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Poverty and Social Exclusion Target

Europe 2020 Strategy
Too Much Actor Diversity For Consensus?

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Abstract

The purpose of this thesis is to question the cause of the lack of consensus surrounding Europe 2020s poverty and social exclusion target – to lift 20 million people out of poverty and social exclusion. The target was a major development for the European Union's social dimension. Even so, it did not come easily, with divides over the existence and measurement of such a target. The Commission proposed the use of a sole at-risk-of-poverty indicator in their March 2010 draft, however by June the target included three indicators for poverty and social exclusion; at risk of poverty, jobless households, and material deprivation. Using strands of new institutionalism, this study acknowledges one commonly held premise and introduces a unique hypothesis to be tested. The first reestablishes the recurrent argument that a degree of diversity between the member states is the cause of the lack of consensus. The second concerns what is considered a gap in the current literature, analyzing the diversity between institutional levels focusing on the inclusion of the civil society. In short, this thesis concludes that there is a certain level of horizontal *and* vertical diversity causing the lack of consensus. However, this inference introduced the notion of a larger complexity issue surrounding poverty. Lastly, that further research is needed with a focus on the multidimensionality of poverty as a concept.

Key words: Europe 2020, poverty and social exclusion target, diversity, welfare regimes, civil society
Words: 19,091

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1 Introduction

"In 2012, 125 million people living in the EU were at risk of poverty or social exclusion, an increase of more than 7 million from 2010" (European Commission).

The European Union (EU) is recognized as one of the most stable and burgeoning regions in world. The idea of impoverished European citizens does not immediately come to mind when discussing the economic situation of its people. However, after the economic crisis ricocheted across Europe, the GDP in 2009 fell by four percent, and after two years in the crisis the average debt level was over eighty-percent of the GDP. Numerically the EU was hit hard by the crisis, but on an individual level over 23 million of the European population was left unemployed and experienced the struggles that followed (Europe 2020, p. 2).

The European Union is founded on values of human dignity, freedom, democracy, equality, the rule of law, and respect for human rights (Charter of Rights 2010). Poverty and social exclusion negatively affects the ability for all European citizens to have unfettered access to such rights. Some of those rights are: Article 3, the right to the integrity of the person; Article 6, the right to liberty and security; Article 21, the right to non-discrimination; and Article 33, the family shall enjoy legal, economic, and social protection. People and families in poverty are placed in the position of not being able to exercise their rights to the fullest in comparison to their fellow European citizens.

The social policy agenda of the EU must be scrutinized to examine what is being done to aid citizens experiencing such poverty and social exclusion. In compliment to the brief history of EU social policy presented later in this study, the Treaty of Lisbon has enhanced the EUs social dimension most notably twofold (TEU 2007). The Treaty of Lisbon introduced what is recognized as a 'horizontal social clause' to be applied to all new policies: "In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health" (TFEU Article 9). This points the EU in the direction of social mainstreaming to allow for more informed decision making in the future. One can also identify a commitment to social issues in Article 151 of the Treaty on the Functioning of the European Union, which states the aim for the promotion of employment and combating social exclusion. Furthermore, with the inauguration of the open method of coordination (OMC) the EU expands its instruments to fulfill the objectives laid out in Article 151 (Article 156 TFEU).

OMC creates an avenue for coordination between member states to develop national policies in line with EU goals. The EU marked 2010 as the European Year for Combating Poverty and Social Exclusion out of its standard for solidarity (European Year 2010). The purpose of the year 2010 was to raise public awareness and re-pledge the EUs political commitment to the issue. The year encouraged actors at all levels to collaborate and exchange ideas. The EU has a history of introducing new social dimensions and broadening its scope. Due to the widespread problem of poverty found throughout Europe, such changes appear necessary and are encouraging.

Most recently, the trend to address poverty continued with the Europe 2020 Strategy proposed by the Commission in 2010. It is here that this paper will focus, looking closer into the new Poverty and Social Exclusion Target.[1] In a poverty context, a triad of shared characteristics to describe a social Europe can be employed as a springboard for this study; normative, cognitive, and institutional (Hemerijck and Berghman 2004, p. 13). Normatively speaking, one can argue that generally across Europe there is a will to help others. There is no need to convince the European public and policy makers that poverty and social exclusion are important issues and that policies are needed to create relative equal living conditions for all its citizens.[2] Policies to curb poverty and other social problems the citizens of a member state may experience is understood as necessary for the common good.

Cognitively, the relationship between economic growth and social welfare are intertwined. The EU embraces this relationship and views social policies as a way to bolster the economy, and visa versa. Social policy is a productive factor in facilitating economic adjustment. As will become apparent as this study continues there is a commonly held belief by certain actors that decreasing poverty and increasing employment can benefit the economic situation. Conveying the thoughts of the EU, the White Paper on Social Policy emphasizes the deep interconnection between social and economic prosperity, stating that Europe needs to embrace diversity in its *socio-economic system* (Commission of the European Communities, 1994). Interestingly enough, this White Paper from 1994 represents an EU of twelve member states. Since this declaration of embracing diversity in a socio-economic system, the EU has grown to twenty-eight members. The difficulties of decision making in this expanded diverse Europe will make for a more narrow focus in this study.

Lastly, institutionally, there is a trend of negotiations as a style of problem solving in the policy making process between the member states and the social partners. The point of importance being that the inclusion of social partners in policy-making in the EU is critical for "policy formation, execution and evaluation." Europe 2020 places a strong emphasis on the importance of including all relevant actors in the fight to combat poverty and social exclusion. However, this burgeoning relationship raises important questions for how strong of a role

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[1] Hereafter referred to as the 'poverty and social exclusion target' or 'poverty target.'

[2] Drawing on the Council of Europe White Paper on the value of individual human dignity and its proclamation for the EU ethos of human rights and to ensure welfare to create equal dignity and solidarity (2008, p. 11).

the social partners play and how similar all the actors aims and motives are in the broader EU social policy context — creating a second focus for the study.

The 28 individual member states are experiencing similar struggles poverty, social exclusion, unemployment, and family structures; "creating a need for the European Union as a whole to 'enhance social protection in a period of increasing uncertainty'" (Zeitlin 2005, p. 215). Therefore, in the backdrop of the economic crisis, we now turn to the Europe 2020 Strategy and its efforts to combat poverty and social exclusion, keeping in mind the aforementioned normative, cognitive, and institutional characteristics.

1.1 Lack of consensus found in the literature

This study first delved into the current scholarship on the poverty and social exclusion target to establish any trends or assumptions for further research. It became quickly discernible that across the lifespan of Europe 2020 to date there have been many disconnects between the various actors involved in the poverty target. For instance:

Copeland and Daly (2012) argue that the poverty target demonstrates the underlying disagreement of interests between the EU and national governments on social policy, and the model of capitalism to be used by the EU. This argument is based in the perspective of supranational governance, understanding intergovernmental negotiations to be a part of the greater EU policy making process, and rejecting the liberal intergovernmentalist position. This perspective accounts for different institutional positioning from transnationalism (in this case NGOs) to intergovernmentalism to supranationalism. Furthermore, that by agreeing to such a target does not mark a step toward a stronger social Europe, rather that the target "is a product of timing, opportunism and political bargaining on all sides" (Copeland and Daly 2012, p. 283). Moreover that all actors involved made some sort of concession throughout the decision making process. This conclusion is based on the core argument that the member states are composed of a diverse group of competing interests stemming from a wide array of welfare regimes. Such diversity led to the broad wording and use of the three indicators that were finally agreed on, a sign to how differently poverty is perceived in different member state social policy models. This thesis agrees with Copeland and Daly's assessment of the diversity of the member states as a hurdle for EU social policy. As well as their use of welfare regimes as classifications. Rightly so, the authors conclude that further research must be done including contributions by both supranational institutions and transnational actors, not just member state governments. This recommendation will be embraced in this research.

In another article by Daly (2012), she provides a critical reflection of Europe 2020s poverty target. She is judgmental of the target in that the loose definition includes three different dimensions and allows member states to choose which to tackle. In line with Europe 2020s overall demeanor, Daly has appropriately taken a liberal approach in emphasizing the Strategy's growth paradigm. However, not necessarily to the benefit of the target; "while everybody

benefits from better organization and services and funding instruments, these alone together with policies oriented toward growth will not end poverty or social exclusion" (Daly 2012, p. 279). As is continually repeated in the relevant research on the topic of Europe 2020, Daly reiterates that the poverty target is "revealing about the lack of consensus around poverty and social exclusion in Europe" (Daly 2012, p. 283). Nevertheless, Daly's article misses the opportunity to create a more balanced argument by expanding on the views of civil society actors on Europe 2020s philosophy.

Scharpf's argument for a European social model is founded on the idea that "European integration has created a *constitutional asymmetry* [my italics] between policies promoting market efficiencies and policies promoting social protection and equality" (2002, p. 645). In other words, European economic integration is legally binding, however European social policies are not contractual due to the diversity of the member states. Scharpf bases this diversity on both the economic capabilities of different member states and more specifically on their "normative aspirations and institutional structures" (Scharpf 2002, p. 663). Therefore, any policies regarding the social sector will need to remain broad and minimal to please all the member states. While OMC is a step in the right direction, it is not capable of overcoming the constitutional asymmetry. This article compliments Scharpf's recognition of the complexity of diversity by including both economic capabilities and normative aspirations. However, the reasoning as to how the author established this diversity, beyond stating the types, is relatively weak.

Interestingly enough Jouen and Papant approach the problems arising from discussing social policy at the EU level from not only a diversity perspective but also by looking at sheer size (2005, p. 13). Raising such questions such as how effective the decision making process in the EU can be after successful enlargements increasing the number of members to twenty-eight. Unlike the previously mentioned authors, Jouen and Papant place an extra focus on enlargement and size and what this means for the diversity of the member states. This study praises Jouen and Papant's unique approach to diversity by considering size as well as welfare regimes. However, the study does not expand to include civil society actors in the decision making process.

Using these arguments as a springboard for further research, this study seeks to refine what is causing the disconnect between actors. The current literature points to the common idea that there is a so called disconnect at the member state level due to the presence of some diversity. Copeland and Daly point to diversity as the cause, Scharpf continues with the diversity argument but also includes varying aims. Lastly, Jouen and Papant raise diversity and sheer number of actors as potential problems. In the poverty target literature there is a continual trend that the horizontal diversity of the member states is the cause for the lack of consensus regarding the poverty target.

The theoretical concept of 'lack of consensus' must be operationalized so that we have something to work with for the remainder of this study.[3] We must

[3] The term *lack of consensus* will be used interchangeably with *disconnect*, *lack of agreement*, etc. for the remainder of the study.

understand "the most basic question of social science research: *What are we talking about?*" (Gerring 2001, p. 35). Concept formation for this study will be based on the Ogden-Richards Triangle, composed of "the term (a linguistic label comprised of one or a few words), the phenomena to be defined (the referents, extension, or denotation of a concept), and the properties or attributes that define those phenomena (the definition, intension, or connotation of a concept)" (Gerring 2001, p. 39). With this framework we can identify the term as 'lack of consensus' and the phenomenon as the 'lack of consensus surrounding the poverty and social exclusion target.' The more difficult task is identifying what is meant by a lack of consensus. Taking into account that Europe 2020 does have a poverty and social exclusion target it cannot be disputed that some form of consensus or agreement was made on the issue. However, looking at the evolution of the poverty target one can see considerable changes were made that did not please all actors involved. In a strict sense of the definition, consensus is understood as a 'general agreement" (Oxford Dictionaries), which couldn't be disputed. However, the framing process and the final decision leave much room for questioning the lack of consensus on the topic. Therefore, a lack of consensus can be understood as a disagreement on the topic, no matter how small or large or at which point in the timeline.

1.2 Contribution to the field of study

Through reviewing the current literature it is evident that a closer examination of a possible vertical disconnect is missing. An analysis including actors at different institutional levels, for example between the civil society, member states, and EU.

The perspective of civil society actors have been widely neglected. Due to Europe 2020s emphasis on including all relevant actors, subsequent studies on the target should consider all actors. Therefore, when this study aims to question what is the cause of the lack of consensus between the actors involved in Europe 2020s poverty target, the civil society will be greatly considered. Unlike what is portrayed in the current literature, the disagreements expand beyond just between the member states. As readers, we cannot blindly accept that member state diversity is the sole cause for a lack of consensus regarding the poverty target. Therefore, this study aims to contribute to the current literature by proposing that the lack of consensus surrounding the poverty target must be expanded to all institutional levels, not just the member state differences.

1.3 Purpose and research question

After reviewing the current literature on the discernible lack of consensus between the different actors involved with Europe 2020s poverty target, this thesis aims to understand what is the cause. This study embraces the current scholarship on the poverty target but also aims to refine where the disconnect originates. In doing

so, the study does not accept that the cause of the lack of consensus is purely due to a horizontal problem between the member states.

The underlying question to be asked in this study is whether the lack of consensus surrounding Europe 2020s poverty target stems from a horizontal or vertical disconnect. Therefore, the research question to drive this thesis is: *What is the cause of the lack of consensus between the different actors in designing and executing Europe 2020s target to combat poverty and social exclusion?*

Much of the current critical scholarship on European social policy concerns the diversity of the member states and the problems such root differences pose to effective change. The present study will include this aspect by looking at the heterogeneity of the member states, but also by questioning the role of civil society actors.

1.4 Scope

The study at hand will consider the poverty target as a whole to date. The research began by narrowly analyzing the lack of consensus in *framing* the poverty and social exclusion target. However as it progressed it was realized the difficulties in constraining the target to such a specific point in time. Considering the target evolved over time and the actors opinions did not relinquish after the target was established. It is difficult to address the issue of the lack of consensus in the framing of the target without looking into how it effected the target as a whole. Therefore, the study will include aspects of both the process of framing and executing the target.

1.5 Disposition

The introduction provided a brief summary of the social dimension in the European Union with special attention given to poverty and social exclusion. The detailed purpose and research questions were also be presented in chapter one. The following chapter will delve into Europe 2020s target to combat poverty and social exclusion, looking at instruments and actors. The third chapter includes the theoretical framework and methodology, and presents two hypotheses. Chapter four with delve into the analytical findings found in the research. Lastly, the fifth chapter will provide a synopsis, concluding thoughts, and proposals for future research. The references and appendix are to follow.

2 Europe 2020 target to combat poverty and social exclusion

The present chapter will provide a brief history of EU social and poverty policy, in the backdrop of the enlargements. Moving on, it will provide background information on the Europe 2020 Strategy and, more in depth, the poverty and social exclusion target. The instruments and actors will also be presented to lay a foundation.

2.1 Historical context

The six founding members Belgium, France, Germany, Italy, Luxembourg, and the Netherlands signed the Treaty of Rome in 1957 creating the European Economic Community, setting the institutional foundation for what is now the EU. It wasn't until the 1970s that foreign policy issues were starting to be discussed, with the first enlargement in 1973 with Denmark, Ireland, and the United Kingdom. The EUs first anti-poverty program spanned from 1975 to 1980 with the establishment of projects and poverty summaries in each country (European Social Observatory 2012, p. 5). More significant was its ability to construct an agreed upon definition for poverty in the EU. More specifically; "persons beset by poverty: individuals or families whose resources are so small as to exclude them from the minimum acceptable way of life of the member state in which they live" (Council of the European Union 1975, Article 1.2). Resources being defined as "goods, cash income, plus services from public and private sources."

1985 to 1989 marked the second EU anti-poverty program with the purpose of researching appropriate definitions and measures of poverty. It was made known that poverty is a problem in all member states and "incorporated insecurity, marginalization, deprivation, and relative and absolute poverty" (European Social Observatory 2012, p. 6). During this time Greece joined the EU in 1981 and in 1986 Spain and Portugal joined. The third anti-poverty program[4] from 1989 to 1994 established the European Observatory on National Policies to Combat Social Exclusion (1991-1994) which published annual and thematic reports on the issue. Reports that caused a form of policy learning and altered the thinking on poverty.

The three anti-poverty programs of the EU laid the foundation for the Maastricht Treaty, signed in 1992, as it introduced an annexed social domain to

[4] Also known as 'Poverty III.'

the Community powers (Maastricht Treaty 1992).[5] Including objectives such as; "promotion of employment, improvement of living and working conditions, adequate social protection, social dialogue, the development of human resources to ensure a high and sustainable level of employment, and the integration of persons excluded from the labour market." In 1995, the affluent welfare states of Austria, Finland, and Sweden joined emphasizing the importance of national social policies. The Commission Communication 'Modernizing and Improving Social Protection in the European Union," emphasized the importance of social policy in 'maintaing political stability and economic progress' (1997, p. 1). However, this communication did lead to the inclusion of the aim to eradicate poverty and social exclusion in the Treaty of Amsterdam in 1999, meaning the Community would aid member states in combating social exclusion.

Such ideas were further mentioned in the Treaty of Nice in 2001 after the EU adopted the European Social Agenda in 2000 (Nolan & Whelan 2011, p. 32). 2004 marked the largest enlargement to date, including; Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia, and Slovena. In 2007, Romanina and Bulgaria joined (European Commission). And the most recent admission has been Croatia in 2013.

Looking to immediately before Europe 2020, the Lisbon Strategy set out to make the EU "the most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment." Such was the ambitious agenda put forth in 2000. Lisbon was novel in the way it attempted to give equal importance to economic and social issues under the idea of a "socio-economic policy triangle" (Zeitlin 2010, pp. 1-2). Furthermore, it was in the Lisbon Strategy that the new mode of governance, open method of coordination, was introduced. A continual fine tuning of the Lisbon Strategy over the decade occurred due to various critiques of its lack of focus, disconnect between economic and social policies, and lack of stakeholder participation (Zeitlin 2010, pp. 5-6). In 2005 Lisbon II was relaunched with a stronger focus on growth and jobs.

This history is important as it tells the evolution and development of EU poverty policy and the different welfare regimes. The essence of the EU can be exemplified through its social policy and many enlargements.

2.2 Europe 2020: smart, sustainable, inclusive growth

Before turning the attention to the poverty and social exclusion target specifically, a brief background to Europe 2020 as a whole is needed. The economic and financial crisis that swept through Europe in 2008 is finally on the mend and in order to recover Europe needs to develop modern polices that embrace a new way of thinking. To do so the EU's new ten year growth strategy, Europe 2020, has the overarching aim to push the EU towards a smarter, more sustainable, and inclusive future. Europe 2020 has the purpose of refocusing Europe and keeping it

[5] The United Kingdom abstained from signing.

on track for the long term. As President José Manuel Barroso of the Commission stated in the opening remarks of the Europe 2020 Communication, "it shows how Europe has the capability to deliver smart, sustainable and inclusive growth, to find the path to create new jobs and to offer a sense of direction to our societies" (Europe 2020, p. 2).

The economic crisis has made is especially important for the EU to develop a new strategy to push it forward and come out stronger than before. Crises can be considered a process; "for a particular conjuncture to provide the opportunity for decisive intervention it must be perceived as so doing — it must be seen as a moment in which a decisive intervention *can* (and perhaps *must*) be made" (Hay 1996, p. 254). Arguably, the economic crisis provided a window of opportunity to focus Europe 2020 on the headline targets listed below.

Beneficial to operationalizing the three priorities of smart, sustainable, and inclusive growth, the Commission defined five headline targets as part of the Europe 2020 strategy (Europe 2020, p. 5):

1. 3% of the EU's GDP should be invested in research and development.
2. 75% of the population aged 20-64 should be employed.
3. The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).
4. The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.
5. 20 million less people should be at risk of poverty.

Furthermore, in order to ensure results at both the member state and EU levels toward the over all aims, the Commission introduced seven flagship initiatives.[6] Regarding poverty and social exclusion, the European Platform Against Poverty (EPAP) flagship initiative was formed. Common to the current scholarship on the topic, the EPAP was a hasty addition to include a social element, without much consideration to how feasible it was. It has also been described as "a top-down initiative without much apparent coherent thought and lacking any consultation with stakeholders" (Frazer & Marlier 2010, p. 22). This conceivably rocky start might have foreshadowed what was to come.

In addition to the flagship initiatives, the Europe 2020 Integrated Guidelines for employment and economic policies set the framework for the Strategy and member state reforms, and to coordinate all actors (European Commission 2010d, p. 3).[7] The guidelines were devised from the Treaty on the Functioning of the European Union provisions to allow for the Council to adopt economic (Article 121) and employment (Article 148) guidelines (TFEU 2012). The guidelines aid the member states in drafting their National Reform Programs and following through. Drawing special attention to Guideline 10 promoting social inclusion and combating poverty.

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[6] For a full list of the flagship initiatives please reference the Appendix, Chapter 7.

[7] A full list of the Integrated Guidelines can be found in the Appendix.

In order to ensure results, Europe 2020 relies on a thematic approach and country reporting (Europe 2020, p. 27). The thematic method includes the EU level proposed headline targets and flagship initiatives listed above. In addition, country reporting will be used to keep the member states engaged and aware of progress, or lack there of.

2.3 Poverty and social exclusion instruments

Specifically looking at the EUs target to fight poverty and social exclusion, Europe 2020 calls for decreasing the number of Europeans in or at risk of poverty and social exclusion by 20 million in the next decade. Referencing the necessity to do so because of the current economic crisis and the effects it has had on member states and European citizens (Europe 2020, p. 5).

Due to the complexity of combating poverty and social exclusion across Europe, the use of many instruments and processes are needed to accomplish the end target. Most notably, the flagship initiative European Platform Against Poverty and embracing OMC. Other instruments to be highlighted include the European Semester, Annual People Experiencing Poverty, and financial means. This study will not engage in assessing how successful each instrument was or is, but rather provide an overview.

In order for Europe 2020 to achieve its end goal of decreasing the number of people in or at risk of poverty by 20 million people certain instruments must be used to drive the efforts. Europe 2020s flagship initiative, EPAP, is the EUs contribution to tackling the poverty problem (EPAP 2010c). One of the key roles of the EPAP is to create a dialogue between all the relevant actors, highlighting the importance of civil society inclusion. In addition, the Platform will be the vanguard in developing common approaches, through a framework for action relating to social inclusion. The common approaches will be reached with OMC and the help of the Social Protection Committee. The Platform calls for a social innovation and updating social policies through sharing experiences, essentially calling for a form of policy learning, i.e. a structured, conscious change in thinking about a policy issue. Furthermore, the Platform will aid in making better use of EU funds, such as the European Social Fund, which provides roughly 10 billion euros a year to projects and opportunities aimed improving employment and social inclusion (European Social Fund 2014). All of which follow the EUs commitment to the social investment approach, investing in people through policies enhancing their skills and abilities to participate fully in society (Commission Employment, Social Affairs & Inclusion 2014).

The European Semester provides a way for Europe 2020 to move forward through coordinating economic and structural policies between the member states. The member states hold the true competence for change, so this is key. It begins with the European Commission conducting an analysis of all the member states' economic situations and structural reforms, and adopts the Annual Growth Survey to set the economic priorities at the EU level. Over the next 12-18 months policies and negotiations take place to align the national level with the goals at the EU

level. With the headline targets at the core, member states must set their own national targets and address potential problems based on the current conditions in that state. As part of the thematic approach these are presented in the member state proposals for their Stability or Convergence Programs and National Reform Programs. The first being plans for sound public finances and the second being to push forward towards Europe 2020s smart, sustainable, and inclusive growth goal by way of the headline targets. Then the Commission, with the support of the Council and European Council, review the proposals and respond with country-specific recommendations. The intent being that all recommendations are presented to the member states before they are finished with their draft budgets for the following year. Policy warnings are used for non compliance (Europe 2020).

The open method of coordination was introduced as a new governance means for effective social policy, adding a new instrument to the EUs policy toolbox. A means of soft law shared through objectives and coordination, rather than a fixed community policy. The OMC was first introduced in the Maastricht Treaty (Articles 98-104 TEC) for coordinating economic policies at the national level through the use of guidelines and Council recommendations. It was then expanded to include employment policies with the Amsterdam Treaty (Articles 125-128 TEC). Both of which paved the way for the Lisbon summit to place education, training, research and development, enterprise policy, and social protection and inclusion under the umbrella label of Social OMC (Scharpf 2002, p. 652). Meaning that social protection issues are still a national competence and all EU level objectives are voluntary, but agreed upon as a EU wide concern. While there are no consequences for member states that do not comply, OMC does rely on benchmarking, information exchange, and peer review as a way to remain effective. Therefore, it is entirely up to member state cooperation as to how effective OMC can be. Ideally such a tool could be used to undo the effects of enlargement and member state diversity by leaving the policy competence to the member state but providing the EU the ability to set objectives and guide results through benchmarking and monitoring. As Hemerijck and Berghman (2004, p. 49) rightly describe, such a way of policy coordination allows for member state *legitimate diversity* at the EU level. They also pose a very interesting question that will be kept in mind to some extent during the study: “How much system diversity can be effectively ‘absorbed’ through process of OMC” (Hemerijck and Berghman 2004, p. 43)?

Not to be forgotten is the European Meetings of People Experiencing Poverty. Providing an opportunity for people experiencing poverty to directly discuss with policy makers. The first meeting took place in 2001 and have now expanded to annual Commission backed initiatives. For example the 11th meeting in 2012 included over 150 people who have experiences of poverty and homelessness from 30 European countries, under the title “Homelessness and Housing Rights in the Context of the Crisis (EAPN 2014). The European Anti-Poverty Network and many other NGOs have played an intricate role in starting such a dialogue and increasing the momentum.

2.4 Actors & stakeholders

Important to this study, such a social policy issue introduces various actors at formal and informal venues and at multiple levels of the policy-making discussion. The actors involved in Europe 2020s target to combat poverty and social exclusion to be considered follow a multilevel framework. Small and large scale actors ranging from subnational and transnational civil society to national governments to supranational institutions.

The Europe 2020 Communication states, "this partnership approach should extend to EU committees, to national parliaments and national, local and regional authorities, to social partners and to stakeholders and civil society so that everyone is involved in delivering on the vision" (Europe 2020, p. 6). Europe 2020 places a strong emphasis on partnerships and coordination between all actors involved. The increased promotion for including actors at different levels of the policy making and decision making process as a means to achieve the targets laid out in Europe 2020 raises a query for how much in agreement the actors are. Using Europe 2020 as a guide, this thesis will also place a strong emphasis on all the actors involved in the Strategy and more specifically this target.

Starting at the EU level, each institution plays a role in the success of Europe 2020 (European Commission 2013). The European Council has the overall responsibility of driving the strategy by monitoring the progress towards the headline targets at the EU and member state level, providing guidance through assessment of the Annual Growth Survey, and overall discussion. The Council of the European Union has the function of monitoring the national ministers in charge of the policy areas in their respective state to do with the headline targets and flagship initiatives, with the main goal of pushing Europe 2020 forward. The Commission publishes the Annual Growth Survey and accordingly distributes the country specific policy recommendations and warnings. The European Parliaments most noticeable contribution, after co-legislator, is publishing an assessment of Europe 2020s progress. Other EU institutions and committees will be referenced throughout the study, e.g. the Social Protection Committee.

The member states discussed in the study will include the 28 current member states as of 2014. As the social dimension of the EU has expanded to foster a more unified and protected Europe, the competencies of the EU have remained limited. Social policies remain as a shared competence in the hands of the member states, with coordination activities aided at the EU level. Europe 2020 was formulated at the EU level but its fate lies in the hands of the member states.

Europe 2020, as well as this study, places a strong emphasis on the inclusion of civil society actors. This analysis will make use of Jan Aart Scholte's (2010, p. 383) definition of civil society; the "arena of politics where associations of citizens seek, from outside political parties, to shape rules that govern social life. Civil society associations encompass innumerable and diverse non-governmental organizations (NGOs) and social movements." However, it should be made clear that this study will not include trade unions and employment organizations due to their specific objectives and means. Also note worthy,

Eurobarometer's survey on poverty and social exclusion reported "NGOs and charities as the most widely trusted actors in the fight against poverty, followed by citizens themselves, regional or local authorities, and religious institutions" (2010, p. 183). Therefore, it not only the Europe 2020 discourse that puts the importance on civil society actors, but also the European citizens themselves.

As one of the largest and more influential civil society actors concerned with the poverty target and due to their excessive lobbying on the issue, the European Anti-Poverty Network was chosen for closer examination. Out of the forty-seven attendees at the 2012 5th Meeting of the EU Stakeholders Group on the European Platform Against Poverty they were selected due to their all encompassing nature. The EU is graced with many socially focused networks and civil society actors, such as the European Social Network, AGE Platform Europe, and the European Federation of National Organizations working with the homeless. However, many have a specific target group they were representing, e.g. family, elderly, children, yet the EAPN takes a comprehending route to tackle the issue of poverty. The EAPN is an EU affiliate focusing on more broadly the issues of poverty and social exclusion. As the name states, the EAPN is a network of many subnational actors in all the member states, representing NGOs throughout Europe. For this study the EAPN works as a central point of view for the many NGOs and civil society actors. As the voice for the people experiencing poverty, the civil society level is vital to achieving the target.

Normatively, it appears that the aforementioned actors agree there is a problem in respect to poverty and social exclusion across Europe. However each has a different opinion on the course of action to reach the agreed upon target. Furthermore, depending on the actor the overall aim may be based on different motives and intentions (Graser & Kuhnle 2011, p. 400). The sheer number of actors and diversity of interests surrounding Europe 2020s poverty target raises an interesting question about the lack of consensus on poverty target, which could effect the feasibility of decreasing the number in or at risk goal by 20 million.

2.5 Poverty & social exclusion indicators

Before problematizing the indicators as a point of contention for the study, let us lay them out in their final form, how the terms poverty and social exclusion are understood and measured in the EU context. Within the Europe 2020 Strategy poverty has been operationalized through three indicators.

First, monetary poverty is defined by the number of people at risk of poverty after social transfers. Specifically measuring the number of people with disposable income below 60% of the national median. Of the three, monetary poverty is the most common, however it is important to note that between 2005-2011 an increase of this dimension did not occur in all member states. Some member states have done quite well in protecting its citizens from monetary deprivation, namely, the Czech Republic, the Netherlands, Denmark, and Austria. While Bulgaria, Romania, Spain, and Greece have suffered the worse. Similarly, in 2011 Spain, Bulgaria, Lithuania, Greece, and Portugal had the highest level of

income distribution inequality, more than four percentage points higher than the EU average (Eurostat 2013).

Second, material deprivation is measured by the number of people experiencing a lack of resources based on the following terms; deprived of at least four out of nine: i) pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or other protein every second day, v) a week holiday away from home, vi) a car, vii) a colour TV, or ix) a telephone (Eurostat 2013). Material deprivation ranks second in commonality. In 2011, 43.4 million people were experiencing sever material deprivation, in other words every eleventh person. Eurostat is very blunt in the fact that there are widespread disparities between the member states in regard to the indicators, stating the differences in living standards, levels of development, and social policies as possible causes. For example, reports for Bulgaria show over 40% of its people are effected by this form of poverty, while only 1.2% of the population in Luxembourg and Sweden do.

Third, household joblessness is defined as people aged 0-59 living in homes where adults work less than 20% of their total work potential during the past year (EPAP, p. 22). Household joblessness affected 10.2% or 38.5 million people in 2011. Interestingly enough, Eurostat reports that households with very low work intensity is not as consistent with the other two indicators. For example, Irelands risk of monetary poverty in 2011 was considered below the EU average at 15.2%, however its household joblessness as high at 24.1%. This is the complete opposite of Bulgaria the same year.

Based on 2011 statistics, nearly 38 million people, 36% of all of those in or at risk of poverty or social exclusion experience more than one of these indicators, 8 million were affected by all three. Some people experience one, two, or all three forms of poverty. With these final indicators in mind let us move toward the research design; and then the evolution of said indicators in Chapter 4.

3 Methodology

This chapter will introduce the theoretical approach, premise and hypothesis, and research design for the study in preparation for the following analytical chapter.

3.1 Theoretical Approach

Ideas and concepts derived from new institutionalism will provide the backbone to the research. At its most basic construction, new institutionalism holds that "the organization of political life makes a difference" (March and Olsen 1984, p. 747). New institutionalism places a strong emphasis on the roles of institutions and their effect on political outcomes. For purposes of this approach institutions can be understood as "formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy" (Hall and Taylor 1996, p. 938). Institutions are not to be considered in the stringent sense of just bodies and organizations, but as the overall processes in which decisions are made. Institutions provide guiding mechanisms for actors in the policy process that "constrain and corrupt human behavior and therefore induce particular behaviors" (Immergut 1998, p. 9). Pointing back to Scharpf's idea of constitutional asymmetry between Europe's economic integration and social integration, one can recognize this constraint. The member states have been economically constrained by European integration and due to spill-over effects there is a movement to Europeanize the social polices as well. The diversity of the welfare states politically constrain this effort (Scharpf 2002, p. 666).

New institutionalism is rooted in the behavioralism movement of the 1950s and 1960s, placing the focus of government on the observable behavior of the individual. Institutionalists have evolved to question the difference between "expressed and real preferences" (Immergut 1998, p. 7). Depending on the conditions an actor is placed in they may make conflicting decisions without changing their true preference. They may, as a rational actor, understand that their ideal preference is not possible and therefore vote for a second best option. Another defining characteristic of new institutionalism is its position on the aggregation of interests, more specifically the inability of group or political decisions to be an aggregation of individual interests. Mechanisms for making collective decisions do not compile the individual preferences, but are a way to come to an agreement (Immergut 1998, p. 7). The summing of interests is not possible, but the reshaping of these interests through negotiations is.

New institutionalism can be more narrowly divided into three different approaches; historical institutionalism, rational choice institutionalism, and

sociological institutionalism (Hall and Taylor 1996, p. 936). For this study only two will be embraced; rational and sociological.

The rational choice perspective "can be defined as the analysis of the choices made by rational actors under conditions of interdependence" (Immergut 1998, p. 12). This strain of institutionalism originates from studies on United States Congressional decisions, looking at how institutions shape how decisions are made in large groups composed of many different preferences. They came to the conclusion that "stable majorities could be found for legislation because of the way in which the rule of procedure and committees of Congress structure the choices and information available to its members" (Hall and Taylor 1996, p. 943). In other words, institutions are a way to overcome collective action problems typically found in such group decision-making processes. In the present case one can see that the role of soft and hard institutions allowed the many actors in the framing of the poverty target to agree. However, the question is how well did they work in aggregating preferences due to the lack of consensus on many points.

Rational institutionalists rely on four basic understandings. The first being 'relevant actors have a fixed set of preferences and tastes (usually conforming to more precise conditions)." Secondly, they understand politics as "a series of collective action dilemmas," where actors push their own interests to the point of producing a final suboptimal outcome, a type of prisoners dilemma. Thirdly, "the role of strategic interaction in the determination of political outcomes." In other words, actors decisions are well calculated, and that institutions help drive the decision making options toward a better outcome. Lastly, that institutions are created around "voluntary agreement by the relevant actors; and, if the institution is subject to a process of competitive selection, it survives because it provides more benefits to the relative actors than alternate institutional forms" (Hall and Taylor 1996, pp. 944-945).

Sociological institutionalism is grounded in organizational theory. They argue that institutions were not developed just as a way to just reach top efficiency and act rationally, but that culture plays an important role as well. While seemingly contradictory, this study will employ threads of sociological institutionalism to explain how the different relevant actors hold different 'culturally-constructed conceptions' of poverty and its effect on framing the target. It is important to note that sociological institutionalists do find actors rational as well, but that the rationality is based in a cultural and social framework. While this thesis would argue that actors are rational in their decisions and preferences, cultural considerations cannot be dismissed, especially when discussing social policy issues such as poverty. As will become evident in chapter four, poverty can have very different meanings across member states and actors. Such a statement is even more relevant when considering that sociological institutionalist definition of institutions not only as "formal or informal procedures, routines, norms and conventions" (as quoted above) but also as "symbol systems, cognitive scripts, and moral templates that provide the 'frames of meaning' guiding human action" (Hall and Taylor 1996, p. 947). Paving the way for meshing the definitions of institutions and culture.

This theoretical framework will accent the remainder of the study. Now we turn to the hypotheses that will lay the construction for the research.

3.2 Research framework

To understand the cause of the disconnect between actors surrounding the poverty target one premise and one hypothesis will be presented. The premise attributing diversity as a cause for the lack of consensus is common to the current literature. However, this study will not blatantly accept this commonly held explanation, rather it will test it along side a hypothesis unique to this study, that the lack of consensus comes from a multilevel governance problem. In other words, this thesis will question whether the cause of the lack of consensus is rooted in a horizontal or vertical disconnect. The following premise and hypothesis will aid in creating a balanced study of the relationship between the explanatory variables and the outcome.

To determine a good causal argument one requires four characteristics; differentiation, priority, independence, and contingency (Gerring 2001, p. 138). Therefore, these will be embraced in the formation of the premise and hypothesis. First, differentiation is required to prevent a flaw by tautological reasoning. The cause and the effect must be clearly different. Second, priority points to the idea that the X_1 or X_2 occurred before Y. Third, independence is necessary between the two causes, they may not be dependent on one another. This can be recognized by the difference in horizontal and vertical problems presented in the tests. Fourth, that the causes and outcome are independent from another, as such there is no circular relationship. Lastly, contingency questions whether the events are normatively understood, or do they present an absurd proposition.

3.2.1 Premise

As much of the current scholarship on the subject reports, the diversity of the member states has made it more difficult to reach a consensus on the poverty target. For this study the idea of horizontal diversity will be first approached through enlargement. The increased size of the EU has introduced more actors, creating a more diverse environment. The European Union is currently composed of 28 member states, after several waves of enlargement, in comparison to the original six. It could be argued that the successful enlargements contributed to additional difficulties in the policy coordination process.

Keeping enlargement in mind, such diversity will be conceptualized through the different welfare regime clusters found in the EU. Well-recognized, Espring-Anderson (1990) divided welfare state regimes into three types; liberal welfare state, corporatist-statist type, and social democratic. However, as his work did not center on EU politics or such a broad group, different regime clusters were needed to more neatly satisfy this study. Whelan and Maître (2010) take a step in the right direction accounting for the enlarged Europe by identifying six welfare

regimes. First, the social democratic or Scandinavian welfare states that have universal entitlements for social, family, and gender services, strong employment and education programs.[8] Second, the corporatist regime characterized by needs based entitlements, lacking additional social services past health and education, less aid and training is given to the lower level jobs.[9] The liberal welfare states tend to be defined by their employment driven social service systems, market emphasis, and familial traditions.[10] The southern European welfare states are similar to the liberal regime but are not as developed and equal in the distribution of services.[11] The post-socialist corporatist regime, primarily central European countries, can be characterized by a transfer oriented labour market and some employment protection.[12] Lastly, the post-socialist liberal cluster, the Baltic member states, has a "flexible labour market, with employers unwilling to abide by legal regulation of the market, and an absence of policies aimed at sustaining employment."[13]

This study will contribute to the current scholarship by providing a detailed account of the member state diversity introduced in section 1.1. The literature established member state diversity as the cause to disconnects over the poverty target, however on minimal examples and findings. Using Eurostat and Eurobarometer findings, this study will impart an expanded understanding of what is meant when discussing member state diversity.

To reestablish if a horizontal problem is at play, the diversity of the member states and their ability to agree regarding the poverty target will be scrutinized. In order to contribute to the notion that horizontal diversity in causing the lack of disconnect between actors surrounding the poverty target the following premise is put forward:

P_1: Due to successful enlargements, the EU is composed of a diverse group of member states which leads to a lack of consensus surrounding the poverty and social exclusion target.

3.2.2 Hypothesis

This thesis proposes the reason for the lack of consensus surrounding the poverty target can be due to a multilevel governance problem considering the multiple actors at varying levels of the decision making process. In comparison to the premise which accounts for horizontal diversity between the member states, this

[8] Sweden, Denmark, Finland, and Netherlands

[9] Germany, Austria, Belgium, France, and Luxembourg

[10] United Kingdom and Ireland

[11] Cyprus, Greece, Malta, Croatia, Italy, Portugal, and Spain

[12] The Czech Republic, Bulgaria, Hungary, Poland, Romania, Slovenia, and Slovakia

[13] Estonia, Latvia, and Lithuania

hypothesis questions whether the disconnect is due to a vertical problem between the different institutional levels, which has been largely neglected in previous research. In defining multilevel governance this study will use the term governance to "refer to a broader, more inclusive and encompassing process of coordination than the conventional view of government" (Peters & Pierre 2004, p. 77). In other words governance should be understood as a process rather than the institutional bodies. Widening the scope to look at multilevel governance, this term will be understood as a special vertical relationship between different levels, here being subnational, national, and supranational. Multilevel governance does not imply a hierarchy of power, but an idea of 'embeddedness' (ibid, p. 79). Meaning that all the actors are interconnected with relationships at varying levels, subnational actors can be found in both national and supranational arenas. In light of the term multilevel governance being first used by Gary Marks (1992) as a new way to describe EU structural and decision making policy it is tailored to understand the experimental and new nature of the EU, making it an appropriate lens in this study. Marks defined multilevel governance as "a system of continuous negotiation among nested governments at several territorial tiers" (Hooghe & Marks 2003, p. 234). Marks highlighted the importance of subnational actors in the decision making at the supranational arena. Multilevel governance is applicable to this study considering it can "depict complexity as the principle feature of the EUs policy system and its emphasis on variability, unpredictability and multi-actorness..." (Rosmond 2000, p. 111).

Multilevel governances allowance for non-hierarchical linkages may prove a difficult roadblock for applying open method of coordination due to the conditions multilevel of governance requires for successful results. For example, the need for similar 'budgetary powers and legal competencies' among member states (Stephenson 2013, p. 823). Furthermore, as private organizations and civil society actors are growing in importance, differences appeared in interests and abilities. In theory, open method of coordination increased transparency and communication among actors both horizontally and vertically, but there are still certain difficulties. Also, multilevel governance gave subnational actors an opportunity to join the decision-making dialogue.

One criticism of multilevel governance this thesis plans to keep in mind throughout the analytical section is its possible misinterpretation of 'equating multi-level *involvement* (in decision-making) with multi-level *governance*, and failing to specify *why* certain levels are empowered and other weakened' (Stephenson 2013, p. 825). This is a distinction that may prove fruitful when discussing the relationship between civil society actors and supranational institutions. In other words, how influential are subnational actors? Furthermore, it is important to consider how the addition of more actors and participation may lead to 'conflict and resistance.'

With this understanding and special attention given to the civil society, this hypothesis will look at the vertical relationship between the civil society level, member state level, and supranational level. These three institutional levels were chosen considering the importance Europe 2020 places on them, previously mentioned in section 2.3. Europe 2020 embraces the many actors and stakeholders

involved in combating poverty and social exclusion. Furthermore, the Platform Against Poverty and Social Exclusion "aims at creating a joint commitment among the Member States, EU institutions and the key stakeholders to fight poverty and social exclusion" (EPAP, p. 3). With the continual inclusion of numerous actors and stakeholders the question arises how much in agreement are the different institutional levels.

This question of agreement may arise due to a possible idealogical clash between the different actors, ultimately resulting in a disconnect. Civil society actors view poverty as a moral issue very much so at the individual level. However, the EU approaches the topic as a socio-economic issue. There is an undeniable spill over effect from the EU economic competencies into social policy issues, such as jobs and performance. One can question whether or not civil society actors are more idealist in comparison to the market driven EU. There are different interests and motivations behind each actor on the issue, which must be more closely analyzed. This hypothesis will embrace the ideological differences between the actors at different institutional levels:

H_1: Due to the different institutional levels in the EU framework, a multilevel governance obstacle leads to a lack of consensus surrounding the poverty and social exclusion target.

3.3 Research Design

"How do we know that the given hypotheses are true or false? How will we go about demonstrating its truth" (Gerring 2001, p. 155)?

The purpose of this study is to better understand the cause of the above introduced lack of consensus between actors in Europe 2020s poverty and social exclusion target. Case studies can be defined as "an instance of a class of events" (George and Bennett 2005, p. 17). In using this definition, the "class of events" represents a phenomenon of interest and relevance, in the present case being a lack of consensus in EU decision making. For this study the case to be explored is Europe 2020s poverty and social exclusion target. Instances of disagreement in decision making processes is an important area of study due to its effects on policy outcomes. The health of a a policy rests on the ability of actors to agree on what the problem is and how it should be remedied.

Case studies allow for the carful examination of causal mechanisms in a specific case, which will prove useful in this study (George & Bennet 2005, p. 21). Through the use of a small-n research design, this study aims to provide a detailed causal story rather than large scale cross case generality. Some generalizing may be possible after the empirical research, however it is not the main purpose of this single case study. There have been many critiques of single case studies and their lack of ability to generalize. However, due to the relevance of the poverty target and its effect on millions of people experiencing poverty and social exclusion, this study deems 'depth' in understanding more important than

'breadth' and generalizability (Gschwend & Schimmelfennig 2007, p. 11). This relevancy can be used as a segue for why this particular case was chosen.

This example is particularly important due to its real world relevance. The lack of consensus between actors has political and economic, and not to be underestimated, social implications for the actors and stakeholders involved. These implications make the issue of disagreement on the issue a relevant topic to be studied further (Gschwend & Schimmelfennig 2007, p. 3 and King, Keohane, Verba 1994, p. 15). Politically, it is relevant to understand the problems that arise in the decision making process to better overcome and prevent them in the future. Economically, certain policies can be costly for the actors involved and a successful target aimed at decreasing poverty can benefit the currently recovering EU. Socially, such policies aimed at reducing poverty are truly based at the individual level and can make differences in peoples lives. In other words, this is an important topic for study due the possible positive effects it can have for the millions of people experiencing poverty in the EU. To understand the cause of any roadblocks in this possible positive outcome can aid policymakers ensure its reality.

This study places the focus on the outcome, the phenomenon at hand, the lack of consensus surrounding the poverty target. An outcome-centric research design is intended to explain outcomes, as the name rightly describes (Gschwend & Schimmelfennig 2007, p. 8). In other words, this study will put forth "potential and alternative explanations by considering many independent variables, X_1, that in toto try to account for variance in the dependent variable, Y, as completely possible" (Gschwend & Schimmelfennig 2007, p. 8). In order to explain the phenomenon taking place the causal mechanisms will be closely analyzed. However, first it should be understood what this study understands as a causal mechanism. In the literature one can unearth several different definitions. Roy Bhaskar defines them as "the construction of an explanation for...some identified phenomenon will involve the building of a model...which if it were to exist and act in the postulated way would account for the phenomenon in question" (George and Bennett 2005, p. 136). James Mahoney puts it in a more direct way, causal mechanisms are "an unobservable entity that — when activated — generates an outcome of interest" (ibid 2005, p. 136). This study is unable to create a more simplified and clear definition, and will therefore employ this definition in understanding causal mechanisms.

The research design will employ the method of process tracing as it "attempts to identify the intervening causal process—the causal chain and causal mechanisms—between an independent variable (or variables) and the outcome of the dependent variable" (George and Bennett 2005, p. 206). Process tracing will allow for the study to conduct a "detailed narrative or story presented in the form of a chronicle that purports to throw light on how an event came about" (ibid, p. 210). George and Bennett point to one shortcoming of many process tracing work. That the researcher focuses on the hypothesis of interest rather than consider alternative previously proposed explanations from the current scholarship. Such an action will create a confirmation bias toward the hypothesis of interest. To overcome this weakness, this study has included two hypotheses, one common in

the literature and one unique to this thesis. While this study does not wish to accept that horizontal diversity is the primary cause of the disconnect, it cannot dismiss is completely.

Primary and secondary EU and member state documents will be used for the analysis, a complete list can be found in the references. Furthermore, a secondary analysis of data has been chosen, making use of already existing sources of data, for example, eurostat and eurobarometer. Using this form of unobtrusive research has both its positive and negative attributes. It allows for the researcher to take a step back from the data to see a fuller picture. However it does reduce the data collection to what the researcher is able to find, decreasing control.

In summation, this thesis will employ strands of new institutionalism as it tests the aforementioned premise and hypothesis through process tracing. With the outcome-centric research design aimed to conclude what is the cause of the lack of consensus between the actors involved in the poverty and social exclusion target.

4 Analysis

The study will now move into the analytical portion to better understand what caused the lack of consensus between relevant actors in surrounding Europe 2020s poverty and social exclusion target.

4.1 Horizontal Diversity

As briefly explained earlier, the argument that the member states in the EU are too diverse to agree on social policy issues is common; that they come from different economic and welfare state backgrounds is a sign that a fully functioning Social Europe is out of reach. As seen by the progress made, perhaps this is too harsh a critique and that the different welfare families only make it more difficult, not impossible. This section questions whether the difficulties that arise due to requiring twenty-eight diverse member states to agree on poverty issues is a cause for the lack of consensus on the poverty and social exclusion target. For the readers reference the premise to be tested is: *Due to successful enlargements, the EU is composed of a diverse group of member states which leads to a lack of consensus surrounding the poverty target.* This premise is interested in the horizontal diversity between the different member states.

In the Commission Working Document on the Future "EU 2020" Strategy (2009), the Commission closely tied poverty reduction to employment rates and policies. However, the following year as part of the Lisbon Strategy Evaluation (2010b) the following realization was made, "employment increases have not sufficiently reached those furthest away from the labour market, and jobs have not always succeeded in lifting people out of poverty." This new understanding is reflected in the first Europe 2020 proposal released a month later in March 2010. The Commission proposed as one of its headline targets that "20 million less people should be at risk of poverty" by 2020 (Europe 2020, p. 5). Furthermore, that poverty should be measured by the at-risk-of-poverty rate as those living below "60% of the median disposable income in each Member State" (Europe 2020, p. 11). However, this sole indicator for poverty did not last, which leads to the common explanation that member state diversity led to a broadening of the measurement tools. As stated section 2.4, the three final indicators for poverty and social exclusion were defined as: the at risk of poverty rate, the index of material deprivation, and the percentage of people living in households with very low work intensity (EPAP, p. 3). Let us look at the developing months for Europe 2020s poverty and social exclusion target.

In its March 2010 meeting, the European Council agenda was set to discuss the headline targets. At the end of the meeting the poverty issue was left

as: “promoting social inclusion, in particular through the reduction of poverty. Further work is needed on appropriate indicators. The European Council will revert to this issue at its June 2010 meeting” (European Council 2010a, p. 2). The European Council was noticeably divided on the issue, unable to come to a consensus on how to approach the target in measurable terms. As mentioned above, normatively the member states could agree on the importance of poverty as a problem effecting their citizens, however the disagreements rose in the defining and measuring of poverty in manageable politicalized terms.

Through interviews of their own, Copeland and Daly gained the insight that Austria, Belgium, Cyprus, France, Italy, Portugal, and Spain all lobbied for Europe 2020 to contain a stronger social element under the belief that economic growth and a Social Europe should work in tandem (2012, p. 277). In addition to lobbying, Spain, holding the position as President of the Council of the European Union was able to exert its agenda setting powers to push for the social component, “the Presidency will encourage the European Social Agenda to uphold the European social model” (Spanish Government 2010, p. 9). Using the institutional rules to their advantage, Spain was able to exert a degree of rational agenda setting power to their preferences benefit. Furthermore, the Spanish Presidency states that the new “2011-2015 European Social Agenda will complement the content of the EU 2020 Strategy, incorporating social protection, inclusion and integration as key elements” (Spanish Government 2010, p. 15). Rather than discuss social protection of European citizens in connection to employment and jobs, the Spanish Presidency discussed such issues under the heading ‘A Europe of rights and freedoms, a Europe for all citizens,’ such a distinction is important due to the shift in approaching the topic. In addition, the President of the European Council Herman Van Rompuy and President of the European Commission had a special interest in including a social element, including a target to do with poverty (Copeland and Daly 2012, p. 278). The opinions and efforts of the civil society sector will be elaborated on below.

Although a decision or consensus was made by the June 2010 European Council meeting in regards to the poverty target, it did not come by easy fruition, leading to the belief there was a certain lack of consensus in the framing and execution of the target. A separate group of member states formed in opposition to the poverty target, such as Sweden, the UK, Ireland, and a handful of new member states. Through interviews with a permanent representative, Copeland and Daly, reported that these member states raised issues of EU competences on social policies in order to draw away from an independent poverty target in Europe 2020. Looking to the Treaty, social policies are considered a shared competence whereas “the Union shall respect the equality of Member States before the Treaties as well as their national identities, inherent in their fundamental structures, political and constitutional, inclusive of regional and local self-government” (TFEU Article 4). Also, the principle of subsidiarity protects the member states in regards to social policy. This group pushed for folding the poverty target into employment, essentially negating the realizations of the Lisbon Strategy. Sweden pushed hard for combining the poverty and employment targets, under the belief that job creation is the solution for poverty and social exclusion.

It could be argued that this mentality works for the Sweden and like minded Scandinavian welfare states based on the strong emphasis on public services especially within employment. However, this was not the same argument from the United Kingdom, an example of a liberal regime. The UK advocated against the poverty target under the assumption that if the general income increased but income distribution didn't, the poverty rate not fluctuate (Copeland and Daly 2012, p. 278). In the UK experience having a job does not eliminate poverty, in what is known as a poverty trap, with much of the population working in low-wage jobs in the UK system. Lastly, the new member states were hesitant to commit due to possible costs, especially in current financial crisis. All of these concerns raised broader questions of appropriate indicators and redistribution.

The mention of financial costs is a consideration of all member states in the case of Europeanization. Therefore, in the negotiation process it is understandable to find attempts of 'uploading' domestic norms to the European level, in order to decrease longterm costs of adapting foreign EU policies downward (Börzel 2002, p. 194). In the welfare state context, each family advocates at the European level for social, economic, and political policies that most closely resemble what is already established at the national level. This diversity drives the negotiation process. Financial capabilities aside, this form of uploading can also be used as a means to approach problems various member states have exceeded their capabilities to address, by bringing it up as an EU wide concern. Which could be a reason for why some of the above mentioned member states in favor of the poverty target supported including it in an Europe wide strategy. However, we must then acknowledge the policy preferences and strong action capacity of the opposing member states, for example Sweden and UK, in how the poverty target developed. The newer member states could be recognized as industrial latecomers, favoring less regulation and avoiding stringent measures (Börzel 2002, p. 196). Considering the diversity of the member states there is a need for compromise and coalitions in order to come to come to an agreement on the fate of the poverty target. No one member state could effectively upload their domestic preferences to the EU level to shape Europe 2020.

In addition to concerns over the existence of a poverty and social exclusion target, another point of contention was the single indicator for measuring poverty presented by the Commission. The Stockholm European Council in March 2001 gave an order to the Council to establish and initiate a set of social inclusion indicators by 2002. The indicators were to guide the member states and Commission in accomplishing the European Council of Lisbon's goal to make an impact on tackling poverty by 2010, and gain better knowledge on poverty as a whole. Taking into account national differences and the importance that member states attach to different areas, the Social Protection Committee developed an extensive list of indicators for social inclusion, naming 13 primary indicators, 12 secondary indicators, and 14 context indicators (Council of the European Union 2001, p. 3). The open method of coordination allowed for the development of numerous indicators in the field of social policy, specifically social inclusion and protection with an end goal of eradicating poverty (Eurostat

2013a).[14] Such a wide array of measurements tools accounts for the diversity among member states, and allows for a level of pliancy. Therefore, when the Commission presented Europe 2020s single indicator for the poverty target it demonstrated a stark difference to the previously accepted thirty-nine. Additional indicators were needed in order to appease all the member states. One indicator is not able to represent all the different standards and welfare regimes across Europe. The national level has great influence over how polices are formed at the European level, hence the three indicators.

During the spring of 2010, the Spanish EU presidency and Commission diligently worked to gain the support of the member states in opposition. Numerous bilateral meetings between the Commission and member states took place to develop an updated target to please the Council (Copeland & Daly 2012, p. 279). Regardless of the disputed start to the poverty and social exclusion target, by June 2010 the member states finally agreed to the target as it stands with three indicators; at risk of poverty and/or jobless households and/or material deprivation (European Council 2010a). It was decided that the member states could choose to tackle one or all three of the indicators, allowing for much leeway. Each member state is affected by at least one. Through the work of the Social Protection Committee one can briefly see how the member states are effected by poverty as seen through the indicators (2011, pp. 53-55). Income poverty affects the newer member states and the mediterranean countries, Latvia, Romania, Bulgaria, Lithuania, Estonia, Greece, Spain, Italy, Portugal, and UK. Severe material deprivation is found in many eastern countries, Bulgaria, Hungary, Latvia, and Romania. Household joblessness is common in Belgium, Germany, Ireland, Hungary, UK.

Daly also argues that the inclusion of 'social exclusion' into the title of poverty and social exclusion demonstrates the wide range of views in the EU. Her rationalization being that the term social exclusions' "wide analytic lens and chameleon like character meant that the concept could be manipulated and stretched to fit very different kinds of settings" (Daly 2010, p. 146). Such leniency allows for breathing room for the many different welfare regimes. Her examples being that social exclusion in the Continental European states represents differences between classes and a lack of solidarity. On the other hand, in liberal welfare regimes such as the UK, social exclusion is tightly coupled with participation in the labor market.

Based on this history one can see that differences of opinion were held over the inclusion and definition of the poverty target. Horizontal diversity is a very broad term therefore the two following subsections will approach it from a narrower perspective, more specifically, ideological and monetary differences.

[14] EU social indicators can also be found for pensions and health care and long-term care.

4.1.1 Ideological Differences

This section will inspect the ideological differences of the member states and the causal role it played in the lack of consensus surrounding the poverty target. To do so the horizontal diversity between the member states will be first approached from the perspective that diversity stems from root differences in social philosophies.

While the high levels of social benefits in the Scandinavian welfare state are appealing, families from liberal welfare states would not be willing to pay the necessary taxes to benefit. The same goes in the reverse, where Swedish families would not be willing to accept anything less than their current health and education benefits (Scharpf 2002, p. 651). It could be argued that it was necessary for the target to be broad enough to allow flexibility for the member states in how they interpret social issues. There are basic ideological differences between the member states on how to define and tackle poverty, through either redistribution or employment policies. In Sweden and Spain (each 69%), Ireland (70%), Portugal (68%), and Hungary (67%) unemployment is regarded as a cause for poverty. In comparison to Malta where only 15% see a strong relationship between unemployment and poverty (Eurobarometer 2010, p. 69). Such an understanding greatly drives how a member state interprets the problem and how to fix it, leading to very specific opinions for the solution. While Sweden was opposed to the target, they can agree with Spain and Portugal as to how to approach the problem, through employment.

If one were to compare between the older (core) and newer (periphery) member states one would find discernible differences on perceptions of poverty. Of the twelve member states that joined after 2004 and the fifteen from before; the newer member states are under the impression that poverty will relieve itself after a period of economic growth (43% vs 32% in the older member states). Also, it is more common in new member states to believe that income distribution is too widespread (93% vs 87% in the older member states) (Eurobarometer 2010, p. 100).

Additionally, there are basic differences in how Europeans identify poverty across the member states. Sweden (48%), the Netherlands (42%), Denmark (39%), and Finland (37%), i.e. the social democratic welfare states, define poverty as “when their resources are so limited that they cannot participate fully in the society they live in.” Turning to the similar liberal and Southern European welfare states, for example Ireland (41%), Italy (40%), and Portugal (38%), defined being poor as “not being able to afford the basic goods people need to live.” Interestingly, nearly forty-percent of Greeks defined it as living under the poverty threshold (Eurobarometer 2010, p. 10).

The urgency that Europeans put on combating poverty is also very telling. The levels of citizens that believe “poverty in our country is a problem that needs urgent action by the government” varies across the EU. Briefly: Greece (98%), Bulgaria (97%), Latvia (96%), Hungary (94%), Lithuania (94%), Germany (94%), Romania (94%), Cyprus (92%), Spain (92%), Portugal (92%), Slovenia (92%), Slovakia (92%), Belgium (91%), France (91%), Ireland (90%), Estonia (90%),

Poland (90%), EU27 (89%), Italy (88%), Austria (87%), UK (85%), Finland (84%), Malta (81%), Luxembourg (75%), Czech Republic (75%), Netherlands (75%), Denmark (64%), Sweden (61%) (Eurobarometer 2010, p 126). The widespread figures demonstrate for the most part a divide between the core and periphery member states and the differences in views on the necessity to address poverty, especially at the EU level.

In line with those who advocated for the poverty target in Europe 2020, newer member states put more trust in the European Union than the older member states (54% and 39% respectively). Interestingly enough, the core member states put more faith in the work of NGOs than the periphery (64% vs 55%) (Eurobarometer 2010, p. 128). The Scandinavian welfare regimes and Continental European states, with generous social protection view poverty as too elementary of a problem. However, Liberal and Mediterranean welfare families with great poverty concerns are more inclined to advocate for EU intervention. In many eastern and central member states the current government can influence the direction they choose (Copeland and Daly 2012, pp. 280-281). Which connects back to the newer, periphery, member states that have major concerns for poverty in their constituencies pushing for the inclusion of a poverty target and stronger EU social dimension. The member states not as troubled by poverty do not see the necessity of introducing EU polices on the matter.

By looking at ideological differences between member states allows for the recognition of subjective views on poverty, in comparison to being labeled poor through EU wide indicators. These perceptions as a whole reflect the views of the member states and in turn can influence its polices. Questioning whether poverty is widespread in their country is perceived high in Romania (96%), Hungary (95%), Bulgaria (93%), and Latvia (91%), with many believing that one in three people is poor. In comparison to the lower perceptions that poverty is widespread in Luxembourg (45%), Cyprus (38%), Denmark (38%), and Sweden (33%), where it is believed that one in twenty people is considered poor (Eurobarometer 2010, p. 13 & 19-20). Furthermore, when asked if they would label their household as poor, the response ranges across the EU from the Netherlands (5%), Luxembourg and Sweden (10%) to Hungary and Bulgaria (over 60%). Defining their household as rich also shows disparities, over half (62%) of the Netherlands felt comfortable with that declaration, and Belgium (41%) and Denmark (40%) not far behind. In comparison to Bulgaria (5%), Hungary (8%), and Portugal (8%) where less than one respondent in ten describes his or her household as rich (Eurobarometer 2010, p. 78). When discussing specifically feelings of social exclusion, it is quite common in the Czech Republic (34%) and Austria and Bulgaria (each 29%). On the other end of the scale in Denmark and Sweden only 7% and 8% respectively feel excluded from society (Eurobarometer 2010, p. 52).

Turning to whether a family would be able to contend with an unexpected expense demonstrates how comfortable a household is with their financial situation. At the top of the list, 67% of Hungarians would not be able to bare an unexpected expense, followed by the Czech Republic and Slovakia at 51%, and Bulgaria and Romania at 40%. Contrary to the social democratic regimes where

only 15% of Swedes and 21% of Danes and Dutch would be unable to cope with an unexpected payment. Furthermore, looking at increases between 2009 and 2010 Eurobarometer reports that the risk assessment levels in mostly Eastern and Southern European countries are higher. For example, the number of Greeks in fear of not being able to pay their rent has doubled to 16% and in the Czech Republic it is up to 23% from 16% in 2009. Up six percentage points from 2009, 30% of Romanians are in fear of not being able to pay for basic consumer goods (Eurobarometer 2010, p 45). Not only was there an immediate increase in the widening gap after the enlargements, but the gap is continuing to increase, at least subjectively.

Ideological views on poverty can be tied back to the convictions of sociological institutionalism and how actors hold different culturally constructed conceptions of poverty. The member states may have acted rationally as they negotiated the poverty target, but not without a specific cultural and social framework. In other words, the preferences of the member states on poverty are "not necessarily to enhance their formal means-ends efficiency, but as a result of the kind of processes associated with the transmission of cultural practices more generally" (Hall and Taylor 1996, p. 946-7). The different subjective views of the member states "provide the 'frames of meaning' guiding human action". Based on the figures above by Eurobarometer one cannot deny there is an ideological, subjective disparity between the member states. These basic ideological differences on perceptions of poverty and even willingness to pay taxes on public services demonstrates a certain horizontal diversity between the member states.

4.1.2 Monetary Differences

The premise of horizontal diversity is also based on monetary differences, which will now be elaborated. Above ideological differences were discussed and how for example the tax regime in the Scandinavian welfare states for public services would not be accepted in the liberal welfare states. However, this argument could also be made from an economic point of view, saying that the eastern member states and for example Greece, Spain, and Portugal could not bear the expense of the level of public services in the Scandinavian welfare states. This financial component will be approached through the different poverty thresholds in each member state. The poverty threshold being 60% of the national median income. In order to allow for cross member state comparisons in the study the unit of measurement is in Purchasing Power Standards (PPS), an artificial currency used by Eurostat to eliminate differing price levels based on national currencies.[15]

After the 2004 enlargement the economic disparity between the member states rose greatly. A divide between the rich and poor member states emerged. A common example to demonstrate the inequality in living standards between the

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15 "On the basis of Purchasing Power Parties (PPP), Purchasing Power Standards (PPS) convert amounts expressed in a national currency to an artificial common currency that equalizes the purchasing power of different national currencies (including those countries that share a common currency)" (Eurostat 2010, p. 106).

member states is that a poverty threshold in one member state could be the same as an average well-off income in another member state (Nolan and Whelan 2011, p. 4). At risk of poverty is a relative measure and not absolute, it's country specific, the EU threshold set at 60% of disposable income sheds light on the divergence among member states and what it means to be poor in one country versus another. A comfortable middle class family in one member state albeit poorer, could be classified as below the poverty line in richer country. One could also point the recent eastern enlargement when discussing the widening gap between the richer and poorer member states providing the individual example of "a family may be poor in Denmark because it is excluded from the way of life of that country even though the purchasing power of that family would make it quite well off in say Portugal" (Fahey 2007, p. 37). Therefore differences between member states can be identified in not only perceptions of poverty, but also in more realistic terms of hard numbers. Concrete examples are now needed to establish the monetary differences between the member states.

In 2012, the poverty threshold in the United Kingdom was 10,582 PPS and 4,432 PPS in Hungary (Eurostat 2014). A person in the United Kingdom living on 6,000 PPS would be considered extremely poor, while the same family in Hungary would be extremely wealthy. To take an extreme example, Luxembourg had the highest purchasing power in 2012 at 15,996 PPS in comparison with the lowest being in Romania with 2,161 PPS. Fahey also suggests "that middle-income families in, say, Poland would face a higher risk of hardship—of being cold in their homes, being short of money for food, being unable to pay utility bills, or whatever—than the 'poor' in Denmark (whose absolute incomes are higher)" (2007, p 37). Such a possibility truly demonstrates the contrast between the member states.

If one breaks down the member states into the welfare clusters introduced in section 3.2.1, what becomes apparent is the clusters of poverty and inequality that are scattered throughout the EU. For a complete list of the poverty thresholds of the member states in 2012 please reference Appendix 7.3. In some cases the social democratic states have a poverty threshold double than what is found in post-socialist corporatist regimes for example, Sweden (11,814 PPS) and Poland (5,117 PPS). These widespread differences in purchasing power capabilities may have an effect on how committed certain member states are for a poverty and social exclusion target, but also how much certain member states are willing to put forward to the effort.

Nolan and Whelan (2011, pp. 58-59) provide a fine example of how the variety of poverty thresholds in the EU have increased after the 2004 enlargement. They use Eurostat figures from 1996 and 2006 to paint the picture. In 1996 the poverty threshold in purchasing power standard in Portugal was 56% and Greece was 65% of the threshold in France and the Netherlands (examples of middle countries). In other words, the thresholds in Portugal and Greece were over half of the thresholds in France and the Netherlands. Turning to 2006 and the introduction of numerous countries from Eastern and Southern Europe this variance increases. Portugal being the old member state with the lowest threshold. Latvia, Lithuania, Poland, and Slovakia had thresholds only one-third of the

middle old member states. Estonia and Hungary were low with only 37-40%, and the Czech Republic one of the wealthier new member states threshold was still only slightly over half at 56%. That is to say the living standards in the new member states is considerably lower than those of the old member states.

Using Eurostat data for the EU-27, 16.6% of EU citizens are at risk of poverty, or 1 in every 6. Breaking the EU into the new and old member states does not create a large difference, the percentage of the 12 new member states was 17.3% and for the 15 old member states it was only slightly less at 16.4%. Eurostat makes it clear that one cannot declare that poverty is more likely in the new member states; "of the 80+ million at risk of poverty in EU-27, 64 million are to be found in the EU-15" (Eurostat 2010, p. 106). The enlargement may have created a more economically diverse EU when looking at standards of living and poverty thresholds, but one cannot create a clean divide between a rich west and a poor east when looking at the number of individuals experiencing poverty. Poverty is found throughout Europe.

Using the poverty threshold as a tool, one can recognize a monetary difference between the member states, which influences the negotiation behavior regarding the poverty target. There is some level of horizontal diversity between the member states, both ideologically and monetarily. However, this thesis differs from past research by not concluding it is the sole cause of the disconnect. Therefore, this study will now address the second hypothesis concerning vertical diversity to see if it will shed more light on the subject.

4.2 Vertical Diversity

At this point, the present study will assess the vertical relationships between the civil society actors, member states, and EU. While the previous sections have touched upon the relationship between the member states, this section will primarily introduce the civil society level as a pertinent actor, as it has been widely neglected in the current literature. The previous section established more concretely that there is some degree a horizontal diversity between the member states, however the study does not exhibit definitely that this is the sole cause of the lack of consensus regarding the poverty target. One cannot narrow the scope to just include the member states when analyzing the lack of consensus on the poverty target, one needs to include all relevant actors in the discussion. The success of Europe 2020 rests on all actors being enthusiastic and on board to combat poverty and social exclusion. This hinges on the civil society and individuals with an arguably closer connection to poverty. However, this raises questions of ideological differences between the institutional levels, looking at how the different actors at all levels perceive poverty — how they define it, what are their motivations, and what are their solutions. Through the use of a multilevel governance framework and from the perspective of the European Anti-Poverty Network, this section will account for the different ideas and agendas from the actors involved at varying institutional levels. As a reminder the hypothesis to be tested is: *Due to the different institutional levels in the EU framework, a multilevel*

governance obstacle leads to a lack of consensus surrounding the poverty and social exclusion target. This hypothesis challenges the commonly held "distinction between 'institutional explanations' based on organizational structures and 'cultural explanations' based on an understanding of culture as shared attitudes or values" (Hall and Taylor 1996, p. 947). Therefore, for the purposes of this hypothesis and the ideological differences of the member states in section 4.1.1, culture will be understood as an institution in itself, creating a template for behavior.

Due to the emphasis put on civil society throughout the Europe 2020 literature, it is important to consider the role they play in the framing and execution of the poverty target. Europe 2020 deems them important so this study will as well. This section will first start by going through the role and input from the European Anti-Poverty Network (EAPN).

During the summer of 2009 the EAPN put full forces ahead on lobbying the EU institutions on the importance of a strong stance on poverty and social exclusion in the post 2010 Europe (Copeland and Daly 2012, p. 277). In June 2009 the EAPN, published its proposals for the EUs post-2010 strategy, ultimately Europe 2020. The paper was directed to the EU Commission, Council, and Parliament on the framing of the 2010-2020 strategy. One common thread throughout the publication is the importance of the need to develop a new model emphasizing "the economy at the service of society needs (both for the environment and for people) and actively reduces inequalities and poverty, rooted in a rights-based approach" (EAPN 2009a, p. 3). Such a recommendation represents the ideals and motivations behind such a civil society actor. One that puts the people before economic gain. The EAPN called for EU decision makers to make poverty and inequality a prerequisite in the next strategy, with a focus on the individuals and their rights. Naturally, they strongly emphasized the importance of including the voice of nongovernmental organizations and people experiencing poverty, stating "NGOs and the third sector make vital contributions to policy making by monitoring the impact of policies on the daily realities of people experiencing poverty, and are crucial intermediaries in defending the social, political and economic rights of people in poverty" (EAPN 2009a, p. 25). Through process tracing an examination of their perspective and what they have contributed to the issue is conducted.

In the same report for the EAPNs hopes for a post-2010 Europe they proposed a specific target be set for the eradication of poverty for the next 2010-2020 plan. This proposition was not new as it had already been on the agenda and negotiated since 2000. However, the motivation and approach differs from other actors. They emphasized the need to put rights first and take a values-based approach rather than purely economic stimulus. In their words: "The growth-first model has contributed to the current situation. The growth model has not delivered on its commitments to make a decisive impact on poverty, because the trick-down model does not work. Whilst economic growth may have raised overall living standards in some countries, the gap between rich and poor has increased and no significant impact has been made on the 79 million people in poverty in 2007" (EAPN 2009a, p. 5). The importance was put on removing the

strong emphasis constantly put on growth domestic product and income when discussing measurement tactics. The importance of a sustainable economy was discussed considering one cannot remove the economy entirely. They recommended that the idea of "sharing wealth and reducing inequality" should be a future EU objective (EAPN 2009a, p. 11). This report also drew on the information gained from the 8th People Experiencing Poverty Meeting of 2009. Explaining that families in poverty were already struggling before the economic crisis, and the crisis only made their living situation worse, the EAPN claimed that certain economic goals of the EU are done at the expense of the citizens, requesting that better social services be put in place. Without proposing specific examples, the EAPN requested that the post-2010 plan does not make use of purely economic indicators and that it embraces multiple indicators (ibid, p. 4). Which ended up being the case in the Commissions first draft but the motivation behind it is where the difference lies. It could be argued that due to the lack of agreement by the member states the measurement tool was increased from one to three indicators. Or from the civil society perspective is was necessary to include non-monetary indicators due to the multidimensionality of the issue.

On July 10, 2009, the EAPN published a letter to President Barroso in anticipation for the upcoming new Parliamentary meetings to discuss the post 2010 strategy. In the opening paragraph it stated, "EAPN will be eagerly awaiting this presentation to see how far this vision will give clear priority to the social dimension and produce a convincing programme for establishing an EU which builds trust." Quite the heavy opening statement. Furthermore, they bluntly state "The EU can choose the path of 'business as usual,' insisting that the EU is on the right track, and that only minor changes are needed to ensure a more effective impact. Or the EU can rise to the challenge, to recognize that the current strategy has not managed to address the 16% of the EU population facing poverty (79 million people) or to stem the tide of growing inequalities with all the devastating impact these hight levels of inequality have on our societies" (EAPN 2009b, p. 1). They call on the EU to consider the 'ordinary people,' its citizens, when developing its new strategy. The wording draws the EU downward toward the individual, to the average person down the street, rather than get lost in the generalizations and impersonal nature of broad policies. To consider these people, as who they are, people, rather than focus on economic growth. However, in the simplest terms, they ask for the EU to take a legislative stand against poverty. The next step is look at how pleased the EAPN was with the Europe 2020 proposal.

Once Europe 2020 was presented by the European Commission, the European Anti-Poverty Network was eager to publish its thoughts and critiques on the new strategy. First and foremost it is landmark to have a target specifically dedicated to poverty and social exclusion, enhanced by the Platform Against Poverty, Guideline 10 'Promoting Social Inclusion and Combating Poverty,' and recitals emphasizing inclusion of all actors. However, the EAPN is still not entirely convinced of Strategy's clear economic focus rooted in growth, which is where many of the concerns are rooted. They presented seven foreseeable risks from the Strategy (EAPN 2011a, p. 16):

1. Even after the Lisbon Strategy, Europe 2020 maintains a growth oriented paradigm, rather than embrace a new sustainable society.
2. Social security, social protection, and services are underdeveloped.
3. The Strategy relies on austerity measures to rebalance public budgets.
4. Member states are only required to choose at least one of the poverty indicators in their national plans, making it possible to choose the easiest attainable one.
5. Rather than focusing on quality, the Strategy focuses on meeting numerical goals.
6. The guidelines may be interpreted too narrowly.
7. The EPAP is very broad, as well as how it will work together with OMC. The vagueness may hinder OMCs past success in including all NGO and people experiencing poverty stakeholders.

In contradiction to what the EAPN advocated for in the post-2010 strategy in 2009, the EAPN lobbied for the sole at-risk-of-poverty rate indicator when measuring poverty across the EU (EAPN 2011b, p. 3). Arguing that the indicator based on relative poverty as 60% of the median disposable income in each member state had been safely in place since the early 2000s, claiming it "is difficult to understand why it would not be used as the main indicator." They maintained it is a robust, reliable indicator, comparable across the EU. The EAPN held that additional indicators are good compliments, but should not stand alone as headline indicators. For example, measuring poverty by material deprivation "makes a series of normative assumptions about what is a necessary level of services and goods across the EU which needs to be placed in a relative context" (EAPN 2011c, p. 3). An interesting quotation by the EAPN points to member state diversity, "The reality is that the adaption of this indicator by the Council has been particularly difficult, as many member states were unhappy with the sole focus on relative poverty and in the end it was a compromise reached in the Council based on the three indicators" (EAPN 2011b, p. 4). However, there is a continued belief that the final indicators are very broad and can allow for loopholes, furthermore, there is a fear that the member states are unwilling to commit to the poverty target (EAPN 2011c, p. 1). Overall, it must be said that the EAPN was elated that the target and indicators had made it into Europe 2020, and most of the response was critical joy.

In addition to publishing proposals for the general post-2010 strategy they also published their proposals for the European Platform Against Poverty in June 2010 (EAPN 2010, p.1). The four key proposals presented were: (1) transform the Social OMC into dynamic EU and National Platforms against Poverty, (2) develop mechanisms to assess the effectiveness of current instruments and move forward on establishing European frameworks to guarantee EU social standards, (3) mobilize EU financial instruments to support the development of social and sustainable service infrastructure, demonstration projects and better participation and governance promoting civil dialogue, and (4) ensure that Social Inclusion objectives are mainstreamed across Europe 2020, linked to effective Social Impact assessment. Once the final Platform came out the response was mixed. Claiming that in order for it to succeed the Social OMC would need to be

strengthened and increased inclusion of people experiencing poverty and NGOs (EAPN 2011d, p. 3). Generally, the concerns had to do with the broadness of the target and recommended more concrete approaches.

In February 2011, the EAPN, more specifically the EAPN Working Groups, published a report on 'The Social Impact of the Crisis and the Recovery Policies in 2010.' The report drew on survey results from 17 EAPN members[16] and six European Organizations. Therefore, providing a perspective from many member states across different welfare regimes. The report provided six messages about the crisis derived from the idea of a need to make use of Europe 2020 and the Flagship Platform Against Poverty to their fullest extent (EAPN 2011e, p. 36).

1. "The social impact of the crisis is getting worse — not just because of recession but because the vast majority of governments have reacted to the economic and financial crisis with the same neo-liberal approach."
2. "The reality of the social situation is not being assessed or debated, despite the devastating consequences for millions of EU citizens and for Social Inclusion NGOs. The SPC/Commission report on the social impact highlights that most MS are not even carrying out a social impact assessment of the crisis or of their policies. Where assessments are made, i.e. at the EU level, they are limited and partial, and the findings are not taken on board, nor allowed to influence overall policy decisions or recovery measures, at national and EU level."
3. "NGOs who provide key services and support to people hurt by the crisis try their best to address a demand which is on a rapid rise and to still fill their advocacy role, but cuts in budgets and limitation of public services place them in extremely difficult situations. Their capacity to cushion the social impact of the crisis is at stake, as well as their ability to innovate, to feed the public debate with their expertise as well as their capacity to voice the concerns of People Experiencing Poverty and facilitate their participation in policy making."
4. "Not all the MS have been hit equally by the crisis. The consequences of this crisis were not inevitable, but they have been particularly devastating in the MS already set off on the road of economic and financial deregulation and the deconstruction of the Welfare State." However the report does point that some member states do not fall under this, for example the Scandinavian welfare states.
5. The report does represents that a 'fairer way is possible,' that it is possible to overcome these problems by focusing on "choosing anti-cyclical measures rather than the reduction in deficits at any price, investing in recover, reducing deficits more gradually by increasing income rather than prioritizing cutting expenditure, and defending social priorities."
6. Europe 2020 is recognized as a vital tool to accomplishing this, however, "Again today, the EU 2020 Strategy, seems a missed opportunity to develop an alternative social and sustainable model." The EAPN is concerned with the growth first model and the possibility it may increase poverty. Furthermore, the

[16] Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Norway, Poland, Romania, Spain, Slovakia, Sweden, and UK.

lack of commitment by all actors in troubling, let alone the lack of commitment to sustainable and social growth.

In summation these collective views from civil society actors across Europe demonstrate the problem of poverty and worries from a civil society perspective. More importantly they reiterate the general differences thus far between the civil society and other institutional levels, e.g. the neoliberal approach and different economic capabilities of the member states. A point of interest is their perspective on how their ability to curb the effects of the crisis and effectively participate in policy making are under strain. Tying back to a previously made question on the difference between multilevel *involvement* and multilevel *governance*, asking why the civil society feels weakened at this time over empowered. Fintan Farrell, Director of EAPN at time, emphasized the importance of participation from all actors at the 2012 EAPN Conference. He pointed out that "conflicting objectives are competing inside the institutions" (EAPN 2012, p. 28). Also, that it is the duty of the social NGOs to be honest and that if the other institutions are true in their will for change, they should look to the civil society. He went on to emphasis the importance of including civil society perspectives on causes and solutions before, rather than after. Lastly, he is concerned that the member states are not dedicated to the cause. In other words, this could create an imbalance between the institutional levels commitment to the cause, effecting the success of poverty target in the long run. As in all of the dialogue thus far, he concluded that change is still possible and was hopeful for the future.

The common thread found throughout the publications from the EAPN is the need to shift the focus from economic growth and move it to the people. This is another example of ideological differences between actors, however in a vertical capacity. Are there too many actors at different institutional levels in disagreement on how to define and measure poverty? We can gather from the above EAPN documents that civil society actors are have different views on poverty and a different approach on how it should be tackled. They are elated that the poverty target exists, seeing it as a revolutionary step forward, but will not stop there, they are eager for more. Civil society actors are key to the success of the poverty target, Europe cannot solely rely on national governments and the EU to make this happen.

The EAPN believes Europe 2020 has a neoliberal approach with a strong focus on growth and that the EU sees poverty as hindering the economic capabilities of EU, rather than its citizens. The change of thinking needs to be to put the people and planet first. Not to say it is the sole opinion of the EU, but the White Paper on 'Modernising and Improving Social Protection in the European Union' (European Commission 1997) argued that social protection systems can act as a productive factor that can contribute to economic and political stability and help EU economies to perform better. This motivation is apparent in the Europe 2020 Strategy. Scholars without relation to the EAPN hold similar views, for example Daly (2012, p. 283), "In its policy content it cleaves to the growth and market first model definitive of liberalism — it underplays social rights, quality job creation or a broad ranging social programme."

The current scholarship regarding the poverty and social exclusion target continually discuss the diversity of the member states and its effect on negotiations, while the views of the civil society sector have been underdeveloped or nonexistent. As is now apparent one can look to the civil society sector to find additional ideological differences concerning the poverty target, requiring one to consider the vertical diversity of actors when questioning what is the cause of the lack of consensus.

5 Conclusion

Thus far, this study has introduced Europe 2020s novel poverty and social exclusion target — lifting at least 20 million people out of poverty by 2020. However, as has been presented, the new target did not come easily. The Council was divided on whether such an individual target should even exist, or if it should have been folded into an employment target. In favor of strengthening Europe's social element, Austria, Belgium, and many Southern European welfare regimes advocated for a poverty target for the post-2010 strategy. In the opposing camp, Sweden, the UK, and Ireland supported incorporating poverty aims into a broader employment target. In addition to disagreements over the inclusion of a poverty target in the Europe 2020 Strategy, what followed was a debate over how such a target would be operationalized and measured. The Commission proposed the use of a sole at-risk-of-poverty indicator in their March 2010 draft. Jumping forward a few months the final draft included three indicators for poverty and social exclusion; at risk of poverty, jobless households, and material deprivation. Therefore, the study aimed to question what caused this lack of consensus regarding the poverty target. Using a premise and hypothesis to guide the thesis, both the horizontal and vertical diversity of the actors involved were tested.

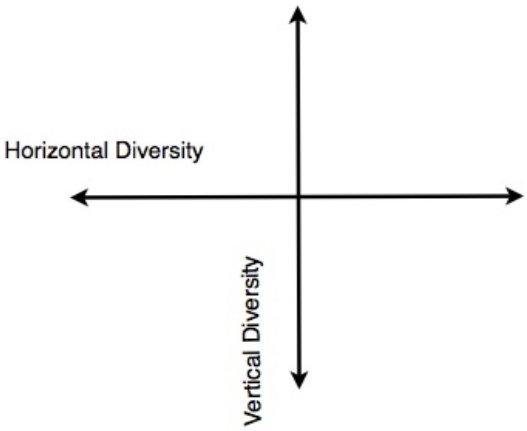
The fundamental premise that member state diversity is the cause of the lack of consensus surrounding the poverty target was acknowledged in section 4.1. By first tracing the historical timeline of the negotiations leading to the final poverty target, this study delved into the ideological and monetary differences between the member states. This was done in order to create a fuller understanding of what is meant by member state diversity and its subsequent role in the lack of consensus. As has been premised in previous literature, this study established that there is a degree of member state diversity in regards to poverty in the EU, concluding the existence of horizontal diversity. However, the study was not able to surmise that it is the sole cause of the lack of consensus. Therefore, a hypothesis unique to the study was presented.

As has been widely neglected in the poverty target literature, this study postulated that the lack of consensus could also stem from a type of vertical diversity. By including the civil society in the analysis and looking at the relevant actors using a multilevel governance framework, it could be concluded that there is indeed ideological differences between the institutional levels. Due to their encompassing makeup the European Anti-Poverty Network was examined. It was common throughout their publications that Europe 2020 as it stood had too strong of a neoliberal approach with the focus on growth. It was in their belief that the EU views poverty as hindering the economic capabilities of their market rather than hindering the people. Such differences in the underlying interests and motivations behind the EAPN in comparison to the member state and

supranational levels is telling of a vertical disconnect. Not abandoning our theoretical basis, this study represents the convergence between decision making based on rationality and decision making based on culturally ingrained truths. In some instances the actors may act rationally based on their different welfare regimes and economic capabilities, however, it can not be ignored that "even the most seemingly bureaucratic of practices have to be explained in cultural terms" (Hall and Taylor 1996, p. 947). The rational and sociological strands of new institutionalism have provided a complete perspective of EU decision making by recognizing both the rationality of actors without neglecting their cultural backgrounds.

Hitherto, we have established there is some level of both horizontal and vertical diversity concerning the poverty target, which has caused to varying degrees the lack of consensus on the subject. This study has provided a fuller view of the lack of consensus by establishing that there is not only a horizontal diversity, but also a vertical element. This conclusion is represented in Figure 1 below. In other words, there is a level of multiple causality, meaning the outcome of interest can be caused by combinations of different independent variables (King, Keohane, and Verba 1994, p. 87). The study also argues that a probabilistic relationship has been established between horizontal and vertical diversity, the independent variables (X) and the lack of consensus, the dependent variable (Y). "X sometimes or usually causes Y, or some portion of Y, perhaps in combination with other Xs; but there may be other causes of Y" (Gerring 2001, p. 132). We have established some degree of strength between the independent and dependent variables "without sacrificing the notion of causation."

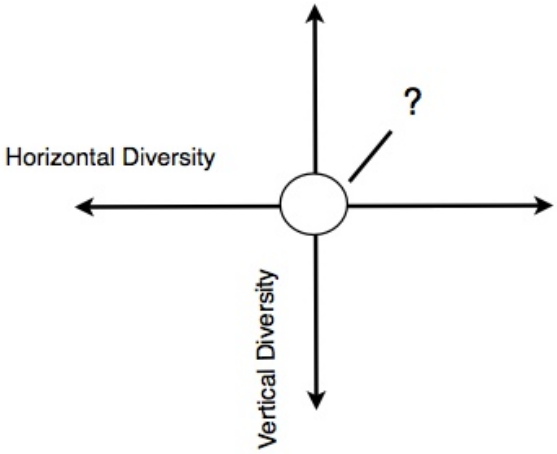
Figure 1



Looking at Figure 1 above, one can identify an intersection between the now familiar horizontal and vertical diversity. The study reestablished the familiar explanation that member state diversity is the cause of the lack of consensus. The study has also contributed to this rationalization with the argument that the lack of consensus expands to all institutional levels. However, the results indicate there is something else instrumental to the outcome. This question is visualized in Figure 2. Can we not narrow this down to an even more tangible explanation? For example, if we moved the spot light away from actor diversity and placed the

magnifying lens on the nature of poverty as a concept. This notion would need to be expanded further in a new study, however it important to this thesis to not neglect a possible third explanation, the idea there is an even more complex factor to the poverty target.

Figure 2



Contrary to the idea that the three indicators were chosen due to an inability of the member states or actors to agree on just one, it could also be argued that additional non-monetary indicators are needed to fully understand the concept of poverty (Nolan and Whelen 2011, p. 3). Poverty is a multidimensional concept that cannot be solely defined in monetary terms, i.e. income. While this study aimed to analyze why there has been a lack of consensus regarding the poverty target and its subsequent effects. It is important to consider the importance of including three indicators and the positive benefits they exert when trying to define poverty and encompass the idea as a whole. Non-monetary measures enhance the classification of poverty by including what it means to be poor rather than just looking at income. This multidimensionality is also represented by the idea of subjective *and* objective poverty. The fact that some families may feel as if they are living in poverty even if they do not meet the 'at risk of poverty' threshold on paper. Furthermore, subjective definitions of poverty can make the concept of poverty appear worse in some member states than others,. Or that a family may not classify themselves as poor living in one member state, but when compared to the another, they could.

This study stands by its conclusion that the diversity of actors played a role in the expansion of the poverty target, but could we not also say that it was to the benefit of the target? One indicator to measure poverty could be perfectly fine in some cases to identify poverty in a broader sense, to use income to generally pinpoint poverty. But to then explain what it means to be poor would require additional indicators, such as household joblessness and material deprivation, to cover the multifaceted nature of poverty in everyday life. To use an income measurement for poverty does not suggest that raising incomes is the only solution to poverty. However, a deeper understanding of poverty, i.e. the causes,

cannot be gleaned from a sole income measurement tool. An income indicator, for example at-risk-of-poverty, would need to be used as a basis for further research on the casual mechanisms taking into account the many dimensions of poverty. In short, a sole indicator could have been perfectly acceptable for the poverty target to broadly identify poverty, however to encompass the multidimensionality of poverty additional indicators are needed. For example, by including a material deprivation indicator, based on a list of items that are standard in all the member states, one can gain a better understanding of living standards across Europe than by purely looking at poverty thresholds. The Strategy's multifaceted anti-poverty target can be justified on the grounds of poverty's complex and interconnected nature.

Poverty needs to be tackled in this broad manner when considering the EU context but also because of the multidimensionality of poverty itself. This thesis proposes for a future study to approach the problem not from an actors perspective, but from an issue area perspective. Not only do the number and interests of the actors play a role but the issue at hand cannot be underestimated, lending to the conclusion that the lack of consensus surrounding the poverty and social exclusion target is rooted in a complexity problem. In summation, based on the research at hand, this study proposes that additional work be done on the multidimensionality of poverty in an EU policy perspective. This study has contributed to the literature by including the perspective of the civil society, and in doing so established a vertical diversity between the institutional levels. However, by introducing both a horizontal and vertical diversity component as causal mechanisms has opened a new discussion of the complexity of poverty and the issue as a whole.

While there may be ideological and monetary differences between the institutional actors on what poverty is and how it should be addressed, there is a normative understanding across Europe that poverty is a problem — this is the first step to eradicating poverty and social exclusion.

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7 Appendix

7.1 Europe 2020: An Overview

ANNEX 1 - EUROPE 2020: AN OVERVIEW

HEADLINE TARGETS		
– Raise the employment rate of the population aged 20-64 from the current 69% to at least 75%. – Achieve the target of investing 3% of GDP in R&D in particular by improving the conditions for R&D investment by the private sector, and develop a new indicator to track innovation. – Reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30% if the conditions are right, increase the share of renewable energy in our final energy consumption to 20%, and achieve a 20% increase in energy efficiency. – Reduce the share of early school leavers to 10% from the current 15% and increase the share of the population aged 30-34 having completed tertiary education from 31% to at least 40%. – Reduce the number of Europeans living below national poverty lines by 25%, lifting 20 million people out of poverty.		
SMART GROWTH	**SUSTAINABLE GROWTH**	**INCLUSIVE GROWTH**
INNOVATION EU flagship initiative "**Innovation Union**" to improve framework conditions and access to finance for research and innovation so as to strengthen the innovation chain and boost levels of investment throughout the Union.	***CLIMATE, ENERGY AND MOBILITY*** EU flagship initiative "**Resource efficient Europe**" to help decouple economic growth from the use of resources, by decarbonising our economy, increasing the use of renewable sources, modernising our transport sector and promoting energy efficiency.	***EMPLOYMENT AND SKILLS*** EU flagship initiative "**An agenda for new skills and jobs**" to modernise labour markets by facilitating labour mobility and the development of skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand.
EDUCATION EU flagship initiative "**Youth on the move**" to enhance the performance of education systems and to reinforce the international attractiveness of Europe's higher education.	***COMPETITIVENESS*** EU flagship initiative "**An industrial policy for the globalisation era**" to improve the business environment, especially for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.	***FIGHTING POVERTY*** EU flagship initiative "**European platform against poverty**" to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.
DIGITAL SOCIETY EU flagship initiative "**A digital agenda for Europe**" to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.		

(Europe 2020, Annex 1)

7.2 Europe 2020 Integrated Guidelines

The "Europe 2020 Integrated Guidelines" are the following:

Guideline 1: Ensuring the quality and the sustainability of public finances

Guideline 2: Addressing macroeconomic imbalances

Guideline 3: Reducing imbalances in the euro area

Guideline 4: Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy

Guideline 5: Improving resource efficiency and reducing greenhouse gases emissions

Guideline 6: Improving the business and consumer environment and modernising the industrial base

Guideline 7: Increasing labour market participation and reducing structural unemployment

Guideline 8: Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning

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

Guideline 10: Promoting social inclusion and combating poverty

(European Commission 2010d, p. 16)

7.3 At-risk-of-poverty Thresholds 2012

EU Member State	**Purchasing Power Standard 2012**	**EU Member State**	**Purchasing Power Standard 2012**
Sweden	11,814	Spain	7,392
Netherlands	11,404	Greece	5,969
Denmark	11,196	Portugal	5,736
Finland	10,921	Slovenia	8,475
Luxembourg	15,996	Czech Republic	6,109
Austria	12,300	Romania	2,161
Germany	11,398	Slovakia	5,744
France	11,217	Poland	5,117
Belgium	10,996	Hungary	4,432

EU Member State	Purchasing Power Standard 2012	EU Member State	Purchasing Power Standard 2012
United Kingdom	10,582	Croatia	4,425
Ireland	n/a for 2012, 10,097 in 2011	Bulgaria	3,476
Cyprus	11,429	Estonia	4,741
Italy	9,358	Lithuania	4,041
Malta	8,777	Latvia	3,603

(Eurostat 2014)