:

Austerity measures contribute to rising poverty, stagnant wages, and cuts to benefits, particularly in the UK.

Poor economic strategies and underfunded public finances exacerbate challenges in essential services.

Digitalization Challenges:

Digitalization poses challenges, including limited digital competencies, lack of access, and safety concerns. The digital divide, for example, affects mental health services, emphasizing the need for inclusive strategies.

Tax-Benefit System Issues:

Concerns about tax system fairness, with proposals for reducing the top income tax rate and challenges in addressing tax evasion.

Losses due to tax non-payment, avoidance, and fraud impact public finances.

Housing Crisis:

Severe housing crises in the UK, for example, which includes a significant backlog, and Portugal, marked by homelessness.

Austria faces housing affordability challenges, while Ireland's reliance on private investment fails to address the crisis.

Food Poverty and Food Banks:

Rising living costs and benefit cuts in the UK lead to increased food bank usage.

The concept of social markets and concerns about beneficiaries and resources in France for example illustrate diverse approaches to addressing food poverty.

EU Child Guarantee and EPSR:

Mixed progress in implementing the EU Child Guarantee, with specific challenges for lone parents and migrants.

Awareness gaps and uncertainties about the status and implementation of the European Pillar of Social Rights at the national level across EU countries.

Discrimination and Inequality:

Discrimination persists, in particular, affecting women, working-class individuals, ethnic minorities, and disabled groups.

Socioeconomic status as a barrier often goes unrecognized, highlighting gaps in addressing poverty's impact on health and well-being.

Public and Private Service Financing:

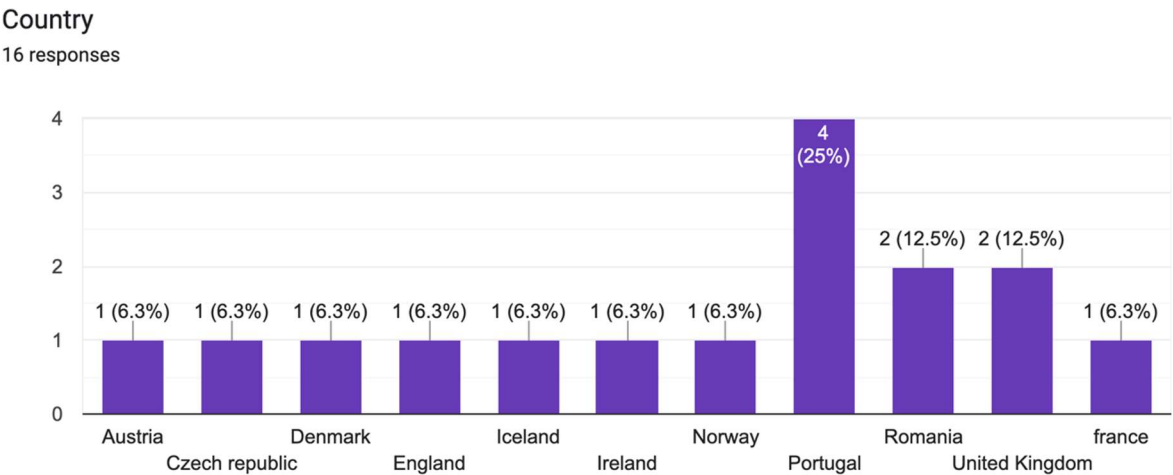
Dual financing structures in Austria, a hybrid model in Ireland, and concerns about the privatization of services raise questions about inclusivity and effectiveness.

Impacts of Reforms and Tax Evasion Measures:

Reforms in social protection, coupled with challenges in addressing tax evasion, contribute to resource scarcity and hinder poverty alleviation.

In conclusion, many issues of concern to social workers are common across European countries. Addressing these multifaceted challenges requires comprehensive strategies, including fair tax systems, inclusive digitalization, effective social support, and targeted efforts to combat discrimination. The insights provided underscore the importance of sustained efforts to build more equitable societies and ensure the well-being of vulnerable populations.

RESPONSES



1. Are there new rules in place when it comes to accessing essential services? What, if any, are the problems related to accessing essential services in your country? Which of the following best describes the current situation regarding accessing essential services in your country?

Please describe any changes to rules making access to essential service more difficult.

In the context of social benefits for the most vulnerable individuals in the social security system, there have been notable changes. Initially, In the Czech Republic, a legal amendment extended the period for withdrawing social benefits from three to six months for individuals violating legal obligations related to these benefits. Subsequently, a significant development in 2021 involved the Constitutional Court repealing a law that allowed municipalities to designate certain areas as social exclusion zones, impacting residents' access to material need benefits for housing.

The current government's approach in UK to addressing declining public and private services, exacerbating poverty, has been deemed inadequate, leading to an increase in deep poverty. Concerns span various sectors, including water and sanitation, energy costs, transport expenses, housing accessibility and affordability, banking exclusion, and more. The impact of leaving the EU has also negatively affected the UK economy.

In Romania, efforts to support people with low or no income have materialized through projects addressing electricity/heating bills and food expenses. Meanwhile, a minor change in hospital stays for social reasons involves the Social Security and Health Ministries contracting private entities to assist individuals, particularly older people, for up to six months. However, issues arise with unequal treatment due to funding limitations for childcare services.

Austria has maintained its service access rules, but rising costs and crises have strained many people's ability to pay for essential services. The government and municipalities have implemented strategies and financial support, particularly in housing and energy supply, to alleviate the burden on households.

Portugal has introduced rules to facilitate access to essential services. Conversely, in the UK, legal changes have restricted access to services and welfare benefits, particularly for asylum seekers, exacerbating challenges due to tightening welfare rules, financial pressure, and recruitment issues in public services.

In Austria and Portugal, no significant changes to service access rules have occurred. In contrast, in the UK, legal changes have tightened access for asylum seekers and impacted welfare support. Adequate information and distribution points for social services and benefits are crucial to ensuring accessibility and preventing overcrowding.

2. How are current rules on access to essential services affecting the family/community that you/social workers in your country work with?

Please add explanation including whether things are getting better or worse under current policies etc

What remains to be improved?

In the Czech Republic there are concerns about the populist narrative of social benefit abuse by people who have material needs without sufficient data to support the claim. This respondent also emphasized the need for a more stringent legislative framework, particularly regarding social benefits for an unlimited period, to encourage positive social change. Key challenges include economic, political, and social support, with a call to reduce bureaucracy, streamline access to social services, enhance community-level services, and provide better support and training for social workers.

In Portugal, reliance on the private sector for social services has limitations, leaving many citizens without coverage – there are no public social services for children, older people or people with disabilities. Austria faces barriers to essential services for EU and non-EU residents, refugees, and even those with full rights, especially in housing, healthcare, long-term care, education, and daily living costs. Recommendations include improving health services, housing, and social assistance benefits to address human needs and combat poverty.

Denmark's benefit and job system requires a shift from control to trust in individuals' knowledge for better outcomes. The text mentions a national strategy against homelessness for 2022-2025, but overall policies are criticized for becoming more reductionist and individualistic, neglecting collective approaches to welfare and universal poverty prevention.

Social work is described as becoming an agent of the system in France, pushing professionals to connect people with services without adequate social support resources. Austerity measures over the past decade, coupled with inflation and poor economic strategies, have left public finances underfunded in the UK.

In Ireland, there is less emphasis on collective approaches to welfare supports and on universal approaches to poverty prevention.

The importance of a number of actions was raised including - awareness campaigns, authorities' involvement in integrating vulnerable individuals into the labour market, increased funding for social services and security schemes, and addressing inflation and housing crises are emphasized for a more inclusive and supportive societal framework.

In the UK, there were calls for a systemic political and financial overhaul prioritizing public services as essential for both social and economic protection.

In Iceland, current access rules meet people's needs effectively most of the time.

3. What is the impact of digitalization on access to essential social services?

The responses underscore limitations in the digital competencies of individuals in material need, citing barriers such as lack of access to devices and online services for social benefit

proceedings. While online data posts ease the workload for social workers, they do not empower clients, as the clients often lack digital skills.

In the UK, approximately 10 million people lack basic digital skills, and the cost of equipment poses a challenge for low-income families. Online safety concerns further complicate the situation. While digital channels have improved access to social services during COVID-19, mandatory digital IDs create difficulties for those without online access or skills, particularly older individuals or those unable to read and write in the local language.

Access to public services through digital channels has improved overall but exacerbates exclusion for those lacking digital literacy or technological resources. This is the case in the Czech Republic, Austria and Norway for instance, where difficulties arise for people who lack digital skills or lack computers. The growing visibility of the 'digital divide' as seen in Ireland and elsewhere, highlighted in reports from rights defenders, impacts mental health services and emphasizes the need for a balance between ensuring access for all and the benefits of streamlined processes and data tracking. Similarly, in France, a report by highlighted the difficulties associated with the development of paperless access to rights. On a more positive note, in Iceland, but also in other countries too, it has facilitated access for those living in remote or under-served geographic areas.

The importance of social workers being more engaged in IT system development to reflect client needs and values, along with improved consultation with service users, is stressed. While reducing administration and expediting processes are beneficial, efforts must be made to ensure inclusivity and equitable access for individuals with varying levels of digital literacy and technological resources.

4. How is your country protecting essential services?

In the Czech Republic and Norway, increased public spending/investment and building partnerships with the NGO sector.

The responses highlight the contrast between the positive network and financial support for NGOs and the significant funding issues faced by public services, including social work, social care, and health services. Austerity measures, such as those in England, France and Portugal, contribute to the challenges in these areas. Some funded European projects, such as in Romania, and national programs attempting to address some gaps.

In Portugal, public policy aims to improve essential services and address social needs, involving measures and investments. However, financial constraints and inefficiency hinder the effectiveness of these investments, particularly in core areas like health services and affordable housing. In a number of countries, such as Portugal, United Kingdom, Denmark, Romania and Ireland, private-public contracts in health services strain resources, and in social services, there's a trend toward contracting with non-profit organizations with sub-optimal funding and insufficient quality control.

The overall move towards outsourcing to private services, driven by increased demand and profit-oriented approaches, raises concerns about prioritizing money over people in health

and human services. Additionally, the introduction of activity requirements for certain social benefits is noted as part of the evolving public policy landscape.

5. Regarding the implementation of austerity measures, which of the following situations applies to your country?

The responses indicate that a combination of factors, including inflation, stagnant wages, and cuts to benefits, is driving an increasing number of people into poverty in the UK. Notably, food price inflation has surged, leading to a high food poverty rate, with millions of adults and children experiencing food insecurity.

The situation is exacerbated by endless cuts, limited investment in housing and social services, and in Portugal, a minimum income of less than 200 euros per adult. Public health services face reduced capacity in emergencies, primary care, and mental health. Despite discussions, in Austria, there have been no decisions or significant changes in 2023.

In Ireland and Denmark as elsewhere in Europe, reduced government spending, wage freezes or reductions, selling off state assets and privatising public services were among the government austerity measures.

In France, the challenges are attributed to a mix of political priorities, inefficiency, and management quality, rather than just austerity measures. Over the past decade, various forms of austerity have been implemented, with recent years seeing a partial reversal in funding decline. However, in the UK, inflation, the impact of COVID-19, and poor economic and fiscal strategies have left public finances underfunded. The government's focus on investing in public services and the overall wellbeing of the population for long-term economic growth appears lacking. The text notes that the impoverishment of a significant portion of the population has become normalized in this context. In Iceland, the public sector workforce has been reduced in size and measures were introduced to increase efficiency and effectiveness of government operations and service delivery.

6. Regarding the EPSR Targets above, can you describe what has been implemented and/or proposed, with a focus on key examples relating to people experiencing poverty (PeP) you work with, such as housing, food, energy, health, and digitalization?

The responses indicate varied challenges in different countries:

In the UK, post-Brexit, there is a perceived lack of commitment to addressing fundamental issues of poverty and growing inequalities. The approach to tackling these issues seems disconnected from broader European initiatives.

In Romania, efforts have concentrated on food and housing.

Austria saw initiatives mainly around housing and energy. It faces a health crisis with a shortage of doctors, nurses, and health workers. Although some progress has been made in

education for certain professions, there's a notable gap in addressing the demand for social workers and social pedagogues.

In Denmark and the Czech Republic, housing and digitalisation have been the central areas of attention. In Ireland, digitalisation has also been the main focus, but there has been limited progress when it comes to addressing the needs of people experiencing poverty. Norway too digitalisation has been a central focus, while other initiatives have focused on food and energy.

In Iceland and Portugal, there have been limited responses to the needs of people experiencing poverty. Portugal introduced a national strategy to fight poverty, but more priority needs to be given to this policy.

Positive developments have been noted in different domains, including improvements in wages, pensions, social benefits, and public investment. However, despite the adoption of a national public strategy against poverty, there remains a significant gap between needs and the resources available. Prioritizing and focusing efforts more effectively is deemed essential.

Mental health difficulties are not adequately addressed as a core issue in the social determinants of health across welfare policies and system reforms. There seems to be a need for more attention and integration of strategies to address poverty within the broader context of mental health challenges.

7. Do PeP (people experiencing poverty) face discrimination in accessing goods and essential services, considering factors such as gender, sexual orientation, racial and ethnic identity, religion and belief, disability, age, housing status, migration status, and nationality?

The responses highlights ongoing concerns and the urgent need to address inequality. Women, the working class, ethnic minorities, and disabled groups often face multiple disadvantages impacting various aspects of their lives, such as educational outcomes, employment prospects, home ownership, health, and life expectancy.

Specifically, individuals with protected characteristics (PeP) face discrimination in their conditions, while migrants and refugees in urban areas encounter challenges accessing services due to language barriers and weaker support networks.

Across most countries, discrimination persists as a significant issue for PeP, encompassing gender, racial and ethnic identity, sexual orientation, age, housing status, migration status, and socioeconomic factors. Portugal is an outlier with discrimination more generally limited to specific groups, such as those based on gender and race. In Portugal too, migrants have more difficulty accessing services. Despite legal foundations like the Equality Act in UK, there is a fragmented approach in some countries to addressing poverty's impact on social determinants of health across different state and local services agencies.

While legislation provides a solid foundation for equalities, lifelong discrimination and bias, especially in access to socio-economic progress and housing, remain significant challenges for individuals seeking support and services.

8. Do PeP (people experiencing poverty) face discrimination in accessing social benefits and/or accessing and staying in the labour market?

Can you add more information?

See also 7 above. The responses underscores several challenges related to accessing social benefits, inequalities in the labour market, and the impact on socioeconomic status:

Stigma and Reduction in Real Terms: Accessing social benefits is viewed as stigmatizing, and these benefits have reduced in real terms. Poor-quality jobs are identified as a significant contributor to broader inequality across the UK.

Need for Better Quality Work: While various strategies such as infrastructure projects and community wealth-building are important, the focus must also be on reducing the number of people in low-paid, insecure jobs without a route to better quality work.

Discrimination in the Labor Market: Certain groups, including gypsies and poor immigrants from African and Eastern countries, face discrimination in the labour market. In Austria, there's a high level of working poor, especially in peripheral areas, where social compensation payments are underutilized due to a lack of anonymity.

Labor Market Issues: Discrimination in the labour market is noted, but the more pressing concern is the lack of respect for labour rights, precarity, and other related problems.

Socioeconomic Status as a Barrier: Socioeconomic status is a substantial barrier, but it often goes unrecognized. Instead, other identity issues such as race and migration status take precedence, making the impact of poverty on people's mental health invisible and hindering discussions and actions.

Importance of Access to Rights Reports: It is deemed necessary to review reports from rights defenders on access to rights, discriminations, and children's rights.

Impact of Insecure Employment: While there are legal minimum/living wage requirements, the rise of insecure employment and precarity has led to poor working conditions, causing unsafe practices, overworking, and heightened stress and physical health risks. Trades unions have had limited impact on addressing these emerging issues.

9. What is the status of the EU Child Guarantee?

There was very few who knew about their country's implementation on the child guarantee and this is in the sense that socialworkers are very concerned about children living in poverty very stranges and there must be done something to this point.

Some respondents had not heard about the Guarantee, while others reported that it was in the process of implementation, or, as in the case of Norway, the United Kingdom and Iceland, it does not apply as they are outside the EU. In Austria, the Guarantee has faced delays or challenges in implementing it.

10. Regarding the EPSR (European Pillar of Social Rights) Action Plan, can you describe what has been the impact (positive and negative) of the implemented measures? What are the gaps?

Amid uncertainties and limited information, the UK's departure from the EU is a notable change. Responses expressing a lack of awareness or knowledge about certain issues reflect the complexity of the landscape.

In Portugal, a mixture of progress and challenges is emerging. Positive steps include a higher minimum wage, the introduction of the Decent Work Agenda and efforts to integrate immigrants. However, weaknesses persist in the public health system, access to quality food and inequalities in social services. The main gap identified is the insufficient availability of decent housing, with only 2% designated as public housing.

Austria's federal structure poses implementation challenges, and progress in policy areas including health, welfare and education remains limited. The EU Child Guarantee faces obstacles, partly influenced by political preferences, which prevent the development of a national action plan.

There are gaps in awareness of all areas of the European Pillar of Social Rights (EPSR), reflecting the need for greater understanding. Child poverty remains a pressing issue for lone parents on benefits and migrants, even as the EU Child Guarantee moves towards implementation.

In Ireland, organizations such as EAPN effectively use EPSR for advocacy, providing a valuable foundation for fighting poverty. However, the uneven development of EPSR pillars across territories poses challenges.

The situation in the UK, which is no longer part of the EU, remains unclear. Similarly, the current status of EPSR is unclear, highlighting the need for more comprehensive awareness. Likewise, Norway and Iceland, not being members of the EU, the EPSR does not apply.

Iceland's notable progress in the field of children's rights over the past decade is marked by the direct incorporation of the Convention on the Rights of the Child into legislation. The "Child Friendly Iceland" policy and action plan, implemented at national and local level, exemplifies proactive efforts with a commitment to learn from global experiences.

11. How are social benefits and essential services financed and allocated?

Social benefits and essential services are largely funded through taxation and/or social insurance in many countries and access is based on need. Some countries, such as Portugal, also have fees for some services. In Romania, regional or local government agencies fund these.

Social benefits and services in Austria exhibit a dual financing structure, with taxes and user contributions funding services provided by solidarity sector institutions. If services are market-provided, users bear the entire cost without public participation rights. The complexity of Austria's structure results in varied approaches depending on the essential service in question.

In Ireland, a hybrid model combining welfare and benefit supports has unintended consequences, making it challenging for individuals to access adequate support and prevent poverty effectively. In the realm of social care in Ireland means testing based on income and savings determines eligibility. Due largely through successive governments' policies, access to affordable social housing is notably insufficient, leading to financial struggles for a significant number of individuals trying to meet rental obligations.

12. How does the tax-benefit system target the poor, and is the tax system progressive and fair?

Calls for substantial changes to the tax system are evident, with concerns raised in the UK about proposals to reduce the top rate of income tax, seen as having a pessimistic inevitability.

In the Czech Republic, the tax system is seen as regressive and in need of reform to better support those in poverty. In Portugal too, the system is seen by some as regressive and in need of reform.

In Austria, a notable aspect is the exemption of individuals with lower incomes from paying income tax, which, while offering relief to them. This setup disproportionately benefits the "upper middle class," leading to increased inequality. Additionally, the absence of taxation on inheritances or assets contributes to the accumulation of wealth without corresponding tax obligations, further exacerbating economic disparities.

In Norway, while the tax system is seen as progressive, there needs to be better targeting to support those who are in poverty.

13. Does your country overly rely on reforms to social protection as opposed to addressing tax evasion? What reforms is your country taking that will impact coverage and accessibility of social protection?

In the UK, the estimated loss of £35 billion in taxes due to non-payment, avoidance, and fraud underscores a significant fiscal challenge. Austria's approach to tax evasion is marked by a reluctance to actively address the issue, citing privacy and confidentiality concerns, with fears of potential economic repercussions.

The Czech Republic relies more on social protection reforms than addressing tax evasion, while in Romania, the opposite is the case. In Denmark, Norway and Portugal, both matters are addressed at the same time.

Ireland faces challenges as large multinational companies, vulture funds, and high-income individuals benefit most from state welfare, often engaging in tax evasion. The Irish government's inadequate response exacerbates the resource scarcity available for redistribution, hindering efforts to alleviate poverty for ordinary citizens.

The UK's tax landscape is characterized by a distinction between allowing legal tax avoidance for the wealthy and imposing higher taxes on the poor, both directly and indirectly, emphasizing systemic disparities in the tax system.

14. Is there a housing crisis , and what are the effects of it on the people who use your service?

Most respondents stated that there is a serious housing crisis in their countries.

Factors such as tourism-focused accommodation, such as in Portugal, investments by business groups, attracting wealthy immigrants, and high bank interest rates have limited young people's access to housing, leading to homelessness among Portuguese and immigrants.

In Austria, the housing vacancy rate is one in seven units, significantly impacting the housing market, particularly in metropolitan areas. Affordability is a challenge for a large portion of society, with many unable to secure adequately affordable housing options.

Ireland grapples with a very high number of children experiencing homelessness. The system primarily relies on private housing investment. The social contract for adequate housing is deemed a failure, with dismal investment in social/public housing for many decades.

The UK faces a severe housing crisis, particularly in prosperous areas like the Greater South-East, where the average house price is over ten times the average salary. The country has a backlog of 4.3 million homes compared to the European average. Housing emerges as a significant structural issue for the poor, marked by temporary accommodations, a limited housing supply driving up prices, and insufficient and complex housing benefits. Street homelessness has risen significantly, exacerbated by inflation.

15. Are there food banks in your country, and in your experience, to what extent are they used?

The UK grapples with a significant rise in living costs, driven by increased energy and food prices, coupled with the £20 cut to universal credit in October 2021. This has led to a substantial surge in the use of food banks, even among those who are employed. Various charitable organizations and some local authorities, alongside the European food program, run these essential services.

In contrast, the concept of traditional food banks is less common in some areas. Instead, "social markets" provide discounted goods in collaboration with donating institutions to prevent food waste. The demand for social markets has notably increased, often surpassing their stocked capacity. However, the requirement for proof of necessity can stigmatize individuals seeking assistance.

The issue of food poverty in Portugal extends beyond the commendable efforts of charitable organizations. It underscores systemic problems in the welfare system, affecting many employed individuals facing high living expenses and inadequate support, especially for those with children. Additionally, the lack of access to quality food and a reliance on cheaper, ultra-processed alternatives contribute to health issues, including obesity.

In France, Les Restos du Cœur have raised concerns about the growing number of beneficiaries and diminishing resources, highlighting challenges in addressing food poverty.

In the Czech Republic, there are food banks, but their usage is limited or insufficient to meet the demand. There is a stigma associated with using them, which affects their utilization.

In Austria, the presence of food banks differs from region to region. Here too, there is stigma attached to using them.