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Ungovernable and Ungoverned: Poverty and Social Policy in Europe 2020

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Abstract

This article examines the latest developments in EU social policy, notably the target to reduce the number of individuals living in poverty and social exclusion by 20 million. Taking the target as a case study of contemporary EU social policy, we develop a framework to identify the key sets of conditions under which EU social policy could be said to be 'governable'. This leads us to select out: ideational coherence; degree of prioritisation within the policy hierarchy; and adequacy of governance mechanisms. The application of this conceptual matrix leads to the view that the EU target is both ungovernable and ungoverned. The target is ungovernable because it melds together different approaches to poverty and social exclusion and because some Member States in responding to it have added further to the diversity and incoherence by adopting definitions and approaches of their own. And the target is effectively ungoverned because of low political priority and uncertainty around its legal status, as well as ambiguity over how it fits into the Europe 2020 process as a whole. These are key contributing factors to the situation where, one year in, the numbers targeted by Member States fall short of the global EU target of 20 million by some 5 to 8 million.

Introduction

This article focuses on EU social policy as it is configured in relation to poverty and social exclusion by the successor to the EU's Lisbon Strategy, Europe 2020. For at least a decade now social policy has been an innovative field of EU policy and governance. The Lisbon Strategy heralded new methods, procedures and resources for social policy and could be said to have provided a new impetus for social Europe. Europe 2020, the vehicle taking forward the EU's policy commitments for the next decade, rests on three economic reform objectives that are designed (in theory) to be mutually reinforcing: 'smart growth' based on a knowledge economy; 'sustainable growth' promoting resource efficiency; and 'inclusive growth' focusing on high levels of employment and social cohesion. Europe 2020 makes poverty reduction one of the main social policy aims of the EU for the next decade with the objective of reducing the number of individuals living in poverty and social exclusion by 20 million. In contrast to the qualitative approach taken during the Lisbon period from 2000 to 2010, this first quantitative target for EU social policy appears to signify a significant ratcheting up of EU social policy, especially in relation to poverty and social exclusion. The aim of this article is to probe such an assumption.

Theoretically, the analysis positions itself within the new modes of governance literature (e.g., de Búrca and Scott 2006; Héritier and Rhodes 2011; Zeitlin *et al* 2005). Not only is this

a most vibrant field of EU scholarship but also the approach is well-placed to analyse key developments in EU social policy, given that the EU has relied heavily on governance as a way of developing a social policy portfolio. Drawing in particular from Borrás and Radaelli's (2011) concept of governance architectures, our analytical framework problematizes the development of EU social policy in terms of the interaction between ideas or policy concepts, place in the EU policy hierarchy, and governance mechanisms. The article makes the argument that, because of weaknesses in the way the poverty and social exclusion target in Europe 2020 is constructed and positioned, it is effectively ungovernable and, furthermore, the particularities of the political and governance architecture as a whole mean that the target is to all intents and purposes ungoverned. The claim, then, is of a double set of weaknesses. The explanation offered centres on ideational incoherence (at a number of different levels), insufficient political prioritization, and significant inadequacies in the governance procedures.

The paper is organized into three main parts. The first part briefly considers the literature on EU governance using it as a base upon which to develop the analytic approach. In its second part, the paper examines the poverty and social exclusion target, considering in turn the coherence of the ideas and policy focus in light of Member State diversity, the place of poverty and social exclusion in the political and policy hierarchy of the EU, and the nature of the governance process in place. The third section brings the paper to a close by highlighting the current state of play and identifying the significant impediments to policy on poverty and social exclusion within the EU at present.

1. A Conceptual Matrix: Governance Architectures and Policy Domains

The new governance literature is essentially concerned with the changing structure of political and administrative authority and, in an EU context, the move to more diverse and less law-bound methods of collective decision-making and policy implementation (as exemplified by the Open Method of Coordination - OMC) (e.g., de la Porte and Pochet 2004; Eberlain and Kerwer 2004; Héritier 2003; Héritier and Rhodes 2011; Radaelli 2003; Trubek and Mosher 2003; Zeitlin and Trubek 2003). This is a large and diversified set of literature, marked especially by discontinuities between work focused on the transnational and national levels. At the transnational level studies have predominantly focused on: the politics of and organizational particularities surrounding the formation and re-launch of the Lisbon Strategy; why Lisbon was formed and re-launched; and the political dynamics of Lisbon and the interests involved (Apeldoorn *et al* 2008; Archibugi and Coco 2005; Begg 2007; Collignon 2009; Sapir, 2007). In national level scholarship compliance with EU policy and the 'blocking' impact of national politics have been the dominant points of interest. Within the latter strand, work by Büchs (2007), Graziano (2011) and Heidenreich and Bischoff (2008) among others has identified the importance of numerous intervening variables such as: the preferences of key institutional and social actors; 'goodness-of-fit' and 'mis-fit' at the domestic level; government preferences; compliance with non-OMC EU policy; and the domestic economic situation. The different strands tend to result in an artificial binary in scholarship in that the national level literature on compliance evinces too little appreciation of the politics surrounding governance architectures at global EU level.

In an attempt to overcome this and other weaknesses in the field, Borrás and Radaelli (2011) have proposed an overarching framework of 'governance architectures' to conceptualize the politics and institutional elements of strategies developed by international organizations. For these authors governance architectures, such as the Lisbon Strategy and Europe 2020, represent 'strategic and long-term political initiatives of international organizations on cross cutting policy issues locked into commitments about targets and processes'. In the Borrás and Radaelli framing, governance architectures are situated at the meso level between the multi-level governance of an international institution and an individual policy programme. Such architectures are conceived as comprising ideational and organizational components. The ideational component is defined as: a set of fundamental ideational repertoires, expressed in notions such as 'governance', 'competitiveness', 'sustainability', 'knowledge based society', the 'market' and a discourse that uses the ideational repertoires in order to discipline, organize and legitimize the hierarchical relationships between the goals and the policy instruments. Taken together, ideas and discourses give shape to the overall attempt to socialize actors into a specific frame of reference that is supposed to make sense of a complex world of cross-cutting policy problems. The organizational component comprises: formal and informal organizational arrangements (politico-organizational machinery) where the ideational repertoires and discourses are defined and patterned through complex political processes of a multi-level nature and the selection of policy instruments and their procedural requirements.

In our view, this is a major contribution that takes the field forward in several ways. In the first instance, Borrás and Radaelli aim to go beyond the existing binaries to offer an integrated or encompassing framework that takes account of both the many fields in which the EU is now active and the EU's attempt to integrate these through innovations in policy and governance. Furthermore, the arrangements for governance are to be simultaneously considered with and analysed in relation to the ideas and discourses involved in the policy portfolio, making for a more interactional and dynamic approach. In many ways its integrated framework – melding ideas, culture and norms with political and organizational factors – mirrors the breadth and integrational ambition of the Europe 2020 programme itself.

While the governance architecture approach was primarily developed to conceptualize and explain 'big initiatives' relating to launch and re-launch of major strategies, we believe that it can also be applied to the analysis of particular policy areas. The poverty and social exclusion target provides a good case study in that the target is both novel and complex. We follow Borrás and Radaelli in emphasizing the role of politics and public policy at the transnational level and utilize their elaborations of the significance and meaning of ideational and organizational components. However, we suggest that the broader set of EU governance literature is also helpful in thinking through and developing a framework to analyse the conditions of governability for the poverty and social exclusion domain.

The ideational component directs one to the discourse and semantic territory of leading concepts and ideas in the policy domain. While it is suggested that ambiguity in a governance architecture can be a positive feature (Borrás and Radaelli 2011: 474-5), one could also posit that at the policy specific level objectives need to provide coherence and be

meaningful, so that they are clearly communicable to actors and promote consensus and agentic engagement. Taken as a whole the new governance literature confirms the complexity of identifying concrete policy outcomes. This is not just because concrete outcomes of governance architectures that operate through review and learning can be difficult to identify. There is also the fact that when outcomes can be identified it is difficult to attribute them to particular governance architectures (Zeitlin 2007: 5). However, one level of impact reported by studies of recent EU social policy is the cognitive – because the methods were in the main oriented to negotiation, review and deliberation, they aimed for and it appears were successful in some cases in achieving learning and socialization (Armstrong 2011; Büchs 2007; Graziano 2011; Zeitlin 2009; Zeitlin *et al* 2005). To achieve cognitive and other shifts, policy objectives need to be coherent and meaningful. Objectives that are vague and incoherent are unlikely to generate even minimal cognitive shifts. This leads us to identify as a first level in our framework - the coherence of the ideas and policy objective - and to suggest that ideational incoherence is not just a risk of EU social policy, but a major barrier to the taking forward of objectives like the poverty and social exclusion target.

The organizational component of a policy area is comprised of two aspects. The first relates to the overall priorities within the governance architecture and where a particular objective is situated among such priorities. This is to conceive of governance architectures as power hierarchies, wherein certain courses of action, interests and actors are privileged over others (Favell and Guiraudon 2011; Jenson and Mérand 2010; Kassim and Le Galès 2010). For example, Europe 2020 commits itself to ‘smart, sustainable and inclusive growth’ but behind such commitments may lie a hierarchy of priorities that privileges ‘smart growth’ over the other two. Furthermore, particular objectives may be ‘coupled’ within a governance architecture – that is, the achievement of particular objectives could be conditional upon progress on other policy objectives. This leads to the second substantive area of interest: where the policy objective is situated within the implicit or explicit priority hierarchy of the governance architecture.

A further aspect of the organizational component concerns the governance instruments used to govern a policy objective. In the context of the EU, governance architectures include a panoply of possible policy instruments ranging from traditional hard law, new modes of governance such as the OMC (which is itself far from a homogenous governance arrangement), and soft law. Within this spectrum hard law is considered to be the most effective at creating compliance across the Member States; the OMC is seen to be more suited to cognitive shifts as opposed to concrete outputs; and traditional soft law is the weakest given the absence of regular reporting and peer review that features in the OMC (de Búrca and Scott 2006; Trubek and Mosher 2003; Trubek *et al* 2006; Zeitlin *et al* 2005). The governance instruments used for a particular policy objective therefore have a direct impact on what can be expected in terms of outcomes: on the basis of what is known to date policy objectives that utilize ‘harder’ governance instruments are likely to lead to more concrete outputs than policy objectives that utilize ‘softer instruments’. Governance arrangements that are unclear, uncertain and susceptible to continual shifts and change can be hypothesized to be weak and undermine the inherent incentive structure of the particular governance instrument(s). This leads to the third area of interest: the degree to which policy instruments and governance arrangements are stable and coherent over time.

The analysis that follows is centred therefore on three questions:

- What is the ideational composition of the poverty and social exclusion target and how coherent is it?
- Where does the target sit in relation to other policy objectives and the policy hierarchy and how much is it prioritized?
- What governance instrument(s) are applied to the target and how consistent and stable are they?

2. Poverty and Social Exclusion within Europe 2020

2.1 The ideational composition of the poverty and social exclusion target

Ceteris paribus, the agreement on the poverty target represents a step forward for the development of EU social policy. Targets are in many senses the epitome of rationality and betoken crystal clear agreement on policy goals. They imply a plan-led approach to a problem, calling upon a clear set of objectives and the achievement of well-specified goals that are realizable and meaningful politically. To what extent is this the case for the poverty and social exclusion target?

The Europe 2020 poverty target is exemplary in several respects. For instance, it sets a clear time deadline and is ambitious (rather than being tokenistic). Its ambition may be gauged from the fact that it aims to achieve a reduction of some 17% in poverty prevalence across the EU by 2020. To give some idea of the scale of this ambition, over the course of the eight years of relative growth in Europe (2000-2008), the prevalence of relative income poverty in the EU as a whole remained more or less unchanged (Cantillon 2011). A further relevant aspect of the poverty target is that the EU is very specific about its constituents. In fact, the term 'poverty target' is something of a short-hand in that as defined it is based on three possible definitions or conceptualizations: income poverty, severe material deprivation, and/or jobless households. For the purposes of achieving the target, poverty in the Member States can relate to any one, two, or all three of these phenomena. The EU poverty target is, then, a construct in that: a) it does not refer to a single phenomenon; and b) Member States have a choice of which of the three approaches to adopt and may opt for an alternative approach provided they can justify its usage in terms of how it will contribute to the EU target overall.

Our first reservation begins here and problematizes especially the fact that Member States have a choice of not just the level to set their target at but which indicator or 'problem' to use for the purpose of the target. To be sure, there are justifications for broadly defining the target – for example the nature and extent of the problems facing Member States (in general and on the three poverty indicators chosen) vary and so some leeway is advised. However, we suggest that the target risks being unworkable because of ideational and policy incoherence. This directs attention to the underlying philosophy and policy approach and the empirical manifestations of the phenomena invoked by each of the three understandings of poverty. Let us explain.

First, in terms of policy approach what seems like a coherent set of indicators actually draws from diverse philosophies of welfare and views about the best approach to combat poverty and social exclusion. The first element – being below a 60% cut-off of median income – is the classic relative poverty measure based on how one's income compares to the societal average. As an approach to social policy it calls for either income redistribution (if poverty is seen in terms of falling below a relative income threshold) or the guaranteeing of a basic or minimum income threshold below which no one should fall (if an absolute approach is taken). The EU has never settled on relative income poverty as a definition of poverty – even though it is the most widely-used definition of poverty in Member States – and the redistributionist social policy model implied by a relative poverty approach has had limited appeal or support at EU level. The second component of the target – being without at least four items out of a nine-item list of 'deprivations'ⁱ – picks up on lifestyle deprivation and access to customary standards of living. It addresses one of the weaknesses of the relative income poverty threshold which is that it does not give sufficient weight to living standards and the lack of correlation between income and standard of living, especially in countries where living and income standards are low (De Graaf-Zijl and Nolan 2011: 425). As a policy response, adequate income is important here, too, but so also are social services and measures to combat social exclusion (such as for example better educational and labour market opportunities for people). The third dimension of the target links into household joblessness – as defined the number of people in a household where the adults worked less than 20% of their total work-time potential during the reference period. Two 'problems' underlie this: work intensity on the part of individuals in the same household or family; the perceived morally corrosive effects of joblessness on people who share a home or residence. This does not problematize unemployment *per se*, then, but rather its distribution or concentration among people living in the same household or family. The perceived solution is to intervene in what is viewed especially as a family or intergenerational cycle whereby people become demotivated, and disadvantage and poor access to the labour market get more entrenched as time passes and generations succeed each other. There are three required policy actions: to make more jobs available; to target these jobs towards people in households where there is too little engagement with employment; and to make people in such households available for employment and wanting to be employed.

The risk of incoherence in definition and approach is strengthened by weaknesses or lack of strong linkages between the different dimensions of the poverty target within and across countries. Research suggests that, while there is a strong relationship between income poverty and material deprivation, joblessness as a characteristic of households is a very different kind of phenomenon and one that is but poorly correlated with either poverty or material deprivation (de Graaf-Zijl and Nolan 2011). People living in jobless households are not necessarily poor. Nolan and Whelan (2011: 16) demonstrate that over a quarter of people classified as being in jobless households in the EU as a whole are from professional and managerial backgrounds and only 43% are drawn from working class backgrounds, suggesting at a minimum that this population is highly differentiated and that people live in jobless households for a host of reasons among which may not be a shortage of money. Their findings lead the authors to suggest that joblessness might be better thought of as a

factor leading to income poverty or material deprivation than as an indicator of poverty *per se* (ibid: 18). Hence, measures to address household joblessness will not contribute hugely to reducing poverty and material deprivation and *vice versa*.

The underlying point, then, is that the poverty and social exclusion target rests on components that are so diverse that they risk incoherence and this threatens even the most basic of cognitive shifts.

2.2 The location of the poverty and social exclusion target in relation to other policy objectives and the policy hierarchy

Governance architectures are not value-free arenas in which agreed objectives and policy instruments are given an equal weight. Rather, they are embedded in political strategies that privilege certain interests and actors over others, create hierarchies of priority, and reflect a broader set of socio-political inequalities among actors and interests. Given this, to fully understand the significance of the poverty and social exclusion target, it is necessary to locate it as a policy objective in the hierarchy constituted by Europe 2020 as a whole.

A *leitmotif* of Europe 2020 is integration across the constituent policy areas. Five such areas are selected for policy integration and reform through quantified targets: employment; spending on research and innovation; climate change and energy use; early school leaving and participation in tertiary education; and poverty and social inclusion. In a second tier, the programme consists of 10 integrated guidelines containing both the Broad Economic Policy Guidelines (BEPG) and those relating to Europe 2020. One of the latter guidelines, located under the heading of employment, relates to the poverty and social exclusion domain and commits the EU to "*promoting social inclusion and combating poverty, clearly supporting income security for vulnerable groups, social economy, social innovation, gender equality, and the poverty headline target*".ⁱⁱ At a third level, there are Flagship Initiatives which, jointly undertaken by EU and national actors and steered by the European Commission, centre on thematic priorities intended to support the achievement of the five EU-level targets. One of the seven Flagship Initiatives is devoted to poverty and social exclusion.ⁱⁱⁱ This is the European Platform against Poverty and Social Exclusion. The term 'platform' is meant to refer to a hub or host of initiatives oriented to bringing about social and territorial cohesion. Five areas of action have been identified for the Platform (European Commission, 2010b, 2010c). These include making EU funds deliver on the social inclusion and social cohesion objectives, promoting evidence-based social innovation, promoting a partnership approach and the social economy and stepping up policy coordination between the Member States.

What should we make of this?

The background to the strong integration theme is that the re-launched Lisbon Strategy in 2005 (Lisbon II) institutionalized a historical and structural separation between social policy on the one hand and economic, monetary and employment policy on the other (Tholoniati 2010). This has always been a source of criticism on the part of social actors, and has left a lingering suspicion in these quarters that poverty and social exclusion are afterthoughts or

'add-ons' to the process of European integration. The more integrated nature of Europe 2020 was trumpeted as one of its strengths, especially in relation to establishing more formal linkages between the different policy pillars (economic, monetary and employment) and the inclusion of poverty and social exclusion into the mainstream governance process (via its incorporation into the employment pillar). The launching of the European Semester is also intended to further the integrative character of EU governance by synchronizing processes and procedures with the creation of an EU business cycle for EU matters (by linking the reporting of Europe 2020 with the annual reports of the Stability and Growth Pact).

We suggest that, with respect to poverty and social exclusion, the 'integrated' nature of Europe 2020 does little to improve the status of the policy area relative to Lisbon II and in particular that the poverty and social exclusion target remains a third order priority within the new governance architecture

Documents produced by the European Commission associated with the launch of Europe 2020 and activities since reveal the hierarchy of priorities. The formation of the European Semester is intended to ensure that governments adhere to fiscal discipline and developments within Europe 2020 are to demonstrate an appreciation of this principle. Progress in the strategy's microeconomic and employment pillars are to be much more tightly linked to macroeconomic developments. In other words, developments in the thematic components of Europe 2020 are rendered a function of progress in the macro economy. This principle was further emphasized by the Commission which proposed that selected thematic issues "could also be addressed to the extent that they have macroeconomic implications through the recommendations under the BEPGs" (European Commission 2010c: 28). In other words, despite the Commission arguing that Member States "must find room in their budgets" for thematic issues (European Commission 2010a: 3), if macroeconomic conditions become unfavourable (through excessive government deficit or debt levels), then spending on the thematic components of Europe 2020 should be restricted until 'sound' public finances are re-established. This represents a clear privileging of activity and progress in the macroeconomic pillar over other pillars and thereby empowers actors within DG Economic and Financial Affairs (DG ECFIN), as well as those operating in Finance Ministries at the national level, over any other grouping of decision-makers.

A second hierarchy prevails as well. In Europe 2020 there is a hierarchy of priorities in which some objectives are deemed more important than others. Both the 2011 and 2012 Annual Growth Surveys produced by the Commission provide an insight into the EU's current priorities. Both Surveys make fiscal consolidation the number one priority (in line with the above), to be followed by the second order priorities of 'promoting growth and competitiveness' (i.e., microeconomic reforms) and promoting employment (European Commission 2010a). No mention is made of the aim to reduce poverty and social exclusion other than in the annex of the Surveys. This suggests that the aim to reduce Europe's poor by 20 million is a third order priority within the governance architecture.

More broadly, the EU's response to the Euro-zone crisis exacerbates these hierarchical tendencies and reinforces the order of priorities within Europe 2020. Of the so-called 'six-pack' of measures,^{iv} the two most important reforms have been the strengthening of the fiscal rules under the Stability and Growth Pact, known as the Euro Plus Pact, and the Excessive Deficit Procedure to address the issue of current account deficits. The Euro Plus Pact is designed to be a more stringent successor to the Stability and Growth Pact which had not been consistently adhered to across the Member States.^v Indirectly, these developments reinforce the hierarchical relationships among priorities of Europe 2020.

Therefore, as the Euro-zone crisis has continued to gather momentum, the broader set of reforms to the EU's economic governance has reinforced the low priority of the poverty and social exclusion target. It has also tended to alter the EU representation of poverty and social exclusion – in EU discourse these are now increasingly represented as among the 'social consequences of the crisis' (European Council 2012) whereas at the time when the target was being negotiated there was a sense of poverty and social exclusion as representing inherent failures in the social system. Moreover, since 14 of the EU's 27 Member States have government debt levels above the 60% of total GDP threshold (Eurostat 2011: 1) raising the possibility of a 'fine', there are strong incentives for such Member States to reduce their government debt via spending reductions, leaving few resources to address the thematic issues and perhaps even worsening poverty and social exclusion.

2.3 *The governance instrument(s)*

During the Lisbon decade, the OMC in poverty and social exclusion operated outside of the mainstream governance cycle. One could say that it established its own logic centring on policy review and learning. It was set apart also by not featuring the issuing of Country Specific Recommendations by the Council/Commission. The OMC social inclusion was seen as one of the weaker OMC governance processes, with cognitive shifts as its main claim to impact. Europe 2020's incorporation of poverty and social exclusion into the employment pillar suggests *prima facie* a strengthening in its governance within the EU fold, since employment is generally considered to be an advanced sphere of the OMC (Tholoniati 2010), featuring an annual governance cycle of commonly agreed guidelines, the reporting of progress in the form of National Reform Programmes, and peer review and some external pressure through the issuing of Country Specific Recommendations. To what extent has poverty and social exclusion been integrated?

A crucial first point is that the full incorporation of poverty and social exclusion into the employment pillar has been stymied by disputes over the legal mandate. Whereas employment policy has an explicit place in the Treaty on the Functioning of the European Union under Article 148, the Treaty grants the EU but loose and inchoate powers in relation to poverty and social exclusion. The issuing of Country Specific Recommendations in this domain is therefore contentious and a source of dispute between the Commission and some Member States. Countries that have expressed stiff opposition include Denmark, Poland and the UK. This means that although social exclusion and poverty are now subject to an annual

review and policy cycle under Europe 2020, Member State engagement remains voluntary and the issuing of Country Specific Recommendations contentious and to date little utilized.

A second critical point concerns the uncertainty and instability surrounding the governance of the poverty and social exclusion target. Under the auspices of the Council, both employment and poverty and social exclusion are the responsibility of the Employment and Social Policy Council (EPSCO), but within EPSCO they are governed separately by the Employment Committee and the Social Protection Committee. Moreover, following the launch of Europe 2020, the OMC social inclusion, which had been a focal point of governance activity for the Social Protection Committee, was suspended. This has left uncertainty as to both the process and the agents responsible for monitoring and encouraging progress towards the poverty target at EU level and also among and within Member States.

A third point is about instability. Half way into the first year of its operation in June 2011 the EPSCO Council decided to reintroduce some elements of the OMC into the Europe 2020 process. Endorsing the Social Protection Committee "Opinion on Reinvigorating the Social OMC in the Context of Europe 2020" (European Council 2011b), it was decided that Member States must now produce National Social Reports in addition to National Reform Programmes. The plan is for short strategic reports on each of the three strands of the social OMC established under Lisbon – social inclusion, pensions and health/social care – wherein Member States present their strategies and progress achieved towards the Common Objectives for Social Protection and Social Inclusion.^{vi} These are to be used as an input into the Social Protection Committee annual report on the social situation and the development of social protection and to have an input also into the assessment of progress achieved by Member States in the context of the 2012 European Semester, including as part of the multilateral surveillance, organized by the SPC.

Not only might this change contribute to a destabilizing of the process, but it could be argued to reinforce the lower status of the poverty and social exclusion target rather than to upgrade it. This is because a new process had again to be introduced to try and raise the profile of social policy and this runs the risk of institutionalizing old separations. Without first-hand evidence it is impossible to know how Member States view the reintroduction of social reporting. However, they may be said to be marching with their feet in that three months after the deadline of mid-April 2012, only 14 of the 27 Member States have submitted their National Social Reports.^{vii} This is in comparison to 100% submission of National Reform Programmes. By November 2012 the submission rate of the National Social Reports had increased to 21 . All this is indicative of a considerable amount of foot-dragging within the Member States.

A further point is that the ambiguities surrounding the governance of poverty and social exclusion within Europe 2020 have been further heightened by the uncertainties of the purpose and function of the European Platform against Poverty and Social Exclusion. The stated aim of the Platform is to create a commitment among the Member States, EU institutions and key stakeholders to fight poverty and social exclusion. In doing so, it intends to identify best practice and promote mutual learning, establish EU-wide rules, and make

necessary EU funds available.^{viii} However, the Platform is rather vague as a form of governance. In particular, the linkages between it and the social OMC have not been made clear, almost two years into the Europe 2020 process. Hence, the governance of poverty and social exclusion is based on a voluntary agreement between the Member States in which there is dispute over the legal mandate, and considerable uncertainty, instability and ambiguity about the target and how it is to be governed.

3. Conclusion: Consequences and State of Play

Essentially, any EU global target is only as good as the targets that are uploaded to the EU level. In this regard, the poverty and social exclusion target is subject to two main risks: that Member States will choose a focus that is not consonant with the EU's way of conceiving poverty; or they will choose a target that is too low to make a sufficient contribution to the EU-level target.

Regarding the actual definitions chosen by the Member States, the latest information available at the time of writing (November 2012) suggests that the first jeopardy has come to pass. Three Member States (Germany, Sweden and the UK) have exercised the choice implicit in the framing of the target and opted for a different set of indicators to that of the EU. This makes for some seven different kinds of target in all (three from the aforementioned Member States, plus four from the possible six implicit in the EU target – see Table I). This underlines our fear of imperilled governability because of incoherence. In terms of the actual targets set, the second jeopardy has also occurred in that the estimates available to date point to a great shortfall in the EU target. In fact, the EU target is short by between 5 and 8 million people.^{ix} Even if we take a loose view of the targeted numbers, this level of shortfall is quite extraordinary. Furthermore as Table I illustrates, four Member States (the Czech Republic, Estonia, Sweden and the UK) have not committed to a specific quantitative target.

Table I: Member State Responses to Poverty Target

Member State	Indicator(s) of Poverty	National targeted reduction
Austria	Combination of at-risk-of-poverty, material deprivation and jobless-households	235,000
Belgium	Combination of at risk-of-poverty, material deprivation and jobless-households	380,000
Bulgaria	Jobless-households	260,000
Cyprus	Combination of at risk-of-poverty, material deprivation and jobless-households	27,000
Czech Republic	Combination of at risk-of-poverty, material deprivation and jobless-households	Maintaining persons at risk of poverty or social exclusion at 2008 level (15.3 %) with efforts to reduce by 30,000
Germany	Long-term unemployed	330,000

Denmark	Jobless-households	22,000
Estonia	Combination of material deprivation and jobless-household	Reduce poverty rate from 17.5% in 2010 to 15% by 2020.
Greece	Combination of at risk-of-poverty, material deprivation and jobless-households	450,000
Spain	Combination of at risk-of-poverty, material deprivation and jobless-households	1,400,000 – 1,500,000
Finland	Combination of at risk-of-poverty, material deprivation and jobless-households	150,000
France	At risk-of-poverty (anchored in time)	1,600,000
Hungary	Combination of at risk-of-poverty, material deprivation and jobless-households	450,000
Ireland	Combination of at risk-of-poverty and material deprivation	186,000
Italy	Combination of material deprivation and jobless-households	2,200,000
Lithuania	Combination of at risk-of-poverty, material deprivation and jobless-households	170,000
Luxembourg	Jobless-households	6,000
Latvia	Combination of material deprivation and jobless-household	121,000
Malta	Combination of at risk-of-poverty, material deprivation and jobless-households	100,000
Netherlands	Jobless-households	100,000
Poland	Combination of at risk-of-poverty, material deprivation and jobless-households	1,500,000
Portugal	Combination of at risk-of-poverty, material deprivation and jobless-households	200,000
Romania	Material deprivation	580,000
Sweden	Reduce number not in labour force, long-term unemployed and long-term sick	To keep poverty below current level of 14 %
Slovenia	Combination of at risk-of-poverty, material deprivation and jobless-households	40,000
Slovakia	Combination of at risk-of-poverty, material deprivation and jobless-households	170,000
UK	Existing numerical targets of the 2010	No quantitative target given in NRP

	Child Poverty Act	
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Source: Compiled from 2011 and 2012 National Reform Programmes available at: http://ec.europa.eu/europe2020/index_en.htm and 2012 National Social Reports available at: <http://ec.europa.eu/social/keyDocuments.jsp?pager.offset=0&langId=en&mode=advancedSubmit&policyArea=750&subCategory=758&year=0&country=0&type=0&advSearchKey=SPCNationalSocialReport> – accessed 29/10/2012.

All of this raises huge questions about why the target was agreed. While we cannot pursue this in any depth we know that the President of the Commission voiced strong commitment to some set of EU actions on poverty as part of Europe 2020 and that in his engagement with the European Parliament around the ratification of his second term he strongly promoted an anti-poverty role for the EU. There were other strong promoters of the poverty and social exclusion target also: the social NGOs in Brussels lobbied the Commission for an EU reform strategy with a stronger focus on social Europe; Member States including Belgium, Cyprus, France, Italy, Portugal and Spain argued strongly for a poverty target when it was being debated in 2010; and so too did the President of the European Council, Herman Van Rompuy (Copeland and Daly 2012: 276-279). From the point of these actors, the target represents a genuine attempt to expand the role of the EU in social policy. A problem for the target, and one that has undermined it considerably, is that some Member States were opposed to it and would only agree to a target that maximised flexibility and minimised commitment. Furthermore, there have been government changes within a number of Member States that initially supported the target which among other things has led to a deepening of austerity across the European continent.

The underlying point to be emphasized, then, is that what seemed like a sound idea at the time of agreeing the target – to have it diversely constituted - has profound implications. Such implications have two expressions at national level. The first relates to how the poverty target fits with the national social policy model and the second to the volume of resources required to address the target. In the current economic and political scenario in the EU, it is difficult if not impossible for some countries, especially the poorer ones, to make a significant dent in their poverty numbers. All of this underlines the risks in taking a global target for a Union that is so diverse in terms of economic development and social problems. Indeed, some commentators have suggested that one way out of this conundrum is for a cross-border budgetary transfer mechanism to compensate all Member States for the redistributive effort they would have to make in order to reach the target of eliminating poverty risks (Vandenbroucke et al 2012). However, the same authors are quick to point out that, given the bitter resistance to any suggestion of a ‘transfer union’, such a proposal belongs to the realm of political fiction.

The analysis undertaken here has suggested that the poverty target is both ungovernable and ungoverned, and is incapable, because of ideational, political and governance-related weaknesses, of bringing social policy in from the margins of the European integration process. While it is novel in an EU context to have a target for poverty and social exclusion, and the target itself has some innovative and ambitious elements, the EU’s great experiment in finding a credible role for itself in social policy continues.

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ⁱ These items are: i) to pay rent or utility bills, ii) keep one's home adequately warm, iii) face unexpected expenses, iv) eat meat, fish, or a protein equivalent every second day, v) a week of holiday away from home once a year, vi) a car, vii) a washing machine, viii) a colour television, ix) a telephone.

ⁱⁱ The other three employment guidelines relate to increasing labour market participation and reducing structural unemployment, developing a skilled workforce, and improving the performance of education and training systems and increasing tertiary education participation (European Commission 2010a).

ⁱⁱⁱ Along with poverty and social exclusion, the other Flagship Initiatives relate to: a digital agenda, innovation, youth employment and mobility, sustainable development, industrial policy, employment

^{iv} A Directive and three Regulations on Common Budgetary Frameworks and two Regulations on macro-economic imbalances.

^v The Euro Plus Pact calls for: the abolition of wage indexation and deregulating industries to improve productivity; lowering taxes on labour and ensuring fiscally sustainable pension, healthcare and social benefit systems to restore public finances; and the development of a corporate tax base (European Council 2011a: 14-15).

^{vi} These pre-date Europe 2020, having been agreed under the Lisbon Strategy's second phase in 2006. They relate to social cohesion, equality between men and women and equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies; effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion, and with the EU's Sustainable Development Strategy; good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy (European Commission 2005).

^{vii} Those outstanding (as of mid-July 2012) include Austria, Estonia, Germany, Greece, Ireland, Italy, Lithuania, Malta, Poland, Slovenia, Slovakia, Spain, Sweden.

viii See: <http://ec.europa.eu/social/main.jsp?catId=961&langId=en> – accessed 15/07/2012.

ix See: http://ec.europa.eu/europe2020/reaching-the-goals/monitoring-progress/recommendations-2011/index_en.htm - accessed 13/07/2012.